Movies • Games Content • Television • Broadcasting • New Media

UTV Software Communications Limited

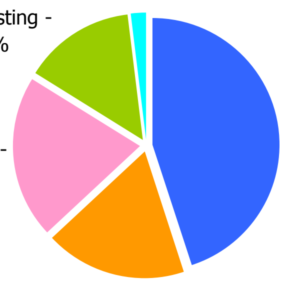
EARNINGS RELEASE

FOR THE YEAR ENDED MARCH 31, 2009

CONSOLIDATED RESULTS – PERFORMANCE HIGHLIGHTS

Year ended March 31, 2009 as compared to the same period last fiscal

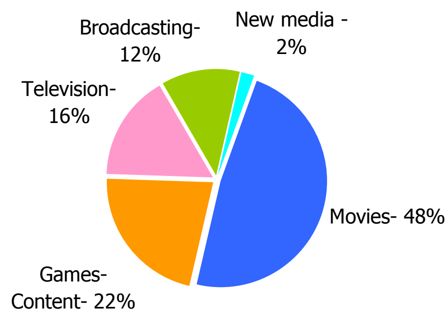
- Operating Revenues for the year reported growth of 53% to Rs. 6,768 million from Rs. 4,424 million
- Net Profit after tax for the year reported growth of 30% to Rs. 1,010 million from Rs. 777 million
- Segmental Revenue Contribution given below



Note: Intersegment revenue contribution is not considered in the pie charts above

Q4 FY2009 as compared to 4Q FY2008

- Q4 2007-08 (last year) had revenues from two of the biggest releases of 2008, *Jodhaa Akbar* and *Race*
- Operating Revenues for the quarter reported growth of 7% to Rs. 2,087 million from Rs. 1,941 million
- Net Profit after tax for the quarter reported negative growth of 51% to Rs. 132 million from Rs. 271 million
- Segmental Revenue Contribution given below



MANAGEMENT DISCUSSION AND ANALYSIS

UTV – IS THE ONLY INTEGRATED MEDIA COMPANY IN INDIA DERIVING ITS REVENUES FROM MULTIPLE STREAMS FROM TV CONTENT TO MOVIES TO BROADCASTING TO GAMES TO DIGITAL AND NEW MEDIA. NO OTHER LISTED OR PRIVATE COMPANY IN INDIA HAS SUCH A REVENUE MIX AND THAT TOO FROM ONE LISTED ENTITY.

AS A COMPANY TWO OF OUR REVENUE VERTICALS, BROADCASTING AND NEW MEDIA ARE JUST A YEAR OLD. GAMING IS ONE TO TWO YEARS OLD, STRADDLING ALL THREE ASPECTS OF MOBILE, CONSOLE AND MMORPG ONLINE. ALL THREE HAVE BEEN IN "INVESTMENT" MODE FOR 08-09 AND WILL BE FOR 09-10.

Below is the Company's perspective on the MOST ASKED QUESTIONS on the "UTV Business Model".

Q1. Most of '08-'09's Net Profit of UTV has come from "Other Operating Income"– so where are the "Business" profits?

A1. In '08-'09 three of our Verticals (i) Broadcasting (ii) Gaming and (iii) New Media contributed an Operating Loss of approx. Rs.46 crores. Had we not invested in these activities, our Operating profit would have been higher by Rs.46 crores and this was because this is the first year for Broadcasting and New Media and True Games is a start up.

In 2009-10 Broadcasting with 4 entertainment Channels will continue to be in Investment mode. So also will True Games whereas New Media and our other Gaming subsidiaries are expected to be profitable.

"Other Operating Income" in 08-09 includes foreign exchange gain enjoyed by UTV for its investment into the Hollywood Movie, *The Happening* at a much more favourable rate to a dollar $ to its realization now as the money starts flowing in. It also includes forex gain from sale of games in the US due to the strengthening dollar.

Media Companies, world over, that deal with income from various geographies, like UTV does, have forex gain, as its normal course of business.

Q2. This has been a very good year for UTV Motion Pictures where Movies big and small have done well and yet we have not seen that translated to the bottom line?

A2. Some of our Movies are cash profitable in the same year and many of the others are profitable over a longer period because the ancillary rights specially Satellite TV rights has had a deferred revenue Model. Simply put, as an illustration, if earlier we used to sell Satellite TV Rights, like all have been doing for many years, outright for 5-7 years for around Rs. 10crores then now in the changed model in the first year it would be only around Rs. 5crore but the Total Revenue over a 5 year period would be higher at around Rs. 12-14 crores. The revenue in the first year to be recognized would be Rs.5 crore Vs Rs. 10 crore for outright sale as per past model and therefore the gap in Year One.

Now if you were to extrapolate that to 10-12 Movies a year which a Studio Model such as ours were to release in a year then the loss of not realizing up to say 50% of that Revenue in Year 1, since its deferred, would cumulatively come to Rs. 60-65 crore. Also this deferred model has kicked in only in '08-'09 and so the impact is mostly felt in 08-09 itself.

Furthermore, we do admit that cost for producing Movies had risen only due to market conditions and free flow of Equity Money and that hiked cost has also put pressure on our margins. UTV has not been immune to this industry wide hike in costs but we believe we have brought this under control. However, the benefits of total cost rationalization to pre 2007 days would only be partly felt in 09-10 as many of our productions were already on the floor but will be fully realized and corrected from 10-11 onwards.

Q3. UTV's movie "Amortization" Model makes it difficult to understand the profitability? Also is 60:10:10:10:10 the most prudent policy?

A3. Actually the Amortization Policy is mostly P&L Neutral in a going concern and except for in the first year of a business or in a year of very high growth the write off with the write back mostly tallies.

We believe a 5 year write off Policy with 60% in year one and a cut off period of 5 years is prudent and correct. Our Hollywood counterparts link write down of costs to revenue and take a 7 to 10 year horizon. Given how the India market has matured and that the revenue has become slightly deferred but recurring we believe this is a conservative and long term model and very transparent to understand.

Q4. Your investments into Hollywood Movies is now 12 months and more and in the case of The Happening its 9 months into the investment, so when do we see cash flow?

A4. Hollywood Revenue flow does have a gestation period but then it flows. Outside of the cost of production the marketing and print costs for a worldwide release is very high and is spent by the Studio distributing the film. Therefore net revenues from theatrical go mostly, if not all, to recovering those costs and contributions to cash flow on recovery of cost of production come partly from Home Video and mostly from TV Syndication worldwide. Home Video is usually about 6 months from theatrical release and TV a year thereafter. Therefore cash flow starts approximately 15-18 months hence.

Namesake revenues will start in Q1 of 09-10. On *The Happening* even though the theatrical release was only 9 months back on 13 June'08, since it did well theatrically worldwide we have recognized part of the revenues in Q4 of 08-09 to the tune of Rs. 306 million. We estimate that approx 40% of the cost invested in *The Happening* will flow in pre and of 09-10 and the balance in ensuing years.

On *The Happening* our estimates are that on our investments of approx. $34 million, the revenue flowing back to us in its first cycle of exploitation would be between $39-42 million. Of course a lot would depend on the TV exploitation as that has just begun (for this year and may be into the next year there is a slow down on TV syndication worldwide). The State of Pennsylvania has also given a tax rebate to *The Happening* of a little over $10 million - our share 50% as Co-Producers and that also will also contribute to the revenue flow.

We also believe co-owing the IPR and Negative Rights in perpetuity for 3 Hollywood Movies in our Balance Sheet will be a valuable asset and a source of regular annuity income, post its first exploitation cycle.

Q5. You have invested into Gaming across 3 subsidiaries but the model is not so well understood in India since a majority of the activity is overseas. Also how big can this business truly be for UTV and what does UTV bring to the table in Gaming to take on global companies?

A5. Firstly, UTV's core strength and business focus is to create <u>Content</u> for worldwide dissemination. UTV has spotted global and local talent with like-minded vision and partnered and invested into these start ups to create Games on multiple platforms for a Global audience. The Pharma, IT, Telecom and other sectors out of India have been doing this for the last decade, and quite successfully and Media has similar opportunities and we have identified them well.

In <u>Mobile,</u> we believe India is the fastest growing market and Games on Mobile has hardly made its presence felt. <u>India Games</u> (our subsidiary) which has close to 60% of the market share in India and has grown 120% in 08-09, since we invested into it is best poised for growing this market as also to create a strong Online gaming platform in India as broadband expands into homes. UTV's strengths in building scale into its business as well as promoting it and growing the market and industry will be a strong value add to ensure that India Games enjoys at least 50% growth YOY for quite some years to come.

In <u>Console,</u> UTV and <u>Ignition</u> have aggregated and empowered some of the best global talent to create cutting edge high end Console Game Content for all the Leading Platforms- Sony & Microsoft (X Box) and Nintendo.
We would have invested approx. $ 50-60 million into 3 large and 2 smaller IPs for release to global audiences. The main markets for our IPs are North America, Japan and the European Union.

The first presentations to all platform owners and distribution/publishers like Sony, Microsoft etc. have evinced very positive response. In June 2009, at the largest console gaming conference and trade show, E3 in Los Angeles, we will unveil the First Look on all our 3 large IPs and one of the smaller ones.

Disney's gaming team have started close involvement in the progress of the three Ignition IPs and will contribute actively as we move forward.

All the 3 Big IPs will be released in 10-11 fiscal year for UTV. The plan is to seek co-Production partners as well as Distribution companies by Sept '09 in different territories to support the release of these Games worldwide in 10-11.
UTV & Ignition have the full capability to produce and distribute these games worldwide on its own but it would select its partners carefully and prefer that approach as these are 3 high profile titles all releasing in One Year.

In Online Gaming, our investment into True Games, less than a year old, has progressed well and by Q2 of 09-10 we will be launching our own MMORPG Platform in the USA and Turkey with our own owned titles & IPs. Online Gaming has experienced high growth worldwide specially in China and Taiwan and just by studying the phenomenal success in these countries one can see its true potential. North America is the largest potential market for Online Gaming with its established broadband infrastructure and payment/collection Gateways. The US market has suffered so far due to lack of right content offering for Online and we believe that our True Games and a few other companies will grow this market exponentially.

Overall, we are very encouraged with the progress that our Gaming investments have made. Indiagames has over a 180 skilled member team in Mumbai and between Ignition and True Games we have another over 200 creative team at our facilities in London, Florida, Los Angeles and Tokyo.

We believe that the Games Content vertical for UTV is a very integral part of its Content vision for global audiences. We believe that this vertical will grow to contributing $150-200 million in revenue to the UTV Group within the next 18-24 months.

For the quantum of investments we have put in, in the last 18 months we believe that post its gestation period which for any business like this is 24-30 months UTV will enjoy a more than a healthy ROCE.

Q6. In BROADCASTING you are a niche player. Most Investors and Analysts are not ascribing a value to your Broadcasting Vertical. Where does this Vertical go from here for UTV? Recently UTV consolidated by buying another 10% in Broadcasting but at half the Value at which Disney invested?

A6. We are extremely clear about our strategy in Broadcasting.

A) The GEC space is the worst segment of Broadcasting to be in. There will be no clear winners for a long time. With the result that road to profitability will be long and tough. Its such a high stakes part of Broadcasting that in the last 12 months four new players entered this fray where one made it through the clutter very well but at a huge cost and long term will need to continue spending lot more than it will earn, two fell by the wayside in less than weeks to months and one is stuck in the middle but at a high cost burn. With the new entrants the "established" players can only have a strategy to cut costs, to stay breakeven or profitable and the "new" players, those who are left have to spend more to keep up with the established players.

B) UTV strategy and therefore "Pick" of channels has been (1) Specialty Channels with low cost models (2) Channels that are in a "Pay" & "Subscriber" model will always be part of the Bouquet (3) we need to see road to profitability on our channels in 24-30months and not have a 5-7 year horizon of Investment.

C) BINDASS MOVIES – It is the No.1 Hollywood Channel in India and in less than a year is already above *HBO/Star Movies*. While our revenues on *Bindass Movies* has been only Rs. 10 crore in first year, *HBO & STAR Movies* have revenue of Rs. 70-80 crores each and subscription revenue. That's the headroom for *Bindass Movies*, and we are new kids on the block and our Advertisers are just realizing the impact of *BM*. Expanding *BM* into the Regional Language space is the next step.

D) BINDASS – is not just a TV Channel. It has done as much of youth interaction on the ground as it has in the TV space. In 2008 it crossed *MTV* which as a youth brand had been in existence for over 7 years. We understand the Youth space and are committed to *Bindass* being a strong and leading youth brand on TV, in Movies, on Mobile and Web and on the ground.

E) WORLD MOVIES – is a pioneering step redefining what specialty channels are about. It's also a brand that can be a strong opportunity for multiple forms of revenue with a strong and loyal fan following and a good model of having a stable subscriber base in a pay market.

F) UTV (HINDI) MOVIES – is our only "general" fare and with our presence as a movie studio it goes with the overall strategy. Also it's already our pay & subscriber revenue driver. We have in less than a year taken UTV Movies to multiple countries and platforms internationally and it's a revenue earner from day one. UTV Movies as a channel with revenues from adv & subscription plus syndication plus licensing of the channel overseas is already profitable from this Q4 of 08-09 and remains profitable here on.

G) UTV is committed to grow the Bouquet and in the last 6 months and for the next 6-9 months has put that on temporary hold only due to the environment and the soaring carriage fees which since, have corrected.

H) A very important point (for those who still do not have a strong Buy in on the UTV Model in Broadcasting) is to study the world landscape only to see that the most valuable Broadcasting Companies are those focused on a host of specialty channels and not the general entertainment networks.

On the observations by some, expressing concern that UTV bought a further 10% at a Value for the Broadcasting Company at Rs.3.3 billion and that's half of what value Disney Invested at - our clarification would be to point out that actually it's to UTV's benefit that it consolidated another 10% at a lower price.

Q7. Disney invested approx. Rs.8 billion into UTV. Founder Promoter Group also put in Rs.400 million as 10% of warrants. How have the Funds been deployed? What and how are the future capital needs of the company and how will they be met?

A7. The approx. Rs.8.4 billion was invested as follows, with over 75% of it in building IP & inventory and therefore working capital and 10% to create brands in Broadcasting and 15% to reduce debt.

So,

a) Rs. 240crore into 4 Broadcasting Channels, of which Rs. 120crore is for Titles and licensing of content and IPs
b) Rs. 375 crore into Movies, of which Rs. 140 crore was for *The Happening* and rest to get into production of over 20-24 movies in India
c) Rs. 60 crore towards Games IP in Ignition for 2010-11 Release
d) Rs. 40 crore towards New Media for licensing of Digital Content & creation of Web Portals
e) Rs. 125 crore towards reducing debt

Subsequent to this there have been further Investments into Broadcasting and News & Movies and Gaming IP and working capital from debt.

With this net debt for the group including its subsidiaries stands at Rs.3.47 billion as of end March'09 and we do not see us going past a Debt Equity Ratio of 0.5:1

Furthermore, there are ample opportunities to unlock value in Gaming or Broadcasting subsidiaries and zero the Debt but we believe this is not the appropriate time for it. However, we have a team focused on examining co-production opportunities, both in movies and our Gaming IPs at Ignition that would further reduce the debt ratios.

Q8. While UTV has grown from a Rs. 200 crore revenue Company to over Rs. 650 crore in 2 years, it has also tripled its capital employed in its Business. Presently it appears that the ROCE is low and the key to UTV's future value creation is hinged on the ROCE improving drastically OR the capital employed coming down. What exactly is the plan here?

A8.

A) Firstly, a majority of the capital employed has been into new businesses in start up mode but with a road to profitability and scale up and also there is capital deployed in existing businesses to scale them up to market leadership positions.
B) In <u>Broadcasting</u> – if we have approx. Rs.3.50 billion in capital employed then;
   (i) 1.50 billion would be towards owning rights for 300 movies in *UTV Hindi Movies* + over 300 movies in *World Movies* and over 50-75 Hollywood movies for *Bindass Movies* & *Bindass* TV Content
   (ii) Balance Rs.2.00 billion has been invested into building connectivity for 4 Entertainment Channels into 25 million households for *Bindass*, 35 million households for *UTV Movies*, 15 million households for *Bindass Movies* and 12 million households for *World Movies* and build a <u>BRAND</u> for *Bindass, World Movies* and *Hindi Movies* as also a revenue base with close to breakeven for the Broadcasting Vertical.
   (iii) Broadcasting is comparatively a more stable business vertical for UTV and so as scale, profitability and subscription model kicks in this will create value in regular cash flow as also overall value creation as our model will be understood and rewarded.
C) In <u>Movies,</u> our Capital Employed would be around Rs.9 billion as of now and that is broken up as
   (i) Rs.2.3 billion into Hollywood slate for which cash flows have started.

(ii) Approx. Rs. 4.2 billion in over 35 movies on the floor or nearing release or in Production which represents the single largest slate investment by any movie studio in India presently, for release through 09-10 and 10-11 and includes:

1. **Kaminey** – with Shahid Kapoor & Priyanka Chopra, Director: Vishal Bharadwaj
2. **Main Aur Mrs. Khanna** – with Salman Khan & Kareena Kapoor
3. **Agyat** – a Horror Film Directed by Ram Gopal Verma
4. **What's your Rashee** – Directed by Ashutosh Gowariker & with Priyanka Chopra
5. **Wake Up Sid** – a Co-Release with Karan Johar starring Ranbir Kapoor & Konkona Sen
6. **Hook Ya Crook** – Directed by David Dhawan with John Abraham & an ensemble cast
7. **Delhi Belly** – a Co-Production with Aamir Khan starring Imran Khan
8. **Jihaad** – A Co-Release with karan Johar Starring Saif Ali & Kareena
9. **& 10. A Wednesday** – Remake in Tamil & Telugu with Kamal Hassan
11. **Yahoo** – Musical, with Director Ken Ghosh and starring Shahid Kapoor & Genelia
12. **Film City** – Directed by Deven Khote with John Abraham
13. **Arjun** – Animation Film of our Legendary Prince
14. **Alibaba & 41 Thieves** – Animation Film
15. **Ex-Terminators** – English language Starring Heather Graham
16. **Rajniti** – Directed by Prakash Jha, Starring Ajay Devgan, Ranbir Kapoor, Katrina Kaif, Nana Patekar & others
17. **Hawai Dada** – a Co-Production with Disney
18. **to 22.** Five movies of UTV SpotBoywith great scripts & strong Directors & Ensemble Cast – **'Aage Se Right'**, **'Pan Singh Tomar'**, **'Seasons Greetings'**, **'Peter Gaya Kaam Se'** & **'Chillar Party'**
23. **Sanjay Leela Bhansali's** next with Hrithik Roshan & Aishwarya Rai
24. **Anuraag Basu's** next
25. **Annees Bazmee** Directed Comedy, Starring Akshay Kumar and others

(iii) Rs. 2.5 Billion in inventories/debtors of released movies plus unexploited rights of recent releases eg. TV Rights and VOD/PPV Rights of our 08-09 releases

D) In <u>Games</u>: Approx. Capital Employed is Rs.3.50 billion

(i) Approx. Rs. 510 mn million has been invested into True Games as a start up

(ii) Approx. Rs. 464 million into India Games which is mainly for purchase of UTV's stake as no further investments have been made here

(iii) Approx. Rs. 2.5 billion into Ignition which included the initial investment for UTV's 70% stake and working capital for the publishing business and investment into the 3-5 IPs being created.

Overall, we believe the capital has been employed, well and for growth and content for future release.

Q9. Partly because you have 5 different Verticals and Revenue streams and partly because from Quarter to Quarter the Media & Entertainment has its lumpiness it is difficult to understand clearly what the profit margins can be in each of your Businesses?

Also what are they presently? And what will it take to get to those margins as it's apparent from your present results that you are not there yet?

A9.

1) In TV CONTENT it is and has been a 5-6% EBITDA margin business. Its also the industry average except for one company that challenged that model for 4-5 years quite well but now that their 3 High Value shows on one channel are off the margins for the industry are and will remain in that range of 5-6%.

2) In GAMES:
   a. Mobile gaming in India (India Games) would be a 10-15% EBITDA margin business for the present. We enjoy this level of EBITDA in India Games but in the overall financials of IG it does not show up as it's all re-invested into our Online Games on Demand subscription business.
      However, we have initiated a consolidation of the Mobile Content aggregators in India to move to a higher revenue sharing with Telco's as we need to take our mobile margins to 20-25% but for that the collective initiative with Telco's has to work (something similar to what we have initiated in our movies vertical with Multiplex chains)
   b. Online MMORPG Games is a 25-30% margin business. True success of this Games Model is well displayed with most of the Chinese & Taiwan companies which one must check out. The risks are also limited as cost of games is between $1-3 million. Marketing costs are also limited as most of it is viral. Presently TG is a start up for us but by March'10 there will be the first signs of demonstration of revenue and margins.
   c. On Console Gaming – The Publishing business is a 10% EBITDA margin business. We see us showing 10% margin for 09-10 and then as we build scale into the Publishing part of the Business our ability to take the margins up will be better.
      On our own IPs for a moderate success the margins would be a 25-30% and for a proper successful Release it would be between 50-70%. Also if the Game is even a moderate success the sequel cost is always lower and so the margins on that would be even higher. UTV's test of demonstration is in 2010-11.
3) In BROADCASTING: Till you are in investment mode there is no question of margins but post breakeven Broadcasting is a more steady margin and cash flow business. UTV's strategy and reason to grow in the genre & demographic specific space is just that.
4) In MOVIES – for a sustained Studio Model with a strong and forward slate the margins would need to be at an average of 25-30% which will be a combination of present slate exploitation and annuity income from growing library.
   At UTV it would take us till Financial Year 2010-11 to get to that mark provided a majority of the content released that year is above average. We are cognizant of the steps to get there:
   a. 08-09 was really our "first" year to demonstrate our slate and content success
   b. Overall cost of production has to and are coming down and we are accountable for this going forward
   c. Marketing Costs had escalated and we need to rationalize that both in Innovative spends coupled with better rates as our scale goes up
   d. The slow down in the TV Rights Sale and the new syndication model has to get corrected.
   e. VOD & PPV Rights as well as new areas of Revenue are strengthening
   f. As we build our Library our "Annuity" income starts flowing

g. We have to manage our capital employed which did go in for a drastic jump due to our growth

Q11. In Media most Listed Companies have not been able to deliver Shareholder Value and many are quoted below their IPO price. UTV presently is also quoting below its Book Price why do you believe UTV will stand out from the others, as markets in future start to stabilize and then become selective on only a few stocks in each sector?

A11.

a) We believe UTV has till date delivered extra ordinary Shareholder returns. Whether it's been those that invested in our IPO or those who bought into our growth story over the last few years and culminating to the Disney Investment last year and the subsequent Open Offer. We believe we have been cognizant of Shareholder value even when we have chosen the High Growth and High Investment path.
b) This recent Global correction has been constructive for companies with scalable and forward looking business models. UTV has stayed the course on all its Investments in all its verticals and not cut back on anything as it is in line with our mid and long term plans. We also believe that here on, for Listed Media Companies there will be a lot more focus from Investors and Shareholders on – the Business Model – The Cost Model – the Growth Model – the Profitability Model and we believe UTV will stand out from the crowd on this.
c) As all our verticals are maturing our 09-10 & 10-11 UTV will enjoy multiple and separate PEs for Movies, Broadcasting, Games etc. and some of the parts value that will be applied will also contribute to shareholder value.

Q12. What specifically is the Disney synergy? The value add? Where do they contribute?

A12. Firstly it's important to highlight that Disney owns more than 59% of UTV. While its voting is capped at 32% and the Founder Promoters have the option to buy back the 22% odd tendered in the open offer Disney's present shareholding in the Company is over 59%.
Disney have invested into the UTV business model and so it's in the best interest of UTV to continue to draw on all the synergies of Disney
In the past 3 months itself (a) all of Disney's theatrical releases in India are being done by UTV (b) Disney has taken over the worldwide Home Video Distribution of UTV's Global Release "*Taare Zameen Par*" (c) Disney's senior most gaming team has been active in monitoring and adding value to our Gaming IPs being created in London & Florida & Tokyo.
Disney and UTV will on a case to case basis look actively at many more synergies.

Q13. Founder Promoters had pledges 98% of their shares. Where does that stand?

A13. Founder Promoter group has been cognizant of the concern specifically over the "Pledge". Till date a total number of 4.4 million shares have been freed from "pledge" and only 3.4 million shares representing 42.2% of the Founder Promoter Shareholding and 9.8% of the total share capital remain Pledged.

2009-2010 - GOING FORWARD

While we cannot with any clarity or certainty predict the future, the Management team is focused on targeting the following:

1) TV CONTENT will be stable on Revenue and will target a 5-6% EBITDA margin that is the Industry standard.
2) MOTION PICTURES – will record good growth as its slate for the year is larger than 08-09 both in terms of number of releases as also the size of the movies. As explained earlier in this note it will be the core focus to improve the margins but it will be challenging as we still attempt to correct the slow down in TV Rights as also the new syndication model that has come up.
3) In GAMES –
   (a) INDIA GAMES - Mobile Division will grow well and deliver on its margins but we intend to re-invest all of that to build the subscriber base for its online GOD. Therefore it will be a breakeven year for India Games.
   (b) IGNITION – Publishing will be active and we expect to report a profit but that will be skewed to Q3 & Q4
   (c) TRUE GAMES – This is their first year.The platform launches in Q2 and so overall TG will report a loss for the year with a higher loss in Q1, Q2 & Q3 to be re couped partly in Q4 as first 3 quarters is heavy on marketing, development and ramp up costs.
4) BROADCASTING – will record Revenue growth but this year 09-10 is its 2nd Year of Operation and so will contribute a loss to the consolidated financials of the company. While the UTV movies channel would be profitable and overall all 4 channels combined Q4 would inch to a breakeven Quarter, however cumulatively it would be a Loss year.
5) NEW MEDIA – would be a breakeven.
6) In Q1 – the Company has no movie releases (due to the Plex stand off as also a glut of cricket), costs of past year amortization of movies (non cash) and other costs would hit Q1. Also there are no Game Releases in Q1 and in Broadcasting too, there will be a loss.

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 ventures *Smriti Irani Television Limited* and *Windmill Entertainment 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's.
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	**Q4FY09**	**Q4FY08**	***Δ***	**FY09**	**FY08**	***Δ***
Operating Revenues	1,821	1,870	*(3%)*	6,072	4,342	*40%*
Other Operating Income	266	71	*275%*	697	83	*740%*
Total Operating Rev.	**2,087**	**1,941**	***8%***	**6,769**	**4,425**	***53%***
Expenditure	2,037	1,773	15%	6,559	3,733	76%
Operating Income	**50**	**168**	***(70%)***	**210**	**692**	***(70%)***
Operating Margin	*3%*	*9%*		*3%*	*16%*	
Add: Other Income	6	6		151	33	*358%*
Less: Interest exp (Net)	24	29	*(17%)*	(219)	60	***(465%)***
PBT	**32**	**145**	***(78%)***	**580**	**665**	***(13%)***
PAT	**132**	**271**	***(52%)***	**1,011**	**777**	***30%***
PAT Margins	*7%*	*14%*		*16%*	*18%*	

At the end of March 31, '09, consolidated debt of the Company stands at Rs 4,700 million and company consolidated cash and cash equivalent amount to Rs 1,221 million. Total Capital Employed in operations is Rs 19,072 million. Increased investments in various businesses have resulted in ROCE of 3%.

SEGMENT PERFORMANCE (CONSOLIDATED) *(Rs in Million)*

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

Segment Revenues	**FY09**	**Contribution**	**FY08**	**Δ**
Movies **^**	2,761	*45%*	2,637	*5%*
Games Content #	1,105	*18%*	742	*49%*
Television *****	1,317	*22%*	1,007	*31%*
Broadcasting ↘	893	*15%*	-	
New Media √	180	*3%*	-	
(Inter-segment)	(184)	*(3%)*	(44)	
Total	**6,072**		**4,342**	***40%***

Segment Results	FY09	Margins	FY08	Δ
Movies ^	786	*28%*	556	*41%*
Games Content #	(131)	(12%)	93	*(241%)*
Television *	54	*4%*	180	*(70%)*
Broadcasting ↘	(283)	(32%)	-	
New Media √	(45)	(25%)	-	
Total	**381**	**6%**	**829**	***(54%)***

Capital Employed	As on March 31, 09	Contribution	As on March 31, 08	Δ
Movies ^	9,477	*50%*	4,465	*112%*
Games Content #	3,493	*18%*	1,093	*220%*
Television *	393	*2%*	342	*15%*
Broadcasting ↘	3,633	*19%*	-	
New Media √	358	*2%*	-	
Unallocable	1,718	*9%*	1,369	*25%*
Total	**19,072**	***100%***	**7,269**	***162%***

^ 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 year, reported a revenue of Rs 2,761 million, contributing 45% to the total segmental revenue.

The Company released the following movies during the 4th quarter of the year:

MOVIE NAME	Release Date	STAR CAST
DevD	06-Feb-2009	Abhay Deol, introducing Kalki and Mahi
Delhi 6	20-Feb-2009	Abhishek Bachchan, Sonam Kapoor
Dhoondthe Reh Jaoge	06-Mar-2009	Kunal Khemu, Soha Ali Khan, Paresh Rawal and Sonu Sood

The Company released *Confessions of a Shopaholic*, a *Disney* production, as part of the distribution with *Disney* wherein *UTV* will exclusively distribute all *Walt Disney Studios Motion Pictures'* movies in India.

Games Content Segment

This business segment comprises *UTV's* gaming businesses which include *Ignition, Indiagames* and *True Games.* During the year, this segment has contributed about 18% of the operating revenues of the Company and is expected to be one of the major contributors in the near future.

Ignition: Following are some of the new games published this quarter.

Name of the Game	Game format	Territory
Samurai Anth	PSP, PS2, Wii	EU
King of Fighters OS	PSP, Wii	EU
King of Fighters 98	PS2	US
Blue Dragon	NDS	USA & EU
Lux Pain	NDS	US
Docomodake	NDS	US

Indiagames: Indiagames ended the quarter ending March 31st 2009 with revenues up 55%+ on a year-on-year basis. For the full year ending March 31st 2009, Indiagames grew by more than 120% with the majority of the growth coming from India.

Some of the key titles launched this quarter were:

- *Delhi 6*
- *Chandini Chowk to China*
- *Dev D*
- *Superman and Batman – Heroes United*
- *Monsters vs. Aliens*
- *Flat Out Racing*
- *Watchmen*
- *Call of Duty 5*.

In the international market, Indiagames closed its agreement with *I-play* for exclusive distribution of its key titles across Europe. Its most anticipated title *Bioshock* was completed in this quarter and was launched shortly thereafter.

In a significant development for the PC games business -in a first of its kind business model- *Electronic Arts* went live on the *Games on Demand (GoD)* platform with some of its best-selling titles including the following:

Name of Games
EA *SPORTS™ FIFA 07*
Need for Speed™ Underground
Need for Speed™ Most Wanted
Battlefield 2
NBA Live 07
Medal of Honor: Allied Assault™
EA SPORTS™ Cricket 07
The Sims™

The immense popularity of this content has already driven some of these titles to a top 3 position on the GoD deck. Going forward, the company will also evaluate a "download to own" model with some of its premium partners in addition to the existing subscription based offer.

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. Their revenue model is mainly based on micro-transactions and syndication.

True Games will soon launch its first game in Q1FY2010 has two more games under production expected to release in 2010:

Name of Game	**Genre**	**Expected Launch**
Warrior Epic	Role Playing Game (RPG)	May 2009
Mytheon	Real time strategy (RTS)	2010
Game 3	Role Playing Game (RPG)	2010

True Games have already locked in syndication deals worldwide for key territories like China, Korea, and Europe prior to game launch and are also constantly negotiating for many more territories.

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 year ended March 31, 2009 was 22% 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**
Chota Packet Bada Dhamaka	*ZeeTV*	Concluded
Towering Inferno	*National Geographic*	Concluded
Dance India Dance	*ZeeTV*	Running
Sun Yaar Chill Maar	*Bindass*	Running
Nagavalli	*SunTV*	Running
Athiradi Singer	*SunTV*	Running

During the quarter under review, the Company has produced over 30 hours of programming.

Air Time Sales: During the quarter, the Company has managed a monthly average of approximately 130 hours of content under management across all leading South Indian Channels such as *SunTV, GeminiTV, SuryaTV* and *UdayaTV*.

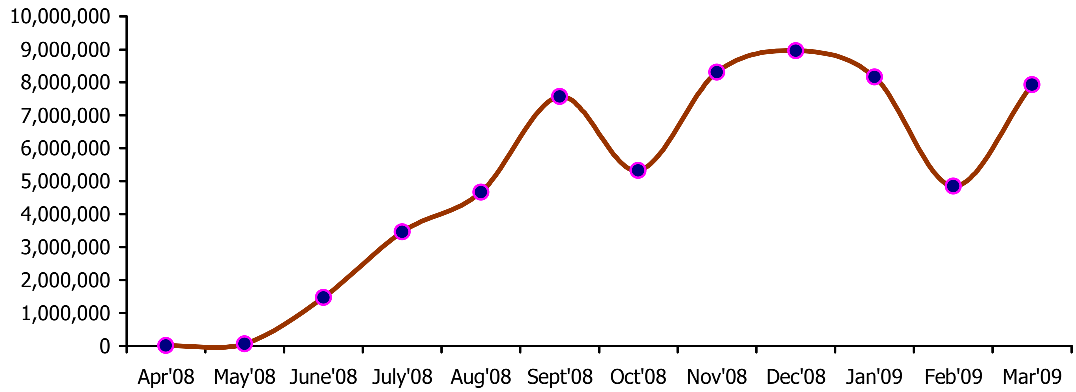
New Media Segment

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

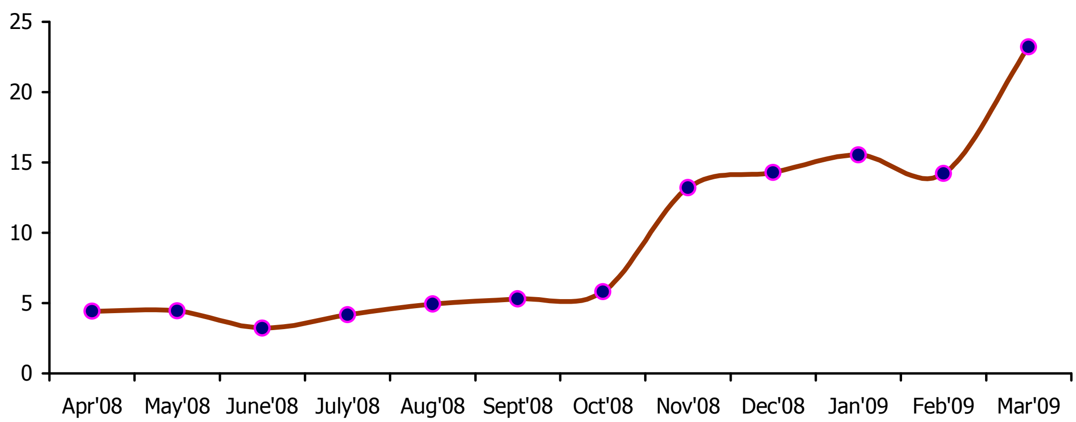
During the quarter, the Company acquired digital rights for a 10-12 Tamil language films and a Bengali catalogue.

UTVi.com, the business news website has already become the No.2 finance business portal in the country, beating other popular websites like *Yahoo Finance* and *Myiris.com* and we also foster the aim to gradually overtake the No.1 player as well.

Page Views - UTVi.com



No. of pages per visit - UTVi.com



Broadcasting

During the quarter under review, this segment has contributed 15% to the operating revenues of the Company.

- *Bindass*, on an average is the No. 2 youth channel in India, overtaking one of its key rivals *Channel [V]*[a]. For a few weeks it also surpassed *MTV*, the only youth brand in existence in

[a] Week 1 to week 10, 2009 CS 15 to 34 ABC, Market HSM, Source: TAM Media Research

India for the past 7-8 years, which we believe is a commendable achievement for a channel which has been existence for a little over a year.

- *Bindass Movies* has forged ahead of *Star Movies* and *HBO* to become the No.1 Hollywood channel in the country[b].
- *World Movies* is a pioneer in this specialty segment and has an enviable library in the international space giving it a clear head start. With the strength of these achievements and a good tight cost model, we believe we are well equipped to face challenges engulfing most broadcasters today.

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.

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[b] Week 1 to week 10, 2009 CS 15 to 34 ABC, Market HSM, Source: TAM Media Research

ANNEXURE I – Consolidated Financials

Unaudited Financial Results for the Quarter Ended March 31, 2009 *Rs.in lacs*

Particulars	Consolidated			
	Quarter ended		Year ended	
	31/03/2009 Unaudited	31/03/2008 Unaudited	31/03/2009 Unaudited	31/03/2008 Audited
Net Income from Sales & Services	18,206.03	18,703.64	60,716.07	43,415.00
Other Operating Income	2,662.92	711.33	6,965.93	828.63
Total Revenues	**20,868.95**	**19,414.97**	**67,682.00**	**44,243.63**
Direct Cost	17,224.14	14,690.65	52,483.45	30,471.60
Personnel Costs	1,399.44	957.21	5,748.60	2,583.60
Depreciation	235.00	110.82	692.31	389.10
Other Expenses	1,508.70	1,974.26	6,666.20	3,887.90
Total Expenditure	**20,367.28**	**17,732.94**	**65,590.56**	**37,332.20**
Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items	**501.67**	**1,682.03**	**2,091.44**	**6,911.43**
Other Income	59.14	58.61	1,507.30	330.87
Profit/(Loss) before Interest & Exceptional Items	**560.81**	**1,740.64**	**3,598.74**	**7,242.30**
Interest Expenses/(Income) (net)	235.42	288.17	(2,193.80)	598.60
Profit/(Loss) after Interest but before Exceptional Items	**325.39**	**1,452.47**	**5,792.54**	**6,643.70**
Exceptional Items	-	-	-	-
	325.39	**1,452.47**	**5,792.54**	**6,643.70**
Profit/Loss from Ordinary Activities before tax				
Tax Expense				
- Current	436.36	94.92	884.27	208.60
- Mat Credit Entitlements	67.80	(79.35)	-	(84.70)
- Deferred	(1,523.48)	(1,286.19)	(5,278.80)	(1,291.00)
- Fringe Benefit tax	21.73	15.52	86.30	41.80
Total Tax Expense	**(997.59)**	**(1,255.10)**	**(4,308.23)**	**(1,125.30)**
Net Profit/(Loss) from Ordinary Activities after tax	**1,322.98**	**2,707.57**	**10,100.77**	**7,769.00**
Extraordinary Item (net of tax expense)	-	-	-	-
Net Profit/(Loss) for the period	**1,322.98**	**2,707.57**	**10,100.77**	**7,769.00**
Minority interest	200.08	832.37	1,536.81	2,003.20
Net Profit After Minority Interest	**1,122.90**	**1,875.20**	**8,563.96**	**5,765.80**
Paidup equity share capital (Face value Rs 10 each)	3,419.50	2,484.30	3,419.50	2,484.30
Reserves (excluding revaluation reserves) as per Balance Sheet of Previous Accounting Year			136,404.93	43,237.70
Earnings per share (Rupees) - Basic	3.28	7.96	25.80	25.01
- Diluted	3.28	7.96	25.80	25.01

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

Particulars	Consolidated			
	Quarter ended		Year ended	
	31/03/2009 Unaudited	31/03/2008 Unaudited	31/03/2009 Unaudited	31/03/2008 Audited
Segment Revenues				
Television	3,042.97	2,825.18	13,167.96	10,064.20
Movies	8,742.03	11,776.94	27,611.81	26,371.24
Games Content	3,977.04	4,459.21	11,048.28	7,421.76
New Media	368.80	-	1,802.60	-
Broadcasting	3,453.23	-	8,928.96	-
Less: Inter-segment revenues	1,378.04	357.69	1,843.54	442.20
Total revenues	**18,206.03**	**18,703.64**	**60,716.07**	**43,415.00**
Segment results				
Television	98.44	505.50	544.06	1,801.28
Movies	2,429.61	1,168.63	7,855.28	5,556.95
Games Content	(830.27)	709.94	(1,310.83)	928.46
New Media	(185.55)	-	(453.18)	-
Broadcasting	(824.86)	-	(2,827.12)	-
Total segment results before Interest and Tax	**687.37**	**2,384.06**	**3,808.21**	**8,286.69**
Less:				
- Interest Expenses/(Income) (Net)	235.42	288.17	(2,193.80)	598.60
- Other unallocable expenditure (net of Other Income)	126.56	643.42	209.47	1,044.39
Total Profit before tax	**325.39**	**1,452.47**	**5,792.54**	**6,643.70**
Capital Employed				
Television	3,933.71	2,495.53	3,933.71	3,421.71
Movies	94,770.81	43,109.26	94,770.81	44,649.74
Games Content	34,932.17	8,256.52	34,932.17	10,933.46
New Media	3,581.90	-	3,581.90	-
Broadcasting	36,329.52	-	36,329.52	-
Unallocable	17,176.80	19,274.17	17,176.80	13,691.57
Total Assets - Liabilities	**190,724.91**	**73,135.48**	**190,724.91**	**72,696.48**

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 April 28, 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 Private 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. & ITNation Media Ltd. and the Joint Ventures - Smriti Irani Television Ltd. & Windmill Entertainment Ltd. (divested w.e.f. January 31, 2009).

4. Number of investor complaints for the quarter ended March 31, 2009: Beginning - Nil, Received - 2, Disposed off - 2, Pending - Nil.
5. On August 8, 2008, the Company had acquired 75% equity stake in UTV Global Broadcasting Limited. Accordingly, the above consolidated year end numbers include the results of the broadcasting segment for the period August 9, 2008 to March 31, 2009.
6. As on March 31, 2009, 482,500 options were outstanding. Upon exercise of the options, these would be converted into equivalent number of equity shares.
7. Previous period figures have been rearranged/regrouped, wherever necessary.
8. 'Interactive' segment has now been renamed as 'Games Content' and 'Films' segment has been renamed as 'Movies'. Previous year / Quarter figures of Animation Division (earlier included in Interactive segment) have now been reclassified under Movies segment in the above results.