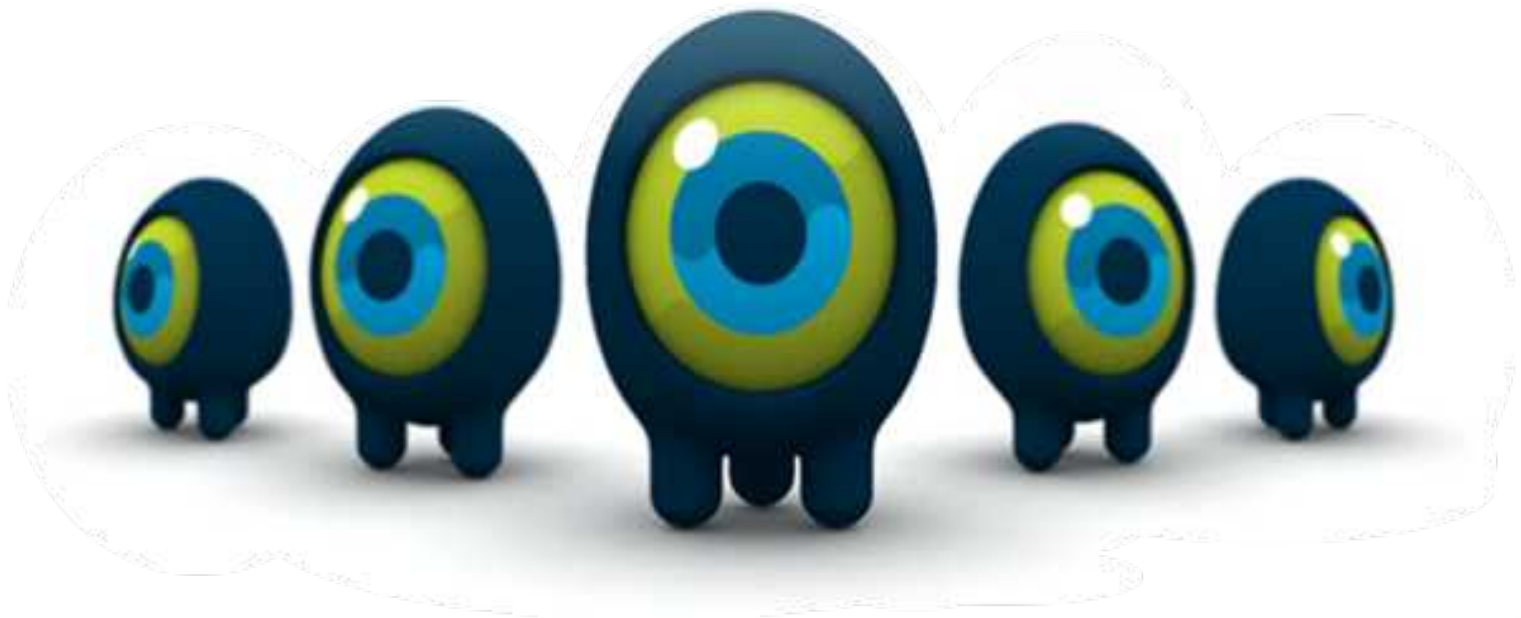


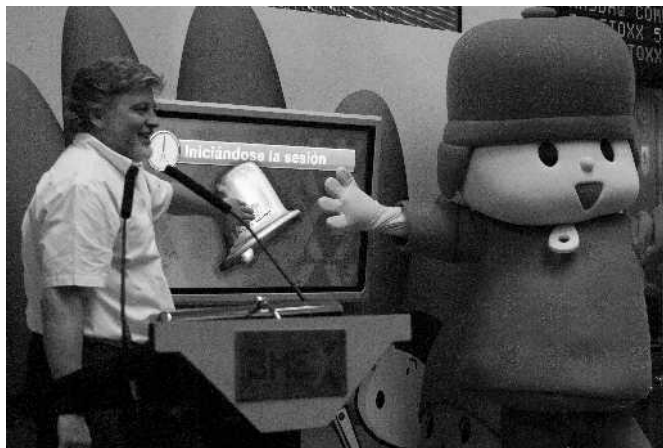
zinkia



zinkia

The business of Zinkia Entertainment is not limited to audiovisual production - Zinkia creates and commercializes entertainment brands through the production and development of audiovisual content targeted at family audiences worldwide.





Zinkia is a publicly listed company (Spanish MAB) whose business consists of:

- Developing a diversified and multiplatform catalogue of audiovisual (films, series) and interactive products (videogames, applications and on-line community) in order to create Brand Concepts.
- Assure the best and widest possible exposure of our brands in as many countries and platforms as possible (Free TV, PayTV, Internet, VoD, Smartphones, Movie Theatres, Videogame Consoles...)
- Find the best partners in the licensing and merchandising business in each country, starting with TVs, Toys, Books and DVD's as key drivers of the brand.
- Market the Brand: Off and On line actions, Point of Sale, PR & Promotion...



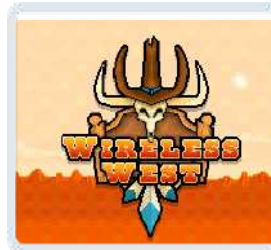
Zinkia's revenues come primarily from these sources:

- Income from the distribution of audiovisual content (Television, DVD, videogames, VoD, internet and mobile platforms).
- Income from the management of the brand (licensing royalties: Zinkia charges a royalty rate on each product sold under the licensed brand, usually between 10%-12% of the selling price, with a cash advance against the projected business plan).
- Revenues from advertising and brand sponsorship.
- The commercial management is usually handled by a local distributor or agent in each territory or region (with a 30% commission)
- The design, manufacture, delivery and sales of all licensed products is handled by the licensees and does not imply Zinkia any cost.

AUDIOVISUAL PRODUCTIONS: Series & Movies



INTERACTIVE PRODUCTION : Games, Applications & Online communities



COMMERCIAL DEVELOPMENT: Content & Licensing Distribution





In the first half of 2011, Zinkia acquired 51% of Cake Entertainment, one of the most prominent and internationally well known children's audiovisual content distributors. Cake holds a catalogue of more than 30 of them.

For Zinkia, the acquisition of Cake means:

- Ensured excellence in the international marketing of their audiovisual content on Television and DVD.
- Access to children's production projects in the first stages of their development.
- Access to children's productions to be distributed through Zinkia's new digital sales platforms.
- Access to children's entertainment brands in order to define and implement their international licensing and merchandising strategy.

ZINKIA AWARDS :

- Avalmadrid, 2007
- Proyecto Stela, 2008
- Campus Party, Best Videogames Developer, 2009
- Gamelab 2009 Best Videogames Studio, 2009
- Asociación Nacional de Marketing, Best Marketing Strategy, 2009

POCOYO AWARDS:

- Annecy Cristal (France), Best Animation Series, 2006
- BAFTA (British Academy Film Television Awards, UK), Best Preschool Animation Series, 2006
- Animadrid (Festival de Animación de Madrid), Best TV Series, 2005
- Animacor (Festival de Animación de Córdoba), Best TV Series, 2005
- Pulcinella Award, Cartoons on the Bay (Italy), Best Preschool Animation Series, 2006
- Most Popular TV Series for Kids (Italy), RAI, 2006
- El Chupete Award (Spain), Best Animation Character, 2006
- Zapping Award (Spain), Best Animation Series, 2006
- Festival Latino de San Diego (USA), Best Animation Series, 2007
- El Chupete Award (Spain), Best Soundtrack, 2007,
- CICDAF (China), Best Animation Series, 2007
- Sea&TV (Italy), Special Animation Award, 2007
- Festival Movistar Art Futura (Spain), 3D Animation Award, 2007
- FICOD, Best Innovative Project, 2007
- Nomination BAFTA (UK), Best Animation Series, 2007
- Zapping Award (Spain), Best Animation Series, 2007
- Gold Medal, Parents' Choice Awards (USA), 2008
- Licencias Actualidad Magazine (Spain), Best Licensed Brand, 2008
- PROMAX BDA (Singapu), Best Animation TV Promo, 2008
- Silver Award, Festival de Televisión de Shanghai (China), Best Animation Shortmovie "Pocoyo and the Space Circus", 2009
- Gamelab (Spain), Best Videogame "Hello, Pocoyo!", 2009
- Campus Party (Spain), Best Videogame "Hello Pocoyo!", 2009
- FICOD Avanza Award (Spain), Best Digital Business Project "Pocoyo World", 2009
- ATEA - Asociación de Telespectadores de Andalucía (Spain), Best Programme for Kids, 2010



OTHER AWARDS:

- Gamelab (Spain), Best Game Design "PlayChapas", 2009

POCOYO



- Pocoyo is Zinkia's most popular and valuable property. **In 2010 Pocoyo has made up almost 90% of the company revenues.**
- Shown in more than 100 countries worldwide, Pocoyo has consistently achieved record TV audiences and has won the most prestigious awards from USA to China, Italy, France or UK, among others.
- Pocoyo is a multinational business in itself. Created to become an icon, Zinkia has worked hard to make Pocoyo an "evergreen" brand for toddlers worldwide.

AUDIOVISUAL PRODUCT: CATALOGUE



Pocoyo Season 1

- 52 episodes
- 7 minutes each
- 3D Animation
- Main Target 2 – 5



Pocoyo Season 2

- 52 episodes
- 7 minutes each
- 3D Animation
- Main Target 2 - 5



Pocoyo Season 3: Let's go Pocoyo!

- 52 episodes
- 7 minutes each
- 3D Animation
- Main Target 2 – 5



Pocoyo and the Space Circus

- Short Film
- 25 minutes
- Main Target 2 – 5



Pocoyo and Friends

- TV Special
- 47 minutes
- 3D Animation
- Family target



Pocoyo Fiesta

- Musical CD
- Produced by Zinkia
- Gold record



Sing and Dance with Pocoyo

- DVD Musical + TV Special
- Family target

INTERACTIVE PRODUCTS: CATALOGUE

Hello Pocoyo!

- Videogame
- Console: Nintendo DS
- Graphic adventure + Puzzles
- Includes 3D Animations
- Family target (+3 years)



Pocoyo Racing

- Videogame
- Console: Nintendo DS + Wii
- Circuits and races
- Includes 3D Animations
- Family target (+3 years)



Pocoyo World

- On line community
- fun & educational content
- Family target (+3 years)
- Over 500.000 registered users
- Available in English, Spanish, Italian and Chinese



Mobile contents / Smart Phones

- Games
- Applications
- Episodes
- Songs
- Screensaver, postcards, etc.
- Channels
- Video on Demand







- **YouTube:**
450 M+ hits
45 M Unique visits/ mont Worldwide

- **Web Page Pocoyo.com:**
4 languages
21 M unique visitors to date
27,5 M content downloads

- **Pocoyo World:**
2.5 M unique visitors
570K registered users

- **Pocoyo Blog:** **4 M** unique visitors

- **i-Google:**
Top 10 i-skin

- **FaceBook:**
Official Pocoyo 500K fans
2,000 new daily subscribers

- **Twitter:**
Pocoyo 5.000+ followers

- **Pocoyize:**
11 M+ “pocoyized” persons



- 150 licensees worldwide
- 2.000 SKUs developed to date
- Over 3 million toys sold
- Over 2,5 million DVDs sold
- Over 1,5 million books sold





RECENT INTERNATIONAL DEVELOPMENT

BRAND DRIVERS: TELEVISION, TOYS, DVD, BOOKS



Replicate the success model:
Nowadays Pocoyo reaches a potential audience of 3.500 million people worldwide

Since April 2011 Zinkia manages commercially the brand worldwide.

EE.UU.: Television (Nickelodeon, PBS, Univisión), Toys (Bandai), DVD Publisher (NCircle)

Italy: Television (RAI 2, RAI Sat, YOYO), Toys (Bandai), Licensee DVD Publisher (RAI Trade), Book Publisher (DeAgostini)

Mexico: Television (Discovery Kids, Televisa), Master toy (Mattel), DVD Publisher (Tycoon), Book Publisher (Planeta)

Brazil: Television (Discovery Kids), Master Toy (Long Jump), DVD Publisher (Log on), Book Publisher (Planeta)

Argentina: Television (Discovery Kids), Toys (Alparamis), DVD Publisher (Vértice), Book Publisher (Planeta)

Chile: Television (Canal 13), Toys (Ansaldo), DVD Publisher (Vértice), Book Publisher (Planeta)

France: Television (M6), Toys (Bandai), DVD Publisher (M6)

China: Television (BTV KAKU), Toys (Bandai), DVD Publisher (Starwin), Book Publisher (HEP)

Other Countries: Turkey, Russia, Greece, Poland, Indonesia, Peru, Scandinavia...





- Online
- Mobiles
- Press & Communication
- Events
- POS – Retail



OTHER ZINKIA CONTENTS





- Shuriken School is an animated series aimed at a target of 5 to 9 year olds about the adventures of a group of children in a special school whereby they learn to become ninjas!
- Catalogue: 26 episodes x 26' / TV Movie 80'
- Sold worldwide in over 100 territories, it has obtained excellent audience results.



PlayChapas



- The classic Bottle top game redesigned as a multiplayer videogame in conjunction with Sony for the PSP platform.
- A simple and addictive strategy game designed in 3D.
- 170.000 units sold in Spain during the year of launch.

CATALOGUE OF MOBILE GAMES



PROJECTS IN DEVELOPMENT



Pocoyo Universe

- Videogame
- Consoles: Kinect X360
- Launch: Christmas 2012
- Status: Prototype
- Target: Family (+4)



Pocoyo Season 4

- 52 episodes
- 7 minutes each
- Animation3D
- Target 3 – 5
- Launch: 1st semestre 2013

Pocoyo, The Movie

- Feature film in 3D
- Format: 80 minutes
- Target: Family (+3 years)
- Launch: Spring 2014

PROJECTS IN PRODUCTION AND DEVELOPMENT



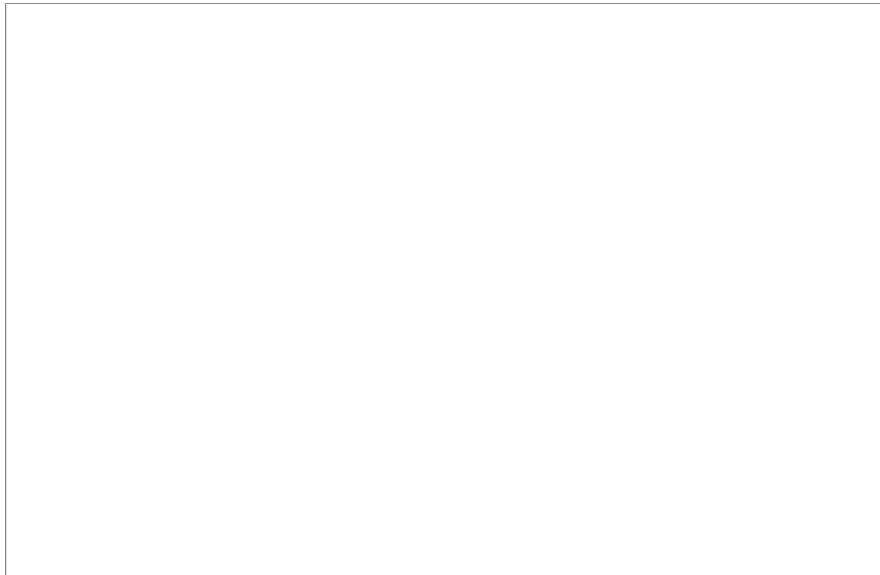
- Mola Noguru is a colourful animation series based on comedy and adventure targeted at children from 3 to 6. It teaches children to think for themselves and learn about basic values in a fresh and fun way..
- In preproduction:
52 episodes x 11 minutes

PROYECTOS EN DESARROLLO Y PRODUCCION



- Fishtail Saga consists of a viking world full of mythological and magical elements, where men live alongside elves, dwarves and other fantastical characters.
- Created in parallel as an animated TV series and MMOG (target 5 to 9)
- In Development: Series of 26 episodes x 24' y massive multi player online game.

ZINKIA SHAREHOLDERS



Shareholder	% Participation
Jomaca 98, S.L.	71,56%
Miguel Valladares	4,78%
Alberto Delgado	3,58%
Other boardmember	2,23%
Trifersa	0,11%
Employees	2,11%
Autocartera	0,65%
Free-Float	14,99%
Total	100,00%

INCOME MODELS

AUDIOVISUAL PRODUCTION

- TV broadcast pre-sales (Pay TV, Terrestrial TV, Cinema)
- Distribution on alternative platforms (VOD, Mobile, Internet)

VIDEOGAME PRODUCTION / ON LINE COMMUNITIES

- Pre sale of Distribution Rights (Publishing Rights)
- Royalties
- Subscription
- Micropayments
- Advertisement, Sponsorship, Licensees.

LICENCES

- Licensing Rights Pre sales
- Minimum Guarantees and Royalties



INCOME GROWTH EXPECTATION

Income increase from 2011 to 2015 is based on the commercial exploitation of the brand in new markets.

All markets considered in Zinkia's forecasts have already signed key agreements with local televisions, as well as toy, book and DVD licensees.

There have already been commercial launches in the main countries being considered in the proposal and contracts have been signed in licensing categories considered to be key to boosting sales activities: Free and paid television, games, books, DVDs and digital platforms.

The agent based business model makes substantial increases in EBIT and EBITDA margins possible since the growth in sales within new markets requires a marginal investment in production, and commercial, marketing and ac



INCOME BREAKDOWN

Amounts in Euros	2009	2010e	2011ppto	2012e	2013e	2014e	2015e
Pocoyo Income	3.379.544	3.339.755	4.830.435	13.200.000	19.806.714	19.150.000	20.950.000
Spain	2.554.358	1.672.925	1.495.853	2.000.000	2.000.000	2.000.000	2.000.000
Other Zinkia's territories	667.547	1.245.411	1.722.406	4.200.000	4.200.000	4.150.000	3.950.000
New Zinkia territories	157.638	421.419	1.612.176	7.000.000	11.000.000	13.000.000	15.000.000
Co-production/pre-sales	-	-	-	-	2.606.714	-	-
Shuriken-School Income	8.900	2.801	52.000	-	-	-	-
Spain	8.900	2.801	2.000	-	-	-	-
Other Zinkia's territories	-	-	50.000	-	-	-	-
Xilam's territories	-	-	-	-	-	-	-
Mola Noguru Income	-	-	-	-	9.200.000	6.000.000	6.000.000
Sales	-	-	-	-	6.000.000	6.000.000	6.000.000
Pre-sales	-	-	-	-	3.200.000	-	-
Fishtail Saga Income	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-
Pre-sales	-	-	-	-	-	-	-
Pocoyo, The movie Income	-	-	-	-	-	8.029.520	6.000.000
Exploitation	-	-	-	-	-	4.000.000	6.000.000
Pre-sales	-	-	-	-	-	4.029.520	-
Interactive Content Income	305.124	372.225	2.416.888	5.000.000	5.500.000	8.000.000	8.000.000
Videogames	114.020	3.891	1.403.000	3.000.000	3.000.000	5.000.000	5.000.000
On Line - New Media	191.104	368.334	1.013.888	2.000.000	2.500.000	3.000.000	3.000.000
Other Income	46.764	230.525	3.840.000	100.000	100.000	100.000	100.000
Total Sales	3.740.332	3.945.306	11.139.323	18.300.000	34.606.714	41.279.520	41.050.000
Other Operating Income	1.764.070	1.993.678	2.117.954	7.971.737	13.726.040	11.537.490	7.314.606
Total Revenue	5.504.403	5.938.984	13.257.277	26.271.737	48.332.754	52.817.010	48.364.606



PROFIT AND LOSS STATEMENT

Cost of goods sold	146.628,63	248.954,71	234.000,00	245.700,00	257.985,00	270.884,25	284.428,46
Gross Profit	5.357.773,98	5.690.028,95	13.023.276,53	26.026.036,98	48.074.768,76	52.546.125,35	48.080.177,86
% Gross Profit / Revenue	97,34%	95,81%	98,23%	99,06%	99,47%	99,49%	99,41%
Cost of Employees	3.583.902,53	3.334.395,19	4.045.508,69	9.516.500,10	13.103.325,59	11.547.949,72	9.083.582,18
Other Operating Expenses	1.703.822,14	2.954.860,00	5.893.623,25	8.180.167,60	12.847.809,73	13.359.278,84	11.841.078,67
EBITDA	70.049,31	599.226,24	3.084.144,59	8.329.369,28	22.123.633,44	27.638.896,79	27.155.517,01
% EBITDA / Revenue	1,27%	-10,09%	23,26%	31,70%	45,77%	52,33%	56,15%
Amortizations and Depreciations	1.353.815,79	1.724.994,23	2.122.772,47	1.792.694,96	3.979.929,25	5.998.383,87	5.966.467,99
EBIT	- 1.283.766,48	- 2.324.220,47	961.372,12	6.536.674,32	18.143.704,19	21.640.512,92	21.189.049,02
% EBIT / Revenues	-23,32%	-39,13%	7,25%	24,88%	37,54%	40,97%	43,81%
Financial Income	46.633,58	20.219,12	-	150.000,00	150.000,00	150.000,00	150.000,00
Financial Expense	432.506,94	310.979,90	534.169,62	540.826,09	504.766,70	96.961,39	35.120,00
Financial P/L	- 385.873,36	- 290.760,78	- 534.169,62	- 390.826,09	- 354.766,70	53.038,61	114.880,00
Extraordinary Income	-	-	-	-	-	-	-
Extraordinary Expense	125.542,60	431.714,07	418.032,01	-	-	-	-
Extraordinary P/L	- 125.542,60	- 431.714,07	418.032,01	-	-	-	-
EBT	- 1.795.182,44	- 3.046.695,32	845.234,52	6.145.848,23	17.788.937,49	21.693.551,54	21.303.929,02
% EBT / Revenue	-32,61%	-51,30%	6,38%	23,39%	36,81%	41,07%	44,05%
Taxation	- 703.957,86	- 748.307,86	253.570,36	1.843.754,47	5.336.681,25	6.508.065,46	6.391.178,71
EAT	- 1.091.224,58	- 2.298.387,46	591.664,16	4.302.093,76	12.452.256,24	15.185.486,08	14.912.750,32

BALANCE SHEET (I)

Zinkia	2009	2010e	2011e	2012e	2013e	2014e	2015e
<i>(en €)</i>							
Intangible Assets	8.748.626,46	8.664.850,67	9.090.003,46	15.271.118,35	24.821.455,27	30.044.928,45	31.078.491,41
Tangible Assets	83.723,55	107.695,38	126.362,46	139.289,59	150.063,45	160.696,24	170.271,62
Financial Assets	35.276,20	94.244,37	1.194.329,77	1.194.329,77	1.194.329,77	1.194.329,77	1.194.329,77
Deferred Taxation Assets	3.167.605,41	3.929.005,53	3.840.255,91	3.194.941,84	1.327.103,40	-	-
Debtors and receivables	13.182,01	100.037,27	100.037,27	100.037,27	100.037,27	100.037,27	100.037,27
Non Current Assets	12.048.413,63	12.895.833,22	14.350.988,86	19.899.716,82	27.592.989,16	31.499.991,73	32.543.130,06
Stocks	-	-	-	-	-	-	-
Debtors and receivables	3.377.503,02	3.701.612,96	2.630.965,27	6.234.475,62	11.595.586,98	13.789.386,22	13.713.927,67
Financial Assets	2.216.869,19	560.828,62	179.953,07	179.953,07	179.953,07	179.953,07	179.953,07
Cash	368.735,60	374.499,07	1.225.233,10	767.481,22	5.142.803,63	2.655.072,70	18.523.779,32
Period Adjustments	9.094,40	44.567,47	44.567,47	44.567,47	44.567,47	44.567,47	44.567,47
Current Assets	5.972.202,21	4.681.508,12	4.080.718,91	5.691.514,94	6.677.303,89	16.668.979,46	32.462.227,53
Total Assets	18.020.615,84	17.577.341,34	18.431.707,78	25.591.231,75	34.270.293,05	48.168.971,19	65.005.357,59

BALANCE SHEET (II)

Zinkia	2009	2010e	2011e	2012e	2013e	2014e	2015e
(en €)							
Issued Capital	2.445.676,80	2.445.676,80	2.445.676,80	2.445.676,80	2.445.676,80	2.445.676,80	2.445.676,80
Share premium	9.570.913,06	9.570.913,06	9.570.913,06	9.570.913,06	9.570.913,06	9.570.913,06	9.570.913,06
Own shares held	- 319.736,61	- 347.303,14	- 1.027.303,14	- 1.027.303,14	- 1.027.303,14	- 1.027.303,14	- 1.027.303,14
Reserves	1.189.149,85	1.175.648,84	1.175.648,84	1.234.815,26	2.679.794,73	15.132.050,97	30.317.537,04
Retained earnings	-	1.091.224,58	3.389.612,04	2.857.114,29	-	-	-
Profit and losses	- 1.091.224,58	- 2.298.387,46	591.664,16	4.302.093,76	12.452.256,24	15.185.486,08	14.912.750,32
Other adjusts	- 63.388,57	- 33.784,44	- 33.784,44	- 33.784,44	- 33.784,44	- 33.784,44	- 33.784,44
Grants	112.500,00	79.748,25	79.748,25	1.079.748,25	1.479.748,25	2.159.748,25	1.839.748,25
Shareholders Equity	11.843.889,95	9.501.287,33	9.412.951,49	14.715.045,26	27.567.301,50	43.432.787,57	58.025.537,89
Long Term Debt	2.714.342,08	3.672.294,40	4.748.574,16	2.016.015,85	513.206,53	513.206,53	513.206,53
Deferred taxation liabilities	37.500,00	39.675,01	39.675,01	39.675,01	39.675,01	39.675,01	39.675,01
Long Term Liabilities	2.751.842,08	3.711.969,41	4.788.249,17	2.055.690,86	473.531,52	473.531,52	473.531,52
Short Term Debt	2.921.651,33	2.709.523,18	2.230.261,58	3.539.099,65	3.335.763,72	806.541,34	806.541,34
Creditors	503.232,48	1.654.561,42	2.000.245,53	5.281.395,99	3.840.759,35	4.403.173,80	6.646.809,88
Current Liabilities	3.424.883,81	4.364.084,60	4.230.507,11	8.820.495,64	7.176.523,07	5.209.715,14	7.453.351,22
Total Equity and Liabilities	18.020.615,84	17.577.341,34	18.431.707,78	25.591.231,75	34.270.293,05	48.168.971,19	65.005.357,59

CASH FLOW

EBIT	961.372,12	6.536.674,32	18.143.704,19	21.640.512,92	21.189.049,02
Taxes	253.570,36	1.843.754,47	5.336.681,25	6.508.065,46	6.391.178,71
Tax Deductions	88.749,62	645.314,06	1.867.838,44	1.327.103,40	-
Depreciation and provisions	2.122.772,47	1.792.694,96	3.979.929,25	5.998.383,87	5.966.467,99
Extraordinary items	-	-	200.000,00	320.000,00	320.000,00
Cash Flow	2.919.323,86	7.130.928,87	18.454.790,63	22.137.934,73	20.444.338,30
Intangible Assets	2.088.560,33	6.926.736,98	12.881.040,03	10.172.489,84	6.949.606,32
Tangible Assets	60.000,00	60.000,00	60.000,00	60.000,00	60.000,00
Financial Assets	1.100.085,40	-	-	-	-
Total CAPEX	3.248.645,73	6.986.736,98	12.941.040,03	10.232.489,84	7.009.606,32
Variation in accounts receivable	- 1.451.523,24	3.603.510,34	5.361.111,36	2.193.799,24	- 75.458,55
Variation in trade debtors	345.684,11	3.281.150,45	- 1.440.636,64	562.414,45	2.243.636,08
Increase in working capital requirements	- 1.797.207,35	322.359,89	6.801.748,00	1.631.384,80	- 2.319.094,63
Increase in share capital and premiums	-	-	-	-	-
Own shares held	680.000,00				
CF to service debt	787.885,49	- 178.167,99	- 1.287.997,40	10.274.060,10	15.753.826,62
Financial Cash Flow	- 617.151,46	- 1.814.546,33	- 3.087.325,01	- 2.476.183,77	114.880,00
FCF	850.734,03	- 1.992.714,32	- 4.375.322,41	7.797.876,33	15.868.706,62
Initial cash	374.499,07	1.225.233,10	- 767.481,22	- 5.142.803,63	2.655.072,70
Surplus cash	1.225.233,10	- 767.481,22	- 5.142.803,63	2.655.072,70	18.523.779,32
Dividends	-	-	-	-	-
Cash at hand and in banks	1.225.233,10	- 767.481,22	- 5.142.803,63	2.655.072,70	18.523.779,32

