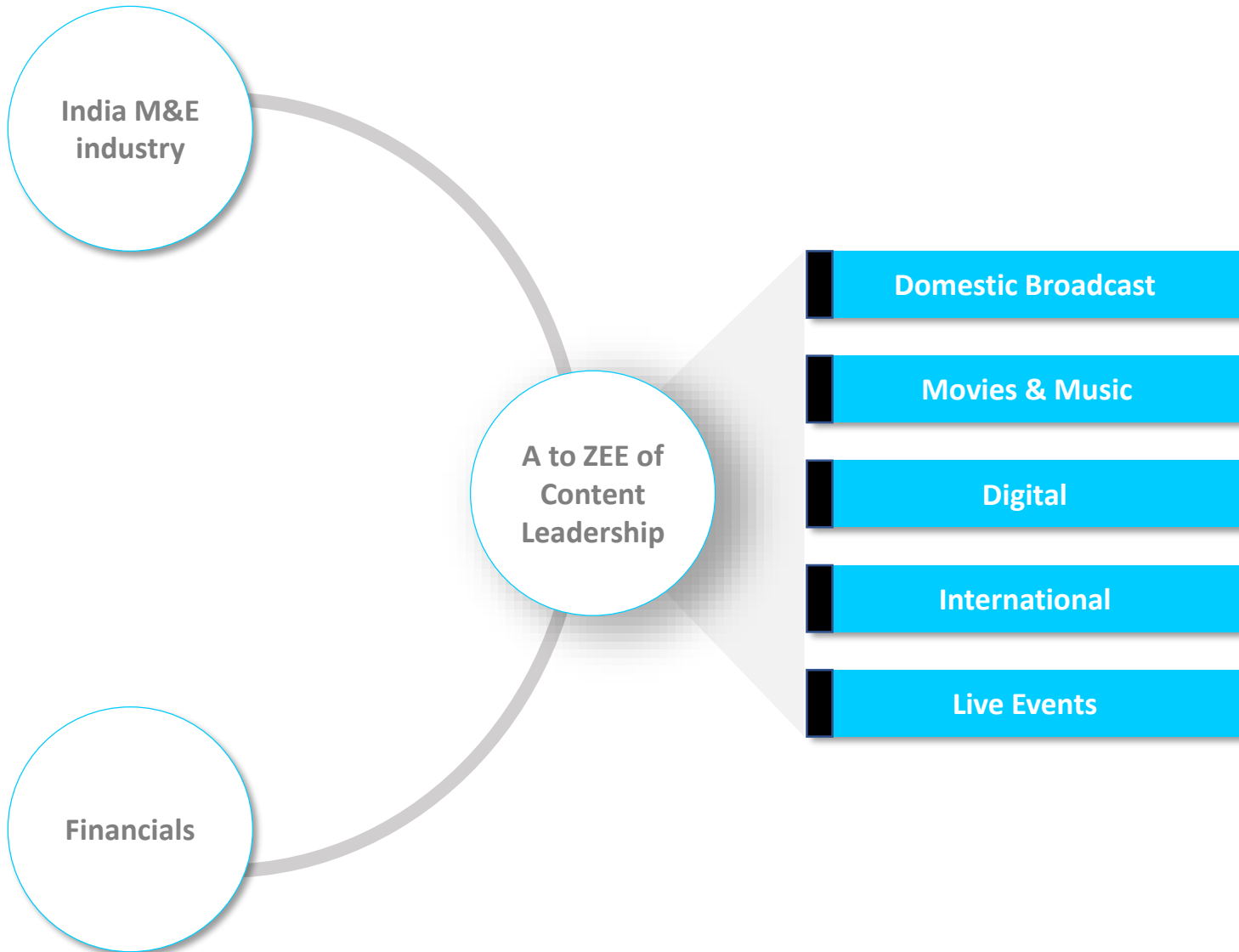




Zee Entertainment

360° Entertainment Content Company

Presentation Flow



India Media & Entertainment Industry – An Overview

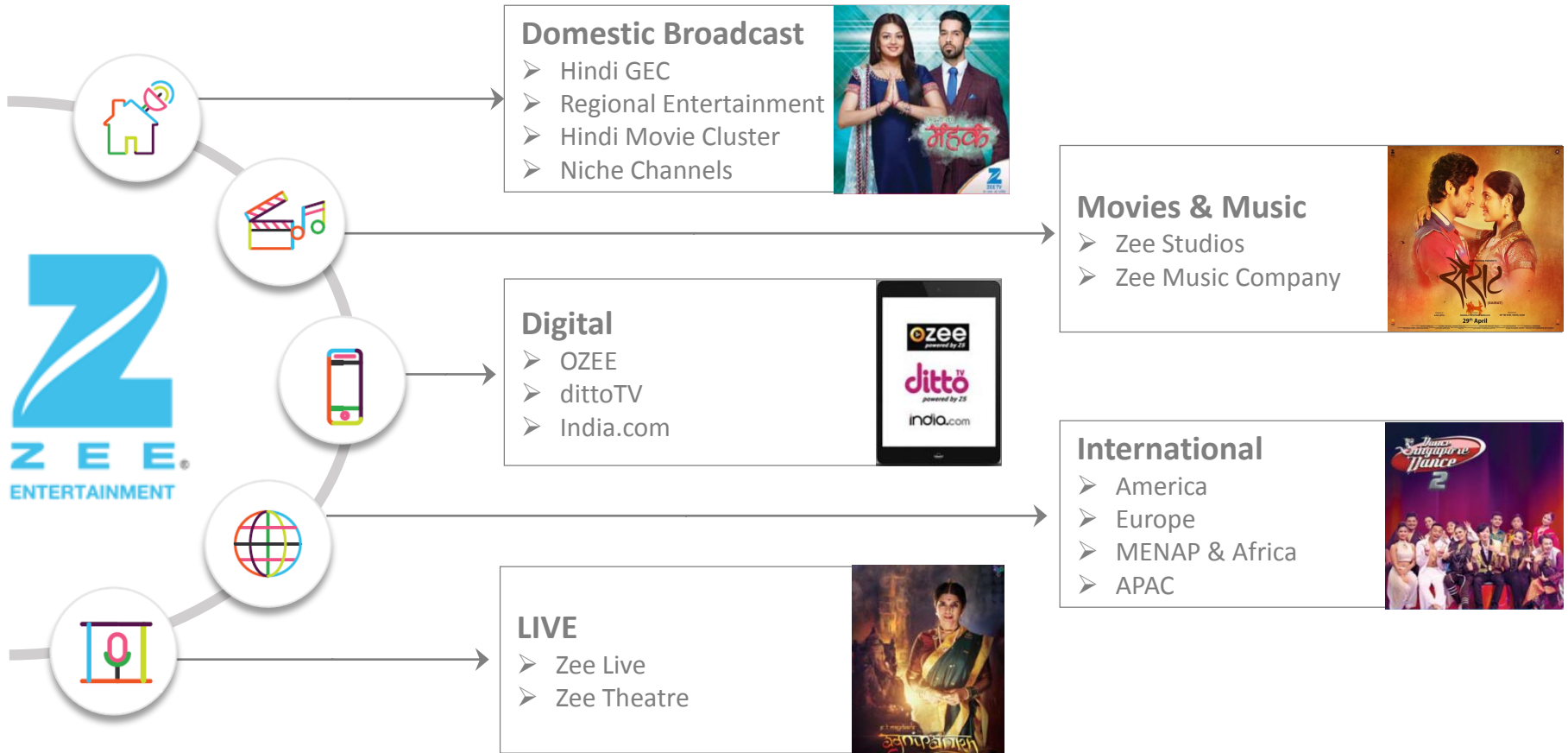


Source: FICCI KPMG M&E Report 2017
* - Others include Radio, Animation, VFX, Gaming and OOH

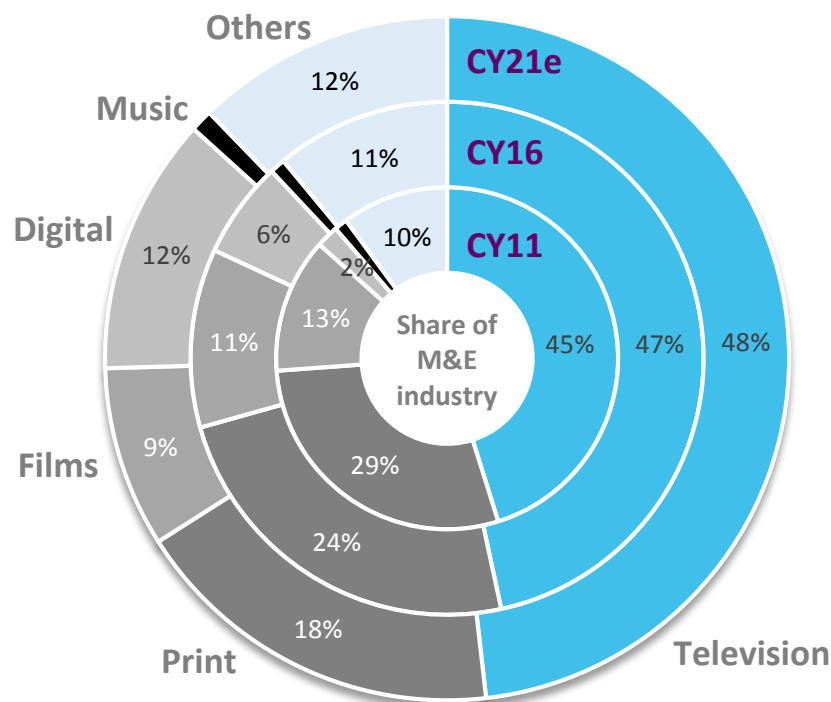
A to ZEE of Content Leadership



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M&E Industry – An all-round growth story



Category	CY11-16 CAGR	CY16-21e CAGR
Television	12.3%	14.7%
Print	7.8%	7.3%
Films	8.9%	7.7%
Digital	37.9%	30.8%
Music	6.3%	15.8%
Others*	13.7%	16.3%
M&E industry	11.6%	13.9%

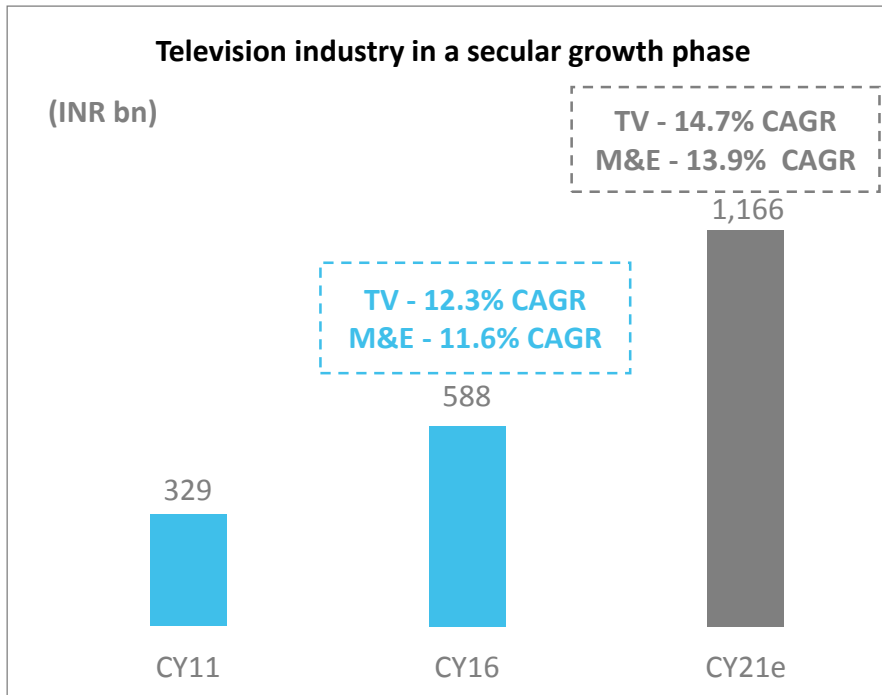
Source: FICCI KPMG M&E Report 2017

* - Others include Radio, Animation, VFX, Gaming and OOH

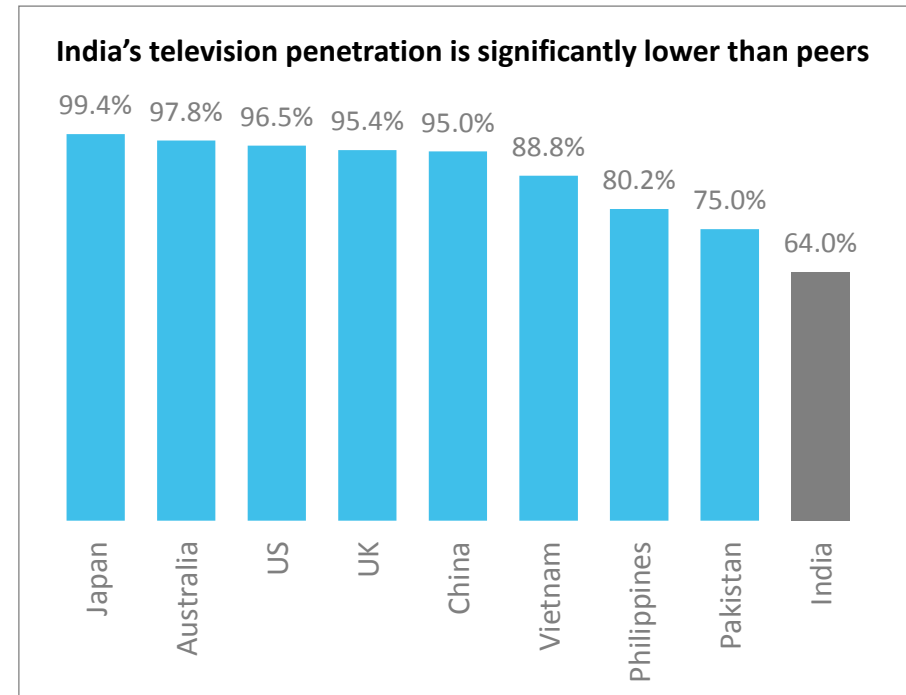


Traditional media expected to grow at a healthy pace along with **digital**

Television expected to grow ahead of the industry



Source: FICCI KPMG M&E Report 2017



Source: BARC, Casbaa, ContentAsia

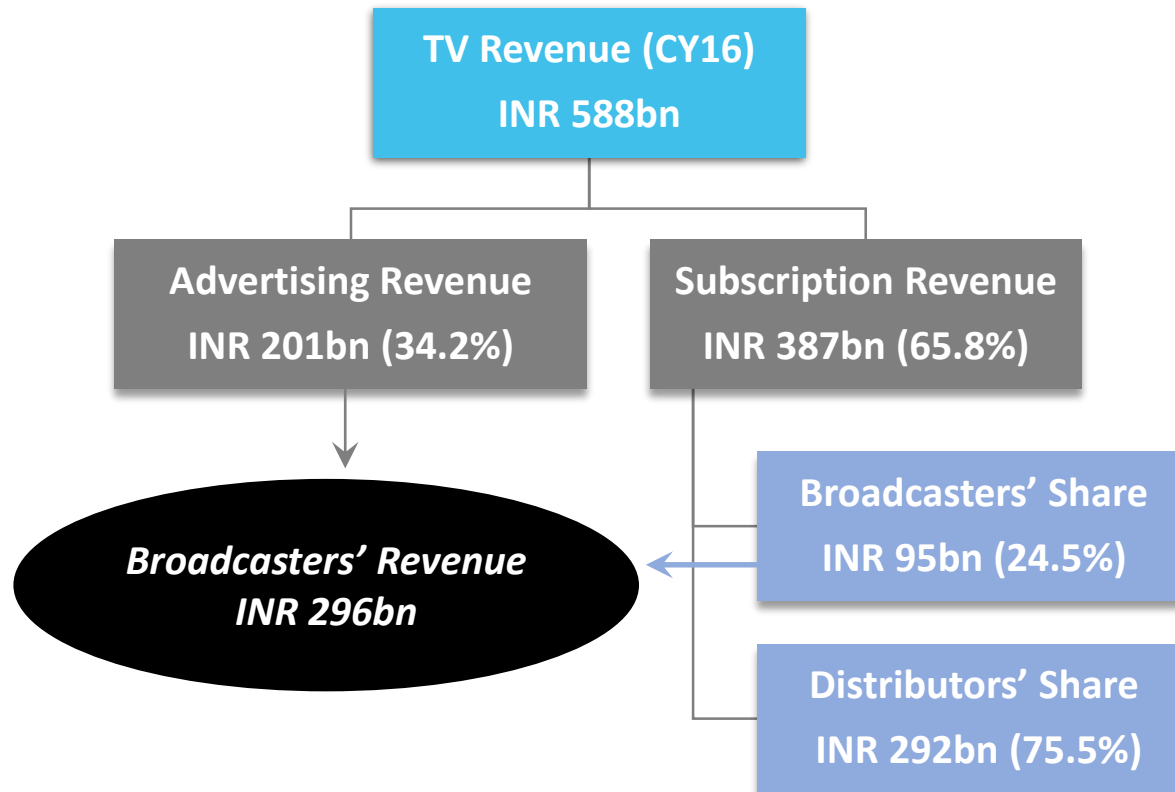


Low ARPU of ~US\$3/month makes television most affordable medium of **entertainment**

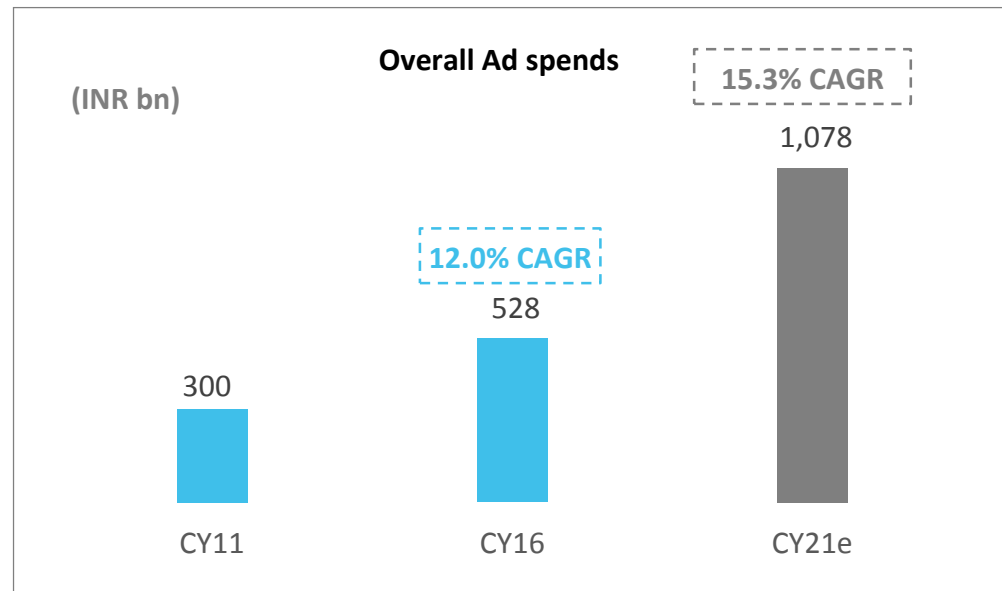
Rising income levels to drive TV **penetration**

Low time spent (158mins/day) on television offers room for **growth**

Television market – Revenue composition



Advertising growth on a strong footing



Source: FICCI KPMG M&E Report 2017

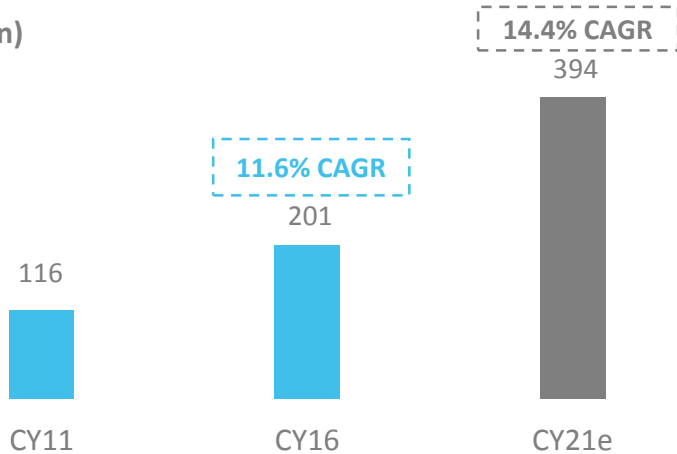


Ad spends as percentage of GDP at less than 0.4% offers room for **growth**

Strong growth in television ad spends to continue

Healthy growth in television ad spends to continue

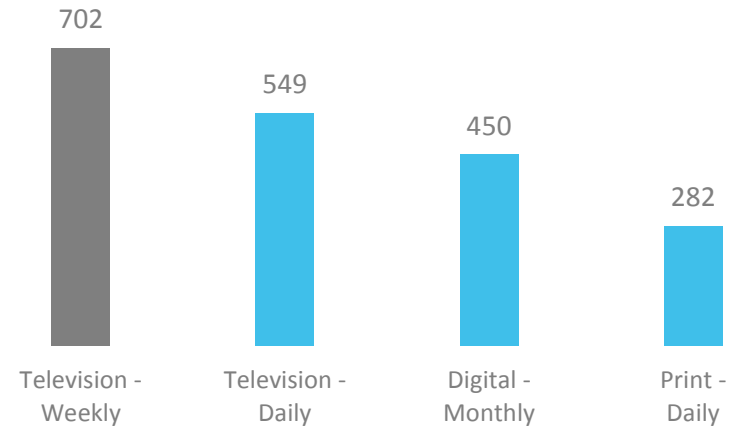
(INR bn)



Source: FICCI KPMG M&E Report 2017

Television offers much wider reach than other mediums

(Reach in mn)

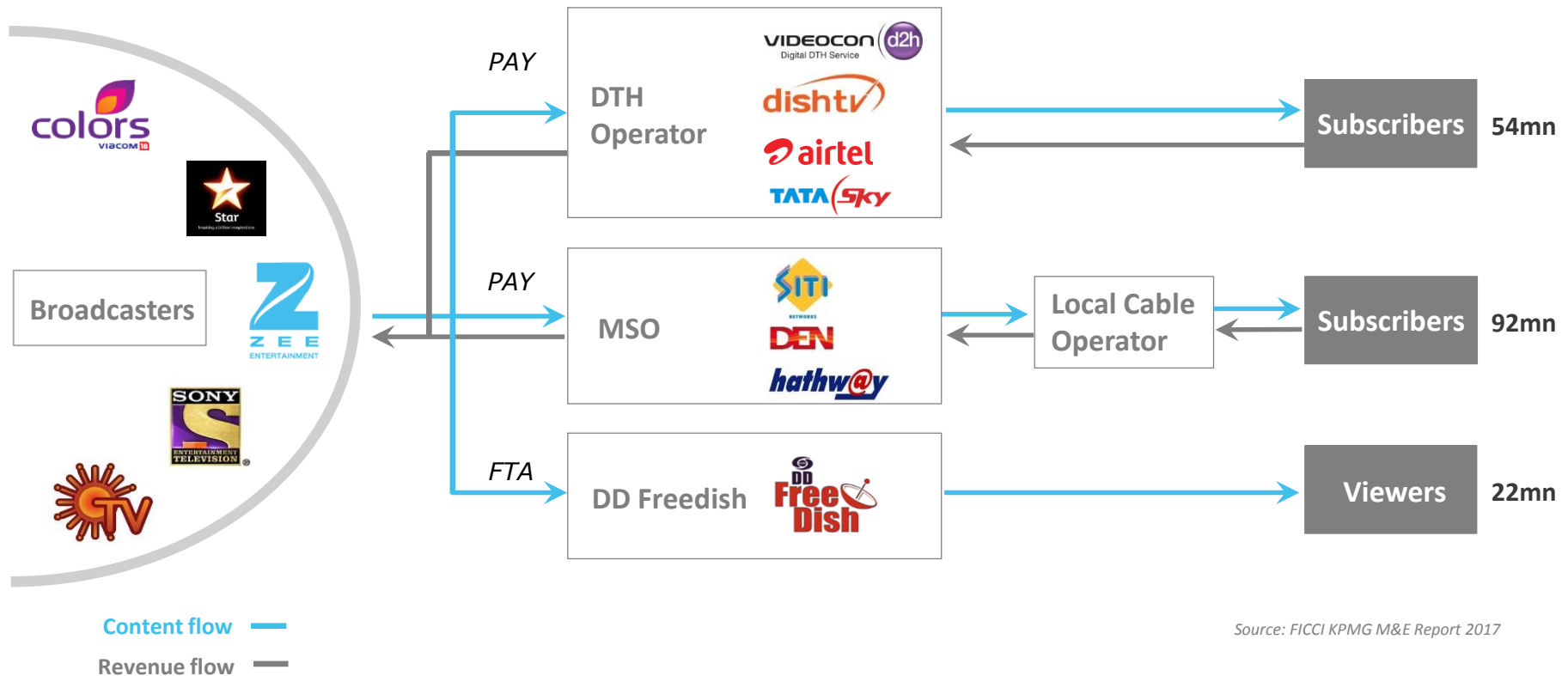


Source: Media reports



Share of television in ad spends is expected to remain largely stable at **~37% in CY21**

Television distribution value chain – A snapshot



MSOs and DTH operators make bouquets consisting of channels of different **broadcasters**

Regulations in India prohibits content or platform **exclusivity**

ZEEL reaches almost all C&S households through its bouquet of 33 **channels**

Drivers in place for sustained subscription revenue growth

Digitization

Increase in transparency on account of digitization will help broadcasters in monetization

Increasing HD penetration

ARPU of HD packages is ~2x-3x of that of SD

Broadcasters' Subscription revenue (INR bn)

19.3% CAGR

15.1% CAGR

47
CY11

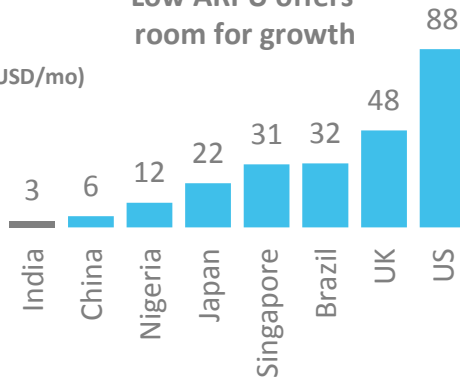
95
CY16

230
CY21e

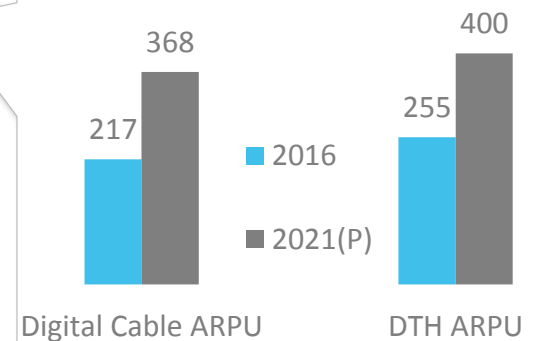
Source: FICCI KPMG M&E Report 2017, OFCOM Market Report 2016

Low ARPU offers room for growth

(USD/mo)

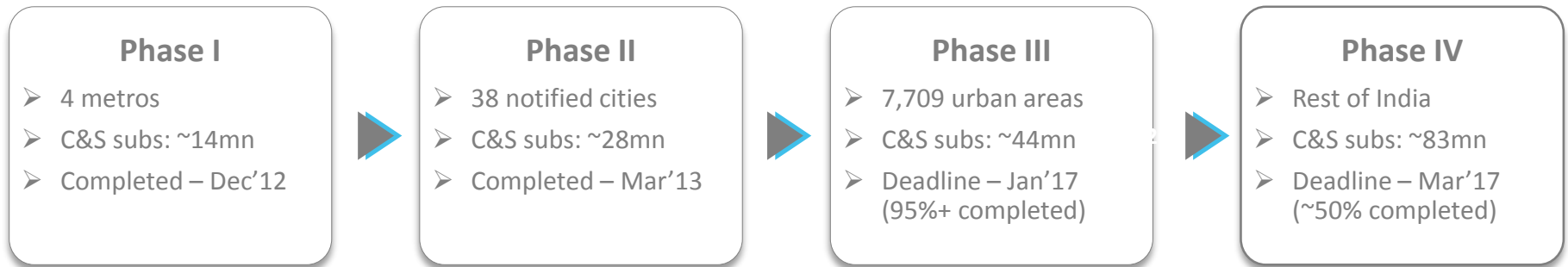


ARPUs expected to increase

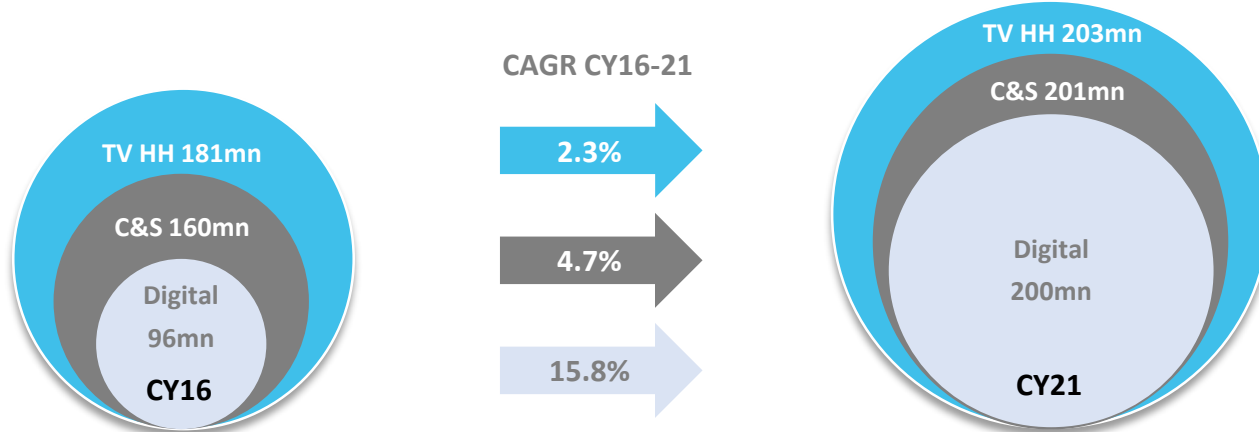


Completion of digitization could drive long awaited acceleration in ARPU growth

India gradually moving towards complete digitization



* Completion status is excluding Tamil Nadu



Source: FICCI KPMG M&E Report 2017, Industry estimates

➤ Increased transparency as a result of digitization will drive broadcasters' subscription **revenue**

Domestic Broadcast



Domestic Broadcast – A strong portfolio



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Hindi General
Entertainment



Regional
Entertainment



Hindi Movie
Cluster

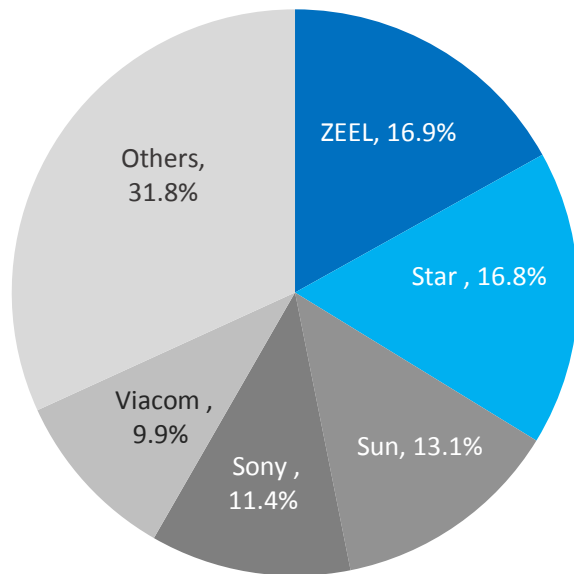


Niche Channels

33 Channels across genres and languages

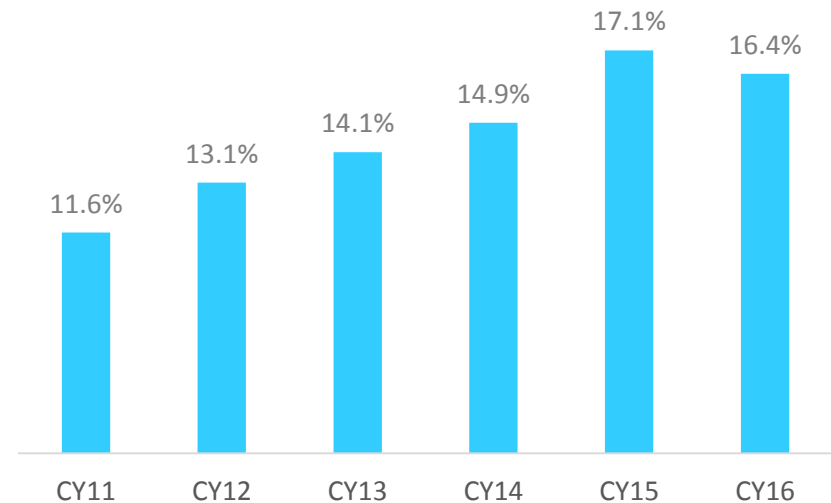
Steady improvement in viewership share

Network share across broadcasters, 1QFY18



Network share excludes News and Sports channels

ZEEL has consistently increased its viewership share



Data as per TAM upto March 2015 and as per BARC from April 2015 onwards



ZEEL has established strong market position across Hindi entertainment, Regional and **Movies**

Diversified Hindi GEC Portfolio

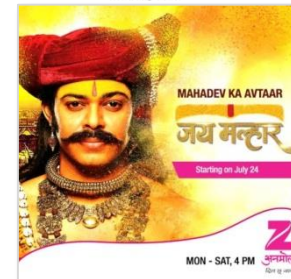


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Pay TV



Free-To-Air



Leader in Hindi speaking regional markets



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Marathi



Bengali



Odiya













Bhojpuri



Strong presence in Southern markets



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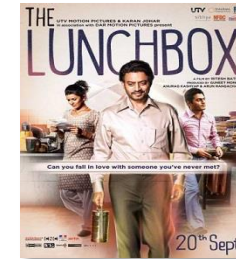
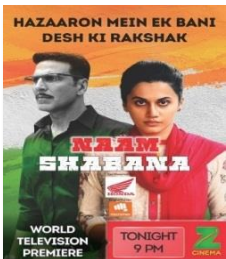
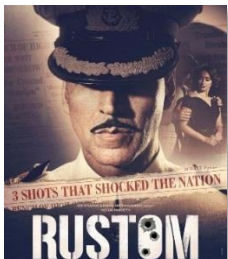
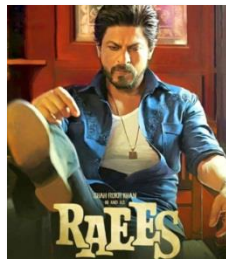
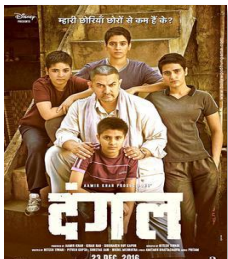
Telugu	<div data-bbox="160 496 434 615">   </div> <div data-bbox="575 425 1141 644">  </div> <div data-bbox="1174 425 1740 644">  </div>	
Kannada	<div data-bbox="227 765 314 901">  </div> <div data-bbox="575 696 1141 911">  </div> <div data-bbox="1174 696 1740 911">  </div>	
Tamil	<div data-bbox="227 1015 314 1143">  </div> <div data-bbox="575 949 1141 1163">  </div> <div data-bbox="1174 949 1740 1163">  </div>	

Largest offering in the Hindi movie space



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Leader in Hindi Movie genre



Channels for niche audience

English Entertainment



English Movies



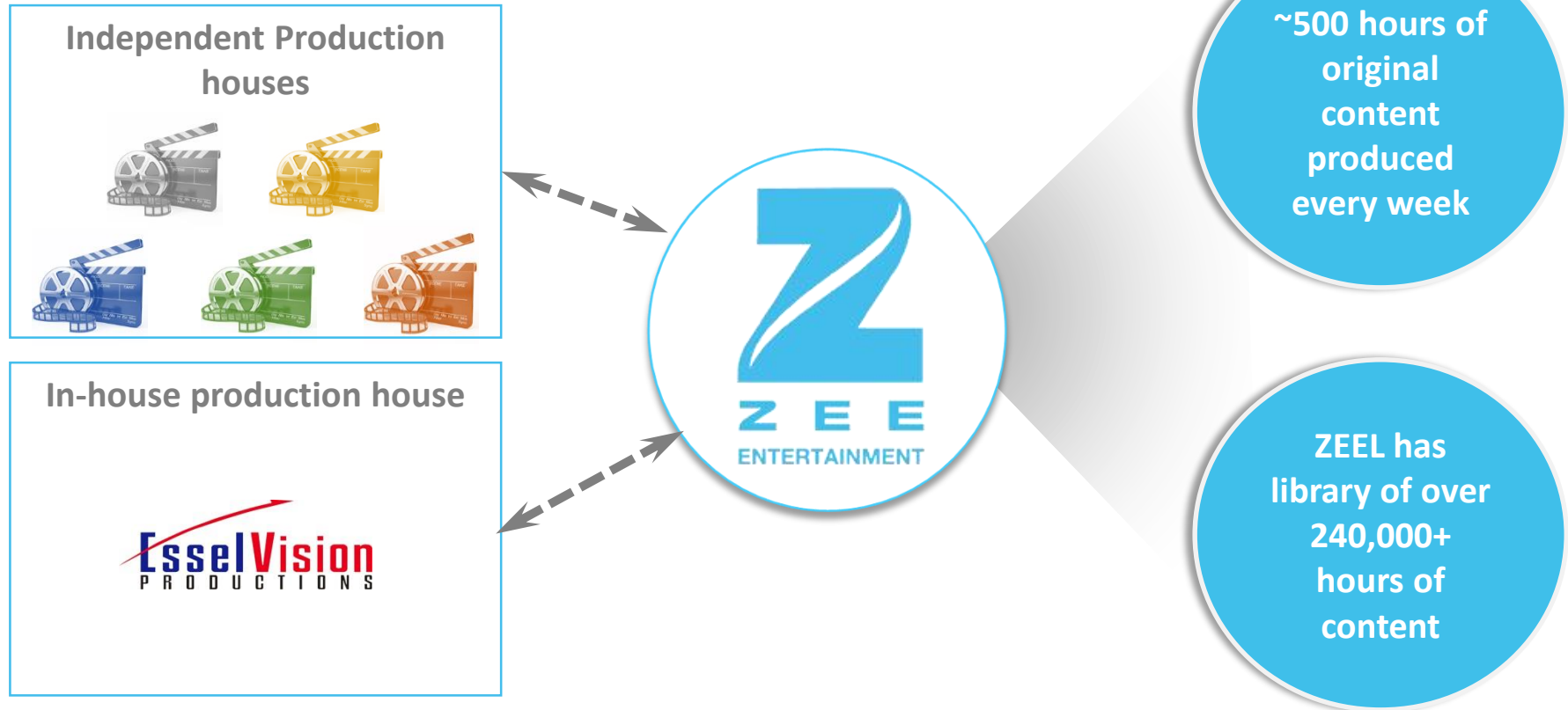
Youth & Music



ZEEL's content eco-system



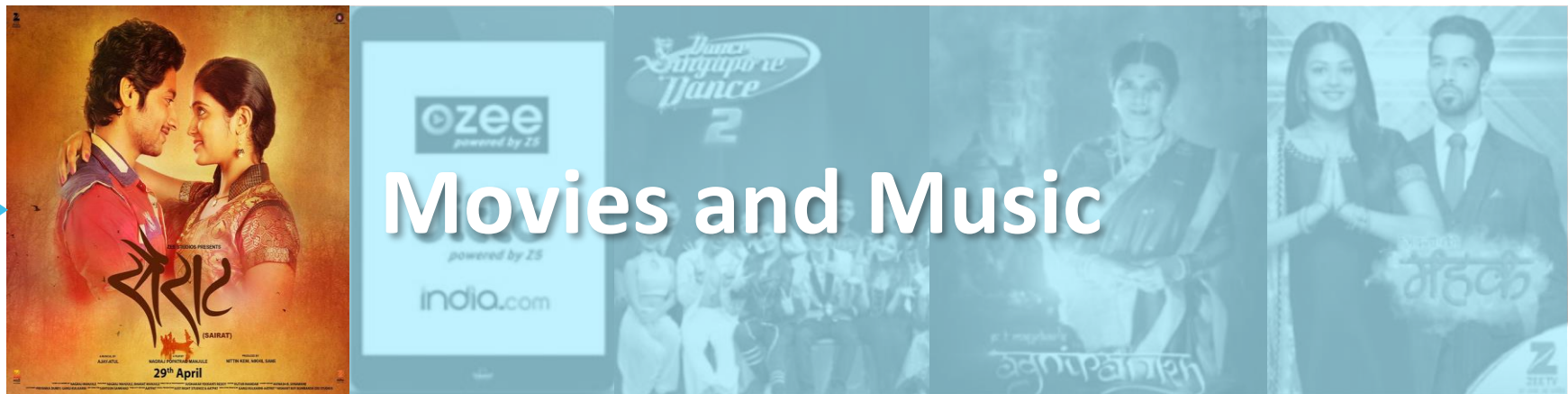
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Large number of small production houses with limited risk taking **ability**

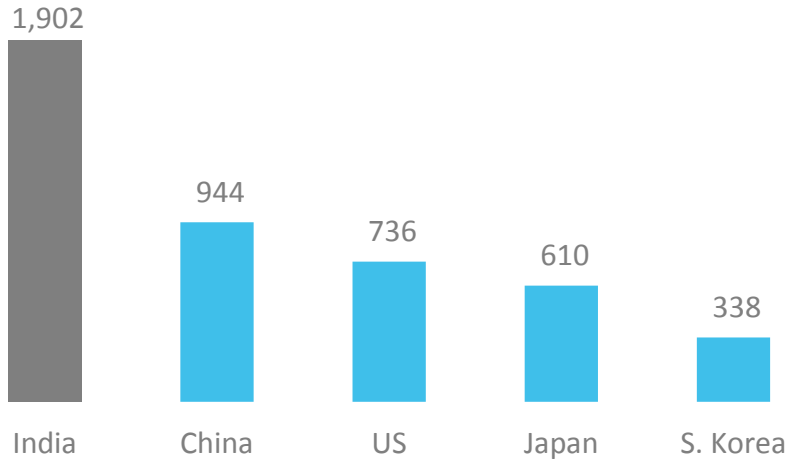
ZEEL engages closely with the producers right from the **conceptualization stage**

Intellectual property right of the content lies with **ZEEL**



Indian Movie Industry – Steady Growth

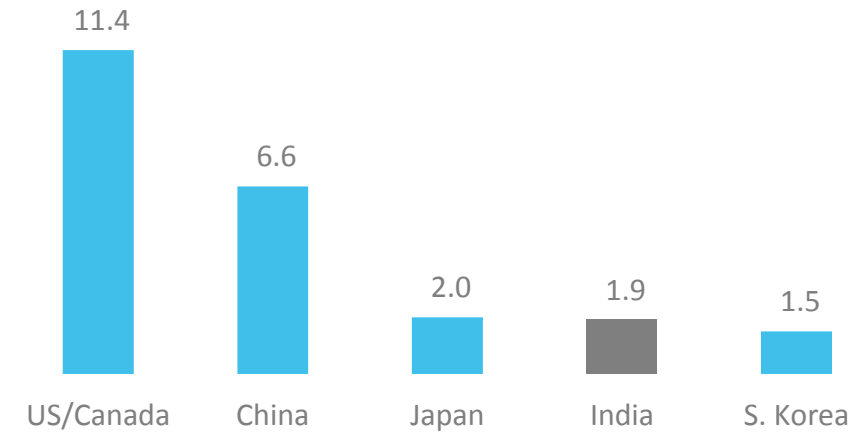
India ranks first in number of movies released (CY16)...



Source: Media reports

... but box office collections still a fraction of developed markets

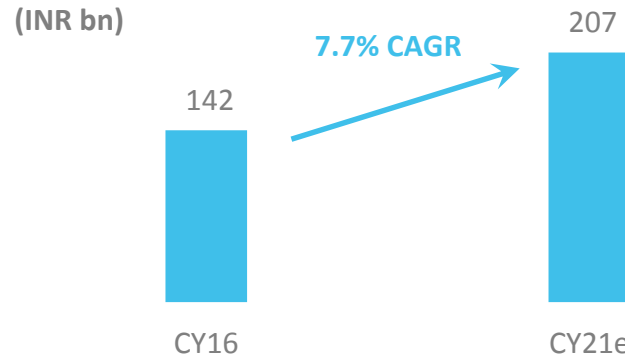
(USD bn)



Source: MPAA

Movie industry expected to grow in high single digit

(INR bn)



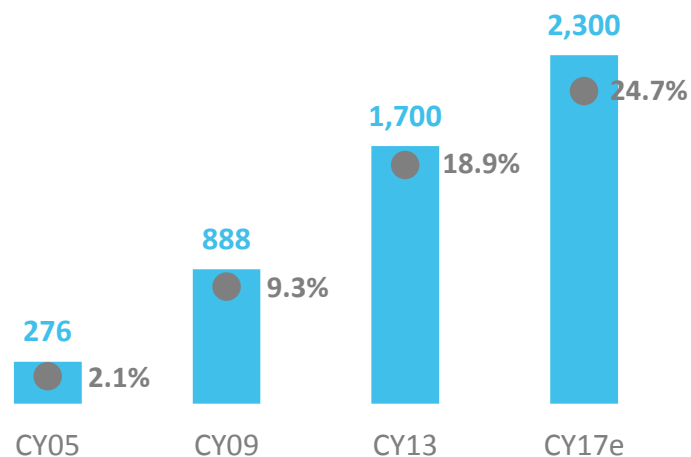
Source: FICCI KPMG M&E Report 2017

Indian movie landscape changing fast

Rising penetration of multiplexes bodes well for movie producers

Number of Multiplex screens

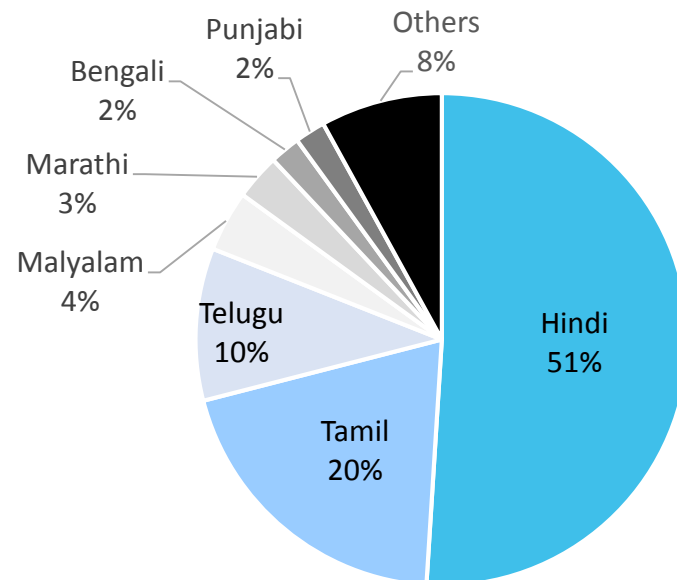
Multiplex screens as % of overall screens



Kotak Research, Industry estimates

- **Exhibition space** is getting organized which along with digital delivery of movies has increased transparency in the business
- **Digital delivery** has increased number of screens on which movie is simultaneously released
- **Digital rights** is becoming an important revenue stream for movie producers

Regional movies gaining traction in INR142bn Indian movie industry



- **Regional Cinema** is gaining popularity – Tamil, Telugu, Marathi, Punjabi language movies becoming popular
- **Collections of** popular movies are going up while niche movies are also finding an audience

Zee Studios' approach to movie production



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SCRIPT DRIVEN

- Strong story-line
- Low dependence on star cast
- Complete involvement in all aspects of production

ACROSS BUDGETS, ACROSS LANGUAGES

- Portfolio approach to movie making
- Focus on low to mid budget movies
- Good mix of regional and Hindi movies

PROFIT SHARING WITH KEY TALENT

- Engaging key talent on profit sharing
- Reduces financial impact of unsuccessful movies
- Talent cost could make or break a movie

LEVERAGE PRESENCE ACROSS VERTICALS

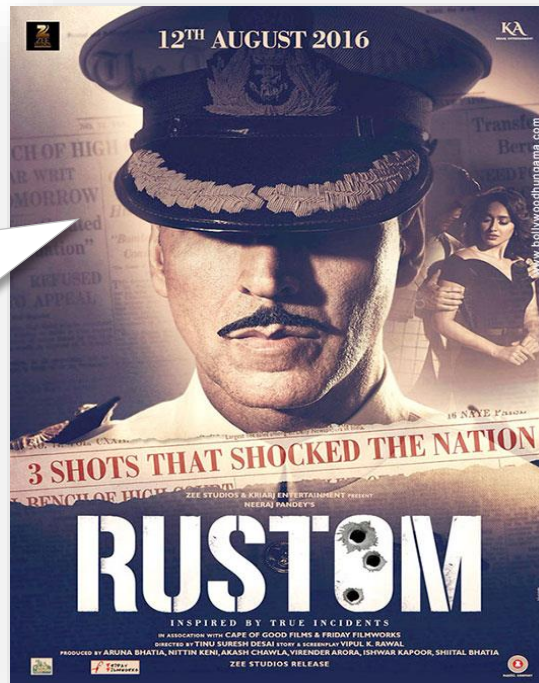
- Presence in movie & music broadcasting and digital offer significant synergies
- Allows a 360° promotion of movies



Zee Studios plans to make 10-12 movies a year which entails working capital investments of ~INR1.5bn

Two of our movies joined the INR 1bn+ club

Received
National Film
Award for The
Best Actor



Only Marathi
film to gross
1bn+ in box
office collections



Indian Music Industry – Staging a comeback

Digital consumption of music is driving music industry's growth

(INR bn)

15.8% CAGR

6.3% CAGR

9.0

12.2

25.4

CY11

CY16

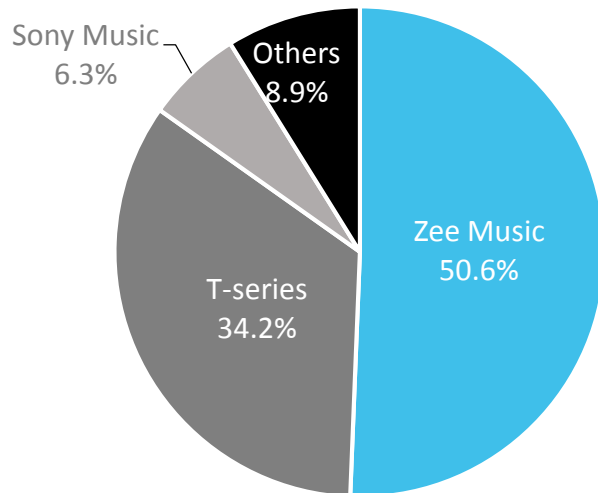
CY21e

- Digital streaming has given a new lease of life to music industry
- Digital now contributes upto 70% of the revenues of music labels
- Improving internet infrastructure will boost digital music consumption
- Regional music gaining prominence, along with growing popularity of regional movies

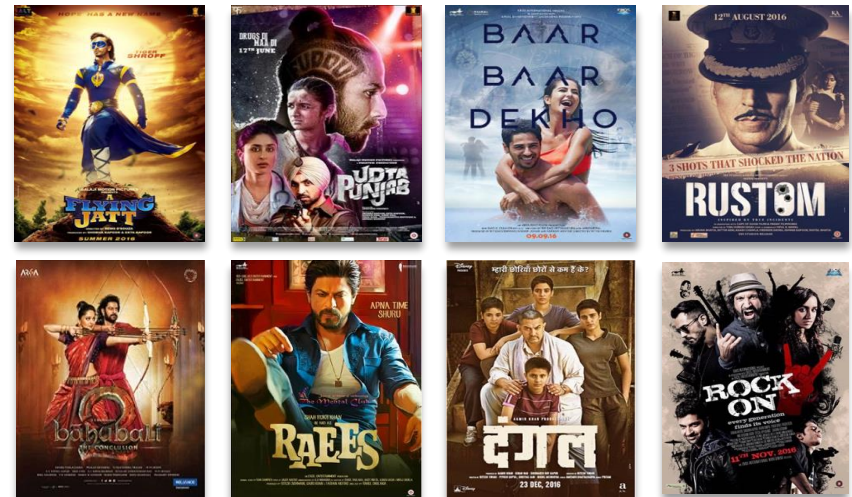
Source: FICCI KPMG M&E Report 2017

Zee Music Company – rapidly building its catalogue

ZMC acquired 50% of rights released over the past three years



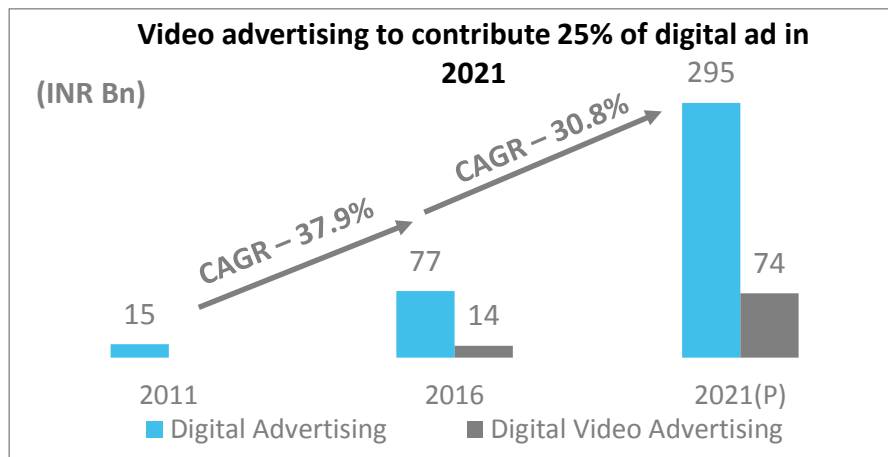
Recently acquired Music titles



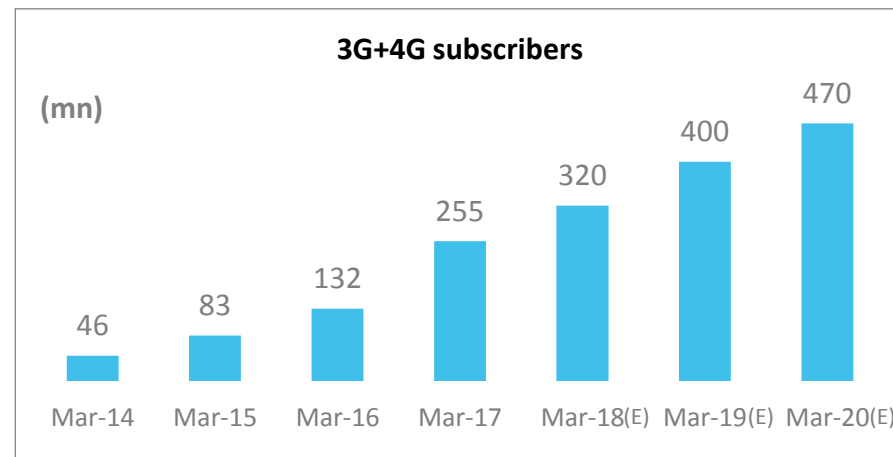
Zee Music Company (ZMC) is building a strong portfolio in regional markets like **Punjabi, Telugu, Gujarati, Kannada and Bengali alongside Hindi**



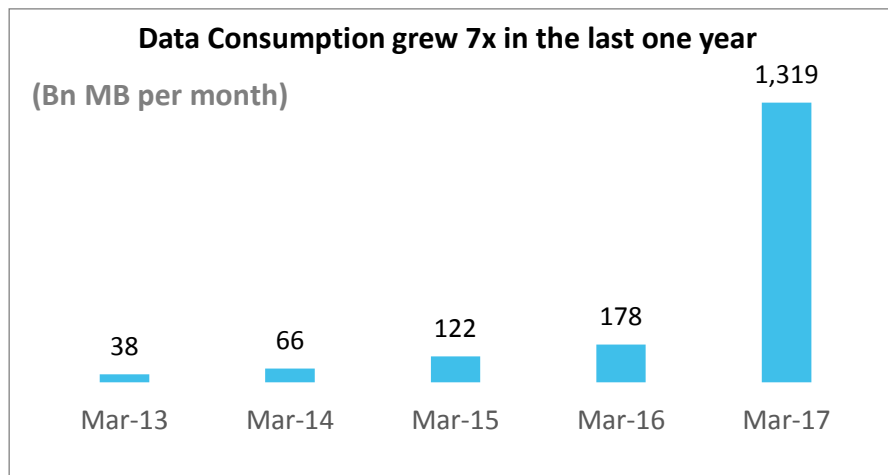
Digital Gaining Momentum



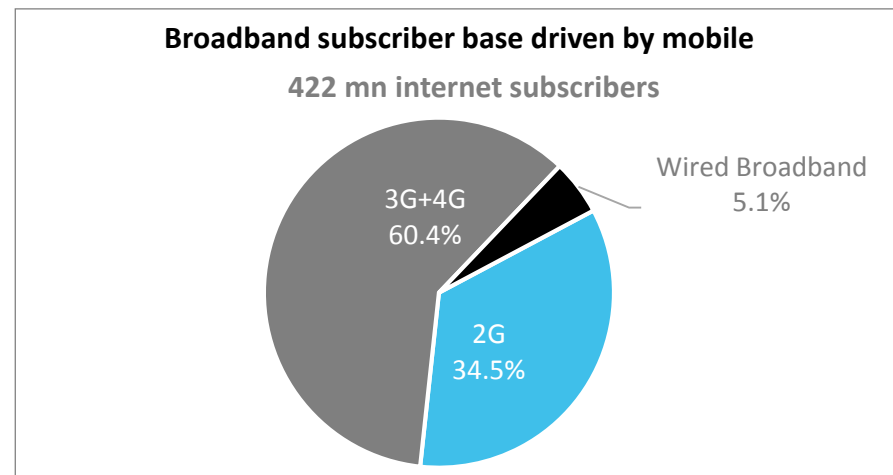
Source FICCI KPMG Report 2017



Source : TRAI Reports, IIFL Capital Research

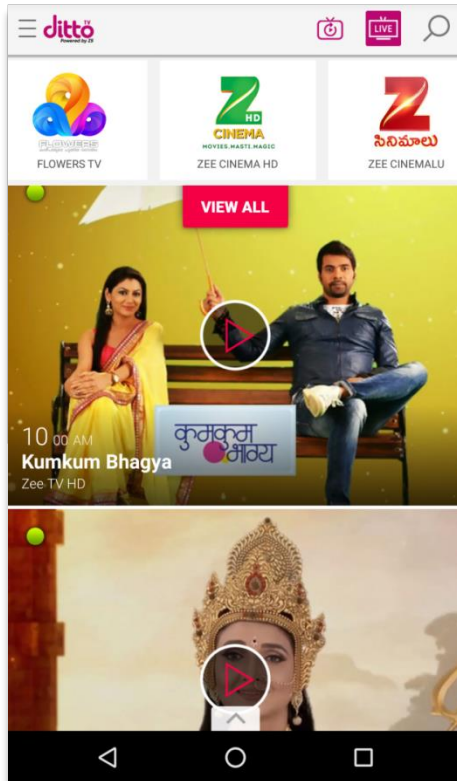


Source : TRAI Reports, IIFL Capital Research



Source : TRAI Report, July 2017

Strong presence in digital space



ditto
TV on the go

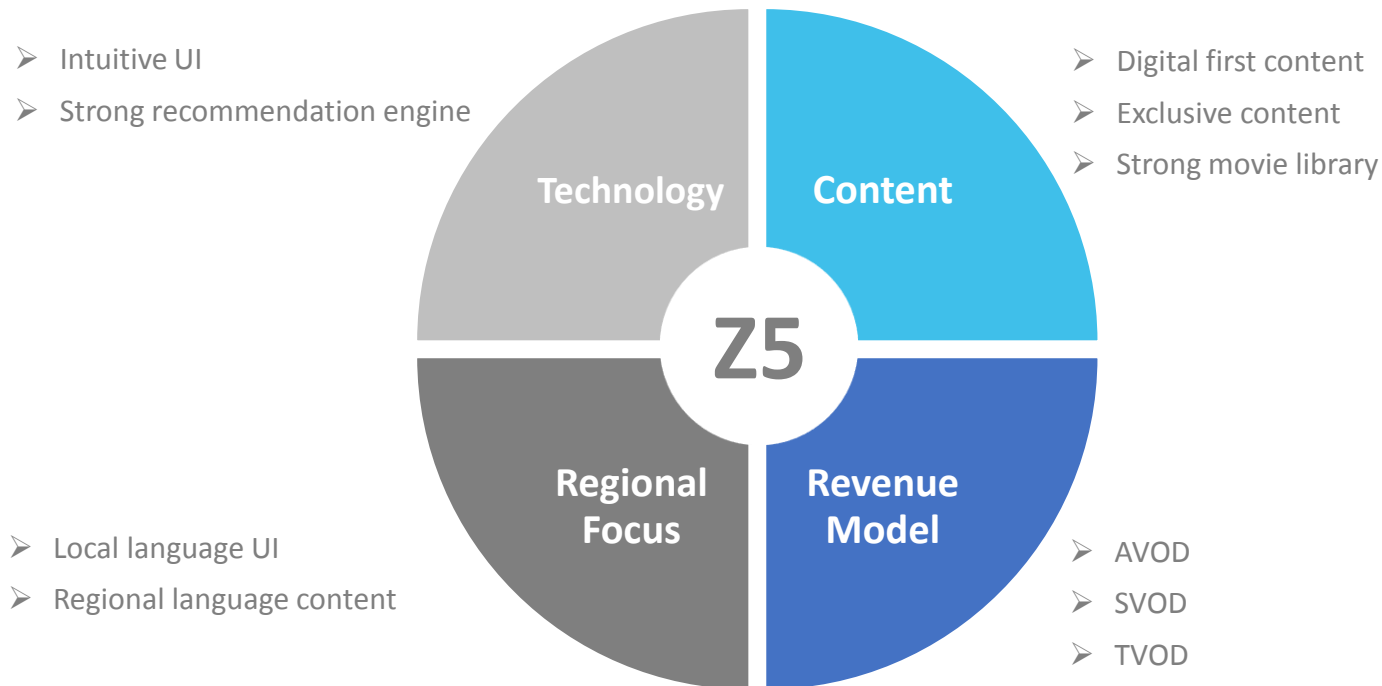
- Subscription based platform
- Live streaming of 80+ channels
- Aggregates content from country's leading broadcasters
- Integrated with the country's leading telecom operators' platforms
- 20,000+ hours of on demand content

ozone
Entertainment Now.

- Ad-supported free streaming service
- Hosts all content produced by ZEEL network
- Content available within minutes of TV broadcast
- Movies and music from ZEEL library

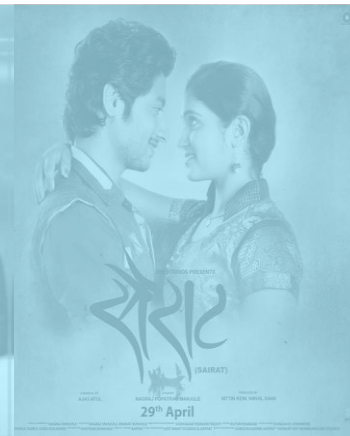
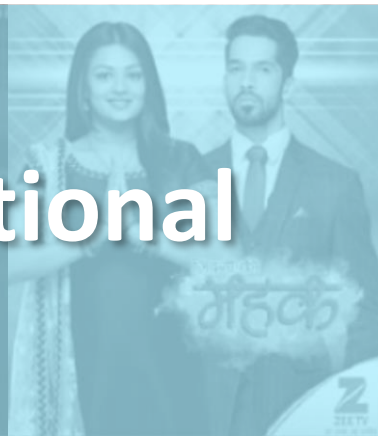


Z5 – ZEE's digital refresh



Z5 to be launched during **2HFY18**

DittoTV and OZEE subscribers will auto upgrade to the new **platform**



International

International – Serving diaspora and local audience



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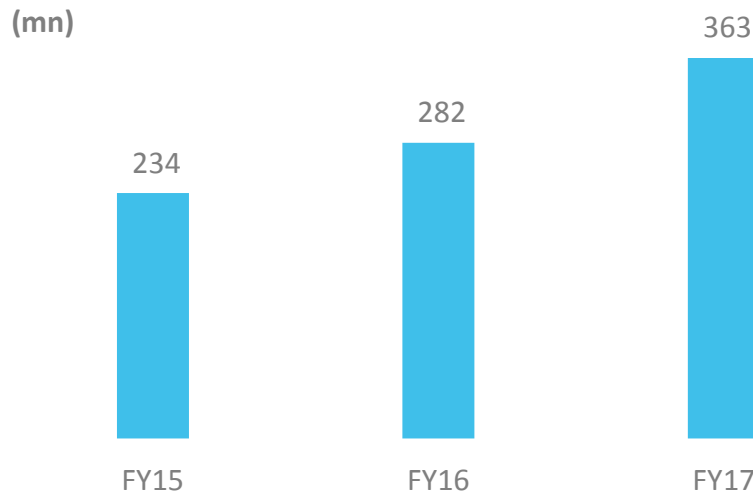
Presence in **172+** countries with reach of **363mn**

39 international channels with **13** channels in **9** non-Indian languages

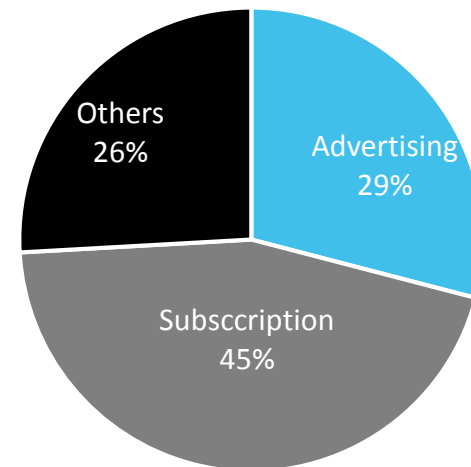
Serves South Asian Diaspora as well as local audience in select countries

Gradually expanding in markets with affinity for Indian content

Increasing reach of ZEEL's international portfolio



FY17 International revenues – INR 9,771mn



A strong global presence



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39 International Channels

13 Local Language Channels

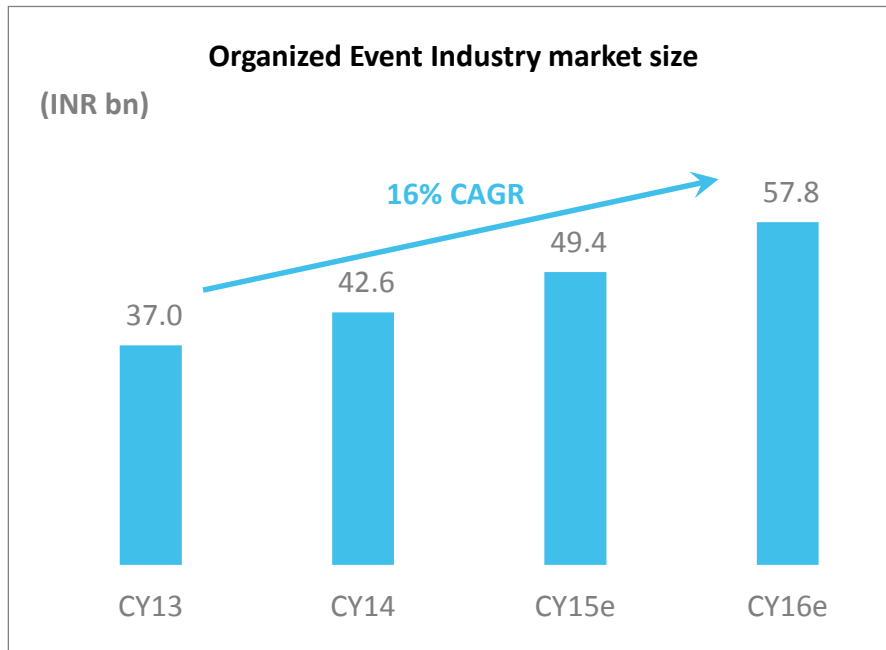


* - Logos relate to ZEEL's channels catering to local audience

Live Events



Live Events – A growth opportunity



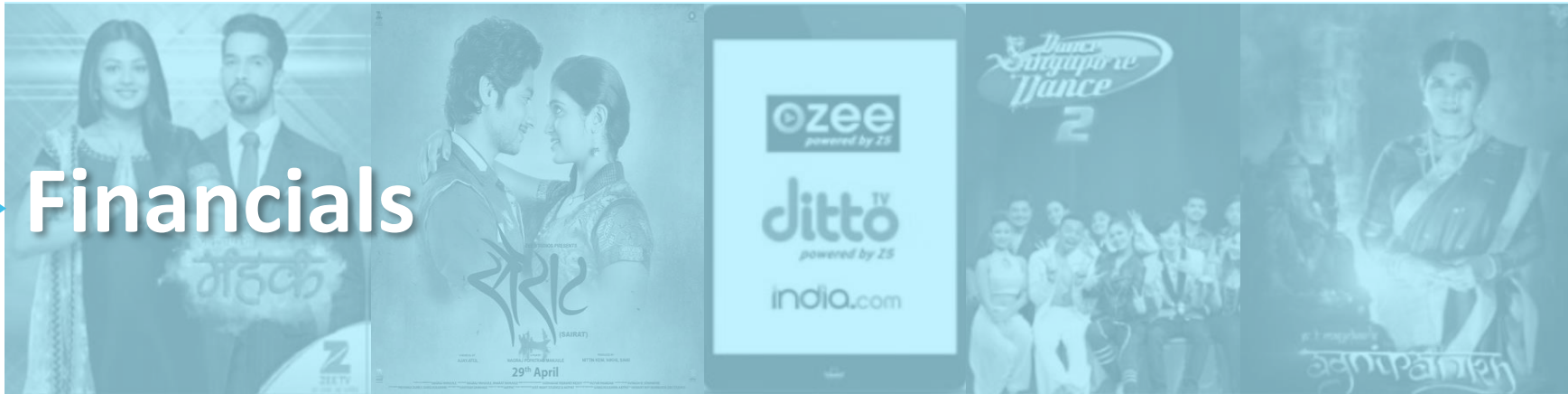
Source: EY EEMA Report 2014



India is opening up to ticketed live events which presents a growth **opportunity**

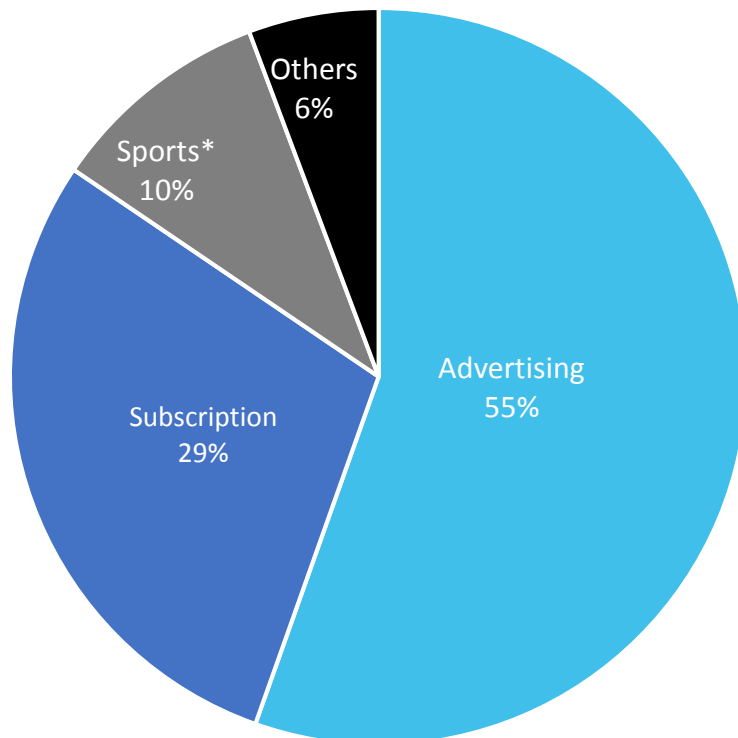
Zee Live is dedicated to all forms of live entertainment for different kinds of events including **Festivals, Theatre, and Concerts**

Financials

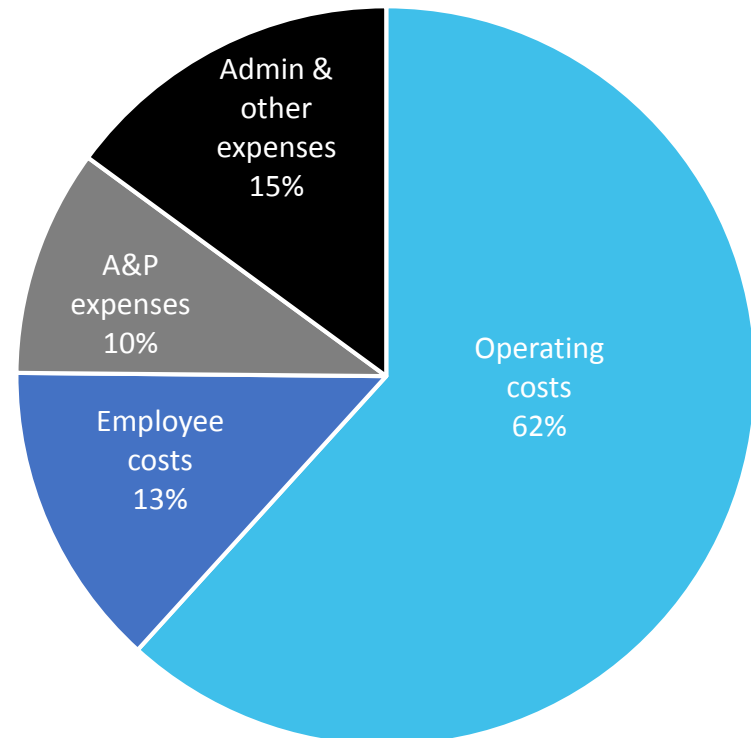


FY17 revenue and costs breakdown

Revenue breakdown - INR64,341mn

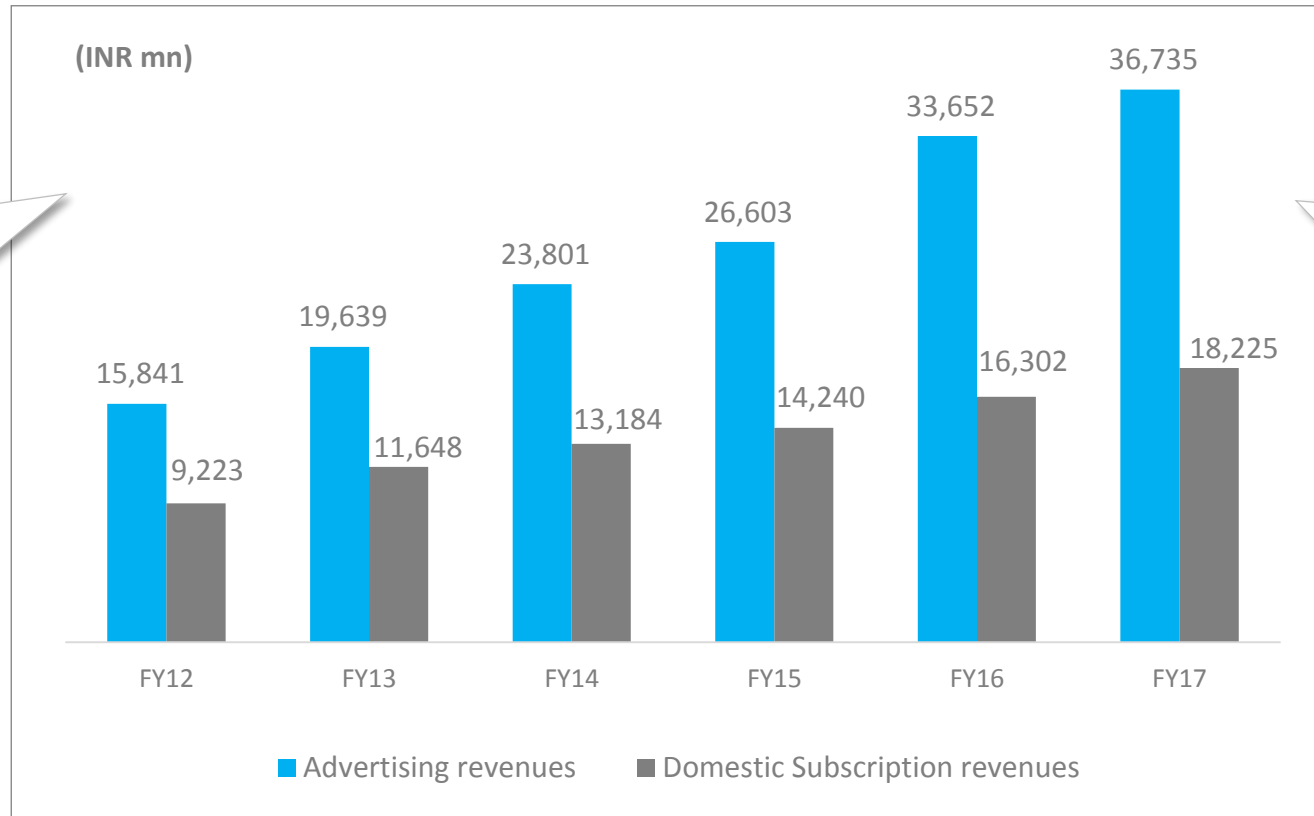


Costs breakdown – INR45,073mn



**ZEEL divested its sports business – Ten Sports Network, in FY17*

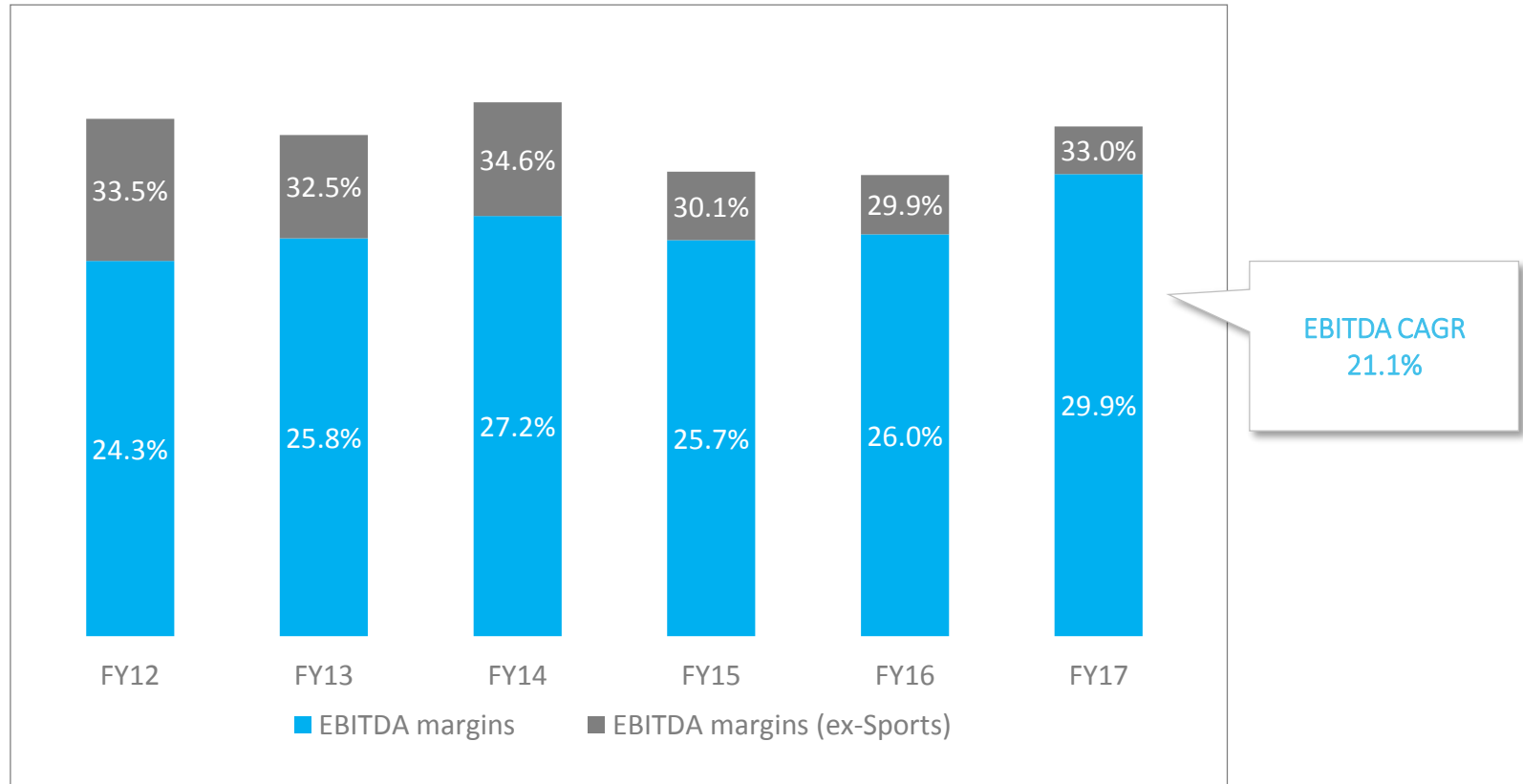
Strong growth in advertising and subscription revenues



Advertising
revenue CAGR
18.3%

Domestic
Subscription
revenue CAGR
14.6%

Strong and consistent profitable growth

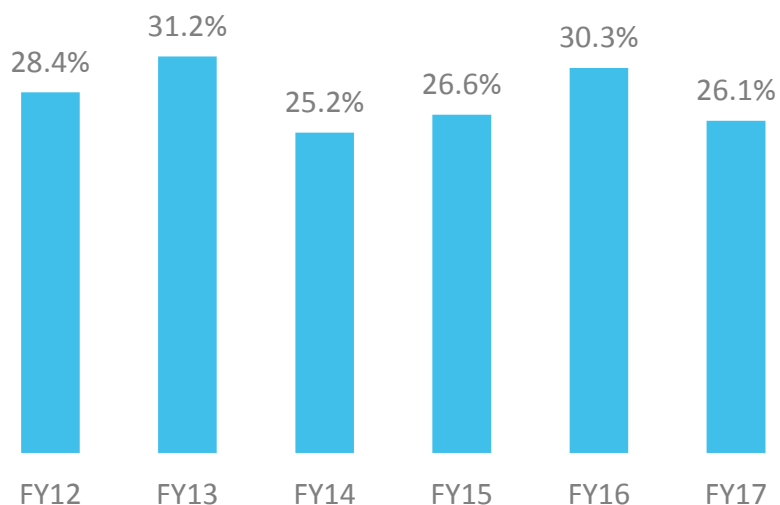


Consistent payout to shareholders



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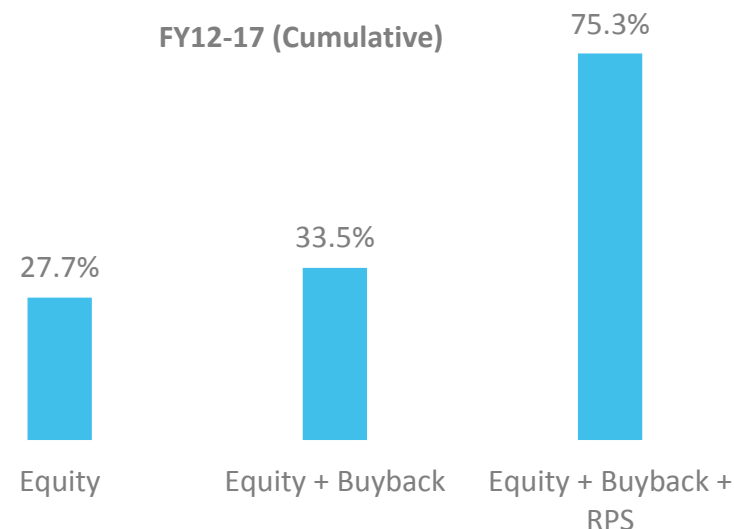
Consistent dividend distribution



* Dividend payout is calculated on profit after tax (excluding exceptional items)

Payout to shareholders is higher than annual equity dividend

FY12-17 (Cumulative)



Redeemable Preference Shares (RPS) worth INR 21 bn issued in 2014



As per Dividend policy, ZEEL will pay 25-30% of Consolidated profits or 1/3rd of Standalone profits, whichever is **higher**

ZEEL has used buyback and bonus preference shares in the past to boost payout to **shareholders**

Robust Balance sheet



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Balance Sheet - Mar'17			
Assets	(INR mn)	Equities and Liabilities	(INR mn)
Non-current assets		Equities	
Property, plant & equipment	5,031	Share capital	960
Capital work-in-progress	1,270	Other equity	65,608
Intangible assets	3,422		
Investment property	1,150	Minority interest	10
Financial investments	1,392		
Other financial assets	1,388	Non-current liabilities	
Income tax assets (net)	4,618	Long term borrowings	15,272
Deferred tax assets (net)	903	Long term provisions	767
Other non-current assets	253	Other liabilities	-
Current assets		Current liabilities	
Inventories	16,844	Trade payables	4,891
Current investments	11,868	Other financial liabilities	9,173
Trade receivables	13,059	Provisions	89
Cash & cash equivalents	26,133	Current tax liabilities (net)	1,783
Loans	1,542	Other current liabilities	1,814
Other financial assets	2,212		
Other current assets	9,283		
Total Assets	100,368	Total Equities & Liabilities	100,368



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Thank You