

DB Corp Ltd. Investor Presentation



January 2015

दैनिक भास्कर
समूह

TO BE THE LARGEST AND MOST ADMIRED MEDIA BRAND ENABLING SOCIO-ECONOMIC CHANGE

**VALUES
PILLARS**

CREDIBILITY & INTEGRITY
EMPOWERED TALENT

INNOVATIVE & ENTREPRENEURIAL
INNOVATIVE PRODUCTS & PROCESSES

RESPECT & APPRECIATION
ETHICAL GOVERNANCE

Disclaimer

Some of the statements made in this presentation are forward-looking statements and are based on the current beliefs, assumptions, expectations, estimates, objectives and projections of the directors and management of Dainik Bhaskar Group (DB Corp Ltd.) about its business and the industry and markets in which it operates.

These forward-looking statements include, without limitation, statements relating to revenues and earnings.

These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond the control of the Company and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecast in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, changes in the regulatory environment and other business and operational risks. DB Corp Ltd. does not undertake to update these forward-looking statements to reflect events or circumstances that may arise after publication.



TO BE THE LARGEST AND MOST ADMIRABLE MEDIA BRAND ENABLING SOCIO-ECONOMIC CHANGE

**VALUES
PILLARS**

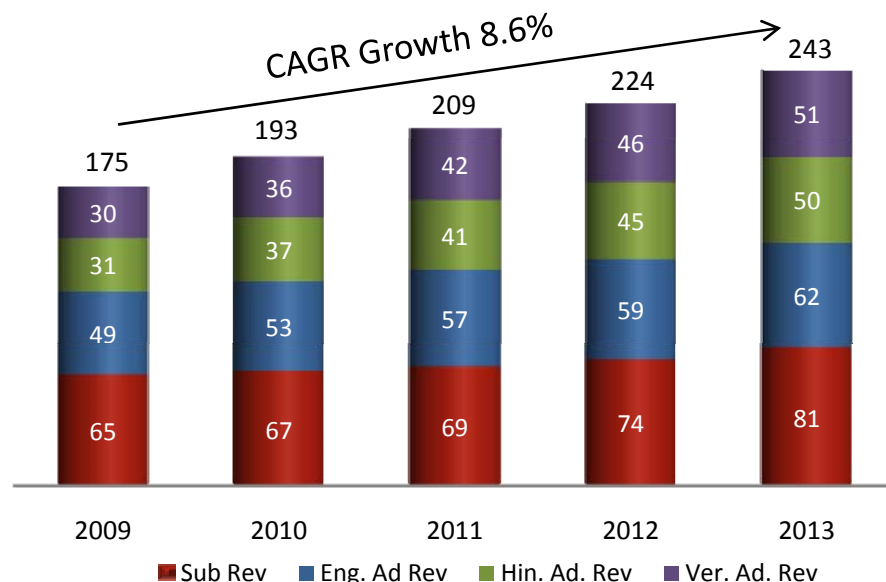
CREDIBILITY & INTEGRITY
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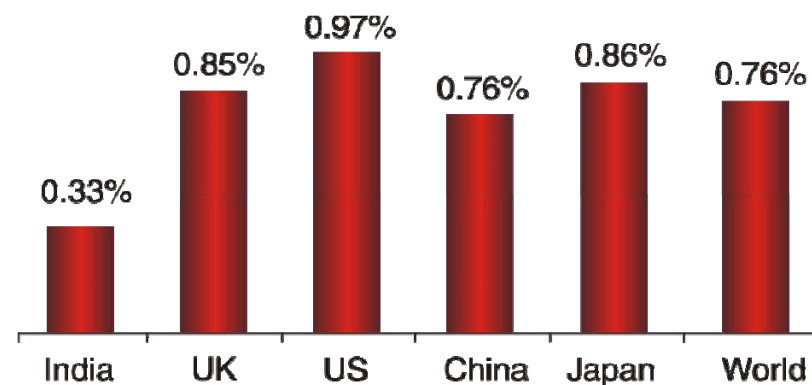
RESPECT & APPRECIATION
ETHICAL GOVERNANCE

Indian Media Sector

Print Industry Revenues (Rs bn)



Media Spend as % of GDP



- M&E industry size was Rs 918 bn in 2013, which grew by 11.8% over 2012. Expected CAGR growth is 14.2% till 2018.
- Indian Ad spend is expected to grow at a CAGR of 14% till 2018.
- Print Media Ad pie continues to hold largest % of overall Ad pie at 45% and is expected to maintain lead with expected CAGR growth of 11.1% till 2018, for Regional Print.

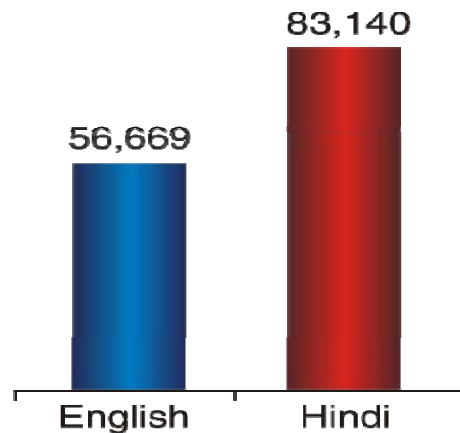
Source: FICCI-KPMG Report 2014

Source: Worldwide Media & Mktg. Forecasts, Group M, Summer 2011

REGIONAL PRINT GROWING FASTER WITH INCREASING LITERACY LEVEL

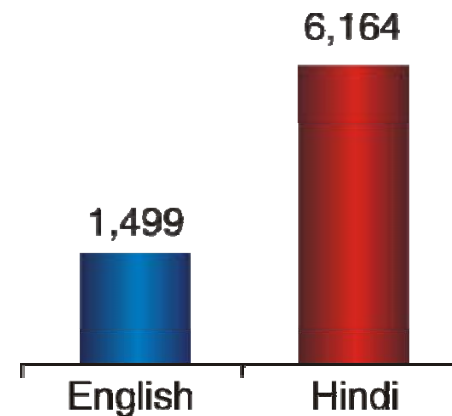
Can Read Population (in '000)

(Growth From 2007 – 2012)



Newspaper Reach (in '000)

(Growth From 2007 – 2012)



- Literate population of India has grown to 656259 (in '000) from 537117 (in '000) in last 5 years from 2007 to 2012.

Source: IRS Q3 '12

A LEADING MEDIA COMPANY OF INDIA



MAJOR BUSINESS BRANDS

Around 44.2 million Total Readership & 19.8 MN Daily readers in India's fastest growing markets

	Hindi Newspaper	12 States, 37 Editions
	Gujarati Newspaper	2 States, 7 Editions
	Marathi Newspaper	1 State, 7 Editions
	FM Radio Network	7 States, 17 Stations
	Digital & Mobile Platform	Web Portals, SMS Services

A LEADING MEDIA COMPANY OF INDIA

A Leader in Print Readership, operating in the highest growth markets in India



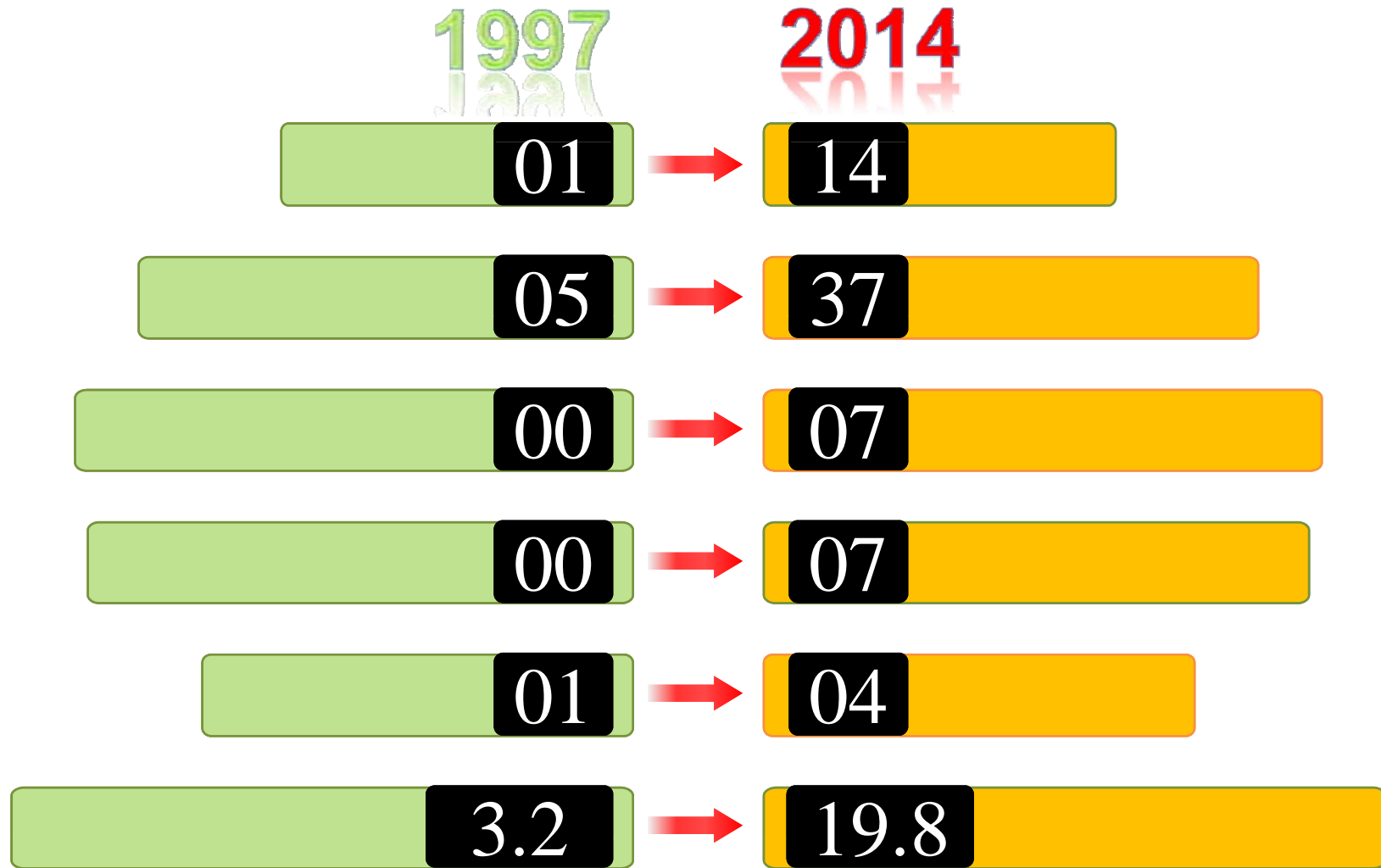
Leadership in Multiple States – Emerging Tier II & III Cities

- Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh, Maharashtra, Himachal Pradesh, Uttar Pradesh, Jharkhand, Bihar, Jammu & Kashmir & Delhi

Focus on Revenue Market Share – in Multiple language

- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in Bhaskar Markets
- 50% of India's total consumption is concentrated in Bhaskar Markets.
- Newspaper readership penetration is only 30%

CONSISTENT TRACK RECORD OF GROWTH



FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

-REGIONAL MARKETS

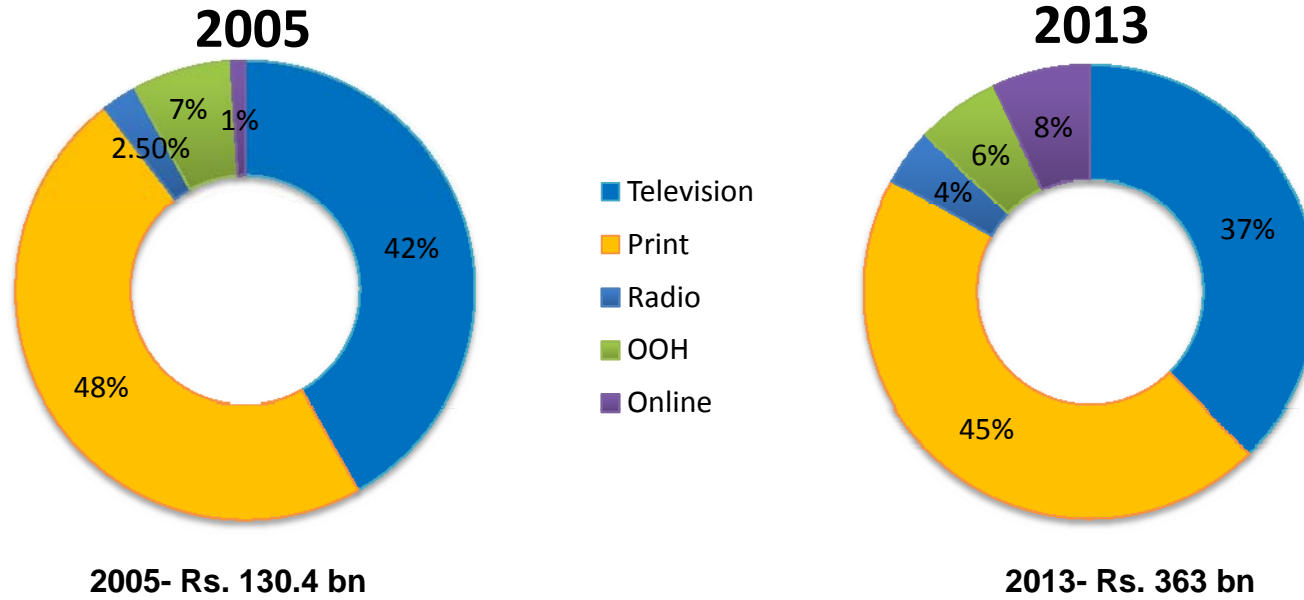


CONSUMPTION GROWTH IS HIGHER IN TIER II & TIER III CITIES

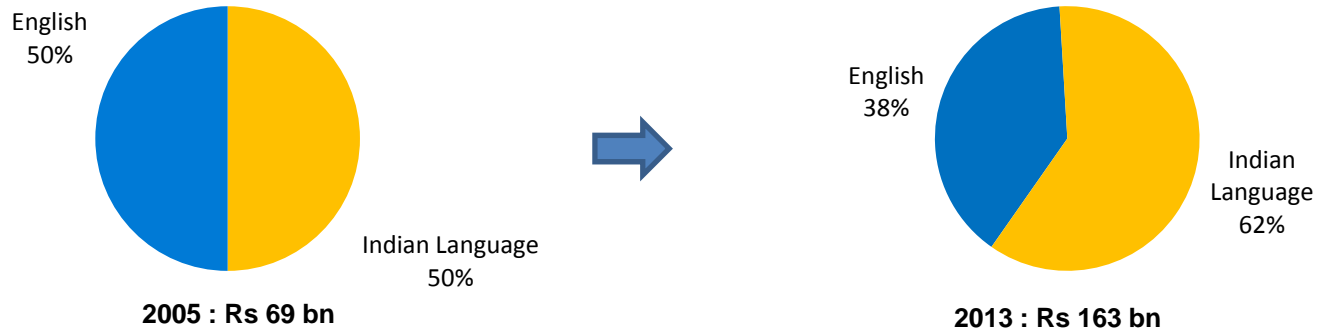
GROWTH 2008 VS. 2012	METROS	TIER II	TIER III
Consumer Durables Ownership (Air Conditioner)	69%	135%	131%
Consumer Durables Ownership (Electric Geyser)	28%	85%	59%
IT & Communication Products	69%	116%	105%
Automobile (Ownership)	40%	83%	66%
FMCG Product Purchases	17%	42%	30%

Source: IRS Q3 '12

PRINT MAINTAINS LARGEST Ad-PIE - REGIONAL PRINT WITNESS HIGHER GROWTH

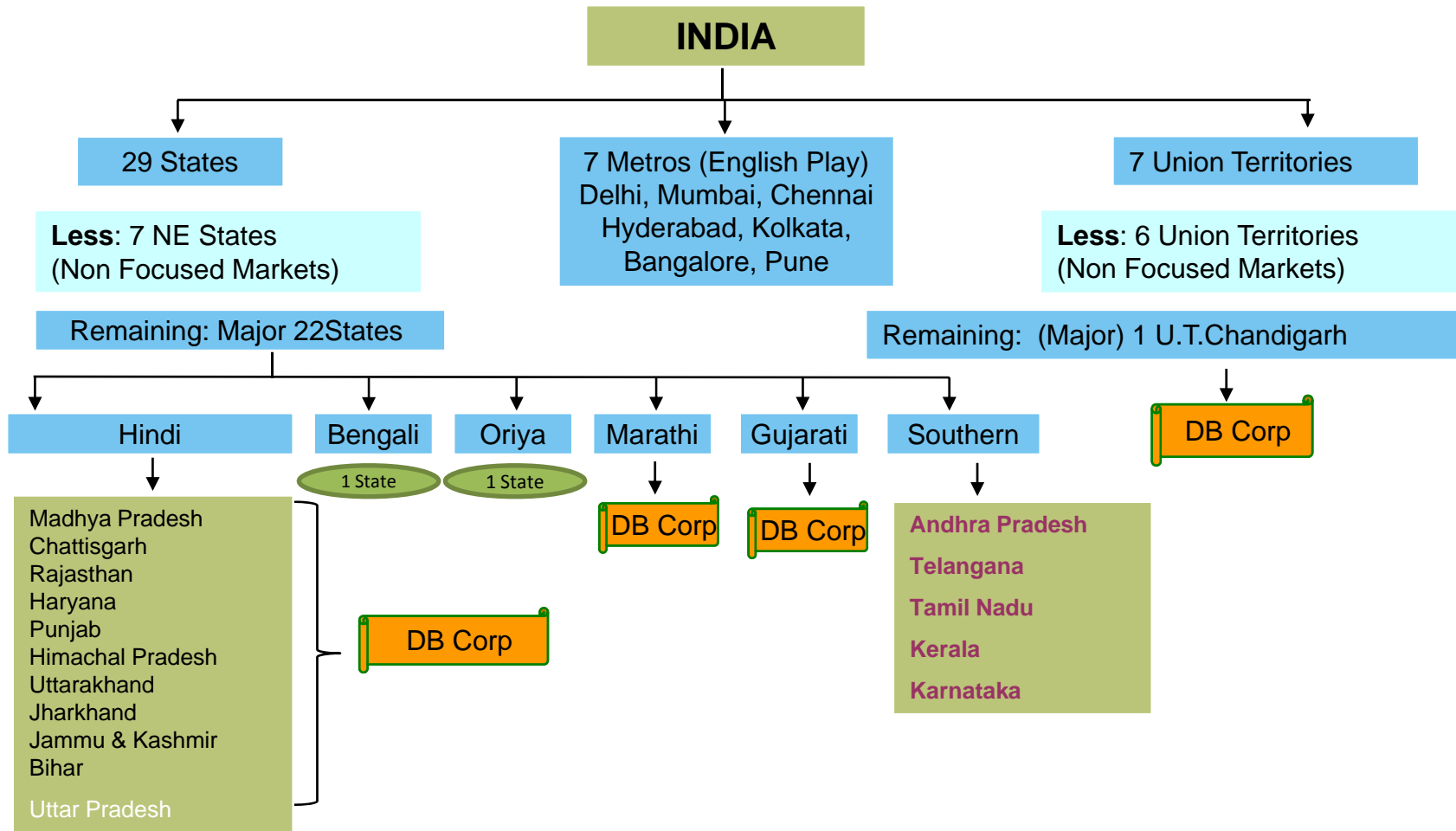


Indian Language gaining share of ad-pie



Source: FICCI KPMG Report , IRS , TAM Adex

STRATEGIC FOOTPRINT IN INDIA



Source: Indian Govt Web site

DIVERSE, SUSTAINABLE BUSINESS MODEL



SUSTAINABLE & IMPREGNABLE BUSINESS MODEL

UNIFORMLY DISTRIBUTED EBIDTA FROM OUR DIVERSIFIED MARKETS

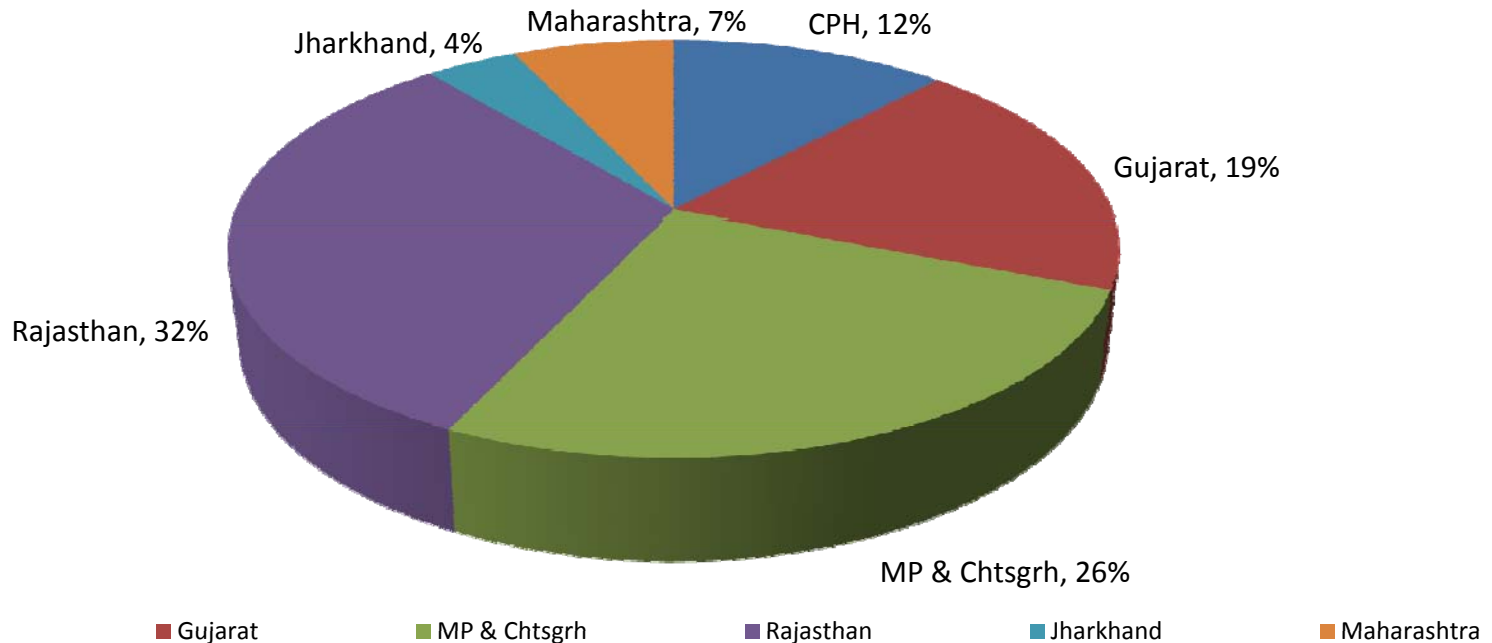
Our business in Madhya

Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh etc. equally contributes towards top-line, bottom-line & our readership, thus reducing the

dependability on any one single market

EVEN DISTRIBUTION OF OUR 19.8 MN AVERAGE DAILY READERS

Readership – IRS12 Q4



CPH – Chandigarh, Punjab & Haryana

D B CORP LTD. EXPANSION JOURNEY CONTINUES – SUCCESSFUL MAHARASHTRA LAUNCH

so far 7 editions from
Aurangabad, Nashik,
Jalgaon, Ahmednagar,
Solapur, Akola &
Amravati...



AND WE ONCE AGAIN PROVED OUR SUCCESSFUL LAUNCH STRATEGY IN A NEW LANGUAGE MARKET

Maharashtra, Aurangabad
May 2011



IRS Survey in Q4 12

Divya Marathi is a Formidable Player Overall & in SEC AB

Average Issue Readership Estimates	AIR Base	SEC			SEC AB % of Total Reader Base
		A	B	AB	
Divya Marathi	176	21	49	70	40%
Lokmat	270	21	52	73	27%
Daily Sakal	130	3	25	28	22%

Figs in '000

The affluent truly appreciates quality content of Divya Marathi

AIR: Average Issue Readership

SEC: Socio Economic Class

CONSISTENT LEADERS FROM THEN TILL NOW...

Average Issue Readership in '000s

Jaipur	IRS 12 Q4
Dainik Bhaskar	1040
Nearest Competitor	792
Chandigarh/ Haryana	IRS 12 Q4
Dainik Bhaskar	1455
Nearest Competitor	1108
Ahmedabad	IRS 12 Q4
Divya Bhaskar	1097
Nearest Competitor	848
Amritsar	IRS 12 Q4
Dainik Bhaskar	144
Nearest Competitor	106
Jalandhar	IRS 12 Q4
Dainik Bhaskar	138
Nearest Competitor	118
Ranchi	AIR
Dainik Bhaskar	165
Nearest Competitor	184
Aurangabad	AIR
Dainik Divya Marathi	176
Nearest Competitor	270

IRS : Indian Readership Survey

SUSTAINED & RELENTLESS FOCUS ON NON- PRINT MEDIA STRATEGY.....



dainikbhaskar.com
divyabhaskar.com
divyamarathi.com





GROWTH OPPORTUNITIES - RADIO

- Launched in 2006, now operates from 17 stations in 7 states, namely M.P., C.G., Punjab, Gujarat, Rajasthan, Chandigarh, Maharashtra
- Leading radio station in majority of 17 markets.
- Our Radio Business has attained PAT in record less than 4 years time, from the time of operations of all 17 stations.
- Strong Advertisement revenue of Rs. 692 million with growth of 19% in 9 mnths YTD FY15 on YOY Basis.
- Achieved EBIDTA of Rs. 273 million (margin of 40%) and PAT of Rs. 140 million (margin of 20%) in 9 mnths YTD FY15
- **In Phase III**, Healthy prospective delta in our existing print markets with avenue of almost 280 new radio stations, with prospect of allowing of News Content, putting us in beneficial position

GROWTH OPPORTUNITIES – DIGITAL MEDIA

- Our online presence is in Hindi, Gujarati and Marathi, which account for 75% of India's regional language audience - as well as in English.
- **Noteworthy progress in growth of UV & PV**, our Unique Visitors have grown to 18 million. Collective page views stands at 540 million per month.
- www.dainikbhaskar.com has become largest Hindi language website with 361 million page views.
- www.divyabhaskar.com has become largest Gujarati language website with 156 million page views.
- Our Revenue growth is impressive 70% in Q3 FY15 YOY to Rs. 92 mn. from Rs. 53 mn. of last year, it grew by 80% YOY to Rs. 213 million for YTD Dec 'FY15.

GROWTH OPPORTUNITIES – DIGITAL MEDIA...

- Focus on Market Expansion: Launching comprehensive destination for larger content need like Bollywood, business & women.
- DBCL launched new titles/ properties
Bollywoodbhaskar.com, Businessbhaskar.com, Dainikbhaskar.com/UP & Moneybhaskar.com

Mobile Strategy:

- DBCL is fully in place with its mobile strategy, it has introduced its apps' for iOS (iPhone) and Android operating systems for dainikbhaskar.com and divyabhaskar.com in 2014.
- Dainik App active user base has grown by 260%, over last quarter to have 2.5 lacs active users , due to focus on customer connect across 19 premium cities in our market.

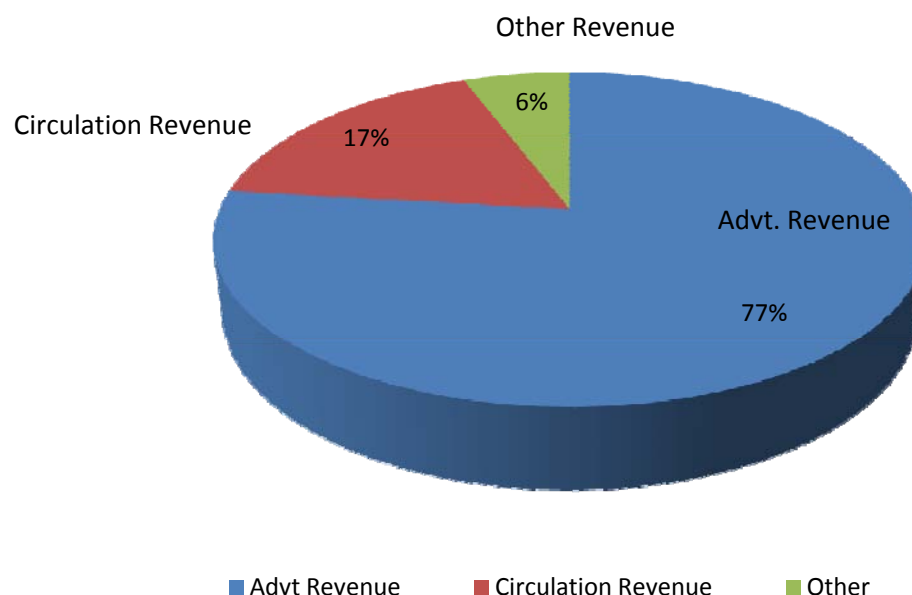
CONSOLIDATED FINANCIAL HIGHLIGHTS

- *Robust Growth in Profits*
- *Strong Focus on ROCE & RONW*
- *Low Debt Exposure, High Net worth & Strong Balance Sheet*



ADVERTISEMENT & CIRCULATION DRIVEN REVENUE GROWTH

Revenue Breakdown Q3 FY15

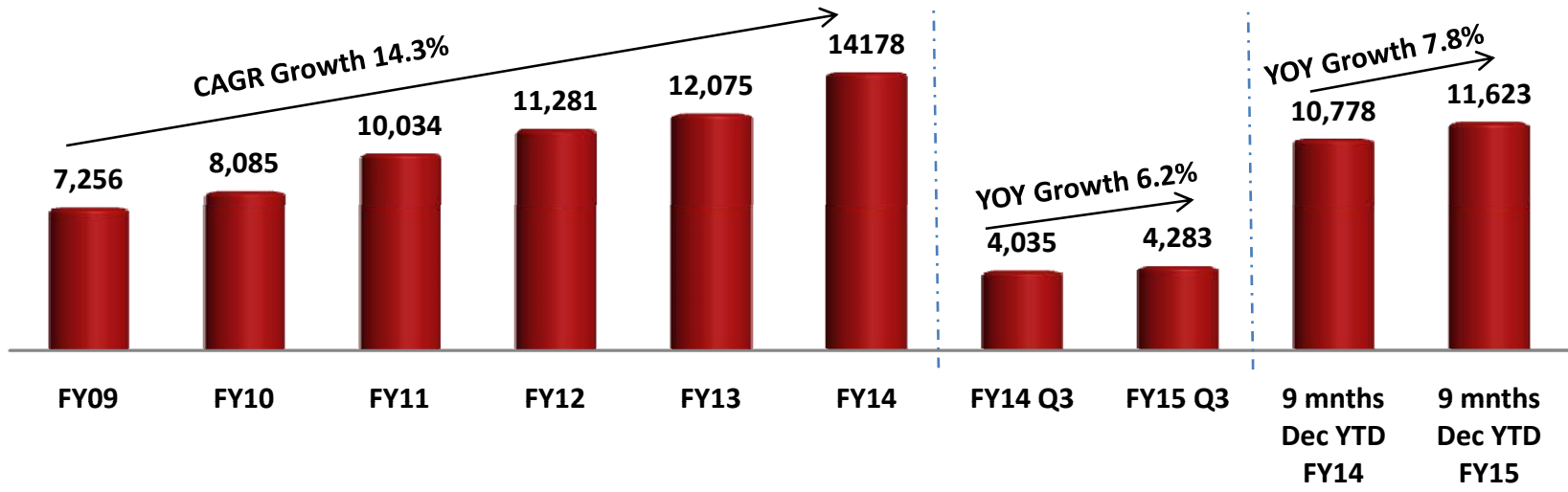


Revenue Growth Drivers

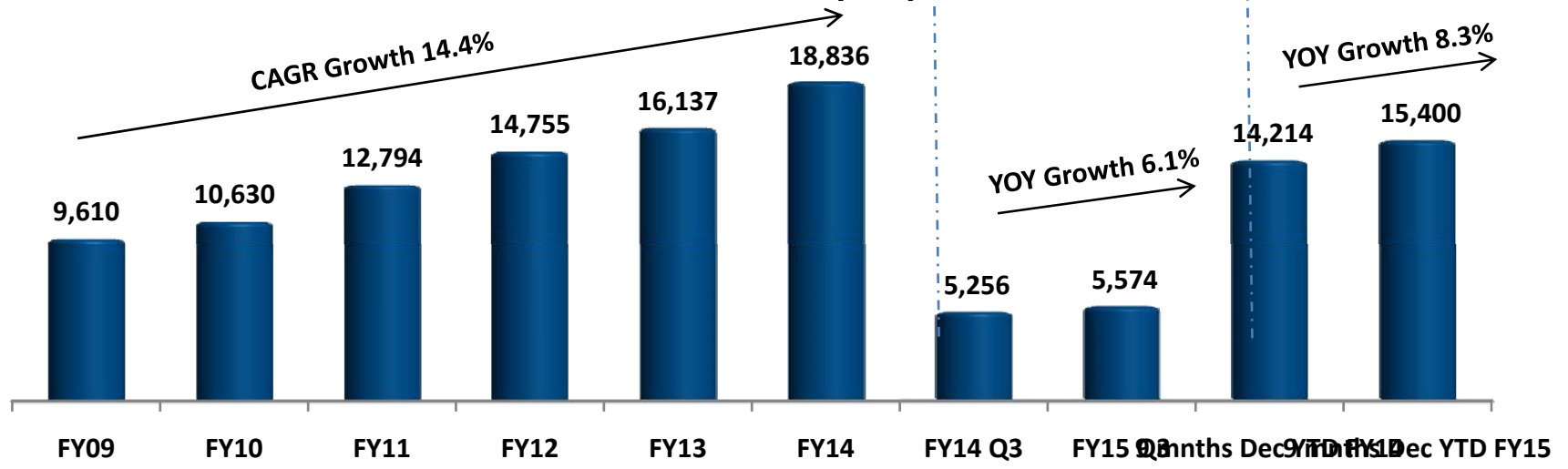
- Upward revision of ad rates at national and local level
- Driving growth through Retail Advertisers
- Improved Circulation, in Existing and Newer Markets and better price realization
- Further consolidation in existing markets and expansion into new territories

ROBUST ADVERTISEMENT & REVENUE GROWTH

Advertisement Revenue (Mn)



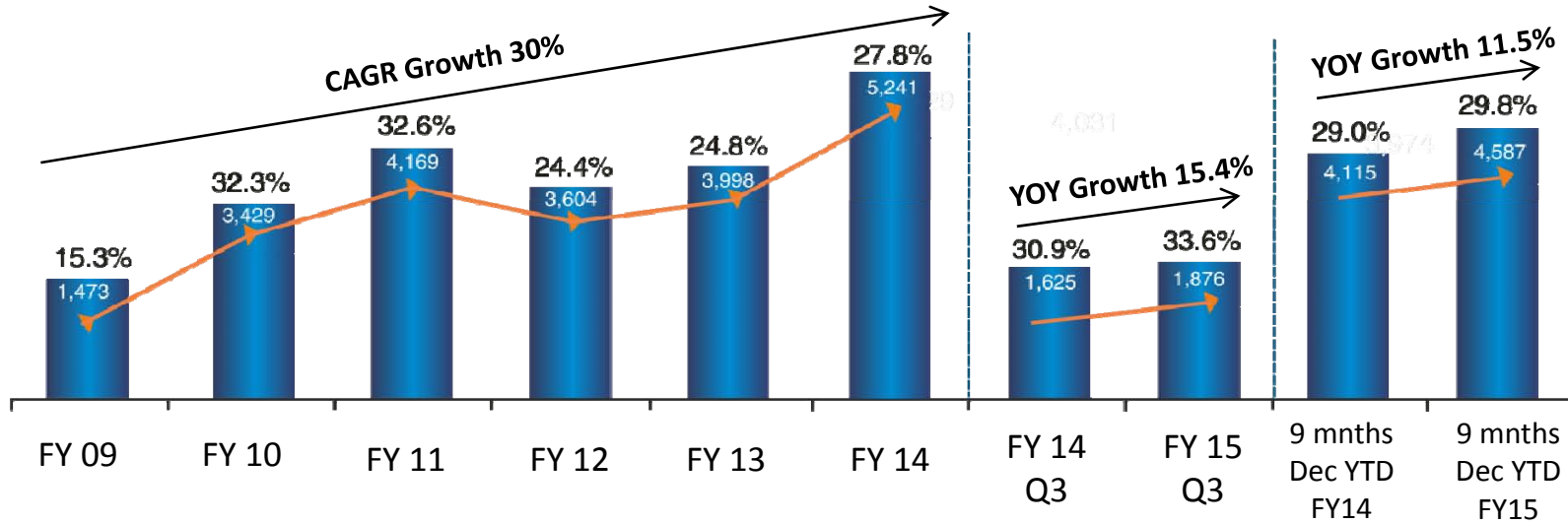
Total Revenue (Mn)



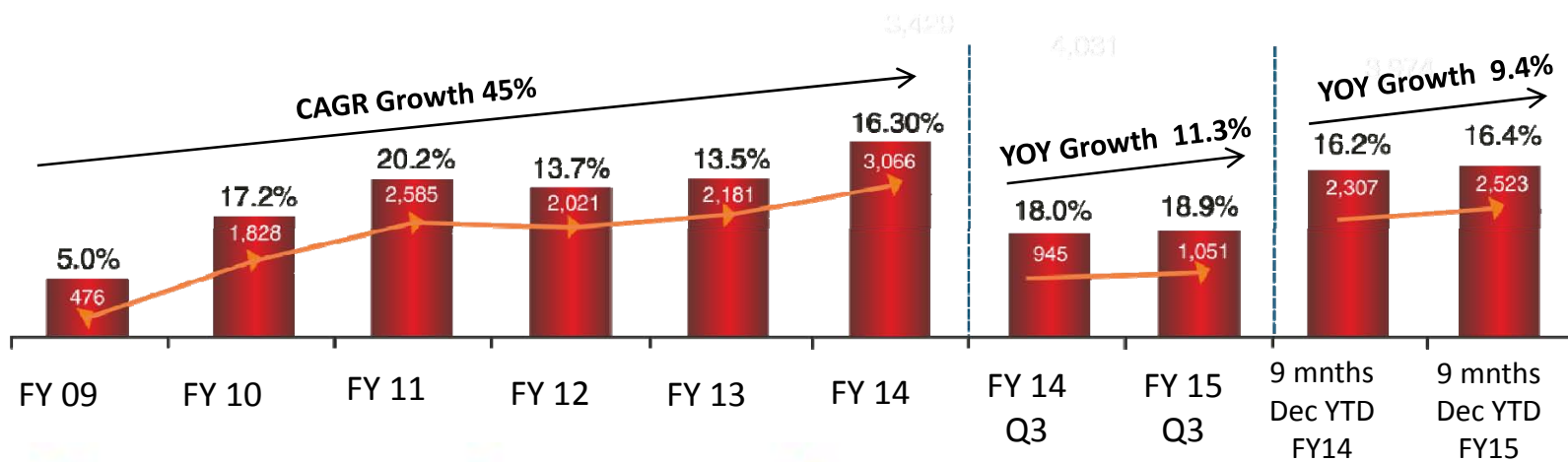
dainikbhaskar.com
divyabhaskar.com
dailybhaskar.com
divyamarathi.com

PROPELLING OVERALL MARGIN EXPANSION

EBITDA Growth & its Margin (INR MN)



PAT Growth & its Margin (INR MN)



dainikbhaskar.com
divyabhaskar.com
dailybhaskar.com
divyamarathi.com

HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

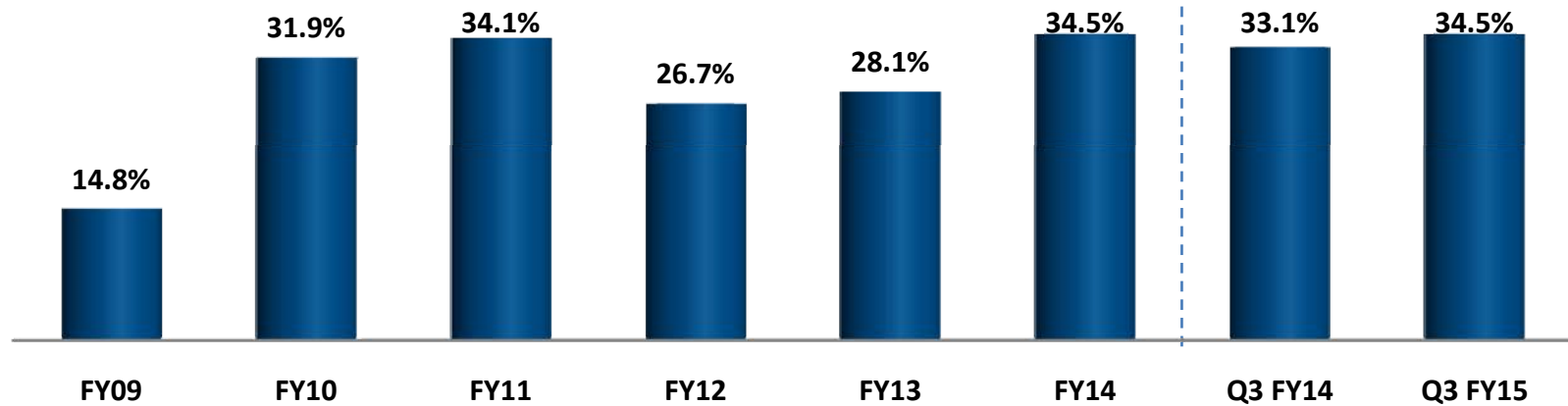
Rs MN

Particulars	Q3 (FY 13-14)			Q3 (FY 14-15)			9 mnths YTD Dec (FY 13-14)			9 mnths YTD Dec (FY 14-15)		
	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone	Matured	Emerging	DBCL Standalone
Topline	4503	461	5203	4589	635	5573	12306	1198	14089	12747	1742	15395
EBIDTA(Before pre-opex)	1569	(10)	1672	1739	44	1876	4151	(135)	4236	4462	(108)	4589
EBIDTA(After pre-opex)	1569	(55)	1627	1739	44	1876	4151	(208)	4163	4462	(108)	4589
EBIDTA %	34.9%	(11.9%)	31.3%	38%	7%	34%	33.7%	(17.4%)	29.5%	35.0%	(6.2%)	29.8%

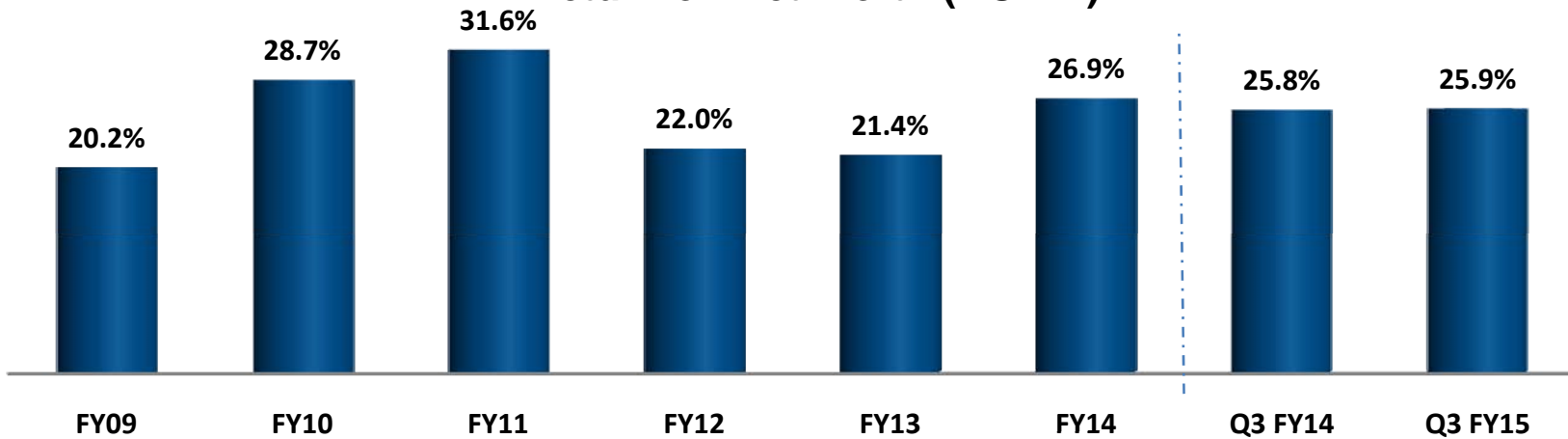
*Emerging Editions: Editions which are less than 4 years old

STRONG FOCUS ON ROCE & RONW

Return on Capital Employed (ROCE)



Return on Net Worth (RONW)



FINANCIAL SUMMARY

Particulars (INR million)	Year Ended				Quarter ended		
	March-11	March-12	March-13	March-14	Q3 FY14	Q3 FY15	Growth %
Advertising Income	10030	11281	12075	14178	4035	4283	6.2%
Circulation Revenue	2144	2422	2823	3235	830	969	16.8%
Total Income	12794	14755	16137	18836	5256	5574	6.1%
Newsprint	(3838)	(5070)	(5446)	(6323)	1723	1685	(2.2%)
Other Operating Expenditure	(4786)	(6071)	(6693)	(7272)	1908	2014	5.5%
Total Expenditure	(8625)	(11151)	(12138)	(13595)	3631	3699	1.9%
EBITDA	4169	3604	3998	5241	1625	1876	15.4%
EBITDA Margin	32.6%	24.4%	24.8%	27.8%	30.9%	33.6%	
Net Profit	2587	2021	2181	3066	945	1051	11.3%
Net Worth	8289	9177	10214	11405	11901	13126	
Secured Long Term Gross Loan	1745	1328	1098	969	1125	892	
Cash & Bank Balance	1727	1896	1279	1135	1232	1835	
Secured Working Capital Loan	337	577	299	362	356	299	
Total Secured Gross Debt	2082	1905	1396	1331	1481	1191	
Net Block (Fixed)	7091	8224	8383	8526	8930	8280	
ROCE	35.1%	27.0%	28.1%	34.5%	33.1%	34.5%	
RONW	31.2%	22.0%	21.4%	26.9%	25.8%	25.9%	

BOARD OF DIRECTORS

Ramesh Chandra Agarwal

- Chairman - 44 years of experience
- Served as Chairman of FICCI of the MP region

Sudhir Agarwal

- Managing Director of DBCL
- 27 years of experience in the publishing and newspaper business

Girish Agarwal

- 19 years of experience. Won the E&Y 'Young Entrepreneur of the Year 2006' Award
- distinction of being the youngest chairman of Indian Newspaper Society for MP region

Pawan Agarwal

- 13 years of experience in the publishing business
- Heads entire Production, IT and Technology for DBCL

Piyush Pandey*

- Executive Chairman of Ogilvy & Mather Pvt. Limited, India

Kailash Chandra Chowdhary*

- Previously the Chairman & Executive Director at Central Bank of India and Chairman & Managing Director of Vijaya Bank

Harish Bijoor*

- A member of the planning group sub-committee of the Union Planning Commission of India

Ashwani Kumar Singhal*

- Vice-President of BIR Brussels, the International Authority in Non- Ferrous Metals

* denotes Independent Directors.



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THANK YOU



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