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**October 16, 2017**

BSE Limited  
National Stock Exchange of India Limited  
Luxembourg Stock Exchange

*Kind Attn.: Corporate Relationship/ Listing Department*

**BSE Scrip Code: 533287**

**NSE SYMBOL: ZEELEARN**

Dear Sir/ Madam,

**Sub: Earnings Release for Q2 FY18/H1 FY 18 (Standalone and Consolidated)**


With reference to our earlier announcement regarding the outcome of the Board meeting held on October 16, 2017, regarding the Un-audited Financial Results (Standalone and Consolidated) of the Company for the second quarter and half year of the Financial Year 2017-18 ended on September 30, 2017, we are enclosing release herewith the earnings release for Q2 FY18/H1 FY18.

This is for your information and records.

Thanking you.

Yours faithfully,

For Zee Learn Limited

  
**Bhautesh Shah**  
Company Secretary



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## **Zee Learn Ltd Consol Revenue & PBT zooms by 59% and 133% in Q2 FY18**

### **FY18 H1 EBITDA and PBT exceed FY17 full year numbers**

#### **Highlights of Q2 performance**

- Consolidated Operating Revenue for Q2 FY18 at Rs.605 Mn up by 59% from Rs.380 Mn
- Consolidated Operating EBITDA for Q2 FY18 at Rs.235 Mn up by 65% from Rs.143 Mn
- Consolidated PBT for Q2 FY18 at Rs.171 Mn up by 133% from Rs.73 Mn
- Consolidated PAT for Q2 FY18 at Rs.113 Mn up by 55% from Rs.73 Mn

#### **Highlights of H1 performance**

- Consolidated Operating Revenue for H1 FY18 at Rs.1283 Mn up by 52% from Rs.845 Mn
- Consolidated Operating EBITDA for H1 FY18 at Rs.495 Mn up by 64% from Rs.303 Mn
- Consolidated PBT for H1 FY18 at Rs.363 Mn up by 140% from Rs.152 Mn
- Consolidated PAT for H1 FY18 at Rs.241 Mn up by 72% from Rs.140 Mn

**Mumbai, 16<sup>th</sup> October, 2017:** Zee Learn Limited, India's leading Education company and India's Most Trusted Diversified Education Brand\*, today reported its Standalone and Consolidated Q2 FY18 financial results. The company continued to deliver strong topline and bottomline growth and improved its operating margins.

Commenting on the financial results, Mr Debshankar Mukhopadhyay, CEO, Zee Learn Ltd, "It has been a very satisfying performance this quarter, striking a good balance between pursuing revenue growth, while tightening our execution delivery to greater efficiency. Our network depth and quality service is resulting in industry-leading customer satisfaction levels and strong client metrics. We will continue to invest in content, service capability and brand building to secure long term profitable growth. We will strive to build new avenues of growth while building strongholds around our core.

We took number of actions in the quarter towards upgrading our services and delivery systems and we are pleased to see that our disciplined focus on driving profitable growth has delivered the desired impact. This performance strengthens our confidence in the underlying growth potential of our brands and the ability of our business model to unleash it. We continue to expand the reach of our product offering to harness efficiency and gains. Going forward, we will continue to drive the strategic pillars of product and innovation, value, customer experience, technology and cost efficiencies."



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Commenting on the Results, Mr. Umesh Pradhan, CFO, said "Our H1 FY 2018 financial performance at consolidated level has registered EBITDA and PBT more than that of last full year FY17 EBITDA and PBT respectively. Rigor and discipline in our operations helped accomplish an impressive margin performance and progress along the profitability path we had outlined earlier. Our investment program remains geared for growth. There being no adverse impact of GST on our company, we are totally geared up to be a part of the greatest tax reform-GST."

Consequent to notification by the Central Government of the Companies (Indian Accounting Standard) Rules, 2015 (Ind-AS) under Section 133 of the Companies Act, 2013, the Company has adopted the Ind-AS beginning from April 01, 2017. The Standalone and Consolidated financial results for the quarter and half year ended September 30, 2017 are prepared in accordance with the Ind-AS and comparative financial results for quarter ended and half year ended September 30, 2016 under earlier Indian GAAP have been re-stated in accordance with Ind-AS.

**Q2 2018 Financial Highlights: (As per IND-AS)**

*Rs in Mn*

Particulars	Consolidated					
	Q2 FY 2018	Q2 FY 2017	Q by Q Growth	H1 FY 2018	H1 FY 2017	H1 by H1 Growth
Revenue from Educational Services / Activities	373	336	11%	890	756	18%
Revenue from Construction / Leasing (For Education)	72	44	63%	141	89	59%
Manpower & Training	159	-		252	-	
<b>Total Revenue</b>	<b>605</b>	<b>380</b>	<b>59%</b>	<b>1,283</b>	<b>845</b>	<b>52%</b>
Total Direct Expenses	58	68	-15%	200	180	11%
<b>Gross Margin</b>	<b>547</b>	<b>312</b>	<b>75%</b>	<b>1,084</b>	<b>664</b>	<b>63%</b>
<b>Gross Margin %</b>	<b>90%</b>	<b>82%</b>		<b>84%</b>	<b>79%</b>	
Personnel Cost	226	71	217%	387	152	154%
Administrative Cost	58	58	0%	112	110	1%
Selling and Marketing Cost	28	40	-30%	90	99	-9%
<b>Total</b>	<b>312</b>	<b>169</b>	<b>85%</b>	<b>589</b>	<b>362</b>	<b>63%</b>
<b>EBITDA</b>	<b>235</b>	<b>143</b>	<b>65%</b>	<b>495</b>	<b>303</b>	<b>64%</b>
<b>EBITDA %</b>	<b>39%</b>	<b>38%</b>		<b>39%</b>	<b>36%</b>	
Other Income	5	6	-18%	9	13	-33%
Interest Cost	42	51	-18%	84	107	-22%
Depreciation	28	25	12%	56	57	-1%
<b>PBT</b>	<b>171</b>	<b>73</b>	<b>133%</b>	<b>363</b>	<b>152</b>	<b>140%</b>
<b>PBT %</b>	<b>28%</b>	<b>19%</b>		<b>28%</b>	<b>18%</b>	
Tax	57	0		122	11	
<b>PAT</b>	<b>113</b>	<b>73</b>	<b>55%</b>	<b>241</b>	<b>140</b>	<b>72%</b>
<b>PAT %</b>	<b>19%</b>	<b>19%</b>		<b>19%</b>	<b>17%</b>	



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**Q2 2018 Financial Highlights: (As per IND-AS)**

*Rs in Mn*

Particulars	Standalone					
	Q2 FY 2018	Q2 FY 2017	Q by Q Growth	H1 FY 2018	H1 FY 2017	H1 by H1 Growth
Revenue from Educational Services / Activities	373	336	11%	890	756	18%
<b>Total Revenue</b>	<b>373</b>	<b>336</b>	<b>11%</b>	<b>890</b>	<b>756</b>	<b>18%</b>
Total Direct Expenses	58	68	-15%	200	180	11%
<b>Gross Margin</b>	<b>315</b>	<b>267</b>	<b>18%</b>	<b>691</b>	<b>576</b>	<b>20%</b>
<b>Gross Margin %</b>	<b>84%</b>	<b>80%</b>		<b>78%</b>	<b>76%</b>	
Personnel Cost	76	71	7%	150	152	-1%
Administrative Cost	52	51	2%	103	101	2%
Selling and Marketing Cost	27	40	-32%	89	99	-11%
<b>Total</b>	<b>155</b>	<b>162</b>	<b>-4%</b>	<b>342</b>	<b>352</b>	<b>-3%</b>
<b>EBITDA</b>	<b>160</b>	<b>105</b>	<b>52%</b>	<b>349</b>	<b>224</b>	<b>56%</b>
<b>EBITDA %</b>	<b>43%</b>	<b>31%</b>		<b>39%</b>	<b>30%</b>	
Other Income	37	19	90%	69	50	38%
Interest Cost	32	37	-12%	66	76	-13%
Depreciation	8	11	-24%	17	28	-41%
<b>PBT</b>	<b>156</b>	<b>77</b>	<b>103%</b>	<b>335</b>	<b>170</b>	<b>97%</b>
<b>PBT %</b>	<b>42%</b>	<b>23%</b>		<b>38%</b>	<b>22%</b>	
Tax	56	11	402%	119	22	
<b>PAT</b>	<b>100</b>	<b>66</b>	<b>52%</b>	<b>216</b>	<b>148</b>	<b>46%</b>
<b>PAT %</b>	<b>27%</b>	<b>20%</b>		<b>24%</b>	<b>20%</b>	

**Zee Learn Limited** is an Essel Group Company listed on National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and on Luxemburg Stock Exchange, and is India's leading company in education segment with the fastest growing chain of K-12 schools and Asia's No 1 chain of pre-schools in its portfolio. The Company through its brand 'Zee Institute of Media Arts' (ZIMA), a TV and Film training institute, offers Certificate courses in Direction, Acting, Sound, Editing, Production and Cinematography. Another offering from the company, 'Zee Institute of Creative Art' (ZICA) is the nation's first full-fledged Classical and Digital Animation Training Academy that trains youth in classical 2D and modern 3D animation.

For additional information on financial results, please contact: Mr. Subodh Khanna @ subodh@zeelearn.com ; Mr. Sidhartha Acharya @ sidhartha.acharya@zeelearn.com