

Results for the quarter ended December 31, 2007 compared to previous quarter ended September 30, 2007

Financial Highlights

- Income from operations increased from Rs. 779.48 Mn to Rs. 799.71 Mn, an increase of 2.60%;
- Operating profit down from Rs. 330.46 Mn to Rs. 265.78 Mn, a decrease of 19.57%;
- Profit before tax down from Rs 364.02 Mn to Rs. 272.87 Mn, a decrease of 25.04%.

Operational highlights

- Realisation per hour from Commissioned programming at Rs. 3.17 Mn for the quarter;
- Realisation per hour from Sponsored programming maintained at Rs. 0.45 Mn;
- Increase in Commissioned programming from 190.50 hours to 233.50 hours, an increase of 22.57% over previous quarter;
- Marginal increase in Sponsored programming from 128.50 hours to 130 hours during the quarter;
- Launched two new shows on 9X and one on Sony during the quarter;
- Balaji's programming dominates 18 of the top 50 programmes in Hindi Cable & Satellite Channels (Source: Tam Ratings for the week ended December 29, 2007, MF 4+, C & S);
- Invested Rs.27.43 Mn in post production and studios during the quarter;
- Cash and Cash Equivalents of Rs. 2257.72 Mn as on December 31, 2007;
- Balaji Motion Pictures Ltd., a wholly owned subsidiary of the Company, released its 2nd distribution project "Bhool Bhulaiyaa" during the quarter and the film was highly successful.
- "Khwaish" from Balaji Telefilms FZE, a wholly owned subsidiary of the Company, continues to perform well in overseas markets. The production of the same has now being shifted to Mumbai and is being undertaken by the Company on contractual basis.

Results for the quarter ended December 31, 2007

The unaudited financial results for the quarter ended December 31, 2007 were taken on record by the Board at its meeting held on January 22, 2008.

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

Particulars	Quarter ended December 31,		Growth%	Quarter ended September 30, 2007	Growth % in Q3 FY0708 over Q2 FY0708
	2007	2006			
INCOME FROM OPERATIONS	799.71	850.30	-5.95%	779.48	2.60%
TOTAL EXPENDITURE	533.93	509.31	4.83%	449.02	18.91%
OPERATING PROFIT	265.78	340.99	-22.06%	330.46	-19.57%

Depreciation	29.77	29.13	2.20%	30.70	-3.03%
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	236.01	311.86	-24.32%	299.76	-21.27%
Other Income	36.86	12.76	188.87%	64.26	-42.64%
PROFIT BEFORE TAX	272.87	324.62	-15.94%	364.02	-25.04%
Provision for Taxation	84.70	109.86	-22.90%	101.26	-16.35%
NET PROFIT AFTER TAX	188.17	214.76	-12.38%	262.76	-28.39%
EARNINGS PER SHARE (Face Value is Rs. 2)	2.88	3.34	-13.77%	4.03	-28.54%
KEY RATIOS					
Operating Profit Margin (%)	33.23%	40.10%		42.39%	
Net Profit Margin (%)	23.53%	25.26%		33.71%	

Management discussion and analysis on Unaudited Financial Results of the Company for the Quarter ended December 31, 2007

Revenues

The Company recorded income from operations of Rs. 799.71 Mn during the quarter, marginally up by 2.60% q-on-q. Revenue contribution from Commissioned programming was Rs.741.86 Mn, up by 2.80% q-on-q while that of Sponsored programming was Rs.57.84 Mn. The share of commissioned programming in the revenues during the quarter was 93% while that of sponsored programming was 7%.

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

Programming	Rs. Mn			Percentage		
	Q3FY0708	Q3FY0607	Q2FY0708	Q3FY0708	Q3FY0607	Q2FY0708
Commissioned	741.87	782.57	721.70	93	92	93
Sponsored	57.84	67.73	57.78	7	8	7
Total	799.71	850.30	779.48	100	100	100

Channel Wise Revenue

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

Channels	Rs. Mn			Percentage		
	Q3FY0708	Q3FY0607	Q2FY0708	Q3FY0708	Q3FY0607	Q2FY0708
Star, Sony, Zee, 9X and Zoom	741.87	782.57	721.70	92.77	92.03	92.59
Sun	18.13	17.50	18.55	2.27	2.06	2.38
Gemini	20.99	21.92	20.23	2.62	2.58	2.60
Udaya	12.89	19.31	11.06	1.61	2.27	1.41
DD Network	0	2.02	0	0	0.24	0
Surya	5.83	6.98	7.94	0.73	0.82	1.02
Total	799.71	850.30	779.48	100.00	100.00	100.00

Programming Mix

Commissioned & Sponsored Programs

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

Programming	No. of Hours			Percentage		
	Q3FY0708	Q3FY0607	Q2FY0708	Q3FY0708	Q3FY0607	Q2FY0708
Commissioned	233.50	264.00	190.50	64.24	58.54	59.72
Sponsored	130.00	187.00	128.50	35.76	41.46	40.28
Total	363.50	451.00	319.00	100.00	100.00	100.00

Other Income

The Other Income during the quarter was Rs. 36.86 Mn against Rs. 64.26 Mn in the previous quarter.

Gross Block

The Company's gross block increased to Rs. 836.15 Mn from Rs. 802.26 Mn as on December 31, 2007.

During the quarter, the Company invested Rs. 27.43 Mn in production / post-production equipments.

Investments

As on December 31, 2007, the Company's total investments were at Rs. 2310.84 Mn. Out of above, Rs. 2129.04 Mn was invested in units of mutual funds whose market value as on December 31, 2007 was Rs. 2225.84 Mn. The Company invested surplus funds in liquid/floating rate funds and short term funds with the principal aim of safety.

Debtors

The Company's debtors (in days of income) have increased from 78 days to 82 days as on December 31, 2007.

Inventories

The Company's inventories (in days of turnover) have increased from 9 days to 13 days as on December 31, 2007.

Loans and advances

Loans and advances increased from Rs 313.21 Mn to Rs 456.03 Mn as on December 31, 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 following serials were launched during the quarter:

Serial	Channel	Frequency
Kahe Naa Kahe	9X	4 Days
Kya Dill Main Hai	9X	2 Days (1 hour each)
Kuchh Is Tara	Sony	4 Days

Serials on air

As on December 31, 2007 the following 14 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (20 Shows)				
Kalyanee	Gemini TV	5 Days	11.43	12.94

Kadambarii	Udaya TV	5 Days	13.19	13.87
Kasthuree	Sun TV	5 Days	17.54	27.68
Kalyanee	Surya TV	5 Days	6.91	12.19
Commissioned Serials (39 Shows)				
Kyunki Saas Bhi Kabhi	Star Plus	4 Days	6.34	6.34
Bahu Thi				
Kahaani Ghar Ghar Kii		4 Days	6.34	
Kasautii Zindagii Kay		4 Days	3.93	
Karam Apnaa Apnaa		5 Days	2.29	
Kasturi		4 Days	3.72	
Kayamath		4 Days	4.68	
Kasamh Se	Zee TV	4 Days	4.14	5.58
Kuchh Is Tara	Sony	4 Days	0.81	2.05
Kahe Naa Kahe	9X	4 Days	0.58	0.72
Kya Dill Main Hai	9X	2 Days	0.52	

{(Source – TAM Ratings for the week ended December 29, 2007, 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.