

RELIANCE MEDIAWORKS Q3 INCOME AT RS. 211 CRORES

SHARP RECOVERY AT OPERATING PROFIT LEVEL

Mumbai, February 13, 2012: Reliance MediaWorks Ltd., India's fastest growing film and entertainment services company and a member of the Reliance Group today announced its third quarter results for FY 2011-12.

Key Financial Highlights for Q3 of FY 2011-12:

- Total Income from Operations for Q3 at Rs. 211 crores (US\$ 42 million)
- Domestic film releases and broadcast services industry showed a marginal dip for the quarter
- Margins on Reliance MediaWorks' domestic film and media services maintained at 30%.
- Exhibition business was cash breakeven during the quarter.
- With commencement of large commissioned orders, Creative, restoration and media services showed a sharp upswing in revenue at Rs. 26 crores (US\$ 5 million) and cash breakeven in Q3 as compared to cash operating loss of Rs. 10 crores (US\$ 3 million) in trailing quarter.
- The above numbers for Q3 include charge off of Rs. 8 crores on account of start up expenses with respect to VFX and 3D Conversion outsourcing businesses, against an order book position of over Rs. 200 crores annually.
- Interest costs to sharply reduce on completion of fund raising exercises being examined.

Key Business Highlights:

- Reliance MediaWorks Burbank Technology Centre team members **have won a Academy award for 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.



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- Reliance MediaWorks' partnership with Los Angeles-based digital production studio Digital Domain Productions, to set up a visual effects and 3D Stereo Production services studios in Mumbai and London

that will cater to motion pictures, television, commercial, and stereo 3D conversion for catalogue projects **has commenced with artists working at Mumbai and London facilities currently.**

- Reliance MediaWorks is India's largest service provider in the film post production services space and has offered varied services such as Motion Picture Processing, Digital Intermediate (DI), Digital Cinema mastering, Promos and trailer services and visual effects for **110 out of 114 Bollywood films** that released in 2011. **The company has handled Digital Intermediate and VFX for over 55 films in 2011 which includes award winning films like Rockstar, Zindagi Na Milegi Dobara and The Dirty Picture.** Additionally, Company has recently started offering 3D Conversion services to Bollywood Studios and its first domestic project was Don 2.
- Reliance MediaWorks operates India's largest Hollywood benchmarked studios where major events such as the Prestigious Filmfare Awards, films like Singham, Agneepath and several television shows and commercials have been shot. **Currently the studios have three operational sound stages and the second phase comprising of five sound stages will be operational within 2012.**
- Reliance MediaWorks also operates one of the world's largest comprehensive digital restoration and content processing services facilities in India and **has restored over 250 legacy films in 2011** which includes titles like Sholay, Laawaris, Devdas and Do Bhigha Zameen among others.
- With the stabilization of its post production facilities for broadcast shows and television commercials, Reliance MediaWorks offers world-class services and solutions from origination to playout and enjoy strong client relationships with most of the Indian production houses, studios and broadcasters. The broadcast post has handled some of India's biggest reality shows like **X-Factor, India's Got Talent and Just Dance.** The TVC post has done **over 250 commercials** for brands like Tata Sky, Maruti, and Cadburys among others.
- To strengthen the services offerings in southern India markets of Tamil and Telugu, the Company has partnered with **VenSat** to expand its VFX, CG and Animation capabilities and create a studio in Chennai ; and entered into a management agreement to manage **Annapurna Studios** and expand the Digital Post Production facility at the Hyderabad studios.



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- On a same store basis, **BIG Cinemas** has demonstrated growth of over 26% over the previous year, ahead of the multiplex industry growth of 17%.
- BIG Synergy has completed over 340 hours of programming this year as compared to 240 hours last year and has a strong line-up of shows, which includes **Kaun Banega Crorepati – Tamil, Telugu and Malayalam** on Star TV's regional channels, **Sach ka Saamna** on Star One & **Foodistan** on NDTV Good Times in the coming quarter.

Subsidiarisation

- Following the Board approval on January 14, 2012, the company has commenced the process for subsidiarisation of the Company's Exhibition and Film and Media services businesses into separate 100% subsidiaries of Reliance MediaWorks. The proposed subsidiarisation will better position the Company to pursue strategic growth opportunities in its specific businesses and enable the Company to enhance its business, revenues and profitability and also expand products and service offerings. The subsidiarisation step is a precursor to invite Strategic and Private Equity Investors who have expressed a keen interest in investing in the specific businesses.

As a result of the investment and stabilization of business verticals, and also increased interest and depreciation charge, the Company has recorded a net loss of Rs. 150 crores (US\$ 30 million) for the quarter. This loss includes a one-time charge of Rs. 27 crores on account of CWIP write-offs and non-recurring expenditure.

About Reliance MediaWorks Limited:

Reliance MediaWorks Limited is India's fastest growing film and entertainment services company and a member of the Reliance Group.

Reliance MediaWorks operates BIG Cinemas, India's largest cinema chain with over 530 screens spread across India, the United States, Malaysia and Nepal.

Reliance MediaWorks currently has a dominant and comprehensive presence in Film Services: Motion Picture Processing and DI; Film Restoration and Image Enhancement; 3D; Digital Mastering; Studios and Equipment rentals; Visual Effects; Animation; TVC Post Production with presence across India, USA, UK, Russia and Japan.

Reliance MediaWorks' television venture, BIG Synergy, is among the top players in the television programming industry.

www.reliancemediaworks.com