

HT Media Limited and Hindustan Media Ventures Limited's

Q4and FY13 Earnings Conference Call

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www.htmedia.in / www.hmvl.in

Moderator: Ladies and gentlemen, good day and welcome to HT Media Limited and Hindustan Media Ventures Limited's Q4&FY13 earnings conference call, hosted by Centrum Broking. As a reminder, for the duration of this conference all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. At this time I would like to hand the conference over to Mr. Ankit Kedia from Centrum Broking. Thank you and over to you sir.

Ankit Kedia: Thank you Faisal. We at Centrum Broking are pleased to host the Q4 &FY13 conference call for HT Media Limited and Hindustan Media Ventures Limited. Today we have with us representing the management, Mr. Rajiv Verma – CEO of HT Media, Mr. Vinay Mittal – Chief Financial Strategist, Mr. Benoy Roychowdhury – Director, HMVL and Mr. Ajay Jain – CFO, HMVL. I would like to invite Mr. Verma to make his opening remarks following which; we will have an interactive Q&A. Over to you sir.

Rajiv Verma: Good evening everyone. I appreciate you taking out time and joining us for this call. We are here to share with you the performance of our Company during Q4 FY13 as well as the achievements made during FY13. I hope you would have had an opportunity to look at the results.

As you would be aware FY13 has been an extremely difficult year. We are glad that it has ended. The good news, is that by the end of the year, we saw some turnaround in the economy, and a good performance by the business. We have seen a marginal growth in our Hindi business. Additionally, we have seen some revival even in our English business, both, in Mumbai and Delhi.

Every Company has a unique strategy and we believe our Company has a robust strategy that we are extremely proud of. It is founded on a lot of work which was done three years ago with the help of McKinsey. The basis of this strategy is to focus on the core business and at the same time develop well diversified growth engines like Fever 104, digital properties and education. These growth engines have displayed very healthy progress, and during the course of the call, we will share with you how this was achieved. Now, focusing on the core businesses, Mumbai has become a growth engine and has started performing extremely well. The growth continued in Q4 and we believe that this momentum will be maintained. Hindi business continues to do extremely well. However, we believe

that there is enough room left for growth given our investments over the last couple of years. Our editorial teams are probably among the best in the country. So, given the strength of brand and our content, we are quite confident that our Hindi business should continue to show very healthy progress in times to come. Besides, our dominance in Bihar places us in a very strong position which can be further exploited.

At the same time, there are a lot of innovations that we have been doing in the Company, particularly in media bundling and selling processes. We have created alliances in the form of a product called IndiaOne. Here, three separate companies viz. Telegraph, Hindu and Hindustan Times have come together and put 5-6 different titles under one single brand called IndiaOne. We believe that this idea has tremendous potential and we are witnessing very good progress in this.

The Company has very strong brands and these brands are liked and enjoyed by our readers on a daily basis. Given the strength of these brands, coupled with some recovery in the advertising environment, and the fact that this might be an election year, I remain extremely optimistic about the future of our Company.

Moderator: Thank you very much sir. We will now begin with the question and answer session. The first question is from the line of Shobhit Khare from Motilal Oswal. Please go ahead.

Shobhit Khare: Costs in Q4 seem to be maintained at a very low level. So, was there any one-time cost saving. Also, could you break-up the decline in raw material cost in terms of pricing and consumption? Secondly, could you share the circulation for HT, Mint and Hindustan and what are the plans for the next year?

Vinay Mittal: Cost optimization efforts have been across the board. If you see the cost line, raw material cost has come down and so has our advertising and sales promotion. Besides, both employee cost and other expenditure have been kept at a very reasonable level. Therefore, it is not a one-time reduction in cost. To elaborate, newsprint prices declined marginally by 1% to Rs. 33,700 per MT. Besides, there was a decline in consumption of newsprint because of strict control on pagination, grammage and circulation. On the advertising and sales promotion front, we usually spend about 6-7% of revenue. However, in the corresponding quarter last year this figure was 9%, primarily because of the two new editions that had been launched in Hindi i.e. Aligarh and Moradabad. Now, it has reverted to normal levels i.e. 6-7%. The total circulation was about 42 lakhs. We had a circulation of about 23 lakhs in Hindi and 19 lakhs in English, of which 4.3 lakhs was of HT Mumbai.

Shobhit Khare: Is the current pagination level sustainable or should we expect it go up because bulk of the savings probably come from pagination if the pricing is down by only 1%?

Vinay Mittal: The pagination levels are sustainable. However, if advertising increases and the economy improves, then it is good that the pagination goes up with advertising.

Shobhit Khare: What was the addition to the gross block? Why is there a significant increase on a Y-o-Y basis in the gross block?

Vinay Mittal: The addition to Fixed Assets is about Rs. 37 crore on a consolidated basis. The significant increase in gross block is on account of a big expansion in the Delhi facility. We are adding a line at a total cost of Rs. 130 crore. We have a CWIP of Rs. 100 crore in FY13 and the balance Rs. 30 crore will come in FY14.

Moderator: The next question is from the line of Nitin Mohta from Macquarie. Please go ahead.

Nitin Mohta: Just wanted to understand what the board thinks about having a policy for dividend going forward. While we have a huge amount of cash on our balance sheet, which is comforting, but I think the amount of buyback kind of disappointed the market. So, what are your thoughts on that?

Vinay Mittal: The board evaluated various options like dividend, buyback etc. for deployment of cash and finally opted for buyback. I understand that the street thinks that it is a small quantum and probably the price is lower. But when we decided on the buyback price, the stock price was ruling at Rs. 100 for a week. So we thought that a 10% premium was a good premium to start with. With respect to the amount of Rs. 25 crore, while we understand that it is small in proportion to the cash surplus, we thought of taking small steps towards the buyback proposition. Somehow the market took it otherwise. To look at the positive side, we have moved forward towards deployment of this surplus cash. Going forward, if we do not deploy the cash organically or inorganically, I am sure the board will evaluate how to expand this buyback or the dividend to reward the shareholders.

Nitin Mohta: When you talk about exploring inorganic opportunities to use cash, can you elaborate on the opportunities that you are pursuing?

Vinay Mittal: It can only be directional currently. We did an IPO in the Hindi business where the No. 1 objective was inorganic growth because we did feel that consolidation will happen in the industry and now we see consolidation happening. An example of that is the Nai Duniya deal that has taken place a year back. We do feel bigger deals should come through. However, timeframe is something that we are not certain of. This is why we wanted to hold a certain amount of cash in our balance sheet, and we are pretty confident that some of this will come through in terms of inorganic growth over a timeframe of next one year or so.

Moderator: The next question is from the line of Siddharth Goenka from JM Financial. Please go ahead.

Siddharth Goenka: Delhi registered an ad growth of around 3% from a negative growth in the earlier quarters. So will the growth trajectory remain in single digit or what kind of growth expectation do we have for Delhi in FY14?

Vinay Mittal: Delhi, after four quarters, had a positive growth. If you recall the first quarter, the ad growth was negative 10%, while it was negative 3% in Q2 & Q3. Now, we at least have a positive 3%. Besides some of the laggard sectors have also started improving and are now stabilizing. The growth that we saw in the fourth quarter continued in the first one and half months of this year as well. Hopefully, over the next three to four months, our new facility in Delhi will come on stream which will help us to launch our Gurgaon edition in full earnest. Therefore, I do expect Delhi to now start performing.

Siddharth Goenka: Can you share any guidance on the English ad revenue growth for FY14.

Vinay Mittal: I cannot predict how the economy will fare, but I am quite optimistic that you will see growth in Delhi and Mumbai.

Siddharth Goenka: We have taken cover price hike in FY13. Are we likely to repeat that in FY14 as well or it depends on the economy and advertising growth pickup?

Vinay Mittal: We consider various factors for a cover price hike like advertising markets and the price of international imported paper. All of these will play a role. But if you are asking me whether there is scope for a cover price hike – then yes, there is.

Siddharth Goenka: Which sectors have performed very well for us in Q4 FY13?

Vinay Mittal: Sectors which have done well for us have been DAVP, tenders, entertainment, retail and auto. Telecom has also improved.

Moderator: The next question is from the line of Alankar Garude from Edelweiss. Please go ahead.

Alankar Garude: HMVL's ad revenue has decreased by 3%. Could you please quantify the decrease?

Ajay Jain: The negative 3% growth that you see is primarily because in the base there was election revenue of about Rs. 14-15 crore net of DAVP's shortfall. So, once you deduct that, the actual growth comes out to be around 13%.

Alankar Garude: What could be the impact of state elections as well as the national elections in FY14 or FY15?

Ajay Jain: In the areas where we operate, Delhi will have a state election. During the Delhi election, the advertising revenue flows in to all the newspapers that operate in that region and hence we will also get a share of that. The national elections due in FY15 will have a DAVP spending similar to the spending that had taken place in the previous elections. So, we will benefit to that extent.

Moderator: The next question is from the line of Pranav Kshatriya from BRIC Securities. Please go ahead.

Pranav Kshatriya: Could you share Burda's revenue and EBITDA profit or loss for this quarter?

Vinay Mittal: Burda's revenue for the quarter was about Rs. 20 crore and there was an EBITDA loss of about Rs. 1 crore.

Pranav Kshatriya: This business was expected to be EBITDA positive in a short period of time; but that did not happen. The revenue has also declined year-on-year. So how do you see this business going forward in terms of traction and the profitability?

Vinay Mittal: There was a problem in this business in terms of the order flow as this business requires very large orders. So if you have breaks and small orders then there is wastage. This is one of the reasons why India as a market is not really suitable for it at this point of time. But as the organized retail picks up, this business should also pick up. Further, the export markets were difficult because Europe was under pressure. Having said that, we have already announced that we are selling our share i.e., 51%, to our joint venture partner Burda. We have sold our share at a profit, our investment in this venture was Rs. 51 crore and we expect to realize Rs. 60 crore. We are hopeful that this sale will get transacted and completed over the next three months.

Pranav Kshatriya: What is the reason for a decline in radio revenues during the quarter?

Vinay Mittal: The radio revenues comprise of two elements. The major piece is radio and the other is events, which are held as and when they get scheduled. Also, our strategy on the kind of events that we want to hold has undergone a change. While, the radio revenue has grown by 18%, the events revenue has fallen by about 90%. At the same time the radio business has become quite profitable. The Q4 EBITDA of radio has grown to Rs. 2.8 crore as compared to NIL in Q4 FY12. For the full year, we registered an EBITDA of about Rs. 12.5 crore compared to NIL in FY12.

Pranav Kshatriya: What is your strategy for expanding the Radio business now that the government has announced Phase 3? Would you stick to the top cities or you would want to go a little deeper especially where Hindustan is present?

Vinay Mittal: We would not like to discuss this strategy at this stage. We would actually like to tackle it when it comes. Nonetheless, we remain bullish on the radio business and the fact that metros contribute to the advertisements.

Moderator: The next question is from the line of Amit Kumar from Kotak. Please go ahead.

Amit Kumar: You have reported an extraordinary item of Rs. 159 crore in your standalone results. Could you throw some light on that?

Vinay Mittal: That is basically with respect to the Shine merger. When we merged, we took a diminution in value because we wrote-off the capital contribution in Shine.

Amit Kumar: My second question actually pertains to the circulation revenue trends in the standalone business; Netting out Hindustan's circulation numbers from HT Media's consolidated print numbers, we have not really seen too much of increase over the past two quarters. It stood at Rs. 17.5 crore in Q2 and it is just about maintaining that run-rate in Q3 & Q4. Is it the case that prices have gone up but circulation has also dipped?

Vinay Mittal: In Delhi, for instance, the effect of a price rise happens immediately because we do not have too many schemes running. So that effect has already taken place a year back. Also, circulation for Delhi in Q4 was lower at about 9.3 lakh copies as compared to 10.4 lakhs in Q3

Amit Kumar: But what about Mumbai? It will be rolling over, right?

Vinay Mittal: In Mumbai, we have schemes running. The subscriptions were running at Rs. 499 which is now being revised to Rs. 599.

Amit Kumar: You mentioned that you wanted to keep cash in Hindustan and HT's balance sheet in case any inorganic growth opportunity comes along. So, does the board have some idea in terms of the minimum cash that they would like to keep in the balance sheet? It would be great if you could throw some light on the broad perspective as to what size of an acquisition are they looking at?

Rajiv Verma: First and foremost, cash is a very strong deterrent for inducing any price wars in our industry. Therefore holding on to certain amount of cash acts as a deterrent for price drops and unreasonable competition happening in certain key geographies. In terms of size, an acquisition could range between Rs. 500-700 crore, if and when it becomes available. We are aware of the assets that are there in the market for acquisition. If the Company does not hold cash, then the ability to do those transactions becomes very limited and you are out of the bidding process as and when these come in. It is a matter of time when those assets will become available and at that time we do not want to be spectators just because we do not have sufficient resources.

Amit Kumar: Just a follow on to that; assuming Rs. 700 crore is the peak investment that you would be looking at for an acquisition. Now you are already at that level at a consolidated basis. So what happens to the incremental cash that you generate from here on assuming that this is a reasonably comfortable level of cash that you are sitting on?

Vinay Mittal: I think the total amount of cash that we would like to hold would be in the region of about Rs. 1,000 crore for the reasons Rajiv mentioned i.e. to deter price wars and have the ability to acquire. I believe we should achieve that figure by the end of this year. Now if you do not have an acquisition by that time yes, we would be reaching a level where we need to look at other forms of utilization of cash.

Amit Kumar: Actually within the print side, even an acquisition of Rs. 600-700 crore is reasonably large given the fact that Hindustan itself being the number 3 player is valued at just about a Rs. 1,000-1,100 crore. Could you give me some very broad examples of assets that would fit the benchmark?

Rajiv Verma: I am sure you will agree with me that value of the Company is highly depressed and this is not the true value of the Company. Nonetheless, it would not be fair to talk about specific assets that could be available for acquisition, but, anything in the area of vernacular medium would be of high interest to us. It could also be in the area of radio, where we would like to scale up. It could be in the area of English if there are some interesting assets in south which is a white space for us. If and when some assets become available, we will remain quite interested in making sure that we scale up our business. As you know we are number 2 in English in the country and we are number 2 in Hindi in the country in terms of total readership. An acquisition or inorganic growth will make us true market leaders by a long mile as and when such an opportunity arises.

Moderator: The next question is from the line of Rohit Dokania from B&K Securities. Please go ahead.

Rohit Dokania: Could you please throw some light on the kind of Capex that you would be entailing in the education side of the business and the strategy on the same?

Vinay Mittal: The Capex in the education business would be over a period of three years. By the end of the third year we will end up spending about Rs. 40-45 crore towards both revenue expenditure and Capex.

Rajiv Verma: But do remember that it is a 50-50 JV here, so half of it will come from our joint venture partner Apollo Group.

Rohit Dokania: Could you also just throw some light on the strategy in this business?

Rajiv Verma: Well this is a business that we are extremely optimistic about and there are two legs to this business. One of the legs is supplementary coaching. This business is now in its fourth year as a pilot and the initial signs are looking very good. We are running at 80% capacity utilization. We now plan to scale it up because the unit level economics are looking extremely healthy in the Delhi market and we believe it is a very attractive business. The other leg which I am very buoyant about is mid-career education for professionals. This is a model in which professionals will be able to get mid-career education by visiting centers as well as acquiring it online. This is a business which is in a joint venture mode with our partner Apollo Group, the world's largest company in the education industry. They have almost 400,000 students in the University of Phoenix. Both technology and content is being provided by Apollo. These certification programs would last for anything between six months to a year. As you know, the demographics of India are such that there is a very large talent pool which is waiting to get re-skilled. So, it would be a very attractive proposition for students in India.

Rohit Dokania: Could you throw some light on the revenue that we are targeting from this venture over the next three to five years?

Vinay Mittal: I would not like to give out our business plans on this one currently. We would be able to share our business plans by the end of this year.

Rajiv Verma: I would like to add here that these are extremely capital light models. At the same time, these businesses are dependent on strong IPRs and we believe that our Company has capabilities to do this work in an online environment.

Rohit Dokania: Could you just tell us as to how IndiaOne is helping us today. If you also could give us some numbers as to how it has contributed in the last full fiscal and also how do we divide the revenues amongst partners.

Benoy Roychowdhury: This is really a strategy to give scale because if you combine the circulation of Hindustan, Hindustan Times, Hindu, Anand Bazar Patrika, The Telegraph and Mint you get a readership of almost 3 crore. This is one of the largest vehicles that any advertiser can get. We are now using this collaboration to attract those categories of advertisers who have moved out or use less of print and have started adopting other mediums. Some of these are in the nature of FMCGs, which require huge reach and penetration. So we are pitching this combo sale to them with all the added benefits of having to deal with just one organization. Regarding the second part, we have rules for allocations, which are largely in proportion to the kind of circulation and readership each of the brands have.

Rohit Dokania: Any numbers that you could share for FY13?

Benoy Roychowdhury: The potential is huge. Some of these categories like FMCG have huge advertising. We have made some initial beginnings in both, FMCG and government and tender

advertising. At this stage, I would not like to share this because it is a slightly sensitive number and there are other partners involved. Suffice to say that this is looking extremely interesting in the months to come. I think in next quarter's call we would be in a position to share some more information on this.

Moderator: The next question is from the line of Bijal Shah from IIFL. Please go ahead.

Bijal Shah: How do you see the margins panning out in FY14? Should we look for some expansion going forward as our margins are pretty low compared to our peers? I understand that there were some losses in some of the new initiatives. But as you mentioned that they are very close to breakeven or are gaining a lot of traction. So could you throw some color on the margin for FY14?

Vinay Mittal: As Rajiv said, I think we should talk about Q4 as representative of present and how things should shape up. Q4 has been symbolic for us because we saw an EBITDA margin expansion taking place compared to Q4 FY12 where we had an EBITDA margin of 10%. In Q4 FY13, we had an operational EBITDA margin of 14.3%. I believe this is a great expansion in margin and if this trend carries on, we should see margin expansion taking place in the quarters going forward.

Bijal Shah: In terms of ad revenue growth, how is the ad market looking currently. Also, what is your view for next six months vis-à-vis the last six months? Could you give us some color on that?

Vinay Mittal: I think the ad market should grow in double digits for us. In Q4 FY13, our ad revenues grew by 1% Y-o-Y. Hindi sans election ad revenues grew at 13%, Mumbai ad revenues grew by 25%, Shine grew by 55% and Radio without events grew by 18%. This trend has at least carried forward for the first one and half months in this year. Therefore, we are pretty confident that we should be able to record a double digit growth.

Bijal Shah: So are you looking at a double digit growth for overall HT Media?

Vinay Mittal: Yes and the good part is that English is performing, both in Delhi and Mumbai.

Bijal Shah: The growth in Mumbai market is much better than industry. So, what has been the driver for this growth?

Benoy Roychowdhury: The primary driver of Mumbai really has been the local to local revenues, i.e. categories which are locally centric. We have started to get huge traction from the local real-estate and retail. Our local revenue actually has registered a growth of about 30% to 40% in Q4 FY13. So, it is not the national advertising; it is primarily the small advertiser viz. small jewelry shops, small retail traders who really depend on advertising to work very hard for them and give them a return on investment. We are seeing significant growth in those kinds of advertisements.

Bijal Shah: We would be close to 50% of TOI in Mumbai. So at what level, you think, we would be able to start gaining traction even in the National market?

Benoy Roychowdhury: No, I am not saying it is not gaining traction. Currently our volume is equal to or more than Times of India on certain days. So it is not a question of not being part of campaigns. Delhi plus Bombay is a very-very attractive proposition for any advertiser. I think the question is to move our yields up and that kind of yield movement comes when the market construct becomes conducive to us. So, if our reach goes up to say 60% of the competitor then I think you will get significant jumps in yields.

Bijal Shah: So around 60% would probably be an inflection point.

Benoy Roychowdhury: For most markets traditionally, 60-65% is a big inflection point.

Moderator: The next question is from the line of Ram Hegde from Primus Investment Advisors. Please go ahead.

Ram Hegde: What were the total ad revenues in Mumbai?

Vinay Mittal: Ad revenues in Mumbai, for the quarter were about Rs. 38 crore; up 25% Y-o-Y. For the full year, it was up 15% at about Rs. 140 crore.

Ram Hegde: Is Burda still there in the reported financials?

Vinay Mittal: Yes. The deal should consummate over the next three months as we require an FIPB approval etc.

Ram Hegde: Comparing sequentially, for the Rs. 30 crore decline in the top-line of the print business, the segmental EBIT drop is something like Rs. 18 crore. Could you just explain that?

Vinay Mittal: There is seasonality on a sequential basis. Q3 is usually the highest quarter as it is a festive quarter. Even if you take the financials for the last year, you will find that Q3 has higher advertising revenues than Q4 leading to a consequential drop in the EBIT in Q4.

Ram Hegde: What is the size of the private treaty book?

Vinay Mittal: Size of the book is about Rs. 280 crore.

Ram Hegde: How much have you en-cashed over the last one year?

Vinay Mittal: Over the last one year, the total sale of assets has been about Rs. 50 crore. Even in this quarter, cash from the business is higher than the revenue that I have booked. Our effort now is to match the cash generations with the revenue that I am booking if not more.

Ram Hegde: Could you just give a split of the bookings and how much was en-cashed this quarter?

Vinay Mittal: The revenue from ad for equity this quarter was Rs. 10 crore. Cash that was generated from sale of assets and cash from advertising was Rs. 17 crore.

Ram Hegde: What was our total circulation in FY12? What led to the growth in circulation?

Vinay Mittal: 41 lakh. Majority of the addition in circulation in the current year has come in Hindi due to the launch of new editions.

Moderator: The next question is from the line of Srinivas Seshadri from CIMB. Please go ahead.

Srinivas Seshadri: I believe that the Bihar market has been pretty soft on a Y-o-Y basis. What has happened in that particular space? Secondly, what should one expect in terms of cash losses from the digital business going into next year?

Ajay Jain: First of all Bihar is not soft, Bihar is doing very well. The local revenues are actually going up. The monetization is better. So we are seeing very robust growth in Bihar and even the retail business in Bihar is actually getting stronger.

Vinay Mittal: We had an EBIDTA loss of about Rs. 34 crore in the digital business. For the next year, while we expect the revenues to grow by a little over 50%, the EBIDTA loss would be a similar number. The additional money that is being made by the business will get ploughed back into a marketing effort as we feel that the business is now coming at an inflection point and it requires that fillip.

Srinivas Seshadri: So we are gearing our investments accordingly assuming that a 50% revenue jump should be coming in this?

Rajiv Verma: You have to understand that our digital portfolio is becoming very good now. We are seeing almost anything between 50% to 100% growth in our revenues from our digital portfolio. The whole country is going digital and our job portal today has become the second largest job portal. Of course, we know the market leader is some distance away, but we believe we have a very unique proposition, extremely well crafted over the last 4-5 years. It is also the only portal which does Facebook based social hiring in a very seamless manner. We want to give that platform an opportunity to scale up and therefore there will be significant investments made to ensure that more awareness is created about it and proper marketing muscle is put behind it.

Srinivas Seshadri: Can you give some numbers in terms of the Y-o-Y growth in Bihar during this quarter?

Ajay Jain: We do not give separate numbers but there has been a robust growth in Bihar.

Srinivas Seshadri: So the softness we see in the top-line is mainly because of U.P. while all the other markets have registered a fairly strong growth. Is that the right inference?

Ajay Jain: Top-line looks softer basically because election revenue was sitting in the base.

Benoy Roychowdhury: We grew by 22% in Q4 FY12 which was again because of the one-time election revenue that we had. So you have to consider from that base.

Srinivas Seshadri: What is the expectation in terms of the newsprint cost going into the next year?

Vinay Mittal: The newsprint cost is witnessing a bit of an uptrend. It was at about USD 600 per ton for the last nine months or so. This quarter it has been about USD 625-630 a ton. We do expect it to stabilize at about this level. Therefore in FY14, the newsprint cost will be a little higher than FY13.

Moderator: The next question is from the line of Rajiv Sharma from HSBC. Please go ahead.

Rajiv Sharma: What growth have you seen from the job and education portal this quarter and in the full year in terms of revenues and EBITDA? Secondly, what is the trend you are seeing in hiring space and what will be your strategy to plug the huge gap between you and the number 1 player on the job site. Lastly, what are the growth prospects for both these portals?

Vinay Mittal: The big change that has taken place in our job portal in the last one year is that we have invested into a Company called MyParichay.com which is a leader in leveraging social media for hiring solutions. As database hiring is becoming out dated and more people want better solutions at lower costs, a major change that was coming about was social hiring. This is a space where MyParichay helps us leapfrog and take a lead over our largest competitor. The last six months have given us a lot of confidence that we should be able to grow in the vicinity of anywhere between 50-75% on an annual basis. If we are able to do that, then, we would give everybody a run for their money.

Rajiv Sharma: Can you just provide some color as to what has been your growth in the last six months versus the earlier six months when you did not have MyParichay. Also, what will it take for someone to buyout something or replicate something what MyParichay does?

Vinay Mittal: In Shine, we have grown our revenues by 49% for the full year. The revenue uptick has already started happening in Shine in the database product itself. Now with respect to MyParichay,

itis a leader at this point of time. The acquisition happened in December and you will start seeing the numbers as we go through Q1 & Q2 of FY14.

Rajiv Verma: To your question on someone replicating My Parichay, it is like saying how one can copy or recreate Facebook. MyParichay is a unique product, very well-made and our belief is that it is amongst the best products available in the world and such products are very hard to create. At the same time, Shine is a great customer solution. Customers are adopting it and now it is just a matter of increasing our presence and building a stronger sales force. All actions are in place now to scale up this business which we have been building for the last 5 years.

Rajiv Sharma: Could you throw some color on the education portal as well?

Vinay Mittal: HT Campus is basically a lead generating portal for admissions to private colleges on the lines of what Shiksha does. We are now trying to increase the whole database of colleges, so it becomes strong regional plus PAN India play and on the lines of something like collegeboard in the US. The revenues for FY 13 were about Rs. 8 crore.

Rajiv Sharma: Will the ad cap in the broadcasting sector have a positive impact for print media because inventory will be lower in the news channels and even in the GEC?

Benoy Roychowdhury: One of the biggest complaints that advertisers have against print is that our CPT (cost per thousand) is very high. Now when you start capping available time, television will have to take up their per second rates, in which case it will certainly make print more profitable and more competitive than what it is today. So, I personally think it will have a positive impact on the print.

Moderator: The next question is from the line of Mitul Patel from Laburnum Capital. Please go ahead.

Mitul Patel: What would be the growth split between Bihar and U.P.?

Ajay Jain: The growth rate in U.P. would be about 10-15% and Bihar would be about 7-8%.

Mitul Patel: Are these purely volume based or have you taken any price increases?

Ajay Jain: In Bihar prices have gone up but in other markets prices are almost the same. In some markets there is a pressure from the competition in some categories, but more or less the prices are the same.

Mitul Patel: Any color on whether Dainik Bhaskar plans to enter Bihar-Jharkhand anytime soon? Has their plans changed?

Rajiv Verma: Please understand that HT Media as a Company is very customer and consumer focused Company. We really do not keep obsessive focus on what our competition is doing. We believe we are in the business of creating great customer and consumer value proposition.

Mitul Patel: The circulation revenues for HMVL have gone up pretty decently. Is it a combination of volume and price?

Ajay Jain: Yes, it is a combination of volume and price. Out of 15% growth 10% would be from price.

Mitul Patel: Is this an industry wide phenomenon where the top three players are picking cover price increases?

Ajay Jain: Generally the prices have increased in Jharkhand for almost all the players. We actually led the price increase in Jharkhand and others are following. In other markets like U.P., we are actually growing from the prices which we had announced at the time of launches. So our pricing are increasing. The other players are fairly flat.

Mitul Patel: I read it somewhere that OFS is going to happen in HMVL. If yes, what would be the timeframe and the price range?

Vinay Mittal: Yes, that is right. It is expected in the next two months and when it happens, price range would be known.

Mitul Patel: Since Mr. Chopra has left any plans to hire a new CEO?

Rajiv Verma: Yes, we will be making an announcement shortly.

Moderator: Ladies & gentlemen that was the last question. I would now like to hand the floor back to the management for final remarks. Thank you and over to you sir.

Vinay Mittal: Thanks a lot everybody for patiently listening through. Hope we have answered the questions to your satisfaction. Just to recap, Q4 uptick has carried forward in this financial year also. Just to reiterate the growth numbers in Q4, Delhi ad revenue has grown by about 3%, Hindi by about 13%, Mumbai has grown by 25%, and Shine by 55%. On top of that, our efforts in cost control have really borne fruit and the costs have gone down. Combined with the advertising growth, circulation growth and the cost decrease, we have witnessed an expansion in margins. It was about time that some of the growth engines started firing and it is really pleasing to see all of them firing at about the same time. This has led us to a lot of optimism for FY14 and if we do get that double digit growth in FY14, I do think that you will see a decent margin expansion in FY14.

Moderator: Thank you very much sir. Thank you members of the management. On behalf of Centrum Broking, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

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