PFL

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July 31, 2014

To,
The National Stock Exchange of India
Listing Department,
Exchange Plaza, BandraKurla Complex
Bandra East,
Mumbai - 400 051
Fax Nos.: 26598237 / 26598238

To,
BSE Limited
Listing Department,
PhirozeJeejebhoy Towers,
Dalal Street,
Mumbai - 400 001
Fax Nos.:22723121

Dear Sir/ Madam,

Sub: Execution of Business Transfer Agreement for sale of Backend Business and Completion of Merger of Prime Focus World (PFW), a wholly owned subsidiary of our Company and Double Negative (Dneg)

Re: Clause 36 of the Equity Listing Agreement

In accordance with clause 36 of the Listing Agreement, we would like to inform you the below:

1. **Sale of the Backend Business:** In accordance with the approval of Board of Directors and the Shareholders, the Company has executed the business transfer agreement to sell, transfer, and/or otherwise dispose of its 'Backend Business', on a going concern on slump sale basis to Prime Focus World Creative Services Private Limited a company incorporated in India, which is a direct subsidiary of PFW. a company incorporated and operating under the laws of Netherlands and an indirect subsidiary of the Company, for a total net consideration-of USD 38 million,
2. **Completion of Merger of PFW and Double Negative (Dneg):**
   Prime Focus World (PFW), a wholly owned subsidiary of our Company, has fulfilled all the customary closing conditions to close the transaction in respect of merging its Hollywood business with Double Negative ("**Dneg**"). Dneg is one of the largest visual effects services providers to the global film industry.

This is for your information and record.

Yours Faithfully,

For Prime Focus Limited

Bhah

Authorised Signatory

PRIME FOCUS LTD. Mumbai