



Prime Focus Limited

Q4 & FY15 Investor Presentation

September 2015





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.



Agenda

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FY15: Headed towards higher Scale & Sustainability

Operating performance improves sequentially. .

Revenue		People	Infrastructure	Technology
	 Rs 16bn DNeg and Tech / Tech Enabled Services fuelling growth	 6,000+ Leveraging WorldSourcing Model	 21 Facilities Facilities added in Vancouver, London, Singapore, Bangalore & Mumbai	 Added DNeg, Gener8 and Lowry Digital Best in Class Technologies
	Rs 9bn	4,800+	16 Facilities	CLEAR™, View D™ and Digital Dailies™ patents

Phase 1 nearing completion, successfully entered phase 2 of growth. . .



Won 87th Academy Award for Best VFX for DNeg's Interstellar



Avengers: Age of Ultron- 3rd highest grosser of 2015; Worldwide collection- \$1.4bn



Terminator: Genisys



Batman V Superman

Cross-selling opportunities materializing



New Client adds in Technology





Performance Momentum Continues to build. .

Operational highlights for the quarter across businesses

Creative Services



Established as world's largest globally integrated services powerhouse

- Delivered 3 most awaited movies of the Year: *Mission Impossible Rogue Nation*, *Terminator Genisys* & *Antman*
- Significant cross-selling opportunities materialising; VFX + 3D for *Avengers*, *Terminator* & *Antman*
- Setting up Film City facility as DNeg backend; movies slated for new facility - *The Huntsman* & *Inferno*
- Won Apollo Asia Awards 2015 for *Sin City: A Dame To Kill For*
- Order book continues to be robust with new additions such as:
 - *The Martian*, *Spectre*, *Bridge of Spies*, *Geostorm*, *The Huntsman*, *Pan* and *Star Trek Beyond*, etc.

INDIA FMS



MediaWorks



India FMS business- First quarter post RMW FMS merger

- Delivered several marquee projects including *Brothers*, *Bajrangi Bhaijaan*, *Drishyam*, *Hero*, *Welcome Back* & *Phantom*; *Brothers* - one of the biggest projects in PFL history
- Completed divestiture of Non-core UK post production business resulting in one time loss
- Robust Order book with high visibility
 - *Katti Batti*, *Singh is Bling*, *Bajirao Mastani*, *Shaandar* & *Raees*, etc.

Tech & Tech Enabled Services



PFT- Continues to deliver robust growth with new certifications & clients

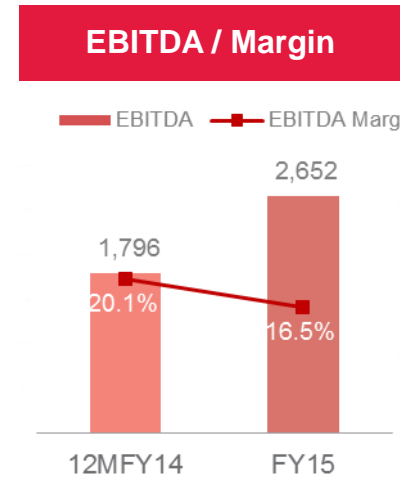
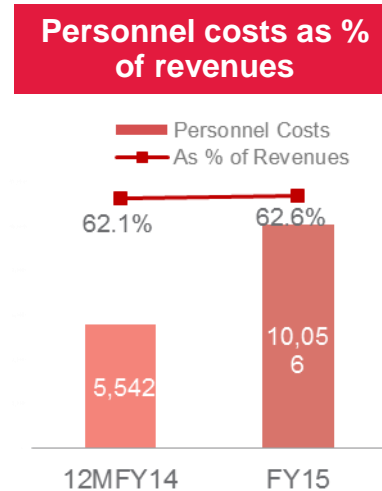
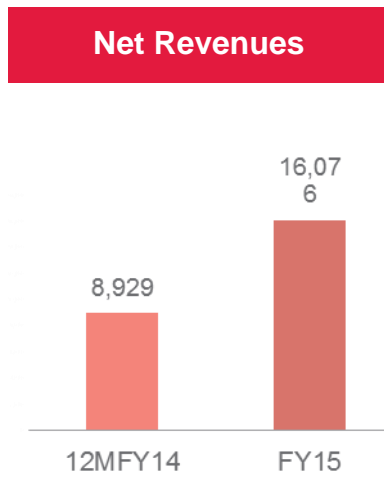
- Signed deal with HOOQ (JV between SingTel, Sony Pictures & Warner Bros.) for OTT Video in Asia, Tata Sky and Lionsgate
- Showcased 'Digital Next' Go to Market campaign at IBC 2015
- Won Frost & Sullivan's 2015 Global Growth Excellence Leadership Award
- Secured a Service Organization Control (SOC) 2 certification
- Received certification from Apple to deliver content directly to iTunes
- Joins the advisory board of the Media & Entertainment Services Alliance



FY 15: Year of Transformation

Revenue doubled, Integration progressing as per plan

Figures in Rs Million; Consolidated financials



- Significant surge in revenues YoY on the back of DNeg
- Sequential improvement in operating performance in Dec, Mar and Jun quarters due to significantly higher revenue visibility and integration efforts across PFW-DNeg
- Personnel costs as percentage of revenues showing signs of improvement
- PFL FMS business showing good promise within first few months of integration
- PBT and EBITDA for the year negatively impacted by certain non-cash and extraordinary expenses, primarily on conversion of DNeg from UK GAAP to IFRS and consequently to Indian GAAP:
- Unrealized Intra group non-cash forex charge – Rs 240mn
- DNeg Rent-free period straight lining – Rs 240mn

Note: FY15 includes Double Negative & RMW FMS financials, hence YoY financials are not comparable



Exceptional Items in FY 15

Revenue doubled, Integration progressing as per plan

Figures in Rs Million; Consolidated financials

Exceptional Costs	Standalone			Consolidated		
	Year ended	Qtr ending	Year ended	Year ended	Qtr ending	Year ended
	30 Jun 2015	30 Jun 2015	30 Jun 2014	30 Jun 2015	30 Jun 2015	30 Jun 2014
Sale of Backend	0	0	(1,972)	0	0	0
Write off with respect to Prime Focus London PLC	107	0	1,868	1,806	1,490	0
Redundancies & Integration Costs	0	0	0	619	52	9
Others	50	50	87	50	51	165
TOTAL	157	50	(17)	2,475	1,593	174

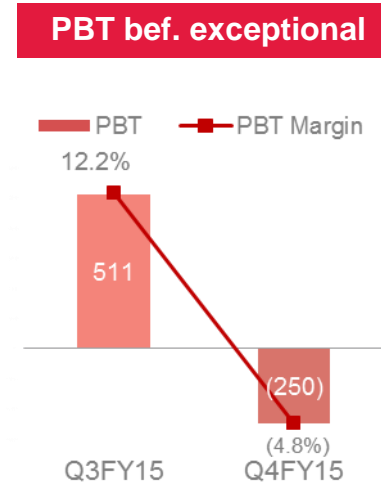
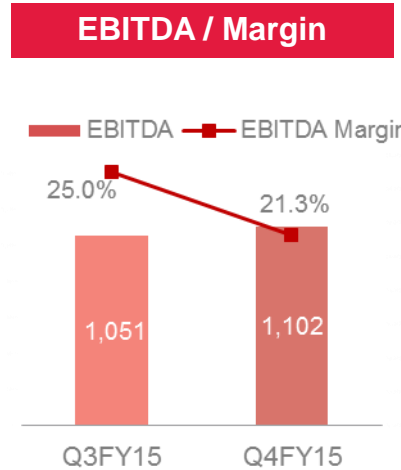
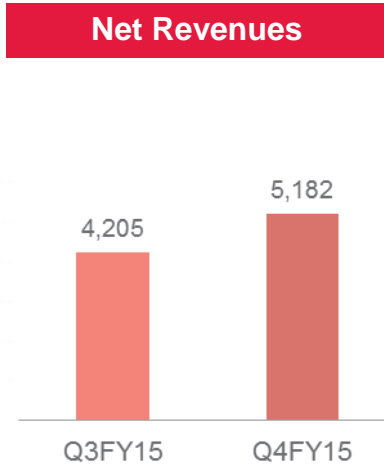
- Write-off on account of sale of Prime Focus London PLC forms the largest chunk of exceptional costs for the year
 - Impact at Consolidated level for the quarter post sale of London PLC; the write off at Standalone level was already provisioned in FY14
- As reported in the earlier quarters, PFW incurred ~\$10mn in redundancy & integration initiatives post the merger with Double Negative



Q4FY15: Strong sequential growth of 23%

Strong operating momentum continues on the back of integration efforts

Figures in Rs Million; Consolidated financials



- Revenues up by 23% driven by robust growth in Creative revenues
- Operating EBITDA margins continue to be robust at 20+% levels – higher than the Phase I integration guidance provided earlier
- Conversion of DNeg from UK GAAP to IFRS and consequently to Indian GAAP significantly led to the non-cash charges hitting disproportionately in Q4FY15
- Company is conservatively no longer adding to Deferred Tax benefits

Note: FY15 includes Double Negative & RMW FMS financials, hence YoY financials are not comparable

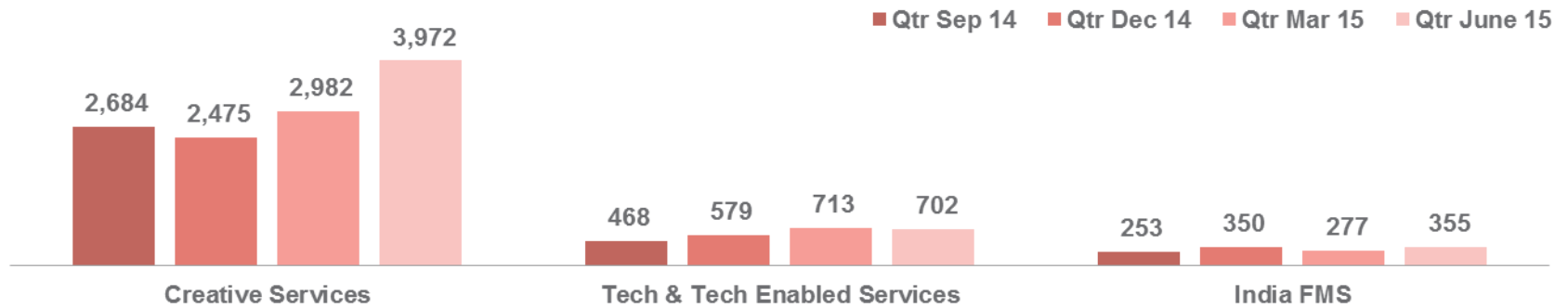


Q4FY15 Segmental Analysis:

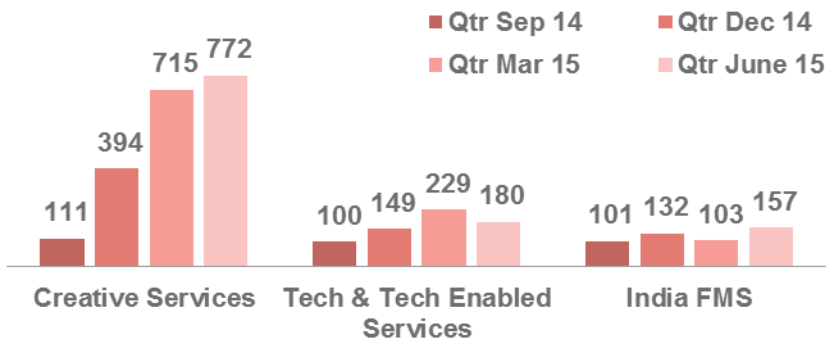
Driven by robust growth in Creative services

Segment-wise revenues

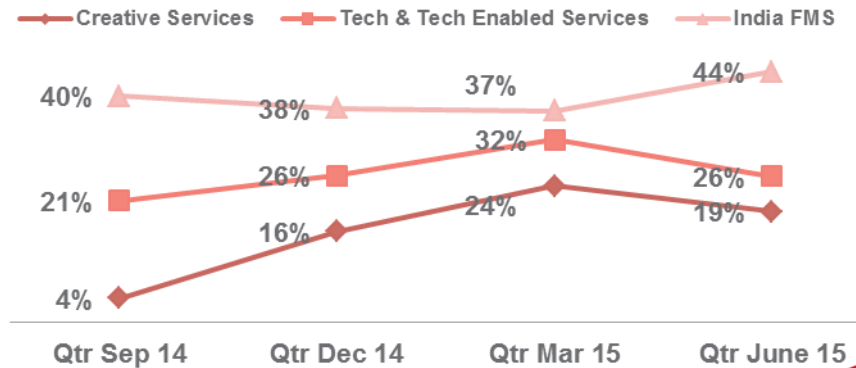
Figures in Rs Million; Consolidated financials



Segment-wise EBITDA



Segment-wise EBITDA Margins



Note:

- Q4FY15 includes Double Negative & RMW FMS financials, hence YoY financials are not comparable
- Reported EBITDA and Revenues may not tally with Segmental breakup due to intergroup eliminations



Prime Focus delivers key projects in Q4 including current box office hits

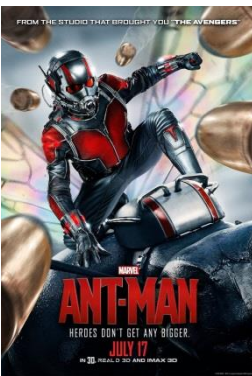
Hollywood



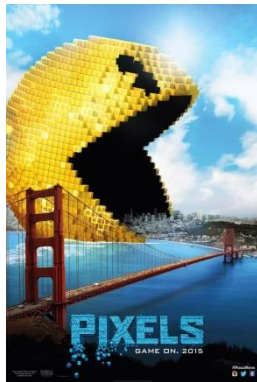
Mission: Impossible - Rogue Nation



Terminator Genisys



Ant-Man



Pixels

Bollywood

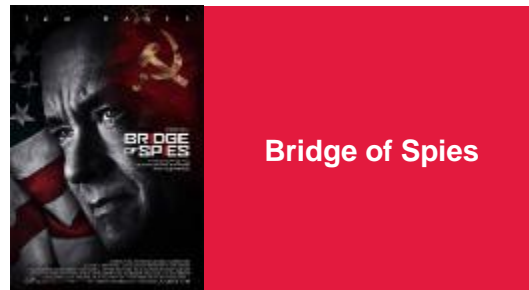
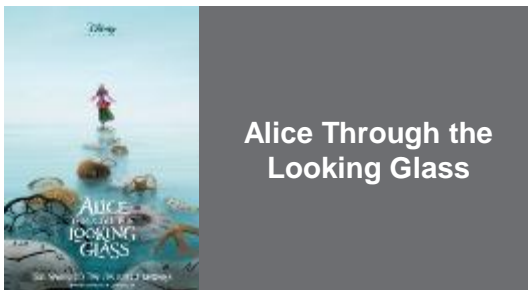
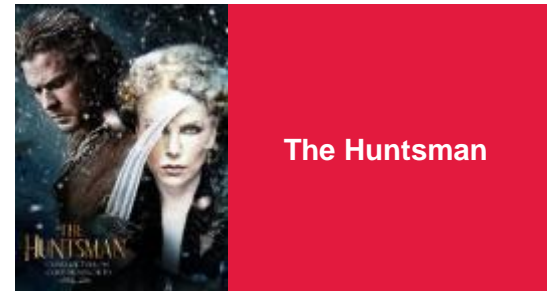
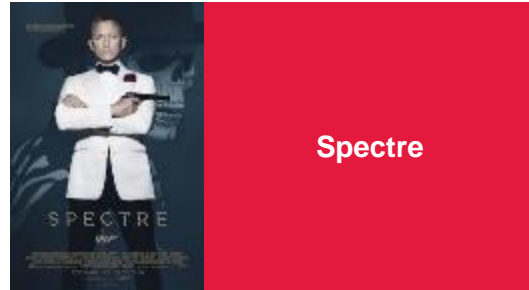


TVCs





Strong pipeline of ongoing projects in PFW





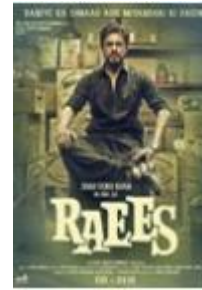
Strong pipeline of ongoing projects in PFL



Katti Batti



Shaandar



Raees



Prem Ratan Dhan Payo



Singh is Bling



Jagga Jasoos



Mohenjo Daro



Tamasha

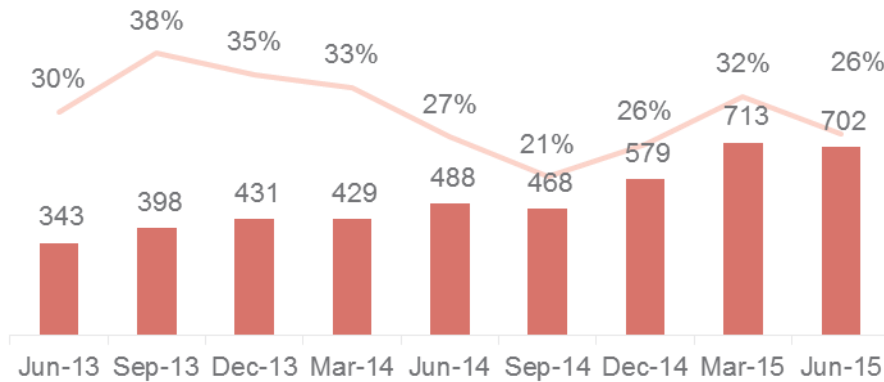


Bajirao Mastani

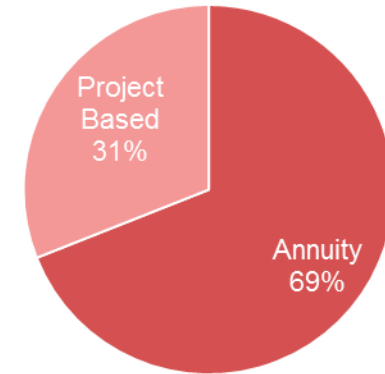


PFT continues to grow at non-linear growth rate

Revenue & EBITDA Margin

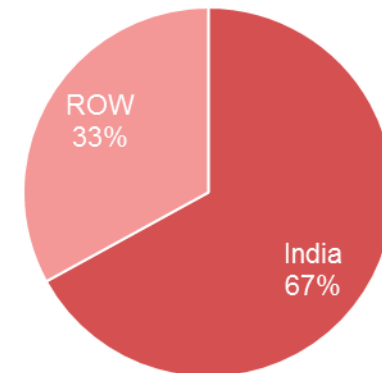


Revenue by Contract type



- Revenue increase of 41% YoY
- PFT continued to expand sales and marketing footprint globally - 3 new sales leaders added in last quarter
- PFT's expansion in leadership in global sales, spends in marketing and product development is part of the game plan

Revenue by Geography



Note: Revenue breakup is for the quarter ending June-15



New Clients and services fuel growth in PFT

Client updates:

- Brand Services – Big push in the year & aggressively winning new clients & expanding portfolio, Added 15 new clients, taking the total to ~160 clients
- Tata Sky – Added a Multi-year contract with Tata Sky
- HooQ – major client add - JV between SingTel, WB & Sony Pictures
- Lionsgate- Entered into a 5-year engagement, including CLEAR Operations Cloud
- BARC – Live with 415 channels to date
- DAX – Renewed all contracts, some of them multi-year

Product & other updates:

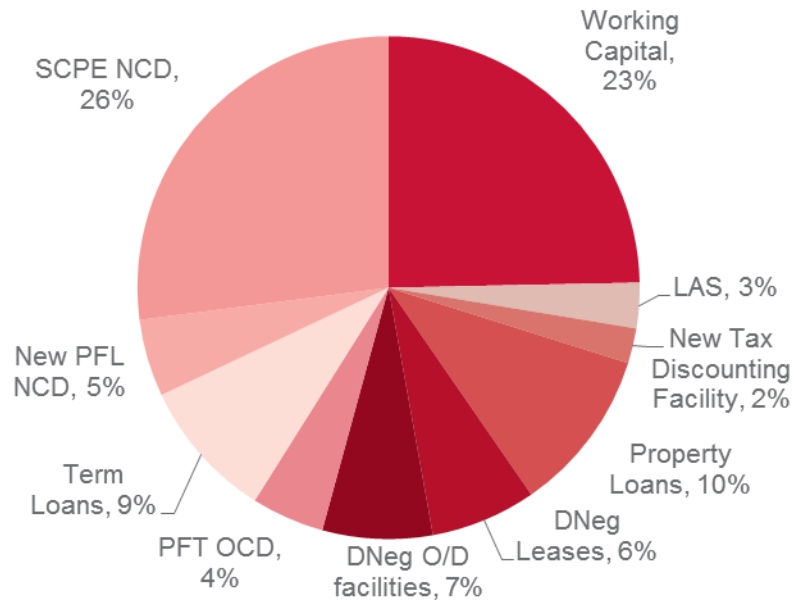
- Production Cloud Module - DAX Integration on track; enhancement of DAX functionality to its Production Cloud module & transition of DAX clients to new modules by end of year
- Secure Screeners – PFT's transformative product 'Secure Screener' gaining significant traction in US and European market
- Operations Cloud –Delivered over 4,000 hours to SingTel's HooQ platform & over 6,000 hours to Hotstar using its Operations Cloud Module in last quarter
- Received the 3rd Patent in Digital Dailies
- Won Global Excellence award from Frost & Sullivan, for Media Resources & Workflow Management
- Secured SOC2 certification, first M&E services company in the world to receive it
- Received iTunes certification for direct content delivery
- Joins Advisory Board for Media & Entertainment Services Alliance
- Becomes IABM member, continues EIDR membership



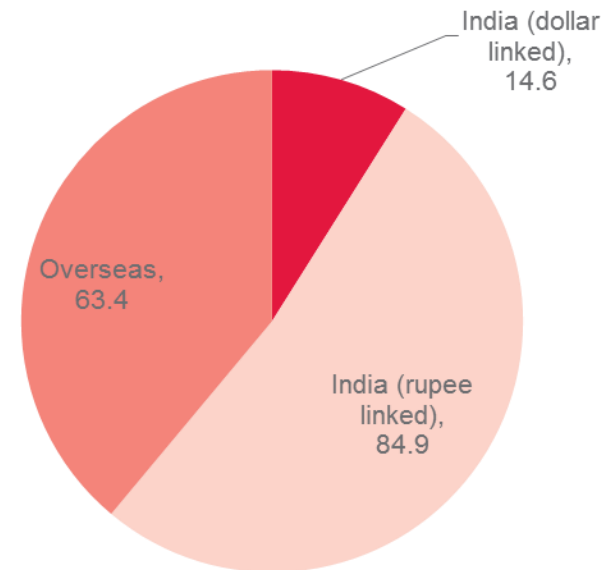
Debt profile

- Consolidated debt of \$163mn (Rs 10,370mn) in June-15 compared to \$157mn (Rs 9,837mn) in March-15
 - Cash and cash equivalents / deposits of ~Rs 1,000mn at the end of June-15
- Increase in debt on account of incremental NCDs of Rs 200mn and additional working capital facilities overseas; continue to repay term debt when due

Debt Composition



Geographical break-up (\$mn)



\$1 = Rs 63.67

Consolidated debt - \$163mn (Rs 10,370mn)



Nearing Phase 1 completion; operating performance ahead of plan

EBITDA Margin at 15%

Phase 1

- Bundled offering of VFX & 3D conversion services in movies like Avengers: Age of Ultron, Terminator and many more in ongoing projects
- **Cost Consolidation post merger by closing its London and Vancouver VFX operations & pruned operations in India as well as elimination of duplicated overheads**
- **Double Negative Vancouver facility is Operational, Mumbai facility will be fully operational in coming 2 quarters; revenue synergies will further enhance in coming quarters**
- Divestiture of non-core UK post production business to remove the drag on consolidated results
- Increase revenue pipeline of PP services and low-hanging cost synergies

18-24 months

EBITDA Margin up by 2-4%

Phase 2

- Leverage strength of WorldSourcing model with enhanced execution from tax advantaged and lower cost centres
- Bundled offering of VFX & 3D conversion services
- Increase profitability of Indian post production and visual effects business with consolidation

24-36 months

EBITDA Margin up by 4-5%

Phase 3

- Partner of choice for M&E services across Hollywood, Bollywood & other major markets like China
- Global scalability of PFT's enhanced Cloud based Media ERP platform for content production, broadcast and exhibition segments
- Optimize capacity utilization and maximize delivery from tax advantaged & low-cost facilities

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 Tech & Tech enabled services – new businesses (VFX, 3D & PFT) already contributing over 90% in FY15 revenues

Present in top M&E Markets



Increasing presence across all major content markets with over 80% of revenues from outside India in FY15 – we service our global clientele from 16 cities across the globe

Higher growth ahead



Acceleration via M&A catapulting to global dominance - successful Integration of Double Negative-PFW, PFT-DAX mergers & completion of PFL-RMW Film and Media services merger have rewritten the competitive landscape



Fuelling success with marquee clients across the globe

Creative services

Leading Hollywood and Bollywood studios



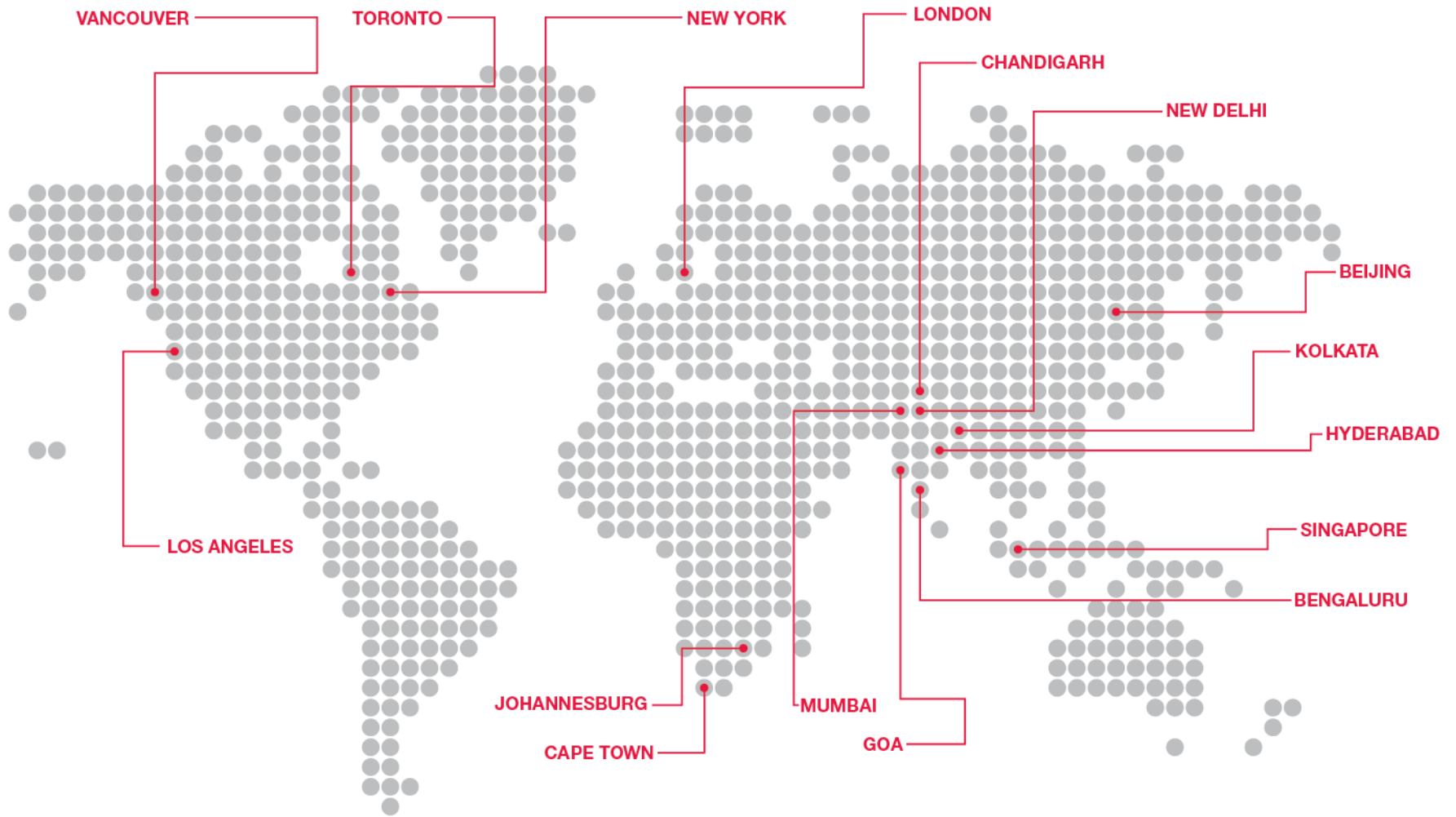
Tech & Tech enabled services

Leading broadcasters, studios, brands, sports and digital businesses





'WorldSourcing' model providing unmatched competitive edge



4 continents | 5 time zones | 16 locations | 24/7 – 365 days

Annexure





Consolidated Profit & Loss Statement

Particulars (Rs Million)	Q4 FY15	Q3 FY15	Q5FY14	% Q-o-Q	FY 15	15M FY14
Net sales / income from operations	5,182	4,205	2,150	23%	16,076	10,814
Total Expenditure	3,956	3,153	2,007	26%	13,291	8,832
Personnel Cost (including technician fees)	2,765	2,545	1,556	9%	10,056	6,483
Other Expenditure	1,191	608	451	96%	3,235	2,349
EBITDA	1,226	1,053	143	16%	2,785	1,982
Foreign exchange gain/(loss)	-364	-1	89	NM	-373	381
EBITDA (including Exch. Gain (net))	862	1,051	232	-18%	2,412	2,363
Depreciation & amortization	789	487	294	62%	2,211	1,332
EBIT	73	565	-63	-87%	201	1,031
Interest & Finance charges	254	142	175	79%	727	687
Other income	-69	88	14	NM	196	79
PBT Before Exceptional Items	-250	511	-224	NM	-331	424
Exceptional Items- Expenditure/ (Income)	1,593	398	88	301%	2,475	174
PBT	-1,843	114	-312	NM	-2,806	250
Tax Expense	460	216	-161	113%	325	71
Minority Interest	-166	100	-63	NM	-209	-64
PAT	-2,138	-203	-88	NM	-2,922	243

Key Ratios	Q4FY15	Q3FY15	Q5FY14	FY 15	15M FY14
EBITDA Margin	23.7%	25.0%	6.6%	17.3%	18.3%
EBITDA (including Exch. Gain (net))	16.6%	25.0%	10.8%	15.0%	21.9%
Net Margin	-41.2%	-4.8%	-4.1%	-18.2%	2.2%
Total Expenditure/ Revenues	76.3%	75.0%	93.4%	82.7%	81.7%
Personnel Cost/ Total Operating Income	53.4%	60.5%	72.4%	62.6%	59.9%
Other Expenditure/ Total Operating Income	23.0%	14.5%	21.0%	20.1%	21.7%

Note: Q4 & FY15 include DNeg & RMW FMS financials and hence the Y-o-Y financials are not comparable



Consolidated Profit & Loss Statement

Figures in Rs Million, consolidated financials

Particulars	Year ended June 30, 2014	Year ended June 30, 2015
Shareholder's Equity	7,375	11,118
Total Debt	7,475	8,198
Minority Interest	1,613	1,540
Other Long Term Liabilities	606	3,926
Provisions	14	49
Trade Payables	1,325	2,505
Deferred Tax	119	93
Other Current Liabilities	2,182	6,451
Total Liabilities and Owner's Equity	20,709	33,880
Net block	9,652	13,348
Capital Work in Progress	41	3
Intangible assets under development	157	441
Goodwill on consolidation	1,271	8,030
Investments	0	857
Deferred Tax Assets	1,129	584
Long-term Loans and Advances	939	1,646
Other Non-current Assets	1	1
		-
Inventory	0	6
Trade Receivables	3,853	3,756
Cash and cash equivalents	225	616
Other Current Assets	1,707	1,945
Short term Loans and Advances	1,735	2,647
Total Assets	20,709	33,880

Note: FY15 includes Double Negative & RMW FMS financials, hence YoY financials are not comparable



PFL Shareholding Pattern

As on 31st March 2015
Outstanding shares – 185mn

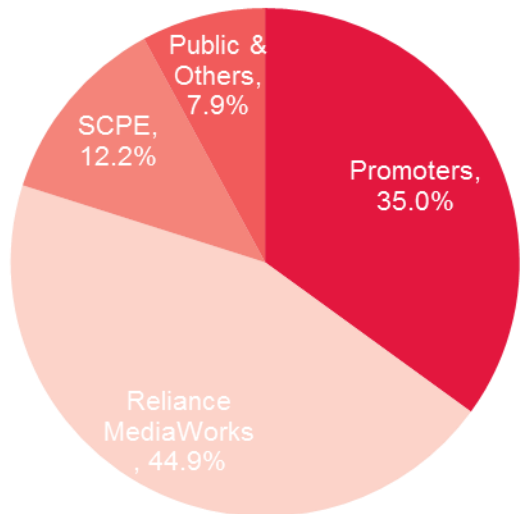
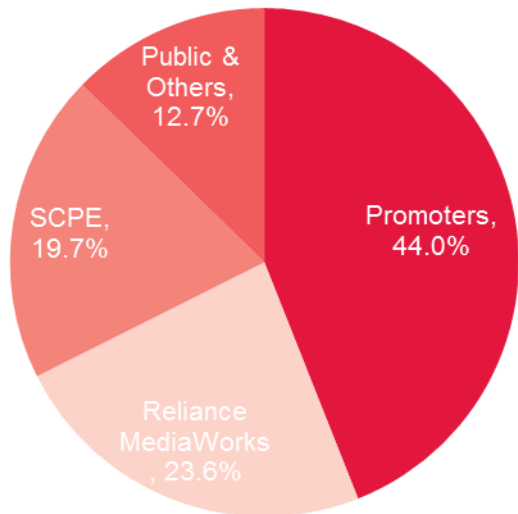
As on 30th June 2015
Outstanding shares – 299mn

RMW 90mn shares
@ Rs 52



Promoter 23mn
shares @ Rs 52

113mn fresh shares worth Rs 5.9bn





About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest integrated media services powerhouse employs over 5,500 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative services (visual effects, stereo 3D conversion, animation), technology products & services (Media ERP Suite and Cloud-enabled media services), production services (shooting floors, sound stages, equipment rental) and post production services (Digital Intermediate, digital lab, sound, picture post) to Studios, Broadcast and Advertising industries.

Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP Suite), 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 mid 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
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www.primefocusworld.com
www.primefocustechnologies.com
www.primefocusindia.com

