



Extraordinary Together

January 17, 2018

BSE Limited
National Stock Exchange of India Limited

Kind Attn : Manager Corporate Relationship

Dear Sirs,

Sub : Proceedings of the Board Meeting held on January 17, 2018

The Board of Directors of the Company at the meeting held today i.e. on January 17, 2018 (which commenced at 11.30 a.m. and concluded at 1.35 p.m.) has approved the Unaudited Limited Reviewed Financial Results of the Company, both on standalone and consolidated operations for the 3rd quarter of the financial year 2017-18 and nine months ended on December 31, 2017.

Copy of the Financial Results along with Earnings Release and Limited Review Certificate(s) both on standalone and consolidated Financial Statements issued by the Statutory Auditors of the Company are enclosed herewith.

Kindly acknowledge receipt.

Yours truly,
ZEE ENTERTAINMENT ENTERPRISES LIMITED

M Lakshminarayanan
Chief Compliance Officer & Company Secretary



Encl : As above

Zee Entertainment Enterprises Limited

Regd. Office : 18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400 013, India
P: +91 22 7106 1234 | F: +91 22 2300 2107 | CIN: L92132MH1982PLC028767 | www.zeeentertainment.com

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ZEE ENTERTAINMENT ENTERPRISES LIMITED** ("the Company"), for the quarter and nine months ended 31 December, 2017 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

mm

23/1/18

Deloitte Haskins & Sells LLP

4. The comparative financial information of the Company for the quarter and nine months ended 31 December, 2016 and for the year ended 31 March, 2017 prepared in accordance with Ind AS included in this Statement have been reviewed/audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 24 January, 2017 and 10 May, 2017 respectively expressed an unmodified conclusion/opinion. The previously issued financial information for the year ended 31 March, 2017 has been restated to give effect to the composite scheme of arrangement among Reliance Big Broadcasting Private Limited, Big Magic Limited and Azalia Broadcast Private Limited and the Company, as explained in note 7 to the results. The adjustments made to the previously issued financial information for the year ended 31 March, 2017 giving effect to the above mentioned composite scheme of arrangement have been audited by us.

Our report is not modified in respect of this matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A. B. Jani
Partner
Membership No. 46488

Mumbai, 17 January, 2018





Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

www.zeeentertainment.com



Standalone financial results for the quarter and nine months ended 31 December, 2017

Particulars	Quarter ended on			Nine months ended on		(₹ in Lakhs)
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	Year ended on
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	31-Mar-17 Audited (Restated) (Refer note 7)
1 Revenue from Operations	155,294	135,147	127,585	420,698	372,947	492,837
2 Other Income	4,452	5,704	5,548	48,386	27,800	34,714
Total Revenue [1 + 2]	159,746	140,851	133,133	469,084	400,747	527,551
3 Expenses						
(a) Operating Costs	54,618	48,545	47,497	151,071	150,839	199,599
(b) Employee Benefits Expenses	7,815	7,401	7,535	23,407	21,891	29,706
(c) Finance Costs (Refer note 7)	139	(165)	623	1,404	1,876	12,645
(d) Depreciation and Amortisation Expenses	2,953	2,355	1,919	7,417	5,618	7,711
(e) Advertisement and Publicity Expenses	12,586	10,960	8,304	33,482	24,750	33,721
(f) Other Expenses	19,253	17,247	13,927	52,668	42,153	57,427
(g) Fair value loss on financial instruments at fair value through profit and loss (net)	4,376	867	7,197	7,071	26,878	21,886
Total Expenses [3(a) to 3 (g)]	101,740	87,210	87,002	276,520	274,005	362,695
4 Profit before Tax and Exceptional Item [2 - 3]	58,006	53,641	46,131	192,564	126,742	164,856
5 Exceptional Item (Refer note 3)	-	-	-	-	-	4,702
6 Profit from Ordinary activities before Tax [4 + 5]	58,006	53,641	46,131	192,564	126,742	169,558
7 Tax Expense :						
(a) Current Tax	24,581	17,266	19,420	65,321	50,782	38,047
(b) Current tax - earlier years	(76)	-	-	(76)	-	539
(c) Deferred Tax	(3,018)	1,671	(678)	(1,556)	(1,239)	27,601
Total tax expense [7(a) + 7(b) + 7(c)]	21,487	18,937	18,742	63,689	49,543	66,187
8 Net Profit for the period [6 - 7]	36,519	34,704	27,389	128,875	77,199	103,371
9 Other comprehensive income						
Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	93	101	110	280	(374)	(300)
(ii) Fair value changes of equity instruments through other comprehensive income	795	119	344	1,056	1,564	1,420
(b) Income tax relating to items that will not be reclassified to profit or loss	(32)	(35)	(36)	(97)	134	107
Total other comprehensive income [9(a) to 9(b)]	856	185	418	1,239	1,324	1,227
10 Total comprehensive income [8 + 9]	37,375	34,889	27,807	130,114	78,523	104,598
11 Paid up Equity Share Capital of ₹ 1/- each	9,604	9,604	9,604	9,604	9,604	9,604
12 Other equity						435,923
13 Earnings per Share (not annualised) :						
Basic (₹)	3.80	3.61	2.85	13.42	8.04	10.76
Diluted (₹)	3.80	3.61	2.85	13.42	8.04	10.76

11/11



Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

www.zeeentertainment.com



Notes to standalone financial results

1. The unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 17 January, 2018. These results have been subjected to a Limited Review carried out by the Statutory Auditors.
2. The unaudited standalone financial results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).
3. During the year ended 31 March, 2017, the Company had disposed of its entire equity stake held in Taj Television (India) Private Limited, resulting in a net gain of Rs. 4,702 Lakhs in the standalone financial results.
4. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
5. Other income in the unaudited standalone financial results for the nine months ended 31 December, 2017 includes dividend income of Rs. 33,250 Lakhs (previous period Rs. 13,000 Lakhs) on equity shares held in subsidiary companies.
6. During the nine months ended 31 December, 2017, the Company has made investments and acquired stake in the following:
 - 80% equity stake in Margo Networks Private Limited at an investment value of Rs 7,500 lakhs, making it a subsidiary of the Company;
 - 12.50% stake (on a fully-diluted basis) in Tagos Design Innovations Private Limited at an investment value of Rs 1,616 lakhs.
 - 51% equity stake in Fly By Wire International Private Limited at an investment value of Rs. 140 lakhs, making it a wholly-owned subsidiary of the Company on and from 14 July, 2017; and
 - 49% equity stake in India Webportal Private Limited at an investment value of Rs. 19,960 lakhs, making it a wholly-owned subsidiary of the Company on and from 22 July, 2017
7. The Board of Directors of the Company at their meeting held on 23 November, 2016 had approved the acquisition of the general entertainment television broadcasting undertakings of Reliance Big Broadcasting Private Limited (RBBPL), Big Magic Limited (BML) and Azalia Broadcast Private Limited (ABPL), through demerger and vesting of said undertakings with the Company under a Composite Scheme of Arrangement. The said Scheme has been approved by the Hon'ble National Company Law Tribunal on 13 July, 2017 and the certified copy of the Order approving the said Scheme has been filed with the Registrar of Companies on 21 July, 2017. The Company has given effect to the aforesaid scheme in the results for the nine months ended 31 December, 2017. The Company has also issued and allotted 3,949,105 6% cumulative redeemable non-convertible unlisted Preference Shares of Rs 10/- each as consideration in accordance with the Scheme. The appointed date of the said scheme was 31 March, 2017 and accordingly, the figures for the year ended 31 March 2017 are restated.

mb



Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

www.zeeentertainment.com



Further, during the nine months ended 31 December, 2017, the Company has reversed the provision for interest aggregating Rs. 810 Lakhs on loans taken by the undertakings of BML and ABPL as the same is no longer payable as per agreed terms.

8. Investments of the Company in Secured Non-convertible debenture of an entity aggregating to Rs. 16,729 lakhs (including interest) are outstanding and overdue as at 31 December, 2017. The Company has initiated legal action in terms of enforcing the security attached to the said debenture etc. Accordingly, the outstanding amounts are considered good of recovery.
9. The Board of Directors have approved a Composite Scheme of Arrangement and Amalgamation (the Scheme) between the Company and its certain domestic wholly-owned subsidiaries, *inter alia*, for (a) Demerger of Digital media and entertainment business undertaking from Zee Digital Convergence Limited; (b) Demerger of Advertisement sales for media business undertaking from Zee Unimedia Limited; (c) Demerger of online media business undertaking from India Webportal Private Limited, all vesting with the Company; and (d) Amalgamation of Sarthak Entertainment Private Limited with the Company, with effect from Appointed Date of 1 April, 2017.

Subsequently, the no-objection from the Stock Exchanges were received and a joint application is filed by all the entities involved in the Scheme with the Mumbai bench of Hon'ble National Company Law Tribunal. The accounting of the Scheme will be effected on receiving the requisite approvals and completing formalities thereof.

10. During the quarter ended 31 December, 2017, the Company has issued and allotted 4,900 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,453,620 Equity Share of Re 1/- i.e. Rs. 960,453,620.
11. The Shareholders Agreement relating to acquisition of 100% equity stake in 9X Media Private Limited and INX Music Private Limited (the investee companies) approved by the Board at their meeting held on 6 October, 2017, were amended to extend the long-stop date to 31 January, 2018, to facilitate the investee companies to comply with certain conditions precedent for conclusion of the acquisition transaction.
12. The figures of the previous quarter/nine months/year are regrouped wherever necessary to make them comparable to those of the current quarter/nine months.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai
Date : 17 January, 2018

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **ZEE ENTERTAINMENT ENTERPRISES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the profit/(loss) of its joint ventures and associates for the quarter and nine months ended 31 December, 2017 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:

Sr. No.	Name of Subsidiaries
1	Essel Vision Productions Limited
2	Zee Digital Convergence Limited (Formerly Zee Sports Limited)
3	Sarthak Entertainment Private Limited
4	Zee Unimedia Limited
5	ZEE Turner Limited
6	Margo Networks Private Limited
7	Asia Multimedia Distribution Inc.
8	Asia Today Limited (Formerly Zee Multimedia (Maurice) Limited)
9	Asia Today Singapore Pte Limited

Deloitte Haskins & Sells LLP

Sr. No.	Name of Subsidiaries
10	Asia TV Gmbh
11	Asia TV Limited (UK)
12	Asia TV Limited (USA)
13	ATL Media FZ-LLC
14	ATL Media Limited (Formerly Asia Today Limited)
15	Eevee Multimedia Inc.
16	Expand Fast Holdings (Singapore) Pte Limited
17	OOO Zee CIS LLC
18	Taj TV Limited
19	Z5X Global FZ – LLC
20	Zee Entertainment Middle East FZ-LLC
21	Zee Multimedia Worldwide (Mauritius) Limited
22	Zee Radio Network Middle east FZ - LLC
23	Zee Studio International Limited
24	Zee Technologies (Guangzhou) Limited
25	Zee TV South Africa (Proprietary) Limited
26	Zee TV USA Inc.
27	India Webportal Private Limited
28	Idea Shop Web Private Limited
29	Fly by Wire International Private Limited
	Joint Ventures
1	Media Pro Enterprise India Private Limited
	Associates
1	Aplab Limited
2	Asia Today Thailand Limited

4. Based on our review conducted as stated above and based on the consideration of the review reports of other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting 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, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5 July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial results of 10 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 40,246 lakhs and Rs. 231,151 lakhs for the quarter and nine months ended 31 December, 2017 respectively, total profit after tax of Rs. 1,603 lakhs and Rs 110,712 lakhs for the quarter and nine months ended 31 December, 2017 respectively and total comprehensive income of Rs. 1,062 lakhs and Rs 110,414 lakhs for the quarter and nine months ended 31 December, 2017 respectively, as considered in the consolidated

MT

21/11/17

Deloitte Haskins & Sells LLP

unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

Our report on the Statement is not modified in respect of these matters.

6. The consolidated unaudited financial results includes the interim financial results of 18 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 18,749 lakhs and Rs. 28,745 for the quarter and nine months ended 31 December, 2017 respectively, total loss after tax of Rs. 1,823 lakhs and Rs 3,612 lakhs for the quarter and nine months ended 31 December, 2017 respectively and total comprehensive loss of Rs. 1,555 lakhs and Rs 3,344 lakhs for the quarter and nine months ended 31 December, 2017 respectively, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 185 lakhs and Rs 501 lakhs for the quarter and nine months ended 31 December, 2017 respectively and total comprehensive income of Rs. 185 lakhs and Rs 501 lakhs for the quarter and nine months ended 31 December, 2017 respectively, as considered in the consolidated unaudited financial results, in respect of two associates and one joint venture, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our report on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

7. The comparative financial information of the Group for the quarter and nine months ended 31 December, 2016 and for the year ended 31 March, 2017 prepared in accordance with Ind AS included in this Statement have been reviewed/audited by the predecessor auditor. The report of the predecessor auditor on these comparative financial information dated 24 January, 2017 and 10 May, 2017 expressed an unmodified conclusion/opinion. The previously issued financial information for the year ended 31 March, 2017 has been restated to give effect to the composite scheme of arrangement among Reliance Big Broadcasting Private Limited, Big Magic Limited and Azalia Broadcast Private Limited and the Company, as explained in note 6 to the results. The adjustments made to the previously issued financial information for the year ended 31 March, 2017 giving effect to the above mentioned composite scheme of arrangement have been audited by us.

Our report is not modified in respect of this matter.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A. B. Jani
Partner

Membership No. 46488

Mumbai, 17 January, 2018





Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

www.zeentertainment.com



Consolidated financial results for the quarter and nine months ended 31 December, 2017

Particulars	Quarter ended on			Nine months ended on		Year ended on
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Mar-17
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited (Restated) (Refer note 6)
1 Revenue from Operations						
(a) Advertisement Revenue	120,202	98,674	95,545	315,521	282,659	367,350
(b) Subscription Revenue	50,169	50,141	59,346	148,221	170,496	226,291
(c) Other Sales and Services	13,436	9,390	9,021	32,295	37,463	49,772
2 Other Income	4,804	20,313	5,246	35,223	16,910	22,404
Total Revenue [1(a) to 1 (c) + 2]	188,611	178,518	169,158	531,260	507,528	665,817
3 Expenses						
(a) Operating Costs	67,298	57,889	70,350	183,821	212,984	278,249
(b) Employee Benefits Expenses	15,354	18,140	14,188	50,183	44,508	60,433
(c) Finance Costs (Refer note 6)	236	28	902	1,734	2,507	13,724
(d) Depreciation and Amortisation Expenses	5,045	4,110	2,490	12,264	8,360	11,523
(e) Advertisement and Publicity Expenses	17,962	14,103	10,490	44,474	33,992	44,725
(f) Other Expenses	23,751	18,957	17,305	60,565	53,318	67,320
(g) Fair value loss on financial instruments at fair value through profit and loss (net)	4,192	1,478	7,135	10,991	26,748	22,046
Total Expenses [3(a) to 3 (g)]	133,838	114,705	122,860	364,032	382,417	498,020
4 Profit from Ordinary activities before share of profit/(loss) of associates and joint ventures, exceptional item and taxes[1+2-3]	54,773	63,813	46,298	167,228	125,111	167,797
5 Share of Profit/(Loss) of Associates/Joint ventures	(6)	122	(410)	60	(1,077)	(45)
6 Profit before exceptional items and taxes [4 + 5]	54,767	63,935	45,888	167,288	124,034	167,752
7 Exceptional Items (Refer note 3)	-	13,461	-	13,461	-	122,344
8 Profit from Ordinary activities before Tax [6 + 7]	54,767	77,396	45,888	180,749	124,034	290,096
9 Tax Expense :						
(a) Current tax - current year	25,404	17,418	20,691	66,909	54,623	42,804
(b) Current tax - earlier years	(76)	-	-	(76)	-	532
(c) Deferred Tax	(2,733)	898	117	(2,480)	(1,213)	24,749
Total tax expense [9(a) + 9(b) + 9(c)]	22,595	18,316	20,808	64,353	53,410	68,085
10 Net Profit for the period [8 - 9]	32,172	59,080	25,080	116,396	70,624	222,011
11 Other comprehensive income						
(A) Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	235	266	191	675	(369)	(418)
(ii) Fair value changes of equity instruments through other comprehensive income	431	16	349	769	1,069	170
(iii) Share of other comprehensive income in associates and joint ventures	-	-	-	-	-	10
(b) Income tax relating to items that will not be reclassified to profit or loss	(82)	(92)	(65)	(234)	125	150
(B) Items that will be reclassified to profit or loss						
(a) Exchange differences on translation of financial statements of foreign operations	(6,051)	2,284	533	(8,258)	(1,336)	(10,730)
Total other comprehensive income/(loss) [11(A) + 11(B)]	(5,467)	2,474	1,008	(7,048)	(511)	(10,818)
12 Total comprehensive income [10 + 11]	26,705	61,554	26,088	109,348	70,113	211,193
13 Profit for the year attributable to :						
Shareholders of the Company	32,221	59,117	25,081	116,496	70,615	222,131
Non-controlling interests	(49)	(37)	(1)	(100)	9	(120)
14 Total comprehensive income attributable to						
Shareholders of the Company	26,754	61,591	26,089	109,448	70,104	211,313
Non-controlling interests	(49)	(37)	(1)	(100)	9	(120)
15 Paid up Equity Share Capital of ₹ 1/- each	9,604	9,604	9,604	9,604	9,604	9,604
16 Other equity						659,447
17 Earnings per Share (not annualised) :						
Basic (₹)	3.35	6.16	2.61	12.13	7.35	23.13
Diluted (₹)	3.35	6.15	2.61	12.13	7.35	23.13

145

Notes to consolidated financial results

1. The unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 17 January, 2018. These results have been subjected to a Limited Review carried out by the Statutory Auditors.
2. The unaudited consolidated financial results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).
3. During the nine months ended 31 December 2017, the Group has concluded the closure of its 2nd phase of transaction for disposal of Sports Broadcasting Business to Sony Pictures Networks India Private Limited resulting in a net gain of Rs. 13,461 Lakhs in the unaudited consolidated financial results.

During the financial year ended 31 March, 2017, the Group has disposed of a major part of its Sports Broadcasting Business on a slump basis resulting in a net gain of Rs. 122,344 Lakhs in the consolidated financial results.

4. During the nine months ended 31 December, 2017, the Group has made investment and acquired stake in the following:
 - 80% equity stake in Margo Networks Private Limited at an investment value of Rs 7,500 lakhs, making it a subsidiary of the Company;
 - 12.50% stake (on a fully-diluted basis) in Tagos Design Innovations Private Limited at an investment value of Rs 1,616 lakhs.
 - 51% equity stake in Fly By Wire International Private Limited at an investment value of Rs. 140 lakhs, making it a wholly-owned subsidiary of the Company on and from 14 July, 2017;
 - 49% equity stake in India Webportal Private Limited at an investment value of Rs. 19,960 lakhs, making it a wholly-owned subsidiary of the Company on and from 22 July, 2017
5. Other income for the nine months ended 31 December, 2017, includes gain of Rs. 16,085 lakhs (net) arising due to re-measurement of previously held equity interests in India Webportal Private Limited and Fly By Wire International Private Limited to its acquisition-date fair value.
6. The Board of Directors of the Company at their meeting held on 23 November, 2016 had approved the acquisition of the general entertainment television broadcasting undertakings of Reliance Big Broadcasting Private Limited (RBBPL), Big Magic Limited (BML) and Azalia Broadcast Private Limited (ABPL), through demerger and vesting of said undertakings with the Company under a Composite Scheme of Arrangement. The said Scheme has been approved by the Hon'ble National Company Law Tribunal on 13 July, 2017 and the certified copy of the Order approving the said Scheme has been filed with the Registrar of Companies on 21 July, 2017. The Company has given effect to the aforesaid scheme in the results for the nine months ended 31 December, 2017. The Company has also issued and allotted 3,949,105 6% cumulative redeemable non-convertible unlisted Preference Shares of Rs 10/- each as consideration in accordance with the Scheme.



Extraordinary Together

ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

Parel, Mumbai – 400013

www.zeeentertainment.com



The appointed date of the said scheme was 31 March, 2017 and accordingly, the figures for the year ended 31 March 2017 are restated.

Further, during the nine months ended 31 December, 2017, the Company has reversed the provision for interest aggregating Rs. 810 Lakhs on loans taken by the undertakings of BML and ABPL as the same is no longer payable as per agreed terms.

7. During the quarter ended 31 December, 2017, the Company has issued and allotted 4,900 Equity shares upon conversion of Stock Options granted under the Company's ESOP Scheme. Consequent to this allotment the Paid-up Equity share capital of the Company stands increased to 960,453,620 Equity Share of Re 1/- i.e. Rs. 960,453,620.
8. The Shareholders Agreement relating to acquisition of 100% equity stake in 9X Media Private Limited and INX Music Private Limited (the investee companies) approved by the Board at their meeting held on 6 October, 2017, were amended to extend the long-stop date to 31 January, 2018, to facilitate the investee companies to comply with certain conditions precedent for conclusion of the acquisition transaction.
9. The Group operates in a single reporting segment namely 'Content and Broadcasting'.
10. The figures of the previous quarter/nine months/year are regrouped wherever necessary to make them comparable to those of the current quarter/nine months.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO

Place: Mumbai

Date : 17 January, 2018

WY

1/2



Extraordinary Together

Strong operating performance led by advertising revenue growth

Domestic Advertising Revenue of Rs. 11,373 mn, Up 30.4% YoY adjusted for sports

Domestic Subscription Revenue of Rs. 4,036 mn, Up 7.5% YoY adjusted for sports

EBITDA at Rs. 5,944 mn, EBITDA Margin of 32.3%

2 HD channels – Zee Telugu HD and Zee Cinemalu HD launched

Q3FY18 HIGHLIGHTS

- ❖ ZEEL was the No. 1 non-sports entertainment television network during the quarter with a viewership share of 18.3%.
- ❖ Advertising revenue for the quarter was Rs. 12,020 million recording a growth of 25.8%. Adjusted for sports, domestic advertising grew by 30.4% to Rs. 11,373 million. On a comparable basis (excluding sports, RBNL and IWPL), domestic advertising revenue grew by 25.7%. International advertising revenue for the quarter was Rs. 647 million.
- ❖ Subscription revenue for the quarter was Rs. 5,017 million. Adjusted for the sale of sports business, domestic subscription revenue grew by 7.5% to Rs. 4,036 million. International subscription revenue stood at Rs. 981 million.
- ❖ Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) for the quarter stood at Rs. 5,944 million and EBITDA margin stood at 32.3%.
- ❖ During the quarter, two HD channels, Zee Telugu HD and Zee Cinemalu HD, were launched taking the count of HD channels to 13.
- ❖ Zee Studios released two Hindi and one Marathi movie during the quarter. Hindi movie, *Secret Superstar*, performed well at the box office while the other two received rave reviews.



Extraordinary Together

Mumbai, January 17, 2018: The Board of Directors in its meeting held today, has approved and taken on record the unaudited consolidated financial results of Zee Entertainment Enterprises Limited (ZEEL) (BSE: 505537, NSE: ZEEL.EQ) and its subsidiaries for the quarter ended December 31, 2017.

ZEEL reported consolidated revenue of Rs. 18,381 million for the third quarter of fiscal 2018. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs. 5,944 million. PAT for the quarter was Rs. 3,222 million. EBITDA margin for the quarter was at 32.3%.

Dr. Subhash Chandra, Chairman, ZEEL, commented, "It is very heartening to see the rebound in the economy after four quarters. The initiatives taken by the government had some short-term impact on the growth but these measures will strengthen the economy in the long run. Indian M&E sector will be a beneficiary of this growth story as people spend more time and money on consuming entertainment content. ZEEL, with its strong portfolio of entertainment offerings, is well positioned to capitalize on this opportunity."

Mr. Punit Goenka, Managing Director & Chief Executive Officer, ZEEL, commented, "We are delighted to deliver a strong operating performance during the quarter. The slower growth in the last four quarters was due to specific events which required advertisers to recalibrate spends. As the impact of these factors is now behind us, ad spends have bounced back strongly and outlook remains encouraging. The recent cut in GST rates across a wide category of products should aid the growth.

Our domestic ad revenue growth of 26% is a testimony to the fact that television continues to remain the most effective medium for brand building. With a dominant time share along with an increasing reach, television will remain an important medium for advertisers in the foreseeable future. On top of this, digital platforms are driving incremental video consumption which represents another growth opportunity for content monetization. Our new digital platform, Zee5, scheduled to be launched in February, will enable us to capture this growth.

The domestic subscription growth for the quarter was at 7.5%. The growth so far has been lower than what we had last year as the content deals with our distribution partners are taking slightly longer to conclude due to litigations regarding the TRAI tariff regulation. Last year we had closed majority of these deals in the second and third quarter. However, this does not have any significant impact on our full year outlook for subscription growth."



Extraordinary Together

BUSINESS PERFORMANCE

Brand refresh

On the occasion of completing 25 years of operations, our businesses adopted a fresh and vibrant look. The circular form of the new brand logo symbolizes continuity and inclusiveness, while the colour amethyst represents creativity and transformation. The visual property, *Exuberance*, a colourful explosion of creative energy, makes ZEE the fountainhead unleashing extraordinary potential. The new brand identity along with the new brand philosophy of '*Extraordinary Together*' will enable the Company to establish a closer connect with its consumers.

Broadcast Business

In Q3FY18, ZEEL maintained its #1 position in non-sports entertainment, with a viewership share of 18.3%. The network improved its performance in several regional language markets while continuing to be the leader in pay Hindi GEC segment. In continuation with the focus on premiumization, HD versions of *Zee Telugu* and *Zee Cinemalu* were launched following launch of *&privé HD* and *Zee Tamil*.

Zee TV was the leader in the pay Hindi GEC segment and **&tv** maintained its market share. In the Hindi FTA category, **Zee Anmol** retained its leadership position and **Big Magic** continued to perform strongly.

With a strong portfolio of four channels, the cinema cluster retained its leadership position in the **Hindi movie** genre.

Regional entertainment portfolio continued to exhibit strong performance. **Zee Marathi** maintained its No.1 position in the Marathi market. **Zee Bangla** continued to be the second most watched channel in West Bengal. In Telugu market, **Zee Telugu** improved its market share significantly in the Urban market to become the No. 1 channel in Urban market. **Zee Kannada** maintained its position as second ranked channel in Karnataka. **Zee Tamil** improved its market share as the third ranked channel in the Tamil market. **Zee Sarthak** continues to maintain its strong leadership position in the Odiya market. **Big Ganga**, the Bhojpuri channel maintained its strong viewership.

Zee Café, with its strong line-up of shows, continues to be an audience favourite for English entertainment and **Zee Studio** premiered some of the best movies from around the world. **&privé HD**, premium destination for English movies, gained leadership position in the first quarter of its launch.



Extraordinary Together

International Business

During the quarter, ZEEL's International business revenue was Rs. 1,878 million. On a comparable basis, the advertising and subscription revenues were lower by 0.8% and 3.4%, respectively. The adverse impact of currency appreciation and region-specific issues have contributed to the decline in revenues.

For the quarter ended December 31, 2017, international business revenue break-down is:

- Advertisement Revenue of Rs. 647 mn
- Subscription Revenue of Rs. 981 mn
- Other Sales and Services of Rs. 250 mn
- Total Revenue of Rs. 1,878 mn

Other Businesses

Zee Studios, our movie production division, released three movies during the quarter – *Secret Superstar* (Hindi), *Qarib Qarib Singlle* (Hindi) and *Faster Fene* (Marathi). *Secret Superstar* performed well at the box office and the other two movies received rave reviews.

Zee Music Company, our music label, continued with its library expansion with acquisition of rights of both Bollywood as well as regional music. In Q3, our music label registered ~3.0 billion views on YouTube.

OZEE saw a sharp improvement in performance metrics with an average of 145 mn+ video views per month during the quarter. **DittoTV** continued to see improved traction leveraging its partnerships with telecom operators. The strong performance of the two platforms provides a sound launch-pad for the new digital platform Zee5.



Extraordinary Together

CONDENSED STATEMENTS OF OPERATIONS

Consolidated operating revenue for the third quarter of FY18 stood at Rs. 18,381 million, recording a growth of 12.1% on YoY basis. EBITDA for the quarter ended December 31, 2017 was Rs. 5,944 million, translating into EBITDA margin of 32.3%. Profit After Tax (PAT) for the quarter was Rs. 3,222 million.

The following table presents the consolidated financial statement of ZEEL and its subsidiaries for the third quarter of FY18 versus FY17:

<i>(Rs. million)</i>	Q3FY18	Q3FY17	Growth
Operating Revenue	18,381	16,391	12.1%
Expenditure	12,437	11,233	10.7%
EBITDA	5,944	5,158	15.2%
Add: Other Income	480	525	-8.4%
Less: Depreciation	505	249	102.6%
Less: Finance Cost	24	90	-73.8%
Less: Fair Value Through P&L	419	714	
Profit Before Tax before exceptional items	5,477	4,630	18.3%
Less: Tax Expense	2,260	2,081	8.6%
Add: Share of Profit/(Loss) of Associates	(1)	(41)	
Less: Minority Interest	(5)	(0)	
Profit After Tax (PAT)	3,222	2,508	28.5%

NOTES

A: Previous period figures have been regrouped wherever necessary.

B: Numbers may not add up due to rounding

Sports Business Financials

<i>(Rs. million)</i>	Q3FY18	Q3FY17
Advertising revenue	-	177
Subscription revenue	-	1,163
Other sales and services	-	70
Total Revenue	-	1,411



Extraordinary Together

REVENUE STREAMS

ZEEL has three sources of revenue - advertising, subscription and other sales and services. Other sales and services include revenues from our movie production business, content syndication, music label and commission on sales amongst others. The following table contains break-down of consolidated revenues.

<i>(Rs. million)</i>	Q3FY18	Q3FY17	Growth
Advertising revenue	12,020	9,555	25.8%
Subscription revenue	5,017	5,935	-15.5%
Other sales and services	1,344	902	48.9%
Total Revenue	18,381	16,391	12.1%

Refer Notes A and B above

Advertising revenue

ZEEL's consolidated advertising revenue in Q3FY18 grew by 25.8% YoY to Rs. 12,020 million. On a comparable basis (excluding sports, RBNL and IWPL) the domestic advertising revenue growth was 25.7%. The strong growth, though on a low base, was led by the sharp rebound in the advertising spends across categories. Adjusted for sports, advertising revenue of our international business was flat YoY as growth in some geographies was offset by currency appreciation and ongoing issues in some of the territories.

Subscription revenue

Domestic and international subscription revenues for the quarter declined by 16.2% YoY and 12.1% YoY respectively, primarily on account of sale of sports business. On a like to like basis, the domestic subscription revenue grew by 7.5%. Domestic subscription revenue for Q3FY17 had benefitted from early closure of content contracts with our distributors, resulting in a high base. However, in the current year the contract renewal negotiations are taking slightly longer due to ongoing litigations regarding TRAI's tariff order. Despite the delay, the full year outlook for domestic subscription revenue growth remains largely unaltered.



Extraordinary Together

EXPENDITURE

ZEEL's total expenditure in Q3FY18 stood at Rs. 12,437 million, higher by 10.7% compared to Q3FY17. The following table gives the break-down of costs.

(Rs million)	Q3FY18	Q3FY17	Growth
Operating cost	6,730	7,035	-4.3%
Employee cost	1,535	1,419	8.2%
Advertisement & Publicity expense	1,796	1,049	71.2%
Other Expenses	2,375	1,731	37.2%
Total Expense	12,437	11,233	10.7%

Refer Notes A and B above

Despite sale of sports business, overall costs increased by 10.7%. Programming cost for the quarter declined by 4.3% YoY but increased 16.3% QoQ. The sequential increase was due to release of two mid-budget Hindi movies during the quarter and telecast of special properties on channels related to brand refresh. Advertising, Publicity and Other expenses increased by 50% YoY on account of brand refresh, 25-year celebration related events and promotion cost associated with movies.



Extraordinary Together

CORPORATE DEVELOPMENTS

- During the Quarter ended December 31, 2017, the Company had issued and allotted 4900 Equity Shares upon conversion of Stock Options granted under the Company's ESOP Scheme.
- In connection with the Composite Scheme of Arrangement and Amalgamation for consolidation of businesses of certain domestic subsidiaries approved by the Board on July 24, 2017, subsequent to receipt of no-objection from the Stock Exchanges and filing of Joint Application by all the entities involved in the Scheme, the Mumbai bench of Hon'ble National Company Law Tribunal, vide an order passed on December 21, 2017, had while directing the domestic subsidiaries to convene meeting on January 31, 2018 seeking their respective Shareholders approval to the Scheme, dispensed with the said requirement of seeking Shareholders / Creditors approval to the Scheme by ZEEL.
- Shareholders Agreement(s) relating to acquisition of 100% equity stake in 9X Media Private Limited and INX Music Private Limited approved by the Board at the meeting held on October 6, 2017, was amended to extend the Long-stop date to January 31, 2018, to facilitate the Investee entities of 9X to comply with certain Conditions Precedent(s) for conclusion of the acquisition transaction.
- During the Quarter Brickwork Ratings India Pvt Ltd had re-affirmed the existing rating of BWR AAA (Pronounced BWR Triple A) (Outlook: Stable) on the Listed Preference Shares of the Company.



Extraordinary Together

SHAREHOLDING PATTERN

The total outstanding shares of the Company as of December 31, 2017 were 960,453,620. The shareholding pattern as of December 31, 2017 is given below:

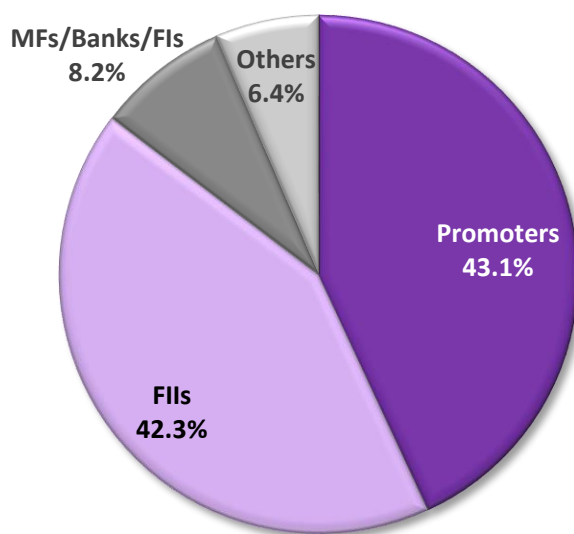


Figure: Shareholding pattern as on December 31, 2017





Extraordinary Together

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 ("ZEEL")

Zee Entertainment Enterprises Limited is one of India's leading media and entertainment companies. It is amongst the largest producers and aggregators of entertainment content in the world, with an extensive library housing over 250,000 hours of television content. With rights to more than 4,200 movie titles from foremost studios and of iconic film stars, ZEEL houses the world's largest Hindi film library. Through its strong presence worldwide, ZEEL entertains over 1.3 billion viewers across more than 170 countries.

Pioneer of television entertainment industry in India, ZEEL's well-known brands include Zee TV, &tv, Zee Anmol, Big Magic, Zee Cinema, &pictures, Zee Action, Zee Classic, Zee Anmol Cinema, Zee Cafe, Zee Studio, Zing, ETC Bollywood. 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, Zee Sarthak and Big Ganga. The company's HD offerings include Zee TV HD, &tv HD, Zee Cinema HD, &pictures HD, Zee Marathi HD, Zee Talkies HD, Zee Bangla HD, Zee Tamil HD, Zee Telugu HD, Zee Cinemalu HD, Zee Studio HD, Zee Café HD and &privé 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 ZEEL and its businesses is available on www.zeeentertainment.com.