

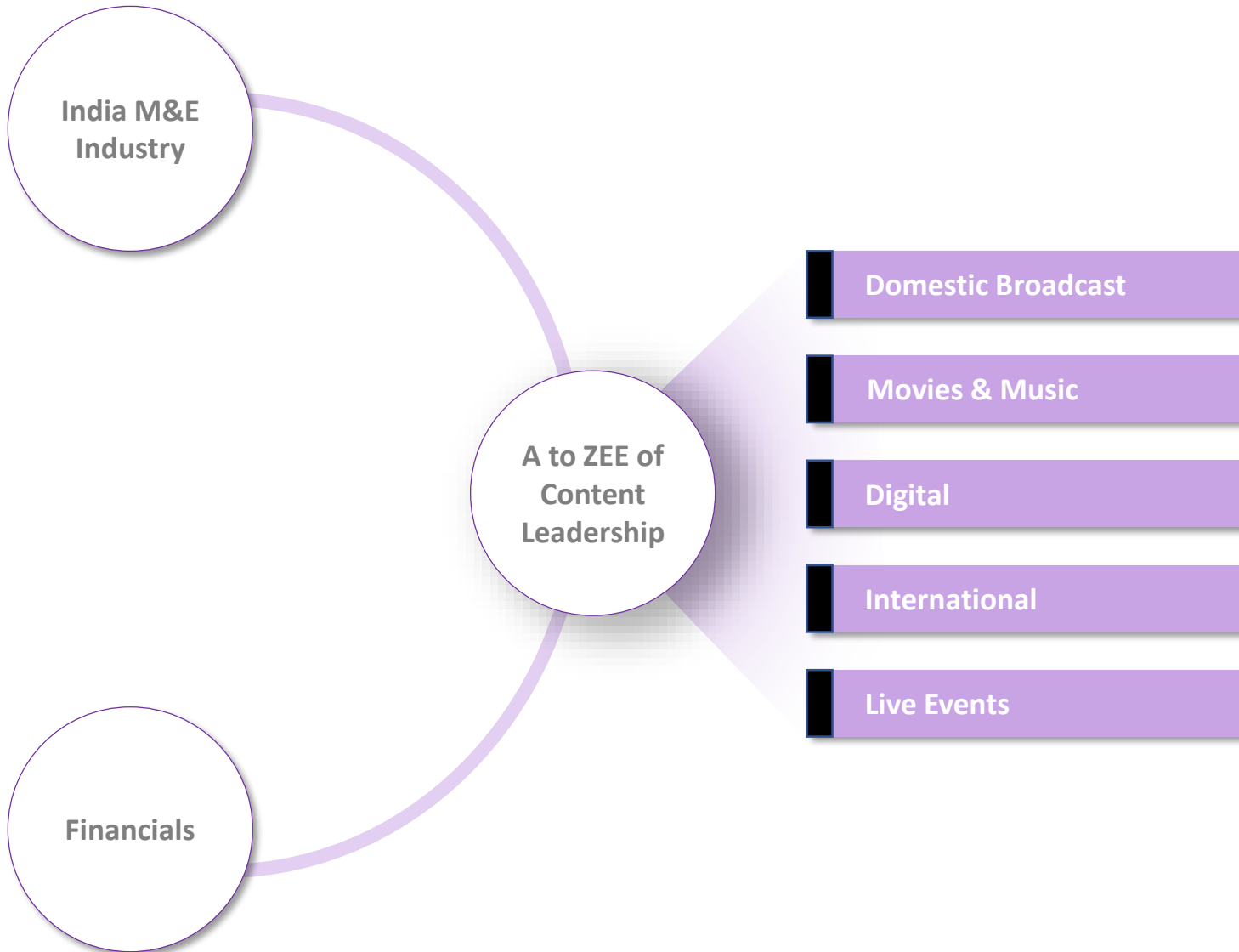


Extraordinary Together

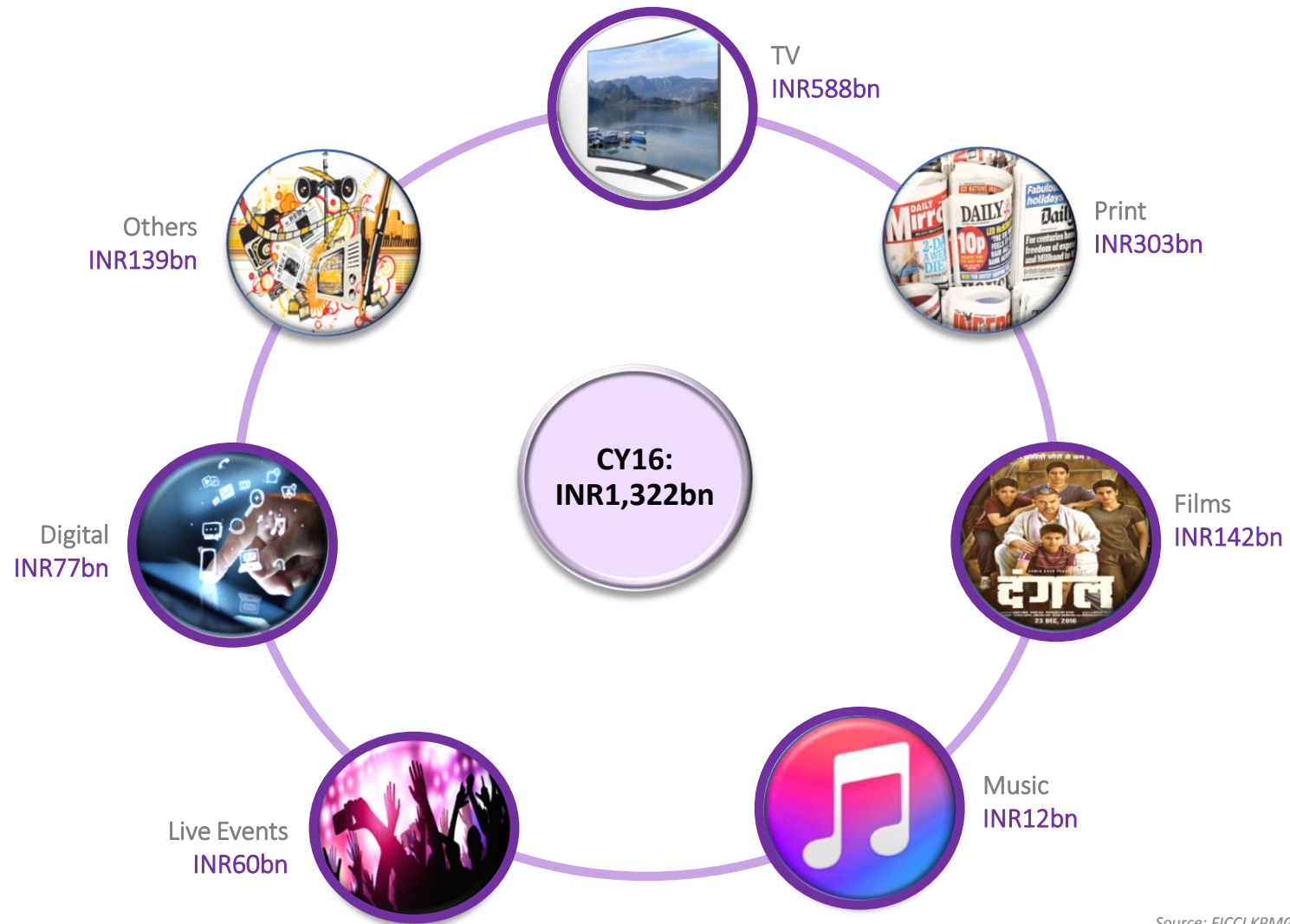


Zee Entertainment

360⁰ Entertainment Content Company

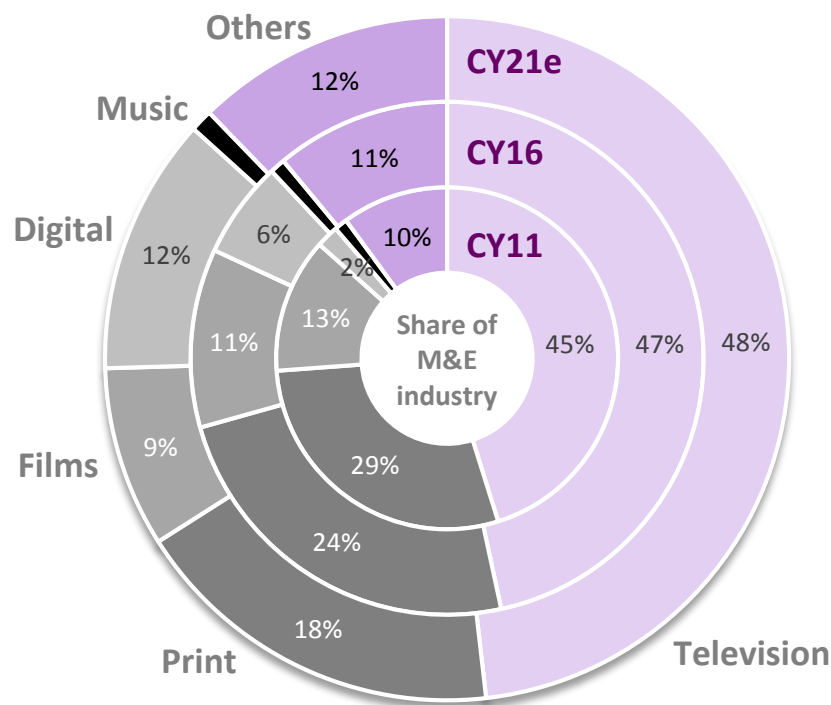


India Media & Entertainment Industry – An Overview



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

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%

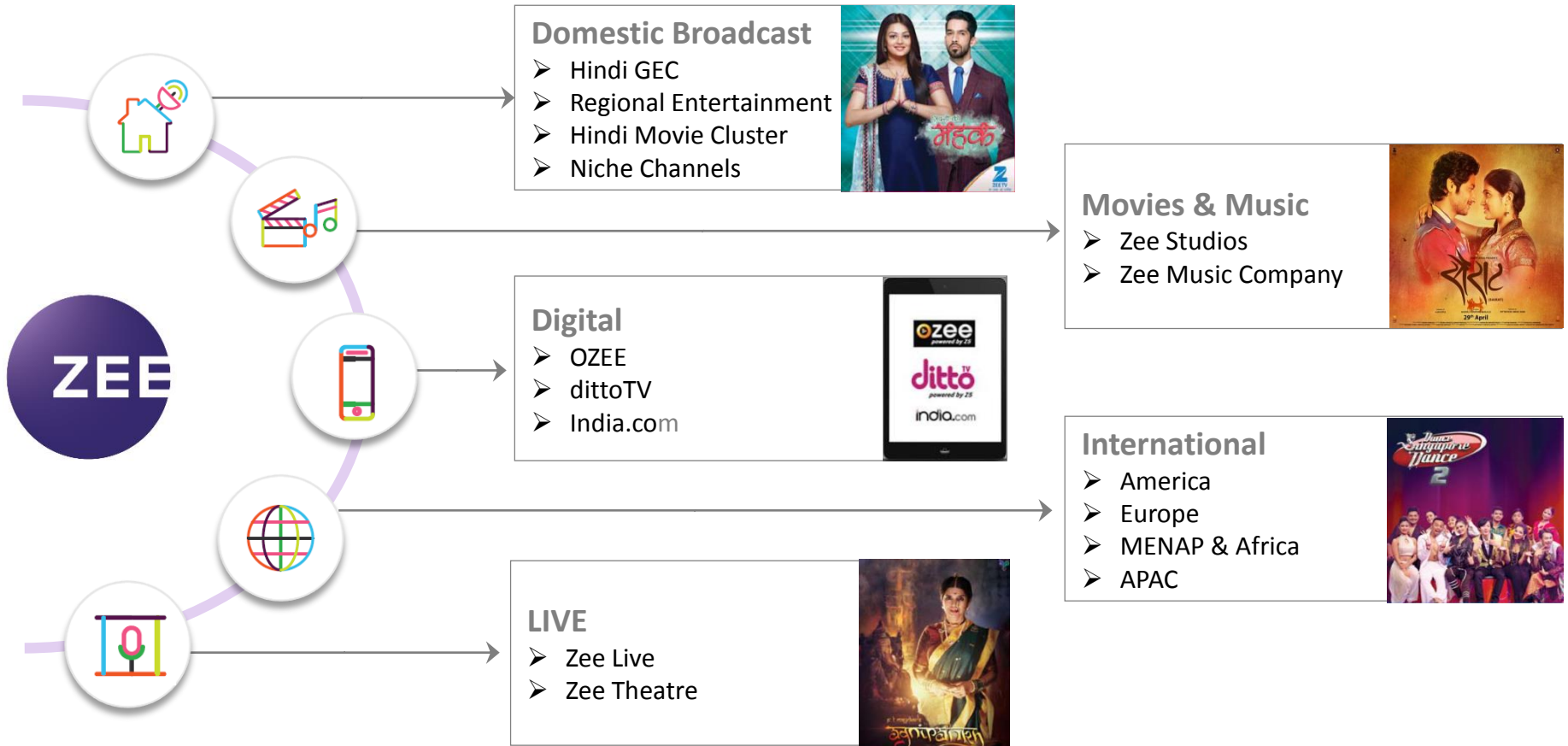
Source: FICCI KPMG M&E Report 2017

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



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

A to ZEE of Content Leadership

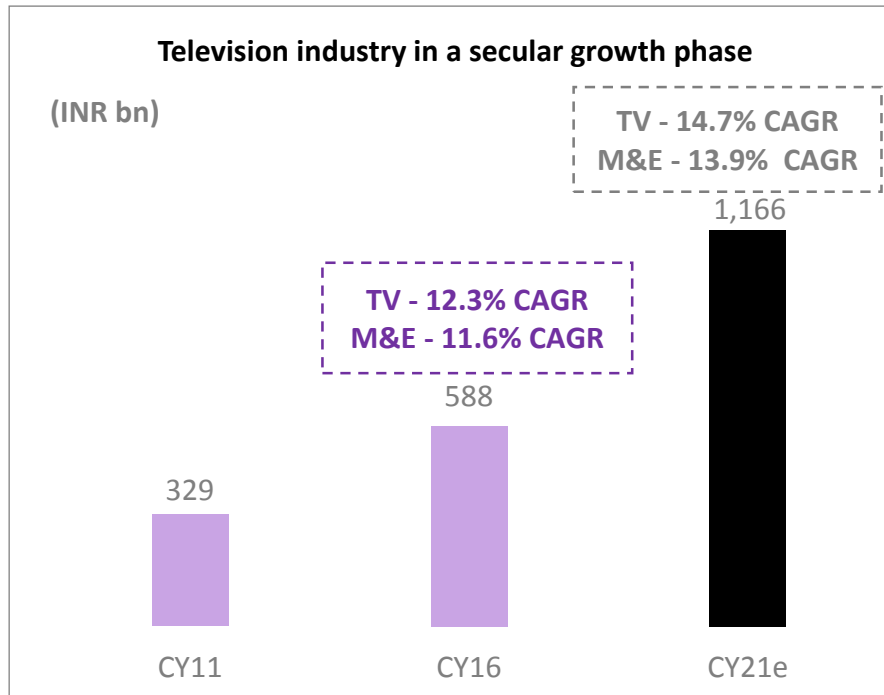




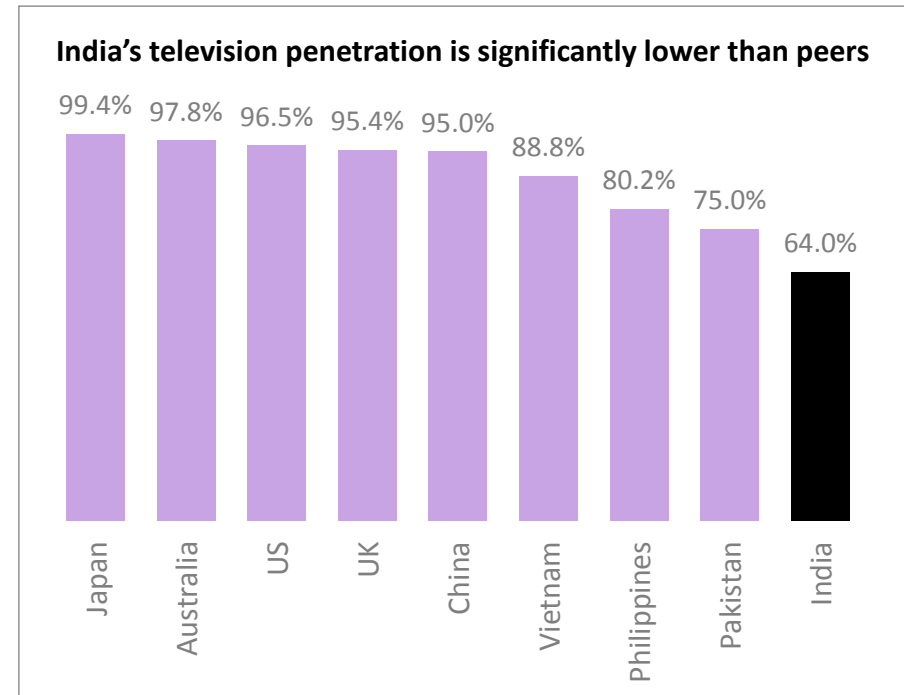
Domestic Broadcast



Television expected to grow ahead of the industry



Source: FICCI KPMG M&E Report 2017



Source: BARC, Casbaa, ContentAsia

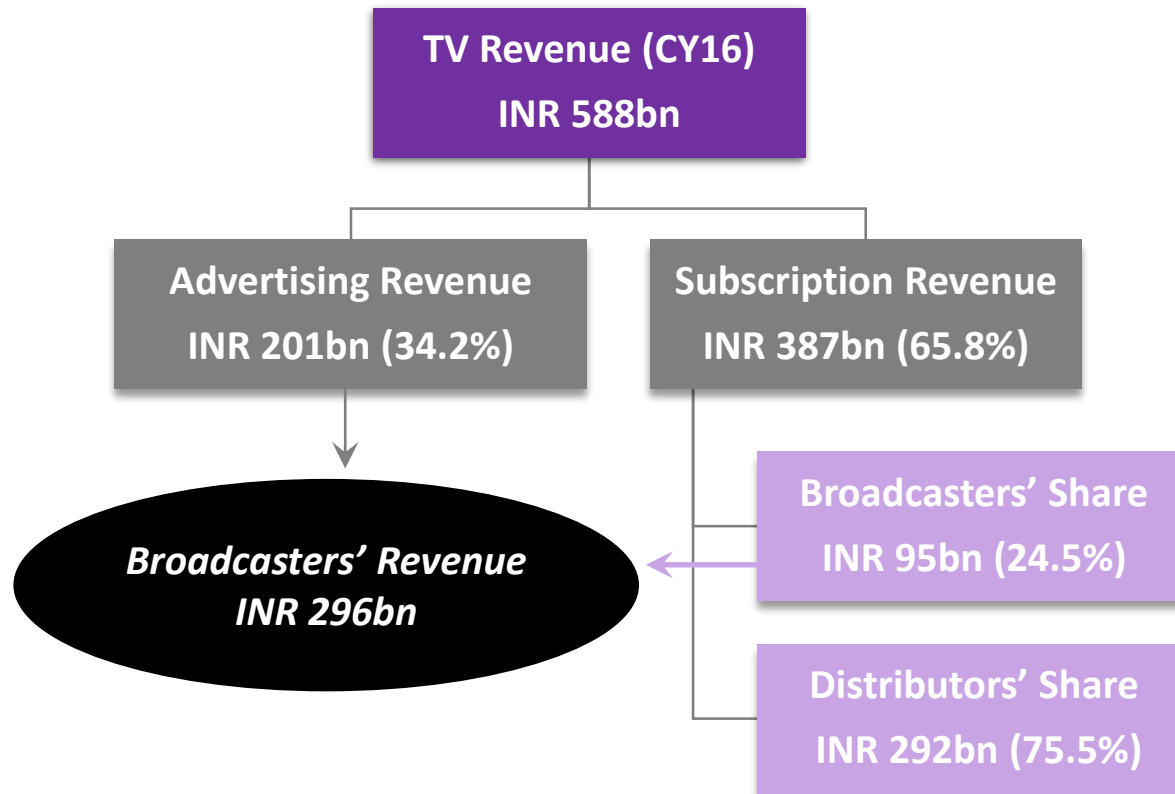


Low ARPU of ~US\$3/month makes television the most affordable medium of **entertainment**

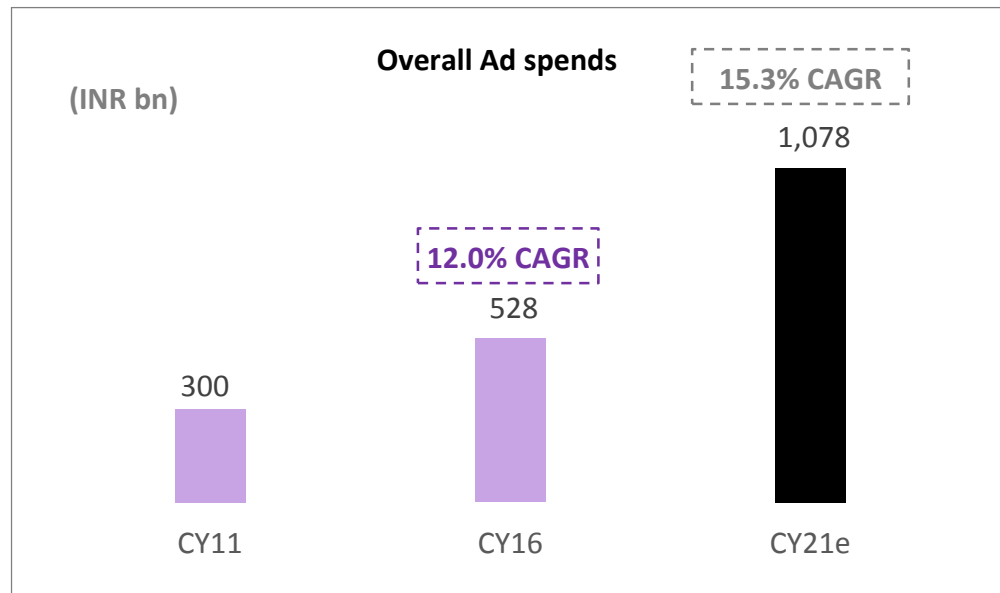
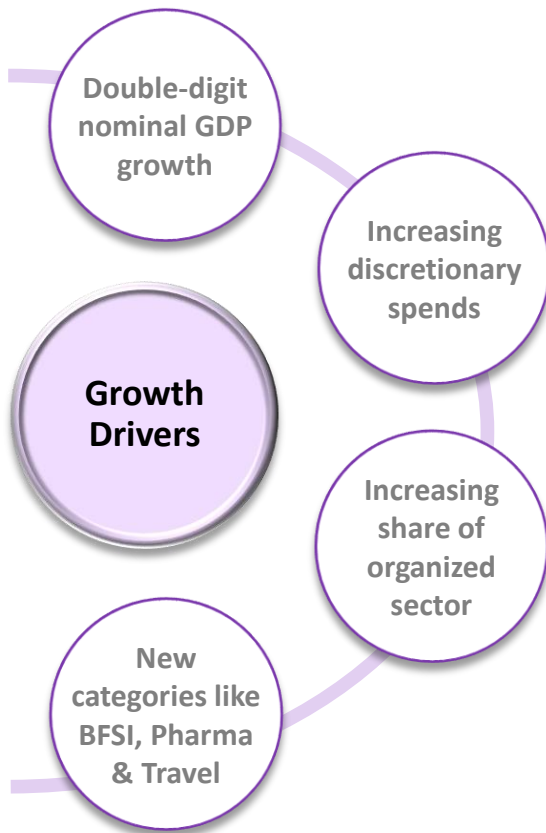
Rising income levels to drive TV **penetration**

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

Television market – Revenue composition



Advertising growth on a strong footing

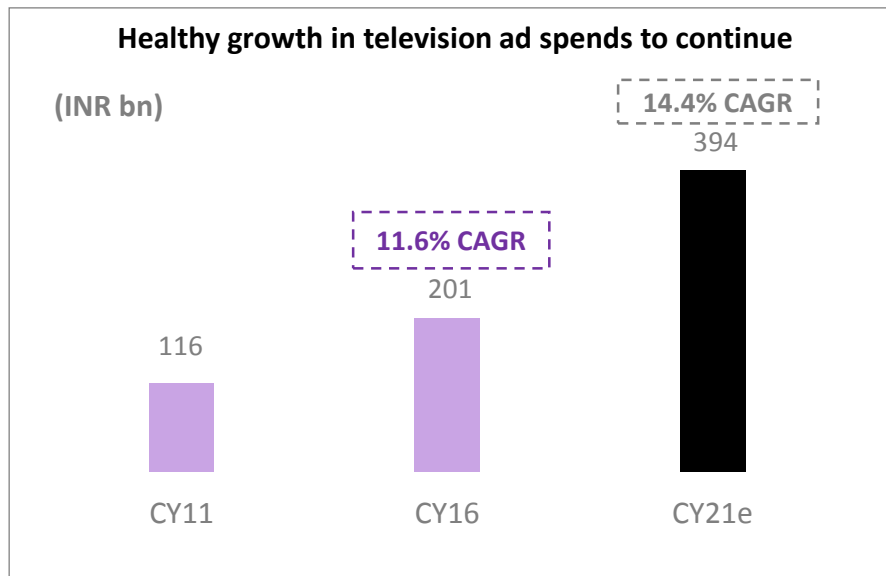


Source: FICCI KPMG M&E Report 2017

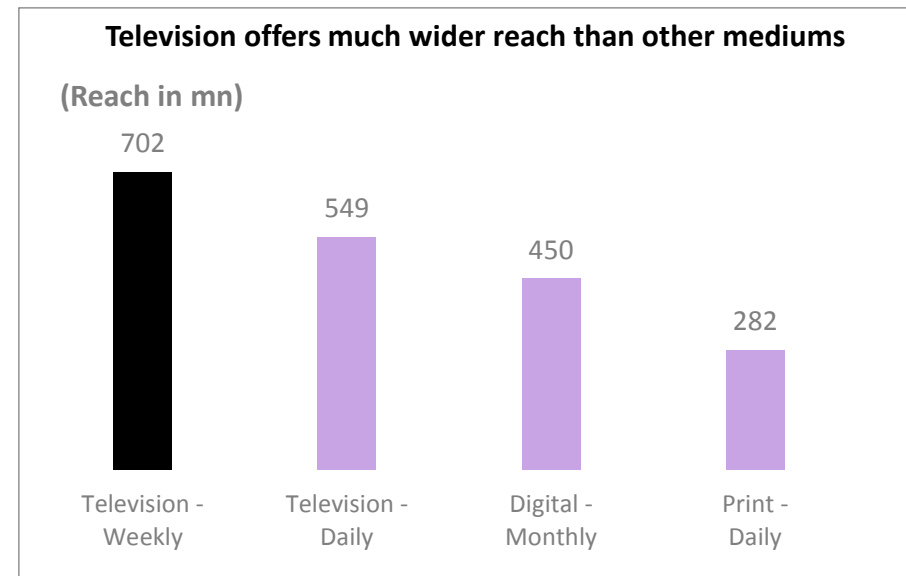


Ad spends as percentage of GDP at less than 0.4% offers room for **growth**

Strong growth in television ad spends to continue



Source: FICCI KPMG M&E Report 2017

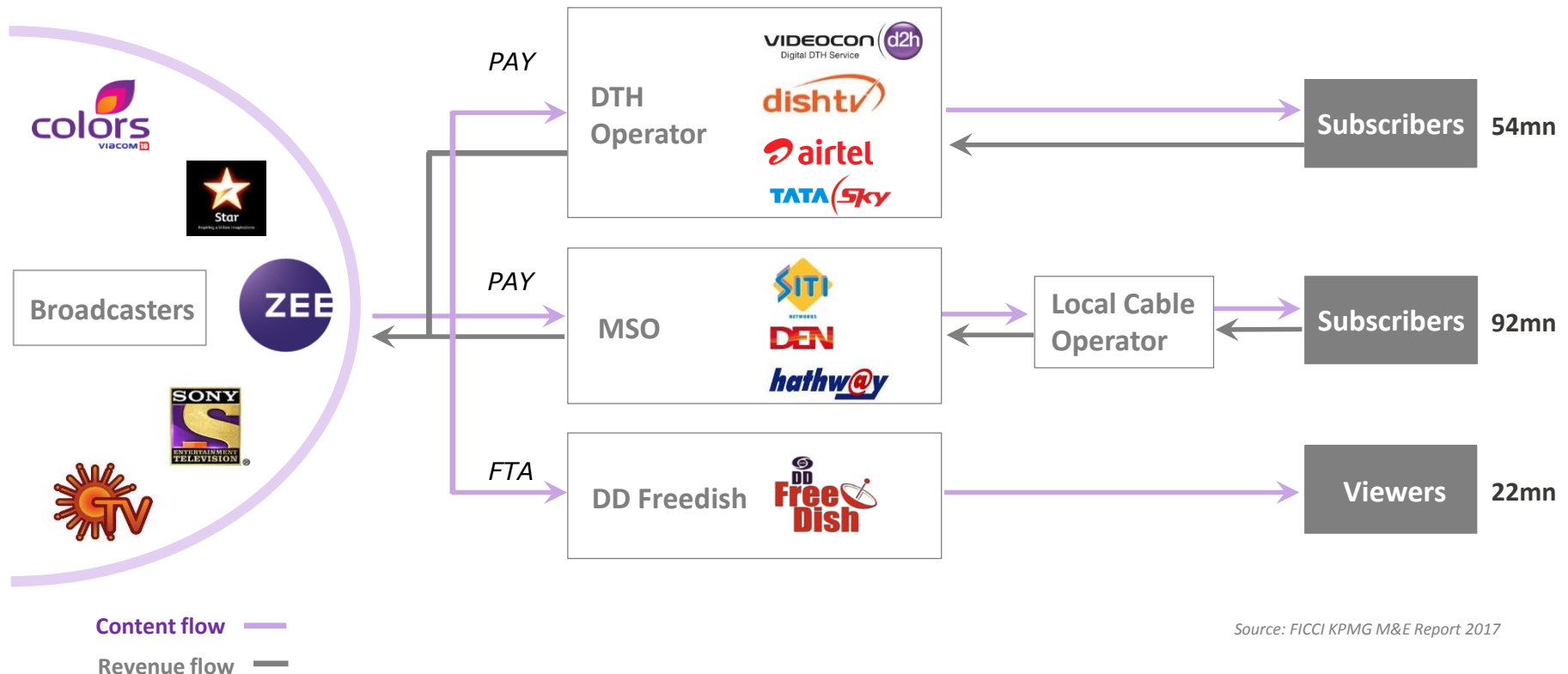


Source: Media reports



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

Television distribution value chain – A snapshot

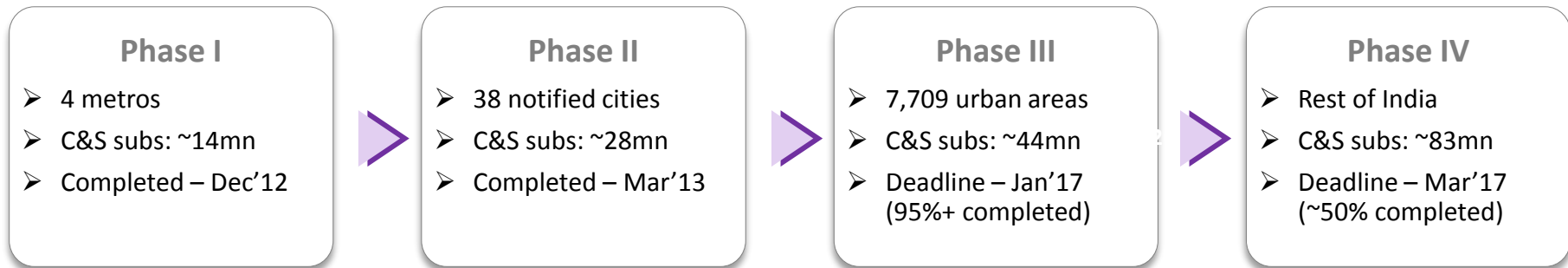


MSOs and DTH operators make bouquets consisting of channels of different **broadcasters**

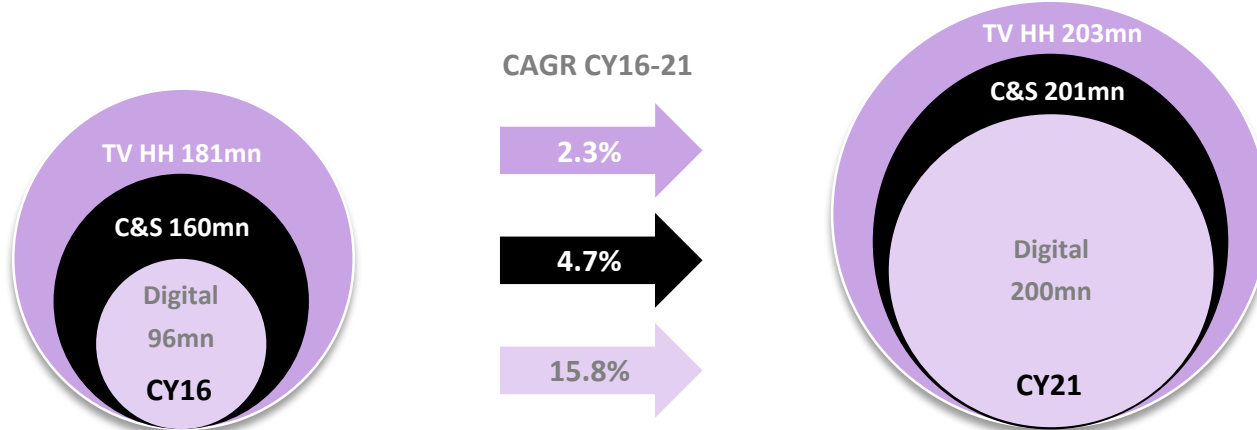
Regulations in India prohibits content or platform **exclusivity**

ZEEL reaches almost all C&S households through its bouquet of 35 **channels**

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**

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

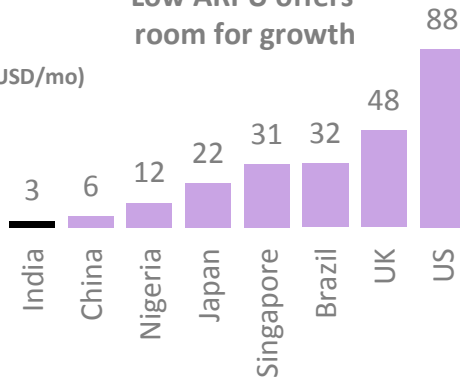
95
CY16

230
CY21e

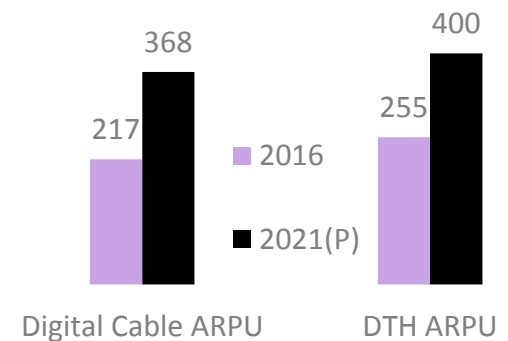
Source: FICCI KPMG M&E Report 2017, OFCOM Market Report 2016

Low ARPU offers room for growth

(USD/mo)



ARPU expected to increase



Completion of digitization could drive long awaited acceleration in ARPU growth

Domestic Broadcast – A strong portfolio



Hindi General
Entertainment



Regional
Entertainment



Hindi Movie
Cluster



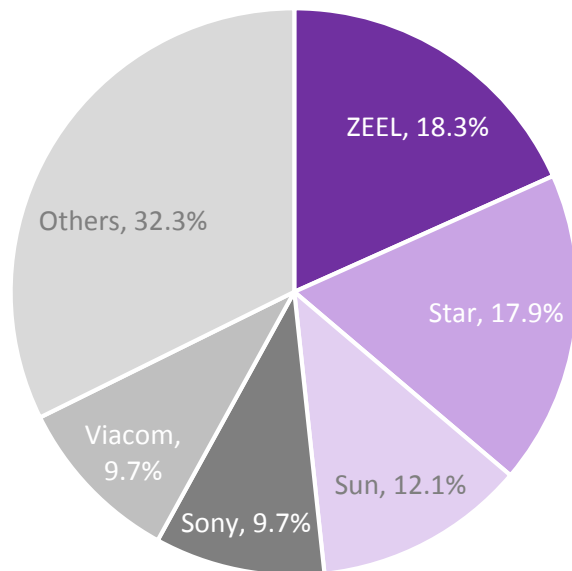
Niche Channels

35 Channels across genres and languages

Steady improvement in viewership share

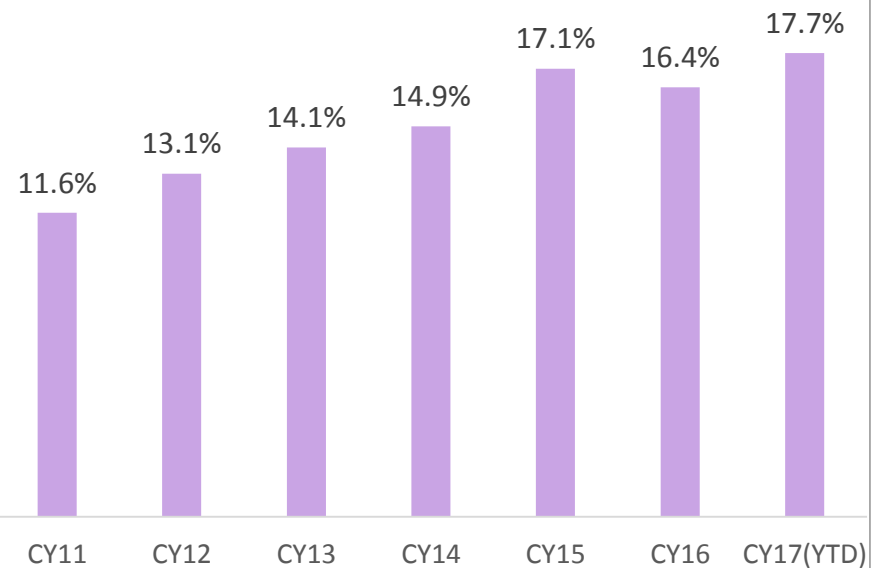


Network share across broadcasters, 2QFY18



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



Pay TV



Free-To-Air



Leader in Hindi speaking regional markets



Marathi

ZEE मराठी

ZEE मराठी HD

ZEE युवा

ZEE टॉकीज

ZEE टॉकीज HD

Bengali

ZEE বাংলা

ZEE বাংলা HD

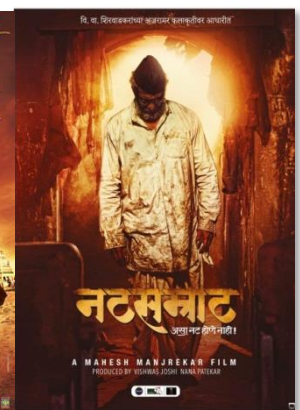
ZEE বাংলা
সিলেসা

Odiya

ZEE ଶାର୍ଦ୍ଦକ







Bhojpuri

ZEE गंगा



Strong presence in Southern markets

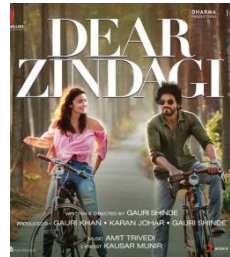
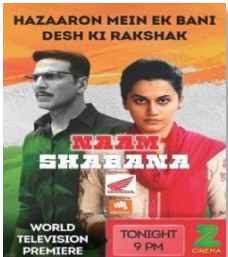
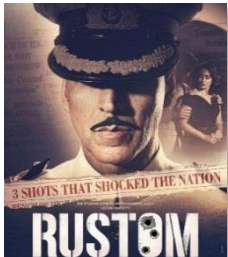
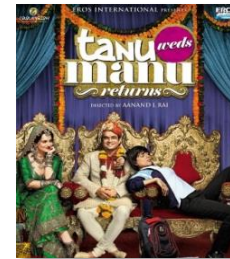
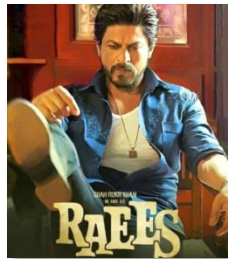
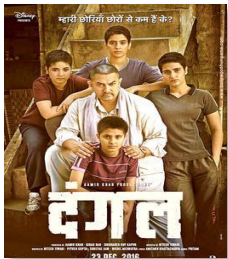


<p>Telugu</p> <p>ZEEతెలుగు</p> <p>ZEEసినిమాలు</p>	 
<p>Kannada</p> <p>ZEEಕನ್ನಡ</p>	 
<p>Tamil</p> <p>ZEEதமிழ்</p> <p>ZEEதமிழ்HD</p>	 

Largest offering in the Hindi movie space



Leader in Hindi Movie genre



Channels for niche audience

ZEE

English Entertainment

ZEECAFÉ

ZEECAFÉHD

English Movies

ZEESTUDIO

&privéHD
FEEL THE OTHER SIDE

ZEESTUDIOHD

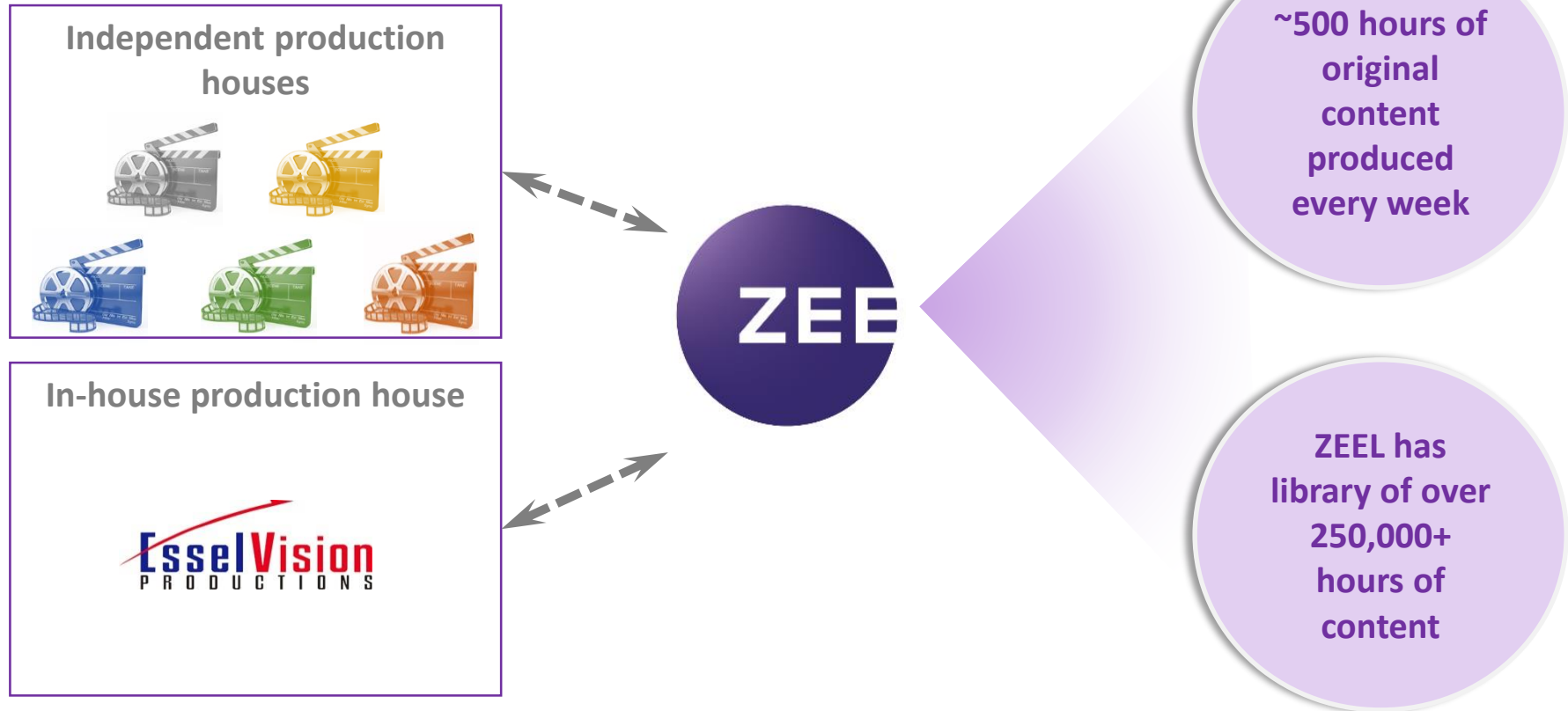
Youth & Music

Zing

ZEEETC
BOLLYWOOD



ZEEL - well entrenched in content eco-system



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**

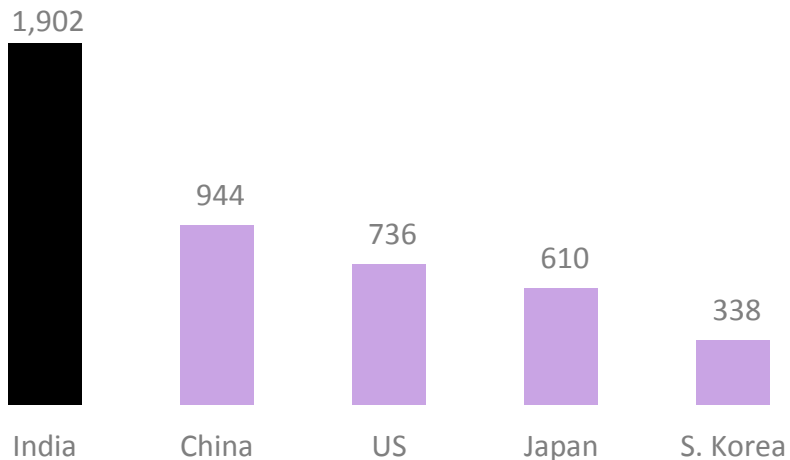


Movies and Music

Indian Movie Industry – Steady Growth

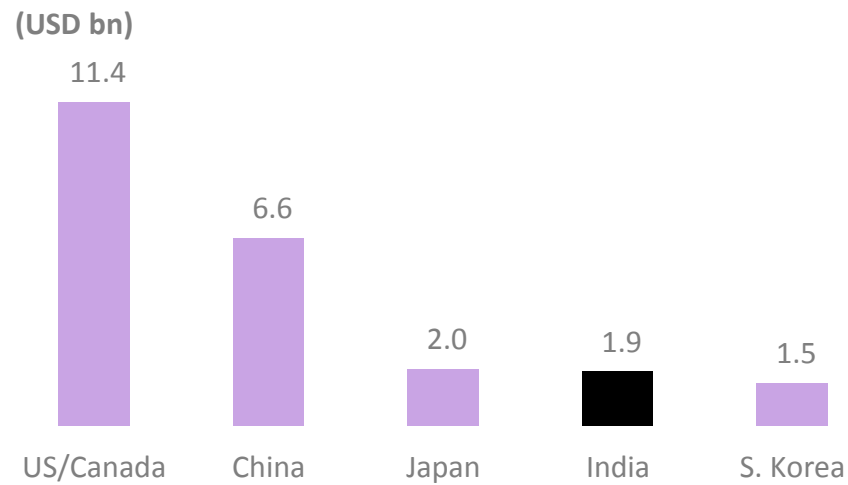


India ranks first in number of movies released (CY16)...



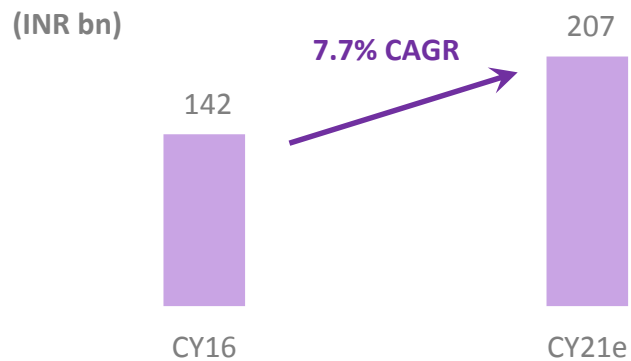
Source: Media reports

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



Source: MPAA

Movie industry expected to grow in high single digit



Source: FICCI KPMG M&E Report 2017

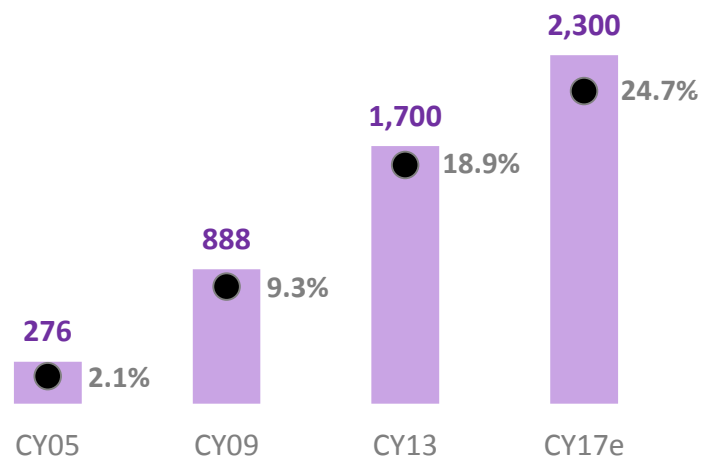
Indian movie landscape changing fast



Rising penetration of multiplexes bodes well for movie producers

Number of Multiplex screens

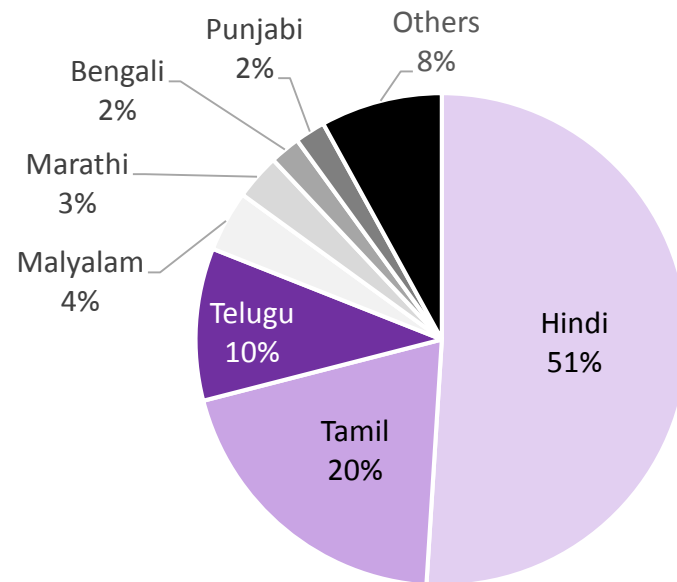
Multiplex screens as % of overall screens



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



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

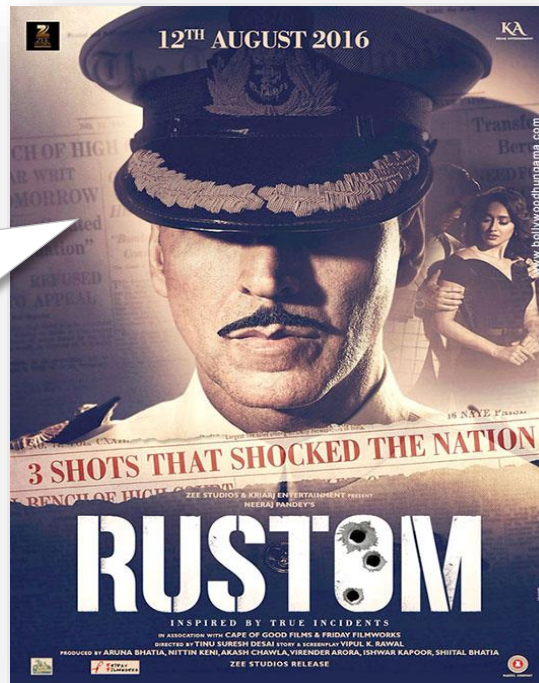


Zee Studios plans to make 10-12 movies a year which entails working capital investments of ~INR1.5bn

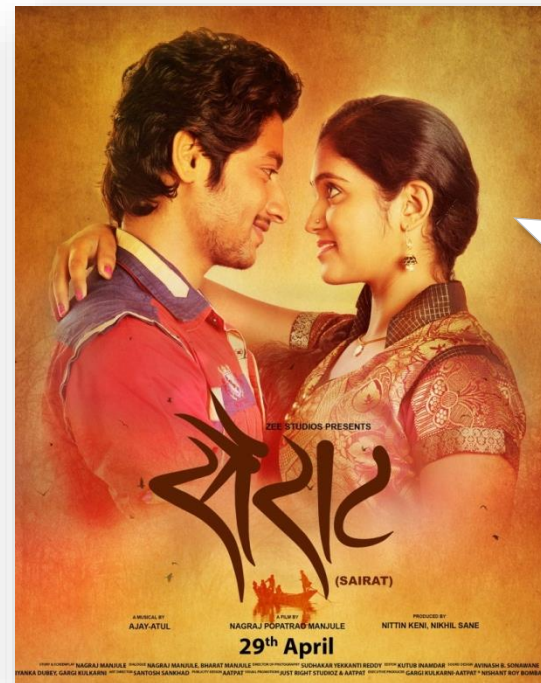
Two of our movies joined the INR 1bn+ club



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

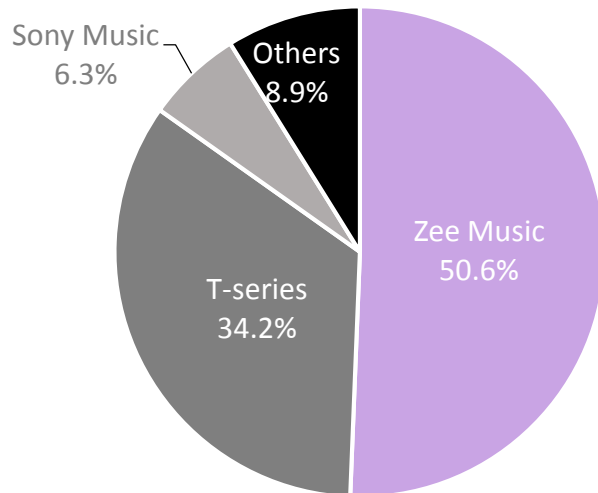
- Digital streaming has given a new lease of life to music industry
- Digital now contributes upto 70% of the revenues of music labels
- Improving internet infrastructure will boost digital music consumption
- Regional music gaining prominence, along with growing popularity of regional movies

Source: FICCI KPMG M&E Report 2017

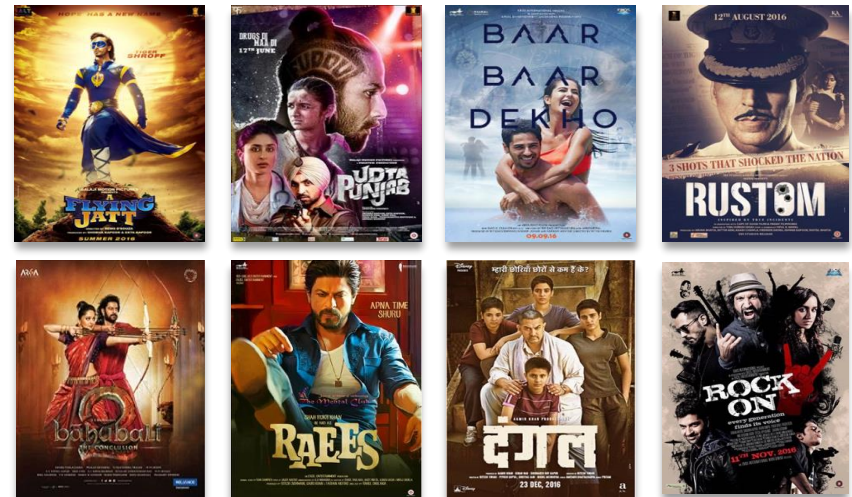
Zee Music Company – rapidly building its catalogue



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

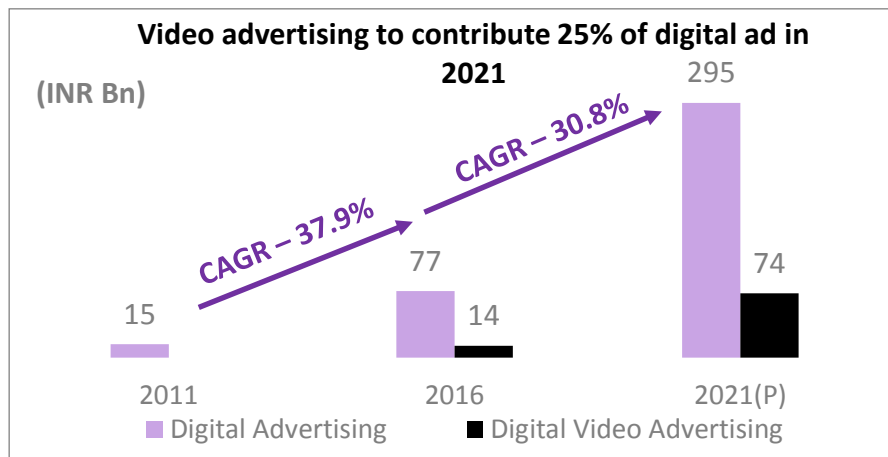


Recently acquired Music titles

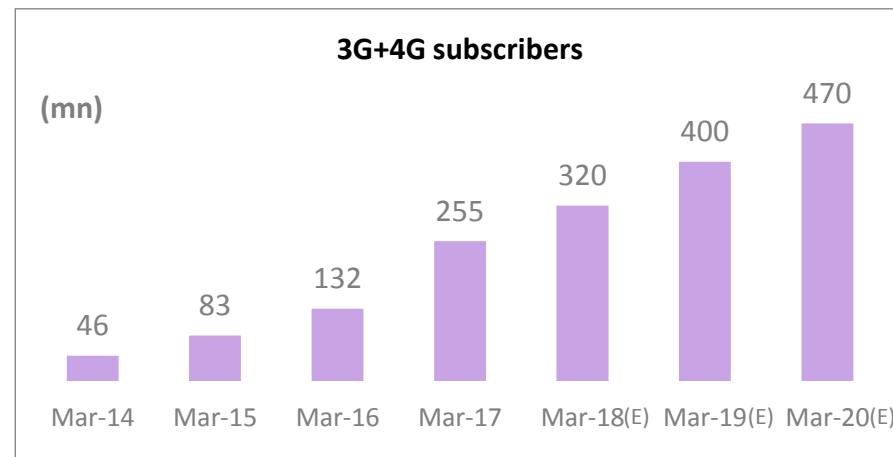


Zee Music Company (ZMC) is building a strong portfolio in regional markets like Punjabi, Telugu, Gujarati, Kannada and Bengali alongside Hindi

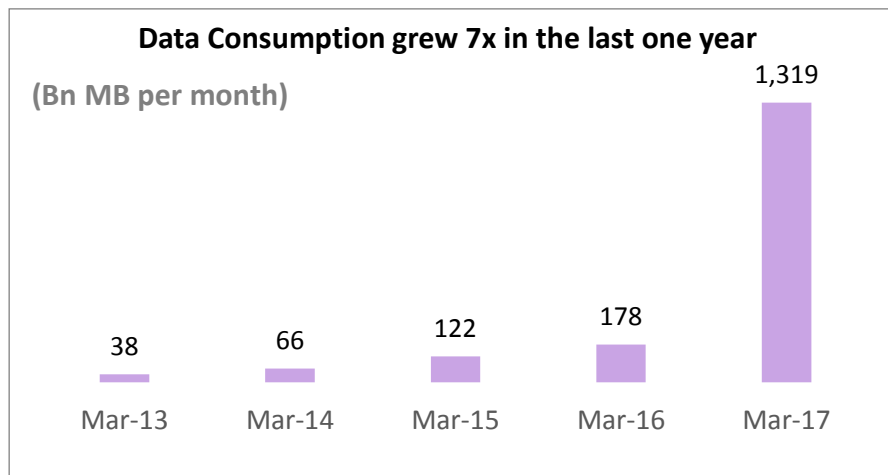




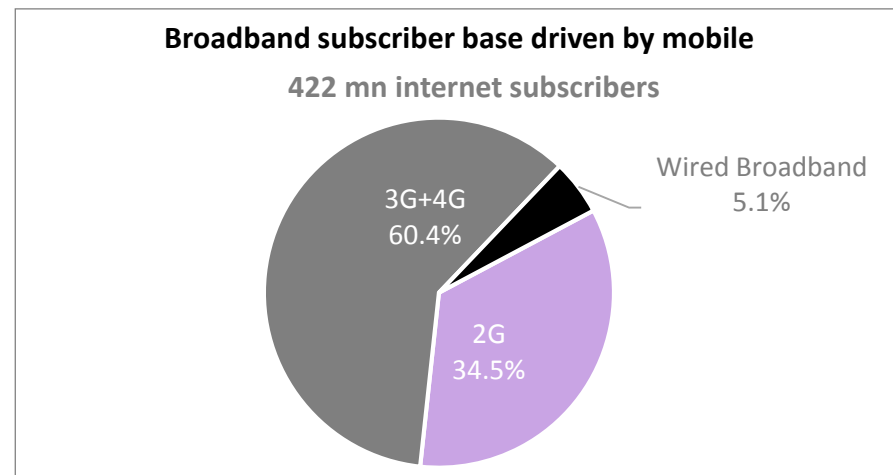
Source FICCI KPMG Report 2017



Source : TRAI Reports, IIFL Capital Research

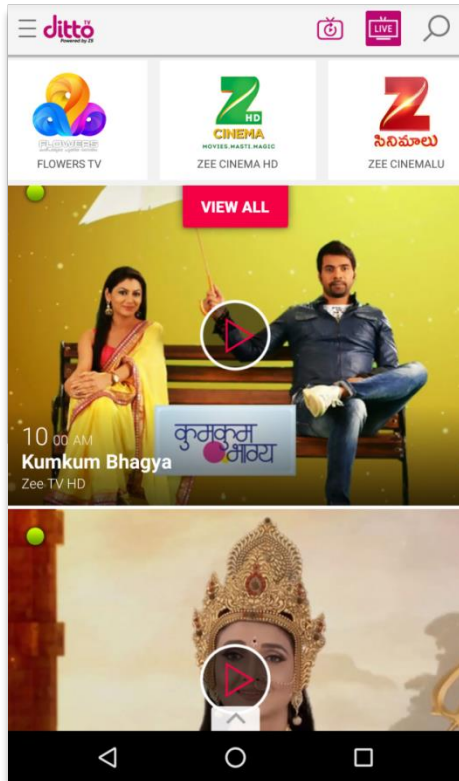


Source : TRAI Reports, IIFL Capital Research



Source : TRAI Report, July 2017

Strong presence in digital space



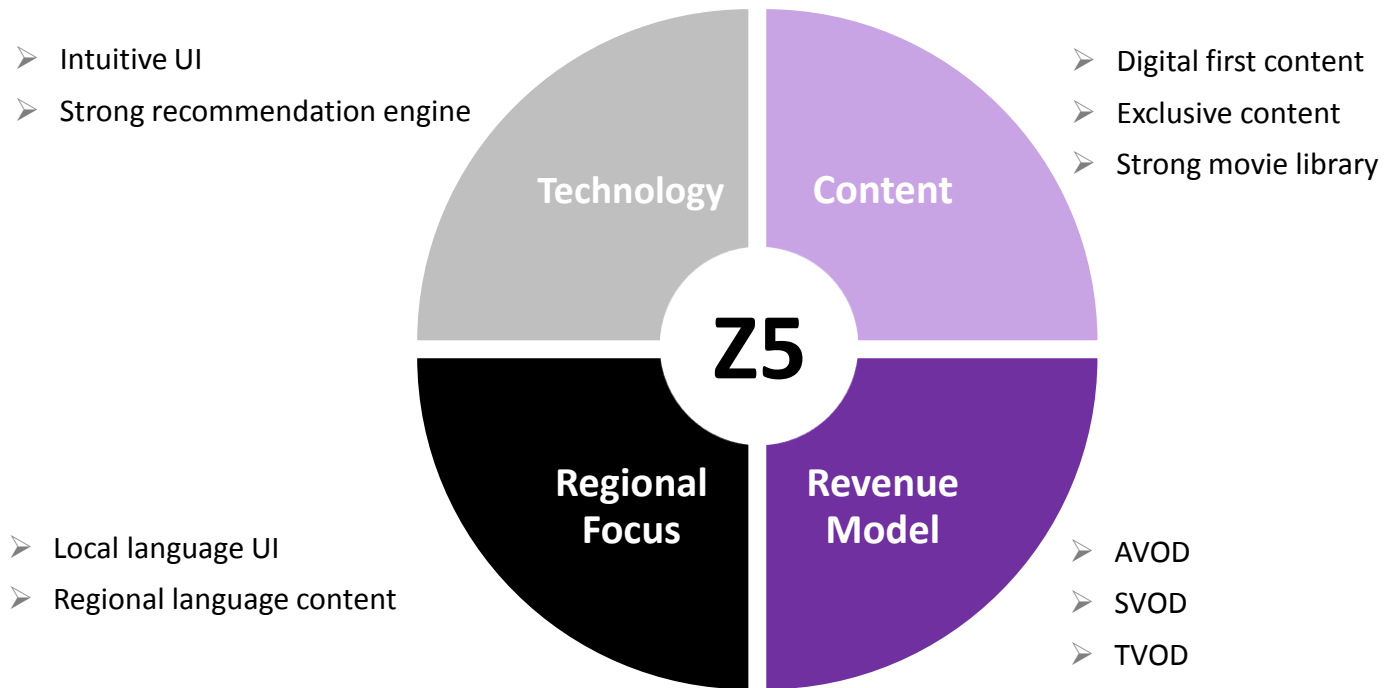
ditto
powered by Z5

- 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 ➤

- 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 to be launched during **2HFY18**

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



International



International – Serving diaspora and local audience



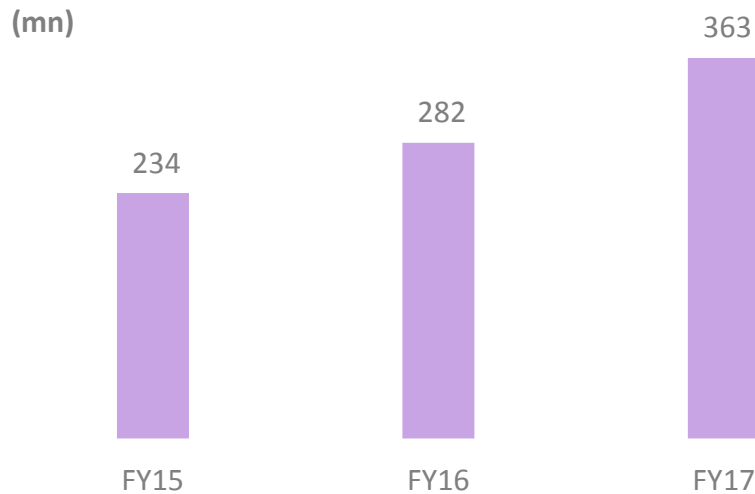
Presence in 172+ countries with reach of 363mn

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

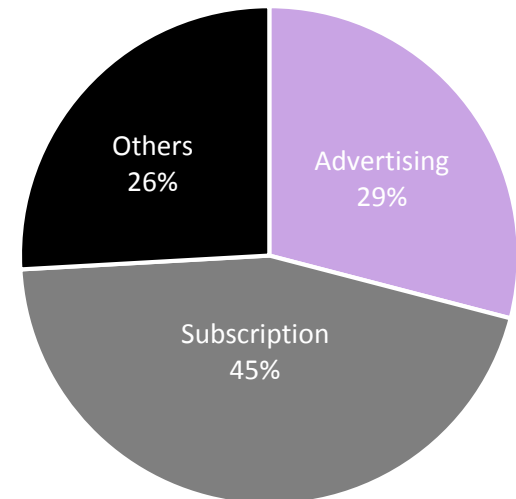
Serves South Asian Diaspora as well as local audience in select countries

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



39 International Channels

13 Local Language Channels

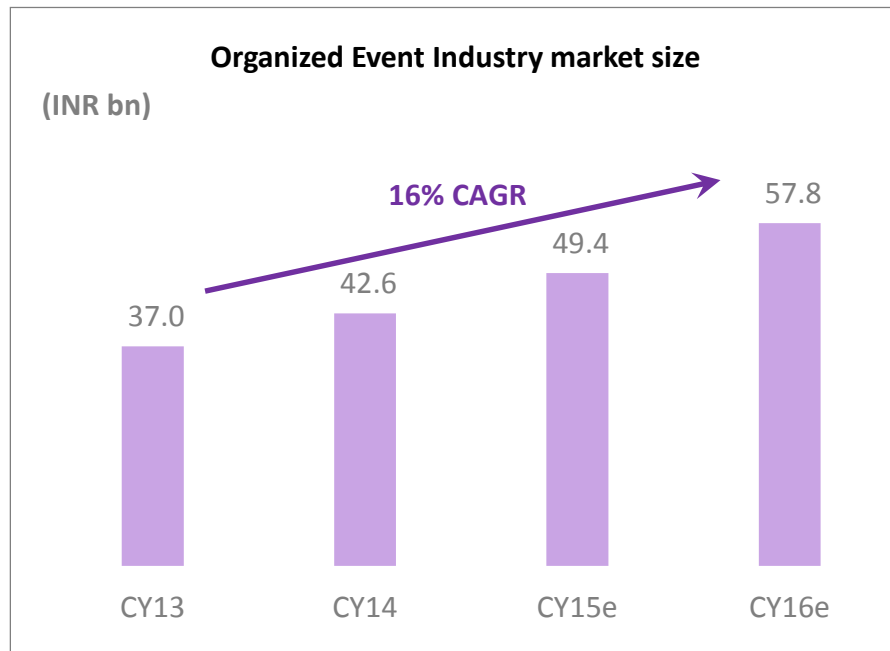


* - Logos relate to ZEE's channels catering to local audience

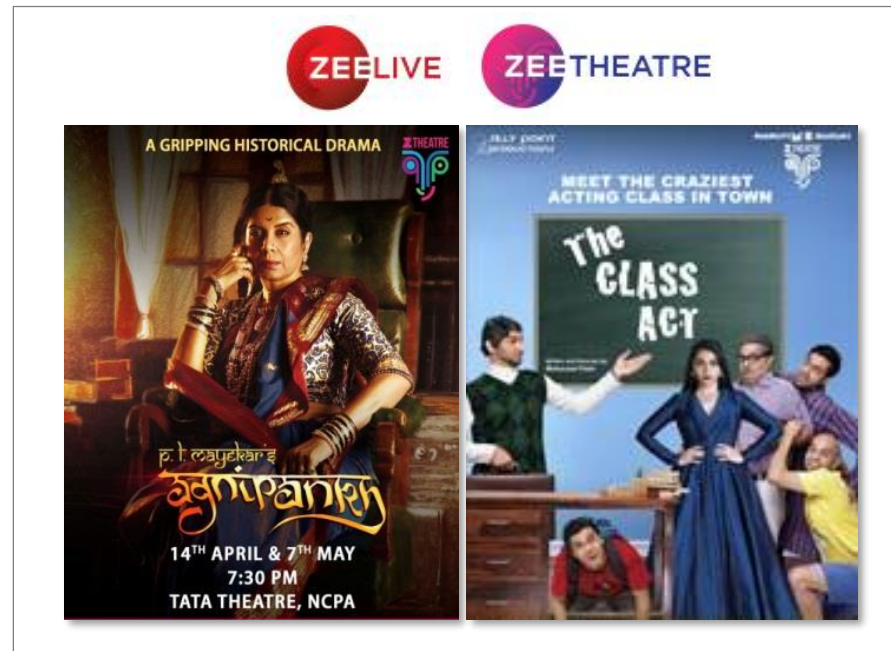
Live Events



Live Events – A growth opportunity



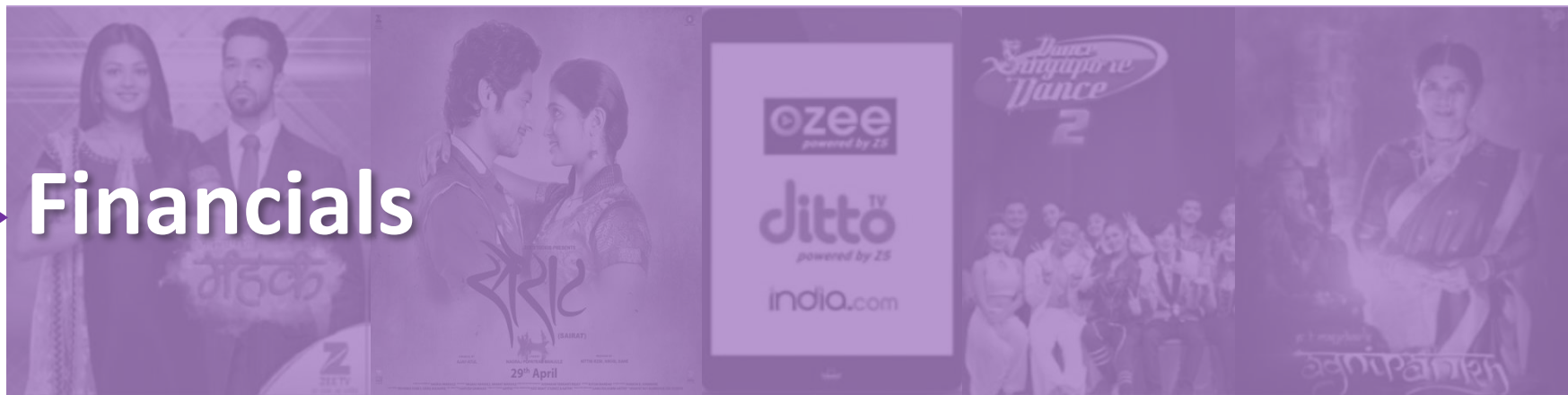
Source: EY EEMA Report 2014



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**

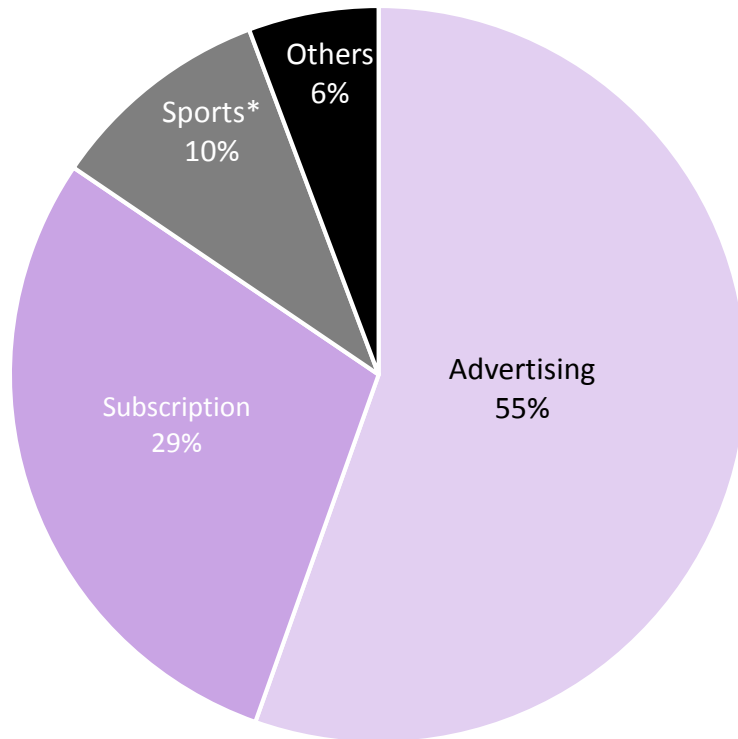
Financials



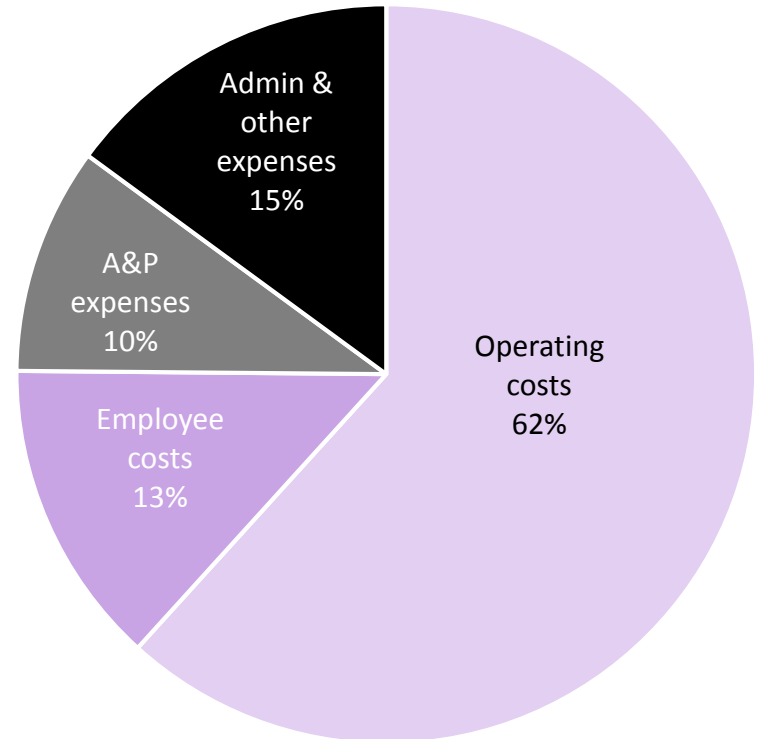
FY17 revenue and costs breakdown



Revenue breakdown - INR64,341mn

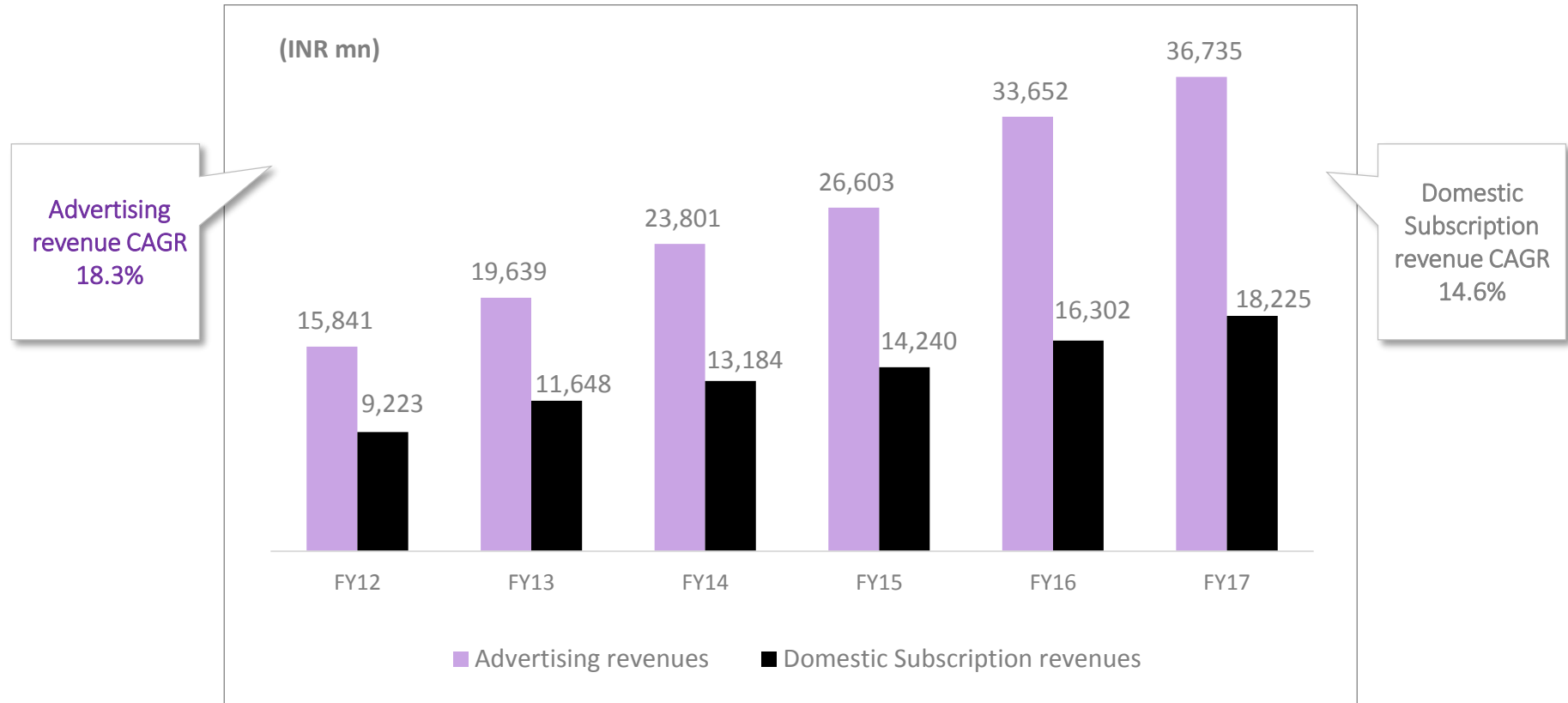


Costs breakdown – INR45,073mn

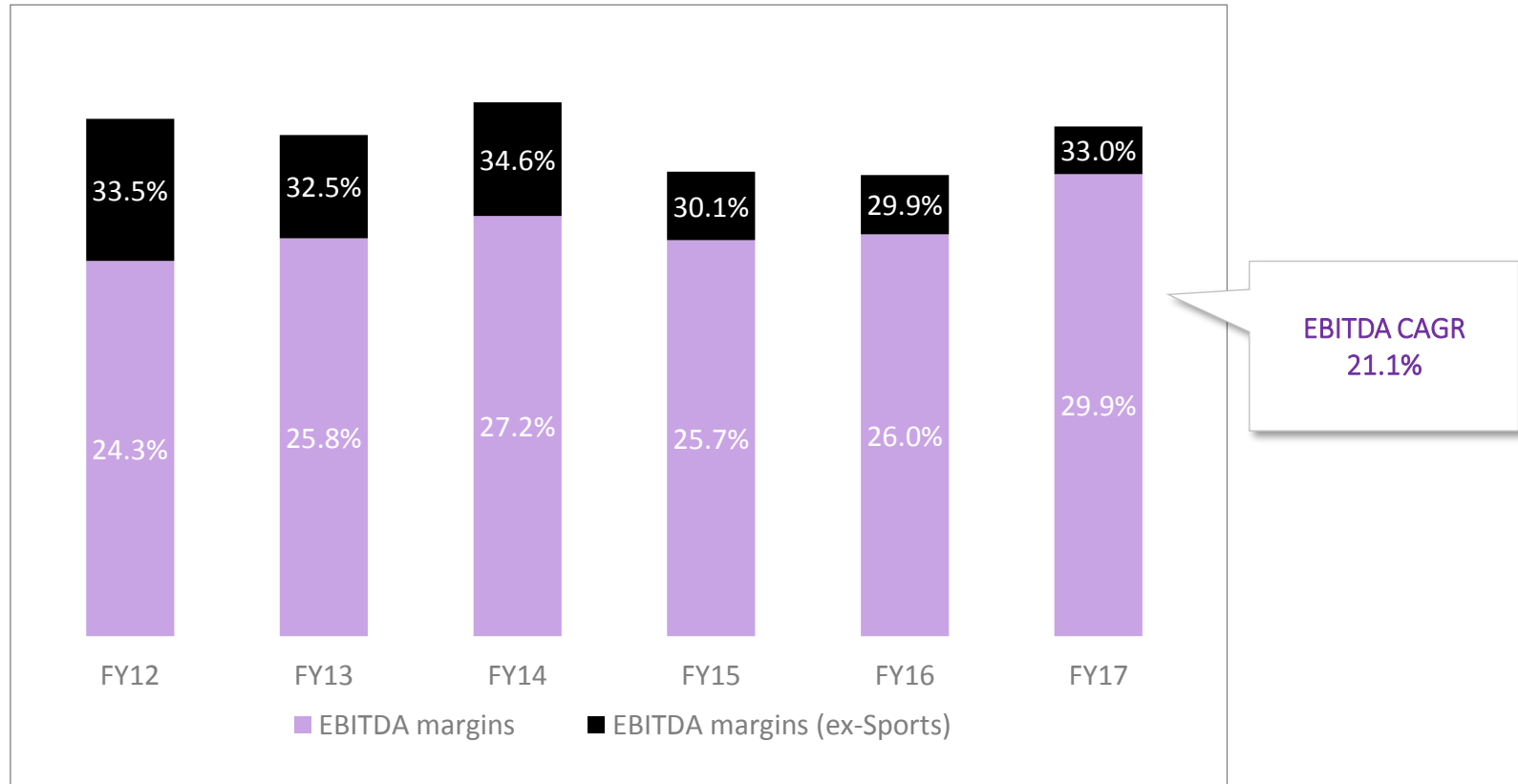


**ZEEL divested its sports business – Ten Sports Network, in FY17*

Strong growth in advertising and subscription revenues



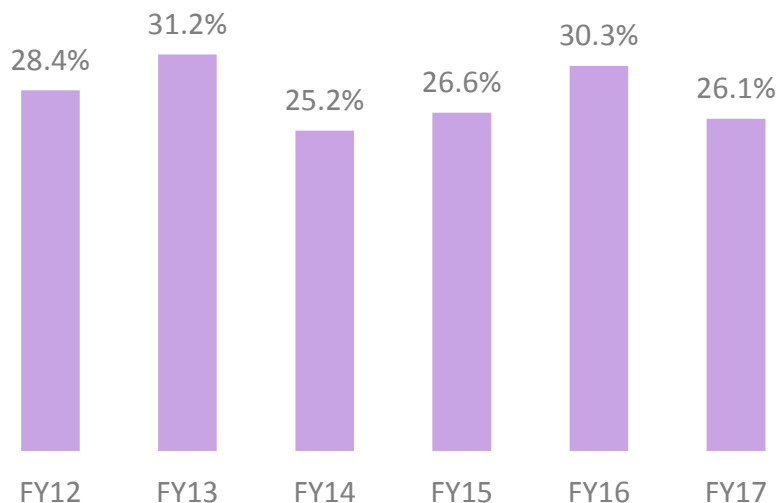
Strong and consistent profitable growth



Consistent payout to shareholders



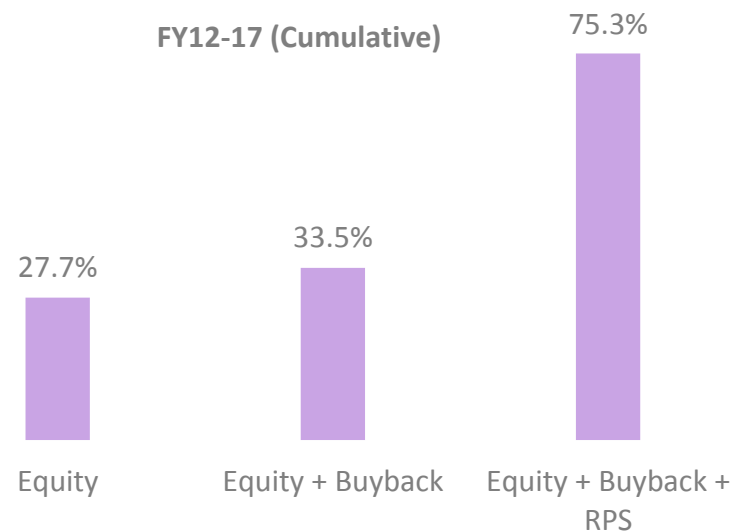
Consistent dividend distribution



* 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**

Balance Sheet - Sep'17			
Assets	(INR mn)	Equities and Liabilities	(INR mn)
Non-current assets		Equities	
Property, plant & equipment	5,789	Share capital	960
Capital work-in-progress	969	Other equity	71,812
Intangible assets	7,551		
Investment property	1,611	Minority interest	151
Investment in Associates/JV	184		
Financial investments	1,496	Non-current liabilities	
Other financial assets	1,193	Long term borrowings	15,796
Income tax assets (net)	6,482	Long term provisions	850
Deferred tax assets (net)	1,112	Other liabilities	-
Other non-current assets	131		
Current assets		Current liabilities	
Inventories	20,270	Trade payables	5,761
Current investments	14,983	Other financial liabilities	9,223
Trade receivables	16,764	Provisions	77
Cash & cash equivalents	13,941	Current tax liabilities (net)	2,847
Loans	1,594	Other current liabilities	1,875
Other financial assets	1,501		
Other current assets	13,780		
Total Assets	109,352	Total Equities & Liabilities	109,352



Thank You