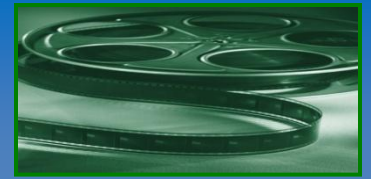


Mediatainment Track



Fortnightly Update on Indian Media & Entertainment

In the Spotlight

TV rules the dealscape in April as well

While the first quarter saw two mega deals in broadcasting space – Network18-Eenadu and Walt Disney-UTV, the month of April reiterated the prominence of TV in M&E deals landscape.

April 2012 saw 2 deals – in broadcasting and content production space. Film production house Eros International Plc acquired 100% control of B4U TV by buying remaining stake for \$53mn to focus more on the global arena. Indian TV content production received another accolade with Asian investment firm CA Media taking a 49% stake in Endemol India for an estimated \$50mn. Sony Pictures entered into a strategic alliance with MAA TV networks to focus on regional TV, the deal may involve 30% stake purchase by Sony Pictures or its affiliates.

TV has generated 6 M&A deals with disclosed deal value of ~\$878mn till date or 28% by volume and 98% by disclosed value of total media M&A activity. In PE space, TV has generated one deal of Hathway Cable for \$72mn, generating 71% of total disclosed deal value.

It is interesting to note that TV witnessed deal activity across the value chain – from content production to broadcasting to distribution. At Rs 329bn segment, TV is estimated to grow at a CAGR of 17% over 2011-15 (FICCI-KPMG report) with digitization as a key game changer. We can easily expect to see more deal activity happening in TV space.

Content

Private Equity	2
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Mergers & Acquisitions	2
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Corporate Developments	3
-------------------------------	----------

News Update	4
--------------------	----------

Stock Market Update	5
----------------------------	----------

Financial Benchmarking	5
-------------------------------	----------

About Four-S	7
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About Four-S Services

Four-S Services is India's leading provider of **Research, Financial Consulting and Investment Banking services with offices in Gurgaon, Mumbai and Bangalore**. We have a proven track record of consistently delivering high quality solutions, enabling our clients to improve the effectiveness of decision making and acting as a catalyst in achieving business success. We have **executed more than 120 mandates** across diverse range of industries including **Education, Financial Services, Infrastructure, M&E, IT-ITeS, Auto and Auto ancillaries, Retail, Real Estate and Textile etc**

Our Services:

- Strategy Consulting
- Business Planning
- Investment Banking
- Research Support
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- Investor Relations & IPO Consulting

Investment Activity

Private Equity deals in M&E and Mobile VAS till 27th April, 2012

Date	Investors	Target	Stake %	Amount \$mn	Business	Stage
	Mumbai Angels, Blume Ventures, India					
26-Apr	Venture Partners (Mauritius) and Christopher Preinz and Associates (EU)	United Mobile Apps	NA	1.0	Mobile Apps	Early
18-Apr	Future Ventures	Amar Chitra Katha (Ack)	9.8	NA	Publishing	Late
27-Mar	Nirvana Ventures Advisors	Games2win	10.0	NA	Gaming	Late
13-Mar	Providence Equity, Macquarie Bank	Hathway Cable	17.3	72.0	Cable operator	Late
20-Feb	Ojas Venture Partners	BrizzTV Media Lab	NA	NA	Digital media	Early
17-Feb	Updata, WestBridge & Intel Capital	July Systems	NA	15.0	mVAS	Late
15-Feb	Cisco Systems	Qyuki	17.0	5.5	Digital media	Early
8-Feb	Indian Angel Network	Gamiana Digital Gaming	NA	1.0	Gaming	Early
31-Jan	Ojas Ventures	Venturenet Partners Pvt Ltd	NA	NA	Digital Radio	Early
27-Jan	NA	InRev	NA	NA	Social media product	Early
19-Jan	CCube	MyAdCorner.com	NA	NA	Online ad booking	Early
19-Jan	Sequoia Capital	Knowlarity Communications	NA	6.6	mVAS - Cloud Telephony	Growth

2012 has seen 12 deals for more than \$101.1mn till date.

Merger & Acquisitions in M&E and Mobile VAS till 27th April, 2012

Date	Acquiror	Target	Stake (%)	Amount (\$ mn)	Business
26-Apr	CA Media, Zodiuss Advisors	Only Much Louder	NA	NA	Event
26-Apr	CA Media	Endemol India	49.0	NA	Content Production
25-Apr	Eros International Plc	B4U Television Network	76.0	53.1	Broadcasting
24-Apr	Publicis Groupe	Indigo Consulting	NA	NA	Digital Agency
5-Apr	Tyroo media, Inflection Digital	DGM India	94.6	0.7	Ad network
2-Apr	Jagran Prakashan	Nai Dunia Media Pvt Ltd	NA	NA	Publishing
30-Mar	Gujarat Fluorochemicals/ Inox	Fame India	18.7	18.2	Exhibition
30-Mar	Affle, D2 Communications	MobiMasta	NA	NA	mVAS - Advertising
21-Mar	Gruner + Jahr	NetworkPlay	70.0	NA	Digital Ad Network
15-Mar	Ver Se Innovation	Eterno Infotech	NA	NA	Mobile Media platform
13-Mar	Pubmatic	MobiPrimo	100.0	NA	mVAS
29-Feb	Komli Media	AdMax Network	NA	NA	Ad Network
10-Feb	GigaOM	Guardian News & Media - PaidContent, c	NA	NA	Content
3-Feb	Persistent Systems	Openwave Location Business	100.0	NA	mVAS - Location services
2-Feb	Walt Disney	UTV Software	NA	430*	Broadcasting, Production
25-Jan	Gujarat Telelinks	V&S	51.0	0.2	Distribution - MSO
19-Jan	Reliance Strategic Investments	DEN Networks	1.1	NA	Distribution - Cable
4-Jan	Way2Online	160by2	100.0	NA	Online portal - messaging
3-Jan	Network 18 Group	Eenadu	NA	395.0	Broadcasting
2-Jan	Undisclosed buyer	Balaji Telefilms - education/ mobile	NA	1.6	Content/ Media education

*estimated value

2012 has seen 20 acquisitions happening in the segment, worth more than \$899mn.

Four-S Indian PE Directory 2012” – A Guide to choosing private equity partners



- Detailed listing of ~330 Active PE/VC Investors in India - PE/VC players that have invested in the past 3 years.
- A first-of-its-kind, the directory offers “Deal History” in India for individual investor.
- Management, investment profile and Contact details.
- User-friendly Spreadsheet Format.
- It comes from Four-S Services, the most trusted deal information bank in India.

Research Desk



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Corporate Developments

Eros fully acquires B4U for \$53.1mn

Eros International Plc has completely acquired B4U Television Networks by buying remaining 76% stake for \$53.1mn. The deal values B4U at ~\$70mn.

Eros International Plc is the London listed arm of Indian film production and distribution house Eros Group (Lulla family). It is the parent firm of NSE listed Eros International Media Ltd. On March 30, 2012, Eros International Plc had filed an IPO for listing on NYSE stock exchange with the intention to raise \$250mn. It had revenues of \$164.6mn in FY11 and \$166.3mn in YTD Dec-11. It had net income margins of 29% in FY11 and 27% in YTD Dec-11.

B4U Television Networks is a global Bollywood network that runs two channels, B4U Music and B4U Movies, in more than 100 countries. It claims to be the number 1 Asian channel. It was formed as a joint venture between Lakshmi Mittal, Gokul Binani and the Lulla family. For FY11 it had net income of \$2.5mn. The deal values B4U at ~28x P/E on historical numbers.

Eros already had a 24% stake in B4U. In 2008, Eros had acquired Acacia Investments, the holding company with 24% stake in LMB holdings, that operated B4U channels through its subsidiaries. The 24% stake was acquired for \$10.8mn or at an implicit valuation of \$45mn. The current valuation of B4U has appreciated 55%. The acquisition will be a strategic vehicle to promote Eros Movies globally.

CA Media enters India with Endemol India's deal

CA Media has acquired 49% stake in Endemol India for an undisclosed amount. News reports peg the deal to be around \$50mn, valuing the firm over \$100mn.

CA Media is the Asian investment arm of The Chermin Group, (ex-NewsCorp COO Peter Chermin's entertainment and digital media firm). It had recently concluded a fund-raising round of \$200mn from PE firm Providence Equity Partners. A major portion of the fund will be used for M&E investments in India. This is its first deal in India and probably the largest deal in Asia.

Endemol India is the Indian subsidiary of the world's largest independent television and digital production company Endemol. Endemol has a comprises a global network of more than 80 companies in 31 countries and annually produces 10,000 hours of content across genres. Founded in 2006, it is led by Deepak Dhar, who would now acting as its CEO. Endemol India has made popular reality shows like Bigg Boss, Fear Factor, Khatron Ke Khiladi and The Great Indian Laughter Challenge. It will use the funds to enter film production while strengthening its foothold in Indian content production through expansion in scripted and regional formats.

CA Media, Zodiuss invest in OML, a music and events firm

CA media alongwith Zodiuss has invested in Mumbai based media company – Only Much Louder (OML). The deal value was undisclosed. This is a quick second investment for CA Media in India.

OML is in music and live events. Started in 2002, OML operates a large-format music festivals division like Bacardi NH7 Weekender, a full-fledged production house Bubble Fish Productions, a digital arm NH7 and an artist management arm 'The Syndicate' that has worked with International artistes like Lady Gaga. This could be a complementary play to CA Media's other investment in content production house Endemol India.

Zodiuss was founded by Neeraj Bhargava, co-founder and ex-CEO of NYSE-listed BPO firm WNS.

Future Ventures ups stake in Amar Chitra Katha

Future Ventures has increased its stake in Amar Chitra Katha (ACK media) from 56% to 65.84% through a buyback of 70,457 shares.

Future Ventures had picked up the first stake of 26% at a valuation of over \$38mn in April 2011. It increased its stake by 30% in July 2011 at an undisclosed value. This is its third investment in ACK Media.

ACK Media is the leading Indian provider of high-quality entertainment and educational experiences for children of all ages. Its publishing brands include Tinkle, Amar Chitra Katha, Karadi Tales. It owns India Book House. It recently partnered National Geographic Society to publish Indian editions of National Geographic (NGM), National Geographic Traveler (NGT) and National Geographic Kids magazines. A key investor in the company is Elephant Capital which has a stake of 26.1%

United Mobile Apps raises Series A funding

United Mobile Apps Pvt Ltd (UMA) has raised \$1mn in Series A funding from Mumbai Angels. Blume Ventures, India Venture Partners (Mauritius) and Christopher Preinz and Associates (EU).

Founded in 2009, UMA is a Bangalore based mobile, broadband and wireless technology firm. It will use the funds for 4G/LTE technology, scaling up operations and opening up sales offices across the globe.

Publicis Group acquires Indigo Consulting

Publicis Groupe has acquired digital agency Indigo Consulting for an undisclosed amount. Indigo will retain its name and operate as a part of Publicis' advertising agency - the Leo Burnett Group in India.

Indigo Consulting was founded in 2000 and is headquartered in Mumbai. A 160 member team, it

Research Desk

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provides services like services like website design and development, search engine optimisation, usability research & testing, and marketing on mobiles and social media.

Publicis Groupe is the third largest communications group in the world with presence in 104 countries. This is its second acquisition in advertising space in India. It had acquired Watermelon Healthcare Communications Pvt Ltd last year for an undisclosed amount.

Reliance Entertainment to put \$200mn in DreamWorks

Reliance Entertainment will provide \$200mn in financing to Steven Spielberg's company DreamWorks Studios as per an existing agreement. In 2009, it had provided a first round of financing of \$325mn for an undisclosed stake. DreamWorks Studios has already produced acclaimed movies like 'War Horse' and 'The Help'. It plans to produce 3-5 movies per year. Reliance Entertainment will retain the distribution rights for Dreamworks produced movies in India. The Walt Disney Company has a five year distribution agreement with Dreamworks.

BIG Cinemas in talks for stake sale

BIG Cinemas is in talks with Mexican multiplex operator Cinepolis for a possible stake sale and merger.

BIG Cinemas is the exhibition business of Reliance Mediaworks (RMW), an ADAG company. BIG Cinemas is the largest operator in India with over 250 screens. It has over 500 screens globally. RMW had restructured its operations into exhibition and media services verticals in an attempt to raise funding and reduce its debt. RMW had a consolidated debt of Rs 20.5bn on its books as on 30th September, 2012. Its theatrical exhibition business had nine-monthly revenues of Rs 4.4bn and a loss of Rs 1.1bn as on 31st December, 2012.

Cinepolis is the biggest in Mexico with 205 theaters in 65 cities. Cinepolis entered India in 2009 and has build-up a 32 screen presence. It is looking at inorganic route to expand in India.

News Update

FIPB nod to Network 18, Cellcast

The Foreign Investment Promotion Board (FIPB) has approved proposals from Network 18 and Cellcast Interactive India.

Network 18's publishing unit had proposed to undertake additional business of publishing through court's approval of amalgamation of its publishing business from Infomedia18. Network 18, at present, has the distribution of Forbes magazine in India. The approval will allow it to

consider other publishing options that complement its broadcasting and internet portfolio.

Cellcast Interactive India had proposed to set-up three Non-news and current affairs Television channels in Hindi, Tamil and Telugu in India. It already airs MyTV, a social TV Channel in India. It is a Canaan partners funded interactive services company.

Star to exit News in India

After exiting Hathway in March, Rupert Murdoch's Newscorp owned Star Group is exiting news broadcasting in India. Star Group was operating with a 26% stake in a JV with Anand Bazaar Patrika. The leading news channel Star News was one of the three news channels from this portfolio. ABP will continue to be in news broadcasting. This move could be a fallout of the phone-hacking scandal that has rocked NewsCorp for over a year now.

TRAI: 44.2mn DTH Subscribers, 825 TV channels

According to the latest quarterly update of TRAI, India has 44.2mn DTH subscribers as on 31st December, 2011. The number of STBs is 853,737, an increase of 4% QoQ. India has 825 private satellite TV channels permitted by Information and Broadcasting Ministry. Out of these 163 channels are pay channels. The maximum number of channels carried by an MSO in digital mode is 277 compared to 100 in analogue mode.

TRAI: Halve minimum channel spacing for FM frequencies

The Telecom Regulatory Authority of India (TRAI) has released its recommendations on FM radio frequencies. The key recommendation is reduction of minimum channel spacing between FM frequencies to 400 KHz within a licence service area, or half of the previous 800 KHz requirement. TRAI said that this is as per benchmark in countries like US, UK and Singapore. It also restated co-location of transmitters as a recommendation.

The move would double the FM frequencies in each area, leading to more license fees for the Government and opportunities for operators via content diversification and increase in inventory especially in key markets.

The recommendation could be implemented in FM Phase III auctions itself. Phase III will transform the FM radio industry as it covers 294 cities, allows ownership of multiple frequencies to operators, networking of operations and a license period of 15 years.

Stock Market Update (Returns)

Stock	MCap (Apr 27)	Price (Apr 27)	15 days	1 m	3 m	6 m	1 yr	P/E (TTM)
Zee Entertainment	1,18,626	123.8	-1%	1%	-3%	6%	-7%	19.1
Sun TV Network	1,11,092	281.9	-2%	-9%	-5%	12%	-34%	14.9
Dish TV	63,706	59.9	0%	-3%	-6%	-20%	-15%	NM
DB Corp	37,477	204.5	-1%	-4%	8%	-6%	-20%	18.5
Jagran Prakashan	31,674	100.2	3%	3%	2%	-5%	-17%	17.7
HT Media	30,306	129.0	-3%	1%	-5%	-9%	-17%	15.0
Hathway cable	22,093	154.7	-7%	-5%	16%	30%	23%	NM
Eros International	17,089	186.2	2%	-2%	-9%	-29%	23%	13.2
Den Networks	14,275	107.6	8%	8%	33%	38%	6%	104.9
ENIL	9,927	208.3	-7%	-4%	-5%	-17%	-18%	17.6
TV 18 Broadcast	9,631	26.6	-8%	-1%	-18%	-43%	-72%	NM
Deccan Chronicle	7,554	35.3	-6%	-4%	-21%	-26%	-58%	94
Prime Focus	7,079	47.6	-6%	10%	-20%	-15%	-24%	7.8
Onmobile	6,045	52.4	-10%	-14%	-34%	-12%	-63%	5.7
Reliance Broadcast	3,965	49.9	-7%	-1%	-5%	-22%	-36%	NM
PVR	3,879	149.8	4%	0%	2%	17%	48%	10.8
Reliance Mediaworks	3,374	73.2	-8%	-3%	-12%	-18%	-55%	NM
Balaji Telefilms	2,899	44.5	4%	6%	19%	44%	13%	32.5
Nifty		5190.6	0%	-1%	0%	0%	-11%	
Sensex		17134.3	0%	-1%	-1%	-1%	-12%	

Market Cap in Rs.mn

Financial Benchmarking - Quarter 3, FY'12 Results

Quarter ending 31st December, 2011

Company	Revenue			EBITDA			PAT		
	Q3, FY'11	Q3, FY'12	y-o-y	Q3, FY'11	Q3, FY'12	y-o-y	Q3, FY'11	Q3, FY'12	y-o-y
Zee Entertainment	8,249	7,548	-8%	2,241	2,160	-4%	1,600	1,393	-13%
Sun TV Network*	5,980	4,251	-29%	5,018	3,411	-32%	2,255	1,679	-26%
Dish TV*	3,732	4,905	31%	667	1,202	80%	-443	-430	NM
DB Corp	3,482	3,956	14%	1,148	1,018	-11%	659	554	-16%
HT Media	4,651	5,266	13%	883	777	-12%	478	482	1%
Jagran Prakashan*	2,860	3,240	13%	897	723	-19%	526	413	-22%
Hathway cable*	1,199	1,277	6%	214	221	3%	-124	-183	NM
Eros International	2,798	4,084	46%	619	1,010	63%	428	691	61%
Den Networks	2,644	2,782	5%	268	235	-12%	92	35	-62%
TV 18 Broadcast	2,362	3,428	45%	321	-341	NM	198	-535	NM
ENIL	1,458	768	-47%	363	312	-14%	-52	184	NM
Deccan Chronicle*	1,996	2,316	16%	754	502	-33%	352	213	-39%
OnMobile Global	1,486	1,688	14%	336	391	16%	209	178	-15%
Prime Focus	1,269	2,128	68%	369	613	66%	175	263	50%
Reliance Broadcast	691	821	19%	53	-150	NM	-46	-287	NM
Reliance Media	2,423	2,111	-13%	167	-454	NM	-570	-1,511	NM
PVR	1,336	1,390	4%	216	240	11%	-48	90	NM
Balaji Telefilms*	395	346	-12%	-4	-19	NM	12	11	-8%

* Standalone results

Figures in Rs.mn

Nine Months ending 31st December, 2011

Company	Revenue			EBITDA			PAT		
	9M, FY'11	9M, FY'12	y-o-y	9M, FY'11	9M, FY'12	y-o-y	9M, FY'11	9M, FY'12	y-o-y
Zee Entertainment	22,134	21,715	-2%	5,997	5,796	-3%	4,402	4,290	-3%
Sun TV Network*	14,632	13,304	-9%	11,940	10,725	-10%	5,639	5,356	-5%
Dish TV*	10,036	14,331	43%	1,487	3,542	138%	-1,526	-1,098	NM
DB Corp	9,479	11,032	16%	3,235	2,793	-14%	1,905	1,567	-18%
HT Media	13,116	15,143	15%	2,482	2,392	-4%	1,280	1,435	12%
Jagran Prakashan*	8,327	9,341	12%	2,708	2,468	-9%	1,637	1,368	-16%
Hathway cable*	3,484	3,787	9%	696	640	-8%	-229	-434	NM
Eros International	5,927	7,370	24%	1,419	1,723	21%	1,041	1,151	11%
Den Networks	7,641	8,177	7%	892	658	-26%	297	98	-67%
TV 18 Broadcast	5,984	9,107	52%	391	-36	NM	-43	-404	NM
ENIL	3,709	2,156	-42%	658	667	1%	-31	360	NM
Deccan Chronicle*	6,681	6,592	-1%	3,412	1,724	-49%	2,090	546	-74%
OnMobile Global	4,039	4,605	14%	899	986	10%	623	783	26%
Prime Focus	4,262	5,828	37%	1,294	1,652	28%	659	783	19%
Reliance Broadcast	1,775	2,315	30%	57	-448	NM	-340	-823	NM
Reliance Mediaworks	6,970	6,385	-8%	505	-1,051	NM	-1,554	-3,918	NM
PVR	3,717	3,947	6%	708	727	3%	93	387	317%
Balaji Telefilms*	1,085	991	-9%	-82	-64	NM	-23	101	NM

* Standalone results

Figures in Rs. `mn

TTM Dec-11 Results

Company	Revenue			EBITDA			PAT		
	TTM Dec10	TTM Dec11	y-o-y	TTM Dec10	TTM Dec11	y-o-y	TTM Dec10	TTM Dec11	y-o-y
Zee Entertainment	28,627	29,695	4%	7,833	8,064	3%	5,607	6,196	11%
Sun TV Network*	18,551	17,909	-3%	15,249	14,364	-6%	7,290	7,440	2%
Dish TV*	13,068	18,661	43%	1,835	4,443	142%	-2,124	-1,469	NM
DB Corp	12,050	14,206	18%	3,931	3,589	-9%	2,212	2,022	-9%
HT Media	16,999	19,871	17%	3,402	3,268	-4%	1,808	2,025	12%
Jagran Prakashan*	10,690	12,167	14%	3,340	2,910	-13%	2,001	1,789	-11%
Hathway cable*	4,484	5,022	12%	908	807	-11%	-322	-609	NM
Eros International	7,555	8,513	13%	1,721	1,856	8%	1,236	1,292	4%
Den Networks	10,104	10,998	9%	1,162	889	-24%	625	136	-78%
TV 18 Broadcast	7,672	11,165	46%	416	35	-91%	-267	-680	NM
ENIL	4,912	3,083	-37%	1,000	1,025	2%	123	563	357%
Deccan Chronicle	8,598	9,673	13%	3,945	1,166	-70%	2,155	80	-96%
OnMobile Global	5,268	5,938	13%	1,118	1,293	16%	700	1,052	50%
Prime Focus	5,143	6,596	28%	1,287	2,033	58%	788	903	15%
Reliance Broadcast	3,089	3,006	-3%	-129	-395	NM	-1,228	-869	NM
Reliance Media	9,266	7,777	-16%	746	-1,692	NM	-2,009	-5,624	NM
PVR	4,592	4,842	5%	818	912	12%	20	359	1679%
Balaji Telefilms*	1,532	1,436	-6%	16	-68	NM	11	89	688%

* Standalone results

Figures in Rs. `mn

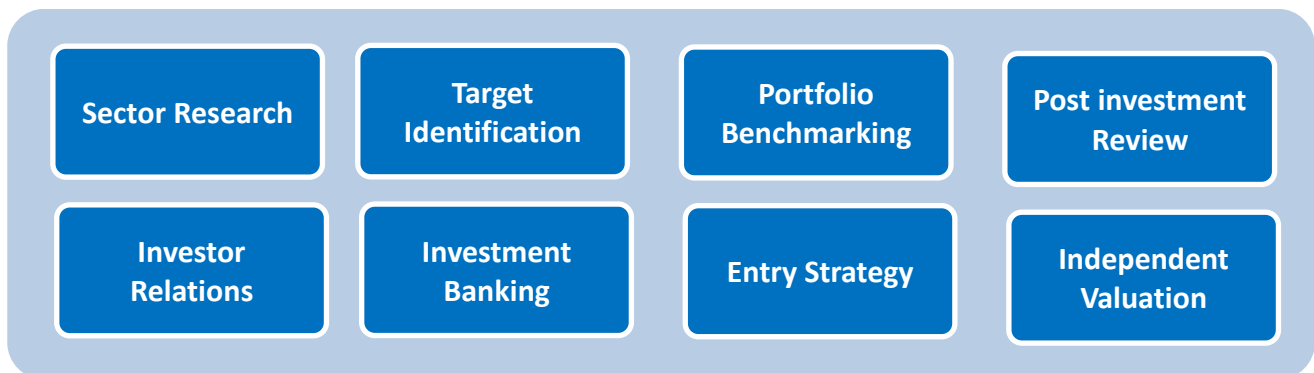
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