BALAJI TELEFILMS LIMITED

Results for the Quarter ended September 30, 2009

A. Financial Highlights

1. Results comparison of Quarter II ended September 30, 2009 with June 30, 2009

- Income from operations increased by 2.26% from Rs. 397.82 Mn to Rs. 406.83 Mn;
- Operating profits decreased from a profit of Rs. 8.10 Mn to a loss of Rs. 46.47 Mn. This is mainly due to the fall in the average realization per hour in the commissioned programs by 14% and sponsored programs 24% ;
- Profit before tax decreased from Rs 106.32 Mn to Rs. 6.52 Mn due to fall in the operating profits and fall in income from investments by 46%.

2. Results comparison of quarter ended September 30, 2009 with quarter ended September 30, 2008

- Income from operations decreased by 61% from Rs. 1034.46 Mn to Rs. 406.83 Mn;
- Operating profits decreased from a profit of Rs. 196.55 Mn to a loss of Rs. 46.47 Mn;
- Profit before tax decreased from Rs. 260.44 Mn to Rs. 6.52 Mn due to fall in the operating profits and fall in income from investments by 17%;

3. Results for the quarter ended September 30, 2009

The un-audited financial results for the quarter ended September 30, 2009 were taken on record by the Board at its meeting held on 15th October, 2009.

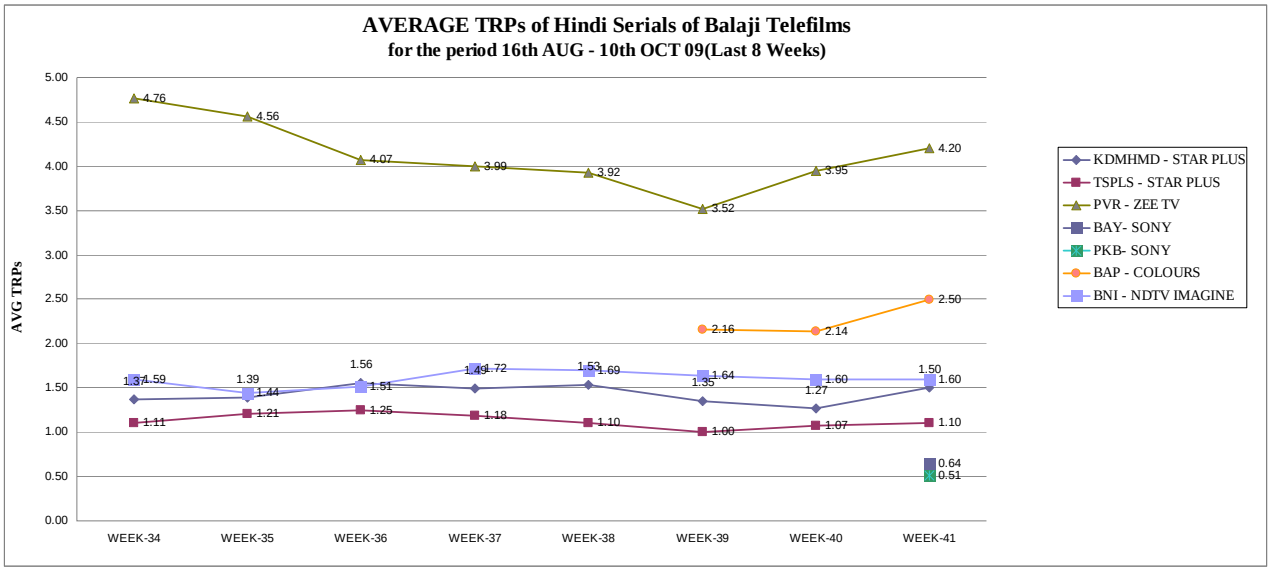
The profit and loss account is summarized below: **(in Rs. Mn except per share data)**

Particulars	Quarter II ended September 30th		Growth	Quarter I ended June 30th		Growth wrt previous quarter
	2009	2008		2009	2008	
INCOME FROM OPERATIONS	**406.83**	**1,034.46**	**-60.67%**	**397.82**	**917.35**	**2.26%**
TOTAL EXPENDITURE	425.80	803.26	**-46.99%**	364.75	598.45	**16.74%**
OPERATING PROFIT	**(18.97)**	**231.20**	**-108.21%**	**33.08**	**318.90**	**-157.35%**
Depreciation	27.50	34.65	**-20.63%**	24.97	34.05	**10.13%**
OPERATING PROFIT AFTER DEPRECIATION	(46.47)	196.55	**-123.64%**	8.10	284.85	**-673.35%**
Other Income	52.99	63.89	**-17.06%**	98.22	41.49	**-46.05%**
PROFIT BEFORE TAX	**6.52**	**260.44**	**-97.50%**	**106.32**	**326.63**	**-93.87%**
Provision for Taxation	(3.72)	79.19	**-104.67%**	16.67	103.76	**-122.32%**
NET PROFIT AFTER TAX	**10.29**	**181.25**	**-94.31%**	**89.65**	**222.57**	**-88.52%**
EARNINGS PER SHARE (Face Value Rs. 2)	**0.16**	**2.78**	**-94.31%**	**1.37**	**3.41**	**-88.48%**
KEY RATIOS						
Operating Margin (%)	**-4.66%**	**22.35%**	**-120.86%**	**8.31%**	**34.76%**	**-156.11%**
Net Profit Margin (%)	**2.53%**	**17.52%**	**-104.50%**	**22.53%**	**24.26%**	**-88.77%**

B. Operational highlights

- Realization per hour from Commissioned programming reduced from Rs. 1.9 Mn in the previous quarter to Rs. 1.6 Mn;
- Realization per hour from Sponsored programming reduced from Rs. 0.47 Mn in the previous quarter to Rs. 0.36 Mn;
- Hours of Commissioned programs increased by 20% to 209 hours in Q2 from 174 hours in Q1,
- Hours of Sponsored programs increased by 41% to 185 hours in Q2 from 132 hours in Q1;
- Launched one new show during the quarter on Colors named "Bairi Piya" ;
- Launched one new show on Surya TV (Malayalam Language) named "Kadhaparayum Kaavyaanjali".

AVERAGE TRPs OF BALAJI SERIALS IN THE COMMISSIONED CATEGORY:



(Source: TAM Ratings for the last 8 weeks ended Oct 2, 2009, MF 4+ (C&S))

Management discussion and analysis on Un-audited Financial Results of the Company for the Half-year ended September 30, 2009

1. Revenues

The Company recorded income from operations in the quarter of Rs. 406.83 Mn as compared to Rs. 397.82 Mn for the quarter ended 30 June, 2009. Revenue contribution from Commissioned programming was Rs. 338.68 Mn against Rs. 331.76 Mn for quarter ended June 30 2009, while that of Sponsored programming was Rs. 67.47 Mn as against Rs. 65.40 Mn in the same period. The share of commissioned programming in the revenues during the quarter was 83.39% while that of sponsored programming was 16.61%.

The revenue-wise distribution between commissioned and sponsored programming during the quarters ended September 30, 2009, June 30, 2009 and September 30, 2008, is as follows:

	Revenue for Q Ending (Rs. Mn.)			Percentage		
Show Type	**Sep-09**	**Sep-08**	**Mar 09**	**Sep-09**	**Sep-08**	**Mar 09**
Commissioned	338.68	969.47	424.99	83.39%	93.82%	86.0%
Sponsored	67.47	63.81	69.20	16.61%	6.18%	14.0%
Total	**406.15**	**1033.28**	**494.19**	**100.00%**	**100.00%**	**100.00%**

2. Programming Mix

Commissioned & Sponsored Programs

The hour-wise programming distribution during the quarters ended September 30, 2009, March 31, 2009 and September 30, 2008 is as follows:

	Hours for Q Ending			Percentage		
Show Type	**Sep-09**	**Sep-08**	**Mar-09**	**Sep-09**	**Sep-08**	**Mar-09**
Commissioned	208.50	300.5	193.50	53%	73.9%	51.1%
Sponsored	185.00	106.0	185.50	47%	26.1%	48.9%
Total	**393.50**	**406.5**	**379.00**	**100%**	**100%**	**100%**

3. Other Income

The Other Income during the quarter was Rs. 52.99 Mn against Rs. 98.22 Mn in the previous quarter.

4. Gross Block

The Company's net block is at Rs. 855.29 Mn as on September 30, 2009, during the quarter the company capitalized the land by Rs.479.5 Mn, it had purchased in Mira Road vide conveyance deed dtd.10th June 2009. The capital work in progress is Rs. 33.93 Mn as on September 30, 2009.

5. Investments

As on September 30, 2009, the Company's total investments were at Rs. 2,348.33 Mn including Rs. 300 Mn invested in a wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, Rs. 2,048.33 Mn was invested in units of mutual funds as compared to Rs. 2,198.9 Mn as on September 30, 2008 and Rs. 2,280.9 Mn. as on June 30, 2009

6. Debtors

The Company's debtors (in days of income) are at 97 days as on September 30, 2009 as compared to 90 days as on June 30, 2009.

7. Loans and advances

Loans and advances have increased from Rs 297.3 Mn to Rs 500.21 Mn as on September 30, 2009 as compared to the previous quarter. The Company's principal loans and advances comprised lease deposits for offices / studios, advances to subsidiaries / Balaji Employees Foundation.

8. Change in Programming during the quarter

The following serials were launched during the quarter:

Serial	Channel	Frequency	Telecast Time
Bairi Piya	Colors	5 days	8.30 pm to 9.00 pm
Kadhaparayum Kaavyaanjali	Surya TV	5 days	6.30 pm to 7.00 pm

One serial, Kitani Mohabbat Hai on NDTV Imagine, was taken off air during the quarter. The last show was aired on 25th September 2009. One serial, Koi Aane Ko Hai on Colors was taken off air on 3rd October 2009. Further, two new serials were launched on Sony on the 6th October and 7th October 2009, namely, Bayttaab - Dil Kee Tamana Hain and Pyaar Ka Bandhan respectively.

9. Serials on air

As on September 30, 2009, the following 11 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel	Time Slots
Sponsored Serials (Shows)					
Brahmamudi	Gemini TV	5 Days	4.6	10	7:30pm - 8:00 pm
Kalyani	Gemini TV	5 Days	1.1	10	10:30pm - 11:00pm
Kadambari	Udaya TV	5 Days	3.7	6	6:00pm - 6:30pm
Kasthuri	Sun TV	5 Days	11.9	20	6:30pm - 7:00pm
Kanmaneeya	Sun TV	5 Days	4.7	8	11:30am - 12:00pm
Kadhaparayum Kaaviyanjali	Surya TV	5 Days	3.8	5	6:30pm - 7:00pm
Commissioned Serials (Shows)					
Kis Desh Mein Hai Meraa Dil	Star Plus	5 Days	1.5	*1.9	2:30pm - 3:00pm
Tujh Sangh Preet Lagayi Sajna	Star Plus	5 Days	1.1	*1.9	1:00pm - 1:30pm
Pavitra Rishta	Zee TV	5 Days	4.2	4.3	9:00pm - 9:30pm
Bandini	NDTV Imagine	5 Days	1.6	1.7	10:00pm - 10:30pm
Beyttaab Dil Kee Tamana Hain	Sony	3 Days	0.6	0.6	10:00pm - 10:30pm
BAIRI PIYA	Colors	5 Days	2.5	5.2	8:00pm - 8:30pm
Pyaar Ka Bandhan	Sony	5 Days	0.5	0.6	10.30pm-11.00pm

*(Source - TAM Ratings for the week ended October 10, 2009, Category MF4+ All India. *Afternoon ratings. Weekend ratings not included.)*

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