

ZOO Digital Group



Annual General Meeting 2010

8 September 2010

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About ZOO



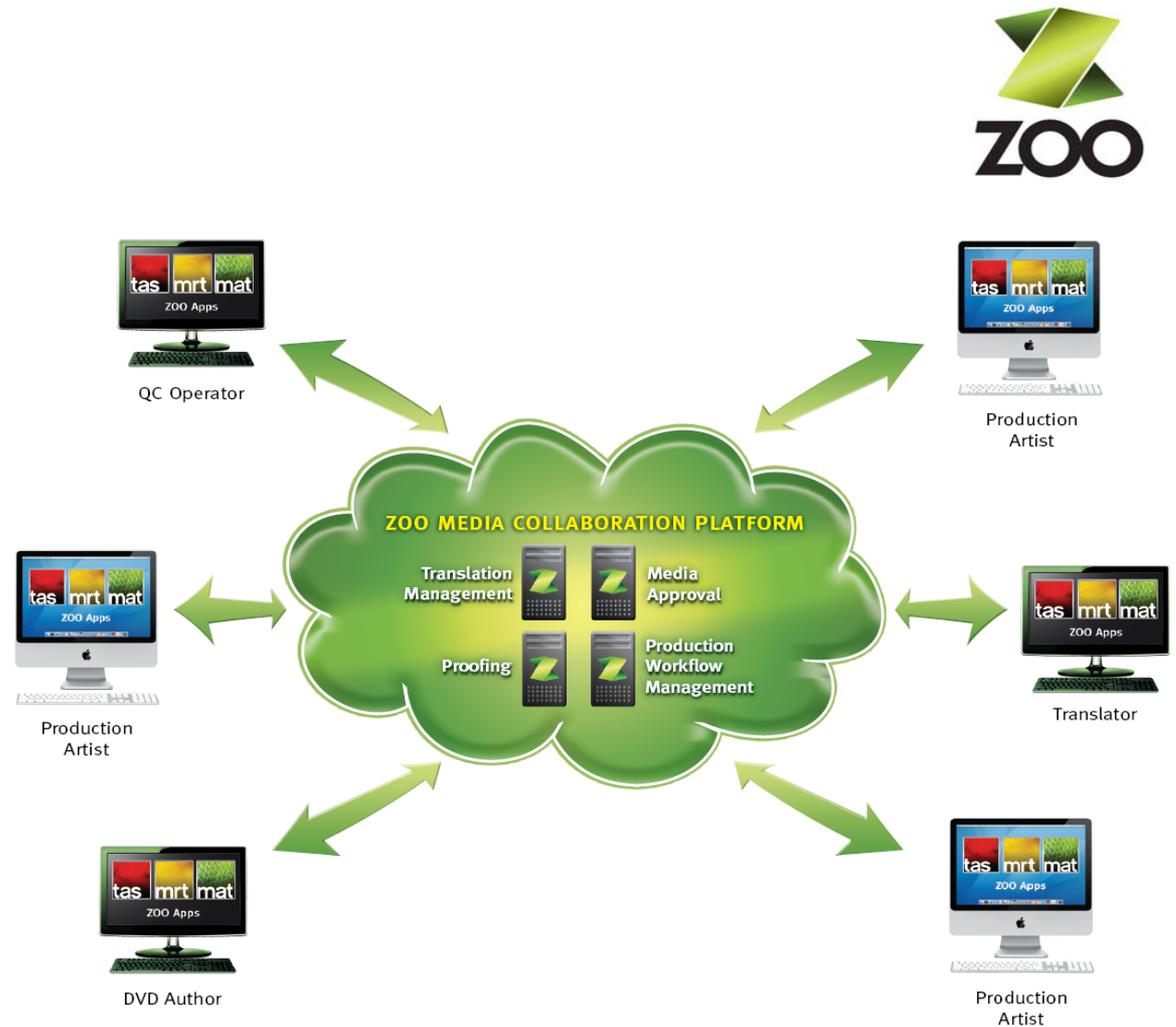
- We design innovative software to make our customers more efficient
- Our customers are global organisations that develop, process and deploy creative media content for different formats and languages



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Our Products

- Systems designed to tackle workflow inefficiencies
- Redefine the way that our customers work with creative media
- Automate and centralise operations
- Save significant time and cost



The Market

- ZOO targets global companies producing creative content for multiple formats and languages
- The initial focus has been on the entertainment market
 - Targeting primarily the six major film studios (Disney, Fox, Paramount, Sony, Universal, Warner)
 - Further potential from the approx 100 studios publishing 40+ titles per annum in the US market
 - **Market potential estimated at around \$300 million** (source: ZOO)
- Potential in other markets (pharma, FMCG, etc.)



Competition

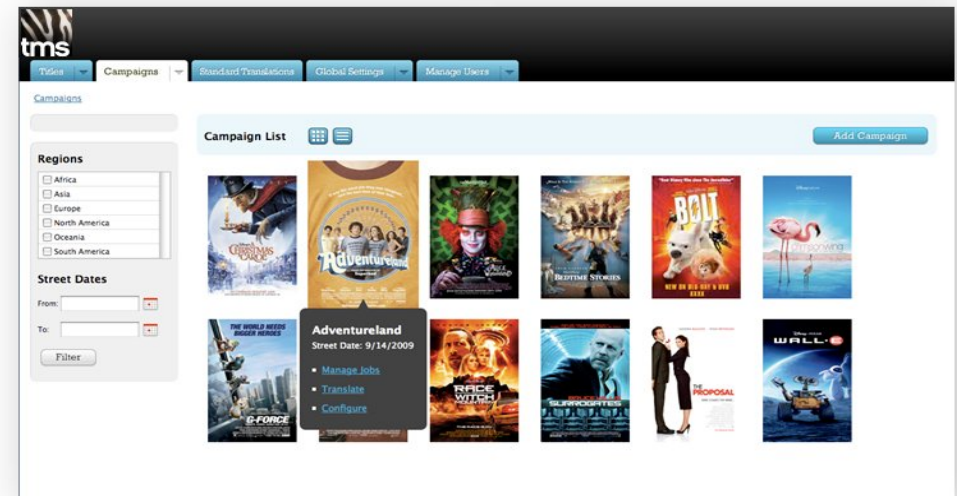
- We compete with established providers of production services
- For video-related services, primarily Technicolor Creative Services and Deluxe Digital
- For print-related services, primarily AGI Media and Schawk
- Our competitors have business models based on human labour
- They are unwilling and/or unable to realign around automation



Strategy

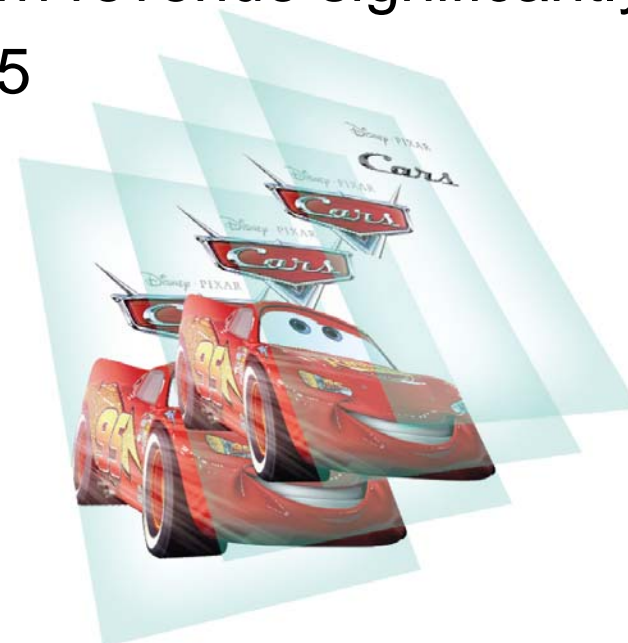


- Identify labour-intensive services
- Design workflow software based on automation and centralization without compromise to quality
- License systems directly to brand owners, supplemented with services where appropriate
- Deliver first rate customer service
- Generate recurring and scalable revenue streams based on throughput



Rollout

- Secured major Hollywood studio and grown revenue significantly
 - Developed five key products since 2005
 - All now licensed to this customer
- Platform now in place and ready for wider rollout
- Warner Bros. secured in June 2010 and rollout at early stages
- Commercial exploitation plan in place
 - Continuing focus on major film studios with existing products
 - New initiatives in Home Entertainment eg. Electronic Sell Through
 - Working with MPS to develop other markets



ZOO Locations



Los Angeles Production Centre

Localisation Services
Production Services
Sales and Marketing
Implementation Services

70 staff

Sheffield R&D Centre

Product Development
Database Design
Website Design

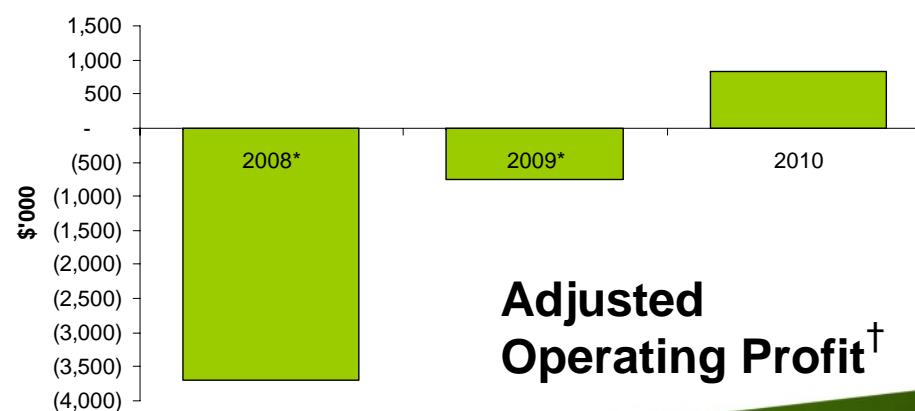
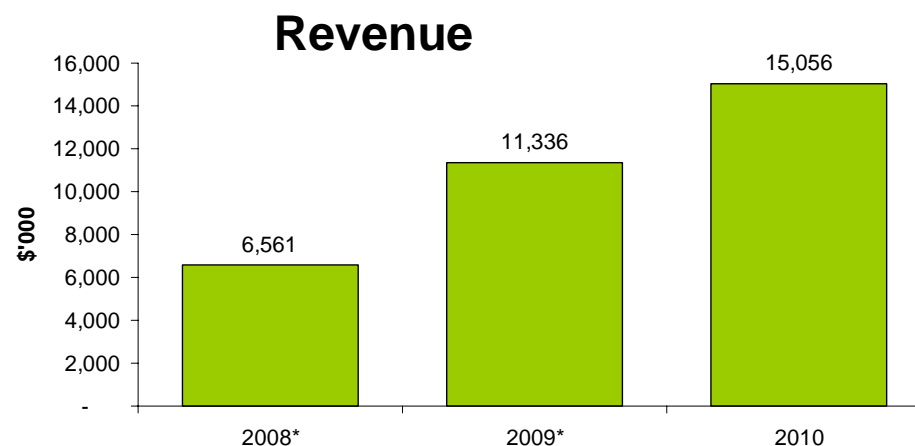
35 staff

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Financial Highlights for the Year to March 2010



- Revenue up 33% to \$15.1m (2009: \$11.3m*)
- Adjusted operating profit[†] of \$0.8m (2009: Loss \$0.7m*)
- Cash generated from operating activities \$2.1m (2009: \$1.4m*)



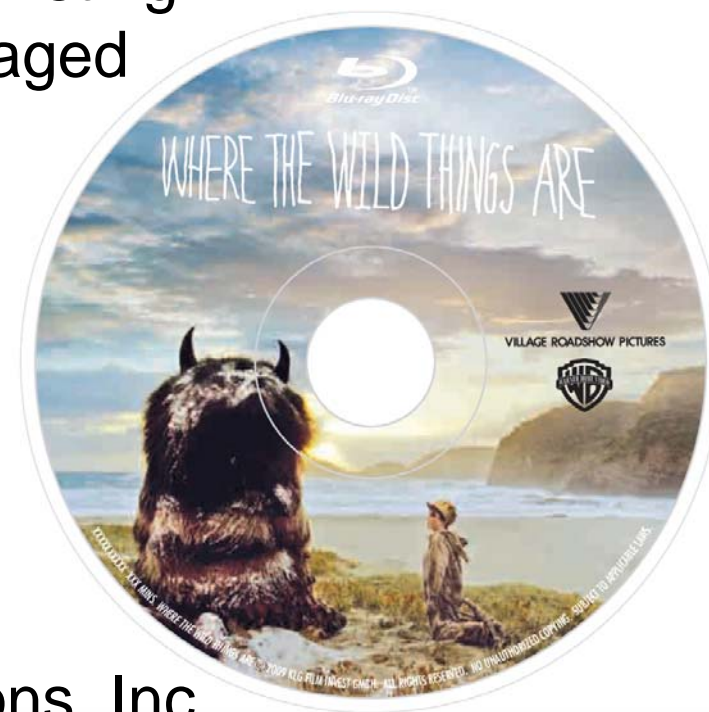
† Excluding intercompany exchange gains and exceptional intangible impairment

* Restated using average GBP to USD exchange rates

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Operational Highlights

- Continuing strong organic growth with existing major Hollywood studio where now engaged with four separate business units
- Secured first engagements with Warner Bros and CBS
- Major new products launched
- Secured a strategic investment and partnership with Multi Packaging Solutions, Inc.



Strategic Relationship with Multi Packaging Solutions



- \$500 million value-added print-based packaging solutions company
- MPS subscribed to 2.1 million new shares at 40p raising £0.86 million
- Warrants granted to MPS over a further 2.1 million shares at 50p subject to performance criteria
- MPS will market ZOO's products and services to its customers
- Markets include pharmaceutical, media, cosmetics/personal care, sports, wines and spirits and other value-added consumer



Summary

- Excellent customer relationships – with potential for significant further growth
- Clearly differentiated proposition – based on innovative software
- Addressing customer urgency – improve efficiencies
- High barriers to entry – sophisticated patent-protected software and excellent customer relationships
- Highly scalable business – can add customers without significantly adding to cost base
- New partnership brings new market potential – collaborating on initiatives in pharmaceutical and other markets



Thank you for your support

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