

## BALAJI TELEFILMS LIMITED

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

#### A. Financial Highlights

##### 1. Results comparison of Quarter II ended September 30, 2011 with June 30, 2011

- Income from operations increased by 25% from Rs. 2840 Lacs to Rs. 3547 Lacs due to addition of New Hindi Shows;
- In the present quarter the company has reported a operating loss of Rs.150 Lacs as against a operating loss of Rs. 302 lacs in the previous quarter on account of,
  - Increase in income of operations due to launch of New Hindi Shows,
  - Reduction in Other expenditure from Rs.889 lacs to Rs. 799 lacs .
- Profit after tax reduced from a profit of Rs. 965 lacs to a loss of Rs. 70 lacs on account of,
  - Reduction in income from investments from Rs.1614 lacs to Rs.270 lacs,

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

- Income from operations reduced by 7% from Rs. 3808 lacs to Rs.3547 lacs;
- In the present quarter the company has reported a Operating loss of Rs. 150 lacs V/s Operating loss of Rs. 515 Lacs in Q2 ended September 30, 2010 on account of increase in the revenue per hour from Rs. 18 Lacs per hr to Rs.20.7 Lacs a hr.
- Profit after tax increased from a loss of Rs 640 lacs to a loss of Rs. 70 lacs.

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

Rupees in Lacs except per share data)

Particulars	Quarter ended		Growth wrt prev Qtr	Quarter ended		Growth wrt prev Yr Qtr
	Sept 30'11	June 30'11		Sept 30'11	Sept 30'10	
<b>NET SALES</b>	3,547	2,840	25%	3,547	3,808	-7%
OTHER OPERATING INCOME	48	13	258%	48	8	515%
<b>TOTAL EXPENDITURE</b>	3,745	3,156	19%	3,745	4,331	-14%
<b>EBIDTA</b>	(150)	(302)	-50%	(150)	(515)	-71%
Depreciation	164	180	-9%	164	365	-55%
<b>OPERATING PROFIT AFTER DEPRECIATION</b>	(314)	(482)	-35%	(314)	(879)	-64%
Other Income	270	1,614	-83%	270	158	71%
<b>PROFIT BEFORE TAX</b>	(44)	1,132	-104%	(44)	(721)	-94%
Provision for Taxation	26	167	-84%	26	(81)	-132%
<b>COMBINED PROFIT AFTER TAX</b>	(70)	965	-107%	(70)	(640)	-89%
- Profit From Continued Operations	(30)	1,100	-103%	(30)	(208)	-86%
- (Loss) From Discontinued Operations	(40)	(135)	-70%	(40)	(432)	-91%
<b>EARNINGS PER SHARE (FV Rs 2)</b>	(0.06)	1.48	-104%	(0.06)	(0.53)	-88%
<b>KEY RATIOS</b>						
<b>Operating Margin (%)</b>	-4.23%	-10.64%	-60.27%	-4.23%	-13.52%	-68.72%
<b>Net Profit Margin (%)</b>	-1.98%	33.97%	-105.83%	-1.98%	-16.81%	-88.22%

##### A) For Quarter Ended September 30, 2011 V/s Quarter ended September 30, 2011

- Realization per hour from Commissioned programming (HSM) increased to Rs. 20 lacs v/s Rs.18.5 lacs in the previous quarter,
- Realization per hr from Sponsored programming increased from Rs.3.9 lacs in the previous quarter to Rs.4.8 Lacs per hr in the current quarter,
- Hours of Commissioned programs increased from 102 hours in previous qtr to 120 hrs in the present qtr,
- Hours of Sponsored programs reduced from 105 hours in previous quarter to 99 hours in the current quarter.

**B) For Quarter Ended September 30, 2011 V/s Quarter ended September 30, 2010**

- Realization per hour from Commissioned programming (HSM) increased to Rs.20 lacs in Q2 11 as against Rs.18.5 lacs in Q1 11'
- Realization per hour from Sponsored programming increased from Rs.3.9 lacs in Q1' 11 to Rs. 4.8 Lacs per hr in Q2' 11.
- Hours of Commissioned programs (HSM) increased from 102 hours in Q1 2011 to 120 hours in Q2 11,
- Hours of Sponsored programs reduced from 105 hours in Q1 2011 to 99 hours in Q2 11'.

**c) SHOW REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2011**
**A: EXISTING SHOWS**
**1 Hindi Speaking Market - Commissioned**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
Pavitra Rishtaa	Zee Tv	9.00pm - 9.30pm	0:30	5 times a Week
Bade Ache Lagate Hai	Sony	10.30pm - 11.00pm	0:30	4 times a Week
Parichay	Colours	9.30pm-10.00pm	0:30	5 times a Week
Pyaar Kii Ye Ek Kahaani	Star One	8.30pm-9.00pm	0:30	5 times a Week

**2 Marathi Speaking Market - Commissioned**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
Bandha Reshamache	Star Pravah	8.30pm-9.00pm	0:30	6 times a Week

**3 Bhojpuri Speaking Market- Commissioned**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
Senur Maang Tikuli	Mahua	8.00pm-8.30pm	0:30	5 times a Week

**b) South Market - Sponsored**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
Kalyani	Udaya TV	7.00pm-7.30pm	0:30	5 times a Week
Kasturi	Sun TV	11.30am-12.00pm	0:30	5 times a Week
Kanna Varri Kalalu	Gemini	7.00pm-7.30pm	0:30	5 times a Week

**B: CHANGES DURING THE QUARTER**
**DISCONTINUED SERIALS**

DISCONTINUED SERIALS	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
Kotha Bangaram	Gemini	7.00pm-7.30pm	0:30	5 times a Week
Konya	Zee-Bangala	8.00pm-8.30pm	0:30	6 times a Week

**C: NEW UPCOMING SHOWS**

SERIAL	CHANNEL	LANGUAGE	DURATION	SCHEDULE
Gandhari (Telecast Commenced on 10th Oct'2011)	Zee TV	Marathi	0:30	6 times a Week

## D) Other Highlights

- 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 September 30, 2011 i.e. Rs. 70 lacs would be split into two:

- Net Loss after tax from Continuing Operations - Rs. 30 lacs and
- Net Loss after tax from Discontinuing Operations - Rs. 40 lacs.

Particulars	3 Months Ended September 30, 2011			3 Months Ended September 30, 2010			Quarter Ended June 2011		
	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total	Continuing Operation	Discontinuing Operation	Total
Turnover (net)	3,290.46	256.52	3,546.98	3,758.98	49.33	3,808.31	2,623.20	217.27	2,840.48
Sale of services							-	-	-
Other Income	317.67	-	317.67	165.98	-	165.98	1,627.61	-	1,627.61
<b>Total Income</b>	<b>3,608.13</b>	<b>256.52</b>	<b>3,864.65</b>	<b>3,924.96</b>	<b>49.33</b>	<b>3,974.29</b>	<b>4,250.81</b>	<b>217.27</b>	<b>4,468.09</b>
Total Expenditure	3,607.41	301.39	3,908.80	4,478.52	216.84	4,695.36	2,987.89	348.04	3,335.93
<b>Profit / (Loss) before tax</b>	<b>0.72</b>	<b>(44.87)</b>	<b>(44.15)</b>	<b>(553.56)</b>	<b>(167.51)</b>	<b>(721.07)</b>	<b>1,262.93</b>	<b>(130.77)</b>	<b>1,132.15</b>
Provision for taxation	30.25	(4.17)	26.08	(80.90)	-	(80.90)	163.18	4.21	167.39
<b>(Loss) / Profit after tax</b>	<b>(29.53)</b>	<b>(40.70)</b>	<b>(70.23)</b>	<b>(472.66)</b>	<b>(167.51)</b>	<b>(640.17)</b>	<b>1,099.75</b>	<b>(134.98)</b>	<b>964.76</b>

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

### 1. Revenues

The Company recorded income from operations in the quarter of Rs.3025 lacs as compared to Rs.2292 lacs for the quarter ended June 30, 2011. Revenue contribution from Commissioned programming (HSM) was Rs. 2550 lacs against Rs. 1885 lacs for quarter ended June 30, 2011, while that of Sponsored programming was Rs. 475 lacs as against Rs. 407 lacs in the same period. The share of commissioned programming in revenues during the quarter was 84% while that of sponsored programming was 16%.

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

Show Type	Revenue for Q Ending (Rs in Lacs)			Percentage		
	Sep-11	Jun-11	Sep-10	Sep-11	Jun-11	Sep-10
Commissioned*	2,550	1,885	2,980	84%	82%	84%
Sponsored	475	407	562	16%	18%	16%
<b>Total</b>	<b>3,025</b>	<b>2,292</b>	<b>3,542</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 September 30, 2011 as compared to previous year and quarter is as follows:

Show Type	Hours for Q Ending			Percentage		
	Sep-11	Jun-11	Sep-10	Sep-11	Jun-11	Sep-10
Commissioned*	120	102	158.5	55%	49%	50%
Sponsored	99	105	159	45%	51%	50%
<b>Total</b>	<b>219</b>	<b>207</b>	<b>318</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 reduced from Rs. 1884 lacs in Q1,2011 to Rs.270 lacs in Q2,2011.

### 4. Gross Block

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

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

### 5. Investments

As on September 30, 2011, the Company's total investments were at Rs.22124 lacs including Rs.3000 lacs invested in wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, Rs.19125 lacs was invested in units of mutual funds & debentures as compared to Rs. 20103 lacs as on June, 30 2011.

### 6. Debtors

The Company's debtors (in days of income) are at 113 days as on September 30, 2011 as compared to 126 days as on June 30, 2011.

### 7. Loans and advances

Loans and advances have increased from Rs.7842 lacs on 30 Sept 2011 to Rs.7961 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.2737 lacs,

- b) Loan to the Balaji Employees foundation of Rs.1000 Lacs, &
- c) Lease deposits for offices / studios Rs.1017 lacs.
- d) Advance Tax of Rs.2512 lacs

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

The year 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 year and received a tremendous response, commercial as well as critical.

*Dirty Picture*, our latest project is due for completion as scheduled and is due for release on in Q3,2011. *Kya Super Kool Hai Hum* (*working name*) a sequel to the earlier home production *Kya Kool Hai Hum* has also gone into production during the 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.*