## r

**Press Release**

**BSE: 532748**

**Q2’FY15 EBITDA rebounds as integration efforts start delivering: Revenues at Rs 3,187 mn**

**CCI-approval & successful open offer paves way for Prime Focus Limited (PFL)-Reliance MediaWorks (RMW) Film and Media Services (FMS) business merger closure**

**Mumbai, February 17, 2015:** Prime Focus Limited (PFL), the global leader in media and entertainment industry services, declared its unaudited financial results for the quarter and six months ending Dec 31, 2014 on February 14, 2015. The Company posted Q2FY15 consolidated revenues of Rs 3,187 mn along with sharp improvement in EBITDA and strong progress in global integration efforts post the Prime Focus World (PFW)-Double Negative (DNeg) merger.

**PFL-RMW FMS Business merger update**

* Approval received from the Competition Commission of India (CCI) for the merger of PFL with RMW Film & Media Services (FMS) Business on December 15, 2014
* Reliance MediaWorks (RMW) Limited, Reliance Land Private Limited and the Promoters have concluded the open offer as on January 2, 2015. The collective shareholding acquired in the open offer stands at 16.1% of fully diluted shares including the announced preferential allotment
* In the EGM held on January 28, 2015, shareholders re-approved preferential allotment of 113,461,538 shares towards equity infusion by the Promoters and RMW Ltd and transfer of RMW FMS business. Allotment will be completed post required stock exchange and other relevant approvals

**Key financial highlights**

**Q2’FY15 (Consolidated) – QoQ performance**

* Revenue for the quarter ending Dec-14 at Rs 3,187 mn as against Rs 3,570 mn in the quarter ending Sep-14.
* Strong momentum across the core PFW, Prime Focus Technologies (PFT) and India post production segments
* Impending divestiture of non-core UK post production business to remove the drag on consolidated results going forward
* EBITDA margins back in double digits: Rs 394 mn & Rs 355 mn compared to Rs 111 mn & 144 mn in Sep-14 without & with FX charge respectively
* Loss for the quarter at Rs 362 mn compared to loss of Rs 220 mn in Q1’FY15 primarily due to non-cash tax charges, adverse FX fluctuation, residual exceptional integration expenses and finance charges
* Global integration of DNeg and PFW proceeding as expected, with major integration expenses already incurred

**Balance Sheet Highlights**

* The Share capital and Total Shareholder Equity as on December 31, 2014 is Rs 185 mn and Rs 6,874 mn respectively. This is before the issue of the preferential allotment of 113,461,538 shares towards equity infusion by the Promoters and RMW Ltd and transfer of RMW FMS business. The total share capital post issue of preference capital will increase to Rs 299 mn
* Consolidated debt as on December 31, 2014 is Rs 12,497 mn which includes a Bridge loan of Rs 3,000 mn shown in Short term Borrowings. As disclosed previously proceeds of the preferential allotment (Rs 2,400 mn) will be used towards debt reduction

**Key operational highlights for the quarter**

**Prime Focus World (PFW)**

* Key projects delivered including recent Hollywood & Bollywood hits such as: *Interstellar, Exodus: Gods and Kings, The Hunger Games Mockingjay Part 1, Ungly, Action Jackson and Happy Endings*
* On-going projects include *Terminator-Genisys, Ant-Man, Batman v Superman, Avengers, Insurgent, Kingsman: The Secret Service,* amongst others
* PFW’s work in *Sin City: A Dame To Kill For* wins the award for Best VFX at 24 FPS Annual International Animation Awards and ‘Best Stereography’ at the International 3D & Advanced Imaging Society’s Annual 3D Creative Arts Awards
* Prime Focus wins Best VFX for *Kick* at Screen Awards 2015
* Double Negative wins BAFTA award for Special Visual Effects for Christopher Nolan’s *Interstellar*

**Prime Focus Technologies (PFT)**

* DAX integration on track; multiple new customer contracts and strong pipeline
* PFT powered Star Sports app selected as App Store Best of 2014 in India by Apple
* PFT’s Play-out Monitoring service for BARC’s Audience Measurement System goes live
* CLEAR’s Operations Cloud powers ‘Hotstar’, Star TV’s entertainment OTT platform

**Commenting on results Mr. Namit Malhotra,** **Founder, Executive Chairman and Global CEO, Prime Focus Ltd said:**

We are pleased to report rebound in our EBITDA margins as the benefits of the global integration exercise post the PFW - DNeg merger start to deliver. The cost optimization efforts are becoming visible in this quarter itself and margins will further enhance with increasing revenue momentum. PFT has again delivered robust growth, as the BARC rollout in India and new global contracts continue to fuel expansion. Our merger with RMW FMS is also expected to close shortly post required approvals. Industry leading awards continue to recognize Prime Focus’ techno-creative leadership. We are very excited about the future, with our game-changing strategies delivering as expected.

**About Prime Focus Limited**

Prime Focus Limited (PFL), the world’s largest media services powerhouse employs over 5,500 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative and technology services including visual effects, stereo 3D conversion, animation, post-production, Digital Intermediate (DI), equipment rental, hybrid cloud-enabled Media ERP technology and cloud media services to Studios, Broadcast, Advertising and Media industries.

Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP platform), Primetime Emmy® award-winning DAX Digital Dailies® and View-D™ (stereoscopic 2D to 3D conversion). Leveraging our Global Digital Pipeline and pioneering delivery model WorldSourcing® we partner content creators at every stage of the process ensuring creative enablement, work flow efficiencies and cost optimization.

2014 has seen a spate of M&A: Prime Focus Technologies acquired DAX, a leading provider of cloud-based production workflow and media asset management applications; Prime Focus World merged with Double Negative, one of the world’s foremost providers of visual effects; and Reliance MediaWorks merged their global film and media services business with Prime Focus Limited.

Listed on the BSE and NSE of India, Prime Focus has operations in Bangalore, Beijing, Cape Town, Chandigarh, Delhi, Goa, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mumbai, New York, Singapore, Toronto and Vancouver.

**For more details:** [**www.primefocus.com**](http://www.primefocus.com)

**Media Relations:**

Jose Kunnappally, Head, Marketing and Communications, Prime Focus Limited

+91 88796 45359    [jose.kunnappally@primefocus.com](mailto:jose.kunnappally@primefocus.com)

Or

Kavita Menon, Genesis Burson-Marsteller for Prime Focus Limited

+ 91 98336 63629  [kavita.menon@bm.com](mailto:kavita.menon@bm.com)

Note: Certain statements made in the document may be forward-looking statements. Such forward- looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prime Focus Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.