



Results for the quarter ended December 31, 2008

Financial Highlights

Results comparison of Quarter ended December 31, 2008 with September 30, 2008

- Income from operations decreased from Rs. 1033.28 Mn to Rs. 505.68 Mn;
- Operating profits decreased from Rs. 230.02 Mn to Rs. 23.63 Mn;
- Profit before tax down from Rs 260.44 Mn to Rs. 25.90 Mn.

Results comparison of period ended December 31, 2008 with December 31, 2007

- Income from operations increased from Rs. 2324.51 Mn to Rs. 2454.99 Mn;
- Operating profits decreased from Rs. 891.26 Mn to Rs. 571.24 Mn;
- Profit before tax decreased from Rs. 923.78 Mn to Rs. 612.68 Mn.

Operational highlights

- Realisation per hour from Commissioned programming at Rs. 2.78 Mn as against Rs. 3.23 Mn in previous quarter;
- Realisation per hour from Sponsored programming at Rs. 0.45 Mn as against Rs. 0.60 Mn in previous quarter;
- 158 hours of Commissioned programming despite a three-week strike in November 2008;
- Increase in Sponsored programming from 106 hours to 146 hours during the quarter;
- Launched one new show on Star during the quarter and launched two new shows on NDTV Imagine from January 19, 2009;
- Launched two new shows on regional channels;
- 9 out of the top 50 programmes in Hindi Cable & Satellite Channels from the Company (Source:Tam Ratings for the week ended December 27, 2008, MF 4+,C & S);
- Invested Rs. 30.68 Mn in post production and studios during the quarter;
- Cash and Cash Equivalents of Rs. 2310.48 Mn as on December 31, 2008;
- Balaji Motion Pictures Ltd., wholly owned subsidiary of the Company, released one film "EMI" during the quarter.

Results for the quarter ended December 31, 2008

The unaudited financial results for the quarter ended December 31, 2008 were taken on record by the Board at its meeting held on January 28, 2009.

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, 2008	Growth % in Q3 FY0809 over Q2 FY0809	Nine months ended Dec. 31, 2008
	2008	2007				
INCOME FROM OPERATIONS	505.68	799.71	-36.77	1033.28	-51.06	2454.99
TOTAL EXPENDITURE	482.05	533.93	-9.72	803.26	-39.99	1883.76
OPERATING PROFIT	23.63	265.78	-91.11	230.02	-89.73	571.24
Depreciation	41.43	29.77	39.16	34.65	19.57	110.12
OPERATING PROFIT AFTER DEPRECIATION	-17.80	236.01	-107.54	195.38	-109.11	461.12
Other Income	43.69	36.86	18.54	65.06	-32.84	151.57
PROFIT BEFORE TAX	25.90	272.87	-90.51	260.44	-90.06	612.68
Provision for Taxation	20.22	84.70	-76.13	79.19	-74.47	203.19
NET PROFIT AFTER TAX	5.68	188.17	-96.98	181.25	-96.87	409.49
EARNINGS PER SHARE (Face Value is Rs. 2)	0.09	2.88	-96.88	2.78	-96.76	6.28
KEY RATIOS						
Operating Profit Margin (%)	4.67%	33.23%		22.26%		23.27%
Net Profit Margin (%)	1.12%	23.53%		17.54%		16.68%



Balaji Telefilms

Management discussion and analysis on Unaudited Financial Results of the Company for the Quarter ended December 31, 2008

Revenues

The Company recorded income from operations in the quarter of Rs. 505.68 Mn as compared to Rs. 799.71 Mn for quarter ended December 2007. Revenue contribution from Commissioned programming was Rs.439.35 Mn against Rs. 741.86 Mn for quarter ended December 2007, while that of Sponsored programming was Rs. 66.33 Mn as against Rs. 57.84 Mn in the same period. The share of commissioned programming in the revenues during the quarter was 87% while that of sponsored programming was 13%. In Commissioned category, the company lost fresh programming of three weeks in November due to an industry-wide strike and non-resumption of fresh programming on 9X channel for its two shows.

The revenue-wise distribution between commissioned and sponsored programming during the quarters ended December 31, 2008, December 31, 2007 and September 30, 2008, is as follows:

Programming	Rs. Mn			Percentage		
	Q3FY0809	Q3FY0708	Q2FY0809	Q3FY0809	Q3FY0708	Q2FY0809
Commissioned	439.35	741.87	969.47	87	93	94
Sponsored	66.33	57.84	63.81	13	7	6
Total	505.68	799.71	1033.28	100	100	100

Channel Wise Revenue

The Channelwise Revenue distribution during the quarters ended December 31, 2008, December 31, 2007 and September 30, 2008, is as follows:

Channels	Rs. Mn			Percentage		
	Q3FY0809	Q3FY0708	Q2FY0809	Q3FY0809	Q3FY0708	Q2FY0809
Star, Sony, Zee & 9X	439.35	741.87	969.47	86.88	92.77	93.83
Sun	23.30	18.13	22.42	4.61	2.27	2.17
Gemini	25.06	20.99	24.89	4.96	2.62	2.41
Udaya	14.82	12.89	15.11	2.93	1.61	1.46
Surya	3.15	5.83	1.39	0.62	0.73	0.13
Total	505.68	799.71	1033.28	100.00	100.00	100.00

Programming Mix

Commissioned & Sponsored Programs

The hour-wise programming distribution during the quarters ended December 31, 2008, December 31, 2007 and September 30, 2008, is as follows:

Programming	No. of Hours			Percentage		
	Q3FY0809	Q3FY0708	Q2FY0809	Q3FY0809	Q3FY0708	Q2FY0809
Commissioned	158.00	233.50	300.50	51.97	64.24	73.92
Sponsored	146.00	130.00	106.00	48.03	35.76	26.08
Total	304.00	363.50	406.50	100.00	100.00	100.00

Other Income

The Other Income during the quarter was Rs. 43.69 Mn against Rs. 65.06 Mn in the previous quarter.

Gross Block

The Company's net block is at Rs. 540.76 Mn as on December 31, 2008. The capital work in progress is Rs. 516.67 Mn upto December 31, 2008. This includes construction of state-of-the art studios in order to meet increased programming requirements and further improvement in the quality alongwith improved production efficiency.

During the quarter, the Company invested Rs. 16.12 Mn in production / post-production equipments.

Investments

As on December 31, 2008, the Company's total investments were at Rs. 2556.15 Mn including Rs. 300 Mn invested in wholly owned subsidiary. Out of the above, Rs.2256.15 Mn was invested in units of mutual funds whose market value as on December 31, 2008 was Rs. 2346.02 Mn. The Company has provided Rs 50 Mn towards fall in value of long term investments. 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) are at 66 days as on December 31, 2008 as compared to 80 days as on September 30, 2008.

Inventories

The Company's inventories (in days of turnover) have increased to 12 days in 3rd quarter from 9 days in previous quarter.

Loans and advances

Loans and advances have decreased from Rs 404.74 Mn to Rs 167.40 Mn as on December 31, 2008 as compared to previous quarter. 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
Tujh Sangh Preet Lagaye Sajna	Star	4 Days
Kankanna	Udaya	5 Days
Kanmaneeye	Sun	5 Days

The following serials were taken off during the quarter:

Serial	Channel	Frequency
Kyunki Saas Bhi Kabhi Bahu Thi	Star	4 Days
Kahaani Ghar Ghar Kii	Star	4 Days
Kahaani Hamaaray Mahabharat Ki	9X	4 Days
Kya Dill Mein Hai (1 Hour)	9X	2 Days

Serials on air

As on December 31, 2008 the following 12 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (30 Shows)				
Kalyanee	Gemini TV	5 Days	10.79	14.23
Kadambarii	Udaya TV	5 Days	7.77	13.67
Kankanna		5 Days	2.37	
Kasthuree	Sun TV	5 Days	13.91	21.60
Kanmaneeye		5 Days	6.96	
Koottukaari	Surya TV	5 Days	4.68	19.57
Commissioned Serials (23 Shows)				
Kis Desh Mein Hai Meraa Dil	Star Plus	4 Days	3.66	8.43
Tujh Sangh Preet Lagayi Sajna		4 Days	3.16	
Karam Apnaa Apnaa		5 Days	1.45	
Kasturi (1 Hour)		2 Days	0.79	
Kayamath		4 Days	1.33	
Kasamh Se	Zee TV	4 Days	2.65	3.08

{(Source – TAM Ratings for the week ended December 27, 2008, Category MF 4+(C & S) HSM & other regional markets)}

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.