



Creating World's Largest Media Services Powerhouse (DNeg+PFW and PFL+RMW Mergers)

July 2014



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.



Double Negative and Reliance Media Works merge with Prime Focus

DOUBLE NEGATIVE

Europe's largest and one of top 3 independent Global VFX players

PRIME FOCUS

Strong global & domestic VFX business; market leader in 3D Conversion; Pioneer and market leader in Media ERP technology and Cloud-enabled Services

RMW

Leadership in Bollywood VFX business, state-of-the-art Infra, established image processing business & India's largest Studio business



- Largest Global Independent Tier 1 VFX and 3D Conversion services provider
- Market dominance in India providing integrated media & technology services
- Rs 18 bn combined proforma revenue & Rs 3 bn proforma EBITDA ("look-back" basis)
- US\$300mn+ order pipeline
- 5,500+ people over 20 locations



Synergies to create multiplier effects in revenue and profitability

Significant revenue enhancement opportunity and cost synergies to boost EBITDA margins to 20-25% in the near to medium term



PRIME FOCUS LIMITED

- Global leadership: larger contracts and unmatched execution capability
- Increase profitability of VFX business by scaling PFW's 'WorldSourcing' model
- Strengthens PFT with cutting edge image processing technology from Lowry Digital
- Significant foothold in Indian and global broadcasting segment through RMW and Lowry Digital (new clients like Sony, Turner)
- Strengthens Bollywood business with largest integrated presence
- Cost synergies – estimated savings of \$8-9mn by removing duplicate overheads
- Hybrid Global Digital Pipeline for seamless VFX and 3D workflow integration.

double negative visual effects

Double Negative

- Deep relationships with major studios
- Access to best talent pool – employer of choice

RELIANCE

MediaWorks

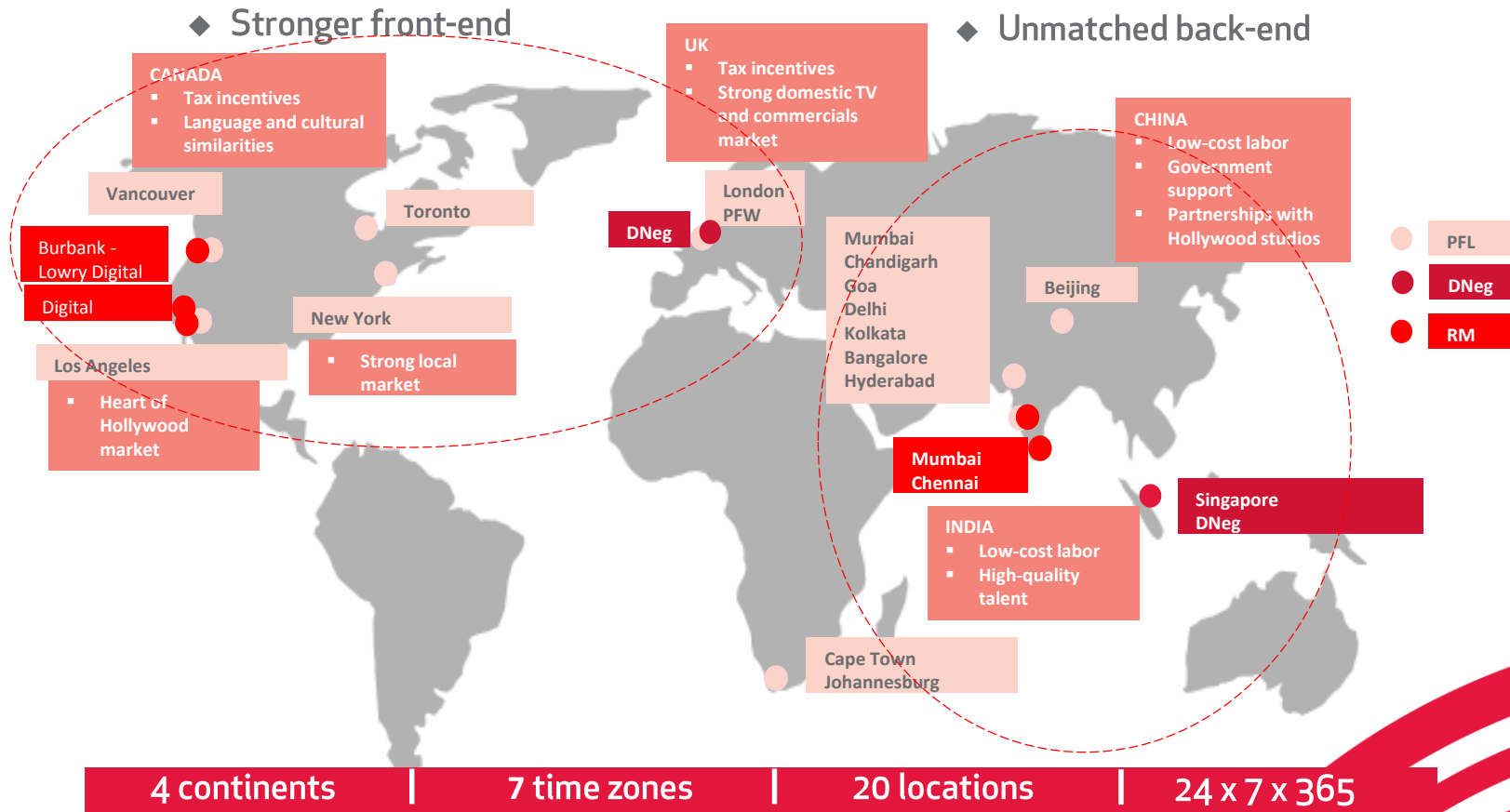
RMW

- Lowry Digital
- Digital Domain
- Strong client base in Hollywood and US broadcast
- Strengthens Bollywood & Indian broadcast business



Through Prime Focus' successful 'WorldSourcing' model

Largest global network providing highest quality, fastest time-to-market and most efficient pricing





Creating a winning proposition in Media Services

- \$264mn p.a. new releases movie conversion opportunity in US
- \$1.75bn library conversion opportunity

Prime Focus

- Global leader with ~30% market share

RMW

- Strategic stake in Digital Domain – high-end portfolio
- ~350 employee facility at Navi Mumbai

- Digital content solutions market to grow at 5% CAGR and reach \$12.9bn in 2018 (E&Y study)

Prime Focus Technologies

- Pioneered CLEAR, world's first hybrid cloud-enabled Media ERP platform
- 24*7, 106,000 sq. ft. global content operations hub
- Non linear growth - 144% 3-yr CAGR 30%+ margins

RMW - Lowry Digital

- Lowry Digital is leader in Global Imaging services – US frontend, owner of Lowry Process
- 400 employees in Navi Mumbai

2D to 3D

VFX

- \$2.1bn market in 2013
- 10% 5-year CAGR
- 7 of top 10 Hollywood BO hits in 2013 were VFX heavy

Double Negative

- Amongst top 3 VFX providers in world.
- 1,000 employees in London & Singapore
- Strong sales team, studio relationships

Prime Focus

- Leading Tier 2 player
- ~3,500 employees, high margin WorldSourcing model

RMW

- Market leader in India
- VFX studios in LA, London and Mumbai

- Indian post production market to grow at 17% 2013-18 CAGR to reach Rs 38.1mn in 2018

RMW - PP services

- Market leader in Indian film and broadcast market
- MPAA/ FOX certified Studio facilities – largest in India
- Leader in camera rentals

Prime Focus

- Profitable (19% EBITDA margin in 12MFY14) operations

Technology services

Post Production, Asset rentals



Lowry Digital

Sources:
Theatrical Market Statistics 2013 by MPAA
Frank N. Magid Associates, Inc.
FICCI-KPMG Indian Media and Entertainment Industry Report 2014



Establishing leadership in every customer segment

Hollywood

- Largest Independent Tier 1 VFX Services provider in the world (DNeg/DD/PFW)
 - Secure bigger projects and ensure lower volatility - \$25 mn+ ticket size from <\$5 mn currently
 - More than 50% share of 2014 summer Hollywood releases
 - StrongOrder pipeline
- Global leader in fast growing 2D/3D conversion market
- Unmatched global scale
- Largest resource pool

Bollywood

- Largest Integrated Media Services powerhouse in India
 - India's largest studio at Film City Mumbai & leader in film equipment rental
 - Largest and highest certified capacities for Post Production & VFX for Bollywood and broadcast

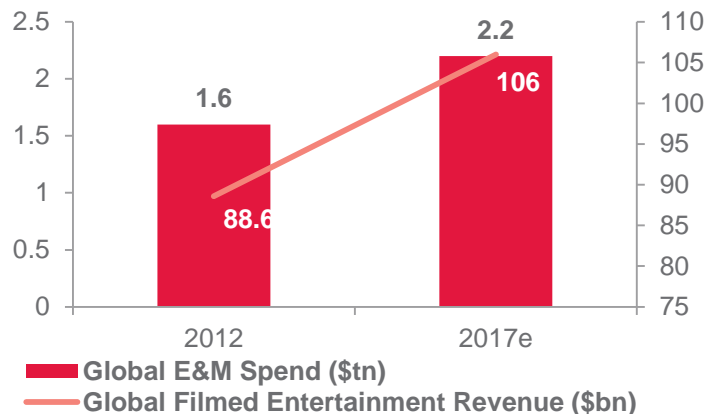
Broadcasting

- Created world's one and only hybrid cloud-enabled Media ERP platform, CLEAR (PFT)
- Owns and operates India's one and only TV Cloud, a dedicated network infrastructure connecting production houses, brands and advertising agencies to all major broadcasters, and ultimately to playout locations and multi-platform delivery channels.
- Only provider to offer exhaustive suite of SLA based media processing services
- Technology enhancement from Lowry Digital
- Access to Lowry's international broadcasting clients to accelerate growth



Combined entity in strong position to gain from industry growth

Global E&M spend



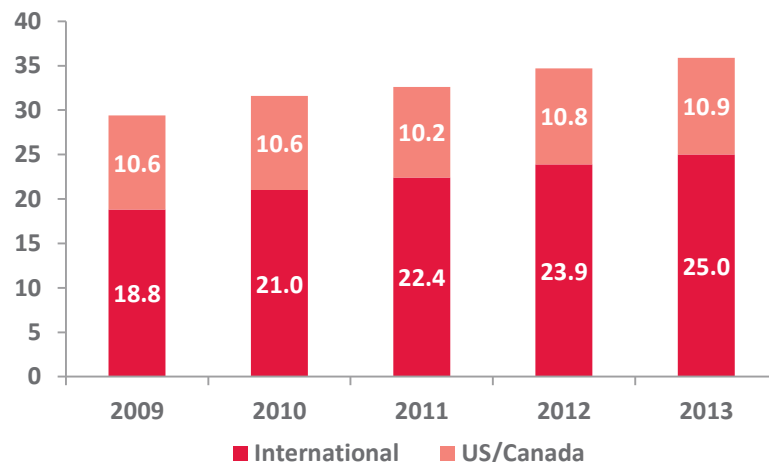
Source: Global Entertainment & Media Outlook (2013-2017) by PwC

2013 Top 5 International Box Office Markets (\$bn)

China	3.6
Japan	2.4
UK	1.7
France	1.6
India	1.5

Source: Theatrical Market Statistics 2013 by MPAA

Global box office (\$bn)

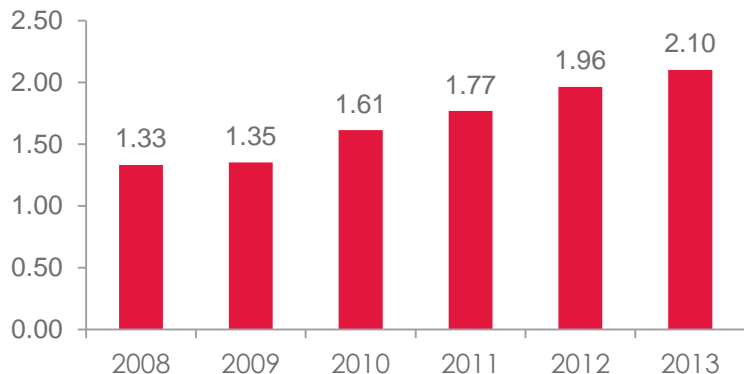


- Global E&M spend is projected to grow at a 5.6% CAGR for next 5 years to reach \$2.2tn by 2017 with filmed entertainment growing at 3.6%
- Total worldwide box office for all films released increased 3.5% in 2013 to reach \$35.9bn.
- China's box office revenues increased 27% in 2013 to become the first international market to exceed \$3bn in box office revenue.



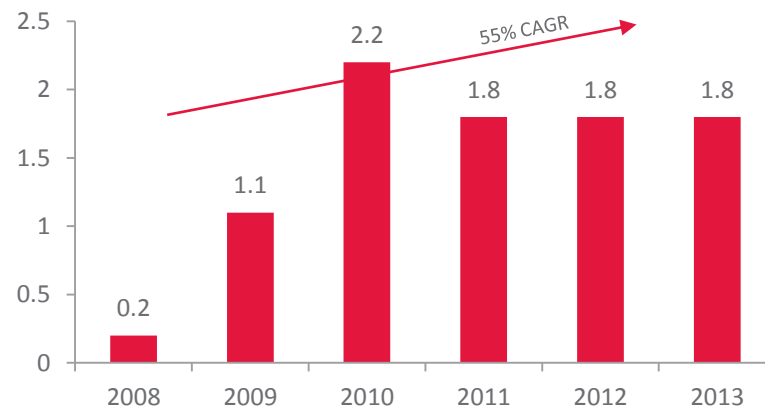
With creative services showing robust growth

Growing VFX revenues (\$bn)



Source: Frank N. Magid Associates, Inc.

US 3D box office (\$bn)



Source: Theatrical Market Statistics 2013 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%)	3,500
Conversion opportunity (\$5mn per movie)	\$1.75bn



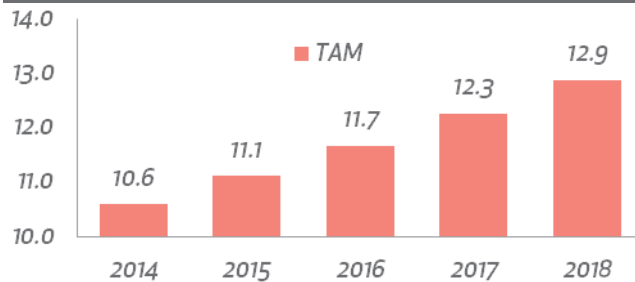
The recent success of **Gravity** has given a big push to the 3D format's success. 80% of Gravity's opening weekend US box office sales came from 3D screenings, the highest share ever for a 3D release.



Non-linear potential ahead for digital content/technology services

Figures in \$ BN

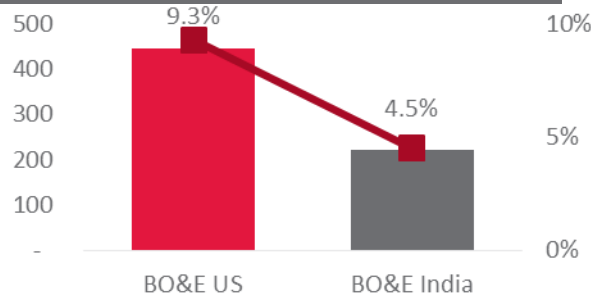
Total Addressable market is expected to grow at CAGR of 5%



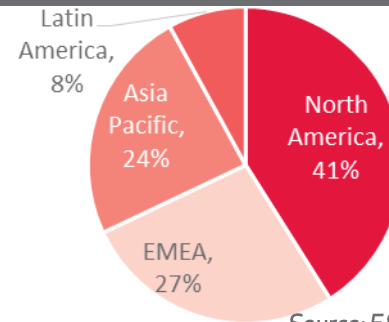
Source: E&Y Study - Jan 2014

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

(Through Virtualization of content supply chain operations and Strategic Outsourcing)

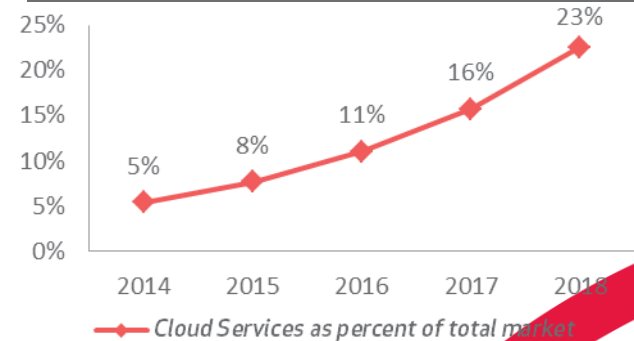


North America, the largest market while Asia and Latin America, fastest growing markets



Source: E&Y Study - Jan 2014

Cloud-enabled Services expected to grow at 46%

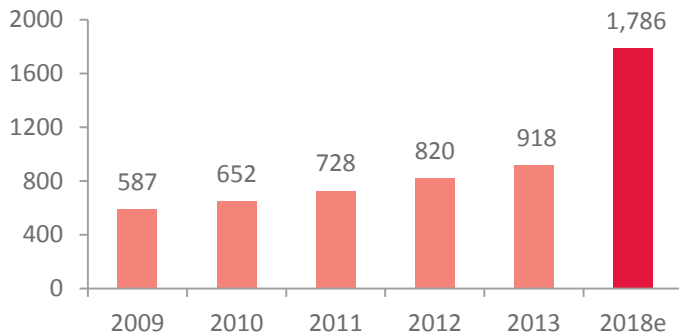


Source: E&Y Study - Jan 2014



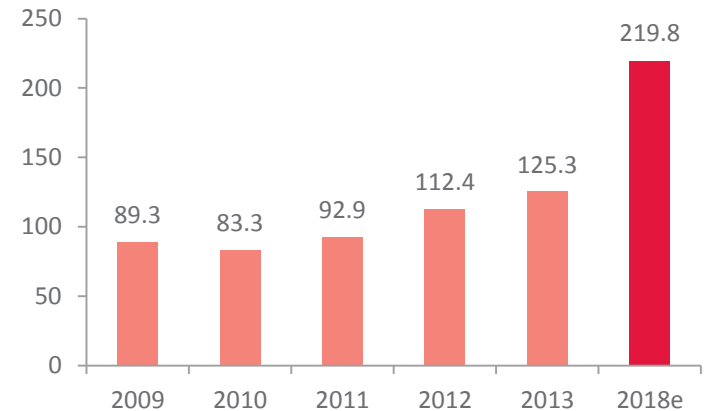
And accelerated double-digit growth potential for Indian M&E Market

E&M revenues set to double by 2017..



Figures in Rs Billion

.. With 1.8x growth in film revenue



Target segments growing higher than industry growth rate

Segment	2009	2010	2011	2012	2013	CAGR (2008-13)	2018e	CAGR (2013-18)
Animation services	5.5	6.2	7.1	7.6	8.0	10%	11.6	8%
Animation production	3.7	3.9	4.2	4.5	4.7	6%	6.3	6%
VFX	3.1	4.5	6.2	7.7	9.3	32%	26.8	24%
Post-production	7.8	9.1	13.5	15.5	17.7	23%	38.1	17%
Total	20.1	23.7	31	35.3	39.7	19%	82.8	16%

Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2014



PFW-DNeg & PFL-RMW Transaction Highlights

Promoters to invest
Rs.120cr at Rs.52 / - per
share

33.5%* 30.2%*

Reliance to invest Rs.120cr at
Rs.52/- per share + business
with Equity Valuation of
Rs.350cr.



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Acquisition of RMW Media
services assets in a slump sale

RELIANCE

MediaWorks

Rs 350cr. Equity + Assumed Debt

- 200,000 sq.ft. state-of-the-art Studio facility in Film City
- 90,000 sqft SEZ in Navi Mumbai and 75,000 sqft facility in Film City
- 30% stake in Digital Domain
- 100% ownership of Lowry Digital

* - Fully diluted



PRIME FOCUS WORLD

100%

double negative visual effects

Enterprise Valuation of ~£50mn

- 38% paid upfront
- 20% deferred payouts over next 4 years
- 27% of assumed Debt
- ~5% stake in PFW, NV

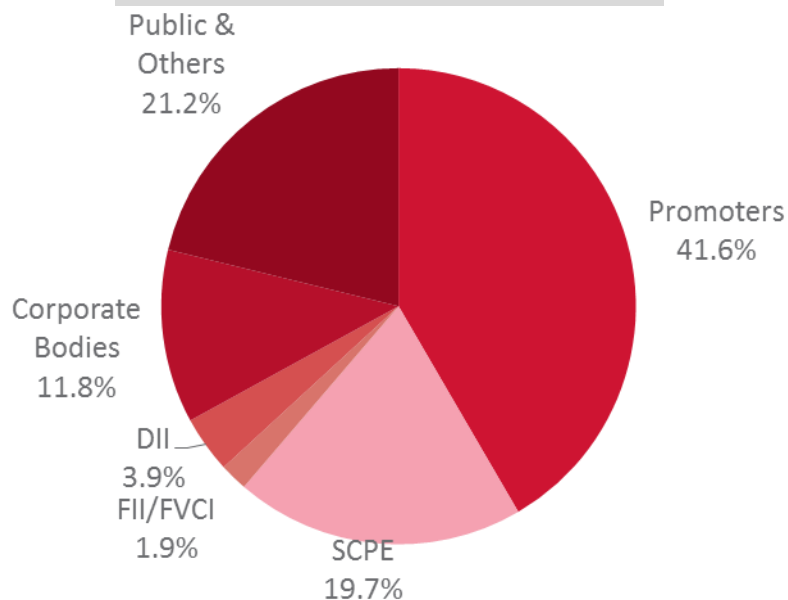
Shareholding
~5% Double Negative;
95% Prime Focus **

** - As of today; Macquarie + AID have together invested US\$48mn as Convertible Instruments

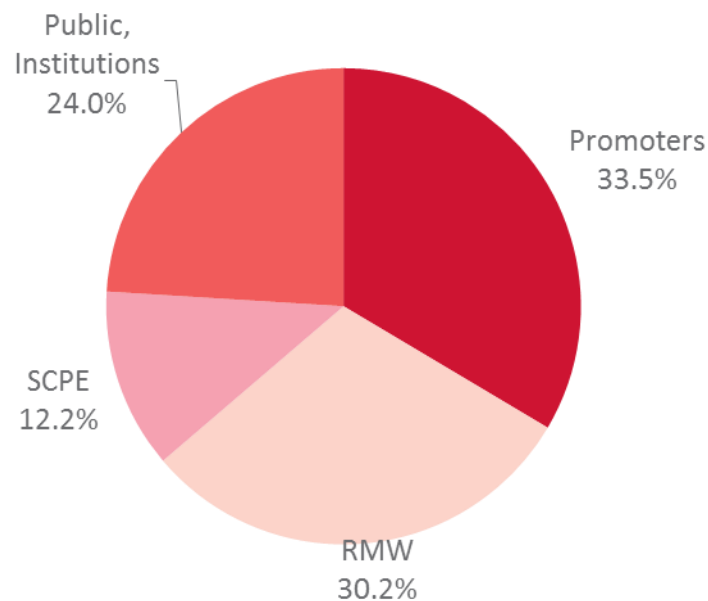


PFL Shareholding pattern

As on 31st March 2014
Outstanding shares – 185 mn



Fully diluted
Outstanding shares – 299 mn



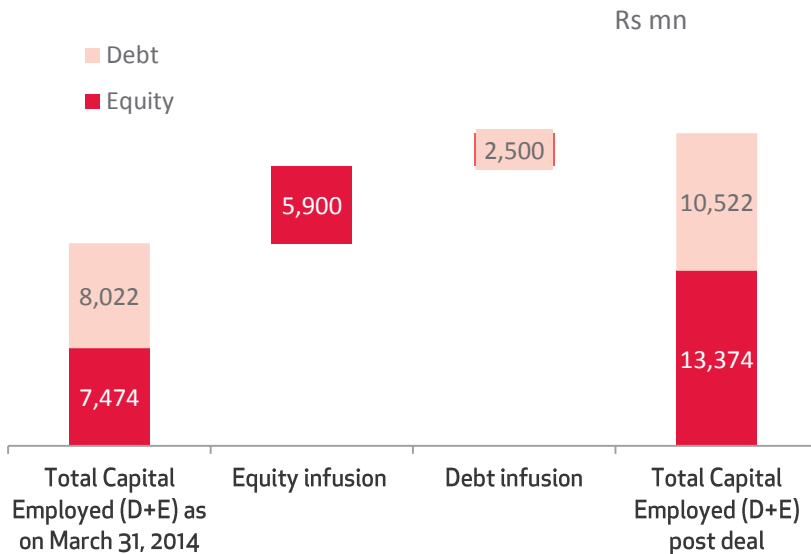
Merger presentation - July 2014



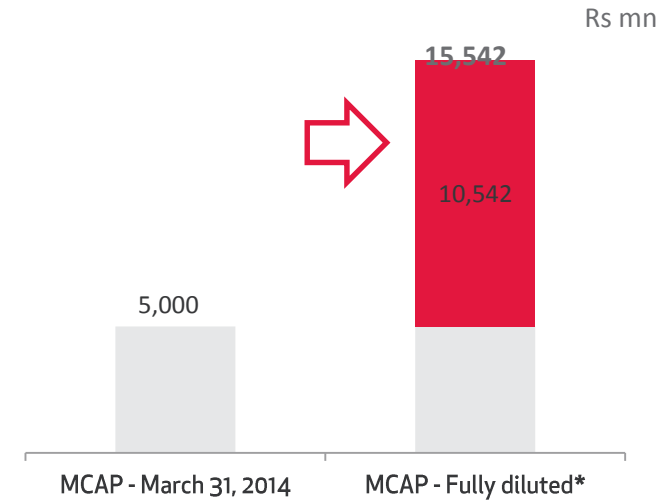
3x Market Value Creation

Combination creates potential for significant value enhancement for all stakeholders

Strengthened balance-sheet



3x Market Value creation

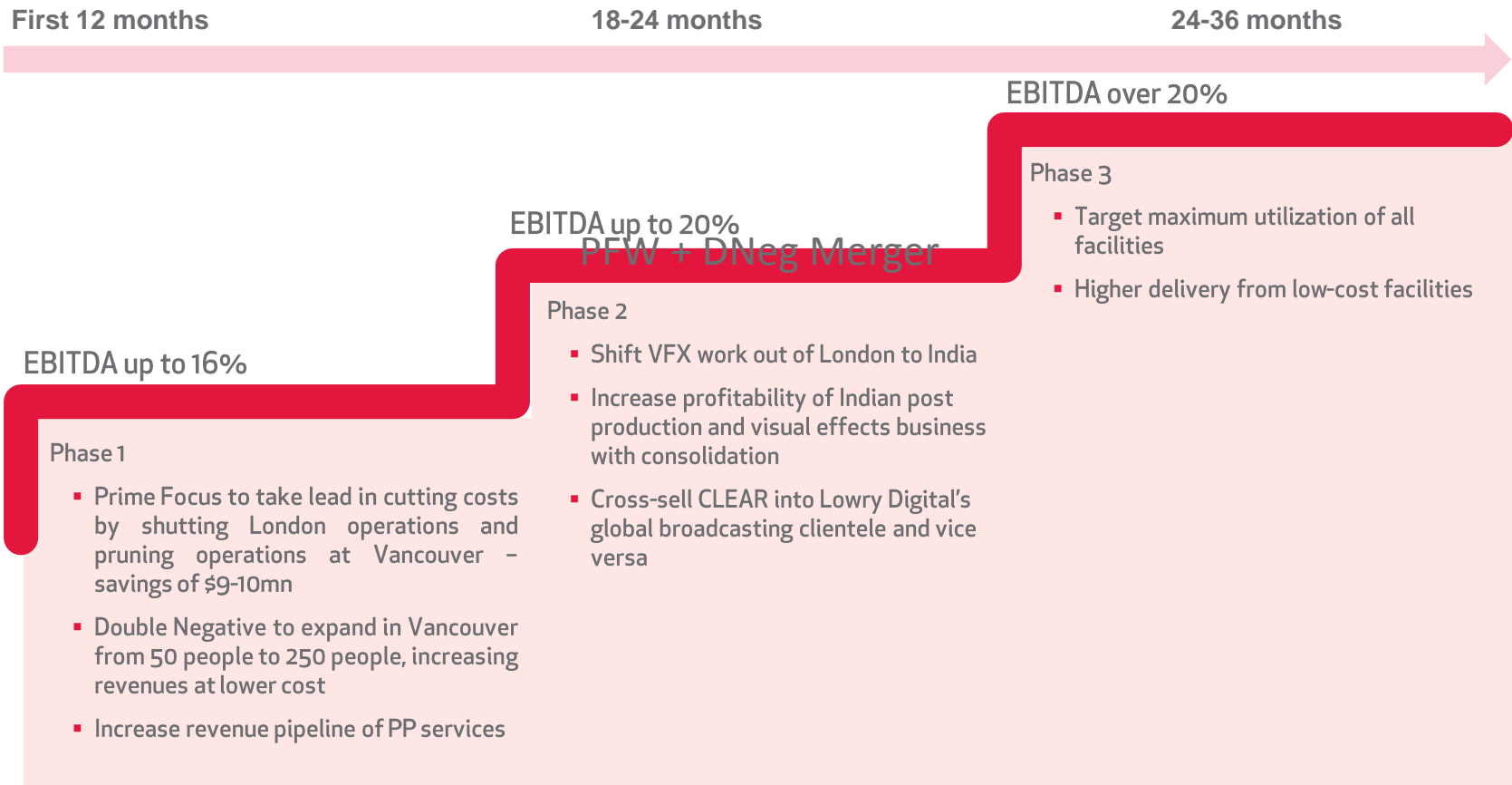


* Fully Diluted at Rs.52/- per share



Well planned Integration timeline targeting increased profitability

■ Well-planned roadmap targeting profitability



PFW + DNeg Merger



Double Negative, the force behind many a Hollywood blockbuster



Inception



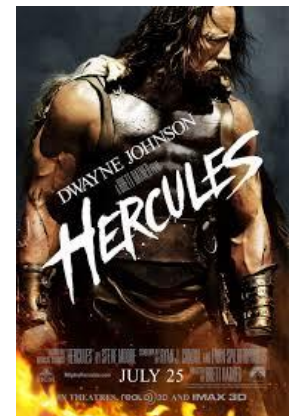
Interstellar



Harry Potter and the Deathly Hallows



Terminator: Genesis



Hercules



Godzilla



Transcendence



Jupiter Ascending



Book of Exodus



Batman vs Superman



One of Top 3 independent global VFX providers











- One of the largest independent VFX providers to global film industry
- Academy® Award (for *Inception*)
- Two BAFTAs (for *Inception* and *Harry Potter and the Deathly Hallows Part 2*).
- Delivered 130+ film projects till date
- Stunning visual effects for blockbusters such as *Godzilla*, Christopher Nolan's *Interstellar*, *Jupiter Ascending* from Andy and Lana Wachowski, Ridley Scott's *Exodus: Gods and Kings* and Brett Ratner's *Hercules*, among others.
- CY13 turnover of over £75 million; EBITDA margin of ~10%. Low working capital cycle of 14 days
- 1000 people: 800 in London and 200 in Singapore. Sought after employer by top tier global VFX professionals because of the complexity of work
- 100% capacity utilization

Movies under production

- *Jupiter Ascending*
- *Interstellar*
- *Ex Machina*
- *In The Heart of the Sea*
- *Avengers: Age of Ultron*
- *Book of Exodus*
- *Hercules*
- *Hunger Games Mockingjay*
- *Terminator: Genesis*
- *Insurgent*
- *Grimsby*
- *Ant-Man*
- *Batman vs Superman: Dawn of Justice*.



Post merger, PFW-DNeg becomes largest player globally

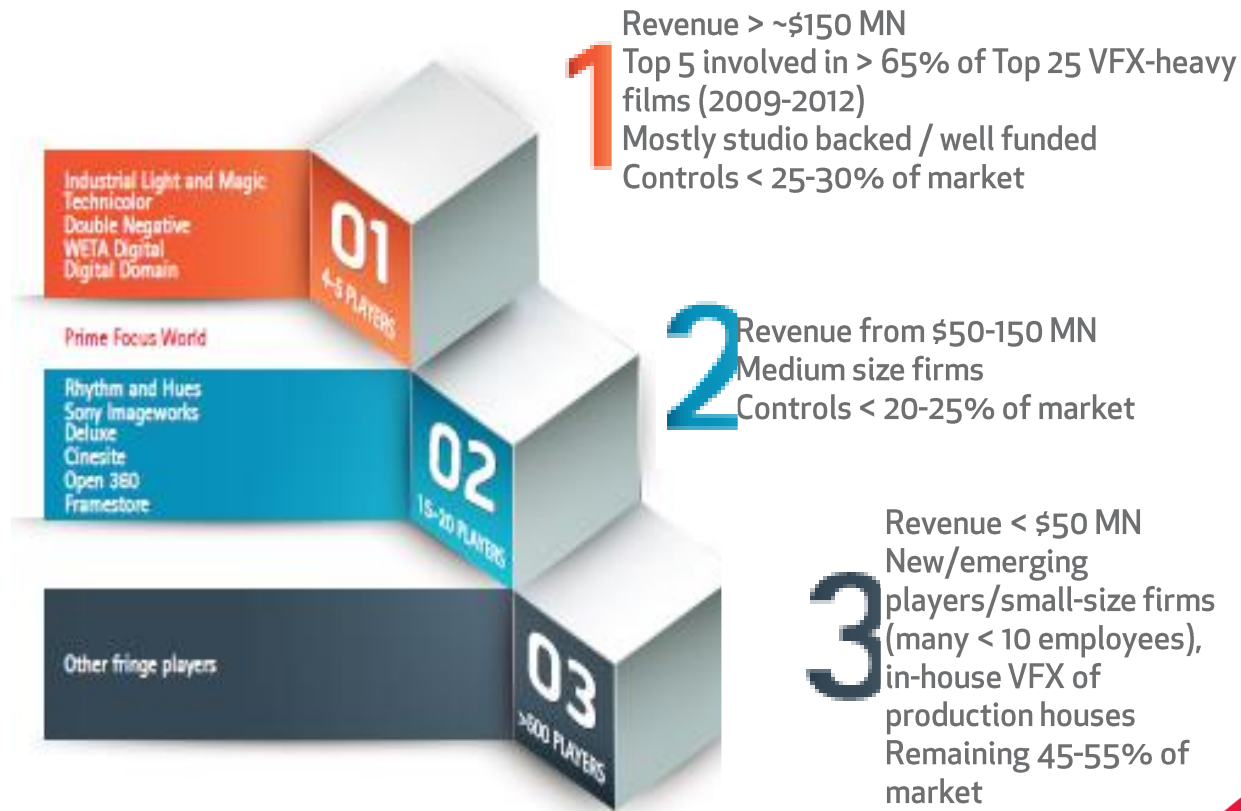
										
3D Conversion	✓							✓	✓	✓
VFX	✓	✓	✓	✓	✓	✓	✓	✓		
Bundling	✓									
Unified Management in 3D & VFX	✓									
Access to UK Tax Credits	✓	✓				✓	✓	✓		
Access to Canadian Tax Credits	✓			✓		✓				✓
Studio Facing Offices in Los Angeles	✓			✓		✓		✓		
Access to Low Cost Production Facilities	✓			✓	✓	✓				
WorldSourcing	✓									
Staff	3850+		~800	~1,000	~1,400	~1,100	~700	~700	~800	NA

Source: Company websites and management's estimates. Note: Digital Domain and Rhythm & Hues have been removed from this list as they both have filed bankruptcy and been sold over the two years.



In one move, DNeg-PFW enters Tier 1 of VFX industry

Given the fragmented nature of the VFX industry and high entry barriers to the Tier 1 league which controls a major chunk of business, PFW's merger with DNeg is a smart move



PFL + RMW Merger



About RMW Film & Media Services

- Part of Reliance MediaWorks - India's leading media company with diversified production, distribution and services offerings
- Film production services generated Rs 1,460mn in revenues (ttm Dec 2013)

India Market Leader in Creative Services

- Film Processing Lab
- DI & Digital Cinema
- Film image enhancement
- VFX & Stereoscopic conversion
- Animation
- Film & Broadcast equipment rentals
- TVC & Broadcast post
- MPAA, Fox Security Group (FSG) accredited facilities –
 - 200,000 sq.ft. state-of-the-art Studio facility in Film City
 - 90,000 sqft SEZ in Navi Mumbai and 75,000 sqft facility in Film City



Only DI Lab with 4K facility in South Asia



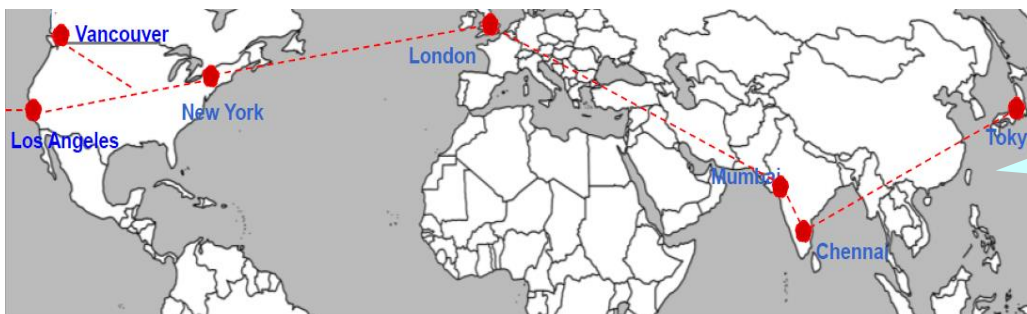
Sound stages & shooting floors

Only end-to-end creative service provider in India

	RMW	Prime Focus	Prasad Studios	Pixion	Ramoji Filmcity
Shooting Stages	✓		✓		✓
Film Lab	✓		✓		
Post, DI and VFX	✓	✓	✓	✓	Post only
2D – 3D	✓	✓	✓		
Restoration	✓	✓	✓	✓	
Camera Rental	✓	✓	✓		✓
Technology/ BPO services	✓	✓			



Sunrise to Sunset Global Digital Pipeline



Locations in Burbank, New York, London, and Mumbai
Affiliate locations in Tokyo, Venice (LA), Vancouver, Hyderabad and Chennai

Alliance with
Imagica (post-
production co.)

Strategic acquisitions

**Lowry
Digital**

100% stake in Lowry Digital
Academy @ Award winner

**DIGITAL
DOMAIN**

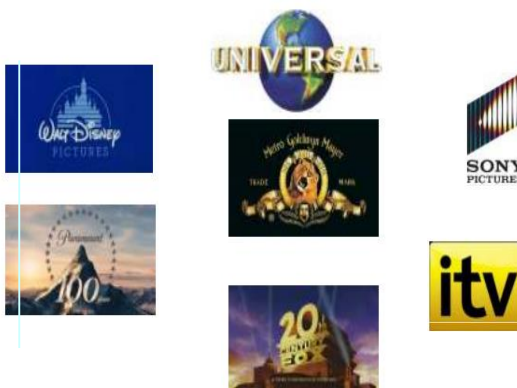
30% stake in Digital Domain
- a legendary Tier 1 Hollywood
studio
RMW partnered with Chinese
TV producer to acquire PP
assets of Digital Domain

Leader in India - BOLLYWOOD

"Capacity to add value to 1,000 feature films per
year"



Marquee International clientele





Competitive edge with Academy® Award winning Lowry Digital

**Lowry
Digital**

- Image Processing Services for Legacy content and New Releases
- Joint operations in US and India



'Lowry Process', won the Scientific and Technical Achievement Academy® Award 2012

Key clients of RMW's restoration services

RMW has handled digitization and image processing services of over 1,700 Indian films, documentaries and news reels for various studios, archives, film libraries. Key Hollywood clients include:

- Walt Disney
- Paramount Pictures
- MGM
- 20th Century Fox
- Turner Broadcasting
- George Lucas
- Steven Spielberg
- James Cameron.



Apollo 11 Moonwalk video for NASA – Image Processing Services by Lowry Digital

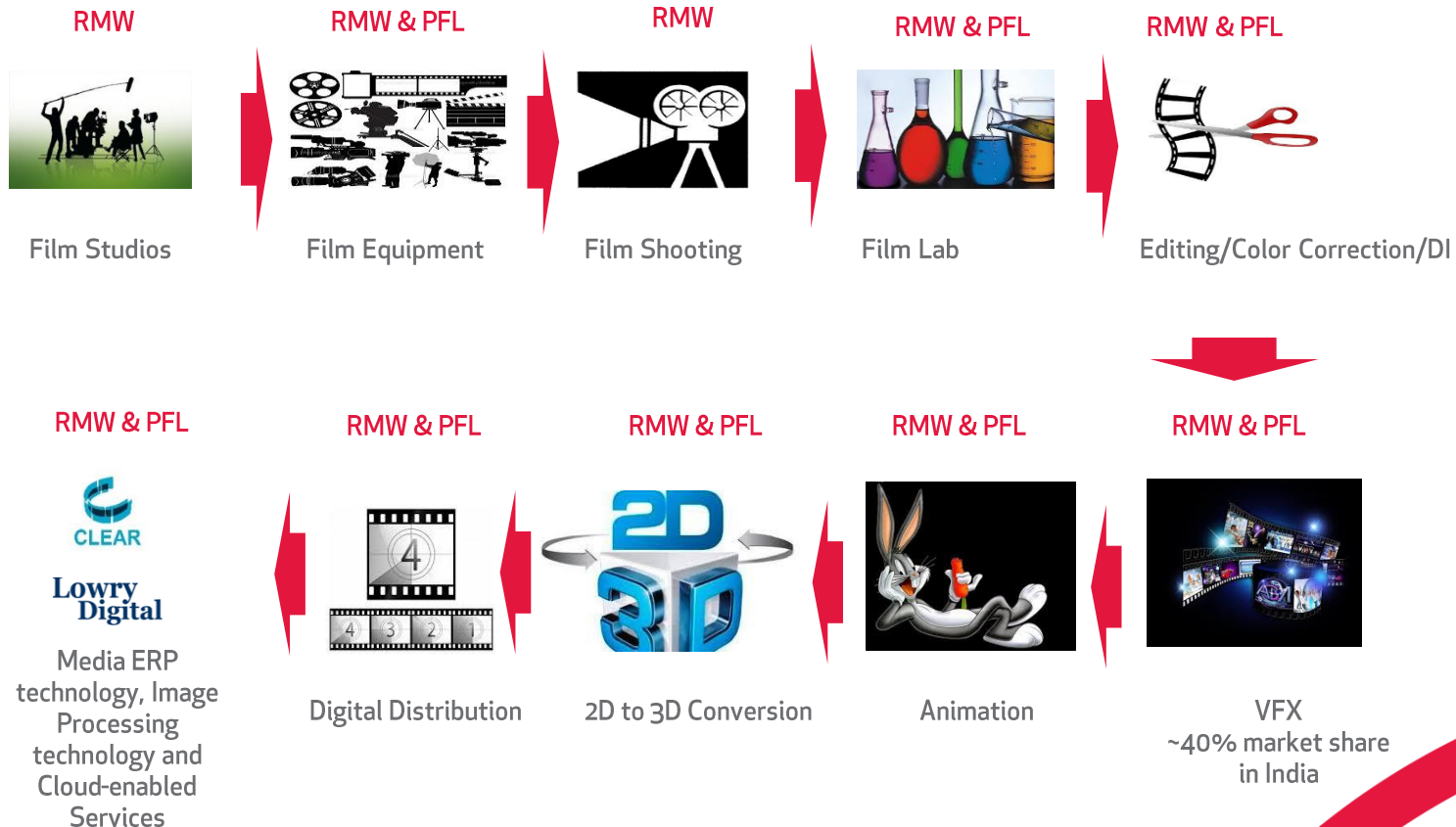


3D Alignment for Avatar



Capturing more than 50% of Film, Broadcast & Advertisement Spend in India

- ◆ 360 degree offering with integrated suite of digital media services





About Us

Prime Focus Limited (PFL), a global leader in media and entertainment industry services employs over 5500 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative services like visual effects, stereo 3D conversion, animation, post-production, Digital Intermediate (DI) and equipment rental, and technology solutions including the world's first hybrid cloud-enabled Media ERP technology and cloud media services to Studios, Broadcast, Advertising and Media industries worldwide.

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, cost optimization and new monetization opportunities.

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.

www.primefocusgroup.com | www.primefocusworld.com | www.primefocustechnologies.com

Investor contacts

Alok Gupta
Prime Focus Limited
Phone: +912261785573 / +91 8879360082
Email: alok.gupta@primefocusworld.com



Seema Shukla
Four-S Services Pvt Ltd
Phone: : +91 9810408474
Email: seema@four-s.com

Thank you