

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.

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Sun TV Network Business Verticals



❖ Television Broadcasting

❖ FM Radio Broadcasting



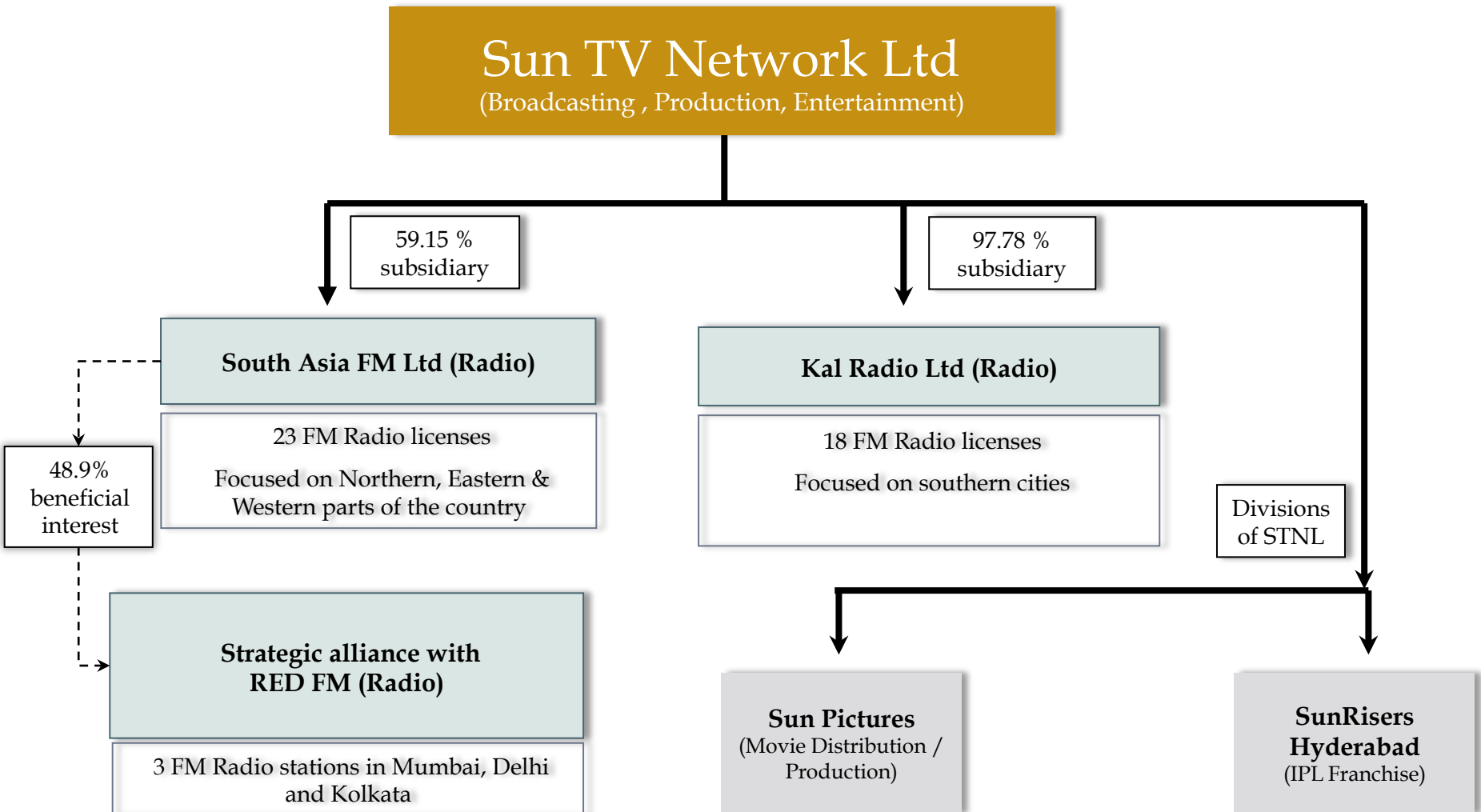
❖ Movie Distribution/Production



❖ SunRisers – Hyderabad – IPL Franchise



Corporate Structure



Presence across genres in 4 States, 33 channels

State/ Language Channels	Tamil Nadu / Tamil	Andhra Pradesh / Telugu	Karnataka / Kannada	Kerala / Malayalam
General Entertainment				
Movies				
News				
Music				
Kids				
Comedy				
High Definition				
				
				
Life				
Action				
Rest of India				

Television Broadcasting

TV Broadcasting Outlook:

Revenues driven by Advertising and Subscription



2012

TV Advertising spends
Rs 124.8 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 Distribution market
Rs 245 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

2016

TV Advertising spends
Rs 207.2 bn

TV Distribution market
Rs 518 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

Regional TV Broadcasting



❖ Enviably Market Share

- ❑ ~ 25 % share of total Television Audience
- ❑ ~ 35 % share of total Television Ad spends

❖ And South leads the Way in Regional TV

- ❑ Addressable Ad market pegged at Rs 31 billion, growing @ 19% CAGR
- ❑ Regional TV in the South strongly backed by Regional / Local advertisers along with National advertisers

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; about 40 - 60 % audience share in each market
- ❖ Well conceived strategy of segmenting the addressable market under way, ahead of digitization
 - ❑ First 24 hours Malayalam kid's channel "KOCHU TV" launched in October, 2011; already a market leader in that geography.
 - ❑ 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

Television Distribution Platforms

Strident Growth in Advertising Revenues

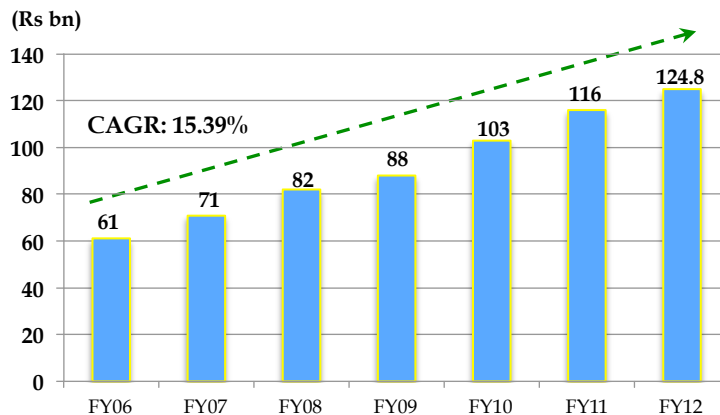


❖ Advertising Revenue

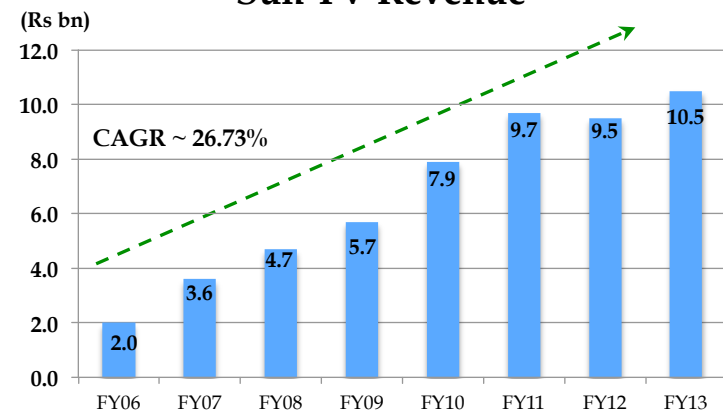
- ❑ Over 60% of total ad spends in the South
- ❑ Medium of choice for large advertisers in India.

Language	Ad market size (Rs bn)
Tamil	13.5
Telugu	9.0
Malayalam	6.6
Kannada	6.2
Total	35.3

Broadcasting Industry Revenue



Sun TV Revenue



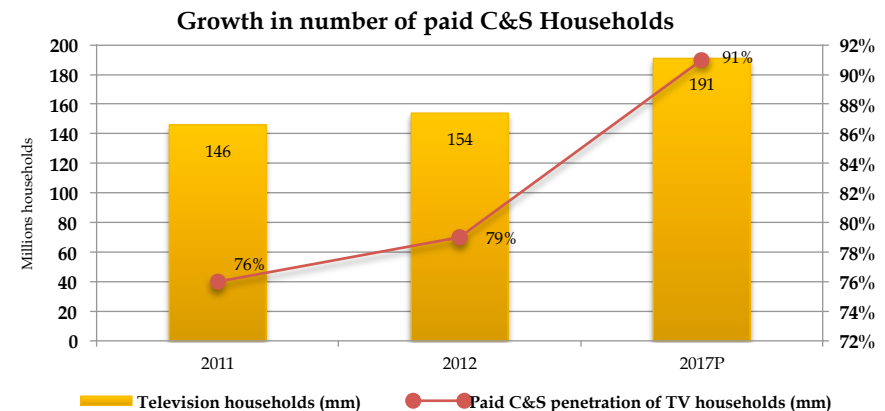
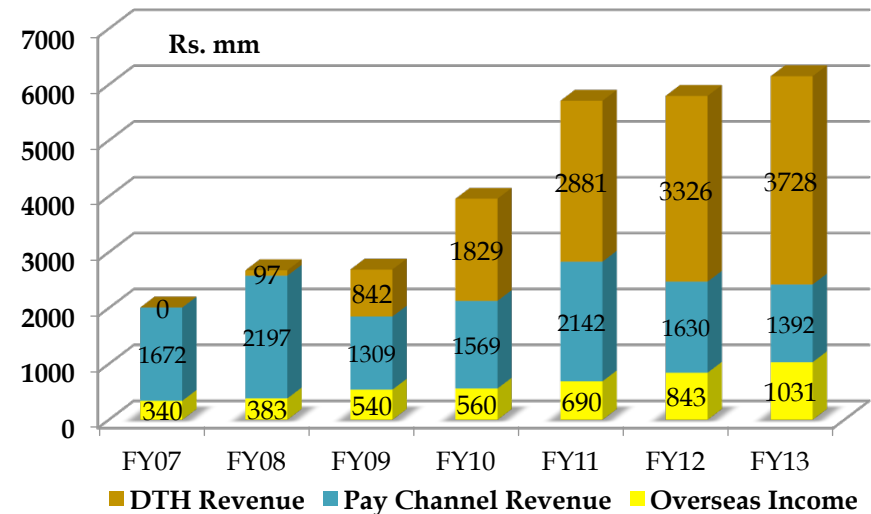
Subscription revenues to drive growth



- ❖ 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 underway in Metros
- ❖ 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

Sun TV Subscription revenues



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% 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 & Entertainments

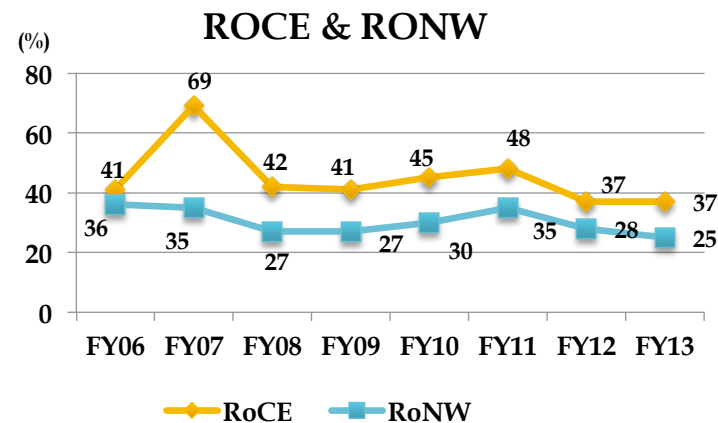
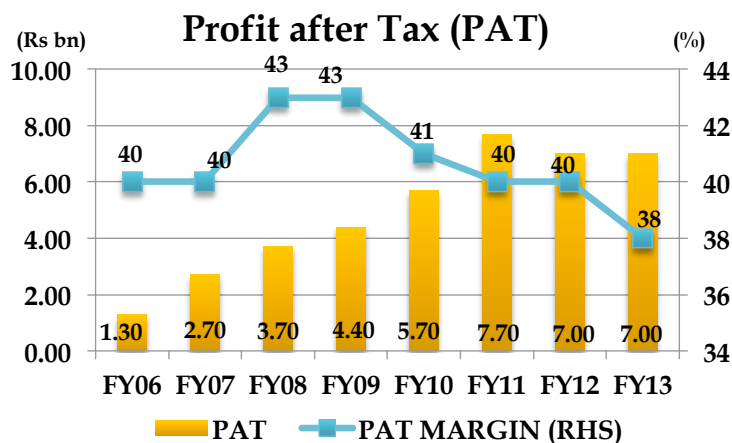
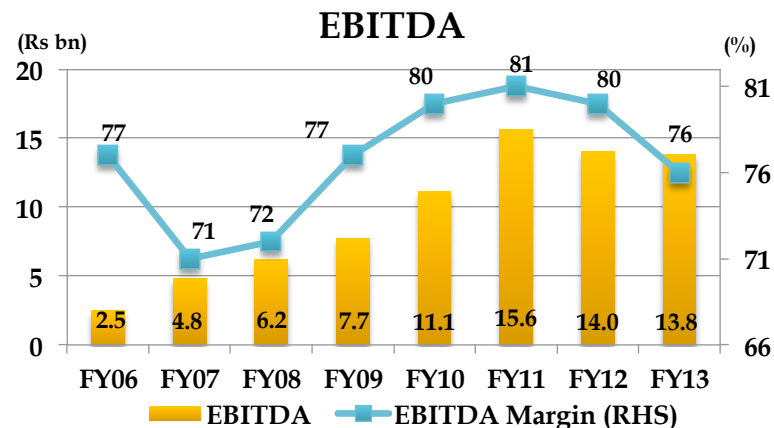
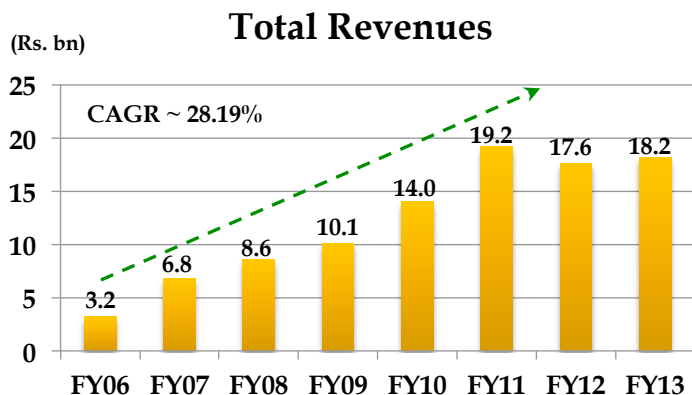
Financials

Standalone Financial Summary - Audited



(Rs Millions)	FY13	FY 12	FY 11	FY 10	FY 09	FY 08	FY 07
Advertising Revenue	10,497	9,454	9,702	7,887	5,728	4,666	3,630
Telecast Fees	1,436	1,640	1,537	1,343	1,304	1,256	1,086
Subscription (Analogue + DTH + Overseas)	6,151	5,799	5,713	3,958	2,692	2,676	2,012
Other Revenues	92	681	2,285	762	359	12.4	41.7
Total Revenues	18,176	17,574	19,237	13,950	10,082	8,611	6,770
Total Income	18,726	18,316	19,705	14,375	10,915	9,260	7,264
EBITDA	13,769	14,007	15,579	11,106	7,716	6,219	4,872
EBITDA %	76%	80 %	81 %	80 %	77 %	72 %	72 %
PAT	6,833	6,947	7,722	5,674	4,371	3,670	2,688
PAT %	36%	38 %	39 %	39 %	40 %	40 %	37 %
EPS in Rs. (FV Rs.5.00)	17.34	17.63	19.60	14.40	11.09	9.31	6.85
Capital Employed	29,213	26,790	24,267	20,489	18,186	14,718	12,190

Standalone Financials



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

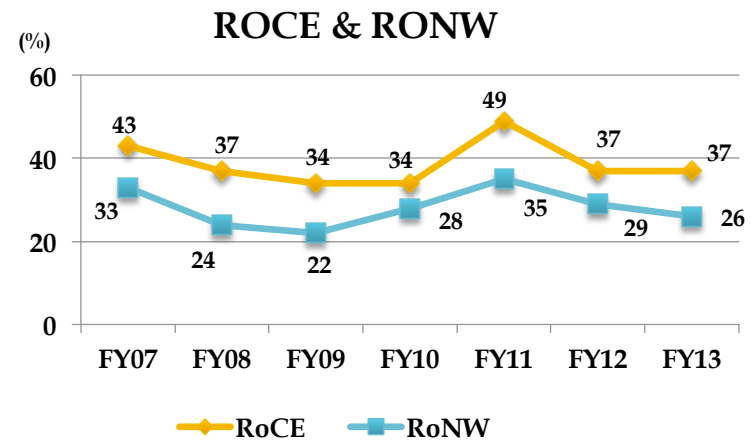
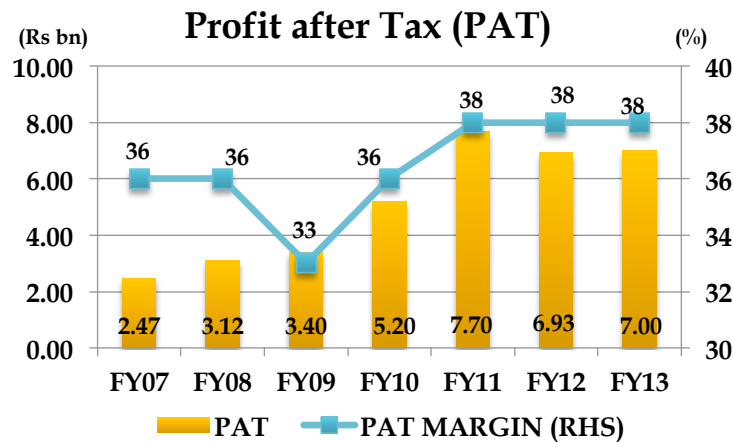
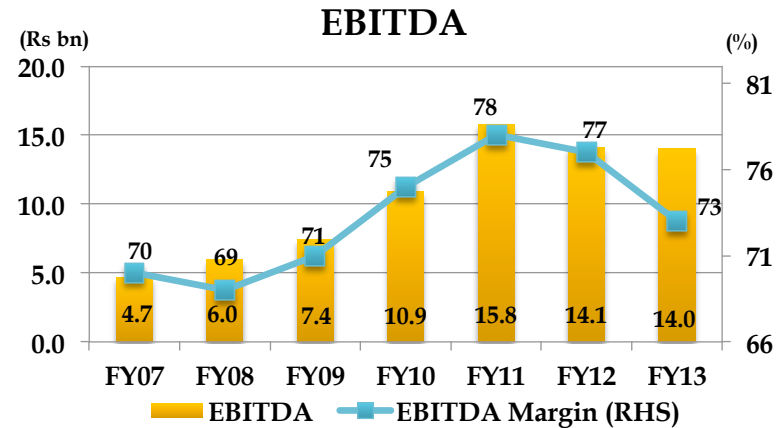
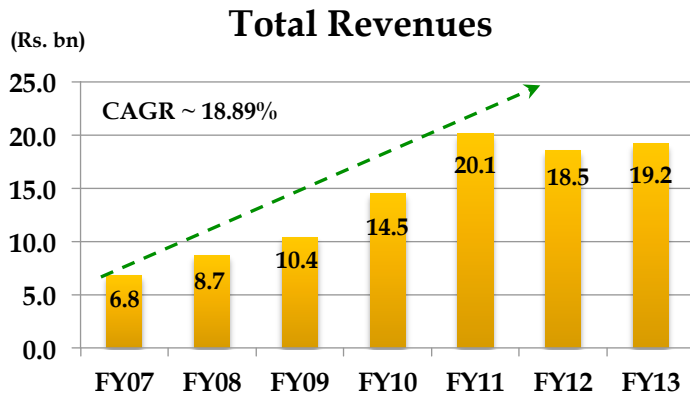
ROCE = EBIT / Average Capital Employed; RONW = PAT / Average Net worth

Consolidated Financial Summary - Audited



(Rs Millions)	FY 13	FY 12	FY 11	FY 10	FY 09	FY 08	FY 07
Advertising Revenue	11,555	10,294	10,532	8,450	6,057	4,755	3,640
Telecast Fees	1,436	1,640	1,537	1,343	1,304	1,256	1,086
Subscription (Analogue + DTH + Overseas)	6,151	5,872	5,780	3,976	2,692	2,676	2012
Other Revenues	88	666	2,285	761	341	12	42
Total Revenues	19,230	18,472	20,135	14,528	10,394	8,699	6,780
Total Income	19,952	19,267	20,622	14,878	11,062	9,297	7,191
E B I T D A	14,091	14,143	15,779	10,909	7,368	5,975	4,742
E B I T D A %	73%	77 %	78 %	75 %	71 %	69 %	70 %
P A T	7,096	6,929	7,698	5,199	3,683	3,267	2,461
P A T %	36%	36 %	37 %	35 %	33 %	35 %	34 %
E P S in Rs. (F V Rs.5.00)	18.01	17.62	19.53	13.19	9.35	8.29	6.27
Capital Employed	29,391	26,685	24,198	20,445	18,378	15,796	12,842

Consolidated Financials

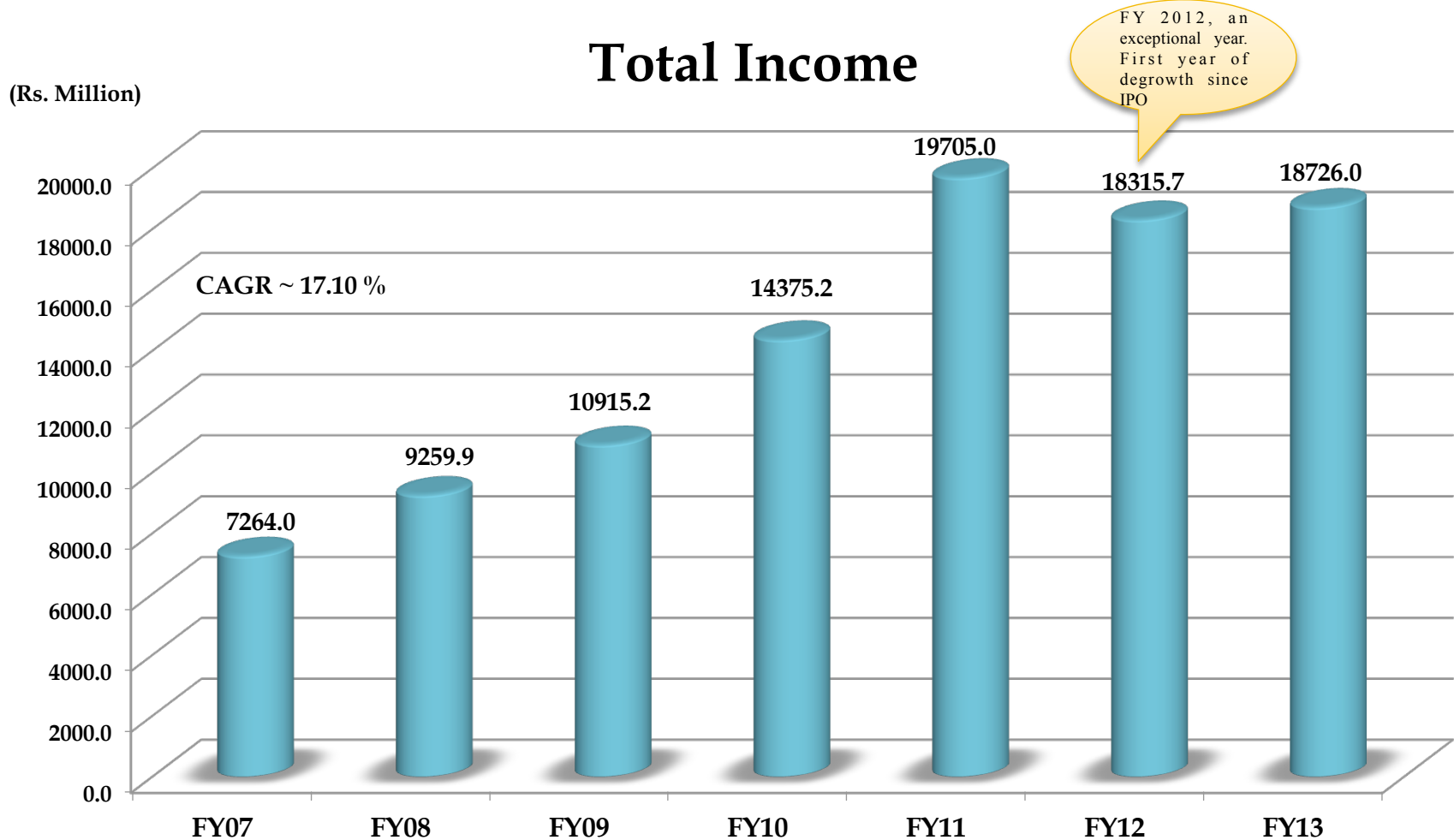


FY12 - Impacted by one time income from the film Enthiran and reorganization of TN analog cable network

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

The Journey since listing in April 2006

Total Income – up- 158 %

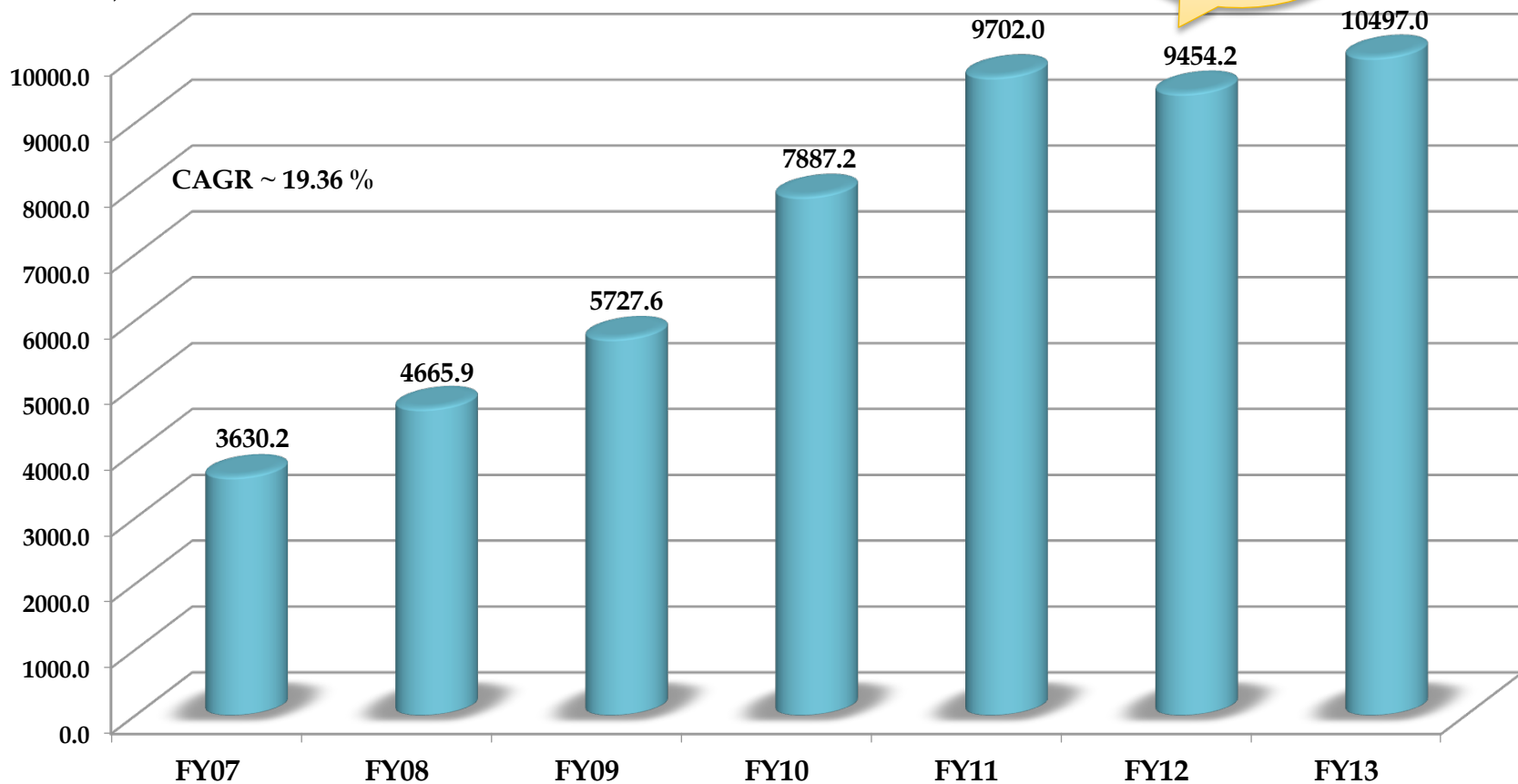


Advertising Income – up- 189 %



Advertising Income

(Rs. Million)

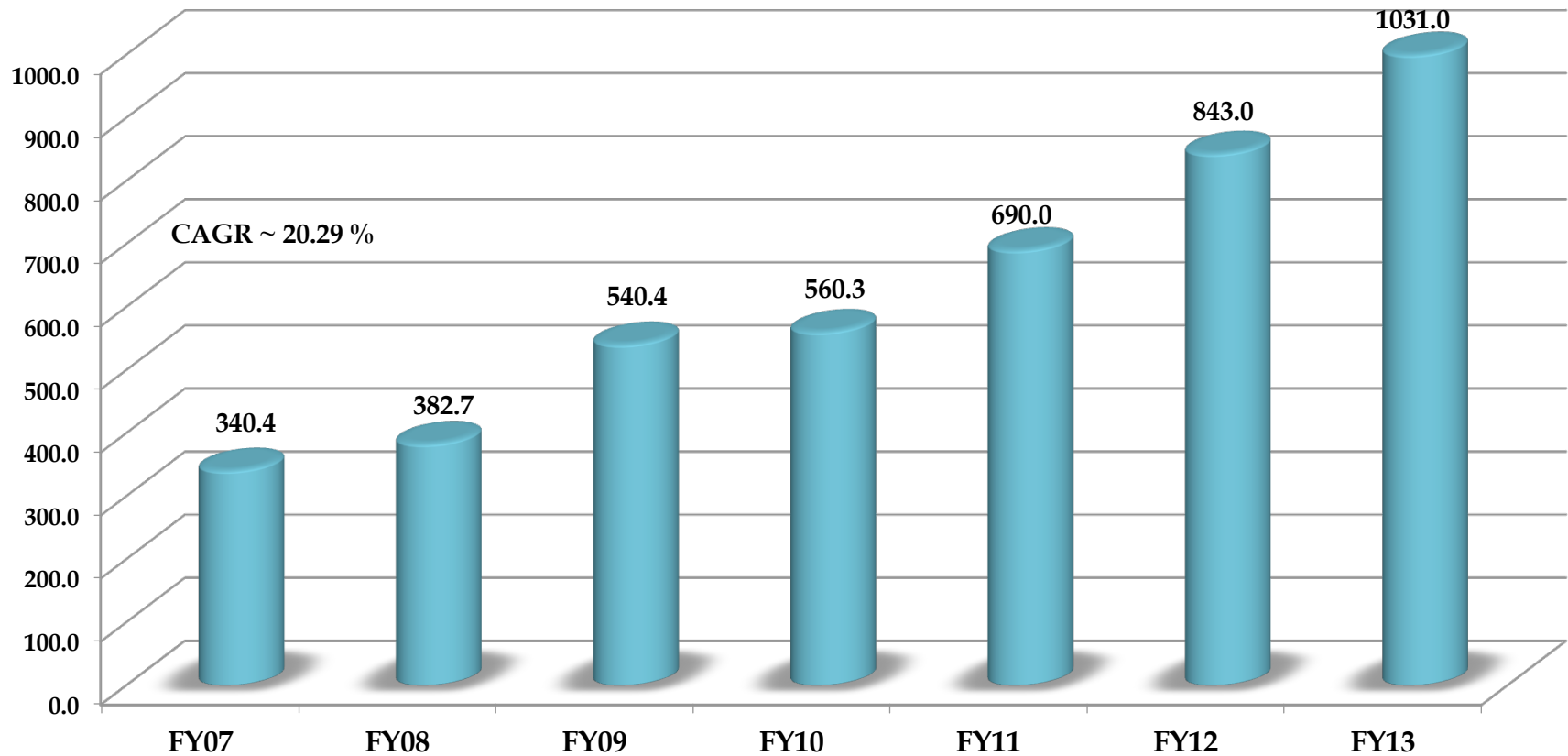


Overseas Income – up- 203 %



Overseas Income

(Rs. Million)

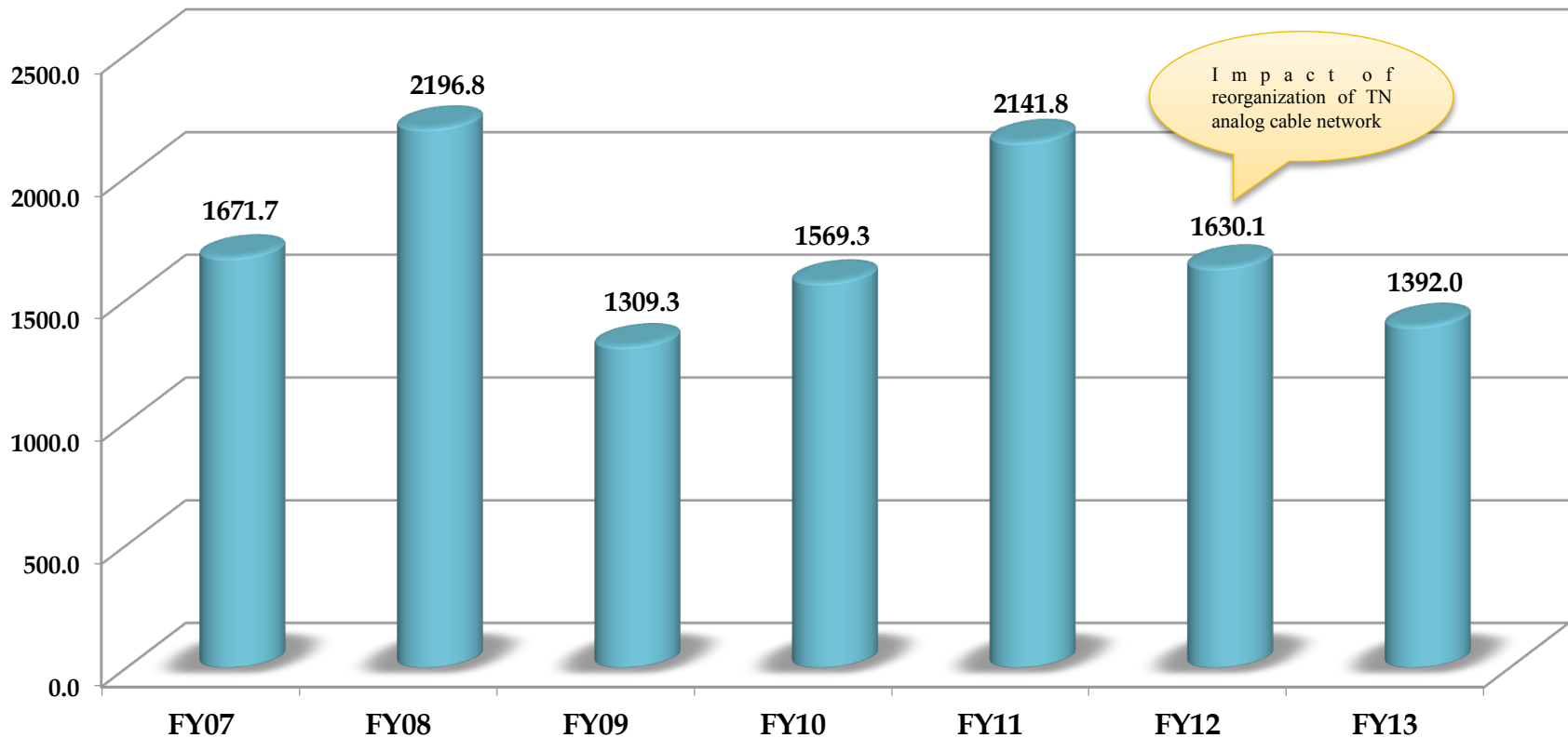


Pay Channel Revenue



Pay Channel Revenue

(Rs. Million)

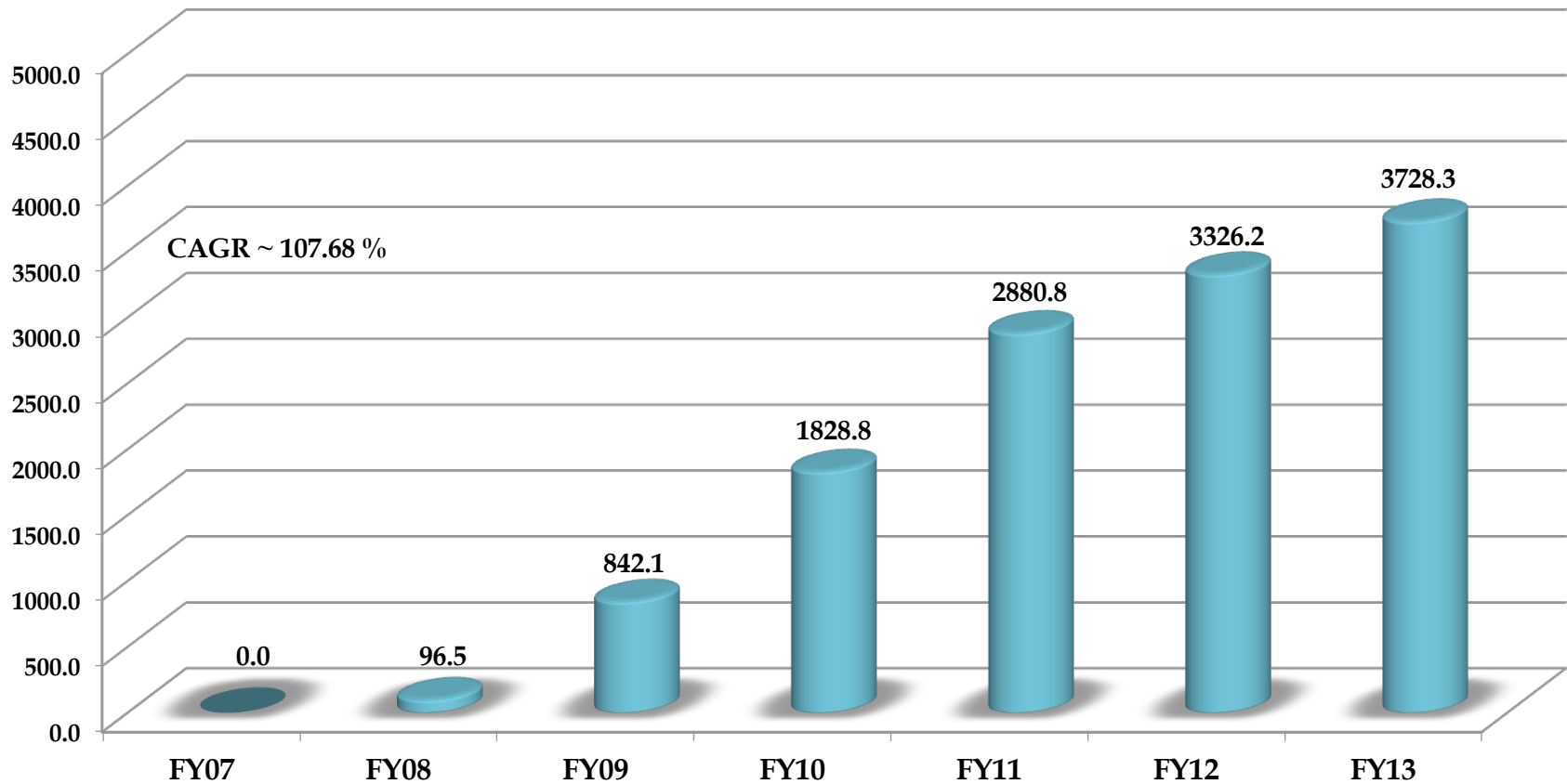


DTH Revenue - up- 3,290 %



DTH Revenue

(Rs. Million)

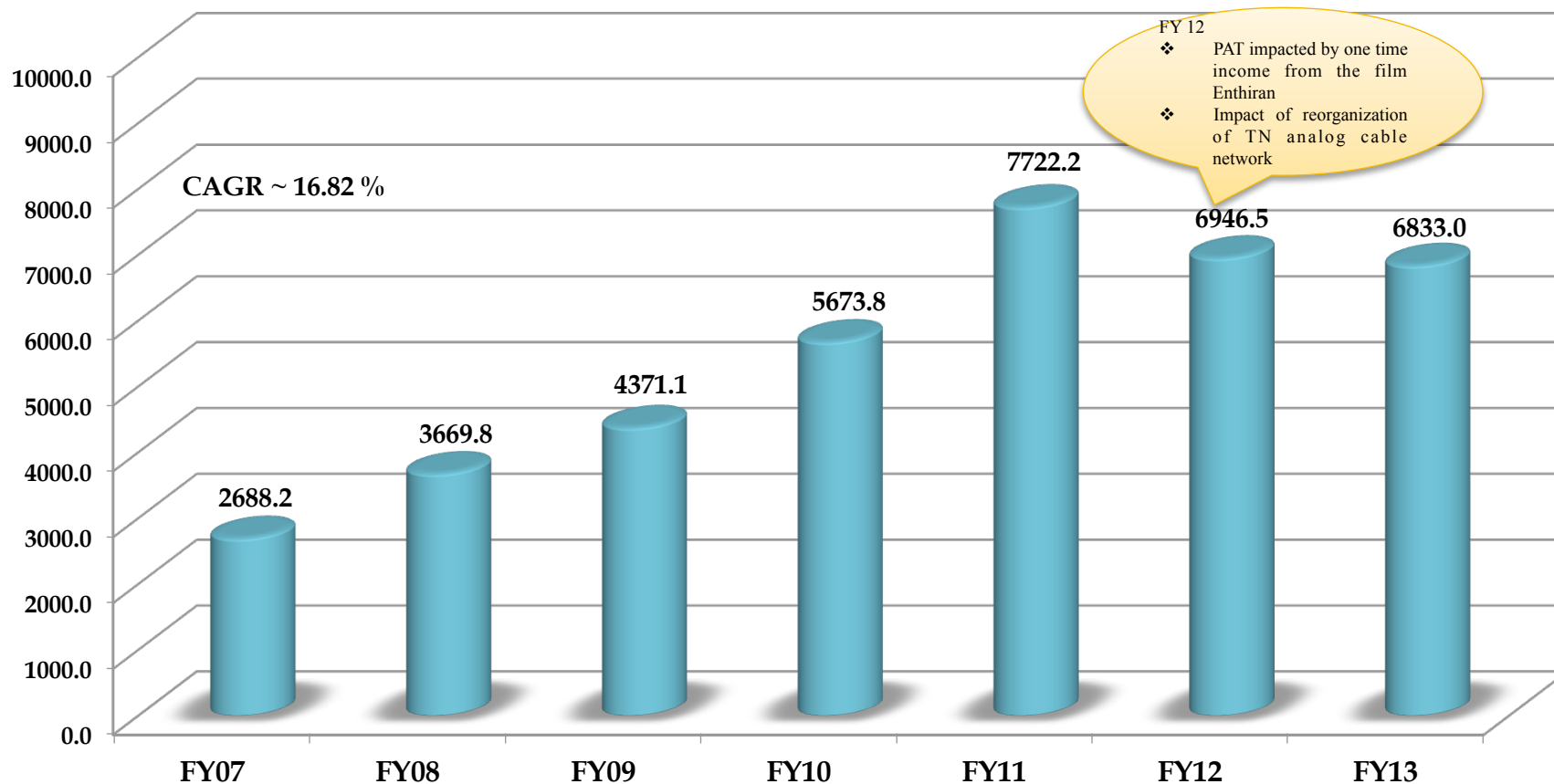


Profit after Tax – up- 154 %



Profit after Tax (PAT)

(Rs. Million)



Dividend Payout



	units	FY07 (Audited)	FY08 (Audited)	FY09 (Audited)	FY10 (Audited)	FY11 (Audited)	FY12 (Audited)	FY13 (Audited)
Profit After Taxes	Rs mn	2,688	3,670	4,371	5,674	7,722	6,947	6,833
Dividend	%	31.00	50.00	50.00	150.00	175.00	190.00	190.00
Dividend Paid	Rs mn	697	1,153	1,153	3,449	4,015	4,351	4,351
Dividend Payout	%	25.9	31.4	26.4	60.8	52.0	62.6	63.7

Thank You