



**Results for the quarter ended June 30, 2008 compared to quarter ended June 30, 2007**

**Financial Highlights**

- Income from operations up from Rs. 745.32 Mn to Rs. 916.03 Mn, an increase of 22.90%;
- Operating profit up from Rs. 295.02 Mn to Rs. 317.58 Mn, an increase of 7.65%;
- Profit before tax up from Rs. 286.89 Mn to Rs.326.34 Mn, an increase of 13.75%.

**Operational highlights**

- Average realisation per hour increased from Rs. 2.15 Mn in Q1FY08 to Rs. 2.24 Mn in Q1FY09;
- Realization per hour from Commissioned Programming decreased from Rs. 3.35 Mn in Q1FY08 to Rs.3.07 Mn in Q1FY09;
- Average realization per hour in Sponsored Programming increased from Rs. 0.42 Mn to Rs.0.50 Mn in Q1FY09;
- 276.50 hours of Commissioned programming during the quarter ended June 30, 2008;
- Three new state-of-art studio became operational, thereby further improving the quality of programming;
- Invested Rs. 61.63 Mn in production & post-production equipments and studios;
- Balaji's programming continues to dominate the ratings chart. For the week ended June 28, 2008, out of the top 25 shows, 11 shows were from Balaji (Source: Tam Ratings for the week ended June 28, 2008, HSM, MF 4+, C & S);
- Cash and Cash Equivalents of Rs. 2210.78 Mn as on June 30, 2008.

**Operational Highlights of Subsidiaries:**

- Balaji Motion Pictures Ltd., a wholly owned subsidiary of the Company, released one movie (SarkarRaj) during the quarter. On July 25, BMPL released "Mission Istaanbul". Two new film projects i.e. EMI and C Kkompany, are ready for release in next 4 months.
- 'Khwaish' from Balaji Telefilms FZE, wholly owned subsidiary of the Company, went off air from April 24, 2008 on Sony Entertainment Channel.



Balaji Telefilms

### Results for the quarter ended June 30, 2008

The unaudited financial results for the quarter ended June 30, 2008 were taken on record by the Board at its meeting held on July 29, 2008.

The profit and loss account is summarized below: (Rupees in Millions except per share data)

| Particulars                                    | Quarter ended June 30, |        | Growth % | Quarter ended March 31, 2008 | Growth % in Q1FY09 over Q4FY08 |
|--|------------------------|--------|----------|------------------------------|--------------------------------|
|  | 2008                   | 2007   |          |                              |                                |
| INCOME FROM OPERATIONS                         | 916.03                 | 745.32 | 22.90    | 965.18                       | -5.09                          |
| TOTAL EXPENDITURE                              | 598.45                 | 450.30 | 32.90    | 617.40                       | -3.07                          |
| OPERATING PROFIT                               | 317.58                 | 295.02 | 7.65     | 347.78                       | -8.68                          |
| Interest                                       | -                      | -      | -        | -                            | -                              |
| Depreciation                                   | 34.05                  | 32.50  | 4.76     | 34.04                        | 0.04                           |
| OPERATING PROFIT AFTER INTEREST & DEPRECIATION | 283.53                 | 262.52 | 8.00     | 313.74                       | -9.63                          |
| Other Income                                   | 42.81                  | 24.37  | 75.67    | 47.32                        | -9.53                          |
| PROFIT BEFORE TAX                              | 326.34                 | 286.89 | 13.75    | 361.06                       | -9.62                          |
| Provision for Taxation                         | 103.77                 | 102.48 | 1.25     | 117.06                       | -11.35                         |
| NET PROFIT AFTER TAX                           | 222.57                 | 184.40 | 20.70    | 244.00                       | -8.78                          |
| EARNINGS PER SHARE (Face Value is Rs. 2)       | 3.41                   | 2.83   | 20.49    | 3.66                         | -6.83                          |
| KEY RATIOS                                     |                        |        |          |                              |                                |
| Operating Profit Margin (%)                    | 34.67                  | 39.58  |          | 36.03%                       |                                |
| Net Profit Margin (%)                          | 24.30                  | 24.74  |          | 25.28%                       |                                |

**Management discussion and analysis on unaudited Financial Results of the Company for the quarter ended June 30, 2008****Revenues**

The Company recorded income from operations of Rs. 916.03 Mn for the quarter, up by 22.90% on y-o-y, from Rs. 745.32 Mn of corresponding quarter. Revenue contribution from commissioned programming was Rs.850.60 Mn, while that of sponsored programming was Rs. 65.43 Mn. The share of commissioned programming in the revenues during the quarter was approx. 93%, while that of sponsored programming was 7%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended June 30, 2008, June 30, 2007 and March 31, 2008, is as follows:

| Programming  | Rs. Mn |        |        | Percentage |        |        |
|--------------|--------|--------|--------|------------|--------|--------|
|              | Q1FY09 | Q1FY08 | Q4FY08 | Q1FY09     | Q1FY08 | Q4FY08 |
| Commissioned | 850.60 | 685.47 | 859.14 | 92.86      | 92.97  | 89.01  |
| Sponsored    | 65.43  | 59.85  | 106.04 | 7.14       | 8.03   | 10.99  |
| Total        | 916.03 | 745.32 | 965.18 | 100.00     | 100.00 | 100.00 |

**Channelwise Revenue**

The Channelwise Revenue distribution during the quarter ended June 30, 2008, June 30, 2007 and March 31, 2008, is as follows:

| Channels             | Rs. Mn |        |        | Percentage |        |        |
|----------------------|--------|--------|--------|------------|--------|--------|
|                      | Q1FY09 | Q1FY08 | Q4FY08 | Q1FY09     | Q1FY08 | Q4FY08 |
| Star, Zee, Sony & 9X | 848.75 | 685.22 | 859.14 | 92.66      | 91.97  | 89.01  |
| Sun                  | 22.24  | 16.92  | 19.52  | 2.43       | 2.27   | 2.02   |
| Gemini               | 24.94  | 20.44  | 23.04  | 2.72       | 2.74   | 2.39   |
| Udaya                | 14.67  | 12.82  | 13.07  | 1.60       | 1.72   | 1.35   |
| Surya                | 3.58   | 9.67   | 5.41   | 0.39       | 1.30   | 0.56   |
| Others               | 1.85   | 0.25   | 45.00  | 0.20       | -      | 4.67   |
| Total                | 916.03 | 745.32 | 965.18 | 100.00     | 100.00 | 100.00 |

**Programming Mix**

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended June 30, 2008, June 30, 2007 and March 31, 2008, is as follows:

| Programming  | Number of Hours |        |        | Percentage |        |        |
|--------------|-----------------|--------|--------|------------|--------|--------|
|              | Q1FY09          | Q1FY08 | Q4FY08 | Q1FY09     | Q1FY08 | Q4FY08 |
| Commissioned | 276.50          | 204.50 | 289.50 | 68.02      | 59.02  | 66.63  |
| Sponsored    | 130.00          | 142.00 | 145.00 | 31.98      | 40.98  | 33.37  |
| Total        | 406.50          | 346.50 | 434.50 | 100.00     | 100.00 | 100.00 |



### **Other Income**

The Other Income during the quarter was Rs. 42.81 Mn against Rs.24.37 Mn as on June 30, 2007.

### **Gross Block**

The Company's gross block increased to Rs. 979.64 Mn against Rs. 801.55 Mn as on June 30, 2007.

During the quarter, the Company invested over Rs. 61.63 Mn in production / post-production equipments and construction of the state-of-art studios in order to meet the increased programming requirements.

### **Investments**

As on June 30, 2008, the Company's investments were at Rs. 2430.10 Mn including Rs. 301.88 Mn in shares of 100% subsidiaries. The Company invested surplus funds in liquid funds, floating rate funds and fixed maturity plans with the principal aim of safety. *The market value of investments as on June 30, 2008 was approx. Rs.2160 Mn.*

### **Debtors**

The Company's debtors (in days of income) have decreased to 73 days from 79 days in June 30, 2007.

### **Inventories**

The Company's inventories (in days of turnover) increased to 15 days from 8 days as on June 30, 2007.

### **Loans and advances**

Loans and advances decreased from Rs 477.69 Mn as on June 30, 2007 to Rs 325.62 Mn as on June 30, 2008. The Company's principal loans and advances comprised lease deposits for offices / studios and advances to subsidiaries.

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

The following serial/s of the Company went off air during the quarter ended June 30, 2008.

| <b>Serial</b>                        | <b>Channel</b> | <b>Frequency</b> |
|--------------------------------------|----------------|------------------|
| Khwaish*<br>*Produced for subsidiary | Sony           | 4 days           |



Balaji Telefilms

### Serials on air

As on June 30, 2008 the following 14 serials of the Company were on air on various channels.

| Serial  | Channel   | Frequency | TRPs  | Top TRPs on the same channel |
|---|-----------|-----------|-------|------------------------------|
| <b>Sponsored Serials (20 Shows)</b><br>{{Source: TAM Ratings for the week ended June 28, 2008, Category Fe 15+ABC (C&S)}} |           |           |       |                              |
| Kalyani   | Gemini TV | 5 Days    | 10.94 | 11.86                        |
| Kadambarii  | Udaya TV  | 5 Days    | 11.98 | 11.98                        |
| Kasthuree   | Sun TV    | 5 Days    | 16.78 | 20.65                        |
| Kalyanee  | Surya TV  | 5 Days    | 5.59  | 22.84                        |

|   |           |        |      |      |
|---|-----------|--------|------|------|
| <b>Commissioned Serials (39 Shows)</b><br>{{Source: TAM Ratings for the week ended June 28, 2008, Category HSM, MF 4+ (C&S)}} |           |        |      |      |
| Kyunki Saas Bhi Kabhi Bahu Thi  | Star Plus | 4 Days | 4.99 | 5.15 |
| Kahaani Ghar Ghar Kii   | Star Plus | 4 Days | 3.72 |      |
| Kis Desh Mein Hai Meraa Dil   | Star Plus | 4 Days | 4.05 |      |
| Kayamath  | Star Plus | 4 Days | 3.26 |      |
| Kasturi   | Star Plus | 4 Days | 3.12 |      |
| Karam Apna Apna   | Star Plus | 5 Days | 2.20 |      |
| Kasamh Se   | Zee TV    | 4 Days | 3.85 | 4.46 |
| Kya Dill Mein Hai (1 hr. show)  | 9X        | 2 Days | 0.97 | 1.03 |
| Kahe Naa Kahe   |           | 4 Days | 0.47 |      |
| Kuchh Is Tara   | Sony      | 4 Days | 0.91 | 3.03 |

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 achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Readers may please take a note of this.*