



Movies • Games Content • Television • Broadcasting • New Media
UTV Software Communications Limited

EARNINGS RELEASE
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FOR THE QUARTER ENDED JUNE 30, 2009

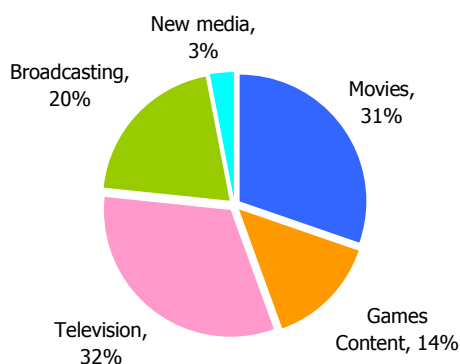
Management Perspective on Q1 results and Year ahead

In our Earnings Release for the year ended March 31st 2009, we had articulated that 09-10 is going to be –

- An investment year overall
- That Q1 will be negative as also Q2 will continue to be in investment mode – but Q3 & Q4 will be positive
- For the year 09-10 – the overall results will be positive - inspite of 3 of our 5 verticals being in investment mode – Games + New Media + Broadcasting

The key highlights for the quarter ended June 30, 2009 are:

- The Consolidated loss includes a non cash cost of Rs 100 millions in the Motion Picture business for a write down of previous year’s inventory as per our accounting policy
- Revenues were down as there was no release of any Movie or a Game in this quarter.
- Business wise revenue break-up for the quarter in % terms was -



- The consolidated loss for the quarter also included a Rs 104 million loss in our broadcasting vertical – which was absent / zero on a QoQ basis last year, since broadcasting was consolidated Q2 onwards last year.

For our Q2 July – Sept 09:

- Only 3 movies will see a release
 - (i) *Agyaat* (which is substantially pre-sold)
 - (ii) *Kaminey* and
 - (iii) *Aage Se Right*

We do also expect some syndication revenues to flow in as also ongoing realization of revenues on *The Happening*.

- Console Games company, *Ignition* has two games releasing in the US and EU – *King of Fighters XII* and *Muramasa – The Demon Blade. Warrior Epic*, an online game released by *True Games* is still in “Beta” mode.
- Our Broadcasting network – key channels – *Bindass* & *UTV Movies* have shown a 30% growth in just the month of July 09, and *Bindass* is again the Number 1 channel in the youth space beating *MTV/ Channel V* and others.
- Q2 will continue to be a quarter in overall investment mode

Perspective for full year 09-10:

- In spite of Broadcasting, Games and New Media business segments being in investment mode this year, overall consolidated results for the fiscal 2010 will be positive
- Motion Pictures business should witness release of over 12 films – with Q3 being the highest in terms of number of releases
- In Games business segment – *Indiagames* will record growth. *Ignition* will see continued growth through release of its “publishing” games while it readies itself for its 3 big IPs release in 10-11. *True Games* will see a launch of its online games and platform in Q4 of this year
- TV Content segment – outside of our continued dominance in the air time sales space, our TV content production business on the back of the success of *Dance India Dance* and others, will see shows on air from the third quarter of this fiscal combined with a thrust in programs produced in Tamil and Telugu languages as well
- New Media – though in investment mode, has a strong focus on building a future business model on web and mobile platforms in the entertainment, the business and the technology space
- In Broadcasting – buoyed by the growth and focus already started at the beginning of second quarter, there is a high growth focus on all our channels with an aim to be in the top 5 broadcasting networks in 10-11. We believe broadcasting revenues for 09-10 as a percentage contributor of overall revenue mix of UTV for 09-10 will be higher.
- Recent announcement made by The Company to merge its Motion Picture entity listed at AIM of London stock exchange to drive value through 100% consolidation of its most profitable business.
- *The Happening* recorded its second tranche revenues in the quarter under discussions – strengthens our belief in revenues from Hollywood titles
- Motion picture business segment recorded revenues of Rs 265 million without single release during the quarter – this was possible on the strength of previous year library
- The company expects the year 2010 -11 to be the year of scale for all its key businesses

COMPANY PERFORMANCE (CONSOLIDATED)

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

Given below is the brief income statement of the Company consolidated with its subsidiaries and joint venture for the fiscal 2010 and 2009.

<i>Rs in million</i>	Q1FY10	Q1FY09	Δ
Operating Revenues	865	1,358	(36%)
Other Operating Income	288	13	
Total Operating Rev.	1,153	1,371	(16%)
Expenditure	1,512	1,204	26%
Operating Income	(359)	167	(315%)
<i>Operating Margin</i>	<i>(31%)</i>	<i>12%</i>	
Add: Other Income	12	46	(74%)
Less: Interest exp (Net)	61	(35)	(274%)
PBT	(408)	248	(265%)
PAT	(318)	251	(227%)
<i>PAT Margins</i>	<i>(28%)</i>	<i>18%</i>	

Total Capital Employed in operations is Rs 19,906 million. As at June 30, '09 Net debt is Rs. 4,818 million.

SEGMENT PERFORMANCE (CONSOLIDATED) (Rs in Million)

The business has been categorized under five segments – Movies, Games Content, Television, Broadcasting and New Media.

Segment Revenues	Q1FY10	Contribution	Q1FY09	Δ
Movies ^	265	31%	932	(72%)
Games Content #	117	14%	146	(20%)
Television *	282	32%	256	10%
Broadcasting √	177	20%	-	-
New Media √	28	3%	26	8%
(Inter-segment)	(4)	(1%)	(2)	
Total	865	100%	1,358	(36%)

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Segment Results	Q1FY10	Margins	Q1FY09	Δ
Movies ^	(96)	(36%)	248	(139%)
Games Content #	(96)	(82%)	(33)	191%
Television *	11	4%	14	(21%)
Broadcasting ↘	(104)	(59%)	-	-
New Media √	(21)	(75%)	(7)	200%
Total	(306)	(35%)	222	(237%)

	As on June		As on June	
Capital Employed	30, 09	Contribution	30, 08	Δ
Movies ^	9,206	46%	6,491	42%
Games Content #	3,977	20%	2,100	89%
Television *	319	2%	465	(31%)
Broadcasting ↘	3,764	19%	-	-
New Media √	356	2%	213	67%
Unallocable	2,284	11%	5,264	(57%)
Total	19,906	100%	14,533	37%

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

Games Content segment currently include Gaming businesses

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

↘ Broadcasting segment currently includes the four channels of UGBL

√ New Media segment currently include Web and Mobile business.

BUSINESS SEGMENT REVIEW
Movies Segment

Movies segment comprises all products and services resulting in the big screen exploitation such as movies production and distribution in India and overseas. The Movies segment during the quarter, reported a revenue of Rs 265 million, contributing 31% to the total segmental revenue.

This quarter we have realized additional revenues from *The Happening* to the tune of Rs. 145 million. This has been a rather quiet quarter for the movies segment as there were no new movies released by UTV due the standoff with multiplex chains. However, as part of the exclusive distribution deal with Disney, the Company released *Bolt*, a Disney production.

Games Content Segment

This business segment comprises UTV's gaming businesses which include *Ignition*, *Indiagames* and *True Games*. During the quarter, this segment has contributed about 14% of the operating revenues of the Company and is expected to be one of the major contributors in the near future.

Ignition: This quarter has been a very exciting one for *Ignition* which was a relative new comer to the bustling videogame industry but has come to be known as one of the most honored game companies of the year. *Ignition* for the first time unveiled its 3 IP's *Wardevil*, *El Shaddai* and *Reich* at the *Electronic Entertainment Expo (E3)* which is one of the largest game exhibitions in the World. It was held from 2-4th June, 2009 at Los Angeles in USA. The game show is visited by most gaming

experts, hard core gamers, worldwide publishers and developers which gave *Ignition* a platform to enhance its global visibility.

During the quarter, *Ignition* also purchased global publishing rights for two most talked about next-gen games called *Muramasa: The Demon Blade* and *The King of Fighters XII (KOF XII)*. These two highly anticipated video-game titles swept nine of the 'Best of E3' awards. These games are slated for release in second quarter of the current fiscal. During the quarter, *Ignition* released one game in Europe called *King of Fighters 98* for *PS2* platform.

Indiagames: Some of key games published this quarter by Indiagames were:

Name of Games	Territory
<i>BioShock 2D</i>	EMEA, APJ & India
<i>T20 Cricket Championship</i>	EMEA, APJ & India
<i>Cricket South Africa Tour</i>	EMEA
<i>Mafia Wars New York</i>	India
<i>PowerRangersRPM</i>	India
<i>Star Trek</i>	India
<i>X men Origins: Wolverine</i>	India
<i>IPL T20 Cricket</i>	India
<i>Transformers ROTF</i>	India
<i>MotoGP09</i>	India
<i>Solid Weapon 3 Red Gun</i>	India
<i>Crazy Taxi</i>	India

True Games: *True Games*, a start up company based in the US is mainly focused on creation of their own gaming platform in US and Turkey and syndication of its content to online platforms to the rest of the world. Its revenue model is mainly based on *Massively Multiplayer Online Role Playing Games (MMORPG)* with micro-transactions. *True Games* released a beta version of its first game *Warrior Epic* in the US on May 19, 2009. Its second game, *Mytheon* is under development and is expected to release in Q4FY10. Syndication deals are tied in for the first game in territories like China, Korea, Russia and Europe.

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, 2009 was 32% of all operating revenues.

TV Content: *UTV's* TV Content segment represents the shows produced by the Company on a commissioned basis. Following are the shows that were produced by UTV this quarter:

Name of Program	Channel	Status
<i>Cash Cab</i>	<i>Bindass</i>	On-going
<i>Aashayein</i>	<i>ZeeTV</i>	Concluded
<i>Dance India Dance</i>	<i>ZeeTV</i>	Concluded

During the quarter under review, the Company has produced over 20 hours of programming.

Air Time Sales: During the quarter, the Company has managed a monthly average of approximately 120 hours of content under management across all leading South Indian Channels such as *SunTV*, *GeminiTV*, *SuryaTV* and *UdayaTV*. During the quarter, we concluded two of our shows called *Athiradi Singer* which was a UTV production on *SunTV* and *Maley* on *UdayaTV* and have added two more show in the same slots called *Amman* which again is a UTV production and *Jokali* on *UdayaTV*.

New Media Segment

This segment comprises the Web and Mobile foray of the Company. During this quarter, this segment has contributed about 3% of the operating revenues of the Company.

During the quarter, the Company unveiled an innovative product called *Audio Cinema*, a movie-on-your phone service in India. The technological innovation offers movie enthusiasts a one-hour audio version of films with dialogues, narration and the substance of the story at Rs 6 per minute. This in turn would open the audio box-office smash hits such as *Fashion* and *Sholay* in Hindi, *Prem Loka* in Kannada, *Thalpati* in Tamil and *Gang Leader* in Telugu. *UTV@Play's Audio Cinema* is available through various service providers including *Idea*, *Vodafone*, *Airtel Mobile* and *Reliance*.

UTVi.com, continues to be a No.2 finance and business portal in the country and readying itself with significant content push to challenge the leading spot in due course of time.

Broadcasting

During the quarter under review, this segment has contributed 20% to the operating revenues of the Company.

- *Bindass*, is the No. 1 youth channel in India^a.
- *Bindass Movies* has displayed a consistent performance throughout this quarter to become the No.1 Hollywood channel in the country^b.
- *UTV Movies* has grown by 32% in reach and has grown from 25% to 33% in the last 8 weeks in HSM 4+ market. The channel GRPs have also grown by 30% from 29 to 37 having touched 40 GRPs in Week 28^c. UTV Movies has also acquired 123 titles in just the last 45 days.
- *World Movies* is a pioneer in this specialty segment and has already created a niche for itself with very high brand recall amongst its target audience. *UTV World Movies* has already extended its presence beyond television with over 240 screenings and 15 on-ground film festivals. Through a combination many first of a kind initiatives and celebration of various

^a Week 29 (12th July to 18th July '09), CS 15 to 25yrs AB, Market HSM 1mn+, Source: TAM Media Research

^b Week 14 to week 28, 2009 CS 15 to 34 ABC, Market HSM, Source: TAM Media Research

^c Week 28 (5th July to 11th July '09), CS 4+, Market HSM, Source: TAM Media Research



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cultural facets through music, cinema, arts and cuisine, *UTV World Movies* has shared with its patrons the way of life of many diverse ethnics. Tie up's with *Crossword*, *Seventymm*, *Alliance Francaise* & *Planet M* have created a whole new taste for *UTV World Movies* in the Indian Audience. *UTV World Movies* further strengthened by its foray into the home video segment in association with *Shemaroo World Cinema*. The recently launched *UTV World Movies Film Club* is already has in excess of 700,000 members and is the largest amalgamation of film aficionados in the county thus making *UTV World Movies* a complete 360* brand rather than just being a channel.

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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 – Consolidated Financials

Unaudited Financial Results for the Quarter Ended June 30, 2009			
<i>Rs.in lacs</i>			
Particulars	Consolidated		
	Quarter ended		Year ended
	30/06/2009 Unaudited	30/06/2008 Unaudited	31/03/2009 Audited
Net Income from Sales & Services	8,651.50	13,580.14	60,655.40
Other Operating Income	2,884.87	127.61	7,029.07
Total Revenues	11,536.37	13,707.75	67,684.47
Direct Cost	9,504.60	9,729.91	52,189.90
Personnel Costs	1,611.60	1,060.09	5,775.20
Depreciation	180.90	113.44	695.29
Other Expenses	3,825.50	1,136.90	10,980.10
Total Expenditure	15,122.60	12,040.34	69,640.49
Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items	(3,586.23)	1,667.41	(1,956.02)
Other Income	119.23	456.17	1,508.33
Profit/(Loss) before Interest & Exceptional Items	(3,467.00)	2,123.58	(447.69)
Interest Expenses/(Income) (net)	605.40	(354.59)	(766.10)
Profit/(Loss) after Interest but before Exceptional Items	(4,072.40)	2,478.17	318.41
Exceptional Items	-	-	-
Profit/Loss from Ordinary Activities before tax	(4,072.40)	2,478.17	318.41
Tax Expense			
- Current	170.60	100.53	656.00
- Mat Credit Entitlements	-	(22.22)	235.40
- Deferred	(1,076.40)	(122.11)	(5,311.70)
- Fringe Benefit tax	8.50	13.01	86.30
Total Tax Expense	(897.30)	(30.79)	(4,334.00)
Net Profit/(Loss) from Ordinary Activities after tax	(3,175.10)	2,508.96	4,652.41
Extraordinary Item (net of tax expense)	-	-	-
Net Profit/(Loss) for the period	(3,175.10)	2,508.96	4,652.41
Minority interest	(841.70)	520.45	1,089.60
Net Profit After Minority Interest	(2,333.40)	1,988.51	3,562.81
Paidup equity share capital (Face value Rs 10 each)	3,419.50	3,419.50	3,419.50
Reserves (excluding revaluation reserves) as per Balance Sheet of Previous Accounting Year			131,404.5
Earnings per share (Rupees) - Basic	(6.82)	6.59	10.73
- Diluted	(6.82)	6.59	10.73

Segment Performance - Revenue, Results and Capital Employed *Rs. in lacs*

Particulars	Consolidated		
	Quarter ended		Year ended
	30/06/2009 Unaudited	30/06/2008 Unaudited	31/03/2009 Audited
Segment Revenues			
Television	2,815.99	2,562.90	13,167.95
Movies	2,651.70	9,315.80	27,620.88
Games Content	1,171.60	1,455.90	11,048.27
New Media	278.76	260.84	1,802.60
Broadcasting	1,769.42	-	8,868.27
Less: Inter-segment revenues	(35.97)	(15.30)	(1,852.57)
Total revenues	8,651.50	13,580.14	60,655.40
Segment results			
Television	108.29	139.80	544.06
Movies	(959.72)	2,476.40	5,378.33
Games Content	(964.06)	(330.30)	(2,894.38)
New Media	(210.79)	(63.80)	(453.18)
Broadcasting	(1,041.73)	-	(2,817.43)
Total segment results before Interest and Tax	(3,068.01)	2,222.10	(242.60)
Less:			
- Interest Expenses/(Income) (Net)	605.40	(354.59)	(766.10)
- Other unallocable expenditure (net of Other Income)	398.99	98.52	205.09
Total Profit before tax	(4,072.40)	2,478.17	318.41
Capital Employed			
Television	3,190.04	4,651.67	3,833.27
Movies	92,055.26	64,914.30	90,798.61
Games Content	39,768.39	20,996.97	33,436.72
New Media	3,564.50	2,133.00	3,581.90
Broadcasting	37,638.61	-	36,336.07
Unallocable	22,838.80	52,636.75	17,738.28
Total Assets - Liabilities	199,055.60	145,332.69	185,724.85

Notes:

1. The Statutory Auditors have carried out a limited review of the standalone results of the Company.
2. The above results, including consolidated, are reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 30, 2009.
3. The consolidated results include the subsidiaries: UTV Communications (USA) LLC, IG Interactive Entertainment Ltd, UMP Plc, UTV Global Broadcasting Ltd, UTV TV Content Ltd., UTV Games Ltd, First Future Agri & Developers Ltd, UTV New Media Ltd and the group's stepdown subsidiaries -UTV Motion Pictures (Mauritius) Ltd., Ignition Entertainment Ltd., Indiagames Ltd, True Games Interactive, Inc., Genx Entertainment Ltd, UTV Entertainment Television Ltd, RB Entertainment Ltd. & IT Nations Media Ltd and the Joint Venture - Smriti Irani Television Ltd.
4. Number of investor complaints for the quarter ended June 30, 2009: Beginning - Nil, Received - 8, Disposed off - 8, Pending - Nil.

5. As on June 30, 2009, 992,500 employee stock options were outstanding. Upon exercise of the options, these would be converted into equivalent number of equity shares.
6. The Board of Directors ("the Board") of the Company in its meeting held on July 20, 2009 considered a proposal to consolidate the business of its subsidiaries UMP Plc ("UMP") and UTV Motion Pictures (Mauritius) Limited ("UTV Mauritius") into the Company to reap the benefits of operational synergy and enhance shareholders value. As per the proposal, the shareholders of UMP (other than the Company) will be issued 1 equity share of the Company for every 3.75 ordinary shares of UMP held by them. The share swap ratio is based on a joint independent valuation conducted by BDO Haribhakti Consulting Private Limited and SSPA & Co, Chartered Accountants. The proposed share swap ratio is expected to result in a dilution of 15.84% of the existing equity share capital of the Company. The proposal is intended to be implemented by way of a scheme of arrangement under sections 391 to 394 read with section 78 and sections 100 to 103 of the Companies Act, 1956 and court approved schemes of arrangements in Isle of Man and Mauritius.
7. The Bombay High Court on 10th July 2009 has approved the Scheme of Amalgamation of ITNation Media Limited ("the transferor Company") with UTV New Media Limited ("the transferee Company") and their respective shareholders
8. Previous quarter/year figures have been rearranged / regrouped, wherever necessary.