

Annual General Meeting

6 October 2008



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Financial Highlights

- **Year to 31 March 2008**
 - Turnover, excluding Scope Seven, increased by 28% to £1.9M (2007: £1.5M)
 - LBITDA increased to £1.4M (2007: £0.9M) due to planned investment
- **New financial year**
 - Encouraging start to new financial year with technology licensing sales up significantly compared to the same period last year
 - Generated EBITDA profit for the first six months of the new financial year



Operational Highlights

- 15 year contract signed with a major Hollywood studio
- Adoption of ZOO's tools by Sony Pictures
- Significant US presence created through acquisition of Scope Seven
- Exposure to new markets following launch of the Media Adaptation Tool, which enables the automated regionalization and size adaptation of print, packaging and marketing materials, already generating significant new revenue streams



ZOO Digital Group Positioning

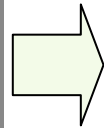
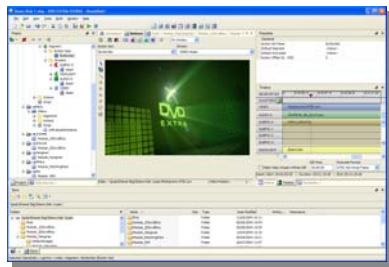
- Our mission is to simplify and enhance the creation, processing and deployment of digital media content for distribution by the entertainment industry
- We provide efficient collaborative solutions informed by our fresh viewpoint
- We deliver highest quality production and creative services built on our unique software
- Our role is to enable content holders to operate straightforward and understandable digital environments

Scope Seven Integrated

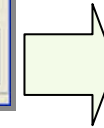
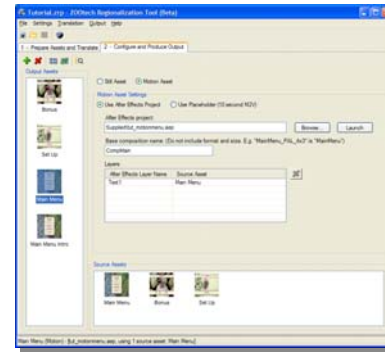
- The acquisition has enabled us to accelerate growth through a broader service offering
- Initially revenues fell below expectations; we terminated the relationship with an intermediary in order to pursue studio business directly
- We have since recovered revenues to the level anticipated at the time of the acquisition
- We are now working directly with a number of major studios
- Scope Seven now fully integrated into the Group



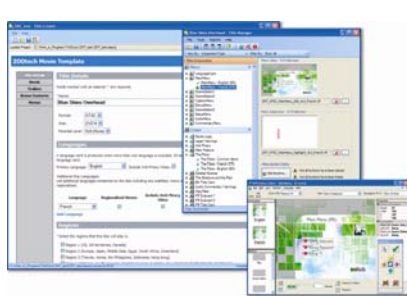
ZOO Proprietary Tools



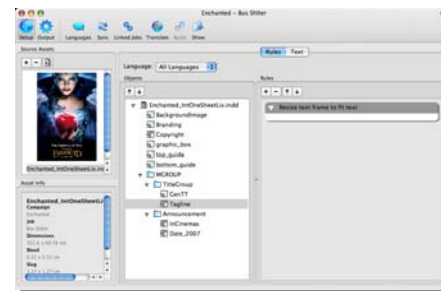
DVD-EXTRA STUDIO



Menu Regionalization Tool



DVD Templated Authoring System



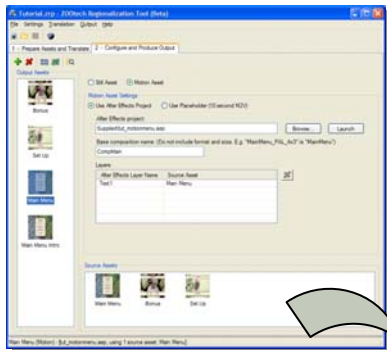
Media Adaptation Tool

DVD-EXTRA STUDIO



- A proprietary tool enabling the production of advanced DVD titles
- Used as the basis of differentiated services to video publishers, game and toy companies
- Customers include Warner Bros Interactive Entertainment, Mattel, Hasbro, Universal Pictures

Menu Regionalization Tool



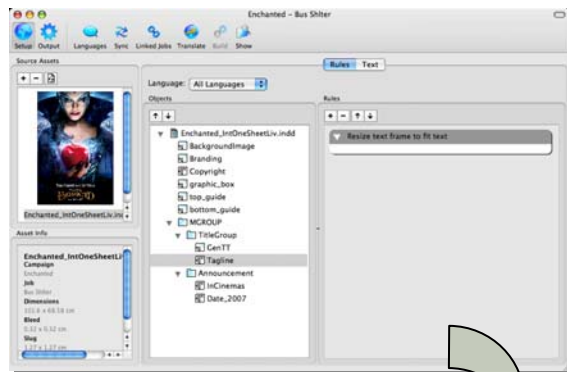
- Automates the production of menus for DVD titles in multiple languages
- Displaces a highly manual and error-prone workflow
- Works in conjunction with industry-standard tools such as Photoshop
- Reduces time to market and production costs for territory releases
- One major studio is creating around 50,000 menus per year using this tool

DVD Templated Authoring System



- An automated production system for assembling the digital content to create DVD-Video discs
- Displaces a manual, laborious and error-prone process
- Being used by Hollywood companies to produce worldwide titles
- Currently an average of 70 new titles produced using the system each month
- Blu-ray edition is in development

Media Adaptation Tool



- New product launched in 2008
- Performs automated localisation and adaptation of print documents (posters, marketing materials, packaging, etc.)
- Licensed by a major studio in a 15 year deal where it will be used to create artwork for multiple business units
- Enables significant reductions in production time and cost
- Applications in any market operating global product launches



Competitive Advantages of ZOO Tools

- Greater productivity through highly scalable resources (tools can be used by administrators rather than requiring technical experts)
- Reduce time to market for consumer products
- Enable new business in hitherto non-viable territories
- Enable production of complex titles previously thought non-viable
- Deliver significant cost savings

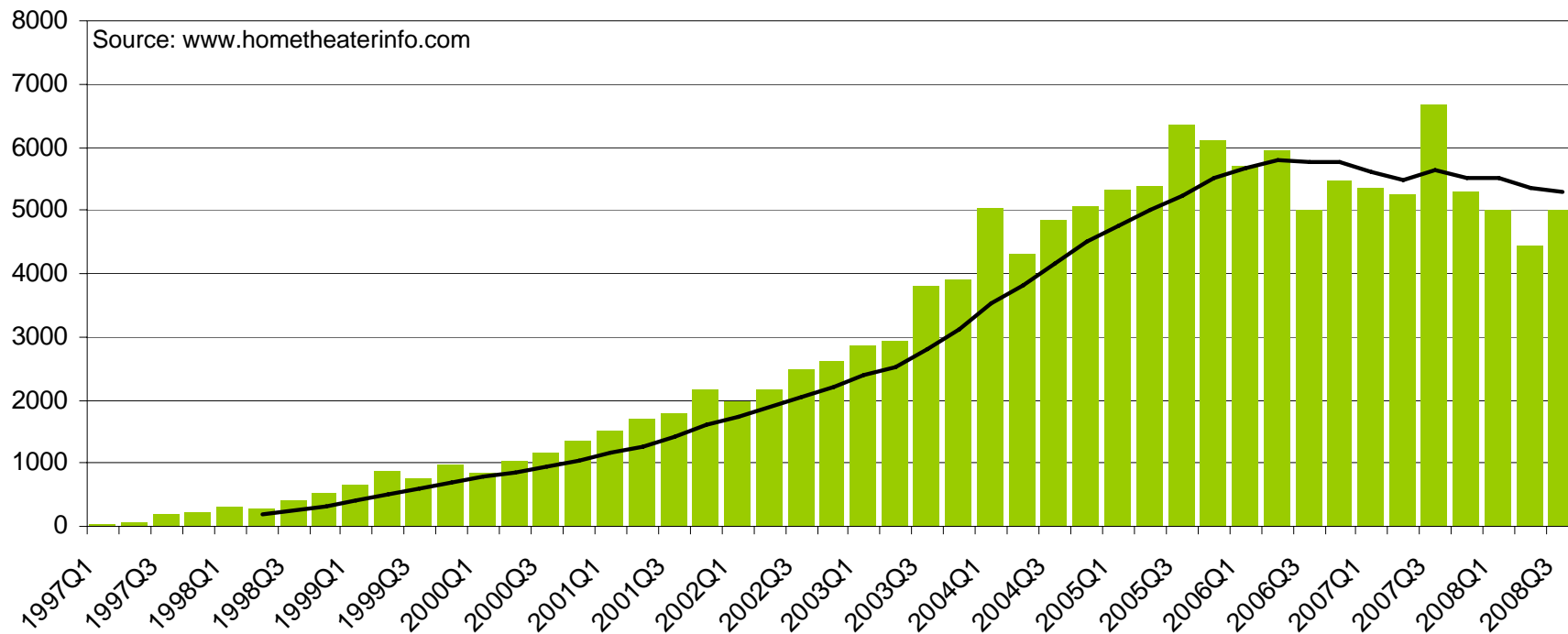
Case Study

- Measured benefits realised by one customer:
 - \$3m of savings in first year of Menu Regionalization Tool
 - 90% reduction of time
 - Performing internal menu regionalization with just four operators
 - \$580k of savings in first four months of templated authoring
 - Performing authoring of international titles by administrator operators



Industry Output of DVD Products Remains Strong

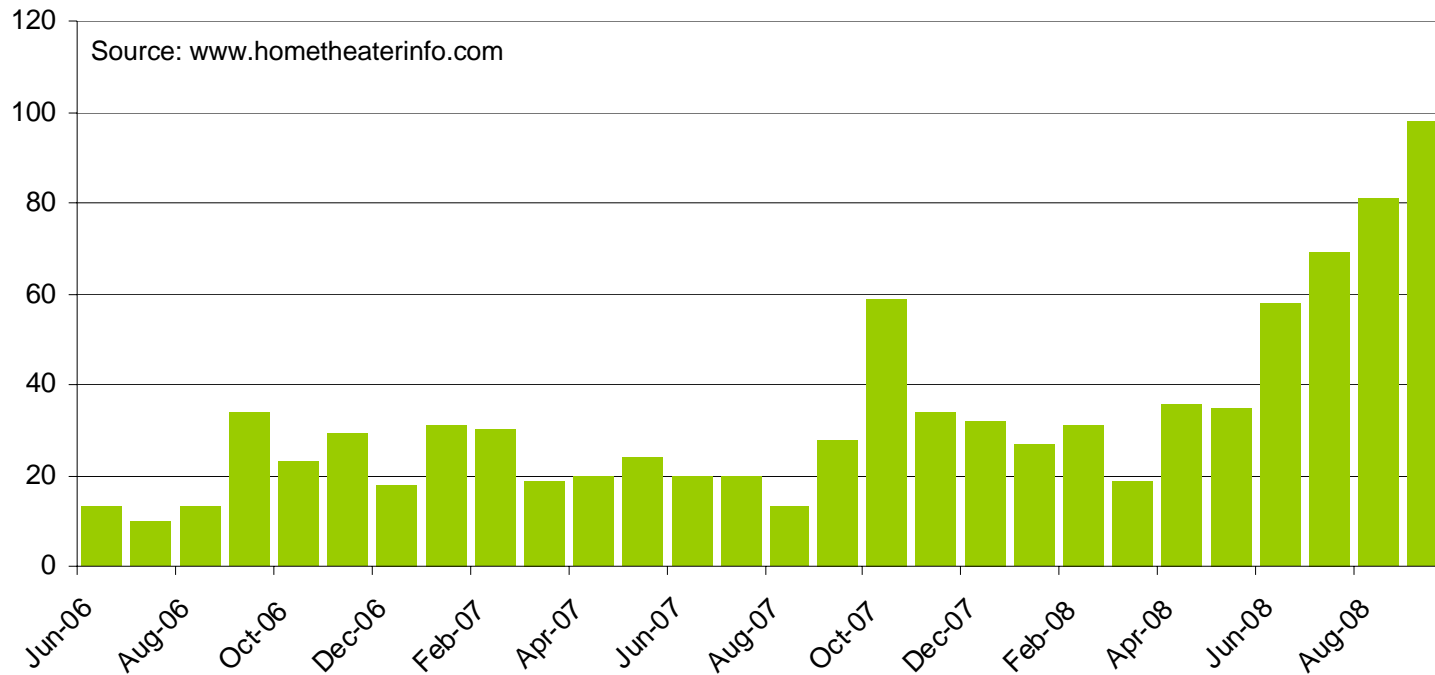
Region 1 DVD Releases by Quarter





Industry Blu-ray Title Production is Growing

Region A Blu-ray Releases by Month





Summary

- Transitioning the business to maximise the return on the R&D investments of the past few years
- Leading with a service proposition enabled through ZOO's portfolio of unique proprietary products
- Current focus on major Hollywood studios to which ZOO has delivered proven technologies and secured significant contracts
- The Group has an opportunity to win market share in Hollywood and elsewhere through a compelling and differentiated proposition
- ZOO is uniquely placed and has the potential to become a market leader

Thank you for your support