# COMPANY OVERVIEW SEPTEMBER 2014





#### **DISCLAIMER**

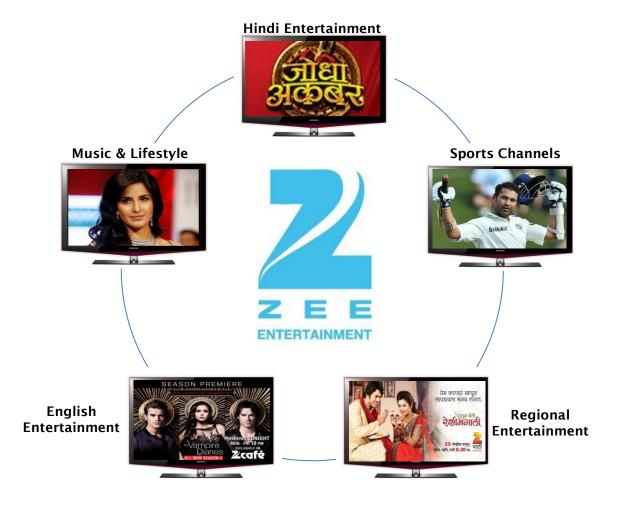
Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Zee Entertainment Enterprises Limited (ZEE) about its business and the industry and markets in which it operates.

These forward-looking statements include, without limitation, statements relating to revenues and earnings.

The words "believe", "anticipate", "expect", "estimate", "intend", "project" and similar expressions are also intended to identify forward looking statements.

These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. ZEE does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

### **ZEE ENTERTAINMENT**



Largest Indian TV Network in the World



Leading Hindi Entertainment Network

# FLYING BAILS AND SOARING BALLS. IT'S NOT A MATCH, IT'S A FLYING LESSON.



#### INDIA'S TOUR OF SOUTH AFRICA **Starting Tomorrow at 4 PM**









**Bran** 

STARTING FROM 5TH JANUARY, 2014 LIVE ON

TENØCRICKET



**Leading Sports Network** 



**Leading Regional Entertainment Network** 

# A BLONDE AND FOUR NERDS WALK INTO A BAR.

IT'S NOT THE BEGINNING OF A JOKE. IT'S THE BEGINNING OF AN EPISODE.

TV'S SMARTEST COMEDY IS BACK.





PREMIERES 4th SEPT **MON-FRI 08:30 PM** 







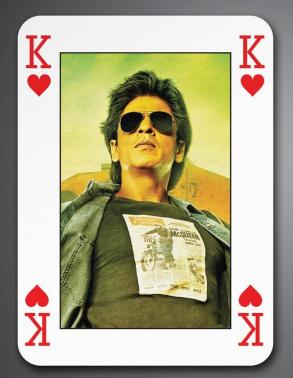
6:30 AM AND 10:30 PM



1<sup>ST</sup> FEB. 1 PM AND 9 PM



**English Entertainment** 



Vs



AKKHA BOLLYWOOD KA KING KAUN?



SATURDAY 18<sup>TH</sup> JAN 8.30PM





**Indian Music & Lifestyle Network** 

# **OUR GROWTH JOURNEY**

- Zee TV goes global
- Zee Network launched in UK

- ZEE acquires the regional networks
- Acquires 45%
   stake in Ten
   Sports after
   acquiring 50%
   in 2007

 Subscription business transferred to Taj Television, a 100% subsidiary of ZEE

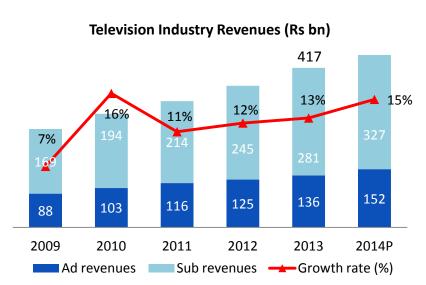
1992 1995 2002 2010 2011 2014

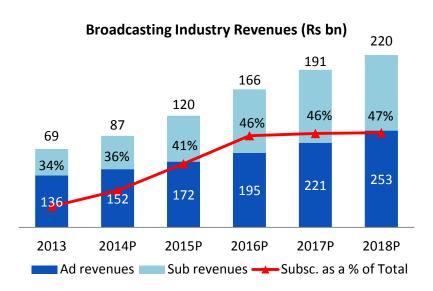
- Flagship channel, Zee TV, launched
- IPO of Zee
   Telefilms
   Limited

Distribution
 partnership with
 Turner, a Time
 Warner
 subsidiary

Zee, Star,
 Turner and Den form a distribution alliance - MediaPro Enterprise India

#### **INDIAN MEDIA SECTOR**

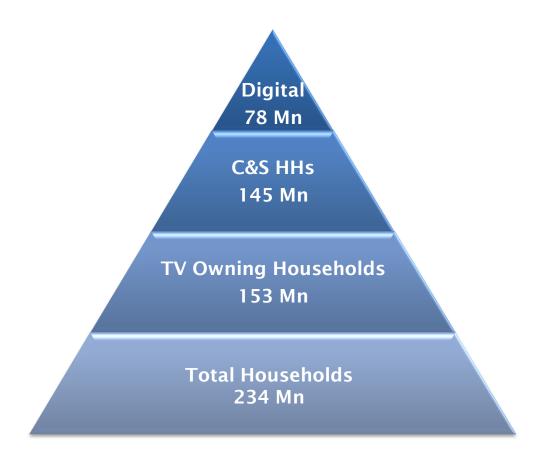




Source: FICCI-KPMG Report 2014

- In 2013, Size of Television sector is estimated at Rs 417 bn, constituting 45% of the M&E industry (M&E Industry Size: Rs 918 bn)
- TV sector recorded a growth of 12.7% in 2013
- Subscription revenues contribution to total revenue for Broadcasters is expected to rise from 34% to 47% in the next five years

# **INDIAN TV HH'S AT A GLANCE**



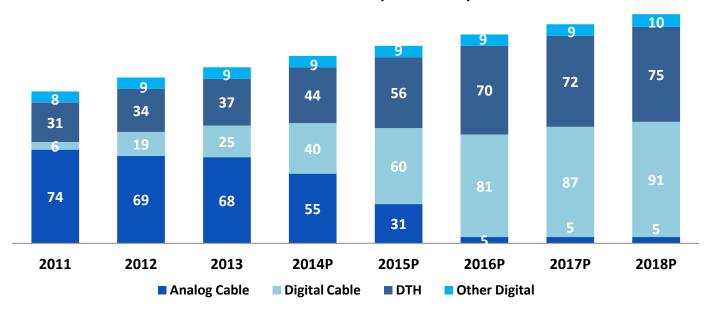
2014

Source: TAM TV Universe Update 2014 All India Household figures in million



### **INDIA - RAPID DIGITISATION**

No. Of Subscriber (In Millions)



Source: FICCI-KPMG Report 2014

- Digital Cable industry saw a growth of over 30% in 2013
- Both DTH and Digital Cable subscriber growth is expected to accelerate in
   2014 given the digitization timelines



# **PRODUCT OFFERING**

HINDI ENTERTAINMENT



Zındagı







#### **HINDI MOVIES**











#### **REGIONAL LANGUAGE ENTERTAINMENT (R-GEC)**















#### **ENGLISH ENTERTAINMENT & MOVIES**



**2**STUDIO







### **PRODUCT OFFERING**

**SPORTS** 









**MUSIC & LIFESTYLE & SPECIAL INTEREST** 









HD











#### **INTERNATIONAL**







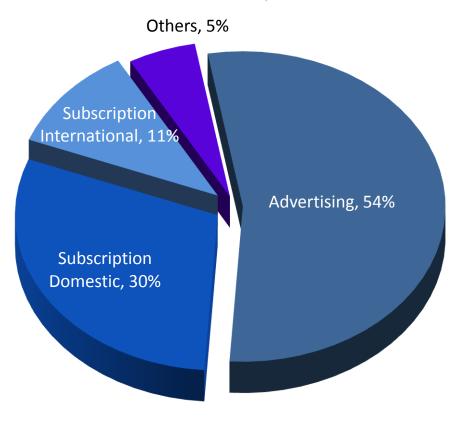






### **REVENUE PIE**

FY2014 Revenues: Rs 44,217 million







# BUSINESS PERFORMANCE



### HINDI ENTERTAINMENT CHANNELS

Zee TV is the largest Hindi entertainment channel of the world





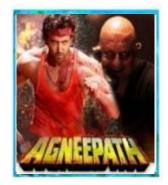


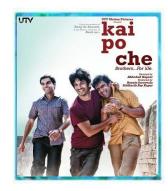


### **STRONG MOVIE LIBRARY**







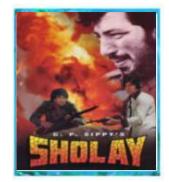










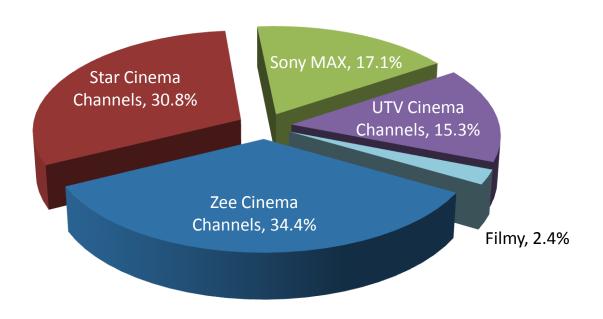




Largest Hindi Movie Library in the World

### **HINDI MOVIE CHANNELS**

#### **Relative Viewership Share**



Source: TAM Media Research; Period: April to Mar 2014

TG: CS 4+, HSM;

MAX ratings- non-cricket





### TEN NETWORK - KEY PROPERTIES







































































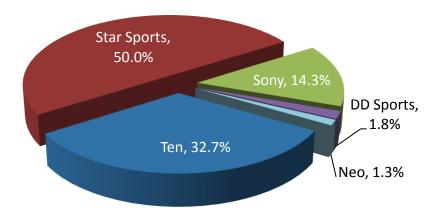








### **TEN - STRONG SPORTS FRANCHISE**



Source: TAM Media Research; Market: All India; TG: CS 15+ M ABC; Period; Apr – Mar'2014







### **ENGLISH & NICHE CHANNELS**

Tie-ups with leading studios across the world





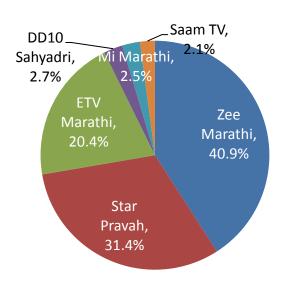




#### **ZEE MARATHI - HIGHLIGHTS**

- Strong market leader in the state of Maharashtra
- Library of over 9,000 hours & rights to over 400 movie titles
- Key properties: Honar Soon Mi Hya Gharchi, Juluni Yeti Reshim Gathi, Tu Tithe Me, Foo Bai Foo

#### **Relative Viewership Share**



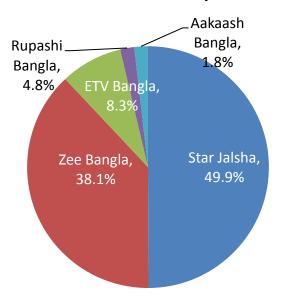


Source: TAM, Period: Apr to Mar 2014, CS 4+, All Maharashtra

#### **ZEE BANGLA - HIGHLIGHTS**

- Leading GEC in West Bengal with dominant share in non-fiction programming
- Library of over 9,000 hours & rights to over 600 movie titles
- Key properties: Sa Re Ga Ma Pa, Dadagiri Unlimited, Dance Bangla Dance, Mirakkel, Boyei Gelo, Rashi, Raage Anuraage

#### **Relative Viewership Share**



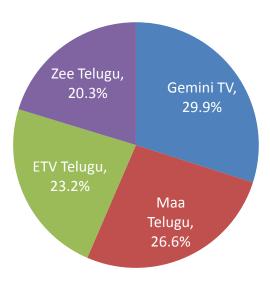
Source: TAM, Period: Apr to Mar 2014, CS 4+, All WB



# **ZEE TELUGU - HIGHLIGHTS**

- Leading GEC in Andhra Pradesh
- Library of over 18,000 hours & rights to over 500 movie titles
- Key properties: Varudhini Parinayam, Pasupu Kumkuma, Muddubidda, Chota Champion

#### **Relative Viewership Share**



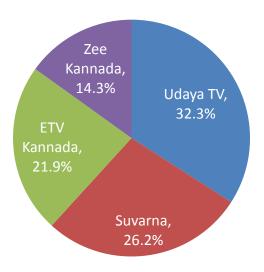
Source: TAM, Period: Apr to Mar 2014, CS 4+, All AP



### **ZEE KANNADA - HIGHLIGHTS**

- Strong player in Kannada GEC space
- Library of over 14,000 hours & rights to over 225 movie titles
- Key properties: Radha Kalayana, Chi Sou Savitri, Megha Mayoori, Bharathi, Crazy Couple

#### **Relative Viewership Share**





Source: TAM, Period: Apr to Mar 2014, CS 4+, All Karnataka

#### INTERNATIONAL OPERATIONS



- Presence across 5 continents
   through over 34 dedicated channels
- Catering to both South Asian as well as non South Asian communities
- Recent local language launches in Indonesia, Saudi Arabia, Russia
- International subscription contributed 11% of company top line in FY2014
- Renewed focus on advertising as a source of revenues

### **FOCUSED INVESTMENTS**

**Digital Investments** 

**Niche Channels** 

**Regional Channels** 









**National Channels** 





**International Channels** 









# **KEY FINANCIALS**



# **FINANCIAL RESULTS**

(Rs million)	FY13	FY14	Growth		Three Months		
					FY14	FY15	Y-o-Y Growth
Operating Revenues	36,996	44,217	20%		9,733	<b>10,857</b>	<sup>k</sup> 12%
Expenditure	27,453	32,174	17%		6,818	7,765	14%
Operating Profit (EBITDA)	9,543	12,043	26%		2,915	3,092	6%
EBITDA Margin	25.8%	27.2%			30%	28%	
PBT before exceptional items	10,519	13,190	25%		3,528	3,264	-7%
Less: Provision for Tax	3,338	4,291	29%		1,289	1,164	-10%
PAT after exceptional items	7,182	8,900	24%		2,239	2,100	-6%
Less: Minority Interest / Share of							
Associates	(14)	(21)			(8)	(5)	

<sup>\*</sup> Like to like growth in operating revenues higher than the reported growth number (difference due to accounting changes necessitated by change in TRAI's content aggregator regulation



# **BALANCE SHEET**

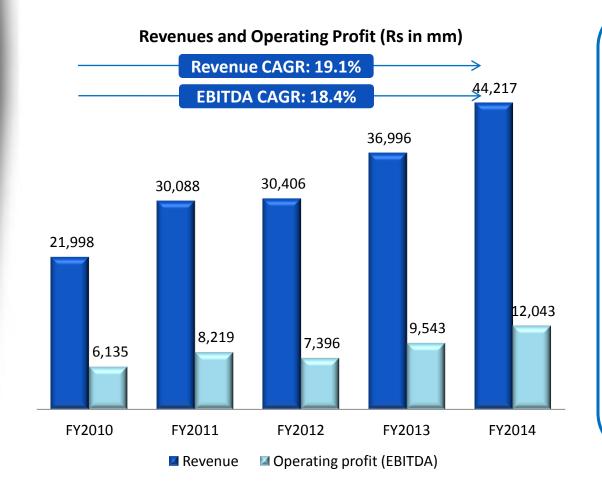
(Rs million)	As on 31 <sup>st</sup> March, 2013	As on 31 <sup>st</sup> March, 2014	
Equity & Liabilities			
Shareholder's Funds	39,148	47,438	
Long-term Borrowings	17	17	
Other Non Current Liabilities	479	658	
Current Liabilities			
a) Trade Payables	5,172	5,050	
b) Other Current Liabilities	5,927	7,154	
Total - Equity and Liabilities	50,744	60,317	
Assets			
Non Currrent Assets			
a) Fixed Assets	2,848	4,106	
b) Goodwill on Consolidation	7,127	7,625	
c) LT Loans & Advances	2,491	2,872	
d) Others	1,268	3,600	
Currrent Assets			
a) Current Investments	7,265	5,349	
b) Inventories	8,745	11,736	
c) Trade Receivables	9,890	10,281	
d) Cash & Bank Balance	5,316	5,644	
e) Others	5,793	9,105	
Total Assets	50,744	60,317	

33

- Debt free balance sheet
- Strong net cash position
- Return on Avg.
   Capital Employed
   of over 30% for
   FY14



### **CONSISTENT PROFITABLE GROWTH**



- Returned over Rs.10
   bn through a
   combination of
   dividend & buyback
   in the last four years
- FY14 equity dividend of Rs.2 per share (200% of FV)
- Bonus Issue of 6%
   Redeemable
   Preference Shares
   aggregating to over
   Rs.20 bn

Consistent dividend payout since 1994



#### **OUTLOOK AND STRATEGY**

#### **Content**

- Innovation & quality
- Regional revolution
- Niche content
- Broadcast to narrowcast

#### **Revenues**

- Digitization: Big pay opportunity
- Advertising: Continued growth
- New streams: Digital media, syndication

#### Returns

- Consolidation
- Collaboration
- Disciplined investments

#### **Our Strategy**

Enhance our leadership position in the genres we compete
Continue to run our business as best in class
Deploy strong cash flows to improve returns to shareholders





# The global force in entertainment

Pioneer in several entertainment genres
World's leading Indian TV network with 730 million viewers in over 169 countries