UTV Motion Pictures Plc
Press Announcement

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UTVM RELEASES MAIDEN INTERIM RESULTS

UTV Motion Pictures Plc ("UTVM" or "the Company") the holding company of UTV Motion Pictures (Mauritius) Limited ("UTV Mauritius") a global movie studio, announces its results for the period ended 30 September 2007 which have been subjected to a limited review by the auditors.

KEY HIGHLIGHTS FOR THE PERIOD:

- successful float to AIM through raising of US$70 million gross via a placing of new ordinary shares with investors in the UK, Europe and Asia
- collaboration with Virgin Comics to create four original superheroes in India
- signed finance agreement to co-produce M.Night Shamalan's The Happening
- entry into the Telugu film market, India's second largest market

FINANCIAL HIGHLIGHTS:

- Total revenue of US$10 million
- Profit after tax US$8.1 million
- Diluted earnings per share US$0.088 (FV 0.05)

UPCOMING RELEASES:

- Goal: Expected Release date – November 2007; a football action drama starring John Abraham and Bipasha Basu;
- Kennamoochi Yennada: Expected Release date – November 2007; UTVM's first South Indian production in the Tamil Language
- Welcome: Expected Release date – December 2007; a rip roaring comedy starring Akshay Kumar
- Jodhaa Akbar: Expected Release date – January 2008; starring superstars Hrithik Roshan and Aishwarya Rai

Ronnie Screwvala, Non-Executive Chairman, commented: *"UTVM is entering an exciting phase with an extensive slate of projects, under development and soon to be released, with eminent directors and excellent talent. Such a diverse slate, containing multiple genres, languages and budgets re-affirms our Hollywood studio business model which we believe will generate excellent future returns for UTVM shareholders."*

ENDS

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Chairman's Report

The results of UTV Motion Pictures for the six months ended 30 September 2007, are the first since the Company listed on the AIM market in London on 2 July 2007.

The Company was established to create India's leading movie studio with a significant presence overseas as well as in the domestic market. Our strategic objective is to build on the first mover advantage resulting from our Hollywood Studio business model wherein we have a strong portfolio of movies under production at all times, long-term multiple movie contracts with successful directors and artists and a line-up of releases designed to appeal to a variety of audiences.

At flotation, we raised approximately US$65 million net of expenses to acquire a US$30 million slate of movies in incubation from our parent company and to finance their development and production, as well as to fund the Company's expansion through the production, co-production and acquisition of other movies.

I am delighted to report that, since our flotation we have successfully begun to implement our strategy and lay solid foundations for profitable growth.

During the interim period, we achieved total revenue of US$ 10 million, although most of our key releases for the year are scheduled to take place in the period from October 2007 - January 2008 after 1 October 2007.

Some of the key highlights of the first half include:

- the release of Mira Nair's The Namesake, our critically acclaimed international co-production with Fox Searchlight, which theatrically released in March 2007 in North America. This was one of the movies acquired at the time of flotation and, has already established itself as a commercial success

- the release in North America of I Think I Love My Wife, another co-production with Fox Searchlight which is starting to generate the first revenues from Home Video and Television

- the release of Life in a Metro, starring Celebrity Big Brother winner Shilpa Shetty in May 2007, which was another box office success, having recovered close to twice its investment within only four months from theatrical release

- the Blue Umbrella, a film based on a novella by Ruskin Bond, was released in August 2007 to limited art house audiences in India and met with widespread acclaim winning the prestigious Indian National Award for Best Children's Film

- in September, we signed a financing agreement with Twentieth Century Fox for 50 per cent of the production costs of the live action movie, The Happening, which is being co-produced with Blinding Edge Pictures Inc., a movie production company established by the director, M. Night Shyamalan. The estimated total production costs of The Happening are US$67 million.

- the Company also participated in acquiring international rights of World Movies for the Indian subcontinent for exploitation in multiple media

The Company has an extensive slate of projects under development with eminent Directors, excellent talent and most importantly a tremendous amount of work and research on script development. Our projects cut across multiple genres in the Hindi language, feature the most interesting slate of animation movies coming out of India, and include a growing number of titles in Tamil and Telugu and a significant number of International titles.

Chairman’s Report (Continued)

MANAGEMENT

Since the end of the period, Mr Babulal Vedprakash Gautam has been appointed as Chief Operating Officer of both UTV Motion Pictures Plc and its subsidiary UTV Mauritius Limited, with effect from 1 October 2007. Prior to joining UTV Mr. Gautam worked as the Commercial Director at Zee Telefilms Ltd and as Chief Operating Officer of the B4U Network.

Following Mr Gautam’s appointment, Siddharth Roy Kapur remained as a non-executive director of UTV Motion Pictures Plc.

NEW REVENUE STREAMS

As part of our strategy for maximising revenues from our productions, during the period we established UTV Home Video, including a core team and support infrastructure, to give the Company a Home Video division with strong distribution across India. Successful releases through UTV Home Video include The Namesake, Life in a Metro and The Blue Umbrella.

The Company has been one of the most active players in new media distribution from the Indian entertainment industry, forging alliances worldwide to ensure delivery of our content across multiple platforms. We have concluded deals for online downloads of our content with portals in India and overseas VOD, Cable and IPTV deals with key players in the U.S. and a Manufacturing On Demand deal with Hewlett Packard for Home Video distribution.

SOUTH INDIAN FILM INDUSTRY

Our first South Indian co-production in the Tamil language Kennamoochi Yennada, was completed in this period, and is scheduled for release in November 2007.

In September, we entered the Telegu film sector with a deal for two movies with Mahesh Babu, one of the biggest Telegu film stars; and a co-production deal with Indira Productions for two Telegu films, one of which will feature Mahesh Babu.

The Company also acquired the Andhra Pradesh theatrical distribution rights to Atidhi, Mahesh Babu’s next movie which is scheduled for release on October 18, 2007 and follows Mahesh Babu’s record breaking Pokhiri.

The roster of relationships with key talent and production outfits the Company is establishing in South India is strengthening our position in this market and should contribute positively to the financial performance of the second half of the current year and beyond.

TALENT RELATIONSHIPS

Signing talented directors and artists, who share our creative vision and drive to produce high quality movies with excellent revenue potential, is key to our strategy.

During the period, we signed a two-movie deal with Shahid Kapur who is recognised as a rising star in the Indian film industry following his debut in Ken Ghosh's Ishq Vishq (in 2003) and subsequent box office hits in 2006 like 36 China Town and Vivaah.

We also signed long-term multiple film agreements with Priyanka Chopra, John Abraham, Rakeysh Omprakash Mehra and Anurag Basu.

Chairman's Report (Continued)

SPOTBOY

Another key element of our strategy is to broaden the scope of productions and provide flexibility across a range of genres, budgets and target audiences, to which end the Company launched the SpotBoy studio during the period.

In August, SpotBoy entered into collaboration with Virgin Comics, an entertainment division of Sir Richard Branson's Virgin, to create original superhero franchises for publishing, animation and gaming, targeting India's 550 million teenage audience.

Since the end of the period, SpotBoy has signed agreements with directors for three Hindi films. Shyam Bengal, who has received India's highest honours including Padma Shri and Padma Bhushan, is returning to comedy after a 25-year absence with Mahadev. Anurag Kashyap is one of the most outspoken and bold directors in recent times and is planning to recast the classic Devdas in contemporary times in his forthcoming film Dev D. Raj Kumar Gupta makes his debut as a director in Amir, a thriller about a young Muslim professional who lands in Mumbai International Airport.

INTERNATIONAL PRODUCTIONS

Our co-production with 20th Century Fox, The Happening, directed by M. Night Shyamalan and starring Mark Wahlberg, has recently completed its shoot and is in post production in the U.S. and is slated for release in June 2008.

Live action and Animation projects with Will Smith's Overbrook are in the development stage.

RISK PROFILE AND CUSTOMER INTERACTION

The Directors believe that the Company sits at the lowest end of the risk chain while remaining at the top end of the value chain. By being active Producers who incubate talent internally whilst having long-term strategic relationships with our Directors, we are able to keep our costs down when compared to others in the field, whilst establishing a worldwide marketing and distribution organization that touches the consumer directly, we are able to achieve higher returns from our productions

OUTLOOK FOR THE NEXT HALF YEAR

The outlook for the next six months is very encouraging, with one of the strongest slates of releases from any Indian studio.

Our slate of releases for the second half includes Telegu blockbuster Atidhi; our first Tamil co-production Kennamoochi Yennada; a football sports action drama shot completely in the U.K. - Dhan Dhanadhan Goal; an all star cast comedy, Welcome, starring Akshay Kumar; and Taare Zameen Par, directed by and starring Aamir Khan, which we will distribute in all markets worldwide except India. On 25 January 2008, Jodhaa Akbar, starring Hrithik Roshan and Aishwarya Rai is scheduled for release. In addition the second half will also see the release of lower budget movies, Bombay Meri Jaan and Wednesday.

On behalf of the Board, I would like to thank the entire team at UTV Motion Pictures, our stakeholders and our audiences, for helping us lay the foundation for future years of dynamic growth.

Ronnie Screwvala
Chairman

Condensed Interim Consolidated Income Statement
For the period 27 March 2007 (date of incorporation) to 30 September 2007

	Notes	Group USD
CONTINUING OPERATIONS		
Revenue		10,017,012
Cost of sales		(4,626,365)
Gross profit		5,390,647
Administrative expenses		(359,638)
Profit from operations		5,031,009
Investment income		448,710
Negative goodwill on Consolidation	4	2,874,092
Profit for the period before tax		8,353,811
Taxation		(170,903)
Profit for the period after tax		8,182,908
Attributable to:		
Equity holders of parent		8,169,120
Minority interest		13,788
		8,182,908
Earnings per share		
Continuing operations		
Basic earnings per share	5	0.088
Diluted earnings per share	5	0.088

Condensed Interim Consolidated Balance Sheet
As at 30 September 2007

	Group USD
ASSETS	
Non-current assets	
Property, plant and equipment	4,416
Investment in securities	5,000,000
	5,004,416
Current assets	
Inventories	46,818,966
Group company loans	250,566
Trade and other receivables	11,675,093
Cash in hand and at bank	16,554,271
	75,298,896
TOTAL ASSETS	80,303,312

Condensed Interim Consolidated Balance Sheet
As at 30 September 2007 (continued)

	Notes	Group. USD
LIABILITIES		
Current liabilities		
Trade and other payable		2,033,886
Group company loans		1,463,776
Tax liabilities		174,103
TOTAL LIABILITIES		3,671,765
EQUITY		
Share capital	6	5,206,897
Share premium account	6	63,224,557
Retained earnings		8,169,120
Equity attributable to equity holders of the parent		76,600,574
Minority interest		30,973
		76,631,547
TOTAL LIABILITIES AND EQUITY		80,303,312

Approved and authorised for issue by the Board of Directors on ……………………………… and signed on its behalf by

………………………………….
Director

………………………………….
Director

Condensed consolidated statements of changes in equity
For the period 27 March 2007 (date of incorporation) to 30 September 2007

	Attributable to equity holders of the company					
	Share Capital USD	Share Premium USD	Retained Earnings USD	Total USD	Minority Interest USD	Total Equity USD
Profit for the period	-	-	8,169,120	8,169,120	13,788	8,182,908
Minority share of subsidiary net assets at date of acquisition	-	-	-	-	17,185	17,185
Issue of ordinary shares	5,206,897	68,793,103	-	74,000,000	-	74,000,000
Issue costs	-	(5,568,546)	-	(5,568,546)	-	(5,568,546)
At 30 September 2007	5,206,897	63,224,557	8,169,120	76,600,574	30,973	76,631,547

Condensed interim consolidated cash flow statement
For the period 27 March 2007 (date of incorporation) to 30 September 2007

	Group USD
Net cash used in operating activities	(47,361,466)
Investing activities	
Investment in securities	(5,000,000)
Purchase of property, plant and equipment	(4,496)
Interest received	406,822
Net cash used in investing activities	(4,597,674)
Financing activities	
Issue of shares	74,000,000
Issue costs	(5,568,546)
Net cash from financing activities	68,431,454
Net increase in cash and cash equivalents	16,472,314
Cash and cash equivalents at beginning of the period	81,957
Cash and cash equivalents at end of the period	16,554,271
Cash and cash equivalents made up of:	
Bank balances and cash	16,554,271

Selected notes to the interim consolidated financial statements
For the period 27 March 2007 (date of incorporation) to 30 September 2007

1 Company profile

UTV Motion Pictures Plc is a company incorporated in the Isle of Man under the Isle of Man Companies Act 2006. The address of the company's registered office is Chapter House, Upper Church Street, Douglas, Isle of Man.

UTV Motion Pictures Plc was incorporated on 27 March 2007 with Share Capital of US$ 1. On 26 April 2007, UTV Software Communications Limited, a Company incorporated in India invested US$ 4,000,000 for 80,000,000 shares of USD 0.05 each in UTV Motion Pictures Plc, thereby acquiring 100% stake in UTV Motion Pictures Plc.

During the period 7 March 2007 to 26 April 2007, there were no transactions in the Company except share capital of US$ 1 and sundry debtor of US$ 1.

On 2 July 2007, UTV Motion Pictures Plc listed its shares on London Stock Exchange's Alternative Investment Market (AIM) with the issue of additional 24,137,931 Equity shares of the face value of USD 0.05 each (constituting 23.18% of the expanded share capital) at an issue price of USD 2.90 per share to overseas investors.

The consolidated interim financial statements for the period ended 30 September 2007 comprise the Company and its subsidiary, UTV Motion Pictures (Mauritius) Limited (together referred to as the "Group"). The Group is primarily involved in the business of producing and distributing cinematographic movies, acquiring and selling rights therein, producing and distributing television movies, television programmes and video movies.

2 Basis of preparation

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and with applicable legal and regulatory requirements of Isle of Man law. It has been presented in accordance with IAS34 "Interim Financial Reporting".

The financial statements are presented in United States dollars.

As this is the first period of operation of the Group, there are no comparative figures. The same accounting policies and methods of computation are followed as expected to be applied in the annual financial statements.

3 Significant accounting policies

Unless otherwise stated, the accounting policies set out below have been applied consistently by all Group entities.

Selected notes to the interim consolidated financial statements (Continued)
For the period 27 March 2007 (date of incorporation) to 30 September 2007

(a) **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) for the period ended 30 September 2007. The excess of cost of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the income statement.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The costs of an acquisition is measured as the fair value of the assets given equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at acquisition date irrespective of the extent of any minority interest.
The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.
Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances, and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(b) **Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Such balances are translated at year-end exchange rates unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used.

(c) **Financial instruments**

Financial assets and liabilities are recognised on the balance sheet when the Group has become party to the contractual provisions of the instrument.

The Group's policies in respect of the main financial instruments are as follows:

Trade receivables

Trade receivables are stated at their normal values as reduced by appropriate allowances for irrecoverable amounts.

Trade payables

Trade payables are stated at their nominal values.

Cash resources

Cash resources are measured at fair values.

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs.

(d) **Inventories**

Inventories are valued at lower of cost or net realizable value. At every year-end or at appropriate time intervals, the company evaluates the net realizable value and / or the revenue potential of each and every item of stock. Wherever, it finds that the realizable values are lower than costs, appropriate write downs are effected in books of account. Inventorisation policy is consistent with that followed last year by UTV Motion Pictures (Mauritius) Limited.

(e) **Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(f) **Revenue recognition**

Revenue represents the total value of sales made during the year. Revenues from licensing of movies are recognised on the signing of the license agreement, or on delivery of the movies, whichever is later.

(g) **Taxation**

The tax expense represents the sum of the tax currently payable.
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

(h) **Share-based payments**

The Group has applied the requirements of IFRS 2 Share-based Payments.

The Group issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

As the Group is newly listed, there is insufficient information on historical volatility of the share price. Therefore, share options are valued at intrinsic value, initially at grant date and subsequently at each reporting date, and at the date of final settlement. Changes in intrinsic value are recocgnised in the income statement.

(i) **Segmental reporting**

The Group considers its business to be made up of only one segment and therefore segmental reporting is not considered necessary.

(j) **Cash and cash equivalents**

Cash comprises cash at bank. Cash equivalents are short term and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

Selected notes to the interim consolidated financial statements (Continued)
For the period 27 March 2007 (date of incorporation) to 30 September 2007

4 Acquisition of subsidiary

On 30 April 2007, UTV Motion Pictures Plc subscribed to 80,000,000 newly issued shares in UTV Mauritius Limited, a company incorporated in the Republic of Mauritius. Prior to this, UTV Motion Pictures (Mauritius) Limited was a wholly owned subsidiary of UTV Software Communications Limited, the parent company of UTV Motion Pictures Plc.

The shares were acquired at nominal value of US$4,000,000 resulting in a deficiency of the cost of acquisition below the fair value of identifiable net assets acquired of US$ 2,874,092. This discount on acquisition has been recognised directly in the income statement.

The 80,000,000 shares in UTV Motion Pictures (Mauritius) Limited represent a 99.75% shareholding in the Company. The remaining 0.25% is owned by the Indian parent Company, UTV Software Communications Limited.

The acquisition has the following effect on the Group's assets and liabilities on acquisition date:

	Pre-acquistion carrying amounts	Fair value adjustments	Recognised values on acquisition
Inventories	3,864,631	-	3,864,631
Trade and other receivable	3,566,823	-	3,566,823
Cash and cash equivalents	4,071,778	-	4,071,778
Loans and borrowings	(893,502)	-	(893,502)
Trade and other payables	(3,735,638)	-	(3,735,638)
Net identifiable assets and liabilities	6,874,092	-	6,874,092
Negative goodwill			(2,874,092)
Purchase price			4,000,000

As the subsidiary was acquired as a result of an issue of new shares, there was no cash outflow from the Group as a result of the acquisition.

In the period ended 30 September 2007 the subsidiary contributed profit of US$5,514,810. If the acquisition had occurred on 27 March 2007, management estimates that consolidated revenue would have been US$10,044,682 and consolidated profit for the period would have been US$8,180,188.

Selected notes to the interim consolidated financial statements (Continued)
For the period 27 March 2007 (date of incorporation) to 30 September 2007

5 Net asset value per share

The net asset value per share, based on the net assets attributable to ordinary shareholders at the period end of US$76,600,574 divided by 104,137,931 shares in issue at the period end, amounts to 73 cents per share.

6 Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 September 2007 was based on the profit attributable to ordinary shareholders of US$ 8,169,120, and a weighted average number of ordinary shares of 92,003,015 calculated as follows:

	30 Sept 2007
Issued ordinary shares at 1 April 2007	80,000,000
Effect of shares issued on 2 July 2007	12,003,015
	92,003,015

	USD
Basic earnings per share	0.088

Diluted earnings per share

Following admission to AIM, two of the Company's directors, Andrew Carnegie and Peter Vanderpump hold options in respect of 208,276 and 52,069 ordinary shares respectively. The option price for these shares is $2.90 per shares being the issue price of ordinary shares on admission. As a result, these share options do not have a dilution effect and the diluted earnings per share are equal to basic earnings per share.

6 Share capital

Authorised share capital

	No. of shares	USD
Ordinary shares of US$0.05 each	104,137,931	5,206,897

Issued share capital and share premium

	No. of shares Issued and Fully Paid	Share Capital USD	Share Premium USD
Subscriber shares	1	-	-
26 April 2007 – Issue	79,999,999	4,000,000	-
2 July 2007 – AIM placing	24,137,931	1,206,897	68,793,103
2 July 2007 – Placing costs	-	-	(5,568,546)
	104,137,931	5,206,897	63,224,557

7 Share based payments (directors' interests)

On 26 June, 2007 Andrew Carnegie and Peter Vanderpump, non-executive directors, were conditionally granted options to subscribe for 208,276 and 52,069 ordinary shares, respectively, at an exercise price of $2.90 per ordinary share (being the placing price). Each of these options becomes exercisable in respect of a third of the ordinary shares subject to the option on each of the first three anniversaries following the date of admission to AIM and ceases to be exercisable on the fifth anniversary of the date of grant. The grant of these options is for nil consideration and became unconditional on admission to AIM.

The fair value of options at the grant date of US$123,663 has been calculated using the intrinsic valuation method.

Save as set out above, no director has any interest, beneficial or otherwise, in the share capital of the Company.

8 Related party transactions

During the period ended 30 September 2007 the Group traded with related entities as follows:

UTV Software Communications Limited – Parent Company

	USD
Purchase of rights from parent	13,126,577
Expenses charged by parent	493,906
Payments made to parent	16,557,596
Sale of rights to parent	569,227
Credit balance on loan with parent at 30 September 2007	763,783

UTV Software Communications (USA) LLC – Fellow subsidiary

	USD
Purchase of rights from fellow subsidiary	13,387,504
Payments made to fellow subsidiary	12,124,463
Sale of rights to fellow subsidiary	4,104
Credit balance on loan with fellow subsidiary at 30 September 2007	699,993

UTV Communications (UK) Limited – Fellow subsidiary

	USD
Advance from fellow subsidiary	295,086
Sale of rights to fellow subsidiary	1,497
Debit balance on loan with fellow subsidiary at 30 September 2007	250,567