Prime Focus Ltd

Press Release

BSE: 532748
NSE: PFOCUS

Prime Focus FY15 consolidated revenues at Rs. 16bn

Q4 delivers strong sequential growth and continued momentum in operational performance

Previously announced non-core asset disposal impacts consolidated bottom line

Mumbai, Sep 18, 2015: Prime Focus Limited (PFL), the global leader in media and entertainment industry services, declared its audited financial results for the quarter and year ending June 30, 2015 on Sep 16, 2015. Revenue growth has been strong and operating momentum continues to build as expected. However, significant exceptional costs primarily in relation to previously announced divestiture of PFL PLC and planned restructuring / integration costs in relation to the merger with Double Negative have impacted the bottom line in FY15.

Key financial highlights

FY15 (Consolidated audited financials)

- Revenue for the year ending June 30, 2015 at Rs.16,076mn compared to Rs. 8,929mn for the 12 months ending June-14; Effectively doubling the size of the business
- Creative services comprise 77% and Technology services 16% of total segmental revenues
- Operating EBITDA for the period before unrealised non-cash intra-group forex charge of Rs. 240mnat Rs. 2,652mn (margin of 16%).EBITDA for the 12 months ending June-14 was at Rs. 1,796mn
- Exceptional costs for the year at Rs. 2,475mn and PBT at Rs. (2,806) mn

  Note: FY15 includes DNeg& RMW FMS financials and hence the YoY financials are not comparable

Q4FY15 (Consolidated)ending June'15 – QoQ performance

- Revenue for the quarter at Rs.5,182mn, up 23% QoQ compared to Rs. 4,205mn in the last quarter ,driven by 33%revenue growth in Creative services
- Creative services comprise79%and Technology services14% of total segmental revenues demonstrating strong growth momentum in our core business segments
- Operating EBITDA for the quarter before unrealised non-cash intra group forex charge of Rs. 240mn at Rs. 1,101mn (EBITDA margin of 21%) compared to Rs. 1,053mn in the quarter ending March-15.

Key operational highlights for the quarter

Prime Focus World (PFW)

- DNeg Integration continues steadily with setting up of Film City facility for DNeg, to be developed as Asia's leading 'VFX Campus' offering creative and competitive advantages.

- Key projects delivered during the quarter include3 of the most awaited Hollywood releases of the year i.e. *Mission Impossible Rogue Nation, Terminator Genisys and Antman*.
- On-going projects include *Batman v Superman, The Martian, Spectre, Bridge of Spies, Geostorm, The Huntsman, Pan, The Hunger Games: Mockingjay-Part 2, Alice Through the Looking Glass and Star Trek Beyond,* among others
- Prime Focus won Apollo Asia Awards 2015 for *Sin City: A Dame To Kill For*
- DNeg Integration is progressing well and is expected to continue through majority of FY16. The Integration related charges should more than offset by progressive improvement in operating margins.

Prime Focus Technologies (PFT)

- Signed deal with HOOQ, Joint Venture between SingTel, Sony Pictures & Warner Bros. for over the topvideo in Asia
- PFT won Frost & Sullivan's 2015 Global Growth Excellence Leadership Award
- Showcased CLEAR^{TM}Media ERP Suite and Operations Cloud at IBC 2015 held in September at RAI, Amsterdam while addressing challenges faced by M&E enterprises expanding their digital presence
- Secured a Service Organization Control (SOC) 2 certification, which further assures clients about PFT's highest standards for security, availability, confidentiality and processing integrity controls in the M&E industry
- Received the 3rd Patent in Digital Dailies
- Received certification from Apple to deliver content directly to iTunes
- Joined the advisory board of the Media & Entertainment Services Alliance (MESA)

Commenting on the results, Mr. Namit Malhotra, Founder, Executive Chairman and Global CEO, Prime Focus Ltd said:

We are happy to report that FY15 has seen smooth progress in the integration post our landmark mergers i.e. PFL-RMW and PFW-DNeg. These two transactions are transformational steps in the evolution of PFL which will help set us on a path of scalable and sustainable growth. At the same time, there were one time impacts on our operations due to divestiture of our non-core businesses, which is now fully behind us as we embark upon our next phase of growth for the Group.

During the year, both our creative and technology businesses have delivered multiple successes.
In the creative business, with DNeg now part of the Prime Focus fold, we have a differentiated offering in place for the high-end global film industry. Not only are we bundling our VFX &3D conversion services, but also leveraging the competitive advantages of our WorldSourcing model. The results are already visible with the Oscar win for Interstellar and our successful

work in Avengers: Age of Ultron which collected $1.4bn and is the 3rd highest grosser of the year.

On the technology front, we are honored to receive Frost & Sullivan's Growth Excellence Leadership Award recognizing our commitment and advances in the media management landscape. We are the first M&E industry-focused cloud-based provider to receive SOC 2 certification. We continue to add marquee clients while simultaneously investing in product development and sales force expansion globally.

Our traditional India business continues to be strong, and the synergies post-merger with Reliance are beginning to show. As Bollywood embraces more of VFX and other high end services, we are very well placed to thrive as a significant player in this space. Key Bollywood projects delivered during the quarter include *BajrangiBhaijaan, DilDhadakne Do, Brothers, Drishyam, Hero, Welcome Back & Phantom.*

With an expanding order book in creative services and continuous growth in technology services, driven by new deals with marquee clients, we are very positive about the future.

About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest media services powerhouse employs over 5,500 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative and technology services including visual effects, stereo 3D conversion, animation, post-production, Digital Intermediate (DI), equipment rental, hybrid cloud-enabled Media ERP technology and cloud media services to Studios, Broadcast, Advertising and Media industries.

Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP platform), Primetime Emmy® award-winning DAX Digital Dailies® and View-D™ (stereoscopic 2D to 3D conversion). Leveraging our Global Digital Pipeline and pioneering delivery model WorldSourcing® we partner content creators at every stage of the process ensuring creative enablement, work flow efficiencies and cost optimization.

In 2014: Prime Focus Technologies acquired DAX, a leading provider of cloud-based production workflow and media asset management applications; Prime Focus World merged with Double Negative, one of the world's foremost providers of visual effects; and Reliance MediaWorks merged their global film and media services business with Prime Focus Limited.

Listed on the BSE and NSE of India, Prime Focus has operations in Bangalore, Beijing, Cape Town, Chandigarh, Delhi, Goa, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mumbai, New York, Singapore, Toronto and Vancouver.

For more details: www.primefocus.com

For any investor relations query please contact:

Alok Gupta **Prime Focus Limited** Phone: +91 8879360082 Email: alok.gupta@primefocus.com	**Nisha Kakran/ Seema Shukla** **Four-S Services Pvt Ltd** Phone: : +91 7718811182/+91 124 4251441 Email: nisha.kakran@four-s.com seema@four-s.com

Note: Certain statements made in the document may be forward-looking statements. Such forward- looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prime Focus Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.