EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2011

CONSOLIDATED OPERATING REVENUES OF RS 6,983 MILLION, UP 3.1%

SUBSCRIPTION REVENUES OF RS 3,051 MILLION, UP 16.7%

ADVERTISING REVENUES OF RS 3,787 MILLION, UP 0.5%

OPERATING EBITDA OF RS 1,560 MILLION

PROFIT AFTER TAX STOOD AT RS 1,302 MILLION

HIGHLIGHTS

- Total revenues were Rs 6,983 million for the quarter ended June 30, 2011 recording a growth of 3.1% as compared to the corresponding period last fiscal.
- Advertising revenues were Rs 3,787 million and subscription revenues were Rs 3,051 million for the quarter ended June 30, 2011. While advertising revenues increased by 0.5%, subscription revenues showed an increase of 16.7% as compared to the corresponding period last fiscal. Subscription revenues from domestic DTH were Rs 1,107 million during this quarter, an increase of 55.9% y-o-y.
- Operating profit (EBITDA) for the quarter ended June 30, 2011 was Rs 1,560 million. Operating profit margin for the quarter stood at 22.3%.
- Profit after Tax (before exceptional items) stood at Rs 1,302 million for the quarter ended June 30, 2011, recording a growth of 7.5% as compared to the corresponding period last fiscal.
- The sports business revenue during the quarter was Rs 873 million, while the operating losses were at Rs 566 million.
- The Company has made a public announcement on 15th July 2011 for share buyback pursuant to the SEBI buyback regulations for the commencement of buyback tentatively from 27th July 2011. Upon receipt of regulatory clearance, the Company shall commence buyback appropriately.

Mumbai, July 21, 2011: Zee Entertainment Enterprises Limited (ZEE) (BSE: 505537, NSE: ZEEL.EQ) today reported its first quarter fiscal 2012 consolidated revenue of Rs 6,983 million representing a 3.1% growth over the corresponding period in the previous fiscal. The consolidated operating profit (EBITDA) for the quarter stood at Rs 1,560 million and PAT was Rs 1,302 million. The EBITDA margin for the quarter stood at 22.3%.

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 June 30, 2011.

Mr. Subhash Chandra, Chairman, ZEE, stated, "While Indian economy continues to grow at a healthy pace, high inflation and the resultant tight money policy of RBI has led to some degree of slowdown. Television industry continues to grow its subscriber base, though advertising spends have been impacted. An estimated 2.9 million DTH homes got added during the quarter across the country, reflecting the positive outlook for digitization and a fast growing pay television market. At the end of June 2011, there are now 37.0 million DTH subs in the country, up from 34.1 million during March 2011. This widespread adoption of satellite based television services via DTH is proving to be a big game changer for television business in India and creating a more sustainable business model for the industry. We expect some consolidation to take place in the television media space. Creation of MediaPro Enterprise is one step in that direction, which will help develop the pay revenue stream for the industry. New content formats, like HD and 3D, are being experimented with and will likely open up new revenue streams for the broadcasters."

Commenting on the first quarter results of the Company, Mr. Chandra added "During the quarter, we have seen some pullback in ad spends. It is encouraging to see that continued digitization is reducing our reliance on advertising revenues as there is robust build-up in subscription revenue stream. The Company remains committed to deliver high quality content to its viewers across genres. Our investments in the sports genre have continued during the quarter."

Mr. Punit Goenka, Managing Director and Chief Executive Officer, ZEE, commented, "Our performance during the quarter is reflective of the robust growth in subscription revenue stream for the broadcasters in the country. Despite a heavy sports calendar during the quarter on competing channels, our portfolio has done well, both in terms of viewership ratings and revenues. This clearly delineates the popularity of our programs which continue to draw loyal audience. While the competitive intensity remains high in the Indian television industry, we continue to make efforts towards further enhancing our market share. To stay relevant and contemporary in a world of constant change, we have introduced a new brand logo, with a more engaging tagline and a new positioning. The overall response to this brand refresh has been very encouraging and we look forward to engage the viewers with new and fresh programming ideas."

"While our business fundamentals remain strong, the environment for ad spends has been weak, in our view, and to an extent the change of pace was quite fast. We are hopeful that with the onset of festive season, we should see some normalcy in advertising spends. The India – West Indies cricket series has resulted in good viewership for Ten Cricket, but has also resulted in operating losses, as was expected. A significant part of the sports losses for this year has taken place in the first quarter

itself. We continue to reiterate our commitment to develop the sports genre which will see a far improved performance compared to fiscal 2011", 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

The biggest event of the quarter for **Zee TV**, the network's flagship channel in the Hindi General Entertainment genre, was unveiling of a new brand identity featuring an innovative aqua blue logo with a slogan *'Umeed Se Saje Zindagi'* with the objective of taking forward a progressive outlook for the channel. The event *Umeed Ka Naya Chehra* showcased during the quarter created the buzz around this brand repositioning exercise. The Network undertook the biggest BTL activity for viewers to be a central part of its new brand identity exercise.

During the quarter, Zee TV averaged 201 GRPs recording a relative share of 23%. The performance was better in the *All Day Prime Time* band, where Zee TV averaged 134 GRPs recording a relative share of 26%. The channel delivered a weekly average of 23 shows among top 100 shows during the quarter led by top rated shows like *Pavitra Rishta, Ram Milaayi Jodi* and *Yahan Main Ghar Ghar Kheli.* The quarter saw the launch of *SRGMP Li'l Champs, Shobha Somnath Ki* and *Mrs Kaushik Ki Paanch Bahuyein.*

Top launches on Zee TV
SRGMP Li'l Champs
Shobha Somnath Ki
Mrs Kaushik Ki Paanch Bahuyein

The network's Hindi movie channel **Zee Cinema** averaged 127 GRPs during the quarter. The key properties of the channel during the quarter were Lage Raho, *Double Maza* and *Shanivaar Ki Raat Amitabh Ke Saath*. The quarter also saw the premiere of *Pyaar ka Punchnama, Shaitaan* and *Chalo Dilli.* Another key marketing initiative in the quarter was *Double Dhamaal Nite,* an evening of rip-roaring comedy with memorable gags and dance acts by the cast of the film as also several artistes from under the ZEE umbrella.

Premiers on Zee Cinema
Pyaar ka Punchnama
Shaitaan
Chalo Dilli

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. The top rated shows on **Zee Café** were *The Big Bang Theory, Keeping up with the Kardashians and Americas Funniest Home Videos*. The key shows launched in the quarter were *No Ordinary Family, The Big Bang Theory* and *Hell's Kitchen IV*. The top performing properties on **Zee Studio** were *Shaolin Soccer, The 13th Warrior* and *Pirates Of the Caribbean*.

Zing, the network's music and lifestyle channel, showcased popular properties like *Page 3 Life, World of Bollywood* and *Climax Hot Shots*. The key properties launched during the quarter were *B-Grade, Life and Times of Star* and *Record Makers*. **ETC**, the Bollywood trade channel, showcased the popular shows *Good Morning ETC, Hot Shot* and *Bollywood Ab Tak*.

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. The top properties showcased on the channel were *Gourmet Kitchen, Bawarchi* and *Simbly South*.

ZEE's **International operations** contribute a significant part of the Company's revenues. During the quarter, the Company undertook a number of initiatives to further strengthen its dominance. In America, ZEE hosted an event *A Passage to India* wherein panelists from Nielsen, US Census Bureau, Vonage and Met Life discussed the South Asian Market and ZEE's dominance in the South Asian entertainment space. Another highlight of the quarter was the launch of Ten Cricket in the Cricket pack as well as the Mega Pack on Dish IPTV.

In Europe, ZEE participated in the *London India Film Festival* as a key media partner. In the Middle East, Zee Aflam's rating crossed the 40 mark for the first time (TG: All Arabs). In Malaysia, Zee Variasi is now available with dual sub-titles. In Africa, a major marketing campaign was initiated towards the rebranding of ZEE.

Zee Marathi delivered 192 GRPs during the quarter recording a relative share of 32% with 35 of the top 100 shows. The top rated shows in the quarter were *Bhagyalaxmi, Mazi Priyala Preet Kalena and Fu Bai Fu*. The quarter saw the launch of *Abhaas ha, Guntata Hrudaiye He and Home Minister Swapna Gruhalakshmincha.* **Zee Bangla** delivered 320 GRPs in the quarter ranking a clear second in the Bangla GEC genre recording a relative share of 31%. The top rated shows during the quarter were *Saat Paake Bandha, Suvarnolata* and *Dance Bangla Dance Junior*. The key properties launched in the quarter were *Keya Patar Nouko, Rashi* and *Didi No 1 - Season 2.*

Zee Telugu averaged 325 GRPs during the quarter recording a relative channel share of 18% in its genre. *Chinna Kodalu, Muddubidda* and *Pasupu Kumkuma* were the top rated shows on the channel during the quarter. The key properties launched in the quarter included a fiction show *Kalavari Koadllu* and a non-fiction property *Adbhutham*. **Zee Kannada** averaged 222 GRPs during the quarter driven by popular shows like *Parvati Parameshwara, Arasi and Suryakanthi.* The key properties launched in the quarter included *Rajotsava, Baduku Jataka Bandi* and *Yariguntu Yarigilla.*

The key properties showcased on **Ten Sports** during the quarter were *WWE Wrestlemania, Extreme Rules* and *Over the Limit*. The quarter saw the airing of *UEFA Champions League matches* on **Ten Action+**, whereas **Ten Cricket** aired the popular cricketing event *West Indies vs India series* in HD mode through DTH service providers. Ten Cricket, in partnership with YouTube, also made the entire series available on the Internet – both in Live and On-demand formats. The sports business revenues in the first quarter of FY12 were Rs 873 million, while costs incurred in this quarter were Rs 1,439 million.

CONDENSED STATEMENT OF OPERATIONS

The table below presents the condensed statement of operations for ZEE and its subsidiaries for the first quarter of FY2012 versus FY2011.

(Rs million)	First quarter		% Growth
	FY2012	FY2011	YoY
Operating Revenues	**6,983**	**6,770**	***3.1%***
Expenditure	5,423	4,900	*10.7%*
Operating profit (EBITDA)	**1,560**	**1,870**	***-16.6%***
Add: Other Income	255	126	*102.1%*
Less: Depreciation	89	62	*43.5%*
Less: Finance Expenses	30	51	*-40.0%*
PBT before exceptional items	**1,696**	**1,884**	***-10.0%***
Add: Exceptional Item (Net of Tax)	-	291	*-100.0%*
Less: Provision for Tax	394	673	*-41.5%*
Profit After Tax	**1,302**	**1,501**	***-13.3%***
Minority Interest (Share of losses)	(35.2)	(38.3)	

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 first quarter of FY2012 and FY2011.

(Rs million)	First quarter		% of total revenues		% Growth
	FY2012	FY2011	FY2012	FY2011	YoY
Advertising revenue	3,787	3,769	*54.2%*	*55.7%*	*0.5%*
Subscription revenue	3,051	2,614	*43.7%*	*38.6%*	*16.7%*
Other sales and services	145	387	*2.1%*	*5.7%*	*-62.5%*
Total Revenues	**6,983**	**6,770**	***100.0%***	***100.0%***	***3.1%***

ZEE's advertising revenues during the quarter were Rs 3,787 million, an increase of 0.5% as compared to the corresponding quarter last fiscal.

The total subscription revenues for the quarter were Rs 3,051 million, registering an increase of 16.7% over the corresponding quarter last fiscal. During the current quarter, domestic subscription revenues stood at Rs 2,075 million, while international subscription revenues were Rs 976 million. Revenues from domestic DTH operators, part of domestic subscription revenue, were Rs 1,107 million, up 55.9% y-o-y. Subscription revenues from international operations are down by 3.5%, while subscription revenues from domestic cable increased by 8.4% on y-o-y basis.

Other sales and services comprises syndication sales, play out & transmission services, films and commission on advertisement & subscription sales. During the first quarter, other sales and services

stood at Rs 145 million. The company had recorded revenue of Rs 387 million under this head during the corresponding period last fiscal.

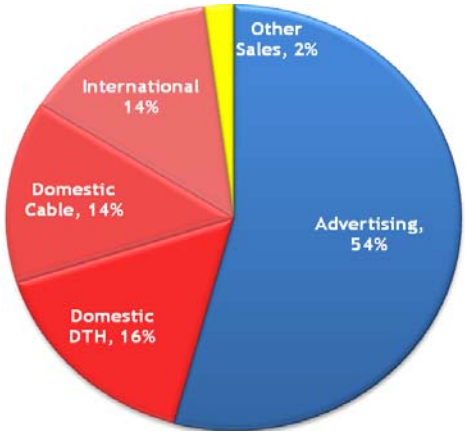


Figure: Revenue Breakup for Q1 FY2012

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 first quarter of FY2012 as compared to the corresponding period last year.

(Rs million)	First quarter		% of total expenses		% Growth
	FY2012	**FY2011**	**FY2012**	**FY2011**	**YoY**
Programming & operating cost	3,423	3,050	*63.1%*	*62.3%*	*12.2%*
Employee cost	747	597	*13.8%*	*12.2%*	*25.1%*
Selling & other expenses	1,253	1,252	*23.1%*	*25.5%*	*0.0%*
Total Expenses	**5,423**	**4,900**	***100.0%***	***100.0%***	***10.7%***

Overall, programming & operating cost in the quarter was Rs 3,423 million as compared to Rs 3,050 million in the corresponding period last fiscal, an increase of 12.2%. Employee cost increased by 25.1% over the corresponding period last fiscal. Selling & other expenses in the quarter were flat at Rs 1,253 million, as compared to the corresponding period last fiscal. This includes additional one-time expense on marketing and rebranding exercise undertaken during this quarter. Total costs incurred by the Company in this quarter were Rs 5,423 million, showing an increase of 10.7% over the corresponding period last fiscal.

During the quarter, the Company's operating profit (EBITDA) was Rs 1,560 million. Operating profit margin for the quarter stood at 22.3%. Finance expenses in the quarter were Rs 30 million, down 40% y-o-y. PBT before exceptional items for the quarter stood at Rs 1,696 million. PAT before exceptional items is Rs 1,302 million, representing an increase of 7.5% over the corresponding quarter last fiscal.

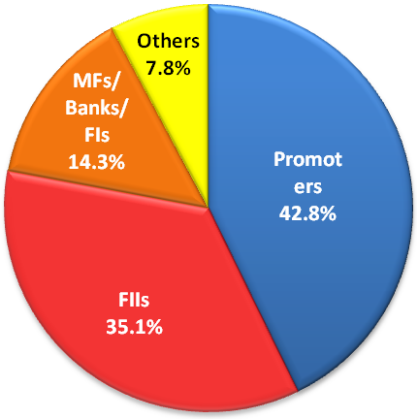
CORPORATE DEVELOPMENTS

Distribution JV: In a landmark move, which marks the coming together of ZEE and Star, India's foremost media groups, the leading content aggregation and distribution companies Zee Turner Ltd. and Star Den Media Services Pvt. Ltd. announced a joint venture to combine distribution of their respective channel bouquets. The newly formed company **MediaPro Enterprise India Pvt. Ltd**. is a 50:50 joint venture between Zee Turner Ltd and Star Den Media Services Private Ltd and would jointly aggregate and distribute channels licensed to Zee Turner and Star Den. The long term vision of this venture is to pool together resources of both the partners so as to address various anomalies of the present analogue distribution market, curb piracy, and introduce transparency by accelerating the pace of digitization in India, which will result in benefits to all stakeholders in the value chain.

Share Buyback Public Announcement: The Company has made a public announcement on 15th July 2011 for share buyback pursuant to the SEBI buyback regulations for the commencement of buyback tentatively from 27th July 2011. Upon receipt of regulatory clearance, the Company shall commence buyback appropriately.

SHAREHOLDING PATTERN

The total shares outstanding of the Company as of June 30, 2011 are 978,142,930. The shareholding pattern as of June 30, 2011 is given below:



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

CHANNEL PORTFOLIO

HINDI ENTERTAINMENT

ZEE TV | smile | 9X

HINDI MOVIES

CINEMA | PREMIER | ACTION | CLASSIC

REGIONAL LANGUAGE ENTERTAINMENT (R-GEC)

मराठी | বাংলা | টॉकीज | ಕನ್ನಡ | తెలుగు | தமிழ்

SPORTS

TEN SPORTS | TEN ACTION | TEN CRICKET

INTERNATIONAL

ZEE TV ASIA PACIFIC

ALTERNATE LIFESTYLE

जागरण | Salaam

ENGLISH ENTERTAINMENT & MOVIES

ZTrendz | ZSTUDIO | Zcafé

MUSIC & LIFESTYLE

Zetc | Zetc ਪੰਜਾਬੀ | Zing BOLLYWOOD MADNESS | Zkhana khazana

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 of aggregators of Hindi programming in the world, with an extensive library housing over 100,000 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.

