

MEDIA AND ENTERTAINMENT



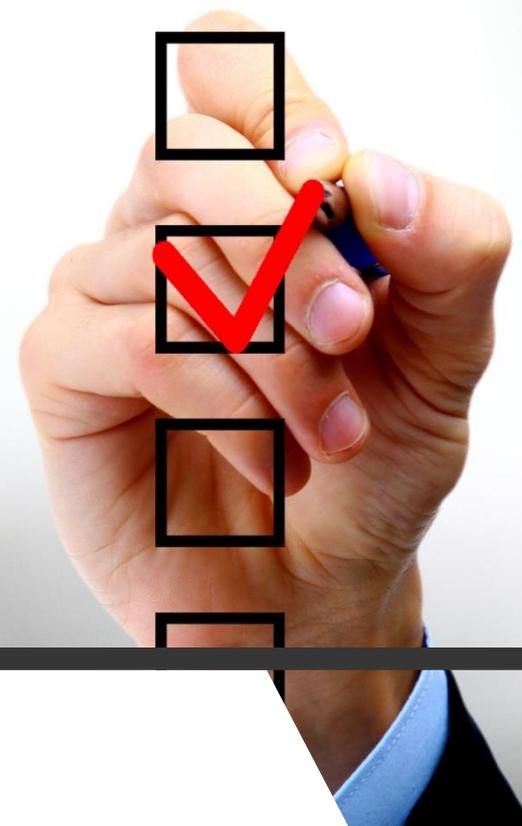
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October 2018

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EXECUTIVE SUMMARY

Second largest TV market

- Indian television market has a opportunity of catering to 100 million homes as 197 million homes out of the total 298 million have TV sets as of 2017.
- In 2017, television viewership in India grew at the rate of 12 per cent y-o-y.
- In FY18, television market generated a revenue of Rs 651.90 billion (US\$ 10.11 billion).

One of the largest broadcasting market

- 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.

Fast growing animation industry

- Animation and VFX industry in India reached Rs 73.90 billion (US\$ 1.15 billion) in FY18 from Rs 62.30 billion (US\$ 928.60 million) in FY17, growing at a CAGR of 18.60 per cent.
- During 2018-2023, the segment is expected to grow at a higher CAGR of 15.50 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

- Digitalisation has played the major role in the growth of Indian film industry. The Indian film industry is expected to grow at a rate of 11.9 per cent by 2020.
- 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), Aranca Research, Broadcast India 2018 Survey conducted by Broadcast Audience Research Council (Barc) 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 .

Robust Demand

- Media and entertainment Industry is set to expand at a CAGR of 13.10 per cent over 2018-23, 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.

Attractive Opportunities

ADVANTAGE INDIA

- From April 2000 to June 2018, FDI Inflows in Information and Broadcasting (including print media) sector reached US\$ 7.17 billion.
- Increasing M&A activity.
- In H12018, five private equity investments deals were recorded of worth US\$ 115 million.

Higher Investments

Policy Support

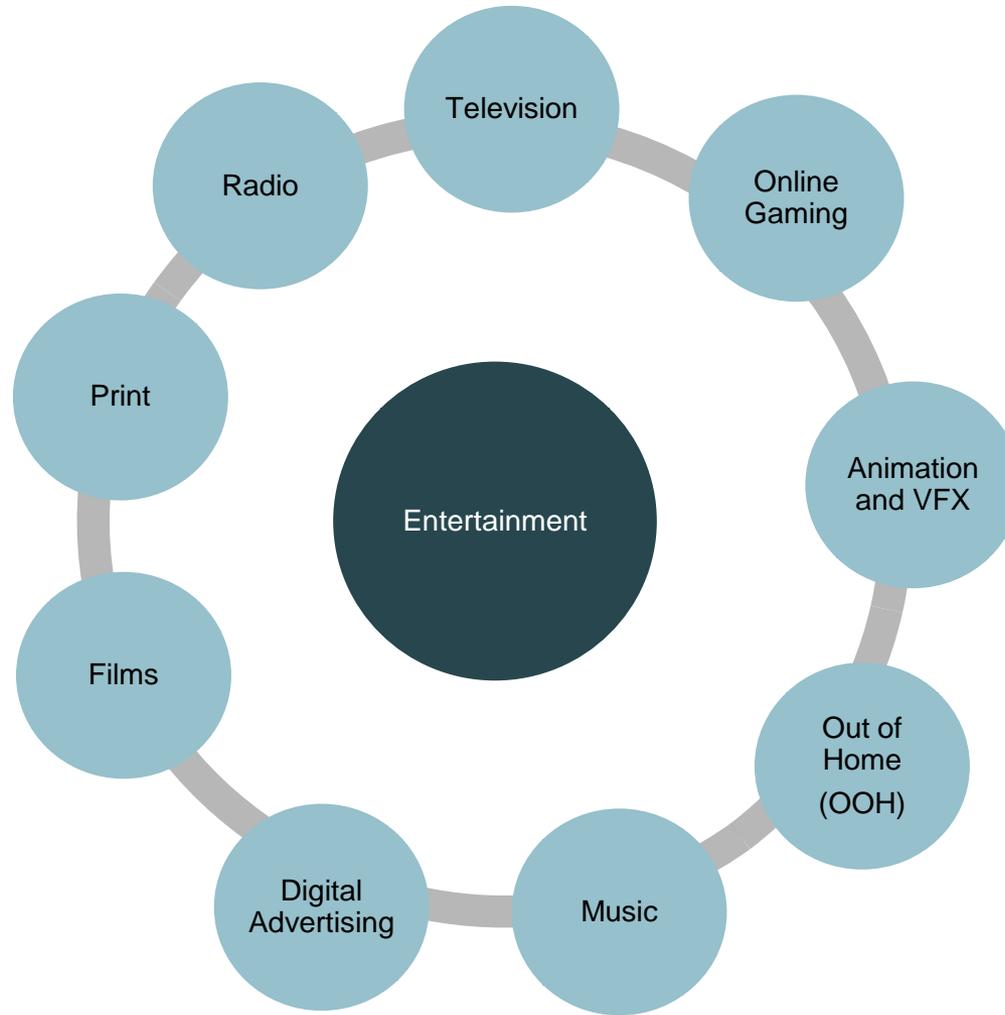
- The Government of India has increased the FDI limit from 74 per cent to 100 per cent.
- Measures such as digitisation of cable distribution to improve profitability and ease of institutional finance.
- Increasing liberalisation and tariff relaxation.
- In 2011, Indian Government passed the “The Cable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

Notes: AGV - Animation, Gaming and VFX, VFX - Visual Effects, M&A - Merger and Acquisition, FDI - Foreign Direct Investment, CAGR is calculated from Rs figures
Source: KPMG Report 2015, KPMG – FICCI Report, 2016; Dish TV Investor Presentation, Ministry of Information and Broadcasting (MIB), Aranca Research

MARKET OVERVIEW



THE ENTERTAINMENT SECTOR IS SPLIT INTO NINE SEGMENTS

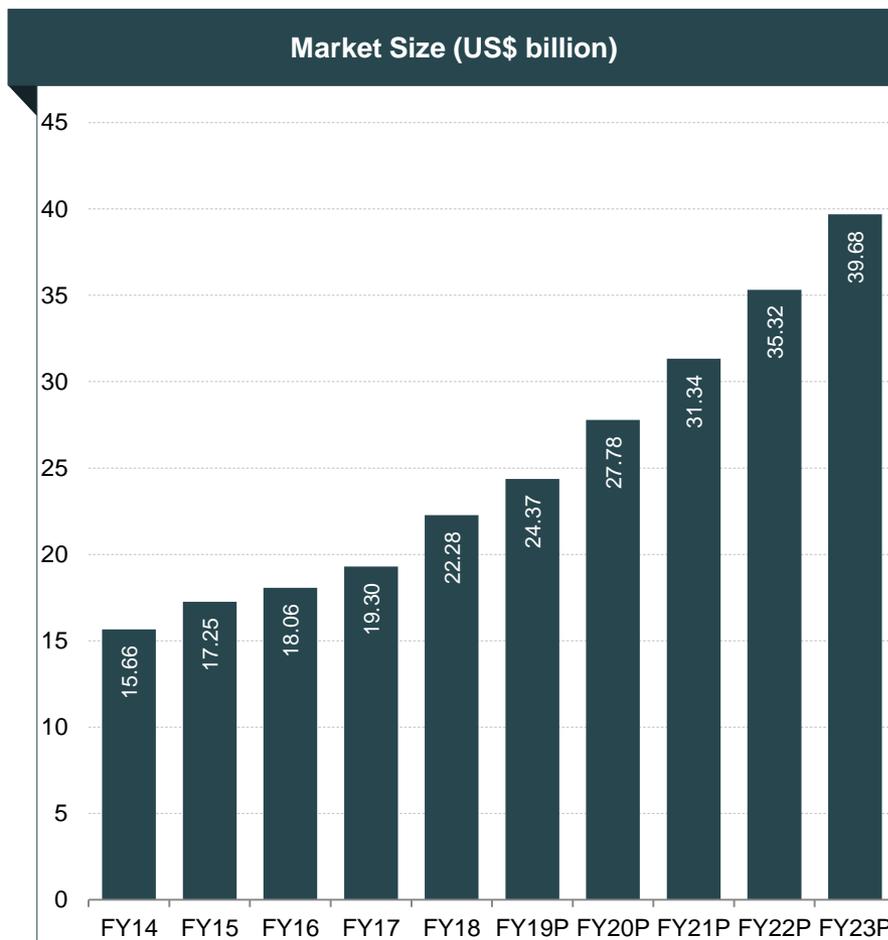


Note: VFX - Visual Effects

Source: : KPMG – FICCI Report, 2018, Aranca Research

THE INDIAN ENTERTAINMENT INDUSTRY IS GROWING RAPIDLY

- Indian media and entertainment (M&E) industry grew at a CAGR of 10.90 per cent during FY17-18; and is expected to grow at a CAGR of 13.10 per cent during 2018-23 and is projected to touch Rs 2,660.20 billion (US\$ 39.68 billion) by FY23 from Rs 1,436.00 billion (US\$ 22.28 billion) in FY18.
- The next five years will see digital technologies increase their influence across the industry leading to a sea change in consumer behaviour across all segments.
- The industry provides employment to five million people, including both direct and indirect employment as of 2017.

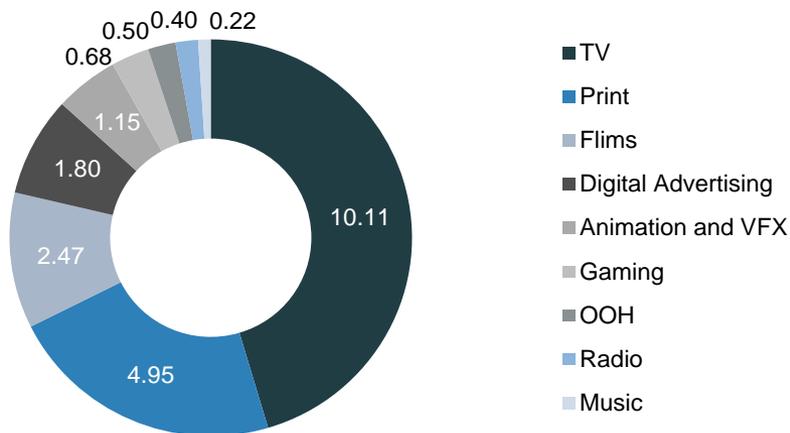


Notes: P – Projected, CAGR is calculated from Rs figures

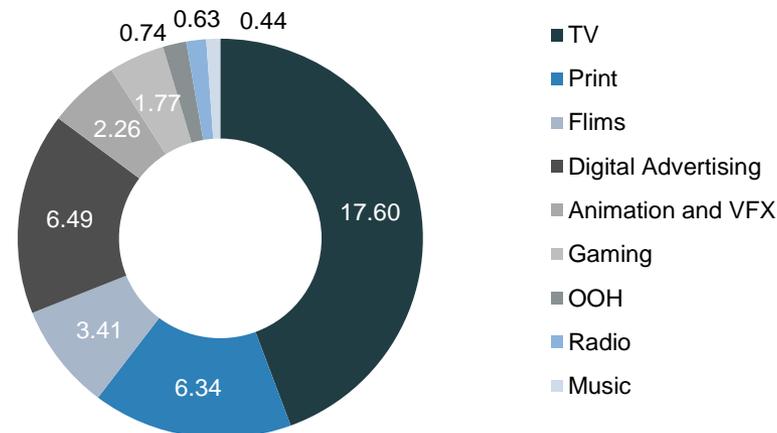
Source: : KPMG report – Media ecosystems: The walls fall down – September 2018

SEGMENTS OF INDIAN ENTERTAINMENT INDUSTRY

Size of major industry segments FY18 (US\$ billion)



Size of major industry segments FY23P (US\$ billion)



- In FY18, major segments were television, print and films with a market size of Rs 651.90 billion (US\$ 10.11 billion), Rs 318.90 billion (US\$ 4.95 billion) and Rs 158.90 billion (US\$ 2.47 billion), respectively. They are projected to reach Rs 1,179.60 billion (US\$ 17.60 billion), Rs 424.90 billion (US\$ 6.34 billion) and Rs 228.80 billion (US\$ 3.41 billion), respectively in FY23.
- PVR Cinemas number of screens increased to 625 in FY18. They have a target to achieve 1,000 screens in India by 2020.
- 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.

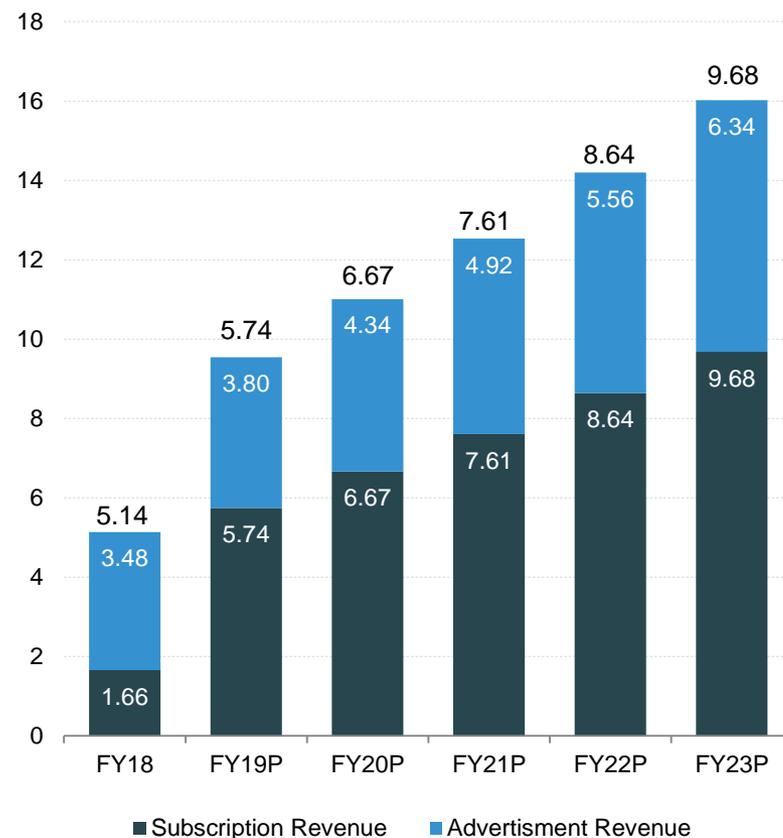
Notes: P – Projected, OOH – Out of Home, TV – Television

Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times, Aranca Research

TELEVISION, ONE OF THE LARGEST AND FASTEST GROWING SEGMENT

- In FY18, television market size increased to Rs 651.90 billion (US\$ 10.11 billion) from Rs 433.70 billion (US\$ 7.17 billion).
- In FY18, broadcasters subscription revenue was Rs 107.00 billion (US\$ 1.66 billion) and is forecasted to reach Rs 224.00 billion (US\$ 9.68 billion) in FY23.
- In FY18, broadcasters advertisement revenue was Rs 224.00 billion (US\$ 3.48 billion) and is forecasted to reach Rs 425.00 billion (US\$ 6.34 billion) in FY23.

Broadcasters Market Size Forecast (US\$ billion)



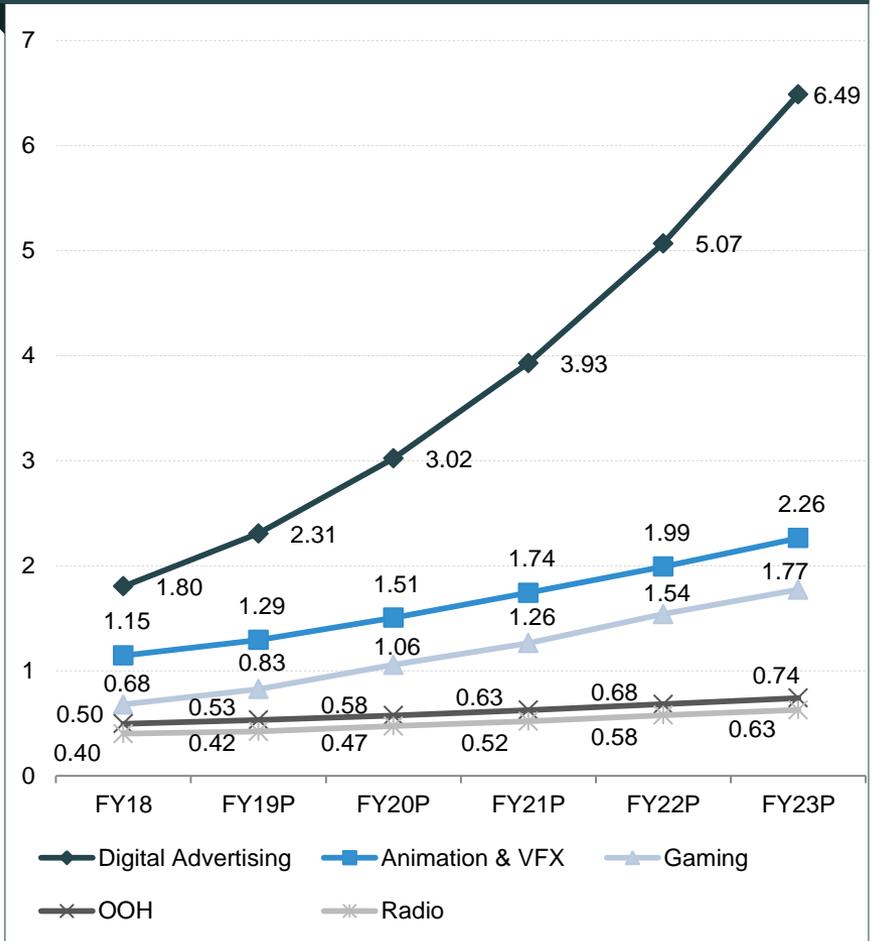
Notes: P – Projected

Source: KPMG report – Media ecosystems: The walls fall down – September 2018

Radio, OOH, ANIMATION and VFX, GAMING AND DIGITAL ADVERTISING ON HIGH GROWTH PHASE

- Radio, OOH, animation and VFX, gaming and digital advertising are also emerging as fast growing segments.
- During 2018-23, these segments are expected to increase at CAGRs of:
 - Digital Advertising (30.20 per cent).
 - Animation and VFX (15.50 per cent).
 - Gaming (22.10 per cent).
 - OOH (9.20 per cent).
 - Radio (10.20 per cent).
- 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. Expenditure on digital advertisements is expected to increase at CAGR of 30.8 per cent between 2016-21, as internet penetration and data consumption increases in the country.

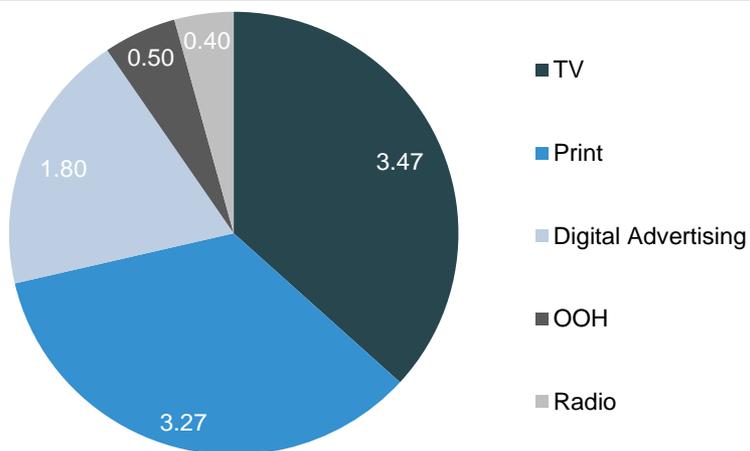
Industry size of emerging segments (US\$ billion)



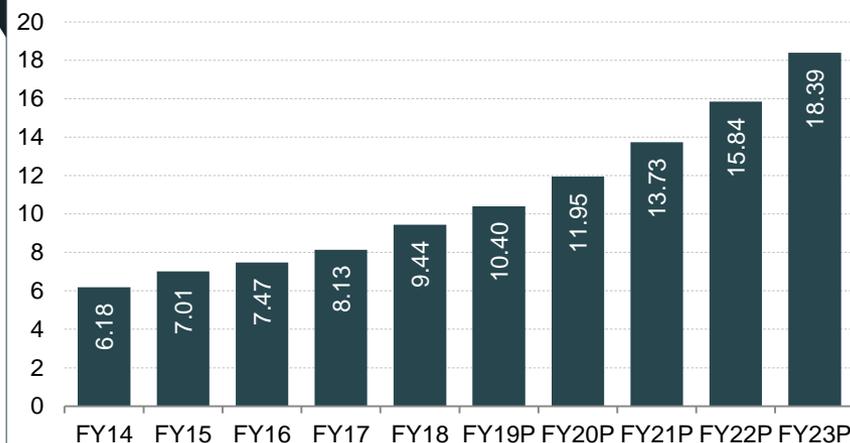
Note: VFX- Visual Effects, P – Projected, Out-of-home advertising, CAGR is calculated from Rs figures

Source: KPMG report – Media ecosystems: The walls fall down – September 2018

Advertising Revenue Share FY18 (US\$ billion)



Advertising Revenue Forecast (US\$ billion)



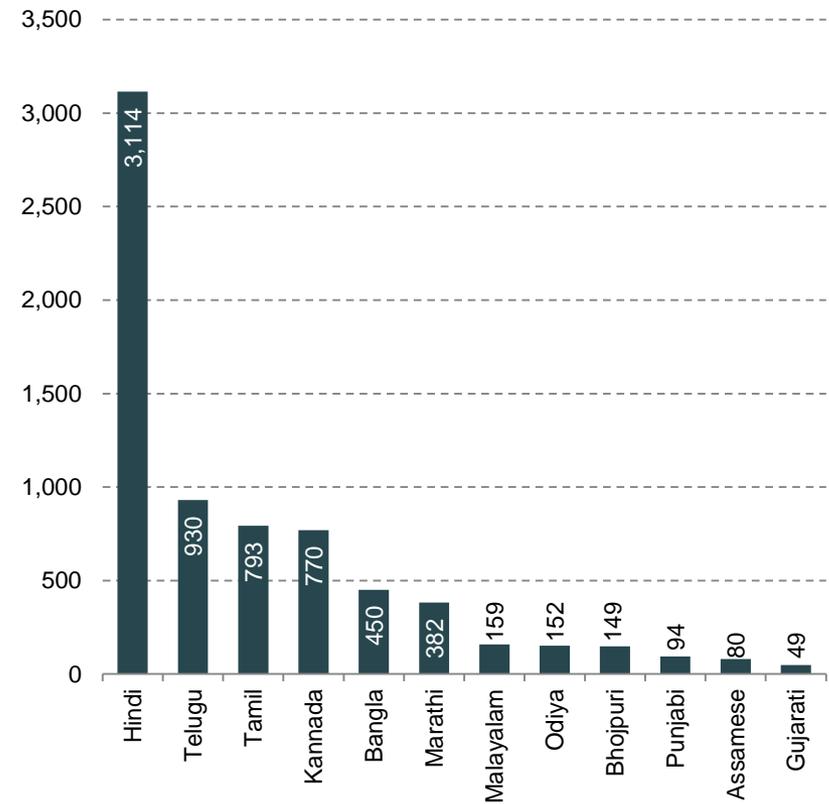
- India’s advertising revenue is projected to reach Rs 1,232.70 billion (US\$ 18.39 billion) in FY23 from Rs 608.30 billion (US\$ 9.44 billion) in FY18.
- India’s advertising revenue is forecasted to grow at a CAGR of 15.20 per cent during 2018-2023.
- Television advertising was the largest contributor, it generated a revenue of Rs 223.50 billion (US\$ 3.47 billion) in FY18.
- Print advertising was the second largest contributor, it generated a revenue of Rs 210.60 billion (US\$ 3.27 billion) in FY18.
- Digital advertising has emerged as the 3rd largest advertising medium in India. It generated revenues worth Rs 116.30 billion (US\$ 1.80 billion) in FY18.
- 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, CAGR is calculated from Rs figures, P – Projected, Out-of-home advertising
Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times

REGIONAL ENTERTAINMENT TRENDING NORTH

- Regional Entertainment channels comprising mostly of regional GECs (General Entertainment Channels), regional movies and regional music.
- As of 2017, about 31 per cent of TV owning individuals are present in Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Kerala. Total viewership in these five states grew eight per cent year-on-year to reach 259 million in 2017.
- Total viewership in west, north and east had reached 221 million, 209 million and 146 million, respectively in the same period.

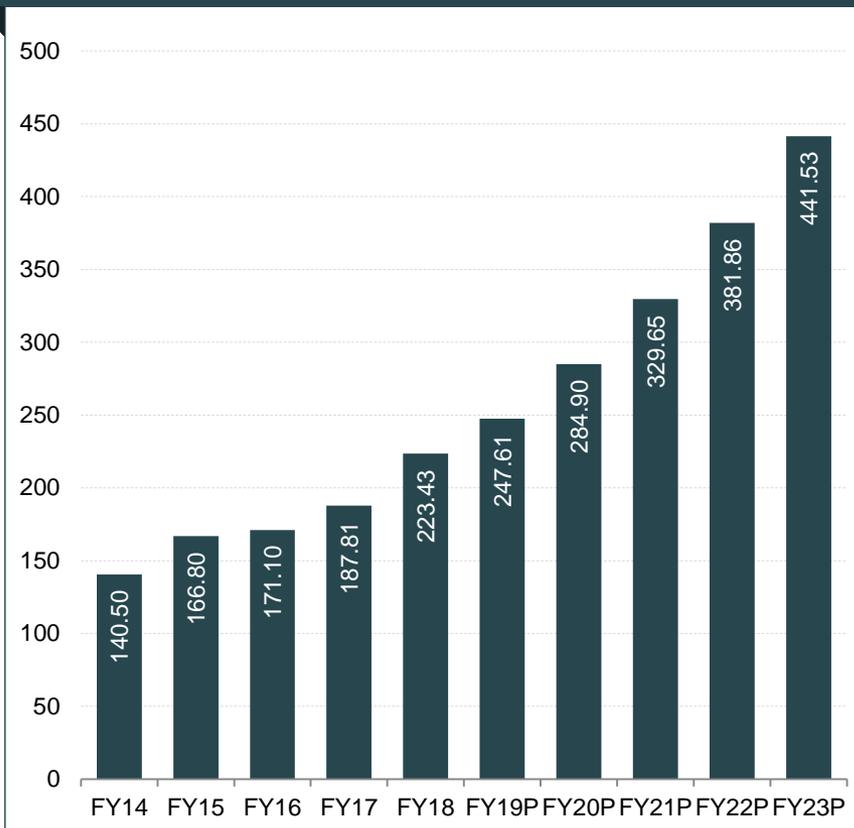
Viewership growth in regional channels as of 2017



Source: KPMG – FICCI Report 2018, Economic Times, Broadcast India 2018 Survey conducted by Broadcast Audience Research Council (Barc) India

- Music entertainment market size is expected to touch Rs 29.60 billion (US\$ 441.53 million) by FY23 from Rs 14.40 billion (US\$ 223.43 million) in FY18.
- Music entertainment industry is forecasted to grow at a CAGR of 15.5 per cent, during 2018-2023.
- 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.

Revenues for the music industry (US\$ million)



Note: P – Projected, CAGR is calculated from Rs figures,

Source: KPMG report – Media ecosystems: The walls fall down – September 2018

KEY PLAYERS IN THE MEDIA AND ENTERTAINMENT INDUSTRY

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

Source: Company websites

RECENT TRENDS AND STRATEGIES



NOTABLE TRENDS IN THE MEDIA AND ENTERTAINMENT INDUSTRY... (1/2)

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 651.90 billion (US\$ 10.11 billion) in FY18 from Rs 595.30 billion (US\$ 8.87 billion) in FY17 at a CAGR of 9.50 per cent.

Print

- The print industry accounted for the second largest share in M&E to reach Rs 318.90 billion (US\$ 4.95 billion) in FY18 from Rs 308.40 billion (US\$ 4.60 billion) in FY17, at a CAGR of 3.40 per cent.
- Newspaper readership in India has increased by 40 per cent to 407 million in 2017 from 295 million in 2014.
- 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 Indian film industry reached Rs 158.90 billion (US\$ 2.47 billion) in FY18 from Rs 145.00 billion (US\$ 2.16 billion) in FY17, at a CAGR 9.60 per cent. 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 32.00 billion (US\$ 496.51 million) in FY18 from Rs 28.60 billion (US\$ 426.29 million) in FY17, at a CAGR of 11.90 per cent.

Note: CAGR is calculated from Rs figures Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times, Indian Readership Survey 2017 (IRS 2017)

NOTABLE TRENDS IN THE MEDIA AND ENTERTAINMENT INDUSTRY... (2/2)

Radio

- Increasing FM enabled phones and car music systems.
- In FY17, the total number of radio frequencies auctioned were 266 across 92 cities, only 66 frequencies got sold to 11 companies.
- In FY18, the radio industry in India accounted for a market size of Rs 25.90 billion (US\$ 401.86 million) and Rs 24.00 billion (US\$ 357.73 million) in FY17, registering growth of CAGR 7.90 per cent.

Animation, 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.
- Gaming industry in India reached Rs 43.80 billion (US\$ 679.60 million) in FY18 from Rs 32.40 billion (US\$ 482.93 million) in FY17, at a CAGR of 35.10 per cent.
- Animation and VFX industry in India reached Rs 73.90 billion (US\$ 1.15 billion) in FY18 from Rs 62.30 billion (US\$ 928.60 million) in FY17, at a CAGR of 18.60 per cent.

Music

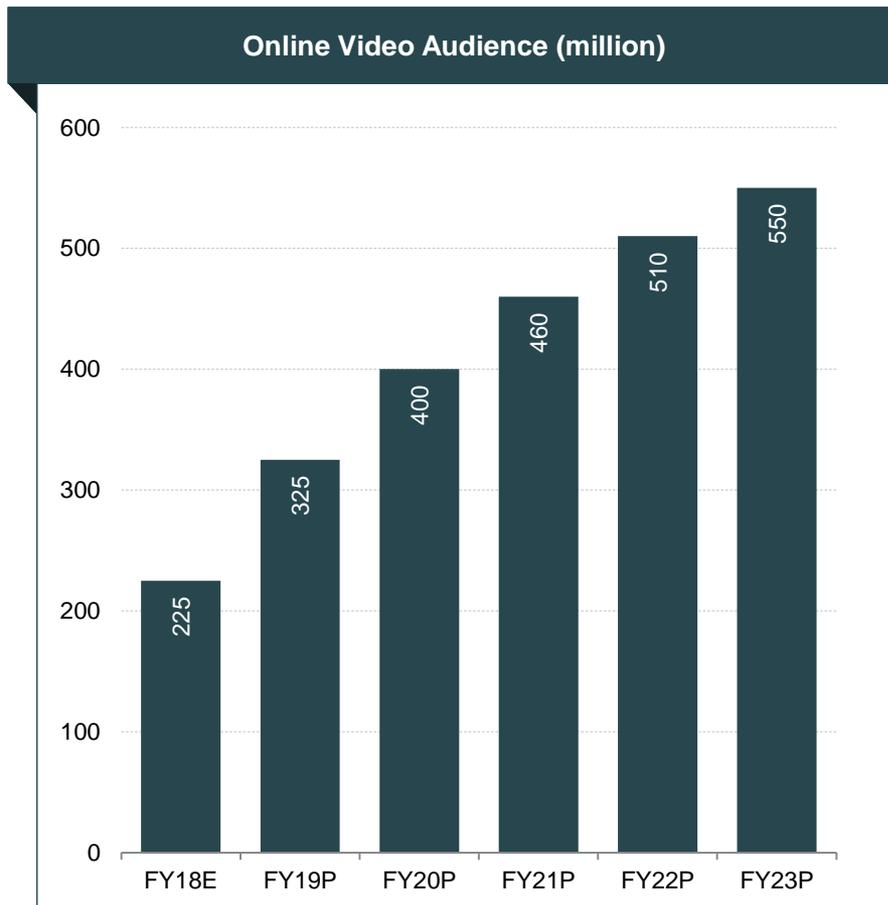
- The music industry is on fast paced growth with increasing international associations. The Indian music industry is a consortium of 142 music companies.
- Players are looking at new ways and mediums to monetise music, such as utilising social media to promote music. Mobile phones, iPods and mp3 players – 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.

Note: CAGR is calculated from Rs figures

Source: KPMG report – Media ecosystems: The walls fall down – September 2018, Economic Times

OTT ON AN UPTREND POST - DIGITISATION

- Growing mobile and smartphone penetration has boosted adaptation of online video viewing in India.
- Online video market is driven by increasing geographical coverage of high speed data, increasing smartphone, affordable data charges and availability of creative video content.
- The number of online video viewing is forecasted to reach 550 million in FY23 from estimated 225 million in FY18.
- In October 2018, Zee Entertainment Enterprises (ZEEL) launched ZEE5, an over-the-top (OTT) service, simultaneously in 190 countries.



Notes: E – Estimate, P - Projected, OTT- Over-the-top content

Source: KPMG report – Media ecosystems: The walls fall down – September 2018

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.

In H12018, five private equity investments deals were recorded of worth US\$ 115 million.

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.

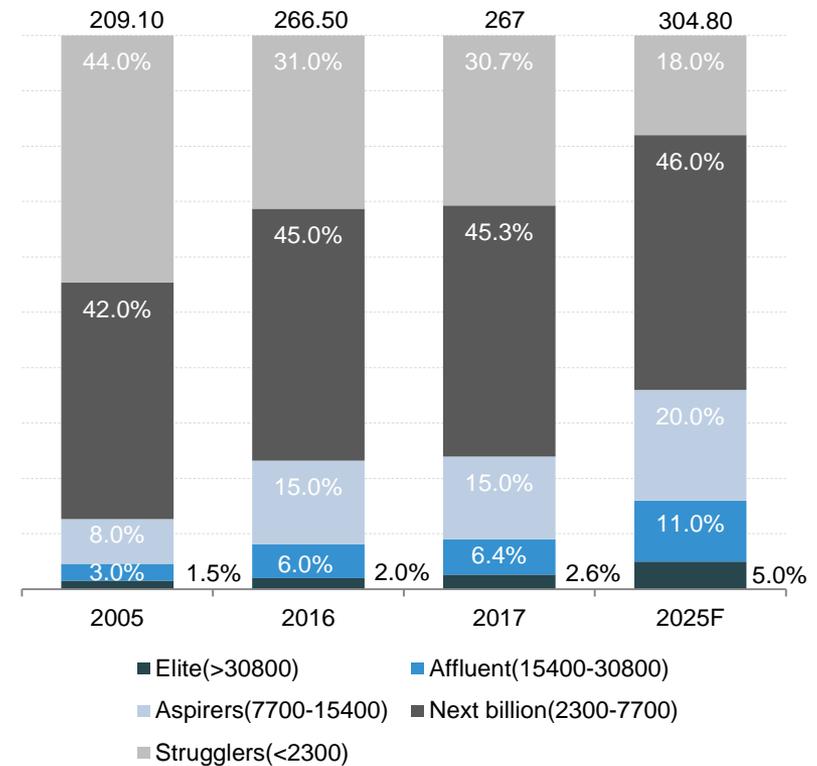
The Indian and Canadian Government have signed an audio visual co-production deal to enable producers from both the countries exchange and explore their culture and creativity, respectively.

Source: PE Roundup – July'18 by EY, FICCI Report 2018, Providing M&A and Private Equity Deal insights report by Grant Thornton

INCOME FACTOR DRIVING GROWTH

- 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.

Indian residents shifting from low to high income groups (%)
Million Household, 100%



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, GST – Goods and Service Tax, DTH - Direct-to-Home
Source: KPMG – FICCI Report 2017 & 2018*

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 2018

KEY M&A DEALS IN THE SECTOR

Mergers and Acquisition deals

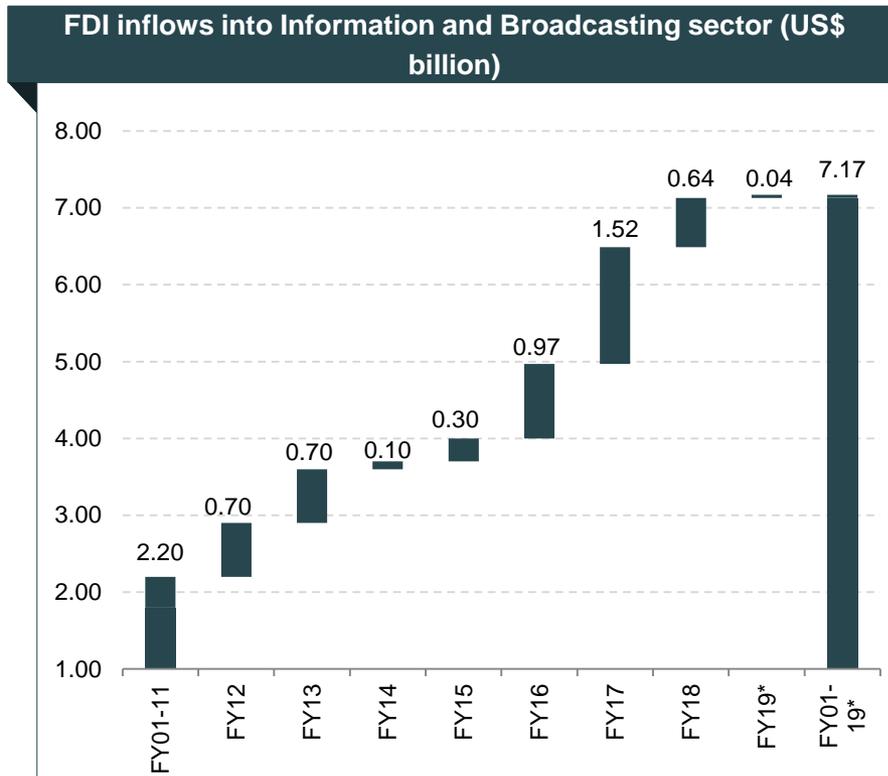
Acquirer	Target	Date	Value
PVR Ltd	SPI Cinemas	August 2018	US\$ 94.42 million
Dish TV	Videocon D2h	February 2018	US\$ 2.4 billion
Zee Entertainment	9X Media and INX Music	October 2017	US\$ 24.56 million
Delta Corporation	Gaussian Network	September 2017	US\$ 34.37 million
Dentsu Aegis Network (DAN)	SVG Media Pvt. Ltd	April 2017	US\$ 100-120 million
Hotstar	Zapr Media Labs	March 2017	NA
Zee Media Corporation (ZMCL)	Reliance Broadcast Network (RBNL)	November 2016	US\$ 237.79 million
Eros International Media Ltd	Puja Entertainment	June 2016	NA
PVR	DT Cinemas	May 2016	US\$ 81.89 million
Sony Pictures Networks India Pvt. Ltd. (SPN)	9X Media Pvt. Ltd.	April 2016	US\$ 33 million
Zee Entertainment	Sarthak TV	July 2015	US\$ 18.83 million
Viacom Inc.	Prism TV	July 2015	US\$ 153 million
Dainik Jagran group	Radio City	June 2015	US\$ 60 million
Carnival Films Private LTD.	BIG Cinemas	December 2014	US\$ 111 million

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 June 2018 rose up to US\$ 7.17 billion.
- Demand growth, supply advantages and policy support are the key drivers in attracting FDI.



*Note: * - till June 2018*

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 and VFX industry was worth Rs 73.90 billion (US\$ 1.15 billion) in FY18 and is expected to expand to Rs 151.80 billion (US\$ 2.26 billion) by FY23.
- It is projected to grow at a CAGR of 15.50 per cent during 2018-2023.
- Growth in international animation films, especially 3D productions and the subsequent work for Indian production houses will help the growth in this segment.

Television

- Television industry is expected to increase from Rs 651.90 billion (US\$ 10.11 billion) in FY18 and reaching Rs 1,179.60 billion (US\$ 17.60 billion) by FY23.
- Television is projected to grow at a CAGR of 12.60 per cent during 2018-2023.

Print

- The print industry was worth Rs 318.90 billion (US\$ 4.95 billion) in FY18 and is expected to reach Rs 424.90 billion (US\$ 6.34 billion) by FY23.
- Accelerated growth is forecasted in regional print and local news segments.
- Print industry is projected to grow at a CAGR of 5.90 per cent during 2018-2023.

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.

Note: CAGR is calculated from Rs figures

Source: KPMG report – Media ecosystems: The walls fall down – September 2018, News articles

GROWTH OPPORTUNITIES IN THE MEDIA AND ENTERTAINMENT SEGMENTS...(2/2)

Film

- Size of the Indian film industry is expected to touch Rs 228.80 billion (US\$ 3.41 billion) by FY23, up from Rs 158.90 billion (US\$ 2.47 billion) in FY18.
- It is projected to grow at a CAGR of 7.60 per cent during 2018-2023.
- 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 Rs 42.10 billion (US\$ 627.98 million) by FY23, up from Rs 25.90 billion (US\$ 401.86 million) in FY18.
- It is projected to grow at a CAGR of 10.20 per cent during 2018-2023.
- 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 Rs 29.60 billion (US\$ 441.53 million) by FY23, up from Rs 14.40 billion (US\$ 223.43 million) in FY18.
- 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

- As of September 2018, Twitter announced video content collaboration with 12 Indian partners for video highlights and live streaming of sports, entertainment and news.
- 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.
- Hotstar India is the largest premium online streaming platform with 350 million followers.

Note: CAGR is calculated from Rs figures

Source: KPMG report – Media ecosystems: The walls fall down – September 2018

INDUSTRY ASSOCIATIONS



Agency	Contact Information
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 Tel: +91 (022) 2285 6045 / 2284 3583 / 2204 2116 Fax: +91 (022) 2204 2116 E-mail: isa.ed@vsnl.net

USEFUL INFORMATION



- 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 Modulation
- 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)

Year INR	INR Equivalent of one US\$
2004–05	44.95
2005–06	44.28
2006–07	45.29
2007–08	40.24
2008–09	45.91
2009–10	47.42
2010–11	45.58
2011–12	47.95
2012–13	54.45
2013–14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
Q1 2018-19	67.04
Q2 2018-19	70.18

Exchange Rates (Calendar Year)

Year	INR Equivalent of one US\$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12

Source: Reserve Bank of India, Average for the year

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