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**MEDIA RELEASE**

**RELIANCE MEDIAWORKS Q2 INCOME UP 21%, COMPARED TO TRAILING QUARTER**

**SHARP RECOVERY AT OPERATING PROFIT LEVEL**

**Mumbai, November 10, 2011:** Reliance MediaWorks Ltd., India's fastest growing film and entertainment services company and a member of the Reliance Group today announced its second quarter results for FY 2011-12.

**Key Financial Highlights for Q2 of FY 2011-12:**

- Total Income from Operations for Q2 at Rs. 236 crores (US\$ 47.5 million), increase of 21% as compared to trailing quarter
- Cash break even for Q2, as compared to Cash Operating Loss of Rs.19 crores (US\$ 3.8 million) in trailing quarter
- The above numbers for Q2 include Rs. 10 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 cost to sharply reduce post completion of the Rights Issue

**Key Business Highlights:**

- The quarter has shown significant improvement in film releases as compared to the trailing quarter, resulting in **Exhibition revenues increasing by 22%** over trailing quarter. In Q3, there are **12 wide releases, which will have significant positive impact on the company's Exhibition and Film and Media services business.**
- BIG Synergy has a strong line-up of **4 shows currently on air**, which includes Kaun Banega Crorepati – Season 5 on Sony , Sach ka Saamna on Star One & Indias Most Desirable on Star World
- The company has invested substantially in building infrastructure, skillsets, manpower for leveraging the outsourcing opportunities through its Media BPO and the returns are expected to flow from Q3 onwards. The current order book value is over Rs. 200 crores annually.
- Reliance MediaWorks' **has partnered 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 from September 2011 in phases.
- Reliance MediaWorks **has partnered with Thought Equity Motion's cloud-based Video Platform to provide integrated, digital "smart content" solutions.** Reliance MediaWorks will

support Indian film studios, broadcasters and sports bodies as they move to digital file based workflows and expand their distribution avenues across new media such as tablets, 3G, and HD Streaming.

- Reliance MediaWorks has **extended its 3D Conversion services to Indian filmmakers and advertisers**. Shah Rukh Khan starrer Don 2 is the first Indian film to be converted into 3D by Reliance MediaWorks and the first 3D advertisement project was Reliance Netconnect's 'It's Fast. Are You?' campaign.
- Reliance MediaWorks **has partnered with Hyderabad based Annapurna Studios** to manage and operate their studio facility which includes 10 sound stages and also operate and expand Annapurna Studios' Digital Post Production facilities.

Reliance MediaWorks has significantly completed its investment phase. It has received board approval for **raising an amount upto Rs. 500 crore by way of rights offer** of equity shares to the Company's shareholders and the process is underway. The funds raised through Rights Issue would be utilized, inter alia, for substantially reducing the debt of the company, incurred for creating the asset base

As a result of the investment and stabilization of business verticals, resulting in increased interest and depreciation charge, the company has recorded a net loss of Rs. 123.7 crores (US\$ 25 million) for the quarter.

#### **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, Nepal and Netherlands.

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.

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