ZEE ENTERTAINMENT ENTERPRISES LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED MARCH 31, 2011

ADVERTISING REVENUES OF RS 4,797 MILLION, UP 36.4%

CONSOLIDATED OPERATING REVENUES OF RS 7,980 MILLION, UP 22.9%

OPERATING EBITDA OF RS 2,268 MILLION, UP 23.5%

EBITDA MARGIN AT 28.4%, up 125 BPS QOQ

PROFIT AFTER TAX STOOD AT RS 1,918 MILLION, UP 49%

SHAREHOLDERS APPROVE BUY-BACK OF EQUITY SHARES OF THE COMPANY

4Q FY2011 - Highlights

- Total revenues were Rs 7,980 million for the quarter ended March 31, 2011 recording a growth of 22.9% as compared to the corresponding period last fiscal. For full year FY2011, the company registered total revenues of Rs 30,114 million, an increase of 37.1% over FY2010.
- Advertising revenues were Rs 4,797 million and subscription revenues were Rs 3,107 million for the quarter ended March 31, 2011. While advertising revenues increased by 36.4%, subscription revenues showed an increase of 23.7% as compared to the corresponding period last fiscal. Subscription revenues from domestic DTH were Rs 984 million during this quarter, an increase of 44.1% yoy.
- Operating profit (EBITDA) for the quarter ended March 31, 2011 was Rs 2,268 million, an increase of 23.5% as compared to the corresponding period last fiscal. Operating profit margin during the quarter stood at 28.4%. For the full year, operating profit stood at Rs 8,266 million and EBITDA margin was at 27.4%.
- The sports business revenue during the quarter was Rs 1,424 million, a significant jump over the 3rd quarter, while the operating losses were limited to Rs 152 million.
- Profit after Tax stood at Rs 1,918 million for the quarter ended March 31, 2011, recording a growth of 49% as compared to the corresponding period last fiscal. Profit after Tax for the full year FY2011 stood at Rs 6,236 million.
- During the quarter, the Company repaid debt of Rs 910 million. As of March 31, 2011, it has gross debt of Rs 1.2 million and net cash of Rs 12.5 billion.
- The shareholders of the Company have, through the postal ballot process, approved the buy-back of Equity Shares of the Company under the "open market" mechanism through the Stock Exchanges, at a price not exceeding Rs 126 per Equity Share.

Mumbai, April 19, 2011 – Zee Entertainment Enterprises Limited (ZEEL) (BSE: 505537, NSE: ZEEL.EQ) today reported its fourth quarter fiscal 2011 consolidated revenue of Rs 7,980 million representing a 22.9% growth over the corresponding period in the previous fiscal. The consolidated operating profit (EBITDA) for the quarter stood at Rs 2,268 million and PAT was Rs 1,918 million. The EBITDA margin for the quarter stood at 28.4%.

The full year fiscal 2011 operating revenues of the company stood at Rs 30,114 million, while consolidated operating profit (EBITDA) for the year was Rs 8,266 million with an operating profit margin of 27.4%. PAT for the full year was Rs 6,236 million.

The numbers as published are after consolidating the financials of Taj TV Limited (Taj). The Board of Directors in its meeting held today, has taken on record the unaudited consolidated financial results of ZEEL and its subsidiaries for the quarter ended March 31, 2011. The 9X business undertaking of 9X Media Pvt Ltd and ETC Networks Ltd were merged with the Company w.e.f. March 31, 2010. Post the merger of ETC Networks Ltd with ZEEL, the entire education business undertaking of ZEEL was demerged into a new listed company, Zee Learn Limited w.e.f. April 01, 2010. Hence, the numbers for this quarter are not strictly comparable on a like to like basis.

Mr. Subhash Chandra, Chairman, stated, "FY2011 was a significant year for the television media industry in several ways. The number of TV households continued to grow at a healthy pace. Advertising revenues bounced back at a healthy pace after a slowdown in FY2010, reflecting a buoyant recovery in the economy. There were some steps towards consolidation in the industry and more importantly, digitization continued to be the dominating theme in the country. At the end of March 2011, there are now 34 million direct to home digital pay TV homes in the country, up from 21 million in March 2010. The adoption of digital has brought in many significant improvements in the way content is delivered to consumers, for example, High Definition content. Very soon, advertising would be sold separately for digital consumer, and consumer would be opting for premium content."

Commenting on the fourth quarter results of the Company, Mr. Chandra added "The Company's commitment to its viewers of delivering high quality content across genres has translated into satisfactory financial results. At Zee, we will continue to pursue growth opportunities, which would enhance long-term shareholder value. Our investments in the sports genre have continued during the quarter."

Mr. Punit Goenka, Managing Director and Chief Executive Officer, ZEEL, commented, "In a year which recorded a resurgence of advertising revenues on television, we have yet again outperformed the industry. We ended fiscal 2011 on a good note, gaining viewership share across several genres, combined with improved revenue shares, better operating margin and increased cash flow. With our subscription revenues growing at a healthy pace, our overall revenues have recorded a 23% growth over the fourth quarter of last year. For fiscal 2011, our revenues grew 37%, while our EBITDA grew 36%, despite increased losses in sports business."

"I am happy to report that sports losses were contained to Rs 152 million during the fourth quarter, in line with our forecast earlier. We do expect losses to continue in the sports business for some more time to come", Mr. Goenka added.

Speaking about the outlook for the business, Mr. Goenka continued, "Our content focused approach combined with better monetization of subscription revenues, will contribute to Company delivering steady return in the year ahead."

Business Performance

Zee TV, the network's flagship channel in the Hindi General Entertainment genre recorded an average relative channel share of 23% and average weekly Gross Rating Points (GRPs) of 217 during the quarter. The performance was better in the *All Day Prime Time* band, where Zee TV averaged 156 GRPs during the quarter. The channel delivered a weekly average of 24 shows among top 100 shows during the quarter led by top rated shows like *Pavitra Rishta, Jhansi Ki Rani* and *Yahan Main Ghar Ghar Kheli.* The quarter saw the launch of *DID Doubles, Choti Bahu - Season 2* and *Sanskar Laxmi.* The key events showcased during the quarter were *Zee Cine Awards 2011* and *Holi Mein Saanwre Ke Rang Rachi Chhoti Bahu*. The key properties planned in the forthcoming quarter include *Chhoti Si Zindagi, Dance ke Superstar* and *Sa Re Ga Ma Pa Li'l Champs*.

The network's Hindi movie channel **Zee Cinema** averaged 122 GRPs during the quarter translating to an average channel share of 25%. One of the key properties of the channel during the quarter was the *Best of Shanivaar Ki Raat Amitabh Ke Saath*. The quarter also saw the channel acquiring rights of popular movies like *Tanu Weds Manu, Thank you* and *Break Ke Baad*. The key properties planned in the forthcoming quarter include *Cinema Khel Khel Mein, Lage Raho Amitabh Ke Saath* and *Kids Movie Festival*.

The network operates two channels in the English entertainment and movies genres - Zee Café and Zee Studio. Both these channels cater to the upwardly mobile urban Indian audiences and have been steadily consolidating their presence in this target group. During the quarter, **Zee Café** launched popular properties such as *Keeping up with the Kardashians*, *The Mentalist - Season 2* and *The Middle*. The top rated shows on **Zee Café** were *Make It Or Break It, Americas Funniest Home Videos* and *Inplain Sight*. The key highlights for **Zee Studio** during the quarter were *Director's Night, Academy Spotlights* and *Hollywood Home Theatre.* Zee Studio also exclusively showcased the *17th Annual Screen Actors Guild Awards* during the quarter. Zee Studio is repositioning itself as *Hollywood on Television* showcasing the latest & best of Hollywood all throughout the year. As a part of this, it will launch a number of weekday & weekend properties to provide a holistic Hollywood experience.

Zing, the network's music and lifestyle channel, runs popular Bollywood oriented properties like *World of Bollywood, Chillax Morning and Record Breakers*. The quarter saw the launch of *Life and Times of a Star* – a 30 minute narrative woven around professional and personal highs & lows in a star's life and follows their journey in the Hindi film industry. **ETC**, the Bollywood trade channel showcased *The ETC Bollywood Business Awards* – India's first awards given out to movies & performers based on their box office performance. Zing and ETC produce over 2.5 hours of Bollywood content per day.

Zee Khana Khazana, India's first 24 hour food channel, lived upto its promise of delivering rich programming mix from across India and abroad featuring shows that define and refine the culinary expertise that has become synonymous with "Food". The top properties showcased on the channel were *Khana Khazana, Quick Chef* and *High on Food*. The quarter saw the launch of shows like *New British kitchen, Ching's kitchen* and *Gordon's Great Escape.*

Zee's **International operations** contribute a significant part of the Company's revenues. During the quarter, the Company undertook new initiatives to further strengthen its dominance. In America, *Zee Cine Awards 2011* were aired during the quarter that averaged a 4.6 Live HH rating in the Asian Indian universe in Zee's seven wired cable markets. In Malaysia, Zee was re-launched with a brand new look and has been rechristened as Zee Variasi, since 'Variasi' means 'Variety' in the local Malay language. In Middle East, the newly launched Zee Cinema featured in the top 10 channels targeted at South Asians garnering more than 50% viewership share (in all South Asians) amongst the movie channels. In Singapore, Zee TV Asia Pacific became the first and only Hindi General Entertainment Channel to get rated on Kantar Media Rating System as its viewership crossed the minimum threshold defined by the local rating agency, TNS. The key events planned in the forthcoming quarter include - *Zee Nite 2011* in Bangladesh and *Zee Carnival* in Mauritius.

Zee Marathi maintained its leadership position in Maharashtra market during the quarter delivering 219 average weekly GRPs with 37 of the top 50 shows, and 49 of the top 100 shows. The quarter saw the launch of *Marathi Pauul Padte Pudhe* and *Pinjara.* The top rated shows in the quarter were *Marathi Pauul Padte Pudhe, Eka Peksha Ek-Apsara Aali* and *Bhagyalaxmi*. Another highlight of the quarter was telecast of *Zee Gaurav Puraskar 2011* - the biggest award function on Marathi television. **Zee Talkies,** the network's Marathi movies channel, further strengthened its positioning as *'Aapla Talkies, Zee Talkies'* through premiere of a new movie every month apart from fresh and new packaging that enhances the movie watching experience for the viewer.

Zee Bangla averaged 369 weekly GRPs in the quarter, ranking a clear second in the Bangla GEC genre with a relative share of 33%. The top rated shows during the quarter were *Dadagiri Unlimited II, Dance Bangla Dance – Junior, Agnipariksha* and *Suvarnolata.* The key properties launched in the quarter included the fiction shows – *Rashi, Keya Patar Nouko, Kanya* – and a non-fiction show - *Sa Re Ga Ma Pa - Li'l Champs.*

Zee Telugu averaged 343 weekly GRPs during the quarter and had a relative channel share of 19% in its genre. *Chinna Kodalu, Muddubidda* and *Nachore* were the top rated shows on the channel during the quarter. The key properties launched in the quarter included a fiction show *Radha Kalyanam* and a non-fiction show *Kondaveeti Raja Kotalo Rani*.

Zee Kannada averaged 229 weekly GRPs during the quarter up from 178 GRPs during the third quarter, driven by popular shows like *Parvati Parameshwara, Chi Sow Savitri and Bruhat Bhramanda.* The key properties launched in the quarter included *Shabaash India, Arasi* and *Paradeshadalli Paradaata.* The forthcoming quarter will see the launch of *Rajotsava* - a unique show bringing to the viewers rare and exclusive footage of Dr. Raj Kumar.

Ten Sports showcased *WWE-Royal Rumble, WWE-Elimination Chamber, and Smackdown* during the quarter. The quarter saw the airing of *La Liga* on **Ten Action+,** whereas **Ten Cricket** aired several popular cricketing events including *India vs South Africa Tests, ODIs and T20*. In the forthcoming quarter, the key events planned on the sports network include *WWE Wrestlemania, UEFA Champions League Knock-out matches, UEFA EUROPA Cup Knock-out matches, La Liga Knock-out matches* and *ATP 1000* tournament. In addition, **Ten Cricket** would telecast popular cricketing events like *India tour of West Indies, Pakistan tour of West Indies, Zimbabwe vs Sri Lanka series,* and *Zimbabwe vs New Zealand series*. The sports business revenues in the fourth quarter of FY11 were Rs 1,424 million, while costs incurred in this quarter were Rs 1,576 million.

Condensed statement of operations

The table below presents the condensed statement of operations for Zee Entertainment Enterprises Limited and its subsidiaries for the fourth quarter of FY2011 versus FY2010.

	Fourth quarter		% Growth
	FY2011	**FY2010**	*YoY*
Operating Revenues	7,980	6,493	*22.9%*
Expenditure	5,712	4,657	*22.7%*
Operating profit (EBITDA)	**2,268**	**1,836**	*23.5%*
Add: Other Income	228	291	*-21.7%*
Less: Depreciation	68	56	*20.5%*
Less: Finance Expenses	23	110	*-79.1%*
PBT before exceptional items	**2,405**	**1,961**	*22.7%*
Add: Exceptional Item	(131)	-	
Less: Provision for Tax	356.4	673	*-47.0%*
Profit After Tax	**1,918**	**1,288**	*49.0%*
Minority Interest (Share of losses)	(36)	25	

Note 1: The 9X business undertaking of 9X Media Pvt Ltd and ETC Networks Ltd were merged with the Company w.e.f. March 31, 2010. Post the merger of ETC Networks Ltd with ZEEL, the entire education business undertaking of ZEEL was demerged into a new listed company, Zee Learn Limited w.e.f April 01, 2010. Hence, the above numbers are not strictly comparable on a like to like basis.

The table below presents the condensed statement of operations for Zee Entertainment Enterprises Limited and its subsidiaries for the full year of FY2011 versus FY2010.

	Full Year		% Growth
	FY2011 (Unaudited)	FY2010 (Audited)	YoY
Operating Revenues	30,114	21,998	*36.9%*
Expenditure	21,849	15,863	*37.7%*
Operating profit (EBITDA)	**8,265**	**6,135**	*34.7%*
Add: Other Income	825	1,220	*-32.4%*
Less: Depreciation	263	285	*-7.8%*
Less: Finance Expenses	102	331	*-69.1%*
PBT before exceptional items	**8,725**	**6,739**	*29.5%*
Add: Exceptional Item	197	-	
Less: Provision for Tax	2,686	572	*369.1%*
Profit After Tax	**6,236**	**6,167**	*1.1%*
Minority Interest (Share of losses)	(119)	(195)	

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 fourth quarter of FY2011 and FY2010.

	Fourth quarter		% of total revenues		% Growth
(Rs million)	**FY2011**	**FY2010**	**FY2011**	**FY2010**	**YoY**
Advertising revenue	4,797	3,517	*60.1%*	*54.2%*	*36.4%*
Subscription revenue	3,107	2,513	*38.9%*	*38.7%*	*23.7%*
Other sales and services	76	463	*1.0%*	*7.1%*	*-83.6%*
Total Revenues	**7,980**	**6,493**	*100.0%*	*100.0%*	*22.9%*

Note 2: 4Q FY2011 numbers are not strictly comparable on a like to like basis. Refer to Note 1 above.

ZEEL's advertising revenues during the quarter were Rs 4,797 million, an increase of 36.4% as compared to the corresponding quarter last fiscal. Advertising revenues continued to show a robust increase due to strong market shares across the network. The total subscription revenues for the quarter were Rs 3,107 million, registering an increase of 23.7% over the corresponding quarter last fiscal. During the current quarter, domestic subscription revenues stood at Rs 2,023 million, while international subscription revenues were Rs 1,084 million. Revenues from domestic DTH operators, part of domestic subscription revenue, were Rs 984 million, up 44.1% yoy. Subscription revenues from international operations increased by 7.5%, while subscription revenues from domestic cable increased by 26.5% on yoy basis.

Other sales and services comprises syndication sales, play out & production services, events and commission on advertisement & subscription sales. During the fourth quarter, other sales and services stood at Rs 76 million. The company had recorded revenue of Rs 463 million under this head during the corresponding period last fiscal. Revenues from education business were also part of this head upto Q1 FY11. The education business was demerged from the Company w.e.f. April 1, 2010. Hence, the above numbers are not comparable on a like to like basis.

Expenditure

ZEEL'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 fourth quarter of FY2011 as compared to the corresponding period last year.

	Fourth quarter		% of total expenses		% Growth
(Rs million)	**FY2011**	**FY2010**	**FY2011**	**FY2010**	**YoY**
Programming & operating cost	3,730	2,609	*65.3%*	*56.0%*	*43.0%*
Employee cost	825	689	*14.5%*	*14.8%*	*19.8%*
Selling & other expenses	1,156	1,358	*20.2%*	*29.2%*	*-14.9%*
Total Expenses	**5,711**	**4,656**	*100.0%*	*100.0%*	*22.7%*

Note 3: 4Q FY2011 numbers are not strictly comparable on a like to like basis. Refer to Note 1 above.

Overall, programming & operating cost in the quarter was Rs 3,730 million as compared to Rs 2,609 million in the corresponding period last fiscal, an increase of 43%. Employee cost increased by 19.8% over the corresponding period last fiscal. Selling & other expenses in the quarter were Rs 1,156 million, indicating, a decline of 14.9% over the corresponding period last fiscal. Total costs incurred by the Company in this quarter were Rs 5,711 million, showing an increase of 22.6% over the corresponding period last fiscal.

During the quarter, the Company's operating profit (EBITDA) was Rs 2,268 million, an increase of 23.5% over the corresponding period last fiscal. Operating profit margin for the quarter stood at 28.4%. Finance expenses in the quarter were Rs 23 million, down 79.1% yoy. Profit before Tax (PBT) before exceptional items for the quarter stood at Rs 2,406 million, while Profit after Tax (PAT) was Rs 1,918 million, representing an increase of 22.7% and 49%, respectively over the corresponding quarter last fiscal.

Balance Sheet

The table below presents the unaudited consolidated balance sheet for FY2011 versus audited numbers for FY2010.

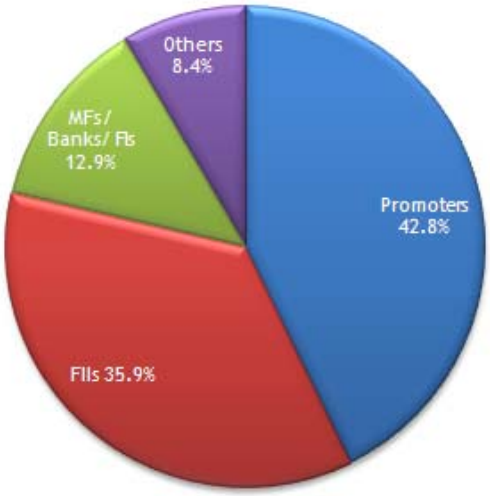
	As on 31st March	
(Rs million)	**2011 (Unaudited)**	**2010 (Audited)**
Shareholders Funds	44,044	38,300
Minority Interest	-	-
Loan Funds	12	1,195
Capital Employed	**44,056**	**39,495**
Net Fixed Assets	**19,361**	**19,587**
Investments	6,975	3,203
Deferred Tax Assets	240	133
Current Assets, Loans & Advances	**23,666**	**24,390**
a) Inventories	5,430	4,713
b) Sundry Debtors	9,810	7,488
c) Cash & Bank Balance	3,194	5,864
d) Loans & Advances	5,232	6,323
e) Interest accrued on investments	-	2
Less: Current Liabilities & Provisions	**6,307**	**7,840**
Net Current Assets	**17,359**	**16,550**
Minority Interest	119	22
Misc Exp (To the extent not written off)	2	-
Capital Deployed	**44,056**	**39,495**

Corporate Developments during 4Q FY2011

The shareholders of the Company have, through the postal ballot process, approved the buy-back of Equity Shares of the Company under the "open market" mechanism through the Stock Exchanges, at a price not exceeding Rs 126 per Equity Share subject to the condition that the aggregate consideration payable for such buy-back shall be limited to Rs 7 billion, i.e. within 25% of the Company's paid up capital and free reserves based on the audited financial statements of the Company as at March 31, 2010.

Shareholding Pattern

The shareholding pattern of the Company as on March 31, 2011 is given in the chart below. The total shares outstanding as of March 31, 2011 is 978,076,130.



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

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 Entertainment Enterprises Limited ("Zee") is one of India's leading television media and entertainment companies. It is amongst the largest producers of aggregators of Hindi programming in the world, with an extensive library housing over 80,000 hours of television content. With rights to more than 3,000 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 500 million viewers across 167 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, Zee Smile, 9X, Ten Sports, Ten Cricket, Ten Action+, Zee Cafe, Zee Studio, Zee Trendz, Zee Jagran, Zee Salaam, Zing, ETC Music and Zee Khana Khazana. The company also has a strong offering in the regional language domain with channels such as Zee Marathi, Zee Talkies, Zee Bangla, Zee Telugu, Zee Kannada, Zee Cinemalu and ETC Punjabi.

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, multiplexes, amusement parks and print media amongst others. More information about Zee and its businesses is available on www.zeetelevision.com.

