Sun TV Network Limited

The Sun never sets in the South !

Disclaimer

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These forward-looking statements include, without limitation, statements relating to revenues and earnings. The words "believe", "anticipate", "expect", "intend", "estimate", "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 STNL 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 risk. STNL does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.

Sun TV Network Business Verticals

- Television Broadcasting
- FM Radio Broadcasting
- Movie Distribution/Production
- SunRisers – Hyderabad – IPL Franchise

Corporate Structure

Sun TV Network Ltd
(Broadcasting , Production, Entertainment)

97.78 % subsidiary

Kal Radio Ltd (Radio)

18 FM Radio licenses

Focused on southern cities

59.15 % subsidiary

South Asia FM Ltd (Radio)

23 FM Radio licenses

Focused on Northern, Eastern & Western parts of the country

Strategic alliance with RED FM (Radio) 48.9 % beneficial interest

3 FM Radio stations in Mumbai, Delhi and Kolkata

Divisions of STNL

Sun Pictures (Movie Distribution / Production)

SunRisers Hyderabad (IPL Franchise)

Presence across genres in 4 States, 33 channels

Channels \ State / Language	Tamil Nadu / Tamil	Andhra Pradesh / Telugu	Karnataka / Kannada	Kerala / Malayalam
General Entertainment	TV	GEMINI	UDAYA	SURYA
Movies	KTV	GEMINI MOVIES	UDAYA MOVIES	KIRAN
News	NEWS	GEMINI NEWS	UDAYA NEWS	
Music	MUSIC	GEMINI MUSIC	UDAYA MUSIC	SURYA MUSIC
Kids	CHUTTI TV	KUSHI TV	CHINTU	KOCHU TV
Comedy	ஆதித்யா	GEMINI COMEDY	UDAYA COMEDY	
High Definition	TV HD MUSIC HD KTV HD	GEMINI HD		
Life	SUN LIFE	GEMINI LIFE		
Action	SUN ACTION	GEMINI ACTION	SURIYAN	SURYA ACTION
Rest of India	TV RI			

Television Broadcasting

TV Broadcasting Outlook
Revenues driven by Advertising and Subscription

2014P		2018P
TV Advertising spends Rs 152 bn	❖ Accounts for ~ 40% of total ad-spends in India driven by Hindi & Regional ad-spends ❖ Entertainment genre continues to be the largest ad spend driver followed by news and sports ❖ Emergence of "Targeted advertising" through Niche channels	TV Advertising spends Rs 253 bn
TV Distribution market Rs 327 bn	❖ Currently revenues concentrated with last mile ❖ Digitalization will ensure broadcasters to claim their legitimate share in the near future ❖ Alternate distribution platforms to fuel growth → DTH, CAS, HITS, IPTV ❖ Overseas subscription → offers a huge untapped growth opportunity	TV Distribution market Rs 632 bn

Regional Broadcasters all set to benefit from increasing focus of national advertisers on India's rising rural consumption and from digitalization of TV distribution space

Source: KPMG / FICCI Media Report 2014

South India TV Broadcasting

Enviable Viewership Share

- South Indian Channels accounted for ~18% share of total viewership in 2013

Fast growing Ad market

- South Indian Channels enjoy ~28% share of total Ad revenues, higher than viewership share
- Addressable Ad market pegged at Rs ~36 billion, growing at a fast pace
- Regional TV in the South strongly backed by Regional / Local advertisers along with National advertisers

Large Subscription Revenue Potential

- South India has total 60 mn households, with C&S penetration of 79%
- Digitization to enhance addressability of distribution market – a strong fillip to total subscription revenues

Source: KPMG / FICCI Media Report 2014, Market Estimates

Sun TV Network's Television Broadcasting Business

Leadership by a Huge Margin

- Largest TV Network in South India; also the largest regional TV Network in India
  - Penetration, Viewership & Ad Revenues
  - Dominant Market Share in each of the States;
- Well conceived strategy of segmenting the addressable market under way, ahead of digitization
  - Launched the first 24 hours Malayalam kid's channel "KOCHU TV" in October, 2011.
  - Twelve channels launched in Jan 2012, offering choices in HD, commercial free Action movies and new Lifestyle channels.

Great Content + Sound Business Practices = Robust Business

An innate ability to stay 'ahead of the curve'

- Anticipate and shape market trends
- Innovation and leadership
- State of the art technology

Absolute respect for Content

- Access to variety of content
- Exclusive contracts with leading content producers; an ecosystem that is fiercely loyal
- A formidable movie library with perpetual and exclusive rights

Prudent Business Practices

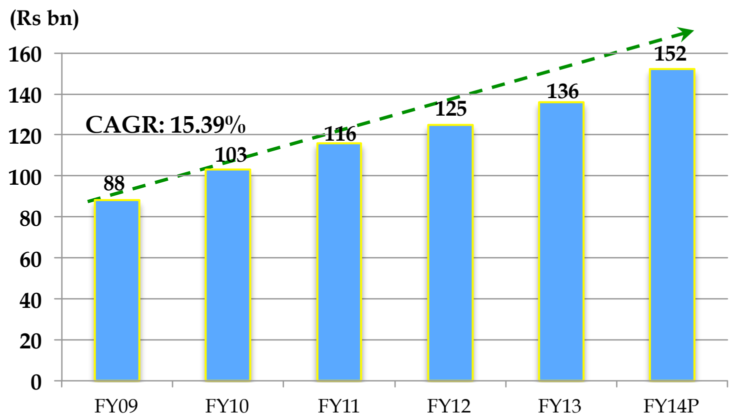
- Tight control on content costs; extremely conservative on leverage
- Unique business model that mitigates risks

Strident Growth in Advertising Revenues

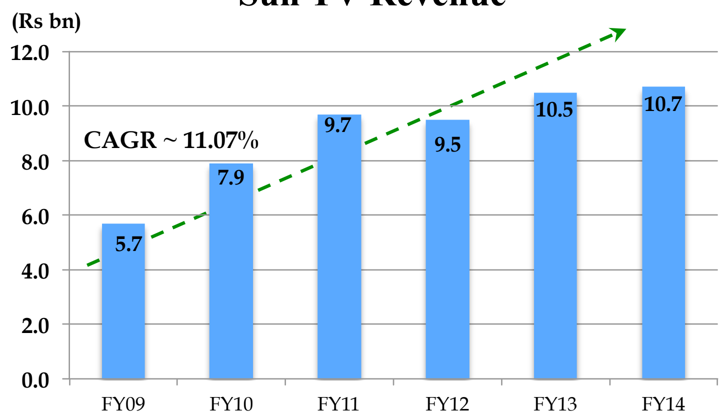
- Advertising Revenue
  - Over 60% of total ad spends in the South
  - Medium of choice for large advertisers in India.

Language	Ad market size (Rs bn)
Tamil	14.4
Telugu	9.7
Kannada	6.8
Malayalam	5.1
Total	**36.0**

Broadcasting Industry Revenue



Sun TV Revenue



Source: KPMG / FICCI Indian Media and Entertainment Industry Report 2014 /Television

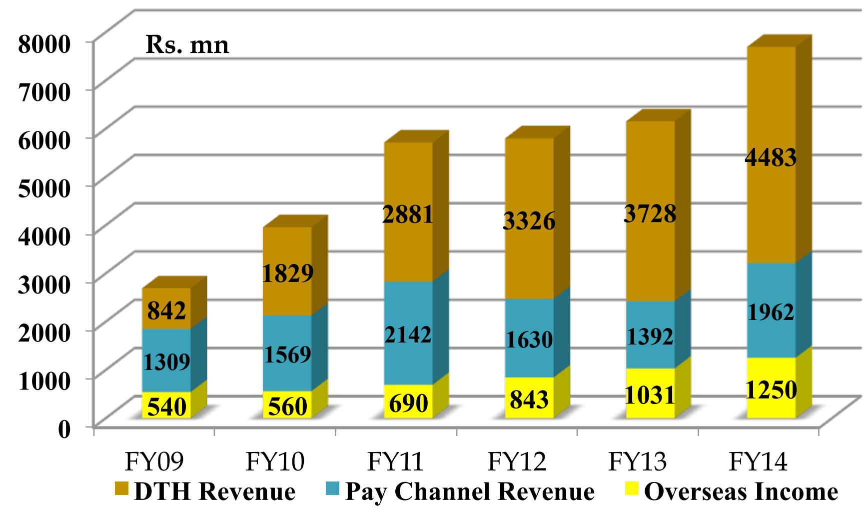
Television Distribution Platforms

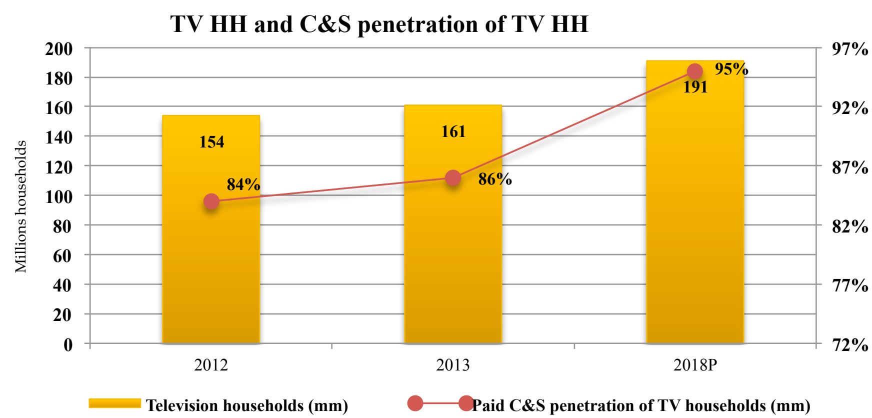
Subscription revenues to drive growth

- Over 60% share of Subscription revenue from South
- Increasing DTH penetration
- Digitization legislation is a disruptive upside; could treble Pay TV revenues in the near future.
- Phase I and II completed with reasonable success.
- Revenue opportunities from the South Indian diasporas in overseas markets being further tapped.

Language	Households (mn)	Television households (mn)	C&S households (mn)
Tamil	17.7	16.4	15.9
Telugu	20.9	15.1	14.8
Kannada	13.5	10.0	9.9
Malayalam	8.1	7.6	7.1
Total	**60.2**	**49.1**	**47.7**

Sun TV Subscription revenues





Source: KPMG / FICCI Indian Media and Entertainment Industry Report 2014 /Television

Mandatory Digitization provides fillip to subscription revenues

- Government of India has mandated digitization of TV distribution systems in India with the following timelines

Phase	Cities Covered	Deadline for digitisation	Estimated homes	
			Total	South
1	**4 Metros** (New Delhi, Mumbai, Kolkata, Chennai)	30/10/2012	~ 13 mn	Chennai ~ 2 mn
2	**38 Cities** (Population > 1Mn)	31/03/2013	~ 20 mn	Bangalore /Mysore/ Hyderabad/Vizag/ Coimbatore ~ 4 mn
3	**Other Urban Areas**	31/12/2014	~ 36 mn	* * *
4	**Rest of India**		~ 60 mn	* * *

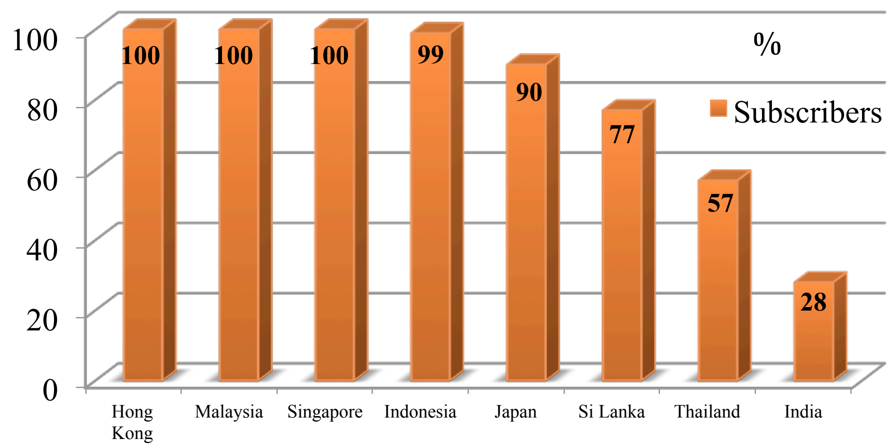
Source: Ministry of Information Broadcasting

- Mandatory Digitization legislation is a disruptive upside; could treble Pay TV revenues in the near future
- Phase I and II completed with reasonable success

Source: KPMG / FICCI Indian Media and Entertainment Industry Report 2014 /Television

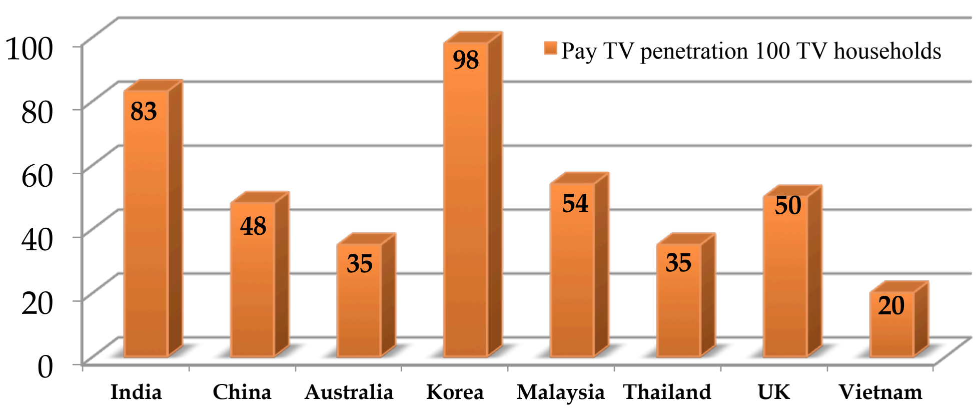
Digitisation . . . . .

Digital penetration of Pay TV subscribers



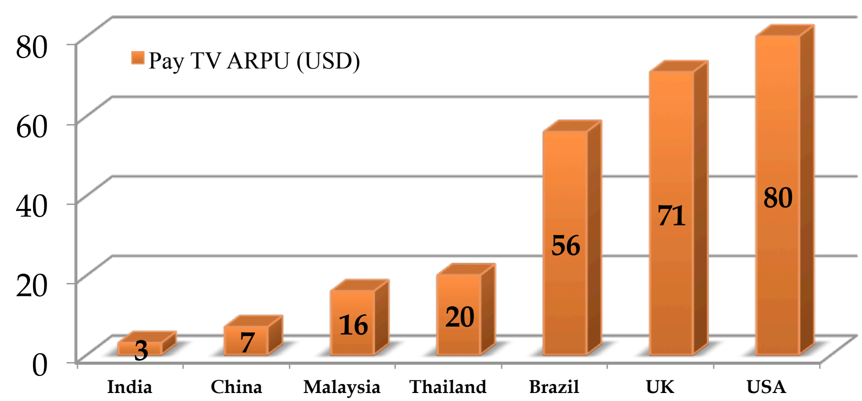
Source: Credit Suisse report titled, India Media Sector, dated April 16, 2013

Pay TV penetration is surprisingly high



Source: Asia Television Advertising, Credit Suisse estimates

India's pay TV ARPU less than most countries'



Source: PWC-CII Media Industry report

An Expanding Global Footprint

Paid subscriber base of over ~5,87,000 in overseas markets

F M Radio Broadcasting

India’s Largest FM Radio Network

- **Two subsidiaries**
  - Kal Radio Limited and South Asia FM Limited
- **46 stations operational**
  - 7 stations under Brand Suryan FM in Tamil Nadu
  - 39 stations under Brand Red FM in the Rest of India
- **Strong Revenues from the Metro stations**
  - Metro stations account for 50% of total Radio Revenues
- **Well poised in mini metros**
  - Future growth to be driven by mini metros

India's Largest FM Radio Network
With a Pan India Footprint

46 FM Radio Stations in all important cities and towns in India

India's Largest FM Radio Network
With a Pan India Footprint – 46 stations

Tamil Nadu & Andhra Pradesh -13

- Chennai
- Coimbatore
- Hyderabad
- Madurai
- Pondicherry
- Rajahmundry
- Tirupati
- Tirunelveli
- Trichy
- Tuticorin
- Warangal
- Vizag
- Vijayawada

Karnataka & Kerala - 9

- Bangalore
- Cochin
- Gulbarga
- Kannur
- Kozhikode
- Mangalore
- Mysore
- Thrissur
- Trivandrum

West - 8

- Ahmedabad
- Aurangabad
- Jaipur
- Mumbai
- Nagpur
- Nasik
- Pune
- Rajkot

North & East - 16

- Allahabad
- Asansol
- Bhopal
- Bhubaneswar
- Delhi
- Gangtok
- Guwahati
- Indore
- Jabalpur
- Jamshedpur
- Kanpur
- Kolkata
- Lucknow
- Shillong
- Siluguri
- Varanasi

Sun TV Network's Radio Broadcasting Business Well poised to exploit the Radio Renaissance

- **Increasing share of Radio in total ad pie**
  - Current share of Radio in total ad pie at ~ 4.5% compared to global average of ~8%
- **Cost effective medium**
  - SMEs and local advertisers to drive growth
- **Share of regional advertisers to increase**
  - Share to increase from current ~ 40% to global average of ~ 60%
- **Phase III to facilitate penetration into tier II & tier III cities**
  - Increased national reach
- **Positive regulatory reforms to further accelerate growth**
  - Content restrictions to be liberalized
  - Ownership of multiple licenses in same city
  - Infrastructure sharing between stations

Sun TV Network Business Verticals A Recap

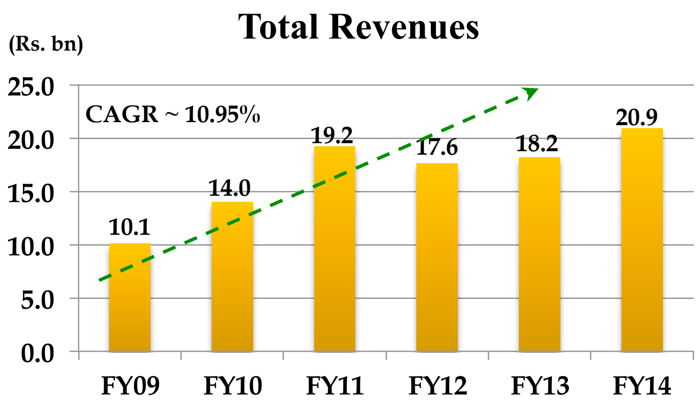
- **TV Broadcasting**
  - India's No 1 TV Broadcaster
- **F M Radio Broadcasting**
  - India's largest private FM player
- **Movie Distribution / Production**
  - One of India's largest Corporate Movie Distribution / Production houses
- **SunRisers – Hyderabad – IPL Franchise**
  - An opportunity to blend the India's most loved and watched Game of "Cricket" with Media & Entertainment

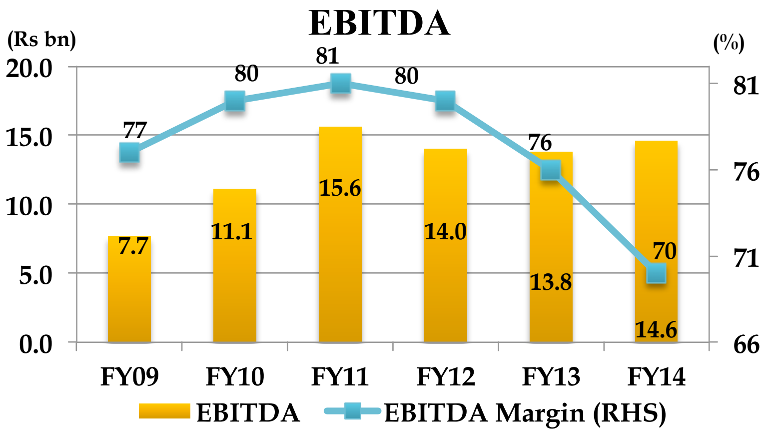
Financials

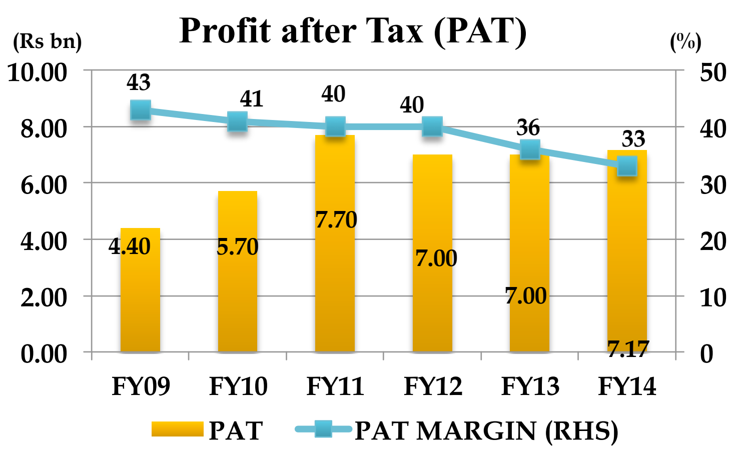
Standalone Financial Summary - Audited

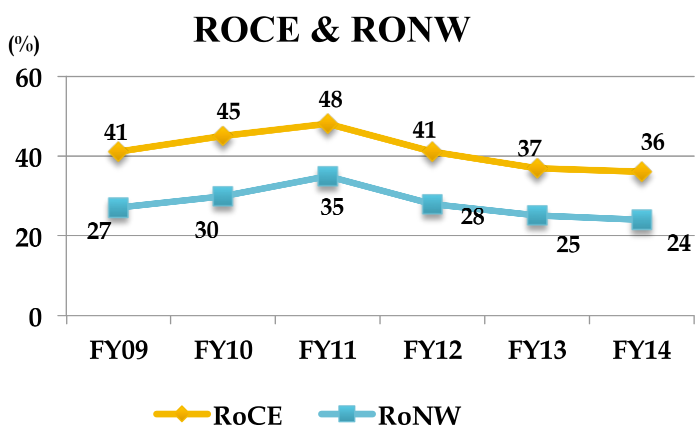
(Rs Millions)	FY 14	FY13	FY 12	FY 11	FY 10	FY 09
Advertising Revenue	**10,670**	10,497	9,454	9,702	7,887	5,728
Telecast Fees	**1,273**	1,436	1,640	1,537	1,343	1,304
Subscription (Analogue + DTH + Overseas)	**7,694**	6,151	5,799	5,713	3,958	2,692
Other Revenues	**792**	92	681	2,285	762	359
Total Revenues	**20,430**	18,176	**17,574**	**19,237**	**13,950**	**10,082**
Total Income	**21,760**	18,726	**18,316**	**19,705**	**14,375**	**10,915**
EBITDA	**14,634**	13,769	14,007	15,579	11,106	7,716
EBITDA %	**72%**	76%	80 %	81 %	80 %	77 %
PAT	**7,169**	6,833	6,947	7,722	5,674	4,371
PAT %	**33%**	36%	38 %	39 %	39 %	40 %
EPS in Rs. (FV Rs.5.00)	**18.19**	17.34	17.63	19.60	14.40	11.09
Capital Employed	**31,978**	29,213	26,790	24,267	20,489	18,186

Standalone Financials









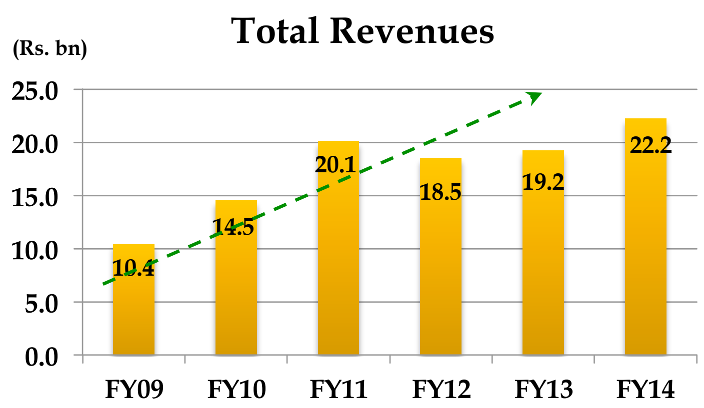
FY12 – Impacted by one time income from the film Enthiran and reorganization of TN analog cable network

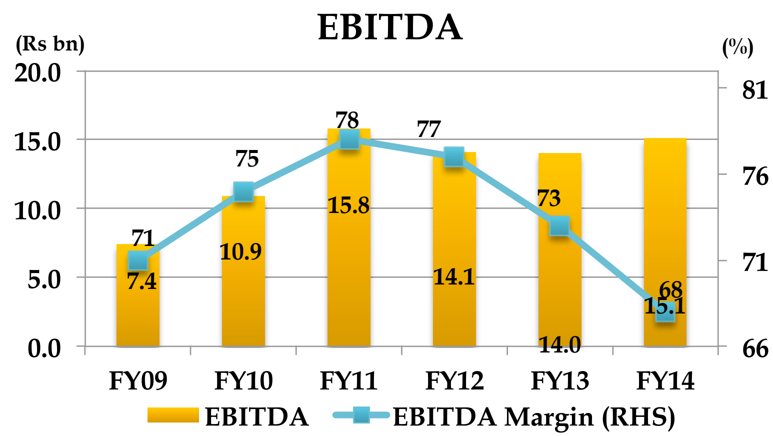
ROCE = EBIT/Average Capital Employed; RONW = PAT/ Average Net worth

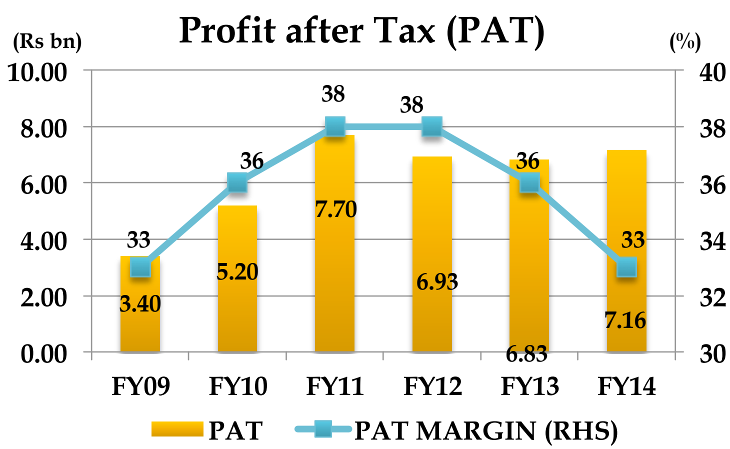
Consolidated Financial Summary - Audited

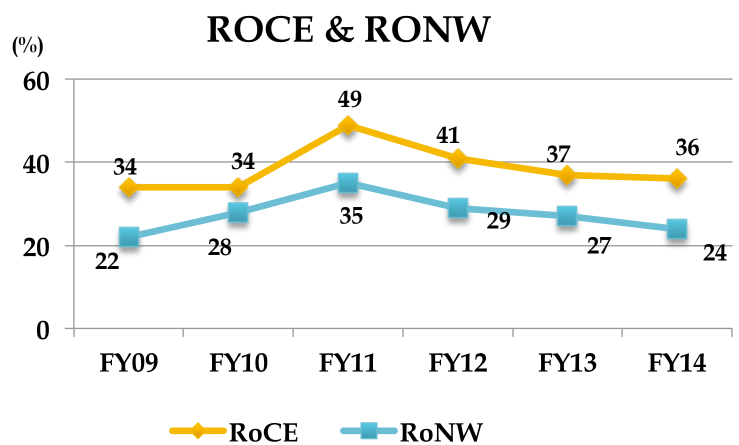
(Rs Millions)	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Advertising Revenue	**11,939**	11,555	10,294	10,532	8,450	6,057
Telecast Fees	**12,734**	1,436	1,640	1,537	1,343	1,304
Subscription (Analogue + DTH + Overseas)	**7,694**	6,151	5,872	5,780	3,976	2,692
Other Revenues	**87**	88	666	2,285	761	341
Total Revenues	**21,773**	19,230	**18,472**	**20,135**	**14,528**	**10,394**
Total Income	**23,102**	19,952	**19,267**	**20,622**	**14,878**	**11,062**
E B I T D A	**15,097**	14,091	14,143	15,779	10,909	7,368
E B I T D A %	**69%**	73%	77 %	78 %	75 %	71 %
P A T	**7,480**	7,096	6,929	7,698	5,199	3,683
P A T %	**32%**	36%	36 %	37 %	35 %	33 %
E P S in Rs. (F V Rs.5.00)	**18.98**	18.01	17.62	19.53	13.19	9.35
Capital Employed	**32,552**	29,391	26,685	24,198	20,445	18,378

Consolidated Financials









FY12 – Impacted by one time income from the film Enthiran and reorganization of TN analog cable network

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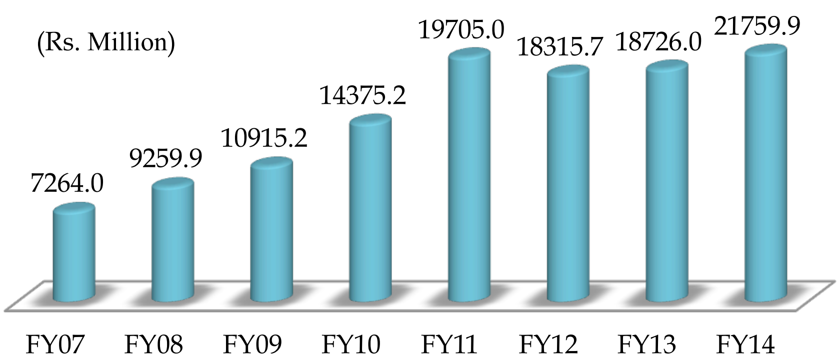
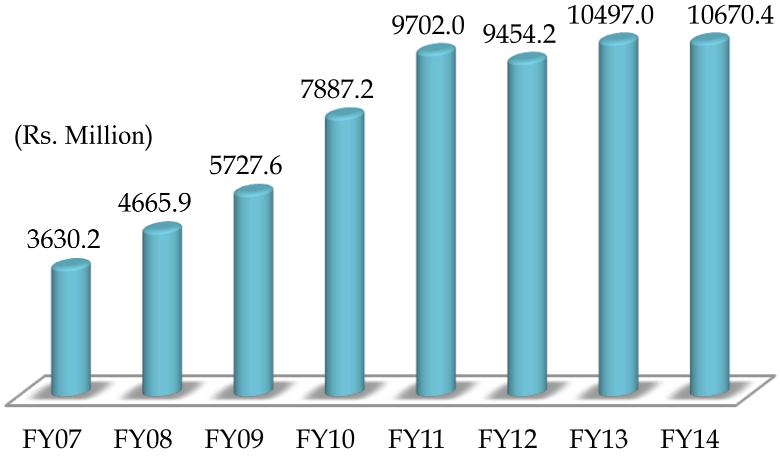
The Journey since listing in April 2006

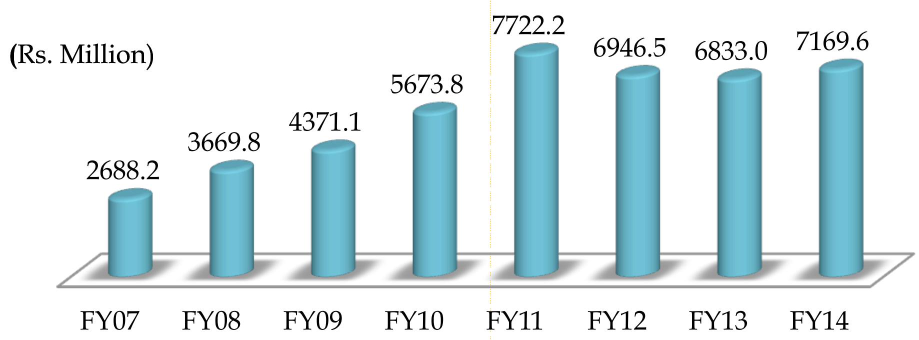
Total Income grew at CAGR of 17%



Advertising Income grew at CAGR of 17%

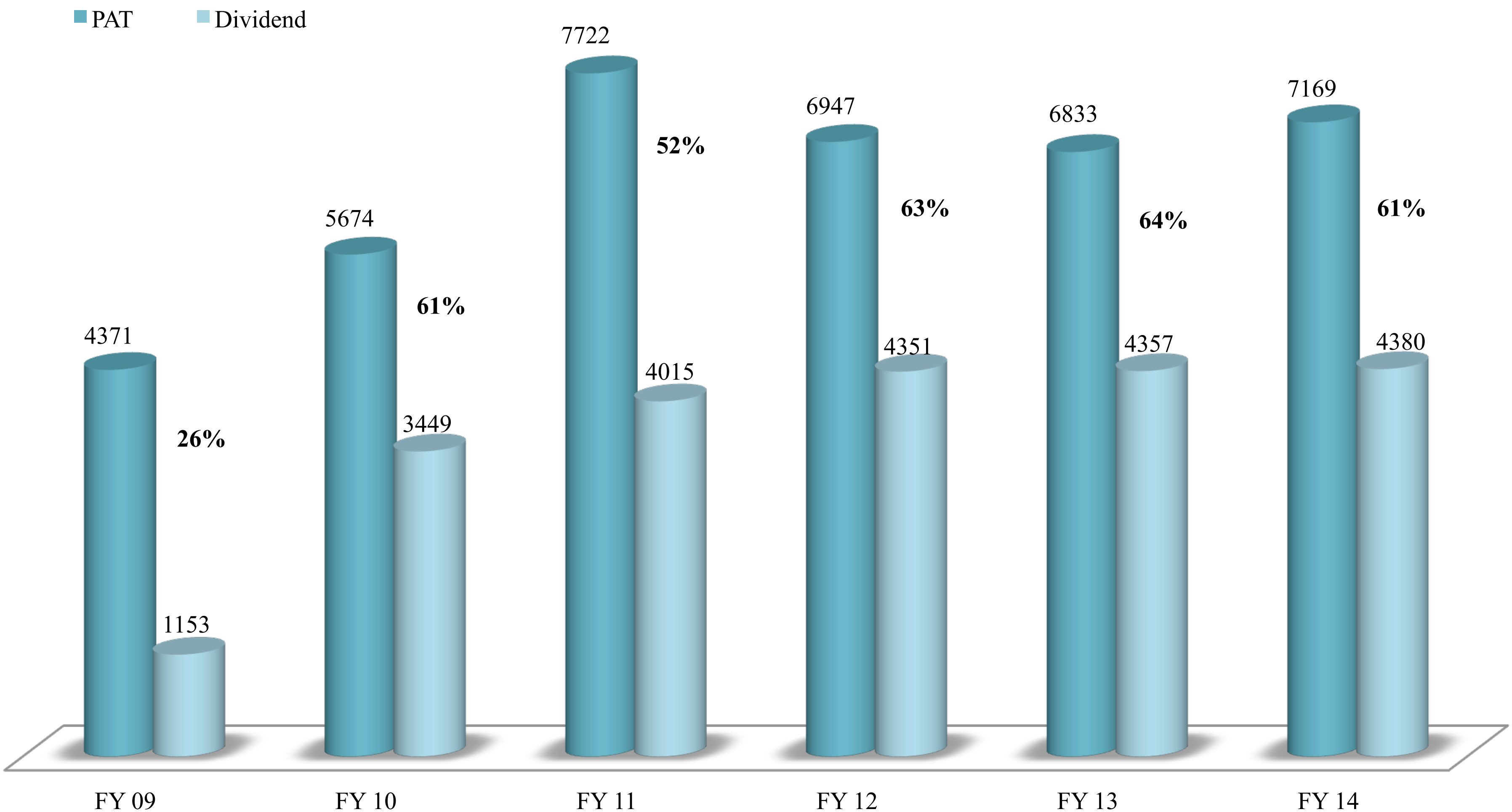


PAT grew at CAGR of 15%



Dividend Payout %

Rs. Million



Thank You