

NEW ISSUE TERMSHEET: \$90,000,000 CONVERTIBLE BONDS DUE 2012 27 JUNE 2007

Terms & Conditions

Summary Terms of the Offering	<i>The following is a general summary and should not be relied on as a complete description of the terms and conditions of the Bonds. This summary is derived from, and should be read in conjunction with, the full text of the Terms and Conditions of the Bonds and the Trust Deed constituting the Bonds, which prevail to the extent of any inconsistency with the summary of the terms set out in this section. Capitalised terms used herein and not otherwise defined have the respective meanings given to such terms in the detailed Terms and Conditions of the Bonds.</i>
Issuer	Pyramid Saimira Theatre Limited, a public company Incorporated in and subsisting under the laws of the Republic of India with limited liability.
Issue	US\$90,000,000 unsecured convertible bonds due 2012 (the "Bonds").
Issue Price	The Bonds will be issued at 100% of their principal amount.
Issue Date	3 July 2007.
Maturity Date	4 July 2012.
Interest Rate	The Bonds will bear interest at a rate of 1.75% per annum payable semi-annually in arrears on the sixth and twelfth months in each calendar year after the issue date. The first interest payment shall be made on 3 January 2008.
Redemption at Maturity	Unless previously converted, redeemed or repurchased and cancelled, the Issuer will redeem each Bond in US dollars at 136.1796% of its principal amount on the Maturity Date.
Status of the Bonds	The Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and will at all times rank pari passu and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional and unsecured obligations.
Conversion Right	Except during certain Closed Periods, the Bonds are convertible by holders of the Bonds ("Bondholders") into fully paid equity shares of the Issuer with full voting rights with par value Rs.10 per share of the Issuer ("Shares") as per Condition 6.2 of the Terms and Conditions at any time on or after 3 August 2007 (or such earlier date as is notified to the Bondholders by the Issuer) and prior to the close of business on 4 June 2012, unless previously redeemed, converted or repurchased and cancelled.
Conversion Price	The conversion price at which the Bonds may be converted into Shares (subject to adjustment in the manner provided in the "Terms and Conditions of the Bonds") (the "Conversion Price") will initially be Rs.454.00 per Share, with a fixed rate of exchange on conversion of Rs.41.0075 = US\$1.00. The Conversion Price will be reset downwards by up to 15.00% of the initial Conversion Price on 3 July 2008 and by up to 30.00% of the initial Conversion Price on 3 July 2009 if the average Closing Price (as defined in

the “Terms and Conditions of the Bonds”) of the Shares in the fifteen consecutive Trading Days (as defined in the “Terms and Conditions of the Bonds”) before the reset date is less than the Conversion Price. The Conversion Price may not be reset below 70.00% of the initial Conversion Price on such date. Furthermore, the Conversion Price shall not be reset downwards below Rs.246.50, the minimum floor price in respect of the Bonds, calculated in accordance with the formula stipulated by the Ministry of Finance in the amendment dated 31 August 2005 to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993. In no event shall the Conversion Price be reset upwards.

Adjustment to Conversion Price

The Conversion Price of the Bonds will be adjusted in certain events occurring after the Issue Date, including upon (i) bonus issues of shares, (ii) free distribution of shares, (iii) sub-division, consolidations and reclassification of shares, (iv) issuance of rights to acquire shares, (v) issuance of warrants at a discount to the prevailing market price (vi) issuance of convertible bonds and exchangeable bonds at below the prevailing market price and (vii) issuance of shares at below market price. However, the Conversion Price shall not be adjusted downwards below Rs.246.50, the minimum floor price in respect of the Bonds, calculated in accordance with the formula stipulated by the Ministry of Finance in the amendment dated 31 August 2005 to the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993.

Trust Deed

The Bonds will be issued under the trust deed and dated as at or about 3 July 2007 (the “Trust Deed”) between the Issuer and The Bank of New York, London branch.

Redemption at the Option of the Issuer

The Bonds may be redeemed, in whole but not in part, at the option of the Issuer, at any time on or after 3 July 2010 and prior to 4 June 2012, subject to satisfaction of certain conditions, at the Early Redemption Amount (as defined in the Terms and Conditions) if the Closing Price for the 15 consecutive Trading Days immediately prior to the date on which notice of such redemption is published, is greater than 130.00% of the Early Redemption Amount then in effect converted into US dollars at the rate of Rs.41.0075 = US\$1.00. The Bonds may be redeemed, in whole but not in part, at any time during such period at the option of the Issuer, subject to satisfaction of certain conditions, at the Early Redemption Amount if less than 10% in aggregate principal amount of the Bonds issued (including such principal amount of the Bonds issued pursuant to the Option for Additional Bonds) remains outstanding.

Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer, in whole but not in part, subject to satisfaction of certain conditions including obtaining RBI approval, at the Early Redemption Amount on the date fixed for redemption in the event of certain changes affecting taxes as specified in “Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Redemption for Taxation Reasons”.

Redemption of Bonds in the Event of Delisting

To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE or the NSE (a “Delisting”), each Bondholder shall have the right, at such Bondholder’s option, to require the Issuer to redeem all of such Bondholder’s Bonds at the Early Redemption Amount. See “Terms and Conditions of the

Bonds — Redemption, Purchase and Cancellation — Redemption of Bonds in the Event of Delisting”.

Redemption of Bonds in the Event of Change of Control

To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, each Bondholder shall have the right, at such Bondholder’s option, upon the occurrence of certain Change of Control events to require the Issuer to redeem all of such Bondholder’s Bonds at the Early Redemption Amount. See “Terms and Conditions of the Bonds - Redemption, Purchase and Cancellation — Redemption of Bonds in the Event of a Change of Control”.

RBI Approval Required for Redemption

Under current regulations applicable to convertible bonds, the Issuer requires prior approval of the RBI before providing notice for or effecting any redemption or repurchase of the Bonds prior to the Maturity Date.

Redemption of the Bonds upon the occurrence of a Non-Permitted Conversion Price Adjustment Event

To the extent permitted by applicable law, and subject to receipt of the approval of the RBI, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, each Bondholder shall have the right, at such Bondholder’s option, upon the occurrence of a Non-Permitted Conversion Price Adjustment Event, to require the Issuer to redeem all of such Bondholder’s Bonds at the Early Redemption Amount. See “Terms and Conditions of the Bonds — Redemption, Purchase and Cancellation — Non - Permitted Conversion Price Adjustment Event Repurchase Right”.

Form and Denomination of Bonds

The Bonds will be issued in registered form in minimum denominations of US\$10,000 each or integral multiples thereof. The Bonds will be represented by the Global Certificate which on the Issue Date will be deposited with, and registered in the name of a nominee of a common depository for Euroclear and Clearstream, Luxembourg (collectively, the “Clearing Systems”).

Share Ranking

Shares issued upon conversion of the Bonds will be fully paid with full voting rights and will rank pari passu with the Shares in issue on the relevant Conversion Date. Shares shall not be entitled to any rights the record date for which preceded the relevant Conversion Date. See “Description of the Shares — Dividends” and “Terms and Conditions of the Bonds — Conversion”.

Market for the Shares, Listing and Share Ownership Restrictions

The outstanding Shares of the Issuer are listed on the BSE and the NSE and an application has been made to list the Shares issuable on conversion of the Bonds on the BSE and the NSE. There are certain restrictions applicable to investments in shares and other securities of Indian companies, including the Shares, by persons who are not residents of India. See “Appendix B — Foreign Investment and Exchange Controls”.

Clearance

The Bonds will be cleared through the Clearing Systems. The Clearing Systems each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.

Global Certificate

For as long as the Bonds are represented by the Global Certificate, the Global Certificate is held by a common depository for the Clearing Systems, payments of principal and premium in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Principal Agent or Paying Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the

time being of the relevant Clearing System.

Indian Taxation	All payments (including principal, premium (if any) and interest) in respect of the Bonds made by the Issuer will be made without deduction or withholding in respect of Indian taxation to the extent permitted by law. The Issuer will gross up the net taxable amount and will be required to account separately to the Indian tax authorities for any withholding taxes applicable to payments attributable to such tax except as provided in Condition 10 of the Terms and Conditions. The Bonds will have the benefit of the tax concessions available under the provisions of Section 115AC of the Income Tax Act, as amended, of India. Under current Indian laws, tax is not payable by the recipients of dividends on Shares, including on the shares deliverable upon conversion of the Bonds.
Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, the United Kingdom, the United States, India, Switzerland, Singapore, France, Hong Kong and Germany. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see “Subscription and Sale”.
Listing	Application will be made for the listing of the Bonds on the Singapore Stock Exchange. The Bonds will trade on the Singapore Stock Exchange in a minimum lot size of US\$200,000 so long as any of the Bonds remain listed on the Singapore Stock Exchange. The Company has applied for the in-principle approval for the Shares issuable upon conversion of the Bonds to be listed on the BSE and NSE.
Trustee	The Bank of New York, London branch.
Principal Paying and Conversion Agent and Transfer Agent	The Bank of New York, London branch.
Registrar	The Bank of New York.
Governing Law	The Bonds will be governed by, and construed in accordance with, English law.
Use of Proceeds	The net proceeds of the issue of the Bonds (after the deduction of fees, commissions and expenses) are expected to be approximately US\$86.4 million and will be used by the Issuer as set out in “Use of Proceeds”. The use of the net proceeds shall be in accordance with the end-use restrictions specified by the RBI and the Indian Government.
Bond Identifiers	ISIN: XS0306488890 Common Code: 030648889
Government of India Approvals	The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993, as amended, the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended, and the RBI Master Circular on External Commercial Borrowings and Trade Credits, dated 1 July 2006, permit Indian companies to issue foreign currency convertible bonds up to US\$500 million under the “automatic route” (i.e. without the prior approval of the RBI), subject to compliance with certain conditions specified therein. The Issuer is undertaking the present issue of the Bonds in accordance with the guidelines and regulations described above.

Jefferies International Limited ("JIL") is authorised and regulated in the UK by the Financial Services Authority ("FSA") for the conduct of designated investment business. It is registered in England, No. 1978621 and its registered office is Bracken House, One Friday Street, London EC4M 9JA; telephone 020 7618 3500; facsimile 020 7618 3760. This material is intended for use only by professional or institutional investors falling within articles 19 or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and not the general investing public. None of the investments or investment services mentioned or described herein are available to other persons in the UK and in particular are not available to "private customers" as defined by the rules of the FSA or to anyone in Canada who is not a "Designated Institution" as defined by the Securities Act (Ontario). The information set forth herein was obtained from sources believed to be reliable, but has not been independently verified by JIL. Therefore, except for any obligation under the rules of the FSA we do not guarantee its accuracy. Additional and supporting information is available upon request. This is not an offer or solicitation of an offer to buy or sell any security or derivative instrument, or to make any investment. Any opinion or estimate constitutes the preparer's best judgment as of the date of preparation, and is subject to change without notice. JIL, its associates or affiliates, and its respective officers, directors, and employees may have long or short positions in, or may buy or sell any of the securities, derivative instruments or other investments mentioned or described herein, either as agent or as principal for their own account.