

**Results for the quarter ended June 30, 2005 compared to previous quarter ended March 31, 2005**

**Financial Highlights**

- Income from operations up from Rs 544.17 mn to Rs. 633.33 mn, an increase of 16.39%
- Profit after tax up from Rs 96.47mn to Rs 125.16mn, an increase of 29.74%
- Operating profit increased from Rs 143.56 mn to Rs 206.72 mn , up 44%

**Operational highlights**

- Realization per hour from Commissioned Programming up from Rs1.7 mn to Rs 1.8mn
- Invested Rs.25.56 mn in production & post-production equipments and studios
- Balaji's programming dominate 20 of the top 20 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended 02.07.2005, Female 15 Plus, C & S, 29 Cities).
- Cash and Cash Equivalents of Rs. 1214.36 mn as on 30th June, 2005
- During the quarter the company released its first feature film, Kya Kool Hai Hum and the film had a successful run across the country.
- The new show, Kaisa Yeh Pyaar Hai on Sony has been well accepted by the viewers and is currently the no. 1 show on the channel

**Results for the quarter ended June 30, 2005**

The un audited financial results for the quarter ended June 30, 2005 were taken on record by the Board at its adjourned meeting held on August 04, 2005 .

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

Particulars	Quarter ended June 30,		Growth%	Quarter ended Mar 31 2005	Growth % in Q1 FY06 over Q4 FY05
	2005	2004			
INCOME FROM OPERATIONS	633.33	453.54	39.64%	544.17	16.39%

TOTAL EXPENDITURE	426.61	267.53	59.46%	400.61	6.49%
OPERATING PROFIT	206.72	186.01	11.14%	143.56	44.00%
Interest	0.02	0.00	63.27%	1.35	9.53%
Depreciation	34.01	20.83		31.05	
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	172.69	165.18	4.55%	111.16	55.35%
Other Income	11.84	6.24	89.74%	24.27	- 51.22%
PROFIT BEFORE TAX	184.53	171.42	7.65%	135.43	36.25%
Provision for Taxation	59.37	61.22		38.96	
NET PROFIT AFTER TAX	125.16	110.20	13.58%	96.47	29.74%
EARNINGS PER SHARE	1.92	2.14	-10.28%	1.47	30.61%
(Face Value is Rs. 2)					
DIVIDEND PER SHARE	-	-	-	-	-
(Face Value is Rs. 2)					
Dividend declared as a % of par value	-	-	-	-	-
KEY RATIOS	32.64%	41.01%	--	26.38%	-
Operating Profit Margin (%)	19.76%	24.30%		17.73%	
Net Profit Margin (%)					

***Management discussion and analysis on Unaudited Financial Results of the Company for the Quarter ended 30.06.2005***

**Revenues**

The Company recorded income from operations of Rs. 633.33 mn during the quarter, up 16.39% q-o-q. Revenue contribution from commissioned programming was Rs.472.62 mn, up 2.94% q-o-q, while that of sponsored programming (incl exports) was Rs. 87.28 mn, up 2.66%. The film contributed Rs 73.43 mn towards the total revenues.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended June 30, 2005 , June 30, 2004 and March 31, 2005 , is as follows:

Programming	Rs. mn			Percentage		
	Q1FY06	Q1FY05	Q4FY05	Q1FY06	Q1FY05	Q4FY05
Commissioned	472.62	380.58	459.15	85	84	84
Sponsored	85.31	72.96	85.02	15	16	16
	557.93	453.54	544.17	100	100	100

### Channel Wise Revenue

The Channel wise Revenue distribution during the quarter ended June 30, 2005 , June 30, 2004 and March 31, 2005 , is as follows:

Channels	Rs. Mn			Percentage		
	Q1FY06	Q1FY05	Q4FY05	Q1FY06	Q1FY05	Q3FY05
Star, Sony, Zoom, MTV, Hungama	472.62	380.58	459.15	85	84	84
Sun	9.02	-	7.62	1	-	1
Gemini	24.73	42.61	32.82	4	9	6
Udaya	30.97	20.46	24.80	6	5	5
DD Network	8.45	6.90	7.48	2	2	1
Surya	12.14	0.56	9.59	2		2
	-	-	-	-		-
	557.93	451.11	541.46			

### Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended June 30, 2005 , June 30, 2004 and March 31, 2005 , is as follows:

Programming	No. Of Hours			Percentage		
	Q1FY06	Q1FY05	Q4FY05	Q1FY06	Q1FY05	Q4FY05
Commissioned	257.50	221.00	263.50	49	60	53
Sponsored	271.50	149.50	233.50	51	40	47
Total	529.00	370.50	497.00	100	100	100

### Other Income

The Other Income during the quarter was Rs. 11.84 mn against Rs. 24.27 mn in the previous quarter.

### **Gross Block**

The Company's gross block increased from Rs. 559.28 mn to Rs. 586.20 mn as on June 30 2005 .

During the period, the Company invested Rs. 25.56 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 30.06.2005, the Company's investments were at Rs. 1187.47 mn. The Company invested surplus funds in liquid/floating rate funds with the principal aim of safety. *The market value of investments as on 30.06.2005 was Rs. 1207.38 mn.*

### **Debtors**

The Company's debtors (in days of income) have decreased from 99 days to 93 days as on 30.06.2005.

### **Inventories**

The Company's inventories (in days of turnover) decreased from 44 days to 27 days as on 30.06.2005. The Company's inventories comprise of completed episodes waiting to be aired, incomplete episodes and feature films.

### **Loans and advances**

Loans and advances decreased from Rs 174.53 mn to Rs 170.28 mn as on 30.06.2005. 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 30th June, 2005

Serial	Channel	Frequency
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Pavitrabandam	Surya TV	5 days
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The following serial/s of the Company went off air during the quarter ended 30th June, 2005 .

Serial	Channel	Frequency
Karthik a	Hungama	3 days
Kitni Mast Hai Zindagi	MTV	4 days

### Serials on air

- As on 30.06.2005 the following 20 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
<b>Sponsored Serials (42 Shows)</b>				
Karthikadeepam	Gemini TV	5 Days	12.52	19.66
Kkalavari Kodalu		5 Days	8.91	
Kanyadaana	Udaya TV	5 Days	7.16	14.16
Kumkuma Bhagya		5 Days	7.54	
Kadambarii		5 Days	4.54	
Kayaamat	Doordarshn	2 Days	22.81	22.81
Kanavaru Kkaha	Sun TV	5 Days	13.93	35.56
Kavyanjali	Surya TV	5 Days	22.41	22.41
Pavitabandham		5 Days	18.49	
<b>Commissioned Serials (38 Shows)</b>				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	4 Days	13.11	13.11
		4 Days	10.84	
Kahaani Ghar Ghar Kii		4 Days	3.29	
Kstreet Pali Hill		4 Days	11.08	
Kasautii Zindagi Kay		4 Days	8.60	
Kaahin To Hoga				

Kkavyanjali		4 Days	7.86	
Kesar		4 Days	4.57	
Kkusum	Sony TV	4 Days	3.20	4.45
Kaisa ye pyaar hai	Zoom	4 Days	3.49	0.22
Kya Kahein		1 Day	0.07	
Kosmiic Chat		1 Day	0.05	

*{(Source – TAM Ratings for the week ended 02/07/05 , Category –29 cities Female 15 Plus) except Zoom, category MF 4+ }*

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.*