



Prime Focus Limited

The World Leader in Media & Entertainment Industry Services

Q2 & H1 FY14 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.

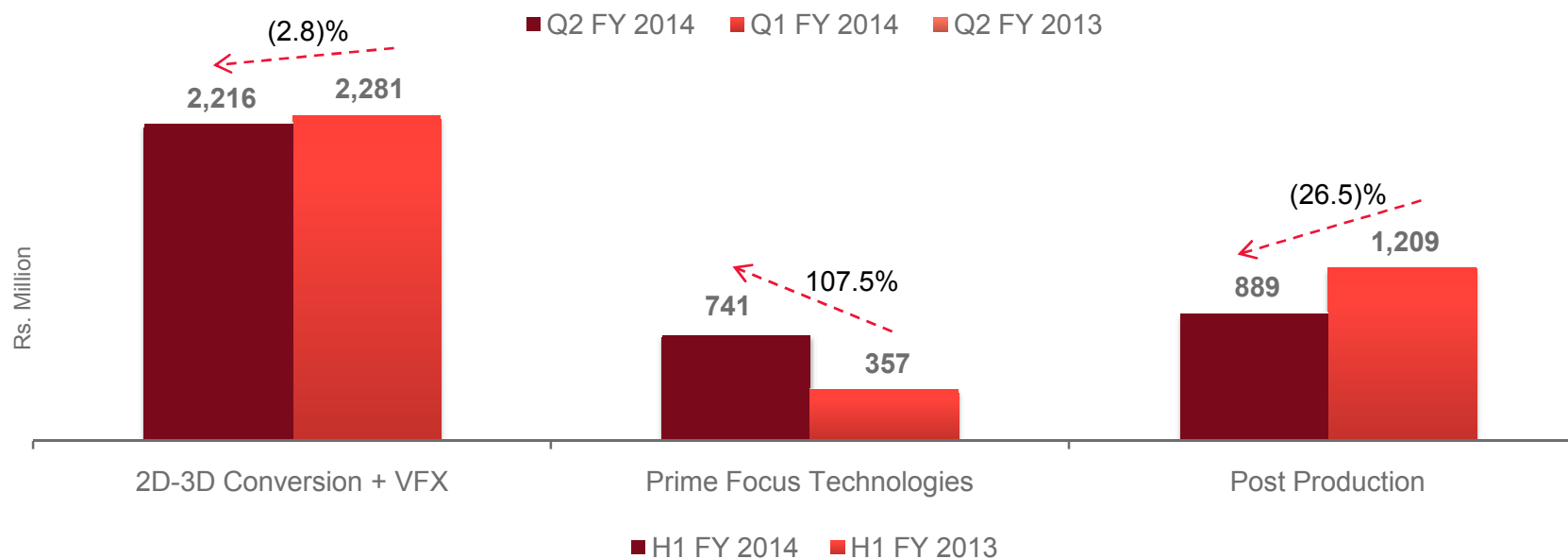
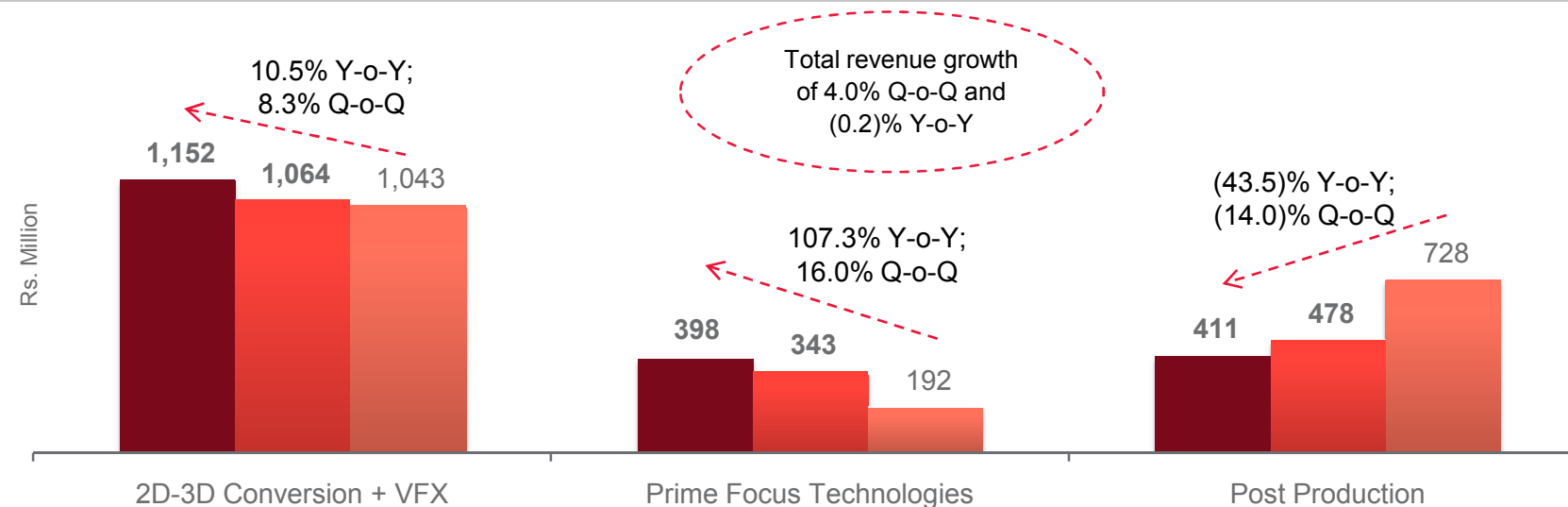
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Results Summary

Prime Focus' Q2 revenues increased 4% Q-o-Q to Rs.1,960.6mn; PFT lead the growth, growing at 16.0% Q-o-Q and 107.3% Y-o-Y

- Revenues for Q2 FY14 showed a Q-o-Q increase of 4.0%, to Rs.1,960.6mn from Rs.1,884.7mn in Q1 FY14:
 - PFT's revolutionary CLEAR™ technology business grew at 16.0% Q-o-Q and 107.3% Y-o-Y, as it continues to witness robust growth on the back of substantially visible annuity contracts
 - PFW's Creative Services businesses (2D to 3D conversion and VFX) grew at 8.3% Q-o-Q and 10.5% Y-o-Y
 - The legacy low growth Post Production business of Prime Focus continues to be sluggish, de-growing by 14.0% Q-o-Q and 43.5% Y-o-Y
- On a Y-o-Y H1 FY14 perspective, revenues remained flat at Rs.3,845.3mn, largely due to the decline in Post Production revenues

Segmental Revenues



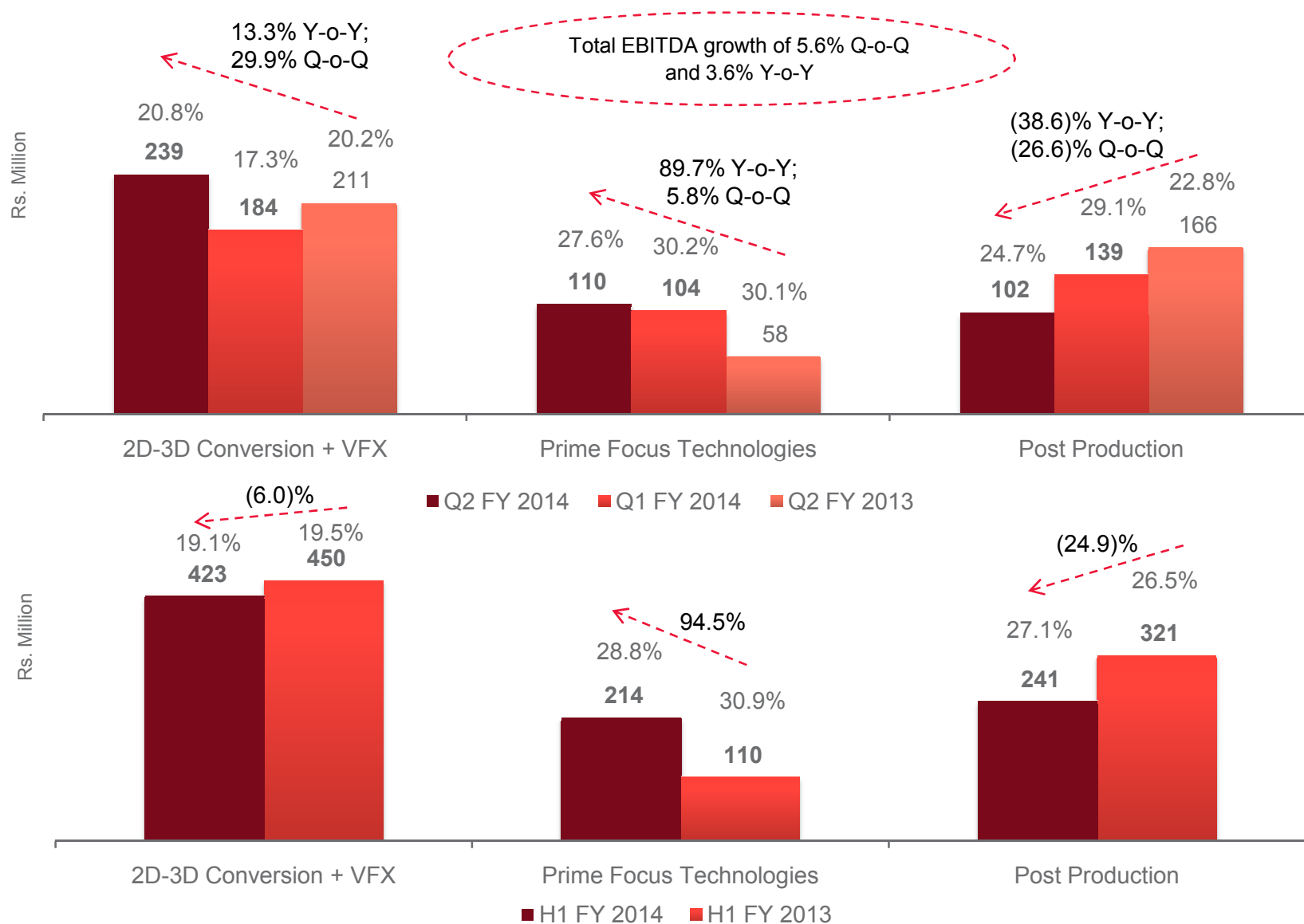
Results Summary.. Contd.

EBITDA (with and without Exchange Gain) grew 15.4% and 5.6% Q-o-Q respectively; Exchange Gain drives EPS up by 150.0% Q-o-Q to Rs.1.15

- Personnel costs declined on a H1 Y-o-Y basis by 7.5%; down from Rs.2,052.4mn to Rs.1,898.6mn, largely due to lower use of temporary employees.
 - However, they increased marginally by 1.7% on a Q-o-Q basis due to full quarter impact of employee costs for the new True North facility at PFT.
- Other expenses increased 6.9% on a Q-o-Q basis and 17.2% on a H1 Y-o-Y basis, largely driven by operational expenses for the new True North facility at PFT.
- Consequently, the EBITDA (excl. Exchange Gain) has increased by 5.6% Q-o-Q to Rs.450.8mn, up from Rs.426.8mn in Q1.
- Due to its operational setup and business model of World Sourcing, Prime Focus operations continue to benefit from Rupee depreciation, leading to an EBITDA (incl. Exchange Gain) of Rs.654.5mn in Q2 FY14, up 15.4% Q-o-Q and 78.8% Y-o-Y.
- Similarly, for H1 FY14 EBITDA (incl. Exchange Gain) is at Rs.1,221.9mn, up by 30.3% from Rs.937.7mn in H1 FY13.

PBT for H1 FY14 is at Rs.463.3mn, up by 12.3% from Rs.412.6mn in H1 FY13 and up by 76.2% Q-o-Q and EPS is higher by 150.0% Q-o-Q, to Rs.1.15 from 0.46 in Q1 FY14.

Segmental Margins (EBITDA – excluding Exchange Gain)

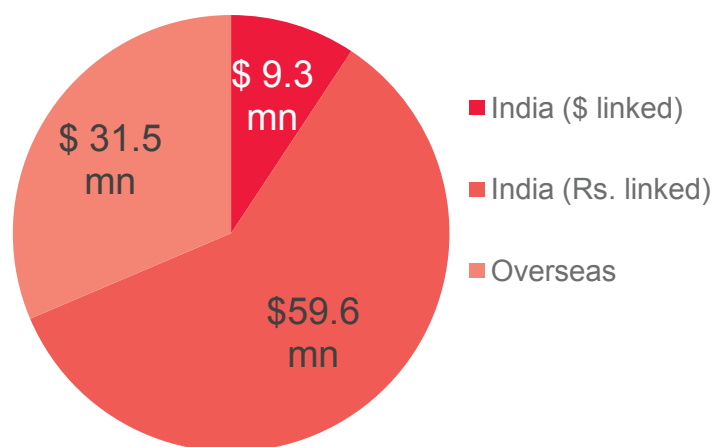


Q2 & H1 FY14 Financial Overview (Consolidated)

(million)	Q2 FY14	Q2FY13	Q1FY14	% Y-o-Y Variance	% Q-o-Q Variance	H1 FY14	H1 FY13	% Y-o-Y Variance
Revenues	1,960.6	1,963.9	1,884.7	-0.2%	4.0%	3,845.3	3,845.9	0.0%
Personnel Cost	957.4	1042.6	941.2	-8.2%	1.7%	1898.6	2052.4	-7.5%
Other Expenditure	552.4	486.1	516.8	13.6%	6.9%	1069.1	912.2	17.2%
Operational Exch. Loss/(Gain)	-	69.1	-	-	-	-	-	-
Total Expenditure	1509.8	1597.8	1457.9	-5.5%	3.6%	2,967.7	2,964.6	0.1%
Operational Exchange gain	203.7	-	140.6	-	44.9%	344.3	56.4	510.6%
Other Income	40.6	66.3	27.8	-38.8%	46.3%	68.3	78.9	-13.4%
EBITDA (including Exch. Loss/(Gain))	654.5	366.1	567.4	78.8%	15.4%	1221.9	937.7	30.3%
EBITDA Margin (%) (including Exch. Loss/(Gain))	33.4%	18.6%	30.1%	-	10.9%	31.8%	24.4%	-
EBITDA (excluding Exch. Loss/(Gain))	450.8	435.2	426.8	3.6%	5.6%	877.6	881.3	-0.4%
EBITDA Margin (%) (excluding Exch. Loss/(Gain))	23.0%	22.2%	22.6%	-	1.5%	22.8%	22.9%	-
Depreciation	284.4	210.3	224.7	35.2%	26.6%	509.1	418.1	21.8%
Finance Costs	110.9	108.1	130.5	2.6%	-15.0%	241.4	185.9	29.9%
Exceptional Items- Expenditure/ (Income)	4.2	-	72.2	-	-94.2%	76.4	-	-
Profit Before Tax	295.5	114.0	167.7	159.2%	76.2%	463.3	412.6	12.3%
Tax Expense	55.1	97.9	74.9	-43.8%	-26.5%	129.9	99.74	30.2%
Minority interest	27.1	8.8	7.5	209%	261%	34.55	7.54	358.2%
Profit After Tax	213.4	95.4	85.3	123.7%	150.2%	298.7	305.2	-2.1%
EPS	1.15	0.57	0.46	101.8%	150.0%	1.61	1.82	-11.5%

Debt Profile

Net Debt (\$ mn) – Geographical Breakup

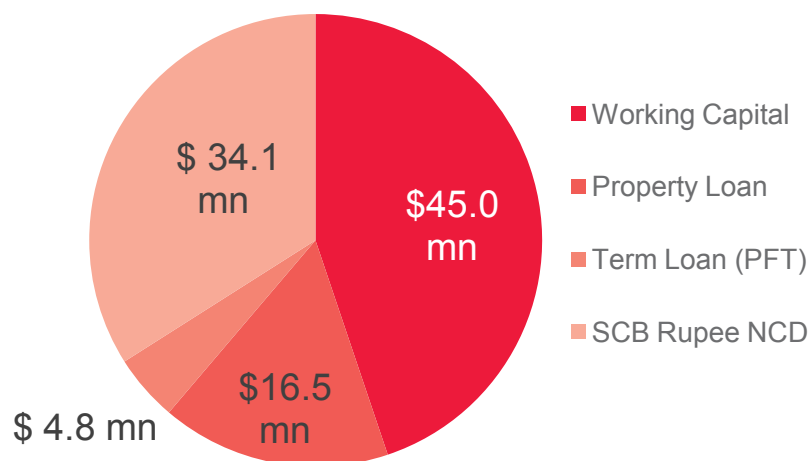


PFL continues to focus on reducing debt and deleveraging the Balance Sheet

Net Debt at \$100 million (Rs. 6,297.5 million)*, as against \$106 million earlier

- Geographical breakup
 - India (\$ linked) - \$ 9.3 million
 - India (Rs. linked) - \$ 59.6 million
 - Overseas - \$ 31.5 million

Net Debt Composition (\$ mn)



- Net Debt breakup
 - Working Capital \$ 45.0 million
 - Property Loan \$16.5 million
 - Term Loan of \$ 4.8 million
 - Standard Chartered Bank Rupee NCD \$ 34.1 million (incl. accrued premium)

Management's Message

Commenting on Prime Focus' Q2 & H1 FY2014 results, Mr. Ramki Sankaranarayanan, CEO of Prime Focus Limited said:

"Recently, we proudly celebrated our 16th anniversary, highlighting our transformation from a post production company to a leading global provider of creative and technology services to the media and entertainment industry. Dovetailed to this celebration, we dedicated to the industry "True North", our Global Media Services Cloud, the 106,000 Sq Ft facility. True North is a Digital Lab for Cinema and a Production Hub for TV, transitioning Prime Focus Technologies into a digital backbone for the TV, Cinema, Digital and Media industry.

During the quarter, we have garnered worldwide critical and viewer acclaim for our 3D conversion work in the recently released Gravity & we now have several VFX projects under execution in addition to Sin City 2. The quarter continues to see PFT H1 revenue and EBITDA growth of 107.5% and 94.5% respectively on the back of the increased adoption of Hybrid Cloud Media ERP Platform and associated business process content services."

Prime Focus celebrates 16 years, Inaugurates PFT "True North"



Naresh Malhotra (Group Chairman, Prime Focus), Namit Malhotra (CEO, Chairman and Founder, Prime Focus World), Mr. Amitabh Bachchan, Ramki Sankaranarayanan (CEO, Prime Focus India and President and CEO, Prime Focus Technologies), Ganesh Sankaran (Co-Founder and COO, Prime Focus Technologies), Merzin Tavaría (Co-Founder and Chief Creative Director, Prime Focus)

Prime Focus celebrated 16 years in the media and entertainment industry, and launched **True North**, its global 24x7 content operations hub.

- **True North** will house more than 600 employees and offer cloud based media services to Prime Focus Technologies' global clientele including the likes of Star, Bloomberg, Disney, Warner Bros., SONY Music, Viacom 18, SONY MSM, BCCI (Board of Control for Cricket in India), IPL (Indian Premiere League), Hindustan Unilever Limited, The Associated Press, A & E TV Network, Netflix, Schawk! and WPP.
- With True North, Prime Focus Technologies is offering two compelling solutions to the industry: Digital Lab for Cinema and a Production Hub for TV.
- Supported by a 17 giga bit media network and Tier 3 data center with no single point of failure, True North serves as the digital backbone for over 200 TV channels and manages over 100 TV shows a day.
- Prime Focus' latest innovation will become the de facto virtual hub for TV, Cinema, Digital and Media sectors.

Business Updates

Prime Focus appoints Mr. Vikas Rathee as Group COO

Prime Focus has appointed Mr. Vikas Rathee, a proficient investment banking and corporate finance professional, as its Group Chief Operating Officer (COO). Mr. Rathee has more than a decade of experience working with leading companies in the Telecom, Media and Technology sector with proven relationships and in-depth understanding of industry dynamics across U.S., Europe and Asia. Mr. Rathee has previously worked at Suzlon, Bank of America Merrill Lynch and ABN AMRO.

In his new role, Mr. Rathee will work as part of Prime Focus' corporate leadership to position Prime Focus among target customers as a key strategic partner as well as the investor and financial community as an incredible story that is moving rapidly towards realizing its full potential in the global Media & Entertainment universe.

Prime Focus Broadcast VFX team wins top honors in the Outstanding Graphic Design & Art Direction category at the prestigious Emmy® Awards

Prime Focus won an Emmy® Award in the 'Outstanding Graphic Design & Art Direction category for their work on History Channel's series World War II from Space. The October Films landmark series 'WW2 from Space' covers the key political events and battles from the Second World War making extensive use of today's creative technology to deliver the information in a way that will seize the attention of modern audiences.

Prime Focus Technologies bags the Aegis Graham Bell Awards 2013 for Innovation in Cloud-based Solutions

The award recognizes PFT's innovation in digitizing broadcast networks and enabling content owners to transition from traditional supply chain to TV Cloud and digital media supply chain.

Business Updates

Promoters increase holdings by 906,554 shares (0.5% of equity capital) since June 30, 2013

The promoters of Prime Focus have increased their holding by 906,554 shares and now hold 77,101,546 shares representing 41.58% of the company's equity capital as at the end of September 2013, signifying their dedication and commitment towards the business.

Sale of the company's backend facilities to its subsidiary, Prime Focus World, for a consideration not less than \$ 38 million, receives shareholder approval

The Board of Directors of Prime Focus Limited (PFL) approved the sale of the company's backend facilities located at Mumbai and Chandigarh to its subsidiary Prime Focus World (PFW) for a consideration not less than \$ 38 million.

The valuation has been arrived at independently by one of the Big 4 accounting firms. From these facilities, PFL has been conducting the business of providing 2D to 3D conversion and VFX services on an exclusive outsourcing basis to PFW. The deal is currently undergoing closing procedural formalities and is expected to be closed in the current quarter.

Following this transaction, PFL reiterates its endeavour to bring down debt at a standalone entity level, deleverage balance sheet and reduce interest expenses.

Sale of backend facilities is expected to deliver operational efficiencies for Prime Focus Group, helping streamline operations, reducing duplication of resources, and resulting in higher margins and profitability.

PFW successfully recreates the mystic space in 'Gravity'

As the exclusive conversion partner on this acclaimed 3D film, Prime Focus strengthens its leadership position in the Hollywood 3D industry

- **PFW** provided exclusive 3D conversion for the Warner Bros. space-thriller 'Gravity', directed by Alfonso Cuarón, starring Sandra Bullock and George Clooney.
- Gravity has prompted the kind of enthusiasm for 3D viewership not seen since the release of Avatar and the unprecedented critical and viewer appreciation is testimony to the continuing global appeal of the 3D visual format.
 - The film made a grand opening at the 70th Venice International Film Festival in September, and has since garnered all round praise for its cutting-edge use of 3D
 - Around 80% of ticket sales came from 3D screenings, with global audiences choosing to pay premium prices for the spectacular effects. In comparison, Avatar, which was also highly regarded for its 3D experience, witnessed 72% of its sales come from 3D screening.

"3D is fundamental for the experience of Gravity. The movie's immersive quality can only be fully experienced in 3D, from the vastness of space to the intimate isolation of the characters, the intense power of debris collisions to the serenity of the ever-present Earth. With 3D, audiences float in space."

Alfonso Cuarón, Director, Gravity



"I think the 3D is a character in the film, in a way, or it contributes to the character."

David Heyman, Producer, Gravity

PFW - 3D & VFX work delivered



Gravity

- PFW was the exclusive 3D conversion partner for Gravity starring Sandra Bullock and George Clooney.
- The movie has over audiences and critics for its a impressive 3D experience and has collected \$ 476 million (production budget of \$ 100 million) since its release on October 04, 2013.



Machete Kills

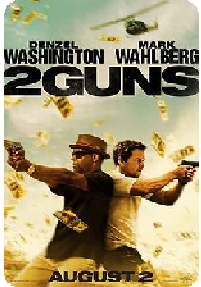
- PFW VFX artists in Vancouver and Mumbai delivered 145 VFX shots on Robert Rodriguez's grindhouse sequel 'Machete Kills', starring Danny Trejo as ex-Federale agent Machete.



About Time

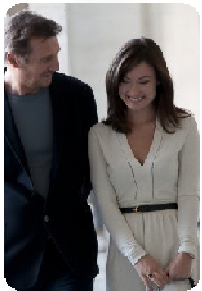
- PFW was the sole VFX partner delivering 32 VFX shots for the movie, Richard Curtis' movie 'About Time' featuring Domhnall Gleeson, Bill Nighy and Rachel McAdams
- Grossed worldwide collections of \$ 48 million.

PFW - 3D & VFX work delivered



2 Guns

- Worked with Universal Pictures, PFW delivered 32 VFX shots for 2 Guns starring Mark Wahlberg and Denzel Washington.
- Grossed \$ 130 million (production budget of \$ 61 million) since its U.S. release on August 02, 2013



Third Person

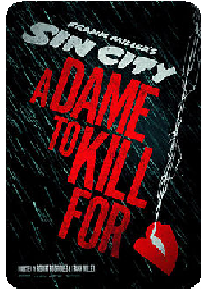
- PFW is proud to be the only VFX house to be working for Third Person, a romantic drama film directed and written by Paul Haggis and co-starring James Franco, Mila Kunis, Olivia Wilde, Liam Neeson, Adrien Brody, Kim Basinger, and Maria Bello.
- The film premiered at the 2013 Toronto Film Festival.



Nothing Left To Fear

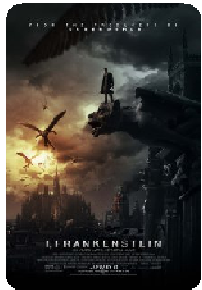
- PFW contributed 218 VFX shots for Nothing Left To Fear out of its Mumbai VFX facility with regular client shot reviews at its Los Angeles headquarters.
- Released in U.S. on October 4, 2013.

Current projects by PFW



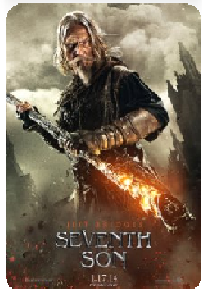
Sin City 2

- Sin City 2 is PFW's biggest VFX project win ever to date and their global teams will produce over 2,000 VFX for the stereo 3D movie, slated for an August 2014 release.
- This contract validates the unique business proposition of PFW and catapults it to the league of being one of the few studios worldwide to break into, and contribute in a big way, to mainstream Hollywood films.



I, Frankenstein

- Working with Lionsgate, on a comic book adaptation, from Director/Writer Stuart Beattie that sees Frankenstein's monster caught up in an all-out, centuries old war between two immortal clans.
- Release date January 24, 2014 in the U.S.



The Seventh Son

- Prime Focus is collaborating on this Warner Bros. film directed by Sergey Bodrov and starring Ben Barnes, Jeff Bridges and Julianne Moore.
- Release date January, 2014.

Current projects by PFW



Non Stop

- PFW is working with Universal Pictures to deliver VFX services for Non-Stop, the new action thriller produced by Joel Silver, directed by Jaume Collet-Serra and starring Liam Neeson.
- Expected to release in U.S. & U.K. on February 28, 2014.



The Gunman

- PFW is providing VFX services for The Gunman, a new thriller from director Pierre Morel (Taken) and Silver Pictures starring Sean Penn, Idris Elba, Javier Bardem and Ray Winstone.
- The movie is slated for release in 2014.



Out of the Furnace

- Working with Relativity Media on a film from director Scott Cooper, starring Christian Bale, Woody Harrelson, Zoe Saldana, Forest Whitaker, Willem Defoe and Casey Affleck.
- Limited release in the U.S. on November 27, 2013, followed by a theatrical release on December 6, 2013.

Current projects by PFW



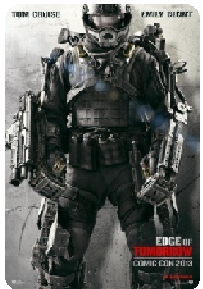
Maleficent

- PFW is with working Walt Disney Pictures reveals the untold story of Maleficent, the iconic villain of the 1959 Disney classic Sleeping Beauty. Angelina Jolie dons the iconic black horns of Maleficent, the evil witch who cast a spell on the new-born Princess Aurora.
- Slated for release on May 30, 2014 in the US and UK.



Hercules

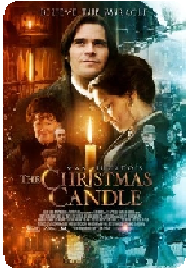
- PFW is working with MGM/Paramount Pictures for Hercules directed by Brett Ratner, starring Dwayne Johnson, John Hurt, Ian McShane and Joseph Fiennes.
- Hercules opens in the US on 25 July 2014, and in the UK on 8 August 2014.



Edge of Tomorrow

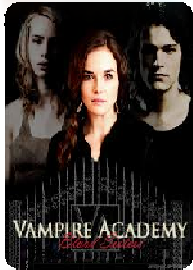
- PFW is working with Warner Bros. Pictures for Edge Of Tomorrow, directed by Doug Liman, and stars Tom Cruise, Emily Blunt, Jeremy Piven and Bill Paxton.
- Release on 30 May 2014 in the UK, and 6 June 2014 in the US.

Current projects by PFW



The Christmas Candle

- Working with Pinewood Pictures to deliver VFX services to The Christmas Candle, a timeless and inspirational story based on the novel by bestselling author, Max Lucado.
- US & UK release on November 29, 2014.



Vampire Academy: Blood Sisters

- Working for Vampire Academy: Blood Sisters, based on the 2007 best-selling novel by Richelle Mead directed by Mark Waters, scripted by Daniel Waters and stars Zoey Deutch, Danila Kozlovsky and Lucy Fry.
- US release on February 14, 2014.



The Two Faces of January

- Prime Focus World is working on this Working Title production from director Hossein Amini
- The film is scheduled to premiere in 2014.

Into the Storm

- Prime Focus World is delivering VFX work for this exciting natural disaster movie, Into the Storm from director Stephen Quale. The movie is slated for release in 2014.

PFT – Key Financial Highlights H1FY14

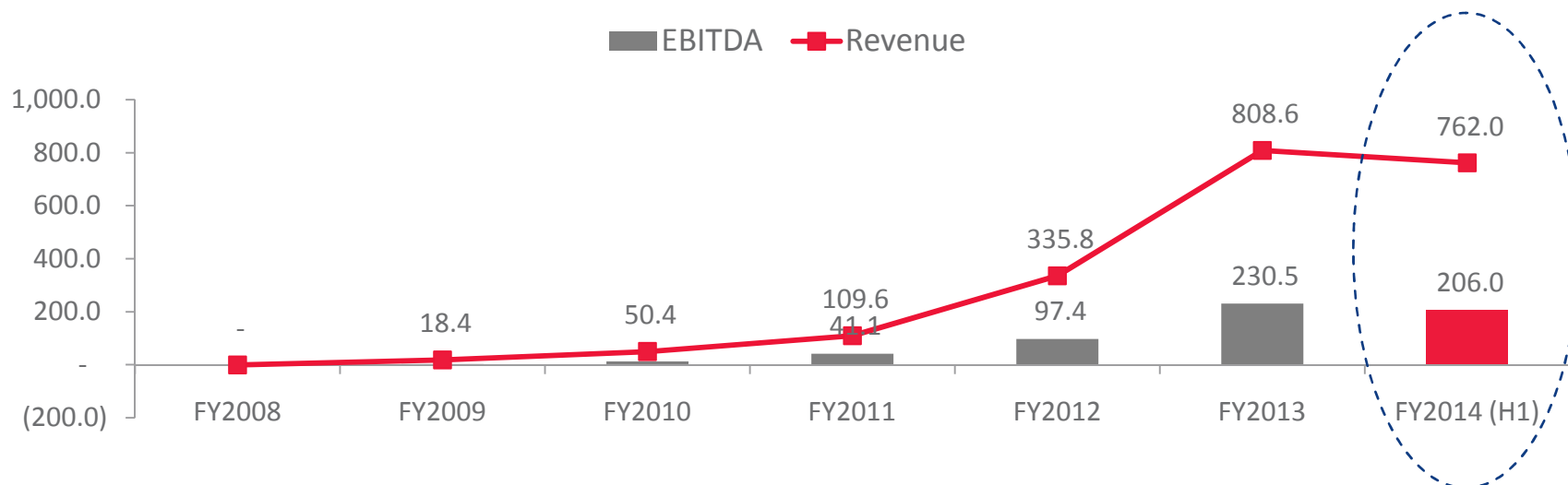
PFT's Business Growth driven by following factors

Quarterly Highlights

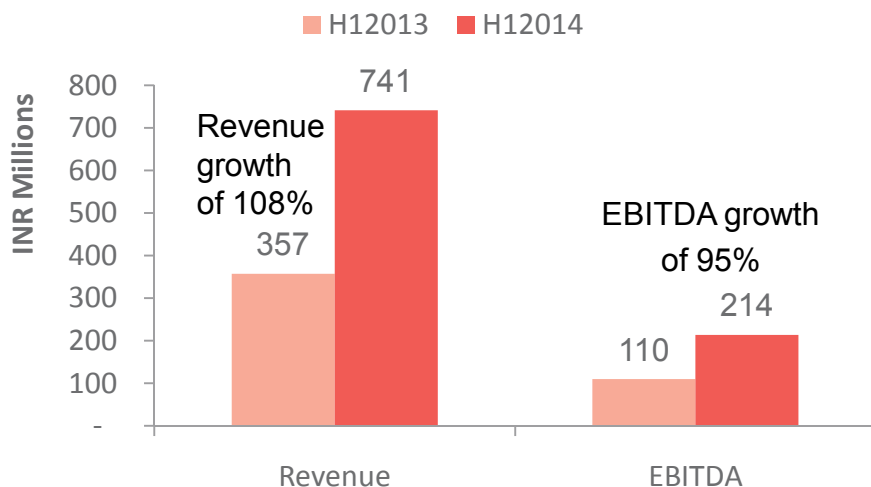
- PFT was awarded the **Aegis Graham Bell Awards** 2013 for Innovation in Cloud-based Solutions
- PFT received **EMC Transformer Award** 2013 for transforming business innovations
- **CLEAR Does it Again** – CLEAR Media ERP Platform went live in under 6 months at 2 new major clients in the quarter, continuing to prove to clients the completeness of the solution to virtualize their entire business. This accomplishment is significant against the backdrop of clients whose alternate choices have been to take 18-24 months to digitize their technical operations alone with licensing standalone Media Asset Management Software.
- Content Services revenue continues to demonstrate robust growth on the back of CLEAR Media ERP deployments. PFT won a big order from an existing customer to manage a key business process for an upcoming international feed.
- True North has already started to kick in, engaging in firing up a new project of running a new service line, a key broadcast business process for a client.
- Continues to maintain a robust Order Book for execution over next 3-5 Years

PFT – over the years

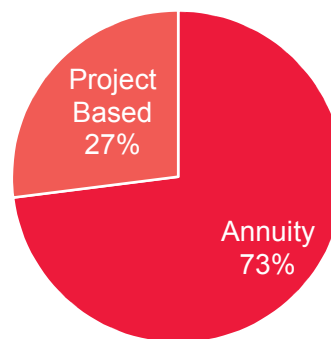
Revenue & EBITDA Growth in Million (INR)



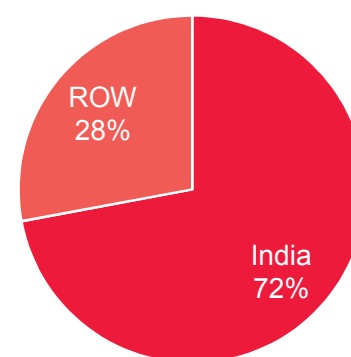
Financial Performance – H1 Y-o-Y



Revenue by Revenue Type[^]



Revenue by Geography*



*H1FY14

[^] Long term Contract is defined as contracts with minimum 12 months duration for Q2 HY14 with revenue greater than 1 million INR

About us

About Prime Focus Limited (PFL):

Prime Focus Limited (BSE code: 532748, NSE: PFOCUS, ISIN: INE367G01038) a global leader in media and entertainment industry services employs over 4,300 professionals in 10 facilities across 3 continents and 4 time zones. We provide end-to-end creative and technical services including visual effects, stereo 3D conversion, video/audio post-production, digital content management and distribution, Digital Intermediate, versioning and adaptation, and equipment rental to the Film, Broadcast, Advertising and Media industries. Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled Media ERP platform) 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 work flow efficiencies, cost optimization and creative enablement. Listed on the BSE and NSE of India, Prime Focus has operations in Los Angeles, New York, Vancouver, London, Mumbai, Bangalore, Chandigarh, Delhi, Kolkata and Hyderabad.

For more details,

www.primefocusltd.com | www.primefocusworld.com | www.primefocustechnologies.com

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Investor Contacts:

Vikas Rathee/Alok Gupta

Prime Focus Limited

Phone: +91 22 6715 5000

Email: vikas.rathee@primefocusworld.com

alok.gupta@primefocusworld.com

Shiv Muttoo/Karl Kolah

CDR India

Phone : +91 22 6645 1207/1220

Email: shiv@cdr-india.com

karl@cdr-india.com



About Prime Focus Limited

Prime Focus Limited, a global leader in media and entertainment industry services employs over 4,300 professionals in 19 facilities across 3 continents and 4 time zones. We provide end-to-end creative and technical services including visual effects, stereo 3D conversion, video/audio post-production, digital content management and distribution, Digital Intermediate, versioning and adaptation, and equipment rental to the Film, Broadcast, Advertising and Media industries. Prime Focus is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology enabled enterprise digitization platform) 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 work flow efficiencies, cost optimization and creative enablement. Listed on the BSE and NSE of India and UK LSE's AIM, Prime Focus has operations in Los Angeles, New York, Vancouver, London and Mumbai.

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