

Results for the quarter ended December 31, 2005 compared to previous quarter ended September 30, 2005

Financial Highlights

- Income from operations marginally down from Rs 701.38 mn to Rs 699.87 mn
- Realization per hour marginally decreased to Rs 1.28 mn per hour, a decrease of 4.04%
- Profit after tax down to Rs 143.88mn from Rs 170.16mn, a decrease of 15.44%
- Operating profit decreased to Rs 199.49 mn from Rs 282.80 mn , a decrease of 29.46%

Operational highlights

- Balaji's programming dominate 22 of the top 25 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended 31.12.2005, Female 15 Plus, C & S, 29 Cities).
- Cash and Cash Equivalents of Rs. 1457.06 mn as on 31st December, 2005
- During the quarter a fire took place at two sets, the same were fully insured

Results for the quarter ended December 31, 2005

The un audited financial results for the quarter ended December 31, 2005, were taken on record by the Board at its meeting held on January 31, 2006.

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

Particulars	Quarter ended December 31,		Growth%	Quarter ended Sep 30 2005	Growth % in Q3 FY06 over Q2FY06
	2005	2004			
INCOME FROM OPERATIONS	699.87	517.31	35.29%	701.38	-0.22%
TOTAL EXPENDITURE	500.31	350.46	42.76%	418.58	19.53%
OPERATING PROFIT	199.49	166.85	19.56%	282.80	-29.46%
Interest	0.05	0.27		0.15	
Depreciation	42.87	23.54	82.11%	36.53	17.35%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	156.57	143.04	9.46%	246.1	-36.38%
Other Income	49.99	3.60	289%	12.84	289.49%
PROFIT BEFORE TAX	206.57	146.64	40.86%	258.96	-20.23%

Provision for Taxation	62.69	53.19	-	88.80	-
NET PROFIT AFTER TAX	143.88	93.45	53.95%	170.16	-15.44%
EARNINGS PER SHARE (Face Value is Rs. 2)	2.24	1.81	23.76%	2.61	-14.17%
DIVIDEND PER SHARE (Face Value is Rs. 2)	-	16.00	-	-	-
Dividend declared as a % of par value	-	800%	-	-	-
KEY RATIOS					-
Operating Profit Margin (%)	28.50%	32.25%	-	40.32%	
Net Profit Margin (%)	20.56%	18.06%		24.26%	

Management discussion and analysis on Unaudited Financial Results of the Company for the Quarter ended 31.12.2005

Revenues

The Company recorded income from operations of Rs. 699.87 mn during the quarter against Rs 701.39 mn in the previous quarter. Revenue contribution from commissioned programming was Rs.576.8 mn, marginally down by 4.87% q-o-q. The average realization per hour decreased to Rs 2.14 mn, per hour, down 9.28% q-on-q. The revenue contribution from sponsored programming was Rs 92.45 mn as compared to Rs. 93.04 mn in the previous quarter. The average realization per hour was Rs 0.36 mn against Rs 0.35 mn in the previous quarter. The contribution from the films was Rs 30.25 mn during the quarter.

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

Programming	Rs. mn			Percentage		
	Q3FY06	Q3FY05	Q2FY06	Q3FY06	Q3FY05	Q2FY06
Commissioned	576.79	425.93	606.35	86	82	86
Sponsored	92.45	91.38	93.04	14	18	14
	669.24	517.31	699.39	100	100	100

Channel Wise Revenue

The Channelwise Revenue distribution during the quarter ended December 31, 2005, December 31, 2004 and September 30, 2005, is as follows:

Channels	Rs. Mn			Percentage		
	Q3FY06	Q3FY05	Q2FY06	Q3FY06	Q3FY05	Q2FY06
Star, Sony, Zoom, Zee TV	576.79	425.93	606.35	86	82	86
Sun	9.47	1.36	10.91	1	-	2
Gemini	36.78	45.38	35.14	6	9	5
Udaya	30.56	22.61	28.37	5	5	4
DD Network	.17	8.13	3.25	-	2	-
Surya	15.47	11.23	15.37	2	2	2
-	-	-	-	-	-	-
-	669.24	514.64	699.39	-	-	-

Programming Mix

Commissioned & Sponsored Programs

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

Programming	No. Of Hours			Percentage		
	Q3FY06	Q3FY05	Q2FY06	Q3FY06	Q3FY05	Q2FY06
Commissioned	270.00	246.00	257.50	52	54	49
Sponsored	253.50	207.50	267.50	48	46	51
Total	523.50	453.00	525.00	100	100	100

Other Income

The Other Income during the quarter was Rs. 49.99 mn against Rs. 12.84 mn in the previous quarter.

Gross Block

The Company's gross block as on December 31, 2005 was Rs 612.61 mn.

Investments

As on 31.12.2005, the Company's investments were at Rs. 1457.06 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 31.12.2005 was Rs. 1487.33 mn.*

Debtors

The Company's debtors (in days of income) increased from 93 days to 100 days as on 31.12.2005.

Inventories

The Company's inventories (in days of turnover) decreased from 25 days to 19 days as on 31.12.2005. The Company's inventories comprise of completed episodes waiting to be aired, incomplete episodes and feature films.

Loans and advances

Loans and advances increased from Rs 167.53 mn to Rs 173.22 mn as on 31.12.2005. 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 31st Dec 2005

Serial	Channel	Frequency
Hum Paanch	Zee TV	2 days
Kankkana	DD –Chandana	5 days

- The following serial/s of the Company went off air during the quarter ended 31st December, 2005.

Serial	Channel	Frequency
Kkusum	Sony	4 days
Karthikadeepam	Gemini TV	5 days

Serials on air:

- As on 31.12.2005 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)				
Kalyani	Gemini TV	5 Days	14.80	15.15
Kanyadaana Kumkuma Bhagya Kadambarii	Udaya TV	5 Days 5 Days 5 Days	8.23 6.98 6.95	13.05
Kanavaru Kkaha	Sun TV	5 Days	8.86	34.09
Pavitrabandham Kavyanjali	Surya TV	5 Days 5 Days	22.73 17.73	29.90
Kankkana	DD- Chandana	5 Days	19.94	34.35
Commissioned Serials (39 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 4 Days 4 Days 5 Days 5 Days 4 Days 4 Days	11.90 9.32 2.10 9.99 9.24 6.29 3.83	11.90
Kaisa ye pyaar hai	Sony TV	5 Days	2.72	2.88
Hum Paanch	Zee TV	2 Days	0.88	2.91
Kosmiic Chat	Zoom TV	1 Day	0.05	0.10

{ (Source – TAM Ratings for the week ended 31/12/05, Category –29 cities Female 15 Plus) except Zoom, category MF 4+ } For further information on results, please contact us on following nos.: V. Devarajan, Chief Financial Officer, Balaji Telefilms Limited, Tel: 91 22 26732275, Fax: 91 22 26732312, E-mail: devarajan@balajitelefilms.com

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.