

PRIME FOCUS LIMITED
Registered Office : Anand Kunj, North Avenue, Linking Road, Santacruz (W), Mumbai - 400 054
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2008

Rs.Lakhs

| S. No | Particulars | STANDALONE | | | | |
|-------|---|---------------------------|---|--|---|---|
| | | Quarter Ended | | | | Previous Accounting Year ended 31-03-2008 |
| | | 3 Months ended 30-09-2008 | Corresponding 3 months ended 30-09-2007 | Year to Date figures for current period ended - 30-09-2008 | Year to Date figures for Previous Year ended - 30-09-2007 | |
| | | Unaudited | Unaudited | Unaudited | Unaudited | |
| 1 | Net Income from Sales / Services | 2,326.88 | 2,317.29 | 4,720.09 | 4,191.28 | 8,584.07 |
| 2 | Gross Profit | 2,326.88 | 2,317.29 | 4,720.09 | 4,191.28 | 8,584.07 |
| 3 | General Administrative Expenses | 1,140.30 | 888.04 | 2,189.49 | 1,623.51 | 3,806.16 |
| 4 | Depreciation | 497.64 | 277.74 | 850.28 | 531.00 | 1,177.59 |
| 5 | Operating Profit before Interest (2) - (3+4) | 688.94 | 1,151.51 | 1,680.32 | 2,036.77 | 3,600.32 |
| 6 | Interest | 224.78 | 117.34 | 446.60 | 214.23 | 536.46 |
| 7 | Exceptional Items | 10.26 | 22.84 | 16.23 | 45.68 | 18.45 |
| 8 | Operating Profit after Interest & Exceptional Items (5-6-7) | 453.90 | 1,011.33 | 1,217.49 | 1,776.86 | 3,045.41 |
| 9 | Other Income | 238.84 | 93.15 | 421.39 | 330.68 | 407.78 |
| 10 | Net Profit (+) / Loss (-) from Ordinary Activities before Tax (8+9) | 692.74 | 1,104.48 | 1,638.88 | 2,107.54 | 3,453.19 |
| 11 | Tax Expense | 111.65 | 216.12 | 253.43 | 466.88 | 828.77 |
| 12 | Net Profit (+) / Loss (-) for the period After Tax (10-11) | 581.09 | 888.36 | 1,385.45 | 1,640.66 | 2,624.42 |
| 13 | Minority Interest | | | | | - |
| 14 | Net Profit (+) / Loss (-) for the period After Tax / Minority Interest (12-13) | 581.09 | 888.36 | 1,385.45 | 1,640.66 | 2,624.42 |
| 15 | Provision for Interim Dividend - for FY 07-08 | | | | 190.84 | 190.84 |
| 16 | Provision for Dividend Distribution Tax | | | | 32.44 | 32.44 |
| 17 | Net Profit (+) / Loss (-) for the period (14-15-16) | 581.09 | 888.36 | 1,385.45 | 1,417.38 | 2,401.15 |
| 18 | Paid-up Equity Share Capital (Face Value - Rs. 10/- per share) | 1,272.26 | 1,272.26 | 1,272.26 | 1,272.26 | 1,272.26 |
| 19 | Reserves excluding Revaluation Reserves (as per Balance Sheet) of Previous Accounting Year | - | - | - | - | 18,904.14 |
| 20 | Earnings per Share (EPS) | | | | | |
| | a) Basic EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 4.57 | 6.98 | 10.89 | 12.90 | 20.63 |
| | b) Diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 4.07 | - | 9.70 | | 18.37 |
| | c) Basic after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 4.57 | 6.98 | 10.89 | 12.90 | 20.63 |
| | d) Diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 4.07 | - | 9.70 | | 18.37 |
| 21 | Public Shareholding | | | | | - |
| | Number of Shares | 5,857,588 | 5,657,588 | 5,857,588 | 5,657,588 | 5,657,588 |
| | Percentage of Shareholding | 46.04% | 44.47% | 46.04% | 44.47% | 44.47% |

| CONSOLIDATED | | | | | | |
|--------------|---|---------------------------|---|--|---|---|
| S. No | Particulars | CONSOLIDATED | | | | |
| | | Quarter Ended | | | | Previous Accounting Year ended 31-03-2008 |
| | | 3 Months ended 30-09-2008 | Corresponding 3 months ended 30-09-2007 | Year to Date figures for current period ended - 30-09-2008 | Year to Date figures for Previous Year ended - 30-09-2007 | |
| | | Unaudited | Unaudited | Unaudited | Unaudited | |
| 1 | Net Income from Sales / Services | 8,924.92 | 5,844.64 | 17,419.01 | 11,575.48 | 22,742.41 |
| 2 | Gross Profit | 8,924.92 | 5,844.64 | 17,419.01 | 11,575.48 | 22,742.41 |
| 3 | General Administrative Expenses | 7,079.24 | 3,957.69 | 13,599.23 | 7,887.72 | 15,812.32 |
| 4 | Depreciation | 1,062.96 | 585.76 | 1,820.30 | 1,119.02 | 2,280.31 |
| 5 | Operating Profit before Interest (2) - (3+4) | 782.72 | 1,301.19 | 1,999.48 | 2,568.74 | 4,649.78 |
| 6 | Interest | 430.52 | 190.19 | 695.02 | 316.39 | 901.68 |
| 7 | Exceptional Items | 18.58 | 22.84 | 31.07 | 45.68 | 492.85 |
| 8 | Operating Profit after Interest & Exceptional Items (5-6-7) | 333.62 | 1,088.16 | 1,273.39 | 2,206.67 | 3,255.25 |
| 9 | Other Income | 346.58 | 93.15 | 573.50 | 330.68 | 636.91 |
| 10 | Net Profit (+) / Loss (-) from Ordinary Activities before Tax (8+9) | 680.20 | 1,181.31 | 1,846.89 | 2,537.35 | 3,892.16 |
| 11 | Tax Expense | 109.11 | 216.12 | 253.43 | 466.89 | 828.77 |
| 12 | Net Profit (+) / Loss (-) for the period After Tax (10-11) | 571.09 | 965.19 | 1,593.46 | 2,070.46 | 3,063.39 |
| 13 | Minority Interest | 57.20 | 35.59 | 57.74 | 195.38 | 180.71 |
| 14 | Net Profit (+) / Loss (-) for the period After Tax / Minority Interest (12-13) | 513.89 | 929.60 | 1,535.72 | 1,875.08 | 2,882.68 |
| 15 | Provision for Interim Dividend - for FY 07-08 | - | - | - | 190.84 | 190.84 |
| 16 | Provision for Dividend Distribution Tax | - | - | - | 32.44 | 32.44 |
| 17 | Net Profit (+) / Loss (-) for the period (14-15-16) | 513.89 | 929.60 | 1,535.72 | 1,651.80 | 2,659.40 |
| 18 | Paid-up Equity Share Capital (Face Value - Rs. 10/- per share) | 1,272.26 | 1,272.26 | 1,272.26 | 1,272.26 | 1,272.26 |
| 19 | Reserves excluding Revaluation Reserves (as per Balance Sheet) of Previous Accounting Year | - | - | - | - | 19,162.40 |
| 20 | Earnings per Share (EPS) | | | | | |
| | a) Basic EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 4.04 | 7.31 | 4.04 | 14.74 | 22.66 |
| | b) Diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 3.60 | - | 10.75 | | 20.18 |
| | c) Basic after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 4.04 | 7.31 | 4.04 | 14.74 | 22.66 |
| | d) Diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized) | 3.60 | - | 10.75 | | 20.18 |
| 21 | Public Shareholding | | | | | - |
| | Number of Shares | 5,857,588 | 5,657,588 | 5,857,588 | 5,657,588 | 5,657,588 |
| | Percentage of Shareholding | 46.04% | 44.47% | 46.04% | 44.47% | 44.47% |

Place: Mumbai

For and On behalf of the Board

Date : October 22, 2008

Namit Malhotra
Managing Director

PRIME FOCUS LIMITED

Registered Office : Anand Kunj, North Avenue, Linking Road, Santacruz (W), Mumbai – 400054

UNAUDITED FINANCIAL RESULT FOR THE QUARTER ENDED SEPTEMBER 30, 2008

Notes to Unaudited Financial Results for the quarter ended September 30, 2008:

1. The above results, including consolidated results, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 22, 2008.
2. The statutory auditors have carried out a limited review of the standalone results of the company.
3. The above consolidated results for the quarter ended 30 September, 2008 are not strictly comparable with the corresponding period of the previous year, because these include unaudited and provisional statements of the subsidiaries namely - VTR Plc, UK, Frantic Films VFX Services Inc, Canada, Post Logic Studios, U.S.A, Storemedia Technologies Pvt Ltd., and Prime Focus Technologies Pvt. Ltd. The consolidated financial results for the corresponding quarter consolidated the financial results of only VTR Plc, UK which was the only subsidiary on that date. The acquisition of Frantic Films and Post Logic Studios was completed during the quarter ending June 30, 2008.
4. The company had issued Foreign Currency Convertible Bonds for USD 55 million in December 2007. These FCCB's are convertible into equity shares on or before December 2012 at the option of the investors. Since on conversion into equity shares, no liability is required to be paid, hence, foreign exchange fluctuation difference has not been provided as required by AS 11. Had the treatment as prescribed by AS-11 been followed, the net profit before tax for the company would be lower by Rs 1941.03 lacs for the quarter ended September 30, 2008.
5. Other Income for the quarter ended September 30, 2008 includes exchange gain of Rs.174.53 Lacs.
6. The Company has adjusted the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets including that on derivative contracts, to the carrying cost of fixed assets in compliance with Schedule VI to the Companies Act, 1956, which is at variance to the treatment prescribed in Accounting Standard (AS 11) on "Effects of Changes in Foreign Exchange Rates" notified in the Companies (Accounting Standards) Rules 2006. Had the treatment as prescribed by AS-11 been followed, the net profit before tax for the company would be lower by Rs 239.74 lacs for the quarter ended September 30, 2008.
7. The Company along with its subsidiary namely, Storemedia Technologies Pvt. Ltd has filed a petition for merger of the Subsidiary into the Company with the High Court of Judicature, Mumbai, within whose jurisdiction the Registered Office of these Companies is situated. The appointed date under the scheme of merger is 1st January, 2008. The process of merger is on course. The Company has received no objection from the Stock Exchanges and the shareholders of the Company have approved the scheme in the Court convened General Meeting, held on September 17, 2008. The Company proposes to adopt the Audited Annual Accounts for the financial year ending 31 March 2008, post the approval of High Court to the scheme of merger.
8. Tax Expense as indicated in 11 above includes Fringe Benefit Tax.
9. The company is primarily in the business of providing digital post production and studio facilities which constitutes a single business segment.
10. There were no complaints pending at the beginning of the quarter. During the quarter ended 30 September, 2008 no investor complaints were received and hence, there are no pending complaints.
11. Previous period / year figures have been regrouped and re-arranged wherever necessary.

For and On behalf of the Board

Place: **Mumbai**

Date: **October 22, 2008**

Namit Malhotra
Managing Director