



PRIME FOCUS LIMITED

**Registered Office : Prime Focus House, Opp Citi Bank, Linking Road
Khar (West), Mumbai, Maharashtra, India, 400052
CIN: L92100MH1997PLC108981**

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014

| Sr No. | Particulars | Standalone | | | | Consolidated | | | |
|---------------|----------------------------------------------------------------------------------------------------------|-----------------|-------------------|-----------------|-----------------------------|-------------------|-------------------|------------------|-----------------------------|
| | | Quarter Ended | | | Fifteen Months Period Ended | Quarter Ended | | | Fifteen Months Period Ended |
| | | 30.09.2014 | 30.06.2014 | 30.09.2013 | 30.06.2014 | 30.09.2014 | 30.06.2014 | 30.09.2013 | 30.06.2014 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| Part I | | | | | | | | | |
| 1 | Income from operations | | | | | | | | |
| | Net sales / income from operations | 2,280.89 | 6,578.70 | 4,747.85 | 27,354.79 | 34,966.86 | 19,900.51 | 19,605.75 | 103,272.16 |
| | Other operating income | 251.89 | 48.84 | - | 175.40 | 49.96 | 48.84 | - | 175.40 |
| | | 2,532.78 | 6,627.54 | 4,747.85 | 27,530.19 | 35,016.82 | 19,949.35 | 19,605.75 | 103,447.56 |
| 2 | Expenses | | | | | | | | |
| | Employee benefits expense | 450.15 | 1,764.59 | 1,144.97 | 6,935.01 | 23,276.80 | 11,150.44 | 7,984.97 | 45,978.27 |
| | Technician fees | 411.60 | 1,219.02 | 1,332.16 | 6,411.47 | 634.78 | 2,002.92 | 1,589.48 | 8,166.62 |
| | Depreciation and amortisation expense | 544.25 | 866.62 | 910.10 | 4,398.56 | 4,661.70 | 2,943.74 | 2,843.85 | 13,319.79 |
| | Other expenditure | 564.28 | 1,158.53 | 916.45 | 4,903.87 | 9,986.22 | 5,355.04 | 5,523.69 | 29,451.19 |
| | Exchange loss (net) | 98.50 | - | - | - | - | - | - | - |
| | Total Expenses | 2,068.78 | 5,008.76 | 4,303.68 | 22,648.91 | 38,559.50 | 21,452.14 | 17,941.99 | 96,915.87 |
| 3 | Profit / (Loss) from operations before other income, finance costs and exceptional items (1 - 2) | 464.00 | 1,618.78 | 444.17 | 4,881.28 | (3,542.68) | (1,502.79) | 1,663.76 | 6,531.69 |
| 4 | Other income: | | | | | | | | |
| | a) Exchange gain (net) | - | 220.83 | 1,096.12 | 2,105.64 | 324.39 | 886.04 | 2,036.98 | 3,806.97 |
| | b) Others | 63.94 | 113.16 | 323.83 | 1,588.17 | 1,418.23 | 124.70 | 405.84 | 764.97 |
| 5 | Profit from ordinary activities before finance costs and exceptional items (3 ± 4) | 527.94 | 1,952.77 | 1,864.12 | 8,575.09 | (1,800.06) | (492.05) | 4,106.58 | 11,103.63 |
| 6 | Finance costs | 413.16 | 528.22 | 576.79 | 2,810.83 | 1,584.29 | 1,750.03 | 1,109.13 | 6,867.60 |
| 7 | Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6) | 114.78 | 1,424.55 | 1,287.33 | 5,764.26 | (3,384.35) | (2,242.08) | 2,997.45 | 4,236.03 |
| 8 | Exceptional items - expenditure / (income) | - | (171.51) | - | (171.51) | 3,427.46 | 881.61 | 41.86 | 1,740.65 |
| 9 | Profit / (Loss) from ordinary activities before tax (7 ± 8) | 114.78 | 1,596.06 | 1,287.33 | 5,935.77 | (6,811.81) | (3,123.69) | 2,955.59 | 2,495.38 |
| 10 | Tax expense | (5.44) | (1,728.04) | 412.20 | (446.50) | (3,565.60) | (1,614.90) | 550.58 | 707.93 |
| 11 | Net Profit / (Loss) from ordinary activities after tax (9 ± 10) | 120.22 | 3,324.10 | 875.13 | 6,382.27 | (3,246.21) | (1,508.79) | 2,405.01 | 1,787.45 |
| 12 | Extraordinary items (net of tax expense Rs. Nil) | - | - | - | - | - | - | - | - |
| 13 | Net Profit / (Loss) after tax and before minority (11 ± 12) | 120.22 | 3,324.10 | 875.13 | 6,382.27 | (3,246.21) | (1,508.79) | 2,405.01 | 1,787.45 |
| 14 | Minority interest | - | - | - | - | (1,045.29) | (630.77) | 270.61 | (638.69) |
| 15 | Net Profit / (Loss) for the period (13 ± 14) | 120.22 | 3,324.10 | 875.13 | 6,382.27 | (2,200.92) | (878.02) | 2,134.40 | 2,426.14 |
| 16 | Paid-up equity share capital (Face value - Rs. 1/- per share) | 1,854.17 | 1,854.17 | 1,854.17 | 1,854.17 | 1,854.17 | 1,854.17 | 1,854.17 | 1,854.17 |
| 17 | Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year | | | | 43,252.31 | | | | 71,900.46 |
| 18 | Earnings Per Share (after exceptional items) | | | | | | | | |
| | (a) Basic | 0.06 | 1.79 | 0.47 | 3.44 | (1.19) | (0.47) | 1.15 | 1.31 |
| | (b) Diluted | 0.06 | 1.79 | 0.47 | 3.44 | (1.19) | (0.47) | 1.15 | 1.31 |
| | Earnings Per Share (before exceptional items) | | | | | | | | |
| | (a) Basic | 0.06 | 1.72 | 0.47 | 3.37 | 0.11 | (0.10) | 1.17 | 2.05 |
| | (b) Diluted | 0.06 | 1.72 | 0.47 | 3.37 | 0.11 | (0.10) | 1.17 | 2.05 |





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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2014

| PARTICULARS OF SHAREHOLDING | | | | | | | | | |
|-----------------------------|-------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Public Share Holding | | | | | | | | |
| | - Number of shares | 108,315,890 | 108,315,890 | 108,315,890 | 108,315,890 | 108,315,890 | 108,315,890 | 108,315,890 | 108,315,890 |
| | - Percentage of shareholding | 58.42% | 58.42% | 58.42% | 58.42% | 58.42% | 58.42% | 58.42% | 58.42% |
| 2 | Promoters and Promoter Group Shareholding | | | | | | | | |
| | a) Pledged / Encumbered | | | | | | | | |
| | - Number of shares | 41,286,000 | 45,612,000 | 45,108,000 | 45,612,000 | 41,286,000 | 45,612,000 | 45,108,000 | 45,612,000 |
| | - Percentage of shares (as a % of the total shareholding of promoters and promoter group) | 53.55% | 59.16% | 58.50% | 59.16% | 53.55% | 59.16% | 58.50% | 59.16% |
| | - Percentage of shares (as a % of total share capital of the Company) | 22.27% | 24.60% | 24.33% | 24.60% | 22.27% | 24.60% | 24.33% | 24.60% |
| | b) Non - pledged / encumbered | | | | | | | | |
| | - Number of shares | 35,815,546 | 31,489,546 | 31,993,546 | 31,489,546 | 35,815,546 | 31,489,546 | 31,993,546 | 31,489,546 |
| | - Percentage of shares (as a % of total shareholding of promoters and promoter group) | 46.45% | 40.84% | 41.50% | 40.84% | 46.45% | 40.84% | 41.50% | 40.84% |
| | - Percentage of shares (as a % of total share capital of the Company) | 19.31% | 16.98% | 17.25% | 16.98% | 19.31% | 16.98% | 17.25% | 16.98% |





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Notes to Unaudited Financial Results for the Quarter ended September 30, 2014:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 14, 2014. The statutory auditors have carried out a limited review of the Standalone results of the Company.
2. During the quarter, pursuant to the approval of Shareholders', the Company's Authorised Share Capital has been increased from Rs. 2500 lac to Rs. 3500 lac.
3. Pursuant to the enactment of the Companies Act, 2013 ("the Act"), effective 1st April, 2014, Prime Focus Ltd has revised the estimated useful lives of its fixed assets to ensure compliance with the stipulations of Schedule II to the Act. Accordingly, the unamortized depreciable amounts of the fixed assets as at 1st July, 2014 have been charged over the revised remaining useful lives. This has the impact of decreasing depreciation charge for the quarter by Rs. 18 lac. Further, in accordance with the stipulations of the said Schedule, written down values of fixed assets, whose lives had expired as at 1st July, 2014 aggregating Rs. 102 lac (net of tax) have been adjusted against retained earnings.
4. On July 31, 2014, the group completed customary closing conditions relating to the acquisition of one of the largest independent companies in the VFX business "Double Negative Holdings Limited", pursuant to a Share sale agreement dated June 25, 2014. As a result of this transaction, Double Negative has become a wholly owned subsidiary of PFWNV.

Pursuant to completion of acquisition of Double Negative Holdings Limited, the VFX business of the group is being consolidated into Double Negative and accordingly PFWNV has initiated internal restructuring to leverage on synergies from global operations. Rs. 34.27 crore incurred on restructuring activities is disclosed as exceptional item in consolidated results for the quarter ended September 30, 2014.
5. The Post Production business is the primary segment for the Company. Since, the Company's entire operations are governed by the same set of risks and returns, these have been considered as representing a single segment.
6. There were no investor complaints pending at the beginning of the quarter. During the Quarter, the Company received no investor complaints and there was no investor complaint pending at the end of the quarter.
7. During the previous quarter ended June 30, 2014, the Company sold its 'backend business' which includes (a) business of providing the services of conversion of 2D audio visual/moving images to stereo 3D audio visual/moving images provided by the Company to Prime Focus World N.V., a company incorporated and operating under the laws of Netherlands ("PFW") ('Conversion Business'); and (b) the business of providing the services of computer generated film visual special effects by the Company to PFW ("VFX Business"), to Prime Focus World Creative Services Pvt. Ltd., an indirect controlled subsidiary, by way of slump sale. Consequently, the standalone figures of the Company for the current quarter exclude the 'backend business' and hence are not comparable with the figures for the preceding and corresponding quarters ended June 30, 2014 and September 30, 2013 respectively.
8. The Board of Directors in the meeting held on July 02, 2014 approved issuance of upto 23,076,923 and upto 90,384,615 equity shares to Monsoon Studio Private Limited and Reliance MediaWorks Limited, respectively, on a preferential basis, subject to requisite statutory approvals. Of these upto 67,307,692 equity shares to Reliance MediaWorks Limited are to be issued for a consideration other than cash towards the transfer of its film and media services business to the Company. The said issue of equity shares on a preferential basis was approved by the shareholders at the Extra-ordinary General Meeting held on August 01, 2014. The issuance would be effected upon receipt of all the necessary statutory approvals.
9. In the Board of Directors meeting held on July 02, 2014 approval was granted to introduce and implement Employee Stock Option Scheme titled 'PFL-ESOP Scheme 2014' whereby stock options upto 6% of the paid up capital of the Company (post aforesaid preferential allotment) aggregating 17,932,738 stock options would be issued to eligible employees of the Company, its subsidiaries and associates. The said scheme was approved by the shareholders in the Extra-ordinary General Meeting held on August 01, 2014.
10. The figures for three months ended June 30, 2014 are the balancing figures between audited figures in respect of the full financial period ended June 30, 2014 and the published year to date figures upto 12 months ended March 31, 2014.
11. Previous period figures have been regrouped and re-arranged wherever necessary.

For and on behalf of the Board of Directors




Naresh Malhotra
Whole-time Director

Place: Mumbai
Date: November 14, 2014