



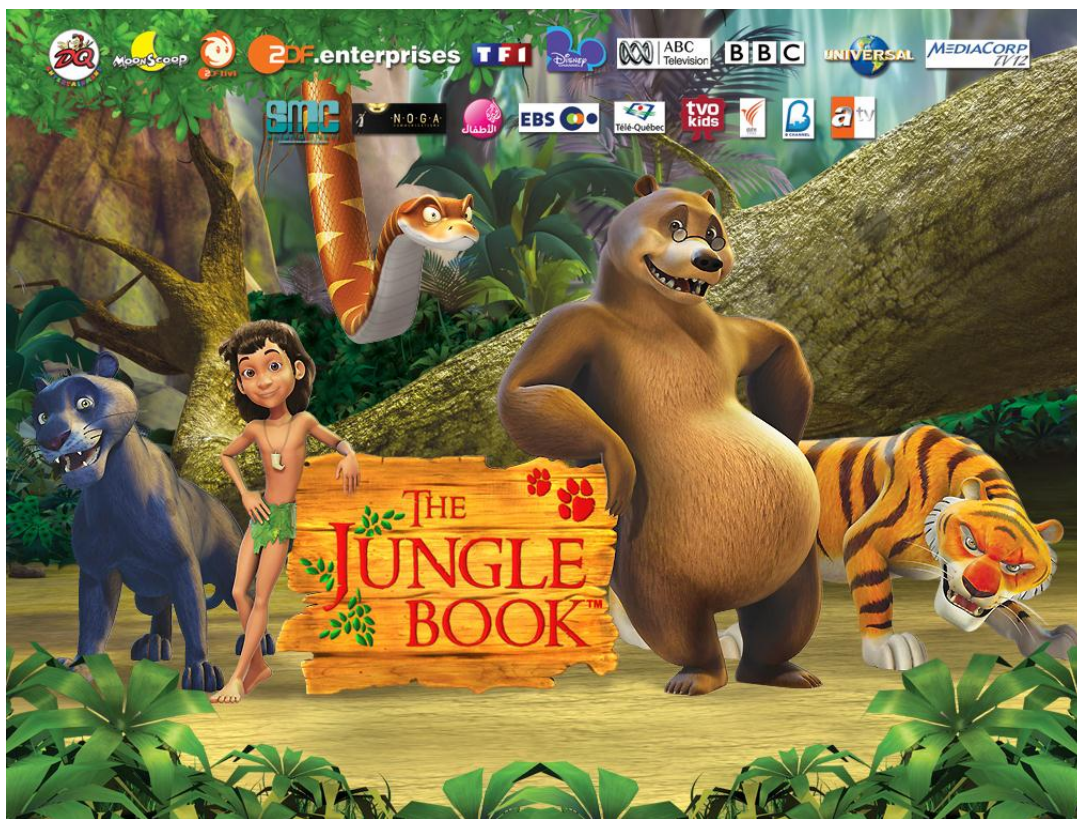
DQ Entertainment (International) Ltd

("DQE" or the "Company")

DQE signs deal with SMC Entertainment

DQE the Global entertainment production and distribution company is pleased to announce signing of a licensing and distribution deal with SMC Entertainment Inc. ("SMC"), a division of Sun-Mate Corporation Inc., USA for "The Jungle Book" Season One.

Under the agreement SMC has the television, home video and licensing and merchandising rights for the 52 x 11' 3D animated TV series The Jungle Book for an initial 5 year term in North America.



SMC has projected that it will earn approximately \$50M from licensing, merchandising, TV and home-video sales during this term, out of which DQE will be eligible to receive the agreed royalty income as well as a multi-million dollar minimum guarantee and licensing fee. SMC intends to maximise the sales of Jungle Book through different verticals complementing its strong manufacturing and retail reach. The group believes the property has tremendous merchandising potential in the US and Canada and characters like Mowgli, Shere Khan and Baloo will be a success with the kids in North America.

Tapaas Chakravarti, Chairman & CEO of DQE Group commented “Since USA is the largest consumer of animation content and merchandising in the world, this deal with SMC Entertainment, a division of Sun-Mate Corporation, for the American and Canadian markets is a real game changer for our coveted and flagship brand The Jungle Book. We are very hopeful that our agreement with SMC will exploit the full potential of the Jungle Book for licensing and merchandising in North America with meticulous brand building resulting in projected financial results for such an iconic brand.

Mr. Rami Ben-Moshe, President Sun-Mate Corp said “The quality and execution of DQE’s The Jungle Book is brilliant. We are grateful to have the opportunity to partner with a company that has such vision and talent. We believe that The Jungle Book will far exceed all our expectations.”

Ms Lisa Streff, SVP Licensing said “We are honored to be granted all North American rights for Television, Home Entertainment, Licensing and Merchandising on this classic property that has such rich heritage and appeal to parents and children around the world. DQE’s execution of this 3D animated TV series is charming, lively and beautifully designed. We are enthusiastic and in the process of securing the best in class partners for the animated series and merchandising program in North America. We are thrilled to launch this brand to a new generation of children that will experience the magic of The Jungle Book in this new form of action and adventure. It has all the makings of a tremendously successful entertainment and consumer products program.”



About SMC:

SMC Entertainment is a division of Sun-Mate Corporation which has been manufacturing a diverse range of quality consumer goods for over 26 years. Sun-Mate Corporation has held top licensees with NBC Universal, Disney, IMG (Chevron, Texaco, Gulf) and currently holds licensees for Star Wars, Indiana Jones and the entire range of Marvel Entertainment characters, Union Pacific and The Public Zoo . Sun-Mate Corporations wide range of Asian manufacturing resources, combined with their US sales, marketing and design expertise, form the basis for the company's quality product line.

About DQE

DQE is one of the leading producers of animation, visual effects, game art and live action entertainment content for the global media and entertainment industry. With a workforce of approx 3500 employees and a global client - partner base of over 100 producers, distributors, broadcasters and licensors including Walt Disney Group, Universal Pictures, Nickelodeon Animation Studios Inc., Electronic Arts, Marvel Comics, American Greetings, , BBC Group, M6/ France TV Group / TF-1 - leading broadcasting and Distribution groups from France, ZDF TV and ZDF Enterprises - leading Distributors/ broadcaster and global distributor from Germany, ABC Australia, Al Jazeera – Arabic nations, Disney Channels - Asia, Cartoon Network Group and many more world-wide.

DQE has produced/co-produced and distributed iconic brands such as Iron Man - the first 3D animated TV series, Twisted Whiskers, Mikido, Casper, Pinky & Perky, second season of Large Family, third season of Mickey Mouse Club House, First and Second Season of Madagascar TV Series and is now co-producing properties like Little Prince, Little Nick, Iron man, Charlie Chaplin and fourth season of Mickey Mouse Club House and others with major international broadcasters and producers. DQE has a library of over 500 hours of international programs for distribution and licensing globally for TV, home entertainment, merchandising and publishing is on fast track. Two feature films are also currently in development at DQE.

DQE has received over 35 awards including EMMY, at several national and international forums fostering creativity and excellence. E & Y Entrepreneur of the Year – 2009 India Awards, The UK Broadcast Awards 2010, Sichuan TV Festival International "Gold Panda" Awards, 11 Emmy nominations and 1 The Emmy Award, administered by the National Academy of Television Arts & Sciences , USA for Tutenstein Animated production. The Jungle Book produced by DQE was nominated in 5 categories at the cartoons on the bay – Pulcinella awards to be held in Italy in April2011.

Contact details :

DQ Entertainment International
Sumedha Saraogi
sumedha@dqentertainment.com

Tel: +91 40 2355 3726/27

DQ Entertainment International
P R Vishnu
vishnu@dqentertainment.com

Tel: +91 40 2355 3726/27

