



Extraordinary Together

July 23, 2019

BSE Limited
National Stock Exchange of India Limited

Kind Attn: Manager Corporate Relationship

Dear Sirs,

Sub: Proceedings of the Board Meeting held on July 23, 2019
Re: Scrip Code - Equity Shares - BSE 505537 & NSE - ZEEL EQ
Preference Shares - BSE 717503 & NSE - ZEEL P2

The Board of Directors of the Company at the meeting held today i.e. on July 23, 2019 (which commenced at 1.30 p.m. and concluded at ~~3.25~~ 3.25 p.m.) have approved the Unaudited Limited Reviewed Financial Results of the Company, both on standalone and consolidated operations for the 1st quarter of the financial year 2019-20 and three months ended on June 30, 2019.

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
STANDALONE 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 ended 30 June 2019 (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 amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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**Deloitte
Haskins & Sells LLP**

5. The figures of the quarter ended 31 March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2019 and the published year to date figures up to the third quarter of the financial year which were subject to limited review by us.

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 19046488AAAAAC7263

M/ Mumbai, 23 July 2019



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CIN No : L92132MH1982PLC028767

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Standalone financial results for the quarter ended 30 June 2019

Particulars	(₹ in Lakhs)			
	Quarter ended on		Year ended on	
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations	178,989	168,730	156,326	685,786
2 Other income	9,181	3,866	4,517	18,936
Total income [1 + 2]	188,170	172,596	160,843	704,722
3 Expenses				
(a) Operational cost	69,205	68,452	57,472	240,064
(b) Employee benefits expense	15,898	16,591	11,980	54,186
(c) Finance costs	1,964	11,329	503	12,842
(d) Depreciation and amortisation expenses	4,861	3,675	4,014	15,894
(e) Fair value (gain) /loss on financial instruments at fair value through profit and loss	(6,220)	(6,927)	2,551	(677)
(f) Advertisement and publicity expenses	17,080	17,101	10,368	58,222
(g) Other expenses	12,297	9,602	16,051	62,472
Total expenses [3(a) to 3(g)]	115,085	119,823	102,939	443,003
4 Profit before tax and exceptional item [1+2 -3]	73,085	52,773	57,904	261,719
5 Exceptional item (Refer note 4)	-	(2,180)	-	(2,180)
6 Profit before Tax [4 + 5]	73,085	50,593	57,904	259,539
7 Tax expense :				
(a) Current tax	24,193	19,686	20,112	94,819
(b) Current tax - earlier years	(1,560)	174	-	(2,095)
(c) Deferred tax	(767)	(96)	1,143	1,334
Total tax expense [7(a) + 7(b) + 7(c)]	21,866	19,764	21,255	94,058
8 Profit for the period / year [6 - 7]	51,219	30,829	36,649	165,481
9 Other comprehensive (loss)/income				
Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation	(1,046)	(72)	(263)	(1,038)
(ii) Fair value changes of equity instruments through other comprehensive income	508	208	(111)	(190)
(b) Income tax relating to items that will not be reclassified to profit or loss	365	25	92	363
Total other comprehensive (loss)/income [9(a) to 9(b)]	(173)	161	(282)	(865)
10 Total comprehensive income [8 + 9]	51,046	30,990	36,367	164,616
11 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605
12 Other equity				703,539
13 Earnings per share (not annualised) :				
Basic (₹)	5.33	3.21	3.82	17.23
Diluted (₹)	5.33	3.21	3.82	17.23

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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 meetings held on 23 July 2019. These results have been subjected to 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. As at 31 March 2019, the Company had assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined based on the fair value less cost of disposal. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 2,180 lakhs in the quarter and year ended 31 March 2019.
5. Effective 1 April 2019, the Company adopted Ind AS 116 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the profit for the period and earnings per share.
6. During the quarter ended 30 June 2019, the Company has issued and allotted 15,265 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 960,481,765 Equity Shares of Re 1/- each i.e. Rs. 9,605 Lakhs.

For and on behalf of the Board
Zee Entertainment Enterprises Limited

Punit Goenka
Managing Director & CEO



Place: Mumbai
Date : 23 July 2019

**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 net profit/(loss) after tax and total comprehensive income of its associate and joint venture for the quarter ended 30 June 2019 (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 amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's 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 express a conclusion on the Statement based on our review.
3. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

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

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Sr. No.	Particulars
	Parent
	Zee Entertainment Enterprises Limited
	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
	Associate
1	Asia Today Thailand Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in 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 amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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**Deloitte
Haskins & Sells LLP**

6. 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. 42,168 lakhs for the quarter ended 30 June 2019, total net profit after tax of Rs. 5,095 lakhs for the quarter ended 30 June 2019 and total comprehensive income of Rs. 5,103 lakhs for the quarter ended 30 June 2019, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

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

7. 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. 10,177 lakhs for the quarter ended 30 June 2019, total profit after tax of Rs. 837 lakhs for the quarter ended 30 June 2019 and total comprehensive income of Rs. 832 lakhs for the quarter ended 30 June 2019, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of Rs. 230 lakhs for the quarter ended 30 June 2019 and total comprehensive income of Rs. 230 lakhs for the quarter ended 30 June 2019, as considered in the Statement, in respect of an associate 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.

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

8. The figures of the quarter ended 31 March 2019 are the balancing figures between the audited figures in respect of the full financial year ended 31 March 2019 and the published year to date figures up to the third quarter of the financial year which were subject to limited review by us.

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



A. B. Jani
Partner

Membership No. 46488
UDIN: 19046488AAAAAD8692

Mumbai, 23 July 2019



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ZEE ENTERTAINMENT ENTERPRISES LIMITED

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Consolidated financial results for the quarter ended 30 June 2019

₹ in Lakhs

Particulars	Quarter ended on			Year ended on
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Audited	Unaudited	Audited
1 Revenue from operations				
(a) Advertisement revenue	118,671	121,749	114,601	503,666
(b) Subscription revenue	70,877	56,527	51,864	231,054
(c) Other sales and services	11,264	23,651	10,738	58,670
2 Other income	10,391	5,679	4,975	25,145
Total income [1(a) to 1(c) + 2]	211,203	207,606	182,178	818,535
3 Expenses				
(a) Operational cost	78,002	88,332	66,832	307,579
(b) Employee benefits expense	20,033	20,146	17,138	72,494
(c) Finance costs	2,051	11,417	529	13,043
(d) Depreciation and amortisation expense	6,899	5,678	5,764	23,473
(e) Fair value (gain) / loss on financial instruments at fair value through profit and loss	(6,788)	(931)	2,129	(364)
(f) Advertisement and publicity expenses	19,546	19,301	14,016	69,927
(g) Other expenses	17,256	17,317	22,652	86,996
Total expenses [3(a) to 3(g)]	136,999	161,260	129,060	573,148
4 Profit before share of profit/(loss) of associates and joint ventures, exceptional item and taxes [1+2-3]	74,204	46,346	53,118	245,387
5 Share of profit/(loss) of associates/joint ventures	230	25	176	243
6 Profit before exceptional items and tax [4 + 5]	74,434	46,371	53,294	245,630
7 Exceptional items (Refer note 3)	-	(2,180)	-	(2,180)
8 Profit before tax [6 + 7]	74,434	44,191	53,294	243,450
9 Tax expense :				
(a) Current tax - current year	24,346	20,401	20,483	96,855
(b) Current tax - earlier years	(1,560)	(5,243)	-	(11,473)
(c) Deferred tax	(1,328)	(220)	223	1,344
Total tax expense [9(a) + 9(b) + 9(c)]	21,458	14,938	20,706	86,726
10 Profit for the period/year [8 - 9]	52,976	29,253	32,588	156,724
11 Other comprehensive (loss) /income				
(A) Items that will not be reclassified to profit or loss				
(a) (i) Re-measurement of defined benefit obligation	(1,039)	(8)	(272)	(990)
(ii) Fair value changes of equity instruments through other comprehensive income	508	407	(687)	(880)
(b) Income tax relating to items that will not be reclassified to profit or loss	362	4	94	346
(B) Items that will be reclassified to profit or loss				
(a) Exchange differences on translation of financial statements of foreign operations	(2,702)	(468)	9,040	14,488
Total other comprehensive (loss) / income [11(A) + 11(B)]	(2,871)	(65)	8,175	12,964
12 Total comprehensive income [10 + 11]	50,105	29,188	40,763	169,688
13 Profit for the year attributable to :				
Shareholders of the Company	53,057	29,168	32,638	156,709
Non-controlling Interests	(81)	85	(50)	15
14 Total comprehensive income attributable to				
Shareholders of the Company	50,186	29,103	40,813	169,673
Non-controlling interests	(81)	85	(50)	15
15 Paid-up Equity share capital of ₹ 1/- each	9,605	9,605	9,605	9,605
16 Other equity				882,785
17 Earnings per Share (not annualised) :				
Basic (₹)	5.52	3.04	3.40	16.32
Diluted (₹)	5.52	3.04	3.40	16.32

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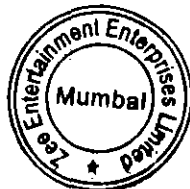


Notes to consolidated financial results

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 meetings held on 23 July 2019. These results have been subjected to 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. As at 31 March 2019, the Company had assessed the recoverable amount of Goodwill allocated to the Online Media Business which represent a separate cash-generating unit (CGU). The recoverable amount of this CGU was determined based on the fair value less cost of disposal. The excess of carrying value of CGU over the recoverable amount had been accounted as an impairment charge of Rs 2,180 lakhs in the quarter and year ended 31 March 2019.
4. Effective 1 April 2019, the Group adopted Ind AS 116 'Leases', applied to all lease contracts existing on 1 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. The effect of this adoption is insignificant on the profit for the period and earnings per share.
5. During the quarter ended 30 June 2019, the Company has issued and allotted 15,265 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 960,481,765 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 : 23 July 2019





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Financial Results for the quarter ended 30 June 2019



(₹ in lakhs)

Sl. No.	Particulars	Standalone			Consolidated		
		Quarter ended on 30/06/2019	Quarter ended on 30/06/2018	Year ended on 31/03/2019	Quarter ended on 30/06/2019	Quarter ended on 30/06/2018	Year ended on 31/03/2019
1	Total income from operations*	178,989	156,326	685,786	200,812	177,203	793,390
2	Profit/(Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	73,085	57,904	261,719	74,434	53,294	245,630
3	Profit/(Loss) for the period before tax (after Exceptional and/or Extraordinary items)	73,085	57,904	259,539	74,434	53,294	243,450
4	Profit/(Loss) for the period after Tax (after Exceptional and/or Extraordinary items)	51,219	36,649	165,481	52,976	32,588	156,724
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	51,046	36,367	164,616	50,105	40,763	169,688
6	Equity Share Capital	9,605	9,605	9,605	9,605	9,605	9,605
7	Other equity (excluding revaluation reserves)			703,539			882,785
8	Earnings per Share (of Rs. 1/- each) (for continuing operations)						
	Basic (Rs.) (Not Annualised)	5.33	3.82	17.23	5.52	3.40	16.32
	Diluted (Rs.) (Not Annualised)	5.33	3.82	17.23	5.52	3.40	16.32

*Excludes other income

Notes :

1. The above is an extract of the detailed format of unaudited Financial Results filed by the Company with the Stock Exchanges under Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. The full format of the Unaudited Financial Results are available on the Stock Exchange websites. (www.bseindia.com and www.nseindia.com) and also on Company's website at www.zeeentertainment.com.

2. This financial statement has 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).

Place: Mumbai

Date: 23 July 2019



Punit Goenka
Managing Director & CEO



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Strong performance in a challenging environment

46.7% YoY growth in Q1FY20 domestic subscription revenue

4.2% YoY growth in Q1FY20 domestic advertising revenue

16.6% YoY growth in Q1FY20 EBITDA to Rs. 6,598 mn, EBITDA Margin of 32.9%

Profit after tax grew by 62.6% YoY to Rs5,306 mn

ZEEL maintains its position as India's #1 non-sports entertainment network

ZEE5 global MAUs and DAUs stood at 76.4 mn and 6.6 mn, respectively, in Jun'19

Q1FY20 HIGHLIGHTS

- ❖ Total revenue for the quarter was Rs. 20,081 million, growth of 13.3% YoY. The growth was driven by the strong performance of domestic broadcast and digital businesses.
- ❖ Advertising revenue for the quarter was Rs. 11,867 million, growth of 3.6% YoY. Domestic advertising revenue grew by 4.2% YoY to Rs. 11,322 million. International advertising revenue for the quarter was Rs. 545 million.
- ❖ Subscription revenue for the quarter was Rs. 7,088 million, growth of 36.7% YoY. Domestic subscription revenue grew by 46.7% YoY to Rs. 6,240 million. International subscription revenue was Rs. 848 million.
- ❖ EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) for the quarter grew by 16.6% to Rs. 6,598 million and EBITDA margin stood at 32.9%.
- ❖ ZEE5 global MAUs and DAUs stood at 76.4 mn and 6.6 mn, respectively, in the month of June.
- ❖ ZEEL maintained its position as the #1 all-India television entertainment network.



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Mumbai, July 23, 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 June 30, 2019.

For the first quarter of FY20, ZEEL reported consolidated revenue of Rs. 20,081 million. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs. 6,598 million with an EBITDA margin of 32.9%. PAT for the quarter was Rs. 5,306 million.

Mr. Punit Goenka, Managing Director and CEO, ZEEL, commented, “We delivered another quarter of strong performance despite the operational challenges faced by the industry due to the implementation of TRAI tariff order. We have witnessed a strong uptake of our channels across markets which is reflected in the 47% growth of our domestic subscription revenues. It validates our standing as the #1 entertainment network of the country, built on the foundation of strong position in each of the markets we operate in. We are confident that the new tariff regime is going to be beneficial for all the stakeholders and will greatly improve the consumer experience.

Domestic advertising growth of 4.2% YoY is considerably lower than the growth in past quarters. This is primarily on account of the decision to convert our two leading FTA channels to pay, which significantly impacted the ad growth for the quarter. Additionally, the implementation of the new tariff order in the previous quarter negatively impacted reach and viewership of most entertainment channels, leading to a temporary shift in some of the ad spends from entertainment to sports. We believe that the underlying demand for advertising still remains strong and we are confident that spends would come back as the tariff order settles down and the festive season kicks in.

ZEE5 continues its strong run and is working towards achieving its aim of becoming India’s #1 digital entertainment platform. In the international markets, it has seen an encouraging response in the initial phase. I am confident that with its strong content line-up and partnerships with leading players in the digital eco-system, value proposition of the platform and engagement with the consumers will continue to improve.”

BUSINESS PERFORMANCE

Domestic Broadcast Business

During 1QFY20, ZEEL maintained its position as the #1 network in the non-sports entertainment segment with an all-India viewership share of 18.7%. The implementation of tariff order is impacting the reach and viewership of all the leading broadcast networks during the transition phase. Additionally, the viewership was also impacted due to the conversion of two leading FTA channels into pay channels. Despite these developments, ZEEL continues to strengthen its position in the pay-TV ecosystem.

Zee TV was the #2 channel in the pay Hindi GEC segment, led by leadership in the core weekday primetime viewership band. The channel’s viewership experienced temporary weakness during the



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movement to the new tariff regime but saw an improvement towards the end of the quarter. Our strong movie library helped further consolidate our #1 position in the pay **Hindi movie genre**.

Our regional portfolio continued to gain traction across markets during the quarter. We maintained leadership position in the **Marathi, Bangla and Kannada** markets. **Zee Tamil** continued to increase its market share on the back of strong performance of fiction shows. We are confident that with our consumer-centric approach and insight driven creative output, we will continue to build market share. **Zee Telugu** and **Zee Sarthak** were the #2 channels during the quarter. Our youngest regional channel, **Zee Keralam**, continued to gain share in the Malayalam market led by performance of the fiction shows. Our portfolio of regional movie channels – **Zee Talkies, Zee Bangla Cinema and Zee Cinemalu** continued to perform strongly.

Digital Business

With an expanding line-up of exclusive content and tie-ups with partners in the digital eco-system, ZEE5 continued to strengthen its position as the go-to platform for on-demand entertainment.

ZEE5 performance

- In June'19, ZEE5 had 76.4 mn monthly active users (MAU) globally
- The platform had a global daily active user (DAU) base of 6.6 mn in June'19
- ZEE5 users spent an average of 33 minutes per day on the platform
- ZEE5 was recognized amongst the top-5 'Impactful Debuts' in the ninth edition of the *Pitch Top 50 Brands Awards*

Strong line-up of Original Content

ZEE5 continues to expand its catalogue of digital exclusive content to cater to its diverse consumer base. During the quarter, ZEE5 launched 18 Original shows and movies, of which 7 were in regional languages. The platform is building its content library on the 3 Rs – Real, Relevant, and Resonant, and continues to experiment with new genres and concepts. Be it shows like *Kaafir* and *Bombers* (Hindi), *Water Bottle* (Bengali), *Thiravam* and *Postman* (Tamil) and movies like *Badnaam Gali* (Hindi), *Onek Diner Pore* (Bengali), ZEE5 aims to push the content boundaries across languages. Many of these shows and movies were critically acclaimed and helped ZEE5 grow its paid subscriber base. To enable access to a wider consumer base, every original content is dubbed in six languages along with English subtitles. With a growing catalogue of original content and premium movies, ZEE5 has established itself as the destination for consumers looking for differentiated content.



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Partnerships across the value chain

In its endeavor to reach a wider consumer base, ZEE5 is entering into partnerships with players across the digital eco-system. ZEE5 is already integrated with all the major telecom networks and connected devices, driving higher reach and engagement. During the quarter, ZEE5 entered into partnership with Hathway and ACT Fibernet to offer bundled package to consumers. To expand its footprint, ZEE5 has tied up with players in the online eco-system like Myntra, Qwikcilver, Netmeds and Gaana.com.

To improve the consumer experience, ZEE5 is collaborating with some of the leading OTT technology companies. ZEE5 announced a strategic partnership with Optimove to bolster the performance of the platform based on a suite of services backed by insight, engagement & optimisation. It also announced a collaboration with Applicaster, one of the leading global cloud platforms for media app development and management in the media space.

ZEE5's expanding presence in international markets

Following the launch in priority APAC markets, ZEE5 commenced marketing activities in the neighbouring countries to leverage its language and content affinity. After *#sharethelove* and *#dilsedesi* campaigns saw great traction, ZEE5's 'Extreme Emotion' campaign introduced ZEE5 to mainstream audiences who love Indian content. ZEE5 is entering into partnerships across the region with several distribution platforms. To tap into the existing demand for Indian content in several markets, it also soft-launched dubbed content in 5 international languages. The roll-out in APAC will be followed by MENA, Europe, Canada and Caribbean markets.

International Business

During the quarter, ZEEL's International business revenue was Rs. 1,603 million. The advertising and subscription revenues declined by 7.6% YoY and 9.2% YoY, respectively. Break-down of international business revenues for the first quarter is as below:

- Advertisement Revenue of Rs. 545 mn
- Subscription Revenue of Rs. 848 mn
- Other Sales and Services Revenue of Rs. 210 mn

Movies & Music Business

Zee Studios, our movie production and distribution business, produced a Marathi movie, *Rampaat*, and distributed two Hindi movies – *Article 15* and *Tashkent Files* in India. In addition, 5 films across 2 languages were distributed in the international territories during the quarter.



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Zee Music Company, our music label, continued with the library expansion of both Bollywood and regional music. The music label registered ~7.1 billion views on YouTube in Q1. Zee Music Company is the second most subscribed Indian music channel on YouTube with over 40 million subscribers.

Live Events

Zee Live launched *Supermoon*, starring one of the most popular international stand-up artists, Russell Peters. The event was held across Mumbai, Delhi and Bengaluru, and received good response from the audience. *Zee Educare*, a two-day education event was held in Delhi which saw participation from 40+ institutions.

CONDENSED STATEMENT OF OPERATIONS

Consolidated operating revenue for the first quarter of FY20 stood at Rs. 20,081 million, recording a growth of 13.3% on YoY basis. EBITDA for the quarter ended June 30, 2019 was Rs. 6,598 million, translating into EBITDA margin of 32.9%. Profit After Tax (PAT) for the quarter was Rs. 5,306 million.

The following table presents the consolidated financial statement of ZEEL and its subsidiaries for the first quarter of FY20:

(Rs. million)	Q1FY20	Q1FY19	Growth
Operating Revenue	20,081	17,720	13.3%
Expenditure	13,484	12,064	11.8%
EBITDA	6,598	5,657	16.6%
Add: Other Income	1,039	498	108.9%
Less: Depreciation	690	576	19.7%
Less: Finance Cost	205	53	
Less: Fair Value Through P&L	(679)	213	
PBT before exceptional items	7,420	5,312	39.7%
Less: Tax Expense	2,146	2,071	3.6%
Add: Share of Profit of Associates	23	18	
Less: Minority Interest	(8)	(5)	
Profit After Tax (PAT)	5,306	3,264	62.6%

NOTES

A: Previous period figures have been regrouped wherever necessary.
 B: Numbers may not add up due to rounding



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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, music label, content syndication, and commission on sales amongst others. The following table contains break-down of consolidated revenues.

(Rs. million)	Q1FY20	Q1FY19	Growth
Advertising revenue	11,867	11,460	3.6%
Subscription revenue	7,088	5,186	36.7%
Other sales and services	1,126	1,074	4.9%
Total Revenue	20,081	17,720	13.3%

Refer Notes A and B above

Advertising revenues

During the first quarter, ZEEL's consolidated advertising revenue grew by 3.6% YoY to Rs. 11,867 million. Domestic advertising revenues grew by 4.2% YoY to Rs. 11,322 million. The domestic advertising revenue growth was slower than the previous quarters primarily due to the impact of two leading channels getting converted from free-to-air to pay channels, and therefore moving out of DD Freedish. Also, as the implementation of the tariff order was underway during the quarter, the reach and viewership of all entertainment networks got affected. Due to this uncertainty, some of the brands moved a part of their advertising spends temporarily to sports channels airing cricket events which promised a higher reach. As the impact of tariff order normalizes and the festive season begins, the advertising growth is expected to return to its normal trajectory.

Subscription revenues

ZEEL's consolidated subscription revenue grew by 36.7% to Rs. 7,088 million during the quarter. Domestic subscription revenue grew by 46.7% YoY while the International subscription revenue declined by 9.2% YoY. The implementation of the new tariff order has led to better monetization of our viewership which explains the step jump in domestic subscription revenue growth. Over the years, our broadcast business has built leadership positions across markets which has resulted in strong uptake of our channels and bouquets under the new tariff order. The order has allowed us to price our channels in line with their popularity, leading to a sharp improvement in subscription revenues, especially in the southern markets.



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EXPENDITURE

ZEEL's total expenditure in Q1FY20 stood at Rs. 13,484 million, higher by 11.8% YoY compared to Q1FY19. The following table gives the break-down of costs.

(Rs. million)	Q1FY20	Q1FY19	Growth
Operating cost	7,800	6,683	16.7%
Employee cost	2,003	1,714	16.9%
A&P Expense	1,955	1,402	39.5%
Other Expenses	1,726	2,265	23.8%
Total Expense	13,484	12,064	11.8%

Refer Notes A and B above

Programming cost for the quarter increased by 16.7% YoY to Rs. 7,800 million. This increase was primarily driven by content cost for ZEE5 and higher movie amortization costs for our Hindi and regional channel portfolio. Advertising, Publicity and Other expenses at Rs. 3,680 million were flat on a YoY basis. Higher marketing and promotion costs for ZEE5, both in India and in International markets, led to higher A&P expenses during the quarter.



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CORPORATE DEVELOPMENTS

- The Company had on April 16, 2019 issued and allotted 15,265 Equity Shares upon exercise of Stock Options granted under ESOP Scheme, resulting in the increase in Paid-up Equity Share Capital of the Company to 960,481,765 Equity Shares of Re. 1/- each.
- As per the terms of issue of 6% Cumulative Redeemable Non-Convertible Preference Shares (Listed Preference Shares issued as Bonus in March 2014) the Company had declared Preference Dividend of Re. 0.36 per share for FY 2018-19 on the Preference Shares of face value of Re. 6 each (post remittance of partial redemption amount of Rs. 2 per Share in March 2019) and the said dividend was remitted to the Preference Shareholders as at March 30, 2019 on April 15, 2019.
- In June 2019, Brickwork Ratings India Pvt Ltd updated/revised Rating Outlook of Company's Listed Preference Shares from 'BWR AAA (Outlook: Credit Watch with Developing Implications)' to 'BWR AAA (Outlook: Credit watch with Negative Implications)'. The said revision inter alia factored delay in stake sale plan announced by the Promoters in November 2018 along with uncertainty in stake sale, volatility in share price, deteriorating & weakening credit profile and weakening financial flexibility at the group including its infrastructure segment.



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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 Classic, 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.