



# Prime Focus.

Q3 & 9M FY13 Results Presentation



# 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.*





# Management's Message

*Commenting on Prime Focus' Q3 & 9M FY2013 results, Mr. Ramki Sankaranarayanan, CEO of Prime Focus Limited said:*

*During the quarter we successfully repaid the FCCB worth USD 79 million. While staying focused on this redemption, our ability to invest further in capacity growth was limited. Having said that we were able to grow our client base and de-risk over dependency on select service lines during the last quarter.*

*Prime Focus has expanded its creative services footprint with the addition of Animation capability. We have been engaged by a leading European toy manufacturer to deliver 3D animation content for a 20 episode children's TV series - our first significant engagement in this space at a TCV of 5 million EUR.*

*Revenue from creative projects was not on expected lines primarily because start dates of some of the major creative projects got pushed from Q3 to Q4 though the release dates have not been changed. That apart, we have also been contracted by big-banner studios such as Warner Bros and Columbia Pictures to deliver VFX on their upcoming releases, The Great Gatsby and White House Down.*

*Prime Focus Technologies has delivered over 300% revenue growth YTD on the back of CLEAR™ the world's most established Hybrid Cloud based enterprise digitization platform in the media and entertainment industry. Recently CLEAR was awarded CIO Choice 2013 in the Content Management category.*

*Overall, the volume of content under PFT's management is set to expand from 150,000 hours to 250,000 hours this year. Apart from STAR TV, PFT has added many new clients in the broadcast space. Our new 105,000 sq ft Global Broadcast Hub coming up at Andheri, Mumbai will be commissioned soon to cater to multiple client engagements.*



# Q3 & 9M FY2013 Financial Highlights

## Q3 FY2013 Highlights

- ❖ Revenues at ₹ 1,806.8 million
- ❖ EBITDA at ₹ 294.3 million
- ❖ Profit Before Tax\* at ₹ (6.4) million
- ❖ Profit After Tax at ₹ (632.8) million

## 9M FY2013 Highlights

- ❖ Revenues at ₹ 5,652.7 million
- ❖ EBITDA at ₹ 1,175.7 million
- ❖ Profit Before Tax\* stood at ₹ 406.1 million
- ❖ Profit After Tax at ₹ (327.5) million

Exchange loss due redemption of FCCB's of ₹ 822.8 million has been disclosed as an exceptional item in the Statement of Profit and Loss Account for Q3 FY13

\* Excluding Exceptional Expenditure

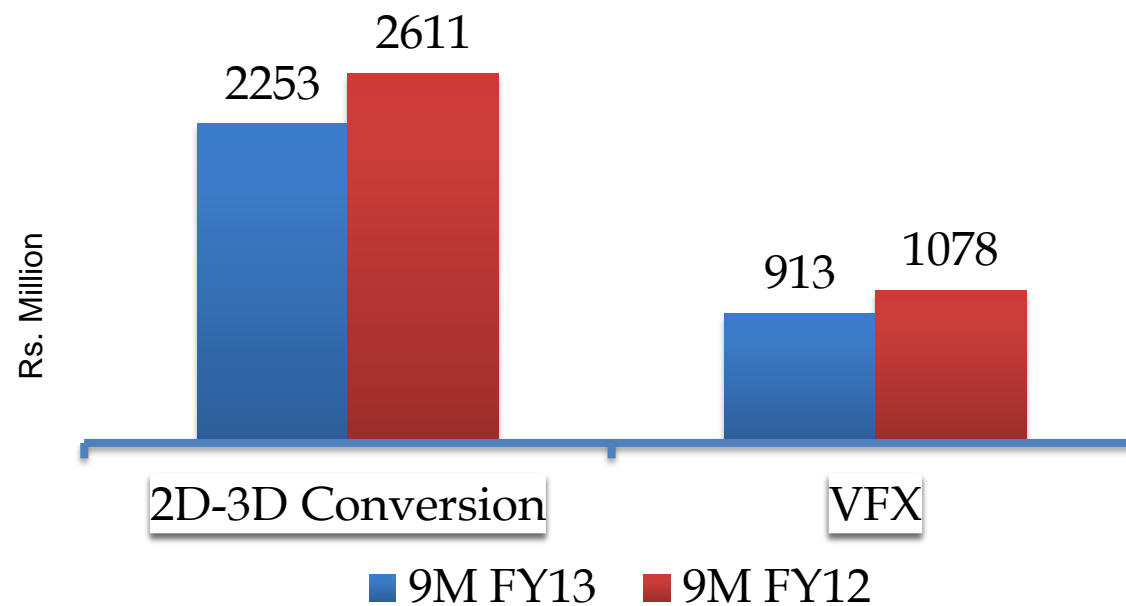
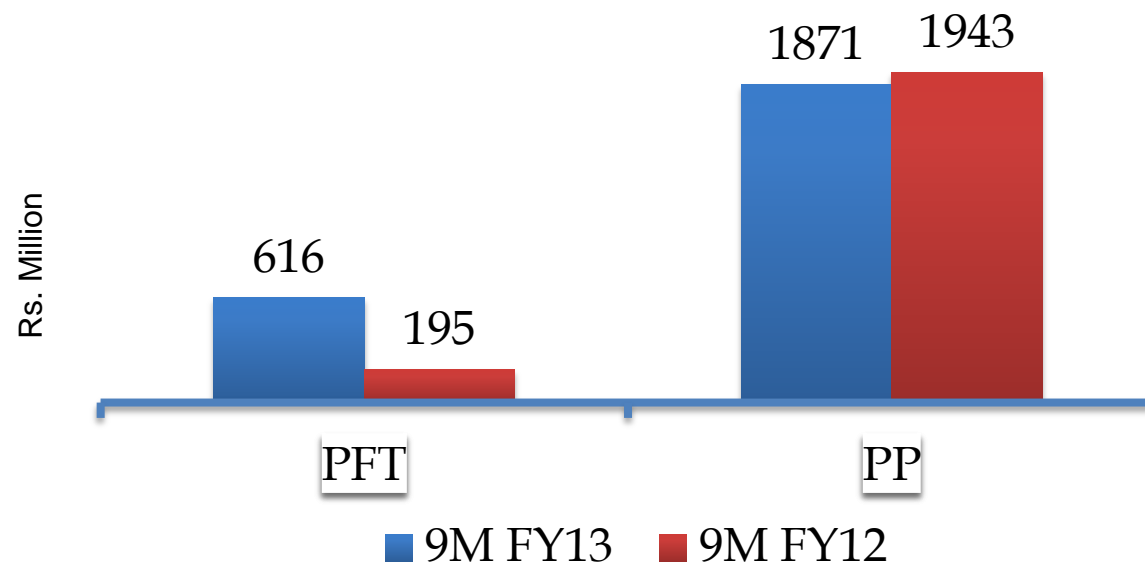
# Financial Overview

## Profit & Loss Statement

(₹ million)	Q3 FY13	Q3 FY12	% Y-o-Y Variance	9M FY13	9M FY12	% Y-o-Y Variance
Revenues	1,806.8	2,127.5	(15.1)%	5,652.7	5,827.8	(3.0)%
Personnel Cost	925.6	980.5	(5.6)%	2976.6	2,599.2	14.5%
Other Expenditure	586.8	534.4	9.8%	1500.4	1,576.8	(4.8)%
Total Expenditure	1,512.4	1,514.9	(0.2)%	4,477.0	4,176.1	7.2%
EBITDA	294.3	612.7	(52.0)%	1,175.7	1,651.7	(28.8)%
EBITDA Margin (%)	16.3%	28.8%		20.8%	28.3%	
Exch. Loss/(Gain)	(41.2)	(37.8)	9.0%	(97.6)	(94.1)	3.8%
Depreciation	227.5	139.0	63.7%	645.6	409.2	57.8%
Interest	122.9	112.3	9.4%	308.8	290.0	6.5%
Exceptional Items - Expenditure / (Income)	822.8	0.3	NA	822.8	28.9	NA
Profit Before Tax	(829.2)	416.5	NA	(416.6)	1,063.3	NA
Profit After Tax	(632.8)	262.9	NA	(327.5)	783.3	NA
PAT Margin(%)		12.4			13.4	



# Segmental Overview



# Business Updates

## Prime Focus forays into 3D animation with a multi year multi million euro deal with a leading European toy manufacturer

- PFL has been contracted by a leading European toy manufacturer for a 20 episode deal to deliver 3D animation content for a children's TV series.
- Under this contract, Prime Focus World, PFL's fully-owned subsidiary, will deliver 22 minutes of 3D animation on a monthly basis. The contract will be executed over a two year period from the company's facilities located in London and Mumbai.

## Emerging traction seen in the creative services business

- Large projects won recently include-
  - The Last Stand (starring Arnold Schwarzenegger)
  - The Great Gatsby (starring Lionardo Di Caprio; Warner Bros.)
  - White House Down (Columbia Pictures)
  - 3D work for a mega summer release



# PFT Updates

Proven Technology delivering value

Content under management

Syndication & VoD fulfillment

Episodes of TV content

Subtitling and captioning

FY 2012

150,000

5 million files

48,600

12,600 hours

FY 2013

250,000

10 million files

80,500

15,000 hours



**CIO CHOICE 2013** Honor & Recognition Title in the “Content Management” category

**New Clients added in the quarter (Q3 FY13)**



FREMANTLEMEDIA



**OPTIMISTIC**

**You Tube**





# Deep, Established Relationships With Blue Chip Clients

## Key Clients

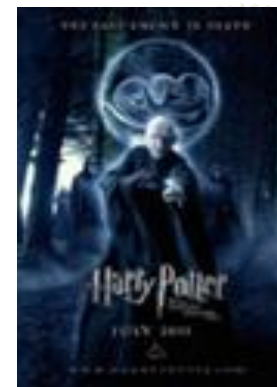


## Industry Accolades



George Lucas on Prime Focus stereo conversion of STAR WARS Episode 1|'The Phantom Menace'

*"It was incredibly important to me that we have the technology, the resources and the time to do this right. I'm very happy with the results I've been seeing on Episode 1."*



David Yates applauds 3D conversion of 'Harry Potter and the Deathly Hallows: Part 2'

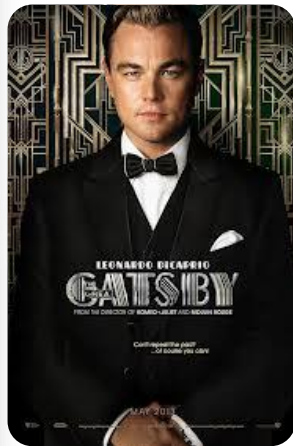
*"Prime Focus delivered on every level and helped make our 3D conversion for Harry Potter and the Deathly Hallows: Part 2 all that we could have hoped for and more."*

Scorsese Says All His Future Movies Will Be 3-D - NY Times April 25, 2012

*"There is something that 3-D gives to the picture that takes you into another land and you stay there and it's a good place to be."*



# Current projects by Prime Focus



## The Great Gatsby

- Working with Warner Bros Pictures for The Great Gatsby
- US release on May 10, 2013



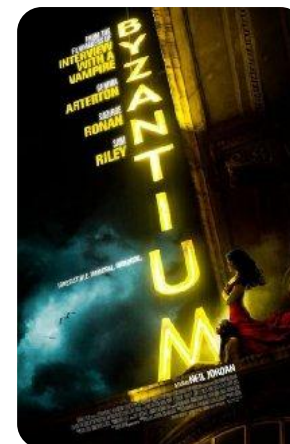
## The Last Stand collects \$ 28 mn at Box office since release

- Collaborated with Lionsgate to provide VFX work for Arnold Schwarzenegger's first leading role since 2003
- The movie released on Jan 18, 2013 with a production budget of \$ 45 mn



## White House Down

- Prime Focus is collaborating with Columbia Pictures
- US release on June 28, 2013



## Byzantium

- Delivered atmospheric VFX work/animation shots for Demarest Films' Byzantium, a vampire film starring Gemma Arterton

Source – Box Office Mojo



# Success of 3D & VFX work delivered

## Total Recall grosses \$ 198 mn

- Delivered 400 Visual Effects shots for 'Total Recall' in partnership with lead VFX vendor Double Negative



## MIB collects \$ 624 mn at Box office

- MIB 3 ranks 22 in overall all 3D movie grosses
- PFL successfully handled entire 3D conversion

## Frankenweenie has already grossed \$ 67 mn

- Collaborated with Walt Disney Pictures and legendary director Tim Burton to convert Frankenweenie to stereo 3D



## Dredd grossed \$ 36 mn at Box office

- Partnered 'Dredd' from concept art and pre-production through to VFX

Source – Box Office Mojo



# Key Business Segments

Leading from the front in the global 2D to 3D Conversion Business

Estimated market size for library of convertible films: \$ 1.8-3.4 billion

2D-3D conversion market for new Hollywood releases: \$ 250-300 million annually

Prime Focus

VFX market: \$ 2.5 billion annually

Size of the market not yet full established

One of the largest VFX facilities in India for servicing domestic and international studios

CLEAR™  
Revolutionary technology for content workflow management, servicing large content owners



# CLEAR™

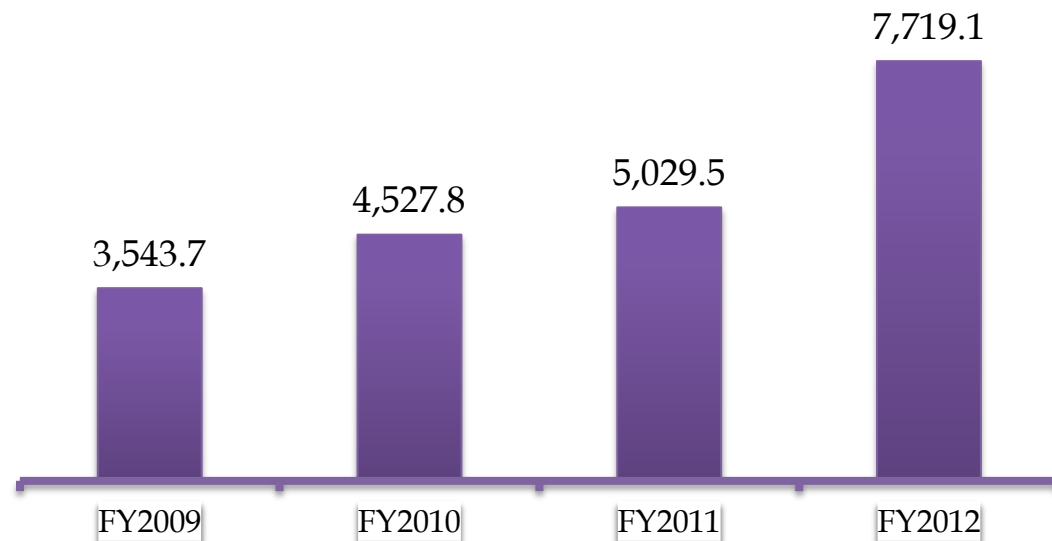
## Managing The Business Of Content™



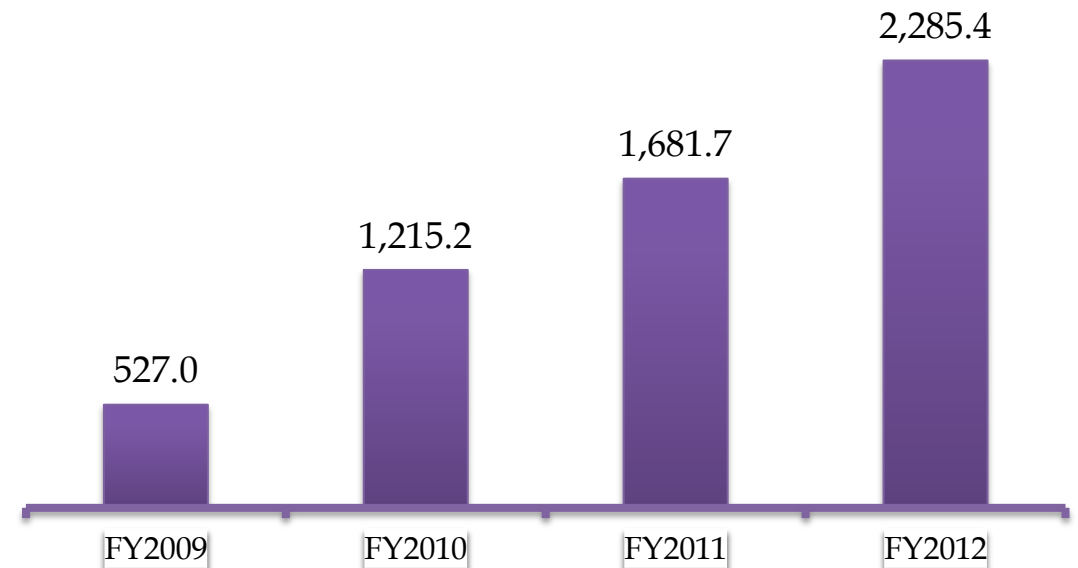
- ❖ Prime Focus Technologies, a subsidiary of Prime Focus, provides Managed Services around CLEAR delivering Multi-Platform Content Operations to the business
- ❖ Manage the business of content by increasing agility, unlocking new revenue streams, enabling creativity, cutting costs, and driving operational efficiencies - all delivered via a flexible business model.

# Historical Financial Highlights

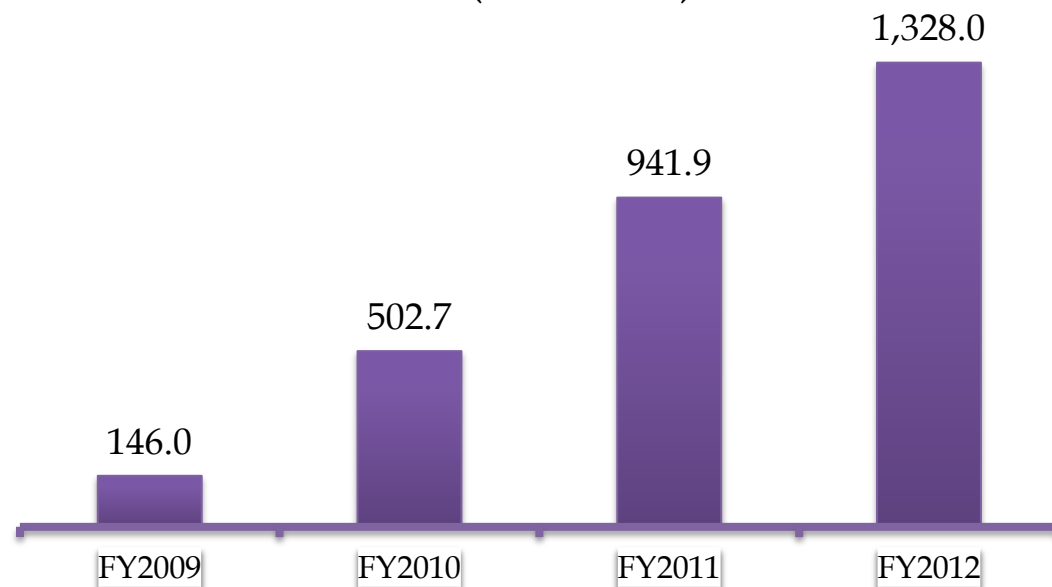
Revenues (Rs. Million)



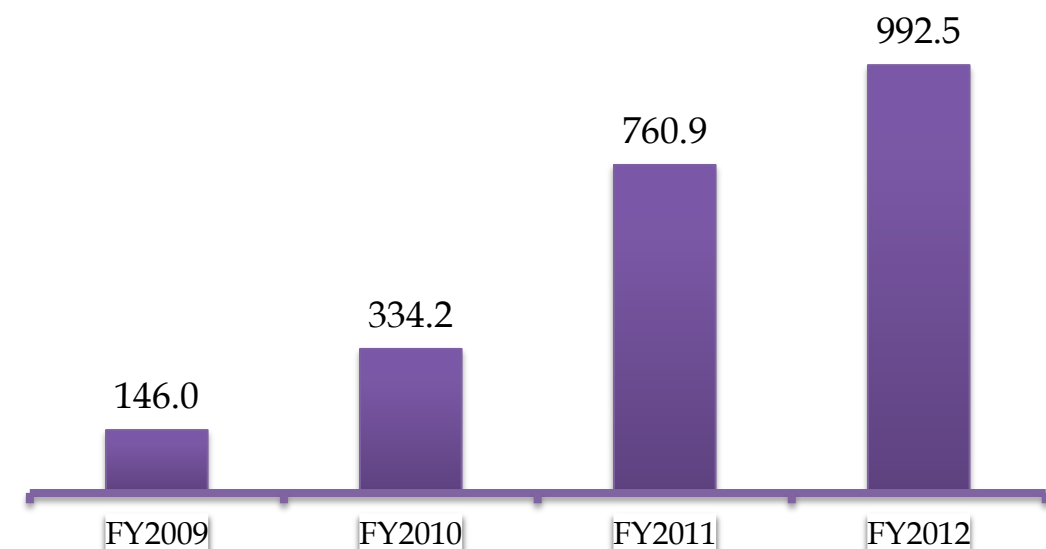
EBITDA (Rs. Million)



PBT (Rs. Million)



PAT (Rs. Million)







## About Prime Focus Limited (PFL):

Prime Focus (BSE code: 532748, NSE: PFOCUS, ISIN: INE367G01038) is a global visual entertainment services group that provides creative and technical services to the film, broadcast, and advertising market. The group offers a genuine end-to-end solution from pre-production to final delivery – including visual effects, 2D to 3D conversion, video and audio post production, equipment hire, multi-platform content operations solutions and digital distribution.

Prime Focus employs 4,500 people with state-of-the-art facilities throughout the key markets of North America, UK and India. Using its 'Worldsourcing' business model, Prime Focus provides a network that combines global cost advantages, resources and talent pool with strong relationships and a deep understanding of the local markets.

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PRIME  
FOCUS

# Thank You.

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