



# ZEE ENTERTAINMENT ENTERPRISES LIMITED

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## PRESS RELEASE

### MERGER OF ETC NETWORKS LIMITED WITH THE COMPANY AND SUBSEQUENT DEMERGER OF EDUCATION BUSINESS INTO ZEE LEARN LIMITED

THE BOARD APPROVES SWAP RATIO OF 10 EQUITY SHARES OF RUPEE 1/- EACH OF ZEEL FOR 11 EQUITY SHARES OF RUPEES 10/- EACH HELD IN ETC NETWORKS LIMITED (ETC) FOR THE MERGER OF ETC WITH ZEEL

AND

1 EQUITY SHARES OF RUPEE 1/- EACH OF ZEE LEARN LIMITED (ZEE LEARN) FOR 4 EQUITY SHARES OF RUPEE 1/- EACH HELD IN ZEEL FOR THE SUBSEQUENT DEMERGER OF EDUCATION BUSINESS INTO ZEE LEARN

**Mumbai, India; December 29, 2009** - The Board of Directors of Zee Entertainment Enterprises Limited (ZEEL) (BSE: 505537, NSE: ZEEL.EQ) in its meeting today approved the proposed share swap ratio for the merger of ETC Networks Limited (ETC) with the Company and the proposed share entitlement ratio for the subsequent demerger of Education Business into Zee Learn Limited (Zee Learn). The share swap / share entitlement ratio has been proposed at 10 equity shares of Rupee 1/- each of the Company for 11 equity shares of Rupees 10/- each held in ETC (other than the shares held by ZEEL in ETC), as a consideration for the merger of ETC with the Company and 1 equity shares of Rupee 1/- each of Zee Learn for 4 equity shares of Rupee 1/- each held in the Company (including shareholders of ETC who are allotted shares by the Company pursuant to the merger), as a consideration for the subsequent demerger of Education Business into Zee Learn. The investments/ shareholding of ZEEL in ETC shall get cancelled as part of the merger scheme.

The Board of Directors of the Company had in an earlier meeting on December 23, 2009 granted "in-principle" approval for the merger of ETC with the Company and subsequent demerger of the Education Business into a separate company. In its meeting held today, the Board considered and approved the Composite Scheme of Amalgamation & Arrangement between the Company, ETC and Zee Learn under the provisions of Sections 391-394 of the Companies Act, 1956.

The share exchange / share entitlement ratio has been based on the valuation report submitted by independent valuer M/s. Grant Thornton India. The appointed date for the merger of ETC with the Company is March 31, 2010 and the appointed date for the demerger of Education Business into Zee Learn is April 1, 2010. The scheme is subject to the necessary approvals from the shareholders, creditors and regulatory authorities including of the Stock Exchanges and the Bombay High Court.

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 this development would help create value for shareholders of Zee."

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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:**

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](http://www.zeeentertainment.com)