

HT Media Ltd

Building an Integrated Multimedia Company



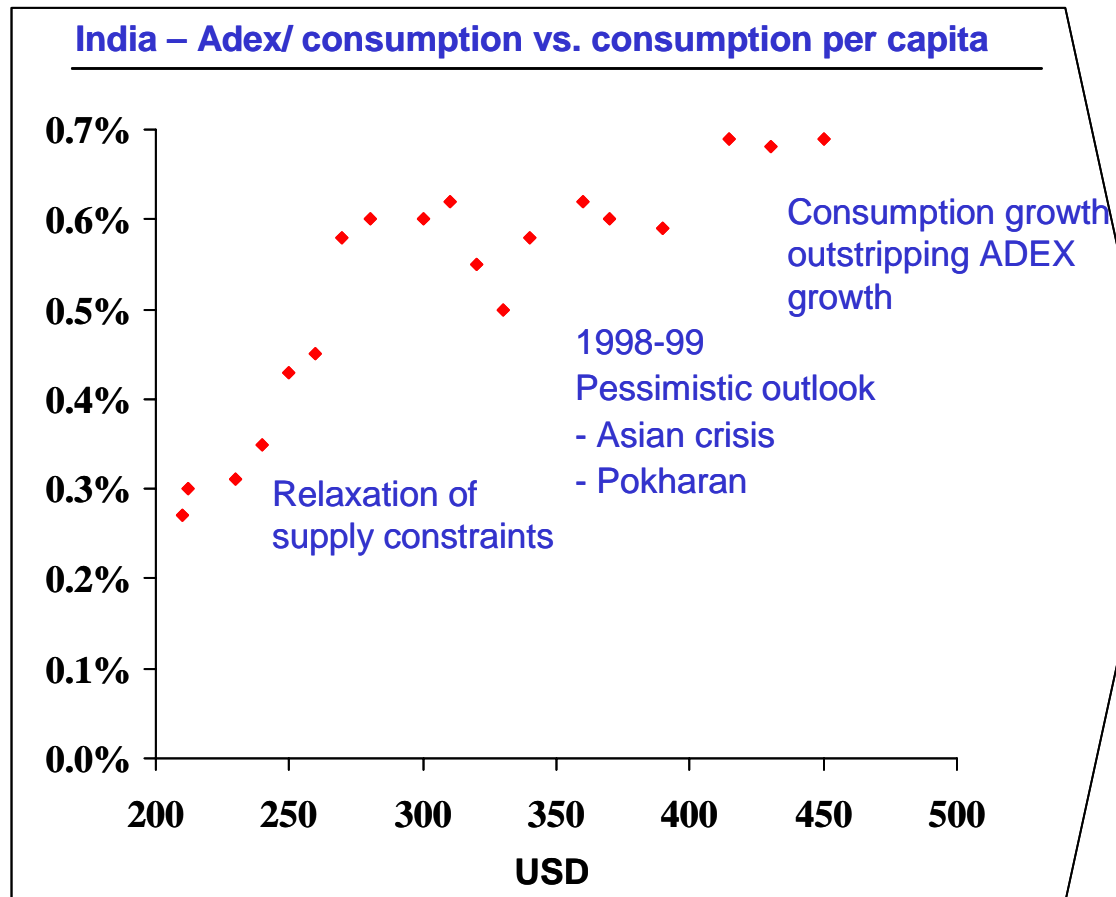
Investor Presentation

May 2009

HTML addresses a large & growing value pool through its portfolio of strong businesses

- **HTML addresses a large value pool that is growing**
 - **Despite global pressures, consuming class is expected to grow manifold as the fundamentals of Indian economy remains strong**
 - **Advertising is expected to increase across mediums with the growth in consumption; thereby a strong outlook for the overall Media industry**
 - **HTML plays in ~50% of the overall media industry**
- **HTML has a strong portfolio of businesses that are highly successful and few new ventures that are in the growth phase**
 - **Hindustan Times – English daily**
 - **Hindustan – Hindi daily**
 - **Mint – Business paper**
 - **Fever 104 - Radio**
 - **Digital – Portfolio of websites & mobile marketing**
- **HTML is an attractive proposition to invest**
 - **The only company with a large English & Hindi footprint ; having a strong brand recall across businesses**
 - **Sound financial model: strong financial performance over last 5 years**
 - **Diverse and professional management team**
 - **Partner of choice for global players**

Ad intensity is poised to increase as consumption grows



- With increasing consumption, India should witness an increase in Adex as witnessed in other developing countries
- India has seen very modest increases in ad intensity over the past 6 years after a period of rapid increase
- India's low volatility growth should support a clear rising trend in Adex

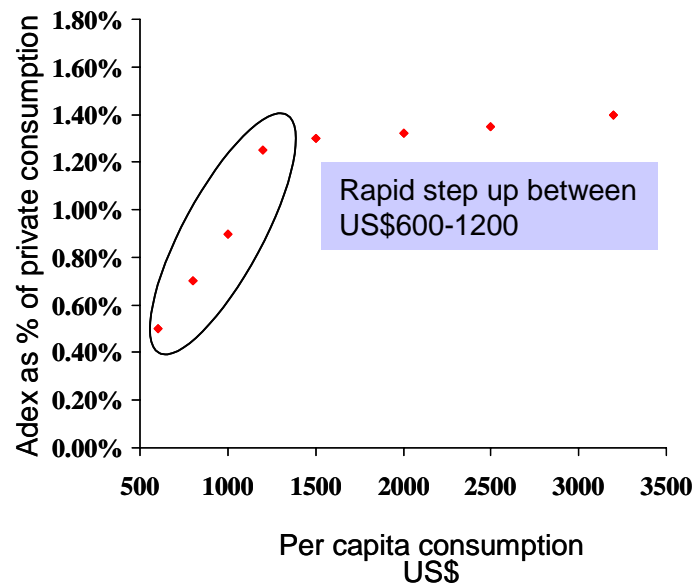
*Ad intensity is the ratio of ad expenditure to private consumption

Source: Global Insight; WMM; Euromonitor; McKinsey analysis

India is close to the inflexion point; Russia and China has shown a similar trend

Russia: Rapid increase in ADEX with economic recovery post 1999

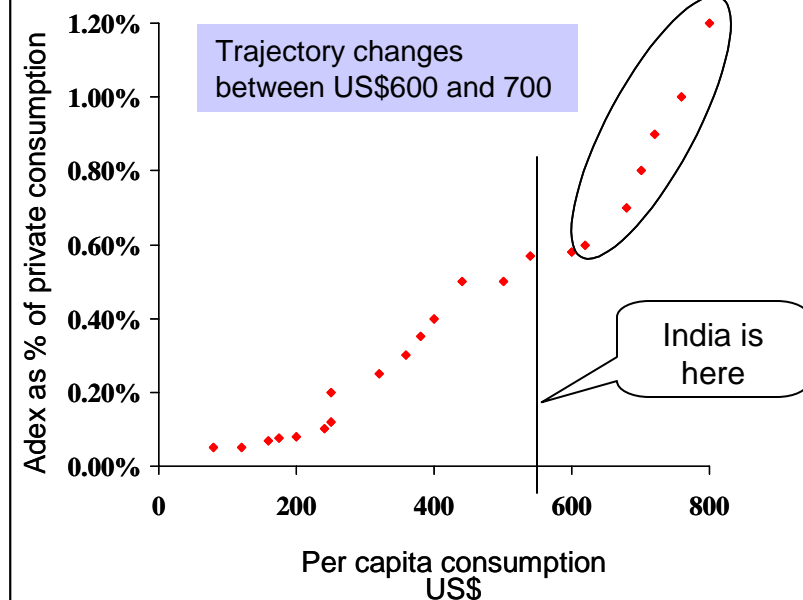
1999-2006 DATA



- Income levels dropped drastically in 1998 post crisis
- Robust income growth post '99 has seen rapid ramp up in ADEX as consumption soared

China: Strong ramp up in ADEX growth with income level changes

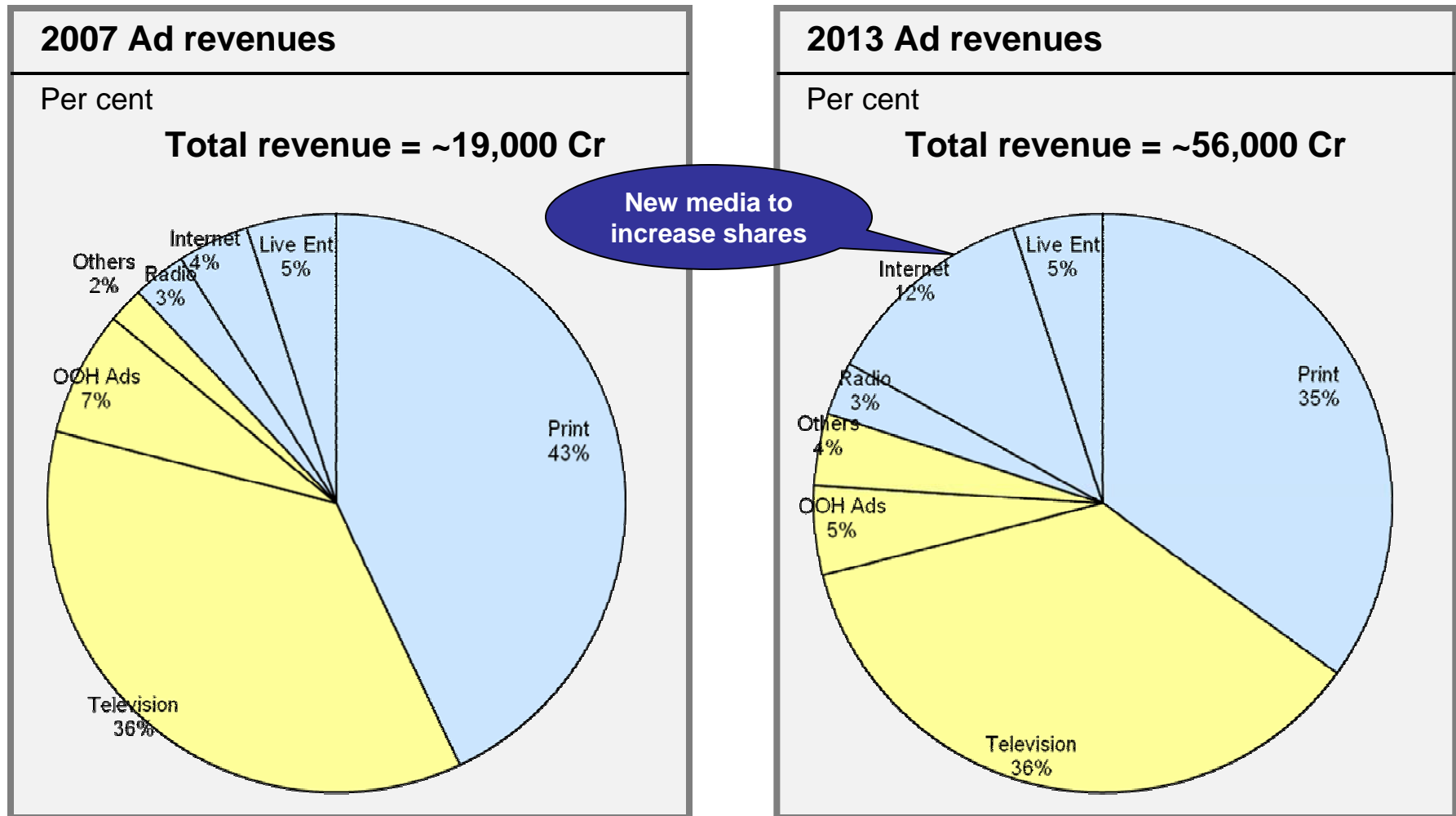
1983-2006 DATA



- Rapid rise in ADEX/ consumption ratio happened between US\$600 and 700 when the ratio went up from 0.6% to 1.0%

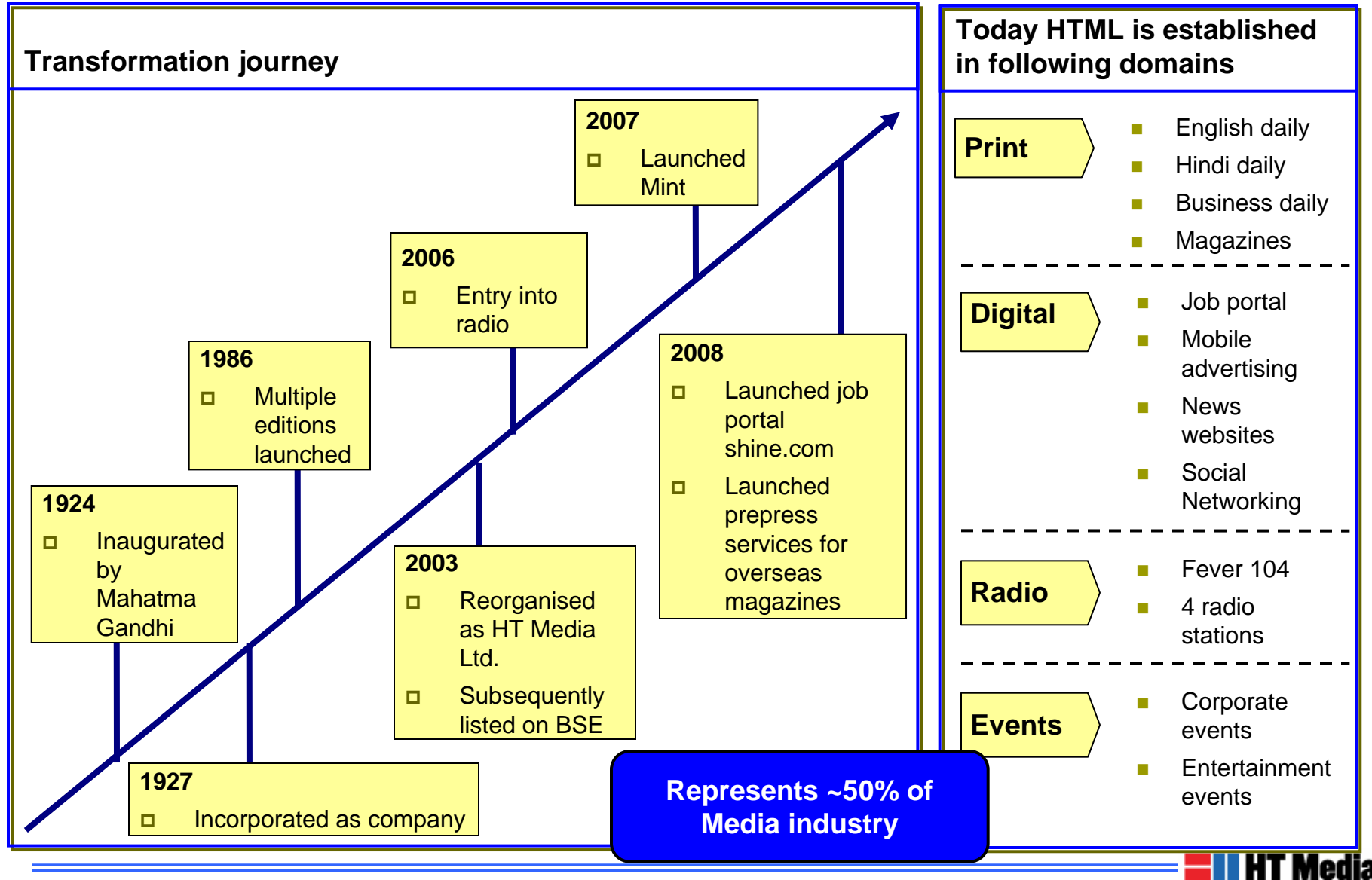
Advertisement pie is set to increase manifold across mediums

Segments where HT is present



Source: FICCI 2008, Euromonitor, Literature searches; Analyst reports, interviews,

HTML has transformed itself to a diversified multimedia company in order to tap a large value pool

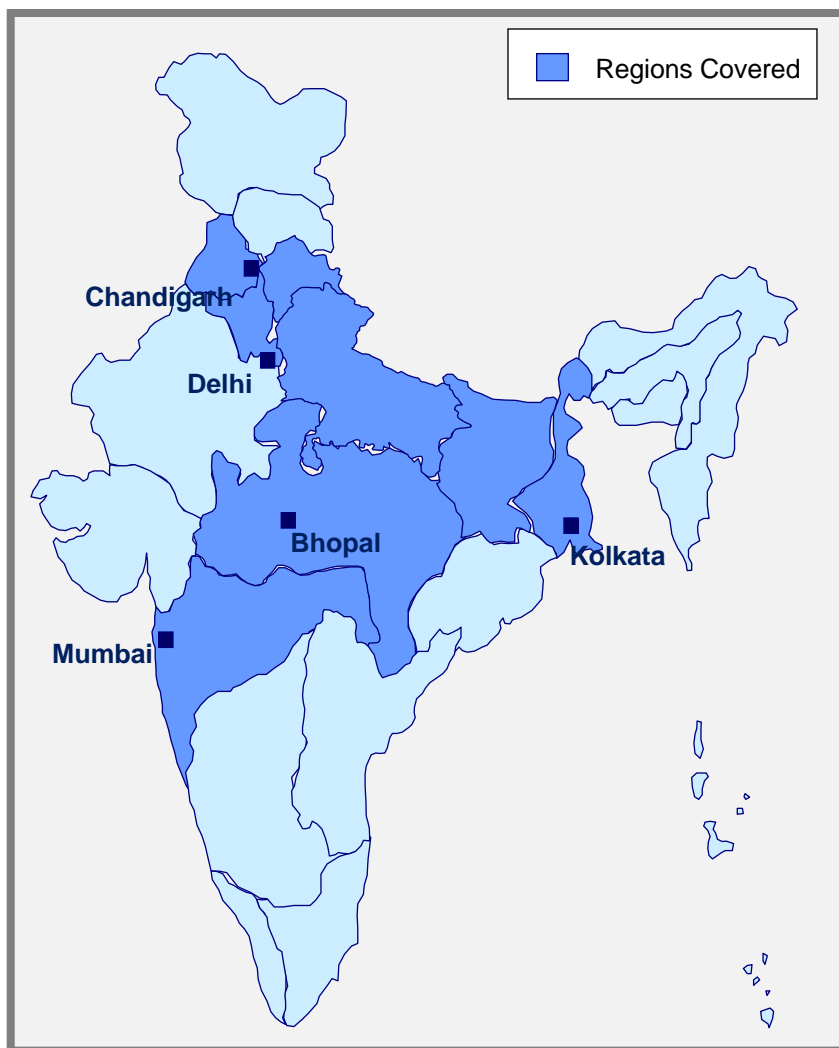


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Hindustan Times is the second largest English daily with strong presence in North India

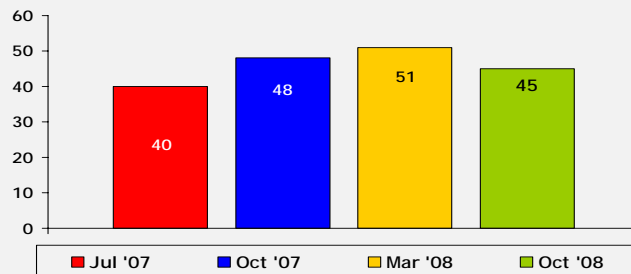
HindustanTimes



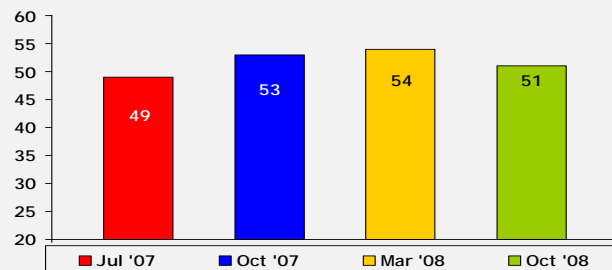
- Heritage and trustworthy brand
- Highly respected Editorial talent & systems
- Received various awards in last 12 months
 - Asia Media Award – Bronze
 - 3 Plants get 100% rating for SNAP
 - Coveted membership for IFRA - INCQC
- Critical mass in key cities
 - Leadership position in Delhi
 - Leader in Chandigarh
 - Strong presence in Mumbai
- Consumer focus
- Comprehensive product portfolio

While HT Continues to dominate Delhi Market...

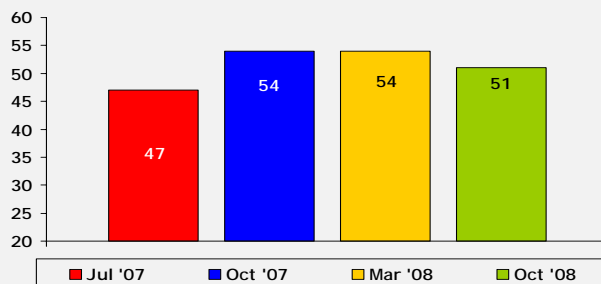
15- 25 age group readership



Readership %



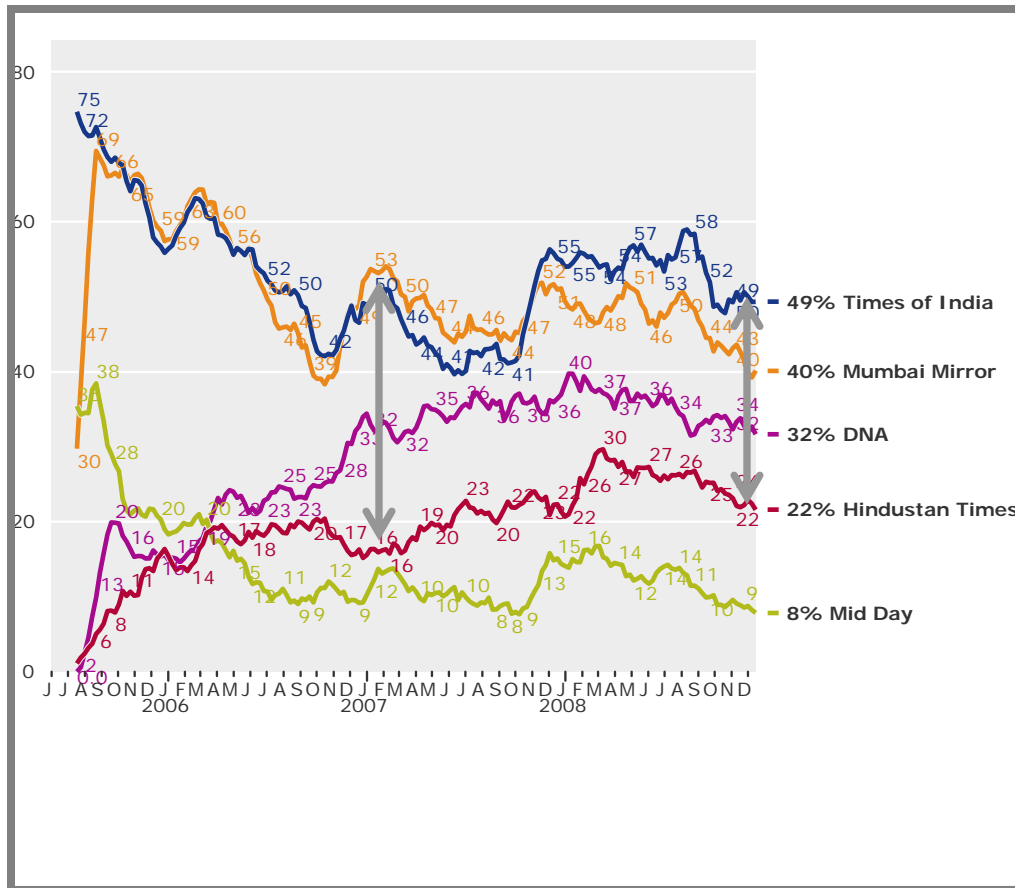
SEC A readership %



Source: ATP

- Strong Readership & Circulation initiatives to retain & lead market shares to continue
 - New targets & locations (Youths & upcoming NCR)
 - HT City re-launch – targeting youth with more colour & content;
 - Youth Centric approach with initiatives such as Campus Calling, Career Call, Job Fairs etc..
 - Significant local connect initiatives – ILD, DSF, Luxury / Leadership Summit etc..
- Targeting double digit revenue growth during the year
 - Pricing - lead by combo offers
 - Volume uptake strategies (Marketing Solutions, BOOST program etc. – draw non / low advertiser segments)

HT Mumbai is gaining market share steadily



Source: ATP Readership

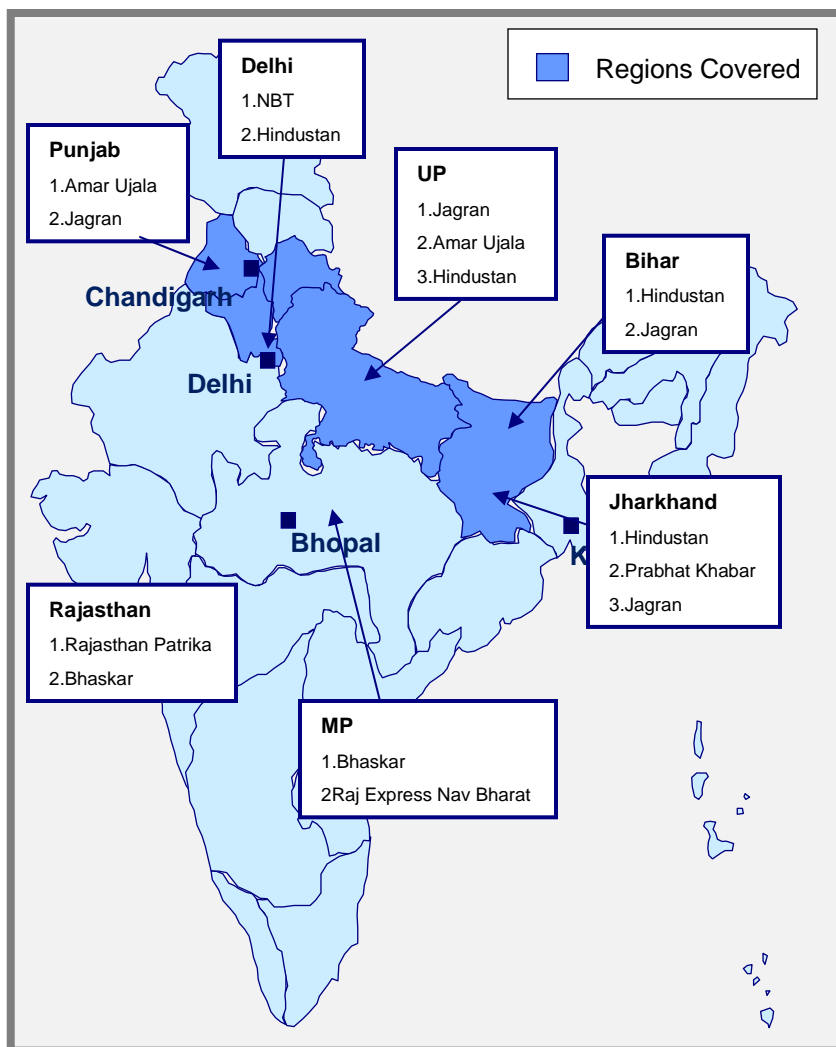
- Our strategy
 - Continue to **lead expansion of readership** with a steady circulation; reducing wastage
 - Target markets of **Youth & SEC A** category – attracting & growing the base on a Q-onQ basis
- On ground initiatives, relaunch of HT Cafe **improved brand salience** and connect with Youth
- Translating accelerated readership gains into revenue
 - Retail classified response improving on a MoM basis – local to local revenue
 - Volume & price increases
- Investment in infrastructure to enhance quality & capacity, to be ready by June, 2009

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Hindustan is the third largest Hindi daily with dominant presence in large markets

हिन्दुस्तान



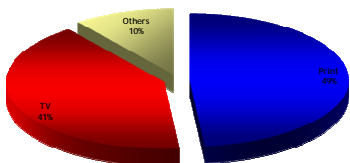
	Readership (in million)	Largest Market
Dainik Jagran	16.1	UP
Dainik Bhaskar	12.9	MP
Hindustan	9.3	Bihar
Amar Ujala	8.2	UP
Rajasthan Patrika	6.7	Rajasthan
Punjab Kesari	3.3	Har / HP
Navbharat Times	2.3	Delhi

Source: IRS R1 2009

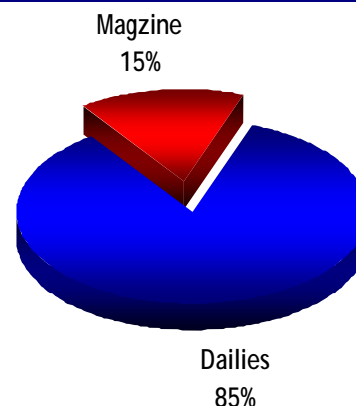
- Hindustan is leader in Bihar / Jharkhand and a strong presence in UP; key markets
- Recently launched in Meerut, Dehradun & Chandigarh
- No conflict of market with Bhaskar, No. 2 Player; though gap is ~3.6 million

Overall, Hindi represents second largest Ad pie across newspapers

Media Industry



Print Ad revenue

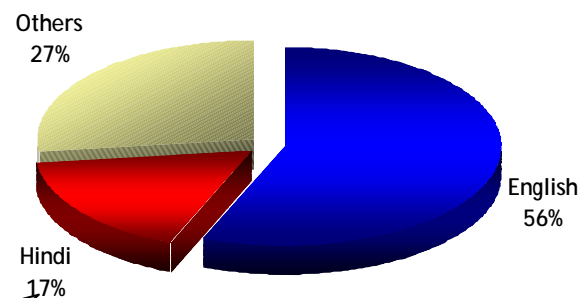


2008-09 Projected (Rs million)

UP / Uttaranchal	5,000
Madhya Pradesh	2,500
Rajasthan	3,000
Punjab	2,000
Delhi NCR	2,000
Bihar	1,200
Jharkhand	600
Others	700
TOTAL	17,000

Source – FICCI PWC report 2007

Hindi Ad revenue Market



Expected to grow at ~25%

Hindustan - gaining position year on year

Highlights

Ranking				
04	05	06	07	08
1	1	1	1	1
2	2	2	2	2
3	3	3	3	3
4	4	4	4	4
5	5	5	5	5
6	6	6	6	6
7	7	7	7	7
8	8	8	8	8

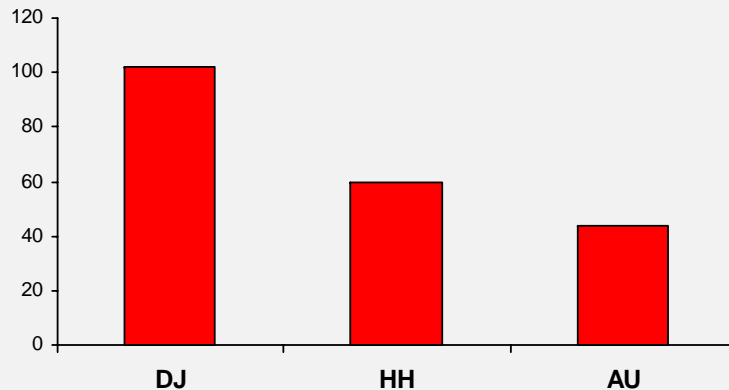
Source – IRS

- Leading Hindi daily with readership in excess of 8 million; No. 3 all over India
- First ever All – Colour Hindi newspaper
- Received various awards in last 12 months
 - Asia Media Award – Silver
 - 3 Plants get 100% rating for SNAP
 - Coveted membership for IFRA - INCQC
- Undisputed market leader in Bihar & Jharkhand with significant presence in Delhi & UP

Superior product has helped us succeed in new markets against established competition

Kanpur case study

City Circulation



Readership Profile

	AHD	AU	DJ	HH
% of total readers				
SEC A	26 %	23 %	30 %	48%
SEC B	32 %	35 %	30 %	34 %
SEC C	24 %	21 %	25 %	9 %
SEC D	12 %	15 %	10 %	10 %
SEC E	6 %	6 %	6 %	0 %
< Rs 2000	6 %	8 %	6 %	0 %
Rs 2001 - 4000	21 %	21 %	18 %	9 %
Rs 4001 - 6000	24 %	28 %	24 %	22 %
Rs 6001 - 10000	30 %	28 %	35 %	32 %
> Rs 10000	18 %	15 %	18 %	36%

- Kanpur had been hometown of strongest competitor - Dainik Jagran
- Our strategy
 - In depth reader research to arrive at offering; launch significantly superior product
 - Best in class paper and printing quality
 - Fast build-up of circulation
- Outcome
 - No. 2 player within 3 months of circulation (Aug 06)
 - Excellent quality of readership
 - Percentage of SEC A (or Top MHI bracket) readers almost double of AHD average

Hindustan: well positioned for rapid growth

Strengths & Opportunity

- Heritage / Trustworthy brand
- Superior quality across Hindi newspapers
- Highly respected Editorial talent
.....Mrs.Mrinal Pande
- English leverage across Editorial & Media sales
- Opportunity
 - Relatively weak competition compared to English
 - Development of Tier 2 cities

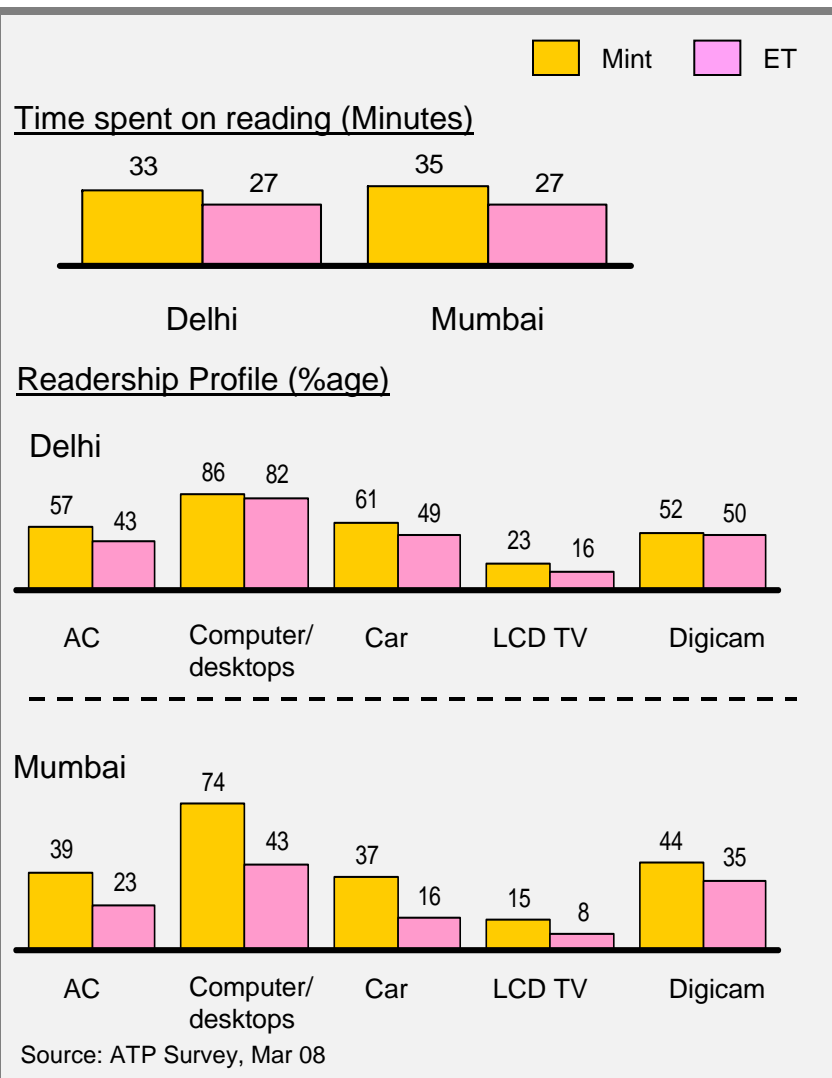
Outcome

- Continues to grow very strongly in all markets
 - Leadership attained in Lucknow, Jharkhand
 - Rapid share gains in Kanpur, Patna, Delhi and Agra
 - Rapid expansion – new launches in Chandigarh & Dehradun
- Provides National Advertisers an effective cost medium with the HT combo pack
- Jodi package in select markets (with HT) proves to be a “killer” for the Trade – Unique to HT & increases Trade’s income

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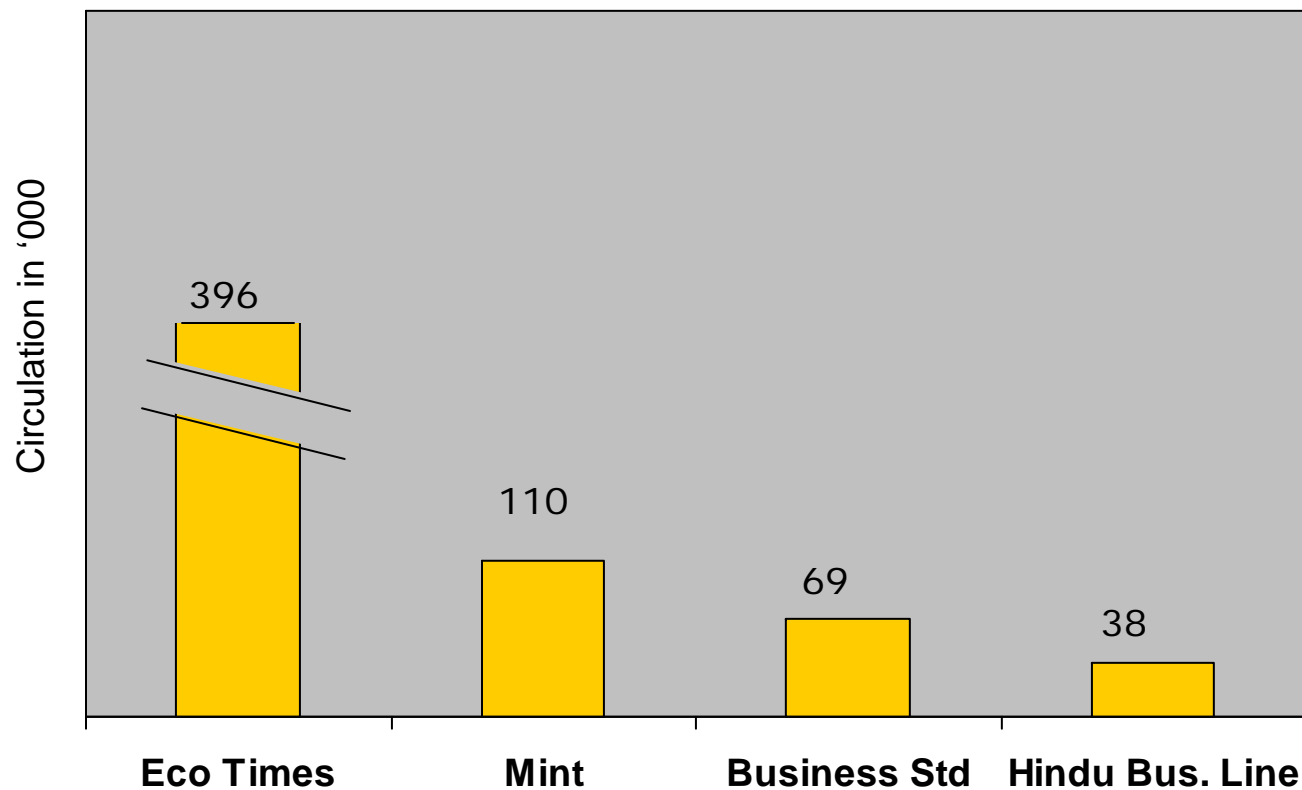
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Mint: strong reader proposition & gaining revenue traction



- Readers proposition is **strong** and **differentiated**; supported by a distinct and well segmented readership base
 - World class editorial by domain experts with global experience
 - 2nd largest business paper in Mumbai & Delhi within first year of launch
 - Best coverage – Gold award and Best Newspaper Design – Silver award
 - Strong online presence with financial portal **livemint.com**
- Getting recognized by the advertisers
 - Segmented advertising approach ex. BFSI, Luxury & Premium Brands / Products etc..
 - Combo with HT Business, on the ground activation platforms such as CTD etc. to further strengthen readership engagement and consequent advertiser engagements

Mint - Clear no. 2



Mint has highest RPC of 1.3 as compared to 1.1 of competition

Source: ABC Jan- June 08 & IRS R2, 2008 for Delhi NCR, Mumbai & Bangalore,

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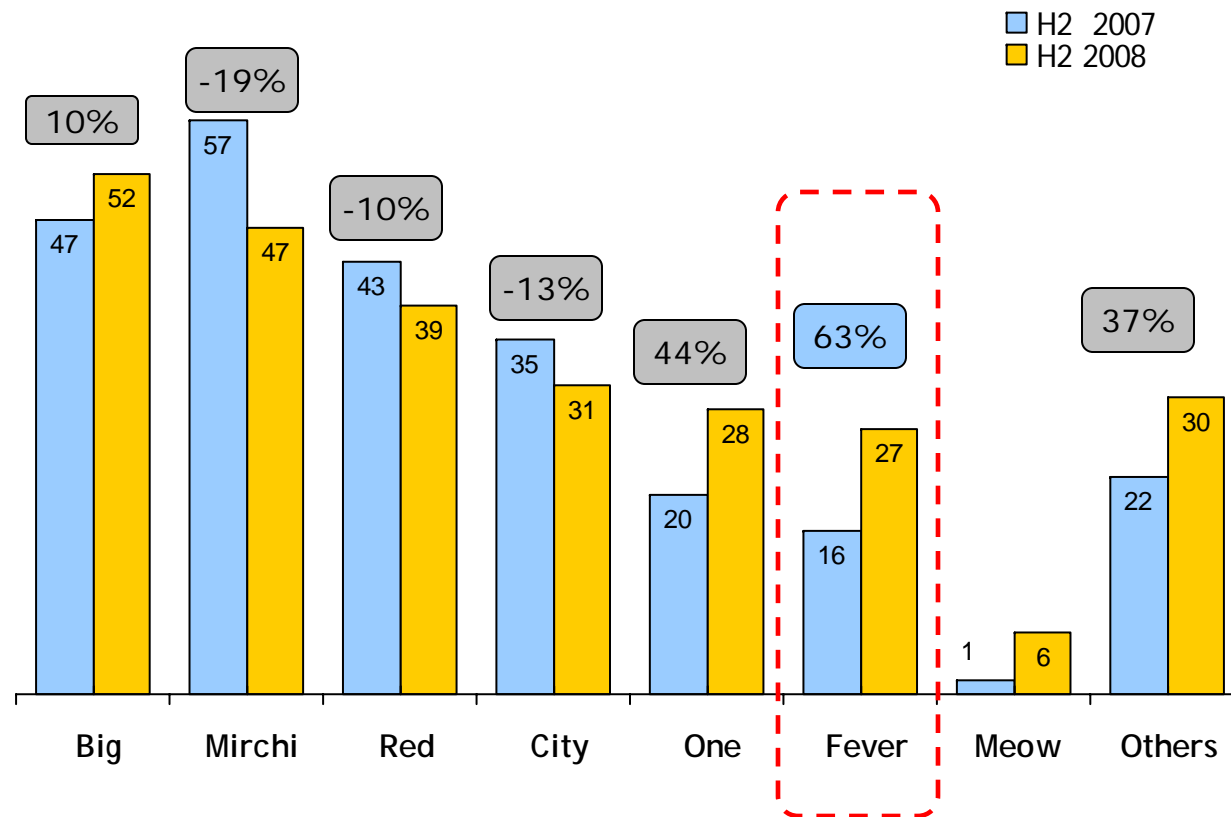
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FEVER – A High Impact Radio Station



- **Differentiated positioning: Less Talk More Music....Format radio station**
 - Targeted at SEC AB, between 25-34 years of age
- Collaboration with Virgin enabling operational excellence
 - A leadership team of global radio experts with a track record of successful radio stations in Asia, South Africa and Europe
- Current footprint in Delhi, Mumbai, Bangalore and Kolkata; addressing 60% of the industry
- Consistently improving Performance
 - Created listener interaction and engagement through innovative consumer promotions
 - Acquiring dominant positions in key markets
 - No. 1 in Mumbai & Bangalore
 - Maintaining No. 2 position in Delhi

Fever is the fastest growing station in H2 2008

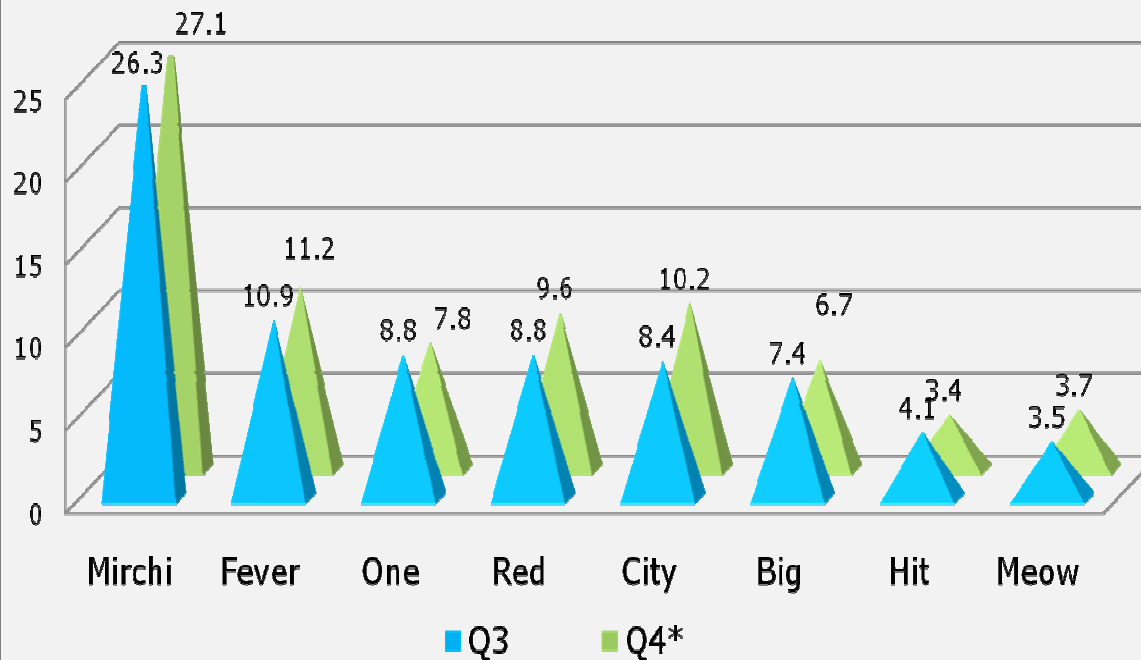


Ad volume in lacs seconds, without house ads

Source: AirCheck

Traction building up across the stations of launch for Fever..

Market Share in Delhi – FY 08

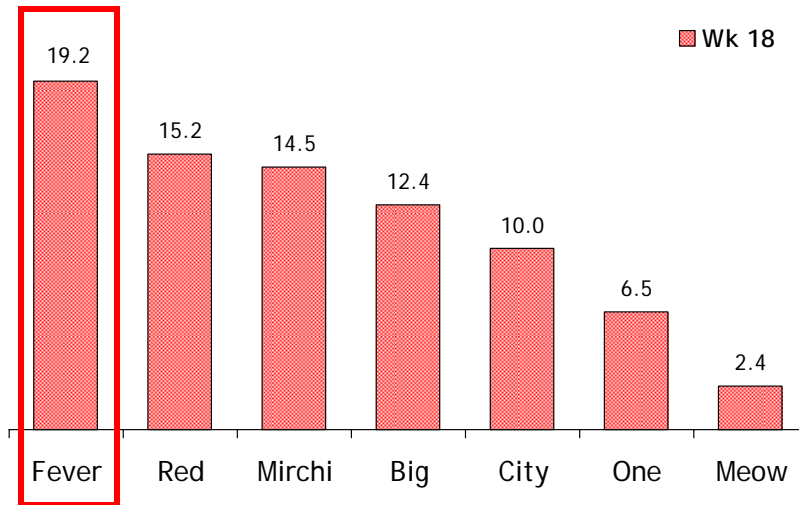


Source: RAM – All people 12+, Q4 data till 14th February'09

- Focused approach in Delhi has yielded results
- Maintaining number 2 position in Delhi (largest Ad market for Radio industry)
- Building up loyal listenership base steadily across other stations of launch
 - Mumbai (Launch: Jan 07)
 - Bangalore (Launch: Mar 07)
 - Kolkata (Launch: Jan 08)

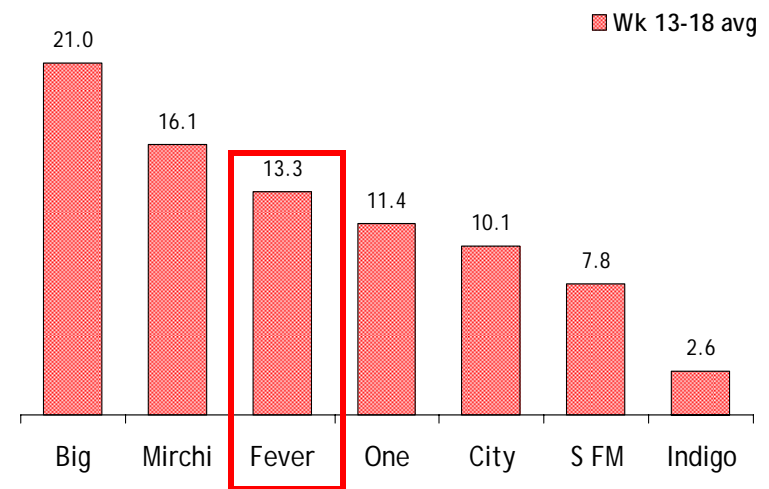
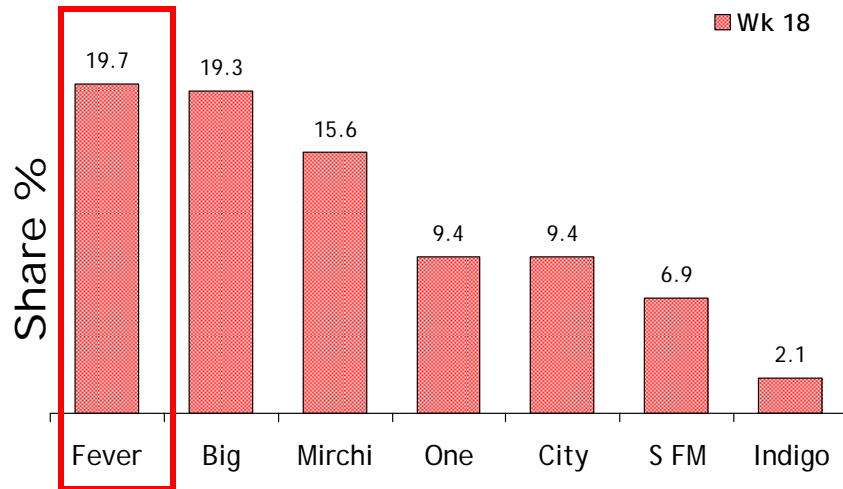
Became No. 1 in Mumbai

Share %



Source: RAM – All people 12+, data for week ending 14th May '09

Acquiring No. 1 position in Bangalore



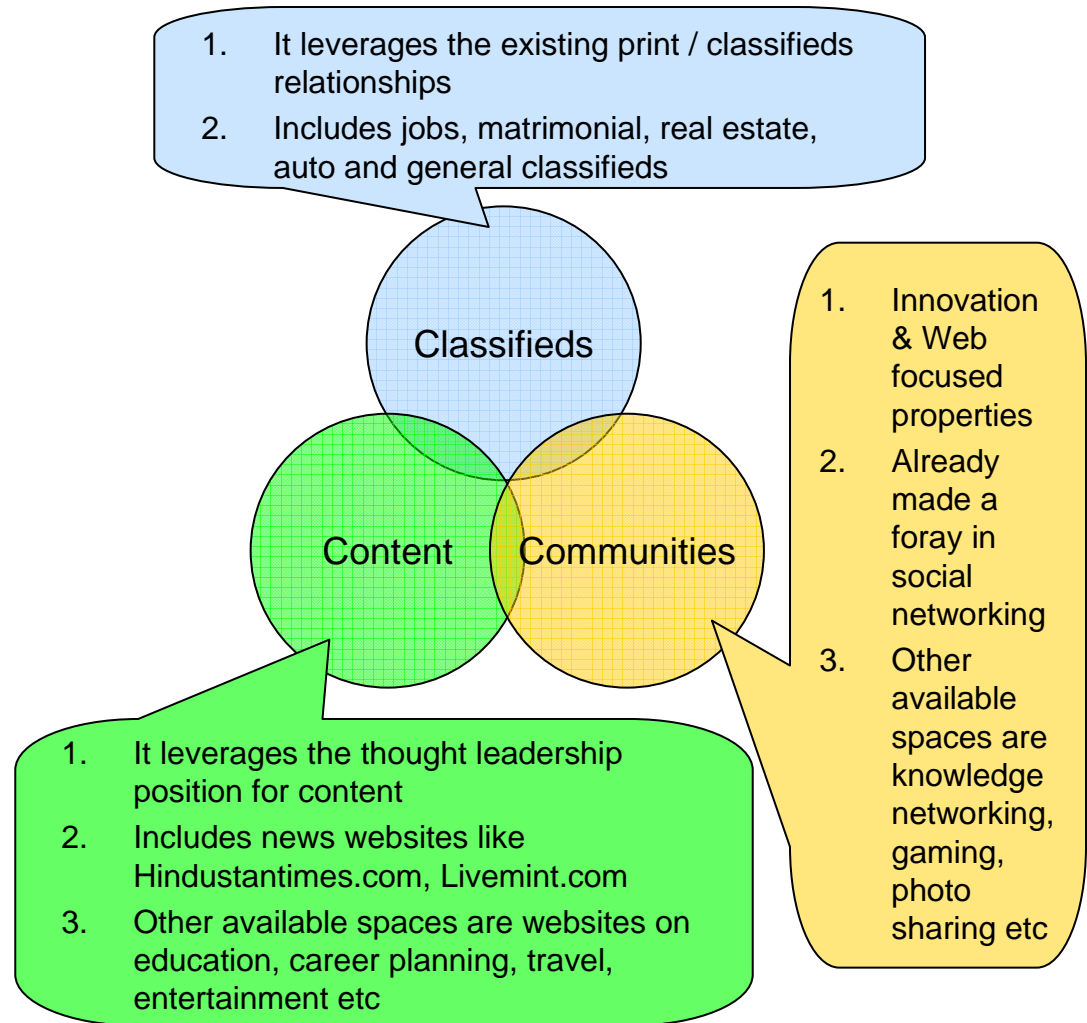
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Internet is imperative to the business for leveraging synergies

- Business landscape fast changing
 - Healthy on-going growth in Print, but slowly new media opportunities gaining importance
 - Internet fast emerging as a major media format; expected to increase approximately 10 times by 2013
- HT Media recognizes this change
 - Leveraging the current leadership position in print to successfully create new growth engines to continuously enhance value.



Internet: strong foundation for growing portfolio

- In order to give more focus to Internet, a separate subsidiary Firefly started in 2007
 - 100% subsidiary
 - Dedicated to building brands and businesses in internet space
- Rapid scale-up in operations; structured for growth through investments in employees and infrastructure
 - Over 150 employees in 1 year; sales force of 100+
 - Over 20% employees from premier B-schools in India



- Ranked amongst Ten best news websites in the world by Forbes.com in 2007
- Ranked #1 in Technology by PC World India Web Awards in 2007 and 2008
- Rapidly growing page views – 25 million page views per month
- Slew of interactive features – newsletters, news alerts, editorial blogs



- Business news site, designed by world renowned firm Garcia Media, USA
- Over 8 million page views per month with average time spend of ~3 minutes / visit
- More interactive content added through Live video feeds, radio and podcasts, blogs



- Fastest growing career portal : 2.2 million + registered users in 11 Months
- Superior technology & differentiated Product: Match Vs search ability, salary benchmarking tools

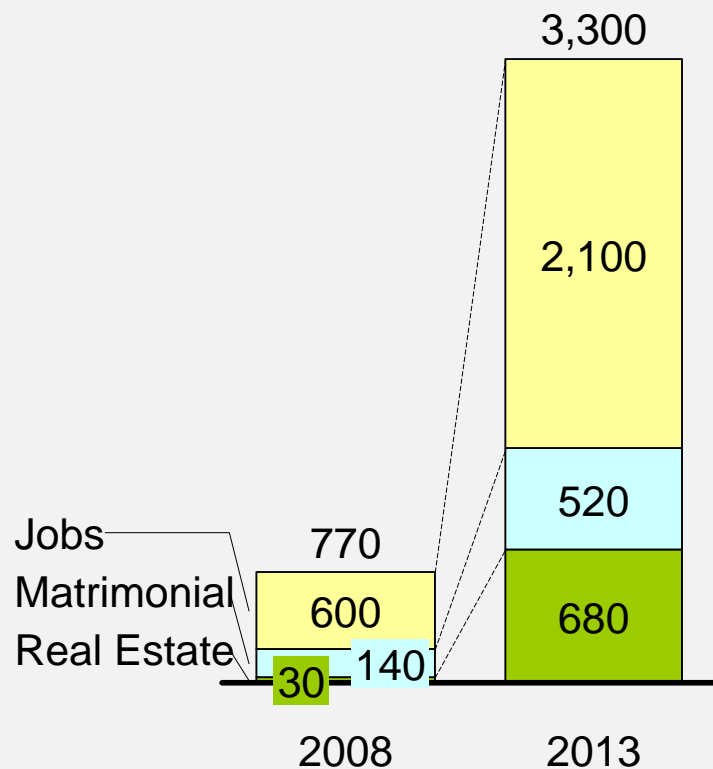


- Acquisition in 2007
- Redesigning of the website underway

Plan to tap huge value pool through classifieds portals

Market size

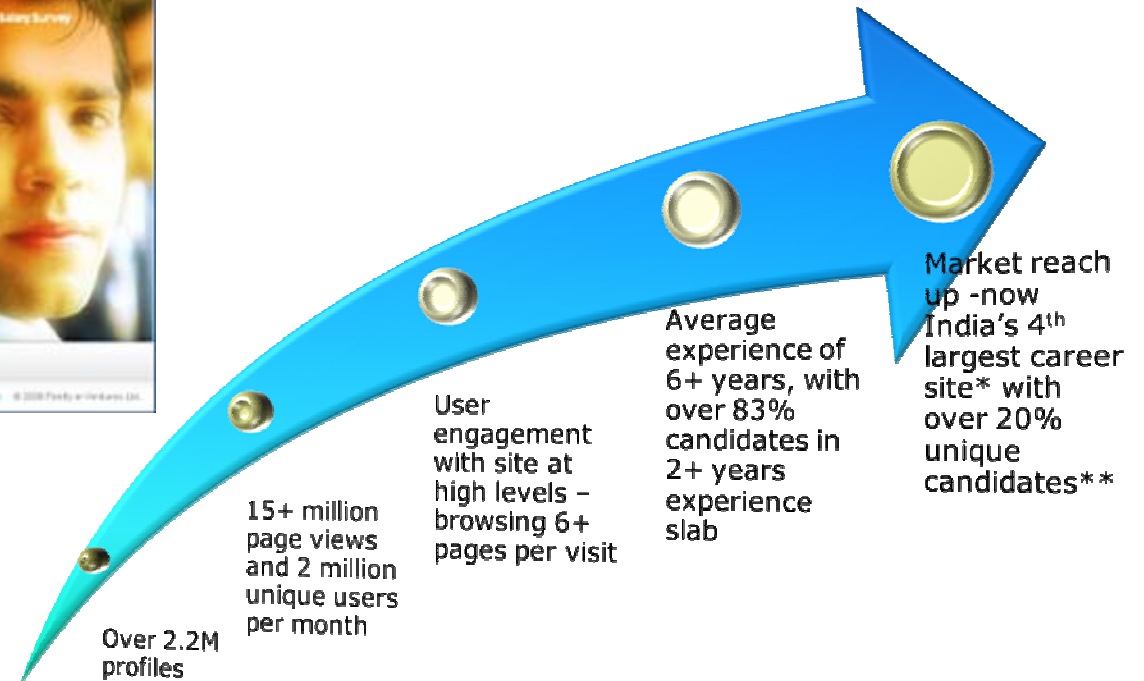
Rs. Crore



Source: IAMAI; HT analysis

- Entered online job market in June 08 with a differentiated offering – shine
- Shine - journey so far...
 - Over 2.2 million profiles
 - 15+ million page views and 2 million unique visitors per month
 - 83% database is 2+ years experience; competition has 55%
 - Average Salary – Rs.4.3 Lacs per annum; competition has Rs. 2.5 lacs
 - 45% Post Graduates in the database; competition has 25%

Online Jobs - Shine.com































*Alexa Rankings

** comScore Reports

Both are International Internet traffic rating companies recognized by various agencies

Shine is the most comprehensive job portal in India

 High
 Low

Feature	Shine	Naukri	Monster	Timesjobs
Job & Candidate Matching Capability				
Invisibility & Anonymity				
Recruitment Workflow Management				
Robustness of registration process				
Salary Survey functionality				
Communities				
Database Size				

Source: Competition benchmarking done by Diamond consultants

Business model of Shine

Revenue

Corporates

- ✓ Branding
- ✓ Hosted Solutions
- ✓ Job Postings
- ✓ Database Access

Placement Consultants

- ✓ Hosted Solutions
- ✓ Job Postings
- ✓ Database Access

Individuals

**Career
Services**

Extensive Sales Support

Corporate

Retail

150+ People

8 Locations

Foray into mobile marketing and advertising with comprehensive set of services across mobile platform

Mobile Marketing Activities: The use of the mobile channel for brand- building activities that raise awareness of a brand in mobile consumers minds

Mobile Messaging



20 templates

On-pack promotions



17 templates

Mobile Blogging/ User Generated Content



5 templates

M-commerce



5 templates

Loyalty Clubs



3 templates

Location Based / Proximity



7 templates

Mobile Advertising Activities: The use of mobile consumers to buy a specific product or service

WAP Banner Ads



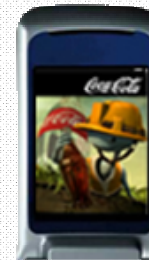
1 template

Mobile Search Advertising



2 templates

Mobile TV Ads/ Sponsored Video



1 template

Branded WAP sites & Ad-funded Content



10 templates

Joint Venture with Velti, a global provider of mobile marketing services, to provide an integrated offering

- First large media company to enter in mobile marketing
- 65:35 JV with Velti plc, a company listed in London
- Velti plc is a leading global provider of mobile marketing services
- Value to be derived from advertiser and not service providers
- Leverage on existing sales force of HTML and technology of Velti
- Scheduled start of services in May 09



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Attractive long term financial model

1

Steady growth in revenues

- Rapid revenue growth: FY04-FY09 Revenue CAGR of 26%
- Exploring new revenue options – Ad for Equity, Events
- Diversification of revenue base; Hindi continues growth momentum

2

Combining growth with profit

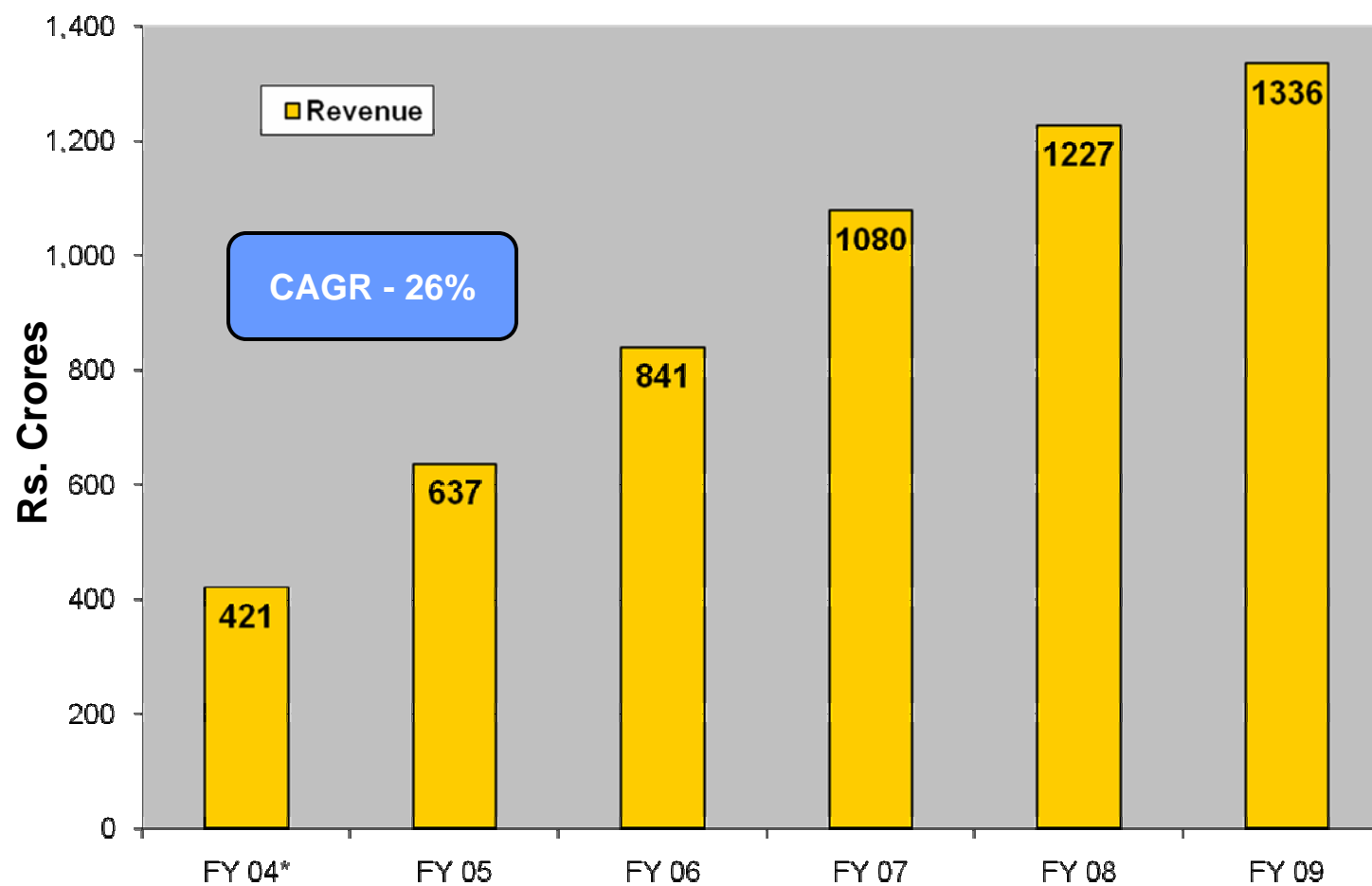
- EBITDA margin within range of 15-20%; growing for last 5 years
- Rapid growth in PAT: FY04-FY08 PAT CAGR of more than 100%
- Effective hedging strategy and inventory management to counter exchange rate risk and input price fluctuations
- Strategic investments for long term leverage

3

Strong Balance sheet & Cash flow

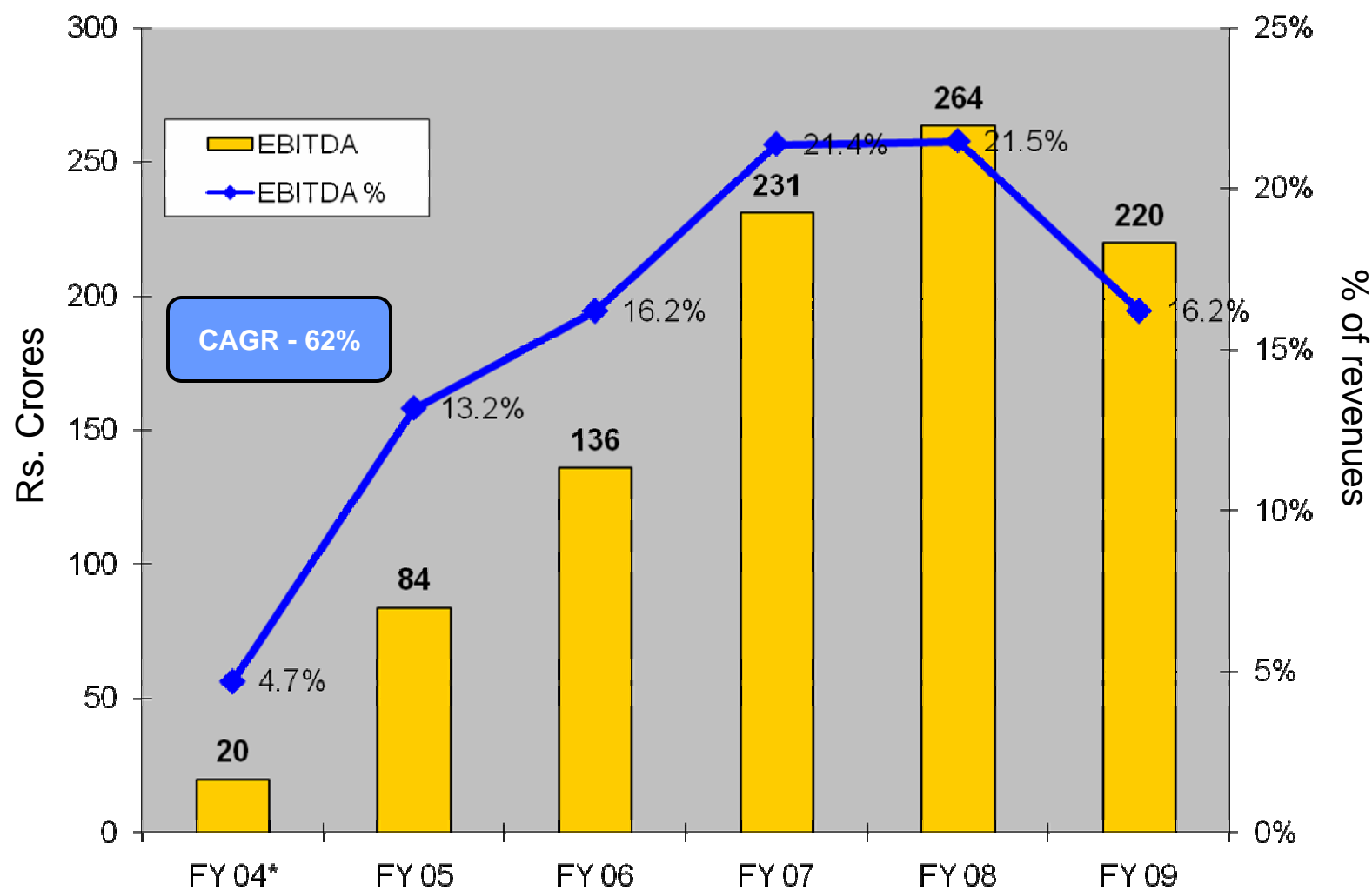
- ~Rs. 255 Cr of cash as at March 2009
- Significantly low level of debt (Rs. ~208 Cr as at March 2009); D/E ratio of ~20%
- Significant investments already done; leverage to kick in
- Focus on financial discipline & optimum resource utilization

Historical Performance - Revenues



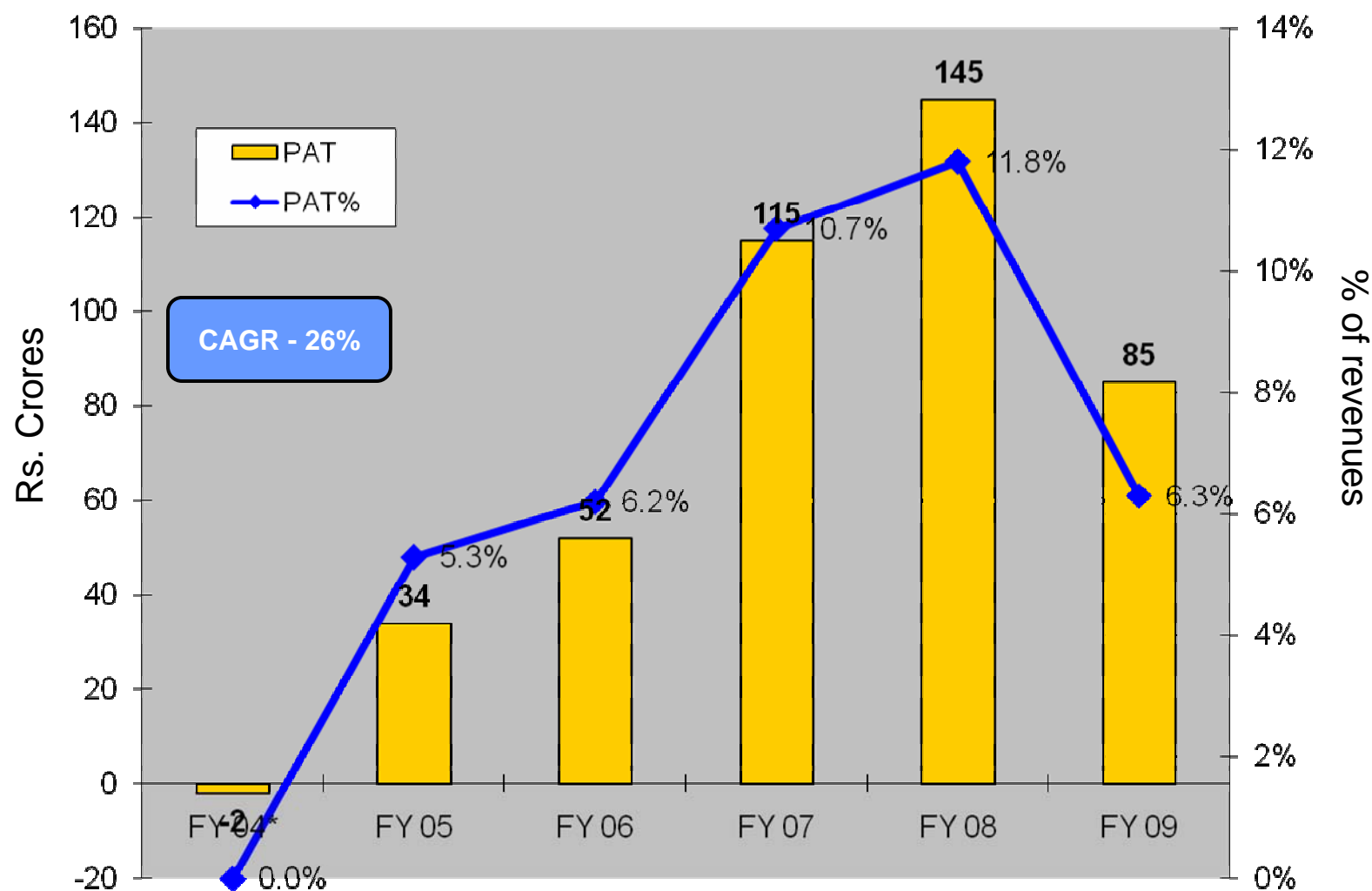
* FY 04 for 9 months

Historical Performance - EBITDA



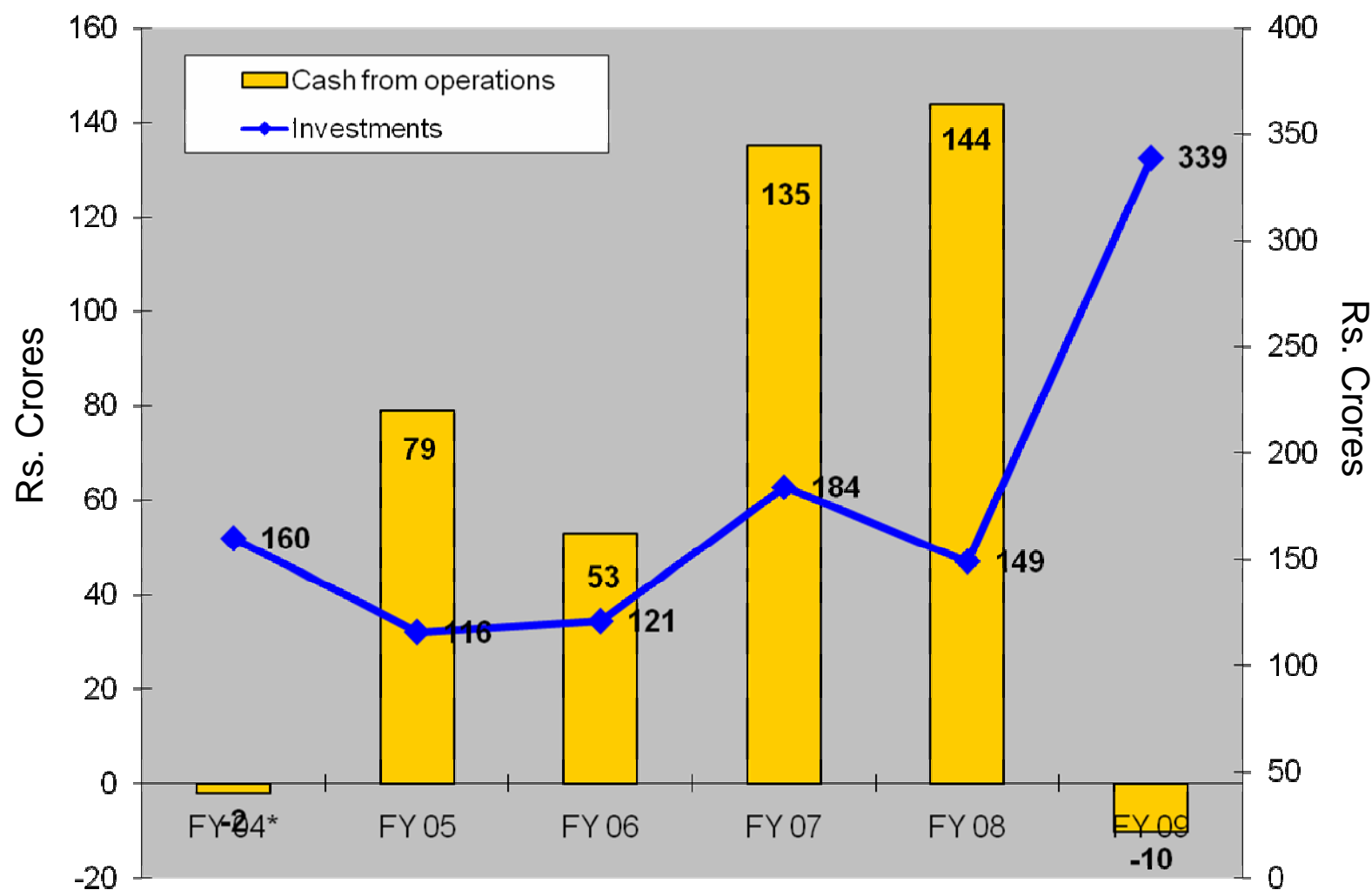
* FY 04 for 9 months

Historical Performance - PAT



* FY 04 for 9 months, All PAT figures before extra-ordinary items

Historical Performance - Cash flow



* FY 04 for 9 months

Recent quarter update : Q4 FY 2009

Steady Financial Performance despite headwinds

- Revenues grows to Rs. 337 Cr; 6% growth with respect to Q4 FY 08;
 - Increase in DAVP contribution
 - Hindustan continues its momentum of 30%+ growth
- EBITDA margin of 15% despite high newsprint costs, unfavorable foreign exchange rates and slowdown in advertising
- Debt, net of cash at Rs. 208 Cr as at 31 March 2009; Debt to Equity ratio of 0.2

Initiatives undertaken to counter headwinds

- Revenue enhancement
 - Increase in cover prices
 - Enhanced focus on tapping alternative sources of revenue like events management
- Cost optimization
 - Rationalization of newsprint consumption
 - Overheads and manpower optimization

Headwinds faced in FY 2009 are fading away

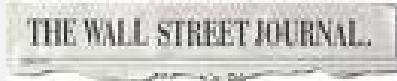
Headwinds in FY 2009

- Rising international newsprint costs
- High investment in Hindustan
- Profitability under pressure due to new businesses
 - Mint
 - Radio
 - Internet
 - Mumbai
- Overall advertising market in Metro cities under pressure
- Higher costs due to inefficiencies

Going forward

- International newsprint prices are down by ~30%
- Hindustan set to grow and double its contribution
- Investments in new businesses have started yielding results
 - Radio breakeven in Q4, FY 2009
 - Mint expected to breakeven by end of FY 2010
 - Mumbai & Internet on the path to attain breakeven in next 2-3 years
- With the growth in Hindustan, dependence on metro cities is coming down
- Cost optimization measures to yield results

We have built successful partnerships with world class organizations



- Business Paper in partnership with Wall Street Journal; exclusive agreement with WSJ to publish Journal-branded news and information in India
- 2nd largest circulation and 2nd highest readership among business papers within one year of launch (2007)



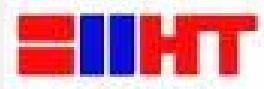
- FM Radio channel in collaboration with Virgin; Virgin provides functional expertise whereas HT brings in media support and local expertise
- Acquiring polar position in key markets



- Internet job portal with RedMatch as technology partner
- Launched in 2008, database of 1.9 million + in 10 months of launch



- 65:35 JV signed in Q3 FY 09 to provide mobile marketing services
- Scheduled start of services in April 09



- Started in 2008 in a joint venture with Hubert Burda Media
- The only high end pre-press capability in India, the first partnership of a major media company in India



Thank You