

BCCL TO ACQUIRE 6% STAKE IN SAHARA ONE MEDIA AND ENTERTAINMENT LIMITED

"An endorsement of our potential"

SHANTONU ADITYA, CEO, Sahara One Media And Entertainment Limited

The Sahara One Media And Entertainment Limited brand, which has been on a roll with strong performances from its Motion Pictures and Television businesses -- and is now also providing content to the new Hindi Movie channel FILMY which was launched on 12th February -- has attracted the attention of one of India's most prominent media houses. Bennett Coleman and Company Limited (BCCL), owner of the Times of India Group, has proposed to acquire a 6% stake in the company by subscribing to 11,00,000 new equity shares at a price of Rs 344 per share aggregating a total of Rs 37.84 crores, thus valuing the company at around Rs 629 crores.

Shantonu Aditya, CEO, Sahara One Media And Entertainment Limited announced, "I am delighted to inform that our company, Sahara One Media And Entertainment Limited, has received a proposal from Bennett Coleman and Company Limited (BCCL), owners of the Times of India group, to make an investment in our company. We have informed the Bombay Stock Exchange of this, and subject to all mandatory approvals from the BSE and our shareholders -- for which an EGM has been called -- we would be delighted to go through with this proposal. The Times of India is one of the most successful and reputed media houses, and this investment by the highly professional Times group in our company shall be an endorsement of our professionalism, success and future potential. I am sure that the Sahara One Media And Entertainment Limited brand will continue to grow."

"One of the greatest gains last year has been the increase of our brand equity in the market, and Sahara One as an overall organization has earned commendable respect as a serious contender in the media and entertainment industry. The strong performance by all our businesses and our exciting plans for the future give us confidence that our businesses will grow exponentially."

SHANTONU ADITYA

CEO – Sahara One Media And Entertainment Limited

As a fully integrated media business company, Sahara One Media And Entertainment Limited has come a long way in a very short span of time. For the nine months ended 31 December 2005, the Company made a net profit of Rs 7 Crores on turnover of Rs 155 Crores, as compared to Net Profit of Rs 6.50 Crores on a turnover of Rs.215 Crores in the year ended 31st March 2005.

Sahara One's Television and Motion Pictures businesses have made rapid strides in the recent past. Recently Sahara One has signed an Advertising Sales agreement with the nation's top spiritual and lifestyle channel, Aastha, according to which, starting February 1, the sales team of Sahara One Television is responsible for all advertising sales of Aastha for its India feed. This agreement with Aastha is a reflection of the industry's confidence in Sahara One's strong potential, and Aastha and Sahara One would jointly provide even greater reach, value and effectiveness to advertisers. (...pg 2)

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Sahara One Media And Entertainment Limited

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Sahara One Media And Entertainment Limited is also looking at expanding its business with new channels in the near future. Its first mega initiative in 2006 to further broaden its strong base in the entertainment business by providing content to the soon-to-be-launched Hindi Movie channel, FILMY. FILMY, which airs from 12th February, will have a very high proportion of original programming

content and will be distinct through innovative programming and marketing ideas. FILMY expects to leverage on the leadership position of Sahara One Motion Pictures, its strong library of movies, and strengths in the General Entertainment Channel Television arena.

Sahara One Television too has put in a strong performance in the last six months. Aditya said, "Thanks to a huge revamp in the look and feel of both, packaging and content, especially with the shows that have come on, our revenues have grown exponentially, and we have been very well received amongst the viewers. Woh Rehne Waali Mehlon Ki and Kittuu Saab Jaanti Hai have made a strong impact, and with the other new serials being planned, we are confident that our position in Television will continue to grow."

On the Motion Pictures front, Sahara One Media And Entertainment Limited has emerged as the biggest player in the business in India. Last year, Sahara One Motion Pictures released as many as 14 films, of which five were hits, and two – Page 3 and Bose – The Forgotten Hero... won as many as five National Awards. In all Sahara One Motion Pictures' films have bagged as many as 11 prestigious awards in little over a year. Some of the biggest hits of the year, including No Entry, Sarkar, and the path breaking animation film Hanuman – India's first full length animation release – along with Page 3, Bewafaa and Yahaan, were Sahara One Motion Pictures films

"One of the greatest gains last year," said Aditya, "has been the increase of our brand equity in the market; with the successes and the addition to the team of professionals already on board. Sahara One as an overall organization has earned commendable respect as a serious contender in the media and entertainment industry.

"It is due to the strong performance by all our businesses and our exciting plans for the future, that a highly reputed media house like the Times Group proposes to invest in the strong potential of Sahara One Media And Entertainment," Aditya said, adding, "And we are confident our businesses will grow exponentially."

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