



World's Largest Satellite-based Digital Cinema Network

UFO Moviez commits Rs. 200 crore to fuel Scrabble Entertainment's India expansion

Capex of US \$ 150 mn for Scrabble's international growth plans

Mumbai, September 29, 2011: UFO Moviez India Ltd., the world's largest satellite delivered digital cinema network promoted by the Valuable Group, has committed an investment of Rs. 200 crore to fuel the growth and expansion plans in India of Scrabble Entertainment (Pvt) Limited, in which UFO Moviez has recently acquired a controlling stake. The international roll out plans of Scrabble Entertainment will entail a capex of US\$ 150 million to be funded by way of international debt and further equity infusion by UFO Moviez.

Mr. Kapil Agarwal, Joint Managing Director, UFO Moviez, says, "The UFO-Scrabble combine is the only alliance in the world that offers non DCI satellite based digital cinema solutions as well as DCI-compliant solutions with VPF (Virtual Print Fee) deals to the global and Indian film industry. By acquiring majority stake in Scrabble, UFO Moviez has reiterated its commitment to ensuring that the Indian film industry ecosystem benefits from the resulting cost-efficiency and increased reach of content by taking Hollywood content to cinema lovers across 'Bharat' and beyond its metros. We shall ensure that this Indian combine started by first generation entrepreneurs now goes global."

Mr. Ranjit Thakur, CEO, Scrabble Entertainment, said, "Scrabble is happy to partner with UFO Moviez, an organization that has changed the landscape of the film industry in India by offering innovative technology solutions for its betterment and growth. We look forward to ensuring that more and more audiences across India can now enjoy high quality films on a digital platform".

UFO Moviez India has recently acquired a majority stake of 52% in Scrabble Entertainment. Post this, Dr. Sunil Patil and Mr. Ranjit Thakur presently own 27% stake totally and the balance equity is held by Walkwater Media Ltd., owned by Mr. Manmohan Shetty.

Scrabble Entertainment, a Mumbai based first generation company promoted by Dr. Sunil Patil and Mr. Ranjit Thakur, is the only aggregator in India which has Virtual Print Fee (VPF) rights from Hollywood studios for providing DCI (Digital Cinema Initiatives) compliant solutions.

Scrabble Entertainment has already signed VPF deals with Hollywood studios and is now ready to go global in 10 countries in the Middle East and Eastern Europe (UAE, Oman, Qatar, Bahrain, Kuwait, Syria, Jordan, Lebanon, Cyprus and Bulgaria). It is also looking very enthusiastically at expanding its footprints in Latin America (Brazil, Argentina, Chile and Mexico). Scrabble expects to install around 2000 screens internationally in the next two years, out of which deals for over 600 screens in the Middle East have already been finalized.

In terms of the domestic market, the UFO-Scrabble combine will now increase the number of DCI compliant cinemas from 300 (that Scrabble has presently installed in around 30 major cities since its inception in 2007) to 800 (single screens as well as multiplexes) within six months. This will ensure that cinema viewers in Tier 2 and Tier 3 cities in India will now get a chance to watch Hollywood content because the six Hollywood studios only give content to DCI compliant platforms.

The timing of UFO acquiring majority stake in Scrabble is significant because it is important for the Indian film fraternity to make this transformation and transition to DCI compliance quickly, as the six Hollywood studios are likely to stop providing analogue prints over the next couple of years. The VPF model is important as it allows Scrabble to provide DCI solutions at a highly subsidized cost. Each DCI equipment installation requires an investment of around Rs. 30 lakh and Indian cinema owners, especially single screens find this cost to be prohibitive. The UFO-Scrabble alliance will provide DCI solutions by way of a unique business model that will result in cost-effectiveness and cost-efficiency for all the film industry constituents (exhibitors, distributors, etc).

About UFO Moviez India Ltd. (www.ufomoviez.com):

UFO Moviez, the world's largest satellite delivered digital cinema network, is the pioneer in the Digital Cinema space in India. UFO was founded by Valuable Group in 2005. Leading Indian industrial house Apollo Tyres Group and international PE investors 3i UK and Providence Equity Partners have made investments in UFO. In a short span of time, UFO has established a robust network of cinema screens across India and Nepal. With its unique satellite based delivery and advanced technology, UFO is the market leader in the digital cinema space in India. UFO has revolutionized the way films are distributed and exhibited throughout India. Presently, UFO has a base of close to 2600 digital screens, spread across more than 1300 cities in 26 states of India. Out of these 2600 screens, around 350 screens are in multiplexes (which constitutes over 30% of the multiplex population in the country) and the balance are single screen theatres. UFO has so far released more than 3700 films in 29 languages and has conducted more than 8 million shows till date.

About Scrabble Entertainment (P) Limited (www.scrabbleentertainment.com):

The company was formed in November 2007. Scrabble being India's first and only 2K DCI Compliant Cinema deployment entity aims to convert every multiplex in the country to the 2K Digital Cinema Platform. The company has already contracted with the leading Exhibitors, Producers & Distributors in India to facilitate this conversion. Scrabble will act as an intermediary between content providers including major studios and independent distributors, and the exhibitor. Under a Virtual Print Fee (VPF) business model, Scrabble will finance the exhibitors transition to digital by collecting a negotiated "virtual print fee" from movie distributors & producers. Its mission is to provide a Digital Platform to Indian and Hollywood Studios that will help them maximize revenues by providing a much wider day and date release and flexibility in show placement at a reasonable cost.