



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora colony, Road No.3, Banjara Hills, Hyderabad - 5000 034. INDIA
Tel: +91-40-23553726 & 27 Fax:+91-40-23552594
CIN: L92113TG2007PLC053585

November 13, 2014

The Manager (Listing) Department of Corporate Services Bombay Stock Exchange Limited P J Towers, Dalal Street, Mumbai — 400 001. Company Code: 533176 (BSE)	The Manager (Listing), National Stock Exchange of India Limited, “Exchange Plaza” Bandra - Kurla Complex Mumbai- 400 051. Company Code: DQE (NSE)
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Dear Sir/Madam,

Sub: - Outcome of the Board Meeting held on November 13, 2014

Dear Sir/Madam,

Kindly note that the Board of Directors of the Company in their meeting held on November 13, 2014 have *interalia*, approved the un-audited financial results for the quarter and half year ended September 30, 2014.

Kindly find attached herewith the above mentioned financials in the format prescribed under the listing agreement. Also attached is a copy of the limited review report issued by M/s MZSK & Associates, Chartered Accountants - Statutory Auditors of the Company.

Kindly take the same on record and upload on the stock exchanges website.

Thanking you
Yours truly,

For DQ Entertainment (International) Limited


Sindhu M.S.
Company Secretary



Review Report to the Board of Directors of DQ Entertainment (International) Limited:

1. We have reviewed the accompanying statement of unaudited consolidated financial results of DQ Entertainment (International) Limited and its subsidiaries for the quarter ended 30th September 2014, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management, and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the financial information of the subsidiaries, whose unaudited financial results reflect total revenues of Rs. 179,135,266 for the period ended on 30th September 2014, as considered in the unaudited consolidated financial results. The financial information relating to an operating subsidiary have been reviewed by another auditor who has furnished his review information to us and our review report, in so far as it relates to the amounts included in the unaudited consolidated financial results in respect of the subsidiary, is based solely on such review information of the other auditor. The consolidation also includes 3 inoperative subsidiaries which do not have any revenues for the quarter.



4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with applicable accounting standards [Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MZSK & Associates
Chartered Accountants
FRNo.105047 W



A handwritten signature in blue ink, appearing to read "Ananthakrishnan.G", written over a horizontal line.

Ananthakrishnan.G
Partner - 205226

Place: Hyderabad
Date: 13th November 2014



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Un-audited Consolidated Financial Results for the quarter and half year ended 30 September 2014

							(Rs in million)
Sl. No	Particulars	For Quarter 30 September 2014	For Quarter ended 30 June 2014	For Quarter 30 September 2013	For Half year ended 30 September 2014	For Half year ended 30 September 2013	For Year ended 31 March 2014
		(Un-Audited)	(Un-Audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Net Income from Operations	526.41	206.37	565.76	732.78	870.01	2,396.79
2	Expenditure						
a	Production Expenses	17.76	21.51	3.59	39.27	20.08	192.50
b	Employee Expenses	153.40	166.39	197.44	319.79	399.66	719.56
c	Other Expenses	55.51	50.85	118.29	106.36	181.72	481.54
d	Depreciation, Amortisation and Impairment	79.77	76.25	98.35	156.02	189.20	552.99
e	Expenses transferred to Capital Account	(54.08)	(41.72)	-	(95.80)	-	(0.35)
	Total Expenses [2a to 2e]	252.36	273.28	417.67	525.64	790.66	1,946.24
3	Profit / (Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 - 2]	274.05	(66.91)	148.09	207.14	79.35	450.55
4	Other Income	1.77	4.16	3.06	5.93	5.56	14.47
5	Profit / (Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	275.82	(62.75)	151.15	213.07	84.91	465.02
6	Interest and Finance Expenses	75.01	75.46	63.03	150.47	113.22	251.65
7	Profit / (Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	200.81	(138.21)	88.12	62.60	(28.31)	213.37
8	Exceptional items *	(73.17)	(3.92)	143.73	(77.09)	327.69	234.62
9	Profit / (Loss) from Ordinary Activities before tax [7 - 8]	127.64	(142.13)	231.85	(14.49)	299.38	447.99
10	Less: Tax expense	(16.68)	(21.56)	4.65	(38.24)	5.86	20.29
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	144.32	(120.57)	227.20	23.75	293.52	427.70
12	Extraordinary Item	-	-	-	-	-	-
13	Profit / (Loss) for the period [11-12]	144.32	(120.57)	227.20	23.75	293.52	427.70
14	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83	792.83
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	4,249.16
16	Earnings Per Share [Face value Rs.10 per share] (not annualised/ in `)						
	a) Basic	1.82	(1.52)	2.86	0.30	3.70	5.39
	b) Diluted	1.82	(1.52)	2.86	0.30	3.70	5.39
17	Public Shareholding						
	a) Number of Shares	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782
	b) Percentage of shareholding	25%	25%	25%	25%	25%	25%
	c) Shares held by custodians against depository receipts	-	-	-	-	-	-
18	Promoters and Promoter group Shareholding						
	a) Pledged / Encumbered - No. of Shares	17,838,000	17,838,000	-	17,838,000	-	-
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	30.00%	30.00%	-	30.00%	-	-
	Percentage of shareholding (as a % of the total share capital of the company)	22.50%	22.50%	-	22.50%	-	-
	b) Non encumbered - No. of Shares	41,624,218	41,624,218	59,462,218	41,624,218	59,462,218	59,462,218
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	70.00%	70.00%	100%	70.00%	100%	100%
	Percentage of shares (as a % of the total share capital of the company)	52.50%	52.50%	75%	52.50%	75%	75%
	c) Shares held by custodians against depository receipts	-	-	-	-	-	-





DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Consolidated Segment Revenue and Results

<i>(Rs in million)</i>						
Particulars	For Quarter 30 September 2014	For Quarter ended 30 June 2014	For Quarter 30 September 2013	For Half year ended 30 September 2014	For Half year ended 30 September 2013	For Year ended 31 March 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
Segment Revenue						
Animation	399.35	99.29	415.71	498.64	691.44	1,873.42
Distribution	127.06	107.08	150.05	234.14	178.57	523.37
Net Income from Operations	526.41	206.37	565.76	732.78	870.01	2,396.79
Segment Results -Profit/(loss)						
Animation	236.18	(71.51)	226.95	164.67	294.28	926.54
Distribution	120.18	(11.92)	94.41	108.26	75.82	153.20
Unallocated	(153.71)	16.76	(26.48)	(136.95)	42.50	(380.10)
Segment Results before Interest and Finance Expense and Tax Expenses	202.65	(66.67)	294.88	135.98	412.60	699.64
Interest and Finance Expense	(75.01)	(75.46)	(63.03)	(150.47)	(113.22)	(251.65)
Profit / (Loss) before tax	127.64	(142.13)	231.85	(14.49)	299.38	447.99
Tax expense	(16.68)	(21.56)	4.65	(38.24)	5.86	20.29
Profit / (Loss) for the period	144.32	(120.57)	227.20	23.75	293.52	427.70
Capital Employed						
Animation	2,603.90	2,288.31	2,183.84	2,603.90	2,183.84	2,246.73
Distribution	6,043.15	6,880.30	3,210.07	6,043.15	3,210.07	6,031.86
Unallocated	(3,734.17)	(4,313.41)	(375.45)	(3,734.17)	(375.45)	(3,236.60)
Total	4,912.88	4,855.20	5,018.46	4,912.88	5,018.46	5,041.99



DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
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Notes:

1) Un-audited Consolidated Statement of Assets and Liabilities as at 30 September 2014

(Rs in million)		
Particulars	as at 30 September 2014	as at 31 March 2014
	(Un-Audited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	4,120.05	4,249.16
	4,912.88	5,041.99
(2) Non-Current Liabilities		
(a) Long-term borrowings	1,227.91	1,389.55
(b) Deferred tax liabilities (Net)	35.49	74.85
(c) Other long term liabilities	343.19	357.26
(d) Long term provisions	115.44	116.14
	1,722.03	1,937.80
(3) Current Liabilities		
(a) Short term borrowings	1,046.83	889.31
(b) Trade payables	541.21	422.86
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	574.70	383.40
(ii) Others	558.51	384.91
(d) Short term provisions	219.33	206.92
	2,940.58	2,287.40
Total	9,575.49	9,267.19
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	95.21	147.00
(ii) Intangible assets	1,654.77	1,332.35
(iii) Capital work-in-progress	1.17	1.17
(iv) Intangible asset under construction	3,993.59	4,386.54
(b) Long-term loans and advances	310.46	322.97
(c) Other non-current assets	65.88	91.37
	6,121.08	6,281.40
(2) Current Assets		
(a) Trade receivables	3,298.26	2,598.00
(b) Cash and bank balances	1.98	10.90
(c) Short-term loans and advances	105.66	56.60
(d) Other Current Assets - Unbilled revenue	48.51	320.29
	3,454.41	2,985.79
Total	9,575.49	9,267.19





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2) The un-audited consolidated financial results for the quarter and half year ended September 30, 2014 have been taken on record by the Board of Directors at its meeting held on 13th November 2014. The "Un-audited Consolidated Financial Results" have been subjected to the limited review by statutory auditors of the company.

3) Pursuant to Clause 41 of the Listing Agreement, the Company opted to publish only the Consolidated Results of the Company. Investor can view the Standalone results of the Company on the Company's website "www.dqentertainment.com" as well as the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

4) Certain Standalone Information of the Company.

(Rs in million)

Particulars	For Quarter ended 30 September 2014	For Quarter ended 30 June 2014	For Quarter ended 30 September 2013	For Half year ended 30 September 2014	For Half year ended 30 September 2013	For Year ended 31 March 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
Net Income from Operations	527.45	142.34	553.93	669.79	826.73	1,798.10
Profit / (Loss) before tax	196.38	(132.98)	253.85	63.40	333.80	377.38
Profit / (Loss) after tax	213.06	(111.42)	249.20	101.64	327.94	363.56

5) Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2014:

Nature of complaints	Opening Balance	Received during the quarter	Disposed during the quarter	Closing Balance
Investor complaints	-	18	18	-

6) Effective from April 1, 2014 the company has revised the useful life of the fixed asset based on the schedule II to the companies act 2013, for the purposes of providing depreciation on fixed asset. Accordingly the carrying amount of the assets as on April 1 2014 has been depreciated over remaining revised useful life of the fixed assets. Consequently, the depreciation for the half year ending 30 September 2014 is lower and the Loss before tax is lower to the extent of Rs. 10.84 mn. Further an amount of Rs. 44.79 mn (Net of Deferred taxes Rs 30.25 mn) representing the carrying amount of the asset with revised useful life as NIL has been charged to the opening balance of retained earnings as on April 1, 2014.

7) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11

8) Corresponding year and quarter end figures have been regrouped / reclassified wherever necessary.



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DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Un-audited Standalone Financial Results for the quarter and half year ended 30 September 2014

							(Rs in million)
Sl. No	Particulars	For Quarter ended 30 Sept 2014	For Quarter ended 30 June 2014	For Quarter ended 30 Sept 2013	For Half year ended 30 Sept 2014	For Half year ended 30 Sept 2013	For Year ended 31 March 2014
		(Un-Audited)	(Un-Audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
1	Net Income from Operations	527.45	142.34	553.93	669.79	826.73	1,798.10
2	Expenditure						
a	Production Expenses	7.74	8.24	7.73	15.98	20.07	37.40
b	Employee Expenses	152.58	165.55	196.60	318.13	398.07	716.23
c	Other Expenses	30.17	33.93	89.18	64.10	123.81	181.43
d	Depreciation, Amortisation and Impairment	66.40	64.76	87.69	131.16	175.05	509.14
e	Expenses transferred to Capital Account	41.72	(41.72)	-	-	-	-
	Total Expenses [2a to 2e]	298.61	230.76	381.20	529.37	717.00	1,444.20
3	Profit / (Loss) from Operations before Other Income, Interest and Finance expense and Exceptional Items [1 - 2]	228.84	(88.42)	172.73	140.42	109.73	353.90
4	Other Income	7.04	9.52	14.35	16.56	22.92	39.54
5	Profit / (Loss) before Interest and Finance expense and Exceptional Items [3+ 4]	235.88	(78.90)	187.08	156.98	132.65	393.44
6	Interest and Finance Expenses	55.31	55.55	50.05	110.86	90.39	196.24
7	Profit / (Loss) after Interest and Finance expense but before Exceptional Items [5 - 6]	180.57	(134.45)	137.03	46.12	42.26	197.20
8	Exceptional items*	15.81	1.47	116.82	17.28	291.54	180.18
9	Profit / (Loss) from Ordinary Activities before tax [7 - 8]	196.38	(132.98)	253.85	63.40	333.80	377.38
10	Less: Tax expense	(16.68)	(21.56)	4.65	(38.24)	5.86	13.82
11	Profit / (Loss) from Ordinary Activities after tax [9 - 10]	213.06	(111.42)	249.20	101.64	327.94	363.56
12	Extraordinary Item	-	-	-	-	-	-
13	Profit / (Loss) for the period [11-12]	213.06	(111.42)	249.20	101.64	327.94	363.56
14	Paid-up equity share capital [Face value Rs.10 per share]	792.83	792.83	792.83	792.83	792.83	792.83
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	3,444.42
16	Earnings Per Share [Face value Rs.10 per share] (not annualised/ in `)						
	a) Basic	2.69	(1.41)	3.15	1.28	4.14	4.59
	b) Diluted	2.69	(1.41)	3.15	1.28	4.14	4.59
17	Public Shareholding						
	a) Number of Shares	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782	19,820,782
	b) Percentage of shareholding	25%	25%	25%	25%	25%	25%
	c) Shares held by custodians against depository receipts	-	-	-	-	-	-
18	Promoters and Promoter group Shareholding						
	a) Pledged / Encumbered - No. of Shares	17,838,000	17,838,000	-	17,838,000	-	-
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	30.00%	30.00%	-	30.00%	-	-
	Percentage of shareholding (as a % of the total share capital of the company)	22.50%	22.50%	-	22.50%	-	-
	b) Non encumbered - No. of Shares	41,624,218	41,624,218	59,462,218	41,624,218	59,462,218	59,462,218
	Percentage of shares (as a % of the total share holding of promoter and promoter group)	70.00%	70.00%	100%	70.00%	100%	100%
	Percentage of shares (as a % of the total share capital of the company)	52.50%	52.50%	75%	52.50%	75%	75%
	c) Shares held by custodians against depository receipts	-	-	-	-	-	-





DQ ENTERTAINMENT (INTERNATIONAL) LIMITED

644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Standalone Segment Revenue and Results

Particulars	(Rs in million)					
	For Quarter ended 30 September 2014	For Quarter ended 30 June 2014	For Quarter ended 30 September 2013	For Half year ended 30 September 2014	For Half year ended 30 September 2013	For Year ended 31 March 2014
	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
Segment Revenue						
Animation	515.48	98.07	417.72	613.55	680.75	1,638.28
Distribution	11.97	44.27	136.21	56.24	145.98	159.82
Net Income from Operations	527.45	142.34	553.93	669.79	826.73	1,798.10
Segment Results -Profit/(loss)						
Animation	362.32	(59.45)	209.66	302.87	276.99	846.51
Distribution	(39.31)	(5.47)	75.97	(44.78)	57.38	(198.23)
Unallocated	(71.32)	(12.51)	18.27	(83.83)	89.82	(74.66)
Segment Results before Interest and Finance Expense and Tax Expenses	251.69	(77.43)	303.90	174.26	424.19	573.62
Interest and Finance Expense	(55.31)	(55.55)	(50.05)	(110.86)	(90.39)	(196.24)
Profit / (Loss) before tax	196.38	(132.98)	253.85	63.40	333.80	377.38
Tax expense	(16.68)	(21.56)	4.65	(38.24)	5.86	13.82
Profit / (Loss) for the period	213.06	(111.42)	249.20	101.64	327.94	363.56
Capital Employed						
Animation	2,913.16	2,629.77	2,364.37	2,913.16	2,364.37	2,704.00
Distribution	1,703.26	1,806.13	1,609.63	1,703.26	1,609.63	1,605.35
Unallocated	(322.32)	(354.84)	227.64	(322.32)	227.64	(72.10)
Total	4,294.10	4,081.06	4,201.64	4,294.10	4,201.64	4,237.25



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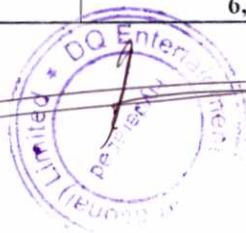


DQ ENTERTAINMENT (INTERNATIONAL) LIMITED
644, Aurora Colony, Road No. 3, Banjara Hills, Hyderabad - 500034

Notes:

1) Un-audited Standalone Statement of Assets and Liabilities as at 30 September 2014

<i>(Rs in million)</i>		
Particulars	as at 30 September 2014	as at 31 March 2014
	(Un-Audited)	(Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholders' Funds		
(a) Share capital	792.83	792.83
(b) Reserves and surplus	3,501.27	3,444.42
	4,294.10	4,237.25
(2) Non-Current Liabilities		
(a) Long-term borrowings	485.11	583.67
(b) Deferred tax liabilities (Net)	35.49	74.85
(c) Long term provisions	115.44	116.14
	636.04	774.66
(3) Current Liabilities		
(a) Short term borrowings	748.94	574.88
(b) Trade payables	87.46	61.44
(c) Other current liabilities:		
(i) Current maturity of long term borrowings	272.55	189.01
(ii) Others	487.85	302.27
(d) Short term provisions	215.21	207.69
	1,812.01	1,335.29
Total	6,742.15	6,347.20
II. ASSETS		
(1) Non-Current Assets		
(a) Fixed assets		
(i) Tangible assets	95.21	147.00
(ii) Intangible assets	1,104.08	980.16
(iii) Capital work-in-progress	1.17	1.17
(iv) Intangible asset under construction	336.68	417.90
(b) Non-current investments	1,256.95	1,256.95
(c) Long-term loans and advances	554.54	537.24
(d) Other non-current assets	65.88	91.37
	3,414.51	3,431.79
(2) Current Assets		
(a) Trade receivables	3,273.34	2,673.18
(b) Cash and bank balances	0.92	2.13
(c) Short-term loans and advances	8.64	7.00
(d) Other Current Assets - Unbilled revenue	44.74	233.10
	3,327.64	2,915.41
Total	6,742.15	6,347.20





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2) The un-audited standalone financial results for the quarter and half year ended September 30, 2014 have been taken on record by the Board of Directors at its meeting held on 13th November 2014. The "Un-audited Standalone Financial Results" have been subjected to the limited review by statutory auditors of the company.

3) Information on investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended September 30, 2014:

Nature of complaints	Opening Balance	Received during the quarter	Disposed during the quarter	Closing Balance
Investor compliances	-	18	18	-

4) Effective from April 1, 2014 the company has revised the useful life of the fixed asset based on the schedule II to the companies act 2013, for the purposes of providing depreciation on fixed asset. Accordingly the carrying amount of the assets as on April 1 2014 has been depreciated over remaining revised useful life of the fixed assets. Consequently, the depreciation for the half year ending 30 September 2014 is lower and the Loss before tax is lower to the extent of Rs. 10.84 mn. Further an amount of Rs. 44.79 mn (Net of Deferred taxes Rs 30.25 mn) representing the carrying amount of the asset with revised useful life as NIL has been charged to the opening balance of retained earnings as on April 1, 2014.

5) *Exceptional items are notional foreign exchange gain / (loss) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11

6) Corresponding year and quarter end figures have been regrouped / reclassified wherever necessary.





DQ Entertainment (International) Ltd

Results for the quarter ended on 30 September 2014

DQ Entertainment (International) Ltd (Company), a leading animation, gaming, live action entertainment production and distribution company, today announces its consolidated un-audited financial results for the quarter ended on September 30, 2014.

1. Financial Highlights for the quarter ending September 2014:

- Revenue: INR 526.41 mn (Sept 2013: INR 565.76 mn)
 - From Production : INR 399.35 mn (Sept 2013: INR 415.71 mn)
 - From Distribution : INR 127.06 mn (Sept 2013: INR 150.05 mn)
- EBITDA: INR 353.82 mn (Sept 2013: INR 390.17 mn)
- Adjusted Profit before tax* : INR 200.81 mn (Sept 2013: INR 88.12 mn)
- Adjusted Profit after Tax* : INR 217.49 mn (Sept 2013: INR 83.48mn)

* the adjusted profit before and after tax is after elimination of the notional foreign exchange loss for the quarter ended September 2014 of INR 73.17 mn. (Sept 2013: Foreign exchange gain of INR 143.73 mn) arisen on foreign exchange fluctuation calculated on translation of monetary items as per Accounting Standard -11)

As reported in the previous quarter, we have commissioned new productions only in July and early August and the revenues from these projects are expected to come in from this quarter onwards. These include Seven Dwarfs & Me, lady Bug, Delicious Valley and Popples. In regard to the Company's own IP, it has commenced the production of the second season of the Peter Pan TV series and a third season of the Jungle Book TV series, is in development. In addition, the productions of Lassie and Robin Hood are ongoing. The market generally remains buoyant, however, the delay in the commencement of productions will mean we are unlikely to meet market expectations for the year to 31 March 2015 with regard to our revenue forecasts from production, but with expectation of a good



performance from licencing and distribution, we remain on track to meet market expectations of profit before tax for the year to 31 March 2015.

The distribution revenue of INR 107.08 mn in the previous corresponding quarter has increased to INR 127.06 mn in the current quarter under review. The Company has now commenced the production of the second season of the Peter Pan TV series and a third season of the Jungle Book TV series is in development. In addition the productions of Lassie and Robin Hood are ongoing.

The Company has concluded its discussions for financing the development and production of its properties and is completing the documentation process. However, working capital remains under pressure in the meantime.

2. Operating Highlights

As reported previously and keeping in pace with the current trends in the global animation industry, the Company has formulated its digital platform strategy to exploit its substantial library of over 700 hours of children's animated content produced by the company. This will encompass all platforms such as apps, tablets, smartphones, social media and You Tube with the intent to develop a strong and sustainable digital content strategy. The Company has launched two You Tube Channels - Power Kids and Tiny Toonz. Our plans are also underway to launch content and games on other popular digital platforms such as Google play store, Amazon, iTunes etc.

Our VFX teams has successfully completed several projects for locally produced Live Action feature film and have now more projects in the pipeline. With the increasing demand for Visual Effects (VFX) content for animated feature films, Live Action thrillers and action films and sci-fi films from Hollywood, Europe and Japan, DQE is all set to leverage its core strengths and capitalize on this opportunity.



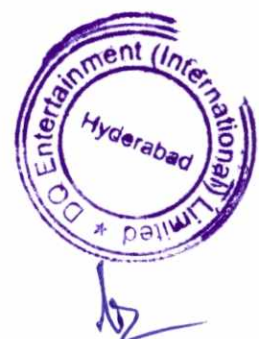
Our licensing and distribution teams continue to monetize our IP's through different platforms such VOD and SVOD, merchandise, publications, home video, promotional deals and other avenues and new deals are being closed for our IPs in various territories such as Latin America, South East Asia, USA and parts of Europe. During the 6 months period over 20 major licensing agreements and a number of smaller deals have been executed and signed. Among the major agreements are licensing agreement with CIWEN Kids China for multiple DQ properties, with Netflix Latin America for Iron Man TV series, with Phase 4 for Peter Pan TV series, with Sky Italia for Robin Hood Stereoscopic broadcast and several others.

Completed projects:

- **Motion books-** ebooks with circle of confusion
- **Jungle Book Christmas Special** –30' TV Feature

On- going projects:

- **Peter Pan Season 2** – 26 x 22' CGI TV series with ZDF Germany, De Agostini Italy and Method Animation and France TV.
- **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.
- **Little Prince – 3** -26 x 22' CGI TV series with Method Animation and France TV & RAI.
- **Miles from tomorrow land**-22 X 22' CGI from Wild Canary,USA.
- **Seven Dwarfs and Me** - 26 x 22 Hybrid with Method Animation
- **Lady Bug** -52X 11 CGI with Zag Toons
- **Delicious Valley-** 30'Min DVD Team Entertainment.
- **Popples-** 52 x 11' CGI TV series with Saban Entertainment and Zag toons.



Projects to start:

- **Escape Hockey-** 52 x 11' CGI TV series IMIRA(Spain)
- **5 Children & It –** 52 x 11' CGI TV Series – Disney / Method
- **Leo and the Pisa Gang-** 52 x 11' CGI TV series with MPP(Germany)
- **Shabiyate –** Season 10- Fanar Productions,UAE.
- **Hive – Season II-** 69X7 & 3X21, The HIVE Enterprises Ltd,UK.

The Total contract value for the service/co-production projects signed is INR 3780 Mn to be executed over the next 18 months.

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.

Licensing and Merchandising

SERIAL	LICENSEE	PROPERTY	TERRITORIES	CATEGORIES
1	Kenny & Co (Renewal agreement)	Jungle Book	South Korea	All Categories
2	Buffalo Grill	Jungle Book	France, Switzerland, Luxembourg	QSR Promotion
3	Showtime Attractions (Renewal agreement)	Peter Pan	Australia, New Zealand	Costume Character Appearances



TV & HV Deals

SERIAL	Broadcaster	Property	Territory	Rights
1	E-Vision	IM2	Middle East, North Africa and Pakistan	SVOD
2	DLA	IM2	Latin America	SVOD
3	Telequebec	Jungle Book Christmas Special	Canada	TV
4	Discovery Asia	JB Safari	Asia Pacific	TV
5	Discovery LatAm	JB Christmas Special	Latin America	TV
6	SUN Network	Lassie & Lanfeust Quest	India and Sri Lanka	TV
7	Ciwen Kids	Iron Man, Robin Hood, Casper, Jungle Book, Lassie, Lanfeust Quest	China, Hong Kong & Taiwan	TV, HV and VOD

The Total contract value for the licensing and distribution deals signed is INR 720 mn

