



UFO to invest ₹150 cr by 2012

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UFO Moviez India Limited, a Mumbai-based company that delivers Mpeg-4, high-definition content for digital cinema via satellite, will be investing ₹ 150 crore in adding close to 1, 500 digitised screens across the country by the end of March 2012.

The privately-held company is jointly promoted by Apollo International Limited, part of the \$1.5-billion Apollo Group. It has so far made 2,140 installations across the country, including 890 down south.

"Of the targeted screens that we intend to have (3,000 by March 2011 and 3,500 by March 2012), about 1,250 screens will be in the 3D format," said Rajesh Mishra, chief executive officer (India operations) of UFO Moviez.

UFO, over the last five years, had invested close to ₹ 400 crore in developing the digital screening technology, playing out the capex and other operating expenses.

Mishra was speaking to *Business Standard* on the sidelines Media and Entertainment Business Conclave 2010.

UFO recently rolled out its 3D initiative, opening larger business prospects for the Indian film industry, Mishra said. "We already have 24 3D-converted cinemas in the northern market. In association with

our franchisee Southern Digital Screenz India Private Limited, we will be launching the 3D-enabled technology in southern India shortly," he added.

Mishra said the company had recently ventured into Nepal and was in a very advanced stage of talks with theatre owners in Sri Lanka, Indonesia, Malaysia, Singapore and Russia to offer its digital screening technology.

"Our strategy was to first consolidate in the Indian market, as you cannot spread yourself too thin. The Indian market, which according to estimates, has around 12,000 screens. Now that the learning curves are here, our overseas focus is only a logical offshoot. In the short-term (ie by 2012), we expect to set up 1,000 screens in the overseas market," he said, adding the company would rope in local partners abroad, who would invest in infrastructure while UFO would provide the technology.

Looks at equity dilution

The debt-averse and equity-preferred company, said Mishra, was looking at diluting equity in the next six months. "So far, a majority of our funding has been through equity. We are currently in talks with a couple of private equity players and would shortly seal a deal with one of them," he said, refusing other details.