Essel GROUP | 90 YEARS

October 25, 2016

BSE Limited
National Stock Exchange of India Limited

Kind Attn : Manager Corporate Relationship

Dear Sirs,

Sub : Proceedings of the Board Meeting held on October 25, 2016

The Board of Directors of the Company at their meeting held today i.e. October 25, 2016 (which commenced at 10.45 a.m. and concluded at 12.20 p.m.) has approved the Un-audited Financial Results of the Company, both on standalone and consolidated operations for the 2nd quarter of the financial year 2016-17 and half year ended on September 30, 2016.

Copy of the Financial Results along with Earnings Release and Limited Review Certificate as on standalone Financials issued by the Statutory Auditors of the Company is enclosed herewith.

Kindly acknowledge receipt.

Yours Truly,
ZEE ENTERTAINMENT ENTERPRISES LIMITED

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Zee Entertainment Enterprises Limited Mumbai

Encl : As above

ZEE ENTERTAINMENT

VASUDHAIVA KUTUMBAKAM
THE WORLD IS MY FAMILY

ZEE ENTERTAINMENT ENTERPRISES LIMITED
Regd. Office : 18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai 400 013. India.
☎ + 91 22 7106 1234 F + 91 22 2300 2107
www.zeetelevision.com | CIN : L92132MH1982PLC028767

|| Vakratunda Mahakaya ||

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

Regd. Off. 18th Floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Lower Parel, Mumbai - 400013

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Essel GROUP

Standalone financial results for the quarter/half year ended 30th September 2016

(₹ in lacs)

Particulars	Three months ended on			Six months ended on	
	30-Sep-16 Unaudited	30-Jun-16 Unaudited	30-Sep-15 Unaudited	30-Sep-16 Unaudited	30-Sep-15 Unaudited
1 **Income from Operations**					
Net sales /Income from operations	127,508	117,854	102,159	245,362	199,182
Total Income from Operations	**127,508**	**117,854**	**102,159**	**245,362**	**199,182**
2 **Expenses**					
(a) Operating Cost	55,208	48,134	49,026	103,342	90,277
(b) Employee Benefits Expenses	7,815	6,541	7,291	14,356	15,882
(c) Depreciation and Amortisation Expenses	1,864	1,835	1,504	3,699	2,969
(d) Advertisement and Publicity Expenses	8,780	7,666	8,412	16,446	15,762
(e) Other Expenses	13,345	14,881	12,584	28,226	25,999
Total Expenses [2(a) to 2 (e)]	**87,012**	**79,057**	**78,817**	**166,069**	**150,889**
3 **Profit from Operations before Other Income, Finance Cost [1 - 2]**	**40,496**	**38,797**	**23,342**	**79,293**	**48,293**
4 (a) Other Income	16,467	5,785	6,462	22,252	12,326
(b) Fair value through profit and loss account	(7,985)	(11,696)	(5,993)	(19,681)	(12,051)
5 **Profit from Ordinary activities before Finance Cost [3 + 4(a) + 4(b)]**	**48,978**	**32,886**	**23,811**	**81,864**	**48,568**
6 Finance Cost	624	629	627	1,253	1,255
7 **Profit from Ordinary activities before Tax [5 - 6]**	**48,354**	**32,257**	**23,184**	**80,611**	**47,313**
8 Tax Expense :					
a) Current Tax	16,136	15,226	9,697	31,362	20,327
b) Deferred Tax	(556)	(5)	512	(561)	243
Total tax expense [8(a) + 8(b)]	**15,580**	**15,221**	**10,209**	**30,801**	**20,570**
9 **Net Profit for the period [7 - 8]**	**32,774**	**17,036**	**12,975**	**49,810**	**26,743**
10 Othe comprehensive income	624	282	314	906	320
11 **Total comprehensive income [9 + 10]**	**33,398**	**17,318**	**13,289**	**50,716**	**27,063**
12 Paid up Equity Share Capital of ₹ 1/- each	9,604	9,604	9,604	9,604	9,604
13 **Earnings per Share (not annualised) :**					
Basic and Diluted (₹)	3.41	1.77	1.35	5.19	2.78

Zee Entertainment Enterprises Limited Mumbai

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www.zeetelevision.com

Standalone Balance Sheet

(₹ in lacs)

Particulars	As at 30-Sep-2016 (Unaudited)
A) Assets	
Non current Assets	
(a) Property, plant and equipment	26,690
(b) Capital work-in-progress	6,287
(c) Investment property	8,694
(d) Intangible assets	1,960
(e) Financial Assets	
Investments	174,527
Other financial assets	8,594
(f) Deferred tax assets (Net)	3,693
(g) Other non-current assets	3,141
(h) Income- tax assets (Net)	16,715
Total non-current assets	**250,301**
Current Assets	
(a) Inventories	140,318
(b) Financial assets	
Current investments	60,696
Trade receivables	123,619
Cash and cash equivalents	20,214
Other balances with banks	10,374
Loans	15,000
Other financial assets	16,212
(c) Other current assets	30,902
Total current assets	**417,335**
Total Assets	**667,636**
B) Equity and Liabilities	
Equity	
(a) Share capital	9,605
(b) Other equity	379,140
Total equity	**388,745**
Non current liabilities	
(a) Long-term borrowings	190,893
(b) Long-term provisions	4,254
Total non-current liabilities	**195,147**
Current liabilities	
(a) Financial liabilities	
Trade payables	40,721
Other financial liabilities	34,401
(b) Other current liabilities	7,142
(c) Short-term Provisions	1,480
Total current liabilities	**83,744**
Total Equity and Liabilities	**667,636**

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Consolidated financial results for the quarter/half year ended 30th September 2016

(₹ in lacs)

Particulars	Three months ended on			Six months ended on	
	30-Sep-16 Unaudited	30-Jun-16 Unaudited	30-Sep-15 Unaudited	30-Sep-16 Unaudited	30-Sep-15 Unaudited
1 Income from Operations					
(a) Advertising Revenue	95,916	91,198	82,898	187,114	159,431
(b) Subscription Revenue	58,334	52,816	47,914	111,150	94,167
(c) Other Sales and Services	15,294	13,148	7,047	28,442	16,929
Total Income from operations [1(a) to 1 (c)]	**169,544**	**157,162**	**137,859**	**326,706**	**270,527**
2 Expenses					
(a) Operating Cost	76,881	65,753	60,319	142,634	120,729
(b) Employee Benefits Expenses	15,327	14,993	11,968	30,320	25,108
(c) Depreciation and Amortisation Expenses	3,359	2,511	1,965	5,870	3,635
(d) Advertisement and Publicity Expenses	11,531	11,971	11,703	23,502	21,368
(f) Other Expenses	16,883	19,130	18,010	36,013	36,006
Total Expenses [2(a) to 2 (e)]	**123,981**	**114,358**	**103,965**	**238,339**	**206,846**
3 **Profit from Operations before Other Income, Finance Cost [1 - 2]**	**45,563**	**42,804**	**33,894**	**88,367**	**63,681**
4 (a) Other Income	4,323	7,341	5,949	11,664	12,814
(b) Fair value through profit and loss account	(8,290)	(11,323)	(5,429)	(19,613)	(11,457)
5 **Profit from Ordinary activities before Finance Cost [3 + 4 (a) + 4(b)]**	**41,596**	**38,822**	**34,414**	**80,418**	**65,038**
6 Finance Cost	855	750	823	1,605	1,593
7 **Profit from Ordinary activities before Tax and Exceptional Item [5 - 6]**	**40,741**	**38,072**	**33,591**	**78,813**	**63,445**
8 Less: Exceptional Item	-	-	3,306	-	3,306
9 **Profit from Ordinary activities before Tax [7 - 8]**	**40,741**	**38,072**	**30,285**	**78,813**	**60,139**
10 Tax Expense :					
a) Current Tax	17,347	16,585	11,358	33,932	23,666
b) Deferred Tax	(1,003)	(327)	(88)	(1,330)	(502)
Total tax expense [8(a) + 8(b)]	**16,344**	**16,258**	**11,270**	**32,602**	**23,164**
11 **Net Profit for the period [9 - 10]**	**24,397**	**21,814**	**19,015**	**46,211**	**36,975**
12 Add:Share of Profit/(Loss) of Associate/ Joint venture	(557)	(110)	(191)	(667)	(341)
13 Less: Minority Interest	2	8	61	10	53
14 **Net Profit for the period after Taxes and Minority Interest [11 + 12 - 13]**	**23,838**	**21,696**	**18,763**	**45,534**	**36,581**
15 **Othe comprehensive income**	(1,852)	333	5,330	(1,519)	6,886
16 **Total comprehensive income [14 + 15]**	**21,986**	**22,029**	**24,093**	**44,015**	**43,467**
17 Paid up Equity Share Capital of ₹ 1/- each	9,604	9,604	9,604	9,604	9,604
18 **Earnings per Share (not annualised) :**					
Basic and Diluted (₹)	2.48	2.26	1.95	4.74	3.81

Zee Entertainment Enterprises Limited Mumbai

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Consolidated Balance Sheet

(₹ in lacs)

Particulars	As at 30-Sep-2016 (Unaudited)
A) Assets	
Non current Assets	
(a) Property, plant and equipment	37,650
(b) Capital work-in-progress	15,115
(c) Investment property	9,680
(d) Goodwill	85,850
(e) Intangible assets	7,186
(f) Financial Assets	
Investments	18,241
Other financial assets	12,702
(g) Deferred tax assets (Net)	7,450
(h) Other non-current assets	9,348
(i) Income-tax assets (Net)	39,088
Total non-current assets	**242,310**
Current Assets	
(a) Inventories	144,813
(b) Financial assets	
Current investments	103,625
Trade receivables	170,352
Cash and cash equivalents	40,912
Other balances with banks	10,374
Loans	15,000
Other financial assets	15,344
(c) Other current assets	88,722
Total current assets	**589,142**
Total Assets	**831,452**
B) Equity and Liabilities	
Equity	
(a) Share capital	9,605
(b) Other equity	489,093
Total equity	**498,698**
Minority interest	**258**
Non current liabilities	
(a) Long-term borrowings	190,883
(b) Long-term provisions	7,250
(c) Other financial liabilities	3,789
Total non-current liabilities	**201,922**
Current liabilities	
(a) Financial liabilities	
Trade payables	53,126
Other financial liabilities	37,795
(b) Other current liabilities	24,331
(c) Short-term Provisions	676
(d) Income-Tax liabilities (Net)	14,646
Total current liabilities	**130,574**
Total Equity and Liabilities	**831,452**

Zee Entertainment Enterprises Limited Mumbai

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1. Results for the quarter/half year ended 30 September 2016 are in compliance with Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. Consequently, results for the quarter ended 30 September 2015 have been restated to comply with Ind AS to make them comparable. The Ind AS compliant financial results pertaining to period ended 30 September 2015 have not been subjected to Limited review or audit. However, the management has exercised due diligence to ensure that the financial results presents a true and fair view of its affairs.

2. The above unaudited financial results have been reviewed by the Audit Committee in their meeting held on 25 October 2016 and approved by the Board of Directors in their meeting held on 25 October 2016.

3. The Statutory Auditors have carried out a Limited Review of the Standalone financial results of the quarter / half year ended 30 September 2016

4. The results do not include IND AS compliant results for the previous year ended 31 March 2016 as it is not mandatory as per SEBI's circular dated 5 July 2016.

5. The Company had approved sale and transfer of its 'Sports Broadcasting Business' held under / through two (2) wholly owned non-material subsidiaries viz. Taj TV Ltd, Mauritius and Taj Television (India) Pvt Ltd to Sony Pictures Networks India Private Ltd and its affiliates at an aggregate all-cash consideration of USD 385 Million post fulfilment of certain conditions precedent.

6. The Company has adopted Ind AS with effect from 1 April 2016 with comparative being restated, Accordingly, the impact of transition has been provided in the opening reserves as at 1 April 2015.

Reconciliation of results between previous Indian GAAP and Ind AS are as under: (Rs in Lacs)

Description	Standalone		Consolidated	
	3 months ended 30 September 2015	6 months ended 30 September 2015	3 months ended 30 September 2015	6 months ended 30 September 2015
Net profit as per previous GAAP (Indian GAAP)	19,504	39,863	24,740	49,116
i) Loss on fair valuation of preference shares (note e)	(6,058)	(12,115)	(6,058)	(12,115)
ii) Taxes on preference dividend considered to be finance cost (note e)	(618)	(1,235)	(618)	(1,235)
iii) Re-measurements of defined benefit obligations (Net of tax) (note c)	83	166	68	155
iv) Profit on fair valuation of financial instruments / investments (note b)	64	64	631	660
Net profit as per Ind AS	12,975	26,743	18,763	36,581

Zee Entertainment Enterprises Limited Mumbai

Notes:

a. The reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated 5 July 2016 on account of implementation of Ind AS by listed companies

b. Certain financial instruments / investments have been recorded at fair value as at 1 April 2015 with the resultant gain / loss in the opening reserves. For subsequent measurement, these instruments / investments have been valued at amortized cost using effective interest rate / fair value through profit and loss (FVTPL) / fair value through other comprehensive income (FVTOCI) as per accounting policy determined by the Company.

c. Defined benefit obligations – Under Ind AS actuarial gains or losses on defined benefit obligations are recognized in other comprehensive income, whereas under previous GAAP same was being charged to statement of profit and loss.

d. The financial statements of certain subsidiaries / joint ventures consolidated on line by line basis / proportionate basis under previous GAAP have now been consolidated using equity accounting in accordance with the applicable Ind AS.

e. 6% cumulative redeemable preference shares have been classified as debt and have been recorded at fair value as at 1 April 2015 with the resultant gain has been recognised in the opening reserves.

   For subsequent measurement, preference shares have been valued based on fair value through profit and loss (FVTPL). Dividend distribution tax thereon has been charged to the finance cost.

7. The Company mainly operates only in one segment namely 'Content and Broadcasting' and hence segment details are not required to be published.

8. Previous period figures have been regrouped wherever necessary

For & on behalf of the Board
Zee Entertainment Enterprises Limited

Zee Entertainment Enterprises Limited Mumbai

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date : 25 October 2016

Milli Modi

CONSISTENCY&CHANGE

Earnings Release FY2017

ZEE ENTERTAINMENT

VASUDHAIVA KUTUMBAKAM
THE WORLD IS MY FAMILY

Strong Revenue Growth Continues in Quarter Ended September 2016

Advertising Revenues of Rs 9,592 Mn, Up 15.7% YoY

Subscription Revenues of Rs 5,833 Mn, Up 21.7% YoY

Consolidated Operating Revenues of Rs 16,954 Mn, Up 23.0% YoY

EBITDA of Rs 4,892 Mn; EBITDA Margin of 28.9%

Launched five new channels in domestic and international markets in Q2

Q2 HIGHLIGHTS

- Advertising revenues grew by 15.7% over Q2FY16 to Rs 9,592 million. Domestic advertising revenues were Rs 8,800 million while International advertising revenues stood at Rs 792 million for the quarter.
- Subscription revenues were Rs 5,833 million for the quarter ended September 30, 2016 recording a growth of 21.7% over Q2FY16. During the quarter, domestic subscription revenues stood at Rs 4,675 million while international subscription revenues stood at Rs 1,158 million.
- Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the quarter stood at Rs 4,892 million and EBITDA margin stood at 28.9%.
- The Company launched 5 new channels during the quarter – 3 in Domestic market and 2 in International market.
- Zee Studios, the movie production arm, released Akshay Kumar starrer 'Rustom', which became one of the highest grossing Hindi movie of the year. Our Live Events business rolled out its first event, 'Wicked Weekends' across the country.

The company has adopted IND-AS for preparation and presentation of financial statements from Q1 FY2017. Financial statement(s) for corresponding previous quarter (Q2 FY2016) has been restated accordingly.

Zee Entertainment Enterprises Limited
18th Floor, A - Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel,
Mumbai - 400013, India
+91 22 7106 1234

Mumbai, October 25, 2016: The Board of Directors in their meeting held today, have taken on record the unaudited consolidated financial results of Zee Entertainment Enterprises Limited (ZEE) (BSE: 505537, NSE: ZEEL.EQ) and its subsidiaries for the quarter ended September 30, 2016.

ZEE's consolidated revenues grew by 23.0% in Q2FY17 to Rs 16,954 million driven by strong growth in all revenue streams. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the quarter was Rs 4,892 million and EBITDA margins stood at 28.9%, respectively. ZEE recorded PAT of Rs 2,440 million in Q2FY17 and PAT margin stood at 14.4%.

Dr. Subhash Chandra, Chairman, ZEEL, stated, "Initial signs of uptick in Indian economy are already visible and we should see improvement in economic growth in quarters ahead. Normal monsoon in 2016 after a gap of two years should spur the rural growth. The passage of GST bill is a positive step and would help Indian economy.

Commenting on the results of the Company, Dr. Chandra added, "ZEE reported well-rounded strong growth in revenues during the first half of fiscal 2017. While we continue to add new channels to our domestic and international broadcasting businesses our new initiatives in movies, music, events and digital are taking shape and have started contributing to growth."

Mr. Punit Goenka, Managing Director & Chief Executive Officer, ZEEL, commented, "At ZEE we are pleased to deliver yet another quarter of satisfying business and financial performance. Our advertising revenues continue to grow ahead of market on the back of improving viewership share and better monetization of our bouquet. Growth in domestic subscription revenue was aided by catch up revenue in Q2."

Telecom Regulatory Authority of India (TRAI) has released draft regulations for broadcasting services and interconnection arrangement to increase transparency in content pricing and payment of carriage and to allow consumers to choose channels. These draft regulations are steps in the right direction and propose a host of changes to the existing system. Although it still remains to be seen what form the final regulation will take, we hope that improved transparency will enable various stakeholders to get their rightful share in subscription revenues.

The first half of fiscal 2017 has been strong for us. Growth in advertisement spends has held up so far. Moderation in FMCG and e-commerce spends might have some impact on industry growth in the coming quarters. On the positive side increasing competition in telecom business would help ad spend growth. GST roll-out in the coming year could boost advertising spends as a part of potential savings in tax outgo might be reinvested."

BUSINESS PERFORMANCE

Broadcasting Business

During Q2FY17 ZEE network's viewership share, excluding sports, increased by 0.9% as compared to Q1FY17. The company launched three new channels in domestic market - **Zee Anmol Cinema**, a Hindi movie channel for FTA audience; **Zee Yuva**, a youth focused Marathi GEC which would help us consolidate our dominant position in the Marathi market; and **Zee Cinemalu**, a movie channel in Telugu language, which will help us to increase our reach and expand viewer base in the market. In the month of October we refreshed content of **Zindagi**, our premium Hindi GEC. With increasing uptake of HD we are in process of launching HD version of our regional channels.

The quarter saw an improvement in our ranking and viewership share in **Hindi GEC genre**. The two national GECs, **Zee TV** and **&tv,** had a combined share of 24% in the genre. Our flagship channel, Zee TV, was the second ranked Hindi GEC for the quarter.

In **Hindi movie genre** we continued to retain our leadership position through our seven channels.

We retained our strong position in the **regional entertainment space**. **Zee Marathi** continues to dominate the Marathi market with 55% viewership share. **Zee Bangla** increased its viewership share to 40% in Bangla genre. In Telugu market, **Zee Telugu** was ranked third most viewed channel. **Zee Kannada** retained its number two position in Karnataka market. **Zee Tamil** made rapid strides in Tamil market and was the second ranked channel in the months of August and September. **Sarthak TV** continued to be the market leader in Oriya market.

Our **English cluster** continues to perform well bringing the best entertainment content and movies from around the world.

The key properties on our **Sports channels** in Q2 included telecast of *West Indies vs India, Sri Lanka vs Australia, New Zealand vs Zimbabwe, New Zealand vs South Africa* and *Pakistan vs West Indies* cricket series. The sports business reported revenues of Rs 2,125 million and costs of Rs 2,293 million in the second quarter.

International Business

ZEE's **International business** continues its strong performance driven by global demand for our content. We launched two new channels – **Zee One** and **Zee Mundo** in international markets. This takes our total number of international channels to 40 and channels dedicated to native audience to 12. Zee Mundo is targeted at Spanish speaking Hispanic population in USA and Zee One is a Bollywood movie channel in Germany which airs movies dubbed in German. For the quarter ended September 30, 2016 the international business did

- Advertisement Revenue of Rs 792 Mn
- Subscription Revenue of Rs 1,158 Mn
- Other Sales and Services of Rs. 672 Mn
- Total Revenue of Rs 2,622 Mn

Other Businesses

Zee Studios, our movie production arm, released Akshay Kumar starrer "Rustom", a crime thriller. The movie has become one of the highest grossing Hindi movie for the year.

Zee Music Company, our music label, has built significant market share, especially in acquisition of music rights of new Hindi movies. In Q2 our music network registered more than a billion views on Youtube, a significant milestone for our 2 year old music publishing business.

The **Live Events** business rolled out its first property, 'Wicked Weekends' which is a series of 40 events across 6 cities. The business will launch plays produced by the theatre division across country in the coming months.

During the quarter **Ditto TV,** our pay OTT platform, reduced its subscription price. The platform clocked ~200 million video views in Q2.

FINANCIAL PERFORMANCE

Consolidated operating revenues for the second quarter of FY2017 stood at Rs 16,954 million, recording a growth of 23.0% on a y-o-y basis. EBITDA for the quarter ended September 30, 2016 was Rs 4,892 million translating into EBITDA margin of 28.9%. Profit After Tax (PAT) for the quarter ended September 30, 2016 was Rs 2,440 million. PAT margin for the quarter stood at 14.4%. The following table presents the condensed consolidated financial statement of ZEE and its subsidiaries for the first quarter of FY2017 versus FY2016:

(Rs million)	Second Quarter		*% Growth*
	FY 2017	FY 2016	
Operating Revenues	**16,954**	**13,786**	**23.0%**
Expenditure	12,062	10,200	18.3%
Operating profit (EBITDA)	**4,892**	**3,586**	**36.4%**
Add: Other Income	432	595	-27.3%
Less: Depreciation	336	197	70.9%
Less: Finance Cost	86	82	3.9%
PBT before exceptional items	**4,074**	**3,359**	**21.3%**
Less: Tax Expense	1,634	1,127	45.0%
Profit After Tax after Exceptional Items	**2,440**	**1,902**	**28.3%**
Add: Share of Profit / (Loss) of Associates	(56)	(19)	
Less: Minority Interest	0	6	
Other Comprehensive Income	(185)	533	

NOTES
A: Previous period figures have been regrouped wherever necessary.
B: Numbers may not add up due to rounding

REVENUE STREAMS

ZEE has three sources of revenues - advertising sales, subscription and Other Sales and Services. Other sales and services include revenue from our movie production business, content syndication, music label and commission on sales amongst others. The sharp increase in other sales and services in Q2FY17 is due to higher revenues from the movie business on account of release of Hindi movie Rustom and syndication revenues from several cricket series played during the quarter. The following table contains break-down of consolidated revenues by streams.

(Rs million)	Second Quarter		% of total revenues		% Growth
	FY2017	FY2016	FY2017	FY2016	
Advertising revenue	9,592	8,290	57%	60%	15.7%
Subscription revenue	5,833	4,791	34%	35%	21.7%
Other sales and services	1,529	705	9%	5%	117.0%
Total Revenues	**16,954**	**13,786**	**100%**	**100%**	**23.0%**

Refer Notes A and B above

ZEE's consolidated advertising revenues grew by 15.7% in Q2FY17, ahead of the industry. This strong growth is despite the high base created by 34.7% y-o-y growth in Q2FY16. We have been able to deliver strong growth even though there was moderation in ad spends, especially, from e-commerce segment and slight drop in ratings of flagship GEC in the previous quarter. This reflects the strength of our diversified portfolio.

Total subscription revenues in Q2 grew by 21.7% to Rs 5,833 Million. The strong growth in domestic subscription revenue is attributable to early closure of content deals this year as compared to the previous years. It also includes catch-up revenues for the previous quarter. Unlike earlier years the growth in domestic subscription revenues in FY17 will be skewed towards H1. The outlook for full year growth in domestic subscription revenue remains unaltered.

EXPENDITURE

ZEE's total expenditure in Q2FY17 stood at Rs 12,062 Million, higher by 18.3% as compared to Q2FY16. The following table sets forth the break-down of costs and increase y-o-y.

(Rs million)	Second Quarter		% of total expenses		% Growth
	FY2017	FY2016	FY2017	FY2016	YoY
Operating cost	7,688	6,032	64%	59%	27.5%
Employee cost	1,533	1,197	13%	12%	28.1%
Advertisement & Publicity expenses	1,153	1,170	10%	11%	-1.5%
Other Expenses	1,688	1,801	14%	18%	-6.3%
Total Expenses	**12,062**	**10,200**	**100%**	**100%**	**18.3%**

Refer Notes A and B above

The operating costs in the quarter increased by 27.5% y-o-y to Rs 7,688 million. This sharp growth is attributable to telecast of several cricketing events and release of Rustom movie. Employee cost in Q2 stood at Rs 1,532 million higher by 28.1% over the corresponding period last fiscal. Besides annual increments the increase in headcount for new and international

businesses drove this growth. Advertising, publicity & other expenses for the quarter were lower by 4.3% at Rs 2,841 Million.

CONSOLIDATED BALANCE SHEET

Particulars	Sep - 16
A) ASSETS	
Non-Current Assets	
(a) Property, plant and equipment	3,765
(b) Capital work-in-progress	1,512
(c) Intangible assets	9,304
(d) Investment Property	968
(e) Financial Assets	
Investments	1,824
Other financial assets	1,270
(f) Advance tax (Net)	3,909
(f) Deferred tax assets (net)	745
(g) Other non-current assets	935
Total non-current assets	**24,231**
Current Assets	
(a) Inventories	14,481
(b) Financial assets	
Current investments	10,363
Trade receivables	17,035
Cash and cash equivalents	4,091
Other balances with banks	1,037
Loans	1,500
Other financial assets	1,534
(c) Other current assets	8,872
Total Current Assets	**58,914**
Total Assets	**83,145**

Particulars	Sep - 16
(B) EQUITY AND LIABILITIES	
Equity	
(a) Share capital	960
(b) Other equity	48,909
Total equity	**49,870**
Minority Interest	26
Liabilities	
Non-current Liabilities	
(a) Long-term borrowings	19,088
(b) Long-term provisions	725
(c) Advances received	379
Total non-current liabilities	**20,192**
Current Liabilities	
(a) Financial liabilities	
Trade payables	5,313
Other financial liabilities	3,779
(b) Provisions	68
(c) Tax liabilities (net)	1,465
(d) Other current liabilities	2,433
Total current liabilities	**13,057**
Total Equity & Liabilities	**83,145**

CORPORATE DEVELOPMENTS

During the quarter under review:

- The Company had approved sale and transfer of its 'Sports Broadcasting Business' held under / through two (2) wholly owned non-material subsidiaries viz. Taj TV Ltd, Mauritius and Taj Television (India) Pvt Ltd to Sony Pictures Networks India Private Ltd and its affiliates at an aggregate all-cash consideration of USD 385 Million; Pending fulfilment of certain conditions precedent and closure, this proposed sale and transfer has not been given effect in these financial results.

- As part of expansion of International operations, Asia Today Limited, Mauritius, a step down wholly owned overseas subsidiary of the Company, entered into an agreement for lease of Dubai's one of the oldest Radio Frequency 106.2 FM from Emirate of Umm Al Quwain, effective January 2017.

SHAREHOLDING PATTERN

The total shares outstanding of the Company as of Sep 30, 2016 are 960,448,720. The shareholding pattern as of Sep 30, 2016 is given below:

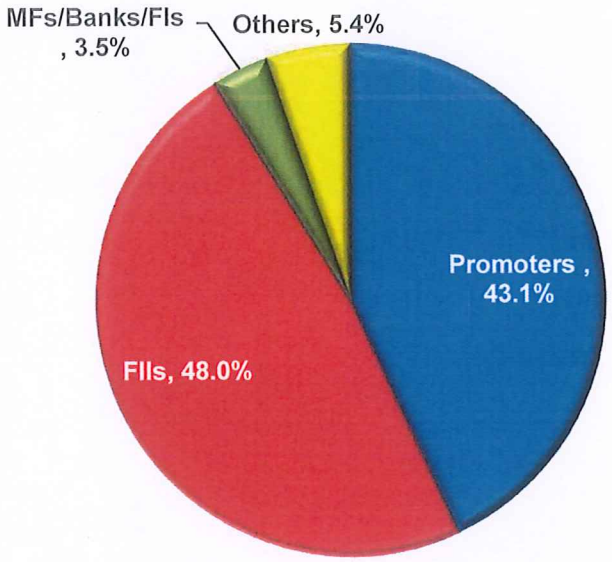


Figure: Shareholding pattern as on September 30, 2016

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

CHANNEL PORTFOLIO

ZEE ENTERTAINMENT

VASUDHAIVA KUTUMBAKAM
THE WORLD IS MY FAMILY

171 COUNTRIES I 36 DOMESTIC CHANNELS I 40 INTERNATIONAL CHANNELS
1+ BN VIEWERS I 222,000+ HOURS OF TV CONTENT



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 222,000 hours of television content. With rights to more than 3,800 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 1 billion viewers across 171 countries.

Pioneer of television entertainment industry in India, ZEE's well-known brands include Zee TV, &tv, Zee Anmol, Zee Cinema, Zee Action, Zee Classic, &pictures, Zee Anmol Cinema, Ten 1, Ten 2, Ten 3, Zee Cafe, Zee Studio, Zee Salaam, Zing, ETC Bollywood, 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 Yuva, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Cinemalu, Zee Kannada, Zee Tamil and Sarthak TV. The Company's HD offerings include Zee TV HD, Zee Cinema HD, &tv HD, Zee Studio HD, Zee Café HD, &pictures HD, Ten 1 HD and Ten Golf 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.

mgb&CO LLP
chartered accountants

Independent Auditors' Review Report

To
The Board of Directors,
Zee Entertainment Enterprises Limited

Re: Limited Review Report for the quarter and half year ended 30 September 2016

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Zee Entertainment Enterprises Limited** (the "Company") for the quarter and half year ended 30 September 2016 ("the Statement'). 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide 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 applicable Indian Accounting Standards (Ind AS) and other recognised accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular number CIR/CFD/FAC/62/2016 dated July 05, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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





Hitendra Bhandari
Partner
Membership Number 107832

Mumbai, 25 October 2016