



Extraordinary Together

January 15, 2019

BSE Limited
National Stock Exchange of India Limited

Kind Attn : Manager Corporate Relationship

Dear Sirs,

Sub : Proceedings of the Board Meeting held on January 15, 2019
BSE Scrip Code: - 505537, NSE Symbol: - ZEEL EQ

The Board of Directors of the Company at the meeting held today i.e. on January 15, 2019 (which commenced at 12.30 p.m. and concluded at 3.20 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 2018-19 and nine months ended on December 31, 2018.

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.

Please note that a conference call to discuss performance of the Company has been scheduled at 5.00 p.m. Details of such call have been uploaded on the website of the Company.

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
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ZEE

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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Esse!

Standalone financial results for the quarter and nine months ended 31 December 2018

('₹ in Lakhs)

Particulars	Quarter ended on			Nine month ended on		Year ended on
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	Unaudited	Unaudited	Unaudited (Restated) (Refer note 5)	Unaudited	Unaudited (Restated) (Refer note 5)	Audited
1 Revenue from operations	193,018	167,712	159,480	517,056	430,407	579,555
2 Other income (Refer Note 4)	4,862	5,691	3,903	15,070	47,208	98,185
Total income [1 + 2]	197,880	173,403	163,383	532,126	477,615	677,740
3 Expenses						
(a) Operational cost	60,077	54,063	56,524	171,612	155,034	219,268
(b) Employee benefits expense	13,338	12,277	11,642	37,595	36,077	47,811
(c) Finance costs	511	500	178	1,514	1,441	14,256
(d) Depreciation and amortisation expenses	4,096	4,109	4,290	12,219	10,301	13,978
(e) Advertisement and publicity expenses	17,160	13,593	13,328	41,121	34,513	44,732
(f) Fair value loss/(gain) on financial instruments at fair value through profit and loss	(2,869)	6,569	4,210	6,251	8,259	1,798
(g) Other expenses	17,579	19,241	17,626	52,871	47,648	62,783
Total expenses [3(a) to 3(g)]	109,892	110,352	107,798	323,183	293,273	404,626
4 Profit before tax [1 + 2 - 3]	87,988	63,051	55,585	208,943	184,342	273,114
5 Tax expense :						
(a) Current tax	30,077	24,944	19,712	75,133	57,586	86,445
(b) Current tax - earlier years	(2,269)	-	(91)	(2,269)	(91)	(88)
(c) Deferred tax	(121)	407	(2,948)	1,429	(2,201)	(4,436)
Total tax expense [5(a) + 5(b) + 5(c)]	27,687	25,351	16,673	74,293	55,294	81,921
6 Profit for the period / year [4 - 5]	60,301	37,700	38,912	134,650	129,048	191,193
7 Other comprehensive (loss)/income						
Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	(780)	77	233	(966)	689	504
(ii) Fair value changes of equity instruments through other comprehensive income	172	(460)	795	(399)	1,056	56
(b) Income tax relating to items that will not be reclassified to profit or loss	273	(27)	(81)	338	(239)	(150)
Total other comprehensive (loss)/income [7(a) to 7(b)]	(335)	(410)	947	(1,027)	1,506	410
8 Total comprehensive income [6 + 7]	59,966	37,290	39,859	133,623	130,554	191,603
9 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,604	9,605	9,604	9,605
10 Other equity						572,370
11 Earnings per share (not annualised) :						
Basic (₹)	6.28	3.93	4.05	14.02	13.44	19.91
Diluted (₹)	6.28	3.93	4.05	14.02	13.44	19.91

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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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Parel, Mumbai – 400013

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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 15 January 2019. 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 the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. The Company operates in a single reporting segment namely 'Content and Broadcasting'.
4. Other income in the unaudited standalone financial results for the nine months ended 31 December, 2017 and year ended 31 March 2018 includes equity dividend income of Rs. 33,250 Lakhs and Rs. 76,570 Lakhs respectively received from a subsidiary company.
5. The Board of Directors of the Company at their meeting held on 24 July 2017 had approved a Composite Scheme of Arrangement and Amalgamation (the Scheme) between the Company and certain wholly-owned domestic subsidiaries, inter alia, for (a) Demerger of digital media and entertainment business undertaking from Zee Digital Convergence Limited (ZDCL); (b) Demerger of advertisement sales for media business undertaking from Zee Unimedia Limited (ZUL); (c) Demerger of online media business undertaking from India Webportal Private Limited (IWPL), all vesting with the Company; and (d) Amalgamation of Sarthak Entertainment Private Limited (SEPL) with the Company.

The Scheme has been approved by the Mumbai bench of Hon'ble National Company Law Tribunal on 11 April 2018 and the certified copy of the Order approving the Scheme has been filed with the Registrar of Companies on 3 May 2018. Consequently, effect of the same has been given in the financial results in accordance with the Pooling of interest method as laid down in Appendix C of the Indian Accounting Standard Ind AS 103 on 'Business Combinations' relating to accounting for common control business combinations. Accordingly, the figures for quarter and nine months ended 31 December 2017 have been restated to give effect to the aforesaid scheme.

6. During the quarter and nine months ended 31 December 2018, the Company has issued and allotted 3,430 Equity shares and 12,880 Equity shares respectively 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 960,466,500 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.

Place: Mumbai

Date: 15 January 2019

For & on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka

Managing Director & CEO

**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 2018 (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 on '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) on 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 Standard 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.



4. The financial information issued earlier for the quarter and nine months ended 31 December 2017 have been restated to give effect to the composite scheme of arrangement and amalgamation between the Company and certain wholly-owned subsidiaries of the Company viz. Zee Digital Convergence Limited, Zee Unimedia Limited, Sarthak Entertainment Private Limited, as explained in note 5 to the Statement.

The financial information of the said subsidiaries for the quarter and nine months ended 31 December 2017 prepared in accordance with Ind AS have been reviewed by the respective entity's statutory auditors.

The adjustments made to the previously issued financial information of the Company giving effect to the above mentioned composite scheme of arrangement for the quarter and nine months ended 31 December 2017 have been reviewed 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, 15 January 2019





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ZEE ENTERTAINMENT ENTERPRISES LIMITED

CIN No : L92132MH1982PLC028767

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

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Consolidated financial results for the quarter and nine months ended 31 December 2018

(₹ in Lakhs)

Particulars	Quarter ended on			Nine months ended on		Year ended on
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	Unaudited	Unaudited	Unaudited (Restated) (Refer note 4)	Unaudited	Unaudited (Restated) (Refer note 4)	Audited
1 Revenue from operations						
(a) Advertisement revenue	146,257	121,060	120,202	381,918	315,521	420,476
(b) Subscription revenue	61,848	60,816	50,169	174,528	148,221	202,873
(c) Other sales and services	8,572	15,710	13,436	35,020	32,295	45,219
2 Other income	8,598	5,893	4,804	19,466	35,223	44,035
Total income [1(a) to 1(c) + 2]	225,275	203,479	188,611	610,932	531,260	712,603
3 Expenses						
(a) Operational cost	79,781	72,634	67,298	219,247	183,821	252,752
(b) Employee benefits expense	18,338	16,872	15,354	52,348	50,183	66,566
(c) Finance costs	552	545	236	1,626	1,734	14,478
(d) Depreciation and amortisation expense	6,146	5,884	5,045	17,794	12,264	18,208
(e) Fair value loss/(gain) on financial instruments at fair value through profit and loss	(3,764)	2,202	4,192	567	10,991	676
(f) Advertisement and publicity expenses	20,105	16,505	17,962	50,626	44,474	57,732
(g) Other expenses	23,024	24,003	23,751	69,679	60,565	83,904
Total expenses [3(a) to 3(g)]	144,182	138,645	133,838	411,887	364,032	494,316
4 Profit before share of profit/(loss) of associates and joint ventures, exceptional item and taxes [1+2-3]	81,093	64,834	54,773	199,045	167,228	218,287
5 Share of profit/(loss) of associates/joint ventures	24	18	(6)	218	60	118
6 Profit before exceptional items and tax [4 + 5]	81,117	64,852	54,767	199,263	167,288	218,405
7 Exceptional items (Refer note 3)	-	-	-	-	13,461	13,461
8 Profit before tax [6 + 7]	81,117	64,852	54,767	199,263	180,749	231,866
9 Tax expense :						
(a) Current tax - current year	30,319	25,653	20,199	76,455	58,594	87,921
(b) Current tax - earlier years	(6,230)	-	(76)	(6,230)	(76)	(144)
(c) Deferred tax	752	589	(2,733)	1,564	(2,480)	(3,686)
Total tax expense [9(a) + 9(b) + 9(c)]	24,841	26,242	17,390	71,789	56,038	84,091
10 Profit for the period/year [8 - 9]	56,276	38,610	37,377	127,474	124,711	147,775
11 Other comprehensive income/(loss)						
(A) Items that will not be reclassified to profit or loss						
(a) (i) Re-measurement of defined benefit obligation	(784)	74	235	(982)	675	468
(ii) Fair value changes of equity instruments through other comprehensive income	301	(901)	431	(1,287)	769	(683)
(b) Income tax relating to items that will not be reclassified to profit or loss	274	(26)	(82)	342	(234)	(139)
(B) Items that will be reclassified to profit or loss						
(a) Exchange differences on translation of financial statements of foreign operations	(8,470)	14,386	(6,051)	14,956	(8,258)	(3,639)
Total other comprehensive income/(loss) [11(A) + 11(B)]	(8,679)	13,533	(5,467)	13,029	(7,048)	(3,993)
12 Total comprehensive income [10 + 11]	47,597	52,143	31,910	140,503	117,663	143,782
13 Profit for the year attributable to :						
Shareholders of the Company	56,238	38,667	37,426	127,543	124,811	147,910
Non-controlling interests	38	(57)	(49)	(69)	(100)	(135)
14 Total comprehensive income attributable to						
Shareholders of the Company	47,559	52,200	31,959	140,572	117,763	143,917
Non-controlling interests	38	(57)	(49)	(69)	(100)	(135)
15 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,604	9,605	9,604	9,605
16 Other equity						746,565
17 Earnings per Share (not annualised) :						
Basic (₹)	5.86	4.03	3.90	13.28	13.00	15.40
Diluted (₹)	5.86	4.03	3.90	13.28	12.99	15.40

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Notes to consolidated financial results

1. The unaudited consolidated financial results of Zee Entertainment Enterprises Limited (the Company) and its subsidiaries (collectively referred as the Group) and its share of the profit/(loss) of its joint venture and associates have been reviewed by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 15 January 2019. These results have been subjected to limited review carried out by the Statutory Auditors.
2. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standards (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
3. During the nine months ended 31 December 2017, the Group has concluded the second phase of the transaction for disposal of Sports Broadcasting Business to Sony Pictures Networks India Private Limited on a slump sale basis resulting in a net gain of Rs. 13,461 Lakhs in the audited consolidated financial results for the year ended 31 March 2018.
4. During the previous year ended 31 March 2018, the Company has also given effect to the Scheme involving vesting of the demerged media and entertainment business of three of its subsidiaries and amalgamation of one of its subsidiary with effect from the appointed date of 1 April 2017. The figures for the quarter and nine months ended 31 December 2017 are restated.
5. During the quarter and nine months ended 31 December 2018, the Company has issued and allotted 3,430 Equity shares and 12,880 Equity shares respectively 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 960,466,500 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.
6. The Group operates in a single reporting segment namely 'Content and Broadcasting'.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka

Managing Director & CEO

Place: Mumbai

Date: 15 January 2019

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
CONSOLIDATED 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 venture and associates for the quarter and nine months ended 31 December 2018 (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 (Ind AS) 34 on 'Interim Financial Reporting', 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 on '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.

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3. The Statement includes the results of the following entities:

Sr. No.	Particulars
	Subsidiaries
1	Essel Vision Productions Limited
2	Zee Digital Convergence Limited (Formerly Zee Sports Limited)
3	Pantheon Productions 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
10	Asia TV Gmbh
11	Asia TV Limited (UK)
12	Asia TV USA Limited
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 Studio International Limited
23	Zee Technologies (Guangzhou) Limited
24	Zee TV South Africa (Proprietary) Limited
25	Zee TV USA Inc.
26	India Webportal Private Limited
27	Idea Shop Web Private Limited
28	Fly by Wire International Private Limited
29	OOO Zee CIS Holding LLC
	Joint Venture
1	Media Pro Enterprise India Private Limited
	Associates
1	Aplab Limited
2	Asia Today Thailand Limited

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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 8 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 34,264 lakhs and Rs 113,692 lakhs for the quarter and nine months ended 31 December 2018 respectively, and total loss after tax of Rs. 4,918 lakhs and Rs 1,392 lakhs for the quarter and nine months ended 31 December 2018 respectively, and total comprehensive loss of Rs 4,818 lakhs and Rs 2,277 lakhs for the quarter and nine months ended 31 December 2018 respectively, as considered in the consolidated 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 are 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 21 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 3,537 lakhs and Rs 23,595 lakhs for the quarter and nine months ended 31 December 2018 respectively and total profit after tax of Rs. 477 lakhs and Rs 881 lakhs for the quarter and nine months ended 31 December 2018 respectively, and total comprehensive gain of Rs 503 lakhs and Rs 866 lakhs for the quarter and nine months ended 31 December 2018 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. 24 lakhs and Rs 218 lakhs for the quarter and nine months ended 31 December 2018 respectively and total comprehensive income of Rs. 24 lakhs and Rs 218 lakhs for the quarter and nine months ended 31 December 2018 respectively, as considered in the consolidated unaudited financial results, in respect of two associates and a 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.

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

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



A. B. Jani
Partner
Membership No. 46488



Mumbai, 15 January 2019



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Strong all-round performance

Domestic advertising revenue grew by 20.6% YoY to Rs. 13,719 mn

Domestic subscription revenue grew by 28.6% YoY to Rs. 5,192 mn

EBITDA grew by 26.9% YoY to Rs. 7,543 mn, EBITDA Margin of 34.8%

ZEE5 MAUs grew by 36% to 56.3 mn in Dec'18 as compared to Sep'18

Zee Keralam, Zee Keralam HD and Zee Kannada HD launched

Q3FY19 HIGHLIGHTS

- ❖ Total revenue for the quarter was Rs. 21,668 million, growth of 17.9% YoY. The growth was driven by the strong performance of our broadcast business.
- ❖ Advertising revenue for the quarter was Rs. 14,626 million, growth of 21.7% YoY. Domestic advertising revenue grew by 20.6% YoY to Rs. 13,719 million. International advertising revenue was Rs. 907 million.
- ❖ Subscription revenue for the quarter was Rs. 6,185 million, growth of 23.3% YoY. Domestic subscription revenue grew by 28.6% YoY to Rs. 5,192 million. International subscription revenue was Rs. 993 million.
- ❖ EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter grew by 26.9% to Rs. 7,543 million and EBITDA margin stood at 34.8%.
- ❖ ZEE5 continues its strong growth recording 56.3 mn MAUs in the month of December, growth of 36% over the last 3 months.
- ❖ ZEEL further strengthened its position as the #1 television entertainment network with an all-India viewership share of 20.2%.
- ❖ Zee Keralam and Zee Keralam HD launched in Kerala market making ZEEL the biggest television network with presence in 9 Indian language markets.



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Mumbai, January 15, 2019: 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 Dec 31, 2018.

For the third quarter of FY19, ZEEL reported consolidated revenue of Rs. 21,668 million. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs. 7,543 million with an EBITDA margin of 34.8%. PAT for the quarter was Rs. 5,624 million.

Mr. Subhash Chandra, Chairman, ZEEL, commented, "India is poised to remain one of the fastest growing economies in the world. Decline in crude oil prices and rationalization of GST rates will further boost the economy and help maintain the growth momentum in consumption. Even in M&E space, content consumption is growing at a brisk pace across mediums. This trend along with macro-economic tailwinds will drive growth in both advertising and subscription revenues. We have delivered yet another quarter of strong performance across all our businesses. ZEE5 is scaling up in line with our expectations and is on course to become India's number one digital entertainment platform."

Mr. Punit Goenka, Managing Director & CEO, ZEEL, commented, "I am really pleased with our performance this quarter which further strengthens our position as India's leading entertainment content company. While our television business continues to consolidate its number one position, ZEE5 is quickly establishing itself as one of the leading digital entertainment platforms in the country. ZEE5 has already become the biggest producer of Indian content amongst the digital platforms and the content offering will multiply going forward. Our expanding list of partnerships with telecom operators and players in the digital eco-system, coupled with innovation in pricing, will make ZEE5 accessible to a wider audience.

With the launch of our Malayalam channel, *Zee Keralam*, ZEEL now has the widest footprint in country in terms of the languages covered. It will help us further consolidate our network share. Advertising outlook for the industry looks upbeat and we aim to outpace the industry growth on the back of our growing network share. After much delay, TRAI's tariff order is now set to be implemented across the country next month. I reiterate that this is a positive step for the industry in the long term and will be beneficial for everyone. While it will take some time for the new system to settle, we are working with all our partners for its smooth implementation."



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BUSINESS PERFORMANCE

Domestic Broadcast Business

During 3QFY19, ZEEL continued to gain its viewership share while maintaining its position as the #1 network in the non-sports entertainment segment with an all-India viewership share of 20.2%. The increase in viewership is driven by gains in Hindi and several regional language markets.

Zee TV maintained its #1 position in the pay Hindi GEC segment led by leadership in the core weekday primetime viewership band and **Zee Anmol** further strengthened its leadership position. Our strong movie library helped consolidate market share in the pay Hindi movie genre, widening the gap with the competition.

Our regional portfolio continued to gain significant traction across markets during the quarter. We maintained leadership position in the Marathi, Bangla, Oriya and Bhojpuri markets. **Zee Tamil** increased its market share and was the #2 player for the first time in this market. **Zee Kannada** gained traction and was the #1 channel in Urban market during the quarter. ZEEL expanded its presence in the South market with the launch of **Zee Keralam** in the Malayalam market which received encouraging response. Our portfolio of regional movie channels – **Zee Talkies**, **Zee Bangla Cinema** and **Zee Cinemalu** continued to perform strongly.

Zee Café, with its line-up of English shows, continues to be an audience favorite for English entertainment. **&flix** and **&privé HD** continue to entertain consumers with their rich catalogue of movies.

Digital Business

ZEE5 continues to be the fastest growing digital entertainment platform in the country driven by the rapidly expanding content offering for the consumers.

ZEE5 performance metrics

- In December'18, ZEE5 had 56.3 mn monthly active users (MAU), recording a growth of 36% compared to September'18. This number does not include users from the telecom partnerships.
- ZEE5 users currently spend an average of 31 minutes per day on the platform.
- ZEE5 has been consistently amongst the top-5 free and grossing entertainment apps in India as per the Google Play store rankings.
- ZEE5 app crossed 50 mn gross downloads on Android Play store.



Extraordinary Together

Building a strong original content catalogue

In its quest to serve engaging and original content to its consumers, ZEE5 is creating a catalogue of digital exclusive content including finite-format fiction shows, reality shows, original movies and short movies. During the last quarter, ZEE5 launched *Rangbaaz*, *Karenjit Kaur S2* and *Babbar Ka Tabbar S2* in Hindi, *Chitra Vichitram* and *B. Tech* in Telugu, *What's Up Velakkari* and *Alarm* in Tamil, *Date with Saie* in Marathi and *Kaali* in Bengali. With *Rangbaaz* and *Karenjit Kaur*, the platform has carved a niche for itself in the biopic genre. Fast paced thrillers like *Kaali* and *Date with Saie* have set the expectations high for the regional audience. ZEE5 is the only OTT platform creating content in 6 Indian languages which will enable it to become the go to platform for consumers looking for differentiated content across languages.

After the release of 12 never seen before movies by some of the well-known Indian and Pakistani directors as part of the *ZEE5 Film Festival*, the platform released *Tigers* by an Oscar winning director. The movie was loved by the audience and critics alike and was followed by the release of *Cabaret* (Hindi) and *Sigai* (Tamil) this month. These Indie, non-commercial movies were complemented by the latest mainstream movies available on the platform. Strengthening its live offering, ZEE5 added a dedicated section for news with a wide offering of news channels and live streamed the famous Sunburn music festival.

Customized subscription packs

In a first of its kind initiative, ZEE5 launched regional subscription packs for Tamil, Telugu and Kannada users. These tiered SVOD packs enable consumers to watch premium content in a language of their choice at half the price. Subscribers of these packs are also able to watch their favorite TV shows hours before they are aired on television later in the day. This offering has helped ZEE5 gather subscription momentum in the south Indian market.

ZEE5 entered into a unique partnership with India's leading train ticketing platform, Railyatri, which enables consumers to buy 7-day subscription pack along with their tickets, allowing them to download and consume content during travel.

Partnerships across the value chain

During the quarter, ZEE5 entered into partnerships with several key players in the digital eco-system to make its content accessible to more consumers. As part of the deal with Airtel, selective ZEE5 content is available to premium Airtel subscribers (ARPU of Rs. 199 and above) on Airtel TV app. This gives an excellent opportunity to these consumers to get a glimpse of the vast content catalogue on ZEE5 and will act as a funnel to upgrade them into ZEE5 subscribers. We are in active discussions with other telecom operators to make our content available to their consumers as well.



Extraordinary Together

During the quarter ZEE5 partnered with country's leading e-wallet company, Paytm, to provide 50% cashback to subscribers on monthly, half-yearly and annual packs. It also entered into partnership with India's two leading travel and hospitality companies, MakeMyTrip and OYO Rooms, which provides exclusive benefits to both their and ZEE5's customers. Continuing with its endeavor to increase availability across devices, ZEE5 is now also available on all Xiaomi, Samsung and LG smart TVs.

International Business

During the quarter, ZEEL's International business revenue was Rs. 1,978 million. The advertising revenue grew by 40.2% while the subscription revenue grew by 1.2%. Break-down of international business revenues for the first quarter is as below:

- Advertisement Revenue of Rs. 907 mn
- Subscription Revenue of Rs. 993 mn
- Other Sales and Services of Rs. 78 mn

Movies & Music Business

Zee Studios, our movie production and distribution business, distributed one Marathi movie in India and two movies in the international territories during the quarter.

Zee Music Company, our music label, continued with the library expansion of both Bollywood as and regional music. Further improving its performance, the music label registered ~5.3 billion views on YouTube in Q3. Zee Music Company is the second most subscribed Indian music channel on YouTube with over 29 million subscribers.

CONDENSED STATEMENT OF OPERATIONS

Consolidated operating revenue for the third quarter of FY19 stood at Rs. 21,668 million, recording a growth of 17.9% on YoY basis. EBITDA for the quarter ended Dec 31, 2018 was Rs. 7,543 million, translating into EBITDA margin of 34.8%. Profit After Tax (PAT) for the quarter was Rs. 5,624 million.



Extraordinary Together

The following table presents the consolidated financial statement of ZEEL and its subsidiaries for the third quarter of FY19:

(Rs. million)	Q3FY19	Q3FY18	Growth
Operating Revenue	21,668	18,381	17.9%
Expenditure	14,125	12,437	13.6%
EBITDA	7,543	5,944	26.9%
Add: Other Income	860	480	79.0%
Less: Depreciation	615	505	21.8%
Less: Finance Cost	55	24	
Less: Fair Value Through P&L	-376	419	
PBT before exceptional items	8,109	5,477	48.1%
Add: Exceptional Items	-	-	
PBT after exceptional items	8,109	5,477	48.1%
Less: Tax Expense	2,484	1,739	42.8%
Add: Share of Profit of Associates	2	(1)	
Less: Minority Interest	4	(5)	
Profit After Tax (PAT)	5,624	3,743	50.3%

NOTES

A: Previous period figures have been regrouped wherever necessary.

B: Numbers may not add up due to rounding

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.

(Rs. million)	Q3FY19	Q3FY18	Growth
Advertising revenue	14,626	12,020	21.7%
Subscription revenue	6,185	5,017	23.3%
Other sales and services	857	1,344	-36.2%
Total Revenue	21,668	18,381	17.9%

Refer Notes A and B above



Extraordinary Together

Advertising revenue

During the quarter, ZEEL's consolidated advertising revenue grew by 21.7% YoY to Rs. 14,626 million. The 20.6% growth in domestic advertising revenue, on a strong base, was driven by the continued strong performance of our television business and aided by the emerging digital business. The advertising demand continues to be strong across categories, reflecting positively on the advertising growth outlook. International advertising revenue grew by 40.2% due to stronger traction in Europe, US and APAC region.

Subscription revenue

During the quarter, ZEEL's consolidated subscription revenue grew by 23.3% YoY to Rs. 6,185 million. Domestic subscription revenue for the quarter increased by 28.6% YoY whereas international subscription revenue increased by 1.2% YoY. The higher than normal domestic subscription revenue growth was on a low base and driven by monetisation of phase-III subscribers. As the implementation of TRAI's tariff order draws near, we are actively engaging with all our distribution partners to enable a smooth transition to the new system. The regulation will go a long way in empowering the consumer and improving transparency in the distribution value chain.

EXPENDITURE

ZEEL's total expenditure in Q3FY19 stood at Rs. 14,125 million, higher by 13.6% YoY compared to Q3FY18. The following table gives the break-down of costs.

(Rs million)	Q3FY19	Q3FY18	Growth
Operating cost	7,978	6,730	18.5%
Employee cost	1,834	1,535	19.4%
A&P Expense	2,011	1,796	11.9%
Other Expenses	2,302	2,375	-3.1%
Total Expense	14,125	12,437	13.6%

Refer Notes A and B above

Programming cost for the quarter increased by 18.5% YoY to Rs. 7,978 million. This increase was driven by content cost for ZEE5 and elevated movie amortization costs for the broadcast business. Advertising, publicity and other expenses for the quarter grew 3.4% YoY to Rs. 4,313 million, despite a higher base, due to increase in marketing and promotion costs associated with ZEE5, new channel launches and brand refresh campaign of two channels during the quarter.



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CORPORATE DEVELOPMENTS

During the quarter the Company had issued and allotted 3,430 Equity Shares upon exercise of the Stock Options granted under ESOP Scheme, resulting in the increase in the Paid-up Equity Share Capital of the Company to 96,04,66,500 equity shares of Re 1/- each.

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 Bollywood, Zee Anmol Cinema, Zee Cafe, &flix, 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 Keralam, 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 Kannada HD, Zee Keralam HD, Zee Cinemalu HD, &flix HD, Zee Café HD and &privé HD. ZEE5, ZEEL's OTT platform, ZEE5, has 100,000+ hours of catch-up content and 80+ live TV channels. The company has a strong presence in the movies and music space through Zee Studios and Zee Music Company respectively.

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.