

Results for the quarter ended December 31, 2006 compared to previous quarter ended September 30, 2006

Financial Highlights

- Income from operations up from Rs 815.13 mn to Rs. 850.30 mn, an increase of 4.31%;
- Operating profit increased from Rs 290.09 mn to Rs 340.99 mn, an increase of 17.55%;
- Profit before tax up from Rs 285.40 mn to Rs 324.62 mn, an increase of 13.74%.

Operational highlights

- Realization per hour from commissioned programming increased from Rs 2.57 mn to Rs. 2.96 mn, an increase of 15.17%;
- Production of 264 hours of Commissioned programming during the quarter;
- Balaji's programming dominate 20 of the top 25 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended December 30, 2006, MF 4+, C & S);
- Cash and Cash Equivalents of Rs. 1994.73 mn as on December 31, 2006.

Results for the quarter ended December 31, 2006

The unaudited financial results for the quarter ended December 31, 2006 were taken on record by the Board at its meeting held on January 24, 2007.

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

Particulars	Quarter ended December 31,		Growth%	Quarter ended September 30 2006	Growth % in Q3 FY0607 over Q2 FY0607
	2006	2005			
INCOME FROM OPERATIONS	850.30	699.87	21.49%	815.13	4.31%
TOTAL EXPENDITURE	509.31	500.39	1.78%	525.04	-3.00%
OPERATING PROFIT	340.99	199.48	70.94%	290.09	17.55%
Interest	0.00	0.04		0.00	
Depreciation	29.13	42.87	-32.05%	27.51	5.89%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	311.86	156.57	99.18%	262.58	18.77%
Other Income	12.76	50.00	-74.48%	22.83	-44.11%

PROFIT BEFORE TAX	324.62	206.57	57.15%	285.41	13.74%
Provision for Taxation	109.86	62.69	75.24%	92.44	18.84%
NET PROFIT AFTER TAX	214.76	143.88	49.26%	192.97	11.30%
EARNINGS PER SHARE (Face Value is Rs. 2)	3.34	2.24	49.11%	2.96	12.84%
KEY RATIOS					
Operating Profit Margin (%)	40.10%	28.50%		35.59%	
Net Profit Margin (%)	25.26%	20.56%		23.67%	

Management discussion and analysis on Unaudited Financial Results of the Company for the Quarter ended December 31, 2006

Revenues

The Company recorded income from operations of Rs. 850.30 mn during the quarter, up 18% y-on-y. Revenue contribution from commissioned programming was Rs.782.57 mn, up 33.06% y-on-y while that of sponsored programming was Rs.67.73 mn. The share of commissioned programming in the revenues during the quarter was 92% while that of sponsored programming was 8%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended December 31, 2006, December 31, 2005 and September 30, 2006, is as follows:

Programming	Rs. Mn			Percentage		
	Q3FY0607	Q3FY0506	Q2FY0607	Q3FY0607	Q3FY0506	Q2FY0607
Commissioned	782.57	576.79	765.30	92	86	94
Sponsored	67.73	92.83	49.82	8	14	6
	850.30	669.62	815.12	100	100	100

Channel Wise Revenue

The Channelwise Revenue distribution during the quarter ended December 31, 2006, December 31, 2005 and September 30, 2006, is as follows

Channels	Rs. Mn	Percentage
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	Q3FY0607	Q3FY0506	Q2FY0607	Q3FY0607	Q3FY0506	Q2FY0607
Star, Sony, Zee, Zoom	782.57	576.79	765.30	92	86	94
Sun	17.50	9.47	1.72	2	1	0.5
Gemini	21.92	36.78	17.35	3	6	2
Udaya	19.31	30.56	17.40	2	5	2
DD Network	2.02	.17	1.66	0.2		0.5
Surya	6.98	15.47	11.69	0.8	2	1
	850.30	669.24	815.12	100	100	100

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended December 31, 2006, December 31, 2005 and September 30, 2006, is as follows:

Programming	No. Of Hours			Percentage		
	Q3FY0607	Q3FY0506	Q2FY0607	Q3FY0607	Q3FY0506	Q2FY0607
Commissioned	264.00	270.00	297.50	58.54	51.58	61.09
Sponsored	187.00	253.50	189.50	41.46	48.42	38.91
Total	451.00	523.50	487.00	100.00	100.00	100.00

Other Income

The Other Income during the quarter was Rs. 12.76 mn against Rs. 22.83 mn in the previous quarter.

Gross Block

The Company's gross block decreased from Rs. 721.64 mn to Rs. 718.19 mn as on December 31, 2006.

During the quarter, the Company invested Rs. 1.17 mn in production / post-production equipments.

Investments

As on December 31, 2006, the Company's investments were at Rs. 1909.54 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 December 31, 2006 was Rs. 1984.43 mn.*

Debtors

The Company's debtors (in days of income) have increased to 101 days as on December 31, 2006.

Inventories

The Company's debtors (in days of income) have increased to 101 days as on December 31, 2006.

Loans and advances

Loans and advances increased from Rs 252.83 mn to Rs 307.63 mn as on December 31, 2006. The Company's principal loans and advances comprised lease deposits for offices / studios and advances towards film production.

Change in Programming during the quarter

- The following serial/s of the Company went off air during the quarter ended December 31, 2006.

Serial	Channel	Frequency
K. Street Pali Hill	Star	4 days
Kaisa ye pyaar hai	Sony	4 days

Serials on air

As on December 31, 2006 the following 15 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (30 Shows)				
Kalyanee	Gemini TV	5 Days	11.20	21.64
Kumkuma Bhagya Kadambarii	Udaya TV	5 Days 5 Days	10.59 9.94	15.58
Kasthuree	Sun TV	5 Days	22.51	28.67

Kalyanee	Surya TV	5 Days	6.12	16.28
Kankkana	DD- Chandana	5 Days	22.00	23.24
Commissioned Serials (37 Shows)				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	5 Days	12.38	12.38
Kahaani Ghar Ghar Kii		4 Days	11.35	
Kasautii Zindagii Kay		5 Days	9.84	
Kaahiin To Hoga		5 Days	7.01	
Karam Apnaa Apnaa		4 Days	7.68	
Kesar		4 Days	4.20	
Thodi Si Zameen Thoda Sa Aasmaa		1 Day	3.72	
Kya Hoga Nimmo Ka	Star One	4 Days	0.58	4.15
Kasamh Se	Zee TV	5 Days	5.50	5.66

{(Source – TAM Ratings for the week ended December 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.