Sun TV Network Limited

The Sun never sets in the South !

JUNE 2018

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 Sun TV Network Ltd. (STNL) 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", "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
- Sun NXT – Online Video Streaming Platform

Corporate Structure

Sun TV Network Limited
(Satellite Broadcasting, FM Radio, Production, Entertainment)

- 98.18 % subsidiary: **Kal Radio Ltd (Radio)**
  - 18 FM Radio licenses
  - Focused on southern cities
  - 6 more FM Stations in pipe line in Batch-2 of Phase-III
- 59.44 % subsidiary: **South Asia FM Ltd (Radio)**
  - 28 FM Radio licenses
  - Focused on Northern, Eastern & Western parts of the country
  - 7 More FM Stations in pipe line in Batch-2 of Phase-III
  - **Strategic alliance with RED FM** (Radio) 48.9 % beneficial interest
    - 5 FM Radio stations - Mumbai (2), Delhi, Jodhpur and Kolkata. 1 more in pipe line in Srinagar
- Divisions of STNL
  - **Sun Pictures** (Movie Distribution /Production)
  - **SunRisers Hyderabad** (IPL Franchise)

Presence across genres in 4 States with 33 channels

State / Language Channels	Tamil Nadu / Tamil	Andhra Pradesh & Telangana / Telugu	Karnataka / Kannada	Kerala / Malayalam
General Entertainment	TV	GEMINI	UDAYA	SURYA
Movies	KTV	GEMINI MOVIES	UDAYA MOVIES	SURYA MOVIES
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	SURYA COMEDY
High Definition	TV HD MUSIC HD KTV HD	GEMINI HD GEMINI MOVIES HD GEMINI MUSIC HD	UDAYA HD	SURYA HD
Life	SUN LIFE	GEMINI LIFE	---	---

India Overview

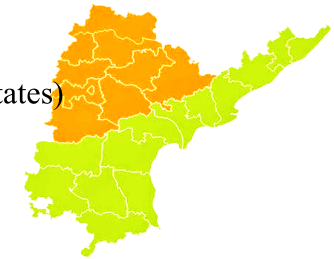
South Indian States have particularly strong fundamentals

Tamil Nadu

Area in Sq. Km (Rank):	130,058 (11)
Population (Rank):	72 mn (7)
Urbanization%:	48%
GDP in USD (Rank):	149 B (Top 5 states)
FDI Inflows ('00-'15) in USD:	17.9 B
Literacy Rate (%):	80.33
Language:	Tamil
Capital city:	Chennai
Official Government Website:	tn.gov.in

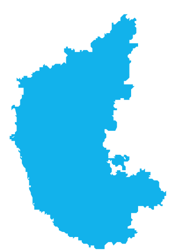
Andhra Pradesh + Telangana

Area in Sq. Km (Rank):	275,045 (4)
Population (Rank):	84.6 mn (5)
Urbanization%:	33%
GDP in USD (Rank):	145 B (Top 5 states)
FDI Inflows ('00-'15) in USD:	10.4 B
Literacy Rate (%):	67.03
Language:	Telugu
Capital city:	Hyderabad
Official Government Website:	ap.gov.in and telangana.gov.in



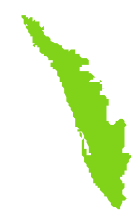
Karnataka

Area in Sq. Km (Rank):	191,791 (8)
Population (Rank):	61 mn (9)
Urbanization%:	39%
GDP in USD (Rank):	107 B (Top 10 states)
FDI Inflows ('00-'15) in USD:	17.5 B
Literacy Rate (%):	75.60
Language:	Kannada
Capital city:	Bangalore
Official Government Website:	karnataka.gov.in



Kerala

Area in Sq. Km (Rank):	38,863 (21)
Population (Rank):	33.4 mn (12)
Urbanization%:	48%
GDP in USD (Rank):	60 B (Top 15 states)
FDI Inflows ('00-'15) in USD:	1.2 B
Literacy Rate (%):	93.91
Language:	Malayalam
Capital city:	Thiruvananthapuram
Official Government Website:	kerala.gov.in

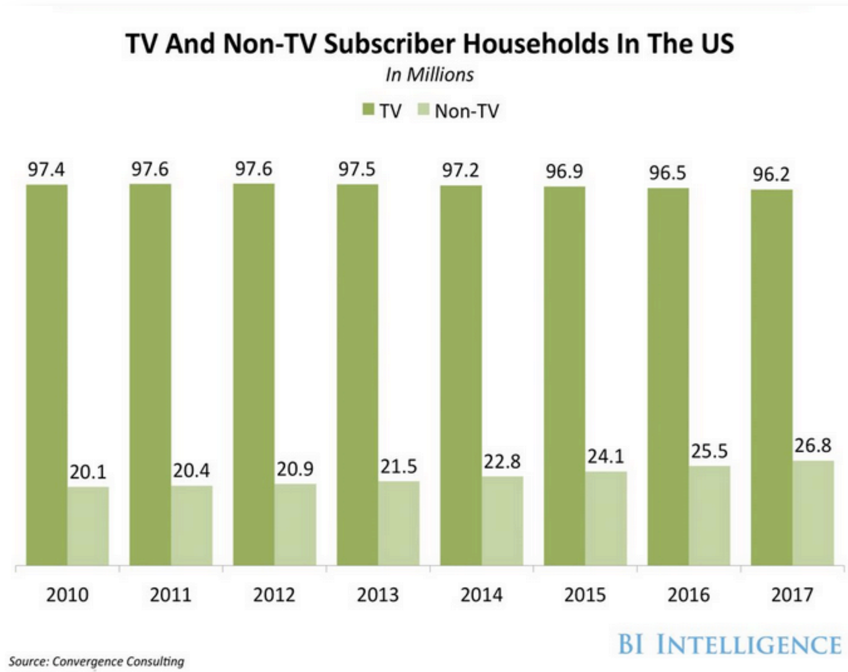


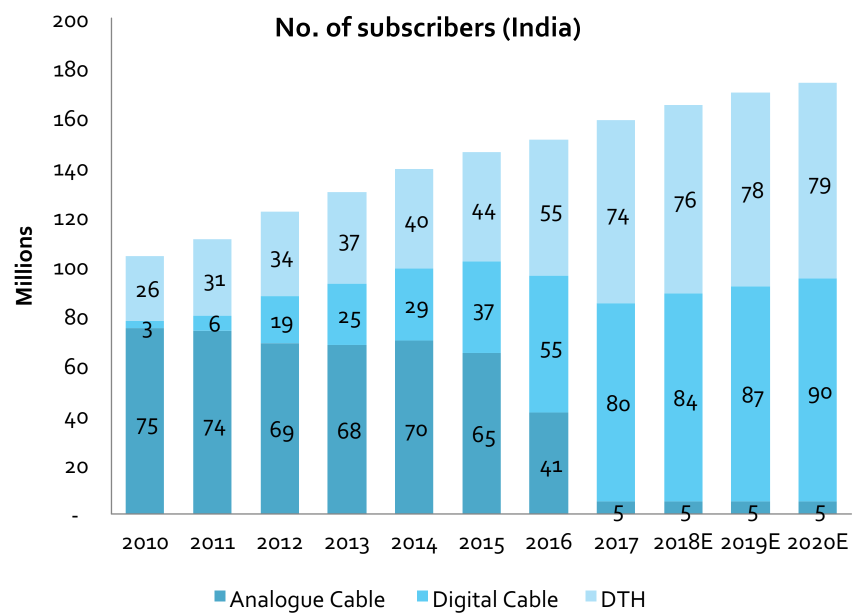
Source: Population, Urbanization% and Literacy data – Census 2011; GDP data – Planning Commission and Ministry of Statistics and Program Implementation; FDI Inflows data – Department of Industrial Policy and Promotion; Area, Language, Capital City and Govt. website data – Wikipedia

Television Broadcasting in India

Indian broadcasting market has tremendous growth potential

- Pay TV in India witnessing strong growth and is likely to keep growing organically, since it is only at 60% penetration[1]
- Bucking the stagnant / declining trend in linear pay TV in developed nations





1 – Number of Pay TV households in India – 149 Mn, Number of total households in India as per Census 2011 – 248 Mn

Source: US Pay TV subscriber data from Business Insider; India data from FICCI Media Report 2018

TV Revenues driven by Advertising and Subscription

2017 (India)		2020P (India)
TV Advertising spends Rs 267 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 368 bn
TV Distribution market Rs 393 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 → continues to offer a huge untapped growth opportunity	TV Distribution market Rs 494 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 2018

South India TV Broadcasting growing at rapid clip

Enviable Viewership Share

- South Indian Channels accounted for ~30 -32 % share of total viewership

Fast growing Ad market

- Addressable ad market pegged at Rs ~60 billion, growing at a fast pace
- South Indian Channels enjoy significant share of total ad revenues
- Regional TV in the South strongly backed by Regional / Local advertisers along with National advertisers

Large Subscription Revenue Potential

- South India has over ~60 mn households, with C&S penetration of 83%
- Digitization to enhance addressability of distribution market – a strong fillip to total subscription revenues

Source: FICCI Media Report 2018, Market Estimates

Overview of individual South Indian markets
(Sun Network is well distributed across these 5 states)

Tamil Nadu

Total Households: 18.5 Mn

TV Households (Penetration): (93%)

Major Active Tamil Channels: 51

- GEC: 17
- Movies: 3
- Music: 11
- News: 13
- Others: 7

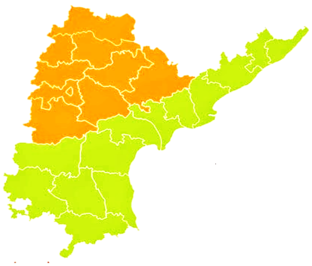
Andhra Pradesh & Telangana

Total Households: 20.9 Mn

TV Households (Penetration): (81%)

Major Active Telugu Channels: 36

- GEC: 4
- Movies: 6
- Music: 3
- News: 13
- Others: 10



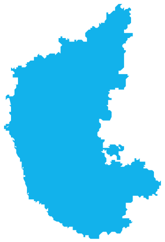
Karnataka

Total Households: 13.5 Mn

TV Households (Penetration): (82%)

Major Active Kannada Channels: 30

- GEC: 7
- Movies: 3
- Music: 3
- News: 12
- Others: 5



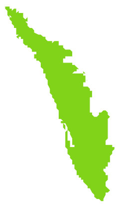
Kerala

Total Households: 8.1 Mn

TV Households (Penetration): (90%)

Major Active Malayalam Channels: 28

- GEC: 8
- Movies: 2
- Music: 2
- News: 9
- Others: 7



Source: Total Households, C&S Households and C&S Penetration – FICCI Media Report 2018 /Television - Market Estimates;

Sun TV Network's TV Broadcasting Business: Present

Dominant Leadership in South Indian TV market…

- Largest TV Network in South India; also the largest regional TV Network in India
  - Sun TV is the most watched channel in India today[1]
  - Largest in South India by penetration, viewership & ad revenues
  - Dominant market share in each of the states
  - Airs assortment of fiction and non-fiction content mixed with movies across channels

All India Aggregate Weekly Viewership [1]

Rank	Channel Name	Weekly ratings sum (000's)
1.	**Sun TV**	**1003545**
2.	Zee Anmol	734663
3.	STAR Bharat	732669
4.	Sony Pal	656749
5.	Zee TV	600263

Source: 1 - BARC Ratings for All India (Urban + Rural India), Period: Q4 FY 18. (Week 1 to 13, 2018) TG: All NCCS 2 Yrs

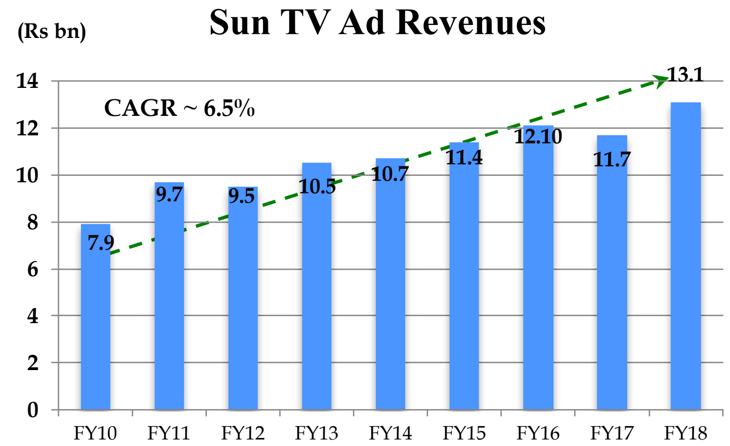
…Achieved Through Sound Business Practices

- **Committed to staying ahead of the curve**
  - **Innovation and leadership**
    - One of the first Regional GE channels in country to adopt HD
    - Forged early partnerships with OEMs to pre-load Sun TV app on their devices
  - **Segmenting the addressable market, ahead of digitization**
    - Established presence across key Pay TV genres that are likely to grow – Eg: Kids, Comedy, Action
  - **Investments in state of the art technology**
- **Strategic and Long-term Content Partnerships**
  - 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
  - Reorienting content production in line with new opportunities.

Strident Growth in Advertising Revenues…

- Advertising Revenue
  - TV remains the medium of choice for large advertisers in India
  - Increasing trends of higher ad spends in the South, driven by high per-capita income in South India
  - Leading to consistent growth for Sun TV's Ad Revenues

Language	Ad market size (Rs bn)
Tamil	20.0
Telugu	11.0
Kannada	8.0
Malayalam	6.0
Total	**45.0**



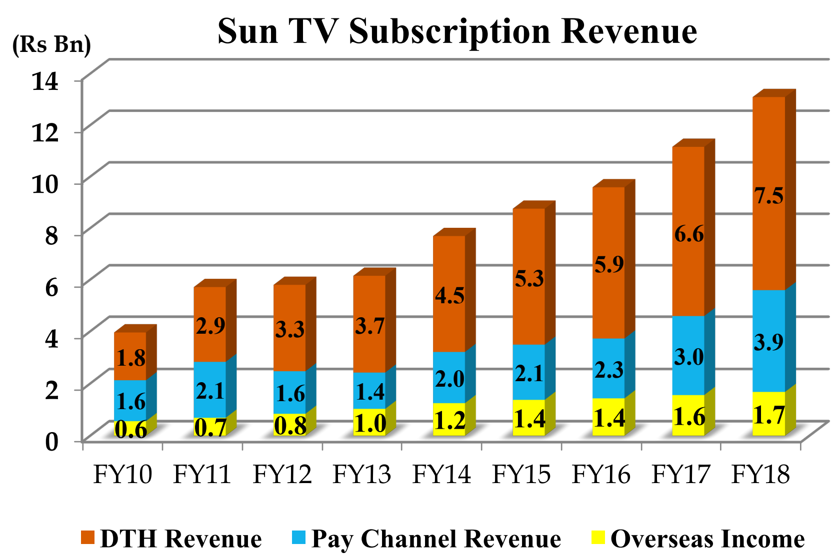
Source: KPMG / FICCI Indian Media and Entertainment Industry Report 2015 /Television / Market Estimates

…As well as in Subscription Revenues

Over 60% share of Subscription revenue from South India accrues to Sun TV Network

- DTH penetration is increasing at rapid pace
- Revenue opportunities from the South Indian diaspora in overseas markets being further tapped

Language	C&S households (mn)	Digital cable (mn)	DTH (mn)	Analog (mn)
TamilNadu	18.44	4.17	4.95	9.32
Andhra Pradesh & Telangana	18.02	11.02	4.69	2.31
Karnataka	11.38	6.25	4.28	0.85
Kerala	7.65	4.77	2.80	0.08
Total	**55.49**	**26.21**	**16.72**	**12.56**



Source: FICCI Media Report 2018 /Television - Market Estimates

Expanding Global Footprint aiding Subscription revenues

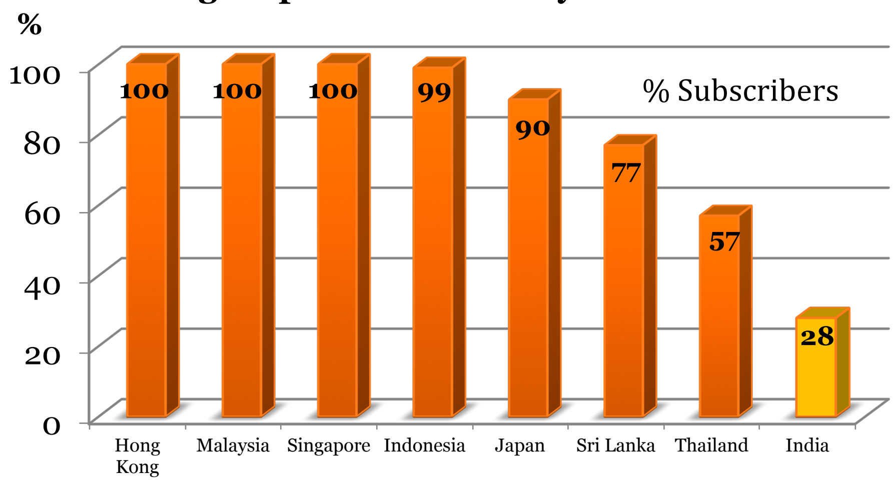
Paid subscriber base of over ~0.4 mn in overseas markets

Sun TV Network's TV Broadcasting Business: Future

Subscription Revenues will be key driver of growth

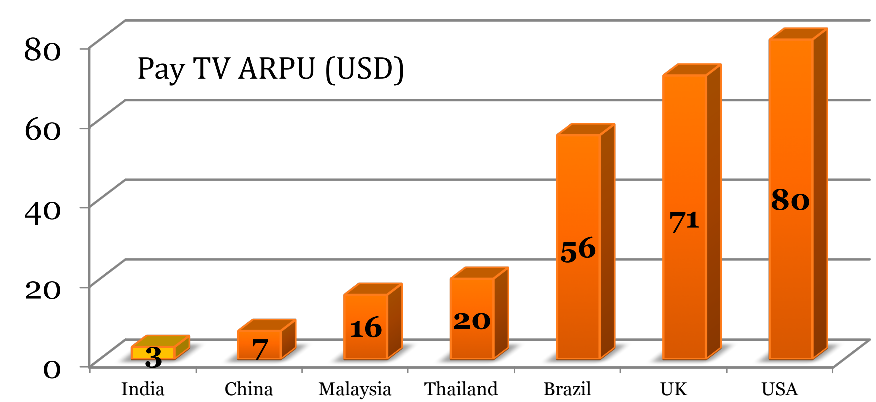
- In mature South Indian Markets, twin opportunities: Digitization + Growth in Pay TV ARPUs
  - Digitization will grow the addressable TV audience, improving subscription revenue realization
  - India's Pay TV ARPU among lowest in the world; Increase in ARPUs will further reduce dependence on advertising, ensuring growth even in times of wider economic stagnation

Digital penetration of Pay TV subscribers



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

India's pay TV ARPU less than most countries'



Source: PWC-CII Media Industry report

F M Radio Broadcasting

India's Largest FM Radio Network

- **Subsidiary and Associate Companies**
  - Kal Radio Limited and South Asia FM Limited
- **55 stations operational**
  - 7 stations under Brand Suryan FM in Tamil Nadu
  - 49 stations under Brand Red FM in the Rest of India
- **14 more licenses in Phase III and work in progress**
- **Strong Revenues from the Metro stations**
  - Metro stations account for largest % 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

55 FM Radio Stations operational in all important cities and towns in India & 14 stations in pipeline

India's Largest FM Radio Network
With a Pan India Footprint – 55 Stations

Tamil Nadu, Andhra Pradesh & Telangana - 13	Karnataka & Kerala - 9	West - 12	North & East - 21
Chennai	Bangalore	Ahmedabad	Allahabad
Coimbatore	Cochin	Aurangabad	Asansol
Hyderabad	Gulbarga	Jaipur	Bhopal
Madurai	Kannur	Jodhpur	Bhubaneswar
Pondicherry	Kozhikode	Nagpur	Delhi
Rajahmundry	Mangalore	Nasik	Gangtok
Tirupati	Mysore	Pune	Guwahati
Tirunelveli	Thrissur	Rajkot	Indore
Trichy	Trivandrum	Vadodara	Jabalpur
Tuticorin		Surat	Jamshedpur
Warangal		Mumbai (2 Freq)	Kanpur
Vizag			Kolkata
Vijayawada			Lucknow
			Shillong
			Siliguri
			Varanasi
			Aizwal
			Patna
			Chandigarh
			Amritsar
			Jammu

India's Largest FM Radio Network

The 15 Stations which are under progress are given below :-

- **Sun TV Network Ltd** - Chennai – 2nd frequency
- **Kal Radio Limited** - Salem, Erode, Vellore, Hyderabad 2nd Frequency, Hubli-Dharwad, Nellore.
- **South Asia FM Limited** - Jhansi, Muzzafarpur, Dhule, Nanded, Leh, Agartala, Dehradun
- **Digital Radio Delhi Broadcasting Ltd** - Srinagar

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, Mumbai II, Jodhpur, Srinagar, & a few more are being added.
- **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.
  - Winners of IPL 2016 Season.
  - Runners up of IPL 2018 Season.

- **Sun NXT – Online Video streaming platform**

FINANCIALS

Standalone Financial Summary - Audited

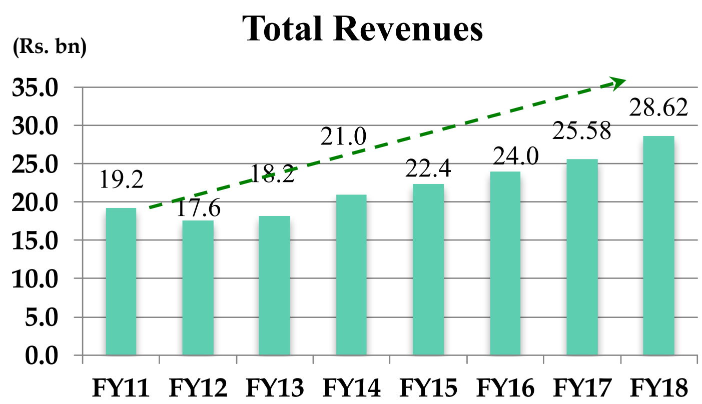
(Rs Crores)

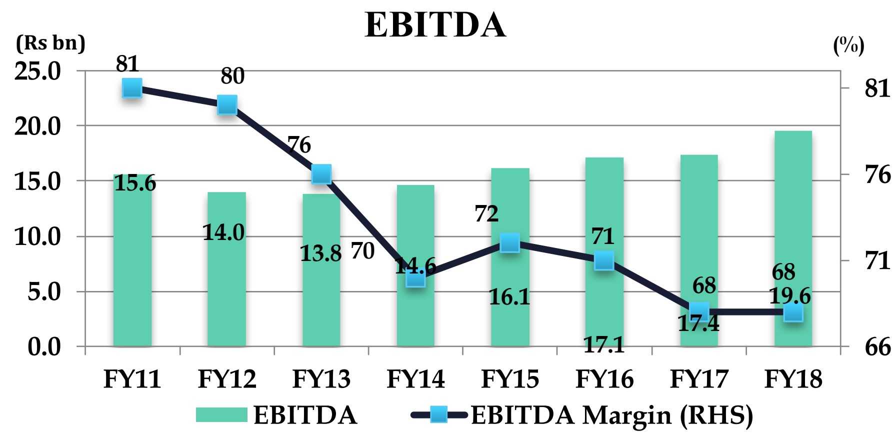
Particulars / Financial Year	2017- 18	2016-17	2015 - 16	2014 - 15	2013 – 14	2012 – 13
Advertising Revenue	**1,309.33**	1,172.10	1,210.71	1,136.09	1,067.04	1,049.67
Telecast Fees	**85.79**	99.54	110.03	114.64	127.34	143.61
Subscription (Analogue + DTH + Overseas)	**1,308.57**	1,115.88	958.84	875.72	769.45	615.10
Other Revenues	**158.76***	170.73*	124.40*	117.17*	132.95*	9.24
Total Revenues	**2,862.45**	2,558.25	2,403.98	2,243.62	2,096.78	1,817.62
Total Income	**3,002.10**	2,703.80	2,511.27**	2,331.45	2,175.99	1,872.64
E B I T D A	**1,958.48**	1,736.97	1,708.48	1,614.21	1,461.71	1,376.89
E B I T D A %	**68%**	68%	71 %	72 %	70 %	76 %
PROFIT AFTER TAXES (P A T)	**1,093.04**	979.41	867.25**	737.23	716.96	683.34
P A T %	**36%**	36%	35 %	32 %	33 %	36 %
E P S in Rs. (FV Rs.5.00)	**27.74**	24.85	22.01**	18.71	18.19	17.34
Capital Employed	**4,330.90**	3,769.69	3,530.58	3,401.76	3,197.77	2,921.29

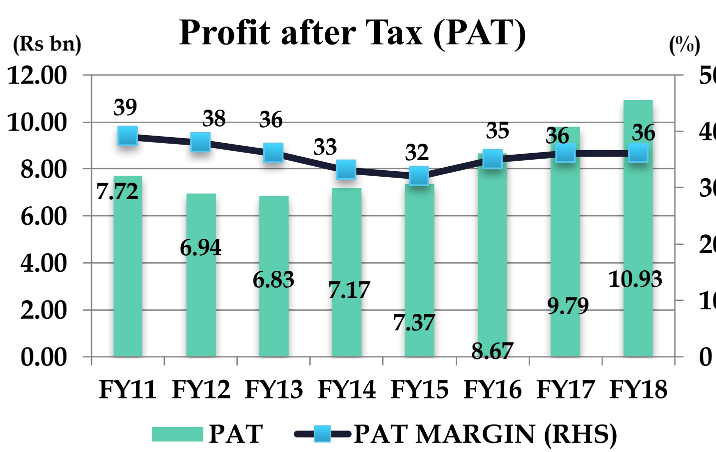
** Other Revenues includes income from IPL .*

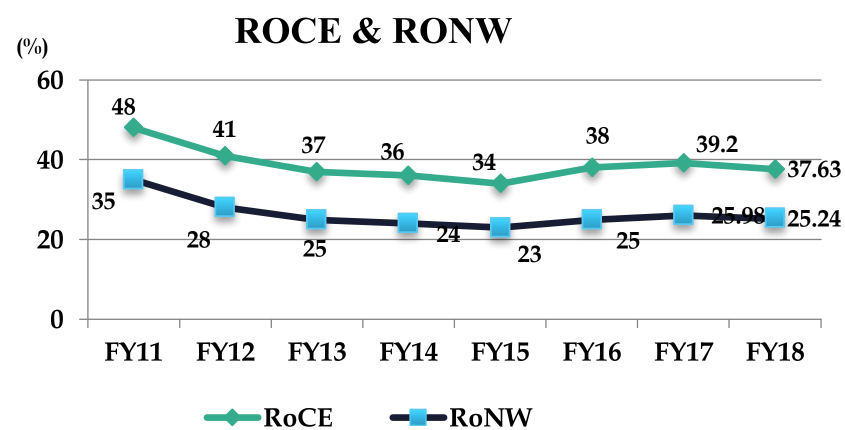
*** Includes Extraordinary amount of Rs 17.97 Crs & EPS of Re. 0.46 per share*

Standalone Financials









FY12 – Impacted by one time income from the film Enthiran and reorganization of TN analog cable network & FY14 – Impacted by first year IPL losses
FY16 – PBIT includes extraordinary amount of Rs. 17.97 crs.

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

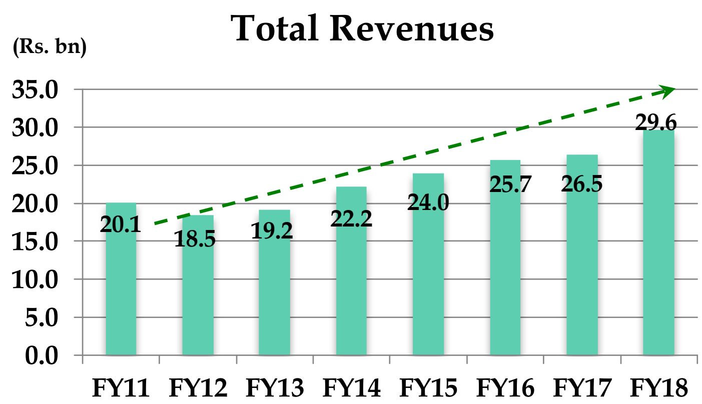
Consolidated Financial Summary - Audited

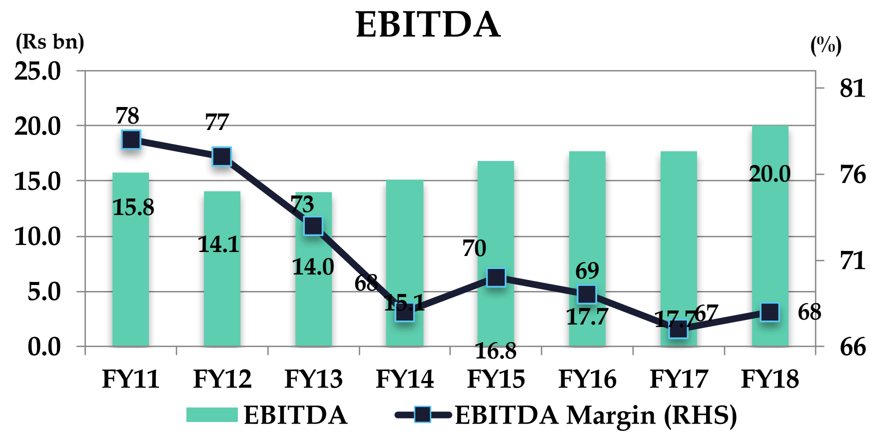
Particulars / Financial Year	2017 - 18	2016 - 17	2015 - 16	2014 - 15	2013 – 14	2012 – 13
Advertising Revenue	**1,411.90**	1,261.57	1,380.51	1,289.35	1,194.38	1,155.46
Telecast Fees	**85.79**	99.54	110.03	114.64	127.34	143.61
Subscription (Analogue + DTH + Overseas)	**1,308.57**	1,115.88	958.84	875.72	769.45	615.10
Other Revenues	**156.76***	168.73*	120.40*	115.67*	132.45*	8.83
Total Revenues	**2,963.02**	2,645.72	2,569.78	2,395.38	2,223.62	1,923.00
Total Income	**3,105.29**	2,799.52	2,698.38**	2,494.29	2,310.23	1,995.21
E B I T D A	**2,003.76**	1,769.84	1,774.20	1,677.24	1,508.04	1,409.14
E B I T D A %	**68%**	67%	69 %	70 %	68 %	73 %
PROFIT AFTER TAXES	**1,135.41**	1,030.66	913.38**	782.04	748.01	709.56
P A T %	**37%**	37%	34 %	31 %	32 %	36 %
E P S in Rs. (FV Rs.5.00)	**28.81**	26.15	23.18**	19.84	18.98	18.01
Capital Employed	**4,441.70**	3,807.15	3,814.11	3,518.80	3,255.39	2,939.05

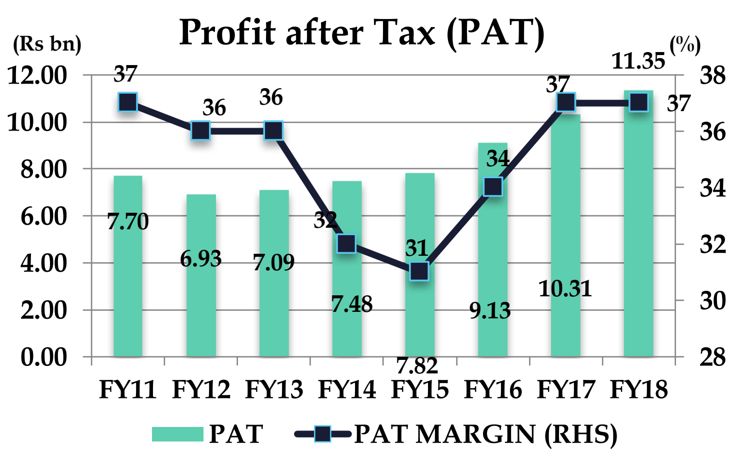
** Other Revenues includes income from IPL .*

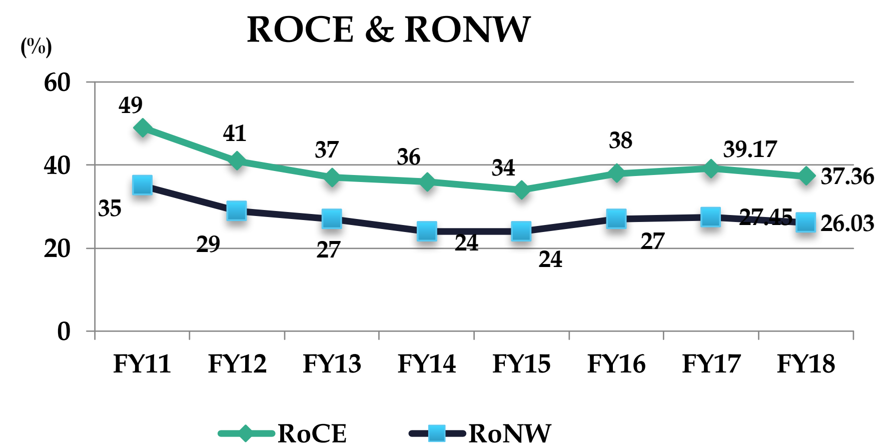
*** Includes Extraordinary amount of Rs 17.97 Crs & EPS of Re. 0.46 per share*

Consolidated Financials









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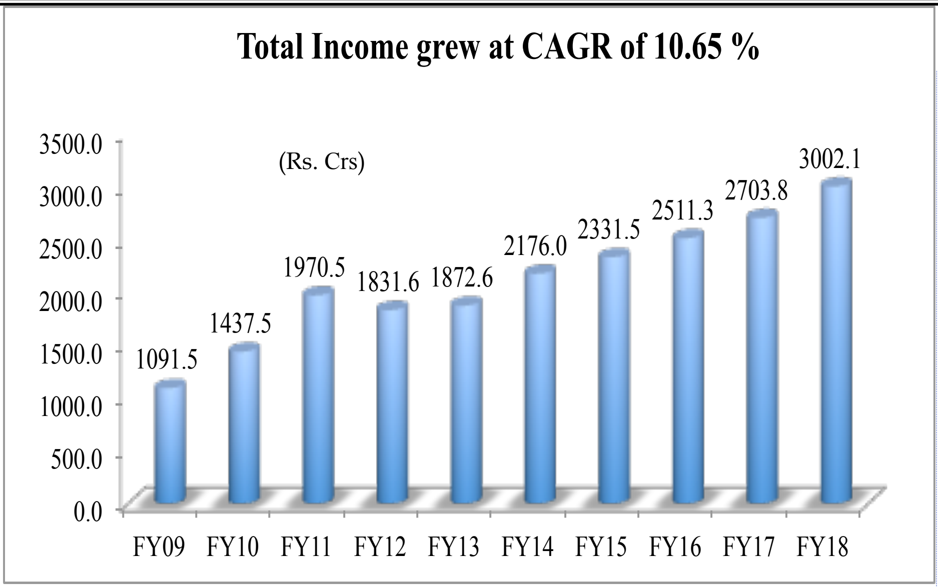
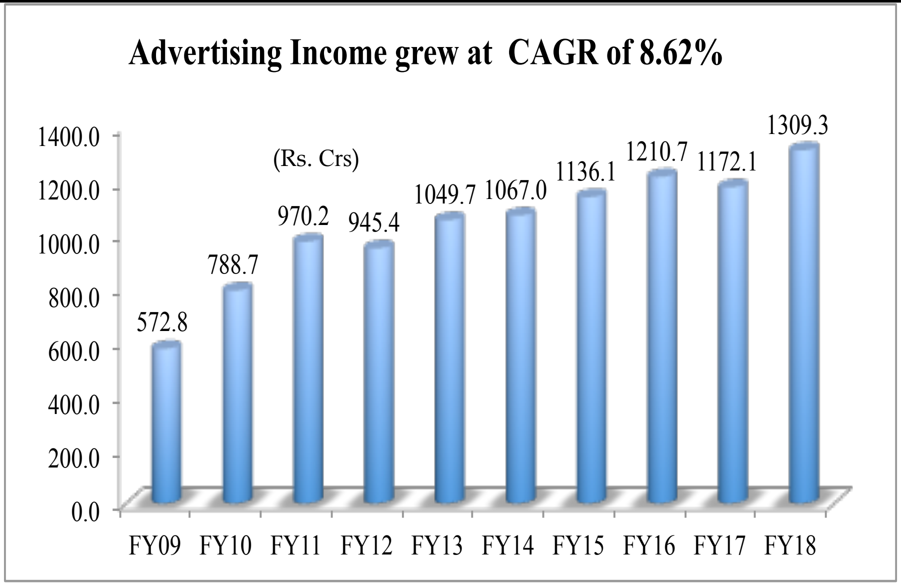
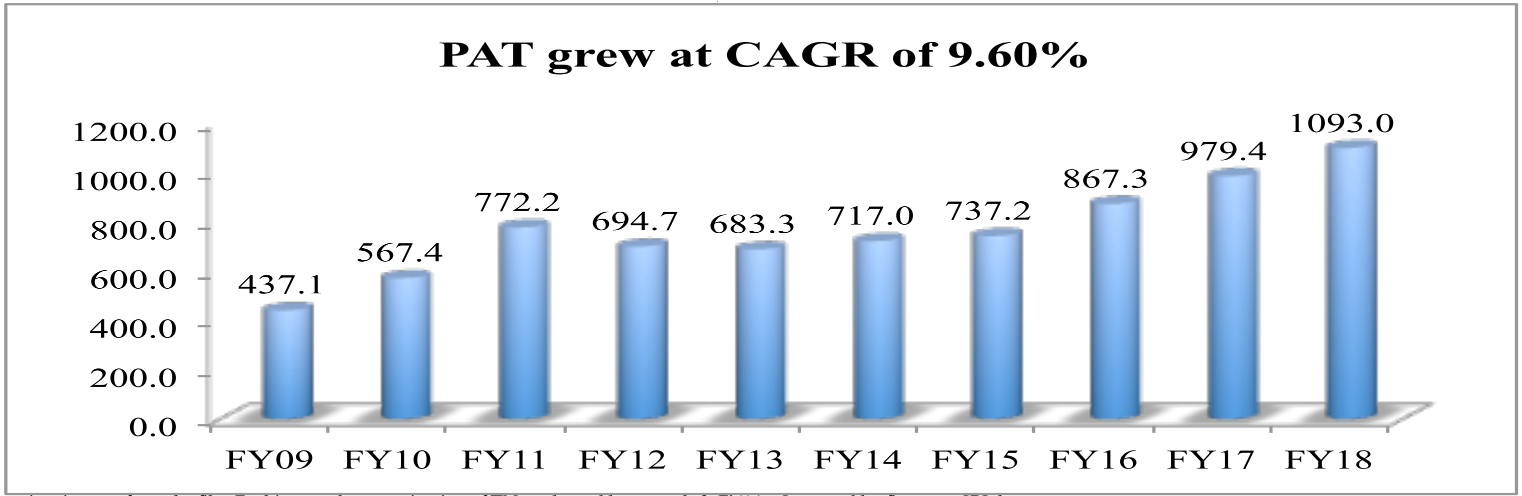
FY16 – PBIT includes extraordinary amount of Rs. 17.97 crs.

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

The Journey Since Last Decade





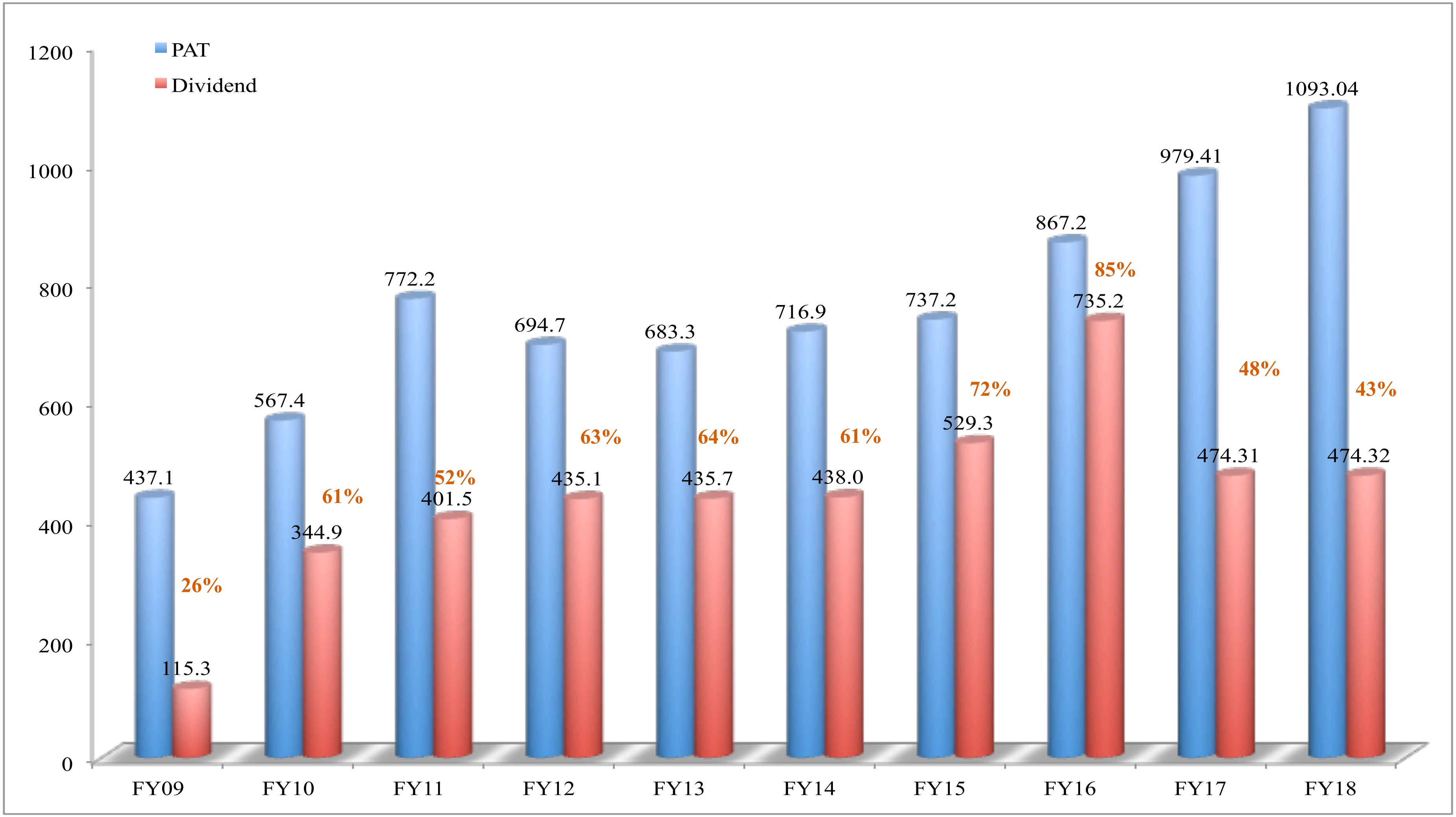


FY12 – Impacted by one time income from the film Enthiran and reorganization of TN analog cable network & FY14 – Impacted by first year IPL losses

Shares of the Company were listed on 24 April 2006 in NSE and BSE

Dividend Payout %

Rs. Crs



Dividend Payout = Dividend + Dividend Distribution Tax

Thank You