

हिन्दुस्तान

Hindustan Media Ventures Ltd.



Q1 FY2012 Results Presentation

14 July 2011

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Commenting on the performance for the Q1 FY2012, Mrs. Shobhana Bhartia, Chairperson, HMVL, said:

"We are glad to report that we have begun the year on a healthy note both, operationally and financially led primarily by a relatively strong advertisement growth and cost optimization measures.

We are pleased with the recent results from IRS 2011 which endorses our position as the second largest and the fastest growing daily newspaper amongst all large national dailies in the country. Several new initiatives undertaken last year namely the redesigned version of 'Hindustan', employment weekly 'Hindustan Jobs' and the weekly women's magazine supplement 'Anokhi' would further drive the readership growth.

With most of our expansion complete, increasing circulation and readership will drive growth going forward and enhance shareholder value."

Q1 FY12 Performance Snapshot

(All comparisons with Q1 FY2011)

Total revenues up 12% at Rs. 1,491 million from Rs. 1,328 million:

- Despite a relatively tough macro environment for advertising, 15% growth in advertising revenues to Rs. 1,108 million from Rs. 963 million primarily driven by improvement in yields
- Marginal increase in circulation revenue to Rs. 331 million from Rs. 323 million

EBITDA decreases by 5% to Rs. 314 million from Rs. 332 million primarily driven by:

- 15% increase in consumption of raw materials to Rs. 608 million from Rs. 530 million due to higher circulation and newsprint prices
- 23% increase in wages to Rs. 179 million from Rs. 145 million due to annual wage increases and higher headcount
- 31% increase in other expenditure to Rs. 358 million from Rs. 273 million primarily due to increase in scale of operations and a provision of Rs. 35 million for diminution in value of investments relating to 'Partnership for Growth' business.
- Increase in expenses is partially offset by strong growth in advertising revenues and higher interest income on surplus funds

PAT increases marginally to Rs. 186 million from Rs. 183 million

EPS (non annualized) stood at Rs. 2.54

(Rs. in millions, except EPS data)

Particulars	Three months ended		
	30.06.2011 (Unaudited)	30.06.2010 (Unaudited)	Shift (%)
Net Sales / Income from operations	1,481	1,321	12%
Other Operating Income	10	7	50%
Total Revenue	1,491	1,328	12%
Other income	45	5	726%
Total Income	1,536	1,333	15%
(Increase)/Decrease in Inventory	(3)	(6)	41%
Consumption of Raw Materials	608	530	15%
Employees Cost	179	145	23%
Advertising and Sales Promotion	80	59	36%
Other Expenditure	358	273	31%
Total Expenditure	1,222	1,001	22%
EBITDA	314	332	-5%
Margin (%)	20%	25%	
Depreciation	45	35	28%
EBIT	269	297	-9%
Margin (%)	18%	22%	
Interest & finance charges	4	26	-83%
Profit before tax	265	271	-2%
Margin (%)	17%	20%	
Tax Expense	78	88	-11%
Net Income	186	183	2%
Margin (%)	12%	14%	
EPS (Not Annualized)	2.54	3.20	-21%

'Hindustan' consolidates its position as second largest daily in the country

As per the recent Q1 2011 IRS results, 'Hindustan' further strengthened its position as second largest newspaper in the country, increasing the lead over competition, based on Total Readership

- Overall, all India average readership grows to 118 lacs; growth of 3.1% over IRS Q4 2010
- Maintains its dominant position in Bihar with a readership share of 74%
 - Readership grows to 47.3 lacs ; growth of 2.2% over IRS Q4 2010
- Continues to be the leader in Jharkhand market with a readership share of 57%
 - Readership grows to 18.5 lacs; growth of 4.6% over IRS Q4 2010
- Continues to be the fastest growing daily in Uttar Pradesh & Uttarakhand - registering growth in last 9 rounds in succession
 - Readership increases to 39.6 lacs; 5% growth over IRS Q4 2010
- Continues to be second largest in Delhi NCR with a readership of 13.1 lacs

Positive response to the new initiatives

- Positive feedback received across markets to the new initiatives namely re-launch of 'Hindustan', launch of employment weekly 'Hindustan Jobs' and a weekly women supplement magazine 'Anokhi'; expected to drive the readership growth in near future
- Continues to focus on maintaining growth momentum with the new proposition 'Tarakki Ko Chahiye Naya Nazariya' and a targeted approach to get younger generation readership

Cost optimization measures improve profitability

- Initiated various cost optimization measures during the quarter
- Efforts primarily focused on rationalization of pages thereby optimizing the newsprint consumption
- Already started contributing towards profitability

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

- Strong growth in advertising due to increasing prosperity and rise in consumption in rural areas
- Improvement in advertising yields on the back of continuing readership growth
- Synergies with HT Media – association in terms of content, supply-chain, circulation and ad sales
- Strong balance sheet (net cash of Rs. 1,892 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 as was listed on BSE & NSE on July 2, 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 over 11.8 million readers (Source: IRS Q1 2011). It enjoys a leadership position in Bihar and Jharkhand whilst consolidating its 2nd position in Delhi 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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