

Results for the quarter ended June 30, 2006 compared to quarter ended June 30, 2005

Financial Highlights

- Income from operations up from Rs 633.33 mn to Rs.735.39 mn, an increase of 16%
- Profit before tax up from Rs 184.52 mn to Rs 254 mn, an increase of 38%
- Operating profit up from Rs 206.72 mn to Rs 260.37 mn, an increase of 26%

Operational highlights

- Realization per hour from Commissioned Programming increased from Rs. 1.84 mn to Rs. 2.24 mn
- Average realisation per hour increase from Rs. 1.06 mn to Rs 1.52 mn
- Commissioned programming hours up from 257.50 hours to 298 hours, an increase of 16%
- 'Kosmic Chat' was re-launched on Zoom TV during the quarter
- One new state of the art studio became operational, thereby further improving the quality of programming
- Invested Rs.32.50 mn in production & post-production equipments and studios
- Balaji's programming continues to dominate 29 of the top 50 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended July 1, 2006, MF 4+, C & S).
- Cash and Cash Equivalents of Rs. 1854.07 mn as on June 30, 2006.

Results for the quarter ended June 30, 2006

The unaudited financial results for the quarter ended June 30, 2006 were taken on record by the Board at its meeting held on July 27, 2006.

The profit and loss account is summarized below: (Rupees in millions except per share data)

Particulars	Quarter ended June 30,		Growth%	Quarter ended March 31, 2006	Growth % in Q1 FY07 over Q4FY06
	2006	2005			
INCOME FROM OPERATIONS	735.39	633.33	16.11%	769.12	-4.39%
TOTAL EXPENDITURE	475.02	426.61	11.35%	521.51	-8.91%
OPERATING PROFIT	260.37	206.72	25.95%	247.61	5.15%
Interest	0.04	0.02		0.25	
Depreciation	27.80	34.01	-18.26%	29.87	-6.93%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	232.53	172.69	34.65%	217.49	6.92%
Other Income	21.46	11.83	81.33%	12.28	74.84%
PROFIT BEFORE TAX	253.99	184.52	37.65%	229.77	10.54%

Provision for Taxation	80.22	59.37	35.12%	74.74	7.33%
NET PROFIT AFTER TAX	173.77	125.15	38.85%	155.03	12.09%
EARNINGS PER SHARE (Face Value is Rs. 2)	2.66	1.92	38.54%	2.38	11.76%
KEY RATIOS					
Operating Profit Margin (%)	35.41%	32.64%		32.19%	
Net Profit Margin (%)	23.63%	19.76%		20.16%	

Management discussion and analysis on unaudited Financial Results of the Company for the Quarter ended June 30, 2006

Revenues

The Company recorded income from operations of Rs. 735.39 mn during the quarter, up 16.11% y-o-y. Revenue contribution from commissioned programming was Rs.668.53 mn, up 41.45% y-o-y, while that of sponsored programming was Rs. 66.48 mn. The share of commissioned programming in the revenues during the quarter was 91%, while that of sponsored programming was 9%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended June 30, 2006, June 30, 2005 and March 31, 2006, is as follows:

Programming	Rs. Mn			Percentage		
	Q1FY07	Q1FY06	Q4FY06	Q1FY07	Q1FY06	Q4FY06
Commissioned	668.53	472.62	694.16	91	85	91
Sponsored	66.48	85.31	71.90	9	15	9
	735.01	557.93	766.06	100	100	100

Channel Wise Revenue

The Channelwise Revenue distribution during the quarter ended June 30, 2006, June 30, 2005 and March 31, 2006, is as follows:

Channels	Rs. Mn			Percentage		
	Q1FY07	Q1FY06	Q4FY06	Q1FY07	Q1FY06	Q4FY06
Star, Sony, Zoom, MTV, Hungama, Zee	668.53	472.62	694.16	91	85	91
Sun	8.66	9.02	8.25	1	1	1
Gemini	19.15	24.73	20.50	3	4	3

Udaya	20.54	30.97	26.34	3	6	3
DD Network	1.60	8.45	1.05	-	2	-
Surya	16.54	12.14	15.76	2	2	2
			-			
	735.01	557.93	766.06	100	100	100

Programming Mix

Commissioned & Sponsored Programs

The hourwise programming distribution during the quarter ended June 30, 2006, June 30, 2005 and March 31, 2006, is as follows:

Programming	No. of Hours			Percentage		
	Q1FY07	Q1FY06	Q4FY06	Q1FY07	Q1FY06	Q4FY06
Commissioned	298.00	257.50	282.50	57	49	53
Sponsored	220.50	271.50	253.00	43	51	47
Total	518.50	529.00	535.50	100	100	100

Other Income

The Other Income during the quarter was Rs. 21.47 mn against Rs. 11.84 mn as on June 30, 2006.

Gross Block

The Company's gross block increased from Rs.597.33 mn to Rs. 721.64 mn as on June 30, 2006.

During the quarter, the Company invested over Rs. 32.50 mn in production / post-production equipments and construction of the state-of-the art studios in order to meet the increased programming requirements.

Investments

As on June 30, 2006, the Company's investments were at Rs. 1791.03 mn. The Company invested surplus funds in liquid/floating rate funds with the principal aim of safety *The market value of investments as on 30.06.2006 was Rs. 1828.22 mn.*

Debtors

The Company's debtors (in days of income) have decreased from 95 days in FY06 to 82 days as on June 30, 2006.

Inventories

The Company's inventories (in days of turnover) decreased from 15 days to 11 days as on June 30, 2006

Loans and advances

Loans and advances increased from Rs 170.48 mn as on March 31, 2006 to Rs 216.63 mn as on June 30, 2006. The Company's principal loans and advances comprised lease deposits for offices / studios and advances for films.

Change in Programming during the quarter

- The Company re-launched following serials during the quarter ended June 30, 2006

Serial	Channel	Frequency
Kosmiic Chat	Zoom	1 day

- The following serial/s of the Company went off air during the quarter ended June 30, 2006.

Serial	Channel	Frequency
Kanyadaana	Udaya T.V.	5 days
Kanavaru Kkaaha	Sun T.V.	5 days
Hum Paanch	Zee T.V.	2 days

Serials on air

As on June 30, 2006 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 (30 Shows)				
Kalyani	Gemini TV	5 Days	10.4	18.47
Kumkuma Bhagya Kadambarii	Udaya TV	5 Days 5 Days	7.22 6.22	11.01
Kankkana	DD-	5 Days	19.37	25.47

	Chandana			
Kavyanjali Pavitrabandham	Surya TV	5 Days 5 Days	9.41 7.70	14.00
Commissioned Serials (46 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 Plus Star Plus Star Plus Star Plus Star Plus Star Plus Star Plus Star One	5 Days 4 Days 4 Days 5 Days 5 Days 4 Days 4 Days 4 Days	14.31 11.68 2.49 8.32 8.10 6.51 3.81 1.27	14.31 3.49
Kandy Floss Kaisa ye pyaar hai Kasamh Se Kosmic Chat	Sony TV Zee TV Zoom TV	1 Day 4 Days 5 Days 1 Day	0.50 1.23 6.54 0.22	2.48 6.54 0.44

{(Source – TAM Ratings for the week ended 01/07/06, Category – MF 4+ (C & S)}

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.