



PFL

April 27, 2016

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

To,
The Bombay Stock Exchange Limited
Listing Department,
Phiroze Jeejebhoy Towers,
Dalal Street, Mumbai - 400 001
Fax Nos.:22723121/2037/2039

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Dear Sir/ Madam,

Sub.: Disclosure of Information pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015 and policy on criteria for Determining Materiality of Events adopted by the Company

Ref: NSE Code: PFOCUS / BSE Code: 532748

The Board of Directors of the Company at their meeting held on April 27, 2016 inter-alia, considered and approved following:

- a. Divestment of 30% stake in Digital Domain-Reliance, LLC("DD-Reliance"), to the existing holder of the remaining 70% stake in DD-Reliance, which is ultimately wholly-owned by Digital Domain Holdings Limited ("DDHL"), whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and
- b. Entering into a proposed 50:50 JV with DDHL to carry on Virtual Reality and Advertising businesses in India (the "New JV") on terms as may be agreed between the parties

At a total consideration of US\$ 55million worth of shares in the Hong Kong listed DDHL based on an issue price of HK\$0.596 per share of which US\$30 million is for stake sale.

The said transaction would not fall within related party transactions and the promoter/ promoter group/ group companies does not have any interest in the transaction.

Pursuant to the requirement of Regulation 30 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 the Board meeting commenced at 7:00 p.m. and concluded at 8.00 p.m.

Please find enclosed press release herewith.

Kindly take the same on record and acknowledge receipt.

Thanking You,

For Prime Focus Limited

**Parina Shah
Company Secretary**

Prime Focus divests 30% stake in Digital Domain-Reliance, LLC; to form Virtual Reality and Advertising JV in India; Total Deal Value at US\$ 55 million

Mumbai, April 27, 2016:

Prime Focus Group announced the sale of its 30% stake in Digital Domain-Reliance, LLC (“DD-Reliance”) to the existing holder of the remaining 70% stake in DD-Reliance, which is ultimately wholly-owned by Digital Domain Holdings Limited (“DDHL”), that is headquartered in Hong Kong, and whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (HKEx Stock Code: 547). The parties have also signed a MOU regarding the proposed formation of a 50:50 JV with DDHL to carry on Virtual Reality and Advertising businesses in India. The total consideration payable to the Prime Focus Group for the 30% stake sale and possible formation of JV is US\$55 million worth of shares in the Hong Kong listed DDHL based on an issue price of HK\$0.596 per share. The above transactions are subject to, inter alia, due diligence and customary regulatory and other stakeholder approvals.

The consideration for the 30% stake sale (through an international wholly owned subsidiary of Prime Focus) is US\$30 million. As part of the possible JV transaction worth US\$25 million, Prime Focus Group will, inter alia, infuse US\$5 million into the new JV.

The proceeds from the sale, as and when they are monetized, are expected to be partly used for expansion of its Advertising business, to catalyze the growth of Virtual Reality in India and also to pare down debt.

Commenting on the transactions, Mr. Namit Malhotra, Founder, Executive Chairman and Global CEO, Prime Focus Ltd, said “We are very excited about working with the DDHL team on the possible new JV and grow the domestic advertising, virtual reality and related business opportunity. Advertising has always been a core focus area for the Company and this possible new JV will help us further enhance our credentials and penetrate the market.

Virtual Reality (VR) is at the cusp of exponential growth across the globe, with its plethora of applications. The global VR technology market is estimated to reach US\$16 billion by 2020 (Source: marketsandmarkets.com) and India with its massive smartphone base is expected to play a key role in its adoption and growth. We believe we are entering the market at the right moment to capitalize on the tremendous potential in the segment.

This monetization will also help us partly to pare down debt. Prime Focus will always continue to explore and evaluate opportunities to bring down debt across the Group.”

As part of the merger with Reliance Mediaworks’ FMS Business in India, Prime Focus had also inherited a 30% stake in Digital Domain-Reliance LLC.

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About Prime Focus

Prime Focus Limited (PFL), the world’s largest independent integrated media services powerhouse employs over 6,000 professionals in 16 cities across 4 continents and 7 time zones. We provide end-to-end creative services (visual effects, stereo 3D conversion and animation), technology products & services (Media ERP Suite and Cloud-enabled media services), production services (shooting floors, sound stages and equipment rental) and post production services (Digital Intermediate, digital lab and picture post) to Studios, Broadcast and Advertising industries.

Prime Focus merged with award-winning Double Negative, one of the world’s foremost providers of visual effects; and Reliance MediaWorks merged their global film and media services business with Prime Focus Limited. Double Negative is being several marquee visual effects projects and has won multiple Academy Awards (Oscars) for Best Visual Effects for its work on projects such as *Inception*, *Interstellar* and *Ex Machina*.

Prime Focus is behind path breaking technologies like View-D™ (stereoscopic 2D to 3D conversion), CLEAR™ (Hybrid Cloud technology enabled Media ERP Suite) and Primetime Emmy® award-winning DAX Digital Dailies® and Leveraging our Global Digital Pipeline and pioneering delivery model WorldSourcing® we partner content creators at every stage of the process ensuring creative enablement, work flow efficiencies and cost optimization.

Listed on the BSE and NSE of India, Prime Focus has operations in Bangalore, Beijing, Cape Town, Chandigarh, Delhi, Goa, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mumbai, New York, Singapore, Toronto and Vancouver.

For more details: www.primefocus.com

For any investor relations query please contact:

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Note: Certain statements made in the document may be forward-looking statements. Such forward- looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prime Focus Limited 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.