



Prime Focus Limited

Q3 & 9MFY15 Investor Presentation

May 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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Margins expand with robust growth & integration synergies

Step up in performance coupled with coveted Oscar win

Creative services see multiplier effect as revenues & margins grow in a seasonally strong quarter. Technology services continue on path of non linear growth

Revenues up post DNEG & PFT's overseas expansion

32%

QoQ growth in Q3'FY15 consolidated revenues reach Rs 4.2bn

Margins expand as revenue & cost levers play out

25%

Consolidated Q3FY15 EBITDA Margin; EBITDA up 196% QoQ reach Rs 1.1bn

*"A-Level" Pedigree in Hollywood
2015 Oscar Winner*



87th Academy Award for Best VFX for DNEG's Interstellar

Transformation as World's largest integrated media services powerhouse complete

Completes Path-breaking PFL – RMW FMS businesses merger on April 7, 2015



Distinct Leadership in Domestic Services

Extended global offerings & infrastructure

Additional synergies via Hollywood relationships



Key operational highlights

All segments on accelerated growth path

Creative Services



Established as world's largest globally integrated services powerhouse

- DNEG bags Academy award for Interstellar, 2nd after Inception
- Steady Integration of DNEG continues
 - Significant cross-sell opportunities in new projects
 - Setting up Film City facility as DNEG backend for cost consolidation
- Strategic partnership with Gener8 to expand 3D services
- Robust order book with high visibility
 - Avengers- Age of Ultron, Terminator Genesys, Monster Trucks, Paranormal Activity:5, Pixels and MI5

India FMS adds



PFL-RMW FMS merger complete; game-changer for India FMS business

- Merger completed post approvals, open offer & preferential allotment on April 7, 2015
- Enhanced leadership in fast growing Indian M&E market
 - Unmatched value proposition with complete media services offering across the spectrum
 - Integrated facilities with strong asset base & significant capacity addition
- “Best VFX” Award for Kick at IIFA Awards 2015
- UK post production business sold to focus on core business

Technology Services



PFT

PFT- riding the growth wave of digital media, new clients and partnerships

- New offerings focussed on ‘Digital Next’ announced at 2015 NAB Show
- BARC’s Audience measurement services successfully launched
 - PFT provides unparalleled 24hrs playout monitoring services across 400 channels
- PFT’s CLEAR Operations Cloud powers content for **Hotstar.com**
- New partnerships to increase services and penetration
 - US based True Entertainment for a popular reality series “Too Cute”
 - RSG Media, US, added as technology partner, to integrate flagship products

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Q3 FY15 Earnings Presentation

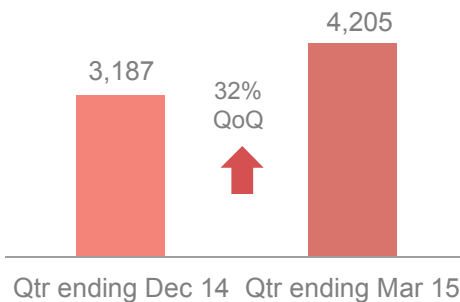


Q3 FY15: Stellar performance in a strong quarter

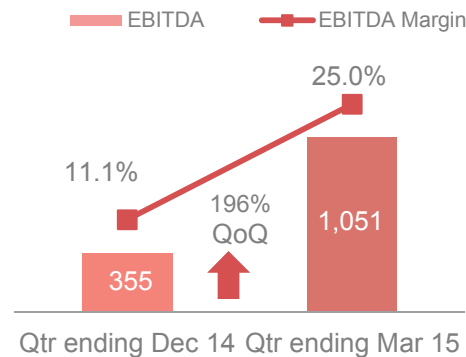
Robust growth, integration benefits boost profitability

Figures in Rs Million; Consolidated financials

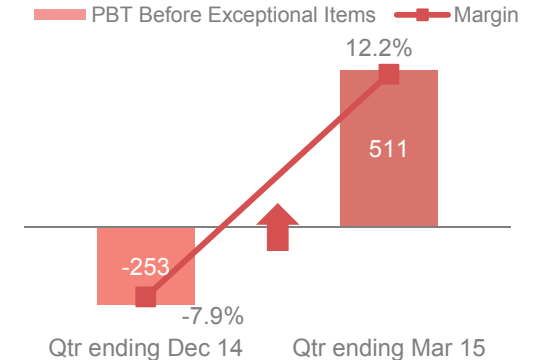
Net Revenues



EBITDA/Margin



PBT before exceptional items



- Revenue for Q3FY15 up 32%QoQ to reach Rs 4,205mn driven by robust performances in creative and technology services
- EBITDA for Q3FY15 up 196%QoQ to reach Rs 1,051mn; Q3FY15 EBITDA margin up from 11.1% in Q2FY15 to 25.0%
 - PFW and D-Neg operating leverage benefits visible in a seasonally strong quarter. Redundancy and one time costs behind
 - Personnel costs as % of sales declines from 66.9% in Q2FY15 to 60.5% & other expenditure declines from 20.7% in Q2FY15 to 14.5% in Q3FY15
 - Losses from non-core Prime Focus London business no longer in the system
- PBT before exceptional items at Rs 511mn in Q3FY15 with margin of 12.2% against Loss before tax before exceptional items of Rs 253mn in Q2FY15
- PAT without exceptional items at Rs 176mn in Q3FY15
 - Exceptional Item of Rs 398mn in Q3FY15, mainly on account of loss from sale of stake in Prime Focus London

Note: Q3FY15 includes Double Negative financials, hence YoY financials are not comparable

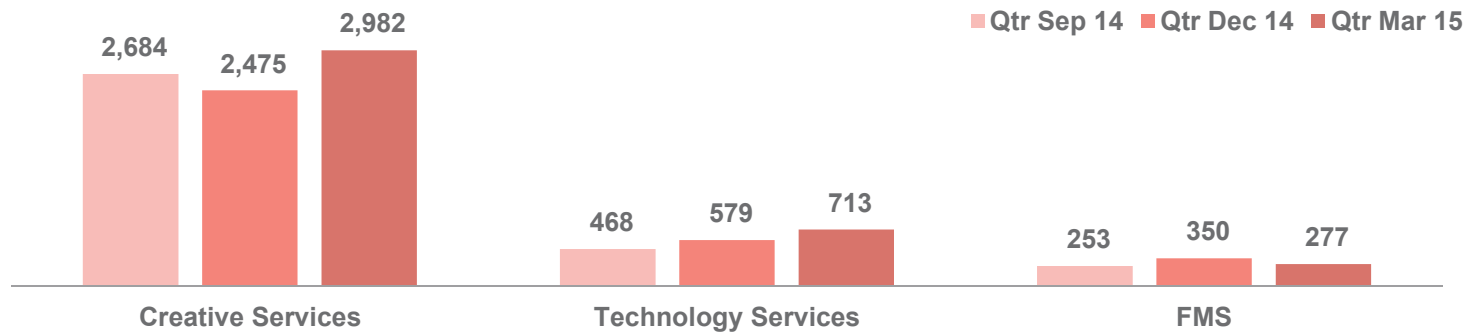


Q3FY15 Segmental Analysis:

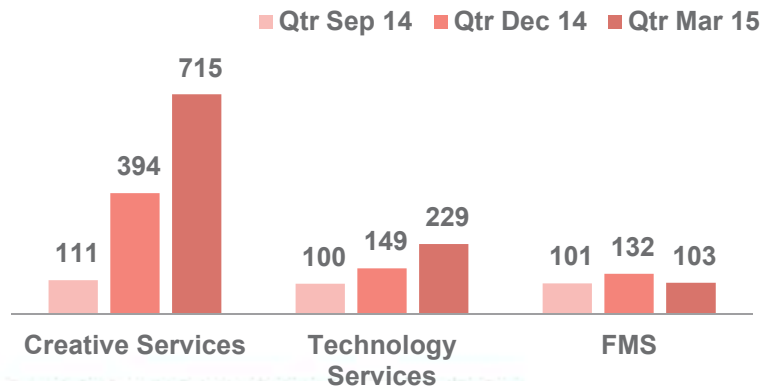
Creative & Technology services revenues up 20%QoQ & 23%QoQ

Segment-wise revenues

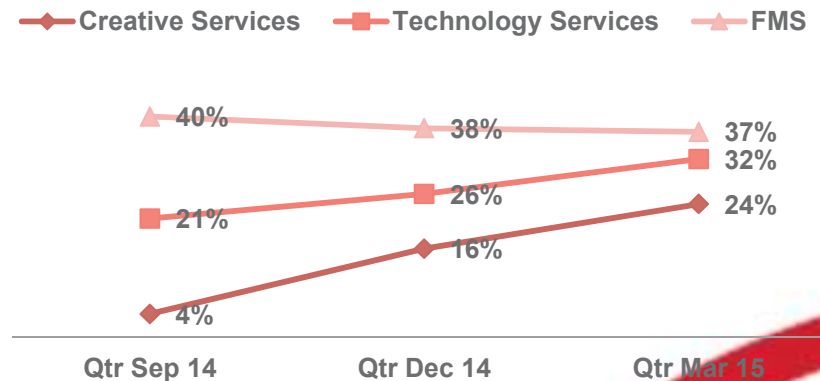
Figures in Rs Million; Consolidated financials



Segment-wise EBITDA



Segment-wise EBITDA Margins



Note:

- Q3FY15 includes Double Negative financials, hence YoY financials are not comparable
- Reported EBITDA and revenues may not tally with Segmental breakup due to intergroup eliminations and non inclusion of non-core UK post production business in Segmental. As previously disclosed, UK based non-core post production business is divested during the quarter



PFW' key Q3 projects include current B.O. hits

Hollywood



Avengers
Age of Ultron



Mortdecai



EX-Machina



The Gunman

Bollywood



TVCs





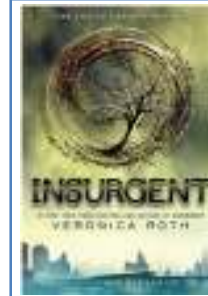
With a strong pipeline of ongoing projects



Batman v Superman



Mission Impossible 5



Insurgent



Ant-Man



Terminator-Genisys



Grimsby



**The Hunger Games:
Mockingjay-Part 2**



**Alice in
Wonderland:
Through the
Looking Glass**





DNEG wins coveted Oscar

“Interstellar” wins 87th Academy award for Best VFX

First Oscar for the Prime Focus group



“Congratulations to entire team for bringing home this exceptional honour. It is an incredibly proud moment for all of us at Prime Focus and Double Negative.”

Namit Malhotra Founder, Prime Focus



**“In top 10 box office grossers of 2014”
Box Office Collection of \$673mn**

Source: Boxofficemojo.com as on May 17, 2015



Prime Focus partners FICCI Frames 2015

At the forefront of thought leadership in the sector

PFL is session co-partner at FICCI FRAMES 2015 (2nd consecutive year)



Namit Malhotra, Founder Prime Focus was honoured by FICCI for his outstanding contribution to Indian AVGC (Animation, Visual Effects, Gaming & Comics) sector.

FICCI FRAMES 2015 is Asia's largest M&E summit covering Films, Broadcast (TV & Radio), Digital Entertainment, Animation, Gaming and Visual Effects.

The event was held from March 25-27, 2015 in Mumbai

- PFW's Founder, Executive Chairman and Global CEO, Namit Malhotra delivered the keynote address to kick start the panel discussion 'Indian services on the move'
- Ramki Sankaranarayanan, MD PFL and Founder & CEO PFT, shared his insights at the panel 'The desi media disruption: Indian founders building companies'
- Merzin Tavarria, Chief Creative Director and Co-Founder, Prime Focus moderated the session 'AVGC India 2020' discussing the future of the Indian Animation, Visual Effects, Gaming and Comics (AVGC) industry

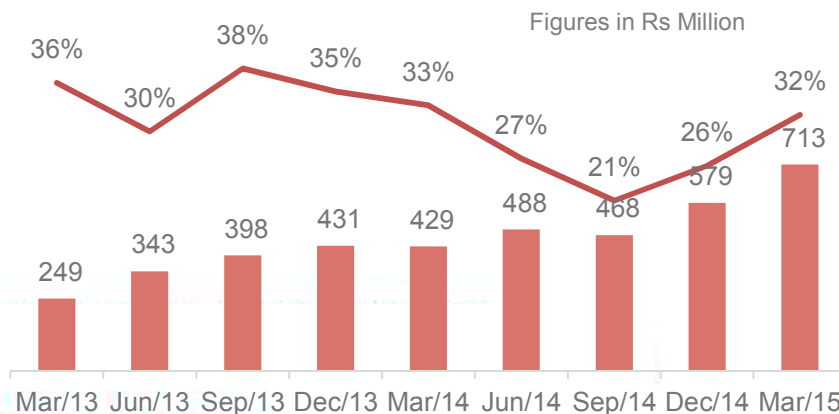


PFT continues on non-linear growth path

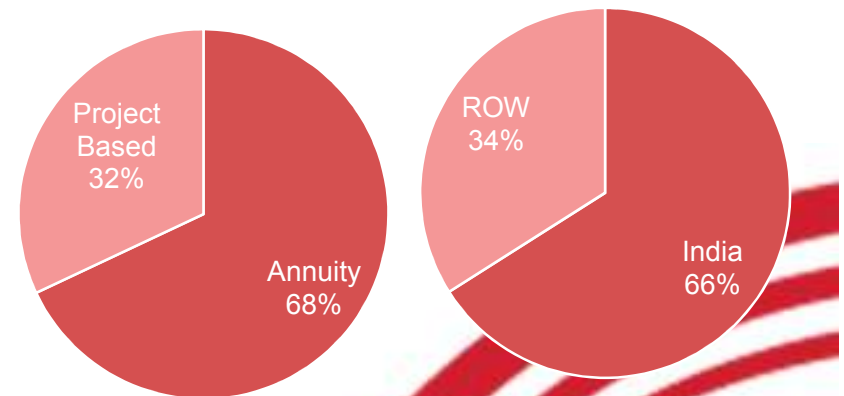
New partnerships and services fuel growth

- Revenue up 23% QoQ and 66% YoY
- Launches 'Digital Next' Go to Market campaign at NAB Show; offering a compelling suite of Digital & CLOUD solutions for M&E enterprises expanding their Digital presence
- Riding on the success of Starsports.com, PFT's CLEAR Operations Cloud now powers packaging and delivery of all content on the resoundingly successful Hotstar of Star India
- Leverages its 4K capabilities to partner Tru Entertainment to deliver "Too Cute" a 4K reality series at 60p
- PFT congratulates BARC on the successful launch of its TV Audience Measurement service, delivers playout monitoring services to BARC
- PFT partners with RSG Media: combination guarantees seamless integration between Business & Operations in Digital Distribution with digitization of the entire content supply chain
- DAX integration on track and first year post acquisition revenue exceeds target; grew market share with wins like FX Networks, Crown Media Holdings and Tru Entertainment

Revenue & EBITDA Margin



Revenue by contract type & geography

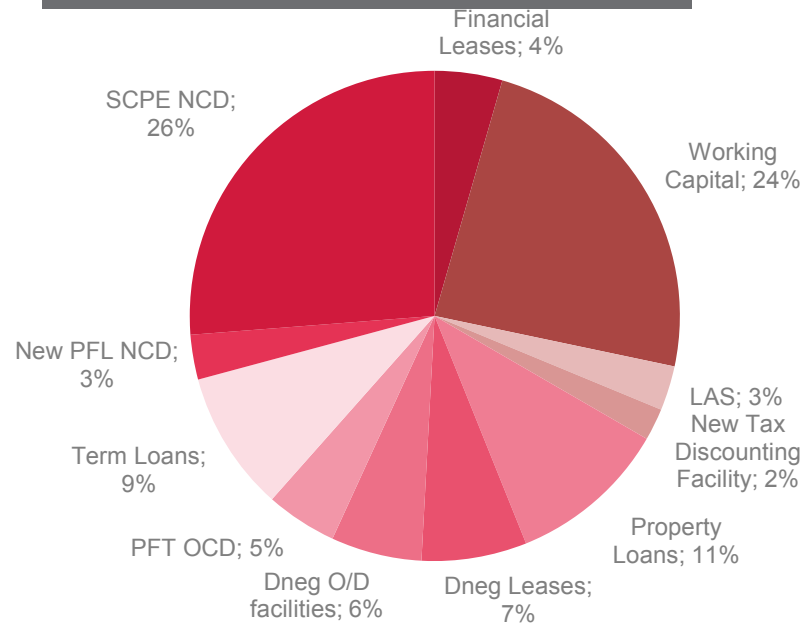




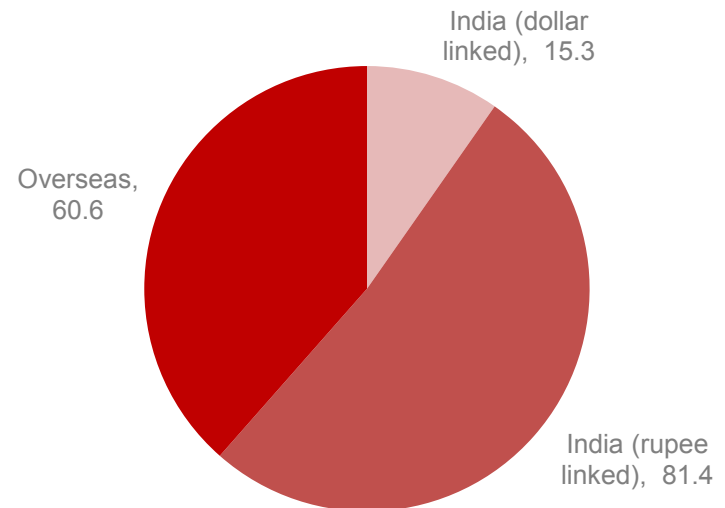
Debt profile

- Despite acquisitions/mergers, consolidated debt maintained at \$157mn (Rs.9,837mn) in Mar'15 – same level as Dec'14 *
- Repayment of Debt offset through increase in Debt raised at PFL level through NCDs for payment towards the strategic partnership with Gener8

Debt Composition



Geographical break-up of debt (\$mn)



\$1 = Rs 62.53

Consolidated debt - \$157 mn (Rs 9,837mn)

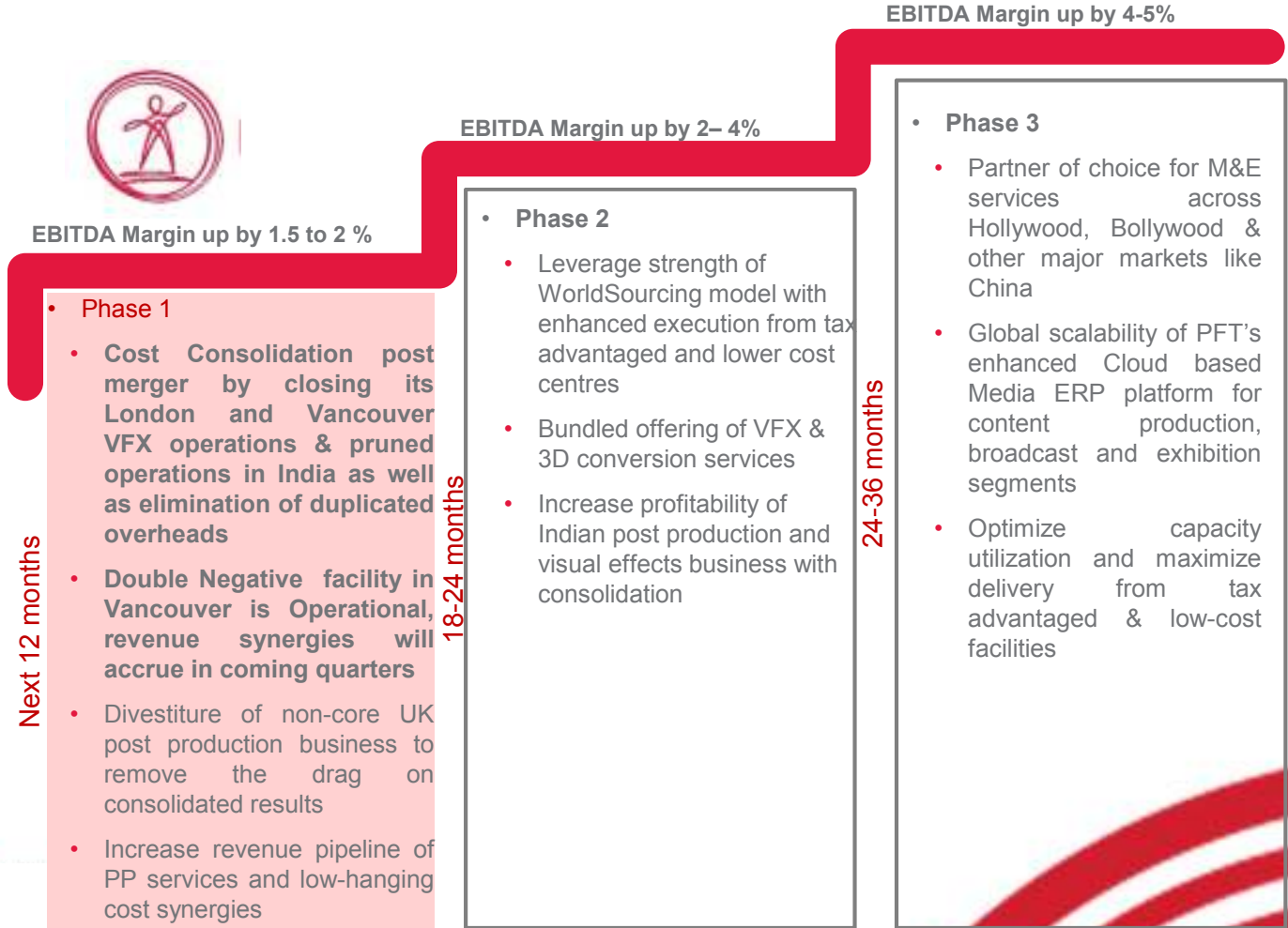
* - Excluding Rs.3,000mn Bridge Loan from Reliance Capital taken pending completion of Preferential Allotment



Q3FY15 reflects benefits of integration initiatives

- Phase 1 started with PFT-DAX and PFW-DNeg integration
- PFL – RMW FMS business merger closed post open offer, preferential allotment
- EBITDA Margin at 25.0%, driven by growth in revenue & integration benefits
- PFL sells stake in UK Subsidiary Prime Focus London

Look back proforma revenues of Rs 18 bn, with EBITDA of Rs 3 bn (~17% margin)





Industry Opportunity





Media services on an high growth trajectory;

De-risked to recessionary pressures with services models

Internet driven screens



Mobiles, Tablets and Desktops

Recent 3D Movies are top Grossers of 2014 like Guardian of the Galaxy, Transformers: Age of Extinction

Digital Content will account for 87% of growth in M&E spending between FY13-17

Time & Cost savings: With Media Workflow and Resource Management – time saving about 60% and cost saving of 80%*

*Frost & Sullivan estimates

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Overseas collections: 77.5% BO collections of Transformers : Age of Extinction were from overseas



Global audiences: India's #1 GEC channel Zee TV is available in 169 countries



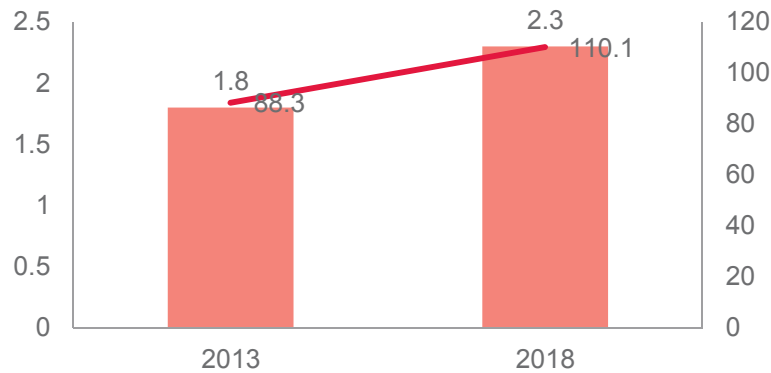
Set-top box VOD is found in 60% of US households

YouTube has over 1 bn users ; 300 hours of video are uploaded to YouTube every minute



Expanding E&M industry globally....

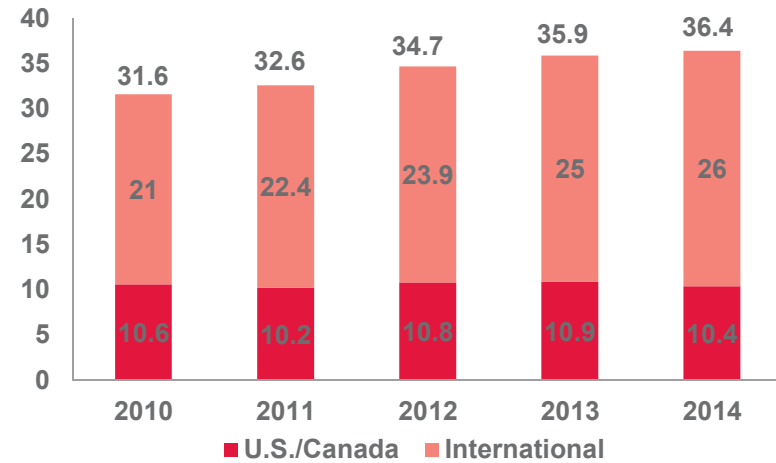
Global E&M spend



■ Global E&M Spend(\$ tn)
— Global Filmed Entertainment Revenue(\$ bn)

Source: Global entertainment & media outlook (2013-2018) by PwC

Global box office (\$bn)



Source: Theatrical Market Statistics 2014 by MPAA

2014 Top 5 International Box Office Markets (\$bn)	
China	4.8
Japan	2
France	1.8
UK	1.7
India	1.7

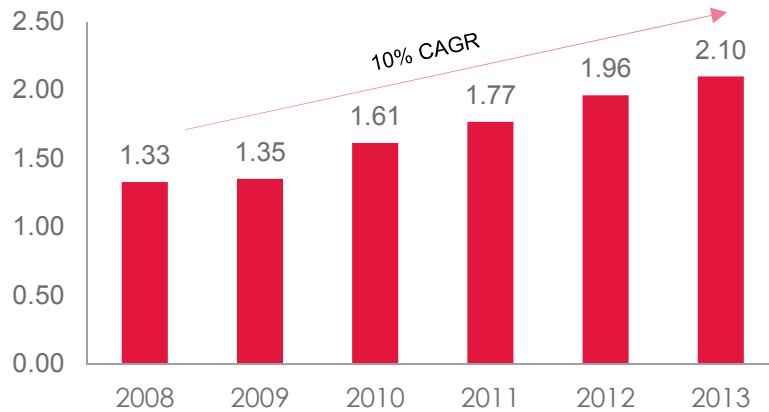
Source: Theatrical Market Statistics 2014 by MPAA

- Global E&M spend projected to grow at 6.6% CAGR for next 5 years to reach \$2.3tn by 2018 with filmed entertainment growing at 5%(TBU)
- Total worldwide box office for all films released up 1% in 2014 to reach \$36.4bn, primarily driven by Asia Pacific(12%)
- China's box office revenues up 34% in 2014, becomes the first international market to exceed \$4bn in box office revenue.



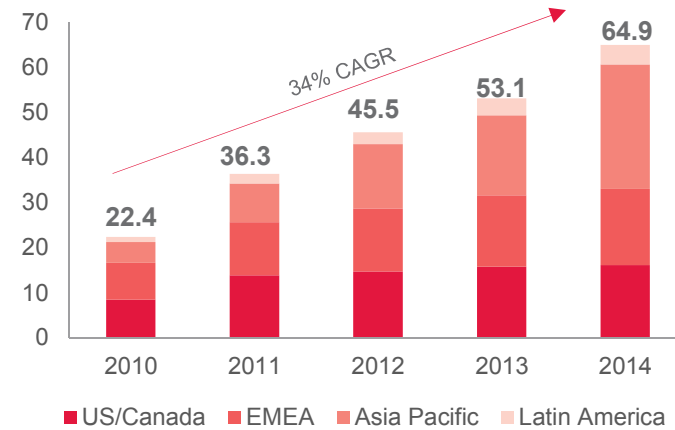
...with growing opportunities in key segments

Growing VFX revenues (\$bn)



Source: Frank N. Magid Associates, Inc.

Global no of 3D Screens



Source: Theatrical Market Statistics 2014 by MPAA

New releases movie conversion opportunity in US

New releases every year	50
In 3D (2/3rd)	33
Conversion opportunity (\$8mn per movie)	\$264mn

Source: Company estimates

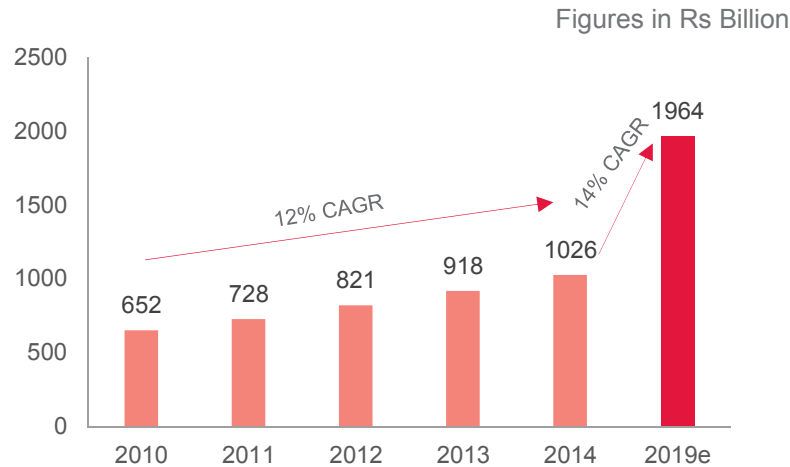
Legacy movie conversion opportunity in US

Library film titles with major studios	35,000
In 3D (1%)	3,50
Conversion opportunity (\$5mn per movie)	\$1.75bn

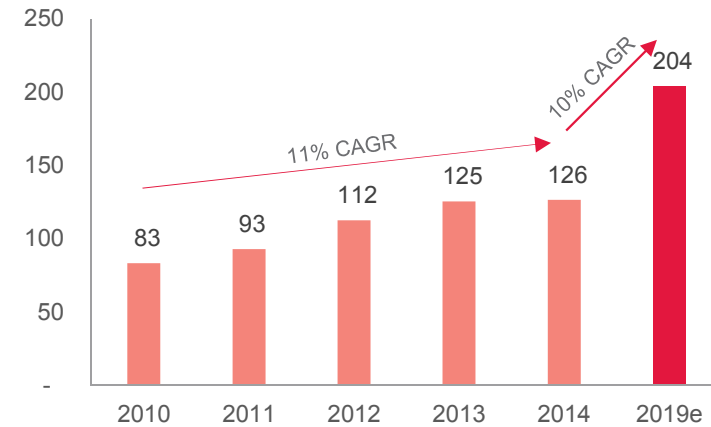


Indian E&M industry on higher growth trajectory

E&M revenues set to double by 2019..



.. With 1.6x growth from film revenue



Target segments to grow at 16.3% FY14-19e CAGR; sustaining past performance and higher than industry growth rate

Segment	2010	2011	2012	2013	2014	CAGR (2010-14)
Animation services	6.2	7.1	7.6	8	8.1	7%
Animation production	3.9	4.2	4.5	4.7	5.1	7%
VFX	4.5	6.2	7.7	9.3	11.3	26%
Post-production	9.1	13.5	15.5	17.7	20.4	22%
Total	23.7	31	35.3	39.7	44.9	17%

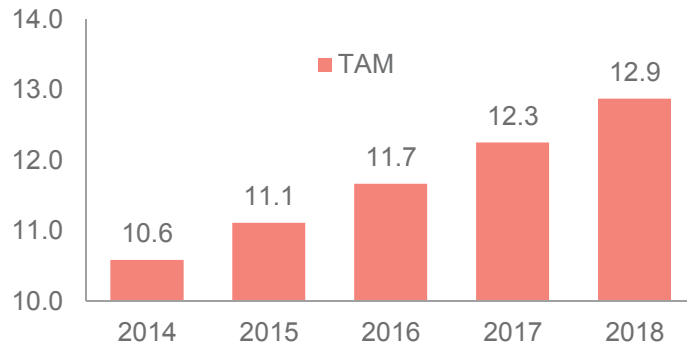
Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2015



Digital content solutions. . . a large market opportunity

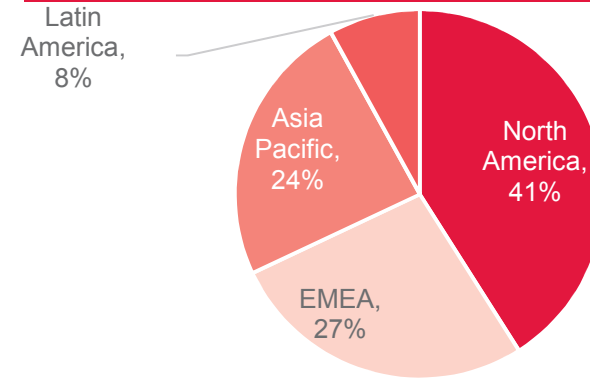
Figures in \$ Billion

Total Addressable market is expected to grow at CAGR of 5%



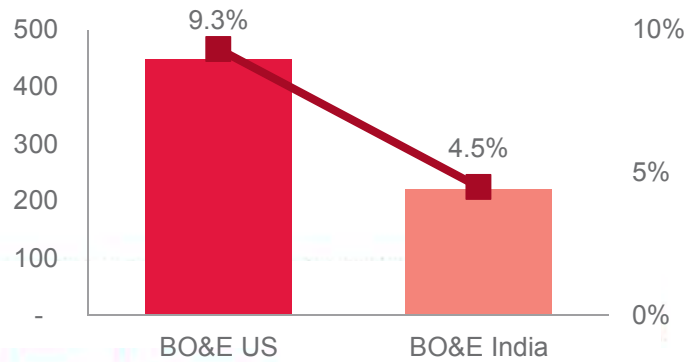
Source: E&Y Study – Jan 2014

North America, the largest market while Asia and Latin America, fastest growing markets

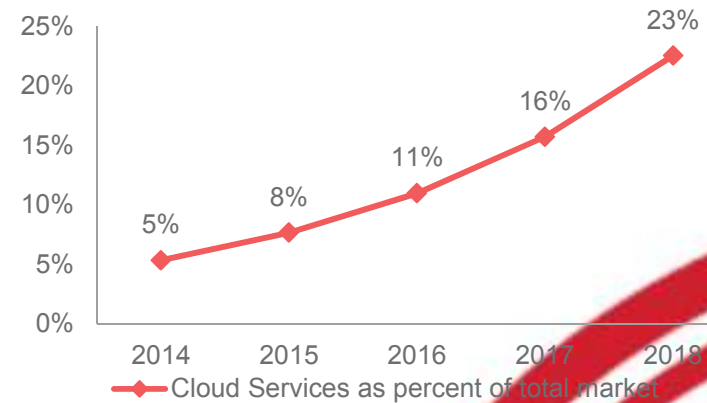


Source: E&Y Study – Jan 2014

Media ERP can save M&E Firms up to 5% of revenue



Cloud-enabled services to grow at 46%



Source: E&Y Study – Jan 2014



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 over 90% of Nine months ending March 15 revenues

Present in top M&E Markets



Increasing presence across all major content markets with over 80% of revenues from outside India in FY14 – 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



Technology services

Leading broadcasters, studios, brands, sports and digital businesses



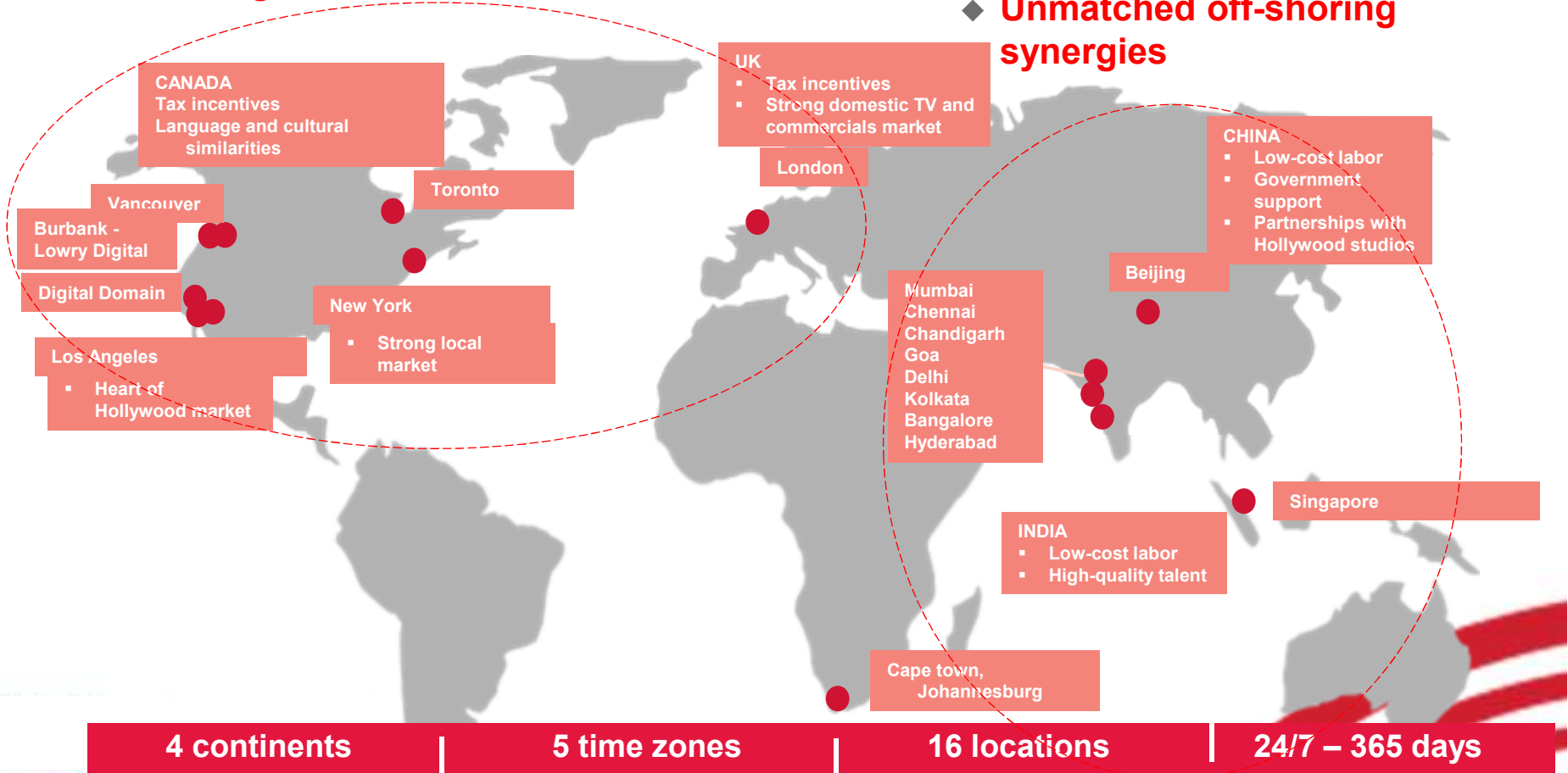


'WorldSourcing' model providing unmatched competitive edge

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 Unaudited Profit & Loss Statement

Particulars (Rs mn)	Qtr ending Mar 15	Qtr ending Dec 14	Qtr ending Mar 14	% Q-o-Q	9M ending Mar 15	9M ending Mar 14
Net sales / income from operations	4,205	3,187	2,513	32%	10,894	6,697
Total Expenditure	3,153	2,792	1,999	13%	9,335	5,284
Personnel Cost (including technician fees)	2,545	2,131	1,643	19%	7,291	3,747
Other Expenditure	608	661	356	-8%	2,044	1,537
Foreign exchange gain/(loss)	-1	-40	-90	NM	-9	152
EBITDA	1,051	355	424	196%	1,551	1,565
Depreciation & amortization	487	470	277	4%	1,422	813
EBIT	565	-115	147	NM	128	752
Interest & Finance charges	142	173	108	-18%	473	381
Other income	88	35	-22	156%	265	37
PBT Before Exceptional Items	511	-253	18	NM	-80	408
Exceptional Items- Expenditure/ (Income)	398	142	8	180%	883	14
PBT	114	-395	9	NM	-963	394
Tax Expense	216	5	93	3848%	-135	157
Minority Interest	100	-39	-12	NM	-43	-8
PAT	-203	-362	-72	NM	-785	245

*Note: Q3 & 9mFY15 include DNeg financials and hence the Y-o-Y financials are not comparable

Key Ratios	Qtr ending Mar 15	Qtr ending Dec 14	Qtr ending Mar 14	9M ending Mar 15	9M ending Mar 14
EBITDA Margin	25.0%	11.1%	16.9%	14.2%	23.4%
Net Margin	-4.8%	-11.3%	-2.8%	-7.2%	3.7%
Total Expenditure/ Revenues	75.0%	87.6%	79.6%	85.7%	78.9%
Personnel Cost/ Total Operating Income	60.5%	66.9%	65.4%	66.9%	56.0%
Other Expenditure/ Total Operating Income	14.5%	20.7%	14.2%	18.8%	22.9%

Exceptional Items on account of :

• Re 310.5mn in Q3FY15, on account of loss on sale of PFL's entire holding in Prime Focus London Plc, UK based subsidiary company



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.primefocus.com | www.primefocusworld.com | www.primefocustechnologies.com

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