



UTV SOFTWARE COMMUNICATIONS LIMITED

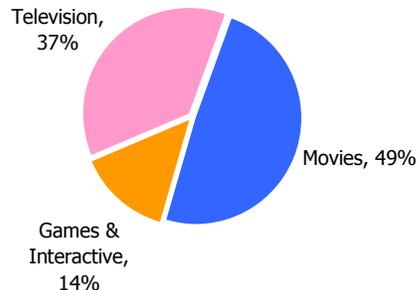
Earnings Release for the quarter ended December 31, 2010

CONSOLIDATED RESULTS – PERFORMANCE HIGHLIGHTS

For the Nine Months ended December 31, 2010 as compared to Nine Months ended December 31, 2009

- Total Operating Revenues grow by 28% to Rs 7,041 million compared with Rs 5,506 million in the same period of the previous fiscal
- Income before interest, other income & exceptional items (EBIT) increased to Rs. 1,418 million from Rs. 182 million in the same period of the previous fiscal.
- Net Profit after Tax (PAT) increased to Rs 1,229 million from Rs. 192 million in the same period of the previous fiscal.
- Segmental Revenue Contribution

Nine Months Ended December 31, 2011



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

Mumbai, India; January 27, 2011 – *UTV Software Communications Limited* (UTVSOF.BO, UTVSOF.NS) today announced its results for the quarter ended December 31, 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.



EARNINGS RELEASE

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

Rs in million	Q3FY11	Q3FY10	Δ	9MFY11	9MFY10	Δ
Operating Revenues	2,551	2,162	18%	6,922	5,372	29%
Other Operating Income	8	46	(83)%	119	134	(11)%
Total Operating Rev.	2,559	2,208	16%	7,041	5,506	28%
Expenditure	2,046	1,848	11%	5,623	5,324	6%
Operating Income	513	360	42%	1,418	182	678%
<i>Operating Margin</i>	<i>20%</i>	<i>16%</i>		<i>20%</i>	<i>3%</i>	
Add: Other Income	0	7		16	33	(52)%
Less: Interest exp (Net)	98	104		204	283	
PBT	415	263	58%	1,230	(68)	
PAT	415	406	2%	1,229	192	541%
<i>PAT Margins</i>	<i>16%</i>	<i>18%</i>		<i>18%</i>	<i>4%</i>	

SEGMENT PERFORMANCE (CONSOLIDATED) (Rs in Million)

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

Segment Revenues	9MFY11	Contribution	9MFY10	Δ
Television*	2,544	37%	1,840	38%
Movies ^	3,391	49%	2,649	28%
Games and Interactive #	992	14%	956	4%
(Inter-segment)	(5)		(73)	
Total	6,922	100%	5,372	29%

Segment Results	9MFY11	Margins	9MFY10	Δ
Television*	300	12%	(185)	
Movies ^	1,239	37%	634	95%
Games and Interactive #	119	12%	(76)	
Total	1,658	24%	373	345%

Capital Employed	As on December	
	31, 2010	Contribution
Television*	5,362	30%
Movies ^	3,515	20%
Games and Interactive #	7,004	39%
Unallocable	2,044	11%
Total	17,925	100%

^ Movies segment comprises the film production, distribution and syndication business.

Games and Interactive segment comprise the online, consol, mobile gaming business and the & mobile business.

* Television segment comprises television content, airtime sales, dubbing services and the televi channel broadcast business.

The Unallocable Capital Employed stated above includes Cash and Cash equivalents of Rs. 595 million, which forms part of our treasury. As at December 31, 2010, Net debt for the Company stands at Rs. 8,377 million.

MANAGEMENT REVIEW AND OUTLOOK

1. We have witnessed overall a very robust performance both in business operations and financials – this provides a great deal of comfort and higher visibility on sustained financial growth for the all businesses that we are operating in.

We have already achieved last fiscal year revenues in just first 9 months of operations with a quarter more to go. As evident from the revenue and profit mix that we have achieved during this period.

The entire team has worked together to meet our stated objective of improving ROCE – which is visible in our nine months performance and will continue to improve in the quarters to come.

2. We released two movies during the quarter – *Guzaarish* and *Tees Maar Khan*. *Tees Maar Khan* figured among the top 5 movies all times. Commercially we were largely de-risked with a combination of pre-sales and committed revenues on account of Music, Home video, TV and ancillary revenues prior to the release of these movies – which is clearly reflected in our quarterly revenues.

We have had two successful releases thus far in Q4 and look forward to continuing the success with *Saat Khoon Maaf* on February 18.

The focus for our movies division is in the Hindi space and we are beginning to look at opportunities in the South to further expand the UTV brand but very cautiously.

3. We are pleased to state that – Television business has been a key contributor to our growth this quarter both from Revenue and EBITDA standpoint. Our TV channels business witnessed growth in advertising sales driven by better viewership and hence higher monthly revenue run rate which continues to grow month on month. In addition, we have focused on creating a 360° platform for our channels with a strong web initiative and ground events to enhance the Brand.

TV content business showed better performance with 13 shows on air in the quarter driven by shows like *Rakhi Ka Insaaf*, *Rakt Sambhandh*, *Spell Champ*, and productions for *Bindass* including *EA2* and *Big Switch*.

This clearly reinstates our stated objective of reducing dependence on the Movies business.

4. Games segment has seen a significant progress from where we left last time.

In the Console games business - *El Shaddai* has seen tremendous buzz around it post TGS and we have now achieved a very high visibility on revenues from *El Shaddai* through the deals which were announced a couple of weeks back. The company has locked Minimum Guarantee deals worth USD 10 million for the merchandise and ancillary rights with top-most apparel and toy brands. Most importantly – we are excited about the deal with Microsoft and Sony to publish *El Shaddai* ourselves in Japan which is expected to be significant market for this game. Microsoft and Sony will support *El Shaddai* in marketing and distribution as they consider this game as a big platform driver and hence priced at equivalent to \$81 equivalent in Yen. The game is expected to sell at least 500k units in Japan.

This establishes UTV Ignition as an emerging strong developer and publisher with world class products. Management focus is on making *El Shaddai* a blockbuster product and simultaneously planning for right release windows for its other two AAA titles *Wardevil* and *Reich* and they are slated for launch in fiscal 2011-12.

With respect to Online Games - we will release 2 games in Q4 and will be poised for significant growth in the coming quarters.

Mobile Games business has shown a better QoQ performance and expects to continue its run in the growing market driven by new technologies and consumer spends.

The Interactive segment (Mobile, Broadband and New Media) is now the single most important focus in group and highest growth prospect. We are continuing our focus on product development across 3G and 4G to aggregate and create original video content for such distribution and expected to have dominant share of this growing market

BUSINESS REVIEW

Movies Segment

The Movies division continues its strong performance in FY11 with the release of *Guzaarish* and *Tees Maar Khan* in this quarter. *Tees Maar Khan* stormed the box office the box office with a Christmas Eve release and clocked in the No. 2 Opening Day of All Time, the No. 3 Opening Weekend of All Time and was amongst the Top 5 Opening Weeks of All Time in Hindi cinema. In addition to the exceptional domestic performance, *Tees Maar Khan* ranked as the highest ever opening in Australia, one of the highest openings ever in the Gulf, the third highest paid previews grosser ever for an Indian film in the UK, and the highest opening ever for a Hindi film in Pakistan. The Movies segment during the Nine Months ended Dec 31, 2010, reported an increase of 28% in revenues to Rs. 3,391 million from Rs. 2,649 million in the same period of last fiscal. The Company is poised for a strong end to FY11 with the release of *Saat Khoon Maaf* (Directed by Vishal Bharadwaj starring Priyanka Chopra, John Abraham and others) on February 18th and the recent successful releases of *No One Killed Jessica* and *Dhobi Ghat* in January 2011. The team is working hard towards finalizing a strong slate of 10-12 movies to match the outstanding performance in this fiscal which will include the following films:

1. *Thank You* – Directed by Aneez Basmé and starring Akshay Kumar, Sonam Kapoor, Irfan Khan, and Bobby Deol.
2. *Delhi Belly* – Co-Production with Aamir Khan starring Imran Khan
3. *My Friend Pinto* – UTV's second film directed by Sanjay Leela Bhansali
4. *Short Term Shaadi* – Directed by Karan Johar starring Imran Khan and Kareena Kapoor

5. *Joker* - Shirish Kunder, Akshay Kumar
6. *Chillar Party* – Kids Movie

And many more...

Games and Interactive Segment

During the first nine months of the year, this segment reported an increase of revenues to Rs. 992 million from Rs. 956 million in the same period last fiscal. This segment has contributed to around 14% of the operating revenues of the Company in the first nine months of this fiscal.

UTV Ignition:

- *El Shaddai*, Ignition's first AAA game to be launched, was successfully completed in December 2010 and is in the final phase of QA and Submission. The game will be launched on April 28, 2011 in Japan with Microsoft and Sony as distribution partners.
- In Q3 2011, Ignition finalized merchandising deals for with the number 1 Jeans company in Japan – "EDWIN" and the number 1 Toy Company in Japan – "Bandai Toys".
- Ignition relocated and consolidated its Florida studio development and its Los Angeles Publishing business into one single location at Austin, the city which is rapidly growing as the game developer capital in North America. This relocation will bring the best talent to its game development and synergies between development and publishing teams.
- *Blacklight Tango Down*, UTV Ignition's first digital download title, continued to be a large success and remains in the Top 10 in downloaded games.

UTV Indiagames:

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

- UTV Indiagames added two managed services contracts for WAP Deck and Games Deck Management bringing the total to four managed contracts for the Group
- Launched the first ad funded game on DTH with Reliance Big TV
- Commercially launched Airtel Digital with the first Bollywood based game *Tees Maar Khan*
- Launched the Australia Vs England cricket game on iPhone and iPad during the Ashes
- Developed and launched several titles in Q3 including *Tees Mar Khan*, *Bigg Boss* and *Kaun Banega Crorepati*

UTV True Games:

- *Mytheon* has made tremendous progress since moving the development to the Beijing studio and is slated to be released in this quarter.
- UTV True Games "*Faxion*" has also remained on schedule and will be released in Q4.

Interactive (Web and Mobile):

This business contains various products and services including 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 interactive launched its Audio Devotional product, which is currently at an active base of approximately one million users in just 2 months of launch. We launched this service across 6 languages
- Audio Cinema, UTV Interactive's flagship product was launched on BSNL in this quarter and has grown to a healthy active base of .25 million users

Television Segment

During the Nine Months ended, this segment reported an increase of 38% in revenue to Rs. 2,544 million from Rs. 1,840 million in the same period last fiscal. The contribution from this segment during the Nine Months ended December 31, 2010 was 37% 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>Ratha Saptami</i>	<i>Udaya TV</i>	5	Daily Soap
<i>Rakt Sambhandh</i>	<i>Imagine</i>	5	Daily Soap
<i>Rakta Sambandh</i>	<i>Gemini</i>	5	Daily Soap
<i>Maaylek</i>	<i>ETV Marathi</i>	6	Daily Soap
<i>Big Switch 2</i>	<i>Bindass</i>	1	Reality
<i>Emotional Atyachar 2</i>	<i>Bindass</i>	1	Reality
<i>Rakhi Ka Insaaf</i>	<i>Imagine</i>	1	Reality
<i>Prerana</i>	<i>Udaya TV</i>	5	Daily Soap
<i>Spell Champ</i>	<i>Chutti TV</i>	1	Reality
<i>Veera Marthanda Varma</i>	<i>Surya TV</i>	2	Daily Soap
<i>Deala Na Deala</i>	<i>Surya TV</i>	2	Reality
<i>Deala Na Deala</i>	<i>Sun TV</i>	2	Reality
<i>The Assignment</i>	<i>Bloomberg UTV</i>	1	Reality
<i>Date Trap</i>	<i>Bindass</i>	1	Reality

The Company currently has strong slate of shows on air with 5 new shows launching in Q4 including Maa Exchange (Sony), Dor (Star Plus), Kadmambari (Zee Marathi), among others.

Air Time Sales: During the quarter, the Company has managed a monthly average of approximately 115 hours of content under management across all leading South Indian Channels such as SunTV, GeminiTV, SuryaTV and UdayaTV. Currently the AnS business has 12 shows

running across the South channels with 8 of the 12 shows among the Top 5 programs its respective genre and channel.

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 more shows and is now the undisputed No 1. Youth channel in India. The year ended with UTV Bindass being India's biggest Youth channel for over 30 weeks!

The channel achieved significant viewership for the quarter driven by the following:

- *Emotional Atyachaar* continued to rule as the No.1 reality show in the genre regularly crossing the 1 TVR mark.
- *Big Switch 2* launched its second season wherein the show focused on communication gaps between Kids and their parents and switched families to enable a better understanding of life in another family; the show is consistently in the Top 10 week on week.
- *Date Trap* was launched in December and has a keen following of its own and has multiple episodes in the top 10 shows week on week. It's a competition between 2 friends to set each other up on a worse date.
- Campus continues to remain a key focus with *Campus Attack* now having covered and put on air 20 of the biggest Campus fests in India

UTV Action, continued to deliver strong performance in Q3 2010 with GRPs reaching 50. *UTV Action* delivers 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. Highlights from Q3 include:

- Diwali Action Daredevils was the lead property during the festival season along with the introduction of new titles like
 - *300*
 - *Anaconda*
 - *Kung Fu Hustle*
 - *XXX*
 - District 9 premiered for the 1st time on Indian Television
- UTV Action signed three-year exclusive output deal with Sony for Hindi language telecast rights of 70 action films per year including *The Book of Eli*, *The Bounty Hunter*, *Legion*, *The Karate Kid*, *Salt* and *Resident Evil: Afterlife* and many more
- Winners at Indian National Rally Championship Bengaluru
- Branding of two biggest rides at Esselworld & Water Kingdom

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



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Channel viewers, which is evident from the steady Time Spent that it enjoys. With a large movie library coupled with good distribution, the channel continues to deliver strong GRPs.

In this quarter, *Jeeyo Akshay* and *Jeeyo Emraan* were the 2 key movie festivals celebrated by the channel providing enhanced brand visibility across multiple markets.

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:

- Partnered with Blue Frog on a Jazz Night by Joshua Redman
- Official partner for the Rendezvous with French Cinema in association with the French consulate
- Partners with the NCPA on One World Many Music which was a musical fusion event
- Partnered with the Art Loft for a Art event held across multiple restaurants in Mumbai
- Old Boy, Killing Fields, Machuca were released on Home Video

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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					Rs in Lacs
	Quarter Ended		Nine Months Ended		Year Ended	
	31/12/2010 Unaudited	31/12/2009 Unaudited	31/12/2010 Unaudited	31/12/2009 Unaudited	31/03/2010 Audited	
Net Income from Sales & Services	25,514.11	21,617.63	69,220.46	53,720.92	66,405.25	
Other Operating Income	80.26	455.02	1,186.96	1,338.25	1,716.20	
Total Revenues	25,594.37	22,072.65	70,407.42	55,059.17	68,121.45	
Direct Cost	15,975.81	13,392.58	43,236.15	40,187.82	44,730.25	
Personnel Costs	1,917.96	1,673.35	5,666.97	4,895.09	6,180.10	
Depreciation	218.15	175.75	610.87	552.59	616.63	
Other Expenses	2,357.10	3,234.27	6,717.10	7,602.50	10,761.50	
Total Expenditure	20,469.02	18,475.95	56,231.09	53,238.00	62,288.48	
Profit/(Loss) from Operations before Other Income, Interest & Exceptional Items	5,125.35	3,596.70	14,176.33	1,821.17	5,832.97	
Other Income	0.48	71.65	162.52	330.62	326.46	
Profit before Interest & Exceptional Items	5,125.83	3,668.35	14,338.85	2,151.79	6,159.43	
Interest Expenses (net)	977.55	1,037.03	2,037.86	2,829.85	3,844.64	
Profit after Interest but before Exceptional Items	4,148.28	2,631.32	12,300.99	(678.06)	2,314.79	
Exceptional Items	-	-	-	-	-	
Profit from Ordinary Activities before tax	4,148.28	2,631.32	12,300.99	(678.06)	2,314.79	
Tax Expense (including deferred tax)	-	(1,426.57)	13.00	(2,596.82)	(2,702.45)	
Net Profit from Ordinary Activities after tax	4,148.28	4,057.89	12,287.99	1,918.76	5,017.24	
Extraordinary Item (net of tax expense)	-	-	-	-	-	
Net Profit for the period	4,148.28	4,057.89	12,287.99	1,918.76	5,017.24	
Minority interest	150.00	275.72	152.10	(360.60)	(316.00)	
Net Profit After Minority Interest	3,998.28	3,782.17	12,135.89	2,279.36	5,333.24	
Paidup equity share capital (Face value Rs 10 each)	4,063.48	3,419.50	4,063.48	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	9.84	9.31	29.87	5.61	13.13	
Diluted	9.74	9.31	29.56	5.61	13.07	
Public shareholding :						
- Number of shares	12,131,276	5,726,994	12,131,276	5,726,994	12,163,776	
- Percentage of shareholding	29.85%	16.75%	29.85%	16.75%	29.94%	
Promoters and promoter group Shareholding :						
a) Pledged/Encumbered						
Number of Shares	4,885,893	7,652,031	4,885,893	7,652,031	7,568,031	
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	17.14%	26.88%	17.14%	26.88%	26.58%	
Percentage of shares (as a % of the total share capital of the company)	12.02%	22.38%	12.02%	22.38%	18.62%	
b) Non-encumbered						
Number of Shares	23,617,581	20,816,443	23,617,581	20,816,443	20,900,443	
Percentage of shares (as a % of the total shareholding of promoter and promoter group)	82.86%	73.12%	82.86%	73.12%	73.42%	
Percentage of shares (as a % of the total share capital of the company)	58.13%	60.87%	58.13%	60.87%	51.44%	

					<i>Rs in Lacs</i>
Segment Performance - Revenue, Results and Capital Employed					
Particulars	Consolidated				
	Quarter Ended		Nine Months Ended		Year Ended
	31/12/2010 Unaudited	31/12/2009 Unaudited	31/12/2010 Unaudited	31/12/2009 Unaudited	31/03/2010 Audited
Segment Revenues					
Television	10,161.91	8,814.51	25,438.47	18,401.34	24,895.01
Movies	10,758.90	10,739.46	33,912.30	26,487.78	31,543.69
Games & Interactive	4,593.30	2,118.11	9,918.70	9,560.20	10,700.18
Less: Inter-segment revenues	-	(54.45)	(49.01)	(728.40)	(733.63)
Total revenues	25,514.11	21,617.63	69,220.46	53,720.92	66,405.25
Segment Results					
Television	2,070.08	479.16	2,998.94	(1,849.82)	(24.50)
Movies	2,700.68	4,307.12	12,390.80	6,338.13	9,509.45
Games & Interactive	1,063.31	(284.24)	1,187.41	(760.04)	(1,478.95)
Total segment results before Interest and Tax	5,834.07	4,502.04	16,577.15	3,728.27	8,006.00
Less:					
- Interest Expenses/(Income) (Net)	977.55	1,037.03	2,037.86	2,829.85	3,844.64
- Other unallocable expenditure (net of Other Income)	708.24	833.69	2,238.30	1,576.48	1,846.57
Total Profit before Tax	4,148.28	2,631.32	12,300.99	(678.06)	2,314.79
Capital Employed					
Television	53,618.93	56,437.56	53,618.93	56,437.56	45,676.88
Movies	35,145.86	53,825.67	35,145.86	53,825.67	48,213.70
Games & Interactive	70,040.98	50,023.47	70,040.98	50,023.47	52,917.27
Unallocable	20,442.52	20,734.49	20,442.52	20,734.49	26,687.15
Total Assets - Liabilities	179,248.29	181,021.19	179,248.29	181,021.19	173,495.00

Notes:

- The above consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 27, 2011.
- 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 December 31, 2010: Beginning - Nil, Received - Nil & Disposed off - Nil, 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.
- As on December 31, 2010 - 1,997,000 employee stock options were outstanding. Upon exercise of the options, these would be converted into equivalent number of equity shares. Further, 2,500 employee stock options were exercised during the quarter.
- The standalone financial results of the company for the quarter ended December 31, 2010 have been filed with the Stock Exchanges where the Company's shares are listed and are

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available on Company's website www.utvgroup.com. The key standalone financial information for the quarter are as under:

- a. Total operating revenues: Rs. 12,873.50 lakhs (Previous quarter Rs 16,022.47 lakhs)
 - b. Profit before tax: Rs. 1,959.34 lakhs (Previous quarter Profit before tax Rs.2,275.11 lakhs)
 - c. Profit after tax: Rs. 1,959.34 lakhs (Previous quarter before after tax Rs 4,019.56 lakhs)
7. Previous quarter/year numbers have been regrouped/rearranged, wherever necessary.