ZEE ENTERTAINMENT ENTERPRISES LIMITED

EARNINGS RELEASE FOR THE QUARTER ENDED JUNE 30, 2010

ADVERTISING REVENUES OF INR RS 3,769 MILLION, UP 90.4% YOY

CONSOLIDATED OPERATING REVENUES OF RS 6,770 MILLION, UP 42.2%

OPERATING EBITDA OF RS 1,870 MILLION, UP 59.8%

EBITDA MARGIN AT 27.6%, UP ~300 BPS YOY

PAT STOOD AT RS 1,501 MILLION, UP 64.3%

1Q FY2011 - Highlights

- Total revenues were Rs 6,770 million for the quarter ended June 30, 2010, recording a growth of 42.2% as compared to the corresponding period last fiscal.
- Advertising revenues were Rs 3,769 million and subscription revenues were Rs 2,614 million for the quarter ended June 30, 2010. While advertising revenues increased by 90.4%, subscription revenues showed an increase of 8.5% as compared to the corresponding period last fiscal. Subscription revenues from domestic DTH were Rs 710 million during this quarter, an increase of 52% over 1Q FY2010.
- Operating profit (EBITDA) for the quarter ended June 30, 2010 was Rs 1,870 million, an increase of 59.8% as compared to the corresponding period last fiscal. Operating profit margin stood at 27.6%.
- Profit after Tax stood at Rs 1,501 million for the quarter ended June 30, 2010, recording a growth of 64.3% as compared to the corresponding period last fiscal.

Mumbai, India; July 20, 2010 – Zee Entertainment Enterprises Limited (ZEEL) (BSE: 505537, NSE: ZEEL.EQ) today reported its first quarter fiscal 2011 consolidated revenue of Rs 6,770 million representing a 42.2% growth over the corresponding period in the previous fiscal. The consolidated operating profit (EBITDA) for the quarter stood at Rs 1,870 million and profit after tax at Rs 1,501 million. The EBITDA margin for the quarter stood at 27.6%, a growth of ~300 bps over the corresponding period in the previous fiscal.

The numbers as published are after consolidating the financials of Taj TV Limited (Taj) and ETC Networks Limited (ETC). 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 June 30,

2010. The numbers of the first quarter fiscal 2011 include financial results of Regional General Entertainment Channel business (R-GEC) acquired from Zee News Limited (ZNL). The R-GEC business was acquired w.e.f. January 1, 2010 and hence, the numbers for this quarter are not comparable with those of the corresponding quarter last fiscal.

Mr. Subhash Chandra, Chairman, stated, "Indian economy continues to grow at a healthy pace and we look forward to robust growth in all sectors. The revival in advertising spends in the country is a clear sign of buoyancy. The Indian television industry continued its march towards digitization with a healthy addition of 2.5 million digital homes on DTH alone. Additionally, there are many homes which are turning to digital cable too, though the level of transparency is very poor on digital cable systems and there is urgent need to address the issue for the healthy development of the industry. The 3G rollout would bring another opportunity to monetize our content on the mobile platform."

Commenting on the fourth quarter results of the Company, Mr. Chandra added "Zee Entertainment continues to deliver industry leading performance. Our advertising revenue growth reflects the efficiency of our content business, across genres and across languages. The regional language channels continued to grow in their respective genres. Zee has a strong balance sheet and we look forward to growing our businesses both organically and inorganically."

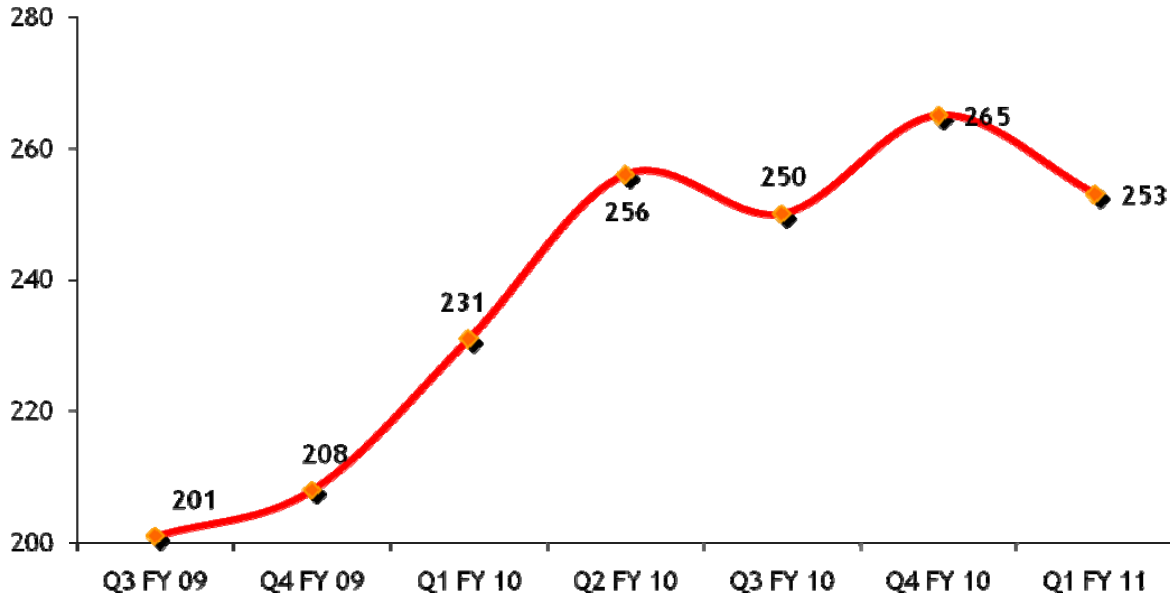
Mr. Punit Goenka, Managing Director and Chief Executive Officer, ZEEL, commented, "Our performance during the quarter is reflective of the robust growth in advertising spends in the country. Despite a heavy sports calendar during the quarter on competing channels, our portfolio has done very well, both 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."

Elaborating further on the performance, Mr. Goenka said, "The DTH revenues are driving our subscription growth for the last several quarters. During this quarter, we have seen some growth in domestic cable revenues too. The regional channels have also recorded strong operating results. The outlook for the year remains buoyant and we look forward to a robust growth during the year."

Business Performance

Zee TV, the network's flagship channel, continued to dominate the Hindi General Entertainment genre (GEC) with an average weekly channel share of 20% and average weekly Gross Rating Points (GRPs) of 253. This was despite intense competition faced on account of sports properties aired during the quarter. The performance was even better in the *All Days Prime Time* band, where Zee TV averaged 161 GRPs during the quarter. Further, Zee TV remained the numero uno GEC in the *Weekday Primetime* band for most part of the quarter with an average of 132 GRPS during the quarter. The channel delivered an average 17 of the top 50 and 29 of the top 100 weekly shows in the quarter.

This quarter saw the launch of reality dance show *DID Lil Masters - Dance Ke Baap* at an unprecedented rating of 6.6, the biggest ever launch for any show across GECs since 2008. *Pavitra Rishta*, *DID Lil Masters* and *Agle Janam Mohe Bitiya Hi Kijo* were the top rated shows on Zee TV during the quarter. The channel has already launched *Mera Naam Karegi Roshan on July 12th*, while more new shows are planned during the coming quarter. The finale of DID Lil Masters is also planned in the forthcoming quarter. The graph below demonstrates Zee TV's viewership performance over the last several quarters.



Source: TAM; TG: C&S 4+, Hindi Speaking Markets of India

The network's Hindi movie channel **Zee Cinema** averaged 114 GRPs during the quarter in spite of sports events like IPL and the T20 world cup happening during a significant part of Q1. The key programming initiatives of the channel were *Shanivaar Ki Raat - Amitabh Ke Saath*, which was the biggest property across Hindi movie channels that came back after a two year break with Amitabh Bachchan himself hosting his biggest hits, and premiere of the big hits of 2009 *Kambakkht Ishq* and *All The Best.* The channel plans to premiere hit movies like *Yuuvraaj, Aa Dekhen Zara* and *Fox* in the forthcoming quarter.

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 this quarter, **Zee Café** had a channel share of 18% and launched various popular shows such as *All new series Cougar Town*, *Greys Anatomy 6*, and *Chopping Block*. The channel also won a Silver Promax for the *'After Hrs'* show promo. In the forthcoming quarter the channel would be launching various new shows including *Less than perfect, Survivor Samoa* and *The Mentalist*. The key highlights for **Zee Studio** were the

launch of break-free movies @ 11 pm, *Victory Roads – Sports Biographies*, monthly premiere of movies nominated for Academy Awards slotted under the property *Academy Pick.*

Zing, the network's music and lifestyle channel, launched Bollywood oriented shows *Inside Bollywood* and *World of Bollywood.* It also launched *In Conversation with, a* chat show hosted by Tarana with the A-list stars on the lesser known facts about their lives and careers. **ETC**, the Bollywood trade channel, saw the launch of shows like *ETC Bollywood Business with Komal Nahta and Bol India Bol (a first-hand account of all that current moviegoers have to say on the Movies that are about to be released)* during the quarter.

Zee's **International operations** contribute a significant part of the Company's revenues. During the quarter, the Company undertook various initiatives to further strengthen its dominance in the geographies where it operates. In Russia, Zee signed a deal with Ukrainian DTH operator called "MYtv". Zee Aflam and Zee MENAP continue to dominate in the Middle East region. The Middle East region also saw *Zee Dubai Mega Mela*, which is one of the biggest events of the year. In Malaysia, Zee Malaysia has now become the No.1 International Channel in terms of reach. In Africa, new platforms such as Star Media and Ngoma TV are being explored for potential business for both Zee TV and Zee Cinema.

From 4Q FY2010, Zee Entertainment has started consolidating the financials of the Regional Entertainment Channel business (R-GEC), comprising language channels **Zee Marathi, Zee Talkies, Zee Bangla, Zee Telugu and Zee Kannada.**

Zee Marathi continues to maintain its leadership position in Maharashtra market during the quarter delivering 201 average weekly GRPs, and a staggering 48 of the top 50 shows and 86 of the top 100 shows. The channel launched two new fiction shows *BhagyaLaxmi* and *Mazhiya Priyala Preet Kalena and two* reality shows *SaReGaMaPa Best of Best* and a stand-up comedy show with celebrities *Foo Bai Foo* during the quarter. The top rated shows on the channel were *Foo Bai Foo*, *Avghachi Sansaar* and *Kunku*. The channel also aired a couple of events like *Lakh Lakh Chanderi*, *State Awards 2010, Garja Jai jai Kaar* and *Anandyatra.* Another highlight of the quarter was premiere of the movie *Ek Daav Dhobi Pachad*, a Zee Talkies home production. In addition, the channel would premiere Natrang, a Zee Talkies home production, which is one of the biggest blockbusters and has received critical acclaim world over.

The network's Bangla language GEC **Zee Bangla** averaged 183 weekly GRPs in the quarter, ranking second in the Bangla GEC genre with a relative share of 21%. The channel launched a new fiction show *Subarnalata* and two new reality shows - *Ke Hobe Biggest Fan* and new season of the dance reality show *Sa Re Ga Ma L'il Champs* during the quarter. Fiction offerings *Agnipariksha* and *Erao Shatru* along *Sa Re Ga Ma Pa – Li'l Champs* were the top rated shows during the quarter. The channel is also implementing changes in its packaging to take a new fresh look.

Zee Telugu averaged 325 weekly GRPs during the quarter and had a relative channel share of 18% in its genre. The fiction offering *Arundhati* and reality shows *Batuku Jatka Bandi, Thrill - Real Fun* and *Gadasari Atta Sogasari Kodalu* were the new launches during the quarter. *Aata Juniors*, *Thrill - Real Fun* and *Bathuku Jataka Bandi* were the top rated shows of the channel during the quarter. Zee Telugu continued as the number one channel of its genre on the non-fiction front.

Zee Kannada averaged 169 weekly GRPs during the quarter and had a relative share of 15% in the Kannada GEC genre driven by shows like *Bruhat Bramanda*, *Parvathi Parameshwara* and *Saalakkondu Salaam.* The channel saw the launch of a reality Show *Kanasina Kanmani*, a game show *Aadu Aata Aadu*, a talent Hunt *Dance Karnataka Dance*, a serial *Suryakanthi* during the quarter. Several programs are being planned for the forthcoming quarter, including fiction and reality shows.

Key highlights of the quarter for **Ten Sports** and **Zee Sports** were West Indies vs South Africa Series, Zimbabwe - India - Sri Lanka Triangular Series, India Zimbabwe T20, UEFA Champions League, Europa League, and WWE. In the coming quarter, key properties planned include India - Sri Lanka Test Series, India - Sri Lanka - New Zealand Tri Series, La Liga, UEFA Champions League, and WWE. Ten Sports would also telecast Micromax Cup series India - Sri Lanka series live and exclusive during the forthcoming quarter. The sports business revenues during the first quarter of FY11 were Rs 832 million, while costs incurred in this quarter were Rs 1,186 million.

Condensed statement of operations

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

	First quarter		*% Growth*
(Rs million)	**FY2011**	**FY2010**	*Y o Y*
Operating Revenues	6,770	4,759	*42.2%*
Expenditure	4,900	3,589	*36.5%*
Operating profit (EBITDA)	**1,870**	**1,170**	*59.8%*
Add: Other Income	125.9	325.1	*-61.3%*
Less: Depreciation	61.9	75	*-17.5%*
Less: Finance Expenses	50.7	91.1	*-44.3%*
PBT before exceptional items	**1,884**	**1,329**	*41.7%*
Add: Exceptional Item	327.7		
Less: Provision for Tax	710.2	415.9	*70.8%*
Profit After Tax	**1,501**	**913**	*64.3%*
Minority Interest (Share of losses)	(38)	(106)	

Note: 1Q FY2011 numbers include the results of Regional General Entertainment Channel (R-GEC) business acquired from Zee News Limited; R-GEC numbers are consolidated effective 1st January, 2010. Hence the above numbers are not comparable on a like to like basis.

Revenue Streams

Zee's revenues are generated primarily from advertising sales and subscription revenues. Other sales and services include revenues from syndication and education sales. The following table sets forth the percentage of revenues that each type contributes to consolidated revenues in the first quarter of FY2011 and FY2010.

(Rs million)	First Quarter FY2011	First Quarter FY2010	% of total revenues FY2011	% of total revenues FY2010	% Growth Y o Y
Advertising revenue	3,769	1,980	*55.7%*	*41.6%*	*90.4%*
Subscription revenue	2,614	2,410	*38.6%*	*50.6%*	*8.5%*
Other sales and services	387	370	*5.7%*	*7.8%*	*4.5%*
Total Revenues	**6,770**	**4,759**	*100.0%*	*100.0%*	*42.2%*

Note: 1Q FY2011 numbers include the results of Regional General Entertainment Channel (R-GEC) business acquired from Zee News Limited; R-GEC numbers are consolidated effective 1st January, 2010. Hence the above numbers are not comparable on a like to like basis.

ZEEL's advertising revenue was Rs 3,769 million, an increase of 90.4% as compared to the corresponding quarter last fiscal. Advertising revenues showed a robust increase attributable to higher channel shares across the network, a buoyant macro environment and a continued preference of advertisers towards television.

The total subscription revenue for the quarter was Rs 2,614 million, registering an increase of 8.5% over the corresponding quarter last fiscal. During the current quarter, domestic subscription revenue stood at Rs 1,604 million, while international subscription revenue was Rs 1,010 million. Revenue from domestic DTH operators, part of domestic subscription revenue, was Rs 710 million as against Rs 683 million in the fourth quarter of last fiscal. Subscription revenues from international operations were flat and subscription revenues from domestic cable increased by 8.7% as compared to the fourth quarter of fiscal 2010.

Other sales and services, comprising syndication sales, income from education business, income from film distribution, play out and production services, events and commission on advertisement and subscription sales, stood at Rs 387 million. The company had recorded revenue of Rs 370 million under this head during the corresponding period last fiscal.

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 first quarter of FY2011 as compared to the corresponding period last year.

(Rs million)	First Quarter FY2011	First Quarter FY2010	% of total expenses FY2011	% of total expenses FY2010	% Growth Y o Y
Programming & operating cost	3,050	2,392	*62.3%*	*66.6%*	*27.5%*
Employee cost	597	390	*12.2%*	*10.9%*	*53.2%*
Selling & other expenses	1,252	808	*25.6%*	*22.5%*	*55.1%*
Total Expenses	**4,900**	**3,589**	*100.0%*	*100.0%*	*36.5%*

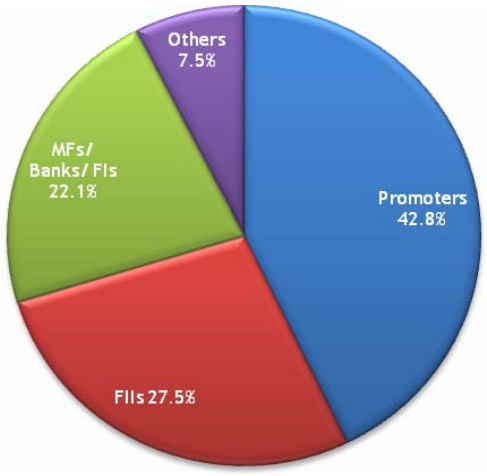
Note: 1Q FY2011 numbers include the results of Regional General Entertainment Channel (R-GEC) business acquired from Zee News Limited; R-GEC numbers are consolidated effective 1st January, 2010. Hence the above numbers are not comparable on a like to like basis.

Overall, programming & operating cost for the quarter was Rs 3,050 million as compared to Rs 2,392 million in the corresponding period last fiscal, an increase of 27.5%. Employee cost increased by 53.2% over the corresponding period last fiscal. Selling & other expenses for the quarter were Rs 1,252 million, indicating an increase of 55.1% over the corresponding period last fiscal. Total costs incurred by the Company this quarter were Rs 4,900 million, showing an increase of 36.5% over the corresponding period last fiscal.

During the quarter, the Company's operating profit (EBITDA) was Rs 1,870 million, an increase of 59.8% over the corresponding period last fiscal. Operating profit margin stood at 27.6%, an increase of ~300 bps year on year. Finance expenses during the quarter were Rs 50.7 million, down 44.3% year on year. Profit before Tax (PBT) stood at Rs 1,884 million, while Profit after Tax (PAT) before exceptional items was Rs 1,173 million representing an increase of 41.7% and 28.5% respectively, over the corresponding quarter last fiscal. The Company earned Rs 328 million as profit on sales of investments, which has been shown as extraordinary income. PAT including the extraordinary income was Rs 1,501 million for the quarter.

Shareholding Pattern

The shareholding pattern of the Company as on June 30, 2010 is given in the chart below.



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.

Pioneer of television entertainment industry in India, Zee's well known brands include Zee TV, Zee Cinema, Zee Premier, Zee Action, Zee Classic, Ten Sports, Zee Sports, Zee Cafe, Zee Studio, Zee Trendz, Zee Jagran, Zing and ETC Music. The company also has a strong offering in the regional language domain with channels such as Zee Marathi, Zee Bangla, Zee Telugu, Zee Kannada, Zee Talkies, Zee Cinemalu and ETC Punjabi.

Zee and its affiliate companies have leading presence across the media value chain including television broadcasting, cable and 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.