DQ Entertainment ('DQE')

Method Animation Re-structure and Fundraising

DQ Entertainment (DQE), a leading animation, gaming, live action, entertainment production and distribution group, announces the reorganization of its French sister company Method Animation, in which it holds a 20% equity stake. Method Animation has joined with Onyx Films and Chapter 2, to create On Entertainment Group which will be the holding company for the three French subsidiary companies.

The combined production portfolio's, library of titles and group revenues immediately places the enlarged French group as one of the leading animation and film production companies in Europe. The new On Entertainment group has revenues of €34m and an operating profit of €5.2m. DQ Entertainment plc will continue to hold a 20% stake in Method Animation.

On Entertainment is forecasting rapid growth over the next five years, and has carried out a capital increase that will provide increased liquidity to the group and fund future productions through a fundraising of €10 million from Ohana Capital, a Canadian corporate investment fund, Gallic entrepreneur Laurent Dassault's holding company LDRP, and AB Group ("AB"), one of France's biggest rights-brokers and the owner of 14 pay-TV channels. AB will provide minimum guarantees in future shows/TV Series , while Ohana Capital has expertise in licensing and merchandising.

"The group intends to create two films per year with significant budgets that are intended for worldwide distribution"said **Dimitri Rassam, CEO of Chapter 2.**

Aton Soumache, CEO of Method Animation said "We are working on creating a catalogue of characters that can be monetized in various markets."

Tapaas Charkravarti, CEO of DQ Entertainment, commented: "We look forward to partnering with On Entertainment on new productions, combining the unique strengths and resources that the two groups represent."

On Entertainment's projects for 2014 and 2015 include the feature film 'Paradise Lost' based on the life of Pablo Escobar with Benicio Del Toro and Josh Hutcherson starring in the €20 million budget film. 'Le Petit Prince' animated feature film at a budget of € 57 million euros already closed which is directed by Mark Osborne and slated for a Global release in 2nd half of 2015 . Mark Osborne was at the helm of 'Kung Fu Panda'. These films are facilitated by taking advantage of the unique French funding system.

DQ Entertainment and Method Animation have together undertaken several productions such as Le Petit Prince, Peter Pan, Prodigies, Charlie Chaplin, Le Petit Nicolas, Iron Man (a flagship series of Marvel characters) and several others at a combined production budget of about €90 million. At the same time, Robin Hood Season-1, Second season of "The New Adventures of Peter Pan", English-language live-action/animation hybrid TV Series of "The Seven Dwarfs and Me," and several other famous brands are in the development.

DQ Entertainment (International) Limited ★ Hyderabad

The news has been reported widely in leading trade and media publications world-wide as a unique merger of animation and cinema.

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