

## BALAJI TELEFILMS LIMITED

### Results for the Quarter ended December 31, 2010

#### A. Financial Highlights

##### 1. Results comparison of Quarter III ended December 31, 2010 with September 30, 2010

- Income from operations increased by 3% from Rs. 3808 Lacs to Rs. 3904 Lacs;
- In the present quarter the company suffered a operating loss of Rs.42 Lacs from a Operating Loss of Rs. 515 Lacs this is due to,
  - a) Reduction in the cost of production on new shows in the commissioned category on Star Plus, Star One and Imagine, by 8% on account of stabilization of production process,
  - b) Reduction in the G&A Expenses by 18%,
- Profit after tax increased to a profit of Rs. 121 Lacs from a from a loss of Rs. 640 Lacs on account of reduction in total expenses and increase in Income from investments & other income from Rs.158 Lacs to Rs.315 Lacs

##### 2. Results comparison of quarter ended December 31, 2010 with quarter ended Dec 31, 2009

- Income from operations reduced marginally from Rs. 3927 Lacs to Rs.3917 Lacs;
- a) In the present quarter the company suffered a operating loss of Rs.42 Lacs V/s a Operating loss of Rs. 25 Lacs in Q3 ended December 31, 2009
- b) Profit after tax reduced from a profit of Rs 182 Lacs to a profit of Rs. 121 Lacs.

##### 3. Results for the Quarter ended Dec 31, 2010

(Rupees in Lacs except per share data)

Particulars	Quarter ended		Growth wrt prev Qtr	Quarter ended		Growth wrt prev Yr Qtr
	Dec 31, 10	Sept 30, 10		Dec 31, 10	Sept 30, 10	
NET SALES	3,904	3,808	3%	3,904	3,897	0%
OTHER OPERATING INCOME	46	8	491%	46	30	55%
TOTAL EXPENDITURE	3,993	4,331	-8%	3,993	3,952	1%
EBIDTA	(43)	(515)	-92%	(43)	(25)	71%
Depreciation	193	365	-47%	193	266	-27%
OPERATING PROFIT AFTER DEPRECIATION	(236)	(879)	-73%	(236)	(291)	-19%
Other Income	315	158	99%	315	304	4%
PROFIT BEFORE TAX	80	(721)	-111%	80	13	500%
Provision for Taxation	(42)	(81)	-48%	(42)	(168)	-75%
NET PROFIT AFTER TAX	121	(640)	-119%	121	182	-33%
EARNINGS PER SHARE (FV Rupees 2)	0.19	(0.98)	-119%	0.19	0.28	-33%
<b>KEY RATIOS</b>						
Operating Margin (%)	-1.09%	-13.52%	-91.94%	-1.09%	-0.64%	70.78%
Net Profit Margin (%)	3.11%	-16.81%	-118.51%	3.11%	4.66%	-33.22%

##### A) For Quarter Ended Dec 31, 2010 V/s Quarter ended Sept 30, 2010

- Realization per hour from Commissioned programming (HSM) remained constant at Rs. 19 Lacs as in the previous qtr,
- Realization per hour from Sponsored programming reduced from Rs. 3.5 Lacs in the previous qtr to Rs. 3.1 Lacs,
- Hours of Commissioned programs increased marginally from 159 hours in previous qtr to 162 hours,
- Hours of Sponsored programs increased by 18% from 159 hours in previous qtr to 187 hours.

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

- Realization per hour from Commissioned programming (HSM) increased by 23% from Rs. 15 Lacs in the previous year quarter to Rs. 19 Lacs;
- Realization per hour from Sponsored programming reduced from Rs. 3.35 Lacs in the previous year quarter to Rs. 3.13 Lacs;
- Hours of Commissioned programs (HSM) reduced by 25% from 217 hours in Q3 2009 to 162 hours in Q3 2010,
- Hours of Sponsored programs increased marginally from 177 hours in Q3 2009 to 187 hours in Q3 2010;

**C) SHOW REPORT FOR THE QUARTER ENDED DECEMBER 31, 2010**
**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
Bandini	Imagine	10.30pm - 11.00pm	0:30	5 times a Week
Tere Liye	Star Plus	10.00pm - 10.30pm	0:30	5 times a Week
Pyaar Kii Ye Ek Kahaani	Star One	8.30pm-9.00pm	0:30	5 times a Week
Kitani Mohabbat Hai	Imagine TV	8.00pm-8.30pm	0:30	5 times a Week

**2 Marathi Speaking Market - Commissioned**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
Maziya Priyala Prit Kalena	Zee Marathi	8.00pm-8.30pm	0:30	6 times a Week

**b) South Market - Sponsored**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE
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
Samudram	Gemini	6.00pm-6.30pm	0:30	5 times a Week
Kaadiruve Ninagagi ey	Udaya TV	10.00am-10.30pm	0:30	2 times a Week
Adagaka Ichhina Manasu	Gemini	10.00 pm-10.30pm	0:30	5 times a Week
Kotha Bangaram	Gemini	7.00pm-7.30pm	0:30	5 times a Week

**B: CHANGES DURING THE QUARTER**

SERIAL	CHANNEL	TIME	DURATION (In Mins)	SCHEDULE	OFF AIR
Sarva Gunna Sampanna	Imagine TV	8.00pm-8.30pm	0:30	5 times a Week	29th Oct 10
Subhankanshalu	Gemini	6.00pm-6.30pm	0:30	5 times a Week	16th Dec 10
Kaliyuga Ramayanam	Gemini	10.00 pm-10.30pm	0:30	5 times a Week	6th Jan 11

**D) Other Highlights**

- The Company would be hosting the Global Indian Film & TV Honours (GIFTH) – the nation's first joint film & television award event in the month of February 2011, wherein for the 1<sup>st</sup> time TV and film entertainment industry will be in sync with each other and felicitated jointly at the same forum.

**Management Discussion and Analysis on Financial Results of the Company for the Quarter ended Dec 31, 2010**
**1. Revenues**

The Company recorded income from operations in the quarter of Rs. 3904 Lacs as compared to Rs. 3808 Lacs for the quarter ended 30th Sept, 2010. Revenue contribution from Commissioned programming (HSM) was Rs.3007 Lacs against Rs. 2980 Lacs for quarter ended September 30 2010, while that of Sponsored programming was Rs. 585 Lacs as against Rs. 562 Lacs in the same period. The share of commissioned programming in the 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 December 31, 2010, is as follows:

Show Type	Revenue for Q Ending (Rupees in Lacs)			Percentage		
	Dec-10	Sep-10	Dec-09	Dec-10	Sep-10	Dec-09
Commissioned*	3,007	2,980	3,277	84%	84%	85%
Sponsored	585	562	563	16%	16%	15%
<b>Total</b>	<b>3,592</b>	<b>3,542</b>	<b>3,840</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

(\* Excludes Commissioned Regional Segment, Event business & Other Income )

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

Commissioned & Sponsored Programs

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

Show Type	Hours for Q Ending			Percentage		
	Dec-10	Sep-10	Dec-09	Dec-10	Sep-10	Dec-09
Commissioned*	162	158.5	217	46%	50%	55%
Sponsored	187	159	177	54%	50%	45%
<b>Total</b>	<b>349</b>	<b>317.5</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. 158 Lacs in Q2 to Rs.315 Lacs in Q3 and Rs. 304 Lacs in the previous year quarter ended Dec 31,2009.

**4. Gross Block**

The Company's fixed assets stood at Rs. 8809 Lacs as on Dec 31, 2010, This includes investment in,

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

**5. Investments**

As on Dec 31, 2010, the Company's total investments were at Rs. 21882 Lacs including Rs.3000 Lacs invested in wholly owned subsidiary – Balaji Motion Pictures Ltd. Out of the above, Rs.18882 Lacs was invested in units of mutual funds as compared to Rs. 18903 Lacs as on September 30, 2010.

**6. Debtors**

The Company's debtors (in days of income) are at 117 days as on Dec 31, 2010 as compared to 128 days as on Sept 30, 2010.

## **7. Loans and advances**

Loans and advances have decreased from Rs 7026 Lacs to Rs 6960 Lacs as on Dec 31, 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.2086 Lacs ,
- b) Loan to the Balaji Employees foundation of Rs.1000 Lacs, &
- c) Lease deposits for offices / studios Rs.1048 Lacs.
- d) Advance Tax of Rs.1962 Lacs

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

This year has been extremely eventful for Balaji Motion Pictures, 'Once Upon A Time in Mumbai' , our home production had a successful release and a number of projects getting approved and ready for production, under production films getting completed or nearing completion. BMPL is positioned to be a forward-looking business and is operating under a motion pictures studio model that will function seamlessly across the value chain.

### **A) Releases during the Year:**

'Once Upon A Time in Mumbai' a home production completed production & had a successful release across India and abroad on 30<sup>th</sup> July, 2010. Film got a tremendous response from the Box office. Film was a 3<sup>rd</sup> biggest grosser of the season.

"Shor", by DK & Raj, directors of the very successful "99", has completed production and is slated to release in 1<sup>st</sup> quarter of the next fiscal year. It is an international crossover film, with Tusshar Kapoor & Sendhil Ramamurthy, the star of the hit NBC show Heroes

After the success of "Love Sex aur Dhokha" the youth centric brand of the company "Ait", would be releasing "Ragini MMS" a paranormal romantic thriller directed by Pawan Kriplani and has been filmed simultaneously in Hindi & Telugu. The film has completed production and is slated to be released in 1<sup>st</sup> Quarter of the next fiscal year.

Company has also forayed into regional cinema with its maiden Marathi film scheduled for release in the 1st quarter of the next fiscal year.

The team has also forayed into a number of other projects and collaborated with renowned directors in the quarter, and films are slated to go for production in the year 2011-12.

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.*