



# Prime Focus.

**Q4&FY12 Results Presentation**

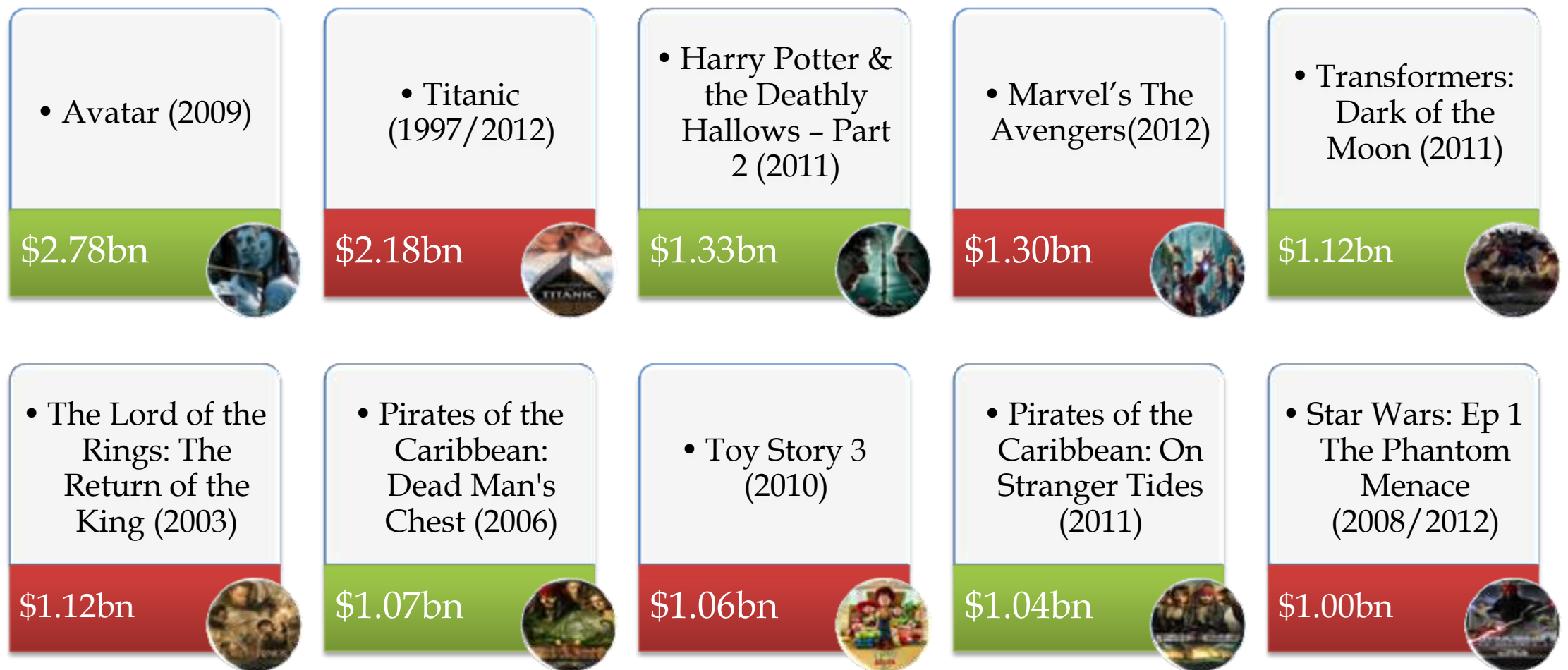


# Safe Harbor

*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.*

# 3D Movies – Taking the World by Storm

## Worldwide Highest Grossing Films (collections in US\$ billion)

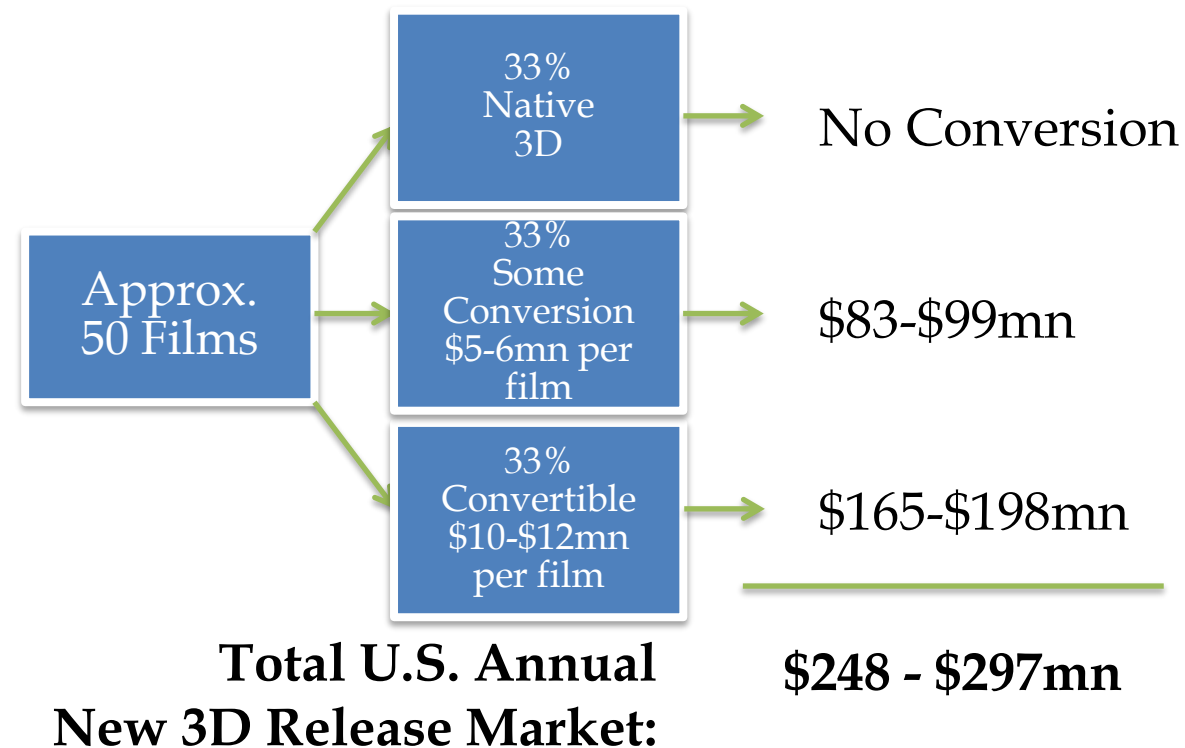


Eight of Top-10 all-time grossers have been released in the 3D format  
Every billion dollar blockbuster made in the last two years is in 3D

# 3D Conversion Market Size – New Releases

## Estimated Market Size – New 3D Releases per Year

- ❖ The number of 3D theatrical releases is growing each year



U.S. Addressable 3D Conversion Market of \$2.1 - \$3.7 billion

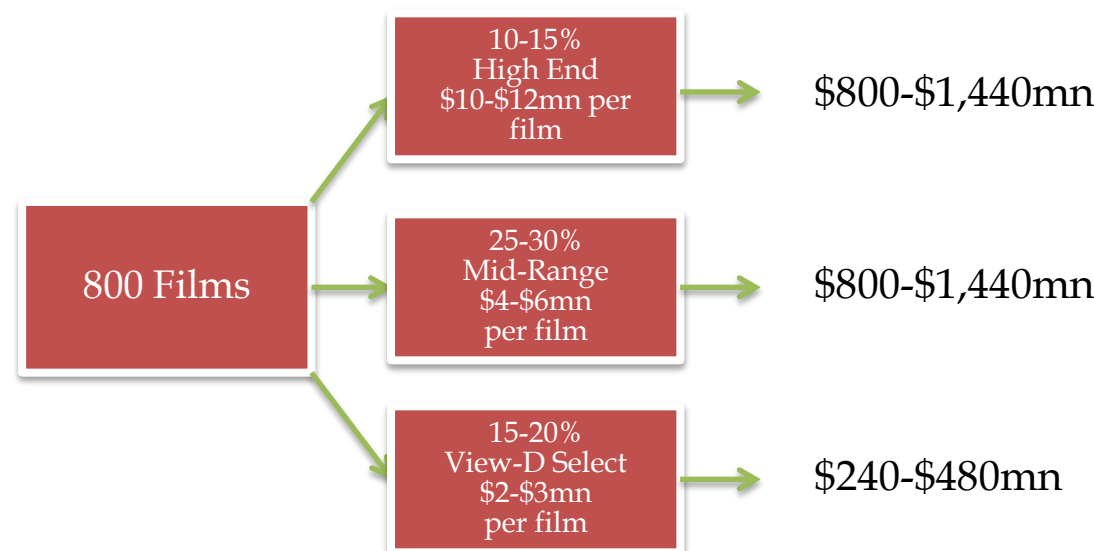
# 3D Conversion Market Size - Library

## Library of Convertible Existing Content

- ❖ U.S. studios own 800 films that have each grossed over \$100mn in WWBO since 1995
- ❖ Upside from potential conversion of classic films (e.g. *Lawrence of Arabia*, *Ben-Hur*, *James Bond* catalog)
- ❖ International market for 3D growing rapidly
  - Foreign box office routinely comprises approximately 60-65% of total world box office for U.S. studio releases
- ❖ Significant additional opportunities in conversion of television series (e.g. *Game of Thrones*, *True Blood*, *Boardwalk Empire*, *24*, etc.)
- ❖ Documentary and other alternative content (e.g. *Planet Earth*, *Shark Week*, *Animal Planet*, concerts, etc.)

## Estimated Market Size - Library of Convertible Films

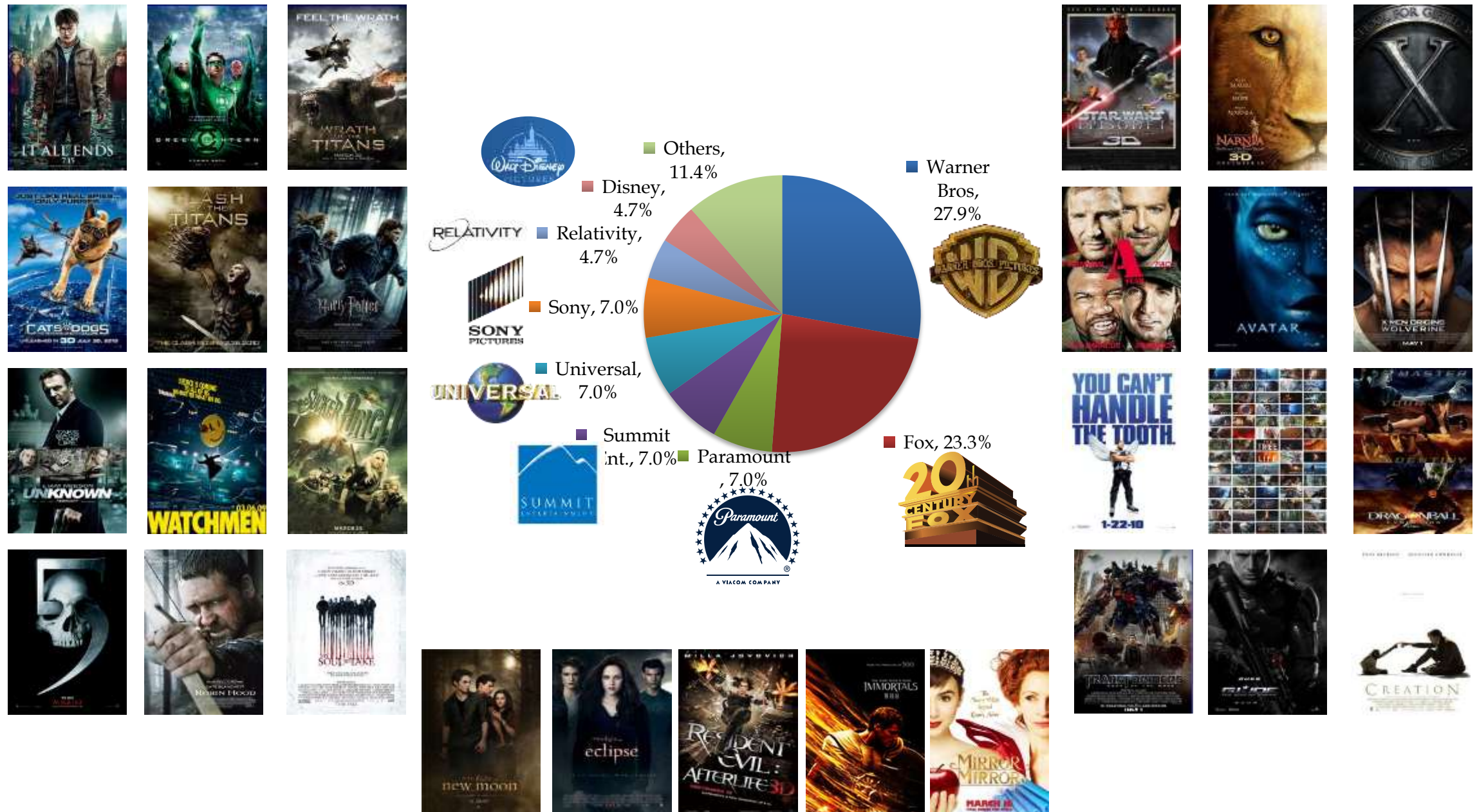
- ❖ U.S. Studios are leading the way in 3D conversion because of the ability to exploit content on a global basis



**U.S. Library Existing Blockbuster Film TAM: \$1.8 - \$3.4bn**

# Prime Focus Works on Leading Hollywood Films

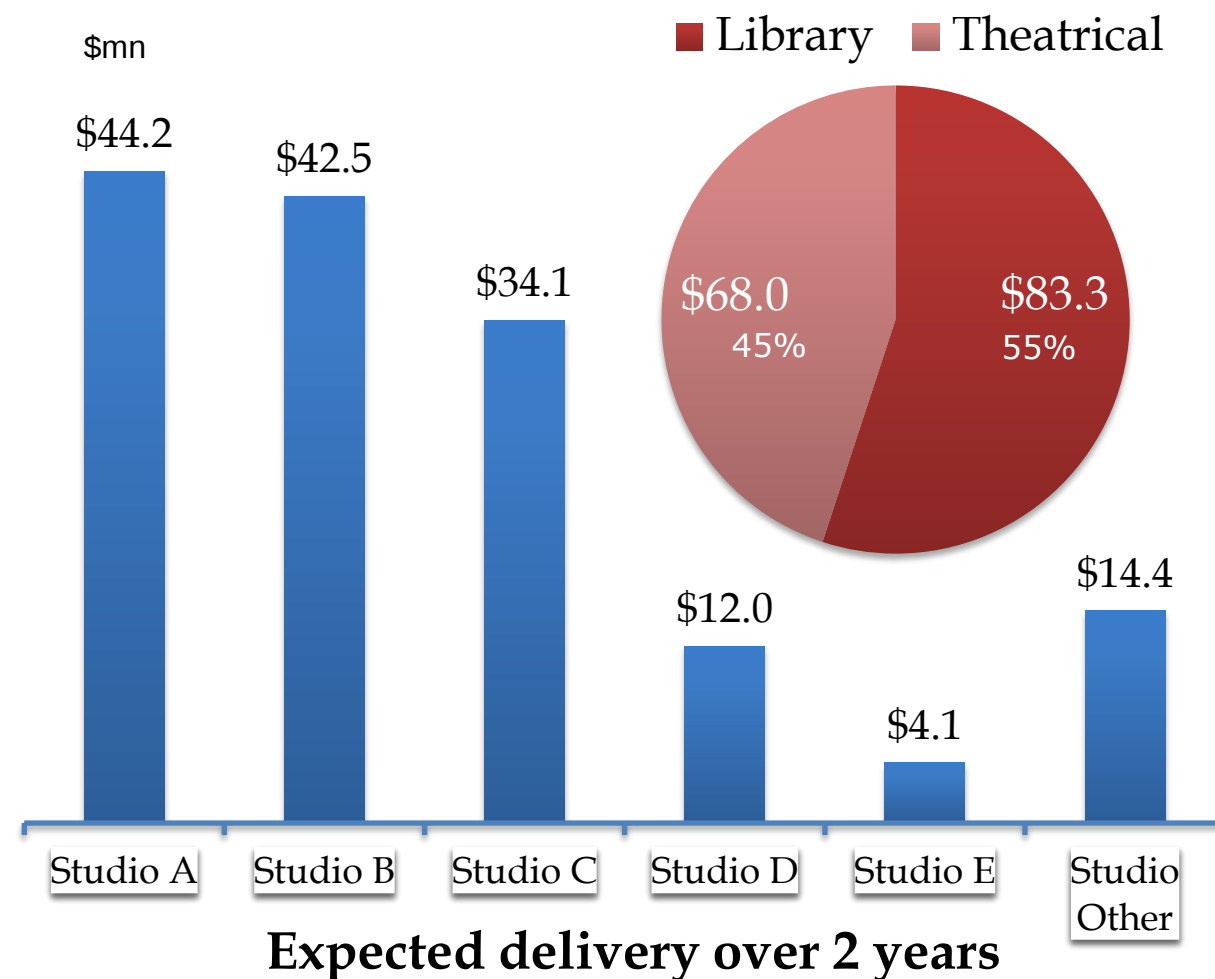
3D Conversion and VFX Work % by Studio – 2009 to 2012 YTD





# Prime Focus has a Very Large, Diverse and High Quality Pipeline of Contracted Revenues

Prime Focus Pipeline is more than \$150mn

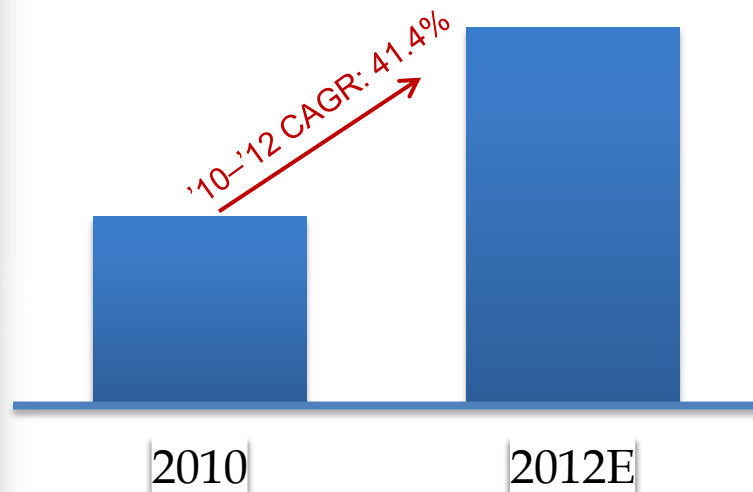


Robust pipeline of projects provide for visibility and predictability of cashflow

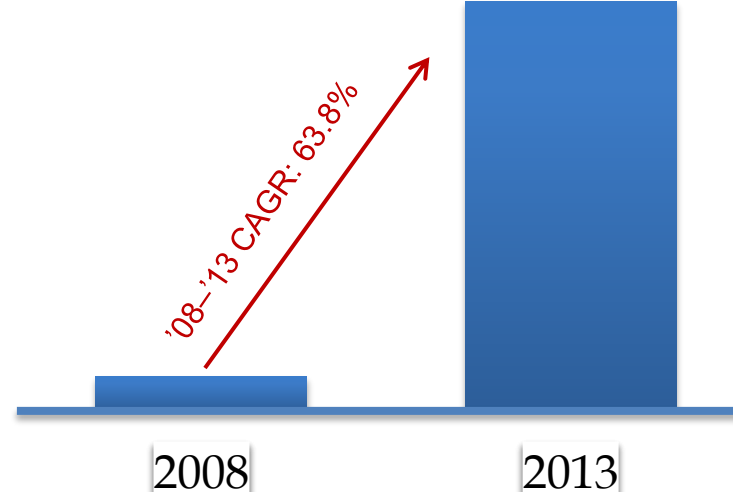
# Global Appeal of 3D and VFX

- ❖ 9 of top 10 films in 2011 and 44 of the top 50 films of all time are VFX driven
  - “The Star now is the spectacle. Studios can spend over \$100 million just on special effects necessary to make Spider-Man swing through New York City in 3D...”<sup>1</sup>
- ❖ Global appeal of 3D and near term payback on conversion cost provides compelling studio economics and catalyst for global infrastructure expansion
  - “Next year’s slate, packed with costly films such as Iron Man 3, an untitled Star Trek sequel, The Lone Ranger and a new Superman Movie Man of Steel could easily make the first \$3 billion summer”<sup>1</sup>
- ❖ Conversion of 2D to 3D more capital efficient than filming in 3D and provides directors infinite artistic tools versus shooting in native 3D

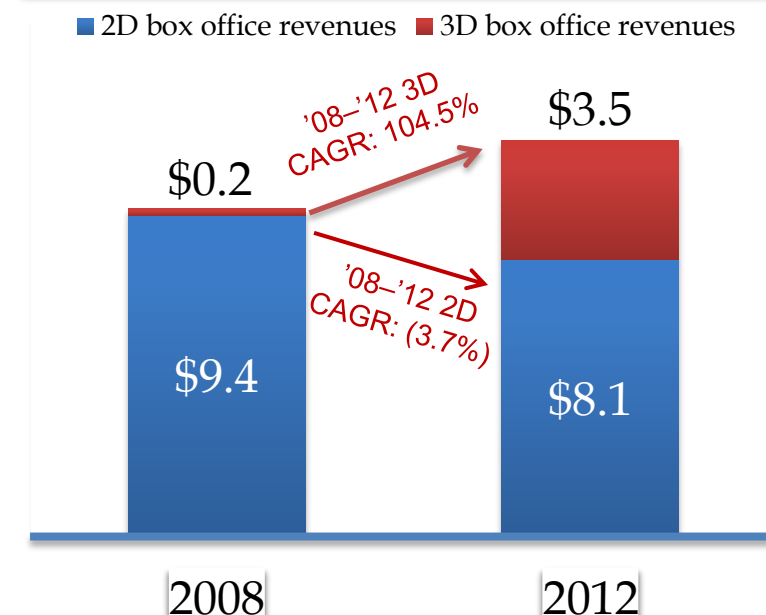
# of US Theatrical Films Released in 3D<sup>2</sup>



3D Movie Screen Projectors (Global)



U.S./Canada 3D Box Office (US \$Bn)<sup>3</sup>



<sup>1</sup> “Hollywood bets heavily on razzle-dazzle action and effects” *Los Angeles Times*, April 27, 2012.

<sup>2</sup> Includes films captured, converted and rendered in 3D

<sup>3</sup> Source: Future Source, Screen Digest, Wall Street research

# 3D/VFX is Essential to Blockbuster Movies

| Top 2011 WWBO                                     |                                                                                   |         | Top 2010 WWBO                        |                                                                                       |         | Top 2009 WWBO                                  |                                                                                     |         |
|---------------------------------------------------|-----------------------------------------------------------------------------------|---------|--------------------------------------|---------------------------------------------------------------------------------------|---------|------------------------------------------------|-------------------------------------------------------------------------------------|---------|
| ✓ Harry Potter and the Deathly Hallows (Part two) |  | \$1,328 | ✓ Alice in Wonderland                |                                                                                       | \$1,024 | ✓ Avatar                                       |  | \$2,772 |
| ✓ Transformers: Dark of the Moon                  |  | \$1,123 | Harry Potter and the Deathly Hallows |    | \$955   | Harry Potter and the Half Blood Prince         |                                                                                     | \$934   |
| ✓ Pirates of the Caribbean: On Stranger Tides     |                                                                                   | \$1,044 | Inception                            |                                                                                       | \$826   | Transformers: The Revenge of the Fallen        |                                                                                     | \$887   |
| The Twilight Saga: Breaking Dawn                  |  | \$705   | The Twilight Saga: Eclipse           |    | \$699   | 2012                                           |                                                                                     | \$770   |
| Mission: Impossible -Ghost Protocol               |                                                                                   | \$693   | Iron Man 2                           |                                                                                       | \$622   | The Twilight Saga: New Moon                    |  | \$710   |
| Fast Five                                         |                                                                                   | \$626   | ✓ Clash of the Titans                |   | \$493   | Sherlock Holmes                                |                                                                                     | \$524   |
| The Hangover Part II                              |                                                                                   | \$582   | ✓ Narnia: Dawn Treader               |  | \$415   | Angels and Demons                              |                                                                                     | \$486   |
| Sherlock Holmes: Game of Shadows                  |                                                                                   | \$535   | The Kings Speech                     |                                                                                       | \$402   | The Hangover                                   |                                                                                     | \$468   |
| Rise of the Planet of the Apes                    |                                                                                   | \$482   | ✓ Tron: Legacy                       |  | \$400   | Night at the Museum: Battle of the Smithsonian |                                                                                     | \$413   |
| ✓ Thor                                            |                                                                                   | \$449   | The Karate Kid                       |                                                                                       | \$359   | Star Trek                                      |                                                                                     | \$386   |

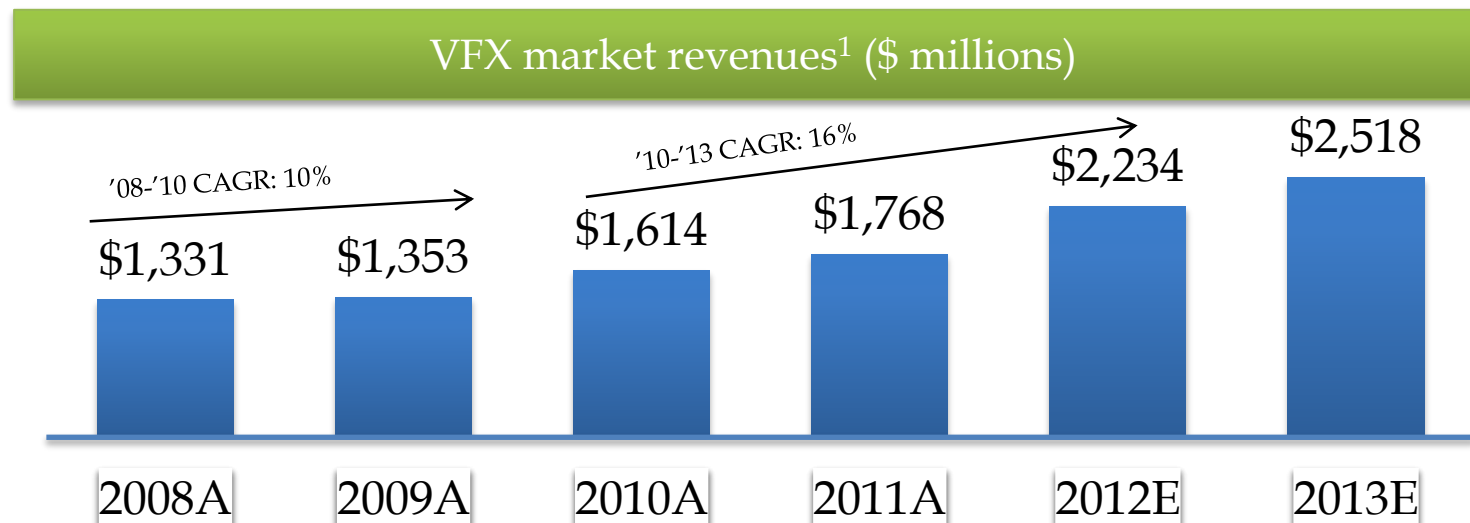
Source: Box Office Mojo; Note: Excludes wholly animated films.

 = VFX-heavy<sup>1</sup> live action theatrical releases    ✓ = 3D

44 of the top 50 films of all time are visual effects driven - Visual Effects Society

# Large and Growing VFX Market

- ❖ VFX market is currently ~\$1.8 billion<sup>1</sup> and growing
- ❖ VFX consumes ~30% - 40% of most film's budget and is often in excess of \$50mm for major studio films<sup>2</sup>
- ❖ *"Estimated Cost of Summer Big Budget releases in 2012 is \$2.7 billion, an increase of over 29% from just 2 years ago...5 2012 movies with budgets over \$200 million"*<sup>3</sup>
- ❖ VFX heavy films perform the best internationally, where the majority of box office sales are today
  - Total international box office in 2011 was \$22.4 billion, compared to \$10.2 billion in the U.S. and Canada<sup>3</sup>
- ❖ Number of films released in 3D expected to reach 48 in 2012<sup>4</sup>



<sup>1</sup> Frank N. Magid Associates, Inc.

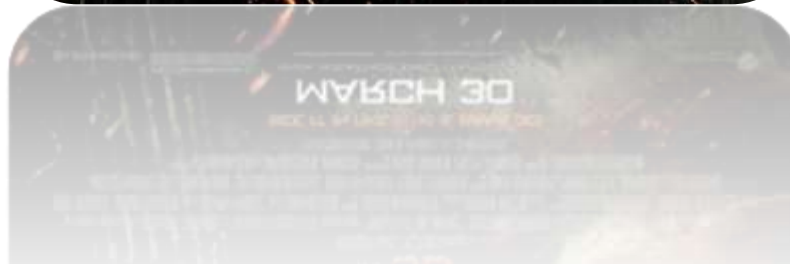
<sup>2</sup> Los Angeles Times, February 2011

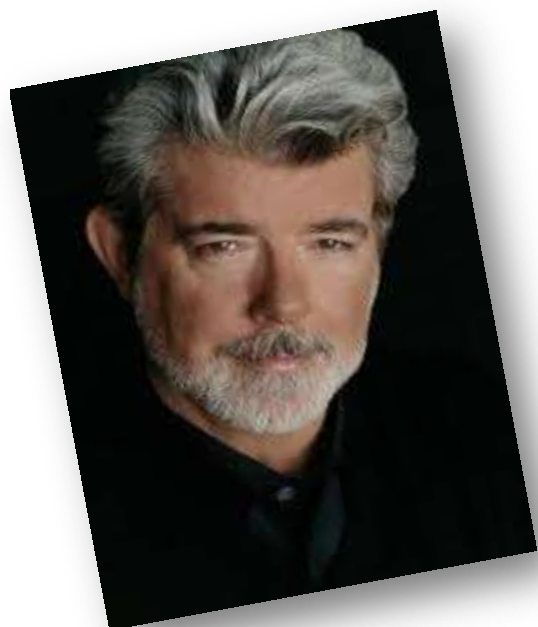
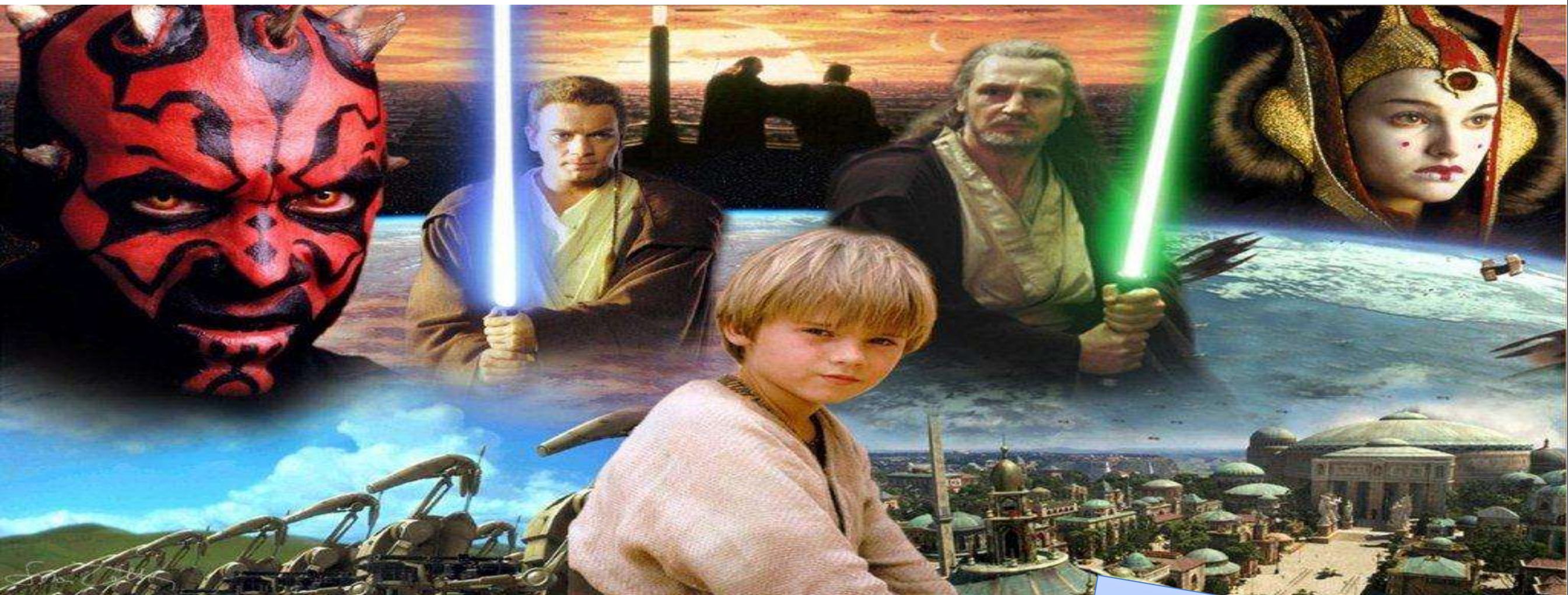
<sup>3</sup> "Hollywood bets heavily on razzle-dazzle action and effects" Los Angeles Times, April 27, 2012.

<sup>4</sup> Futuresource



# New 3D Releases – converted by Prime Focus





**Star Wars: Episode I - The Phantom Menace.**  
Lucas film.

*"It was incredibly important to me that we have the technology, the resources and the time to do this right.  
I'm very happy with the results I've been seeing on Episode I."*

Feedback from: George Lucas

- ❖ Star Wars: Episode 1 3-D - Theatrical Release Feb 2012
  - 100% conversion by Prime Focus
- ❖ Grossed \$103mn in WWBO
  - \$59.3mn foreign box office



***Wrath of the Titans***  
**Warner Bros. Pictures**

***"Prime Focus welcomed the many technical challenges Wrath of the Titans presented with open arms, charging into the battle to ensure they could do justice to the film's heavy texturing and the scale of ancient Greece from a stereoscopic standpoint."***

**Marcus Alexander - Studio Stereographer**

# Management's Message

*Commenting on Prime Focus' Q4 & FY2012 results, Mr. Ramki Sankaranarayanan, Managing Director and CEO of Prime Focus Limited said:*

*"Our strategy on 3D is continuing to work, with the unparalleled success of the theatrical release of the new and old 3D titles worldwide. Whether it is Star Wars, Avengers, Wrath of the Titans, Immortals, Titanic or Men In Black 3, all have significant collections worldwide, putting to rest the argument whether Theatrical 3D is viable business or not. Noteworthy, is the success of the 3D release of Library titles like Star Wars or Titanic, bodes very well for the growth momentum in the next year as well.*

*Our VFX business has also witnessed growth as we leverage our strong relationships with Hollywood studios to increase our share in this \$ 5 billion market. We continue to invest to grow the Global Digital Pipeline across Vancouver, London, Hollywood and Indian VFX Content creation studios, bringing in clients the best mix of talent, scale and technology, delivering projects like Men in Black 3, Immortals or the currently ongoing Dredd.*

*Prime Focus Technologies' CLEAR is not only the World's First Hybrid CLOUD Technology platform, but the World's most Established CLOUD platform managing over 150000 hours of content for Broadcasters, Studios and brands worldwide. The Software as a Service Model for technology and Services on Tap model have helped grow revenue revenues by 200% this year. Client wins like Associated Press, British Films Institute, Sony Music, Netflix, Viacom, and National Geographic Channel have signaled the global adoption of CLEAR and how it is helping our clients manage the business of content. The successful deployment of Star TV and the Ubiquitous CLEAR iPad application have helped demonstrate true digitization of the content enterprise including the digital media supply chain enabling creativity, better monetization and driving efficiencies. Driven by the increased adoption of CLEAR, we carry this momentum with a very healthy order book into the next year"*



# Q4 & FY2012 Financial Highlights

## FY2012 Highlights

- ❖ Net Revenues grew 53.5% to ₹ 7719.1 million
- ❖ EBITDA increased 24.8% to ₹ 2285.4 million
- ❖ Net Profit grew 30.4% to ₹ 992.5 million
- ❖ Diluted EPS for the year increased from ₹ 4.86 to ₹ 5.89 per share

## Q4 FY2012 Highlights

- ❖ Net Revenues grew 146.3% to ₹ 1891.3 million
- ❖ EBITDA increased 24.9% to ₹ 588.2 million
- ❖ Net Profit grew 104.6% to ₹ 209.1 million
- ❖ Diluted EPS for the quarter increased from ₹ 0.65 to ₹ 1.24 per share

# Financial Overview

| Profit & Loss Statement |         |         |                |         |         |                |
|-------------------------|---------|---------|----------------|---------|---------|----------------|
| (₹ million)             | Q4 FY12 | Q4 FY11 | % Y-o-Y Growth | FY12    | FY11    | % Y-o-Y Growth |
| Revenues                | 1,891.3 | 767.9   | 146.3%         | 7,719.1 | 5,029.6 | 53.5%          |
| Personnel Cost          | 982.7   | 246.4   | 298.8%         | 3,581.9 | 2,047.1 | 75.0%          |
| Other Expenditure       | 347.3   | 133.9   | 159.4%         | 1,924.1 | 1,301.2 | 47.9%          |
| EBITDA                  | 588.2   | 470.8   | 24.9%          | 2,285.4 | 1,831.0 | 24.8%          |
| EBITDA Margin           | 31.1%   | 61.3%   | -              | 29.6%   | 36.0%   | -              |
| Exch. Loss/(Gain)       | (35.4)  | 7.9     | -              | (129.5) | 10.5    | -              |
| Depreciation            | 238.9   | 174.5   | 36.9%          | 648.1   | 545.5   | 18.8%          |
| Interest                | 120.0   | 92.7    | 29.4%          | 410.0   | 263.0   | 55.9%          |
| Profit Before Tax       | 264.7   | 125.8   | 110.4%         | 1,328.0 | 941.9   | 41.0%          |
| Profit After Tax        | 209.1   | 102.2   | 104.6%         | 992.5   | 760.9   | 30.4%          |
| PAT Margin              | 10.7%   | 13.3%   | -              | 12.9%   | 15.1%   | -              |
| Diluted EPS (₹)         | 1.24    | 0.65    | -              | 5.89    | 4.86    | -              |

# Business Updates

## Star Wars crosses \$1 billion in worldwide box office following its 3D re-release

PFL has delivered 2D-3D conversion services to Hollywood filmmaker George Lucas' Star Wars: The Phantom Menace. The movie has crossed \$1 billion in worldwide box office with 20th Century Fox's re-release of the film in 3D.

## 'Wrath of the Titans' – 3D release well received

Prime Focus World has worked on the stereo 3D conversion of Warner Bros. Pictures' blockbuster, 'Wrath of the Titans'. Almost 2,000 shots were converted to 3D using View-D™, Prime Focus' proprietary 3D conversion tool, with work completed at its facilities in London and India. The film which was made on a production budget of ~\$ 150 million has grossed ~\$ 300 million at the box office.

## Other 2D-3D conversion projects

The 2D-3D business is witnessing strong traction. The latest release 'Men in Black -3' has garnered strong weekend collections. Top moviemakers rely on Prime Focus to deliver the artistry, technology and global infrastructure required to efficiently and cost-effectively convert 2D movies in 3D format. Projects currently under execution include Wizard of Oz, Frankenweenie and Star Wars 2 & 3.

# Business Updates

## British Film Institute (BFI) selects Prime Focus Technologies for archive digital services

Prime Focus Technologies (PFT) has been chosen by the British Film Institute (BFI) as a preferred supplier of digital services for its film and television archives, including scanning and digital restoration services. Following a tender process that saw bids from 35 suppliers both from the UK and abroad, PFT was selected as one of the specialist companies that will work with the BFI to help preserve and present its archive material.

## Associated Press to digitize vast video archive with CLEAR from Prime Focus Technologies

The Associated Press is working with Prime Focus Technologies (PFT) to digitize its unique video archive, making it available to a whole new audience across digital platforms. AP's film and tape archive contains around 70,000 hours' worth of footage, including more than 1.3 million global news and entertainment stories, in 16mm film and videotape, dating back to the beginning of the 20th Century. The project is part of AP's multimillion-dollar upgrade to its video business which will see AP switch its entire newsgathering, production and distribution systems to HD to continue to meet the technical, editorial and business needs of its customers in the digital age.

## Sony music fine tunes its video operations by moving to the cloud

Sony Music has commissioned Prime Focus Technologies (PFT) to deploy CLEAR™ for moving its entire video content operations to the cloud, creating an eco-system for the supply, preparation and delivery of content. This will help Sony Music manage their video business by increasing agility, unlocking new revenue streams, enabling creativity and cutting costs.

# Business Updates

## Animation Services Opportunity

Global Animation and Gaming market is expected to grow from \$122.2 billion in 2010 to \$242.9 billion in 2016. Prime Focus entered the Animation Services market in Q4 FY2012 when it bagged a large animation T.V. project (an entire network season) by a leading global toy manufacturer. Prime Focus' highly skilled global workforce and state of the art facilities make the Company ideally positioned to grow the share of the Animation Services market.

## Prime Focus Technologies supports initiative to standardize unique content identification, signs up with EIDR [Entertainment Identifier Registry]

The Entertainment Identifier Registry is an industry body established with the goal of creating a single ID system for every piece of movie and TV content, in order to streamline and facilitate smart searches, improve personal recommendations and streamline the digital supply chain workflow. The participation with EIDR will help PFT deliver rich metadata to customers across multiple platforms, while easily linking that data to content and applications from studios, broadcasters, other content creators and distributors.

## Prime Focus Technologies expands global horizons to South Africa

PFT has entered into a strategic alliance with South African ISP giant LaserNet. The agreement will see LaserNet bringing PFT's CLEAR™ unified content operations platform and supporting services to its substantial Media & Entertainment sector client-base in the region. With the dynamic combination of PFT's technology and experience and LaserNet's strong local foothold and infrastructure, the strategic alliance will result in new growth and development opportunities for the media and entertainment industry in South Africa.

# Corporate Updates

## Prime Focus Limited's Promoter converts 1,000,000 warrants into equity shares

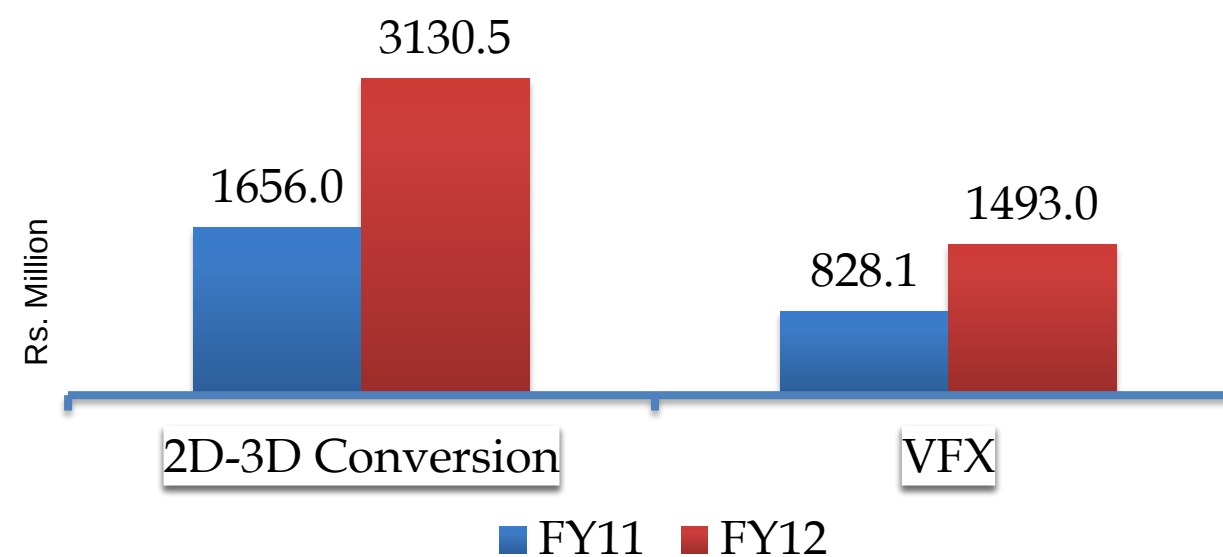
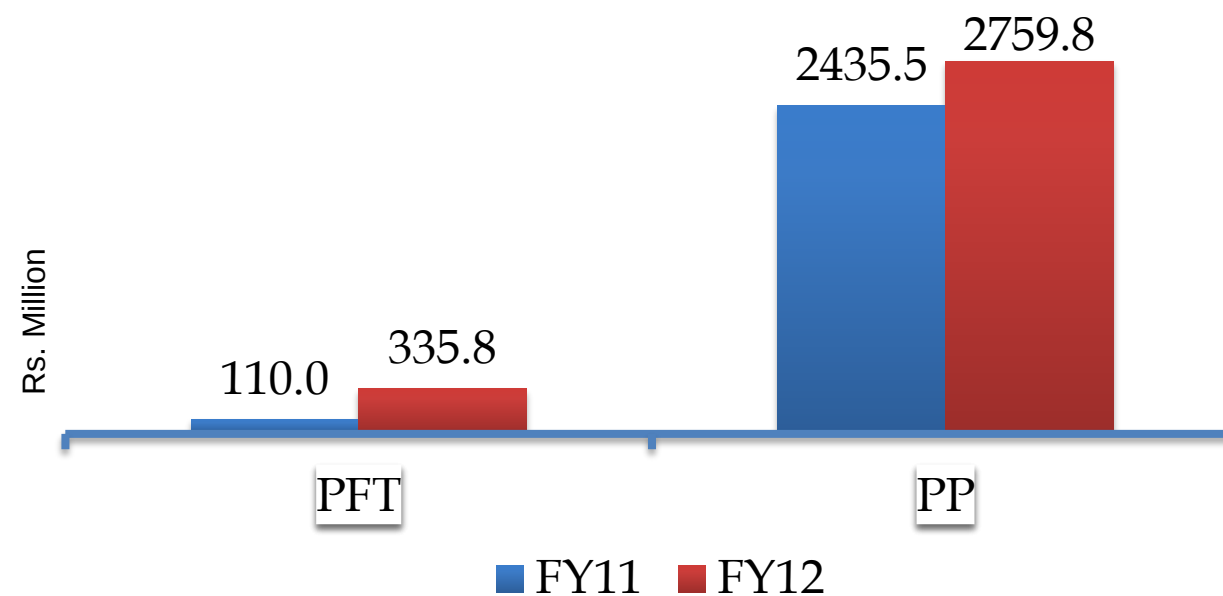
The Board of Directors of Prime Focus Limited has approved the conversion of 1,000,000 Convertible Warrants held by Mr. Namit Malhotra - Promoter of the Company and allotted 1,00,00,000 Equity Shares against conversion of said warrants held at a premium of Rs. 544.78 per warrant (each warrant convertible into one equity share of face value of Rs. 10 each). On account of stock split w.e.f 1<sup>st</sup> Nov, 2010 of one equity share of face value of Rs. 10 each into 10 equity shares of face value Re. 1 each, company has issued 1,00,00,000 equity shares to Mr. Namit Malhotra.

## Prime Focus launches full service creative post facility in New York

Prime Focus has launched its new full-service, creative post-production facility in New York which is the latest in the global network of connected facilities linking the key media hubs of LA, New York, Vancouver, London and Mumbai. The new facility, located at 345 Hudson Street, is already providing a wide range of creative and technical solutions to Commercials, Broadcast and Feature Film clients. On-site services offered by Prime Focus New York include DI and Color Correction, Audio Design, Recording and Mix, award-winning Visual Effects, Offline and Online Editing, CLEAR content management and delivery, and its industry-leading 3D Conversion services.



# Segmental Overview



# Prime Focus – At The Forefront

Leadership position in the global 2D to 3D conversion business – strong relationships with leading Hollywood & Indian studios

Best-in-class VFX service provider to domestic and international production houses

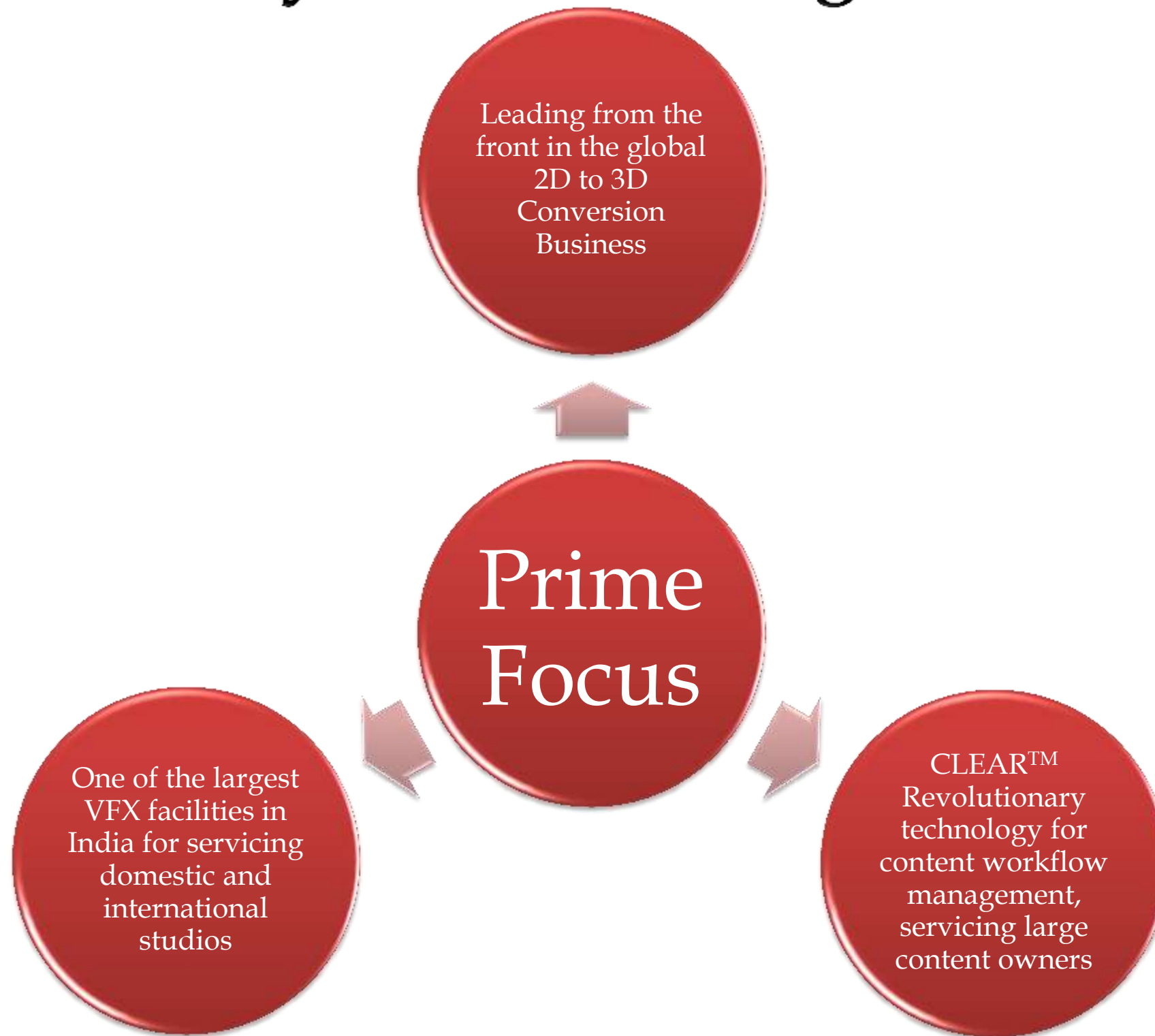
High quality global infrastructure base and establishment across India, US and Europe

Over a decade of credible presence – highly competent management team with a reputation for excellence

Sustained financial growth in revenues and earnings



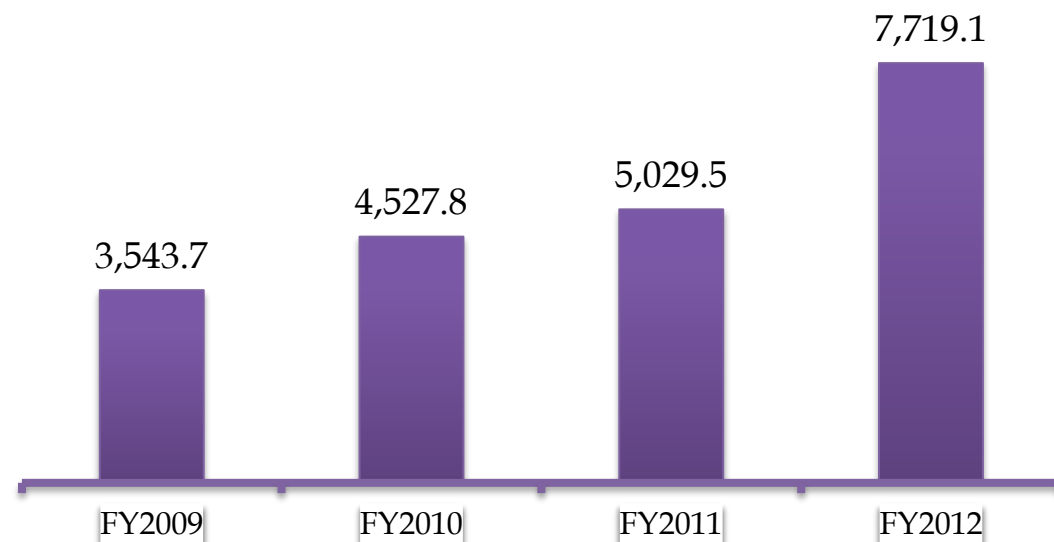
# Key Business Segments



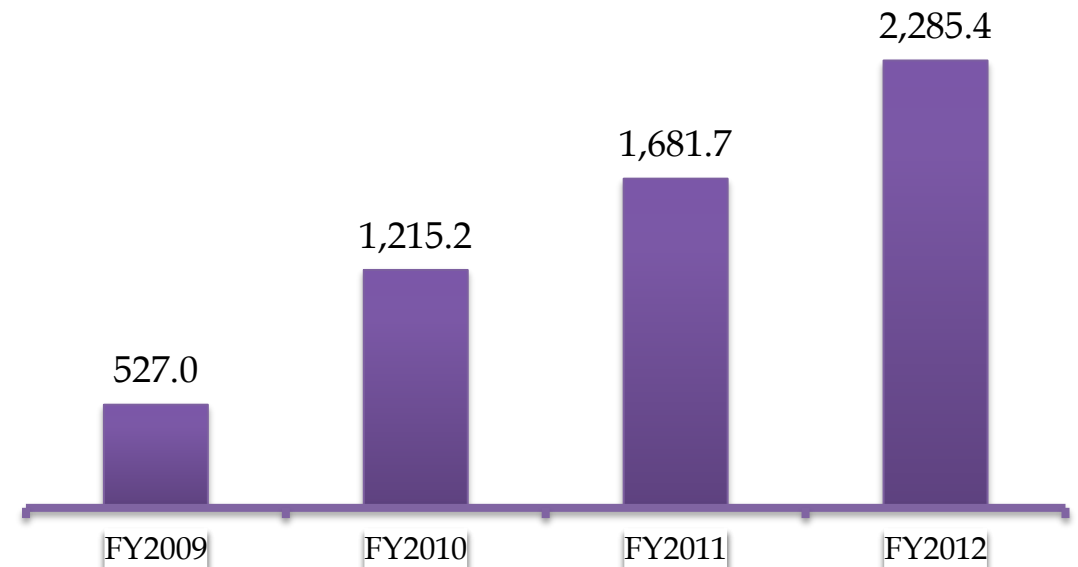


# Historical Financial Highlights

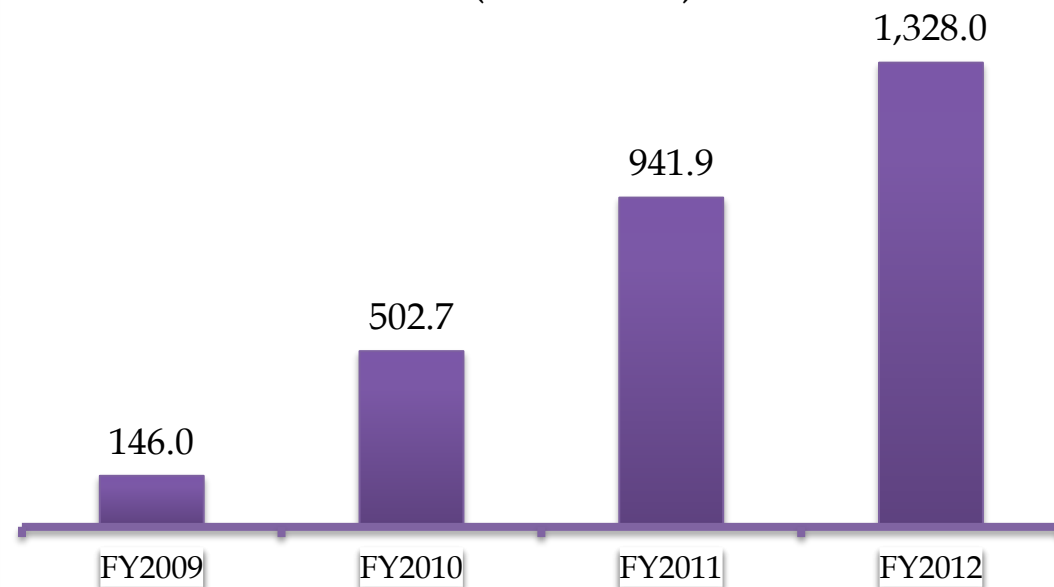
Revenues (Rs. Million)



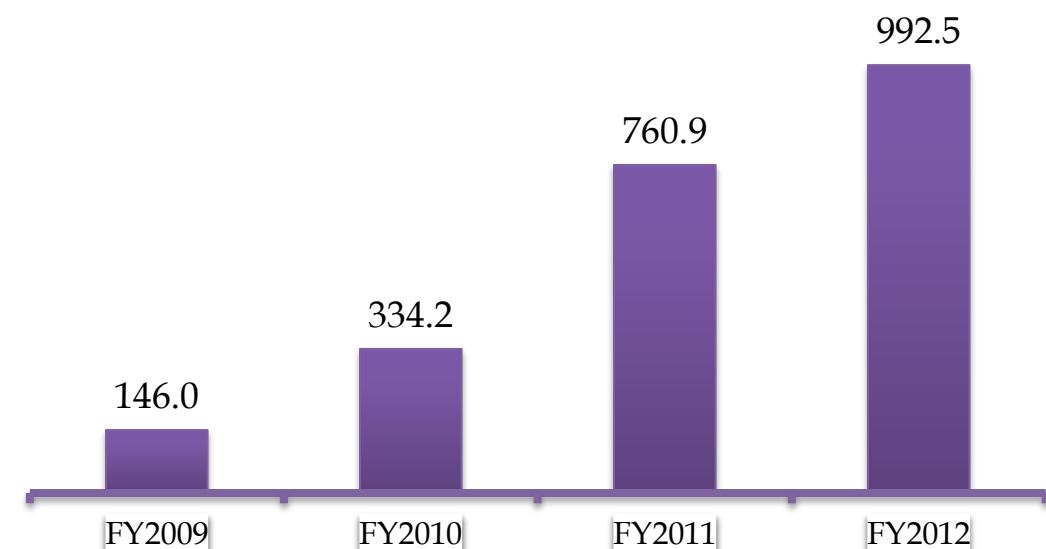
EBITDA (Rs. Million)



PBT (Rs. Million)



PAT (Rs. Million)





## About Prime Focus Limited (PFL):

Prime Focus (BSE code: 532748, NSE: PFOCUS, ISIN: INE367G01038) is a global visual entertainment services group that provides creative and technical services to the film, broadcast, and advertising market. The group offers a genuine end-to-end solution from pre-production to final delivery – including visual effects, 2D to 3D conversion, video and audio post production, equipment hire, multi-platform content operations solutions and digital distribution.

Prime Focus employs 4,500 people with state-of-the-art facilities throughout the key markets of North America, UK and India. Using its 'Worldsourcing' business model, Prime Focus provides a network that combines global cost advantages, resources and talent pool with strong relationships and a deep understanding of the local markets.

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# Thank You.

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