

Results for the quarter ended September 30, 2005 compared to previous quarter ended June 30, 2005

Financial Highlights

- Income from operations up from Rs 633.33 mn to Rs. 701.38 mn, an increase of 10.75%
- Realization per hour increased to Rs 1.33 mn per hour, an increase of 26.26%
- Profit after tax up from Rs 125.16mn to Rs 170.16mn, an increase of 35.95%
- Operating profit increased from Rs 206.72 mn to Rs 282.80 mn , up 36.81%

Operational highlights

- Rates of some of the serials on Star Plus have been hiked based on their Television Ratings Points (TRPs) during the quarter.
- Invested Rs.46.4 mn in production & post-production equipments and studios
- Balaji's programming dominate 22 of the top 25 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended 01.10.2005, Female 15 Plus, C & S, 29 Cities).
- Cash and Cash Equivalentents of Rs. 1306.42 mn as on 30th September, 2005

Results for the quarter ended September 30, 2005

The un audited financial results for the quarter ended September 30, 2005 were taken on record by the Board at its meeting held on October 27, 2005.

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

Particulars	Quarter ended September 30,		Growth%	Quarter ended Jun 30 2005	Growth % in Q2 FY06 over Q1FY06
	2005	2004			
INCOME FROM OPERATIONS	701.38	452.45	55.02%	633.33	10.75%
TOTAL EXPENDITURE	418.58	275.35	52.02%	426.61	-1.89%
OPERATING PROFIT	282.80	177.10	59.69%	206.72	36.81%
Interest	0.15	0.24		0.02	
Depreciation	36.53	21.99	66.12%	34.01	7.41%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	246.12	154.87	58.93%	172.69	42.53%
Other Income	12.84	15.32	-16.19%	11.84	8.45%
PROFIT BEFORE TAX	258.96	170.19	52.16%	184.53	40.33%
Provision for Taxation	88.80	57.36		59.37	
NET PROFIT AFTER TAX	170.16	112.83	50.81%	125.16	35.95%

EARNINGS PER SHARE (Face Value is Rs. 2)	2.61	2.19	19.18%	1.92	35.94%
DIVIDEND PER SHARE (Face Value is Rs. 2)	-	-	-	-	-
Dividend declared as a % of par value	-	-	-	-	-
KEY RATIOS			-		-
Operating Profit Margin (%)	40.32% 24.26%	39.14% 24.94%		32.64% 19.76%	
Net Profit Margin (%)					

Management discussion and analysis on Un audited Financial Results of the Company for the Quarter ended 30.09.2005

Revenues

The Company recorded income from operations of Rs. 701.38 mn during the quarter, up 10.75% q-o-q. Revenue contribution from commissioned programming was Rs.606.35 mn, up 28% q-o-q. The average realization per hour increased to Rs 2.35 mn, per hour, up 28% q-on-q. This was mainly due to the increase in the rates of some of the serials on Star Plus, based on their Television Rating Points (TRPs). The revenue contribution from sponsored programming was Rs. 93.04 mn, up 6.6% q-on-q. The average realization per hour was Rs 0.35 mn against Rs 0.31 mn in the previous quarter.

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

Programming	Rs. mn			Percentage		
	Q2FY06	Q2FY05	Q1FY06	Q2FY06	Q2FY05	Q1FY06
Commissioned	606.35	382.54	472.62	86	85	85
Sponsored	93.04	69.91	85.31	14	15	15
	699.39	452.45	557.93	100	100	100

Channel Wise Revenue

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

Channels	Rs. Mn			Percentage		
	Q2FY06	Q2FY05	Q1FY06	Q2FY06	Q2FY05	Q1FY06
Star, Sony, Zoom, MTV, Hungama	606.35	382.54	472.62	86	85	85
Sun	10.91	-	9.02	2	-	1
Gemini	35.14	37.19	24.73	5	8	4
Udaya	28.37	15.17	30.97	4	4	6
DD Network	3.25	5.93	8.45		1	2
Surya	15.37	8.50	12.14	2	2	2
	-	-	-	-		-
	699.39	449.33	557.93			

Programming Mix

Commissioned & Sponsored Programs

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

Programming	No. Of Hours			Percentage		
	Q2FY06	Q2FY05	Q1FY06	Q2FY06	Q2FY05	Q4FY05
Commissioned	257.50	203.00	257.50	49	53	49
Sponsored	267.50	180.50	271.50	51	47	51
Total	525.00	370.50	529.00	100	100	100

Other Income

The Other Income during the quarter was Rs. 12.84 mn against Rs. 11.84 mn in the previous quarter.

Gross Block

The Company's gross block increased from Rs. 586.20 mn to Rs. 638.87 mn as on September 30 2005.

During the period, the Company invested Rs. 46.4 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

As on 30.09.2005, the Company's investments were at Rs. 1306.42 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 30.09.2005 was Rs. 1338.20 mn.*

Debtors

The Company's debtors (in days of income) have maintained at 93 days as on 30.09.2005.

Inventories

The Company's inventories (in days of turnover) decreased from 27 days to 25 days as on 30.09.2005. 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 170.28 mn to Rs 167.53 mn as on 30.09.2005. 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 Sep, 2005

Serial	Channel	Frequency
Kalyani	Gemini TV	5 days

- The following serial/s of the Company went off air during the quarter ended 30th September, 2005.

Serial	Channel	Frequency
Kayamat	Doordarshan	2 days
Kya Kahein	Zoom	1 day
Kkalavari Kodalu	Gemini TV	5 days

Serials on air

- As on 30.09.2005 the following 18 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (40 Shows)				
Karthikadeepam	Gemini TV	5 Days	8.51	15.39
Kalyani		5 Days	13.45	
Kanyadaana	Udaya TV	5 Days	9.20	10.94
Kumkuma Bhagya		5 Days	9.56	
Kadambarii		5 Days	8.20	
Kanavaru Kkaha	Sun TV	5 Days	12.07	33.89
Kavyanjali		5 Days	18.05	
Pavitabandham	Surya TV	5 Days	13.13	26.66
		5 Days		

Commissioned Serials (40 Shows)				
Kyunki Saas Bhi Kabhi Bahu Thi Kahaani Ghar Ghar Kii Kstreet Pali Hill Kasautii Zindagi Kay Kaahin To Hoga Kkavyanjali Kesar	Star Plus	5 Days	11.95	11.95
		4 Days	9.28	
		4 Days	3.00	
		5 Days	9.46	
		5 Days	8.82	
		4 Days	7.45	
		4 Days	4.89	
		Kkusum	Sony TV	
Kaisa ye pyaar hai	Zoom	4 Days	2.81	0.13
Kosmiic Chat		1 Day	0.07	

{(Source – TAM Ratings for the week ended 01/10/05, 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.