



Movies • Interactive • Television • Broadcasting • New Media

UTV Software Communications Limited

EARNINGS RELEASE
.....
FOR THE QUARTER ENDED JUNE 30, 2008

CONSOLIDATED RESULTS

1Q FY2009 as compared to 1Q FY2008

| | | | |
|---|---------------------------|---|-------------------------------------|
| - | Operating Revenues | - | Rs 1,358 million, up by 143% |
| - | Operating Income | - | Rs 154 million, up by 43% |
| - | Net Profit | - | Rs 251 million, up by 176% |

Mumbai, India; July 29, 2008 – UTV Software Communications Limited (UTVSOF.BO, UTVSOF.NS) today announced its results for the quarter ended June 30, 2008.

For the quarter ended June 30, 2008, the Company, as compared with the same period previous fiscal, reported a growth of 143% in Operating Revenue to Rs 1,358 million from Rs 560 million, 43% in Operating Income to Rs 154 million from Rs 108 million and 176% in Net Profit to Rs 251 million from Rs 91 million.

The Company has consolidated the financials of *UTV-US, IG Interactive, UMP PLC, UTV TV Content and UTV New Media* and the group's indirect subsidiaries *Ignition Entertainment Limited, Indiagames Limited, UTV-Motion Pictures (Mauritius), ITNation Media and RB Entertainment* and UTV's television joint ventures *Smriti Irani Television Limited and Windmill Entertainment Limited*. The Board of Directors in its meeting held today, has taken on record the un-audited consolidated financial results of *UTV Software Communications Limited* and its subsidiaries/JV's.

Mr. Ronnie Screwvala, Chairman and CEO of the Company said, "Growth in all our businesses and our focus on building partnerships have resulted in strong performance for this quarter. We believe that the expanded opportunity pipelines that we have created over the past few quarters in each of our verticals have started to deliver bringing us in the forefront of this dynamic Indian media and entertainment industry. The outlook for this fiscal is very attractive, given the initiatives that we are implementing in all our five verticals i.e. Television, Movies, Interactive, Broadcasting and New Media. In addition, with the strategic relationship with *Disney* we have delivered on our commitment to maximize long-term shareholder value."

"Our Movie business has evolved into a truly global business exceeding our expectation this quarter. This quarter has again witnessed a triple digit revenue growth which is a result of our perseverance and commitment to produce and entertain our viewers with good quality cinema."

"The Television business is slowly gaining momentum with the slew of new shows that we are adding to the portfolio. We are creating our own content with renewed drive and vigor where we

have diversified into genres like reality, quiz and comedy. We are also the preferred programmer for our in-house broadcasting channels.”

“Our Interactive business caters to one of the fastest growing interactive entertainment spaces i.e. Gaming. We are the only Company out of India who has developed capabilities to produce and distribute games across all three platforms – Console, Mobile and Online. We are looking at further enriching this bouquet by adding global publishing and distribution capabilities in the online space. With these initiatives and more, we expect this business to be one of the key growth drivers in the years to come.”

He adds, “In our Broadcasting venture, which is expected to be integrated with the Company by the end of July 2008, the key is to create the right mix of focused content using our expertise and with a tight cost model. We are very pleased with the performance achieved by the bouquet launched in just last few months.”

“We have recently forayed into an interesting and high growth “New Media” space, which includes content creation and distribution pipelines for Web and Mobile. This is carried out by our newly formed 100% subsidiary *UTV New Media Limited (“UNML”)*. This venture will not only drive the Group’s requirement for New Media distribution but will be an independent vertical to drive independent business in this domain.”

COMPANY PERFORMANCE (CONSOLIDATED)

Given below is the brief income statement of the Company consolidated with its subsidiaries and joint venture for the fiscal 2009 and 2008 (Rs in million)

| | Q1FY09 | Q1FY08 | Δ |
|------------------------------|---------------|---------------|----------|
| Operating Revenues | 1,358 | 560 | 143% |
| Expenditure | 1,204 | 452 | 166% |
| Operating Income | 154 | 108 | 43% |
| <i>Operating Margin</i> | 11% | 19% | |
| Add: Other Income | 94 | 11 | 755% |
| Less: Interest expense (Net) | - | 10 | |
| PBT | 248 | 109 | 128% |
| PAT | 251 | 91 | 176% |
| <i>PAT Margins</i> | 19% | 16% | |

At the end of June 30, '08, consolidated debt of the Company stands at Rs 1,060 million and company consolidated cash and cash equivalent amount to Rs 2,565 million. Total Capital Employed in operations is Rs 14,533 million. Increased investments in various businesses have resulted in ROCE of 5.8%, which is expected to be significantly higher by the end of this fiscal.

SEGMENT PERFORMANCE (CONSOLIDATED) (Rs in Million)

This quarter, the business has been categorized under four segments – Movies, Television, Interactive and New Media.

| Segment Revenues | Q1FY09 | Contribution | Q1FY08 | Δ |
|-------------------------|---------------|---------------------|---------------|-------------|
| Movies ^ | 932 | 69% | 129 | 622% |
| Television * | 256 | 19% | 258 | (1%) |
| Interactive # | 146 | 11% | 180 | (19%) |
| New Media √ | 26 | 2% | - | |
| (Inter-segment) | (2) | | (7) | |
| Total | 1,358 | 100% | 560 | 143% |

| Segment Results | Q1FY09 | Margins | Q1FY08 | Δ |
|------------------------|---------------|----------------|---------------|------------|
| Movies ^ | 223 | 24% | 14 | 1,493% |
| Television * | 8 | 3% | 59 | (86%) |
| Interactive # | (36) | (25%) | 46 | (178%) |
| New Media √ | (6) | (23%) | - | |
| Total | 189 | | 119 | 59% |

| | As on June | Contribution | As on June | Δ |
|-------------------------|-------------------|---------------------|-------------------|-------------|
| Capital Employed | 30. 08 | | 30. 07 | |
| Movies ^ | 6,491 | 45% | 1,996 | 225% |
| Television * | 465 | 3% | 403 | 15% |
| Interactive # | 1,338 | 9% | 886 | 51% |
| New Media √ | 122 | 1% | - | |
| Unallocable | 6,117 | 42% | 557 | 998% |
| Total | 14,533 | 100% | 3,842 | 278% |

^ Movies segment include, Films Production, Distribution – Domestic & International and Home Entertainment

* Television segment include, TV Content, Airtime sales and Dubbing businesses

Interactive segment currently include Gaming businesses

√ New Media segment currently include Web and Mobile business.

Note: Animation no longer forms part of the Interactive business as UTV has moved out of the Animation outsourcing business.

SEGMENT REVIEW
Movies Segment

Explicitly covered in the Earnings Release for *UMP PLC, Isle of Man* attached below as Annexure I.

Television Segment

Television segment primarily consists of all products and services offered for the small screen. Therefore, this segment of the Company constitutes TV Content production, Airtime sales and Dubbing businesses.

The contribution from this segment during the quarter ended June 30, 2008 was 19% of all operating revenues.

TV Content: UTV's TV Content segment represents the shows produced by the Company on a commissioned basis. UTV has been providing television content for channels like *Star Plus (Bhabhi)* and *Bindass (Sun Yaar Chill Maar)*. During the quarter in review, the Company has done around 44 hours of programming. *Bhabhi*, a daily soap on *Star Plus* ended early May and the Company's first reality show started airing on *Zee* around end of June. Going forward, the aggressive line up of shows which are currently in production include a reality show, a quiz show and also the Company's first show from the joint venture with *Smriti Irani*, all of which are expected to come on air in the next two quarters of this fiscal.

Air Time Sales: During the quarter, the Company has managed a monthly average of approximately 113 hours of content under management across all leading South Indian Channels such as *SunTV*, *GeminiTV*, *SuryaTV* and *UdayaTV*. Seeing the success of the new show *Ramayanam* on *SunTV*, the Company has also started airing this show in Q1 on *GeminiTV* and *SuryaTV*. In addition to this, another reality show went on air this quarter called *Kalakkal Cricket* on *SunTV* which is being aired at prime time on Sunday. UTV still retains the leadership slots on *SunTV* where the Top 2 slots on the channel belong to the Company, which airs *Kolangal* on the top position followed by *Arasi*. Also the No.1 and No.3 show in the afternoon slot on *SunTV* belong to the Company. On the other channels like *GeminiTV*, *Surya* and *UdayaTV* also our shows feature in the Top 5 list.

Interactive Segment

This business segment comprises UTV's gaming businesses which includes *Ignition* and *Indiagames*. During the quarter in review, this segment has contributed about 11% of the operating revenues of the Company. This segment is expected to be one of the major contributors to top line in the future once the games pipeline starts releasing in the quarters to come. Following are the games published by Ignition this quarter with a total of 75,000 units sold.

| Name of the Game | Game format | Territory |
|-------------------------------|--------------|-----------|
| Obscure: The Aftermath | PC, PS2, Wii | USA |
| New Zealand Story- Revolution | NDS | USA |
| Bubble Bobble Double Shot | NDS | USA |
| Rainbow Island Revolution | NDS | USA |
| Teenage Zombies | NDS | USA |

Some of the new games that were launched by Indiagames this quarter include the following:

| Name of the Game | Territory |
|---------------------------|---------------|
| Curry in a Hurry | International |
| Goodnight Mr. Snoozleberg | Global |
| Playboy Pinball | International |
| Playboy Pool | International |
| Terrazone | International |
| Batman | India |
| Indiana Jones | India |
| Speed Racer | India |
| Godzilla | International |

New Media Segment

This segment comprises the Web and Mobile foray of the Company. Financials pertaining to the period from May 01, 2008 to June 30, 2008 has been consolidated for this segment. During this period, this segment has contributed about 2% of the operating revenues of the Company.

During the quarter, the Company acquired a library of around 15,000 songs for exploitation on web and mobile. The Company has also acquired music rights for upcoming movies like *Akshay Kumar* starrer *Singh is King* and *Rajnikant* starrer Tamil movie called *Kuselan*. *UTVi.com*, the web initiative of the recently launched Business News Channel *UTVi* was also launched end of April. The portal has already been rated as one of the top two portals in this domain in just few weeks of its launch. Besides the portal, UNML also manages all SMS and IVRS services for *UTVi*. This quarter, the Company has acquired a controlling stake in *ITNation Media* which is a leading online technology infomediary in India that is also highly focused on youth like all other *UTV* verticals with their flagship site *techtree.com*.

CORPORATE DEVELOPMENTS

Foray into New Media business: *UTV* recently made a foray into New Media business which includes web and mobile content creation and distribution. It will leverage the Group's synergies in four key areas of music, entertainment, news and current affairs and technology. Within the Group, the entire Web and Mobile strategy for its four channels are being developed by the new media vertical.

Regulatory approvals for investments in Broadcasting: The Company has received all regulatory approvals for investments in the Broadcasting business. This will result in 75% and 15% investment from *UTV* and *Disney* respectively in the Broadcasting business. The transaction is expected to consummate by the end of July 2008.



BUSINESS OUTLOOK

UTV is positioned as one of the Top 5 media companies in the country and this has been possible due to its diversified yet a highly synergistic media play. The Company aims to attain leadership position in all these verticals in the times to come.

In the Movies business, UTV is gradually establishing itself as a global player with its third Hollywood release of *The Happening*, which has exceeded expectations at the box office. The Company is committed to grow its library and has lined one of the best movie slates for the fiscal.

Gaming business remains key driver of growth in the coming years. To strengthen its presence, UTV is currently looking to invest in a start up in the US, which is a prominent player in the fast growing online gaming space. Besides this, the Company has also entered into an MOU to acquire a controlling stake in a mobile games aggregator in the US. The current stake in Ignition stands at 70%, which is expected to increase to 95% through buyout of existing investor in Ignition. These three initiatives have been taken on record by the UTV Board during its meeting held on July 29, 2008.

Broadcasting business of the Company is expected to attract significant investments to strengthen its content offering along with higher marketing and distribution activities.

In New Media business, UTV's aim is to first build synergies within all its other verticals. UTV's origin and focus has always been content, but to be able to have optimum monetization of its content, the Company believes that it needs to own and control even the distribution platforms of the future. Web and Mobile distribution platforms are increasingly becoming an important part of the revenue pie and UTV intends to capture it now than later.

A full play media model like UTV is absent today, giving the Company a strong positioning to achieve leadership in all its business segments. The Company does not foster a narrow focus towards any one business, but have built independent entities nurturing all its five verticals encompassing Interactive, Movies, Television, Broadcasting and New Media which makes it a true media conglomerate. Going forward, UTV aims to stay consolidated and create value across all these five verticals for aligned shareholder interest.



Caution Concerning Forward-Looking Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

ANNEXURE I – EARNINGS RELEASE, UMP PLC

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QUARTERLY REVIEW
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FOR THE QUARTER ENDED JUNE 30, 2008

29 July 2008

KEY HIGHLIGHTS FOR THE QUARTER

- Hindi movies released
 - *Aamir*: Performing well at the box office and is winning over critics and the public alike.
- Hollywood movies released
 - *The Happening*: UTV's first mainstream Hollywood movie co-produced with 20th Century Fox grossed approximately 142 million USD worldwide.

UPCOMING RELEASES IN NEXT QUARTER

| MOVIE NAME | DATE/ MONTH | STAR CAST |
|----------------------|----------------|--|
| Kismat Konnection | 18-July-08 | Shahid Kapoor and Vidya Balan |
| Bombay Meri Jaan | 22-Aug-08 | Madhavan, Irrfan, KK Menon and Soha Ali Khan |
| A Wednesday | 5-Sept-08 | Naseeruddin, Jimmy Shergill and Anupam Kher |
| Mahadev ka Sajjanpur | 19-Sept-08 | Shreyas Talpade, Amrita Rao and Ravi Kissen |

Target markets for the upcoming releases mentioned above are global as UMP PLC distributes its products in 32 different countries.

UTV Software Communications Limited, the ultimate parent company of UTV Motion Pictures, has today released its quarterly results to the BSE and NSE in India. These are available on their website www.utvnet.com

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CHAIRMAN'S REPORT

Your Company is highly committed to expand its global footprint and diversify into newer markets beyond national boundaries. We would like to highlight that this quarter, UMP continued its solid progress in this direction with the release of our first mainstream Hollywood flick *The Happening* directed by *M.Night Shyamalan* who has directed blockbusters like *The Sixth Sense* and *The Unbreakable*. This movie co-produced along with *20th Century Fox* has given us high visibility in the international movie market. In the Hollywood movie model revenue streams like satellite and home video account for a substantial portion of the revenue pie. In the case of *The Happening* these rights still remain unexploited which we believe will give a huge fillip to the overall revenues in the subsequent quarters.

We are also very pleased to report that our small budget Hindi movie *Aamir* produced by our second motion picture brand *Spotboy Productions* has managed to please critics and masses alike which is commendable considering that it is the director's and main protagonist's debut performance.

Such a diverse mix of movies goes to prove that we have imbibed and developed ourselves into a true studio which is evident from what we consider to be an enviable and diverse portfolio of movies that we have developed for the subsequent quarters and the variety of directors and talent that we have signed up, thereby spreading the risks allowing the Company to bear the fruits of our approach.

Ronnie Screwvala
Chairman
