

DQ Entertainment (International) Limited
Earnings Release – September 2015

DQ Entertainment (DQE), a leading animation, gaming, live action entertainment production and Distribution Company, today announces its financial results for the period ended September 30, 2015.

Standalone financial highlights for the period ended 30 September 2015:

- Income from operations: INR 693.86mn (2014: INR 669.79 mn)
- EBITDA: INR 256.81 mn (2014: INR 271.58 mn)
- Profit (Loss) before tax*: INR 256.14 mn (2014: INR 63.40 mn)
- Profit (Loss) after tax*: INR 195.83 mn (2014: INR 101.64 mn)

* Profit before tax and Profit after tax includes the exceptional item by way of notional foreign exchange of approximately INR 180.67 mn for the period ended 30 September 2015 (2014: INR 17.28 mn)

The improvement in the global scenario, particularly in the North America, has positive impact on the operation of the company with the company generating total revenue of INR 693.86 mn which is in line with our annual estimate.

The financials had a positive impact of change due to foreign exchange rates and substantial increase in production/delivery efficiencies. For the half year ended September 2015 there is a foreign exchange gain of Rs. 180.67 mn (2014:Rs.17.28mn) on account of restatement of foreign currency balances as on 30 September 2015.

This quarter our focus had been on improving operational efficiencies and expanding human resources to meet the demands of production in the coming months. Consolidation and expansion of artistic and technical skill sets and productivity improvement across all processes of production has been initiated.

The continuous efforts being done towards collection from customers are bringing in positive results with remittances coming in from almost all the parties. We are confident that these actions will enable us to report significantly improved debtors status by the end of the financial year.

Business Update

We are on the verge of completing second season of our proprietary production 'The New Adventures of Peter Pan'. The production of Season 1 of Miles from Tomorrow land (Disney Junior USA) just got completed, while that of Season 2 has commenced on a back to back basis, showing confidence by our customer of our quality and delivery.

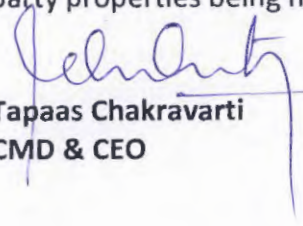
The 5&IT TV series is in production with Disney-Germany and Disney- France.

Our other productions such as The HIVE, Season 2 (a Disney Junior show), Popples (Saban group, USA project), Sheriff Callie's Wild West (Disney Junior, USA) and Seven and Me, a hybrid show combining high quality CGI with live action footage are also moving ahead on schedule.

We are also happy to report that our proprietary TV series 'The Jungle Book' has gone into a third season, in association with ZDF Enterprises and ZDF TV, Germany and Canal Plus, France.

During the quarter, the VFX division was also involved with the visual effects sequences within an epic feature film. Our VFX Division has completed the delivery for the epic feature film Rudrama Devi, by Gunasekhar and feature film Akhil, a Sresthth production containing significant amount of quality computer graphic work which is slated for release soon. The acceptance and appreciation of our VFX work by the feature film industry is bringing in success by way of additional VFX orders. The division is currently engaged on certain high-end visual effects assignments for big banner feature films directed by leading directors from the Indian "Tollywood" industry.

The company owned digital platforms continue to perform satisfactorily and will soon see third party properties being hosted on Pappa Kids and Tiny Toonz.


Tapaas Chakravarti
CMD & CEO

