



DQ Entertainment (International) Limited, India Earnings Release - September 2013

DQ Entertainment (DQE) a leading global animation, gaming, live action, entertainment production and distribution company, today announces its results for the period ended 30 September 2013

1. FINANCIAL HIGHLIGHTS:

- **Revenue: INR 870 mn (2012: INR.953 mn)**
 - **EBIDTA: INR 596 mn (2012: INR 342 mn)**
 - **Profit before tax: INR 299 mn (2012: INR 75 mn)**
 - **Profit after tax: INR 294 mn (2012: INR 51 mn)**
- With the first signs of improvement in the global scenario your Company has buoyantly sustained itself and generated a total revenue of Rs. 870 mn during the half year ended September 2013 which is on line with our annual estimates.
 - 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 2013 there is a foreign exchange gain of Rs. 328 mn as compared to a loss of Rs. 20 mn for the corresponding period in the previous year. This gain is on account of restatement of foreign currency balances as on 30 September 2013.
 - The Company continues to make significant efforts to reduce its receivables to a normal cycle. Since April 2013 the Company has already collected Rs. 86 Crores. We are constantly in touch with all the clients/partners/broadcasters/distributors/agents for recovery of due amounts and monies are being received from most of the clients on regular basis, thereby assuring that the clients are committed to pay. We do not foresee any issues on the recoverability of these amounts.
 - During the half year ended, the Company has repayed term loans to the extent of INR 155 mn.

2. CHAIRMAN'S STATEMENT:

The global entertainment industry is developing at an unprecedented pace. Mobility and portability of content will, in my opinion, have a profound impact as viewers consume programming outside their homes and want to control what they watch, when they watch, and on what device . So many opportunities are evolving and we recognize that in so far as content production is important, even more vital will be the distribution technologies that are emerging.

Recognizing and serving this need with regards to distribution technology, we have made substantial and focused progress in Licensing and Distribution of our Intellectual Properties not only for television broadcast, but other VOD (Video on Demand) and SVOD (Subscription Video on Demand) & OTT (Over theTop) platforms as well. Our flagship global property Jungle Book Series is on Netflix, Vudu and Hulu - the famous OTT platforms in the USA.





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New associations with leading networks and licensees globally are paving the way to monetize our IPs and co-produced content. New deals across our portfolio of properties in recent months are with best-in-class partners such as France Television, Nickelodeon, Disney Channel Productions, Sky Italia, Universal Music, Discovery Kids, Rai TV, Italy etc. The promotional deal for The Jungle Book with Burger King Worldwide has been immensely successful and will be extended for second promotion.

We have successfully completed deliveries while new productions are in development. Our foray into theatrical production of 'The Jungle Book' is gathering momentum, and we hope to conclude announceable distribution deals in the near future.

We remain confident that the global entertainment industry has excellent growth prospects, while our business remains well placed for projected growth in the current year."

3. OPERATING HIGHLIGHTS:

Completed projects:



1. **Peter Pan Season 1** – 26 x 22' 3D HD Stereoscopic TV Series with ZDF Germany, De Agostini Italy, Method Animation supported by France TV, B Channel – Indonesia, JCCTV – Middle East and Noga – Israel





On- going projects :



Jungle Book Season 2
52 x 11' - CGI TV series
with ZDF- Germany and TF1 - France



Jungle Book Christmas Special
42' - CGI TV Feature,
ZDF and Disney Channel



Robin Hood Mischief in Sherwood
52 x 11' - CGI TV series
with Method Animation and TF1 - France, ZDF - Germany, ATV - Turkey, DeA Kids - Italy



Lassie & Friends
52 x 11' 2D HD TV series with
Dreamworks Classic Media - USA,
Super Prod & TF1 - France, ZDF - Germany



Lanfeust Quest
26 x 22' - CGI TV series
with Gaumont Animation - France,
M6 TV - France



NFL Rush Zone Season 3
24 x 22' - CGI & 2D TV Series
with Rollman Entertainment - USA for Nicktoons



Little Prince Season 3
26 x 22' - CGI TV series
with Method Animation - France, WDR - Germany, France Television, RAI TV Italy



Iesodo
10 x 13' - CGI TV Series
with Zaya Toonz LLC - USA



Manav
1 x 60' - 2D TV feature
for Disney - India





New projects signed/in development:

1. **Peter Pan Season 2** – 26 x 22' CGI TV series with ZDF - Germany, De Agostini - Italy and Method Animation - France and France TV
2. **Yonaguni** - 52 x 11' CGI TV series with Sea World - USA and Rollman Entertainment- USA
3. **7 Dwarfs & Me** - 52 x 11' CGI & Live Action Hybrid Series with Method Animation - France
4. **5 & IT** – 52 x 11' – CGI TV Series with ZDF Enterprises – Germany, Method Animation – France, Nick- India and Global TV – Indonesia
5. **Leo & The Pisa Gang** – 52 x 11' – CGI TV series with MPP Production and Penta TV - Germany
6. **Raz & Benny** – 52 x 11' – CGI TV series with Foothill Entertainment - USA
7. **The Wind in the Willows** – 52 x 11' HD TV series under development

Recently the Group concluded the new co-production and licensing deals worth INR 2220 mn.

Licensing and Distribution:

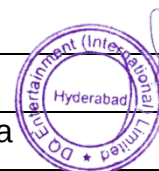
Our licensing and distribution efforts have proven increasingly successful on a global scale and are helping to create long term and sustained value for DQE.

Broadcasting deals signed during the period:

S. No	Name of the licensee	Project Name	Territories
1	Discovery	Robin Hood	Indian Sub- Continent Region
2	Nickelodeon	The Jungle Book – 1 & 2, The Rising Star and Galactic Football	Indian Sub- Continent
3	Sky Italia	Peter Pan – 1	Italy
4	Rai TV	Peter Pan – 1	Italy
5	Universal Music	Jungle Book – 2	World Wide
6	2 x 2	Iron Man 2	Russia
7	Green Narae Media	Jungle Book 2, Peter Pan	Korea

Merchandising deals signed during the period: The Jungle Book & Peter Pan

S. No	Licensee	Category	Territories
1	Show Attraction	Costume Character Appearance	Australia
2	Habuba Clip	Toys	Israel
3	TRU Dubai	Toys	Dubai
4	Hunter Leisure	Toys	Australia



A collection of 11 cartoon animal figures from the movie The Jungle Book. The figures include Baloo the bear, Mowgli the boy, Bagheera the panther, King Louie the orangutan, Shere Khan the tiger, Kaa the snake, and others. The figures are arranged in a group, with some standing and some sitting. The background is white.



4. AWARDS AND ACCOLADES

Mr. Tapaas Chakravarti received the Life Time Achievement – Hall of Fame Award on November 3, 2013 at the World Animation and VFX summit held in California. The accolade was awarded to Tapaas for his contribution to the growth of the animation industry in India and his global outreach efforts in animation.

