

Q4 Systems

Moderator: Jyoti Deshpande
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Operator: Good morning and welcome to the Eros International Fiscal Year Third Quarter 2014 Earnings conference call. I would now like to turn the call over to Eros' chief corporate and strategy officer, Sean Hanafin.

Mr. Hanafin, please go ahead, sir.

Sean Hanafin: Thank you, operator, and welcome, everybody.

This call is being broadcast live on the Internet at Erosplc.com and a replay of the call will be made available on the company's Web site.

This morning, we furnished our earnings press release to the SEC on Form 6K, a copy of which can be found on the SEC Web site. I'd like to remind everybody listening that during this call we'll making forward-looking statements under the Safe Harbor provisions of the federal securities law and our actual results might differ materially from those projected in the forward-looking statements.

Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in today's press release and in our registered on Form F-1 as amended, which is available on the SEC's Web site.

During the call, we'll also discuss non-GAAP financial measures in talking about the company's performance and you can find the reconciliation of these

measures to GAAP financial measures in our press release, which is also available on the Web site.

Finally, please note, this call is being recorded. And with that, I'd like to turn over to Jyoti Deshpande, the group's CEO and managing director.

Jyoti Deshpande: Thank you, Sean.

Good morning, ladies and gentlemen. I'm Jyoti Deshpande, the CEO and managing director of Eros International PLC. Thank you for taking the time to attend Eros International's inaugural earnings call since our listing on the NYSE this past November.

Through this IPO, we issued 5 million in common stock at a price of \$11 each to raise \$55 million. I'm proud to say that with this event, we became the first Indian media company to IPO on the NYSE. This has not only strengthened our balance sheet and given us access to the global capital markets, but when combined with our inherent competitive advantages, has helped to further solidify our leadership position within the rapidly growing Indian entertainment industry in more ways than one.

Since this is our first earnings call, I'd like to take the opportunity to quickly recap our company's business strategy before we dive into our results for the quarter.

Eros International is a leading global company that co-produces, acquires and distributes Indian films across multiple formats, such as theatrical, television and digital distribution channels worldwide. With a proven track record for over three decades and our sustained dominant market share, we have built a valuable library of over 2,000 films, which we believe is our crown jewel and gives us a distinct competitive advantage.

We typically release over 60 films each year. Of that total, 12 to 15 films are global releases in Hindi language and the main revenue contributors to our film slate. This is followed by Tamil language global releases and then other regional language or international-only releases.

We not only target the 1.2 billion strong Indian population, but also distributed our content in over 50 countries, where apart to reaching out to expatriot South Asians; our content is dubbed and subtitled to localize it for the specific market we're targeting.

The ability to enter and compete in new markets, such as Taiwan, South Korea, Russia and Poland, to name just a few, continues to be a strong area of growth for us and a primary focus moving forward. At the heart of our strategy is our content portfolio. We typically invest between \$180 to \$200 million each year in content CapEx for our current and future year's slate.

I emphasize the word portfolio to communicate that this is not a (head)-driven business. Rather than be dependent on one or two films becoming (great out) blockbusters to deliver profitability, our strategy is to de-risk our investment to presales where we aim to recover a majority of our investment through contractual commitments, even before the theatrical release of the film.

The visibility of the slate, combined with presales gives predictability to our business, which I emphasize should not be measured on a quarterly basis.

Last but not the least, what gives momentum to our growth is a buoyant Indian entertainment sector that is growing at over 15.2 percent CAGR and is slated to hit \$26.5 billion by 2017. As one of the largest film markets in the world, with a growing multiplex audience and rising ticket prices, the Indian entertainment sector is providing an excellent backdrop for growth.

With only 12 screens per million people, compared to 117 screens per million people in the U.S., India is a highly underserved market and therein lies the opportunity. With over 154 million television homes in India and compulsory digitization kicking in, India has one of the largest TV markets in the world, hungry for premium content, mainly films.

Even more compelling is the fact that India will have over 386 million Internet users by 2017 and over a billion mobile users of which over 25 percent are slated to be smart phone users. This is the context for our Eros Now strategy for online monetization of our content.

In addition, we have a strategic collaboration with HBO Asia, which has launched two premium channels; HBO DEFINED and HBO HITS, offered only as premium advertising-free digital channels on the major DTH and cable platforms within India, which combines the strength of Bollywood and Hollywood films.

A description of our business cannot be complete, however, without highlighting how we are different from Hollywood. First of all, the budgets on our films are a lot smaller. An average high-budget film only costs us about \$10 to \$12 million. Our biggest film costs no more than \$18 to \$20 million and only three to four films in the year across the industry cost this.

The second biggest differentiator is our investment in print and advertising to distribute the films. While Hollywood can go on to spend upwards of 100 percent of the film budget to market and distribute a film, it only costs us about \$3 million to distribute our biggest and most prominent film.

The other important differentiator is that all our arrangements with multiplex operators are on revenue-sharing terms rather than rentals. Due to the market being underserved, the opening weekend box office skews very high, which provides us with a natural de-risking, along with the presales strategy being employed. All these factors combined make the Bollywood industry risk profile very different from that of Hollywood.

Moving on to our results for the third quarter, I'm pleased to report strong growth in revenue and profitability, with total revenue up by 22.3 percent and adjusted EBITDA up by an impressive 53.7 percent over the prior year period.

We also saw strong improvement in margins in the quarter, as a result of excellent performance by the new release slate relative to their cost, as well as solid library monetization. I should also note that because of seasonality, our third quarter results typically skew higher in our business, due to more high profile releases falling in the festive season of Diwali and Christmas.

Some of our notable releases in the third quarter Ram-Leela, R Rajkumar, Arambam and Krrish 3. Four out of the top 10 box office films in the nine months ended December 2013 were in Eros release, which demonstrates that

we are good at picking winners. We also picked up the international or ex-India rights to two additional top 10 films in the year-to-date period and we're extremely pleased with their success.

Television syndication continued to contribute strongly to our performance in the quarter, as we struck deals with companies such as Sony and Viacom 18 for the television broadcasting rights to certain films. We also believe that the TATA Sky Carriage deal for the HBO premium channels I mentioned earlier will give momentum to the subscription take-up of those channels within India.

Finally, during this quarter, we launched the Freemium initiative for Eros Now, our online service that shall give us full-length movies and music videos. We will monetize the traffic generated through brand and advertising sponsorships, while we offer a subscription offering to more discerning customers.

To give you an indication of the potential, our Eros Now channel on YouTube, which only offers short-form content, has crossed over 1.7 billion video views and generates over 18 million video views each month. This is the traffic that we will be actively converting.

As we look ahead, the outlook for the rest of the year is extremely positive. With the two major releases of the fourth quarter, namely "1," a Telugu film starring Telugu superstar Mahesh Babu, as well as "Jai Ho," a major Hindi film starring Hindi superstar Salman Khan, both released in January and were not only backed by strong presales, but also performed well at the box office.

The 2015 slate is also looking promising, starting with the much awaited release of Rajinikanth's "Kochadaiyaan" on April 11th. The first half of 2015 will also other high profile releases, such as "Happy Ending," starring Saif Ali Khan, and "Action Jackson," starring Ajay Devgn. More details about our future film slate can be found in the press release we issued earlier this morning.

As you can see, we're excited for what the future holds for Eros. As results this quarter demonstrate the success of our strategy of investing in high

quality Indian film content and our ability to monetize it across numerous distribution platforms, both in India and abroad, with access to the capital markets and a promising film slate, we are confident in the opportunities ahead for this business.

The NYSE listing was an important strategic move for the company. We believe we are now in the right place at the right time, amongst a relevant peer group with meaningful analyst coverage to educate the market about the potential of the Indian entertainment industry, and as a market leader, how our company is positioned within this industry.

With that, let me turn the call over to Andrew Heffernan, our group CFO, who will walk you through our financial performance in more detail. We will then open the call up to your questions. Andrew?

Andrew Heffernan: Thank you, Jyoti. Good morning, everyone, and thank you for joining us today.

Let me start with a quick reminder that our financial year runs from April to March, with our yearend on March 31st. Let me now run through the results.

I'm pleased with our performance in the third quarter. Revenues increased by 22.3 percent to \$87.2 million, with currency comparable revenues increased by 29.8 percent. Adjusted EBITDA increased by 53.7 percent, to \$45.2 million.

For the year-to-date period, our revenue increased by 5.5 percent to \$172.2 million and currency comparable revenues increased by 12.7 percent. Adjusted EBITDA was also up a solid 42.1 percent, to \$67.2 million.

As Jyoti mentioned, Eros' primary revenue streams are derived from three channels; television syndication, theatrical and digital ancillary. The company released 15 films this quarter, three of which were high budget and two medium budget films, compared to 24 films in the third quarter last year, three of which were high budget and two medium budget films.

Year to date, we have released 41 new films compared to 66 in the year-ago period. Revenues increased by 22.3 percent to 87.2 million in the quarter, compared to 71.3 million in the year-ago period. Year to date, revenues increased 5.5 percent to \$172.2 million.

The increase in revenues for both the quarter and the year-to-date reflect the strong mix and performance of the film slate released during the periods, along with stronger contribution from our valuable catalog of films.

Constant currency revenue comparables to the three and nine months totaled \$68.4 million and \$154.4 million, respectively, based on the average rates of exchange for the three and nine months ended December 31, 2013. I should note that the average rates of exchange used during the quarter and year-to-date period to convert Indian rupees was 60.1 to the dollar and 58.3 to the dollar, respectively.

Turning to our segmental performance in the third quarter, the aggregate revenues from theatrical, television syndication and digital ancillary were \$41.3 million, \$33 million and \$12.9 million, respectively, and total \$77.9 million, \$65 million and \$29.3 million, respective, year-to-date.

Cost of sales increased by 1.4 percent to \$36.7 million in the quarter, compared to \$36.2 million in the prior year period, principally due to an increase in amortization costs of 1.1 million, reflecting reduced capitalization cost of new release slate, which has off – been offset by additions to amortization of the catalog films and by a decrease in print and advertising costs, as well as variations in costs associated with regional versus Hindi releases.

Year to date, cost of sales has decreased 7.8 percent to \$91.4 million, compared to 99.1 million in the prior period. The decline was mainly the result of 3.5 million reduction in amortization, due in part to lower capitalized cost of the company's new release slate in the period as compared to the release slate in the prior year period.

Gross profit in the quarter totaled \$50.5 million, compared to 35.1 million in the year ago period. Year to date, the gross profit was \$80.8 million compared to \$64.1 million in the nine months ended December 31, 2012.

As it turns to revenue, the company's gross profit margin increased to 57.9 percent in the quarter, and 46.9 percent in the year-to-date period. The increase in gross profit margin in both the quarter and year-to-date is primarily attributable to revenues from the new release slate relative to their cost, as well as the significant contribution on revenue from catalog sales, which tend to be very high margin.

I would note at this stage that quarterly changes in margin should not, on their own, be taken as indications of future margins.

Adjusted EBITDA was 45.2 million in the quarter, compared to 29.4 million in the year ago period. The increase is primarily attributable to the increasing revenues, combined with the increased margin due to change in revenue mix. Year to date, adjusted EBITDA increased a solid 41.2 percent to 67.2 million, compared to \$47.3 million in the year ago period.

Looking at our balance sheet, debt as of December 31st, 2013 stood at \$262.3 million as compared to 260.3 million as of September 30th, 2013, with cash and cash equivalents totaling \$141 million. Net debt was reduced by \$33 million in the quarter ended December 31st and totaled \$121.3 million.

The changes to net debt in the quarter were principally driven by cash from operations, working capital outflows that increased around quarter and film releases and television syndication deals, the planned investment in the future film slates and \$50 million in IPO proceeds.

In summary, we believe our business is well positioned for strong growth and profitability. The recent IPO has strengthened our liquidity position (and) will allow us to capitalize on opportunities presented by the rapidly growing Indian media and entertainment sector. We look forward to the opportunities.

Thanks for listening and now we can take questions.

Operator: At this time, if you do have a question, please press star then the number 1 on your telephone keypad.

Our first question comes from the line Doug Mitchell from Deutsche Bank. Your line is open.

Doug Mitchell: Good morning, afternoon, evening, depending on where you are in the world.

So I was just hoping for some more details on Eros Now and the new HBO networks and their distribution. Jyoti, you mentioned TATA Sky as a (new – recent) deal for HBO. You know how much contribution do you see from that?

How much more is left to go in terms of cutting distribution deals; anything around the cadence of potential subscriber growth for those networks? Why don't we start with that?

Can you guys hear me?

Jyoti Deshpande: Hello; can you – can you hear me?

Doug Mitchell: Yes. Now I can hear you.

Jyoti Deshpande: OK. Good morning and great question to start off the conference call with.

TATA Sky deal was actually – it was launched on TATA Sky on 31st of December, so a great way to set up the new year. And as we all know, it's – TATA Sky is one of the largest DTH players within India, so with TATA Sky, Dish, Airtel, we pretty much have a bulk of the DTH market in India, so it's well set up to grow.

And TATA Sky – what's important about the TATA Sky launch is the fact that they are city-centric, so the right target audience for the kind of subscribers we're looking for for this initiative, so we hope to get good traction. It's still early days so I don't think we can comment on how much momentum we're getting from it, but we're very optimistic.

And we are also carried on about 11 other digital cable operators, so we – I think the public domain has names such as Hathway and you know Den Net, but there are 10 or 11 other cable operators who we're live on, so we hope that this initiative will gain momentum in the next 12 months.

Doug Mitchell: Yes and I guess if you think about – I don't know; top five, top seven operators you know how many more of the major operators are left to go in terms of signing distribution deals?

Jyoti Deshpande: There isn't any. There's some TV, which is – so all of the major cable. Cable, as we know, is fragmented so we've got all of the major cable. We've got all of the major DTH. We're not on Videocon and we're not on Sun, which is basically the Tamil audiences and less of the Hindi speaking audiences.

But I think we've got public domain charts which sort of say that between TATA Sky, Dish and Airtel, we are covering over 75 percent of the 80 million DTH homes.

Doug Mitchell: And are you sort of ready at this time to give any kind of guidance around future potential subscriber levels?

Jyoti Deshpande: Actually not and I think one thing we make clear on this is because this is not solely our initiative and we're partners with HBO Asia on this. We are also governed by their confidentiality and what they report to the market, et cetera, so I think we will be a little bit cagy about numbers and stuff on this one, because of our partnership arrangement.

Doug Mitchell: OK, understood. And then on Eros Now, understand that you just launched it. Are you seeing anything interesting with the initial response by the market that might sort of shift your view you know positively or negatively regarding how that service will evolve?

Jyoti Deshpande: I think the premium model has had a massive take-up. We've seen sort of people dialing the service you know we started signing up thousands of registrations every day and we've not even started marketing the service.

So we think – we've been speaking to a couple of large advertising agencies as well, who seem very excited about the possibilities of brands coming along onboard and doing 360 degree dial-ups starting from in-firm to the firm marketing on to Eros Now.

So still early days, great momentum and we're positive and when we have numbers to share we'll come out and share then.

Doug Mitchell: And the last thing for me, I guess, it's interesting tracking the film performance because there's an awful lot of press coming out of India, really on sort of both sides of whether films are doing well or not and "Jai Ho" I think a particularly interesting example is you know from where you sit, and I know you don't want us to focus on any particular film, but that was you know a relatively large one.

Any comments you want to make about you know how well that film did versus expectations and, separately, any guidance for all of us in the investment community as to you know how we should track you know film performance and who we should listen to with regards to how films would be – would be helpful.

Jyoti Deshpande: Trust you to come up with that question, Doug.

No, actually the thing with the cons is each con is expected to break the other con's record, so that one in particular was not a massively expensive film. It was an opportunistic acquisition. The genre of the film was a social drama, so – and we did not have a long weekend release date.

Typically, films come out on an Eid or a Diwali or a Christmas, which can do additional business, so we knew this was a normal weekend. So what we – what we paid for the film was commensurate to the expected business of the film and a very large chunk of the film was underpinned with presales.

Did we double our money? No, so it was not a runaway success. It was not a blockbuster that smashed all records. But are we good? We are definitely good and it's a profitable venture for us, so I think – I think the markets get

carried away with the expectation that they expect each star to bust its – the record set by the previous film and so on and so forth.

But that's the nature of the business, so we don't get overly worried about it.

Does that answer your question?

Dough Mitchell: I think so, so terrific and we'll talk soon. I'll leave it to – I'll leave it on for the next guy.

Jyoti Deshpande: Thank you.

Operator: Our next question comes from the line of Brian Goldberg from Bank of America Merrill Lynch. Your line is open.

Brian Goldberg: Hi, thanks. I've got one on your television sales and HBO, one on Eros Now and also one just on the fiscal '15 film slate.

So with respect to your TV sales, you called out in your press release today that you signed some deals, some syndication deals, some in India. And I was wondering if you could talk to us about pricing levels on these deals now in India? Are the rates of increase for the content you're providing to your customers; are they – are they increasing, accelerating, are they decelerating?

And I guess I'm asking really on a context now that you've HBO India deployed into the market and there's a new window, so I'm just wondering, are you seeing any impact one way or the other from having this new premium window; any impact on downstream pricing?

Jyoti Deshpande: Television syndication is stronger than ever. The demand for premium films is stronger than ever and prices are pushing up and they have pushed up for the last couple of years and they seem to be following that same trend as we speak.

The whole – I mean television is by far the largest piece of the Indian entertainment sector. Over 60 percent of the multibillion Indian entertainment sector is dominated by television, so film is still a small part. Film feeds into television, which – so as digitization kicks in, they are hungry for premium

content and all of the TV networks are still bidding against each other to acquire and secure rights well in advance, which is where the presales comes from for premium content. So we're not – we're seeing no shift in that trend.

Smaller films are bundled along with larger films and typically, if you look at it – look at it from a point of view of percentage of cost being underpinned by television, it's pushing upwards of 35 to 50 percent of a film's investment is underwritten purely by television syndication.

Brian Goldberg: OK, great.

And then on Eros Now, just a follow-up on that; it – can you give us any kind of color as far as the transactional component of that? Just qualitatively, where have you seen transaction activity occurring from a geographic perspective? And you know can you give us any kind of quantification as to how big the Eros Now installed base of subs is, and I apologize if you've already said that in your commentary?

Jyoti Deshpande: No, no, no. No, great question. I think – I think from a traffic point of view, India is the largest, so it generates the maximum traffic and one is – one is working out how to monetize that traffic from India and that is why the Freemium model, we believe that the quickest and lowest hanging fruit of monetizing traffic from India is from the business or advertisers and brands, rather than the consumer itself in the – in the next two to three years. And that may change once 3G, 4G and broadband penetration becomes more effective within India.

However, internationally, we are seeing the largest traffic coming from USA and Canada, followed by Europe, followed by Australia and some parts of Middle East, so these are the strongest areas where we're getting conversions and conversions of paid customers as well.

We have not only offered subscription; we've been offering – since we control – pretty much control all of the windowing of our content and do not have highly prescriptive windowing like Hollywood does, we are sort of free to experiment putting films – or premiering films in Eros Now, say four or five

weeks after its theatrical release and we've seen a lot of transactional traffic come through when we – when we promote those kind of initiatives as well.

Does that answer your question?

Brian Goldberg: Yes, that's helpful. I guess actually your comment about U.S. usage just triggered another question. I know it's a small part of your business, but given the news we're all digesting here this morning with Comcast and Time Warner Cable; I know you guys have the Bollywood Hits on Demand J.V. with Comcast.

You know them combining with Time Warner Cable; how do you think about that as an opportunity for the JV? I mean is there any way to kind of quantify how we can think about it?

Jyoti Deshpande: We – so this – the Bollywood Hits on Demands continue. We are in an ongoing strategic discussions with them on how we can bring all that together with our Eros Now strategy and right now the business – or the service continues in its as-is format, but we do not rule out a different kind of offering coming into play, which combines cable ready-on-demand along with our online offering in the future, so we will see where that goes.

Brian Goldberg: OK. And then finally, on the – on the films that you've highlighted in the release – in your press release for release in fiscal '15, can you just help me think about how many are – would you categorize as, quote, A films versus B films?

Jyoti Deshpande: We've not – we've not done an exhaustive list of all the films. I don't think we've named all of them, but we should have six to seven films that are A films that are already named.

Brian Goldberg: Yes.

Jyoti Deshpande: Three or four in the first half and the balance in the second half. And in the second half, we're expecting couple more of A films which are Tamil and one other Telugu to come through, so we will probably end the year with seven or eight A films, as expected and a similar number of B category films.

Brian Goldberg: OK. Thanks a lot; appreciate it.

Operator: Your next question comes from the line of Randy Konik from Jeffries. And if you would like to ask a question, please press star 1. Your line is open, sir.

Randy Konik: All right; great. Thanks a lot.

I guess you spoke, and I think Andrew touched on this, but you had some margin accretion coming into the numbers from the library's contribution. Could you just talk about you know where we are on revenues from the library and if there's a contribution in margin differential?

And you know longer term, where do you see the library you know you talked about 2,000 you know films, et cetera. Where do you see this library going over the next few years and how much of a contribution to revenues do you see the library contributing a few years from that? That's my first question.

Jyoti Deshpande: Andrew, do you want to take this?

Andrew Heffernan: Yes. I mean in terms of contributions from catalog, it is, as we referred to in the introduction you know it's high margin you know if it sells to television channels, et cetera. There's very little direct costs associated with those sales. You'll have the ongoing amortization.

So it can swing margins and you know the comment in the release was individual cost margins can be pushed up, dependent on the revenue mix in that quarter and the skew in that quarter. So there was – there was strong performance from television in the quarter, both from new release sales in India and elsewhere, and also catalog, Middle East and various other territories.

So you know we're constantly looking to grow the catalog you know so we're adding 3 or 400 films over the last three years from – in terms of new release and where the opportunities arise in acquiring catalogs at the right price, we would do that, but they would be relatively small acquisitions, because catalog typically is very fragmented in India.

But you know we're looking to continue to grow catalog revenues and push those up going forward and you know the push with Eros Now, looking at HBO, looking at Comcast in the U.S. and lots of other initiatives that we're doing with SingTel and other people is we're broadening the channels of distribution, which will be led by new release, but it's mainly to drive catalog revenues going forward because that's going to be the mainstay of any services that we offer anywhere in the world.

Randy Konik: Got you. And then I guess on the Eros Now you know you spoke about the Freemium strategy and then you know you're going to move toward conversion process.

Can you – can you talk about you know a little bit more about that where – how long should the – we expect the Freemium to continue? And then what's – what is the kind of conversion process strategy that we should be thinking about that you're going to employ?

Jyoti Deshpande: The Freemium – the Freemium strategy is not a short-term promotion. It's actually a strategy that will work for India. So if you – if I – if I give you an example of, say a Spotify; so you're familiar with where you get – you get to access content or songs or music free and then if you want portability or if you want an ad-free environment or if you want to transfer it across devices or if you want to be able to share it with your family, then you create a premium service.

That's how you think about the Eros Now Freemium service, where you will have a free service that will have a bunch of content that you can access freely, which we will monetize through advertising and brands who come in.

And then, for customers who want to watch H.D. quality or want a better windowing or want portability that they can transfer it or download it onto their iPads, as opposed to stream it and things like that, they will have to pay and come onto the more premium subscription service and upgrade to that experience.

So that is the business model. It's twofold. It's not about only getting subscription money and there will also be a transactional element to it, so if

they are premiering movies four or six weeks from the theatrical release on pay-per-view basis; that's transactional, so it's called (Eward).

And so there are three tiers of revenue, really; advertising, which we'll get off the business community, the brands, sub – transactional, which we'll get from customers direct, and subscriptions, which we'll get from customers direct.

In the short run, we think the subscription revenues will come from the international markets that I talked about, like American, U.S., Canada, Europe, Australia, where broadband penetration is much better and user experience is much better. And also, the Indian films are not as widely distributed as they are in India.

Randy Konik: Great. Thanks a lot.

Operator: There are no further questions in queue at this time.

I apologize; we do have another question from Andy Ruth from Bodelle, your line is open.

Andy Ruth: Well, my congratulations on the quarter.

I just wanted – if you guys could give an update, since you know for those of us that don't really have boots on the ground there, on the analog to digital conversion that's happening in India, kind of how you see it, how far it's progressing and what impact it could have in the next couple years on the TV syndication business.

Thanks.

Jyoti Deshpande: Sure; great question. Actually the digitization has been a (inaudible) for so many years in India, but over the last couple of years, we've seen the government of India take it seriously. Digitization is now a reality.

Most of the metros are now already 100 percent digital and the mini-metros are – many of them are 100 percent digital and it's on target. These are the largest revenue generating cities from a socioeconomic and demographic

classification point of view and they are actually switching off cable operator signals.

And the war between DTH and cable is happening, where the DTH operators are trying to take over market share where cable operators are dragging their feet and not going digital or cable operators are consolidating. So either way, as a content owner, who is platform-agnostic, we see more and more homes getting digital.

I think the number of digital homes are in excess of 130 million, which is already a sizable number; more than the population of many countries. So it's a – it's a huge market potential and with that will come a whole lot of monetization avenues for premium content and better windowing and better (sum) of the parts, I would say.

If we – if we monetize our content through television, in one or two formats today, more avenues will open up. Cable, who have not been paying a licensing fee separately to us; they will begin – they are beginning to license already content from us legally. It used to be a piracy market and we would – we would lose out on the revenues in the past, but those revenues are now coming into the fold and will increase in the years to come.

Andy Ruth: Great. Thank you very much.

Operator: There are no further questions in queue at this time. I turn the call back over to Miss Deshpande.

Jyoti Deshpande: Thank you, everyone. Hope this has been useful. If you have any questions later, you can always reach out to the company and we'll be happy to answer. And we look forward to further interactions in the future.

Thank you very much.

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