Media Release **BSE: 532748**
NSE: PFOCUS

PRIME FOCUS CONTINUES TO GROW AT A ROBUST PACE

Q3 CONSOLIDATED INCOME AT Rs. 6.09BN – UP 20% YOY; ADJ EBITDA AT RS. 1.57BN, UP 28% YOY

REVENUE UP IN ALL THREE BUSINESSES: CREATIVE SERVICES, TECH/TECH ENABLED SERVICES AND INDIA FMS

DELIVERED MARQUEE MOVIES LIKE *JUSTICE LEAGUE, THOR: RAGNAROK* ETC. ORDER BOOK INCLUDES MOVIES LIKE *VENOM, FANTASTIC BEASTS: THE CRIMES OF GRINDELWALD, THE NEW MUTANTS AND ANT-MAN AND THE WASP*

TECH/TECH ENABLED SERVICES GEARED UP FOR NEXT PHASE OF GROWTH WITH NEW HIRES AND NEW CLIENTS

Mumbai, February 14, 2018: Prime Focus Limited (PFL), a global leader in media and entertainment services, declared its financial results for the quarter and nine months ending Dec 31, 2017. The Company reported consolidated quarterly revenue of Rs. 6.09bn, up 20% YoY, and Adjusted EBITDA of Rs. 1.57bn driven by robust performance across all business segments, particularly the Creative Services business which continues to benefit from integration and consolidation of facilities worldwide. The company has also announced issuance of warrants worth Rs.3.3bn, on a preferential basis, to the promoter, the funds raised would be used largely towards debt reduction. The Board has also approved the re-appointment of Nishant Fadia as CFO of Prime Focus Limited; Vikas Rathee will continue his duties as CFO of Prime Focus World/ Double Negative ("PFW/DNEG").

Key financial highlights

Q3 FY18 (Consolidated Financials)

- Revenue at Rs. 6,097mn, up 20% YoY from Rs. 5,080mn in Q3 FY17, led by *25*% growth in Creative Services
- Creative and Tech/Tech Enabled Services contributed 78% & 14% to revenues, respectively
- Adjusted EBITDA* at Rs. 1,574mn (Q3 FY17: Rs. 1,231mn), with margin at 25.8% (Q3 FY17: 24.2%)

- EBITDA adjusted for Rs.100mn of non-operating Non-cash FX charges on account of Balance Sheet translation exposure and approx. Rs. 200mn for certain one-time Montreal setup costs and conservative provisions at PFW/DNEG
- Finance charges higher by Rs.55mn on account of change in accounting treatment towards Redemption premium on Standard Chartered PE NCDs – expensed as against capitalized in the Balance Sheet in earlier quarters
- Operating PBT of Rs.456mn (Q3 FY17: Rs. 244mn); PBT adjusted for one time non-cash charge of Rs.80mn in Depreciation on account of shutdown of a facility in India and one-time expenses as explained above
- Non-Cash ESOP charges of Rs. 42mn during the quarter (Q3 FY17: Rs. 113 mn)

9M FY18 (Consolidated Financials)

- Revenue for the period up 12% YoY at Rs. 17,025mn (9M FY17: Rs. 15,192mn)
- Adjusted EBITDA* up 30% YoY at Rs. 4,135mn (9M FY17: Rs. 3,172mn), with margin at 24.3% (9M FY17: 20.9%)
- Operating PBT of Rs.669mn (9M FY17: Rs.20mn)

(Note: *Adjusted for Non-Cash ESOP charges and one-time expenses as explained above)

Operational highlights for the quarter

Creative Services

- Movies delivered: *Justice League, Thor: Ragnarok, Hostiles, The Hurricane Heist* and *The 15:17 to Paris,* among others
- Order book at $250mn+ with projects like: *Venom, The New Mutants, Ant-Man and the Wasp, Avengers: Infinity War, Mission: Impossible - Fallout, Godzilla: King of the Monsters, Pacific Rim: Uprising,* and *Fantastic Beasts: The Crimes of Grindelwald,* among others
- New streams of revenues continues to grow well; delivered work on Season 1 of “Altered Carbon” which is available to view on Netflix

Tech/Tech Enabled Services

- In International markets added new clients like Discovery and Spotify
- Also signed new contracts with existing clients such as Hearst, Sony Emerging markets, BCCI and Star TV
- Strengthened team in key areas like strategic security and business development
- Won TV Technology’s 2017 Product Innovation Award from NewBay Media for its ground-breaking Work Order Management system
- Steady Order book at ~$200 mn to be executed over next 4-5 years

Commenting on the results, Mr. Namit Malhotra, Founder, Executive Chairman and Global CEO, Prime Focus Ltd said:

We are pleased to report a strong quarter with continued momentum across businesses. Our Creative Services continued to deliver marquee projects such as recent Hollywood blockbusters - *Thor: Ragnarok and Justice League* which have grossed over $800mn and $600mn, respectively. Our order book includes good projects like *Venom*, which is the next movie in the *Spiderman* Franchise. In Tech/Tech Enabled business, we added new clients and invested in new talent to strengthen our reach in North America while India FMS continues to deliver robust profitability in line with our expectations.

Given the significant growth we have witnessed in our creative services business and continued momentum visible going forward, the Board has decided that Vikas should focus all his energies toward helping manage this growth and maximise the potential at PFW/DNEG. Vikas has relocated to London and will now be fully focused on his role as the CFO of PFW/DNEG. Nishant Fadia has now been re-appointed as the CFO of PFL. As you may know, Nishant has been with Prime Focus for the last 18 years and was the CFO of PFL till 2014 and since then has been the COO for the Group. I wish them both the very best as we look to take the Prime Focus Group to greater heights in the years ahead.

We are happy to continue to deliver performance ahead of plans and look forward to ending FY18 on a higher note.

About Prime Focus Limited

Prime Focus Limited (PFL), the world's largest independent integrated media services powerhouse, employs over 9,000 professionals in 19 cities across 5 continents and 7 time zones. We provide end-to-end creative services (visual effects, stereo 3D conversion and animation), technology products & services (CLEAR™ Media ERP Suite and Cloud-enabled media services), production services (equipment rental) and post-production services (Digital Intermediate and picture post) to the Media & Entertainment industry.

Listed on the BSE and NSE of India and recognized on the Fortune India 'Next 500' list, Prime Focus has operations in Bangalore, Chandigarh, New Delhi, Goa, Hyderabad, Kolkata, London, Los Angeles, Mumbai, New York, South Africa, Abu Dhabi, Toronto, Montreal, Chennai, Pune, Sydney and Vancouver.

For more details

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