

RELIANCE

*Reliance MediaWorks: Film & Media Services*

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March 2013

RELIANCE

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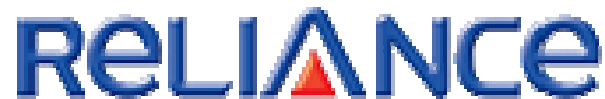
# Reliance Group

## Communications

- Mobile / Fixed Wireless
- Global Enterprise Business
- Pay TV

## Infratel

- Multi-tenancy Tower Portfolio
- Optical Fiber Cable (OFC)



## Infrastructure

- Infrastructure – Roads, Metro, Sea Link, Airports & Cement
- EPC
- Power – Generation, Transmission, Distribution & Trading

## Capital

- Mutual Funds
- Life / General Insurance
- Broking & Distribution
- Investments

## Power

- Generation
- Fuel Sourcing
- Transportation
- Exploration & Production

## Entertainment

- Movies / TV / Music / Gaming
- Post Production/ Production / Distribution
- Multiplexes
- FM Radio Stations

## Other Businesses

- Healthcare
- Infostream
- IT and Sales Training

## Creation

Film Production



Television Production



Animation



Games



Sets and Outdoor Studios



## Services

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MediaWorks

Film Processing Lab

DI & Digital Cinema

Film Restoration & Image Enhancement

VFX & Stereoscopic Conversion

Animation

Film and Broadcast Equipment Rentals

Sound Stages & Shooting Floors

TVC & Broadcast Post

DIGITAL DOMAIN

A Major Hollywood Post Production Studio

## Platforms

Cinemas

BIG Cinemas

FM Station

BIG 92.7 FM

Gaming



Movie Rentals

BIG Flix

Web 2.0

BIGADDA™

Broadcasting

BIG Broadcasting

Music and Home Video

BIG Home Video

# Reliance MediaWorks (RMW)

# RMW – Three Divisions

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## RELIANCE Film & Media Services

- ❑ Reliance MediaWorks offers world-class, end-to-end film and media services to production houses, studios and broadcasters
- ❑ RMW has comprehensive presence in Film and Media Services: Motion Picture Processing and DI; Film, Audio Restoration and Image Enhancement; Stereo Conversion; Digital Mastering; Studios and Equipment rentals; Visual Effects; Animation; Broadcast; TV Quality Control and TVC Post Production
- ❑ Academy Award winning “Lowry Process” for image enhancement
- ❑ RMW Burbank & Mumbai carry MPAA’s highest “mature” rating
- ❑ Partnered with Chinese TV producer to acquire post production assets of Digital Domain, a legendary Hollywood studio that creates high-end visual effects and brings deep relationships with the world’s top filmmakers, studios and advertisers



## BIG Cinemas

- ❑ India’s largest exhibition chain, with over 425 screens across India & the US
- ❑ Attracts over 35 million movie goers annually

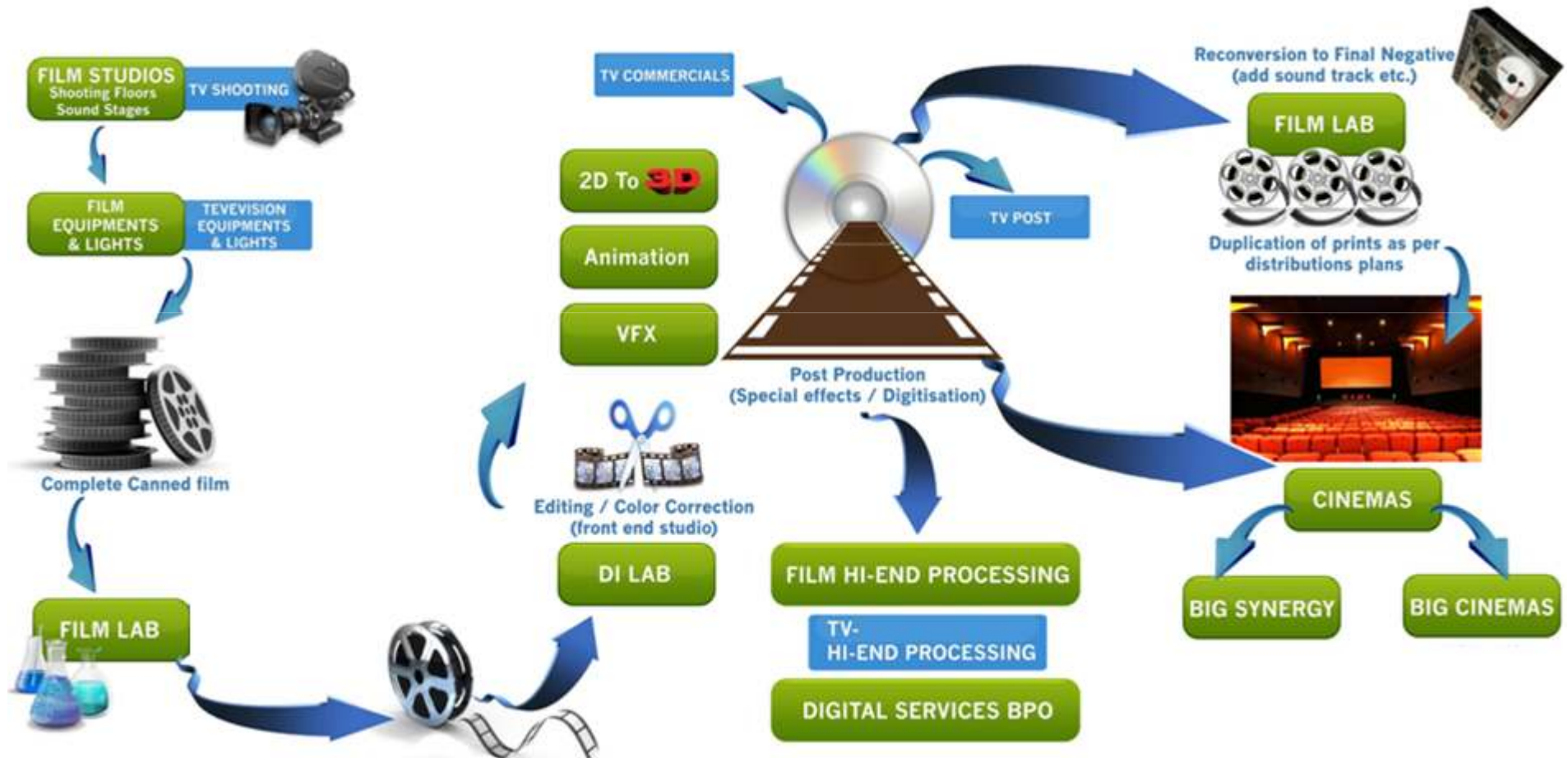


## BIG SYNERGY

- ❑ Leader in original format, studio based and interactive shows
- ❑ RMW has produced the Indian versions of international hit shows such as *Who Wants To Be a Millionaire*, *Moment Of Truth*, *Power Of Ten*, *Dancing With the Stars*, *Are You Smarter Than A 5th Grader*, *America’s Got Talent*, among other hit shows



**World-class services and solutions from origination to playout across films, TV and commercials**





RMW has developed and owns Academy Award winning proprietary imaging tools which facilitate:

- Image Processing (Social Network)
- Standard Definition to High Definition (Simpsons for Fox)
- 16 mm to High Definition (BBC)
- 3D Alignment (Avatar)

These tools are deployed in London, Burbank and Mumbai and are benchmarked (MPAA & Fox)

RMW's US front-end brings direct relationships with major Hollywood filmmakers and studios:

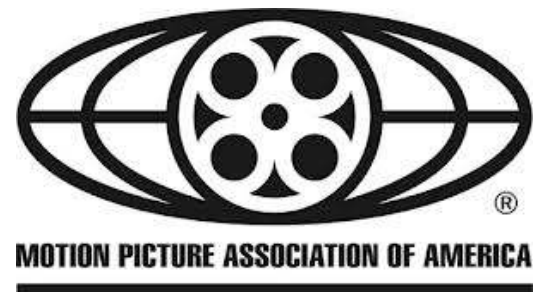
- **David Fincher:** Zodiac, Benjamin Button, Social Network
- **Disney:** 7-year old relationship, handling Animation Classics such as Fantasia, Alice in Wonderland, Winnie the Pooh trilogy, Cinderella, Jungle Book, Peter Pan, 101 Dalmatians, Sleeping Beauty, Snow White, Pinocchio
- **James Cameron:** Avatar, 4K restoration of Titanic
- Project pipeline may be discussed under an authorized non-disclosure agreement

**November 2010: RMW wins the Creativity and Innovation Hollywood Post Alliance Award**

**August 2011: RMW received a Patent for tool created - System and method for removing semi-transparent artifacts from digital images caused by contaminants in the camera's optical path**

**September 2011: A proprietary image processing technology tool created by RMW Burbank was awarded a 2011 Scientific and Technical Oscar by The Academy of Motion Picture Arts and Sciences**

- Motion Pictures Association of America (MPAA) has accorded RMW Burbank and Mumbai their highest “Mature” status for Digital Content Security
- Fox Security Group (FSG) has cleared Film City and Media BPO facility at Mumbai
- First facility in Asia accredited by Federation Against Copyright Theft (FACT) UK from 2008~2011
- First and only facility in Asia with Processing lab, DI lab and Digital Cinema mastering facility
- Only Digital Intermediate (DI) lab with 4K facility in South Asia
- Only lab in Mumbai to be accorded Kodak Image Care certificate for 6 consecutive years



## ▪ Security

- Digital network created in collaboration with Reliance Communications
- Deep culture of protecting and honoring intellectual property
- First facility in Asia accredited by Federation Against Copyright Theft (FACT) UK from 2008~2011
- Burbank and Mumbai facilities were recently awarded the highest “**mature**” security status by the **Motion Picture Association of America (MPAA)**

## ▪ Scale

- Academy award winning proprietary software for video compression, SD-HD conversion, noise management and restoration reduces man hours
- 1,500+ trained and experienced professionals in VFX, Restoration, 2D-3D conversion, and animation enable “24-hour” content work directed from the US
- 90,000 sq. ft., \$50+ million facility in Navi, Mumbai (Airoli)
- RMW brings capacity to add value to **1,000 feature films per year**
- RMW brings capacity to add value to over **100,000 hours of video per year**

## ▪ Collaborative, Secure IT Infrastructure

- **Custom workflow process** enables RMW clients to manage simultaneous projects and millions of files as well as seamless sharing of data up to 2K resolution
- Designed to meet or exceed client’s expectations for communication, quality and timeliness

- Walt Disney, USA



- Paramount Pictures, USA



- MGM, USA



- 20th Century Fox, USA



- Sony Pictures Entertainment Inc., USA



- ITV, London



- Universal Studios, USA



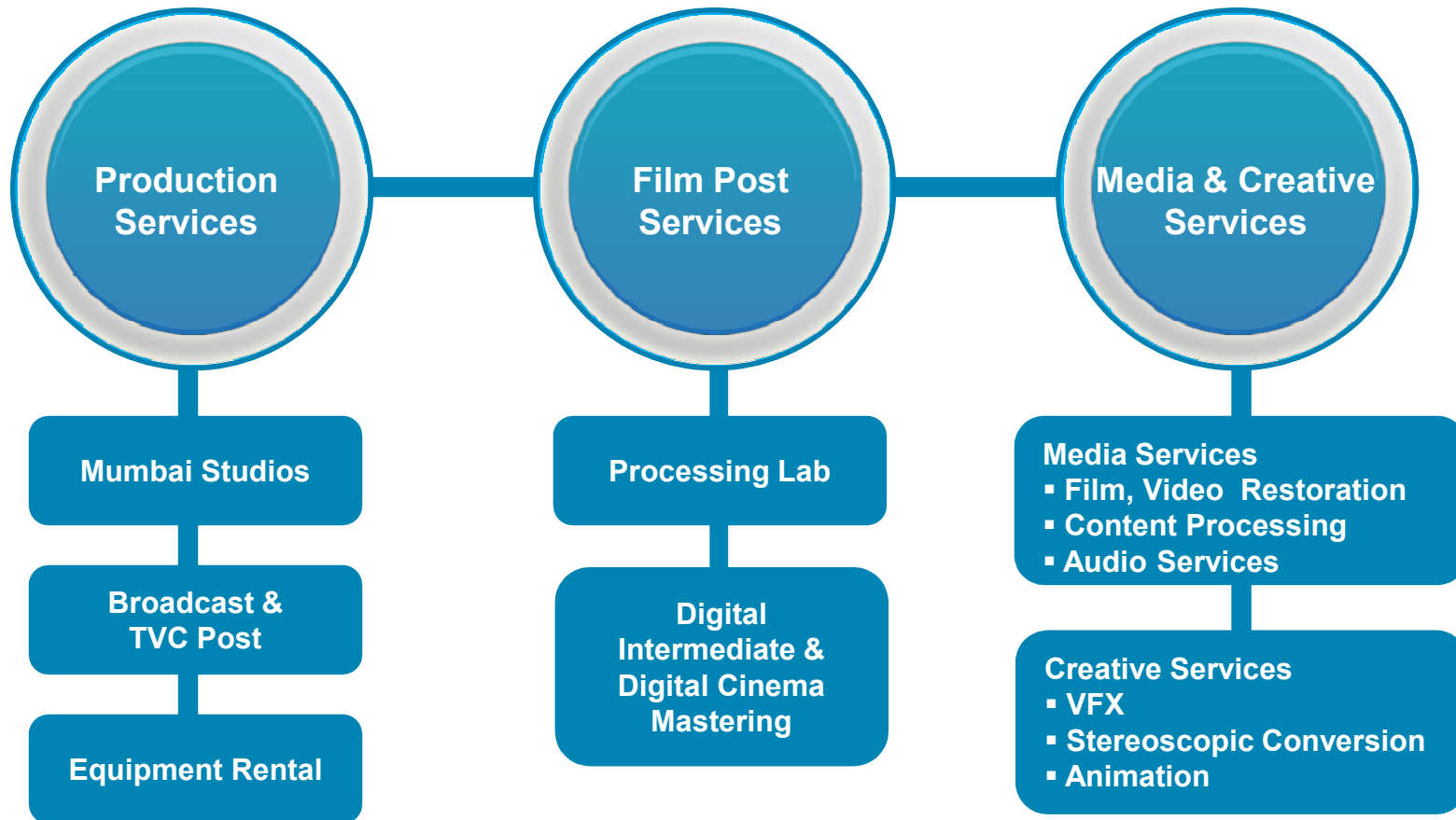
- Sony Pictures Television International, Hong Kong





# RMW Solutions

## RMW Film and Media Services



Locations in Burbank, New York, London & Mumbai

Affiliate locations in Tokyo, Venice (LA), Vancouver, Hyderabad & Chennai

## Domestic Film Services Industry

The Indian media and entertainment industry grew from INR 652 billion (~ USD 11.4 billion) in 2010 to INR 728 billion (~ USD 13.3 billion) in 2011, registering an overall growth of 12 percent

The Indian film industry has increased production budgets in recent years

- Production cost of top 50 films has gone up to Rs. 1,950 crores (~USD 433 mn.) in FY 2011 versus Rs. 1,100 crores (~USD 244 mn.) in FY 2007 – up 75%
- Average cost of production of top 50 large budget films Rs. 52 crores (~USD 12 mn.) in FY 2011 versus Rs. 21 crores (~USD 5 mn.) in FY 2007
- The number of Bollywood films shot with budget higher than Rs. 10 crores (~USD 2 mn.) was 50 in FY 2011 – 80% jump over 28 films in FY 2007

## Global Film Services Industry

- Worldwide box office for all films released around the world reached USD 31.8 bn. in 2010, up 8% over 2009's total
- 1/3rd of the world's box office collections comes from U.S./Canada, re-iterating the fact that these regions are the key drivers for the global film industry
- The number of films released in the US went up slightly from 555 in 2009 to 560 in 2010
- 21% of 2010 U.S./Canada box office (\$2.2 bn.) came from 3D showings, nearly double the 2009 total
- 25 films released with 3D versions in 2010, up from 20 in 2009. 55 new 3D films are expected to be released between 2011 and 2012



**Venkatesh Roddam, CEO– Film & Media Services**, joined Reliance MediaWorks in January 2012. Venkatesh has spent over 20 years in international banking, including almost a decade with Deutsche Bank, last serving as Managing Director. He has also been associated with banking institutions like ANZ Grindlays, Emirates Bank International, HDFC Bank. While the banker in him aims at formulating winning strategies, his successful tenure as the CEO of a Global Process Offshoring Company Nipuna Services (now Mahindra Satyam BPO), polished his quest for creating value-driven and customer focused solutions. In addition to his current responsibilities, he serves as a Founder Director at VenSat Tech Services Pvt Limited and Director on the Board of Annapurna Studios pvt Limited, Hyderabad, India.

**Naresh Malik, President – Creative Services**, joined RMW in January 2010. Prior to joining RMW he has worked with, *inter alia*, Century Communication Limited - Pixion, Ideal System Asia Pacific and Grass Valley Group and has held the position of chief executive officer at Prime Focus World. He brings approximately 21 years of experience in the management and post production business.

**Krishnanand Shetty, President – Film Post**, joined RMW in April 1999. Prior to joining RMW he worked with Quality Cine Lab. He brings approximately 35 years of experience in the media and entertainment industry.

**Ashish Chakravorty, President - Production Services**, joined RMW in January 2008. Prior to joining RMW, he worked with Zee Entertainment Enterprises Limited and Universal Music. He brings approximately 24 years of experience in various fields such as marketing, advertising and music.

**Naresh Jhangiani, President - Enterprise Business Management**, joined RMW in 2012. Prior to joining our company Naresh was the Sr. Vice. President - Business Affairs at VenSat and has over 20 years of experience in sectors like manufacturing, Services, Information Technology & BPO.

**Ken Gurrola, Esq., President - Strategy**, joined RMW in 2012 after helping found RMW's Advisory Council. He brings over 20 years business development and leadership experience. Prior to joining RMW, he served as General Counsel & Partner of technology, media and telecommunications investment bank Kaufman Bros. where he sourced and facilitated \$32 billion of investment banking transactions. Ken previously held officer roles at JP Morgan Chase and Big Four public accounting firms. He serves on two committees for Cornell University's Board of Trustees and is based in New York City.

**Shiana Makhija, President - HR**, joined RMW in 2012. Prior to joining RMW, Shiana was the Sr. Vice. President – HR at Reliance Capital. She brings a total of 20 years experience in the field of HR.

**Aashish Kamath, Sr. Vice President - Finance & Operations**, joined RMW in Oct 2012. His earlier stint in RMW was 2008 – Mar 2012. Aashish brings 19 years experience in companies including Affinity Express India P Ltd, The Medicine Shoppe, Transindia Freight Services, Netscribes (India) Pvt Ltd, Venus Impex Company, Proline Sportswear, The Standard Batteries Ltd, Lovelock & Lewes. He brings significant exposure to Finance, Operations, MIS, Budgeting, Accounting, Tax and Legal.

**Kiran Sharma, Vice President - Analytics & Investor Relations**, joined RMW in 2006. Prior to joining RMW, Kiran worked with Pidilite Industries & Sapat Industries Ltd. and has over 13 years of diversified experience in Budgeting & Expense Monitoring System, MIS & Analytics , Brand Profitability, New Project Evaluation & Investor Relations - Fund Raising. She has exposure across Manufacturing, Trading & Media companies.

Filmmakers	Motion Picture
<b>Twentieth Century Fox</b>	Aliens, Carmen Jones, Fight Club, Phantom Of The Paradise, X-Men First Class, True Lies, Violent Saturday, Bravados, Titanic, Avatar (3D Alignment)
<b>Columbia Pictures</b>	Men In Black 3, The Girl With The Dragon Tattoo, The Social Network (VFX)
<b>Paramount Pictures</b>	Almost Famous, Aries, Justin Bieber, Mission Impossible, The Curious Case of Benjamin Button (VFX), Star Trek (Series), Transformer 3 (VFX), Shutter Island
<b>Walt Disney</b>	Baglady, Tokyo Fantasmic, Cinderella, Lady And The Tramp, Beauty and the Beast, The Preacher's Wife, The Rescuers, Black hole, George of the Jungle, Tron 2, Tangled, Real Steel, Alice In Wonderland
<b>Warner Bros</b>	Seven, Cinderella, Toy Story, Snow White
<b>DreamWorks Studios</b>	Fright Night
<b>Sony Pictures Entertainment</b>	The Natural, Iron Eagle, Ice Castles, China Syndrome, Da Vinci Code, Bon Jovi, Night of the Living Dead, Hush
<b>H2 Films LLC</b>	Hangover 2
<b>Trioscopic</b>	Alvin and the Chipmunks, Coraline -3D, Ice Age, Valentine - 3D, Trio Demo 3D, Pardon My Backfire - Three Stooges
<b>NASA/Goddard Space Flight Center</b>	Apollo 11 (VFX)
<b>Metro-Goldwyn-Mayer Studios</b>	Diamonds Are Forever, On Her Majesty's Secret Service, From Russia With Love, You Only Live Twice, Thunderball, Terminator

Filmmakers	Motion Picture
<b>Red Chillies Entertainment Private Ltd.</b>	Om Shanti Om, Main Hoon Na, Billu, Ra-One
<b>Studio 18 / Block Buster Movie Entertainers</b>	Singh Is King, Namastey London, Bbudhaa Hoga Tera Baap, Speedy Singhs
<b>Yash Raj Films Private Ltd.</b>	Rocket Singh, Badmaash Company, Lafangey Parindey, Mere Brother Ki Dulhan, Ladies V/S Ricky Bahl
<b>Eros Entertainment</b>	Aladin, Anjana Anjani, Veer, Ready, Zindagi Na Milegi Dobabara
<b>UTV Software Communications Ltd.</b>	Dev D, Fashion, Race, Taare Zameen Par, Chup Chup Ke, Chance Pe Dance, Udaan, Raajneeti, Thankyou, Saat Khoon Maaf
<b>Vinod Chopra Films Private Ltd.</b>	Munnabhai M.B.B.S., Parineeta, Eklavya, Lage Raho Munna Bhai, 3 Idiots, Ferrari Ki Sawari
<b>Shree Ashtavinayak Cine Vision Ltd.</b>	Maharathi, Jab We Met, Superstar, Bhagam Bhag, Golmaal, Golmaal Returns, Kidnap, Khatta Meetha, Rockstar
<b>Dharma Productions</b>	I Hate Luv Storys, We Are Family, Agneepath, Ek Main Aur Ek Tu
<b>Balaji Motion Pictures Ltd.</b>	Once Upon a Time in Mumbai, The Dirty Picture
<b>Reliance Big Entertainment Private Ltd.</b>	Kites, Raavan, Double Dhamal, Singam, Bodyguard, Don 2
<b>Arbaaz Khan Productions</b>	Dabangg

RELIANCE

*Film & Media Services (International)*

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## **International Services**

- (i) Video & Audio Restoration; Up Res – SD to HD**
- (ii) VFX & Animation**
- (iii) 2D to 3D Conversion**
- (iv) Digital Domain**

## Accreditations and Certificates

- Won the Academy Award for a proprietary image processing technology tool created by RMW Burbank
- RMW is among only four companies to be awarded the Creativity and Innovation Hollywood Post Alliance award in November 2010.
- Media BPO facility (Mumbai delivery centre) cleared by the Fox Security Group
- Highest “Mature” status accorded to the Media BPO for Digital Content Security by Motion Pictures Association of America

## To Summarize

- Provides high-end image correction and restoration work at LA and high quality, voluminous work in India
- Provides 3D consulting and alignment services at LA and high quality, skill-set-based, voluminous work in India

## An Overview of the International Business of RMW

- RMW’s international businesses comprises of:
  - Creative Services (VFX, Animation, 2D-to-3D conversion) and
  - Media Services (image processing, restoration)
- RMW’s strategy involves:
  - Lean, strategic front-ends in the US (LA) and the UK (London)
  - Strategic alliances with Imagica (Japan), Galloping Horse (China) & Digital Domain (US)
  - World-class post production delivery centers in India that are located in tax-advantaged Special Economic Zones (SEZ)
- RMW brings relationships with key clients including: David Fincher (Zodiac, Benjamin Button, Social Network), James Cameron (Avatar, Titanic) and Disney (seven year relationship re animation classics such as Fantasia, Alice in Wonderland, Cinderella, & Jungle Book)
- Have studio relationships with Disney, Warner Brothers, Paramount, MGM and Fox
- RMW along with Galloping Horse America LLC acquired the assets of Digital Domain Production Inc. where Galloping Horse America LLC holds a 70% stake & RMW holds 30%. Digital Domain is a legendary Hollywood post production studio with the talent and track record of creating world-class VFX content, and since 1993 has maintained deep relationships with the world’s top filmmakers, studios and advertisers

## Media Services

Image Correction and Restoration Services add value to the following:

- Legacy content
  - On account of poor storage, handling as well as the chemicals of film prints and tapes, archival content world-wide is prone to damage
  - There is a conscious drive by content owners and government organizations to restore and preserve such valuable content – not only video, but also audio restoration
  - Hollywood studios and TV broadcasters worldwide are also restoring millions of hours of archival content
- Contemporary content
  - Require superior image processing – e.g. movie converted from 2D to 3D may have image perfection issues, which can be handled by RMW's image processing and restoration facility
  - Image processing for content beyond film – to TV, Internet and mobile devices (e.g., smartphones and iPads); improving streaming web images, thereby reducing download time
  - Converting Standard Definition (SD) content to High Definition (HD); Blu-Ray authoring services

## Creative Services

- VFX: Spend on Visual Effects (VFX) is highest in US and UK, followed by Japan
- 2D to 3D Conversion:
  - With cinemas installing digital projection systems, 3D movies have seen a resurgence in the digital format, after a hiatus of nearly three decades. This is largely a Hollywood phenomenon, with around 20 3D movies produced in 2010 alone – a slate of around double that number has been announced for next 12-18 months
  - It is cumbersome and expensive to shoot a movie entirely in 3D format. Hence, most movies are shot in conventional 2D format and thereafter specific shots are converted into 3D through different dimensionalisation techniques
  - Typically a single film will require 6 months and 200 artists for conversion from 2D to 3D
  - Assuming an average conversion budget of USD 6 million per movie and around 50 3D movies a year globally, the market size is roughly USD 300 million
  - In addition there are library titles with all major studios/ broadcasters who need to convert their evergreen titles (films, TV series) to 3D, for release on TV, DVD and Blu-Ray (e.g., Star Wars, BBC Life, Rambo, Terminator, Indiana Jones, etc.)
  - 3D Consulting: RMW offers new integrated 3D services for any type of 3D alignment issues, image and details enhancements, grain and noise management and on-set consulting



## Description of Services

- RMW's film restoration facility is a world-class provider of comprehensive digital restoration and content processing services
- RMW provides comprehensive solutions for the transfer of analog content to digital formats
- RMW brings Asia's largest comprehensive digital restoration and content processing services facility (one of the largest in the world) and employs 350 trained people
- This business addresses the needs of a variety of content owners, including international film and television studios, television networks, library owners, mobile companies and content distribution companies
- RMW offers services including restoration, encoding, transcoding, compression authoring, format and standards conversion, duplication and dubs, meta tagging, repurposing, editing, versioning, quality control and archiving

## Key Drivers

- Digitization increases monetization opportunities for film and TV archives
- Multiplicity of formats: New Age content is moving towards multiple formats and platforms – SD to HD, 3G, 3D alignment, flat images and Blu-ray. Increasing demand for HD content carries demand for RMW's image enhancement and conversion services
- International standards and compliances: The facilities comply with MPAA (Motion Pictures Association of America) standards & cleared by Fox Security Group. Hence content quality and security is ensured to the content owners. This actually acts as a gateway for RMW to win business from the US and UK
- Government of India initiatives: Digitization & restoration of 100 years of Indian cinema (8,000 films, 8,000 documentaries, 200,000 posters & still pictures)

## Clientele

- RMW has handled digitization and digital restoration of over 1700 Indian films, documentaries and news reels for various studios, archives and film libraries
- Key Relationships for restoration services:
  - **Thought Equity Motion:** Leading content monetiser, works with over 400 license holders globally to license sports, news, entertainment, editorial and creative content to leading producers. This enables RMW to offer a holistic solution to media companies to move to file-based content supply chain
  - **Imagica Corp:** Leading Japanese post production co. for films, TV programs and commercials. RMW and Imagica provide film restoration, image processing and HD conversion services to Japanese broadcasters & studios

## Description of Services

- RMW specializes in complex visual effects, such as concept design, pre-visualization, look development, on-set supervision, 3D animation and CGI, matte painting, compositing and finishing for 2D and 3D stereoscopic feature films and television projects
- RMW brings 200 trained VFX professionals
- RMW's VFX team is supported by a secured data network that reliably connects its VFX studios in Los Angeles, London and Mumbai
- Strategic alliance with Vensat as preferred delivery partner for Animation

## Key Drivers

- Demand for high quality content: The animation and VFX industry is driven by the increased consumption of animated content, creation of global intellectual property formats, acceptance of 3D graphics and the spread of the industry to international markets. The use of VFX has been an integral part of many Hollywood films, with 18 out of the 20 all-time top-grossing Hollywood movies featuring significant VFX sequences
- Usage of VFX in live-action films: The use of VFX in live-action films has grown significantly in recent years. Many live action films in now include special effects sequences. The duration of these sequences is estimated to have grown by nearly 40% from 2008 to present. This trend is expected to continue in the future, and hence will be a strong driver for the VFX business
- Cost Arbitrage: The growing demand and capability of Indian studios to produce high quality VFX content has helped Indian studios establish their presence in overseas markets. There is a clear cost arbitrage on outsourcing of VFX services as shown in the below table for cost of producing 30 minutes of animated content. (Table does not reflect RMW prices)

	India	Korea, Philippines	North America
2D Hand drawn	\$ 45,000	\$ 60,750	\$ 200,000
3D	\$ 90,000	\$ 121,500	\$ 360,000
Backend Production	\$ 200,000	\$ 270,000	\$ 800,000
Flash Animation	\$ 20,000	\$ 27,000	\$ 80,000

\* Source – FICCI Report on Media & Entertainment Sector 2011

## Clientele

- Key Creative Services projects include John Carter on Mars, Immortals, Shark Night, Conan the Barbarian and 400 Boys
- Established long term partnerships (2-3 years), locking delivery center capacity, with industry leaders

## Description of Services

- RMW operates a 2D to 3D conversion facility that combines the technological and artistic resources in Hollywood with the skills and large scale image processing capabilities in India
- Through this facility, RMW caters to the demand for converting new films shot in standard 2D and older legacy titles proposed to be released in cinemas and on home platforms in stereoscopic 3D
- RMW's 2D-3D conversion facility is based in Navi Mumbai (Airoli) and houses a team of approximately 325 artists who have been trained to develop 3D content
- RMW also offers integrated stereo services for various 3D alignment issues, image and detail enhancements, grain and noise management and on-set consulting, in addition to our other services for stereoscopic 3D conversion, DI grading for 3D, creation and handling of 3D pictures and 3D camera services

## Key Drivers

- Global demand for 3D content: A number of recent box office hits have been in the 3D format. 3D content is gaining popularity as the next generation in entertainment experience. 30 films in the current year are to be released in 3D, of which only 2 or 3 have been shot in 3D. Most of the films will be shot in the traditional 2D format, which is cost effective, and then converted into 3D format for worldwide distribution, thereby having a huge potential for the 2D to 3D conversion services
- Cost arbitrage: There exists a clear cost arbitrage by outsourcing conversion and related services to RMW India, which has the reputation, capital investment, trained talent and technological capabilities to execute high value projects successfully
- Real time preview: OFC connectivity helps real time quality check and preview of the content, which is a key driving force for customers

## Clientele

- RMW has performed image and detail enhancements, addressed vertical and horizontal alignments issues and 911 emergency services for 3D versions of leading titles such as Avatar, Journey to the Center of the Earth, U2, X Games 3D: The Movie and Step Up
- RMW has executed a MOU with "I M Global" for VFX & Conversion of 7 new feature films
- RMW is also expanding in Indian markets and has worked on major Hindi feature films - SRKs Don2 and animation film Krishna and Kans

## Description of Services

- The asset acquisition includes the following Digital Domain businesses:
  - Feature film and advertising visual effects
  - Commercial production and virtual humans
  - Studios in Venice, California and Vancouver, Canada and
  - Co-production partnership in Harrison Ford Film - Ender's Game
- DD maintains post production studios in US & Canada and supports 700 professionals
- DD has delivered innovative visuals for more than 90 movies & specializes in Humans, Natural Phenomenon, Characters, Liquid, Vehicles, Environment & Virtual Production
- Its artists have earned eight Academy Awards

## Key Drivers

- Digital Domain is an established brand in VFX services for Hollywood
- Demand for high quality content: The animation and VFX industry is driven by the increased consumption of animated content, creation of global intellectual property formats, acceptance of 3D graphics and the spread of the industry to international markets. The use of VFX has been an integral part of many Hollywood films, with 18 out of the 20 all-time top-grossing Hollywood movies featuring significant VFX sequences
- Right on-shore - off-shore balance: Digital Domain has access to RMW's large talent pool and associated cost arbitrage
- Digital Domain & Reliance: the combined resources provide huge comfort to Hollywood studios that require world-class quality & sustainability

## Clientele

- Impressive work delivered by the team includes Titanic, Pirates of the Caribbean: At World's End, The Transformers trilogy, TRON: Legacy., X-Men Series, Thor, Robot, True lies, Flags of our Father, Transformers, Speed racer, The curious case of Benjamin Button, Star Trek, Transformers : Revenge of the fallen, G.I.Joe : The Rise of Cobra, 2012, Avatar, Transformers : Dark of the Moon, Real Steel, amongst others

**Digital Domain has signed contracts worth USD 50 million, all of which must be delivered by March 2014**

- ❑ Reliance MediaWorks Burbank Technology Centre team has won an Oscar at Academy's Scientific and Technical Awards 2012 for the development of a unique and efficient system for the reduction of noise and other artifacts, thereby providing high quality images required by the filmmaking process
- ❑ Our image processing facility in Burbank is one of the four companies recognized by HPA (Hollywood Post Alliance) Awards for Creativity and Innovation in Post Production in 2010.



- ❑ “Being one of the first Japanese companies who started marketing animation shows to India, we are glad to announce all new Ninja Hattori episodes with the aim to explore new possibilities. We TV Asahi, together with Shin-ei Animation, are thrilled to work with Reliance MediaWorks and hope this collaboration would lead to greater things”.
  - » **Takahiro Kishimoto, producer at Programming and Entertainment Division for TV Asahi**
  
- ❑ “Lowry Digital’s innovative digital image processing helped us create the wholly immersive world that Jim imagined. We brought Lowry in to clean up and enhance live-action scenes where necessary, allowing us to present 3-D images with unprecedented quality.”
  - » **Jon Landau, COO at Cameron’s Lightstorm Entertainment and producer on *Avatar*.**
  
- ❑ “We’re delighted by the progress we’ve seen so far, and all of us at NASA are excited by the possibilities that Lowry Digital’s technology is bringing to the restoration of this historic event,”
  - » **Richard Nafzger, an engineer at NASA’s Goddard Space Flight Center in Greenbelt, Md., who oversaw television processing at the ground tracking sites during Apollo 11.**



RELIANCE

*Film & Media Services (India)*

RELIANCE

## **India Services**

- (i) Processing Lab**
- (ii) Digital Intermediate & Cinema Mastering**
- (iii) Equipment Rental**
- (iv) Studio Rental**
- (v) TVC & Broadcast Post**



## Accreditations and certificates

- Only facility in Asia (Processing Lab, DI Lab, Digital Cinema Mastering) to be accredited by Federation Against Copyright Theft (FACT), UK from 2008~2011
- Processing Lab is the only lab in Mumbai to be accorded Kodak Image Care Certificate for 5 consecutive years
- Processing Lab is the only lab in India to have won the National Award, highest technical recognition, for Best Cinematography for 13 years, consecutively for the last 3 years
- The DI lab is the only lab with 4k facility in South Asia

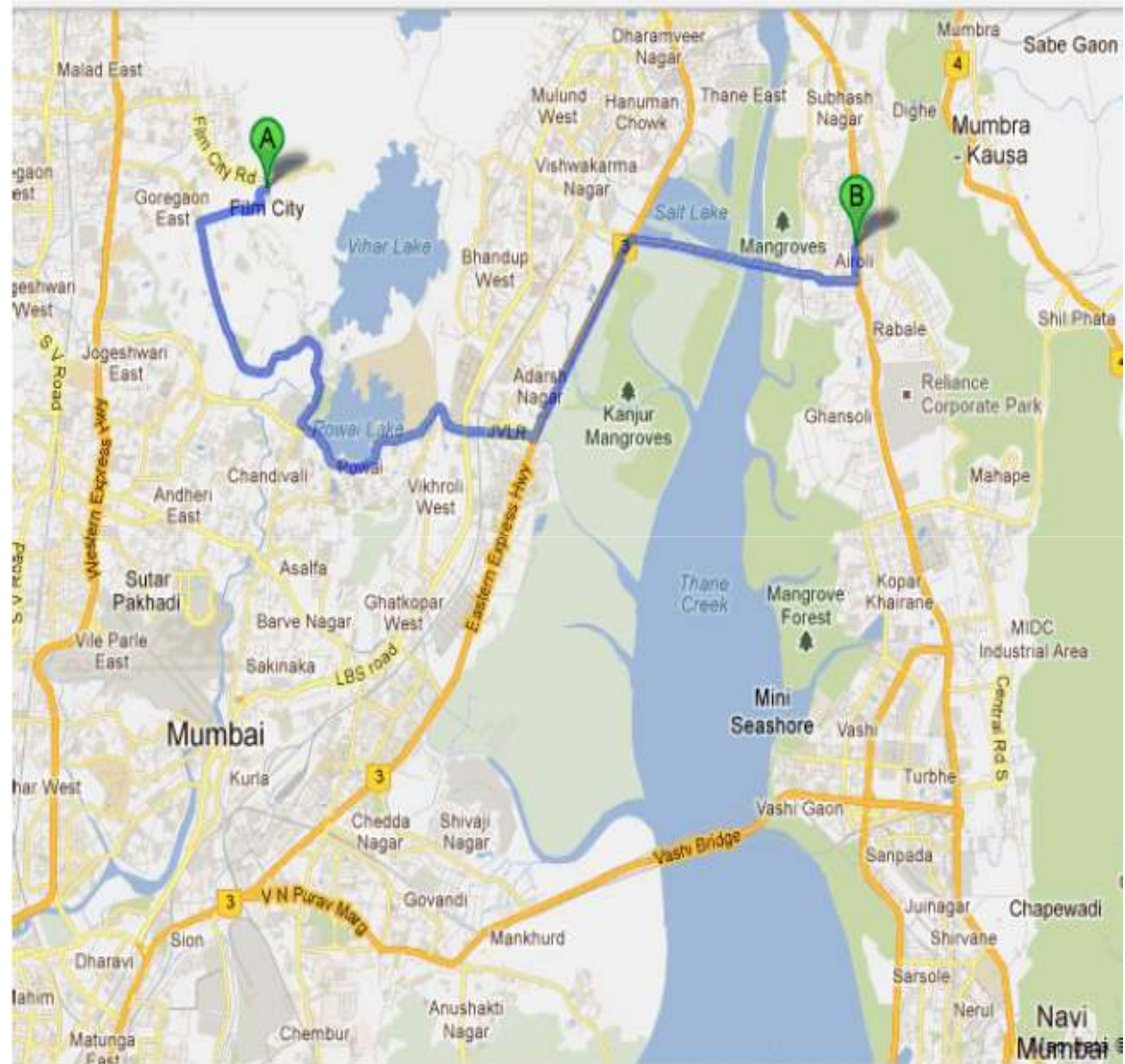
## Summary

- Provides all services in all formats (analog and digital) once a movie is shot until it is screened
- Provides all services that are required for shooting a movie, TV show, events and commercials

- The key elements of movie production in India (excluding star costs) are: shooting (18% of movie budget), studio and equipment (30%), post-production (16%), print processing (16%) and marketing and publicity (20%)
- In 2006, RMW was present only in the print processing space and some elements of post-production (e.g. editing, sub-titling) – i.e., approximately 20% of the pie
- Over the last 3-4 years, RMW has increased its suite of services to include Production Services (studio, equipment rentals, set design, broadcast post) and Film Post (Digital Intermediate (DI), VFX, promotions and digital prints) – and now has a presence in segments comprising nearly 75-80% of a movie's budget excluding star costs
- The budgets have increased substantially:
  - Film budgets have substantially increased over the last 3-4 years: e.g., average cost of production of top 50 large budget films increased from Rs 21 crore (~ USD 4 million) per film in 2007 to Rs 52 crore (~ USD 9.5 million) now
  - Number of wide releases (more than 500 prints) has gone up from 30 to 45
- Hence:
  - The increase in production budgets combined with RMW's enhanced suite of services has grown the addressable market for RMW by around 7-8 times in the last 4 years
  - This reflects in the value realization per film; Profit per film has increased from Rs 22 lakh (~USD 40,000) in FY 2008, it is now around Rs 37 lakh (~USD 67000) per film and is poised to touch Rs 45 lakh (~USD 82000) per film once the promos and VFX business reaches steady-state in the next few months
- The addition of the studio capacity adds significant strategic value in the business portfolio to complement the rest of the businesses which will then cover over 62% of a feature production, be it films, TV or commercials (the only exclusions will be marketing and PR costs and outdoor shoots that are specific to movie requirements)
- Additionally, the studio capacity adds nearly 25% of Mumbai's shooting capacity where all talent resides and this adds to the profitability and value capture substantially
- Clients include all the big names in the Indian film industry: Yash Raj Productions, Dharma Productions, Excel Productions, Mukta Arts, Prakash Jha Productions, Ashutosh Gowariker Productions, etc.
- Of the 114 Hindi films listed by Filmfare (for nominations) in Calendar year 2011, 110 films have been, in one form or the other above, touched by Reliance MediaWorks. The aim in the current year is leverage the client base for greater share of wallet and significantly up the pricing

## Film City is the hub for Indian film and broadcast industries

- Spread over 500 acres of land
- Centrally located – near Domestic and International Airports
- Film City includes:
  - 40 outdoor locations
  - 16 large studios
  - Permanent outdoor locations include a helipad, artificial lake, temple, gas station, etc.
- Almost 50% of the Hindi films and a majority of Hindi TV Series are shot in Film City



## Film Processing

- *Increase in Big Budget Films:* The number of Big Budget films have seen an increasing trend Y-o-Y – 34 in FY 2012 versus 25 in year FY 2007
- *Sustainable Analogue market:* Digital projectors are expensive i.e. 30-45 lakhs depending on the technology. This is huge expense for “mom and pop” theatres in Tier 2 and Tier 3 cities. Hence the analogue print market will continue to sustain at a certain level. So while we see a southwards trend in the analogue prints market, there is definitely a stop loss to it

## Digital Intermediate & Digital Cinema

- *A Better Viewing Experience:* Average cost of production of top 50 films large budget films Rs 52 crores (USD 12 million) in FY 2011 versus Rs 21 crores (USD 5 million) in FY 2007. Consumers prefer a better viewing experience and hence film makers are willing to spend on DI
- *Usage of VFX in live-action films:* The use of VFX in live-action films has grown significantly in recent years. Many live action films in India now include special effects sequences and the duration of these sequences is estimated to have grown by nearly 60% from 2008 to present. This trend is expected to continue in the future, and hence will be a strong driver for the VFX business
- *One of its kind lab:* The Digital Intermediate Lab is the only true 4K facility in Asia with real time grading capabilities.
- *FACT Certification:* As this entire facility is Forensic Corrections Addiction Treatment (FACT) certified, it gives security to the film makers on piracy related issues since all activities from negative processing to telecine and color grading to DI to analogue and digital printing – can be completed under the same roof. This mitigates piracy risk
- *Natural Extension to Processing:* The potential customer base for DI is same as processing, hence this service fits as a natural extension to the existing services
- *Digital Cinema :* Decline in analogue prints is directly proportional to increase in Digital prints. There is a significant uptake in the Digital prints in all formats including 4k, 2k, < 2k & UFO

# State of the Art Studio Facility in Film City (200,000 sq ft) **RELIANCE**



*Phase 1 has been fully operational since Jan 2011*



*Junior Artist Make up room*



*Sync Sound Stages*

## Description of Services

- Reliance MediaWorks has launched India's largest Hollywood-benchmarked studios. When completed, this 200,000 square foot studio complex will have eight sound stages with sync-sound and a clear internal height of 55ft. Phase I of the film studio, constituting three sound stages and 70,000 square feet, was completed in Jan 2011. Phases II and III of the studio are expected to be completed in CY2013. The RMW studios will be a one-stop solution for all production needs for Feature Films, Television, Commercials, Music Videos, New Media, Gaming, Special Effects and Special Events.
- This studio aims to provide a one-stop solution for all production needs for domestic and international clients
- Phase I of the film studio, constituting three sound stages and 70,000 square feet, was completed in Jan 2011. Phases II and III of the studio are expected to be complete in FY2013
- The studio has been designed by LA architects and is on par with Hollywood and international standards. The design includes stringent sync-sound, fire protection, detection and fire fighting facilities adhering to LA County Fire Safety Norms and various other features

## Key Drivers

- *One-Stop Solution:* The Studio aims to provide a one-stop solution for all production needs for domestic and international clients. The Studio also has 'Support utility services' - infrastructure and facilities including molding and carpentry rooms and adequate number of make-up rooms, rehearsal rooms, office space, lounges for artists, cafeterias and fine dining facilities
- *Technology as a differentiator:* The Studio is on par with international standards. It offers provide sync-sound i.e. a noise co-efficient less than 30 db, which is not offered by any other Indian studio. It is the largest, fully air-conditioned facility in Mumbai with a clear internal height of 58 ft. The sound stages are digitally connected with the processing, DI & mastering labs of RMW, which is an added advantage to film makers who can review and service the content on a real-time basis
- *Natural extension to processing:* The potential customer base for Studio is same as processing, hence this service fits as a natural extension to the existing services

## Clientele

- Films: Agneepath, Singham, Agent Vinod, Lootera, Student of the Year, Ram Leela
- Events: BIG IMA Awards, Filmfare Awards
- TV Shows: X-Factor, Indian Idol, MTV Coke Studio
- TV Commercials: Airtel, Nerolac Paints, Whirlpool, Reliance 3G, Safola Rice, Angel Broking, Franklin Templeton, Godrej, Sunsilk, Idea
- All existing customers for the domestic film and media services business are the prospective customers for the Studio facility, since they can enjoy the facility of shooting the content through HD cameras, transmitting it to the DI lab in Film City via OFC, and review the output on a real time basis for preview

Capacity equals 25% of Mumbai studio market; value market share expected to be 35%

Currently operating at 70% utilization level

Studio	No. of floors	Shoot Floor Area (sq ft)
<b>Grade A</b>		
RMW, Filmcity	8	91,766
Yash Raj Studio, Andheri (W)	3	25,660
Famous Studios, Mahalaxmi	7	19,698
<b>Grade B</b>		
Film City, Goregaon (E)	15	87,295
N.D. Studio Karjat	2	24,000
Mehboob Studio, Bandra	4	18,330
R.K. Studio, Chembur	2	18,000
Vrindavan, Malad	1	9,600
<b>Grade C</b>		
Filmistan Studio, Goregaon (W)	10	45,165
Cinevistas, Kanjurmarg	3	21,480
Chitrarth, Powai	2	8,700

## Description of Services

- RMW's film equipment rental business rents high definition cameras with assorted lenses and related equipment as well as provides solutions and expertise through its technical advisory team
- RMW owns cameras and related equipment used for film, TVC and broadcast shoots

## Key Drivers

- *Pioneer status in the industry:* RMW TV broadcast/ Film camera rentals pioneered tapeless solution in India and has established itself as the premium service provider in India
- *Increasing acceptance of advanced formats:* With newer and better formats being technologically introduced and receiving wide acceptance from consumers throughout the country, equipment for shooting such content are in increasing demand
- *Cost advantage:* Renting out high value equipment helps film makers to control the funds being invested in tangible assets, and hence proves to be an overall cost advantage to the film makers. Because of this, the equipment rental business is seeing a lot of demand from film makers
- *Wide Bouquet of services:* With the equipment offered by RMW, content can be shot in High Definition in a digital format. Additional offerings also include special lenses which will improve the quality of the output. The team assisting these setups are technically sound. A film maker prefers a one-stop solution

## Clientele

Selected Shows	Selected Events	Selected Films
Kaun Banega Crorepati	Filmfare Awards	Dabangg (Arbaaz Khan Productions)
Bigg Boss	Femina Miss India	Rajneeti (Prakash Jha Productions)
Jhalak Dikhla Ja	Mirchi Awards	Ravana (Madras Talkies)
Nach Baliye	Star Parivaar Awards	What's Your Rashee (Ashutosh Gowarikar Prod)
India's Got Talent	Star Screen Awards	Aisha (Anil Kapoor Films)
Pati Patni Aur Who	Standard Chartered Mumbai Marathon	Break Ke Baad (Kunal Kohli Productions)
Rakhi Ka Swayamvar	Airtel Delhi Marathon	Ra – One (Red Chilies Entertainment)
Rahul Dulhaniya Le Jayega	Sunfeast Bangalore Marathon	Khelein Hum Jee Jaan Se (Ashutosh Gowarikar Prod)
Dus Ka Dum	Economic Times Awards	Tees Maar Khan (Three's Company Prod)
Sacch Ka Samna	Brand Equity Awards	Khatta Meetha (Seven Arts International)

## Description of Facility Services

- India's first full HD capable post production studio for Television in Mumbai
- Offers end to end solutions for editing, audio mixing, compositing, graphic designs, client comfort and the technical assistance
- Designed on 11000 sq ft and consists of 33 Apple FCP suites, Protocols 5.1 audio & dubbing studio and Online Smoke on Mac systems built on the backbone of a central apparatus room
- Established 45Mbps fiber link connectivity to key clients - Star India Pvt Ltd and Multi Screen Media Pvt Ltd for digital deliveries of final content

## Clientele

- Clients include premiere Broadcasters like Star India Pvt Ltd, MSM Pvt Ltd. (Sony TV), Viacom 18, BIG CBS Network and reputed Production Houses like BBC Worldwide, Fremantle Media India, Miditech TV India, Big Synergy and SOL Productions
- Have done shows like X Factor, Just Dance, Kaun Banega Crorepati, India's Got Talent, Nach Le Ve with Saroj Khan & Events like Big Star Entertainment Awards, Rock Star & IPL Extra Innings amongst others

## Key Drivers

- Digitization bill
  - The government is attempting to gradually shift towards digital by making it mandatory to convert to digital addressable infrastructure by 2013
  - The digital subscribers are expected to outdo the analog subscribers by 2013
- Content digitization and digital distribution are strategic growth areas for RMW
  - RMW has a strategic alliance with stock footage monetization company, Thought Equity Motion, the worldwide leader and pioneer in this space
- Opportunity Size:
  - 197 GEC channels in India produce approximately 5 hours of fresh content per day per channel (350,000 hours of potential SD content and 15,000 hours of potential HD content to be digitized per year)
  - In addition, 1 million hours of Legacy content in SD to be digitized
  - Cost of digitization of fresh content would be Rs 700-800 crore (~ USD 127 – 145 million) per annum and cost of digitization of legacy content could be Rs 2,000 crore (~ USD 364 million)



## Description of Services

- India's first non linear production studio dedicated to TV commercials
- Provides complete turnkey creative solution for TV commercials

## Key Drivers

- A completely integrated digital facility makes RMW a key player in the Post TV Production market in India
- RMW's talent pool of 300+ artists are proficient in 2D and 3D graphics is one of the largest worldwide
- RMW's captive production infrastructure appeals to agencies and brands alike
- RMW is expanding our reach beyond the television market with trans-media services

## Clientele

Selected clients	Brands
Chrome Picture	Tide, Tata Salt, Britannia Tiger
Classic Films	Vjohn, Kellogs, Dabur, Dabur Vatika Gel
Films & Shots	Pampers, Me Foil, Stayfree
Hindustan Unilever Ltd.	Lifebuoy AV
Lintas Production	Just Dial, Hajmola, Kara Tissue Paper, Ankur Salt, MicroMax Mobile, Tata tea, Idia, Tilda , Force, Nestle
Push Films	Kalyan Diamond, Showreel, IPL, Mannapuram all Stars, IPL Kochi Tuskers
QED Films Pvt. Ltd.	Safed Detergent, Clayberry, Fair & Lovely, Knorr
Reliance Capital Asset Management Limited	Relaince Mutual Fund Akshaya Tritiya Films, Reliance Gold fund modified, SIP Insure Animation Films
Reliance Communication Ltd	Reliance Netconnect 3D conversion, Reliance Mobile RTC
Reliance Life Insurance Co. Ltd.	Safety AV, Advisor Recruitment Radio Spot, Tax saver Films
Rising Sun Films Pvt. Ltd	Britannia, Nokia, Eveready, Airtel YouTube, Iodex, Colgate, GNITT
Thought Shop	Gold Gym, Deepak Tea, Parle Krack Jack
Thumbnail Pictures	Gulf Oil, Nestle, Dhara, Kerala Ruf, Complian, Limca
Viocomm 18	MTV Grind
Visual Solutions	7 ADA, World Cup, Infoline

# RMW Security / Connectivity



## Operations centers connected through dedicated secure FOC

- USA** One of the best Digital Image Processing facilities, it provides Image repair, improvement and enhancement services to the film & television industry in Hollywood  
RMW has worked on significant projects like Avatar and NASA footage restoration
- UK** Front office for RMW Europe, also houses a highly trained team of VFX supervisors and artists
- Japan** Alliance with Imagica, a post-production company for movies, television programs and commercials, etc., established in 1935 and headquartered in Shinagawa, Tokyo, Japan
- India** \$100 million secure facility on secure data network for content processing, restoration, VFX, 2D to 3D conversion, animation, TVC post, etc. Additional locations for film lab and other value added services

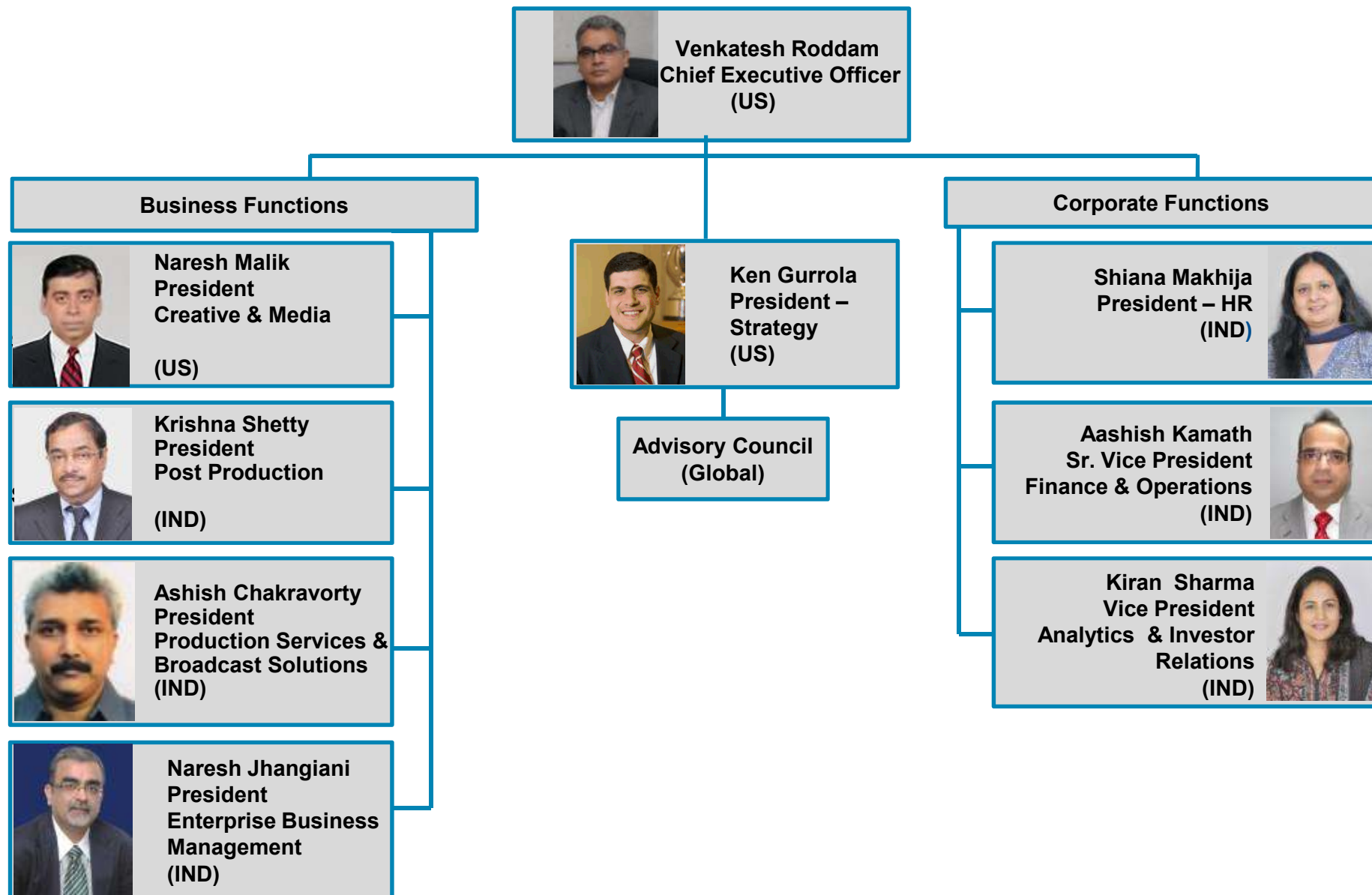
- Medianet, a secure, collaborative, accelerated platform for Media Exchange between RMW facilities
- Ability to establish connectivity with any business partner through a 300 Mbps global Ethernet connection with 1-Wilshire, Los Angeles
- Provision of Accelerated File Exchange Server over 300 Mbps internet for clients who do not have access to private leased lines to 1-Wilshire
- Connected with Sohonet connecting multiple Hollywood and UK studios and facilities
- Data transport, in addition to being protected from internet vulnerabilities, additionally protected by on the fly AES256 bit data encryption
- Hollywood studios use Medianet for DCP deliveries to and from RMW India

## Appendix I

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### Organization and Employee Distribution Charts

RELIANCE



## Thank You

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