

## **EARNINGS RELEASE FOR THE QUARTER ENDED MAR. 31, 2016**

Advertising Revenues of Rs 8,645 Mn, Up 29.1% YoY

Subscription Revenues of Rs 5,944 Mn, Up 16.4% YoY

Consolidated Operating Revenues of Rs 15,316 Mn, Up 13.7% YoY

EBITDA of Rs 4,136 Mn; EBITDA Margin of 27.0%

Profit after Tax of Rs 2,659 Mn; PAT Margin of 17.4%

Board Recommends Equity Dividend of 225%

### **Q4 HIGHLIGHTS**

- ❖ Advertising revenues for the quarter were Rs 8,645 million, recording a growth of 29.1% over Q4 FY15. During the quarter, domestic advertising revenues stood at Rs 7,525 million while international advertising revenues stood at Rs 1,120 million.
- ❖ Subscription revenues were Rs 5,944 million for the quarter ended March 31, 2016 recording a growth of 16.4% over Q4 FY15. During the quarter, domestic subscription revenues stood at Rs 4,682 million while international subscription revenues stood at Rs 1,262 million.
- ❖ Consolidated operating revenues for the quarter stood at Rs 15,316 million, recording a growth of 13.7% as compared to the corresponding quarter last fiscal.
- ❖ Operating profit (EBITDA) for the quarter stood at Rs 4,136 million. EBITDA Margin stood at 27.0%.
- ❖ Profit after Tax (PAT) for the quarter ended March 31, 2016 was Rs 2,659 million. PAT Margin stood at 17.4%.

## **FY2016 HIGHLIGHTS**

- ❖ Advertising revenues for FY2016 were Rs 34,296 million, recording a growth of 28.9% over FY2015.
- ❖ Subscription revenues were Rs 20,579 million for the financial year ended March 31, 2016 recording a growth of 14.7% over FY2015. During the year, domestic subscription revenues stood at Rs 16,302 million while international subscription revenues stood at Rs 4,276 million.
- ❖ Consolidated operating revenues for FY2016 stood at Rs 58,515 million, recording a growth of 19.8% as compared to the last fiscal.
- ❖ Operating profit (EBITDA) for FY2016 stood at Rs 15,096 million. EBITDA Margin stood at 25.8%.
- ❖ Profit after Tax (PAT) for FY2016 was Rs 10,289 million. PAT Margin stood at 17.6%.

**Mumbai, May 10, 2016:** Zee Entertainment Enterprises Limited (ZEE) (BSE: 505537, NSE: ZEEL.EQ) today reported its fourth quarter fiscal 2016 consolidated revenue of Rs 15,316 million. The consolidated operating profit (EBITDA) for the quarter stood at Rs 4,136 million. PAT for the quarter was Rs 2,659 million. The EBITDA margin for the quarter stood at 27.0% and the PAT margin was 17.4%. For the full year FY16 consolidated revenue stood at Rs 58,515 million. The consolidated operating profit (EBITDA) for the year stood at Rs 15,096 million. PAT for the fiscal was Rs 10,289 million. The EBITDA margin stood at 25.8% and the PAT margin was 17.6%.

The Board of Directors in its meeting held today, has taken on record the unaudited consolidated financial results of ZEE and its subsidiaries for the quarter ended March 31, 2016.

Dr. Subhash Chandra, Chairman, ZEEL, stated, “The past year saw good economic growth in India despite most of the economies across the world not faring well. The government’s policies have finally begun to show results as witnessed in renewed industrial activity and sustained low inflation. Interest rate cuts, normal monsoon and continued reforms process will further help the economic growth momentum.”

Commenting on the results of the Company, Dr. Chandra added, “The results have once again shown that the Company is committed to the goal of profitable growth and enhancing

shareholder wealth. The growth in the quarter has been satisfactory and the investment in the new channels has started showing results. We strive to seek out growth opportunities which will give sustainable long term growth. True to our philosophy of 'World is one family', we will continue to entertain the audience around the world with our content."

Mr. Punit Goenka, Managing Director & Chief Executive Officer, ZEEL, commented, "I am happy to announce that our sustained growth momentum through the year continued in the fourth quarter as well and we have ended the year on a strong note. Our growth has been ahead of the market growth trajectory which is being reflected in the improving viewership share of our network. We continue to see strong growth in both existing and new products.

In the last quarter we launched OZEE which is a one stop destination for all ZEE content online. We understand that Digital will be a key part of our growth in the future and hence we are geared for expansion on that front as well. We also rebranded our sports channel portfolio in line with our vision to provide the consumer a superior viewing experience.

We would continue to innovate on the content front to serve our audiences. With the growth in consumption on digital platforms the content production has been democratized and it will lead to increase in content variety for the consumer. ZEE has a strong pedigree in the content creation business and we will continue to maintain and build on it."

## **BUSINESS PERFORMANCE**

During the quarter, **Zee TV** was ranked third amongst the Hindi General Entertainment Channels. The channel delivered a weekly average of 10 shows among top 50 shows during the quarter led by the top rated shows like *Kumkum Bhagya*, *Jamai Raja*, *Tashan E Ishq* and *Ek Tha Raja*. New shows launched during the quarter *Meri Sasu Maa* and *Sa Re Ga Ma Pa* have performed well since launch.

**&tv** which completed one year of operation in March 2016 continued to increase its popularity with the urban audience. The channel recorded 25% growth in urban viewership in the last quarter. The popular fiction show, *Bhabhiji Ghar Pe Hai* strengthened its position and became the second best performing show in its slot. &tv launched one fiction show during the quarter. The hugely successful international dance show 'So You Think You Can Dance' was launched with an Indian flavor in April.

ZEE's FTA Channel **Zee Anmol** continued to maintain its number 1 position in the FTA GEC category. The channel launched several shows from the catalogue like *I Can Do That*, *Qubool Hai* and *Meri Doli Tere Angna*. Shows like *Jodha Akbar*, *Choti Bahu* and *Bandini* were the top performing shows on the channel.

ZEE's **Hindi Movie Cluster** of Zee Cinema, & pictures, Zee Classic and Zee Action continued to lead the genre with the highest viewership share. This quarter saw the world television premieres of *Singh is Bliing*, *Jazbaa* etc along with the telecast of 'Zee Cine Awards 2016'.

**Zee Marathi** continued its lead as the number 1 channel in its genre with around 50% market share. The channel was once again the slot leader in all the 9 prime time slots led by top rated fiction shows like *Jai Malhar*, *Nanda Saukyabhare* and *Ratris Khel Chale* and non-fiction shows such as *Chala Hava Yeun Dya* and *Home Minister*.

**Zee Bangla** continued being the number 2 player in the Bangla GEC genre with a strong share in the urban market. The channel continued its strong leadership in the non-fiction genre. The newly launched show *Bhutu* was the top fiction show on the channel along with shows like *Deep Jwele Jai* and *Goyenda Ginni*. *Dadagiri Unlimited* and *Mirakkel Akkel Challenger* were the top rated non-fiction shows on the channel.

During the quarter, **Zee Telugu** increased its market share to become the number 2 channel in the Telugu GEC genre and number 1 channel in the urban Telugu market. The channel maintained strong leadership position in the fiction genre and weekday prime time in the urban market. The top rated fiction shows on the channel during the quarter were *Muddha Mandaram*, *Varudhini Parinayam* and *Rama Seetha*. Key shows launched during the quarter were *Mutyala Muggu*, *Big Celebrity Challenge* and *Denikaina Ready*.

**Zee Kannada** maintained the number 2 ranking in the urban Kannada GEC genre during the quarter. Top rated shows on the channel were *Naagini*, *Ganga* and *Weekend with Ramesh*. The top rated shows on **Zee Tamil** include *Genes*, *Lakshmi Vantachu* and *Anakodiyum Aindhu Pengalum*.

**Sarthak TV**, the latest addition to the bouquet of ZEEL's regional offerings maintained its number 1 position in the Oriya market with over 50% market share. The channel has a strong leadership in both fiction as well as non-fiction genre.

The Network's English entertainment channels - Zee Café and Zee Studio continue to perform well in their respective genres. The key shows launched on **Zee Café** during the quarter were *House of Cards Season 3* and *Rizzoli and Isles*. The top performing properties on **Zee Studio** were *The Incredibles* and *How to Train Your Dragon*.

The key properties on our **Sports channels** bouquet during the quarter included telecast of *SA vs England cricket series*, *SA vs Australia cricket series*, *UEFA Champions League round of 16*, *WTA Finals* and *WWE Royal Rumble* among others. The forthcoming quarter would see the telecast of sporting events like *Zimbabwe vs India cricket series*, *WI-Australia-SA cricket series*, *UEFA Champions League finals* among others. The sports business revenues in the fourth quarter of FY2016 were Rs 1,601 million, while costs incurred in this quarter were Rs 1,837 million.

ZEE's **International business** continues to perform strongly driven by global demand for our products. ZEE intends to continue to grow this business and ensure timely and appropriate investments to capitalize on this opportunity. For the quarter ended March 31, 2016 the international business did

- Advertisement Revenue of Rs 1,120 Mn
- Subscription Revenue of Rs 1,262 Mn
- Other Sales and Services of Rs. 210 Mn
- Total Revenue of Rs 2,592 Mn

The highlights of the International Operations during the quarter were as follows:

- Americas
  - Zee TV continued to garner the highest viewership share among South Asian networks
- Europe
  - &tv featured among the top 10 channels in UK for the months of January and February
  - Zee Russia continued its lead in the thematic channel pack
- Africas
  - Zee World was the second ranked channel among its target audience in South Africa
  - Zee World and Zee Magic saw a viewership growth of more than 2.5 times
- MENAP
  - Zee TV was the number 1 channel and Zee Cinema was the number 2 channel among South Asian expats in their respective genres in the UAE
  - Zee Aflam retained its position as the number 3 movie channel in the All Arabs target audience in Saudi Arabia.

## CONDENSED STATEMENT OF OPERATIONS

The table below presents the condensed statement of operations for ZEE and its subsidiaries for the fourth quarter of FY2016 versus FY2015:

(Rs million)	Fourth Quarter		% Growth
	FY2016 (Audited)	FY2015 (Audited)	YOY
<b>Operating Revenues</b>	<b>15,316</b>	<b>13,471</b>	<b>13.7%</b>
Expenditure	11,180	10,763	3.9%
<b>Operating profit (EBITDA)</b>	<b>4,136</b>	<b>2,708</b>	<b>52.8%</b>
Add: Other Income	457	564	-18.9%
Less: Depreciation	273	174	57.1%
Less: Finance Cost	42	30	41.3%
<b>PBT before exceptional items</b>	<b>4,277</b>	<b>3,068</b>	<b>39.4%</b>
Less: Tax Expense	1,618	1,102	46.8%
Less: Short Provision for tax (Earlier Years)	0	(354)	
<b>Profit After Tax for the Period</b>	<b>2,659</b>	<b>2,319</b>	<b>14.7%</b>
Add: Exceptional Item	0	0	-
<b>Profit After Tax after Exceptional Items</b>	<b>2,659</b>	<b>2,319</b>	<b>14.7%</b>
Add: Share of Profit / (Loss) of Associates	(4)	0	
Less: Minority Interest	50	(25)	

### NOTES

A: Previous period figures have been regrouped wherever necessary.

B: Numbers may not add up due to rounding

Consolidated operating revenues for the fourth quarter of FY2016 stood at Rs 15,316 million, recording a growth of 13.7% on a y-o-y basis. Operating profit (EBITDA) for the quarter ended March 31, 2016 was Rs 4,136 million. EBITDA margin for the quarter stood at 27.0%. Profit After Tax (PAT) for the quarter ended March 31, 2016 was Rs 2,659 million. PAT margin for the quarter stood at 17.4%.

The table below presents the condensed statement of operations for ZEE and its subsidiaries for the full year FY2016 versus FY2015:

(Rs million)	Twelve Months		% Growth
	FY2016 (Audited)	FY2015 (Audited)	YOY
<b>Operating Revenues</b>	<b>58,515</b>	<b>48,837</b>	<b>19.8%</b>
Expenditure	43,419	36,299	19.6%
<b>Operating profit (EBITDA)</b>	<b>15,096</b>	<b>12,537</b>	<b>20.4%</b>
Add: Other Income	2,016	2,278	-11.5%
Less: Depreciation	840	673	24.8%
Less: Finance Cost	123	103	19.9%
<b>PBT before exceptional items</b>	<b>16,148</b>	<b>14,039</b>	<b>15.0%</b>
Less: Tax Expense	5,528	4,737	16.7%
Less: Short Provision for tax (Earlier Years)	-	(453)	
Less : Exceptional Items (W/off of Investment )	331	0	
<b>Profit After Tax for the Period</b>	<b>10,289</b>	<b>9,755</b>	<b>5.5%</b>
Add: Exceptional Item	0	0	-
<b>Profit After Tax after Exceptional Items</b>	<b>10,289</b>	<b>9,755</b>	<b>5.5%</b>
Add: Share of Profit / (Loss) of Associates	(4)	(36)	
Less: Minority Interest	18	(57)	

#### NOTES

A: Previous period figures have been regrouped wherever necessary.

B: Numbers may not add up due to rounding

Consolidated operating revenues for the financial year ended March 31, 2016 stood at Rs 58,515 million, recording a growth of 19.8% on a y-o-y basis. Operating profit (EBITDA) for FY2016 was Rs 15,096 million. EBITDA margin for the fiscal stood at 25.8%. Profit After Tax (PAT) for the year was Rs 10,289 million. PAT margin for the year stood at 17.6%.

## REVENUE STREAMS

ZEE's revenues are generated primarily from advertising sales and subscription revenues. The following table sets forth the percentage of revenues that each type contributes to consolidated revenues in the fourth quarter of FY2016 and FY2015.

(Rs million)	Fourth Quarter		% of total revenues		% Growth
	FY2016	FY2015	FY2016	FY2015	
Advertising revenue	8,645	6,697	56%	50%	29.1%
Subscription revenue	5,944	5,108	39%	38%	16.4%
Other sales and services	727	1,666	5%	12%	-56.4%
<b>Total Revenues</b>	<b>15,316</b>	<b>13,471</b>	<b>100%</b>	<b>100%</b>	<b>13.7%</b>

Refer Notes A and B above

ZEE's advertising revenues during the quarter were Rs 8,645 million, showing an increase of 29.1% y-o-y. Total subscription revenues for the quarter were Rs 5,944 million. During the current quarter, domestic subscription revenues stood at Rs 4,682 million registering a growth of 12.1% over corresponding period last fiscal, while international subscription revenues were Rs 1,262 million, up 35.3% over last fiscal.

Other sales and services include syndication sales, film distribution, commission on sales, play out & transmission services, facility usage income among others. During the quarter, other sales and services stood at Rs 727 million. The company had recorded revenue of Rs 1,666 million under this head during the corresponding period last fiscal.

## EXPENDITURE

ZEE's main expenses include cost of goods and operations, employee cost, and administrative and selling expenses. The following table sets forth the percentage of costs that each type contributes to consolidated expenses for the fourth quarter of FY2016 as compared to the corresponding period last year.

(Rs million)	Fourth Quarter		% of total expenses		% Growth
	FY2016	FY2015	FY2016	FY2015	YoY
Operating cost	6,881	6,201	62%	58%	11.0%
Employee cost	1,297	1,209	12%	11%	7.3%
Selling & other expenses	3,002	3,353	27%	31%	-10.5%
<b>Total Expenses</b>	<b>11,180</b>	<b>10,763</b>	<b>100%</b>	<b>100%</b>	<b>3.9%</b>

Refer Notes A and B above



Operating cost in the quarter was Rs 6,881 million as compared to Rs 6,201 million in the corresponding period last fiscal, an increase of 11.0%. Employee cost for the quarter stood at Rs 1,297 million going up by 7.3% over the corresponding period last fiscal. Selling & other expenses in the quarter were at Rs 3,002 million, as compared to Rs 3,353 million in the corresponding period last fiscal, registering a decrease of 10.5%. Total costs incurred by the Company in this quarter were Rs 11,180 million, an increase of 3.9% over the corresponding period last fiscal.

## CONSOLIDATED BALANCE SHEET

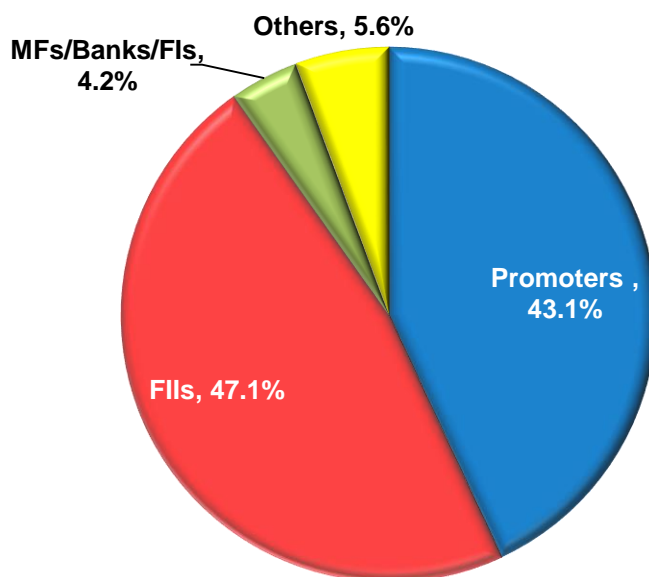
(Rs million)	Mar-16	Mar-15
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholder's Funds</b>		
Share Capital	21,130	21,152
Reserve and Surplus	41,184	34,346
	<b>62,314</b>	<b>55,498</b>
Minority Interest	85	4
<b>Non-Current Liabilities</b>		
Long-term Borrowings	9	12
Long-term Provisions	550	480
Other Non-Current Liabilities	304	288
	<b>863</b>	<b>780</b>
<b>Current Liabilities</b>		
Trade Payables	5,194	4,204
Other Current Liabilities	6,355	4,979
Short-term Provisions	4,129	4,592
	<b>15,678</b>	<b>13,775</b>
<b>Total</b>	<b>78,941</b>	<b>70,058</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed Assets	5,810	4,368
Goodwill on Consolidation	9,150	7,887
Non-Current Investments	3,048	1,464
Deferred Tax Assets (net)	556	531
Long Term Loans and Advances	5,913	5,710
Other Non-Current Assets	594	380
	<b>25,071</b>	<b>20,339</b>
<b>Current Assets</b>		
Current Investments	7,391	8,291
Inventories	13,160	11,878
Trade Receivables	13,245	10,692
Cash and Bank Balances	9,733	7,365
Short-Term Loans and Advances	8,810	10,167
Other Current Assets	1,532	1,326
	<b>53,870</b>	<b>49,719</b>
<b>Total</b>	<b>78,941</b>	<b>70,058</b>

## **CORPORATE DEVELOPMENT**

- Subsequent to 31<sup>st</sup> March 2016, the Company has acquired 49% Equity Stake in Fly By Wire International Pvt. Ltd. Bangalore, and the balance shall be acquired upon receiving regulatory clearances.
- Consequent to achievement of performance milestone by Sarthak Entertainment Pvt. Ltd. (Sarthak) during FY 2015-16, as per the agreed terms of acquisition, the Company shall be required to pay the additional consideration of Rs 100 Million in July 2016.
- Equity Dividend: The Board of Directors of the Company at the meeting held today have recommended payment of Equity Dividend of Rs 2.25 per equity share of Re 1 each (equivalent to 225%) on the paid up equity capital, subject to approval by the shareholders.

## **SHAREHOLDING PATTERN**

The total shares outstanding of the Company as of March 31, 2016 are 960,448,720. The shareholding pattern as of March 31, 2016 is given below:



*Figure: Shareholding pattern as on March 31, 2016*



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

## CHANNEL PORTFOLIO



॥ VASUDHAIVA KUTUMBAKAM ॥  
THE WORLD IS MY FAMILY

**169 COUNTRIES | 33 DOMESTIC CHANNELS**  
**38 INTERNATIONAL CHANNELS | 959+ MN VIEWERS**  
**210000+ HOURS OF TV CONTENT**

### **Caution Concerning Forward-Looking Statements**

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. Zee Entertainment Enterprises Limited is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

### **About Zee Entertainment Enterprises Limited ("ZEE")**

Zee Entertainment Enterprises Limited is one of India's leading television media and entertainment companies. It is amongst the largest producers and aggregators of Hindi programming in the world, with an extensive library housing over 210,000 hours of television content. With rights to more than 3,500 movie titles from foremost studios and of iconic film stars, ZEE houses the world's largest Hindi film library. Through its strong presence worldwide, ZEE entertains over 959 million viewers across 169 countries.

Pioneer of television entertainment industry in India, ZEE's well-known brands include Zee TV, &tv, Zee Cinema, Zee Action, Zee Classic, &pictures, Zee Anmol, Ten 1, Ten 2, Ten 3, Zee Cafe, Zee Studio, Zee Salaam, Zing, ETC Bollywood, Zee Q and Zindagi. The company also has a strong offering in the regional language domain with channels such as Zee Marathi, Zee Talkies, Zee Bangla, Zee Bangla Cinema, Zee Telugu, Zee Kannada, Zee Tamizh and Sarthak TV. The company's HD offerings include Zee TV HD, Zee Cinema HD, &tv HD, Zee Studio HD, Zee Café HD, &pictures HD, Ten 1 HD and Ten Golf 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 ZEE and its businesses is available on [www.zeetelevision.com](http://www.zeetelevision.com).