

Results for the quarter ended June 30, 2007 compared to quarter ended June 30, 2006

Financial Highlights

- Income from operations up from Rs. 735.39 Mn to Rs. 745.32 Mn, an increase of 1.35%
- Operating profit up from Rs. 260.37 Mn to Rs. 295.02 Mn, an increase of 13.31%
- Profit before tax up from Rs. 254.00 Mn to Rs. 286.89 Mn, an increase of 12.95%

Operational highlights

- Average realisation per hour increased from Rs. 1.74 Mn in FY 07 to Rs. 2.15 Mn in first quarter of FY 08
- Realization per hour from Commissioned Programming increased from Rs. 2.76 Mn in FY 07 to Rs. 3.35 Mn in first quarter of FY 08
- Average realization per hour in Sponsored Programming increased from Rs. 0.32 Mn to Rs. 0.42 Mn
- 204.50 hours of Commissioned programming during the quarter ended June 30, 2007
- Successful launch of 'Kasturi' on Star Plus during the quarter
- One new state of the art studio became operational, thereby further improving the quality of programming
- 'Khwaish' from Balaji Telefilms FZE went on air from June 25, 2007 on ARY Channel and debuted in India from July 16, 2007 on Sony Entertainment Channel
- Balaji has entered into a joint venture with Star for launch of channels in regional languages other than Hindi. Balaji will acquire 49% equity in the joint venture which includes the existing star group channel "Vijay", for an initial investment of approximately Rs. 600 Mn.
- The first co-production 'Shootout at Lokhandwala' of Balaji Motion Pictures Ltd. declared super hit by trade circles
- Invested Rs. 286.39 Mn in production & post-production equipments and studios
- Balaji's programming continues to dominate the ratings chart. For the week ended June 30, 2007, out of the top 50 shows, 24 shows were from Balaji (Source: Tam Ratings for the week ended June 30, 2007, 9 Cities, MF 4+, C & S).
- Cash and Cash Equivalents of Rs. 1973.71 Mn as on June 30, 2007.

Results for the quarter ended June 30, 2007

The unaudited financial results for the quarter ended June 30, 2007 were taken on record by the Board at its meeting held on July 26, 2007.

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, 2007	Growth % in Q1 FY08 over Q4FY07
	2007	2006			
INCOME FROM OPERATIONS	745.32	735.39	1.35	773.85	-3.69
TOTAL EXPENDITURE	450.30	475.02	-5.20	469.52	-4.09

OPERATING PROFIT	295.02	260.37	13.31	304.33	-3.06
Interest	-	0.04	-	-	-
Depreciation	32.50	27.80	16.92	28.02	16.00
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	262.52	232.53	12.90	276.31	-4.99
Other Income	24.37	21.46	13.51	37.05	-34.22
PROFIT BEFORE TAX	286.89	253.99	12.95	313.36	-8.45
Provision for Taxation	102.48	80.22	27.75	100.58	1.89
NET PROFIT AFTER TAX	184.40	173.77	6.12	212.78	-13.34
EARNINGS PER SHARE (Face Value is Rs. 2)	2.83	2.66	6.39	3.26	-13.19
KEY RATIOS					
Operating Profit Margin (%)	39.58	35.41		39.33	
Net Profit Margin (%)	24.74	23.63		27.50	

Management discussion and analysis on unaudited Financial Results of the Company for the quarter ended June 30, 2007

Revenues

The Company recorded income from operations of Rs. 745.32 Mn during the quarter. Revenue contribution from commissioned programming was Rs.685.22 Mn, while that of sponsored programming was Rs. 59.85 Mn. The share of commissioned programming in the revenues during the quarter was 92%, while that of sponsored programming was 8%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended June 30, 2007, June 30, 2006 and March 31, 2007, is as follows:

Programming	Rs. Mn			Percentage		
	Q1FY08	Q1FY07	Q4FY07	Q1FY08	Q1FY07	Q4FY07
Commissioned	685.22	668.53	710.58	92.97	90.95	92.03
Sponsored	59.85	66.48	61.58	8.03	9.05	7.97
	745.07	735.01	772.16	100.00	100.00	100.00

Channel Wise Revenue

The Channelwise Revenue distribution during the quarter ended June 30, 2007, June 30, 2006 and March 31, 2007, is as follows:

Channels	Rs. Mn			Percentage		
	Q1FY08	Q1FY07	Q4FY07	Q1FY08	Q1FY07	Q4FY07
Star, Sony, Zee	685.22	668.53	710.58	91.97	90.95	92.03
Sun	16.92	8.66	17.02	2.27	1.18	2.20
Gemini	20.44	19.15	19.01	2.74	2.61	2.46
Udaya	12.82	20.54	18.12	1.72	2.79	2.35
DD Network	-	1.60	0.14	-	0.22	0.02
Surya	9.67	16.54	7.29	1.30	2.25	0.94
			-			
Total	745.07	735.01	772.16	100	100	100

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended June 30, 2007, June 30, 2006 and March 31, 2007, is as follows:

Programming	No. of Hours			Percentage		
	Q1FY08	Q1FY07	Q4FY07	Q1FY08	Q1FY07	Q4FY07
Commissioned	204.50	298.00	201.00	59.02	57.47	55.37
Sponsored	142.00	220.50	162.00	40.98	42.53	44.63
Total	346.50	518.50	363.00	100	100	100

Other Income

The Other Income during the quarter was Rs.24.37 Mn against Rs. 21.47 Mn as on June 30, 2006.

Gross Block

The Company's gross block increased from Rs. 776.79 Mn to Rs. 801.55 Mn as on June 30, 2007.

During the quarter, the Company invested over Rs. 286.39 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, 2007, the Company's investments were at Rs.1833.75 Mn. The Company invested surplus funds in liquid funds, floating rate funds and fixed maturity plans with the

principal aim of safety. The market value of investments as on June 30, 2007 was Rs. 1918.32 Mn.

Debtors

The Company's debtors (in days of income) have decreased from 80 days in FY07 to 79 days as on June 30, 2007.

Inventories

The Company's inventories (in days of turnover) increased from 8 days to 9 days as on June 30, 2007

Loans and advances

Loans and advances increased from Rs 429.95 Mn as on March 31, 2007 to Rs 477.69 Mn as on June 30, 2007. The Company's principal loans and advances comprised lease deposits for offices / studios and advances to subsidiaries.

Change in Programming during the quarter

- The Company launched following serials during the quarter ended June 30, 2007

Serial	Channel	Frequency
Kasturi	Star Plus	4 day

- The following serial/s of the Company went off air during the quarter ended June 30, 2007.

Serial	Channel	Frequency
Kumkuma Bhagya	Udaya T.V.	5 days
Kesar	Star Plus	4 days

Serials on air

As on June 30, 2007 the following 11 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
<p>Sponsored Serials (20 Shows) {(Source: TAM Ratings for the week ended June 30, 2007, Category Fe 15+ABC (C&S))}</p>				

Kalyanee	Gemini TV	5 Days	13.26	16.44
Kadambarii	Udaya TV	5 Days	15.04	15.04
Kasthuree	Sun TV	5 Days	21.47	28.00
Kalyanee	Surya TV	5 Days	7.99	18.77
Commissioned Serials (29 Shows) {(Source – TAM Ratings for the week ended June 30, 2007, 9 Cities, Category – MF 4+ (C & S)}				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	4 Days	6.85	6.85
Kahaani Ghar Ghar Kii	Star Plus	4 Days	6.08	
Kasautii Zindagi Kay	Star Plus	4 Days	4.44	
Kayamath	Star Plus	4 Days	3.65	
Kasturi	Star Plus	4 Days	4.15	
Karam Apnaa Apnaa	Star Plus	4 Days	2.95	
Kasamh Se	Zee TV	5 Days	4.80	4.80

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

- Sandeep Jain, Chief Financial Officer, Balaji Telefilms Limited, Tel: 91 22 40698000, Fax: 91 22 40698181, E-mail: 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.