



London Stock Exchange Growing Company Investor Day

Leeds, 4th November 2010

Stuart Green, CEO Helen Gilder, Group FD



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



History and Status



- ZOO established in 2001 in the UK, initially focused on interactive entertainment and videogames
- Listed on the AIM market of the London Stock Exchange (ZOO.L); funded through several rounds of financing from investment institutions and management
- Began developing workflow automation software in 2003
- Over 20 patents granted
- Current management team established in 2006



ZOO Locations



Sheffield R&D Centre

Product Development Database Design Website Design

35 staff

Los Angeles Production Centre

Localisation Services Production Services Sales and Marketing Implementation Services

70 staff

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)
- Seeking to enter other markets including pharma and FMCG via partnerships





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 ulletwithout compromise to quality
- License systems directly to brand owners, supplemented with services where appropriate
- Deliver first rate customer service
- Generate recurring and scalable \bullet revenue streams with pricing based on throughput and SaaS







4th November 2010

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 partners to develop other markets







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



The Board





Roger Jeynes, *Chairman* – Roger has over 20 years experience in the technology sector, encompassing senior sales, marketing and general management roles in the UK, Italy and the USA with IBM, Pyramid Technology Inc., and EMC Corporation. His most recent executive position was Chief Operating Officer at AIM-listed technology merchant bank Interregnum Plc.



Dr. Stuart Green, CEO – Previously CTO of ZOO Digital Group, CEO of Kazoo3D plc, Technical Director of LightWork Design Limited. Stuart has over 20 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.

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 in June 2010
- 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

4th November 2010

Summary

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





Disclaimer



This document has been prepared by ZOO Digital Group plc (the "Company") solely for presentation purposes. It should not be reproduced, redistributed or passed to any other person. The information contained in this document has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or options contained herein. None of the Company or any of its respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, or its contents, or otherwise arising in connection with this document.

This document does not constitute an offer or invitation to purchase any shares or other securities in the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

Any decision to purchase shares or other securities in the Company is the sole responsibility of the investor who shall be responsible for his/her own due diligence.

Certain information contained in this document consists of forward-looking statements reflecting the current view of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements, including industry trends, and changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in such forward-looking statements.

Recipients of this document are cautioned not to place any reliance on these forward-looking statements. The Company undertakes no obligation to republish revised forward-looking statements to reflect changed events or circumstances.

