

Results for the quarter ended September 30, 2004 compared to previous quarter ended June 30, 2004

Financial Highlights

- Profit after tax up from Rs 110.20 mn to Rs 112.83 mn, an increase of 2.38%
- Income from operations marginally down from Rs 453.54 mn to Rs. 452.45 mn, a decrease of 0.24%
- Operating profit down from Rs 186.01 mn to Rs 177.11 mn, a decrease of 4.79%

Operational highlights

- Increase in realization per hour from commissioned programming by 9.43% from Rs 1.72 mn to Rs 1.88 mn
- Balaji programming continues to dominate 12 of the top 12 programmes and 31 of the top 50 programmes in Hindi Cable & Satellite Channels.
- 5 new show were launched during the quarter.

Karma on Star Plus, Fridays 10 pm (one hour weekly)

Kosmiic Chat on Zoom, Sundays 7.30 pm (half hour weekly)

Kya Kahein on Zoom , Fridays 8.30 pm (half hour weekly)

K Street Pali Hill on Star Plus , Mon –Thu 11.30pm (half hour, 4 days a week)

Karthika on Hungama , Mon –Thu 6.30pm (half hour , 4 days a week)

Other highlights

- At the extra ordinary general meeting held on September 17, 2004 the shareholders have granted their approval to issue 17.263 mn shares and share warrants convertible into equity shares at Rs 90 per share aggregating Rs 1.55 billion to Asian Broadcasting FZ- LLC (ABF), an affiliate of Star group. This allotment would give an equity stake of 25.1% to ABF in the Company. The Company is in the process of obtaining regulatory approvals for completing the transaction.
- At the meeting of the Board of Directors held on October 16, 2004, the Board decided to convene another meeting, upon there being reasonable certainty in relation to the receipt of regulatory approvals for the aforesaid proposed investment, to consider and if deemed fit, to declare an interim dividend of Rs 16 per equity share.

Results for the quarter ended September 30, 2004

The un audited financial results for the quarter ended September 30, 2004 were taken on record by the Board at its meeting held on October 16, 2004.

The profit and loss account is summarized below: (in Rs. mn except per share data)

Particulars	Quarter ended June 30,		Growth%	Quarter ended Jun 30 2004	Growth % in Q1 FY05 Over Q4FY04	Year ended March 31, 2004 (Audited)
	2004	2003				
INCOME FROM OPERATIONS	452.45	427.74	5.78	453.54	-0.24	1782.96
TOTAL EXPENDITURE	275.35	201.74	36.49	267.53	2.92	915.38
OPERATING PROFIT	177.10	226.00	-21.64	186.01	-4.79	867.58
Interest	0.24	0.01	-	0.00	-	0.23
Depreciation	21.99	17.15	28.22	20.83	5.57	77.37
OPERATING PROFIT AFTER INTEREST & DEPRECIATION	154.87	208.84	-25.84	165.18	-6.24	789.98
Other Income	15.32	7.41	106.61	6.24	145.35	61.53
PROFIT BEFORE TAX & WRITE OFFS	170.19	216.25	-21.30	171.42	-0.72	851.51
Provision for Taxation	57.36	73.92	-22.40	61.22	-6.31	297.43
Deferred Revenue Expenditure w/off	0.00	0.00	-	0.00	-	0.00
NET PROFIT AFTER TAX	112.83	142.34	-20.73	110.20	2.38	554.08
EARNINGS PER SHARE (Face Value is Rs. 2)	2.19	2.76	-20.65	2.14	2.34	10.75
DIVIDEND PER SHARE (Face Value is Rs. 2)	-	2.00	-	-	-	3.00
Dividend declared as a % of par value	-	100%	-	-	-	150%
KEY RATIOS Operating Profit Margin (%)	39.14%	52.84%	-	41.01%	-	48.66%
Net Profit Margin (%)	24.94%	33.28%	-	24.30%	-	31.08%

Management discussion and analysis on Un audited Financial Results of the Company for the Quarter ended 30.09.2004

Revenues

The Company recorded income from operations of Rs. 452.45 mn during the quarter, down marginally by 0.24% q-o-q. Revenue contribution from commissioned programming was Rs. 382.54 mn, against 380.58 mn in the previous quarter while that of sponsored programming was Rs 66.79 mn against Rs 70.53 mn. The share of sponsored programming in the revenues during the quarter was 15%, while that of commissioned programming was 85%. The realization per hour for commissioned programming increased from Rs 1.72 mn to Rs 1.88 mn while that of sponsored programming reduced from Rs 0.47 mn to Rs 0.37 mn.

The revenue-wise distribution between commissioned and sponsored programming during the quarter ended September 30, 2004, September 30, 2003 and June 30, 2004, is as follows:

Programming	Rs. mn			Percentage		
	Q2FY05	Q2FY04	Q1FY05	Q2FY05	Q2FY04	Q4FY04
Commissioned (incl. Repeat programming)	382.54	328.10	380.58	85	77	84
Sponsored (incl. Exports)	69.91	99.64	72.96	15	23	16
	452.45	427.74	453.54	100	100	100

Channel Wise Revenue

The Channel wise Revenue distribution during the quarter ended September 30, 2004, September 30, 2003 and June 30, 2004, is as follows:

Channels	Rs. mn			Percentage		
	Q2FY05	Q2FY04	Q1FY05	Q2FY05	Q2FY04	Q4FY04
Star, Sony, Zee & Sahara	382.54	328.10	380.58	85	77	84
Gemini	37.19	63.97	42.61	8	15	9
Udaya	15.17	34.57	20.46	4	8	5
Surya	8.50		0.56	2		
DD Network	05.93		6.90	1		2
	449.33	426.64	451.11	100	100	100

Programming Mix

Commissioned & Sponsored Programs

The hour wise programming distribution during the quarter ended September 30, 2004, September 30, 2003 and June 30, 2004, is as follows:

No. Of Hours	Percentage
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	Q2FY05	Q2FY04	Q1FY05	Q2FY05	Q2FY04	Q1FY05
-	-	-	-	-	-	-
Commissioned	203.00	188.50	221.00	53	53	60
Sponsored	180.50	169.50	149.50	47	47	40
Total	383.50	358.00	370.50	100	100	100

Other Income

The Other Income during the quarter was Rs. 15.31 mn against Rs. 6.24 mn in the previous quarter. .

Margins

The operating margins reduced from 41% to 39% during the quarter mainly due to the launch of five serials during the quarter. Also, the cost of production of some of the shows was on the higher side which put pressure on the margins. These shows are currently off air.

Gross Block

The Company's gross block increased from Rs. 463.49 mn to Rs. 513.72 mn as on Sep 30, 2004.

During the period, the Company mainly invested in construction of sets/studios.

Investments

As on 30.09.2004, the Company's investments were at Rs. 783.29mn. The Company invested surplus funds in debt mutual funds with floating rates with the principal aim of safety.

Debtors

The Company's debtors (in days of turnover) has increased from 80 days to 81 days as on 30.09.2004.

Inventories

The Company's inventories (in days of turnover) increased from 16 days to 25 days as on 30.09.2004 largely on account of the incomplete feature films under production. The Company's inventories comprise of completed episodes waiting to be aired, incomplete episodes, stock of videotapes and related material and feature films.

Loans and advances

Loans and advances increased from Rs 139.54 to Rs 165.09 mn as on 30.09.2004. The Company's principal loans and advances comprised lease deposits for offices / studios.

Change in Programming during the quarter

- The Company launched following serials during the quarter ended 30th Sep, 2004

Serial	Channel	Frequency
Karma	Star Plus	1 day
Kya Kahein	Zoom	1 day
Kosmiic Chat	Zoom	1 Day >
KStreet Pali Hill	Star Plus	4 days
Karthika	Hungama >	4 days

- The Following serial/s of the Company went off air during the quarter ended 30th September, 2004.

Serial	Channel	Frequency
Ka Kaa Ki Kii	Gemini	1 day
Kehna Hai Kuch Mujko	Sony	2 days
King	Sony	2 days
Kahin Kisi Roz	Star Plus	4 days

Serials on air

- As on 30.9.2004 the following 18 serials of the Company were on air on various channels.

Serial	Channel	Frequency	TRPs	Top TRPs on the same channel
Sponsored Serials (27 Shows)				
Kavyanjali Kkalavari Kkodalalu	Gemini TV	5 Days	12.55	16.31
		5 Days	14.20	
Kumkuma Bhagya Kanyadaan	Udaya TV	5 Days	6.84	11.40
		5 Days	7.47	

Kayaamat	Doordarshn	2 Days	23.39	23.39
Kavyanjali	Surya TV	5 Days	26.55	26.55
Commissioned Serials (33 Shows)				
Kyunki Saas Bhi Kabhi Bahu Thi	Star Plus	4 Days	13.66	13.66
Kahaani Ghar Ghar Kii		4 Days	11.18	
Kstreet Pali Hill		4 Days	6.64	
Kasautii Zindagi Kay		4 Days	12.90	
Kaahin To Hoga		4 Days	8.09	
Kesar		4 Days	5.41	
Karma		1 Day	2.70	
Kkusum	Sony TV	4 Days	5.05	5.05
Koi Dil Mein Hain		1 Day	2.68	0.15
Kya Kahein	Zoom	1 Day	0.14	0.41
Kosmiic Chat		1 Day	0.07	
Karthika	Hungama	4 Days	0.06	

{(Source – TAM Ratings for the week ended 02/10/04, Category – Female 15 Plus) except Zoom and Hungama- category MF 4+ }

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 company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.