

## PART - I

## STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND FIFTEEN MONTHS ENDED 30 JUNE 2012

		CONSOLIDATED					Rs in lakhs
SR. NO.	PARTICULARS	PERIOD (UNAUDITED)					YEAR (AUDITED)
		01.04.12 to 30.06.12 (Refer note 17)	01.01.12 to 31.03.12 (Refer note 17)	01.04.11 to 30.06.11 (Refer note 18)	01.04.11 to 30.06.12	01.04.10 to 30.06.11 (Refer note 18)	01.04.10 to 31.03.11
1	INCOME FROM OPERATION						
a)	Net sales / income from operations	19,784.28	17,341.88	18,909.29	99,849.70	97,055.93	78,146.64
b)	Other operational income	430.48	448.92	376.54	2,009.62	5,844.16	5,467.62
	Total income from operation	20,214.76	17,790.80	19,285.83	101,859.32	102,900.09	83,614.26
2	EXPENSES						
a)	Cost of material consumed	(180.62)	230.70	104.41	101.18	1,007.68	903.27
b)	Purchase of stock-in-trade	1,590.52	501.32	1,354.64	6,334.38	6,463.74	5,109.10
c)	Change in inventories	(315.11)	246.05	(45.05)	(101.18)	(463.18)	(418.13)
d)	Employee benefit expense	5,276.54	5,491.97	5,301.53	27,017.54	24,872.69	19,571.16
e)	Distributors' share	4,450.92	3,319.05	4,000.85	21,356.16	19,754.17	15,753.32
f)	Other direct operational expenses	2,113.75	2,430.71	2,639.18	12,597.41	12,351.33	9,712.15
g)	Depreciation and amortisation	3,697.93	4,227.94	3,225.06	17,857.08	16,451.57	13,226.51
h)	Rent	5,070.69	5,416.14	4,955.31	25,583.44	21,892.82	16,937.51
i)	Other expenses	3,851.56	5,987.16	4,630.65	26,952.62	22,041.99	17,411.34
	Total expenses	25,556.18	27,851.04	26,166.58	137,698.63	124,372.81	98,206.23
	(Loss) from operations before other income, finance costs and exceptional items	(5,341.42)	(10,060.24)	(6,880.75)	(35,839.31)	(21,472.72)	(14,591.97)
3	Other income	137.98	491.16	606.61	1,966.03	2,018.75	1,412.14
	(Loss) from ordinary activities before finance costs and exceptional items	(5,203.44)	(9,569.08)	(6,274.14)	(33,873.28)	(19,453.97)	(13,179.83)
4	Finance costs (net)	7,683.20	5,831.40	5,728.50	33,753.09	24,515.07	18,786.57
6	(Loss) from ordinary activities after finance costs but before exceptional items	(12,886.64)	(15,400.48)	(12,002.64)	(67,626.37)	(43,969.04)	(31,966.40)
7	Exceptional items	-	-	-	-	-	-
8	(Loss) from ordinary activities before tax	(12,886.64)	(15,400.48)	(12,002.64)	(67,626.37)	(43,969.04)	(31,966.40)
9	Tax expense	106.70	(15.61)	9.30	(442.66)	1,125.67	1,116.37
10	Net (loss) from ordinary activities after tax	(12,993.34)	(15,384.87)	(12,011.94)	(67,183.71)	(45,094.71)	(33,082.77)
11	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
12	Net (loss) for the period	(12,993.34)	(15,384.87)	(12,011.94)	(67,183.71)	(45,094.71)	(33,082.77)
13	Minority interest	136.94	30.00	2.55	538.07	(194.13)	(196.68)
14	Net (loss) for the period	(13,130.28)	(15,414.87)	(12,014.49)	(67,721.78)	(44,900.58)	(32,886.09)
15	Paid-up equity share capital (face value Rs.5/-per share)	2,306.31	2,306.31	2,306.31	2,306.31	2,306.31	2,306.31
16	Reserves excluding revaluation reserves						1,971.85
17	Earning per share for the period before extra-ordinary items (in Rupees)						
	Basic	(28.33)	(33.67)	(26.07)	(146.93)	(97.48)	(71.41)
18	Diluted	(28.33)	(33.67)	(26.07)	(146.93)	(97.48)	(71.41)
	Earning per share for the period after extra-ordinary items (in Rupees)						
	Basic	(28.33)	(33.67)	(26.07)	(146.93)	(97.48)	(71.41)
19	Diluted	(28.33)	(33.67)	(26.07)	(146.93)	(97.48)	(71.41)

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND FIFTEEN MONTHS ENDED 30 JUNE 2012

Rs in lakhs

PARTICULARS	CONSOLIDATED					YEAR (AUDITED)
	PERIOD (UNAUDITED)					
	01.04.12 to 30.06.12 (Refer note 17)	01.01.12 to 31.03.12 (Refer note 17)	01.04.11 to 30.06.11 (Refer note 18)	01.04.11 to 30.06.12	01.04.10 to 30.06.11 (Refer note 18)	
<b>Segment revenue / Other income</b>						
Film production services*	4,788.38	5,175.44	5,134.78	25,103.32	30,277.94	25,143.16
Theatrical exhibition	14,471.46	11,299.33	13,233.54	69,990.32	67,958.62	54,725.08
Television / Film production and distribution	1,169.53	1,164.50	1,042.36	7,455.89	7,066.52	6,024.16
	20,429.37	17,639.27	19,410.68	102,549.53	105,303.08	85,892.40
Less: Inter segment revenue	214.61	(151.53)	124.85	690.21	2,402.99	2,278.14
Net sales / income from operations	20,214.76	17,790.80	19,285.83	101,859.32	102,900.09	83,614.26
Add: Others (unallocated)	137.98	491.16	606.61	1,966.03	2,018.75	1,412.14
<b>Total income</b>	<b>20,352.74</b>	<b>18,281.96</b>	<b>19,892.44</b>	<b>103,825.35</b>	<b>104,918.84</b>	<b>85,026.40</b>
<b>Segment results ( profit / ( loss ) before interest and tax )</b>						
Film production services*	(1,730.50)	(1,670.78)	(1,420.48)	(7,731.23)	(164.11)	1,256.37
Theatrical exhibition	(2,708.52)	(6,675.60)	(3,692.08)	(20,893.80)	(14,090.67)	(10,398.59)
Television / Film production and distribution	273.28	1.57	(33.39)	1,420.91	1,116.59	1,149.98
Total segment results	(4,165.74)	(8,344.81)	(5,145.95)	(27,204.12)	(13,138.19)	(7,992.24)
Less: Finance costs (net)	7,683.20	5,831.40	5,728.50	33,753.09	24,515.07	18,786.57
Less: Other unallocable expenses net off unallocable income	1,037.70	1,224.27	1,128.19	6,669.16	6,315.78	5,187.59
<b>Total loss before tax</b>	<b>(12,886.64)</b>	<b>(15,400.48)</b>	<b>(12,002.64)</b>	<b>(67,626.37)</b>	<b>(43,969.04)</b>	<b>(31,966.40)</b>
<b>Capital employed (segment assets less segment liabilities)</b>						
Film production services*	66,780.36	70,797.50	71,378.77	66,780.36	71,378.77	69,484.30
Theatrical exhibition	87,540.77	74,656.69	89,251.81	87,540.77	89,251.81	92,717.26
Television / Film production and distribution	11,360.83	10,981.10	8,694.73	11,360.83	8,694.73	8,630.51
Unallocated	(197,684.49)	(176,197.80)	(176,138.44)	(197,684.49)	(176,138.44)	(166,553.91)
<b>Total</b>	<b>(32,002.53)</b>	<b>(19,762.51)</b>	<b>(6,813.13)</b>	<b>(32,002.53)</b>	<b>(6,813.13)</b>	<b>4,278.16</b>

\*

Pursuant to the business restructuring exercise of Film production services, w.e.f 1 Oct 2011, animation business is no longer considered to be a part of this segment.

**PART - II****INFORMATION FOR THE QUARTER ENDED AND FIFTEEN MONTHS ENDED 31 MARCH 2012**

Rs in lakhs

SR. NO.	PARTICULARS	PERIOD (UNAUDITED)					YEAR (AUDITED)
		01.04.12 to 30.06.12	01.01.12 to 31.03.12	01.04.11 to 30.06.11 (Refer note 18)	01.04.11 to 30.06.12	01.04.10 to 30.06.11 (Refer note 18)	01.04.10 to 31.03.11
<b>A</b>	<b>PARTICULARS OF SHAREHOLDING</b>						
1	Public shareholding						
	- Number of shares	16,996,804	16,996,804	17,421,170	16,996,804	17,421,170	17,421,170
	- Percentage of shareholding	36.85	36.85	37.77	36.85	37.77	37.77
2	Promoters and promoter group shareholding						
	a) Pledged / encumbered						
	- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NA	NA	NA	NA	NA	NA
	- Percentage of shares (as a % of the total share capital of the company)	NA	NA	NA	NA	NA	NA
	b) Non-encumbered						
	- Number of shares	29,129,366	29,129,366	28,705,000	29,129,366	28,705,000	28,705,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	63.15	63.15	62.23	63.15	62.23	62.23

PARTICULARS		QUARTER ENDED 30 JUNE 2012
<b>B</b>	<b>INVESTOR COMPLAINTS</b>	
	Pending at the beginning of the quarter	-
	Received during the quarter	2
	Disposed of during the quarter	2
	Remaining unresolved at the end of the quarter	

1. The consolidated financial results of the Company for the quarter / fifteen months ended 30 June 2012 have been reviewed by the audit committee and approved by the Board of Directors at the meeting held on 11 August 2012. The above financials pertain to Reliance MediaWorks Limited and its subsidiaries and joint ventures.
2. The Company has opted to publish consolidated financial results. Standalone financial results for the quarter / fifteen months ended 30 June 2012 can be viewed on the website of the Company, National Stock Exchange of India Limited and BSE Limited at [www.reliancemediaworks.com](http://www.reliancemediaworks.com), [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
3. Details of standalone financial information is: Turnover Rs. 12,261.05 lakhs for the quarter (June 2011: Rs. 12,167.75 lakhs), loss before tax for the quarter Rs. 9,100.82 lakhs (June 2011: Rs. 9,221.00 lakhs), loss after tax for the quarter Rs. 9,100.82 lakhs (June 2011: Rs. 9,221.00 lakhs).
4. The Board of Directors in its meeting held on 15 May 2012, has extended the financial year of the Company till 30 September 2012, which has been approved by the Registrar of Companies vide its approval dated 28 June 2012. Accordingly, the financial statements of the Company will be drawn for a eighteen months period ending 30 September 2012.
5. During the quarter ended 31 March 2012, the Company has allotted 2,950,000 10% Redeemable Non Convertible Preference Shares at a price of Rs. 1,000/- per share having face value of Rs.5 each on a private placement basis.
6. During the quarter ended 31 March 2012 quarter, the Company has issued 11% 3500 Secured Redeemable Non Convertible Debentures (Debentures) having face value of Rs. 1000,000 each on a private placement basis. The said Debentures are listed on National Stock Exchange (NSE), during the current quarter.
7. During the quarter ended 31 December 2011, the Company has amicably settled two of its major disputes with landlords in connection with Conducting Agreements signed for acquisition of Exhibition properties. As against the claims of Rs. 7,027 lakhs, Company has vacated properties on as it where basis for a total consideration of Rs.450 lakhs. The carrying cost of capital work in progress net of aforesaid consideration aggregating to Rs.2,146 lakhs has been charged off to the profit and loss account.
8. Considering the adverse foreign exchange fluctuation and interest rates, the Company had terminated the assigned derivative contracts pertaining to interest rate swap after the quarter ended 31 March 2012 i.e. on 3 April 2012. The Company had incurred loss of Rs. 2,435.27 lakhs on pre-mature termination of this contract. This accounting treatment was subject matter of a qualification by the auditors of the Company in the limited review report for the standalone results for the quarter / twelve month period ended 31 March 2012. The Company has accounted the loss of Rs. 2,435.27 lakhs during the current quarter, the same being the loss for the current quarter.
9. Considering the continuing substantial losses incurred by the Company, its net worth has eroded. However, having regard to improved operational performance on account of stabilisation of new businesses in films and media services, financial support from its promoters, further restructuring exercise being implemented etc, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

Post period end, the Company executed an indicative non-binding term sheet with a private equity fund to acquire a substantial minority stake through an investment of Rs. 60,500 lakhs in our Company's film and media services division. The investment is proposed to be made into the subsidiary of our Company, into which our film and media services division will be transferred. No definitive agreement has been executed in respect of the proposed transaction.

The Company had taken appropriate steps as stated above and in note no. 5 and 6 above.

10. During the previous year, auditors of one of the Subsidiary company had qualified their opinion on accounting treatment for recognition of deferred revenue expenditure to the tune of Rs. 1,733.96 lakhs pertaining to start up

and stabilisation costs of the business. Had the Subsidiary not followed the said accounting treatment, the loss for last year would have been higher by Rs. 1,733.96 lakhs and the opening deficit in the Statement of profit and loss would have been higher by like amount. The Company has continued with the treatment of recognition for deferred revenue expenditure. No amounts have been recognised during the current year as deferred revenue expenditure. The amount recognised during the previous year has been amortised starting from the current period on the basis of commencement of operations.

The Subsidiary has established a business of conversion of 2D to 3D movies, film restoration, image processing, content format processing with a focus on international markets and has established a substantially large and well recognised facility in SEZ with demonstrated capabilities and client relationship for the coming years. The Subsidiary had incurred substantial costs on start up and test runs. Because of the aforesaid factors, the Subsidiary had recognised deferred revenue expenditure in the previous year.

11. One of the US subsidiary of the Company, was a defendant in a law suit regarding termination of lease. During the previous year, said subsidiary received an adverse order for claim of damages by the landlord to the tune of USD 49 lakhs. The subsidiary is in process of filing an appeal against the judgment. No provision is required as we are confident of reversal of the judgment during the appeal.
12. During the quarter ended 30 June 2011, the Company has sold its shareholding in Sri Ramakrishna Theatres Limited ('SRTL') comprising of 403,574 equity shares aggregating 89.68% of the issued equity share capital of SRTL, whereupon SRTL has ceased to be subsidiary of the Company.
13. During the quarter ended 30 June 2011, the Company has sold its shareholding in Cineplex Private Limited ('CPL') comprising of 250,000 equity share aggregating 50.00% of the issued equity share capital of CPL, whereupon CPL has ceased to be joint venture of the Company.
14. During the quarter ended 31 December 2011, the Company has amicably settled two of its major disputes with landlords in connection with Conducting Agreements signed for acquisition of Exhibition properties. As against the claims of Rs. 7,027 lakhs, Company has vacated properties on as it where basis for a total consideration of Rs.450 lakhs. The carrying cost of capital work in progress net of aforesaid consideration aggregating to Rs.2,146 lakhs has been charged off to the statement of profit and loss.
15. Swanston Multiplex Cinemas Private Limited, a Joint Venture of the Company operated a multiplex cinema. The lease of the multiplex cinema has been terminated by the landlord. Considering the termination of the lease, the Company has provided for impairment in the value of goodwill and fixed assets amounting to Rs. 530.76 lakhs. (Refer note 17)
16. The Company has entered into an agreement to sell its shares in the wholly owned subsidiary - Rave Entertainment and Food Nepal Private Limited during the current quarter, subject to approval of regulatory authorities, which has been obtained by the Company post the quarter.
17. The Company has published un-audited results for the quarter / twelve month period ended 31 March 2012 on 15 May 2012.

Subsequently an audit was conducted by the Statutory Auditors of the company for the twelve month period ended 31 March 2012 for the purpose of filing its draft letter of offer to issue its equity shares on a rights basis.

On account of additional information available during the course of the audit, the Company recorded certain adjustments which resulted in an increase in loss after tax for the quarter / twelve month period ended 31 March 2012 by Rs. 2,790.25 lakhs.

For the purpose of these results, the Company has incorporated the aforesaid adjustments in the quarter ended 31 March 2012 published as comparative information to the results for the quarter / fifteen months ended 30 June 2012 to bring the results for the quarter / twelve months ended 31 March 2012 in line with the audited financial statements of the Company.

18. The current financial year of the Company extends till 30 September 2012. Hence, the data in respect of the fifteen months from 1 April 2010 to 30 June 2011 has been derived as a summation of the data for the year ended

31 March 2011 and the quarter ended 30 June 2011. Accordingly, results for the quarter ended 30 June 2011 have been included as the corresponding quarter.

19. Figures for the previous quarter / periods have been regrouped / rearranged to confirm to current quarter's presentation.

Place: Mumbai  
Date: 11 August 2012

**For Reliance MediaWorks Limited**

Director