

**Results for the quarter ended September 30, 2006 compared to previous quarter ended June 30, 2006**

**Financial Highlights**

- Income from operations up from Rs 735.39 mn to Rs. 815.13 mn, an increase of 10.84%;
- Operating profit increased from Rs 260.37 mn to Rs 290.09 mn, an increase of up 11.41%;
- Profit before tax up from Rs 254 mn to Rs 285.41mn, an increase of 12.36%.

**Operational highlights**

- Realization per hour from commissioned programming increased from Rs 2.24 mn to Rs. 2.57 mn, an increase of 14.73%;
- 'Karam Apnaa Apnaa' and 'Thodi si Zameen Thoda sa Aasmaa' launched during the quarter;
- Maintained production of 297.5 hours of Commissioned programmes during the quarter;
- Invested Rs.24.96 mn in production & post-production equipments and studios;
- Balaji's programming dominate 18 of the top 25 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended September 30, 2006, MF 4+, C & S);
- Cash and Cash Equivalents of Rs. 1763.20 mn as on September 30, 2006

**Results for the quarter ended September 30, 2006**

The unaudited financial results for the quarter ended September 30, 2006 were taken on record by the Board at its meeting held on October 20, 2006

The profit and loss account is summarized below: (in Rs. mn except per share data)

Particulars	Quarter ended September 30,		Growth%	Quarter ended June 30 2006	Growth % in Q2 FY07 over Q1FY07
	2006	2005			
INCOME FROM OPERATIONS	815.13	701.38	16.22%	735.39	10.84%
TOTAL EXPENDITURE	525.04	418.58	25.43%	475.02	10.53%
OPERATING PROFIT	290.09	282.80	2.58%	260.37	11.41%
Interest	0.00	0.15		0.04	
Depreciation	27.51	36.53	-24.69%	27.80	-1.04%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	262.58	246.12	6.69%	232.53	12.92%
Other Income	22.83	11.83	81.33%	12.28	6.38%
PROFIT BEFORE TAX	285.41	258.96	10.21%	253.99	12.37%

Provision for Taxation	92.44	88.80	4.10%	80.22	15.23%
NET PROFIT AFTER TAX	192.97	170.16	13.40%	173.77	11.05%
EARNINGS PER SHARE (Face Value is Rs. 2)	2.96	2.61	13.40%	2.66	11.28%
KEY RATIOS					
Operating Profit Margin (%)	35.59%	40.32%		35.41%	
Net Profit Margin (%)	23.67%	24.26%		23.63%	

***Management discussion and analysis on unaudited Financial Results of the Company for the Quarter ended September 30, 2006***

**Revenues**

The Company recorded income from operations of Rs. 815.13 mn during the quarter, up 16.22% y-on-y. Revenue contribution from commissioned programming was Rs.765.30 mn, up 26.21% y-on-y while that of sponsored programming was Rs.49.82 mn. The share of commissioned programming in the revenues during the quarter was 93.89% while that of sponsored programming was 6.11%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended September 30, 2006, September 30, 2005 and June 30, 2006, is as follows:

Programming	Rs. Mn			Percentage		
	Q1FY07	Q1FY06	Q4FY06	Q1FY07	Q1FY06	Q4FY06
Commissioned	765.30	606.35	668.53	94	87	91
Sponsored	49.82	93.04	66.48	6	13	9
	815.12	699.39	735.01	100	100	100

**Channel Wise Revenue**

The Channelwise Revenue distribution during the quarter ended September 30, 2006, September 30, 2005 and June 30, 2006, is as follows:

Channels	Rs. Mn			Percentage		
	Q1FY07	Q1FY06	Q4FY06	Q1FY07	Q1FY06	Q4FY06
Star, Sony, Zoom, MTV, Hungama, Zee	765.30	606.35	668.53	94	86	91
Sun	1.72	10.91	8.66	0.5	2	1

Gemini	17.35	35.14	19.15	2	5	3
Udaya	17.40	28.37	20.54	2	4	3
DD Network	1.66	3.25	1.60	0.5	1	-
Surya	11.69	15.37	16.54	1	2	2
			-			
	815.12	699.39	735.01	100	100	100

### **Programming Mix**

#### Commissioned & Sponsored Programs

The hourwise programming distribution during the quarter ended September 30, 2006, September 30, 2005 and June 30, 2006, is as follows:

Programming	No. of Hours			Percentage		
	Q1FY07	Q1FY06	Q4FY06	Q1FY07	Q1FY06	Q4FY06
Commissioned	297.50	257.50	298.00	61	49	57
Sponsored	189.50	267.50	220.50	39	51	43
Total	487.00	525.00	518.50	100	100	100

### **Other Income**

The Other Income during the quarter was Rs. 22.83 mn against Rs. 21.47 mn in the previous quarter.

### **Gross Block**

The Company's gross block increased from Rs. 721.64 mn to Rs. 724.39 mn as on September 30 2006.

During the quarter, the Company invested Rs. 24.96 mn in production / post-production equipments and construction of the state-of-the art studios in order to meet the increased programming requirements and further improve the quality of programming.

### **Investments**

As on September 30, 2006, the Company's investments were at Rs. 1683.16 mn. The Company invested surplus funds in liquid/floating rate funds and short term funds with the principal aim of safety. *The market value of investments as on September 30, 2006 was Rs. 1732.98 mn.*

### **Debtors**

The Company's debtors (in days of income) have been maintained at 82 days as on September 30, 2006.

### **Inventories**

The Company's inventories (in days of turnover) have been maintained at 11 days as on September 30, 2006

### **Loans and advances**

Loans and advances increased from Rs 216.63 mn to Rs 252.83 mn as on September 30, 2006. The Company's principal loans and advances comprised lease deposits for offices / studios.

### **Change in Programming during the quarter**

- The Company launched following serial/s during the quarter ended September 30, 2006

<b>Serial</b>	<b>Channel</b>	<b>Frequency</b>
Thodi Si Zameen Thoda sa Aasmaa	Star	1 day
Karam Apnaa Apnaa	Star	4 days
Kalyanee	Surya TV	5 days
Kasthuree	Sun TV	5 days

- The following serial/s of the Company went off air during the quarter ended September 30, 2006.

<b>Serial</b>	<b>Channel</b>	<b>Frequency</b>
Kkavyanjali	Star	4 days
Kandy Floss	Sony	1 days
Kosmic Chat	Zee T.V.	1 days
Pavitrabandham	Surya TV	5 days
Kavyanjali	Surya TV	5days

### **Serials on air**

As on September 30, 2006 the following 17 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
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<b>Sponsored Serials (30 Shows)</b>				
Kalyanee	Gemini TV	5 Days	13.91	22.72
Kumkuma Bhagya Kadambarii	Udaya TV	5 Days5 Days	6.86 5.98	11.26
Kasthuree	Sun TV	5 Days	19.22	32.61
Kalyanee	Surya TV	5 Days	12.65	16.81
Kankkana	DD- Chandana	5 Days	18.31	27.27
<b>Commissioned Serials (46 Shows)</b>				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	5 Days	10.66	10.66
Kahaani Ghar Ghar Kii	Star Plus	4 Days	7.78	
Kstreet Pali Hill	Star Plus	4 Days	1.64	
Kasautii Zindagi Kay	Star Plus	5 Days	10.09	
Kaahin To Hoga	Star Plus	5 Days	6.36	
Karam Apnaa Apnaa	Star Plus	4 Days	4.82	
Kesar	Star One	4 Days	3.12	
Thodi Si Zameen Thoda Sa Aasmaa	Star One	1 Days	2.34	
Kya Hoga Nimmo Ka	Star One	4 Days	1.46	4.86
Kaisa ye pyaar hai	Sony TV	4 Days	0.97	3.10
Kasamh Se	Zee TV	5 Days	5.27	5.39

{(Source – TAM Ratings for the week ended September 30, 2006, Category MF 4+ ( C & S ))}

For further information on results, please contact us on following nos.:

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Safe Harbor

*Certain statements in this update concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.*