



## **HT Media Limited**

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www.htmedia.in

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### **Cost rationalization initiatives continue to drive profitability**

**Total revenues rise 4% to Rs 3,481 million in Q2 of FY2010 from Rs 3,342 million in the year-earlier period**

**EBITDA margin expand to 20% in Q2 of FY2010 from 13% in Q2 of FY2009**

**PAT margin increases to 9% in Q2 of FY2010 from 5% in Q2 of FY2009**

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**New Delhi, October 26, 2009**

HT Media Limited today announced its financial results for the second quarter and half year ended 30 September 2009. The highlights of the firm's operational and financial performance are:

- **Positive reader response received for the redesigned 'Hindustan Times'**
- **Revenues from 'Hindustan' grew by 23% with EBITDA margin of 20%; expansion continues with commissioning of new printing facilities at Bareilly**
- **'Mint' gains traction, leading to strong growth in revenues; grabs 2 gold awards at WAN-IFRA's 8<sup>th</sup> Asia Media Awards**
- **Radio stabilizes as one of top 3 radio stations in Delhi & Bengaluru; becomes official and exclusive radio partner for GMR Sports-Delhi Daredevils in the Champions T20 League**
- **'Shine.com' recruitment portal registration crosses 3 million candidates**
- **Mobile marketing and advertising services launched with advertising campaigns in collaboration with Velti Plc.**
- **Declining newsprint cost benefit kicks in as high cost inventory runs out**

### **Q2 FY2010 performance overview**

**(All comparisons with Q2 FY2009)**

- Total revenues increased by 4% to Rs 3,481 million from Rs 3,342 million primarily on account of:
  - Increase of 28% in circulation revenues to Rs 479 million from Rs 373 million due to improved realizations and increase in cover prices effective Q1 FY2010

- Rs 98 million on account of merger of the radio business, effective 1 January 2009
- These increases have been offset to the extent of marginal decline in advertisement revenues of the publishing segment to Rs 2,821 million from Rs 2,831 million
- Operating margins for the quarter expanded to 20% compared with 13% in the previous year, primarily due to various cost optimization measures initiated since Q3 FY 2009 including the reduction of pagination, manpower optimization and rationalization of overheads across the organization. As a result, EBITDA increased to Rs 685 million from Rs 450 million.
- PAT increased to Rs 314 million from Rs 163 million representing a PAT margin expansion to 9% from 5%. This was primarily due to cost optimization measures. The increase is net of higher depreciation and exceptional items, namely, provision for diminution in the value of long-term investments.
- EPS stood at Rs. 1.34

**Commenting on the performance for Q2 FY2010, Mrs. Shobhana Bhartia, Chairperson and Editorial Director, HT Media, said:**

*“I am happy to report a strong performance on the back of encouraging traction from our new initiatives and a continued emphasis on cost optimization.*

*We are excited with the positive response to the redesigned version of ‘Hindustan Times’ across markets. This is our effort to remain in sync with the changing demographic profile and growing younger age group. We continue to expand our presence in North India through the commissioning of printing facilities at Bareilly for ‘Hindustan’. With this, we are close to completing our presence across the Uttar Pradesh & Uttarakhand region. The growth in the brand salience of ‘Mint’ is most heartening to watch. Our radio business is close to attaining breakeven and has stabilized as one of the top three channels of choice in Delhi & Bengaluru.*

*The improving macro environment, leading to improved advertising markets should see us continue to deliver robust performance.”*

**Operational progress and highlights**

• **‘Hindustan Times’ relaunch gets a positive response**

The company has received positive feedback across markets to the relaunch of ‘Hindustan Times’ in July 2009. The relaunch was followed by 360 degree marketing campaigns in line with the overall strategy of staying focused on the younger generation and the emphasis on keeping up to date with changing news consumption patterns.

• **‘Hindustan’ shows robust financial performance; expansion continues with commissioning of new press at Bareilly**

Revenues from 'Hindustan' grew by 23% to Rs. 1,026 million this quarter with EBITDA of Rs. 208 million representing EBITDA margin of 20%. In order to further strengthen its reach in the key towns of western UP, namely Bareilly, Pilibhit, Shahjahanpur, Lakhimpur and Badaun districts, HT Media has commissioned new printing facilities at Bareilly in October 2009. The company intends to complete its expansion in UP by launching new printing facilities at one more key location in the near future and also strengthen its existing printing infrastructure at Patna and Agra. This will enable HT Media to achieve operational efficiencies, strengthen its reach and build a strong leadership position across the Indo Gangetic belt, i.e. the states of Bihar, Jharkhand, UP, Uttarakhand and Delhi.

- **'Mint' shows strong revenue growth; bags 2 gold awards in Asia Media Awards**

Mint has established itself as India's second largest business daily and has completed its national footprint. Revenues grew strongly during the quarter while Mint also received two gold awards for best print quality and for best special coverage report at WAN-IFRA's 8<sup>th</sup> Asia Media Awards. These awards are a reflection of the Company's determination to bring out an offering that is clearly differentiated from the competition.

- **Radio stabilized as one of top 3 radio stations in Delhi & Bengaluru**

While maintaining its position as one of the top three radio stations in Delhi & Bengaluru, HTML's radio business continued to gain traction and improve inventory utilization, leading to an increase in advertising revenues. Also, as a reflection of its growing popularity, Fever has become the official and exclusive radio partner for GMR Sports-Delhi Daredevils in the Champions T20 League.

- **'Shine.com' registration crosses 3 million candidates**

The number of users registered on 'Shine.com', the job portal launched in June 2008 through a wholly owned subsidiary Firefly e-Ventures Limited, has crossed 3 million. This is a reflection of the confidence shown in the site's unique patented matching technology, world-class design, salary benchmarking utility and anonymity protection tools.

- **Mobile marketing services started in collaboration with Velti Plc**

HT Media, through a wholly owned subsidiary, has launched its mobile marketing and advertising services in collaboration with Velti Plc. The company had entered into a Joint Venture in Q3 of FY 2009 with Velti Plc, one of the world's leading providers of mobile advertising solutions, to provide these services. During the quarter, the Company has initiated successful advertising campaigns and plans to tap the world's fastest growing mobile market going forward.

- **Cost optimization measures continue to improve profitability**

In line with the objective of enhancing efficiencies and its focus on resource optimization, HT Media had undertaken various initiatives including the reduction of pagination, manpower optimization and rationalization of overheads across the organization in the previous few quarters. These initiatives continue to yield results and are expected to contribute to improved profitability going forward.

### **Outlook**

The outlook of the Company remains promising on the back of following:

- Improving macro environment leading to improved opportunities for driving revenues while focus on cost optimization to continue
- Benefit of lower newsprint cost to improve margins as low-cost inventory kicks in
- Leveraging its strong balance sheet (net debt of Rs. 989 million as on 30 September 2009 as compared to Rs. 1,755 million as on 30 June 2009) to drive new initiatives and expansions
- Investment in growth to continue through setting up of printing infrastructure across Indo-Gangetic belt through commissioning of new presses as well as capacity enhancement of existing presses, leading to enhanced reach of Hindustan in UP, Uttarakhand, Bihar and Jharkhand
- Traction in Radio and 'Mint' to contribute to revenue growth
- Continued investments in Internet and mobile marketing segment, with the objective of becoming the preferred choice of advertisers across different advertising platforms

## About HT Media Limited

HT Media Limited is one of India's foremost media companies, and home to three leading newspapers in the country in the English, Hindi and business segments – 'Hindustan Times' (English daily), 'Hindustan' (Hindi daily) and 'Mint' (business daily). 'Hindustan Times' was started in 1924 and it has a more than 80-year history as one of India's leading newspapers. The Company also has four FM radio stations - "Fever 104" in Delhi, Mumbai, Bengaluru and Kolkata. The Company has also made a foray into the Internet space through its subsidiary Firefly e-Ventures Limited and has launched a new job portal [www.Shine.com](http://www.Shine.com). These are in addition to the existing websites [livemint.com](http://livemint.com) and [hindustantimes.com](http://hindustantimes.com). HT Media along with Bennett Coleman & Co. Limited has entered into an equal partnership joint venture to publish an English morning tabloid in Delhi & NCR titled Metro Now. In addition, the Company has entered into 65:35 joint venture with Velti Plc, one of the world's leading providers of mobile advertising solutions, to provide these services in India. The Company has also entered into 51:49 joint venture (JV) with German media group Hubert Burda to leverage HT Media's expertise in printing and publishing and capture opportunities in the booming high-end magazine and catalogue printing space in India and the Asia-Pacific region. HT Media also publishes two Hindi magazines Nandan and Kadambini.

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**Note:** Certain statements in this document may be forward-looking. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. HT Media Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

## Financial Performance of HT Media Limited

(Rs. in millions, except EPS data)

Particulars	Three months ended			Six months ended		
	30.09.2009 (Unaudited)	30.09.2008 (Unaudited)	Shift (%)	30.09.2009 (Unaudited)	30.09.2008 (Unaudited)	Shift (%)
Net Sales / Income from operations	3,471	3,307	5%	6,751	6,554	3%
Other Operating Income	10	35	-71%	80	60	34%
<b>Total Revenues</b>	<b>3,481</b>	<b>3,342</b>	<b>4%</b>	<b>6,831</b>	<b>6,614</b>	<b>3%</b>
Other income	29	51	-44%	95	108	-13%
<b>Total Income</b>	<b>3,510</b>	<b>3,393</b>	<b>3%</b>	<b>6,926</b>	<b>6,722</b>	<b>3%</b>
(Increase)/Decrease in Inventory	2	3		(1)	(2)	
Consumption of Raw Materials	1,228	1,460	-16%	2,457	2,657	-8%
Employees Cost	549	496	11%	1,122	946	19%
Advertising and Sales Promotion	316	318	-1%	492	583	-16%
Other Expenditure	730	666	9%	1,415	1,343	5%
<b>Total Expenditure</b>	<b>2,825</b>	<b>2,943</b>	<b>-4%</b>	<b>5,485</b>	<b>5,527</b>	<b>-1%</b>
<b>EBITDA</b>	<b>685</b>	<b>450</b>	<b>52%</b>	<b>1,441</b>	<b>1,195</b>	<b>21%</b>
<b>EBITDA margin (%)</b>	<b>20%</b>	<b>13%</b>		<b>21%</b>	<b>18%</b>	
Depreciation	175	128	36%	339	257	32%
Interest & finance charges	75	73	2%	152	124	22%
<b>Profit before tax</b>	<b>435</b>	<b>249</b>	<b>75%</b>	<b>950</b>	<b>814</b>	<b>17%</b>
<b>PBT margin (%)</b>	<b>12%</b>	<b>7%</b>		<b>14%</b>	<b>12%</b>	
Exceptional Items	40	-		85	-	
Tax Expense	81	86	-5%	227	274	-17%
<b>Net income</b>	<b>314</b>	<b>163</b>	<b>93%</b>	<b>638</b>	<b>540</b>	<b>18%</b>
<b>Net Income margin (%)</b>	<b>9%</b>	<b>5%</b>		<b>9%</b>	<b>8%</b>	
<b>EPS (Not Annualized)</b>	<b>1.34</b>	<b>0.69</b>		<b>2.71</b>	<b>2.30</b>	