



UTV SOFTWARE COMMUNICATIONS LIMITED

Earnings Release for the quarter ended September 30, 2010

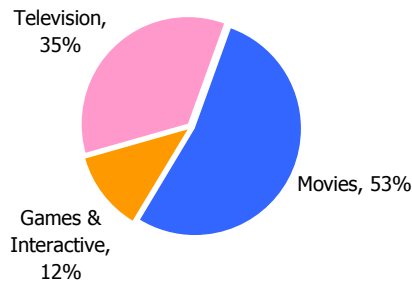
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CONSOLIDATED RESULTS – PERFORMANCE HIGHLIGHTS

For the Six Months ended September 30, 2010 – Q2 FY2011 as compared to Six Months ended September 30, 2009

- Total Operating Revenues grow by 37% to Rs 4,481 million compared with Rs 3,275 million in the same period of the previous fiscal
- Income before interest, other income & exceptional items (EBIT) increased to Rs. 905 million from a loss of Rs. 178 million in the same period of the previous fiscal.
- Net Profit after Tax (PAT) increased to Rs 814 million from a loss of Rs. 214 million in the same period of the previous fiscal.
- Segmental Revenue Contribution

H1 FY2011



Note: Intersegment revenue contribution in the charts above is adjusted in their respective segment.

Mumbai, India; October 14, 2010 – *UTV Software Communications Limited* (UTVSOF.BO, UTVSOF.NS) today announced its results for the quarter ended September 30, 2010.

COMPANY PERFORMANCE (CONSOLIDATED)

The Company results include the subsidiaries: UTV Communications (USA) LLC, IG Interactive Entertainment Ltd, UTV Global Broadcasting Ltd, UTV TV Content Ltd., UTV Games Ltd, First Future Agri & Developers Ltd, UTV New Media Ltd, Indiagames Limited and the group's stepdown subsidiaries -Ignition Entertainment Ltd., True Games Interactive, Genx Entertainment Ltd, UTV Entertainment Television Ltd, UTV Tele-Talkies Ltd, RB Entertainment Ltd & Vikatan UTV Content Limited and the Joint Venture - Screenshot Television Limited.

Given below is the brief income statement of the Company consolidated with its subsidiaries and joint venture for the fiscal 2011 and 2010.

EARNINGS RELEASE

Rs in million	Q2FY11	Q2FY10	Δ	H1FY11	H1FY10	Δ
Operating Revenues	2,378	2,345	1%	4,371	3,210	36%
Other Operating Income	21	32	(34%)	110	65	69%
Total Operating Rev.	2,399	2,377	1%	4,481	3,275	37%
Expenditure	1,961	2,196	-11%	3,576	3,453	
Operating Income	438	181	142%	905	(178)	N/A
<i>Operating Margin</i>	<i>18%</i>	<i>8%</i>		<i>20%</i>	<i>(5%)</i>	
Add: Other Income	16	14		16	26	
Less: Interest exp (Net)	42	119		106	179	
PBT	412	76	442%	815	(331)	N/A
PAT	412	104	296%	814	(214)	N/A
<i>PAT Margins</i>	<i>17%</i>	<i>4%</i>		<i>18%</i>	<i>(7%)</i>	

SEGMENT PERFORMANCE (CONSOLIDATED) (Rs in Million)

The business has been categorized under three segments – Television, Games & Interactive, and Movies.

Segment Revenues	Q2FY11	Contribution	Q2FY10	Δ
Television*	815	34%	503	62%
Movies ^	1,207	51%	1,310	(8%)
Games and Interactive #	357	15%	599	(40%)
(Inter-segment)	(1)		(67)	
Total	2,378	100%	2,345	1%

Segment Results	Q2FY11	Margins	Q2FY10	Δ
Television*	49	6%	(140)	N/A
Movies ^	447	37%	299	49%
Games and Interactive #	52	15%	70	(26%)
Total	548	23%	229	139%

Capital Employed	As on September 30, 2010	Contribution
Television*	4,938	26%
Movies ^	5,685	30%
Games and Interactive #	6,559	34%
Unallocable	1,996	10%
Total	19,178	100%

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

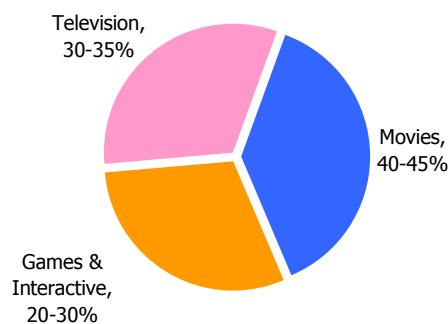
Games and Interactive segment currently include the business of Ignition, Indiagames, True Games, Web and Mobile

* Television segment include four channels of UGBL, TV Content, Airtime sales and Dubbing businesses

The Unallocable Capital Employed stated above includes Cash and Cash equivalents of Rs. 520 million, which forms part of our treasury. As at September 30, 2010, Net debt for the Company stands at Rs. 9,970 million.

BUSINESS REVIEW & OUTLOOK

1. As previously communicated, we now report the TV Content business with Broadcasting during this quarter as part of segment called Television. A significant portion of our TV Content business used to come from Quasi Broadcasting business on Sun Network in South India where UTV generates advertising revenues by selling airtime on various channels by showcasing various programs created and aggregated by UTV. This is very similar to what we do as part of the broadcasting business and hence the reason for consolidating the segments which have similar lines of business.
2. While the company carries out the business of entertainment appealing to audiences across web and mobile, its games content subsidiaries also address a similar audience through their games. Due to the blurring of boundaries between the two we are reporting the Games content and Interactive segments together from this quarter with a view to consolidate similar businesses.
3. Expected mix of revenues for the fiscal 2011 is:



It is important to note that UTV has little dependence on any single revenue stream and based on this mix it is the most diversified and scalable business model in the media industry today.

4. We anticipate reducing our current debt level to more reasonable levels through liquidity events such as movie co-productions and release of our AAA titles as well as some strategic initiatives. Our debt levels are now stable and in line with our mantra - "Stay consolidated" as against splitting businesses for short term gains. The company with its growing topline and profit margins, in the coming quarters, will be the key contributor to bring our debt levels down in the quarters to come. We do not envisage any significant investment in our businesses and yet looking forward to significant profits in the coming quarter to check rising debt levels.
5. We have made significant progress on Games and Interactive business primarily in Console and Mobile segment. Focus on IPs that migrate across multiple platforms of distribution – may it be a console to PC, iPhone to an iPad and various other handhelds will pay dividends in the quarters to come. On our AAA Console Games – El Shaddai unveiled itself in September at The Tokyo Game Show to rave reviews. True Games is on track to realize its 4-5 games this financial. True Games will also release its first social game by December, created at our Beijing studio. Indiagames has also turned to black from this quarter and will continue this trend and its On-hire Subscription Model has shown significant growth and quite a few of its Games have appeared in the Top 10 charts of iPhone and iPad.
6. UTV is very well placed to reap benefits from change in consumer behavior with respect to content consumption with the evolution of 3G and 4G. We have taken reasonable steps to aggregate and create original video content for such distribution and expected to have dominant share of this growing market. Strategic tie-ups with Leading Telcos have been formed and in the coming quarters will see UTV Content playing a premier role as the 3G and 4G evolves.
7. UTV has achieved its stated objective of reaching a leadership position across all our verticals and it is heartening to mention that we are now the leaders in India across segments and is now
 - i. The No. 1 Movie Studio
 - ii. The No. 1 TV Content creator
 - iii. The No. 1 Youth Channel
 - iv. The only Indian Global Gaming company

BUSINESS REVIEW

Movies Segment

The Movies division continued its excellent performance this fiscal, with a strong quarter backed by the release of four movies - *I Hate Luv Storys*, *Udaan*, *Peepli Live* and *We Are Family*. The Movies segment during the first half, reported an increase of 47% in revenues to Rs. 2,315 million from Rs. 1,575 million in the same period of last fiscal. In addition to the movie releases in this quarter, income was realized from (a) the satellite revenue for Raajneeti, (b) syndication from the sale of rights of catalogue titles and (c) revenues from the Hollywood slate. FY 2010-11 started strongly with the release of Raajneeti emerging as the fourth biggest blockbuster in the history of Indian cinema, and

the positive trend continued with an even stronger second quarter, putting UTV well ahead of the competition both in terms of number of movies released and revenue. The Company is poised for continuing success for the remainder of the year with a strong pipeline of the following films:

1. *Guzarish* – Directed by Sanjay Leela Bhansali and starring the unmatched duo of Hrithik Roshan and Aishwarya Rai Bachchan.
2. *Tees Maar Khan* – Directed by Farah Khan and starring the super hit combo of Akshay Kumar and Katrina Kaif. This will be a solo Christmas release and has the potential to emerge as the biggest blockbuster of 2010.
3. *No One Killed Jessica* – Directed by Rajkumar Gupta and starring Rani Mukherjee and Vidya Balan.
4. *Saat Khoon Maaf* – Directed by Vishal Bharadwaj starring Priyanka Chopra, John Abraham and others.

Games and Interactive Segment

During the first half, this segment reported a decrease in revenue to Rs. 533 million from Rs. 744 million in the same period last fiscal. This segment has contributed to around 12% of the operating revenues of the Company in the first half of this fiscal.

UTV Ignition:

- Public debut of UTV Ignition Japan studio's first game *El Shaddai* at Tokyo Game Show. The Ignition booth was awarded 'Best at TGS' with over 200,000 visitors at the show and 1,000+ global media in attendance.
- *El Shaddai* won 'Most Anticipated Future Title' award (from over 300 titles shown) based on votes from users and CESA trade board of publishers. This award will enable *El Shaddai* to be showcased as a premier title in 10,000+ retail outlets across Japan.
- UTV Ignition signed an agreement to exploit one of our existing IPs, *Mercury*, and bring it onto digital (XBLA & PSN) platforms. Development started in August and the game is due to release across both platforms in Feb / March 2011.
- *Blacklight Tango Down*, UTV Ignition's first digital download title, was a huge success, becoming one of the top 2 selling titles on XBLA during July.

UTV Indiagames:

UTV Indiagames had strong growth with revenues continuing to increase on a QoQ basis. During the quarter there were several interesting developments across the different business lines.

- A video streaming partnership for mobile with a leading technology provider
- UTV Indiagames and Mindtwister are launching the award winning board game *Pentago* for mobile feature phones and smart phones alike. *Pentago* will be available for all feature phones across mobile carriers globally and will also be available for the various mobile App Stores such as Apple's App Store for the iPhone and the Android Marketplace for Android powered devices.
- Deeper penetration of the games service with Big TV and integrated services with another large DTH provider which will be launched shortly
- One of three Indian companies to reach 1mm download milestone on Ovi
- The *Games on Demand* business has shown steady growth reaching a subscriber base of more than 60,000 users and continues to grow.

- UTV Indiagames has partnered with Electronic Arts to offer full digital game downloads for the PC platform. As a part of the existing Games on Demand subscription based games distribution service, UTV Indiagames will offer full digital downloads of popular EA games.

UTV True Games:

- UTV True Games signed a million dollar licensing deal for South East Asia territories with Yamaia Limited.
- *Faxion*, UTV True Games first internal development title in Austin has entered "Friends and Family" closed beta and has entered into European licensing negotiations with several leading on line publishers. *Faxion* also incorporates several social gaming aspects and Indiagames has partnered with the internal development studio to execute these product extensions.
- *Planet Crashers*, a unique and exciting casual game being developed in the Beijing studio will be the first browser based MMO for the Company.
- *Sky Legends*, a browser based MMO being developed by external MMO developer , Smartbomb Interactive (developers of National Geographic's *Animal Jam*) has been announced and received by great enthusiasm from the gaming press.

Interactive (Web and Mobile) Segment

The Games & Interactive segment contains various products and services under this segment include portals such as *techtree.com* and services such as distribution of movies and music based products on mobile such as RBT/ CRBT, Wallpapers, Audio Cinema, Celebrity voice blogs, etc. Some of the key highlights of this business during the quarter are listed below:

- UTV *Audio Cinema* added 1 million subscribers in Q2 and UTV Powered Vodafone *Mobile Box Office* is one of the fastest growing subscription service in Vodafone VAS
- UTV acquired digital rights of leading Bollywood and Southern Cinema celebrities for 2 to 5 years e.g. Priyanka Chopra, John Abraham, Lara Dutta, Ileana D'Cruz and continually adding more to its repertoire.
- UTV launched celebrity live interactive voice chat service through Airtel's *Talk To Me* (TTM) product and Lara Dutta's chat got 1.1 lakh subscribers on a pre appointed time to listen to Lara live
- UTV has established itself as key player in the short format video content and has entered into long term partnerships with leading Telcos to provide consumers 'Made for Mobile' content

Television Segment

During the first half, this segment reported an increase of 59% in revenue to Rs. 1,528 million from Rs. 959 million in the same period last fiscal. The contribution from this segment during the first half ended September 30, 2010 was 35% of UTV's consolidated revenues.

TV Content: UTV's TV Content segment represents the shows produced by the Company on a commissioned basis. During the quarter, the Company had the following shows on air

Name of the Show	Channel	Frequency in a week	Genre
<i>Prajaktaa</i>	<i>Mi Marathi</i>	5	Daily Soap
<i>Rakt Sambhandh</i>	<i>Imagine</i>	5	Daily Soap
<i>Maaylek</i>	<i>ETV Marathi</i>	6	Daily Soap
<i>The Assignment</i>	<i>Bloomberg UTV</i>	1	Reality
<i>Emotional Atyachar</i>	<i>Bindass</i>	1	Reality
<i>Boogie Woogie</i>	<i>SONY</i>	2	Reality

After successfully creating *Dance India Dance* on Zee, Sony Entertainment Television has asked the Company to do their dance show *Boogie Woogie*, the first ever talent hunt for Dance on Indian TV which now completes 15 years. The Company has slated several shows to be launched in the coming quarter including *Kolangal* remake in Hindi launching on Star Plus and *Big Switch* launching on Bindass in November. Additional projects include *Panic Room* for Bindass as well as a reality show for Sony.

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*. *Thirumathi Selvam* one of our shows on Sun TV continues to rule – a clear no 1 show in *Sun Network*. *Deal or no Deal*, an international format show produced by us for *Sun TV* continues to remain as the No. 1 weekly show.

Broadcasting

Broadcasting includes TV channel operations of four channels i.e. *UTV Bindass*, *UTV Action*, *UTV Movies* and *UTV World Movies*.

UTV Bindass, UTV's youth entertainment channel *Bindass* has launched some very exciting shows and has strengthened its position in the space that it operates. The channel saw a growth in GRPs and has continuously beaten competition starting end July consistently through Aug and Sept week on week. The channel achieved significant viewership for the quarter driven by the following:

- **Emotional Atyachar** continued to rule as the No.1 reality show in the genre with an opening of 1.5 TVR. The show has become a franchise now and has also launched an EA music album with T-Series.
- **The Chair**. The show is first of its kind horror reality show where the challengers take up the challenge to walk through the haunted locations and then sit on the chair.

UTV Action, launched in January 2010, this channel has already created a very strong brand for itself amongst consumers. With an almost 70% skew towards Male viewership, 40 GRPs from Male, 15+, HSM target group, *UTV Action* delivers a great value and stands way above the traditional Male specialist channels such as sports and Hindi news. Indian advertisers now have an alternative to Cricket to reach out to the elusive male viewer - and unlike cricket, *UTV Action* delivers male viewers round the year.

70% of the channel's library is first time in Hindi with numerous titles like *Rambo 4* and *Universal Soldier 3* premiering on Indian Television for the first time.



UTV Movies has an indisputable strength in the area of Bollywood due to the backing of India's premier movie studio. *UTV Movies* commands a high level of respect amongst the Hindi Movie Channel viewers, which is evident from the steady Time Spent that it enjoys. With a large movie library coupled with good distribution, the channel delivers an average of approximately 41 GRPs and is the bulwark in the network's portfolio.

World Movies enjoys the distinction of being the only English movies channel to have a presence across multiple verticals ranging from TV, Theatrical, DVD, on-ground to other long term rights for our crème de la crème titles.

Being a constant value provider, *UTV World Movies* encourages consumers to enjoy cross cultural engagements through events like:

- Salsa partnership with Salsa India
- *Brick Lane* was released theatrically – the movie received 4 stars from the Times of India review
- Re-launch of a new site dedicated to World Cinema
- Partnerships in the Music space with *Indian Ocean* and *Joshua Redman*
- The channel continues to showcase the best of International cinema – *Brick Lane* and notably Movie of the month for Sep 2010, *Kandahar*

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Disclaimer

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 – Consolidated Financials

Particulars	Consolidated				
	Quarter Ended		Half Year Ended		Year Ended
	30/9/2010 Unaudited	30/9/2009 Unaudited	30/9/2010 Unaudited	30/9/2009 Unaudited	31/03/2010 Audited
					<i>Rs in Lacs</i>
Net Income from Sales & Services	23,779.09	23,451.79	43,706.35	32,103.29	66,405.25
Other Operating Income	210.61	315.24	1,106.70	648.23	1,716.20
Total Revenues	23,989.70	23,767.03	44,813.05	32,751.52	68,121.45
Direct Cost	15,030.27	17,677.61	27,260.34	26,560.24	44,730.25
Personnel Costs	1,894.18	1,610.14	3,749.01	3,221.74	6,180.10
Depreciation	207.01	195.95	392.73	376.85	616.63
Other Expenses	2,474.20	2,472.92	4,360.00	4,368.50	10,761.50
Total Expenditure	19,605.66	21,956.62	35,762.08	34,527.33	62,288.48
Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items	4,384.04	1,810.41	9,050.97	(1,775.81)	5,832.97
Other Income	159.12	139.74	162.04	258.97	326.46
Profit before Interest & Exceptional Items	4,543.16	1,950.15	9,213.01	(1,516.84)	6,159.43
Interest Expenses (net)	427.51	1,187.41	1,060.32	1,792.81	3,844.64
Profit after Interest but before Exceptional Items	4,115.65	762.74	8,152.69	(3,309.65)	2,314.79
Exceptional Items	-	-	-	-	-
Profit from Ordinary Activities before tax	4,115.65	762.74	8,152.69	(3,309.65)	2,314.79
Tax Expense (including deferred tax)	0.53	(273.23)	13.00	(1,170.53)	(2,702.45)
Net Profit from Ordinary Activities after tax	4,115.12	1,035.97	8,139.69	(2,139.12)	5,017.24
Extraordinary Item (net of tax expense)	-	-	-	-	-
Net Profit for the period	4,115.12	1,035.97	8,139.69	(2,139.12)	5,017.24
Minority interest	96.97	205.38	2.10	(636.32)	(316.00)
Net Profit After Minority Interest	4,018.15	830.59	8,137.59	(1,502.80)	5,333.24
Paidup equity share capital (Face value Rs 10 each)	4,063.23	3,419.50	4,063.23	3,419.50	4,063.23
Reserves (excluding revaluation reserves) as per Balance Sheet of Previous Accounting Year					73,166.40
Earnings per share (Rupees) - Basic	9.89	2.43	20.03	(4.39)	13.13
- Diluted	9.82	2.43	19.88	(4.39)	13.07
Public shareholding :					
- Number of shares	12,133,776	5,726,994	12,133,776	5,726,994	12,163,776
- Percentage of shareholding	29.86%	16.75%	29.86%	16.75%	29.94%
Promoters and promoter group Shareholding :					
a) Pledged/Encumbered					
Number of Shares	4,555,893	7,277,031	4,555,893	7,277,031	7,568,031
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	15.99%	25.56%	15.99%	25.56%	26.58%
Percentage of shares (as a % of the total share capital of the company)	11.21%	21.28%	11.21%	21.28%	18.62%
b) Non-encumbered					
Number of Shares	23,942,581	21,191,443	23,942,581	21,191,443	20,900,443
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	84.01%	74.44%	84.01%	74.44%	73.42%
Percentage of shares (as a % of the total share capital of the company)	58.93%	61.97%	58.93%	61.97%	51.44%

<i>Rs in Lacs</i>					
Segment Performance - Revenue, Results and Capital Employed					
Particulars	Consolidated		Half Year Ended		Year Ended
	Quarter Ended				
	30/9/2010 Unaudited	30/9/2009 Unaudited	30/9/2010 Unaudited	30/9/2009 Unaudited	31/03/2010 Audited
Segment Revenues					
Television	8,152.10	5,035.03	15,276.30	9,586.83	24,895.01
Movies	12,069.20	13,096.54	23,153.40	15,748.32	31,543.69
Games & Interactive	3,572.20	5,991.81	5,325.40	7,442.09	10,700.18
Less: Inter-segment revenues	(14.41)	(671.59)	(48.75)	(673.95)	(733.63)
Total revenues	23,779.09	23,451.79	43,706.35	32,103.29	66,405.25
Segment Results					
Television	492.58	(1,395.54)	928.86	(2,328.98)	(24.50)
Movies	4,466.07	2,990.74	9,690.12	2,031.02	9,509.45
Games & Interactive	525.21	699.05	124.10	(475.80)	(1,478.95)
Total segment results before Interest and Tax	5,483.86	2,294.25	10,743.07	(773.76)	8,006.00
Less:					
- Interest Expenses/(Income) (Net)	427.51	1,187.41	1,060.32	1,792.81	3,844.64
- Other unallocable expenditure (net of Other Income)	940.70	344.10	1,530.06	743.08	1,846.57
Total Profit before Tax	4,115.65	762.74	8,152.69	(3,309.65)	2,314.79
Capital Employed					
Television	49,382.73	45,598.59	49,382.73	45,598.59	45,676.88
Movies	56,849.61	96,908.39	56,849.61	96,908.39	48,213.70
Games & Interactive	65,590.08	47,625.97	65,590.08	47,625.97	52,917.27
Unallocable	19,952.84	36,160.38	19,952.84	36,160.38	26,687.15
Total Assets - Liabilities	191,775.26	226,293.33	191,775.26	226,293.33	173,495.00

<i>Rs in Lacs</i>		
Consolidated Statement of Assets and Liabilities is as under:		
Particulars	As At	
	30/9/2010 Unaudited	30/9/2009 Unaudited
Shareholders' Funds		
a) Share Capital	4,063.23	3,419.55
b) Reserves & Surplus	82,599.17	126,976.96
c) Advance Against Warrants	-	3,901.10
Minority Interests	2,586.54	13,656.63
Loan Funds	105,112.86	91,995.72
Total	194,361.80	239,949.96
Fixed Assets	45,659.80	47,222.41
Investments	207.40	23,733.76
Deferred Tax Assets (Net)	10,268.65	9,075.33
Current Assets, Loans & Advances		
a) Inventories	108,079.79	119,598.36
b) Sundry Debtors	18,811.74	20,827.83
c) Cash and Bank Balances	5,203.73	8,377.95
d) Other Current Assets	40.08	21.97
e) Loans and Advances	28,752.46	35,275.35
Less: Current Liabilities & Provisions:		
a) Current Liabilities	21,812.86	22,993.95
b) Provisions	848.99	1,189.05
Total	194,361.80	239,949.96

Notes:

- The above consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 14, 2010.
- The consolidated results include the subsidiaries: UTV Communications (USA) LLC, IG Interactive Entertainment Ltd, UTV Global Broadcasting Ltd, UTV TV Content Ltd., UTV Games Ltd, First Future Agri & Developers Ltd, UTV New Media Ltd, Indiagames Limited and the group's stepdown subsidiaries -Ignition Entertainment Ltd., True Games Interactive, Genx Entertainment Ltd, UTV Entertainment Television Ltd, UTV Tele-Talkies Ltd, RB Entertainment Ltd & Vikatan UTV Content Limited and the Joint Venture - Screenshot Television Limited.
- Number of investor complaints for the quarter ended September 30, 2010: Beginning - Nil, Received - 2 & Disposed off - 2, Pending - Nil.
- Television segment comprises television content, airtime sales, dubbing services and the television channel broadcast business. Movies segment comprises the film production, distribution and syndication business. Games and Interactive segment comprise the online, consol, mobile gaming business and the web & mobile business.
- The standalone financial results of the company for the quarter and half year ended September 30, 2010 have been filed with the Stock Exchanges where the Company's shares are listed and are available on Company's website www.utvgroup.com. The key standalone financial information for the quarter are as under:
 - Total operating revenues: Rs. 13,850.24 lakhs (Previous quarter Rs 7,957.88 lakhs)
 - Profit before tax: Rs. 4,750.69 lakhs (Previous quarter Profit before tax Rs.401.87 lakhs)
 - Profit after tax: Rs. 4,747.69 lakhs (Previous quarter before after tax Rs 275.35 lakhs)
- Previous quarter/year numbers have been regrouped / rearranged, wherever necessary.