

BASIS OF THE COMPANY: -

MIDVALLEY ENTERTAINMENT LTD. is Film Production, Distribution and Exhibition Company, actively engaged in the media and entertainment industry in South India. The company have presence in the media and entertainment activity from concept to completion i.e. from script to screen. Midvalley Entertainment Ltd. produce, distribute and exhibit movies both in Indian and foreign languages. The company also hold the music, video and television rights of movies, television serials for sales to TV Channels and other emerging media sources. The company intend to emerge as one of the leading theatre chain in Southern India. The company have currently entered into screening agreements with 46 theatres in distribution territories of Hyderabad and Tamil Nadu. MIDVALLEY ENTERTAINMENT LTD. current business includes Production, Distribution and Exhibition of movies and also plans to foray into the field of Combined Entertainment Plexes (CEPs) and Drive-In Open air theatres by way of organic as well as inorganic growth.

Issue Highlights:

Books Open : 10 Jan 2011
Books Close : 12 Jan 2011
Face Value : Rs. 10
Bid Lot Size : 95 equity shares
Price Band : Rs. 64 TO Rs. 70

Issue Details:

Issue Size : In equity shares
QIB Portion:
Retail Portion:
HNI Portion:
Lead Managers: ARYAMAN
FINANCIAL SERVICES LIMITED

KEY POINTS OF THE COMPANY:-**• Strategic location of theatres**

The company forayed into the exhibition business by entering into screening agreements with theatres. All screens are located in B & C category towns, where quality theatres are absent. Hence the company are in a position to take the advantage by providing people with better movie viewing experience through improved and hygienic conditions.

• Capital-efficient project design and execution

Midvalley Entertainment Ltd. projects are planned and conceived in a manner that each property is profitable on a standalone basis. The company use internal skills to assess the location and demographics and decide on capital expenditure accordingly. The properties on which they operate are not owned by them. They manage these properties pursuant to agreements entered into with the respective owners of the properties. Apart from stand-alone profitability of each site, it also ensures an efficient use of capital.

• Selection of content

Due to experience in content selection and programming for many theatres and a deep understanding of different film genres (developed in our distribution business), the company are well-placed to exploit each film available in the market. A standard acquisition procedure is in place and films are stringently reviewed before a decision to invest is taken by the management. The same is while selecting content for the production of a movie.

• **Presence from Script to Screen**

The company have presence in the entire value chain of the film industry, i.e. production, distribution and exhibition, thus integrating the production and the last mile access platform for movie delivery and have presence from script to screen.

• **The corporate partners are:-**

1. Unigold Pacific Limited
 2. Global Motion Pictures & Ventures Pvt. Ltd.
 3. Kiara Enigma Sdn. Bhd
- We in the past have acquired territorial distribution rights for various movies like Pirates of the Caribbean - Dead Man's Chest, Dead or Alive and various Tamil movies such as Thambi, Erandu, Patchaikili Muthucharam, Vayabari, Naan Avan Illai, Parattai Entra Alagu Sundaram, Pollathavan – Dhanush etc.
 - Further we have a library of 651 movies in various languages. This consists of 417 Tamil movies, 107 Telugu movies, 52 Kannada movies and 75 Malayalam movies.
 - Midvalley Entertainment Limited have in past produced several movies. In the year 2006 the company produced 'Thambi', a Tamil movie starring R. Madhavan. 'Seena Thaana 001' Home Production hit the screens on September 7, 2007. Another movie Alanganallur Kalai is in production and is expected to hit the screens in 2010. For this movie the company have entered into director's agreement dated January 11, 2008 with Mr. Ponraj Alias Laxmi Priyan, actor's agreement dated July 07, 2007 with Mr. S.M. Abdul Qadhir and Music director's agreement dated July 18, 2007 with Mr. Srikanth Deva.

The objects of the Issue are to raise capital for financing the activities mentioned below:

- A. Entering into screening agreements with 300 cinema theatres
- B. Renovation and Up-gradation of cinema infrastructure with Digital Equipment and other related assets for a select 100 screens
- C. Acquisition of company, acquisition of screening rights of company having similar line, range and objects of business
- D. To meet general corporate expenses
- E. Meeting the IPO expenses.

FINANCIALS:

(Rs. In Lacs)

PARTICULARS	31.07.2010	31.03.2010	31.03.2009
TOTAL INCOME	486.90	1294.74	2116.43
TOTAL EXPENDITURE	201.82	695.48	1100.79
PAT	122.03	16.30	94.62
FIXED ASSETS	1631.67	1729.41	369.22
NET WORTH	5578.39	5435.08	5382.39

PEERS GROUP COMPARISON:

PARTICULARS	EPS (Rs.)	F.V. (Rs. Per Sh.)	ROWN(%)
Midvalley Entertainment Ltd.	0.01	10	0.07
PVR Limited	8.70	10	10.80
Inox Leisure Limited	3.20	10	8.50

Source: Capital Market, July 12-25,2010;Sector- Entertainment & Media

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