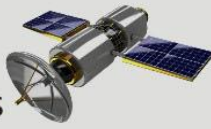


Captive audience, customized content & audited displays

are attracting a growing number of in-cinema advertisers wishing for better recall amongst audiences



Q4 & FY18 Results Presentation

May 29, 2018

**India's largest digital cinema distribution network
and in-cinema advertising platform***

UFO
digital cinema
UFO Moviez India Limited

* in terms of number of screens.



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The Company has prepared Financial Results based on the Indian Accounting Standards (Ind AS) and has reported and analyzed these results on a consolidated basis in this presentation. The like-to-like financials for the corresponding quarter / period has been restated accordingly.

India's Largest Digital Cinema Network and In-Cinema Advertising Platform

3,897

High Impact Advertising Screens

1,194 Multiplex & 2,703 Single Screens

**with an average weekly seating capacity of
~49 million**

2,470 Advertisers in FY18

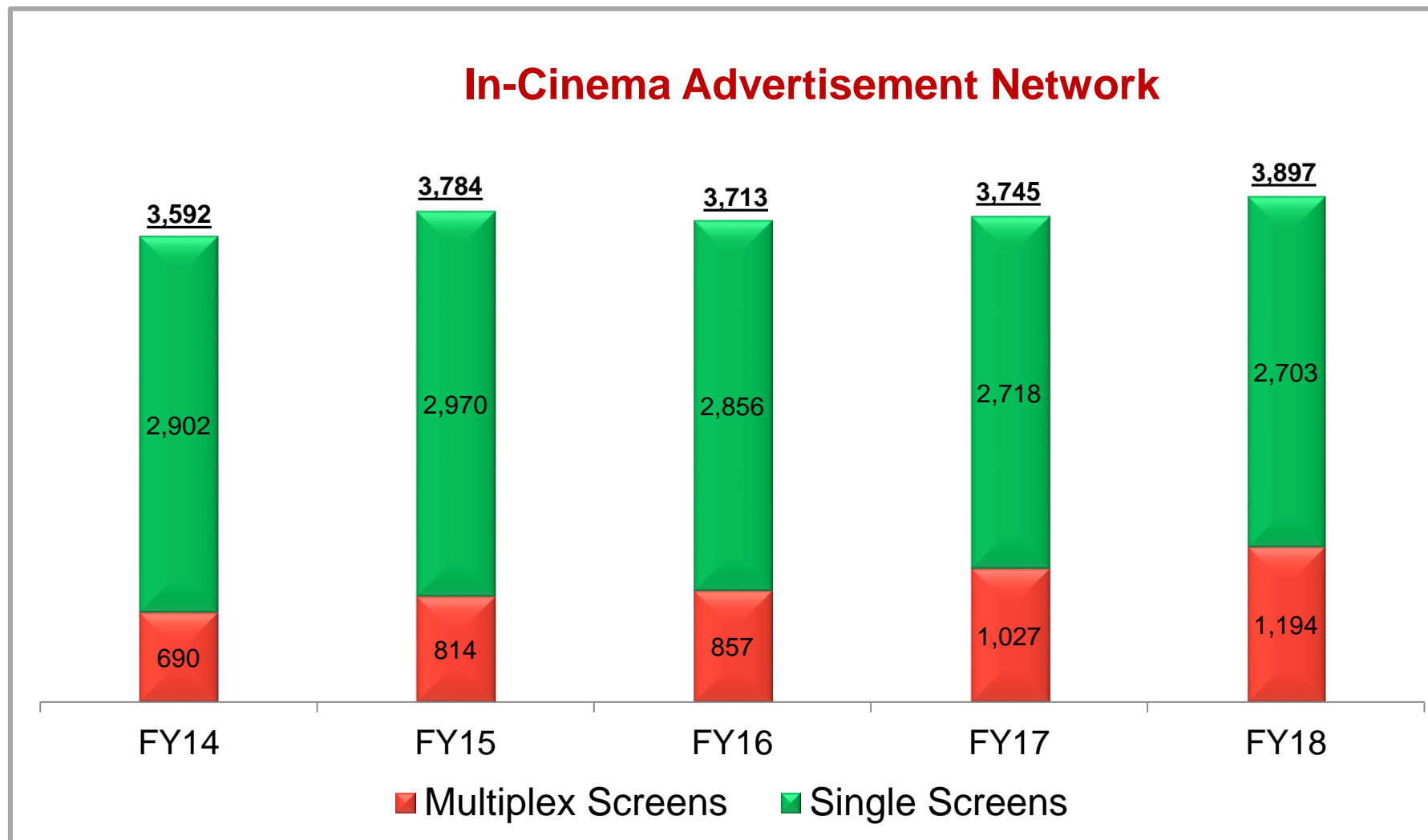
Across 1,363 Cities & Towns

Digitally Delivered 1,822 Movies in 23 Languages for 2,264 Distributors in FY18

Data as on March 31, 2018

Advertisement Screen Strength

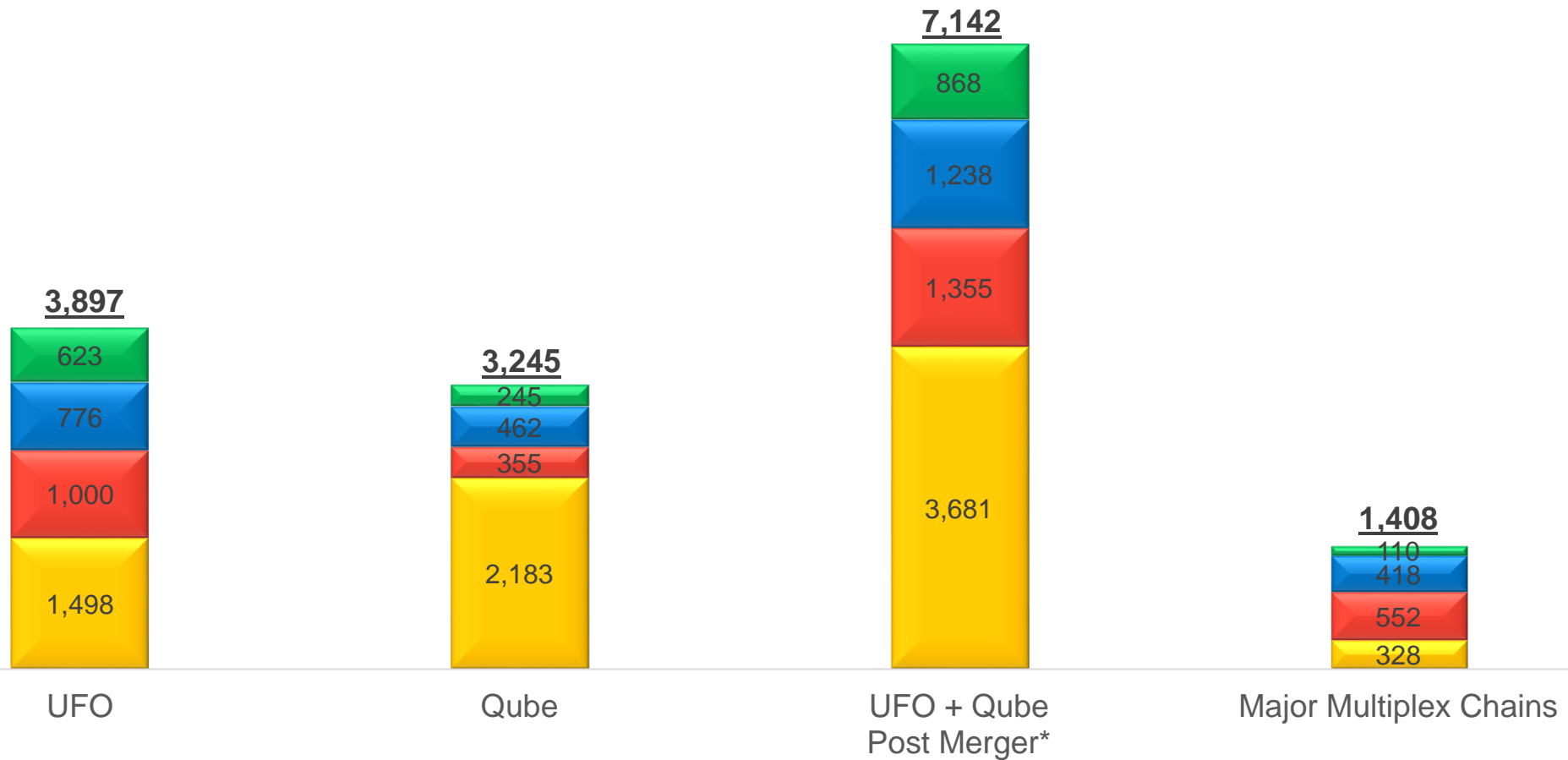
Stable Advertisement Screen Network, with an increasing proportion of Multiplex Screens



Strong Presence of Advertisement Screens across India



Region wise Distribution of Advertisement Screens



Data as on March 31, 2018

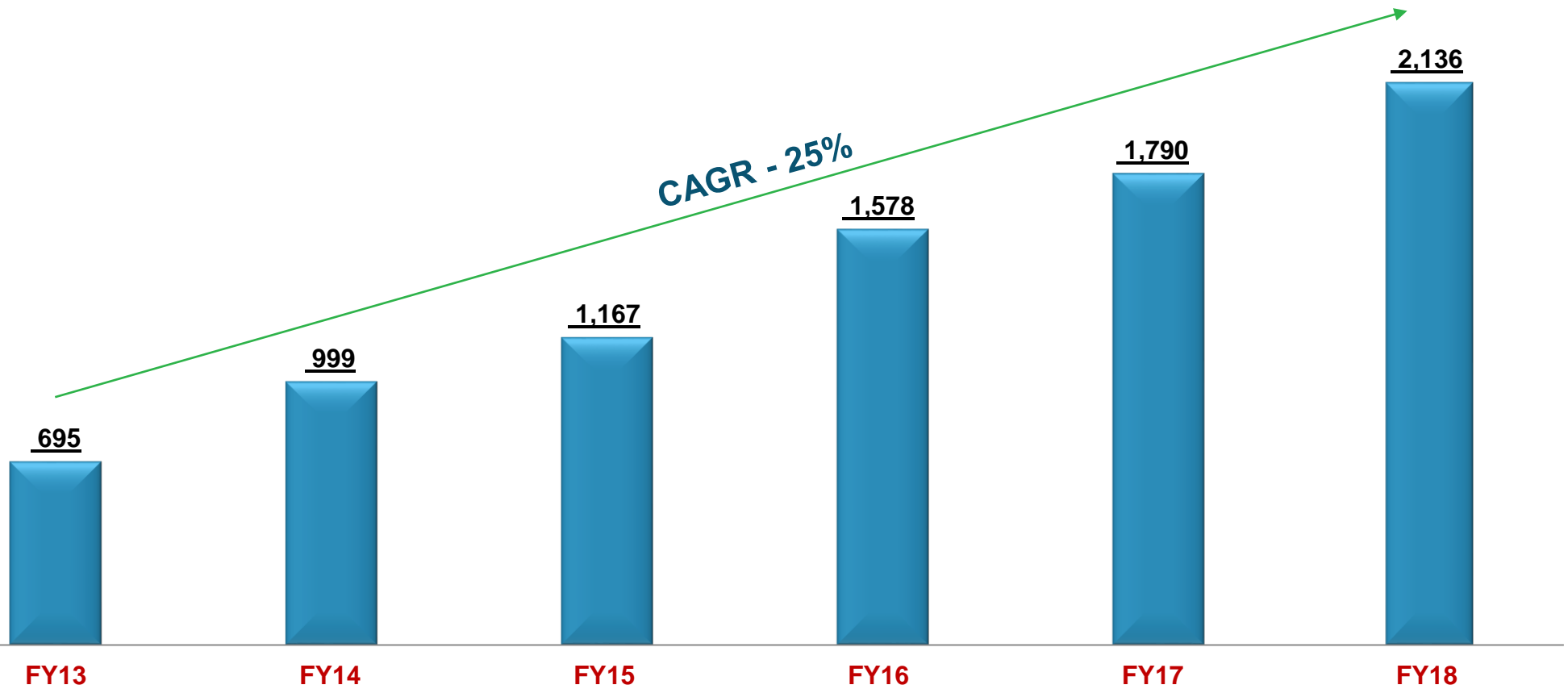
* Merger is awaiting regulatory approvals

■ South
 ■ West
 ■ North
 ■ East

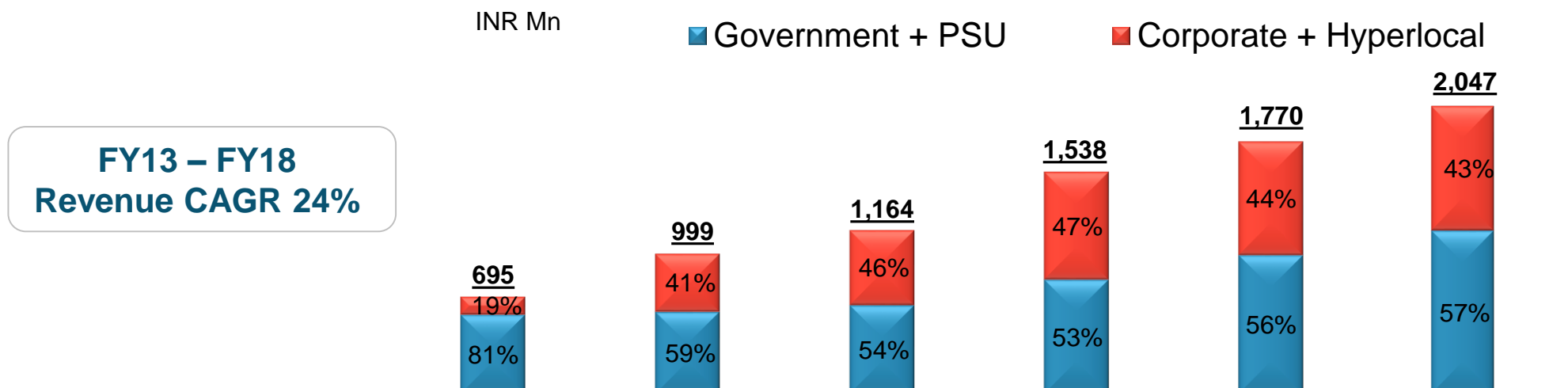
Key Performance Indicators

Robust Advertisement Performance

Advertisement Revenues (INR Mn)



Sustained Growth in In-Cinema Advertising



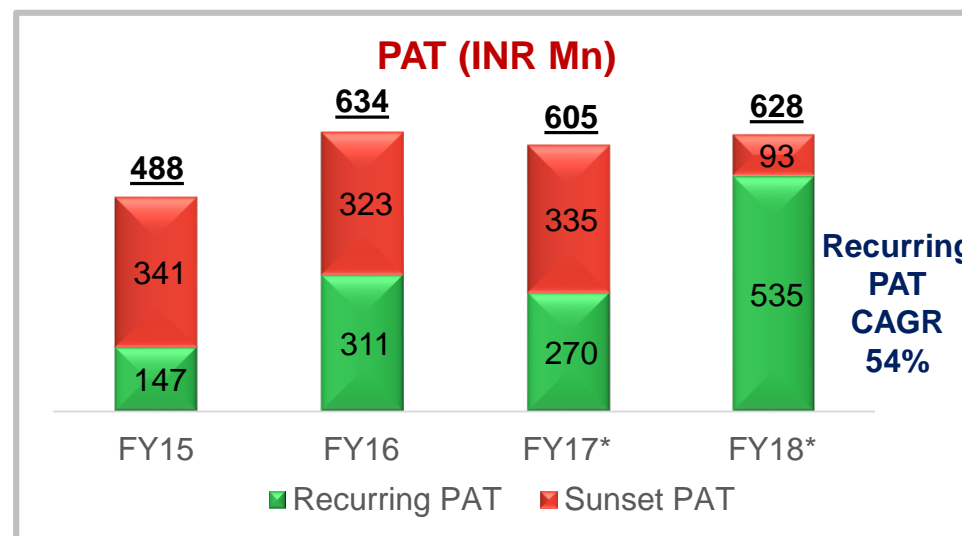
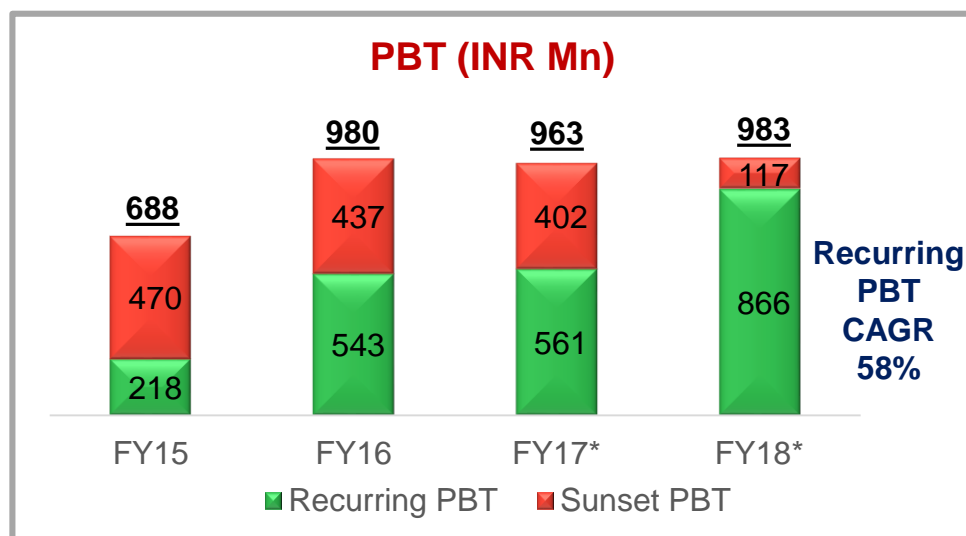
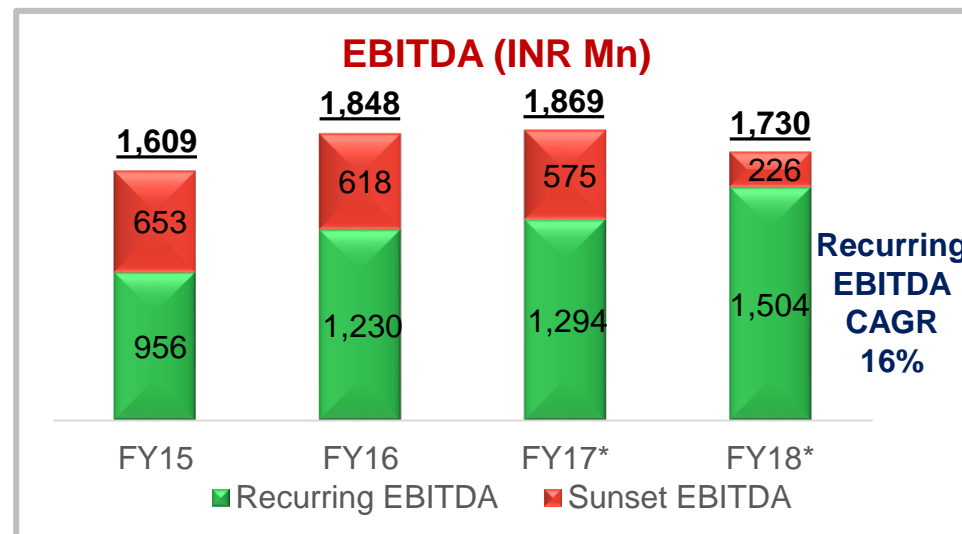
	FY13	FY14	FY15	FY16	FY17	FY18
# of Screens with Ad Rights	3,071	3,592	3,784	3,713	3,745	3,897
Annual Ad Revenue / Screen (Avg) (INR)	243,081	299,711	316,346	410,275	474,597	535,847
# of Minutes Sold / Show / Ad Screen	2.46	3.25	3.36	4.15	4.34	5.19
Ad Sharing with Exhibitors	18.11%	31.00%	33.76%	30.66%	29.14%	31.75%

*Excludes Advertisement Revenues from Caravan Talkies

of minutes sold / show / Ad Screen is calculated by dividing total # of advertisement minutes sold by average # of advertisement screens during the period
 Average # of Advertising Screens = (Sum of # of Opening Advertisement Screens and # of Closing Advertisement Screens) / 2

Driving Growth in Recurring Revenues and Profits

- The remnant revenue and profits from VPF Sunset in FY18 are expected to fall off over FY19 and FY20
- Recurring business has offset Sunset impact, resulting in significant improvement in profitability over the years despite major Sunset impact.
 - Growth in Advertisement revenues has driven significant improvement in recurring business profitability
- Note: UFO collects D-Cinema VPF revenue under agreements with major Hollywood studios. As these agreements are set to expire, these revenues are known as Sunset revenues



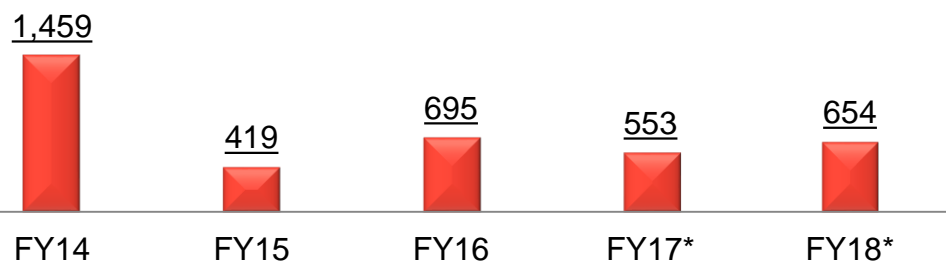
*FY17 and FY18 are based on Ind AS closing financials

Sunset EBITDA calculation = VPF + Rental revenues less VPF sharing of Sunset D Cinema screens

Demonstrated Levers for Shareholder Value Creation

Capital Intensity

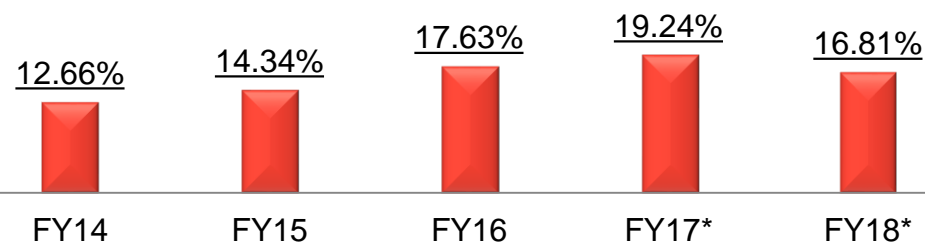
Capex (INR Mn)



Initial high capital intensity over; generating higher revenues with lower incremental capex.

Capital Efficiency

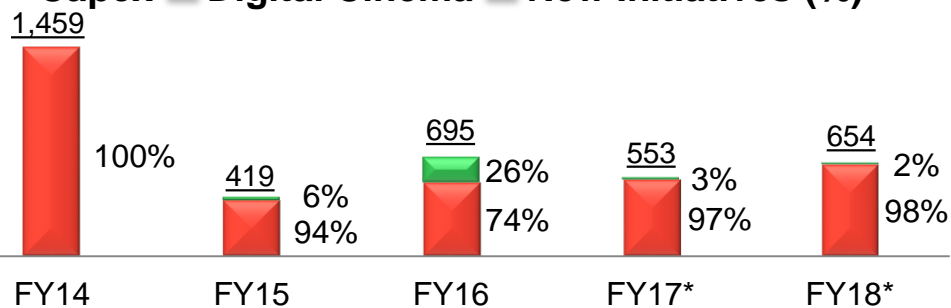
RoCE (%)



Network Effect and Operational Efficiencies have led to improving RoCE.

Capital Allocation

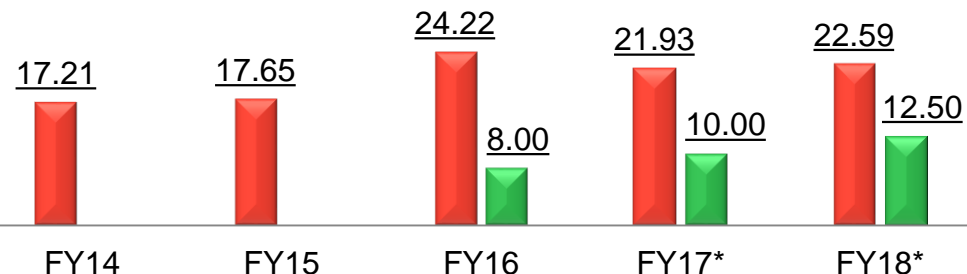
Capex Digital Cinema New Initiatives (%)



Growing in synergistic businesses with low content risk.

Capital Distribution

EPS DPS (INR)

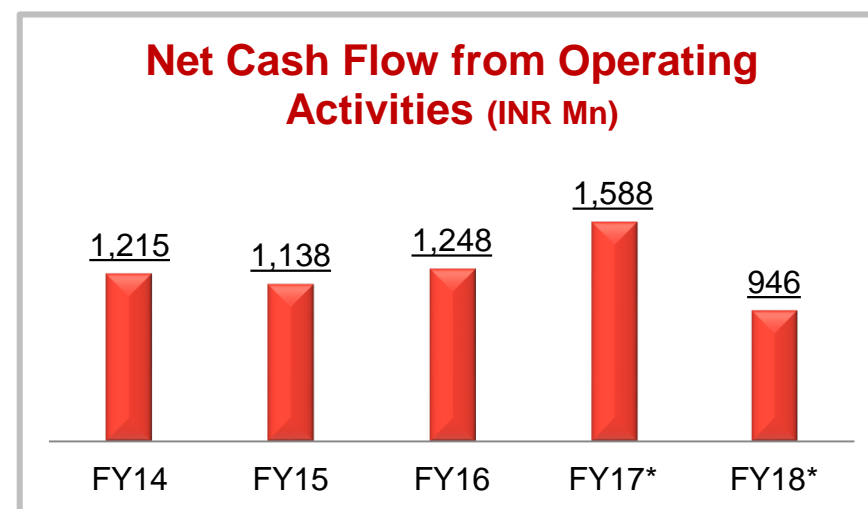
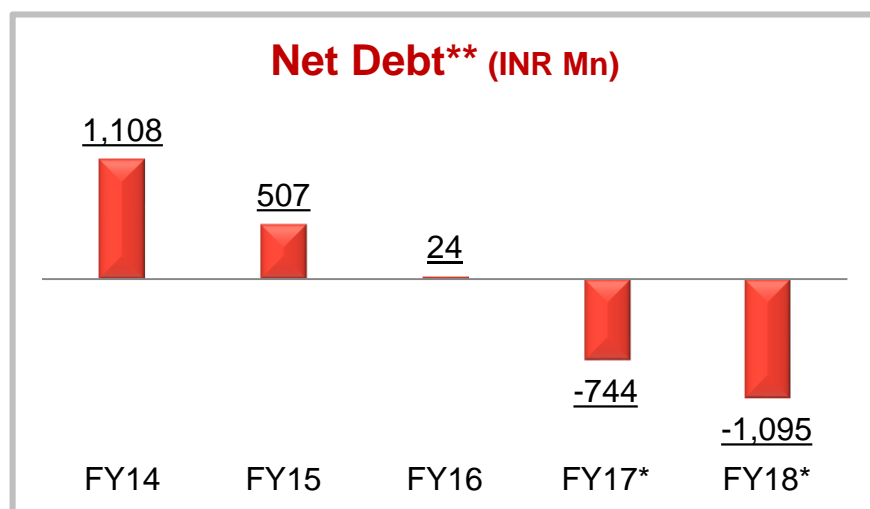
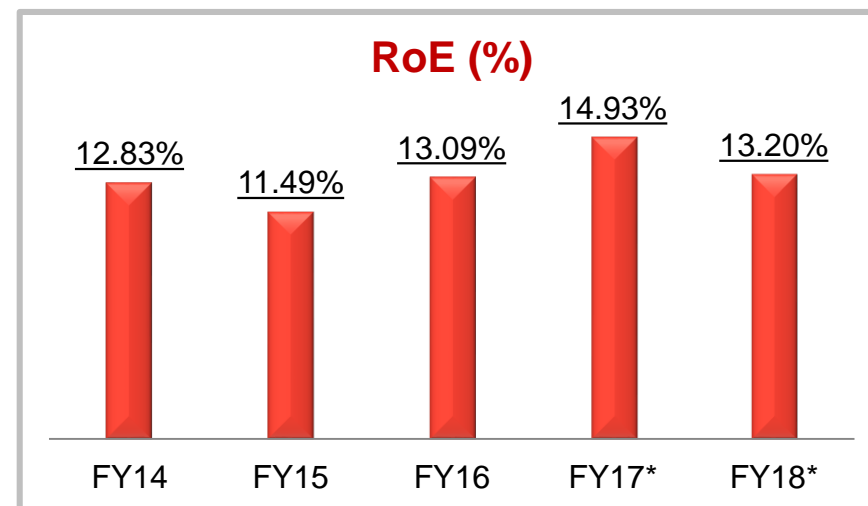
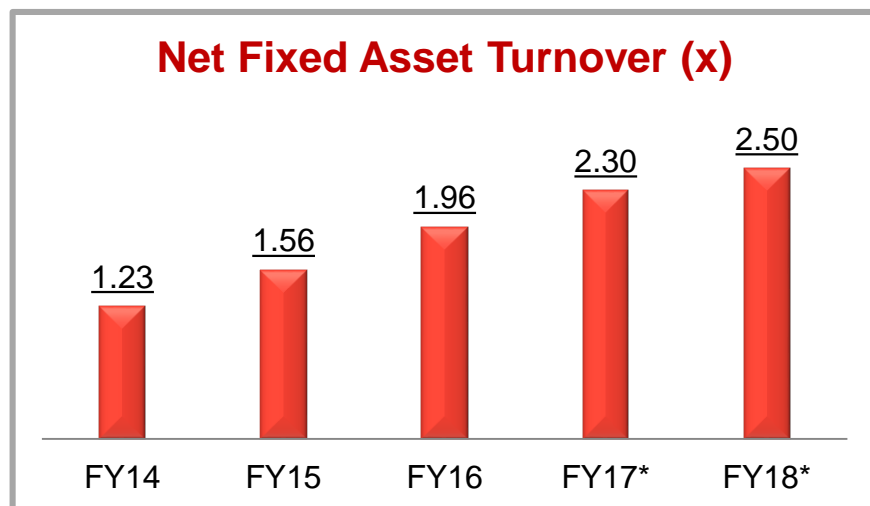


Distributing ≥ 25% of PAT annually.

RoCE = EBIT/(Networth + Long Term Debt + Short Term Debt + Current Maturing Long Term Debt + Minority Interest)

*FY17 and FY18 are based on closing Ind AS financials

Key Financial Parameters



*FY17 and FY18 are based on Ind AS closing financials

**Net Debt = Total Debt less Cash and Cash Equivalents

Net Fixed Asset Turnover = Total Income/Net Fixed Assets

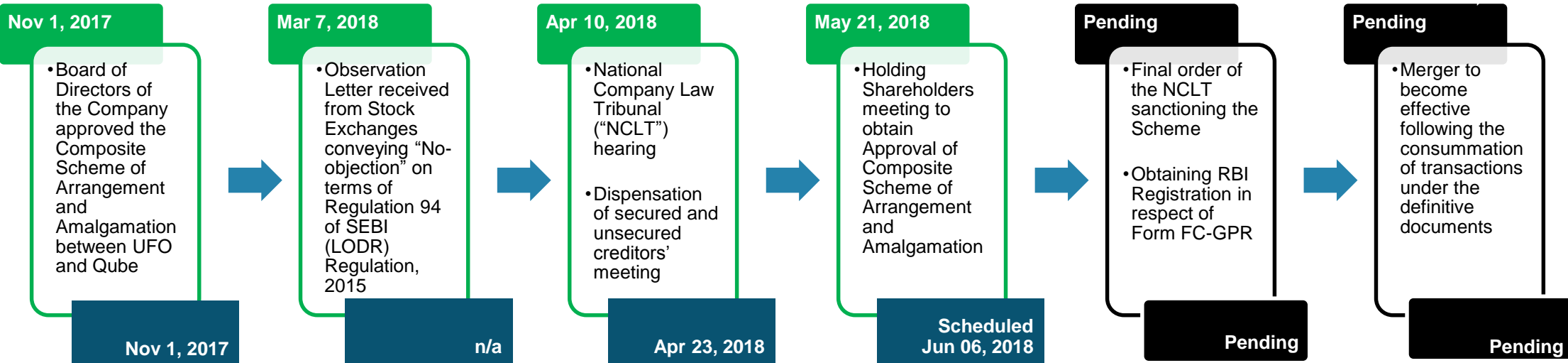
RoE = PAT after Minority Interest / Networth

Key Updates

Update on Composite Scheme of Arrangement and Amalgamation between UFO and Qube

UFO

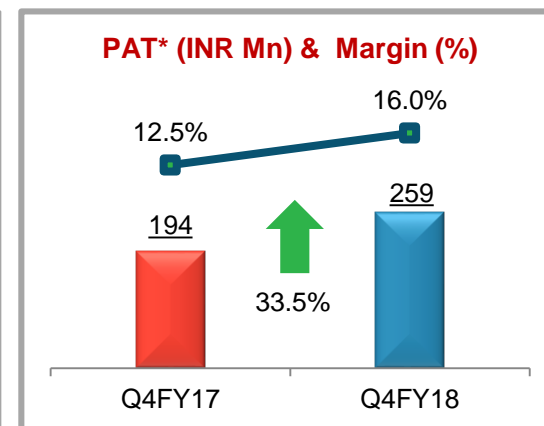
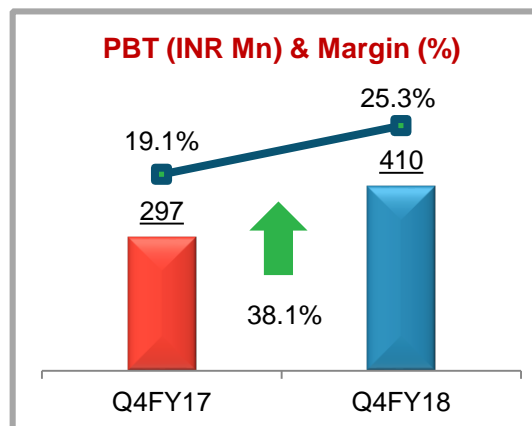
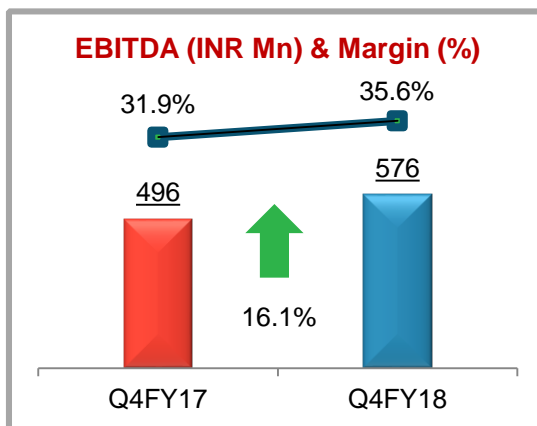
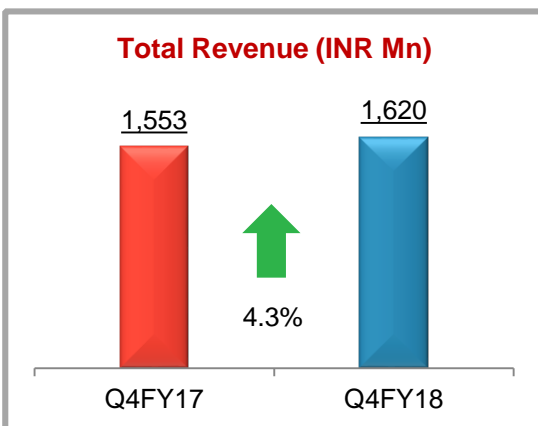
Qube



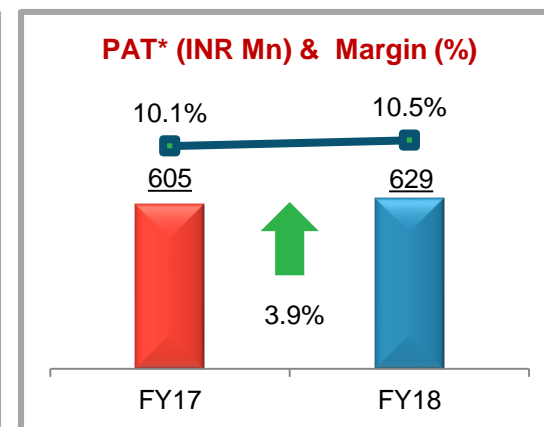
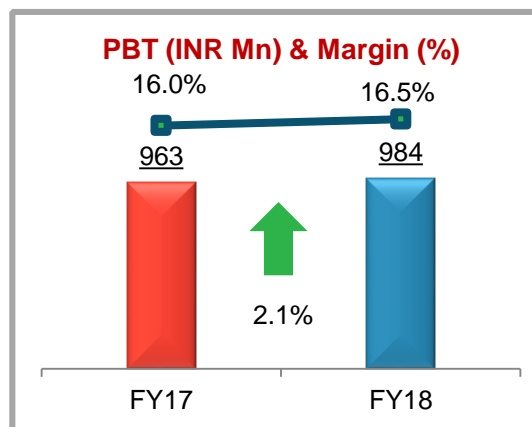
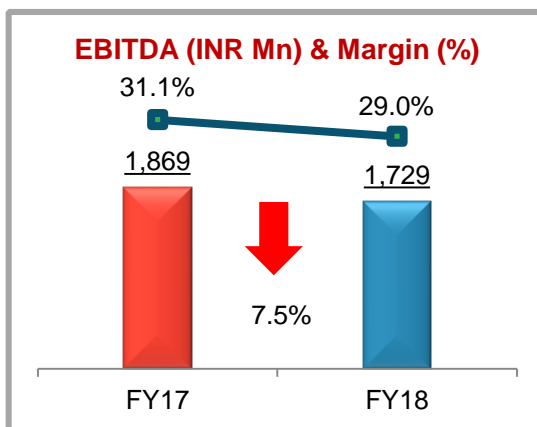
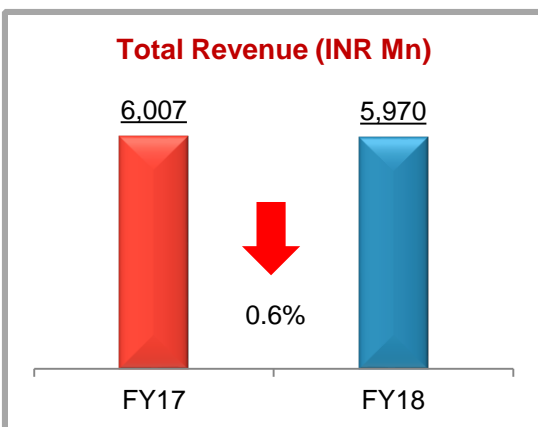
Financial and Operating Highlights

Consolidated Financial Highlights

Q4FY18 YoY Comparison



FY18 YoY Comparison



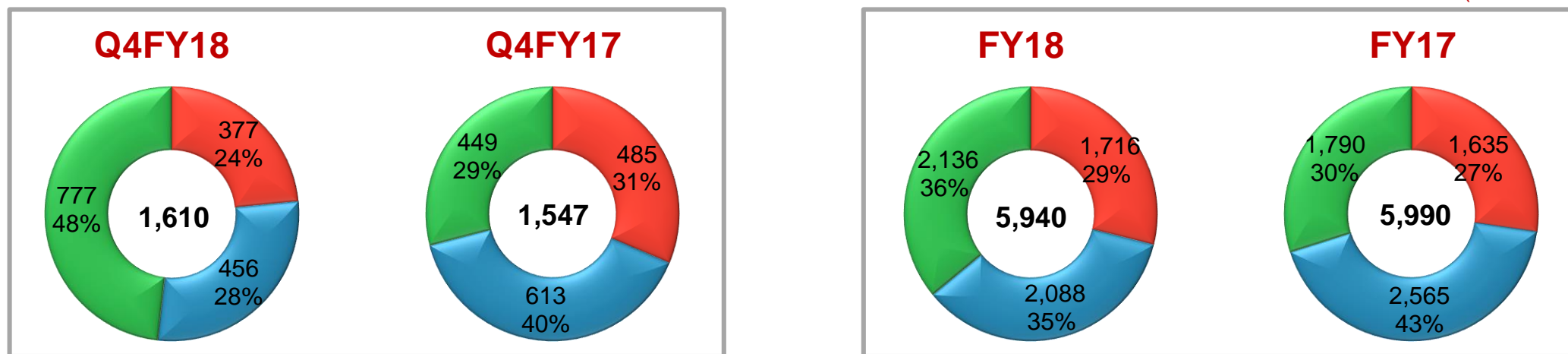
*PAT after Minority Interest

Consolidated Revenue Mix



digital cinema

(INR Million)



Advertisement Revenue

Distributor Revenue

Exhibitor Revenue

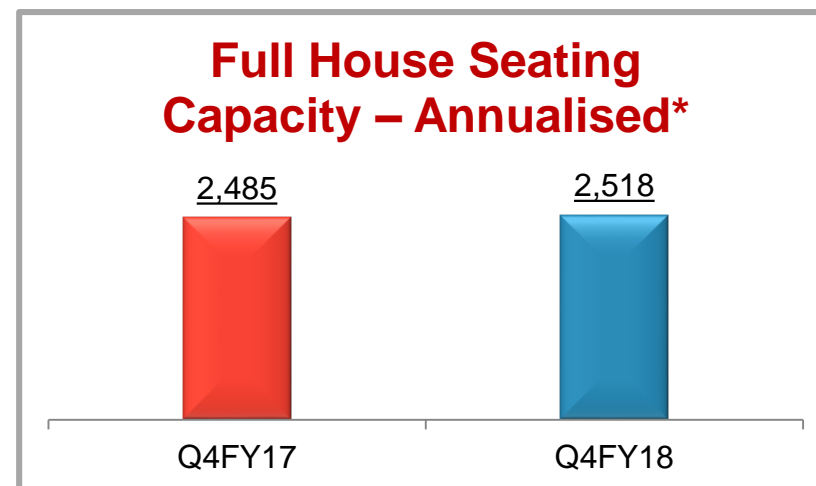
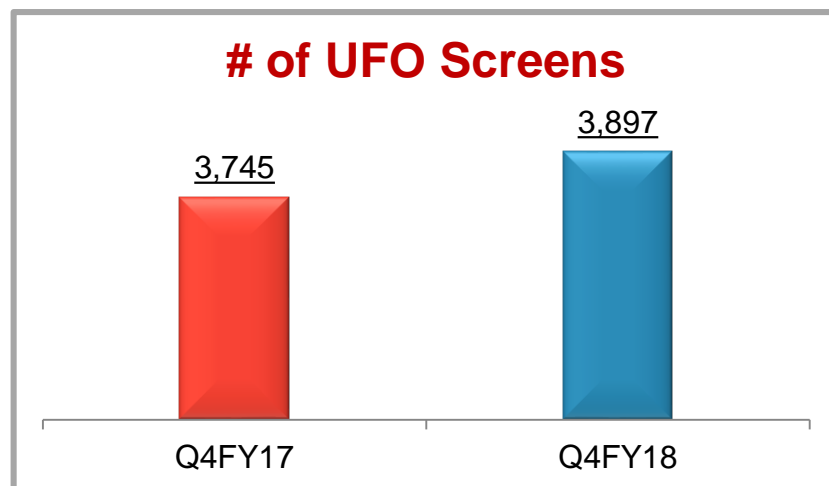
(INR Mn)	Q4FY18	Q4FY17	Growth	FY18	FY17	Growth
Advertisement Revenue	777	449	73.1%	2,136	1,790	19.3%
- In-Cinema Advertisement Revenue	760	449	69.0%	2,047	1,770	15.7%
- Caravan Advertisement Revenue	17	0	n/a	89	20	333.9%
Virtual Print Fees - E-Cinema	247	243	1.6%	1,055	1,027	2.8%
Virtual Print Fees - D-Cinema	194	354	-45.1%	974	1,476	-34.0%
Lease rental income - E-Cinema	142	122	16.8%	549	479	14.5%
Lease rental income - D-Cinema	23	29	-20.8%	110	139	-20.7%
Other Operating Revenues	62	57	8.6%	246	258	-4.8%
Total Sale of Services	1,445	1,254	15.3%	5,070	5,169	-1.9%
Total Sales of Products	165	293	-43.7%	870	821	6.0%
Revenue from Operations	1,610	1,547	4.1%	5,940	5,990	-0.8%

Note: Excludes Other Income

In-Cinema Advertising Performance

In-Cinema Advertisement Operating Parameter

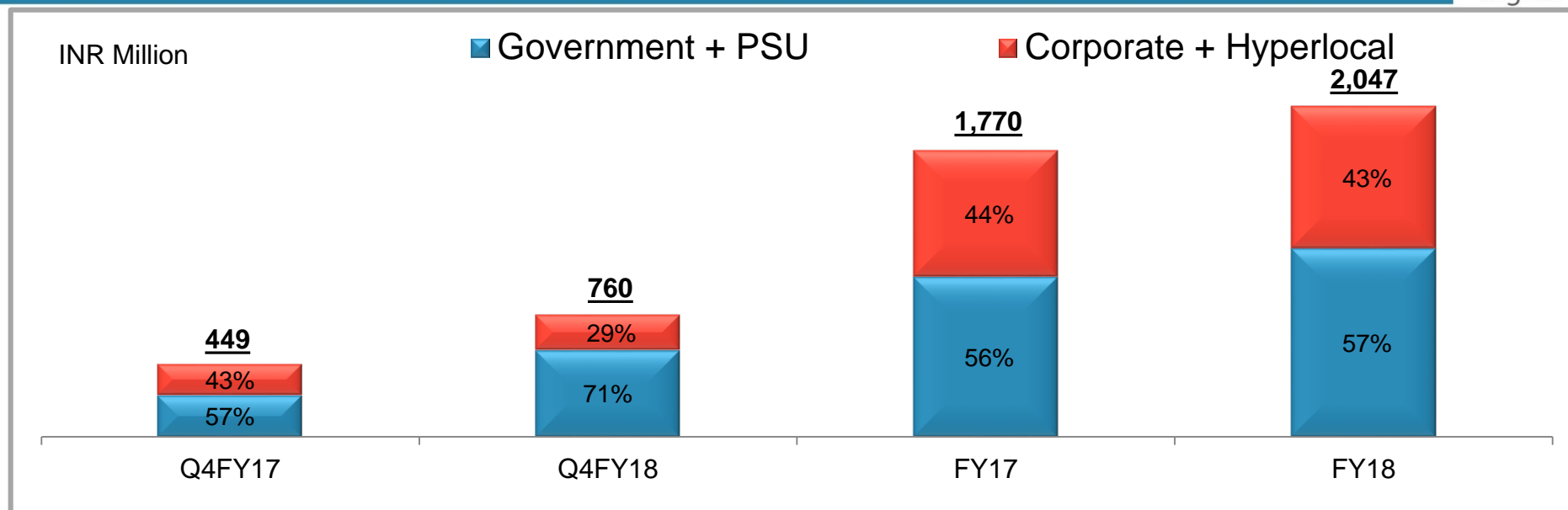
in Mn Seats



FY18	Top 50 Cities		Rest of India	
	Multiplex	Single	Multiplex	Single
# of UFO Screens	458	496	736	2,207
Full House Seating Capacity – Per Show All Screens	115,623	300,089	203,988	1,128,715
Seating Capacity Per Screen Per Show	252	605	277	511
*Full House Seating Capacity Annualised (in Mn Seats)	166	432	294	1,625

*Full house seating capacity – Annualised is calculated by multiplying full house seating capacity per show x 4 shows a day x 30 days x 12 months

In-Cinema Advertisement Revenue Analysis



	Q4FY17	Q4FY18	FY17	FY18
Ad Revenue / Screen for the period (Avg) (Rs.)	120,117	193,787	474,597	535,847
Average # of minutes sold / show / Ad Screen	4.40	7.39	4.34	5.19
# of In Cinema Advertising Clients*	880	862	2,634	2,470
Advertisement Sharing with Exhibitors	27.68%	22.26%	29.14%	31.75%

*Excluding Framez customers

Excludes Caravan Talkies Revenues

Average # of minutes sold / show / Ad Screen is calculated by dividing total # of advertisement minutes sold by average # of Screens with Ad Rights during the period

Average # of Advertising Screens = (Sum of # of Opening Advertisement Screens and # of Closing Advertisement Screens) / 2

Repositioned and Retooled Caravan Talkies for Growth



Caravan Offering in 2016

- Conventional branding media for media dark market



Caravan 'Now'

- 360 degree activation
 - Brand experience solution
- Movie screening for footfalls
+
Customer Research
+
Brand Activation

Impact

Improved Realizations & Cost Optimization

Revenue growth driven by higher realization

Cost optimization initiatives have led to lower losses

More Brands



Improvement in Financial Performance

VDSPL's Financial Snapshot:

(INR Mn)	Q4FY18	Q4FY17	Growth	FY18	FY17	Growth
Revenue	23	7	208.2%	108	39	174.3%
EBITDA	(22)	(14)	n/a	(47)	(83)	n/a

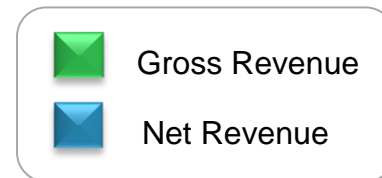
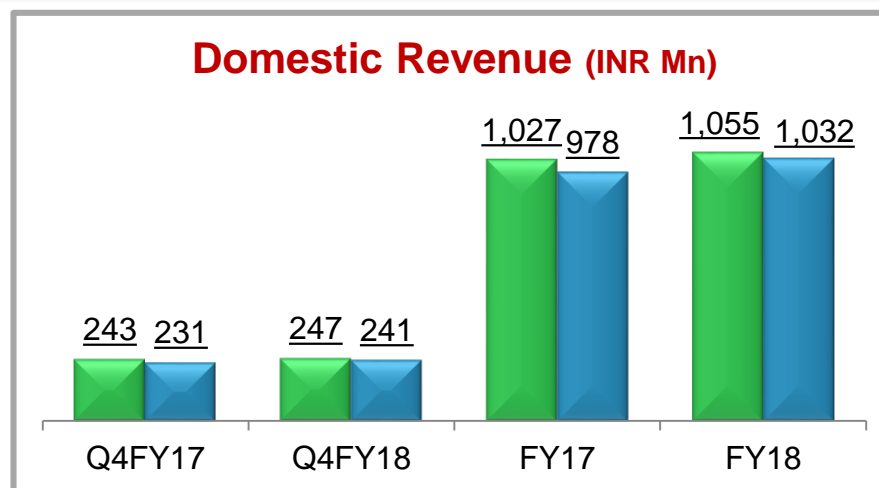
Caravan Talkies has not added new Vans in FY17 & FY18

*VDSPL comprises of Caravan Talkies, NOVA Cinemaz and Club Cinema businesses

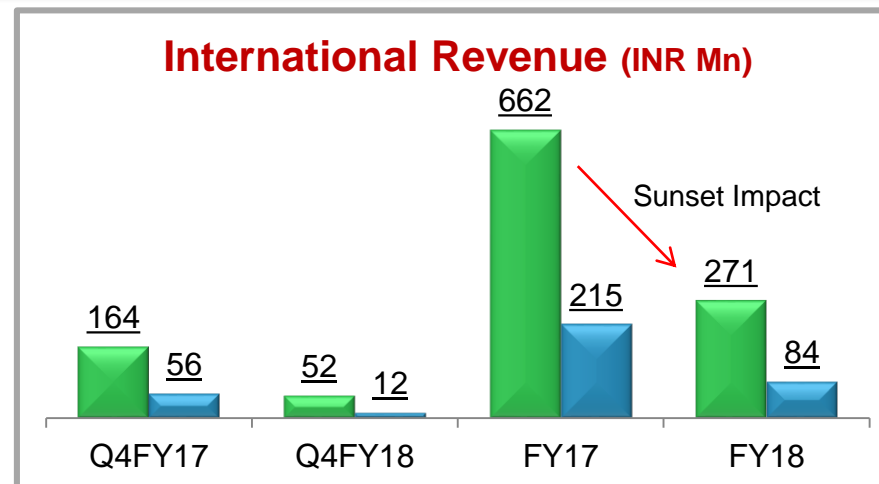
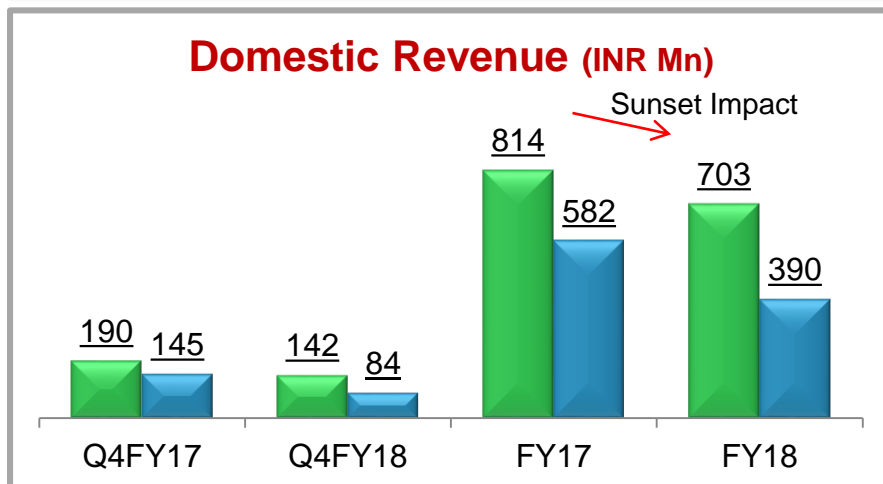
Theatrical Revenues

Theatrical revenues from Distributors

E – Cinema - VPF



D – Cinema - VPF



Domestic includes revenues generated from screens in Nepal
 Net Revenue = Gross Revenue less Revenue Share with the Exhibitors

Operating Parameter – VPF Revenue India

# of Screens*	Q4FY18	Q4FY17	FY18	FY17
E – Cinema	3,706	3,538	3,706	3,538
D – Cinema	1,616	1,567	1,616	1,567
Total	5,322	5,105	5,322	5,105

of Screens as on March 31, 2018

VPF Revenue / Screen (Average**) (in Rs.)	Q4FY18	Q4FY17	FY18	FY17
E – Cinema Gross	66,432	68,830	291,366	290,043
E – Cinema Net	64,857	65,422	284,889	276,068
D – Cinema Gross	88,798	122,904	441,897	532,603
D – Cinema Net	52,514	94,184	245,201	381,080

* Includes Franchisee screens (Example: UMW, IWDL, etc)

**Average # of Screens = (Sum of # of Opening Screens and # of Closing Screens) / 2

Operating Parameter – VPF Revenue International

Number of Screens	Q4FY18*	Q4FY17	FY18*	FY17
Total	416	819	416	819

of Screens as on March 31, 2018

VPF Revenue / Screen (Average**) (in Rs.)	Q4FY18	Q4FY17	FY18	FY17
D – Cinema Gross	125,922	190,793	438,222	778,362
D – Cinema Net	29,583	65,391	135,234	253,491

*Total # of VPF Generating Screens only in Middle East and Israel

**Average # of Screens = (Sum of # of Opening Screens and # of Closing Screens) / 2

Financial Performance

Consolidated P&L Statement (Ind AS)



(INR Mn)	Q4FY18	Q4FY17	Growth	FY18	FY17	Growth
Revenue from Operations	1,610	1,547	4.1%	5,940	5,990	-0.8%
Other Income	10	6	49.7%	30	17	72.4%
Total Revenue	1,620	1,553	4.3%	5,970	6,007	-0.6%
Total Expenses	1,044	1,057	-1.3%	4,241	4,138	2.5%
EBITDA	576	496	16.1%	1,729	1,869	-7.5%
Depreciation and Amortisation	189	208	-8.8%	798	916	-12.9%
EBIT	387	288	34.2%	931	953	-2.3%
Finance Cost	17	30	-42.8%	92	138	-33.1%
Finance Income	26	17	53.3%	80	80	-0.2%
Profit from Associates	14	22	-33.4%	65	68	-4.3%
PBT	410	297	38.1%	984	963	2.1%
Tax	161	99	61.8%	379	362	4.5%
PAT	249	198	26.2%	605	601	0.7%
Minority Interest	(10)	4	-332.5%	(24)	(4)	494.9%
PAT after Minority Interest*	259	194	33.5%	629	605	3.9%
Basic EPS	9.12	7.02	29.9%	22.59	21.93	3.0%

*The Company has adopted Ind-AS reporting Q1FY18 onwards. The like-to-like financials for the corresponding quarter / period has been restated accordingly. PAT after Minority Interest excludes Other Comprehensive income (OCI)

Consolidated Expenditure Analysis (Ind AS)

Expenses as a % of Total Revenue	Q4FY18	Q4FY17	FY18	FY17
1) Total Operating Direct Cost	32.8%	41.9%	41.1%	41.2%
Key Operating Direct Cost Components				
<i>i) Advertisement revenue share payment</i>	<u>10.4%</u>	<u>8.0%</u>	<u>10.9%</u>	<u>8.6%</u>
<i>ii) VPF D-Cinema share payment to D-Cinema Exhibitors</i>	<u>6.1%</u>	<u>9.8%</u>	<u>8.4%</u>	<u>11.3%</u>
<i>iii) Purchase of Equipment, Lamps and Spares</i>	<u>8.0%</u>	<u>14.9%</u>	<u>11.7%</u>	<u>11.0%</u>
2) Employee Benefit Expenses	13.8%	13.0%	14.0%	13.5%
3) Other Expenses (SG&A)	17.8%	13.2%	15.9%	14.2%
Total Expenses	64.4%	68.1%	71.0%	68.9%
EBITDA Margin	35.6%	31.9%	29.0%	31.1%

Consolidated Balance Sheet



Assets (INR Mn)	31-Mar-18	31-Mar-17	Equity and Liability (INR Mn)	31-Mar-18	31-Mar-17
Non-Current Assets			Equity		
			Equity Share Capital	284	276
Property, plant and equipment	2,359	2,585	Other Equity		
Capital work-in-progress	212	69	Reserves and surplus	4,476	3,777
Other Intangible assets	28	31	Equity attributable to Shareholders	4,760	4,053
Goodwill on consolidation	140	140	Non Controlling interest	(81)	60
Investment in Subsidiaries, Associates and JV	185	153	Total Equity	4,679	4,113
Financial Assets			Liabilities		
(i) Loans	50	49	Non-Current Liabilities		
(ii) Others	20	4	Financial Liabilities		
Deferred tax assets (net)	397	346	(i) Borrowings	202	320
Other non-current assets	363	325	(ii) Others	314	365
Total Non-Current Assets	3,754	3,702	Provisions	50	31
Current Assets			Deferred tax liabilities (net)	69	105
Inventories	113	135	Other non-current liabilities	34	16
Financial Assets			Total non-current liabilities	669	837
(i) Investments	1,194	623	Current Liabilities		
(ii) Trade receivables	1,844	1,471	Financial Liabilities		
(iii) Cash and cash equivalents	343	402	(i) Borrowings	107	107
(iii) Bank balances other than (iii) above	399	555	(ii) Trade payables	1,006	924
(iv) Loans	14	47	(iii) Others	1,054	811
(v) Others	72	110	Provisions	42	43
Other current assets	162	206	Other current liabilities	338	416
Total Current Assets	4,141	3,549	Total Current Liabilities	2,547	2,301
Total Assets	7,895	7,251	Total Liabilities	3,216	3,138
			Total Equity and Liabilities	7,895	7,251

Major areas impacted due to adoption of Ind AS

Item	Treatment under Ind AS	Treatment under previous IGAAP
Virtual Print Fee	Fixed one time VPF from distributors is recognised over estimated life of movie (2 weeks) in the ratio of expected payout (70:30) .	Fixed one time Virtual print fees received from distributors of the films is recognised immediately on delivery of content.
Financial Guarantee	Financial guarantee shall be recognised at fair value.	Disclosure requirement as a contingent liability.
Security deposits paid	Security Deposits paid is discounted to present value & differential amount is recognized as rent expenses on straight line basis over the lease term. Further, Interest Income is recognized on present value using effective Interest rate method over the lease term.	Security deposits paid is not discounted under IGAAP.
Security deposits received	Security Deposits received is discounted to present value & differential amount is recognized as rental income on straight line basis over the lease term. Further Interest expense is recognized on present value using effective Interest rate method over the lease term.	Security deposits received is not discounted under IGAAP.
Employee benefits	Actuarial Gains/(losses) on defined benefit plans are recognized in Other Comprehensive Income.	Actuarial Gains/(losses) on defined benefit plans are recognized in Statement of profit & loss.

Major areas impacted due to adoption of Ind AS

Item	Treatment under Ind AS	Treatment under previous IGAAP
Investment in Mutual Fund, OCPS, CCPS, Warrants	Such investments are measured at fair value and mark to market difference is recognised in P & L.	Such investments are measured at cost.
Business Combination	Acquirer shall account for acquisition-related costs as expenses in the periods in which the costs are incurred. Business combination is accounted at fair value of assets and liabilities taken over.	Acquirer can capitalise the acquisition-related costs in the periods which the costs are incurred. Business combination is accounted as book value of assets and liabilities taken over.
Income tax (including deferred tax)	Company should recognize a deferred tax liability in CFS for all taxable temporary differences associated with investment in subsidiaries and interest in joint ventures, associates except to the extent that the parent is able to control timing of reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.	No such requirement under IGAAP.
Proposed dividend	Proposed dividends to be recognized in the year when they are approved by shareholders in the Annual General Meeting.	Proposed dividends is recognized as & when the Board recommends Dividend.
Non controllable interest (NCI i.e. Minority interest)	Losses of subsidiaries are allocated to NCI even if NCI balance is negative.	Losses of subsidiaries are absorbed by Parent company after NCI balance is zero.

Consolidated P&L Ind AS Adjustments

(INR Mn)	Q4FY17	Ind AS Adjustments	Q4FY17	FY17	Ind AS Adjustments	FY17
	IGAAP		Ind AS			IGAAP
Revenue from Operations	1,549	(2)	1,547	5,972	18	5,990
Other Income	7	(1)	6	17	0	17
Total Revenue	1,556	(3)	1,553	5,989	18	6,007
Total Expenses	1,066	(9)	1,057	4,144	(6)	4,138
EBITDA	490	6	496	1,845	24	1,869
Depreciation and Amortisation	207	1	208	838	78	916
EBIT	283	5	288	1,007	(54)	953
Finance Cost	23	7	30	102	36	138
Finance Income	10	7	17	54	26	80
Profit from Associates	23	(1)	22	69	(1)	68
PBT	293	4	297	1,028	(65)	963
Tax	86	13	99	362	0	362
PAT	207	(9)	198	666	(65)	601
Minority Interest	12	(8)	4	34	(38)	(4)
PAT after Minority Interest*	195	(1)	194	632	(27)	605
Basic EPS	7.06	(0.04)	7.02	22.89	(0.96)	21.93

*PAT after Minority Interest excludes Other Comprehensive income (OCI)

Reconciliation of Profits for Previous Periods

(INR Mn)	Q4FY17	FY17
Net profit attributable to shareholders under IGAAP	195	632
Impact on account of:		
Fair value of Financial instruments	5	17
Actuarial (gain)/loss on employee defined benefit plans	3	2
Impact of Business combination accounting	-	(72)
Allocation of losses in subsidiaries to Noncontrolling interest	7	34
Income tax (including deferred tax)	(11)	(2)
Others	(5)	(6)
Net profit attributable to shareholders under Ind AS	194	605
Other comprehensive income/(expense) (net of taxes)	(29)	(15)
Total comprehensive income attributable to shareholders under Ind AS	165	590

Reconciliation of Other Equity for Previous Period

(INR Mn)	31-Mar-17
Other Equity under IGAAP	5,507
Impact on account of:	
Fair value of Financial instruments	(1)
Actuarial (gain)/loss on employee defined benefit plans	(2)
Impact of Business combination accounting	(1,688)
Allocation of losses in subsidiaries to Noncontrolling interest	54
Income tax (including deferred tax)	(81)
Others	(12)
Other Equity under Ind AS	3,777

Shareholding

(% of Total # of shares)	March 31, 2018
Promoters	30.04%
Foreign Venture Capital Investors	18.52%
Foreign Portfolio Investors	3.57%
Mutual Funds	21.44%
Insurance Companies	0.76%
Corporate Bodies	3.66%
Others	22.01%
Total # of Shares	28,350,801

Marquee Institutional Investors*

SBI Mutual Fund
Reliance Capital Asset Management
DSP Blackrock
Equinox Partners
Nomura Singapore
Reliance Nippon Life Insurance
Union Asset Management

*As on March 31, 2018

UFO Moviez India Limited

UFO Moviez India Limited (BSE Code: 539141; NSE Code: UFO) is India's largest digital cinema distribution network and in-cinema advertising platform in terms of number of screens. UFO operates India's largest satellite-based, digital cinema distribution network using its UFO-M4 platform, as well as India's largest D-Cinema network. As on March 31, 2018, UFO's global network, along with subsidiaries and associates, spans 6,387 screens worldwide, including 5,322 screens across India and 1,065 screens across the Middle East, Israel, Mexico and the USA.

UFO's digitization and delivery model has been a key driver of extensive digitization of Indian cinemas and has enabled wide-spread, same day release of movies across India. UFO adds value to all stakeholders in the movie value chain, spanning movie producers, distributors, exhibitors and the cinema-going audience. UFO provides value to movie producers and distributors by reducing distribution costs, providing reach to a wide network, providing a faster method of delivery of content and reducing piracy through encryption and other security measures. We provide value to movie exhibitors throughout India by providing access to first day release of movies on our digital platform. Audiences benefit from faster access to new movie releases and a consistently high quality viewing experience.

UFO has created a pan India, high impact in-cinema advertising platform with generally long-term advertising rights to 3,897 screens, with an aggregate seating capacity of approximately 1.75 million viewers and a reach of 1,363 cities and towns across India, as on March 31, 2018. UFO's in-cinema advertising platform enables advertisers to reach a targeted, captive audience with high flexibility and control over the advertising process. UFO's in-cinema advertising platform also allows small exhibitors who otherwise are not able to effectively monetise their advertising inventory due to their limited scale and reach to receive a greater share of advertisement revenue than they are able to using traditional advertising methods.

Visit us at www.ufomoviez.com. For further details, contact:

Ashwin Chhugani

Sr. Manager – Investor Relations

Tel: +91 22 4045 0713

Email: ashwin.chhugani@ufomoviez.com

Shruti Mangar

Executive – Investor Relations

Tel: +91 22 4030 5126

Email: shruti.mangar@ufomoviez.com