

हिन्दुस्तान

Hindustan Media Ventures Ltd.



Q3 FY2014 Results Presentation

6 February 2014

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Commenting on the performance for Q3 FY2014, Mrs. Shobhana Bhartia, Chairperson, HMVL, said:

"We are glad to report yet another quarter of a healthy growth in revenue and profit. Our pricing initiatives and improved traction in advertising revenues across markets have resulted in the highest ever top-line in any quarter.

The latest IRS results have been quite encouraging, with Hindustan emerging as the second largest Daily in the country. We are now a clear No.2 in Uttar Pradesh and No.1 in Uttarakhand, while maintaining our dominance in Bihar and Jharkhand.

We believe that Hindustan Media Ventures' expansion strategy, combined with its healthy balance sheet, puts the company in a strong position to deliver sustained growth."

Q3 FY2014 Performance Snapshot

(All comparisons with Q3 FY2013)

Total revenue up 18% at Rs. 1,990 million from Rs. 1,685 million :

- 16% increase in advertising revenues to Rs. 1,375 million from Rs. 1,182 million primarily due to increase in advertising yields and volumes
- 18% increase in circulation revenues to Rs. 459 million from Rs. 390 million primarily due to higher realization per copy

EBITDA increased by 35% to Rs. 472 million from Rs. 350 million primarily due to :

- Growth in advertising and circulation revenues

Growth partially offset by:

- 22% increase in consumption of raw materials to Rs. 806 million from Rs. 663 million due to increase in newsprint price and consumption
- 6% increase in employee costs to Rs 218 million from Rs 205 million
- 5% increase in other expenditure to Rs 494 million from Rs 468 million due to increase in advertising and sales promotions expense

PAT increased by 38% to Rs. 288 million from Rs. 208 million

EPS (non annualized) stood at Rs. 3.92

Financial Overview

(Rs. in millions, except EPS data)

| Particulars | Three months ended | | | Nine months ended | | |
|-------------------------------------|---------------------------|---------------------------|------------|---------------------------|---------------------------|------------|
| | 31.12.2013 (Unaudited) | 31.12.2012 (Unaudited) | Shift (%) | 31.12.2013 (Unaudited) | 31.12.2012 (Unaudited) | Shift (%) |
| Net Sales / Income from operations | 1,858 | 1,598 | 16% | 5,374 | 4,725 | 14% |
| Other Operating Income | 28 | 24 | 17% | 84 | 84 | 1% |
| Total Income from operations | 1,887 | 1,622 | 16% | 5,458 | 4,809 | 14% |
| Other income | 103 | 63 | 63% | 200 | 208 | -4% |
| Total Income | 1,990 | 1,685 | 18% | 5,658 | 5,017 | 13% |
| (Increase)/Decrease in Inventory | - | (1) | | 2 | (1) | |
| Consumption of Raw Materials | 806 | 663 | 22% | 2,197 | 2,015 | 9% |
| Employees Cost | 218 | 205 | 6% | 648 | 608 | 7% |
| Other Expenditure | 494 | 468 | 5% | 1,435 | 1,356 | 6% |
| Total Expenditure | 1,518 | 1,335 | 14% | 4,281 | 3,977 | 8% |
| EBITDA | 472 | 350 | 35% | 1,377 | 1,040 | 32% |
| Margin (%) | 24% | 21% | | 24% | 21% | |
| Depreciation | 55 | 54 | 1% | 163 | 164 | -1% |
| EBIT | 417 | 295 | 41% | 1,214 | 876 | 39% |
| Margin (%) | 21% | 18% | | 21% | 17% | |
| Interest & finance charges | 17 | 10 | 60% | 38 | 37 | 2% |
| Profit before tax | 400 | 285 | 40% | 1,176 | 839 | 40% |
| Margin (%) | 20% | 17% | | 21% | 17% | |
| Tax Expense | 112 | 77 | 46% | 336 | 220 | 52% |
| Net Income | 288 | 208 | 38% | 840 | 618 | 36% |
| Margin (%) | 14% | 12% | | 15% | 12% | |
| EPS (non annualized) | 3.92 | 2.84 | | 11.45 | 8.42 | 36% |

Operational Highlights

As per the recent 2013 IRS results, Hindustan is now the Second largest Hindi Daily in the country with a readership of 14.25 million

| | <u>2013 IRS Readership</u> | <u>Q4 2012 IRS Readership</u> |
|-----------|----------------------------|-------------------------------|
| All India | 14.25 million | 12.25 million |
| UP | 7.20 million | 4.23 million |
| UT | 0.43 million | 0.39 million |
| Bihar | 4.27 million | 4.81 million |
| Jharkhand | 1.40 million | 1.68 million |
| Delhi NCR | 1.06 million | 1.19 million |

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

- Continuous readership growth to be fueled by strengthening brand and leveraging opportunities
- Increasing prosperity and rise in consumption in rural regions points towards a strong growth in advertising revenues
- Strong balance sheet (net cash of Rs. 3,809 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 second largest newspaper daily of India based on Total Readership, 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 newspapers for over 70 years. 'Hindustan' has a strong regional presence and is the 2nd most read daily in India with readership of 14.25 million readers (Source: IRS 2013). It enjoys a leadership position in Bihar, Jharkhand and Uttarakhand whilst consolidating its 2nd position in Delhi and Uttar Pradesh. The Company also operates the website www.livehindustan.com, which complements the newspaper and focuses on providing news in Hindi with regional content.

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