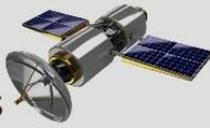


**Captive audience, customized content & audited displays**

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



# Q1 FY16 Results Presentation

August 12, 2015

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

**UFO**  
digital cinema  
UFO Movies India Limited



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

### Indian Film Industry's Largest Content Distribution Highway

**4,965\***  
Digital Screens in India

**~2.18 million**  
Seating capacity per show

Digitally Delivered **~427** Movies  
for **~1,134** Distributors in Q1FY16

Across **1,935**  
Locations

### India's Largest In-cinema High Impact Advertising Platform

**3,728**  
In Cinema Advertising Screens

with an average weekly seating capacity of  
**~51 million**

**~874** Advertisers in Q1FY16

Across **1,918**  
Locations

Data as on June 30, 2015

\* Nepal forms a part of the Indian Film Territory, hence the # of digital screens includes 104 screens in Nepal

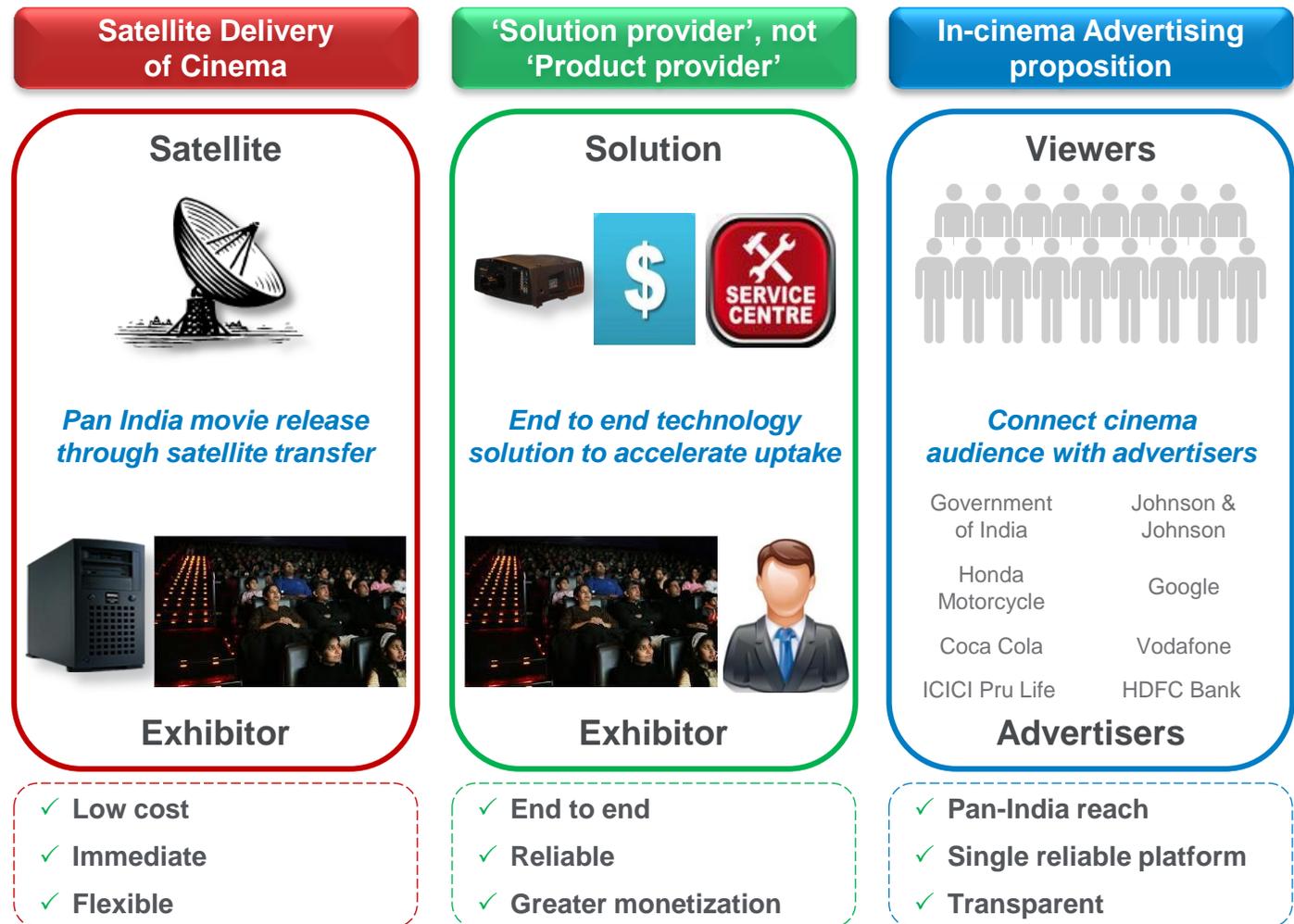
# UFO's Innovative Solution for Analog Cinema Market

## Analog Cinema Era beset with Issues...



- ✗ Staggered release
- ✗ Poor distribution
- ✗ Piracy leakage
- ✗ Lower box office collections
- ✗ Damaged reels

## ... UFO's Innovative Solution



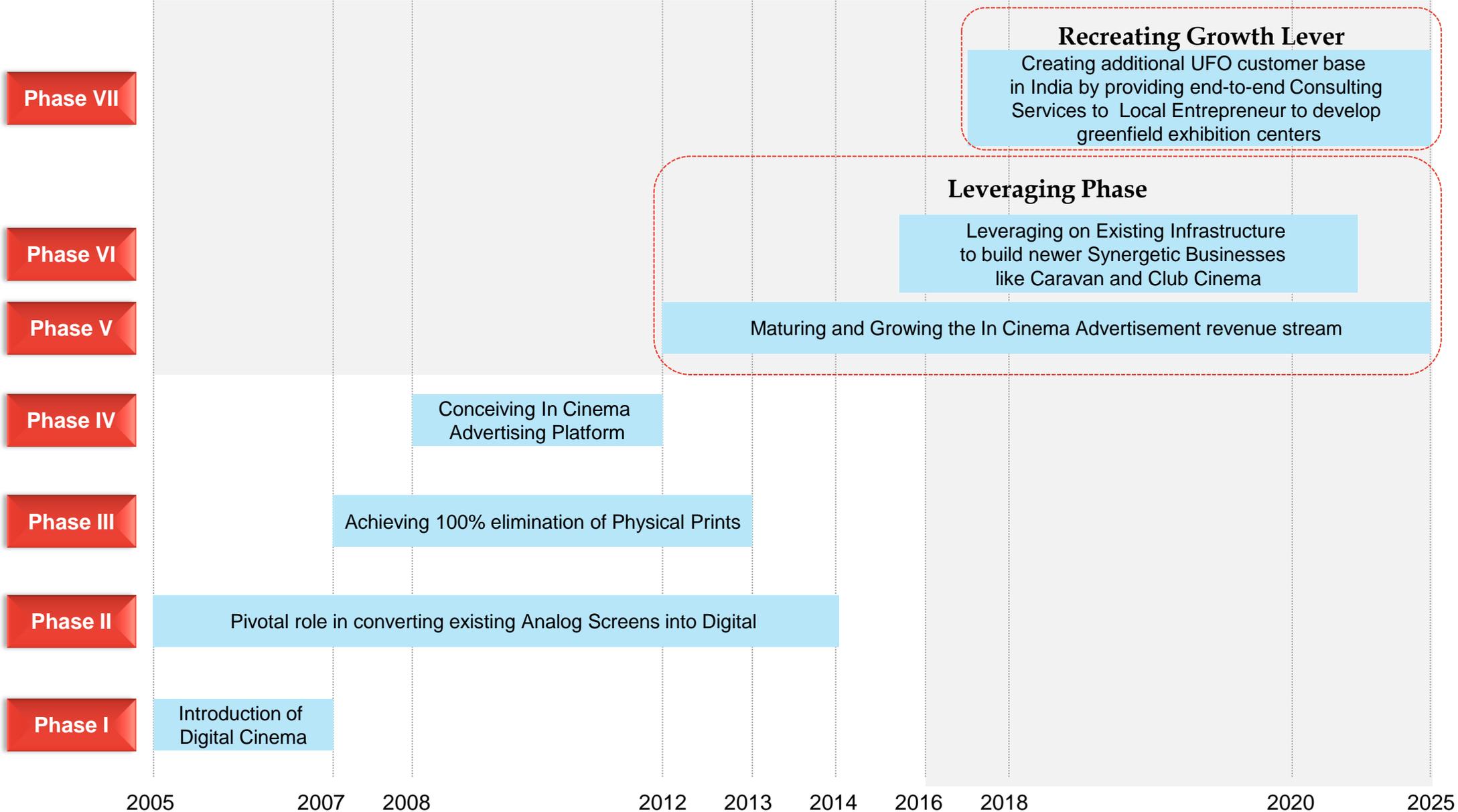
# Philosophy – Value Creation Across the Value Chain



Digitization has redefined film economics by enabling pan-India releases on day one and improving viewing experience. Aggregated ad inventory across a fragmented exhibitor base has created a unique ad platform with high effectiveness and reach.

	UFO Proposition	Stakeholder Impact
Exhibitors	<ul style="list-style-type: none"> <li>• Enable digitization of screens                             <ul style="list-style-type: none"> <li>– Provides installation, investment and maintenance services for digital cinema systems</li> <li>– Receive fresh / “first-day first-show” content</li> <li>– Access to almost all films released historically</li> </ul> </li> <li>• Effectively monetize ad inventory</li> </ul>	<ul style="list-style-type: none"> <li>• Content variety clubbed with high quality viewing experience</li> <li>• Higher theatrical revenues given day and date release</li> <li>• Operational flexibility &amp; simplicity</li> <li>• Ad revenue upside</li> </ul>
Content Owner / Distributor	<ul style="list-style-type: none"> <li>• Pan-India release</li> <li>• Fully secure, encrypted signal</li> <li>• Pay per show model</li> <li>• Low cost distribution even for under-served smaller markets</li> </ul>	<ul style="list-style-type: none"> <li>• Increased box office revenues</li> <li>• Reduced piracy</li> <li>• Reduced distribution costs</li> </ul>
Advertisers	<ul style="list-style-type: none"> <li>• Aggregate ad inventory in 3,728 screens (including 359 D-Cinema screens); seating capacity of ~1.83 mn viewers per show across India as on June 30, 2015</li> <li>• Centralized scheduling</li> <li>• Flexible and customizable ad platform</li> </ul>	<ul style="list-style-type: none"> <li>• Growing usage by advertisers                             <ul style="list-style-type: none"> <li>– Targeted advertising</li> <li>– High impact medium</li> <li>– Transparency</li> <li>– Multi-language flexibility</li> </ul> </li> </ul>

# Our vision



## Capital Intensity –

- Initial high capital intensity over; poised to generate higher revenues with lower incremental capex.

## Capital Efficiency –

- Network Effect and Operational Efficiencies lead to increasing RoCE.

## Capital Allocation –

- Intent to grow only in synergistic businesses with low content risk.

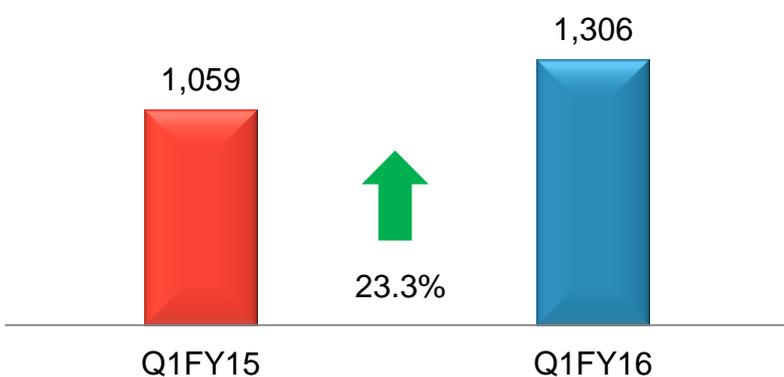
## Capital Distribution –

- Intent to distribute  $\geq 25\%$  of PAT, starting FY16.

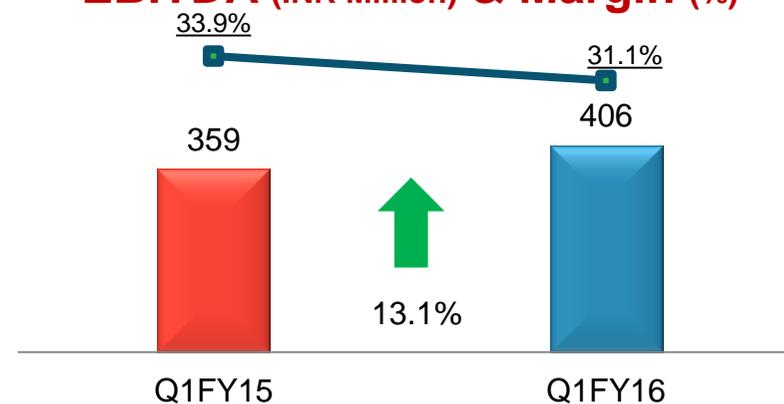
# Financial and Operating Highlights

# Consolidated Financial Highlights

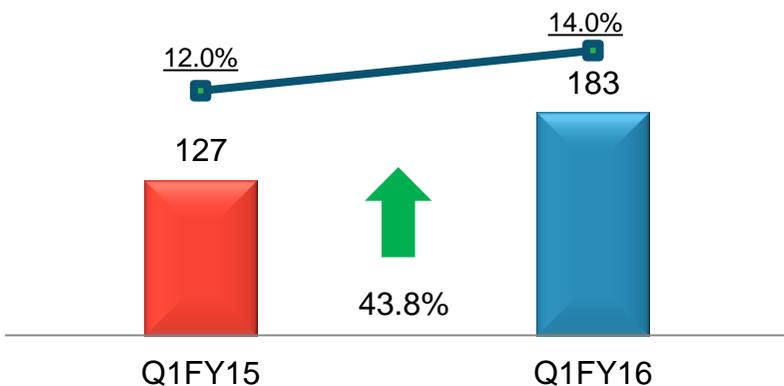
## Total Revenue (INR Million)



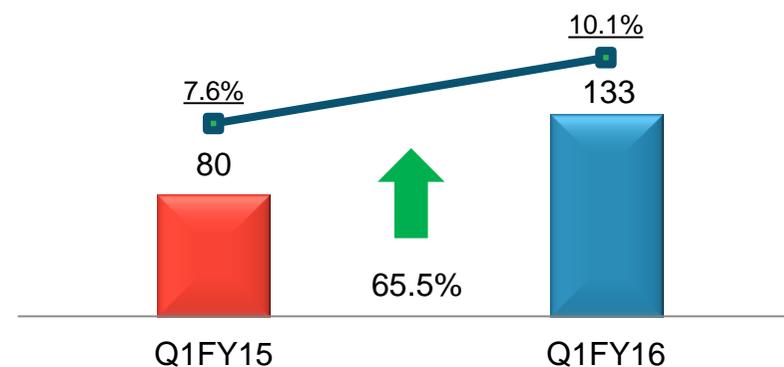
## EBITDA (INR Million) & Margin (%)



## PBT (INR Million) & Margin (%)



## PAT\* (INR Million) & Margin (%)



\*PAT after Minority Interest

# Driving Wide Spread Release of Movies on UFO Network



## Top 10 Hindi

Release Date	Movie	# of Screens
1-May	GABBAR IS BACK	2,485
19-Jun	ABCD ANY BODY CAN DANCE 2 (2D)	2,315
5-Jun	DIL DHADAKNE DO	2,061
22-May	TANU WEDS MANU RETURNS	1,998
17-Apr	MR. X (2D)	1,926
10-Apr	EK PAHELI LEELA	1,879
15-May	BOMBAY VELVET	1,827
12-Jun	HAMARI ADHURI KAHANI	1,578
29-May	WELCOME 2 KARACHI	1,367
8-May	KUCH KUCH LOCHA HAI	1,281

## Top 10 Telugu

Release Date	Movie	# of Screens
10-Apr	S/O. SATYA MURTHY	792
15-May	N.B.K. LION	548
27-Mar	JIL	533
27-Mar	REY	446
29-May	PANDAGA CHESUKO	444
1-May	GANGA (MUNI - 3)	442
24-Apr	DOCHAI	335
29-May	RAKSHASUDU	312
12-Jun	JYOTHILAKSHMI	301
12-Jun	KERINTHA	221

## Top 10 Marathi

Release Date	Movie	# of Screens
1-May	TIME PASS 2	560
26-Jun	KILLA	359
22-May	AGA BAI ARECHYA 2	304
3-Apr	COFFEE AANI BARACH KAHI	227
26-Jun	WELCOME ZINDAGI	200
17-Apr	COURT	188
29-May	A PAYING GHOST	166
27-Mar	JUST GAMMAT	162
5-Jun	SANDOOK	142
15-May	YUDH	104

## Top 10 Tamil

Release Date	Movie	# of Screens
29-May	MASSU ENGIRA MASILAMANI	432
17-Apr	KANCHANA 2	377
3-Apr	KOMBAN	338
17-Apr	O KADHAL KANMANI	261
3-Apr	NANNBENDA	236
1-May	UTTAMA VILLAIN	214
27-Mar	VALIYAVAN	201
12-Jun	ROMEO JULIET	162
19-Jun	ELI	140
15-May	PURAMPOKKU ENGIRA PODHUVUDAMAI	125

# of screens reflects the # of screens the movie released on UFO network across the lifetime of the Movie

Continued...

# Driving Wide Spread Release of Movies on UFO Network



## Top 10 Malyalam

Release Date	Movie	# of Screens
27-Mar	ENNUM EPPOZHUM	239
17-Apr	BHASKAR THE RASCAL	227
29-May	PREMAM	224
27-Mar	ORU VADAKKAN SELFIE	193
8-May	ORU II CLASS YATHRA	186
15-May	LAILAA O LAILAA	182
20-Mar	100 DAYS OF LOVE	174
1-May	CHANDRETTAN EVIDEYA	159
20-Feb	FIRE MAN FIRE MAN ON A MISSION	131
3-Apr	IVAN MARYADARAMAN	112

## Top 10 Kannada

Release Date	Movie	# of Screens
5-Jun	RANNA	218
10-Apr	RANAVIKRAMA	203
20-Mar	KRISHNA LEELA	185
12-Jun	VAJRAKAYA	183
1-May	ENDENDIGU	130
3-Apr	VAASTU PRAKAARA	122
26-Dec	MR. AND MRS. RAMACHARI	121
8-May	REBEL	113
15-May	MRUGHASHIRA	111
24-Apr	MAHAKAALI	109

## Top 10 Punjabi

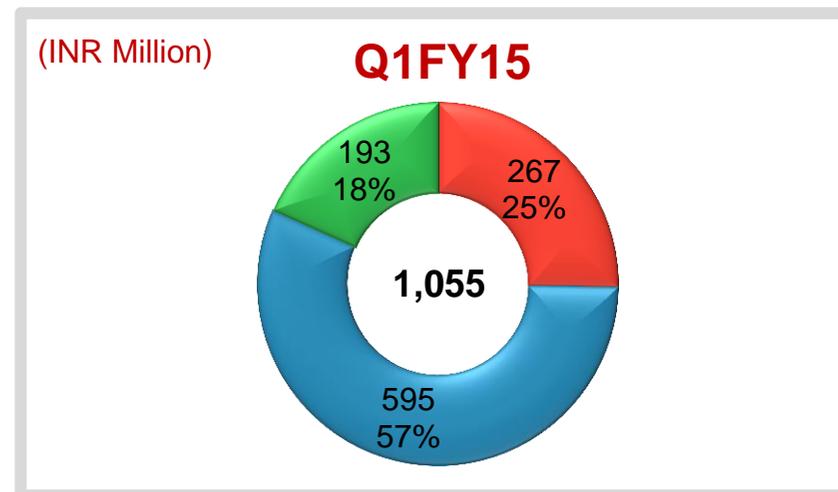
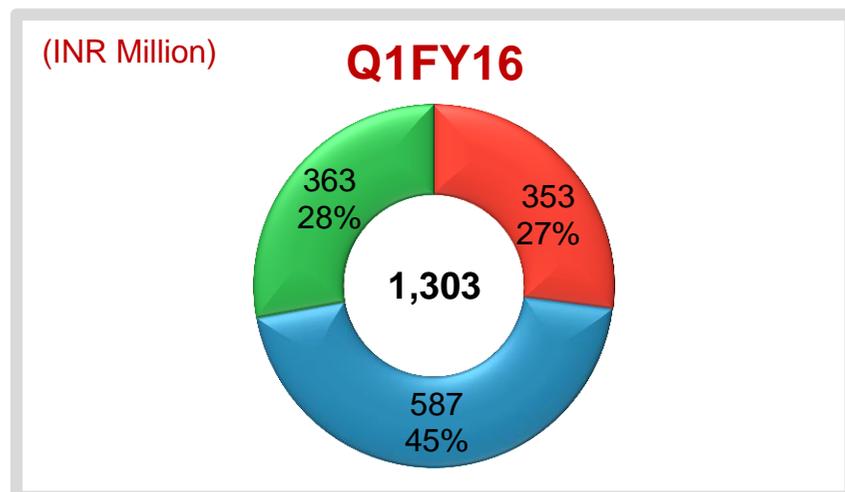
Release Date	Movie	# of Screens
26-Jun	SARDAAR JI	233
29-May	GADAAR THE TRAITOR	127
24-Apr	YAARANA	100
22-May	OH YAARA AINVAYI AINVAYI LUT GAYA	93
27-Mar	PUNJABIAN DA KING	79
8-May	MITTI NA PHAROL JOGIYA	68
3-Apr	GUN & GOAL	60
19-Jun	CHooriyan	51
10-Apr	LEATHER LIFE	46
1-May	THE BLOOD STREET CHALLENGE TO THE SYSTEM	43

## Top 10 Bhojpuri

Release Date	Movie	# of Screens
6-Mar	PATNA SE PAKISTAN	192
22-May	NIRAHUA RICKSHAWALA 2	181
3-Apr	MAIN HOO HERO NO.1	163
27-Mar	TU MERA HERO	129
17-Apr	PANDIT JI BATAYI NA BIYAH KAB HOYI -2	106
20-Mar	BAAJ GAYEEL DANKA	103
5-Jun	HASEENA MAAN JAAYEGI	102
13-Feb	HUKUMAT	88
26-Jun	BANDHAN	76
5-Jun	BIN BAJAWA SAPERA	71

# of screens reflects the # of screens the movie released on UFO network across the lifetime of the Movie

# Consolidated Revenue Mix



Exhibitors Revenue



Distributor Revenue



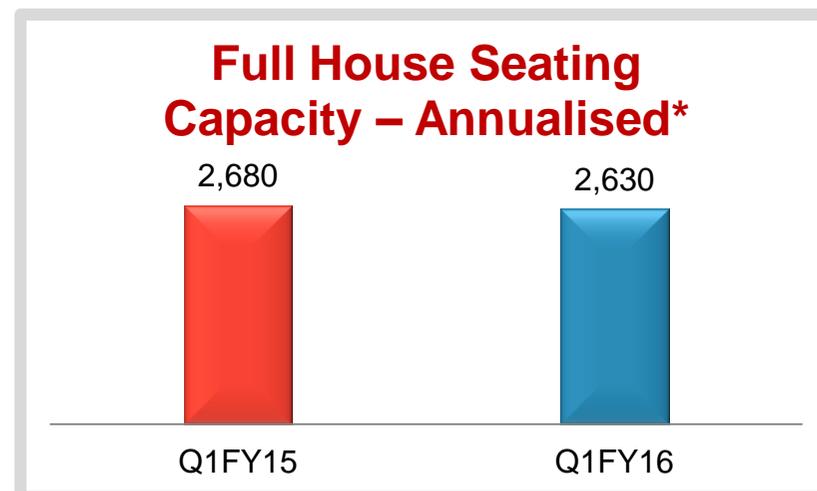
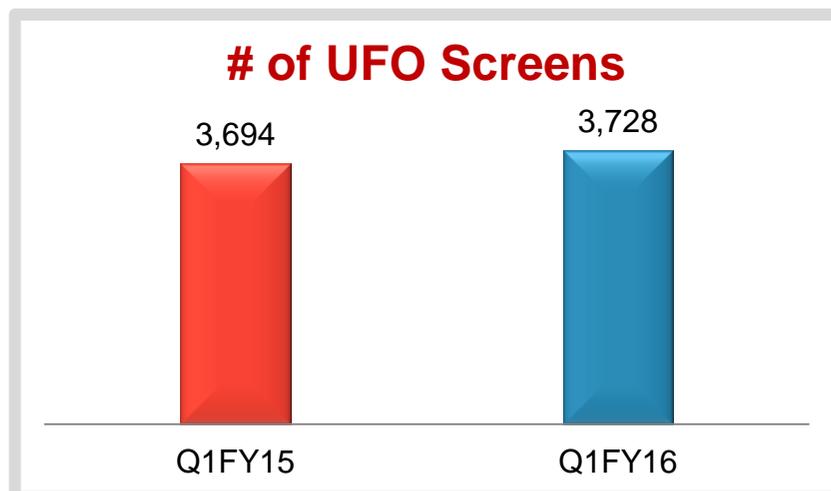
Advertisement Revenue

(in Rs. Million)	Q1FY16	Q1FY15	Growth
Advertisement revenue	363	193	87.7%
Virtual Print Fees - E-Cinema	228	200	14.1%
Virtual Print Fees - D-Cinema	344	379	-9.3%
Lease rental income - E-Cinema	94	86	9.6%
Lease rental income - D-Cinema	42	39	7.9%
Other Operating Revenues	45	35	28.2%
<b>Total Sale of Services</b>	<b>1,115</b>	<b>932</b>	<b>19.7%</b>
<b>Total Sales of Products</b>	<b>188</b>	<b>123</b>	<b>52.3%</b>
<b>Revenue from operations</b>	<b>1,303</b>	<b>1,055</b>	<b>23.5%</b>

# In Cinema Advertising Performance

# In Cinema Advertisement Operating Parameter

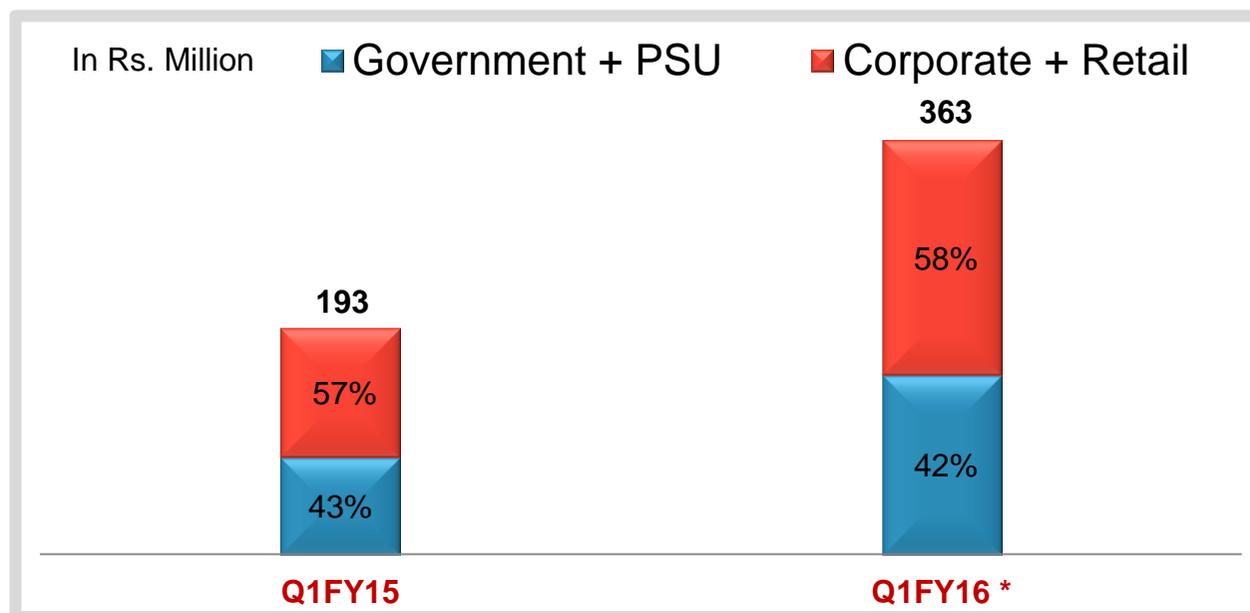
in Million Seats



Q1FY16	Top 50 Cities		Rest of India	
	Multiplex	Single	Multiplex	Single
# of UFO Screens	372	502	449	2,405
*Full House Seating Capacity – Per Show All Screens	95,976	317,766	131,108	1,281,865
Seating Capacity Per Screen Per Show	258	633	292	533
Full House Seating Capacity – Annualised	138,205,440	457,583,040	188,795,520	1,845,885,600

\*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

# Advertisement Revenue Analysis



In Cinema Advertisement	Q1FY16	Q1FY15
# of Screens with Ad Rights	3,728	3,694
Ad Revenue / Screen for the quarter (Avg) (Rs.)	93,098	53,085
Average # of minutes sold / show / Ad Screen	3.81	2.13
# of In Cinema Advertising Clients	874	619

\* Includes Advertisement revenues of Rs. 13.36 million from Caravan Talkies

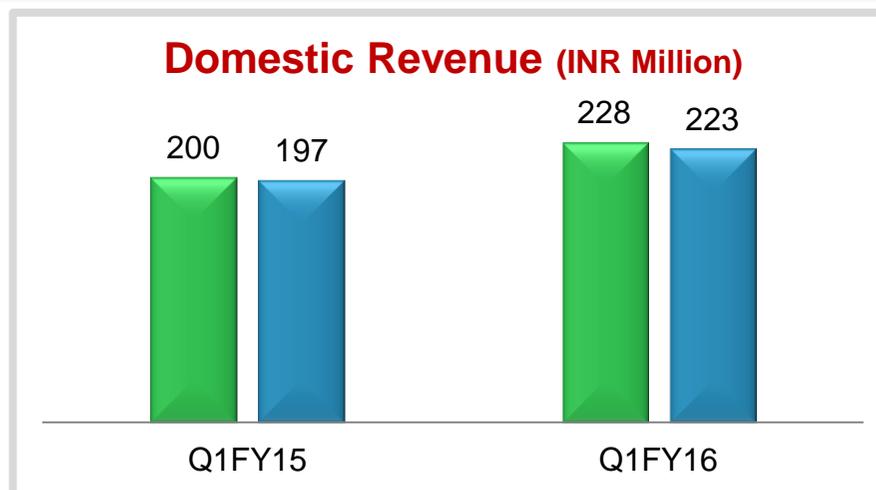
# of minutes sold / show / Ad Screen is calculated by dividing total # of advertisement minutes sold by average # of advertisement screens during the period

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

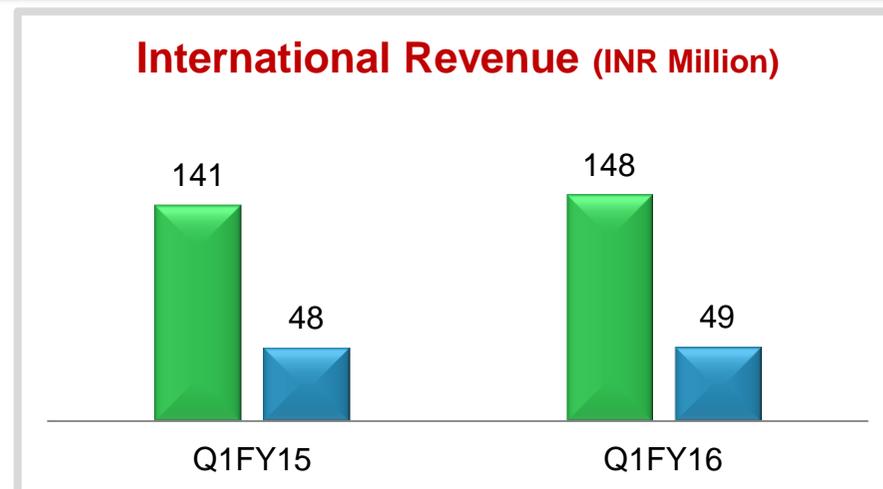
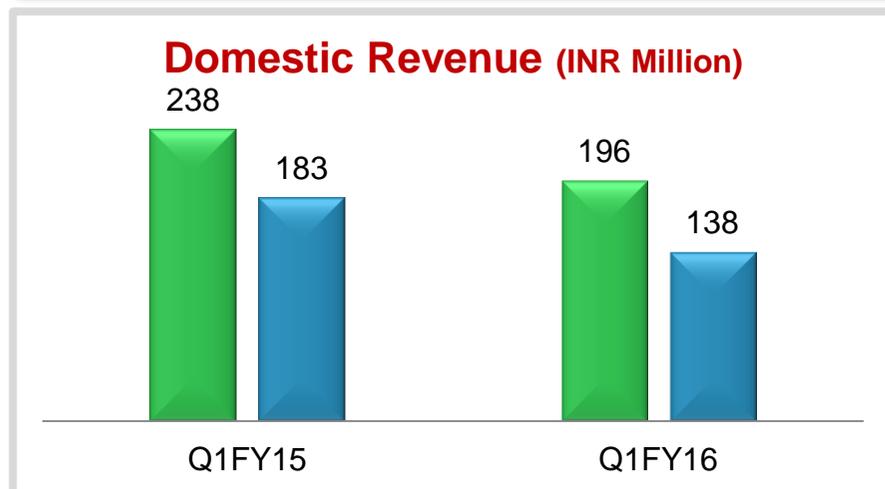
# Theatrical Revenues

# Theatrical revenues from Distributors

## E – Cinema - VPF



## D – Cinema - VPF



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

# Operating Parameter – VPF Revenue India

# of Screens *	Q1FY16	Q1FY15
E – Cinema	3,504	3,437
D – Cinema	1,461	1,438
Total	4,965	4,875

\* Total # of Screens as on March 31, 2015

VPF Revenue / Screen (Average**) (in Rs.)	Q1FY16	Q1FY15
E – Cinema Gross	64,674	59,007
E – Cinema Net	63,282	58,203
D – Cinema Gross	133,159	164,152
D – Cinema Net	93,629	126,001

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

# Operating Parameter – VPF Revenue International

<b>Number of Screens</b>	<b>Q1FY16</b>	<b>Q1FY15</b>
Total	850	821

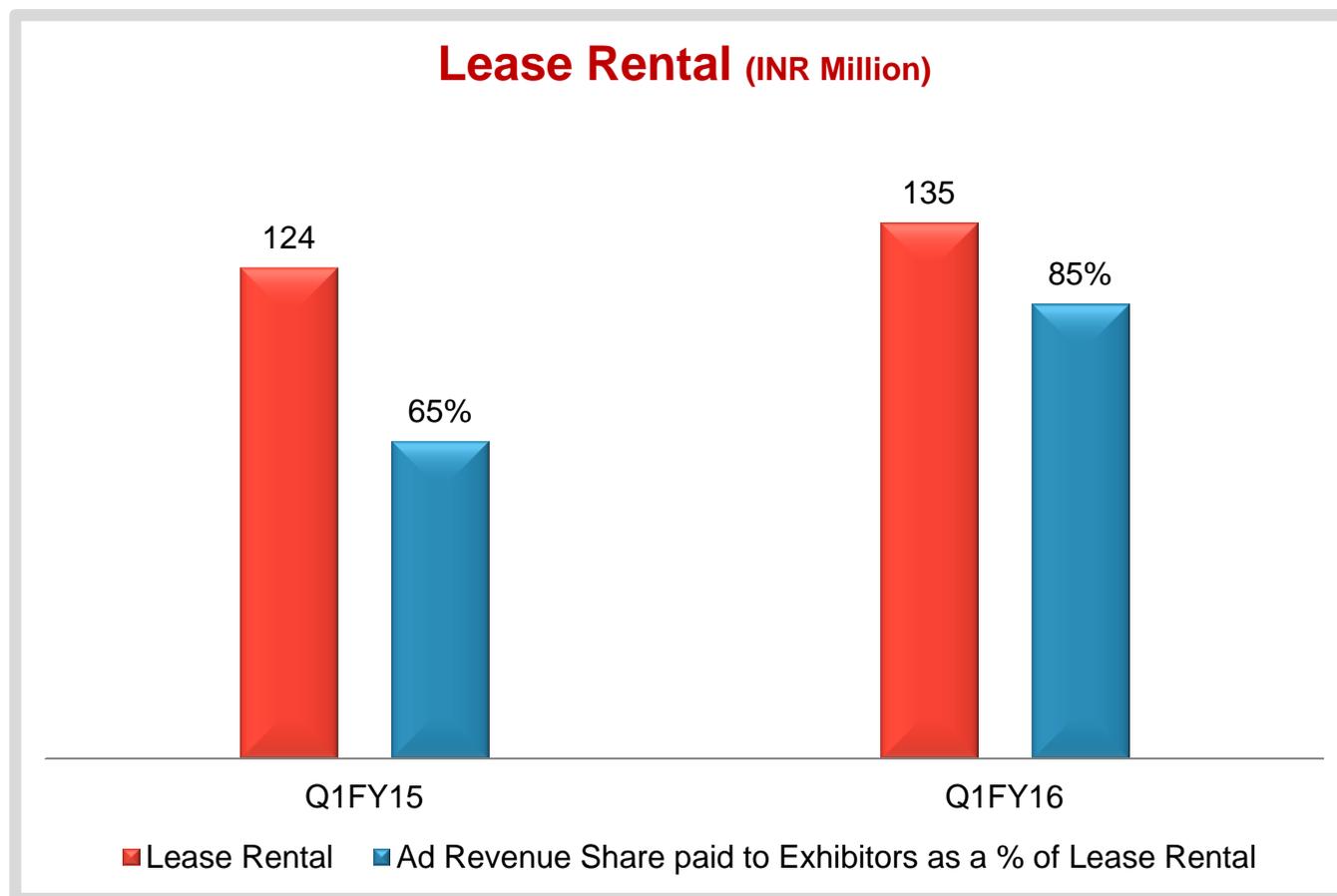
\* Total # of Screens as on March 31, 2015

<b>VPF Revenue / Screen (Average) (in Rs.)</b>	<b>Q1FY16</b>	<b>Q1FY15</b>
D – Cinema Gross	175,405	173,750
D – Cinema Net	57,642	59,389

Total number of Screens includes Middle East and Israel only

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

# Rental Revenues from Exhibitors and Ad Revenue Share



**Hollywood Studio released English movies on E Cinema for the first time**



## **Fast and Furious 7**

Released on April 2, 2015 across 1,598 E-Cinema Screens on UFO



## **Jurassic World**

Released on June 12, 2015 across 1,543 E-Cinema Screens on UFO

**The only Hollywood movies to enter the 100 Crore Club**

# Financial Performance

# Consolidated Results

<b>(in Rs. Million)</b>	<b>Q1FY16</b>	<b>Q1FY15</b>	<b>Growth</b>
Revenue from Operations	1,303	1,055	23.5%
Other Income	2	4	-35.7%
<b>Total Revenue</b>	<b>1,306</b>	<b>1,059</b>	<b>23.3%</b>
<b>Total Expenses</b>	<b>900</b>	<b>700</b>	<b>28.6%</b>
<b>EBITDA</b>	<b>406</b>	<b>359</b>	<b>13.1%</b>
<i>EBITDA Margin</i>	31.1%	33.9%	
Depreciation and Amortisation	192	183	4.8%
<b>EBIT</b>	<b>214</b>	<b>176</b>	<b>21.6%</b>
Finance Cost	41	57	-28.2%
Finance Income	10	8	20.1%
<b>PBT</b>	<b>183</b>	<b>127</b>	<b>43.8%</b>
Tax	55	36	52.1%
<b>PAT</b>	<b>128</b>	<b>91</b>	<b>40.6%</b>
Profit from Associates	9	3	177.0%
Minority Interest	4	14	-69.1%
<b>PAT, Profit from Associates &amp; Minority Interest</b>	<b>133</b>	<b>80</b>	<b>65.5%</b>
<i>PAT Margin</i>	10.1%	7.6%	
<b>EPS*</b>	<b>5.12</b>	<b>3.09</b>	<b>65.5%</b>

\*EPS is calculated by dividing PAT, Profit from Associated & Minority Interest by # of shares outstanding

# Consolidated Expenditure Analysis

<b>Expenses as a % of Total Revenue</b>	<b>Q1FY16</b>	<b>Q1FY15</b>
<b>1) Total Operating Direct Cost</b>	<b>43.3%</b>	<b>39.0%</b>
<b>Key Operating Direct Cost Components</b>		
<i>i) Advertisement revenue share payment</i>	<u>8.8%</u>	<u>7.6%</u>
<i>ii) VPF D-Cinema share payment to D-Cinema Exhibitors</i>	<u>12.4%</u>	<u>14.3%</u>
<i>iii) Purchase of Equipments, Lamps and Spares</i>	<u>11.8%</u>	<u>8.9%</u>
<b>2) Employee Benefit Expenses</b>	<b>12.4%</b>	<b>12.7%</b>
<b>3) Other Expenses (SG&amp;A )</b>	<b>13.3%</b>	<b>14.4%</b>
<b>Total Expenses</b>	<b>68.9%</b>	<b>66.1%</b>
<b>EBITDA Margin</b>	<b>31.1%</b>	<b>33.9%</b>

# Shareholding

<b>(% of Total Capital)</b>	<b>June 30, 2015</b>
Promoters	28.90%
Foreign Venture Capital Investors	20.28%
FII	8.99%
DII	12.71%
Corporate Bodies	6.42%
Foreign Bodies	11.50%
Others	11.20%
<b>Total # of Shares</b>	<b>25,897,669</b>

## Marquee Institutional Investors

SBI Mutual Fund
Reliance Capital Asset Management
PineBridge Investments
Amundi Asset Management
Jupiter Fund Management
Nomura Singapore Limited
Grandeur Peak Global Advisors
Ashmore Investment Management
Kotak Mahindra Mutual Fund
Max Life Insurance
Bharti AXA Life Insurance

## 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 June 30, 2015, UFO's global network, along with subsidiaries and associates, spans 6,585 screens worldwide, including 4,965 screens across India and 1,620 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's has created a pan India, high impact in-cinema advertising platform with generally long-term advertising rights to 3,728 screens, with an aggregate seating capacity of approximately 1.83 million viewers and a reach of over 1,900 locations across India, as at June 30,2015. 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.

### For further details, please contact:

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