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One language.  
One passion.

Entertainment !

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**PENTAMEDIA**  
GRAPHICS LIMITED



The adrenaline for the whole of mankind.

The medium of expression that unites the world.

No barriers in between

Caste, Creed, Colour or Class

Making the world a real merry-go-round.

And one direction that keeps us going.

Report 25 years and more to come...  
junction.com

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## Corporate Mission

"Constant improvisation  
of entertainment using the computer  
as a camera"



**PENTAMEDIA**  
GRAPHICS LIMITED



Chairman & CEO	Dr. V.Chandrasekaran
Board of Directors	Kenneth P. Silverman Ashok Kumar Ishwarlal Desai S.Ranganathan Dr. S.Ramani T.K.Seshadri
Director & COO	K.Srinivasan
Chief Finance Officer	S. Chandrasekaran
Company Secretary & GM Finance	S.Ramasamy
Auditors	M/s. Price Waterhouse, Chartered Accountants, Chennai M/s. S. Viswanathan, Chartered Accountants, Chennai
Legal Advisor	T.K.Baskar
Bankers	Bank of India Global Trust Bank Ltd UTI Bank Ltd HSBC Ltd
Registered Office	"Softowers" No. 1, First Main Road, United India Colony, Kodambakkam, Chennai 600 024. Tamilnadu, India.
Development Centre / Studio	Software Development Park & Multimedia Center 1/162, IT Super Highway, (Old Mahabalipuram Road) Thaiyur Sengammal Village, Kelambakkam, Kancheepuram District - 603 103. Tamilnadu, India  'Taurus', 25, First Main Road, United India Colony, Kodambakkam, Chennai 600 024. Tamilnadu, India.



## Letter from the Chairman & CEO's desk

Dearest Shareowners,

We have communicated quite a number of times before and I have had the pleasure of expressing all of my views. For a change I have decided to be brief!

All of us are more than just aware of the downtrends of the market and the industry too, and are also completely aware that the strides that we take to leap frog into the new age will fully revolve around the TMC sector (Technology, Media, Communication). Our base for this endeavour has just been built. We have it all embedded and are set to reap deep into the industry with our end-to-end total solutions. And luckily for us, 'they' are all digital and the digital dreaming, thinking and doing mode comes naturally to us.

I am no different from the other first generation entrepreneurs as far as dreams (still dreaming!) are concerned. I had, what one would call, numerous daydreams. Most of those dreams graduated as visions. Some of those dreams are still in the planning stages and a few dreams have seen execution. However, my memory, backed with the inputs of 2000 of my colleagues, does not rust. And duly enhanced with all your support, our efforts will revolve around the same nucleus of dreaming, thinking and doing in perfect co-ordination.

As a result of all this the Company has branched itself into the Five Streams of entertainment namely: **Studio, Media, Web, Themed and Sports**. With the present digital age outlook, the resultant of these obvious branches emerge clearly into three different segments: PRODUCTION, DISTRIBUTION and EXHIBITION of contents. This approach will have to adopt different kinds of strategies - "Content is the King", or "Customer is the King", or "Cash is the King". With all this in mind, we had to effectively restructure our business into various routes of mergers, de-mergers, acquisitions, strategic tie-ups, joint ventures etc. Though the Company has broken a lot of traditional myths, the fact remains that when the economy is down/normal, enhancing entertainment is always the need of the hour. We are determined to achieve this in borderless countries, with limitless reaches of course with all the support of you shareowners!"

Yours

V. Chandrasekhar.

## Pentamedia - Calling the Shots

Pentamedia Graphics Limited, a global entertainment graphics major ranked No. 1 by The Roncarelli report of the Animation Industry is into animation and special effects for **Big Screen (theatres), Small Screen (home videos, television) and Personal Screen (personal computers)** and hosts of a 22-acre sprawling entertainment graphics studio at Kelambakkam, 30 kms from the city of Chennai, India. The company has expanded into various segments in the entertainment industry namely **Studio Entertainment, Media Entertainment, Web Entertainment, Themed Entertainment and Sports Entertainment**. The company has its offices across the globe and was recently awarded the SEI-CMM Level 4 certification for its multimedia activities.

### Spinning a string of successes

The company's most recent release **Pandavaas - the Five Warriors** has been awarded the Best Feature Film in English at the Indian National Film Awards. It has also won the **11 best film award in the Vancouver Film Festival 2001 at Canada**. Pentamedia was so far, concentrating on the volumes of business blended with the right match of skills. But, these awards have set remarkable expectations for ourselves and the Company is now thinking on the lines of Speed of Delivery, Cost Effective Delivery and Quality Output.

The Entertainment Graphics Organization (EGO), the world's first - ever conference devoted solely to Entertainment Graphics, pioneered by Pentamedia in 2000, has received unanimous accolades from the press inside and outside of India, as well as from delegates and speakers. The now annual EGO event has become recognised as a major international must attend conference for those involved in the creation of Entertainment Graphics. At the Entertainment Graphics Organization 2001 Conference, the Roncarelli Report on Computer Animation named Pentamedia as the largest producer of computer animation in the world. This honour has propelled Pentamedia past both the Walt Disney Company and the George Lucas' Industrial Light and Magic, Inc., (ILM), the former leaders in this field.

### Rewind

#### *Maiden voyage*

Pentamedia, formerly PentaFour Software & Exports Limited, began its first overseas operation in the US in the year 1993 in Los Angeles to tap into the huge potential that the market had to offer. Simultaneously, In India, a small graphics division was started to create corporate presentations, Interactive CD titles on fairy tales and Computer Based Tutorials. The team started with just 5 people on board, expanding gradually to take up graphics and titling work for commercials.

In 1996, the company tied up with Silicon Graphics to set up a Silicon Studio with a full-fledged suite of software and hardware. It was then time for the company to look outside India for business and the first international project was a pilot for Excalibur with Gribouille, followed by a project for the Town Planning Department of the City of Marseillies in France.

### Drop anchor

The next stop was Hollywood. The first project was for the Warner Bros. Release - **'King and I'** through Rich Animation Studios, USA. This was followed **'Sinbad : Beyond the Veil of Mists'** a fully animated 3D movie that fully utilised motion capture technology for Improvisation, USA. Released in the US, Sinbad also premiered on the USA Network over Thanksgiving 2000.

Ensuring the success of **Sinbad - Beyond the Veil of Mists**, Pentamedia's US operation is now fully focused on distributing its latest movies **Pandavaas - the Five Warriors** and **Alibaba**, both 3D animation features and also a presale for its **Buddha** and **The Monkey God**, both of which will be released in Spring 2002. In addition to movies, Pentamedia Corporation is



focused on distributing its Home Videos suite - **Mr. Doonz, You Cheeky Monkey, Dr. Bango & the Key of Chiron, The Ruby Prince and Indian Folk Tales**. The company's main aim is to be a major player in the Home Videos/DVD markets by valuing every child as an individual by developing high quality programs that will entertain and educate them. The revenue streams that follow directly from a theatrical release are - Home Videos, DVDs, VCDs, Pay per View, Pay Cable, Basic Cable Networks, Games, Merchandising etc.,

Gaming is yet another core focus area of the Company. An exclusive Sony Play Station, Developer status to X-Box, wireless devices and Internet has given us this thrust. And, close on the heels, this has resulted in a Broadband revolution and the Company has now created its own distribution network to serve 3 Million hours a month.

#### **Fast Forward...**

The focus for the future is to own a total of 30 animated features and work towards winning other prestigious awards for both technical excellence and innovations. With the convergence of technology, there is currently huge demand for content and the revival of old content. The strategy would be to release 3 batches of products over the next three years, and also release the titles on DVDs from the second year.

The products will also be cross-promoted with Pentamedia's movie-home videos. The major thrust would be on the US and Canada markets followed by Europe and the rest of the world. The company's strategy to tap into other revenue streams would be to produce scripts with good merchandising potential.

Looking ahead, the company hopes to achieve revenues of from the home videos segment over the next three years, by building up a good network for distribution in North America and the rest of the world, capitalising on the growth in the DVD market, exploring new avenues for distribution like the Internet, Video on Demand and last but not the least to develop quality products.

#### **Play...**

The company's vision for games is to position itself as a leading developer of Adventure and Strategy game in the global market.

The major focus areas would be on developing Console Games and Computer Games for the Under 18 Demographic.

Pentamedia's sales for games would be driven from the US to the rest of the world, with the development being spearheaded by the games studio in Chennai, India.

On the onsite consultancy front, the company's main aim would be to position itself as a provider of High-Quality manpower for Large/Medium sized production studios in North America.

This would help our creative workforce get international exposure and also bring back that experience to other new projects in future. Key Frame Animators, Modellers, Motion Capture Consultants, Special Effects Specialists and Games Programmers would be the professionals that would form a part of the onsite game plan.

The unique proposition of the revenue path of the Company lies in the multiple-revenue mediums of all the streams of entertainment and the longevity of the subject used and ofcourse the goodwill and brand equity will help us maximise our real value.





## Pentamedia - Masters of the Scene

1. **Pandavaas - the Five Warriors** won the National award from the Government of India for the best English feature animation movie. This was closely followed by another prestigious award, namely, Vancouver Film Award, where **Pandavaas - the Five Warriors** was adjudged as the second best movie from a total of 22 animation movies. The Vancouver Film Festival was held at Toronto, Canada.
2. Sinbad's television premiere was released to the US audience in November 2000, through the famous American TV network- "American TV Premier" jointly owned by Universal Pictures, USA and the Media Mughal Barry Diller. Simultaneously, the audio, video and film rentals were also released by Trimark Pictures, USA.
3. Successfully completed the 3rd full length animation movie - **Alibaba**.
4. The Economic Development Board (EDB), Singapore has awarded a prestigious contract for production of a 90 - minute animation movie based on the Life and Teachings of Buddha. The production of this movie is being executed in both Singapore and Chennai.
5. numtv.com successfully broadcasted the Grand master Chess Tournament conducted at Pentamedia Development Center at Kelambakkam, for its global audience.
6. During the year under review, Pentamedia acquired Media Dreams Ltd., Mayajaal Ltd., and Kris - Srikanth Sports Entertainment (P) Ltd., in order to have a total presence in the domestic and global entertainment business.
7. For the movie "**Little John**", a live action family entertainer, produced by Media Dreams, Pentamedia provided 45 minutes of special effects in a record time of 38 days.
8. Pentamedia's special effects in Devgan Films "**Raju Chacha**" won National Award for best special effects. The special effects in Raju Chacha was achieved by a unique combination of 2D animation with 3D background on special Effects technology platform.
9. For the first time in the world, [www.numtv.com](http://www.numtv.com) provided live updates in the AUDIO, VIDEO and TEXT format of the cricket events (ICC-Knock Out) along with glamorous graphical display of player profile and team statistics. The anchor of this live webcasting is none other than Mr. Kris Srikanth, the former captain of the Indian cricket team. Live scores and expert comments will now hit the personal screen bringing cricket closer to the 2,00,000 registered viewers. On-line interactive questions are being answered by Kris Srikanth.
10. INTELIVISION LTD., incorporated on the 16th day of August 2000, is a fully owned subsidiary of Pentamedia Graphics Ltd., The new company promoted by Pentamedia Graphics Ltd., aims to reach the new generation of India through its satellite television operations. INTELIVISION LTD., consists of acclaimed IT professionals & scholars. The Technical team of INTELIVISION LTD., has wide exposure to this medium of communication and profound knowledge on technology of reaching the audience through satellite and cable.

11. The Company has been ranked No.1 by the Roncarelli Report of the Computer Animation Directory.
12. June 2000 - numtv.Com was launched in California and New Jersey with a lot of fanfare. Over 600 Leading Asian community members attended the launch.
13. **Bharathi**, a film by Media Dreams Ltd., 100% subsidiary of Pentamedia, with numerous special effects executed by Pentamedia Graphics, based on the life and tribulations of India's greatest poet Mahakaavi Subramaniya Bharathi who fought for India's independence, hit the screens and won the "Best Film" award in the regional film category.
14. **"Nila Kalam"**, a film by Media Dreams Ltd., 100% subsidiary of Pentamedia, a children's film, received National award for the Best Child Artiste.
15. Noteworthy amidst Mayajaal's (a 100% subsidiary of Pentamedia,) events are the visits of the Indian Cricket Team and the Australian Cricket Team in the 3rd week of March 2001 amidst their respective victories. The teams much appreciated the technological wonders of Mayajaal.
16. Pentamedia entered into a seed funding alliance with Purple Drop Inc., exclusively to enhance the gaming expertise. Purple Drop Inc. possess the developer status for Sony Playstation. A dedicated team of over 150 professionals are focusing their core concentration on Strategic, Intelligent and Action games.
17. The company has been certified with SEI CMM Level 4 by KPMG India Ltd. People - CMM, Personal and Team Software Process (PSP & TSP) etc., are being introduced in the coming years to make the organization a Total Quality Managed company.
18. The Company held an impressive global symposium of Entertainment Graphics - EGO 2001 on the 8th and 9th of March 2001 at Chennai. This is a sequel to the earlier global symposium held by the Company in the year 2000, also at Chennai. The participants to the symposium included a host of experts from diverse areas in the entertainment industry including animators, live action movie producers, technology buffs, leading hardware suppliers and software producers. IBM, Company, SGI, Creek & River are a few of the Corporates who participated in the event.
19. Pentamedia was adjudged as the best Software Exporter by the Federation on Indian Export Council (FIEO). The Company received the award from the Honorable Prime Minister of India, Mr. Atal Behari Vajpayee.
20. The Company also won an award for the best state level software exporter from the Software Technology Parks in India (STPI) from Mr. Pramod Mahaajan, the Union Minister for Information Technology, Government of India.
21. Production of the first full-length 2D/3D animated Singapore feature film **Buddha**, the story of Buddha the enlightened, is also under way in conjunction with EDB (Economic Development Board) of Singapore.