

## BALAJI TELEFILMS LIMITED

### Results for the Quarter ended June 30, 2011

#### A. Financial Highlights

##### 1. Results comparison of Quarter I ended June 30, 2011 with Mar 31, 2011

- Income from operations reduced by 36% from Rs. 4412 Lacs to Rs. 2840 Lacs;
- In the present quarter the company has reported a operating loss of Rs.302 Lacs as against a operating loss of Rs. 38 lacs in the previous quarter ;
- Profit after tax increased from a loss of Rs. 115 lacs to a profit of Rs. 965 lacs on account of,
  - Increase in income from investments from Rs.249 lacs to Rs.1614 lacs,
  - Decrease in depreciation from Rs.257 lacs to Rs. 180 lacs .

##### 2. Results comparison of quarter ended June 30, 2011 with quarter ended June 30, 2010

- Income from operations reduced by 7% from Rs. 3070 lacs to Rs.2840 lacs;
- In the present quarter the company has reported a Operating loss of Rs. 302 lacs in Q1 ended June 30, 2011.
- Profit after tax increased from a profit of Rs 293 lacs to a profit of Rs. 965 lacs.

##### 3. Results for the Quarter ended June 30, 2011

Rupees in Lacs except per share data)

Particulars	Quarter ended		Growth wrt prev Qtr	Quarter ended		Growth wrt prev Yr Qtr
	June 30'11	Mar 31'11		June 30'11	June 30'10	
NET SALES	2,840	4,412	-36%	2,840	3,070	-7%
OTHER OPERATING INCOME	13	39	-66%	13	15	-13%
TOTAL EXPENDITURE	3,156	4,488	-30%	3,156	3,351	-6%
EBIDTA	(302)	(38)	705%	(302)	(266)	14%
OPERATING PROFIT AFTER DEPRECIATION	(482)	(295)	63%	(482)	(569)	-15%
Other Income	1,614	249	547%	1,614	824	96%
PROFIT BEFORE TAX	1,132	(46)	2485%	1,132	255	344%
Provision for Taxation	167	69	143%	167	(38)	441%
COMBINED PROFIT AFTER TAX	965	(115)	942%	965	293	229%
- Profit From Continued Operations	1,100	97	1034%	1,100	416	165%
- (Loss) From Discontinued Operations	(135)	(212)	-36%	(135)	(123)	10%
EARNINGS PER SHARE (FV Rupees 2)	1.48	(0.18)	942%	1.48	0.45	229%
<b>KEY RATIOS</b>						
Operating Margin (%)	-10.64%	-0.85%		-10.64%	-8.67%	
Net Profit Margin (%)	33.97%	-2.60%		33.97%	9.55%	

##### A) For Quarter Ended June 30, 2011 V/s Quarter ended March 31, 2011

- Realization per hour from Commissioned programming (HSM) increased to Rs. 18.5 lacs v/s Rs.18 lacs in the previous quarter,
- Realization per hour from Sponsored programming increased to Rs. 3.9 lacs from Rs.3.5 lacs as in the previous quarter,
- Hours of Commissioned programs reduced from 150 hours in previous quarter to 102 hours,
- Hours of Sponsored programs increased marginally from 190 hours in previous Quarter to 105 hours in the current quarter.

## B) For Quarter Ended June 30, 2011 V/s Quarter ended June 30, 2010

- Realization per hour from Commissioned programming (HSM) increased to Rs.18.5 lacs in Q1 12' as against Rs.18 lacs in Q1 11'
- Realization per hour from Sponsored programming remained constant at Rs.3.9 lacs as compared Q1 11'.
- Hours of Commissioned programs (HSM) decreased from 147 hours in Q1 2011 to 102 hours in Q1 12',
- Hours of Sponsored programs increased from 118 hours in Q1 2011 to 105 hours in Q1 12'.

<b>C) SHOW REPORT FOR THE QUARTER ENDED June 30, 2011</b>				
<b>A: EXISTING SHOWS</b>				
<b>1 Hindi Speaking Market - Commissioned</b>				
<b>SERIAL</b>	<b>CHANNEL</b>	<b>TIME</b>	<b>DURATION (In Mins)</b>	<b>SCHEDULE</b>
Pavitra Rishtaa	Zee Tv	9.00pm - 9.30pm	0:30	5 times a Week
Bade Ache Lagte Ho	Sony TV	10.30pm - 11.00pm	0:30	4 times a Week
Pyaar Kii Ye Ek Kahaani	Star One	8.30pm-9.00pm	0:30	5 times a Week
<b>2 Marathi Speaking Market - Commissioned</b>				
<b>SERIAL</b>	<b>CHANNEL</b>	<b>TIME</b>	<b>DURATION (In Mins)</b>	<b>SCHEDULE</b>
Maziya Priyala Prit Kalena	Zee Marathi	8.00pm-8.30pm	0:30	6 times a Week
Bandha Reshamache	Star Pravah	8.30pm-9.00pm	0:30	6 times a Week
<b>b) South Market - Sponsored</b>				
<b>SERIAL</b>	<b>CHANNEL</b>	<b>TIME</b>	<b>DURATION (In Mins)</b>	<b>SCHEDULE</b>
Kalyani	Udaya TV	6.00pm-6.30pm	0:30	5 times a Week
Kasturi	Sun TV	11.30am-12.00pm	0:30	5 times a Week
Kotha Bangaram	Gemini	7.00pm-7.30pm	0:30	5 times a Week
<b>B: CHANGES DURING THE QUARTER</b>				
<b>SERIAL</b>	<b>CHANNEL</b>	<b>TIME</b>	<b>DURATION (In Mins)</b>	<b>SCHEDULE</b>
Kitani Mohabbat Hai	Imagine TV	8.00pm-8.30pm	0:30	5 times a Week
<b>C: NEW UPCOMING SHOWS</b>				
<b>SERIAL</b>	<b>CHANNEL</b>	<b>LANGUAGE</b>	<b>DURATION</b>	<b>SCHEDULE</b>
1 Ghar Mera Mandir	Colors	Hindi	0:30	5 times a Week
2 Gandhari	Zee TV	Marathi	0:30	6 times a Week
3 Sindor Mange Tikuli	Mahuaa TV	Bhojpuri	0:30	5 times a Week

## D) Other Highlights

1. The Company has obtained shareholders approval vide resolution passed through postal ballot, results where of were declared on 18th February, 2011 to sell and transfer as a going concern, on slump sale basis on such terms and conditions as are negotiated by the Board and/or the Managing Director it's Mobile, Internet and Education division (Collectively the "Undertakings") at not less than fair value determined by an independent firm of Chartered Accountants or any other

professional valuer and with effect from such date and in such manner as may be determined by the Board and/ or the Managing Director. Accordingly, the above undertakings are considered as 'discontinuing operations' in terms of Accounting Standard 24 on 'Discontinuing Operations' (AS 24).

Pursuant to this, the Net Profit after tax for the Quarter ended June 30, 2011 i.e. Rs. 965 lacs would be split into two:

- Net Profit after tax from Continuing Operations - Rs. 1100 lacs and
- Net Loss after tax from Discontinuing Operations - Rs. 135 lacs.

Particulars	June 2011			June 2010			March 2011		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Turnover (net)	2,623.19	217.28	2,840.48	3,052.97	16.90	3,069.87	14,931.74	262.40	15,194.14
Other Income	1,627.63	-	1,627.63	839.09	-	839.09	1,654.42	0.20	1,654.62
<b>Total Income</b>	<b>4,250.82</b>	<b>217.28</b>	<b>4,468.11</b>	<b>3,892.05</b>	<b>16.90</b>	<b>3,908.96</b>	<b>16,586.16</b>	<b>262.60</b>	<b>16,848.76</b>
Total Expenditure	2,987.88	348.04	3,335.92	3,514.42	139.45	3,653.87	16,181.72	1,099.03	17,280.75
Profit / (Loss) before tax	1,262.95	(130.76)	1,132.19	377.64	(122.55)	255.09	404.44	(836.43)	(431.99)
Provision for taxation	163.18	4.21	167.39	(38.00)	-	(38.00)	(90.33)	(1.28)	(91.60)
<b>Profit / (Loss) after tax</b>	<b>1,099.77</b>	<b>(134.97)</b>	<b>964.80</b>	<b>415.64</b>	<b>(122.55)</b>	<b>293.09</b>	<b>494.77</b>	<b>(835.16)</b>	<b>(340.39)</b>

## Management Discussion and Analysis on Financial Results of the Company for the Quarter ended June 30, 2011

### 1. Revenues

The Company recorded income from operations in the quarter of Rs.2840 lacs as compared to Rs.4412 lacs for the quarter ended March 31, 2011. Revenue contribution from Commissioned programming (HSM) was Rs.1885 lacs against Rs. 2711 lacs for quarter ended March 31 2011, while that of Sponsored programming was Rs. 407 lacs as against Rs. 667 lacs in the same period. The share of commissioned programming in revenues during the quarter was 82% while that of sponsored programming was 18%.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended June 30, 2011, is as follows:

Show Type	Revenue for Q Ending (Rupees in Lacs)			Percentage		
	Jun-11	Mar-11	Jun-10	Jun-11	Mar-11	Jun-10
Commissioned*	1,885	2,711	2,604	82%	80%	85%
Sponsored	407	667	466	18%	20%	15%
<b>Total</b>	<b>2,292</b>	<b>3,378</b>	<b>3,070</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(\* Excludes regional segment and Event business)

### 2. Operational

#### A. Content for TV Channel - Programming Mix

Commissioned & Sponsored Programs

The hour-wise programming distribution during the quarters ended June 30, 2011 as compared to previous year and quarter is as follows:

Show Type	Hours for Q Ending			Percentage		
	Jun-11	Mar-11	Jun-10	Jun-11	Mar-11	Jun-10
Commissioned*	102	150	217	49%	44%	55%
Sponsored	105	190	177	51%	56%	45%
<b>Total</b>	<b>207</b>	<b>340</b>	<b>394</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(\* Excludes regional segment and Event business)

### 3. Other Income

The Other Income during the quarter increased from Rs. 249 lacs in Q4 to Rs.1614 lacs in Q1 and Rs.824 lacs in the previous year quarter ended June 30,2010.

### 4. Gross Block

The Company's fixed assets stood at Rs. 8597 Lacs as on June 30, 2011, This includes investment in,

- a state-of-the art studios, cameras & equipments,
- land at Mira Road

### 5. Investments

As on June 30, 2011, the Company's total investments were at Rs.23103 lacs including Rs.3000 lacs invested in wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, Rs.20103 lacs was invested in units of mutual funds as compared to Rs. 17608 lacs as on March, 31 2011.

### 6. Debtors

The Company's debtors (in days of income) are at 126 days as on June 30, 2011 as compared to 117 days as on March 31, 2011.

## **7. Loans and advances**

Loans and advances have increased from Rs.7328 lacs on 31 March 2011 to Rs.7842 lacs as on the current quarter end.

The Company's principal loans and advances comprised,

- a) Loan to the Subsidiary Balaji Motion Pictures Ltd. of Rs.2365 lacs,
- b) Loan to the Balaji Employees foundation of Rs.1000 Lacs, &
- c) Lease deposits for offices / studios Rs.1025 lacs.
- d) Advance Tax of Rs.2422 lacs

## **8. Operations of the Subsidiary – Balaji Motion Pictures Ltd.**

The past quarter was extremely eventful for Balaji Motion Pictures. *Shor in the City*, and *Ragini MMS*, our home productions were released successfully and both the films have made their mark in the respective genres.

Our maiden regional Marathi project *Taryanche Bait* was also released in the quarter and received a tremendous response, commercial as well as critical.

*Dirty Picture*, our latest project to go into production is due for completion as scheduled. *Kya Kool Hai Hum 2 (working name)* a sequel to the earlier home production of the same name is also set to go on floor during the coming quarter. A couple of other projects are in the planning stage and are scheduled to go into production during the year.

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

Srinivasa Shenoy, Chief Financial Officer, Balaji Telefilms Limited, Tel: 91 22 40698000

Fax: 91 22 40698288/2, E-mail: [srinivasa.shenoy@balajitelefilms.com](mailto:srinivasa.shenoy@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 achievement of such results is subject to risks, uncertainties and even inaccurate assumptions. Readers may please take a note of this.*