

हिन्दुस्तान

Hindustan Media Ventures Ltd.



Q3 FY2012 Results Presentation

19 January 2012

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Commenting on the performance for the Q3 FY2012, Mrs. Shobhana Bhartia, Chairperson, HMVL, said:

“We are pleased to report a good financial and operational performance this quarter despite some significant macro economic challenges. We continue to consolidate and expand our readership base across the geographies of our presence, as reflected in the Q3 2011 IRS results.

Having established our presence in all our key target states, our focus is now on penetrating deeper in these states through increasing circulation and readership. Our recent launch in Aligarh is another step in that direction.

We are confident that our expansion combined with cost optimization and a strong balance sheet will enable us to deliver growth with profitability.”

Q3 FY2012 Performance Snapshot

(All comparisons with Q3 FY2011)

Total revenue up 9% at Rs. 1,420 million from Rs. 1,307 million :

- 9% increase in advertising revenues to Rs. 1,024 million from Rs. 942 million due to growth in volumes and pricing across segments
- 8% increase in circulation revenues to Rs. 338 million from Rs. 315 million due to higher circulation and realization

EBITDA increases by 4% to Rs. 209 million from Rs. 200 million primarily due to :

- Good growth in advertising revenues
- Interest income on surplus funds
- Growth partially offset by:
- 14% increase in consumption of raw materials to Rs. 656 million from Rs. 578 million primarily due to higher newsprint prices
- 22% increase in other expenditure to Rs. 371 million from Rs. 305 million primarily due to increase in scale of operations and a provision of Rs. 25 million for diminution in value of investments relating to 'Partnership for Growth' business

PAT reduces marginally to Rs. 108 million from Rs. 117 million

EPS (non annualized) stood at Rs. 1.47

Financial Overview

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(Rs. in millions, except EPS data)

Particulars	Three months ended			Nine months ended		
	31.12.2011 (Unaudited)	31.12.2010 (Unaudited)	Shift (%)	31.12.2011 (Unaudited)	31.12.2010 (Unaudited)	Shift (%)
Net Sales / Income from operations	1,411	1,296	9%	4,397	3,852	14%
Other Operating Income	9	11	-17%	46	29	60%
Total Revenue	1,420	1,307	9%	4,443	3,881	14%
Other income	43	15	176%	129	41	215%
Total Income	1,463	1,322	11%	4,572	3,922	17%
(Increase)/Decrease in Inventory	(1)	2		(2)	(4)	
Consumption of Raw Materials	656	578	14%	1,897	1,668	14%
Employees Cost	183	163	12%	541	472	14%
Advertising and Sales Promotion	45	74	-39%	178	184	-3%
Other Expenditure	371	305	22%	1,080	868	25%
Total Expenditure	1,254	1,122	12%	3,694	3,188	16%
EBITDA	209	200	4%	878	734	20%
Margin (%)	14%	15%		19%	19%	
Depreciation	50	42	17%	141	118	20%
EBIT	159	158	1%	737	616	20%
Margin (%)	11%	12%		16%	16%	
Interest & finance charges	6	4	75%	17	37	-54%
Profit before tax	153	154	-1%	720	579	24%
Margin (%)	10%	12%		16%	15%	
Tax Expense	45	37	20%	204	172	19%
Net Income	108	117	-8%	516	407	27%
Margin (%)	7%	9%		11%	10%	
EPS (Not Annualized)	1.47	1.59	-7%	7.03	6.07	16%

‘Hindustan’ further consolidates its rankings across markets based on readership

As per the recent Q3 2011 IRS results, ‘Hindustan’ continues to consolidate its position across the geographies of its presence

- Overall, all India average readership grows to 12.03 million; growth of 0.4% over IRS Q2 2011 and 11% over IRS Q3 2010
- Maintains its leadership position in Bihar with a readership share of 75%
 - Readership grows to 4.9 million; growth of 1.2% over IRS Q2 2011 and 8% over IRS Q3 2010
- Continues to be the leader in Jharkhand market with a readership of 1.74 million; reflecting a readership share of 50%
- Fastest growing daily in Uttar Pradesh & Uttarakhand
 - Readership increases to 4.17 million; growth of 1.3% over IRS Q2 2011 and 22% over IRS Q3 2010
 - Exclusive readership increases to 2.4 million
- Continues to be second largest in Delhi NCR with a readership of 1.3 million

Expansion continues with commissioning of new printing press in Aligarh

- New printing press commissioned on December 10, 2011 in Aligarh; as 9th printing location in Uttar Pradesh
- The location would have a print run of ~75,000 copies which would be distributed in the city and surrounding areas
- Expansion to enable the Company achieve operational efficiencies, strengthen its reach and consolidate its strong leadership position across the Indo Gangetic belt

Cost optimization measures continue to improve profitability

- Cost optimization measures, initiated during the last quarter continue to add to the bottom-line
- Efforts primarily focused on optimizing newsprint consumption through reduction in pagination and wastage

HMVL's business outlook continues to look strong on the back of:

- Continuous readership growth to be fueled by strengthening brands and leveraging opportunities
- Increasing prosperity and rise in consumption in rural regions points towards a strong growth in advertising revenues
- Improvement in advertising yields on the back of continuing readership growth
- Strong balance sheet (net cash of Rs. 1859 million) capable of funding its expansion

Hindustan Media Ventures Limited (HMVL) is one of the leading print media companies engaged in the printing and publishing of 'Hindustan', the third largest newspaper daily of India, along with two Hindi magazines 'Nandan', a children's magazine and 'Kadambini', a general interest magazine. HMVL went public & was listed on BSE & NSE on July 21, 2010. 'Hindustan' began publication in 1936 owing its origins to and serving as a medium for the freedom movement, and has been one of India's eminent newspaper for over 70 years. 'Hindustan' has a strong regional presence with a readership of ~120 lac readers (Source: IRS Q3 2011). It enjoys a leadership position in Bihar and Jharkhand whilst consolidating its 2nd position in Delhi NCR and 3rd position in Uttar Pradesh and Uttarakhand. The Company also operates the website www.livehindustan.com, which complements the newspaper and focuses on providing news in Hindi with regional content.

For further information please visit www.hmvl.in or contact:

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