



ZEE ENTERTAINMENT ENTERPRISES LIMITED

PRESS RELEASE

ZEE ENTERTAINMENT BOARD APPROVES MERGER OF ETC NETWORKS INTO COMPANY AND SUBSEQUENT DEMERGER OF EDUCATION BUSINESS

Mumbai, India; December 23, 2009 - The Board of Directors of Zee Entertainment Enterprises Limited (ZEEL) (BSE: 505537, NSE: ZEEL.EQ) in its meeting today granted an in-principle approval for merger of ETC Networks Limited (ETC), a listed subsidiary of the Company with the Company and upon such merger, demerge the Education Business from the Company into a separate Company.

Currently ETC is a 50.18% subsidiary of ZEEL and is listed on the BSE and NSE stock exchanges of India, with business interests spanning over broadcasting and education. Within the broadcasting venture the company operates two music channels - '*etc Music*', a leading Hindi music channel of India and '*etc Punjabi*', a regional entertainment channel in the Punjabi language. The education operations of ETC span across child education and youth vocational training business, through multiple products such as Kidzee, Kidzee High, Kidzcare, Zee Institute of Media Arts (ZIMA), Zee Institute of Creative Arts (ZICA) and Zee Career Academy (ZCA). In FY 2009, the broadcasting operations registered revenues of Rs 415 million while the education operations registered revenues of Rs 251 million.

Commenting on the acquisition of ETC, Mr Punit Goenka, CEO, ZEEL said, "This year the company has taken active steps to consolidate its offerings, thus ensuring a greater focus on building a complete core-entertainment bouquet. The ETC channels have for long been leaders in their respective genres and with niche channels coming forth in a digital environment, this consolidation is another step towards ensuring a stronger future. We are confident that development would help create value for shareholders of Zee."

The said merger / demerger shall be under a Composite Scheme of Arrangement, under Section 391 to 394 of the Companies Act, 1956, subject to appropriate statutory and regulatory approvals and the demerged entity shall be listed at the stock exchanges where the Company's shares are listed. The Board of Directors, at a meeting scheduled on December 29, 2009 shall inter alia consider the detailed composite Scheme of Arrangement.



Caution Concerning Forward-Looking Statements:

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

About Zee Entertainment Enterprises Limited:

Zee Entertainment Enterprises Limited (Zee) is one of India's leading television media and entertainment companies. It is amongst the largest producers and aggregators of Hindi programming in the world, with an extensive library housing over 80,000 hours of television content. With rights to more than 3,000 movie titles from foremost studios and of iconic film stars, Zee houses the world's largest Hindi film library. Through its strong presence worldwide, Zee entertains over 500 million viewers across 167 countries. Pioneer of television entertainment industry in India, Zee's well known brands include Zee TV, Zee Cinema, Zee Premier, Zee Action, Zee Classic, Ten Sports, Zee Sports, Zee Cafe, Zee Studio, Zee Trendz, Zee Jagran, Zing, ETC Music and ETC Punjabi. Zee has interests in the film production space and operates under two brands- Zee Motion Pictures and Zee Limelight.

Zee and its affiliate companies have leading presence across the media value chain including television broadcasting, cable and distribution, direct-to-home satellite services, digital media, multiplexes, amusement parks and print media amongst others. More information about Zee and its businesses is available on www.zeeentertainment.com