



Press Release

Mumbai, December 17, 2013

In its meeting held today, the Board of Directors of Zee Entertainment Enterprises Limited ('ZEEL' or 'the Company') approved the Scheme of Arrangement between the Company and Diligent Media Corporation Limited ('DMCL') for the demerger of the Media Business Undertaking from DMCL and vesting into the Company. Media Business Undertaking comprises the media and entertainment business of DMCL including event management activities, TV channel license and TV reality show formats for game based shows. The said business will be demerged from DMCL and vest with the Company, by way of Scheme of Arrangement under the provisions of Section 391-394 of the Companies Act, 1956, subject to appropriate statutory and regulatory approvals.

ZEEL shall issue 2.23 crores redeemable, non-convertible preference shares of Re 1 each (i.e. one preference share of Re 1 each for every four equity shares of face value of Rs. 10/- each of DMCL) on vesting of Media Business Undertaking with it. The preference shares would have a tenure of three years and carry a coupon of 6% per annum.

The share swap has been based on the valuation report submitted by independent valuer M/s Sharp & Tannan, Chartered Accountants and the fairness opinion given by Axis Capital, Category 1 Merchant Bankers. The appointed date for the Scheme of Arrangement will be March 31, 2014 and the scheme is subject to necessary approvals from the shareholders, creditors and regulatory authorities including the stock exchanges and the Hon'ble Bombay High Court.

