



Prime Focus Limited

Q1FY15 Investor Presentation

November 2014

primefocusltd.com





Safe Harbor

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements.

Prime Focus 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.





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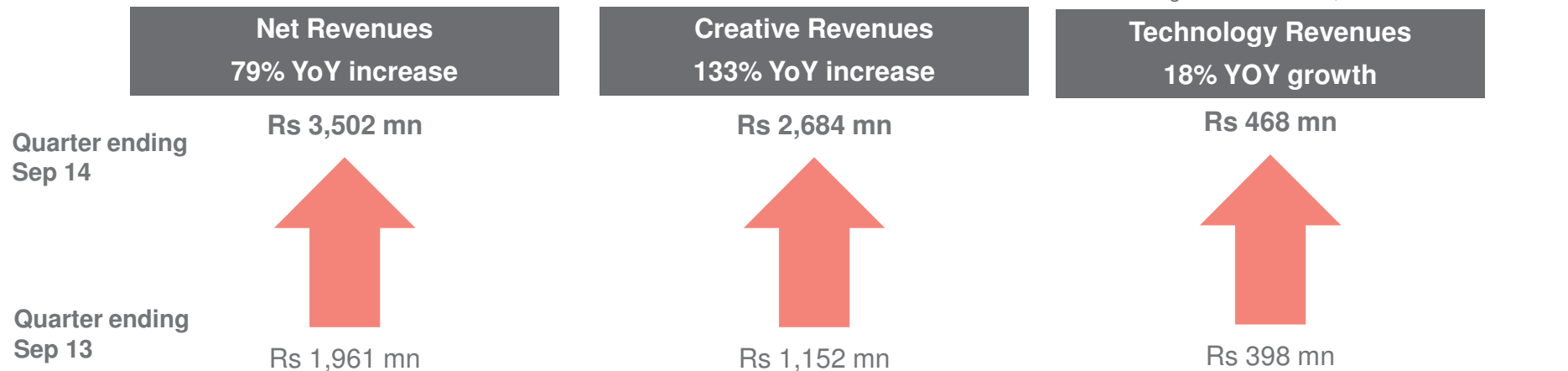




Transition to Integrated Tier I M&E Services Co

Consolidated revenues scale up to Rs 3.5bn post DNEG Merger

Figures in Rs Million; Consolidated financials



- Revenue for Q1FY15 at Rs 3,502 mn as against Rs 1,961 mn in quarter ending Sep-13; Significant scale-up post completion of the PFW-DNEG merger
- Share of Creative business expands to 77% in total revenues
 - DNEG integration starts well - first batch of VFX artists from India receive training in London
 - DNEG opens Vancouver facility – maximize potential of labor tax credits to enhance margins
 - Gaining traction in China with pipeline of 4-5 high-profile domestic projects
- Robust 18% YoY growth in PFT
 - DAX integration on track - Adds 3 customers in US as well as increases revenue potential from existing customers
 - Announced the addition of an SEZ facility in Bangalore to cater to burgeoning International business
- PFL - RMW Films and Media Services businesses merger awaits Regulatory approvals

Note: Q1FY15 marked completion of PFW- Double Negative merger, hence YoY financials are not comparable



Transient impact of integration on margins

Cost consolidation initiated; one-time costs to yield synergies

Figures in Rs Million; Consolidated financials

	EBITDA/Margin	PBT	PAT
Quarter ending Sep 13	654 / 33.4%	296	213
Quarter ending Sep 14	144 / 4.1%	(681)*	(220)

- **EBITDA was at Rs 144mn with margin of 4% impacted primarily due to seasonal revenue effects and significant duplication of costs in the creative services business in the first quarter post-merger**
 - Non recurring merger integration cost of ~\$6-7 mn in the quarter
- **Cost consolidation underway, to yield significant effect of cost synergies going forward**
 - Significant impact from integration and redundancy costs across London, Vancouver and India operations of the creative business
 - PFW's London and Vancouver VFX operations shutdown in the quarter. DNEG opens new VFX office in Vancouver, to gain from labor tax benefits and maximize labor cost arbitrage across geographies
 - Completed backend sale from PFL to PFW to improve efficiencies and retire high cost bank debt in India
- **Loss for the quarter at Rs (220)mn in Q1FY15 mainly due to integration and personnel duplications costs**
 - Continued impact of higher depreciation in relation to DAX, D-NEG, Companies Act 2013 effect
 - Tax set-off due to deferred tax asset creation at material subsidiaries

Note: Q1FY15 marked completion of PFW- Double Negative merger, hence YoY financials are not comparable



PFW continued to deliver key projects in Q1

Hollywood



Teenage Mutant Nnja Turtles



Sin City: A Dame to Kill For



Hercules



The Best of Me

Bollywood



TVCs





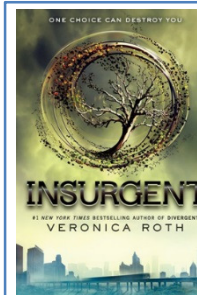
..and has a strong pipeline of ongoing projects



Interstellar



Batman v Superman



Insurgent



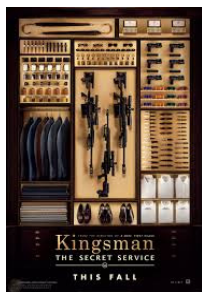
Exodus: Gods and Kings



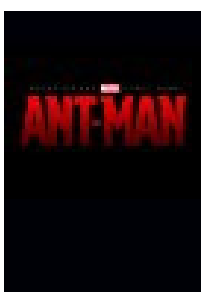
Avengers: Age of Ultron



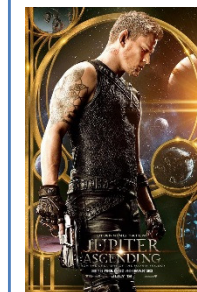
Terminator-Genisys



Kingsman: The Secret Service



Ant-Man



Jupiter Ascending

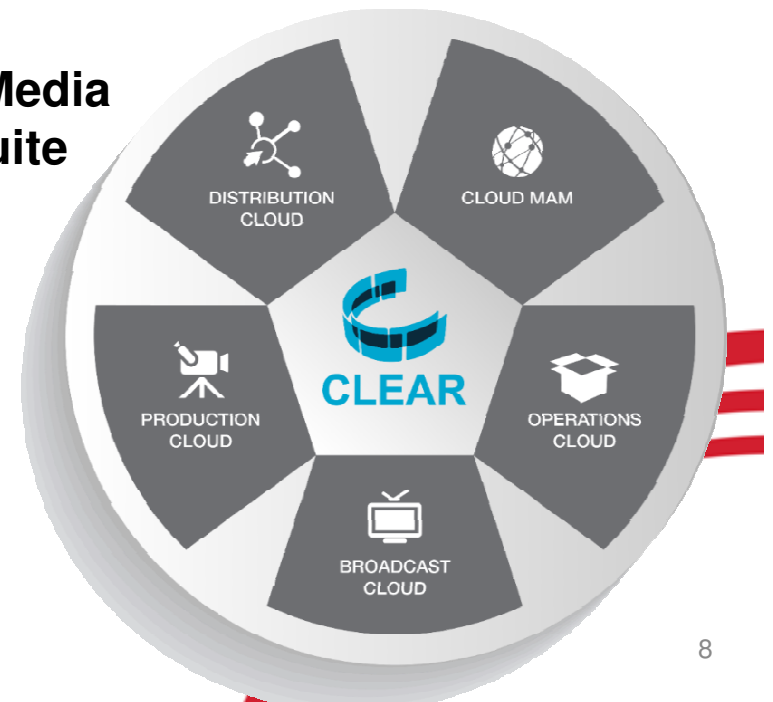


PFT showcased 'Journey to the Cloud' at IBC 2014

- PFT announced company's brand new go-to-market offering 'Journey to the Cloud' reinforcing their proven Cloud credentials and the goodness of CLEAR Media ERP Suite
- 'Journey to the Cloud' envisages PFT working closely with media and entertainment companies to evangelize the benefits of moving to the cloud as well as addressing dilemmas related to that important decision

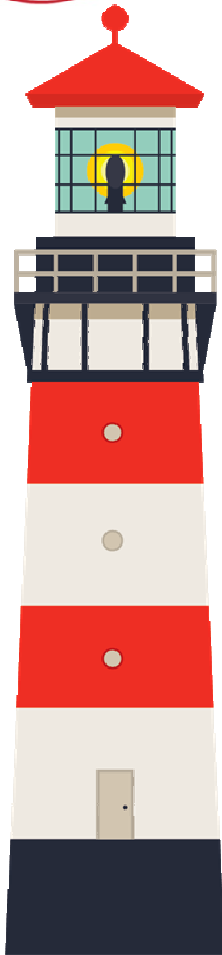
PFT's first major Operations Cloud win, packaged and delivered using Operations Cloud over 20,000 hours of VoD content for a leading broadcaster for its upcoming OTT platform

CLEAR Media ERP Suite



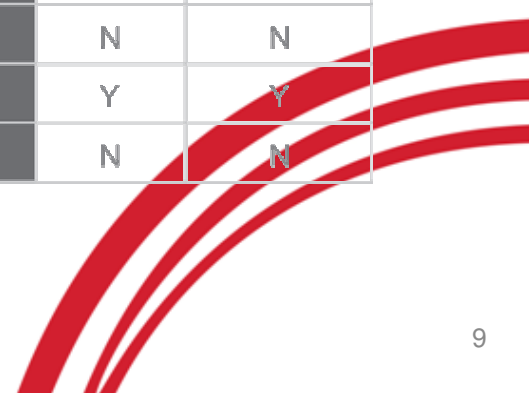


Operations cloud – The best cloud offering for M&E Industry



FEATURE
MAM
MEDIA ERP INCLUDING MAM
BPM/WORKFLOW ORCHESTRATION
NATIVE CLOUD OFFERING
HYBRID CLOUD
SITE TO SITE APPLICATION DR
SLA ON CLOUD
MANAGED SERVICES
PRE-INTEGRATION TO 3RD PARTY TOOLS
TRANSCODE ON CLOUD
STORAGE ON CLOUD
PACKAGE ON CLOUD
CONSULTING
PROVEN FOR BROADCAST
PROVEN FOR PRODUCTION

CLEAR	AWS	Popular ISV
Y	NA	Y
Y	N	N
Y	N	Y
Y	Y	N
Y	N	N
Y	N	N
Y	N	NA
Y	N	NA
Y	N	Y
Y	Y	NA
Y	Y	NA
Y	N	NA
Y	N	N
Y	Y	Y
Y	N	N





PFT India continues its success story adding new milestones

- BCCI extended its contract with PFT for next 6 years
 - Demonstrating faith in PFT services, BCCI chose to extend its service contract in which PFT would be managing entire BCCI asset library with its CLEAR Cloud MAM and providing managed services
- PFT has opened a SEZ facility in Bengaluru. The new center will cater to major international client engagements, which currently includes MNET, Warner Bros., IFC, A&E TV Network, Lionsgate, Fox, Legendary amongst other
- DAX Integration – The execution is progressing as per plan. PFT won three new clients on back of acquisition – FX Networks, Crown Media and Tru TV to deliver the cloud enabled DAX® production workflow solution including the Emmy® award-winning Digital Dailies® and DAX Mobile®
- PFT augmented its sales team with key hires in EMEA and US



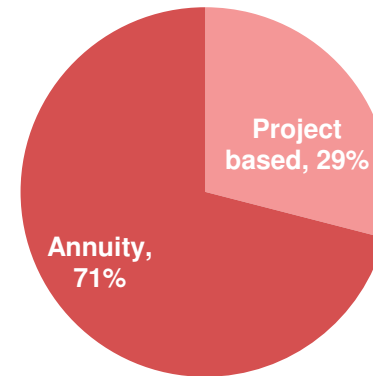
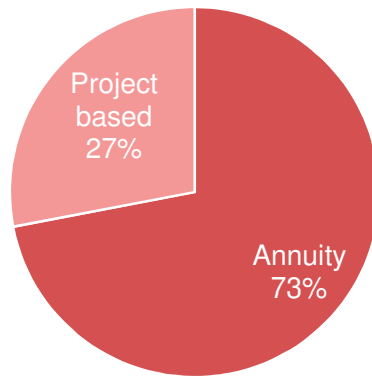


PFT - Revenue Split by Type and Geography

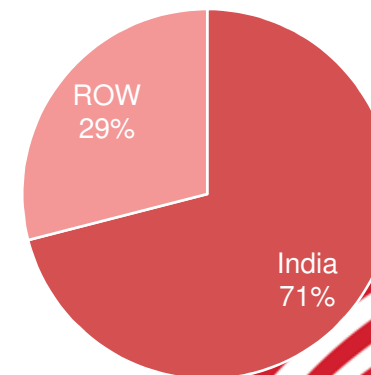
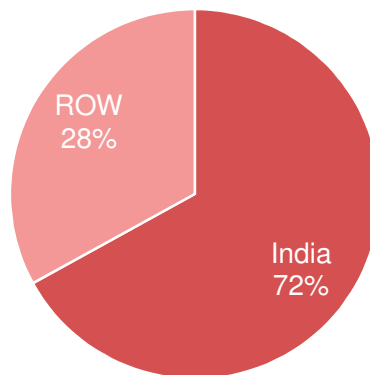
Quarter ending
Sep 13

Quarter ending
Sep 14

Revenue
by contract
type



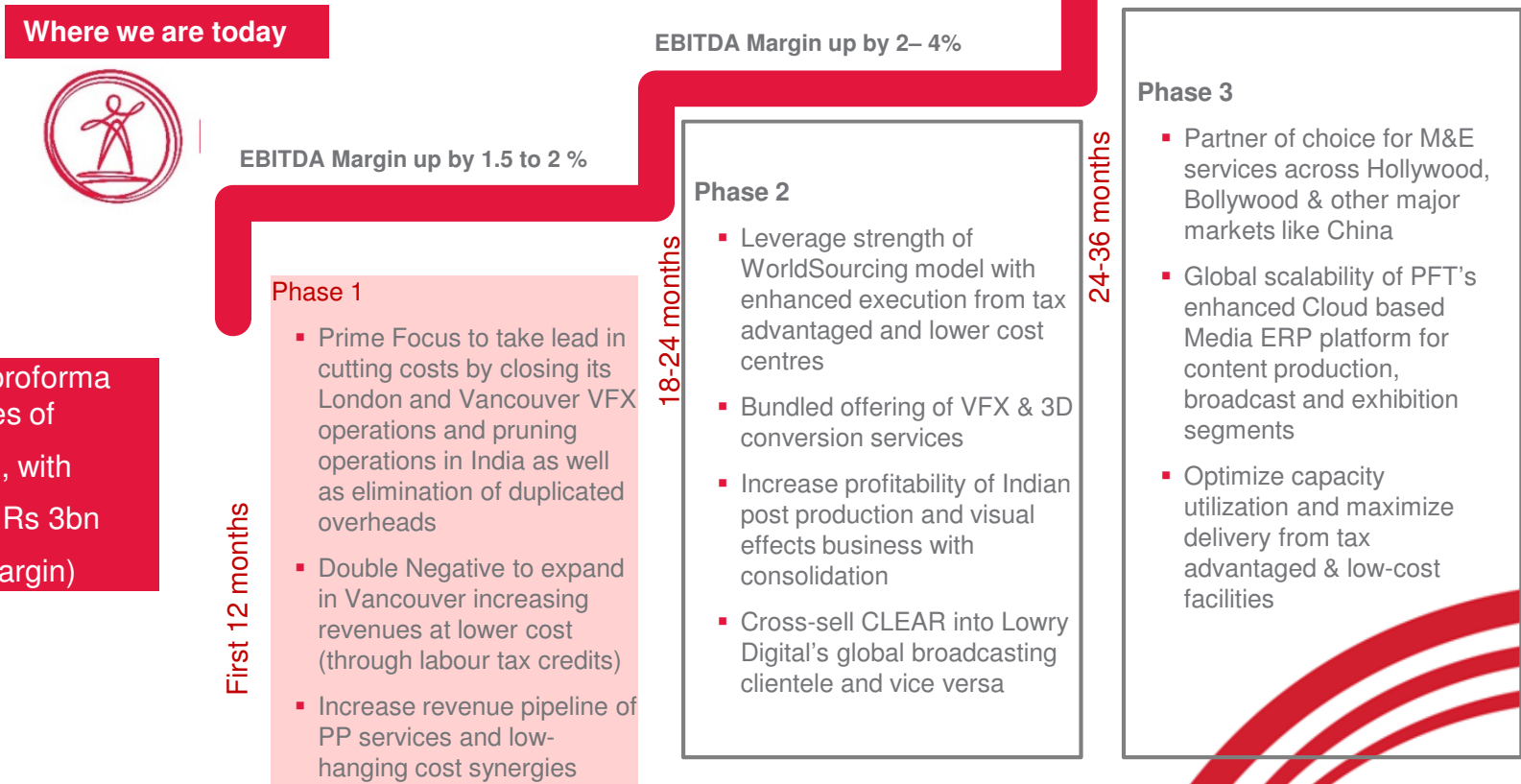
Revenue
by
geography





Q1FY15 reflects integration efforts

- Phase 1 starts with PFT-DAX and PFW-DNEG integration
- PFL – RMW FMS business merger awaits Regulatory approval



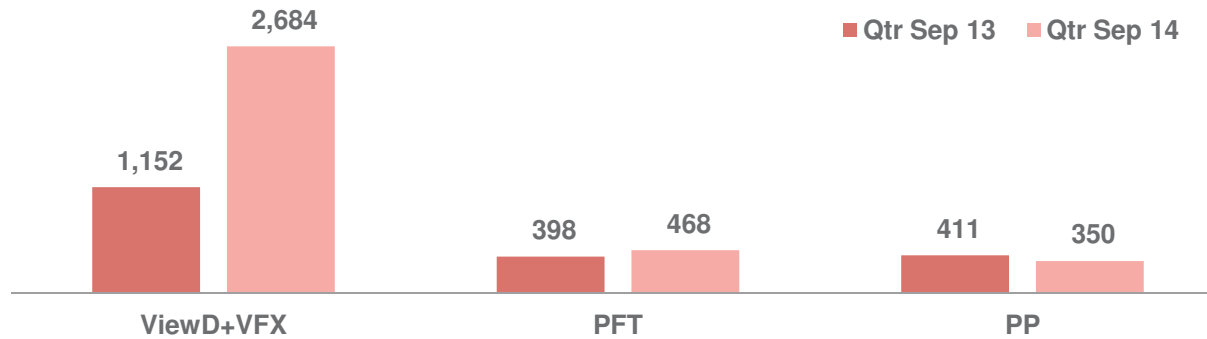


Segmental Analysis:

Creative services contributing 77% of revenue

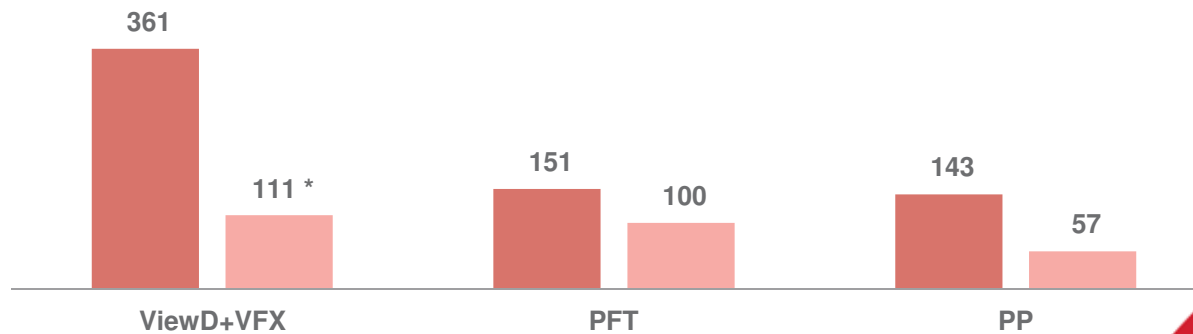
Segment-wise revenues

Figures in Rs Million; Consolidated financials



Segment-wise EBITDA

Qtr Sep 13 Qtr Sep 14



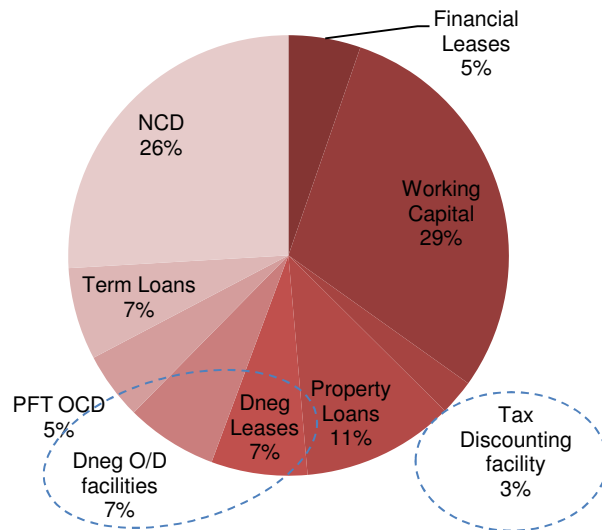
Note: Q1FY15 marked completion of PFW- Double Negative merger, hence YoY financials are not comparable
* - EBITDA includes Income which forms part of EBITDA for foreign subsidiary as per the local Accounting Standards



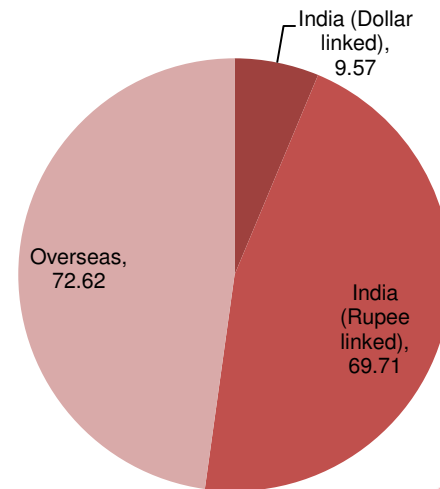
Debt profile

- Consolidated debt of \$152mn (Rs 9,339 mn) in Sept 2014 compared to \$137 mn (Rs 8,216 mn) in June 2014 *
- Company has paid off high cost \$11 mn debt in India on closure of the backend sale to PFW
- Increase due to addition of Double Negative debt in PFW and part disbursement of EXIM facilities in PFT
- Increase in accreted interest on NCD's is adequately offset with regular repayment of other term bank debt
- Shares released, partly by SCB and Yes Bank, expected to bring down pledge further in coming quarter

Debt Composition (\$mn)



Geographical break-up of debt (\$mn)



\$1 = Rs 61.48

Consolidated debt - \$ 152 mn (Rs 9,339 mn)

- * - Excluding Rs.3,000mn Bridge Loan from Reliance Capital taken pending completion of Preferential Allotment



About us





PFL: World's Largest Integrated Media Services player

Unique DNA



'Creative cum tech' combination helps PFL emerge as only player to provide full bouquet of creative and technology based media services – new businesses (VFX, 3D & PFT) already contributing 80% of FY14 revenues

Present in top M&E Markets



Increasing presence across all major content markets with over 80% of revenues from outside India – we service our global clientele from 16 cities across the globe

Higher growth ahead



Acceleration via M&A to spur next phase of growth. Year 2014 has started with PFT's DAX acquisition, Double Negative-PFW merger & PFL-RMW Film and Media services merger



Fuelling success with marquee clients across the globe

Creative services

Leading Hollywood and Bollywood studios



Technology services

Leading broadcasters, studios, brands, sports and digital businesses



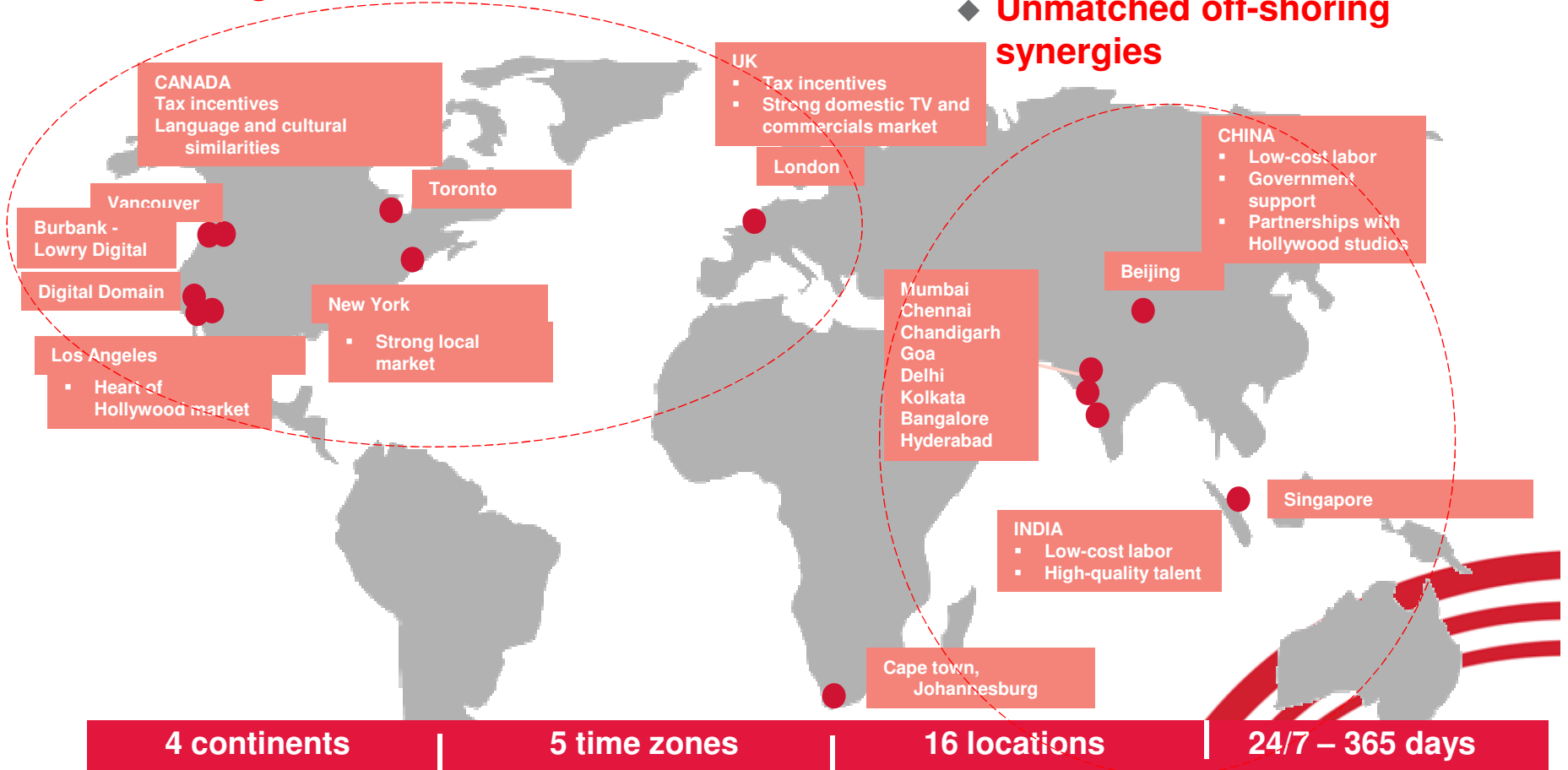


'WorldSourcing' model providing unmatched competitive edge

Largest global network providing highest quality, fastest time to market and most efficient pricing & significant cost synergies

◆ Stronger front-end

◆ Unmatched off-shoring synergies





Annexure





Consolidated Profit & Loss Statement

Figures in Rs Million

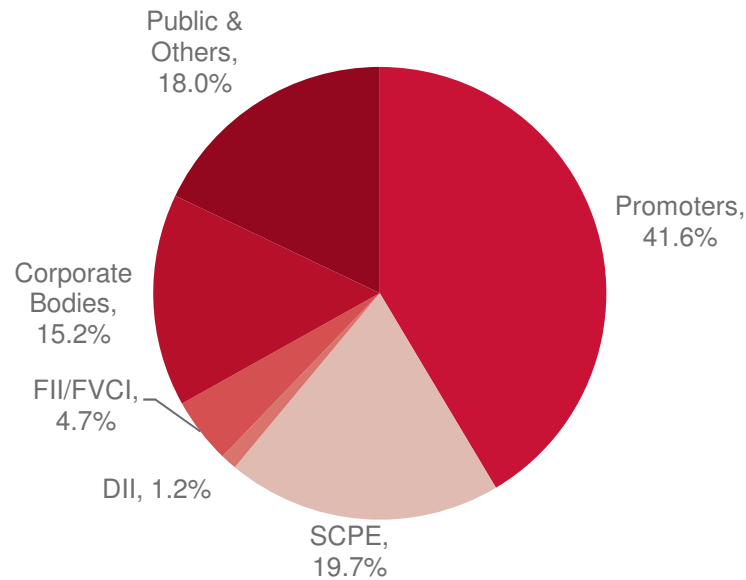
Particulars (Rs mn)	Qtr ending Sep14	Qtr ending Sep 13	Qtr ending June 14	% Chg YoY	% Chg QOQ	15M FY'14
Net sales / income from operations	3,502	1,961	1,995	79%	76%	10,345
Total Expenditure	3,390	1,510	1,851	125%	83%	8,360
Personnel Cost (including technician fees)	2,391	957	1,315	150%	82%	5,414
Other Expenditure	999	552	536	81%	86%	2,945
Foreign exchange gain/(loss)	32	204	89	-84%	-63%	381
EBITDA	144	654	233	-78%	-38%	2,366
Depreciation & amortization	466	284	294	64%	58%	1,332
EBIT	-322	370	-62	NA	NA	1,034
Interest & Finance charges	158	111	175	43%	-9%	687
Other income	142	41	12	249%	NA	76
Exceptional Items- Expenditure/ (Income)	343	4	88	NA	NA	174
PBT	-681	296	-312	NA	NA	250
Tax Expense	-357	55	-161	NA	NA	71
Minority Interest	-105	27	-63	NA	NA	-64
PAT	-220	213	-88	NA	NA	243
Key Ratios	Qtr ending Sep14	Qtr ending Sep 13	Qtr ending June 14	15M FY'14		
EBITDA Margin	4.1%	33.4%	11.7%	22.9%		
Net Margin	-6.3%	10.9%	-4.4%	2.3%		
Total Expenditure/ Revenues	96.8%	77.0%	92.8%	80.8%		
Personnel Cost/ Total Operating Income	68.3%	48.8%	65.9%	52.3%		
Other Expenditure/ Total Operating Income	28.5%	28.2%	26.8%	28.5%		

Qtr ending Sep 14 includes Financials of Double negative hence figures are not comparable with last year figures.
Exceptional item of Rs 342.7 million is incurred on restructuring activities in PFWNV undertaken post DNEG merger

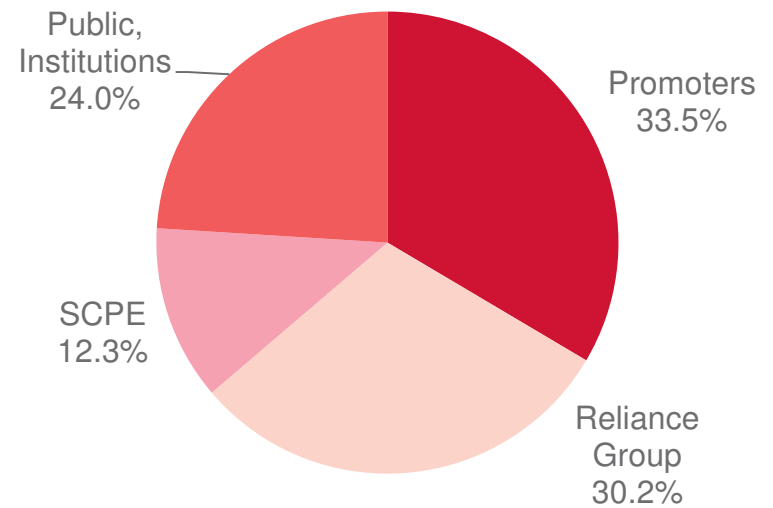


PFL Shareholding Pattern Evolution

As on 30th Sep 2014
Outstanding shares – 185 mn



Fully diluted
Outstanding shares* – 299 mn



*Indicative Shareholding is post Preferential Allotment but Pre Open offer





About Us

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. 2014 has seen a spate of M&A: 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.primefocusltd.com | www.primefocusworld.com | www.primefocustechnologies.com

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Q1 FY15 Earnings Presentation