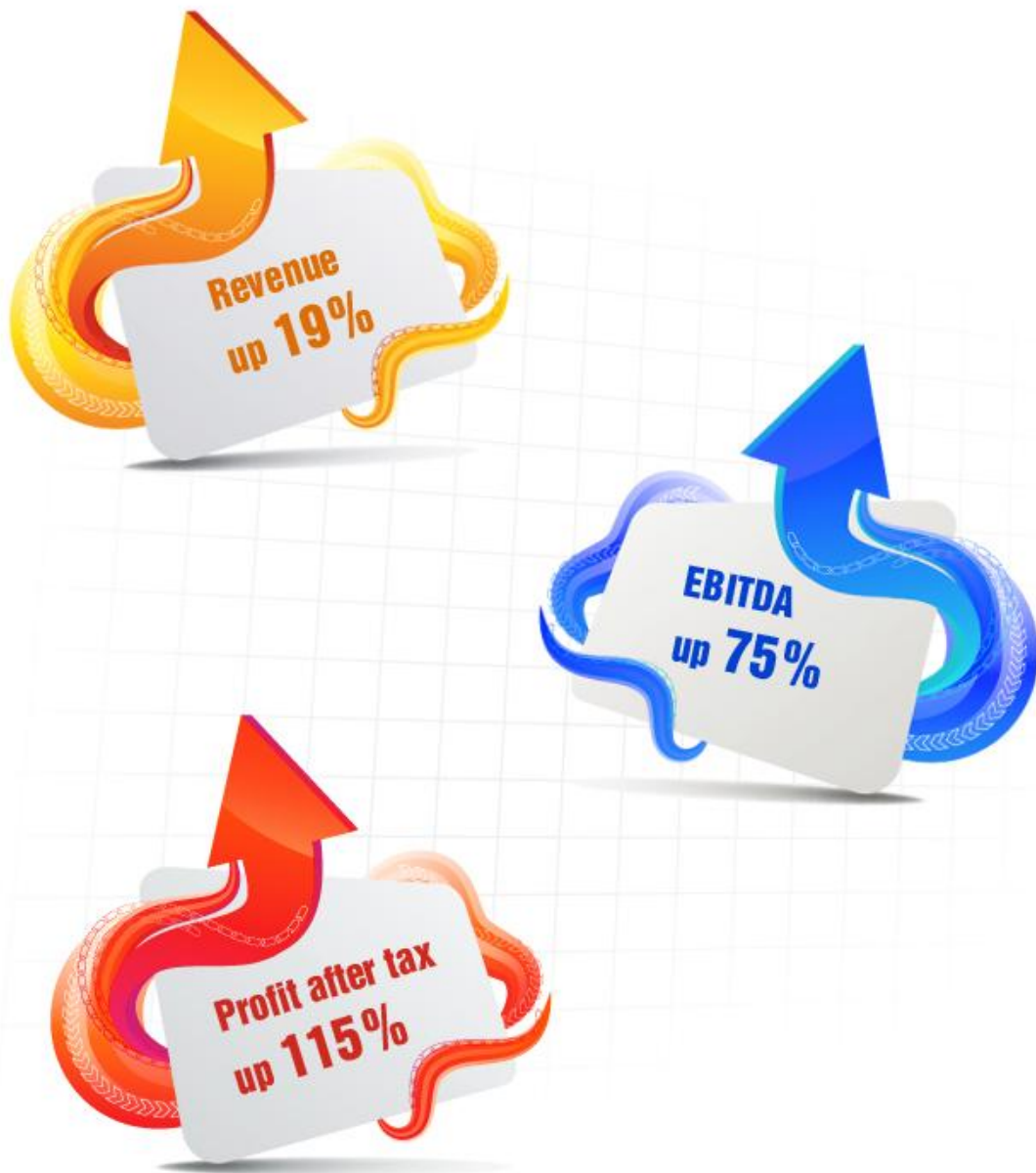




DQ Entertainment (International) Limited, India
Earnings Release – December 2011





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DQ Entertainment (DQE), a leading animation, gaming, live action entertainment production and distribution company, today announces its consolidated financial results for the period ended December 31, 2011.

I. Key Financial Highlights:

Quarter ended December 2011:

- Revenue up 47% to INR 637.43 mn (2010 : INR 432.42 mn)
- EBITDA up 819% at INR 346.73 mn (2010 : INR 37.75 mn)
- Profit after tax up 439% at INR 169.76 mn (2010: INR 31.49 mn)

Nine months ended December 2011:

- Revenue up 19% to INR 1546.81 mn (2010 : INR 1297.81 mn)
- EBITDA up 75% to INR 638.61 mn (2010 : INR 364.45 mn)
- Profit after tax up 115% at INR 251.67 mn (2010: INR 117.00 mn)

The Company has maintained its growth as budgeted and is confident of achieving its targets for the financial year ended March 2012 as per the guidance given.

The Company's first home-grown IP "The Jungle Book – Season 1" is sold in over 160 countries for TV & Home Video. This has generated excellent traction for merchandising sales of the Jungle Book products. The Licensing & Distribution revenues have increased by more than 100% from INR 197.41 mn during the nine months period ended December 2010 to INR 407.31 mn in the current period ending December 2011.

The profitability has improved on account of cost efficiency measures undertaken by the Company across board.

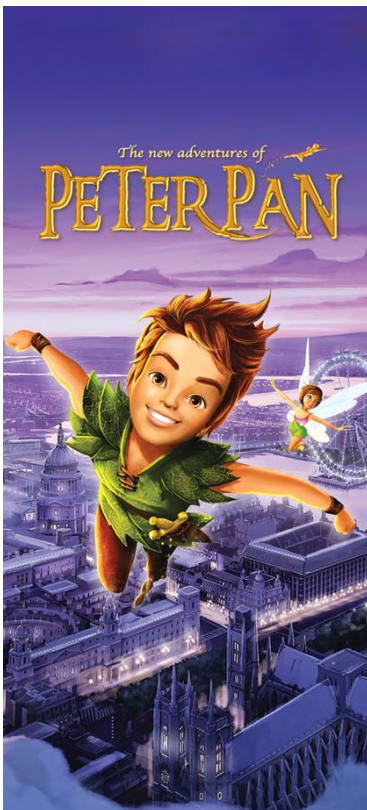
II. From the Chairman's desk:



Tapaas Chakravarti, CMD & CEO, said: "I am pleased to report that we continue our relentless focus on internal efficiencies, strengthening of relationships with key customers and partners, and build strong domain competency in specific production processes.

This quarter, besides strengthening our relationship with existing clients-partners, we added 4 new partners in our journey to create quality content for kids' and distribute our content in strategic and profitable ways.

The recently concluded production deals have been with market leaders such as Disney-USA, ZDF Group-Germany, TF1-France TV, Enne & Imira Entertainment-Spain, etc. The licensing deals this quarter were with global majors such as Turner group- Asia, Edicart Publishing in Italy, DeaA Planeta Junior –Italy, Exim licensing- Mexico which demonstrate beyond a doubt, the power of the IP developed by the company and the path to becoming self-reliant as a global content distributor.



Development of the 3D stereoscopic feature film, *The Jungle Book*, is progressing at a heightened pace with lead writing by Billy Frolick (*Madagascar* fame) and storyboard direction by Dan Shefelman (*Ice Age* fame). To join the team will be the Director, co-Director and Head of Story, to be announced very soon. Major interest have been shown by the US and European Distributors who are waiting for the final scripts and announcements of the main talents. 25 year veteran of animation and recently President of Marvel Animation and prior President, Fox Family/Saban Productions – Eric Rolman will be Executive Producer for this feature film.

The production pipeline remains robust with starting of new projects such as 'Escape Hockey' with Spanish coproducers, incorporating an innovative 'watch and play' format, a new season of Mickey Mouse Club House with Disney-USA, while successfully concluding prestigious projects such as Iron man (second season), Casper (second season), Feluda (TV series for Disney India) and Keymon TV series (for Nickelodeon India).

The New Media division is taking shape with the appointment of a Technical and Marketing head to spearhead the company's foray into multiple formats and ancillary rights exploitation.

The Company is able to demonstrate resilience by virtue of its foresight to improve internal efficiencies and spot trends in the global entertainment business."



III. Future Developments & Strategies:

- With a strong order book, the Group will ride on the global and Indian animation and media industry growth
- The Group will continue to accelerate its growth in Licensing and Merchandising business with the exploitation of the rights acquired through various co- production deals
- Increase our portfolio of global and Indian IPs for the possibility of a 360 degree monetisation across various platforms of content distribution, licensing and merchandising
- Capitalise on the new 3D Stereoscopic wave fast catching up across the globe by developing the content for television, home video and featurefilms
- Continued focus on co-production business model for TV series
- Expand our footprint in entertainment segment and enlarge our client base in diverse geographical regions
- As an Independent Producer offer diversified range of services from script to screen
- Exploitation through newer delivery formats such as internet and mobile content through development of apps and interactive games



IV. Production Update:

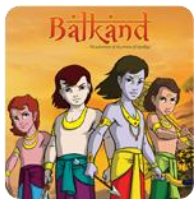
Productions successfully completed and delivered:



- **Iron Man, Season 2:** 26 x 22' 3D TV series with Marvel Entertainment & Method Animation, Nick Toons, France Television



- **Tara Duncan:** 26 x 22' 2D TV series with Moonscoop, (France), M6 Studios – (France)



- **Balkand 2 & 3:** 70 mins each TV features with Turner Group and Cartoon Network

- **Suryaputra:** 60 mins TV feature with Disney (India)



- **Mickey Mouse Club House** – Season 4 for Walt Disney Television Animation (USA)

- **Little Prince:** 52x11' with Method Animation, France 3, LLPTV France, WDR Germany , Sony BMG, Rai Italy.

New projects signed:



- **5 & IT:** 52 x 11' 3D HD TV series with Yowza Animation, ZDF Enterprises and La Fabrique D'Image



- **Escape Hockey:** 26 x 22' 3D TV series with IMIRA, Spain



- **Robin Hood:** Mischief in Sherwood: 52x11' 3D TV series with ZDF, TF1 France & De Agostini, Noga TV, JCC – Al Jazeera TV, TVO

- **Franco and Formula Fun** – Formula Fun Entertainment Limited (UK) and Telegael (Ireland)

New productions commenced during the period:



- **The Jungle Book, Season 2:** ZDF TV (Germany), TF-1 TV (France) and Moon Scoop (France) have agreed for the immediate production of another '52x11' episodes of the highly acclaimed 3D TV series.



- **Peter Pan: 26 x 22':** 3D HD Stereoscopic TV series with ZDF Group (Germany) and Method Animation (France) supported by France Televisions, De Agostini Group (Italy), ATV (Turkey) and B Channel (Indonesia)



- **Lassie & Friends:** 52 x 11' 2D TV series with Classic Media (USA) and ZDF Enterprises (Germany), TF1 (France), Super Prod (France)



- **Charlie Chaplin:** 104 x 6' 3D HD TV series with Method Animation (France), MK2 (France) and France Television



- **Little Nick, Season 2:** 52x12', 3D HD TV series, with M6 Studios (France)



- **Casper 2:** 52 x 11' 3D CGI Animated Series, with Harvey Entertainment (USA), Moonscoop & TF1-(France),
- **Mickey Mouse Club House 5** for Walt Disney Television Animation (USA)

V. Licensing and Distribution (L&D):



DQE has built a library of over 600 hours of international programs for distribution and licensing globally for TV, home entertainment, merchandising and publishing is on fast track.

Over 40 Broadcasting deals signed with the likes of Walt Disney, Sony Pictures, Media Corp – Singapore, Turner Group, Nickelodeon, Noga Communications etc. for various TV series as follows:

Broadcaster	Territories	Titles
ZDF Enterprises	Germany & German Speaking Europe	Jungle Book, Peter Pan, Lassie, 5 & IT
NOGA Communications	Israel	Peter Pan, The Jungle Book, Lassie
JCCTV	Arabic Nations	The Jungle Book, Mystries & Feluda & Lassie
Disney Group	Asia	The Jungle Book, Twisted Whiskers, Sandra, Ratman, Suryaputra, Feluda & Little Nick , 5 & IT, Iron Man 2
Viacom 18	Indian Sub-continent	Casper & Keymon
Sun TV	Indian Sub-continent	Pet Pals, Benjamin Bear, Casper, Leonardo, Little Nick & Little Prince
ATV	Turkey	The Jungle Book, Peter Pan, Galactic Football & Lassie
Mediacorp	Singapore	The Jungle Book, Todd World & Maryoku Yummy
B Channel	Indonesia	The Jungle Book & Peter Pan
Turner Group	Indian Sub-continent	Balkand, Ravan, Omkar & Iron Man, Charlie Chaplin & Peter Pan
Tele Quebec	Canada	The Jungle Book, Lassie & Peter Pan
ABC	Australia	The Jungle Book I & II, Iron Man & Peter Pan





DQE has signed over 30 merchandising deals for back to school products, novelisation, outdoor products, party supplies and toys with well-known licensee companies across the globe as follows:

Name of the party	Category	Territories
Sunmate, USA	TV, Home Video and L &M	North America
Hachette Livre	Publishing	World Wide French Excluding Canada
Nestle S.A.	Promotions	Israel
Burger Ranch Franchise	Promotions	Israel
Universal Music	Music Publishing	World Wide
Universal Trends	Outdoor,toys,puzzles & Board games	German Speaking Europe
Universal Cards	Stationary	German Speaking Europe
Universal Music Gmbh	Audio Books	Germany , Austria , Switzerland
Darpeje	Outdoors	France , Benelux
School Pack	Back Packs	France, Belgium, Luxembourg
Beltex	Bed Linen	France, Benelux
Quick Times	Fast Food Promotions	France & French Speaking Europe
TV MANIA	Apparels	France, Benelux
Ahim Fried	Bed Linen	Israel
Cool Games	Puzzle & Games	Israel
Modan	Kindergarten Bags	Israel
Bimbabom	Kindergarten Bags	Israel
Spark Toys Ltd.	Toys	Israel
Mookie Toys	Toys	UK , Ireland & Channel Islands
Bruno	Publishing	Spain
Beltex	Bed Linen	Germany , Austria , Switzerland
Egmont	Publishing	German Speaking Europe
Reith muller	Party Goods	German Speaking Europe
K & L Wall Art	Wall Tattoo	German Speaking Europe
Dumont	Wall Calenders	German Speaking Europe
Blue Ocean Entertainment AG	Sticker Collection & Album	German Speaking Europe
Blue Ocean Entertainment AG	Jungle Book Magazine	German Speaking Europe
Bio World Merchandising	Apparels	India





B Jain Group	Publishing	India
Jungle Online	Comic Publishing	France
Paper Box	Magazine Publishing	France
Haksan	Coloring Book, Sticker Book , Puzle	South Korea

