

# ZOO Digital Group



## Introduction to ZOO Digital Group plc

November 09



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## About ZOO

- ZOO Digital Group plc (AIM: ZOO) is a provider of creative media services and software for the film industry
- It works with major film studios to deliver creative media for printed materials and audio-visual content
- Its market-leading proprietary software offers media companies considerable cost savings and reduces time to market
- Software and services used for home entertainment products, such as DVD, Blu-ray, Video on Demand, interactive games and broadcast

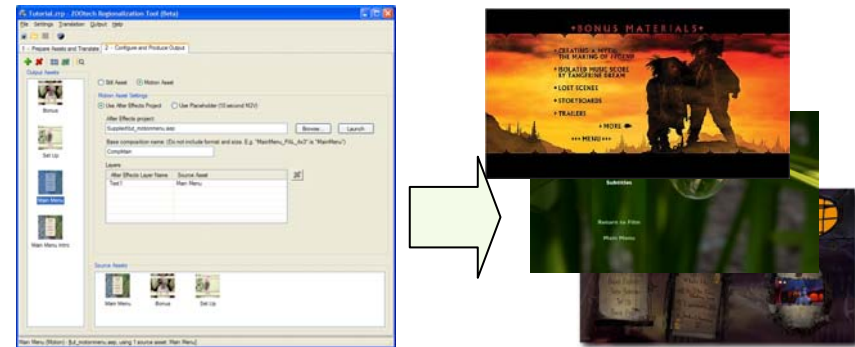
# Customers



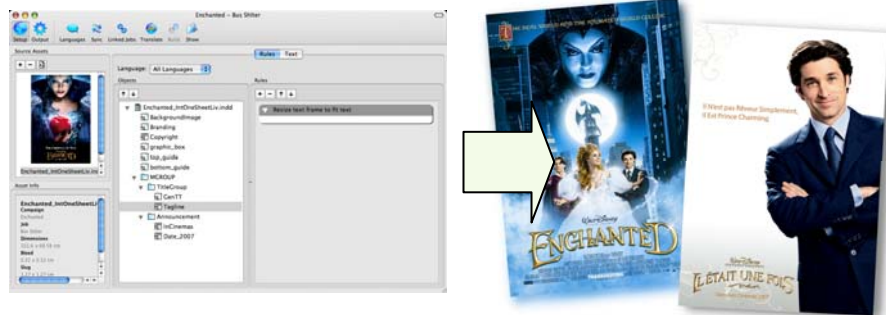
# ZOO's Desktop Software



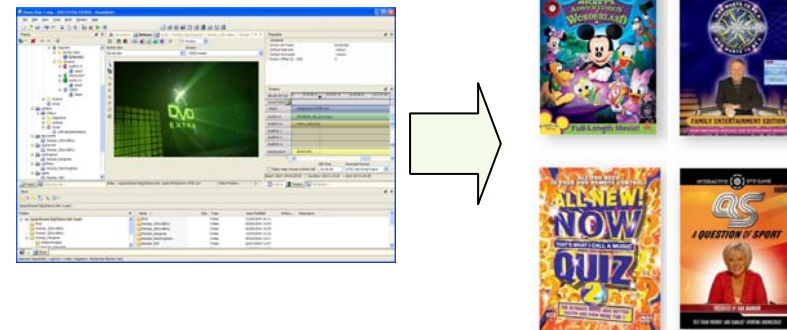
Templated Authoring



Menu Regionalization



Premedia Adaptation



DVD Production





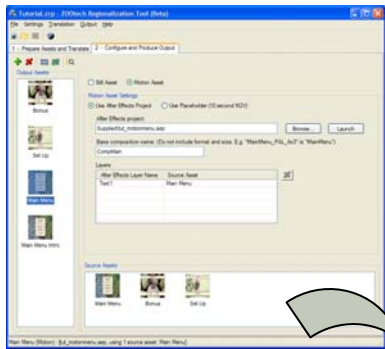
# Templated Authoring



- Automates the workflow for assembling the digital content to create video discs
- Used by major film studios to produce worldwide titles
- Used by one studio to produce 140 titles during the month of June '09
- Blu-ray edition has been used to produce titles since March '09
- Charged on a usage basis



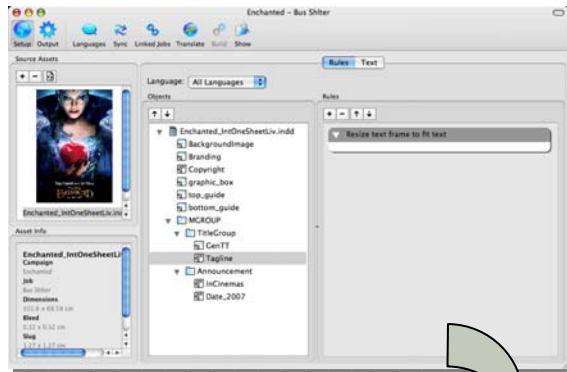
# Menu Regionalization



- Automates the production of menus for video titles in multiple languages
- Works in conjunction with industry-standard tools such as Photoshop
- Reduces time to market and production costs
- Used by a major studio to create around 50,000 menus per year
- Charged on a usage basis



# Premedia Adaptation



- Performs automated localisation and adaptation of print documents (posters, packaging, etc.)
- Licensed by a major studio where it is used to create artwork for over 60 different territories
- Enables significant reductions in production time and cost
- Also used for video localisation
- Charged on a usage basis





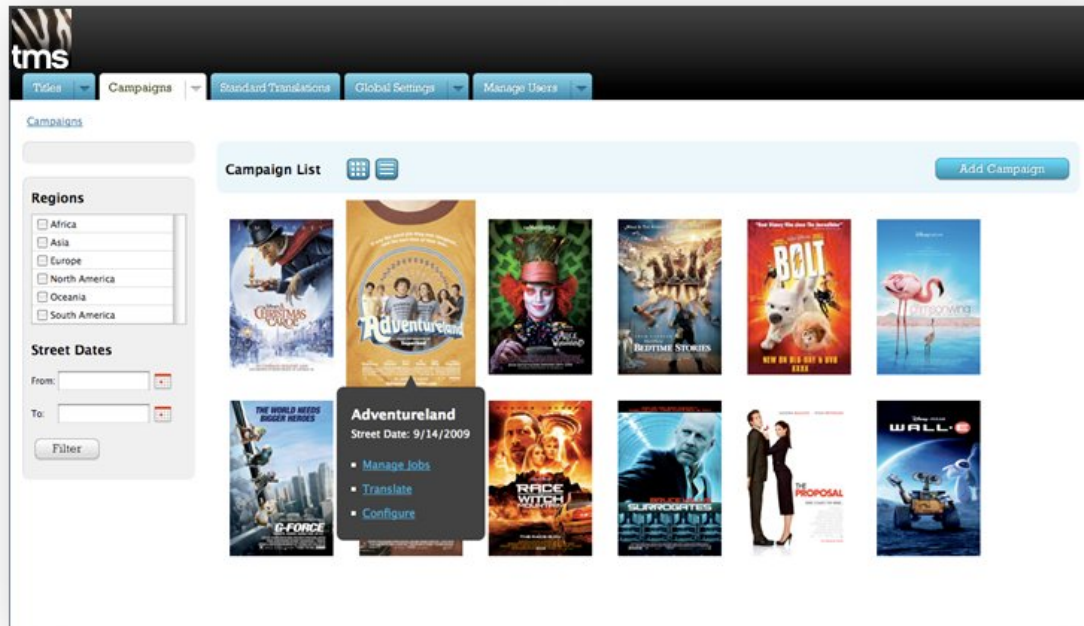
# DVD Production



- A proprietary tool enabling the production of advanced DVD titles
- Used as the basis of differentiated services to video publishers and toy companies
- Customers include major film studios

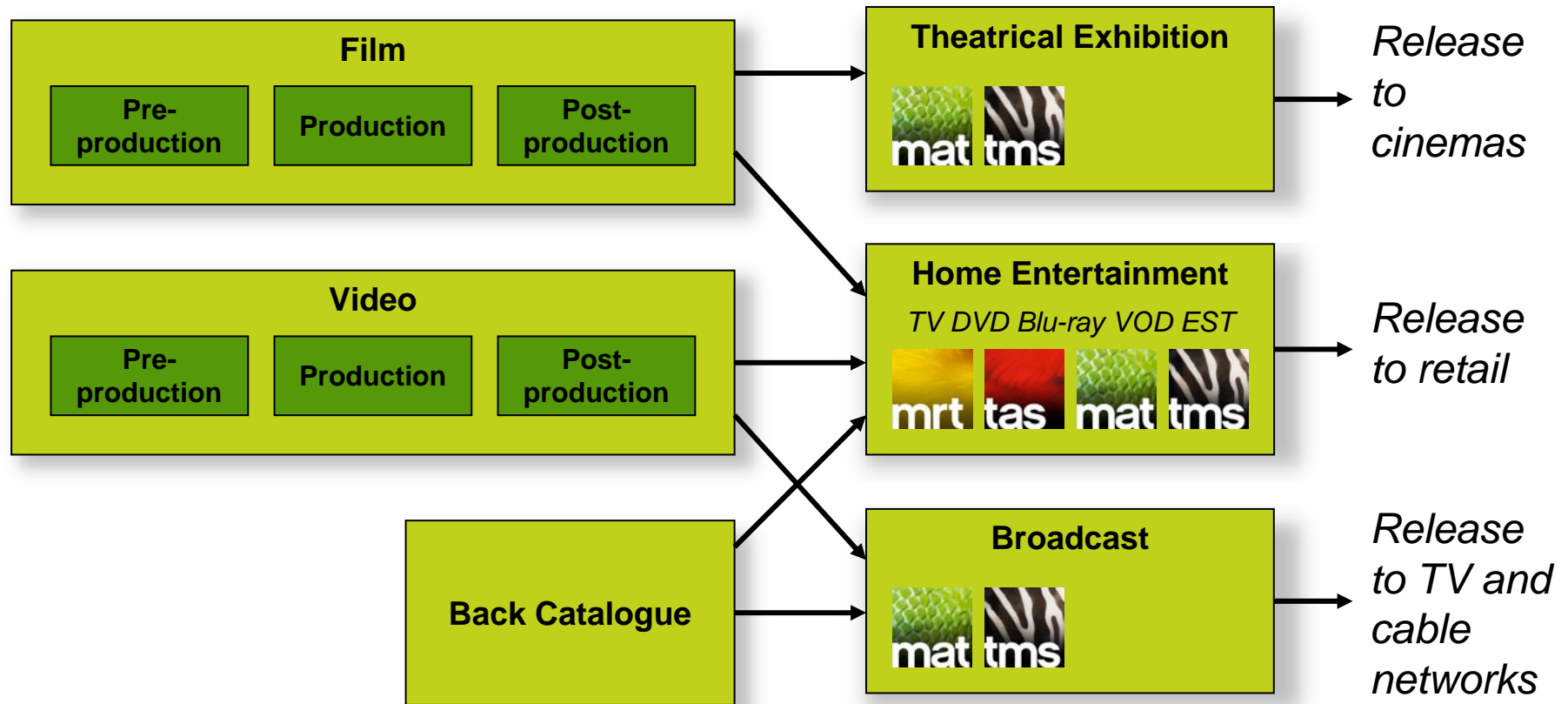


# ZOO's Collaboration Software

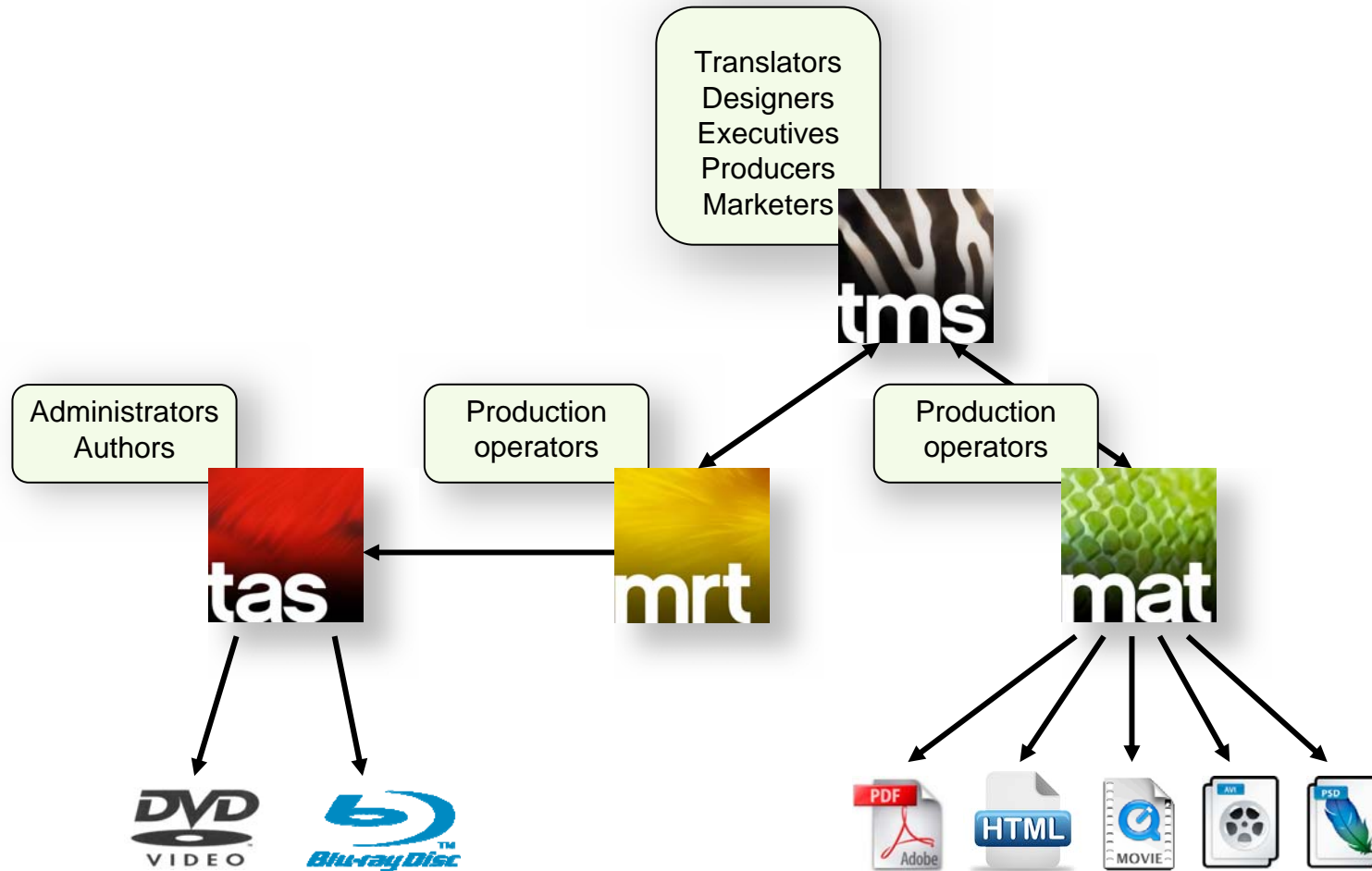


- An online collaboration system for development, review and approval of artwork
- Designed to support the complex workflow of studio operations
- Used by designers, translators, executives, producers and marketing staff
- Integrated with ZOO's desktop software suite
- Licensed on a Software as a Service basis

# ZOO's Role in the Studio Workflow



# ZOO's Integrated Software Systems





# Growth Strategy

- ZOO delivers differentiated products and services based on patent-protected automation and workflow optimisation software
- Targeting film studios where market changes have led to an urgency to lower costs of production and shorten time to market
- Significant cross-sell opportunities amongst multiple business units of large film studios
- Broadening product set into new applications and video platforms, such as Blu-ray and internet download





## Proven Results

- Proven by major Hollywood film studios to save significant costs (millions of dollars annually by each studio division)
- Proven to reduce time to market (certain processes reduced by 90%)
- Winning significant business from incumbent vendors whose services are based primarily on using highly skilled and expensive labour

# Industry Trends Positive for ZOO's Business



- 2009 has been the highest grossing summer ever in the US box office
- The industry remains optimistic about the home entertainment market in the fourth quarter
- Blu-ray prices are falling as spending rises – penetration in European households expects to reach % by 2011
- US Blu-ray sales were up by 90% in the first half
- We do not see any significant reduction in overall numbers of new video titles
- We see greater adoption of new platforms, creating additional opportunities for ZOO



## Case Study – a Major Hollywood Studio

- \$3m of savings in first year of menu regionalization
- 90% reduction of time for menu regionalization and DVD production
- Production services brought in-house, lowering costs
- c\$4m of annual savings for DVD production
- Performing DVD production of international titles by administrator operators



# Significant Market Potential

- ZOO estimates that there is an addressable market in Hollywood for our video related services of around \$100m
- ZOO estimates the Hollywood market potential for premedia at around \$100m
- The global market for premedia is worth £4.7b (source: Agfa 2007)
- ZOO is working on new products that will open up additional areas of revenue



# Outlook

- We are confident that 2009 will be another year of growth for the Company
- We are confident that we can continue to increase our business through working with additional studios, as well as increasing the scope of work with existing clients
- We expect the Translation Management System to begin contributing to revenues in the current year



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**November 09**

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# ZOO Digital Group



## Appendix

November 09

# The Board



**Dr. Christopher Honeyborne**, Chairman – Spent 24 years in banking with Lazard Brothers, Banque Paribas Group and Bank of N.T. Butterfield & Son; currently Chairman of Dyson Group plc and non-executive director of Matica plc; previous Non-Executive Directorships include Yorkshire Water plc, Gremlin Group plc, Kunick plc, Birse Group plc and BWD Aim VCT plc



**Dr. Stuart Green**, CEO – Previously CTO of ZOO Digital Group, CEO of Kazoo3D plc, Technical Director of LightWork Design Limited. Stuart has many years experience in team building and executive management in the software industry. He has more than 20 patents granted in the fields of image processing and digital media production.



**Helen Gilder**, Group Finance Director – Joined ZOO as Group Financial Controller in 2000 and became Group Finance Director in 2006. Previously Helen was Finance Director within a highly acquisitive listed technical group of companies. Qualified ACA in 1991.



**Gordon Doran**, Commercial Director – Held senior positions in sales and marketing roles for a variety of UK and US companies in the software industry since the early 1990s. Most recently COO for Mediostream Inc. – a consumer DVD software developer; joined ZOO in 2005 to establish a North American division where he now operates in the role of President.



**Ian Stewart**, Non Executive Director – Founded Gremlin Interactive Limited in 1984 and took it to flotation on the LSE in 1997. Following the acquisition of Gremlin by Infogrames SA Ian founded The ZOO Media Corporation Limited. Ian is an honorary Doctor of Sheffield Hallam University.



**James Livingston**, Non Executive Director – Portfolio manager with Foresight Group, a leading UK manager of technical investment funds; non-executive director of two other companies, a board observer of a further six and manages a portfolio of AIM-listed investments.

# Senior Management (Los Angeles Based)



**Duncan Wain**, COO – Joined ZOO following the acquisition of the assets of Scope Seven Inc. in August 2007 of which he was a co-founder. Duncan is an accomplished executive in the Hollywood post production industry having worked with many of the leading major studios. Duncan sits on the New Media Council of the Producers Guild of America.



**Simon Clark**, Senior Vice President – Worked in the pre-press industry since 1986 and has experience of setting up and rapidly growing businesses in a wide variety of geographical locations. In 1998 Simon led the management buy-out of TM, a UK-based print and pre-press service provider. In 2001 TM was acquired by AGI Media Inc. where Simon was appointed to the role of Senior Vice President of Creative Services.



**Phil Corio**, CTO – Worked in the pre-press industry since 1985, most recently with AGI Media Inc, Los Angeles where he was Production Director working on the creation of marketing materials and special packaging for the entertainment industry. Phil joined ZOO in 2006 and has been instrumental in establishing the company's product and service offerings for the pre-media marketplace.

# Competitive Advantages of the ZOO Suite



- Enables centralization for the creation of global media products bringing significant economies of scale
- Greater productivity through highly scalable resources (tools can be used by general operators rather than requiring technical experts)
- Reduces time to market for consumer products
- Enables customers to develop new business in hitherto non-viable territories
- Delivers significant cost savings