MEDIA AND ENTERTAINMENT
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## EXECUTIVE SUMMARY … (1/2)

### Second largest TV market
- Household televisions increased to 183 million in 2017* from 181 million in 2016 with 780 million TV viewing individuals.
- In 2017, television market generated a revenue of Rs 660 billion (US$ 10.14 billion).

### One of the largest broadcasting market
- The Ministry of Information and Broadcasting (MIB) has officially completed all the four phases of digitisation, As of March 2017, a total of 64.4 million set-top boxes (excluding Tamil Nadu) were set up in Phase 3 and Phase 4 areas.
- Total of 243 FM channels (21 from the Phase - I and 222 from Phase – II) are operational. Under the phase III, the Cabinet has already given permission to 162 FM channels in 69 cities to operate and 17 cities were provided with licenses to operate in 2017.
- Telecom Regulatory Authority of India (TRAI) plans to introduce a policy for broadcasting sector with a vision of 2020. The policy aims to usher a new era in the broadcasting sector where MRP of the TV channel will be declared by broadcasters directly to the consumers, and will bring more transparency and choices to the consumers.

*Note: * March 2017  
*Source: KPMG – FICCI Report, 2016 and 2018; Dish TV Investor Presentation, Ministry of Information and Broadcasting (MIB), NASSCOM, Telecom Regulatory Authority of India (TRAI), Aranca Research*
## EXECUTIVE SUMMARY … (2/2)

**Fast growing animation industry**
- The animation and Visual Effects (VFX) industry showcased a growth of 24.07 per cent, largely led by a 34.91 per cent growth in VFX industry in 2017.
- During 2016-21, the segment is expected to grow at a higher CAGR of 17.2 per cent, largely led by the continued growth in outsourced services and the swelling use of animation and VFX services in the domestic television and film space, respectively.

**Exceptional growth in film industry**
- The Indian film industry is expected to grow at a rate of 11.9 per cent by 2020.
- Digitalisation has played the major role in the growth of Indian film industry.
- By 2019, cinema exhibition industry in India is expected to have over 3,000 multiplex screens.

**Rising no of subscribers**
- Total subscriber base for Indian television industry is expected to increase to 195 million by 2019 from 183 million in 2017.
- As of March 2018 active DTH subscriber base in the country stood at around 67.53 million.

*Source: KPMG – FICCI Report, 2016 and 2018; Dish TV Investor Presentation, Ministry of Information and Broadcasting (MIB), NASSCOM, Telecom Regulatory Authority of India (TRAI)*
ADVANTAGE INDIA
ADVANTAGE INDIA

- Rising incomes and evolving lifestyles have led to higher demand for aspirational products and services
- Higher penetration and a rapidly growing young population coupled with increased usage of 3G, 4G and portable devices would augment demand

- From April 2000 to March 2018, FDI Inflows in Information and Broadcasting (including print media) sector reached US$ 7.13 billion
- Increasing M&A activity
- More big-ticket deals such as Walt Disney- UTV, Sony-ETV and Zee- Star
- Entry of big players across all segment of industry.

- Entertainment Industry is set to expand at a CAGR of 11.80 per cent over 2016–21, one of the highest rates globally
- Television and AGV segments are expected to lead industry growth and offer immense growth opportunities in digital technologies as well.

- The Government of India has increased the FDI limit from 74 per cent to 100 per cent.
- Measures such as digitisation of cable distribution to improve profitability and ease of institutional finance
- Increasing liberalisation and tariff relaxation
- In 2011, Indian Government passed the “The Cable Television Networks (Regulation) Amendment Act, 2011” for digitisation of cable television networks.

Notes: Animation, Gaming and VFX, VFX - Visual Effects, M&A - Merger and Acquisition, CAGR - Compound Annual Growth Rate, FDI - Foreign Direct Investment, Deadline for the entire country to be digitised is December 2014, E – Estimate, P – Projected
THE ENTERTAINMENT SECTOR IS SPLIT INTO NINE SEGMENTS

Source: KPMG – FICCI Report, 2018, Aranca Research

Note: VFX - Visual Effects
THE INDIAN ENTERTAINMENT INDUSTRY IS GROWING RAPIDLY

- Indian media and entertainment (M&E) industry grew at a CAGR of 12.25 per cent from 2011-2017; and is expected to grow at a CAGR of 11.6 per cent during 2016-20 to touch Rs 2,032 billion (US$ 31.53 billion) by 2020 from Rs 1,308 billion (US$ 19.46 billion) in 2016.

- The next 5 years will see digital technologies increase their influence across the industry leading to a sea change in consumer behaviour across all segments.

- The entertainment industry is projected to be more than US$ 62.2 billion by FY25.

- With an intent of ushering in an era of conversational computing, Microsoft has released an artificial intelligence chatbot known as Ruuh for Facebook Messenger. The English speaking chatbot is only available to users in India and is to be used for entertainment purposes.

- The industry provides employment to 3.5-4 million people, including both direct and indirect employment as of 2017.

Notes: CAGR - Compound Annual Growth Rate, P – Projected
Television, print and films together accounted for 75.97 per cent of market share in 2017, in value terms.

PVR Cinemas plans to add around 75 screens across India during FY 2017-18, thereby raising its capacity to 650 screens and has a target to achieve 1,000 screens in India by 2020. The number of screens increased to 612 in 2017.

Google's video platform, YouTube, plans to increase its user base in India to 400 million, as rising internet penetration in the rural areas will enable the consumers to access videos on their smartphones.

The Indian digital advertising industry is expected to grow at a Compound Annual Growth Rate (CAGR) of 32 per cent to reach Rs 18,986 crore (US$ 2.93 billion) by 2020, backed by affordable data and rising smartphone penetration.

Notes: E – Estimated, P – Projected, OOH – Out of Home, TV – Television
TELEVISION, ONE OF THE LARGEST AND FASTEST GROWING SEGMENT

- In 2017, television market generated revenue of Rs 660 billion (US$ 10.19 billion).
- In 2017, advertising and distribution revenues increased to Rs 267 billion (US$ 4.10 billion) and Rs 393 billion (US$ 6.03 billion), respectively.
- In 2017, broadcasters revenue increased to Rs 99 billion (US$ 1.52 billion) from Rs 90 billion (US$ 1.34 billion) in 2016.
- Nonetheless, the share of subscription in the overall revenue of the TV segment is expected to increase to 66.18 per cent by 2021.

Notes: E – Estimated, TV – Television
Radio, animation and VFX, gaming and digital advertising are also emerging as fast growing segments.

During 2016-20, these segments are expected to increase at CAGRs of:

- Online Gaming (27.5 per cent)
- Digital Media (24.9 per cent)
- Animation (20 per cent)
- Live Events (18 per cent)

With increasing use of internet and other digital resources, Digital Advertising is expected to grow at the fastest rate among peers like print media, radio and outdoor advertising.

India digital advertising market has reached Rs 8,202 crore (US$ 1.27 billion) in 2017 and is forecasted to grow at a CAGR of 32 per cent to reach Rs 18,986 crore (US$ 2.95 billion) by 2020.*

Advertising expenditure in India is expected to grow 13 per cent year-on-year to Rs 69,346 crore (US$ 10.71 billion) in 2018.

Expenditure on digital advertisements in India is expected to increase at CAGR of 30.8 per cent between 2016-21^, as internet penetration and data consumption increases in the country.

* - According to Digital First Journey report by KPMG, ^ - According to Digital Advertising Report by Dentsu Aegis Network

Source: FICCI Report 2018, Aranca Research
In 2016, total spending on advertising across all media across the entertainment industry in India stood at US$ 7.85 billion, which is expected to touch Rs 60,972 crore (US$ 9.52 billion) by the end of 2017 and Rs 68,334 crore (US$ 10.67 billion) by 2018 and Rs 1.07 trillion (US$ 16.70 billion) by 2020.

India’s Advertising revenue is forecasted to grow at the rate of 12.03 per cent in 2018.

Television advertising was the largest contributor, accounting for 37 per cent and generated a revenue of Rs 267 billion (US$ 4.12 billion) in 2017.

Print advertising was the second largest contributor, accounting for 35 per cent of the advertising share in 2017.

Newspaper readership in India has increased by 40 per cent to 407 million in 2017 from 295 million in 2014. *

Mobile advertising has emerged as the 3rd largest advertising medium in India. Spending on mobile advertising in India is expected to grow to US$ 1.53 billion by the end of 2018.

India is one of the top five markets for the media, content and technology agency, Wavemaker, where it services clients like Hero MotoCorp, Paytm, IPL and Myntra among others.

Notes: TV – Television, * - according to Indian Readership Survey 2017 (IRS 2017)
Regional Entertainment channels comprising mostly of regional GECs (General Entertainment Channels), regional movies and regional music.

In print media, the rise in literacy rates, significant population growth, the rise in incomes in smaller towns and the entry of big players in regional markets is likely to drive future expansion of circulation and readership across India.

Viewership in South India is dominant for regional entertainment as Tamil and Telugu channels together account for more than half of the total viewership. It is comparatively less for Oriya and Bhojpuri, which is equivalent to only 2 per cent each.

Between 2015-2017, YouTube’s regional viewership in India has tripled, with the top 10 regional YouTube channels having subscriber bases ranging between 300,000-800,000.

Music entertainment revenues is expected to touch US$ 278.04 million by 2020 from US$ 192.10 million in 2011, registering a growth of 4.19 per cent.

By 2020, the number of online music listeners in India will reach 273 million, while the digital music revenues is likely to cross US$ 507.7 million.

Indian music Industry is forecasted to grow at a CAGR of 12.25 per cent from 2017-2020.

Note: E Estimate
# KEY PLAYERS IN THE MEDIA AND ENTERTAINMENT INDUSTRY

<table>
<thead>
<tr>
<th>Television</th>
<th>Print</th>
<th>Films</th>
<th>Music</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star India Pvt Ltd</td>
<td>Bennett, Coleman and Co Ltd</td>
<td>Yash Raj Films Studios</td>
<td>Saregama India Ltd</td>
</tr>
<tr>
<td>Zee Entertainment Enterprises Ltd</td>
<td>HT Media Ltd</td>
<td>Eros International Media Ltd</td>
<td>Super Cassettes Industries Ltd</td>
</tr>
<tr>
<td>Multi Screen Media Pvt Ltd</td>
<td>Living Media India Ltd</td>
<td>Red Chillies Entertainments Pvt Ltd</td>
<td>Tips Industries Ltd</td>
</tr>
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</table>

*Source: Company websites*
RECENT TRENDS AND STRATEGIES
### Television
- The government announced digitisation of cable television in India in 4 phases, which was slated for completion by the end of December 2016. Phase III was almost completed in December 2015, while Phase IV is under progress.
- The Direct-To-Home (DTH) subscription is growing rapidly driven by content innovation and product offerings.
- The television industry grew to Rs 660 billion (US$ 10.14 billion) in 2017 from Rs 594 billion (US$ 8.84) in 2016 at a CAGR of 11.2 per cent.

### Print
- The print industry accounted for the second largest share in M&E to reach Rs 303 billion (US$ 4.66 billion) in 2017, with a CAGR of 7 per cent till 2020.
- The Print market is expected to reach US$6.69 billion by 2021.
- Increasing income levels and evolving lifestyles have led to robust growth in niche magazines segment.
- Considering the huge potential in regional print markets, national advertisers are entering these markets to increase their advertising share.

### Film
- The Indian film industry is largest producer of films globally with 400 production and corporate houses involved in film production.
- The revenues earned by the Indian film industry in 2018 would reach Rs 165.7 billion (US$ 2.56 billion) and are expected to further grow at a CAGR 4.98 per cent during 2018-2020. Increasing share of Hollywood content in the Indian box office and 3D cinema is driving the growth of digital screens in the country.

### Out of Home and digital
- With increasing penetration of internet and digital mediums, digital segment is expected to outperform other sectors of entertainment.
- Although Out-of-Home segment has a low contribution to the total of entertainment industry, in coming years it is going to witness a significant growth.
- The market size for Out of Home (OOH) entertainment reached Rs 34.3 billion (US$ 526.72) million in 2017.

*Source: KPMG – FICCI Report, 2018, Economic Times, Aranca Research*
### Media and Entertainment

**Radio**
- Increasing FM enabled phones and car music systems
- As of December 2015, 243 channels are operational in 86 cities in India. Further, 21 private FM channels were set up during Phase-I and an additional 222 channels were set up during Phase-II
- In FY17, the total number of radio frequencies auctioned were 266 across 92 cities, only 66 frequencies got sold to 11 companies.
- In 2017, the radio industry in India accounted for a market size of Rs 26 billion (US$ 399.26 million), registering growth of CAGR 8.33 per cent during 2016-17.

**Animation, Online Gaming and VFX (AGV)**
- Growing focus on the ‘kids genre’ and rise in dedicated TV channels for them. As the advertising industry grows, the share of animation driven advertisements are expected to also grow
- Surge in 3D/HD animated movies in theatres and use of animation and VFX in TV advertising and gaming. Growing outsourcing of VFX and gaming to India is due to cost effectiveness of Indian players
- Content localisation such as T20fever.com, IPL, Khel Kabaddi, etc.
- Animation and VFX industry in India is expected to grow at a CAGR of 20.4 per cent over 2016-2020 and the online gaming industry is expected to grow at a CAGR of 27.5 per cent during the same period.

**Music**
- The music industry is on fast paced growth with increasing international associations. The Indian music industry is a consortium of 142 music companies
- Players are looking at new ways and mediums to monetise music, such as utilising social media to promote music. Mobile phones, iPods and mp3 players – devices that enable music on-the-go – are becoming the primary means to access music
- Digital music on mobile continues to drive music industry revenue and digital revenues are expected to reach US$394.22 million by 2021. Digital revenues contribute 55 per cent of the music industry and is expected to contribute close to 62 per cent by 2018.

*Source: KPMG – FICCI Report, 2018, Economic Times, Aranca Research*
With higher scope of introduction of new and niche channels with digitisation, ARPU levels are expected to increase in the coming years.

ARPU for DTH subscribers has seen an increase of around 2.84 per cent in 2016. The more promising trend is that DTH operators are able to increase collections from customers by providing additional services such as HD channels, premium channels and other value added services.

HD adoptions continues to drive ARPU growth for DTH players with the average ARPU of a HD subscribers at ~1.5 to 2 times more the ARPU of non HD subscribers.

Digital cable on the other hand, has not seen any significant ARPU increases as compared to the DTH ARPU. For digital cable, deployment of different channel packages will be the key driver to raise ARPUs.

As of March 2018, active DTH subscribers stood at 67.53 million.

Notes: E – Estimate, F - Forecast  
## STRATEGIES ADOPTED

### Viewership in regional entertainment
- Regional entertainment is growing and therefore, the suppliers are able to expand their forte in the products.
- Zee Television, Star TV have their regional channels both for entertainment and news.
- The South Indian television industry is one of the oldest operational television sectors across the nation and is further growing due to the regional content.

### Marketing strategies
- The manufacturing companies such as Videocon is offering combo deals such as LED/LCD sets with Videocon set-up boxes and dish services.
- The Dish TV is also offering the set up boxes with many additional channels.
- Increasing digitisation in the country is helping such companies to further add up to their revenues.

### Television: A common medium
- As television industry is a dominant segment in the entertainment industry even the film makers promote their films at this platform so as to reach to the mass audiences for example the reality shows, TV advertisements, etc.
- Many film producers, actors, etc have shifted to the television industry so as to remain in the race and maintain their fan following.
- TV programmes being used as a medium of promoting films or other entertainment events.
- After bagging media rights of Indian Premier League (IPL), Star India has also won broadcast and digital rights for New Zealand Cricket upto April 2020.

### Audience: the ultimate consumer
- Audience is the ultimate consumer in this industry and therefore films, advertisements, music and all the products of entertainment sector is based on the tastes and preferences of the audiences of the nation.

*Source: Aranca Research, KPMG Report on Engineering sector*
GROWTH DRIVERS
**GROWTH DRIVERS OF MEDIA AND ENTERTAINMENT SECTOR IN INDIA**

**Rising Income**
- India’s per capita income at current prices grew at the rate of 8.6 per cent to reach Rs 112,835 (US$ 1,750.74) in FY18
- In 2017-2025, elite, affluent, aspirers and next billion income classes are expected to grow at a CAGR of 11 per cent, 9 per cent and 5 per cent, 2 per cent respectively.

**Investments**
- The Government of India increased the FDI limit from 74 per cent to 100 per cent
- Total number of Mergers and Acquisition deals increased to 63 in FY17 from 58 in FY16

**Government Initiatives**
- The Government of India has carved out a National Film Policy which will tap potential mainly in the animation segment
- The Government of India has agreed to set up the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai.
- The Indian and Canadian Government have signed an audio visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively.

*Source: EY Annual Report, FICCI Report 2018*
Apart from the impact of rising incomes, widening of the consumer base will also be aided by expansion of the middle class, increasing urbanisation and changing lifestyles.

The entertainment industry will also benefit from continued rise in the propensity to spend among individuals; empirical evidence points to the fact that decreasing dependency ratio leads to higher discretionary spending on entertainment.

Traditionally only advertising has been a key source of revenue for Media and Entertainment industry, but off late revenue from subscription and value added services has also contributed significantly. With consumers willing to pay for content and extra services, the subscription segment will play an important role in the post digitisation era.

**Note:** Income distribution is calculated in constant 2015 dollars; $1=65. Because of rounding, not all percentages add up to 100. F - Forecast

**Source:** McKinsey Quarterly Report
### Radio
- FDI limit in radio, including private FM channels have been increased from 26 per cent to 49 per cent
- Private operators allowed to own multiple channels in a city, subject to a limit of 40 per cent of total channels in the city
- Private players allowed to carry news bulletins of All India Radio
- Further boost may be given to the radio sector by charging license fees on the basis of ‘net income’ so as to provide relief to loss making radio players

### Television
- Digitisation of the cable distribution sector to attract greater institutional funding, improve profitability and help players improve their value chain
- FDI limit for DTH satellite and digital cable network was raised from 74 per cent to 100 per cent by the government
- No restriction on foreign investment for up-linking and downlinking of TV channels other than news and current affairs

### Film
- Co-production treaties with various countries such as Italy, Brazil, UK and Germany to increase the export potential of the film industry
- Granted ‘industry’ status in 2001 for easy access to institutional finance
- FDI of up to 100 per cent through the automatic route has been granted by government
- Entertainment tax to be subsumed in the GST; this would create a uniform tax rate regime across all states and will also reduce the tax burden

**Notes:** FDI – Foreign Direct Investment, FII – Foreign Institutional Investors  
**Source:** KPMG – FICCI Report 2017 & 2018
### Policy Support Aiding Sector Growth … (2/2)

#### Print
- FDI/NRI investment of up to 26 per cent in an Indian firm dealing with publication of newspaper and periodicals
- FDI/NRI investment of up to 26 per cent in publications of Indian editions of foreign magazines
- FDI/NRI investment of up to 100 per cent in publications of scientific and technical magazines/ specialty journals/ periodicals

#### Music
- Parliamentary approval on the Copyright Act (Amendment) Bill, 2012, which strengthens the royalty claims of musicians, lyricists and others in the field
- Policies are adopted against digital piracy and file-sharing to block illegal music websites
- Adoption of revenue sharing model by Copyright Board requiring FM radio companies to share 2.0 per cent of their net advertising revenues with music companies

#### Animation, Gaming and VFX (AGV)
- 100 per cent FDI allowed in the sector through automatic route provided it is in compliance with RBI guidelines
- The government has carved out a National Film Policy to tap the potential of the film sector mainly for the animation segment
- State-level initiative by governments to encourage animation industry.

**Source:** PwC India Entertainment and Media Outlook 2011, KPMG – FICCI Report 2015 and 2016
## KEY M&A DEALS IN THE SECTOR

### Mergers and Acquisition deals

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Target</th>
<th>Date</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dish TV</td>
<td>Videocon D2h</td>
<td>February 2018</td>
<td>US$ 2.4 billion</td>
</tr>
<tr>
<td>Zee Entertainment</td>
<td>9X Media and INX Music</td>
<td>October 2017</td>
<td>US$ 24.56 million</td>
</tr>
<tr>
<td>Delta Corporation</td>
<td>Gaussian Network</td>
<td>September 2017</td>
<td>US$ 34.37 million</td>
</tr>
<tr>
<td>Dentsu Aegis Network (DAN)</td>
<td>SVG Media Pvt. Ltd</td>
<td>April 2017</td>
<td>US$ 100-120 million</td>
</tr>
<tr>
<td>Hotstar</td>
<td>Zapr Media Labs</td>
<td>March 2017</td>
<td>NA</td>
</tr>
<tr>
<td>Zee Media Corporation (ZMCL)</td>
<td>Reliance Broadcast Network (RBNL)</td>
<td>November 2016</td>
<td>US$ 237.79 million</td>
</tr>
<tr>
<td>Eros International Media Ltd</td>
<td>Puja Entertainment</td>
<td>June 2016</td>
<td>NA</td>
</tr>
<tr>
<td>PVR</td>
<td>DT Cinemas</td>
<td>May 2016</td>
<td>US$ 81.89 million</td>
</tr>
<tr>
<td>Sony Pictures Networks India Pvt. Ltd. (SPN)</td>
<td>9X Media Pvt. Ltd.</td>
<td>April 2016</td>
<td>US$ 33 million</td>
</tr>
<tr>
<td>Zee Entertainment</td>
<td>Sarthak TV</td>
<td>July 2015</td>
<td>US$ 18.83 million</td>
</tr>
<tr>
<td>Viacom Inc.</td>
<td>Prism TV</td>
<td>July 2015</td>
<td>US$ 153 million</td>
</tr>
<tr>
<td>Dainik Jagran group</td>
<td>Radio City</td>
<td>June 2015</td>
<td>US$ 60 million</td>
</tr>
<tr>
<td>Carnival Films Private LTD.</td>
<td>BIG Cinemas</td>
<td>December 2014</td>
<td>US$ 111 million</td>
</tr>
<tr>
<td>Prime Focus Ltd</td>
<td>Reliance Media Work ltd.</td>
<td>July 2014</td>
<td>US$ 61 million</td>
</tr>
</tbody>
</table>

**Notes:** NA – Not Available  
**Source:** KPMG – FICCI Report 2015 and 2016, News articles
INCREASING FDI INFLOWS INTO THE SECTOR

- FDI inflows into the Information and Broadcasting sector during April 2000 to March 2018 rose up to US$ 7.13 billion.
- Demand growth, supply advantages and policy support are the key drivers in attracting FDI.

Source: Department of Industrial Policy and Promotion (DIPP)
OPPORTUNITIES
### GROWTH OPPORTUNITIES IN THE MEDIA AND ENTERTAINMENT SEGMENTS…(1/2)

#### Animation and VFX
- The Indian animation industry was worth Rs 17 billion (US$ 261.06 million) in 2017 and is expected to expand to Rs 114 billion (US$ 1.77 billion) by 2020. The VFX industry was worth Rs 31.3 billion (US$ 480.65 million).
- Growth in international animation films, especially 3D productions and the subsequent work for Indian production houses will help the growth in this segment.
- Animation and VFX industry is expected to reach Rs 80 billion (US$ 1.24 billion) in 2018.

#### Television
- Television industry is expected to increase from Rs 660 billion (US$ 10.14 billion) in 2017 and reaching Rs 862 billion (US$ 13.37 billion) by 2020.
- Television is projected to reach Rs 734 billion (US$ 11.34 billion) by 2018.

#### Print
- The print industry was worth Rs 303 billion (US$ 4.65 billion) in 2017 and is expected to reach Rs 369 billion (US$ 5.73 billion) by 2020.
- Accelerated growth is forecasted in regional print and local news segments.
- Print industry will reach Rs 331 billion (US$ 5.11 billion) in 2018.

#### Sports
- The Indian Premier League value increased to US$ 5.3 billion in 2017 from US$ 4.2 billion in 2016.
- The 17th edition of U-17 World Cup was held in India, which became the worlds most attended event in the history.

*Source: KPMG – FICCI Report 2017 & 2018*
### GROWTH OPPORTUNITIES IN THE MEDIA AND ENTERTAINMENT SEGMENTS…(2/2)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Details</th>
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| **Film**         | - Size of the Indian film industry is expected to touch Rs 192 billion (US$ 2.98 billion) by 2020, up from Rs 156 billion (US$ 2.40 billion) in 2017  
                     - Increasing digital screens and 3D films are expected to help industry growth  
                     - In order to promote India as a location destination for foreign production houses, the government is setting up a single window clearance system for shooting permissions  
                     - To promote joint productions, co-production agreements have been signed with Italy, Germany, Brazil, UK, France, New Zealand, Poland, Spain and Canada |
| **Radio**        | - Size of the Indian radio industry is expected to reach US$ 745.65 million by 2021, up from Rs 26 billion US$ 399.26 million in 2017  
                     - Phase III of e-auctions for FM radio licenses will provide an impetus to the segment  
                     - Radio advertising is another area likely to experience accelerated growth |
| **Music**        | - Size of the music industry is expected to grow to US$ 396.22 million by 2021, up from Rs 13 billion (US$ 199.63 million) in 2017  
                     - Mobile VAS and arrival of 3G are likely to lead to a surge in paid digital downloads  
                     - Phase III radio licensing will also help in increasing music revenues from radio |
| **Online Streaming Services** | Recent investment of US$ 3 billion was made by Amazon.com Inc., focusing primarily on the establishment of their online streaming service, Amazon Prime, in the country.  
                     - The niche segment for Netflix in India is much bigger than the whole markets in most countries and the company has commissioned the highest number of shows in India after US, UK and Japan.  
                     - Hotstar India is the largest premium online streaming platform with 350 million followers. |

**Source:** KPMG – FICCI Report 2017 & 2018
INDUSTRY ASSOCIATIONS
### INDUSTRY ASSOCIATIONS

<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
</thead>
</table>
| **Indian Motion Picture Producers’ Association (IMPPA)** | "IMPPA HOUSE", Dr Ambedkar Road, Bandra (West), Mumbai - 400 050  
Tel: 91-22-26486344/45/1760  
Fax: 91-22-26480757  
Website: www.indianmotionpictures.com/imppa/index.html |
| **The Film and Television Producers Guild of India** | G-1, Morya House, Veera Industrial Estate,  
Off Oshiwara Link Road, Andheri (W), Mumbai - 400 053  
Tel: 91-22-66910662  
Fax: 91-22-66910661  
E-mail: guild@filmtvguildindia.org  
Website: www.filmtvguildindia.org |
| **Newspapers Association of India (NAI)** | A -115, Vakil Chamber, Top Floor, Vikas Marg, Shakarpur, Delhi - 110092  
Tel: 91-9971847045, 9810226962  
E-mail: contact@naiindia.com  
Website: www.naiindia.com |
| **Association of Radio Operators for India (AROI)** | 304, Competent House, F-14, Connaught Place, New Delhi - 110001  
Tel: 91-124-4385887  
e-mail: info@aroi.in  
Website: www.aroi.in |
| **The Indian Music Industry (IMI)** | Crescent Towers, 7th Floor, B-68, Veera Estate, Off New Link Road, Andheri West, Mumbai - 400 053  
Tel: 91-22-26736301 / 02 / 03  
Fax: 91-22-26736304  
Website: www.indianmi.org |
| **The Indian Society of Advertisers** | Army and Navy Building, 3rd Floor, 148, Mahatma Gandhi Road  
Mumbai- 400001  
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USEFUL INFORMATION
GLOSSARY

- AGV: Animation, Gaming and VFX
- ARPU: Average Revenue Per User
- CAGR: Compound Annual Growth Rate
- DIPP: Department of Industrial Policy and Promotion, Ministry of Commerce and Industry
- DTH: Direct to Home
- FDI: Foreign Direct Investment
- FM: Frequency Modulatio
- FY: Indian Financial Year (April to March)
- GST: Goods and Service Tax
- IPO: Initial Public Offering
- M&A: Merger and Acquisition
- M&E: Media and Entertainment
- PPP: Purchasing Power Parity
- US$: US Dollar
- VAS: Value Added Services
- VFX: Visual Effects

Wherever applicable, numbers have been rounded off to the nearest whole number.
## EXCHANGE RATES

### Exchange Rates (Fiscal Year)

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<th>Year INR</th>
<th>INR Equivalent of one US$</th>
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<td>2017–18</td>
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<td>Q1 2018-19</td>
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### Exchange Rates (Calendar Year)

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<th>Year</th>
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<td>65.12</td>
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*Source: Reserve Bank of India, Average for the year*
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