



# **PYRAMID SAIMIRA THEATRE LTD.**

August 25, 2009

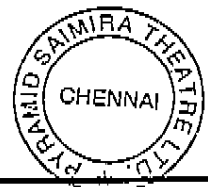
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001.

Dear Sirs,

***Sub: Press Release***

**Company : Pyramid Saimira Theatre Ltd.**  
**BSE Script Code : 532791**

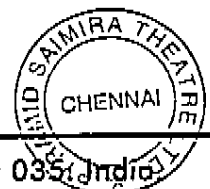
1. Pyramid Saimira originally was a content production company. From 2007, it focused on the exhibition sector across the globe. After consolidating the Exhibition sector it backwardly integrated the Distribution and Production sectors in its own name. During 2008 it was felt that instead of having these as divisions, subsidiary companies should be formed to carry on the respective operations separately under each head. Hence it formed various subsidiary companies for the said purposes. The Board has now decided in principle to de-merge its production subsidiary M/s.Pyramid Saimira Production International Ltd (PSPIL) and content distribution subsidiary M/s.Pyramid Saimira Content Distribution Pvt Ltd (PSCDPL) with effect from July 01, 2009.
2. Currently these two companies are held under M/s.Pyramid Saimira Theatre Ltd as distinct investments.
3. After the de-merger, instead of PSTL holding the shares, the share holders of PSTL / promoters of PSTL will own the company independent of PSTL.
4. The Board requested the Managing Director to take care of the interests of both secured and unsecured creditors of the company in the scheme of arrangement to be filed with the Hon'ble High Court.





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5. The Board also opined that certain percentage of shares to be kept as Reserve Capital in respect of the subsidiary companies as well as certain percentage of shares be held by PSTL in trust, which otherwise be disbursed to the FCCB holders if and when they convert FCCB into equity shares of the company.
6. The Board also took on record the valuation done by M/s.Deloitte during 2008, valuing M/s.PSPIL at a value of Rs.450 Crores.
7. The Board further authorized the Managing Director to appoint valuers for evaluating the distribution arm of the group M/s.Pyramid Saimira Content Distribution Pvt Ltd (PSCDPL), taking into account the strengths of PSCDPL with over 25 offices, 100 employees and with a track record of distribution of more than 100 films from inception. The top line of PSCDPL is around Rs.250 Crores for F.Y. 2008-2009.
8. The Management Committee presented the following reasons to the Board behind these moves.
  - a) When the group structure was originally visualized it was based on the integration of Exhibition and horizontal consolidation and expansion, thereby creating an holistic eco-system for the entertainment sector with diversification with, relation to geography, addressing mode and customers. That has made the other group companies as subsidiaries of PSTL (holding company) which had an unusual side effect for subsidiaries depending upon the parent company's strength and credibility for expansion.
  - b) The parent company underwent a huge business loss and also had taken a higher amount of risk in the Exhibition sector by locking in properties at high price during 2007-2008. In addition, due to the recession effect and falling occupancy rate had to suffer fixed cost losses. Moreover the group had certain credibility related issues making it to be a victim.
  - c) It is now felt that the respective subsidiaries have already achieved independent business credibility and now are hindered by the parent company instead of being facilitated by the parent company. Each of these companies have created their own infrastructure, business model and management bandwidth, independent of the parent





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company PSTL. Therefore it is felt that if these companies are allowed to grow on its own at this juncture, it would be beneficial for the stake holders of PSTL as well as create much better support base for the revival of the entire group and its core exhibition business.

9. PSTL however will continue to hold all its foreign subsidiaries in its books.
10. The Board authorized the Managing Director to go ahead and appoint required agencies and complete the subsidiary demerger and fixed the target dates as follows.
  - a. Filing of Scheme of Arrangement for demerger – October, 2009- 2<sup>nd</sup> week.
  - b. Listing of the subsidiaries – January 2010
  - c. The Board will formulate the Scheme of Arrangement and approve the exchange ratio of shares to be given to PSTL Shareholders as of the Record Date to be fixed in consultation with the Stock Exchanges.
11. The Board also welcomed the co-promoters for PSPIL and also approved the scheme of arrangement entered between PSTL group and the incoming promoters of PSPIL. The Board also welcomes their offer of support in contributing properties to the company for raising funds.

The Board also approved the issuance of GDR / ADR upto an amount of US\$100 Million and the Board authorized the Managing Director to appoint appropriate intermediaries for the same. The Board also authorized the Company Secretary to go ahead for postal ballot for share holders approval.

For Pyramid Saimira Theatre Limited,

  
P.S. SAMINATHAN  
MANAGING DIRECTOR