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May 31, 2018

To,  
The National Stock Exchange of India  
Limited  
Listing Department  
Exchange Plaza,  
Bandra-Kurla Complex  
Bandra East, Mumbai - 400 051  
Fax Nos.: 26598237 / 26598238

To,  
BSE Limited  
Listing Department  
PhirozeJeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001  
Fax Nos.:22723121/2037/2039

Dear Sir/Madam,

**Ref.: Scrip Code: BSE – 532748/NSE - PFOCUS**

**Sub.: Press Release**

Dear Sir / Madam,

Kindly find attached herewith the Press Release.

Kindly acknowledge the receipt and take the same on record.

Thanking You,

**For Prime Focus Limited**

*Keena Shah*

**Authorised Signatory**



## **Prime Focus delivers annual revenues at Rs 22,919mn**

**Adj. EBITDA at Rs. 5,435mn, up 8.4% YoY, margin at 23.7% driven by operating efficiencies in Creative services business**

**Creative Services continues to win Accolades with a 3<sup>rd</sup> Oscar win in last 4 years**

**Delivered Hollywood Blockbusters like *Black Panther & Pacific Rim Uprising*; Bollywood hits like *Padmaavat, Baaghi 2, Raid* and added new clients like A.Stanford Productions, Vodacom, Yanga TV for CLEAR™ Services in Q4'FY18**

**Robust Order Book - \$500mn+**

**Mumbai, May 31, 2018:** Prime Focus Limited (PFL), a global leader in media and entertainment services, declared its audited financial results for the quarter and the financial year ending March 31, 2018. The Company delivered steady growth with annual consolidated revenues of Rs. 22,919mn, up 5.2% YoY, driven by continued momentum in the Creative Services division. The company reported Adjusted EBITDA of Rs. 5,435mn with EBITDA margin maintained at 23.7%, despite addition of new locations – Montreal & Chennai. The year culminated with the Group winning its 3<sup>rd</sup> Oscar in last 4 years and 4<sup>th</sup> overall for DNEG's work on *Blade Runner 2049* and BAFTA TV Craft Award for OTT show *Black Mirror – Metalhead*.

### **Key financial highlights**

#### **FY18 (Consolidated Financials)**

- Consolidated Income increased 5.2% YoY at Rs. 22,919mn (FY17: Rs. 21,781mn) led by growth of 7.6% in Creative Services
- Creative and Tech/Tech Enabled Services contributed 78% and 15% to revenues, respectively
- Adjusted EBITDA<sup>1</sup> up 8.4% YoY at Rs. 5,435mn (FY17: Rs. 5,014mn), with margin at 23.7% (FY17: 23.0%)
- Creative Services' reports Adjusted EBITDA of Rs. 4,344mn (FY17: Rs. 3,482mn), up 25% YoY with margin improving to 23.9% (FY17: 20.6%) – operational efficiencies continue to reflect on the performance with increased delivery through global locations
- EBITDA adjusted for ~Rs. 579mn on account of certain one-time Montreal setup costs, conservative provisions at DNEG, non-operating FX, one-time legal costs and re-branding expenses
- Non-Cash ESOP charges of Rs. 348mn during the year (FY18: Rs. 257mn)

# Prime Focus Ltd

- Depreciation cost also includes one-time non-cash charge of Rs. 80mn on account of shutdown of a facility in India.

(Note: 1 Adjusted for Non-Cash ESOP charges and the one-time non-operating expense as explained above)

## Q4 FY18 (Consolidated Financials)

- Q4 consolidated Income down 10.6% YoY at Rs. 5,894mn from Rs. 6,589mn in Q4 FY17
- Creative and Tech/Tech Enabled Services contributed 79% & 15% to revenues, respectively
- Adjusted EBITDA<sup>2</sup> stood at Rs. 1,242mn with margin at 21.1%

(Note: 2 Adjusted for Non-Cash ESOP charges and the one-time non-operating expense as explained above)

## Operational highlights for the quarter

### Creative Services

- Order Book stands at US\$270mn+
- DNEG awarded Oscar for 'Best Visual Effects' at Academy Awards 2018 for its work on *Blade Runner 2049*
- DNEG also picked up the BAFTA for 'Best Special Visual Effects' at the EE BAFTAs 2018 Awards Ceremony in London, and a BAFTA TV Craft Award for *Black Mirror* Season 4 - *Metalhead*
- DNEG was, honoured with Visual Effects Society (VES) Awards for *Dunkirk* and *Blade Runner 2049* at the 16th Annual VES Awards Gala in Los Angeles
- Movies delivered: *Black Panther* (\$1,345 mn), *Pacific Rim Uprising* (\$288 mn), *Red Sparrow* (\$148 mn), among others (source: boxofficemojo)
- Strong Hollywood Releases scheduled for coming quarters: *Avengers: Infinity War*, *Deadpool 2*, *Venom*, *The New Mutants*, *Mission: Impossible - Fallout*, *Godzilla: King of the Monsters*, and *Fantastic Beasts: The Crimes of Grindelwald*, among others

### Tech/Tech-Enabled Services

- Consolidated Order-book stands at \$230mn+
- Pivotal partnership with Microsoft to use Azure as cloud hosting platform for the CLEAR™ Media ERP
- Signed on CBS Films on new DAX PC agreement
- Signed new deals with BYJU Animation post production, Times OTT, IPL Streaming and VOD Creation, Sony Bengali Dubbing, Discovery Netflix delivery
- Signed new deal with Interact OVP Platform for A.Stanford Productions, Vodacom and Yanga TV, Sony LTO Migration and restoration project
- Awarded TV Technology's 2017 Product Innovation Award from NewBay Media for its ground-breaking Work Order Management system
- Launched CLEAR™ Digital Lab at NAB 2018
- Won the NewBay Best of Show Award and IABM BaM awards at the NAB Show 2018

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- Fortifies content protections with strategic security executive hire - Caesar Sedek as Chief Security Officer. Caesar is a 20-year industry veteran having worked in information security in leading M&E organizations such as Warner Bros. Entertainment and The Walt Disney Company and is an authority in cybersecurity, risk, and privacy matters

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

FY18 has been another milestone year for us. We continue to build on our global pedigree of delivering top quality work. We were honoured with three prestigious global awards – our 3<sup>rd</sup> coveted Oscar in last 4 years and 4<sup>th</sup> overall, a BAFTA and a VES. Our Creative Services, now brought under a single umbrella as DNEG, delivered 4 out of Top 10 worldwide grossers in 2017 and the most anticipated movies of 2018 like *Black Panther*, *Avengers: Infinity War* and *Deadpool 2*. It also delivered strong and steady growth along-with maintaining healthy margins for the year. The Tech/Tech Enabled business saw expansion of our team in USA with key hires such as industry veteran Caesar Sedek as Chief Security Officer and recent relocation of Ramki Sankaranarayanan, Founder and CEO of Prime Focus Technologies to California HQ. Increased investments in local sales efforts are already showing results with addition of large clients such as Turner Latin America, Complex Networks, Hearst, PBS and FX Networks in the year. In FY18 the division also launched next-generation products to realize the concept of one Media ERP software for the enterprise. With a growing Order Book and increased footprint in US, the technology business is ready for the next phase of growth.

India FMS continues to deliver profitability in line with expectations and PFL is ready to ride the next wave in Indian VFX Industry with growing budget expenditure on visual effects and animation in movies. Our recent success in movies like *Padmaavat* and *Baaghi 2* is proof of that and with upcoming movies like *2.0*, *Parmanu*, *Thugs of Hindostan*, we are excited of what future holds.

### **About Prime Focus Limited**

Prime Focus Limited (PFL), the world's largest independent integrated media services powerhouse, employs over 9,000 professionals in 18 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**

[www.primefocus.com](http://www.primefocus.com)

[www.primefocusindia.com](http://www.primefocusindia.com)

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[www.dneg.com](http://www.dneg.com)

[www.primefocustechnologies.com](http://www.primefocustechnologies.com)

**For any investor relations query please contact:**

<b>Alok Gupta</b> <b>Prime Focus Limited</b> Phone: +91 8291070073/022 6178 5555 Email: <a href="mailto:alok.gupta@primefocus.com">alok.gupta@primefocus.com</a>	<b>Nitesh Kumar/ Seema Shukla</b> <b>Four-S Services Pvt Ltd</b> Phone: +91 98915 70250/+91 124 4251441 Email: <a href="mailto:nitesh.kumar@four-s.com">nitesh.kumar@four-s.com</a> , <a href="mailto:seema@four-s.com">seema@four-s.com</a>
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