

CINEMA CAPITAL VENTURE FUND

SCHEME 1

YOUR TICKET TO BLOCKBUSTER RETURNS



QUARTERLY NEWSLETTER

APRIL 2009
VOLUME 1

STATUS OF CCVF

Cinema Capital Venture Fund Scheme 1 closed on November 15th 2008 with a committed corpus of **Rs 164 crores** in the shadow of an unprecedented global downturn. Investors from all over the country have shown confidence in CCVF and the film and media entertainment sector with the product being perceived as an attractive alternative investment uncorrelated with the recessionary trend. The corpus makes CCVF a potentially strong player within the film and media entertainment sector.

With a strategy to ensure maximisation of returns along with security and safety of its investment, as a first step, CCVF has been engaged in protracted negotiations with some of the most successful privately held film companies in the country. The absence of precedents and the economic uncertainties notwithstanding, the negotiations are preceding satisfactorily. The time taken to complete the process is also taking longer than expected but the **entire first drawdown amount** is invested and **almost 50% of the second drawdown has been committed for investments**. However CCVF is taking every care to safeguard the returns based on the profitability and track record of the concerned companies. Unlike simple funding of a film project, acquisition of stake in the production house is necessarily a more complicated and time consuming matter.

The negotiation processes and terms are covered under strict non-disclosure and confidentiality terms, CCVF will be able to share the details of all the investments with the investors at a later stage.

The Advisory Firm of the Fund Cinema Capital will change to **Cinema Capital Advisory Pvt Ltd** as on **April 1st 2009** and will shift to its new office premises in Lok Nirman Towers in Bandra (w) in Mumbai.

The Fund has changed its auditors to **Deloitte Mumbai** from Pricewaterhouse Mumbai.

STATUS OF THE FILM INDUSTRY

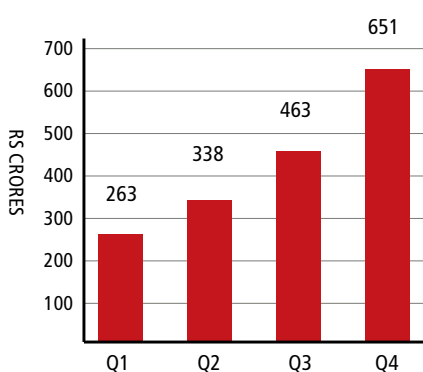
The Entertainment and Film box-office business revenues have remained largely unaffected and the last quarter of 2008 as well as January 2009 were record breaking periods in terms of film revenues with **Ghajini** crossing **Rs.260 crores** of ticket sales **across the world** and **Rab Ne Bana Di Jodi** crossing 180 crores. Data compiled by a score of distributors, analysts and trade portals show that during the **quarter ended December 31st 2008**, the films released did gross collections of **Rs.680 crores** (Source: Business Standard Feb 09). This represents nearly **70% of the overall collections** of the 12 month period from Jan-Dec 08.

The same trend in Film box-office revenues increasing during periods of economic woes was mirrored in the **US Box-office**. The final Hollywood Box-office revenue tally for **February 2009** came in at nearly **\$770 million**, making it the **highest-grossing February ever**. Business was up over **ten percent** from last year, which was the previous February best. The bustling February comes in the wake of the **first billion dollar January**, which was the rare January to out-gross the preceding December. The first two months of 2009 tallied **\$1.78 billion** at the US Box-office, a **16 percent** improvement over 2008 through the same point and the **highest-grossing start to a year on record**. (Source: www.boxofficemojo.com)

This global box-office performance has successfully tested the theory that demand and spending on entertainment remains **largely unaffected** or increases during economic slowdown and recessionary fears in other sectors.

The other significant news in the last quarter was the global commercial and critical success of an India based film '**Slumdog Millionaire**' directed by the acclaimed director Danny Boyle. The film costing **15 million \$** has grossed over **400 million \$** in worldwide ticket sales and won 8 Oscars awards at the Annual Academy Awards. The recognition and success given to this film as well as the Oscars won by the two leading Indian talents like A.R. Rahman and Resul Pookutty has put the global film entertainment world's spotlight onto the Indian film industry.

BOXOFFICE REVENUES JAN - DEC 2008



SOURCE: THE ECONOMIC TIMES, APRIL 2009

Global box office receipts rose 5 percent to a record 28.1 billion \$ in 2008 according to the Motion Picture Association Of America (MPAA)

"Movies can still be counted on to boost people's spirits as well as the economy."

Dan Glickman
Chairman and CEO of Movie Trade Group

SOURCE: THE ECONOMIC TIMES, APRIL 2009



Action Replay Produced and Directed by Vipul Amrutlal Shah

FUND INVESTMENT UPDATES - Q1

INVESTMENT A

Company Energetic Films Pvt Ltd

Promoter Vipul Shah

Investment Equity Stake

Plan To Produce and release upto 10-12 movies in the next 4 years

PROFILE OF VIPUL AMRUTLAL SHAH

Vipul Amrutlal Shah is one of the leading filmmakers in Bollywood today. He enjoys a very successful track record as a filmmaker in Indian motion picture business. His first three directorial ventures – Aankhein starring Akshay Kumar and Amitabh Bachchan was one of the biggest hits of that year. His next project in 2005 **Waqt** starring Amitabh Bachchan, Akshay Kumar and Priyanka Chopra was also among the biggest hits of that year followed the Akshay Kumar and Katrina Kaif

starrer **Namastey London** in 2007 which was a huge hit. Even his first film as a producer, **Singh is Kinng**, emerged as one of the biggest hits of Bollywood last year, grossing over Rs.150 Crores worldwide. He is now onto **London Dreams** starring Ajay Devgan and Salman Khan which is again among the bigger and most anticipated films in the line up from Bollywood for 2009. A graduate with a Bachelor's Degree in Commerce from NM College of Commerce, Mumbai, Vipul Shah started his career with acting in Gujarati plays before enriching his resume with his works on television and feature films.

Energetic Films Pvt Ltd first feature film will be **Action Replay** which is already in production with the shooting schedule started in **March 2009**. The film stars Akshay Kumar and Aishwariya Rai and is one of the biggest projects to look forward to in the year 09-10.



All the Best Produced by Ajay Devgan | Directed by Rohit Shetty

INVESTMENT B

Project All the Best

Investment Stand alone Single Film Project

Production Period March-May 2009

Release October-November 2009

INFORMATION ABOUT THE FILM

This is a film project Directed by Rohit Shetty whose last film **Golmaal Returns** was the 3rd largest blockbuster of 2008 after Ghajini and Rab Ne Bana Di Jodi. The film is being produced by Ajay Devgan.

The principal cast is Ajay Devgan, Sanjay Dutt, Fardeen Khan and Bipasha Basu and the genre is of a romantic comedy for family viewing.

The film is slated for a Diwali 2009 release and will be the biggest comedy genre release of the year 2009.

Cinema Capital has strived to fulfill its promise of working with the best talent whether cast – Akshay Kumar, Aishwariya Rai, Sanjay Dutt, Ajay Devgan, Fardeen Khan and Bipasha Basu in its first quarter of proposed investments, or leading creative talent like Vipul Shah and Rohit Shetty as directors.

We look forward to a grand blockbuster 2009 for our investee companies and their film projects and some great returns for our investors. Please look out for our next newsletter to reach you soon with more news on CCVF investments. Jai Ho!!

Sincerely,
Samir Gupta (Managing Partner - Cinema Capital)

CINEMA CAPITAL ADVISORY PVT. LTD. 102-103, 1st Floor, Building A/4, Lok Nirman Towers, Dr. Ambedkar Road, Khar (West), Mumbai 400 052, India
TEL. +91 22 4246 1717 SUPPORT NO. +91 98105 88667 FAX. +91 22 4246 1700 EMAIL. info@cinemacapitalindia.com WEBSITE. www.cinemacapitalindia.com

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