October 17, 2014

BSE Limited
National Stock Exchange of India Limited

Kind Attn: Manager-Corporate Relationship

Dear Sirs,

Sub: Proceedings of Board Meeting held on October 17, 2014

This is to inform you that the Board of Directors of the Company at their meeting held today, i.e. on October 17, 2014 has:

- Pursuant to Clause 41 of the Listing Agreement, approved Un-audited Financial Results of the Company both on standalone and consolidated basis, for the 2nd quarter of the financial year 2014-15 and half year ended on September 30, 2014; and

- Approved re-appointment of Mr. Punit Goenka as Managing Director & CEO of the Company for a period of 5 years with effect from January 1, 2015, upon expiry of his current term of appointment on December 31, 2014.

Copy of the Financial Results along with Earning Release and Limited Review Certificate on the standalone financials, issued by the Statutory Auditors of the Company is enclosed herewith.

Yours truly
ZEE ENTERTAINMENT ENTERPRISES LIMITED

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Encl: As above

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767
Regd. Office: 135, Continental Building, Dr. A. B. Road, Worli, Mumbai - 400 018
www.zeetelevision.com

ZEE ENTERTAINMENT
VASUDHAIVA KUTUMBAKAM
THE WORLD IS MY FAMILY

Essel GROUP

UNAUDITED CONSOLIDATED FINANCIAL RESULTS

Of Zee Entertainment Enterprises Ltd. and its Subsidiaries for the quarter / half year ended September 30, 2014

(₹ *in Lacs*)

Particulars	(Unaudited)					(Audited)
	Quarter ended Sept. 30,	Quarter ended June. 30,	Quarter ended Sept. 30,	Half year ended Sept. 30,		Year ended March 31,
	2014	2014	2013	2014	2013	2014
Income from Operations						
a) Advertising Revenue	**62,594**	62,210	58,330	1,24,804	1,11,337	2,38,005
b) Subscription Revenue	**42,445**	41,213	45,812	83,658	88,219	1,80,222
c) Other Sales & Services	**6,743**	2,083	5,986	8,826	7,897	23,943
Total Income from Operations	**1,11,782**	**1,05,506**	**1,10,128**	**2,17,288**	**2,07,453**	**4,42,170**
Expenses						
a) Operating Cost	**47,030**	40,338	50,411	87,368	91,487	2,06,879
b) Employee benefits exp.	**10,796**	11,171	9,919	21,967	19,482	39,052
c) Depreciation and Amortisation exp.	**1,338**	1,957	908	3,295	1,774	5,013
d) Other Expenses	**21,911**	23,080	18,751	44,991	36,288	75,810
Total Expenses	**81,075**	**76,546**	**79,989**	**1,57,621**	**1,49,031**	**3,26,754**
Profit from Operations before Other Income and Finance Cost	**30,707**	**28,960**	**30,139**	**59,667**	**58,422**	**1,15,416**
Other Income	**5,221**	3,895	5,492	9,116	12,709	18,066
Profit from Operation before Finance Cost	**35,928**	**32,855**	**35,631**	**68,783**	**71,131**	**1,33,482**
Finance Cost	**228**	216	338	444	557	1,578
Profit before Tax	**35,700**	**32,639**	**35,293**	**68,339**	**70,574**	**1,31,904**
Tax Expenses :						
Less : Provision for Tax	**13,702**	12,691	12,413	26,393	25,618	42,966
Less : Short/(Exess) Provision for Tax earlier years	**(16,616)**	-	(12)	(16,616)	(12)	(37)
Less : Deferred tax	**29,794**	(1,056)	(739)	28,738	(1,050)	(22)
Less : MAT Entitlement-Earlier Period	**(13,880)**	-	-	(13,880)	-	-
Net Profit for the Period	**22,700**	**21,004**	**23,631**	**43,704**	**46,018**	**88,997**
Add : Share of Profit/(Loss) of Associates	**-**	-	-	-	-	22
Less : Minority Interest	**(55)**	(53)	4	(108)	(73)	(189)
Net Profit after Tax Minority Interest and Share of Profit/(Loss) of Associates	**22,755**	**21,057**	**23,627**	**43,812**	**46,091**	**89,208**
Paid-up Equity Share Capital of Re. 1/- each (in Lacks)	**9,604**	9,604	9,600	9,604	9,600	9,604
Reserve (excluding Revaluation Reserves)	-	-	-	-	-	2,62,470
Earnings per Share (of Re. 1/- each) (not annualised) :						
a) Basic	**2.00**	1.82	2.46	3.82	4.81	9.19
b) Diluted	**2.00**	1.82	2.46	3.82	4.80	9.19

See accompanying notes to the financial results.

STATEMENT OF ASSETS AND LIABILITES

Of Zee Entertainment Enterprises Ltd.

(₹ *in Lacs*)

Particulars	Standalone		Consolidated	
	As at Sept. 30, 2014 (Unaudited)	As at Mar. 31, 2014 (Audited)	As at Sept. 30, 2014 (Unaudited)	As at Mar. 31, 2014 (Audited)
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital	2,11,521	2,11,299	2,11,521	2,11,299
(b) Reserves and Surplus	2,49,094	1,85,506	3,28,088	2,62,470
Sub-total - Shareholders' Funds	**4,60,615**	**3,96,805**	**5,39,609**	**4,73,769**
Minority Interest	-	-	505	613
Non-Current Liabilities				
(a) Long-term Borrowings	134	155	138	169
(b) Long term Provisions	3,193	2,751	3,976	3,346
(c) Other Non Current Liabilites	-	-	2,928	3,235
Sub-total - Non-current Liabilities	**3,327**	**2,906**	**7,042**	**6,750**
Current Liabilities				
(a) Trade Payables	22,208	17,548	51,020	50,504
(b) Other Current Liabilities	20,971	21,855	40,453	38,425
(c) Short-term Provisions	233	32,562	1,320	33,108
Sub-total - Current Liabilities	**43,412**	**71,965**	**92,793**	**1,22,037**
TOTAL - EQUITY AND LIABILITIES	**5,07,354**	**4,71,676**	**6,39,949**	**6,03,169**
ASSETS				
Non-current Assets				
(a) Fixed Assets	36,377	36,247	41,139	41,057
(b) Goodwill on Consolidation	-	-	77,862	76,245
(c) Non-current Investments	79,752	80,803	28,719	29,412
(d) Deferred Tax Assets (Net)	2,711	1,716	5,085	2,975
(e) Long Term Loans and Advances	67,319	64,569	53,804	28,715
(f) Other Non-current Assets	-	-	3,713	3,609
Sub-total - Non-current Assets	**1,86,159**	**1,83,335**	**2,10,322**	**1,82,013**
Current Assets				
(a) Current Investments	20,000	20,000	54,505	53,487
(b) Inventories	1,21,307	1,12,020	1,31,837	1,17,363
(c) Trade Receivables	94,268	79,799	1,16,378	1,02,813
(d) Cash and Bank Balances	6,757	16,456	35,257	56,441
(e) Short-term Loans and Advances	75,490	49,108	79,651	82,235
(f) Other Current Assets	3,373	10,958	11,999	8,817
Sub-total - Current Assets	**3,21,195**	**2,88,341**	**4,29,627**	**4,21,156**
TOTAL - ASSETS	**5,07,354**	**4,71,676**	**6,39,949**	**6,03,169**

NOTES :

1. Effective April 01, 2014, the Company has changed its method of accounting for expenses incurred on development of new television channels till the time it is ready for commercial launch as Intangible assets, as permitted under AS 26, instead of charging it to statement of profit and loss. Accordingly ₹ 100 million of development expenditure has been capitalized and ₹ 1.5 million has been amortized during the period. Had the Company continued to use the earlier method of accounting the profit after tax for the current period would have been lower by ₹ 65 million.
2. In consolidated financial, due to change in arrangement with various operators across territories, subscription revenue for the current period is accounted net of Subscription Management Service cost. This change has no impact on the profits for the quarter and half year ended September 30, 2014. Accordingly previous periods figures are not comparable with that of current period.
3. The Scheme of Arrangement for Demerger of Media Business Undertaking of Diligent Media Corporation Limited (DMCL) vesting with the Company was approved by Hon'ble Bombay High Court vide Order passed on September 12, 2014. Upon filing of certified copies of order with Registrar of Companies, the Scheme has become effective on and from September 26, 2014. The above financial results are after giving effect of the said demerger. Further In accordance with the Scheme, the Board of Directors of the Company at the meeting held on September 26, 2014 had allotted 22,273,886 - 6% Non-Cumulative Non-Convertible Redeemable Preference Shares (Class A) of ₹ 1 each to the Shareholders of DMCL. The said Preference Shares will not be listed on the Stock Exchanges and shall not rank pari passu with existing Listed Bonus Preference Shares of the Company.
4. Consequent to the enactment of the Companies Act, 2013 (the Act) and its applicability for accounting periods commencing after April 1, 2014, the Company has reworked depreciation with reference to the estimated economic lives of fixed assets prescribed by Schedule II to the Act or actual useful life of assets, whichever is lower. In case of any asset whose life has completed as above, the carrying value, net of residual value, as at April 1, 2014 has been adjusted to the Reserves and in other cases the carrying value has been depreciated over the remaining of the revised life of the assets and recognised in the Statement of Profit and Loss.
5. The Statutory Auditors have carried out a 'Limited Review' of the stand-alone financial results for the quarter/half year ended September 30, 2014.
6. Previous period/year figures have been regrouped wherever necessary.
7. The Company mainly operates only in one segment namely "Content and Broadcasting" and hence segment details are not required to be published.
8. The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on October 17, 2014.

UNAUDITED FINANCIAL RESULTS

Of Zee Entertainment Enterprises Ltd. for the quarter / half year ended September 30, 2014

(₹ *in Lacs*)

Particulars	(Unaudited)					(Audited)
	Quarter ended Sept. 30,	Quarter ended June. 30,	Quarter ended Sept. 30,	Half year ended Sept. 30,		Year ended March 31,
	2014	2014	2013	2014	2013	2014
Income from Operations						
a) Net Sales/Income from Operations	**81,768**	78,914	76,909	1,60,682	1,47,682	3,07,567
Total Income from Operations	**81,768**	**78,914**	**76,909**	**1,60,682**	**1,47,682**	**3,07,567**
Expenses						
a) Operating Cost	**28,820**	27,353	30,214	56,173	54,161	1,31,012
b) Emplyee Benefits Exp.	**6,560**	7,009	5,105	13,569	10,183	22,384
c) Depreciation and Amortisation Exp.	**1,424**	1,443	569	2,867	1,131	3,383
d) Other Expenses	**3,491**	4,214	2,881	7,705	5,698	13,937
e) Selling & Dist. Expenses	**11,754**	11,657	9,307	23,411	17,787	37,087
Total Expenses	**52,049**	**51,676**	**48,076**	**1,03,725**	**88,960**	**2,07,803**
Profit from Operations before Other Income and Finance Cost	**29,719**	**27,238**	**28,833**	**56,957**	**58,722**	**99,764**
Other Income	**6,135**	4,353	5,718	10,488	13,292	18,456
Profit from Operations before Finance Cost	**35,854**	**31,591**	**34,551**	**67,445**	**72,014**	**1,18,220**
Finance Cost	**10**	55	61	65	99	718
Profit before Tax	**35,844**	**31,536**	**34,490**	**67,380**	**71,915**	**1,17,502**
Less : Provision for tax	**12,594**	10,928	11,602	23,522	24,209	40,730
Less : Short/(Exess) Provision for tax earlier years	(16,616)	-	-	(16,616)	-	(26)
Less : Deferred tax	**30,197**	(365)	90	29,832	(51)	(435)
Less : MAT Entitlement-Earlier Period	**(13,880)**	-	-	(13,880)	-	-
Net Profit for the Period	**23,549**	**20,973**	**22,798**	**44,522**	**47,757**	**77,233**
Paid up Equity Share Capital	**9,604**	9,604	9,600	9,604	9,600	9,604
Reserves (excluding Revaluation reserve)	-	-	-	-	-	1,85,506
Earnings per Share (of Re. 1/- each) (not annualised)						
a) Basic	**2.08**	1.81	2.38	3.90	4.98	7.94
b) Diluted	**2.08**	1.81	2.38	3.90	4.98	7.94

See accompanying notes to the financial results.

Select Information for the quarter ended September 30, 2014

Particulars	(Unaudited)					(Audited)
	Quarter ended Sept. 30,	Quarter ended June. 30,	Quarter ended Sept. 30,	Half year ended Sept. 30,		Year ended March 31,
	2014	2014	2013	2014	2013	2014
PARTICULARS OF SHAREHOLDING						
Public Shareholding						
No.of Equity Shares of Re.1 each (in lacs)	**5,468**	5,468	5,463	5,468	5,463	5,468
Percentage of Shareholding	**56.93%**	56.93%	56.91%	56.93%	56.91%	56.93%
Promoters and Promoters Group Shareholding						
a) Pledge/Encumbured						
- No.of Equity Shares of Re.1 each (in lacs)	**1,662**	1,726	1,810	1,662	1,810	1,731
- Percentage of Share (As a % of the total Shareholding of Promoter and Promoter Group)	**40.19%**	41.72%	43.77%	40.19%	43.77%	41.84%
- Percentage of Shares (As a % of the total Share capital of the Company)	**17.31%**	17.97%	18.86%	17.31%	18.86%	18.02%
b) Non-Encumbured						
- No.of Equity Shares of Re.1 each (in lacs)	**2,474**	2,410	2,327	2,474	2,327	2,405
- Percentage of Share (As a % of the total Shareholding of Promoter and Promoter Group)	**59.81%**	58.28%	56.23%	59.81%	56.23%	58.16%
- Percentage of Shares (As a % of the total Share capital of the Company)	**25.76%**	25.10%	24.23%	25.76%	24.23%	25.05%

Particulars	3 Months Ended Sept. 30, 2014
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	0
Received during the quarter	9
Disposed of during the quarter	9
Remaining unresolved at the end of the quarter	0

For & on behalf of the Board
Zee Entertainment Enterprises Limited

sd/-

Punit Goenka
Managing Director & CEO

Place : Mumbai
Date : October 17, 2014

mgb&CO LLP

chartered accountants

To
The Board of Directors,
Zee Entertainment Enterprises Limited,
135, Continental Building,
Dr. A.B. Road, Worli,
Mumbai- 400 018

Re: Limited Review Report for the Quarter/Half year ended 30 September, 2014

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Zee Entertainment Enterprises Limited** (the "Company") for the Quarter/Half year ended 30 September, 2014 ("the Statement') being submitted by the Company pursuant to requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Select Information referred to in paragraph 4 below .This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as Stated above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards specified under Companies Act 1956 (which are deemed to be applicable as per Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, have not disclosed the information required to disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. Further, we also report that we have traced the number of Shares as well as percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in term of Clause 35 of Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Select Information for the Quarter ended September 2014 of the Statement, from details furnished by the Registrars.

For **MGB & Co. LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

Hitendra Bhandari
Partner
Membership Number 107832

mgb&CO LLP CHARTERED ACCOUNTANTS

Mumbai, 17 October, 2014

EARNINGS RELEASE FOR THE QUARTER ENDED SEPT. 30, 2014

Advertising Revenues of Rs 6,259 Mn, Up 7.3% yoy

Subscription Revenues of Rs 4,245 Mn

Consolidated Operating Revenues of Rs 11,178 Mn

EBITDA of Rs 3,205 Mn, Up 3.2% yoy; EBITDA Margin of 28.7%

Profit after Tax of Rs 2,270 Mn; PAT Margin of 20.3%

Q2 HIGHLIGHTS

- Advertising revenues for the quarter were Rs 6,259 million, recording a growth of 7.3% over Q2 FY14. Excluding sports business, advertising revenues growth is in low teens.
- Subscription revenues were Rs 4,245 million for the quarter ended September 30, 2014.
- During the quarter, domestic subscription revenues stood at Rs 3,373 million. Though the reported revenue reflects a growth of 0.7%, like-to-like growth is in high single digits (difference due to accounting changes necessitated by change in TRAI's content aggregator regulation).
- During the quarter, international subscription revenues were Rs 872 million. Due to change in arrangement with various operators across international territories, the reporting of subscription revenue for the current year has undergone a change and hence previous year figures are not comparable with that of current period. On a like to like basis, the growth has been in low single digits.
- Consolidated operating revenues for the quarter stood at Rs 11,178 million. The revenue figure is not comparable to corresponding figure last year owing to changes outlined above.

- Operating profit (EBITDA) for the quarter stood at Rs 3,205 million, recording a growth of 3.2% over Q2 FY14. EBITDA Margin stood at a healthy 28.7%.

- Profit after Tax (PAT) for the quarter ended September 30, 2014 was Rs 2,270 million. PAT Margin stood at 20.3%.

Mumbai, October 17, 2014: Zee Entertainment Enterprises Limited (ZEE) (BSE: 505537, NSE: ZEEL.EQ) today reported its second quarter fiscal 2015 consolidated revenue of Rs 11,178 million. The consolidated operating profit (EBITDA) for the quarter stood at Rs 3,205 million, recording a growth of 3.2% over corresponding period of previous fiscal. PAT for the quarter was Rs 2,270 million. The EBITDA margin for the quarter stood at 28.7% and the PAT margin was 20.3%.

The Board of Directors in its meeting held today, has taken on record the unaudited consolidated financial results of ZEE and its subsidiaries for the quarter ended September 30, 2014.

Mr. Subhash Chandra, Chairman, ZEE, stated, "The Indian economy has started showing signs of revival post the formation of the new government at the Center. GDP growth rate for the first quarter has been a healthy 5.7%, the highest it has been in over 2 years. The inflation levels have also started to ease towards more manageable levels. The business sentiment has been improving over past couple of months. We are hopeful that this marks the beginning of a sustained high growth trajectory. We expect the media industry to benefit from this improvement in overall economic environment. TV ad spends are likely to improve and we expect television media industry to grow faster than the recent past."

Commenting on the results of the Company, Mr. Chandra added, "Our performance during the quarter reflects the investments that ZEE is making to grow its business and market share. The viewership market share is on an uptrend, which will help us to continue to grow ahead of the market. We will continue to pursue growth opportunities, which would enhance long term shareholder value. We have a strong balance sheet and we are confident that we would benefit from the growth opportunities ahead of us."

Mr. Punit Goenka, Managing Director and Chief Executive Officer, ZEE, commented, "Our quarterly performance has been satisfactory. It has been a mixed quarter as far as television industry advertising spends is concerned. Even though the overall economic sentiment was positive during the quarter, it translated into increased advertising spends only during the fag end of the quarter. Our expectation is that advertising spends will continue to increase during the rest of the year. Our performance in the quarter reflects the industry wide trend. On the subscription front, the transition of distribution of channels from MediaPro to Taj Television is

now complete and we continue to grow in high single digits. Implementation of digitization in the remaining parts of the country will push the growth momentum further. We have also enhanced our HD offering with the launch of "& Pictures HD". As a result of our consistent performance, we continue to maintain healthy operating margins."

Speaking about the outlook for the business, Mr. Goenka continued, "Though the digitization deadlines for Phase III and Phase IV have been pushed back, timely implementation would greatly benefit the industry. The proposed move to scrap advertisement cap for FTA channels would be a welcome step for the industry. Also, the rollout of BARC in the near future is expected to enhance the representativeness of the viewership data. Creation and acquisition of excellent quality content remains core to our business and we continue to channelize investments to strengthen this core. We also continue to explore growth opportunities in domestic markets, international markets and in digital space."

BUSINESS PERFORMANCE



During the quarter, **Zee TV** recorded a relative share of 18.9% among the top 6 Hindi General Entertainment Channels. The market share was even better in the *Prime Time* band, where Zee TV recorded a relative share of 22.1%. Zee TV was the No.2 channel in the genre during the quarter. The channel delivered a weekly average of 18 shows among top 100 shows during the quarter led by the top rated shows like *Jodha Akbar, Kumkum Bhagya* and *Jamai Raja.* New shows launched during the quarter were *Jamai Raja, Bandhan – Sari Umar Hamein Sang Rehna Hai, Neeli Chhatriwale and India's Best Cine Stars Ki Khoj.* New launches planned in the forthcoming quarter include *Maharakshak Aaryan, Dil Se Nachein India Wale and DID Super Moms 2* amongst others.

ZEE's **Hindi Movie Cluster –** Zee Cinema, &pictures, Zee Classic, Zee Premiere and Zee Action lead the genre with a relative share of 30.9%. The key properties of the channel during the quarter were *Double Mazaa, Shanivaar Ki Raat Sitaron Ke Saath* and *Lage Raho*. This quarter saw the premiere of *Holiday, Main Tera Hero* and *Total Siyapaa*

The network operates two channels in the English entertainment and movies genres - Zee Café and Zee Studio. **Zee Café** is one of the leading channels in its genre with a relative share of 16.7% and delivered a weekly average of 11 shows in top 100 during the quarter. The top shows on Zee Café were *Just For Laughs – Gags, Look Who's Talking With Niranjan* and *America's Funniest Home Videos.* The key shows launched in the quarter were *Look Who's Talking With Niranjan, Ground Floor* and *Grey's Anatomy.* The top performing properties on **Zee Studio** were *Herbie – Fully Loaded, The Avengers* and *The Other End of the Line.*



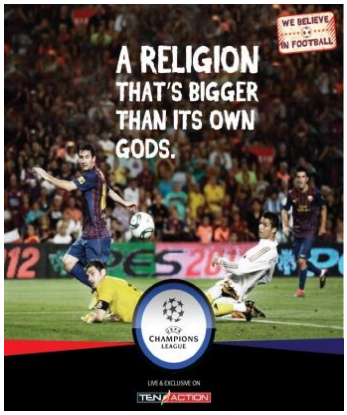
Zee Khana Khazana, the premium lifestyle channel from ZEE, continues to be at the top of ratings chart with a relative share of 38%. It also had the highest reach across the genre. The channel has firmly established itself as No. 1 lifestyle channel in the Country. The channel delivered a weekly average of 5 shows among top 10 shows during the quarter led by the top performing properties like *Kifayati Kitchen, Ab Har Koi Chef* and *Bacha Party.*

During the quarter, **Zee Marathi** extended its lead as No.1 channel in its genre. The channel recorded a relative share of 49% amongst all Marathi GECs. The channel delivered a weekly average of 6 shows among top 10 shows led by top fiction shows like *Honar Soon Me Hya Gharchi, Juluni Yeti Reshim Gathi* and *Javai Vikat Ghene Aahe* and non-fiction shows such as *Chala Hava Yeun Dya.* New launches during the quarter include *Ka Re Durava and Chala Hava Yeun Dya.*

Zee Bangla is one of the leading players in the Bangla GEC genre. During the quarter, it recorded a relative share of 33.9%. The channel leads the non-fiction genre with 70% market share. The channel is the slot leader in 5 out of 14 prime time bands during the quarter led by the top rated fiction shows like *Raage Anuraage* and *Rashi* and top rated non-fiction shows like *Mirakkel Akkel Challenger 8* and *Sa Re Ga Ma Pa.*

During the quarter, **Zee Telugu** increased its relative channel share to 22.7%. The channel was the No.1 channel during weekday primetime in the months of August and September. Overall, the channel has become a close no. 3 in Telugu GEC space. The top rated fiction shows on the channel during the quarter *were Varudhini Parinayam, Koncham Ishtam Koncham Kashtam and Mangamma Gari Manavaralu*. *Koncham Touchlo Unte Chepta*, *One and Om Karam* were the top rated non-fiction shows.

Zee Kannada increased its relative share to 13.4% during the quarter. Top rated shows on the channel were *Weekend with Ramesh, Radha Kalyana,* and *Punarvivaha*. This quarter saw show launches of *Weekend with Ramesh* and *Srirastu Subhamastu.* **Zee Tamil** recorded a relative share of 5.3% during the quarter. The top rated shows on the channel include *Solluvathellam Unmai*, *Fear Files* and *Luckka Kickka 2*.



The key properties on our **Sports channels** bouquet during the quarter included telecast of *Sri Lanka vs South Africa cricket series, Pakistan vs Sri Lanka cricket series, West Indies vs Bangladesh cricket series, Commonwealth Games 2014, US Open* and *Tour De France*. The forthcoming quarter would see the telecast of events like *Pakistan vs Australia cricket series, Pakistan vs New Zealand cricket series, Sri Lanka vs England cricket series*, *WWE Survivor Series, FIH Champions Trophy, ATP Tour World Finals and UEFA Champions Trophy.* The sports business revenues in the second quarter of FY2015 were Rs 1,181 million, while costs incurred in this quarter were Rs 1,431 million.

ZEE's **International operations** constitute a significant part of the Company's revenues. The highlights of the International Operations during the quarter were as follows: In Americas, Zee TV continued to garner the highest viewership share among South Asian networks. Zee TV and Zee Bollywood were launched on an additional platform - Charter Communications. In UK, the locally developed program, Zee Companion, continues to consolidate and engage audiences. Zee TV and Zee Cinema continued to be the Number 1 South Asian channels in their respective genres in the UAE. Zee Aflam continued its successful run as the Number 3 movie channel in All Arabs target audience in KSA. Zee Alwan was among the top 10 most watched channels in KSA during the month of Ramadan. In APAC, our recently launched channels Zee Bioskop and Zee Nung have gained popularity within a short period of time and are available on multiple platforms.

CONDENSED STATEMENT OF OPERATIONS

The table below presents the condensed statement of operations for ZEE and its subsidiaries for the second quarter of FY2015 versus FY2014:

(Rs million)	Second Quarter		% Growth
	FY2015 (Unaudited)	FY2014 (Unaudited)	YOY
Operating Revenues	**11,178**	**11,013**	**1.5%**
Expenditure	7,974	7,908	**0.8%**
Operating profit (EBITDA)	**3,205**	**3,105**	**3.2%**
Add: Other Income	522	549	-4.9%
Less: Depreciation	134	91	47.5%
Less: Finance Cost	23	34	-32.5%
PBT before exceptional items	**3,570**	**3,529**	**1.2%**
Less: Tax Expense	2,962	1,167	153.7%
Less: Short Provision for tax (Earlier Years)	(1,662)	(1)	
Profit After Tax for the Period	**2,270**	**2,363**	**-3.9%**
Add: Exceptional Item	-	-	-
Profit After Tax after Exceptional Items	**2,270**	**2,363**	**-3.9%**
Add: Share of Profit / (Loss) of Associates	-	-	
Less: Minority Interest	(6)	0	

NOTES

A: Effective April 01,2014, the Company has changed its method of accounting for expenses incurred in development of new television channels till the time it is ready for commercial launch as intangible assets, as permitted under AS26, instead of charging it to statement of profit and loss account. Accordingly, Rs. 100 million of development expenditure has been capitalized and Rs. 1.5 million has been amortized during the year. Had the company continued to use the earlier method of accounting, the profit after tax for the current period would have been lower by Rs 65 million

B: In consolidated financials, due to change in arrangement with various operators across territories, subscription revenue for the current year is accounted net of Subscription Management Service cost. Hence, previous year figures are not comparable with that of current period

C: The above results are after giving effect of the Scheme of Arrangement for the Demerger of Media Business Undertaking of Diligent Media Corporation Limited (DMCL) vesting with the Company.

D: Previous period figures have been regrouped wherever necessary

E: Numbers may not add up due to rounding

Consolidated operating revenues for the second quarter of FY2015 stood at Rs 11,178 million. Operating profit (EBITDA) for the quarter ended September 30, 2014 was Rs 3,205 million, recording a growth of 3.2% on a y-o-y basis. EBITDA margin for the quarter stood at 28.7%. Profit After Tax (PAT) for the quarter ended September 30, 2014 was Rs 2,270 million. PAT margin for the quarter stood at 20.3%.

The financial results of the quarter are reflective of the change in accounting treatment of domestic and international subscription revenues. The change in accounting treatment of domestic subscription has been necessitated by the change in TRAI's content aggregator regulation. The change in accounting treatment of international subscription revenues has been on account of change in arrangement with various operators across international territories. This has had an effect on the reported growth of subscription revenues. On a like to like basis, domestic subscription revenue has seen a growth in high single digits, while the international subscription revenue has grown in low single digits in constant currency terms. However, there is no effect of this change on the bottom line.

REVENUE STREAMS

ZEE's revenues are generated primarily from advertising sales and subscription revenues. The following table sets forth the percentage of revenues that each type contributes to consolidated revenues in the second quarter of FY2015 and FY2014.

(Rs million)	Second Quarter		% of total revenues		% Growth
	FY2015	FY2014	FY2015	FY2014	
Advertising revenue	6,259	5,833	56%	53%	7.3%
Subscription revenue	4,245	4,581	38%	42%	-7.3%
Other sales and services	674	599	6%	5%	12.6%
Total Revenues	**11,178**	**11,013**	**100%**	**100%**	**1.5%**

Refer Notes above

ZEE's advertising revenues during the quarter were Rs 6,259 million, showing an increase of 7.3% y-o-y. Excluding sports business which is event led, advertising revenues grew in low teens. Total subscription revenues for the quarter were Rs 4,245 million. The underlying growth in domestic subscription revenue is in high single digits and international subscription revenue is in low single digits in constant currency terms. During the current quarter, domestic subscription revenues stood at Rs 3,373 million, while international subscription revenues were Rs 872 million.

Other sales and services include syndication sales, film distribution, play out & transmission services, facility usage income among others. During the quarter, other sales and services stood at Rs 674 million. The company had recorded revenue of Rs 599 million under this head during the corresponding period last fiscal.

EXPENDITURE

ZEE's main expenses include cost of goods and operations, employee cost, and administrative and selling expenses. The following table sets forth the percentage of costs that each type contributes to consolidated expenses for the second quarter of FY2015 as compared to the corresponding period last year.

(Rs million)	Second Quarter		% of total expenses		% Growth
	FY2015	**FY2014**	**FY2015**	**FY2014**	**YoY**
Operating cost	4,703	5,041	59%	64%	-6.7%
Employee cost	1,080	992	14%	13%	8.8%
Selling & other expenses	2,191	1,875	27%	24%	16.9%
Total Expenses	**7,973**	**7,908**	**100%**	**100%**	**0.8%**

Refer Notes above

Operating cost in the quarter was Rs 4,703 million as compared to Rs 5,041 million in the corresponding period last fiscal, a decrease of 6.7%. Employee cost has gone up by 8.8% over the corresponding period last fiscal. Selling & other expenses in the quarter were at Rs 2,191 million, as compared to Rs 1,875 million in the corresponding period last fiscal, registering an increase of 16.9%. Total costs incurred by the Company in this quarter were Rs 7,973 million, an increase of 0.8% over the corresponding period last fiscal.

CONSOLIDATED BALANCE SHEET

(Rs million)	Sep-14	Mar-14
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share Capital	21,152	21,130
Reserves and Surplus	32,809	26,247
	53,961	**47,377**
Minority Interest	51	61
Non-Current Liabilities		
Long-term Borrowings	14	17
Long-term Provisions	398	335
Other Non-Current Liabilities	293	324
	704	**675**
Current Liabilities		
Trade Payables	5,102	5,050
Other Current Liabilities	4,045	3,843
Short-term Provisions	132	3,311
	9,279	**12,204**
Total	**63,995**	**60,317**
ASSETS		
Non-Current Assets		
Fixed Assets	4,114	4,106
Goodwill on Consolidation	7,786	7,625
Non-Current Investments	2,872	2,941
Deferred Tax Assets (net)	509	298
Long Term Loans and Advances	5,380	2,872
Other Non-Current Assets	371	361
	21,032	**18,201**
Current Assets		
Current Investments	5,451	5,349
Inventories	13,184	11,736
Trade Receivables	11,638	10,281
Cash and Bank Balances	3,526	5,644
Short-Term Loans and Advances	7,965	8,224
Other Current Assets	1,200	882
	42,963	**42,116**
Total	**63,995**	**60,317**

Refer Notes above

CORPORATE DEVELOPMENTS DURING Q2 FY2015

Update on Acquisition of Media Business Undertaking of Diligent Media Corporation Limited (DMCL): The Scheme of Arrangement for Demerger of Media Business Undertaking of DMCL vesting with the Company, as approved by the Director and Members, was approved by Hon'ble Bombay High Court vide Order passed on September 12, 2014. In accordance with the Scheme, all the assets and liabilities of DMCL, as at Appointed date of March 31, 2014, was vested on the Company with effect from the Effective Date of September 26, 2014. In accordance with the Scheme, the Board of Directors of the Company at the meeting held on September 26, 2014 had allotted 22,273,886 - 6% Non-Cumulative Non-Convertible Redeemable Preference Shares (Class A) of Re. 1 each to the Shareholders of DMCL. The said Preference Shares will not be listed on the Stock Exchanges and shall not rank pari passu with existing Listed Bonus Preference Shares of the Company.

SHAREHOLDING PATTERN

The total shares outstanding of the Company as of September 30, 2014 are 960,448,720. The shareholding pattern as of September 30, 2014 is given below:

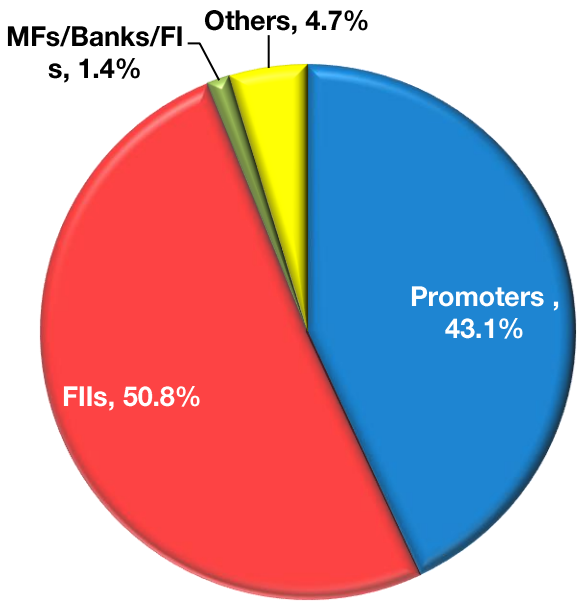
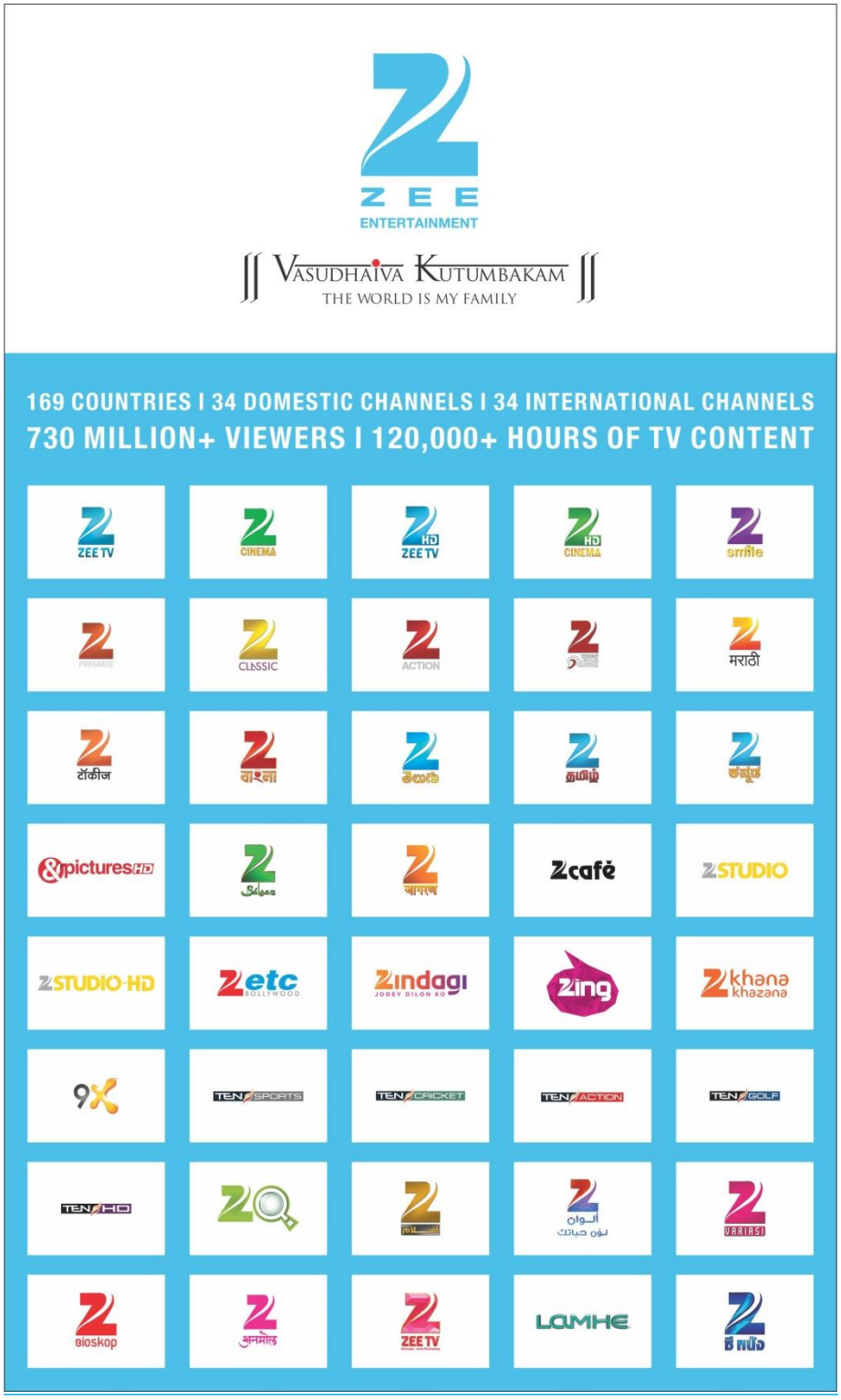


Figure: Shareholding pattern as on September 30, 2014

Note: This earnings release contains consolidated results that are unaudited, and prepared as per Indian Generally Accepted Accounting Principles (GAAP).

CHANNEL PORTFOLIO



Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Zee Entertainment Enterprises Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

About Zee Entertainment Enterprises Limited ("ZEE")

Zee Entertainment Enterprises Limited is one of India's leading television media and entertainment companies. It is amongst the largest producers and aggregators of Hindi programming in the world, with an extensive library housing over 120,000 hours of television content. With rights to more than 3,500 movie titles from foremost studios and of iconic film stars, ZEE houses the world's largest Hindi film library. Through its strong presence worldwide, ZEE entertains over 730 million viewers across 169 countries. ZEE has been selected Business Superbrands 2010-11, Industry Validated.

Pioneer of television entertainment industry in India, ZEE's well known brands include Zee TV, Zee Cinema, Zee Premier, Zee Action, Zee Classic, &pictures, Zee Anmol, Zee Smile, 9X, Ten Sports, Ten Cricket, Ten Action, Ten Golf, Zee Cafe, Zee Studio, Zee Jagran, Zee Salaam, Zing, ETC Music, Zee Khana Khazana, Zee Q and Zindagi. The company also has a strong offering in the regional language domain with channels such as Zee Marathi, Zee Talkies, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Kannada and Zee Tamizh. The company's recently launched HD offerings include Zee TV HD, Zee Cinema HD, Zee Studio HD, &pictures HD and Ten HD.

ZEE and its affiliate companies have leading presence across the media value chain including television broadcasting, cable distribution, direct-to-home satellite services, digital media and print media amongst others. More information about ZEE and its businesses is available on www.zeetelevision.com.