



BALAJI TELEFILMS LIMITED

Results for the Year ended March 31, 2010

A. Financial Highlights

1. Results comparison of Quarter IV ended March 31, 2010 with December 31, 2009

- Income from operations decreased by 14% from Rs. 3897.2 Lacs to Rs. 3352.1 Lacs;
- In the present quarter the company achieved a operating profitability of Rs.745 Lacs from a Operating loss of Rs. 290.6 Lacs this is due to,
 - a) Settlement of dues to be received from the INX Media resulting in write back of provisions for doubtful debts to the tune of Rs.1119 Lacs
 - b) production efficiencies achieved during the quarter resulting in reduction of cost of production to 65% of Income from operations from 76% in the previous quarter ;
- Profit before tax increased from Rs 13 Lacs to Rs. 1084 Lacs

2. Results comparison of quarter ended March 31, 2010 with quarter ended March 31, 2009

- Income from operations decreased by 33% from Rs. 4949.6 Lacs to Rs. 3352.1 Lacs;
- Company achieved profit before tax of Rs. 1084 Lacs from a loss of Rs. 2375.4 Lacs this is due to the reversal of provisions of doubtful debts to be received from INX media done in the quarter ended March 31, 2009;

3. Results for the year ended March 31, 2010

The audited financial results for the Year ended March 31, 2010 were taken on record by the Board at its meeting held on 28th April, 2010.

The profit and loss account is summarized below:

(in Rs. Lacs except per share data)

B. Operational highlights

Particulars	Year ended March 31		Growth wrt prev year	Quarter ended		Growth wrt prev quarter
	2010	2009		31-Mar-10	Dec 31,09	
INCOME FROM OPERATIONS	15,282.41	29,491.89	-48%	3,352.10	3,897.23	-14%
OTHER OPERATING INCOME	1,119.40	388.69	188%	1,119.40	29.60	3682%
TOTAL EXPENDITURE	15,340.86	25,515.28	-40%	3,483.69	3,951.70	-12%
OPERATING PROFIT	1,060.95	4,365.30	-76%	987.81	(24.87)	-4072%
Depreciation	1,033.43	2,352.26	-56%	242.96	265.74	-9%
OPERATING PROFIT AFTER DEPRECIATION	27.51	2,013.04	-99%	744.85	(290.61)	-356%
Other Income	2,197.76	1,738.34	26%	338.81	303.86	12%
PROFIT BEFORE TAX	2,225.27	3,751.38	-41%	1,083.66	13.25	8079%
Provision for Taxation	706.18	1,119.26	-37%	744.86	(168.29)	-543%
NET PROFIT AFTER TAX	1,519.09	2,632.12	-42%	338.80	181.54	87%
EARNINGS PER SHARE	2.33	4.04	-42%	0.52	0.28	87%
(Face Value Rs. 2)						
KEY RATIOS						
Operating Margin (%)	6.94%	14.80%	-53.10%	29.47%	-0.64%	-4717.82%
Net Profit Margin (%)	9.94%	8.92%	11.38%	10.11%	4.66%	116.97%



A) For Year Ended March 31, 2010 V/s Year ended March 31,2009

- Realization per hour from Commissioned programming reduced from Rs. 29 Lacs in the previous year to Rs. 16.7 Lacs;
- Realization per hour from Sponsored programming reduced from Rs. 4.7 Lacs in the previous year to Rs. 3.9 Lacs;
- Hours of Commissioned programs reduced by 18% from 929 hours in previous year to 763 hours,
- Hours of Sponsored programs increased by 12% from 568 hours in previous year to 638 hours;

B) For Quarter Ended March 31, 2010 V/s Quarter ended March 31,2009

- Realization per hour from Commissioned programming increased from Rs. 15 Lacs in the previous quarter to Rs. 17 Lacs;
- Realization per hour from Sponsored programming increased from Rs. 3.3 Lacs in the previous quarter to Rs. 3.8 Lacs;
- Hours of Commissioned programs reduced by 24% to 164 hours in Q4 from 217 hours in Q3,
- Hours of Sponsored programs decreased by 19% to 144 hours in Q4 from 177 hours in Q3;

C) Other Highlights

- Pavitra Rishtaa a Hindi TV Show telecast on Zee TV regularly achieved a No.1 TAM Ratings across the Hindi Speaking market and was one of the few TV Shows that was able to tide the IPL wave,
- During the year company diversified the programming hours across the TV Channels a matrix depicting the same is as below;

	TV Channel	Year Ended 31-Mar-10		Year Ended 31-Mar-09	
		Hours	%	Hours	%
1	Star TV	220	29%	568	61%
2	Sony	89	12%	57	6%
3	Colors	140	18%	6	1%
4	Zee	115	15%	93	10%
5	Imagine	200	26%	44	5%
6	INX			156	17%
7	Balaji FZE			6	1%
		763	100%	928.5	100%

D) SHOW REPORT

EXISTING SHOWS

(1) HINDI SPEAKING MARKET (COMMISSIONED PROGRAMMES)

	<u>SERIAL</u>	<u>CHANNEL</u>	<u>TELECAST TIME</u>	<u>DURATION</u>	<u>FREQUENCY</u>
1	PAVITRA RISHTA	ZEE TV	9.00pm - 9.30pm	0:30	5 Times Week
2	BAIRI PIYA	COLOURS	8.30pm-9.00pm	0:30	5 Times Week
3	BANDINI	IMAGINE	10.30pm - 11.00pm	0:30	5 Times Week

(2) SOUTH (SPONSORED PROGRAMMES)

	<u>SERIAL</u>	<u>CHANNEL</u>	<u>TELECAST TIME</u>	<u>DURATION</u>	<u>FREQUENCY</u>
1	KALYANEE	Udaya TV	6.00pm-6.30pm	0:30	5 Times Week
3	KASTHUREE	SUN TV	6.30pm-7.00pm	0:30	5 Times Week
5	KOTHA BANGARAM	Gemini	7.00pm-7.30pm	0:30	5 Times Week

OFF AIR SHOWS DURING THE QUARTER TILL DATE

	<u>SERIAL</u>	<u>CHANNEL</u>	<u>TELECAST TIME</u>	<u>DURATION</u>	<u>FREQUENCY</u>	<u>OFF AIR DATE</u>
1	PYAAR KA BANDHAN	SONY TV	10.30pm-11.00pm	0:30	4 Times Week	19/Apr/10
2	BEYTTAAB DIL KEE TAMANA HAIN	SONY TV	10.00pm-10.30pm	0:30	4 Times Week	24/Feb/10
3	KIS DESH MENI HAIN MERA DIL	STAR PLUS	2.30pm - 3.00pm	0:30	5 Times Week	5/Feb/10
4	TUJH SANG PREET LAGAI SAJANA	STAR PLUS	1.00pm - 1.30pm	0:30	5 Times Week	5/Feb/10
5	KANMANEEYA	SUN TV	11.30am-12.00am	0:30	5 Times Week	16/Apr/10
6	KADHAPARAYUM KAAVIYAANJALI	Surya TV	6.30pm-7.00pm	0:30	5 Times Week	14/Apr/10

Management discussion and analysis on Audited Financial Results of the Company for the Year ended March 31, 2010

1. Revenues

The Company recorded income from operations in the year of Rs. 15282 Lacs as compared to Rs. 29492 Lacs for the Year ended 31st March, 2009. Revenue contribution from Commissioned programming was Rs. 12800 Lacs against Rs. 26844 Lacs for year ended March 31 2009, while that of Sponsored programming was Rs. 2444 Lacs as against Rs. 2648 Lacs in the same period. The share of commissioned programming in the revenues during the year was 84% while that of sponsored programming was 16%.

The revenue-wise distribution between commissioned and sponsored programming during the year ended March 31, 2010, is as follows:

Show Type	Year Ended				Quarter Ended			
	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Dec-09	Mar-10	Mar-09
Commissioned	12,800	26,826	83%	91%	2,772	3,304	83%	85%
Sponsored	2,444	2,648	17%	9%	552	593	17%	15%
Total	15,244	29,473			3,324	3,897		

2. Operational

A. Content for TV Channel - Programming Mix

Commissioned & Sponsored Programs

The hour-wise programming distribution during the quarters ended March 31, 2010 as compared to previous year and quarter is as follows:

Show Type	Year Ended				Quarter Ended			
	Mar-10	Mar-09	Mar-10	Mar-09	Mar-10	Dec-09	Mar-10	Mar-09
Commissioned	763	929	54%	62%	164.00	216.50	53%	55%
Sponsored	638	568	46%	38%	144.00	177.00	47%	45%
Total	1,401	1,496			308.00	393.50		

3. Other Income

The Other Income during the year was Rs. 2198 Lacs against Rs. 1738 Lacs in the previous year with a majority representing Income from Investments.

4. Gross Block

The Company's fixed assets stood at Rs. 8421 Lacs as on March 31, 2010, This includes investment in,



- a state-of-the art studios & equipments in order to meet increased programming requirements and further improvement in the quality along with improved production efficiency

5. Investments

As on March 31, 2010, the Company's total investments were at Rs. 20970 Lacs including Rs. 3000 Lacs invested in a wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, approximately Rs. 17979 Lacs was invested in units of mutual funds as compared to Rs.22007 Lacs as on March 31, 2009.

6. Debtors

The Company's debtors (in days of income) are at 100 days as on March 31, 2010 as compared to 62 days as on March 31, 2009.

7. Loans and advances

Loans and advances have increased from Rs 2300 Lacs to Rs 7488.9 Lacs as on March 31, 2010 as compared to the previous year. The Company's principal loans and advances comprised,

- a) Loan to the Subsidiary Balaji Motion Pictures Ltd. of Rs.3593 Lacs ,
- b) Loan to the Balaji Employees foundation of Rs.1000 Lacs, &
- c) Lease deposits for offices / studios Rs.1013 Lacs.
- d) Advance Tax of Rs.1497 Lacs

8. Operations of New Media Division

Balaji Telefilms - New Media group was formed with the objective of creating a digital entertainment business and to keep up with the changing consumption pattern of the audience. In the last few months the New Media team has started work on creating and mobile and internet based entertainment business.

BTL launched www.hoonur.com, an online talent showcase and hiring platform for the entertainment and media community with a long term objective to create an online entertainment media. Hoonur.com has had over 10 lakh(1 million) visitors and they have viewed over a crore web pages making it one of the leading sites in the online entertainment space. Hoonur.com has 50,000 plus portfolios live with a wide array of talent ranging from acting, modeling, dancing, singing to choreography, screenplay dialogue writing, photography, fashion designing, editing & technicians and many more. Prospective artists have posted more than 300,000 photos, videos and audios tracks to showcase their talent. Hoonur.com has also seen encouraging participation from the entertainment and media industry and has 900 plus casting & auditions from production house banners & leading TV channels besides the auditions and casting requirements of Balaji Telefilms and Balaji Motion Pictures. Hoonur.com also has over 900 businesses listed namely – acting & training institutes, fashion photographers, fashion designers, hair & make up stylists and many more. We plan to morph this platform into a complete online entertainment media offering in the months ahead. The plan is to add a online video sharing platform and a news and content sharing platform in the next phase of development of hoonur.com.



BTL has also made a good start in creating a mobile entertainment content business. Our long term goal is to be a leading provider of audio and video mobile content in the fiction and non fiction space to millions of mobile consumers in the country. In the last few months we have created more than 70 hours of 'made for mobile' audio and video content in the non fiction and fiction space. The key areas where content has been created has been devotional, humor, Women's interest, Youth oriented fiction, etc. We are planning to create a serial for the small screen also to start preparing content for the upcoming 3G networks and broadband networks. This content is available through mobile operators like Reliance, Tata, Vodafone, Idea, Aircel, etc. We have also tied up with Spice, Onmobile Global, IMI Mobile and Bubble Motion to deliver content on various mobile media platforms. We have also extended our reach worldwide by creating 2 iphone apps for the Indian Diaspora across the world

9. Operations of the Subsidiary – Balaji Motion Pictures Ltd.

BMPL is positioned to be a forward-looking business which will operate under a motion pictures studio model that will function seamlessly across the value chain:

- a) Upstream: Ideas / Concepts / Creative / Development / Production
- b) Downstream: Marketing / Alliances / Distribution / Revenue Management

The past two quarters were extremely eventful for Balaji Motion Pictures, with a number of projects getting approved and ready for production, under production films getting completed or nearing completion. "Love, Sex Aur Dhoka" was the maiden film released in March 2010 under the banner of 'Alt Entertainment', Balaji's youth centric brand,. The film was marketed through a number of innovative ways and was counted as one of critical and commercial successes in Bollywood.

A) Releases during the Year:

LSD released on March 19th, 2010 Across 504 screens nationwide

Enjoyed 4 week run across most metro markets with an above avg occupancy in the first two weeks.

The LSD Effect

Rated as India's most critically acclaimed film in recent times

Rated as one of only 3 'Hit' films in the year till date

Created a firm footing for BMPL and Alt Entertainment's rejuvenated foray into the motion pictures business

B) Upcoming Releases:

'Once Upon A Time in Mumbai' a home production has completed shooting, and is currently under post-production. A release is planned during the second quarter of the year.

One new film, "Shor", by DK & Raj, the directors of the very successful "99", has completed production and is currently under post-production. Shor is an international crossover film, it stars Sendhil Ramamurthy, the star of the hit NBC show Heroes, and Tusshar Kapoor.



The team has also been in final discussions with a number of respected directors in the past few months, negotiations for which are expected to close shortly.

C) Talent Update:

The BMPL team has also been beefed up in the past few months, with additions at the senior level in the distribution, marketing and film project development teams.

D) Financials:

As the company had only one release in the 3rd week of March 2010, there was a loss to the tune of Rs.889 Lacs during the year. Losses were mainly due to,

- a) lower realizations on sale of Satellite rights & provisions of doubtful debts,
- b) selling, distribution expenses for the LSD Film, part benefit of which would be accrued in the next year. The same had to be written off in the current year due to accounting standard requirements.

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 achievement of such results is subject to risks, uncertainties and even inaccurate assumptions. Readers may please take a note of this.