

Results for the year ended March 31, 2006 compared to previous year ended March 31, 2005

Financial Highlights

Quarter ended March 31, 2006 vs Quarter ended March 31, 2005

- Income from operations up from Rs 544.17 mn to Rs 769.12mn, an increase of 41.34%
- Profit after tax up from Rs 96.47mn to Rs 155.02mn, an increase of 60.7%
- Operating profit up Rs 143.56 mn to Rs 247.61 mn an increase of 72.

Year ended March 31, 2006 vs Year ended March 31, 2005

- Income from operations up from Rs1967.48mn to Rs 2803.71 mn, an increase of 42.5%
- Profit After Tax up Rs 412.96 mn to Rs 594.22mn, an increase of 43.89%
- Operating profit increased from Rs 673.54mn to Rs 936.63 mn, an increase of 39.06%

Operational highlights during the year ended March 31, 2006

- Balaji's programming continued to dominate the ratings chart. For the week ended April 1, 2006, out of the Top 25 shows, 24 shows were from Balaji
- Realization per hour from Commissioned Programming increased from Rs1.77 mn to Rs 2.22 mn.
- Average realisation per hour increased from Rs 1.1 mn to Rs 1.3 mn
- More than 2000 hours of programming during the year
- Successfully launched new shows on Star One and Zee.
- Cash and Cash Equivalents of Rs. 1686.10 mn as on March 31, 2006
- The Board of Directors has recommended a full and final dividend of Rs 3 per share (150% on par value of Rs 2 per share) amounting to Rs 1956.31 lacs, subject to the approval of members at the ensuing annual general meeting.

Results for the year ended March 31, 2006

The audited financial results for the year ended March 31, 2006 were taken on record by the Board at its meeting held on May 9, 2006. The profit and loss account is summarized below: (in Rs. mn except per share data)

Particulars	Year ended March 31,		Growth%
	2006	2005	
INCOME FROM OPERATIONS	2803.71	1967.48	42.50%
TOTAL EXPENDITURE	1867.08	1293.94	
OPERATING PROFIT	936.63	673.54	39.06%
Interest	0.46	1.86	
Depreciation	143.29	97.40	47.11%

OPERATING PROFIT AFTER INTEREST & DEPRECIATION	792.88	574.28	38.06%
Other Income	86.94	49.42	75.92%
PROFIT BEFORE TAX	879.82	623.70	41.06%
Provision for Taxation	285.61	210.73	35.53%
Deferred Revenue Expenditure w/off	-	-	-
NET PROFIT AFTER TAX	594.21	412.97	43.89%
EARNINGS PER SHARE (weighted average) (Face Value is Rs. 2)	9.15	7.61	20.24%
DIVIDEND PER SHARE (Face Value is Rs. 2)	3.00	16.00	-
Dividend declared as a % of par value	150%	800%	
KEY RATIOS			
Operating Profit Margin (%)	33%	34%	
Net Profit Margin (%)	21%	21%	

Results for the quarter ended March 31, 2006

The audited financial results for the quarter ended March 31, 2006 were taken on record by the Board at its meeting held on May 9, 2006.

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

Particulars	Quarter ended March 31,		Growth%	Quarter ended Dec 31 2005	Growth % in Q4 FY06 over Q3FY06
	2006	2005			
INCOME FROM OPERATIONS	769.12	544.17	41.34%	699.87	9.89%
TOTAL EXPENDITURE	521.51	400.61	30.18%	500.31	4.24%
OPERATING PROFIT	247.61	143.56	72.48%	199.49	24.13%
Interest	0.25	1.35		0.05	
Depreciation	29.87	31.05		42.87	
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	217.49	111.16	95.65%	156.57	38.91%
Other Income	12.28	24.27		49.99	
PROFIT BEFORE TAX	229.77	135.43	69.65%	206.57	11.23%

Provision for Taxation	74.74	38.96		62.69	
NET PROFIT AFTER TAX	155.03	96.47	60.70%	143.88	7.75%
EARNINGS PER SHARE (Face Value is Rs. 2)	2.38	1.47	61.90%	2.24	6.25%
DIVIDEND PER SHARE (Face Value is Rs. 2)	3.00				
Dividend declared as a % of par value	150%				
KEY RATIOS					
Operating Profit Margin (%)	32%	26%		29%	
Net Profit Margin (%)	20%	18%		21%	

Management discussion and analysis on Audited Financial Results of the Company for the Quarter and Year ended 31.03.2006

Revenues

The Company recorded income from operations of Rs. 769.12 mn during the quarter, up 41.34% y-o-y. Revenue contribution from commissioned programming was Rs.694.16 mn, up 51.18% y-o-y, while that of sponsored programming was Rs. 71.91 mn. The share of commissioned programming in the revenues during the quarter was 90%, while that of sponsored programming was 10%. The revenue-wise distribution between commissioned and sponsored programming during the quarter ended March 31, 2006, March 31, 2005 and December 31, 2005, is as follows:

Programming	Rs. mn			Percentage		
	Q4FY06	Q4FY05	Q3FY06	Q4FY06	Q4FY05	Q3FY06
Commissioned	694.01	459.15	576.79	90	84	86
Sponsored	72.11	85.02	92.45	10	16	14
	766.12	544.17	669.24	100	100	100

Channel Wise Revenue

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

Channels	Rs. Mn			Percentage		
	Q4FY06	Q4FY05	Q3FY06	Q4FY06	Q4FY05	Q3FY06
Star, Sony, Zoom, MTV,Hungama,Zee	694.01	459.15	576.79	90	84	86
Sun	8.25	7.62	9.47	1	1	1
Gemini	20.56	32.82	36.78	3	6	6
Udaya	26.49	24.80	30.56	4	5	5

DD Network	1.05	7.48	0.17		1	
Surya	15.76	9.59	15.47	2	2	2
	-	-	-	-		-
	766.12	541.46	669.24			

Programming Mix

Commissioned & Sponsored ProgramsThe hour wise programming distribution during the quarter ended March 31, 2006, March 31, 2005 and December 31, 2005, is as follows:

Programming	No. Of Hours			Percentage		
	Q4FY06	Q4FY05	Q3FY06	Q4FY06	Q4FY05	Q3FY06
Commissioned	281.50	263.50	270.00	55	53	52
Sponsored	253.00	233.50	253.50	45	47	48
Total	534.50	497.00	523.50	100	100	100

Other Income

The Other Income during the quarter was Rs. 12.28 mn against Rs. 24.27 mn in the corresponding quarter in the previous year.

Dividend

The Board of Directors has recommended a full and final dividend of Rs 3 per share (150% on par value of Rs 2 per share) amounting to Rs 1956.31 lacs, subject to the approval of members at the ensuing annual general meeting

Gross Block

The Company's gross block increased from Rs. 559.28 mn in FY05 to Rs 669.52mn as on March 31 2006.

Investments

As on 31.03.2006, the Company's investments were at Rs. 1623.86 mn. The Company invested surplus funds in liquid/floating rate funds with the principal aim of safety *The market value of investments as on 31.03.2006 was Rs. 1665.46 mn.*

Debtors

The Company's debtors (in days of income) has decreased from 99 days in FY05 to 96 days in FY06.

Inventories

The Company's inventories (in days of turnover) decreased from 44 days in FY05 to 15 days in FY06 since the two films carried in the inventory were released during the year.

Loans and advances

Loans and advances decreased from Rs 174.53 mn in FY05 to Rs 170.48 mn in FY06. The Company's principal loans and advances comprised lease deposits for offices / studios.

Change in Programming during the quarter

- The Company launched following serials during the quarter ended 31st March, 2006

Serial	Channel	Frequency
Kya Hoga Nimmo Ka	Star One	4 days
Kandy Floss	Sony	1 day
Kasamh se	Zee	5 days

- The Following serial/s of the Company went off air during the quarter ended 31st March, 2006.

Serial	Channel	Frequency
Kosmiic Chat	Zoom	1 day

Serials on air

As on 31.03.2006 the following 20 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	14.43	20.83
Kanyadaana Kumkuma Bhagya Kadambarii	Udaya TV	5 Days 5 Days 5 Days	7.37 10.45 8.75	14.96
Kankkana	DD- Chandana	5 Days	2.24	4.57
Kanavaru Kkaha	Sun TV	5 Days	9.77	34.80
Kavyanjali Pavitrabandham	Surya TV	5 Days 5 Days	12.85 10.41	23.03
Commissioned Serials (48 Shows)				
Kyunki Saas Bhi Kabhi Bahu Thi Kahaani Ghar Ghar Kii Kstreet Pali Hill Kasautii Zindagi Kay Kaahin To Hoga Kkavyanjali Kesar Kya Hoga Nimmo Ka	Star PlusStar one	5 Days 4 Days 5 Days 5 Days 5 Days 4 Days 4 Days	11.73 9.87 2.36 9.78 7.57 5.96 4.01 1.70	11.73 3.12
Kandy Floss Kaisa ye pyaar haiKasamh Se Hum Paanch	Sony TVZee TV	1 Day 4 Days 5 Days 2 Days	0.68 2.00 2.84 0.36	3.02 3.50

{(Source – TAM Ratings for the week ended 01/04/06, Category – Female 15 Plus)}

For further information on results, please contact us on following nos.:

- V. Devarajan, Chief Financial Officer, / Sandeep Jain, Balaji Telefilms Limited, Tel: 91 22 26732275, Fax: 91 22 26732312, E-mail: devarajan@balajitelefilms.com, sandeep.jain@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.