Draft Press Release

KSS announces divestment plans for its Miniplex Businesss

Company News
Mumbai, July 24, 2014

KSS ltd, a global player within the Indian media and entertainment sector, today announced to Divest, in the form of 'offer for sale' for its Miniplex business to the extent of 26% of its current holding.

Mini is the New Big now with Miniplex being the perfect alternative to multiplex by providing quality entertainment to the masses at a reasonable cost thereby overcoming issues like high ticket price and low Occupancy. Regional cinema is being hugely getting popular, A case in point is 'Timepass', a Marathi film released on 3rd January 2014 and has collected over INR 300 million on box office making it the biggest grossing Marathi film ever. (ref. FICCI 2014)

Also, owing to the extremely short shelf life of a theatrical release limited to its weekend business, through this new initiative of Edutrainment (Education + Entertainment) the company is trying for optimal utilization of infrastructure which was otherwise lying idle during the week.

Mr. Satish Panchariya, Chairman, KSS Limited, while elaborating on the business model, said "It is going to be a 50:50 partnership based franchisee model for a minimum term of ten years wherein KSSML would provide technology & all equipment support while initial investment will be borne by the Franchisee. As in any transparent partnership venture, the P&L Share would be 50:50 on net revenue."

Edutrainment with State of the art Technology at K Sera Sera Miniplex:

Mr. Mridul Vyas, CEO, KSSML Limited, while commenting on the advantages of the model, said "K Sera Sera would provide E-Cinema technology delivered via satellite with Full high definition quality projection at No Cost to Franchisee.Our aim is to provide affordable entertainment to Middle and Lower Middle Class in the society with Luxurious ambiance (full reclining seats), Optimized Air Conditioning and State-of-the-art sound system along with Multi- cuisine food courts priced affordably".

Explaining the same, he said "We would offer State of art infrastructure and amenities including projector, screens, lights etc. along with Hi-fi acoustic, which includes speakers, amplifiers, equalizers, cabling etc. for a realistic sound experience. Regional & Bollywood Content will be made available throughout the 500 Miniplexes with E-Ticketing and 24 x 7 CCTV surveillance. "

- In year 2014: 10 Miniplexes to be operational at the following locations – Ramnagar, Sultanpur, Mahad, Hoshiarpur, Nawanshahr, Abohar, Alwar, Surrendranagar, Bhopal, Pinjore
- In year 2015: 20 Miniplexes to be operational at the following locations – Durg, Vasco, Malout, Gurgaon, Boisar, Narsinghpur, Nadiad, Lucknow, Moga, Nashik, Ludhiana, Ankleshwar, Pathankot, Ratlam, Vadodara, Khanna City, Palampur, Barnala, Bhubaneshwar, Roorkee
- In year 2016: 50 Miniplexes to be operational
- Pl note:11 Screens in three Miniplexes is already operational in **Ahmedabad,** Punjab and Mumbai

About KSS LTD: KSS Ltd a Listed entity on NSE, BSE and Luxemburg stock exchanges is a visionary and hugely successful media and entertainment group. It has catapulted into all compassing global conglomerate, which has effectively diversified into other productive industry sectors like:

- Film Production and Distribution " KSS ltd"
- Cinema Projection Technology "KSS Digital Cinema Pvt Ltd"
- Film Exhibition- "K Sera Sera Miniplex Ltd
- Education-"K-Kampus"
- Mining – " K Sera Sera Holdings PTY" (Australia)
- Trading- " K Sera Sera FZE LLC" (Dubai)

About K Sera Sera Miniplex Limited:

- K Sera Sera Miniplex Ltd., a 100% subsidiary of KSS Limited was incorporated in the year 2010.
- The Company has conceptualized and designed State of Art theatres, "K Sera Sera's Miniplex" with dual objective of Edutrainment (Entertainment + Education).
- It has plans to establish 500 Miniplex theatres in tier II and tier III cities where there is unlimited scope of Edutrainment.
- These theatres will be located in approximately 527 districts PAN India. The Company has already finalized over 100 plus locations and is at various stages of completion.

Growth of Entertainment & Regional Content: Despite economic slowdown, the Indian Media & Entertainment (M&E) industry registered growth of approximately 12 per cent, according to the FICCI-KPMG report 2014, with multiple movies scoring big on box office collections. Approximately 90-95 per cent movie screens are now digitised in the country, with a shift in focus to tier II and III cities. The Indian film industry is expected to rise by 12% every year excluding the regional movies which is emerging as a big market. As per E&Y, Oct'2011 Report, The majority of India's urban consumption comes from non-metro cities (so-called Tier 2 and Tier 3 towns) — regional markets with distinct cultures, languages and content preferences.

Huge Potential with Indian Education Market: With a median age of 25 years, India has over 550 million people below the age of 25 years. According to Census figures, over 32 percent of the 1.1 billion population is between the age group 0-14. This means that the number of people in India needing primary and secondary education alone exceeds the entire population of the USA. Since these students will be seeking higher education in India over the next decade it illustrates the sheer size of the Indian education market.

It is expected that the Indian education sector's market size will increase to Rs 602,410 crore (US$ 100.23 billion) by FY 15 from Rs 341,180 crore (US$ 56.77 billion) in FY 12, due to the expected strong demand for quality education. (Source: India Brand Equity Foundation IBEF)