



Balaji Telefilms Limited

Results for the Quarter ended June 30, 2010

A. Financial Highlights

1. Results comparison of Quarter I ended June 30, 2010 with March 31, 2010

- Net Sales decreased by 8% from Rs. 3352 Lacs to Rs. 3070 Lacs;
- In the present quarter the company suffered a operating loss of Rs.569 Lacs from a Operating profit of Rs. 745 Lacs this is due to,
 - a) Settlement of dues to be received from the INX TV Channel resulting in write back of provisions for doubtful debts to the tune of Rs.1119 Lacs accounted for in the previous quarter,
 - b) Reduction in the Income from operations by 8% due to loss of shows in the month of Apr 10 & Feb 10 and launch of new shows in the month of May 10 & June 10;
 - c) Initial launch expenses incurred on new shows in the commissioned category on Star Plus, Zee TV and Imagine TV in the month of May 10 & June 10.
- Profit after tax reduced by 13% from Rs 339 Lacs to Rs. 293 Lacs

2. Results comparison of quarter ended June 30, 2010 with quarter ended June 30, 2009

- Net sales decreased by 23% from Rs. 3972 Lacs to Rs. 3070 Lacs;
- In the present quarter the company suffered a operating loss of Rs.569 Lacs from a Operating profit of Rs. 81 Lacs this is due to;
 - a) Reduction in Net sales by 23% due to reduction in the hours telecasted in the commissioned category from 174 hrs to 147 hrs;
 - b) Reduction in the realization per hour in commissioned category (HSM) from Rs.19 Lacs to Rs.18 Lacs,
 - c) Initial launch expenses incurred on new shows in the commissioned category on Star Plus, Zee TV and Imagine TV in the month of May 10 & June 10.
- Profit after tax reduced by 67% from Rs 897 Lacs to Rs. 293 Lacs.

3. Results for the Quarter ended June 30, 2010

(Rupees in Lacs except per share data)

Particulars	Quarter ended		Growth wrt prev Qtr	Quarter ended		Growth wrt prev Yr Qtr
	Jun,30, 10	Mar,31, 10		Jun,30, 10	Jun 30,09	
NET SALES	3,070	3,352	-8%	3,070	3,972	-23%
OTHER OPERATING INCOME	15	1,119	-99%	15	7	131%
TOTAL EXPENDITURE	3,351	3,484	-4%	3,351	3,648	-8%
OPERATING PROFIT	(266)	988	-127%	(266)	331	-180%
Depreciation	302	243	25%	302	250	21%
OPERATING PROFIT AFTER DEPRECIATION	(569)	745	-176%	(569)	81	-802%
Other Income	824	339	143%	824	982	-16%
PROFIT BEFORE TAX	255	1,084	-76%	255	1,063	-76%
Provision for Taxation	(38)	745	-105%	(38)	167	-123%
NET PROFIT AFTER TAX	293	339	-13%	293	897	-67%
EARNINGS PER SHARE (FV Rupees 2)	0.45	0.52	-14%	0.45	1.37	-67%
KEY RATIOS						
Operating Margin (%)	-8.67%	29.47%	-129.42%	-8.67%	8.33%	-204.09%
Net Profit Margin (%)	9.55%	10.11%	-5.54%	9.55%	22.57%	-57.71%

A) For Quarter Ended June 30, 2010 V/s Quarter ended March 31,2010

- Realization per hour from Commissioned programming (HSM) increased from Rs. 17 Lacs in the previous qtr to Rs. 18 Lacs;
- Realization per hour from Sponsored programming increased from Rs. 3.8 Lacs in the previous qtr to Rs. 3.9 Lacs;
- Hours of Commissioned programs reduced by 14% from 164 hours in previous qtr to 147 hours,
- Hours of Sponsored programs reduced by 18% from 144 hours in previous qtr to 118 hours;

B) For Quarter Ended June 30, 2010 V/s Quarter ended June 30,2009

- Realization per hour from Commissioned programming (HSM) reduced from Rs. 19 Lacs in the previous year quarter to Rs. 18 Lacs;
- Realization per hour from Sponsored programming reduced from Rs. 4.8 Lacs in the previous year quarter to Rs. 3.9 Lacs;
- Hours of Commissioned programs reduced by 26% from 174 hours in Q1 '09 to 147 hours,
- Hours of Sponsored programs decreased by 10% from 132 hours in Q1 '09 to 118 hours;

C) Other Highlights

- Pavitra Rishtaa a Hindi TV Show Telecasted on Zee TV Channel has established itself as the No.1 show across the Hindi Speaking market and Tere Liye a Hindi TV Show launched on Star TV Channel on 14th June broke through a TAM rating of 4 in the 2nd week of its launch,
- During the quarter company forayed into the Marathi segment in the Commissioned category with the launch of new Marathi show "Mazhiya Priyala Preet Kalena" on Zee Marathi. In the 4th week of launch the show achieved the No. 4 spot in the TAM ratings,
- As part of its ongoing efforts to diversify new businesses,
New Media Division has taken steps ahead;
 - a) developed content in the Internet & Mobile space which is now active with the most of the Telecom operators,
 - b) and launched "www.hoonur.com" which is an online talent platform that gives independent professionals, businesses from Film, Television & media related industries an opportunity to show their talent.

Management discussion and analysis on Financial Results of the Company for the Quarter ended June 30, 2010
1. Revenues

The Company recorded income from operations in the quarter of Rs. 3070 Lacs as compared to Rs. 3971 Lacs for the quarter ended 30th June, 2009. Revenue contribution from Commissioned programming was Rs. 2604 Lacs against Rs. 3317 Lacs for quarter ended June 30 2009, while that of Sponsored programming was Rs. 466 Lacs as against Rs. 654 Lacs in the same period. The share of commissioned programming in the revenues during the quarter was 85% while that of sponsored programming was 15%.

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

Show Type	Revenue for Q Ending (Rupees in Lacs)			Percentage		
	Jun-10	Mar-10	Jun-09	Jun-10	Mar-10	Jun-09
Commissioned	2,604	2,800	3,318	85%	84%	84%
Sponsored	466	552	654	15%	16%	16%
Total	3,070	3,352	3,972	100%	100%	100%

2. Operational
A. Content for TV Channel - Programming Mix

Commissioned & Sponsored Programs

The hour-wise programming distribution during the quarters ended June 30, 2010 as compared to previous year and quarter is as follows:

Show Type	Hours for Q Ending			Percentage		
	Jun-10	Mar-10	Jun-09	Jun-10	Mar-10	Jun-09
Commissioned	147	164	174	55%	53%	46%
Sponsored	118	144	132	45%	47%	35%
Total	265	308	379	100%	100%	81%

3. Other Income

The Other Income during the quarter reduced by 16% to Rs. 824 Lacs as against Rs. 982 Lacs in the previous year quarter ended June 30,2009 and rose by 143% as compared to previous quarter earning of Rs.339 Lacs. .

4. Gross Block

The Company's fixed assets stood at Rs. 8658 Lacs as on June 30, 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
- Land at Ghodbunder Road, Thane of Rs.4795 Lacs

5. Investments

As on June 30, 2010, the Company's total investments were at Rs. 21792 Lacs including Rs. 3000 Lacs invested in a wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, Rs. 18800 Lacs was invested in units of mutual funds as compared to Rs. 18000 Lacs as on March 31, 2010.

6. Debtors

The Company's debtors (in days of income) are at 107 days as on June 30, 2010 as compared to 100 days as on March 31, 2010.

7. Loans and advances

Loans and advances have increased from Rs 7489 Lacs to Rs 8224 Lacs as on June 30, 2010 as compared to the previous quarter.

The Company's principal loans and advances comprised,

- a) Loan to the Subsidiary Balaji Motion Pictures Ltd. of Rs.4095 Lacs ,
- b) Loan to the Balaji Employees foundation of Rs.1000 Lacs, &
- c) Lease deposits for offices / studios Rs.1010 Lacs.
- d) Advance Tax of Rs.1544 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 one year 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.

Highlights of the last qtr (Internet Division):

- Hoonur.com touched a talent portfolio base of 82,094 as on June 30th
- Page views increased by 22% QoQ (JFM : 7.2 mill - AMJ : 8.84 mill)
- Visits increased 25% in AMJ Qtr as compared to JFM. (JFM : 0.78 mill – AMJ : 0.98 mill)
- Daily Casting and audition calls increased by 19% in AMJ over last Qtr.
- Leading production houses which started using us in AMJ - Walkwater, Miditech, Contiloe and UTV.

Other highlights

- We have introduced a Online contest platform for conducting talent hunt. First event was done in June which got 2600 participants and 20,000+votes across all participants.
- Till date, 118 fashion and film photographs and 137 acting institutes have listed their services on Hoonur.
- Next Qtr we plan to launch and aggregated entertainment news service to keep our users updated on latest film news, reviews, celebrity gossips & tweets.
- We also are working on a high definition video platform to showcase TV and Film content and should be able to launch the same this quarter.

Bol Niti Bol :

We recently launched Bol Niti Bol - our first webisode, which is a 16 episode series on some of the top video sites in the country. We are releasing 2 episodes per week on YouTube.com, Rediff.com, Mid-day.com and Facebook.com platforms. Series was launched on June 28th.

Highlights of the last qtr (Mobile Division):

The Mobile team continues to create and deploy services across all operators – directly or with technology partners.

Some of the key services that have gone live are:

- Devotional Blog on Airtel (Ramayan) with 100K subscriptions
- Devotional services on subscription for Airtel Mobile Radio Users
- Launch of audio detective serial exclusively on Aircel with significant PR online, print & radio.
- Launch of Women/Youth audio content on Idea, Aircel, Reliance & Airtel
- Launch of devotional subscription service on Tata with a range of devotional services
- Humor content creation for Handy go

The division has created 40 hrs of fresh Audio & Video content for mobile.

New Content Creation details as under:

Audio includes,

- 6 hrs of devotional content
- 10 hrs of humor content
- 25 hrs of fiction content

Video includes,

- 1hrs of devotional content

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

The past four 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 and “Love, Sex Aur Dhoka”, the maiden film was 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 a success on the Bollywood and enjoyed 4 week run across most metro markets with an above avg occupancy in the first two weeks.

A) Releases planned during the Year:

‘Once Upon A Time in Mumbai’ a home production has completed production and is slated to release across India and abroad on 30th July, 2010.

“Shor”, by DK & Raj, the directors of the very successful “99”, is nearing completions and is slated to release in Quarter III. Its 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 in the coming quarter.

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.



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.