HT Media Limited and Hindustan Media Ventures Limited's
Q4&FY2012 Earnings Conference Call
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www.htmedia.in / www.hmvl.in

Moderator: Ladies and gentlemen good day and welcome to the HT Media Limited and Hindustan Media Ventures Limited, Q4 & FY12 earnings conference call, hosted by JM Financial Institutional Securities Private Limited. As a reminder for the duration of this conference, all participants' lines will be in the listen only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing * and then 0 on your touch tone telephone. Please note that this conference is being recorded. At this time I would like to hand the conference over to Mr. Siddharth Goenka from JM Financial Institutional Securities Private Limited. Thank you, and over to you sir.

Siddharth Goenka: We at JM financial are pleased to host the Q4 & FY12 conference call of HT Media and Hindustan Media Ventures Limited. Today we have with us representing the management, Mr. Rajiv Verma, CEO of HT Media, Mr. Vinay Mittal, Chief Financial Strategist and Mr. Amit Chopra, CEO of HMVL. We will start with opening remarks from the management followed by an interactive question and answer session. I would now like to invite Mr. Verma to give his opening remarks.

Rajiv Verma: At the outset I would like to thank everyone for taking time out of their busy schedules and join us on this call. I will be sharing with you the highlights of the performance of the Company during the year and I am joined by my colleague, who will take you through the financial results, following which we will be happy to take any questions that you might have.

As you all know, the year 2012 was a challenging year for the Indian Media Industry. It had underpinnings of a perfect storm where commodity price cycle, economic slowdown, especially in those sectors wherein print sector is heavily dependent, and exchange rate volatility, all of them kicked in almost simultaneously. In such a scenario, we managed the outcome of our Company in a very prudent and responsible manner. For the full year the Company registered approx. 15% growth on a consolidated basis. We were able to maintain our EBITDA almost in line with the same level as last year of Rs.360 Crore or thereabout. The liquidity position remains very good. We are holding almost - Rs.550 Crore of cash on our balance sheet, which is very important, as we all would agree, in a situation of a downturn. In addition, while our PAT level was lower due to depreciation and interest charges, we have, more importantly, not compromised on any of the objectives which would lead to long term health and sustainability of the Company in providing long-term shareholder value.

Some of the things which highlight the performance of our Company relative to several other media companies is the fact that we have a very balanced portfolio comprising of English and Hindi both. We hold a leadership position in Delhi. Across our Hindi editions, we hold leadership position in Bihar & Jharkhand and we are now very strong in UP. Our English daily in Mumbai continues to be the No.2 paper and we have emerged as a very strong alternative to the market leader there. Our Business paper Mint continues to be a strong brand and number two business paper in India with the readership nearly touching 270,000 readers on a daily basis.

We have consistently held steadfast on our online business and our investments are now reaching an inflection point and will be soon be delivering good shareholder value. This will be driven by healthy traction across some of the new portals which we have created and also our old portal viz. shine.com which has now become a very strong response deliverer of jobs and is receiving almost over 10,000 resumes each day. Our active database of resumes is over 4.2 million which makes us a very strong player among online job providers.

In our radio businesses, we continue to be a market leader in Delhi and a strong number 3 and close to number 2 in Mumbai. Our goal in this business is to become No.1 or No.2 player in Mumbai also. In addition, we have done some rate restructuring which should translate into good profits in the current year. It was imperative that we change our underlying rate structure in order to ensure that this business is profitable and a strong business on a long term basis.

Lastly, we are building a prototype in the space of education which all of you would agree is a very attractive opportunity for India given the demographic scenario. There are two prototypes being dealt with and we are seeing very encouraging results coming out of that.

Advertising industry has been seeing a downturn especially in the real estate and the financial sector as a result of which the revenues in the fourth quarter were depressed. In addition, paper cost, due to exchange rates and commodity prices, is also creating a bit of a compounding effect on the results and we do not expect to witness any major turnaround in the immediate future. However, on a long-term basis I am very confident of the results of the Company, given the new innovations and innovative solutions that we are trying to give to our advertisers. There is a slew of innovations which are being launched. Due to confidentiality reasons, I may not be able to talk about those innovations right now but I can assure you that in the subsequent calls we will be able to talk about them in a far more open and responsive manner. Also our investment in our brands as well as our talent will continue. Some of the brand investments that we have recently done like ‘You Read they Learn’, ‘AaoRajneetiKarein’, ‘No TV Day’ etc. are clearly bearing fruits for the Company; and the overall brand portfolio of the Company continues to get more and more robust. Mint is also witnessing some brand expansion, which we will be able to talk about in subsequent calls. Overall, I am very confident about the innovation pipeline, which is very healthy and will have a very strong customer facing outcome and advertiser facing outcome.

With this I am going to hand over the call to Vinay Mittal to take you through the financial results of the Company.

Vinay Mittal: Our total revenues for Q4 & FY12 were up 6% and 15% respectively. Advertisement revenue was higher by 3% for the quarter and 11% for the year. Circulation revenue increased by 3% in Q4 and 8% during the year. EBITDA was lower by 34% in Q4 at Rs.66 Crore and for the year it was lower by 1% at Rs.362 Crore. PAT is down by 58% at Rs.22 Crore in Q4 and for the full year PAT stood at Rs.166 Crore; down 9%. Decline in EBITDA and PAT is due to two factors; a)pressure on advertising which is linked to the state of the economy and b) rise in input costs namely raw materials as well as other expenditure and wages.

We will try and address questions specifically in the Q&A session. I also have Amit Chopra with me who will also answer the questions pertaining to the Hindi business. Thank you, can we go on to question and answer session please.

Moderator: Thank you very much. Our first question is from Nitin Mohta of Macquarie. Please go ahead.

Nitin Mohta: Are we witnessing divergent trends in the Delhi and Mumbai markets given the readership position that we have there?

Vinay Mittal: The trends for advertising are not divergent for the marketplace as such and English advertising in Mumbai and Delhi is equally strong. But with respect to our performance in Mumbai and Delhi, yes we did see some growth in Mumbai as compared to Delhi because of the fact that we are very strong in real estate in Delhi and real estate and telecom are the two verticals which have got impacted the most. On the other hand, we do not have that big a real estate pie in Mumbai and also our yields are always at a lag to the readership that we have.

Nitin Mohta: If I can understand given the environment is expected to remain tough in the near term how does that alter your expectations of breakeven in Mumbai?

Vinay Mittal: Well in a steady state environment, we expect our Mumbai edition to register a top-line growth of anywhere between 25% and 30% which has been the case even last year. Hence, we do expect that we should be nearing break-even sometime in the next financial year.

Nitin Mohta: Any thoughts on long term expansion given we have a stressed situation in Mumbai already?

Vinay Mittal: In English, I think, we will concentrate on North Indian markets and make sure that we reach profitability in Mumbai and attain the desired position in the North Indian markets where we also have the support of our Hindi Franchise.

Moderator: Thank you very much. Our next question is from Shobhit Khare from Motilal Oswal Securities. Please go ahead.

Shobhit Khare Firstly, what is the scope for cutting the operational expenses given the headwinds in the raw material prices and currency etc., because in FY12 our OpEx has grown by almost 18%. So is there a scope for some savings in the next year. Secondly, what were the losses in the digital business during last year and what are the expectations going forward. Lastly, could you share the circulation numbers for the fourth quarter?

Vinay Mittal: The efforts on saving on cost have actually been relentless for the last six months. We could see that the economy was sputtering a little bit and therefore there could be some pressure on advertising. However, this gathered pace in the fourth quarter. Nonetheless, if you just see the raw material line there- the major problem is the Y-o-Y increase in newsprint prices and the foreign exchange bit. But if you see the consumption of raw material on a Y-o-Y basis, it actually declined by 3%, in spite of new editions. So efforts are very much on to restrict pagination and to see what we can do on grammage. Let us move to the other line item, wages. Efforts have also been made to contain the wages. Now with most of the expansion in terms of new editions complete in Hindi, we should not see the wage inflation that you are seeing in Q4. Similarly if you take advertising and sales promotion, again that has gone up because of the new editions that got launched, namely Moradabad and Aligarh. Therefore you should see moderation in that number, which should fall back to the level of 7%. On the other expenditure piece, hopefully some of the stuff like consumables, stores & spares, which goes under this line, should see some moderation; and provisioning on the ad for equity piece, which was on the higher side, should not get repeated. We have revamped our ad-for-equity segment and going forward we should not expect the kind of provisioning that we have seen in 2011-12. So under all heads of expenses, the effort is to relentlessly bring down the expenditure and I think you will see that happening over this year.

On the second question, as Rajiv pointed out, there is substantial progress on all the softer parameters in digital, which is really Shine and HT Campus, and as the year rolls forward, we should see progress being made every quarter not only in the top-line, but also on the expense line.

Lastly, we ended the circulation at about 41 lakhs copies for the whole Company and for Hindi at about 23 lakhs.

Moderator: Thank you very much. Our next question is from Aashish Upganlawar from Spark Capital. Please go ahead.

Aashish Upganlawar: Was there a decline in circulation revenues of English this quarter?

Vinay Mittal: Yes. There was a marginal decline as we have increased our circulation in Mumbai from about 3.5 lakh copies to 4.7 lakh copies. This partly affected the circulation revenues. Additionally, it was also impacted because of seasonality with respect to Delhi.

Aashish Upganlawar: How do you see advertising in FY13 panning out in the English segment specifically?

Vinay Mittal: Basically major sectors that contribute to advertising like real estate, BFSI and telecom sector are under pressure currently. However, other sectors like automobile, garments and accessories, entertainment and durables, have been doing well for us and are holding us in good stead. Secondly, the base was very high in Q4 of last year and first quarter of this year. However, we are still hopeful that the advertising situation should stabilize and we should be able to deliver reasonable numbers going forward.

Aashish Upganlawar: Were yields flat or lower on an overall basis for English in Q4?

Vinay Mittal: Overall for us, ad revenues are driven two-third by volume and one-third by yields.

Aashish Upganlawar: What is your take on newsprint price for the next year given the volatility in the currency?

Vinay Mittal: The current newsprint price is in the range of $640 to $650 and this came down in January from levels of $700. Effect of that should flow to us in this first and the second quarter but it could get negated to a large extent by the foreign exchange, which today is running at Rs.54 plus levels. I cannot speculate on the foreign exchange piece and we will have to wait and watch as to how foreign exchange behaves as the year unfolds and how it will affect us.

Aashish Upganlawar: But would that mean that negatives on forex numbers and decline in the absolute newsprint would translate to a flattish kind of number on a Y-o-Y given the current newsprint price and exchange rate

Vinay Mittal: No. In the first quarter I should be basically booking at about Rs.51.50 because I am already covered for the next four months; for the remaining part of the year we will have to see where the rupee goes. .

Aashish Upganlawar: Your Hindi business has performed pretty well. Do you expect some slowdown even in that segment or you see no such signs there?

Amit Chopra: Q4, as we have also stated in our summary, has been buffered up a bit due to UP elections. But yes, we are now seeing some slowdown in the Hindi market. We firmly believe that we will perform better as the tier II and tier III markets are still attracting some advertising revenues.

Though the impact of slowdown is there and it is a bit too premature to talk about how the year will pan out; it is more important for us to play it quarter-by-quarter and ensure from a medium term perspective that we are doing the right things on our drivers, controlling cost as far as possible and monetizing our services.

Aashish Upganlawar: Given the top-line pressures and the fact that we are mostly done with our expansions, how do we read into the circulation number growth for the next year given all the parameters that you have considered?

Amit Chopra: I would not like to give you an estimate for the next year. However, this year our circulation has gone up by 10%, with most of these numbers coming from UP market where we have put up two new editions of Aligarh and Moradabad. We still believe there is need for the brand to further improve its depth in this market. However, we will keep watching that on a quarter-to-quarter basis. What we did very well last year was that all our expansions pretty much got funded out of our pagination which means that the number of pages did not go up at all. We were pretty good with our cost cutting on page management.

Aashish Upganlawar: Anything that you'd like to share on English circulations?

Vinay Mittal: Going forward, we should see a positive number on circulation. Given the pressures in the economy it is difficult to pass on additional cost to the advertiser, therefore some part of the additional cost needs to be defrayed by taking up the circulation revenue.

Moderator: Thank you very much. The next question is from Vikash Mantri from ICICI Securities. Please go ahead.

Vikash Mantri: What was the impact of UP elections on this quarterly result?

Amit Chopra: It is very difficult to isolate because around the elections time, government expenditure completely stops both from local to local as well as from center to local. Similarly we also saw impact of elections on some of the commercial categories like real estate, retail, etc., given the kind of environment that was there. It is very difficult to isolate but we still believe that of the 22% there was about a net 7% to 8% bump up because of the UP elections.

Vikash Mantri: On a consolidated basis, there was a steep increase in other expenses. So what would it include besides some provisions for investments and forex losses?

Vinay Mittal: The other expenditure basically capture part of the Burda expenses which are not raw material related. So revenues in Burda went up by about Rs.10 Crore Y-o-Y, wherein, part of the related expenses are in the raw material line and partly in the other expenditure line; therefore, the Burda related expenditure line is about close to Rs.8 to 9 Crore. So that takes literally about 8% of the excess spends that you are seeing there. It also includes an increase in ad for equity provisioning which has increased to about Rs.6 Crore. So for the whole year we have provided for about Rs.23-odd Crore in ad for equity, which is relatively large compared to earlier years.

Vikash Mantri: If one looks at it from a sequential perspective then the numbers have grown by Rs.5 Crore and last quarter had a Rs.10 Crore forex loss and a Rs.7.5 Crore provision for investments. So are we saying that these increase in expenses are over and above that because ideally your last quarter's expenses should have been Rs.150 Crore without the one offs, which has gone up to Rs.173 Crore?

Vinay Mittal: The other expenditure also includes advertising and sales promotion, which has gone up by about 19%. Ideally, the advertising and sales promotion should be between 7% and 8%. However, we had an extra jump of 11% - 12% because of a) Moradabad and Aligarh launches, b) some marketing exercise that was done in Delhi for HT Mini, which is the metro based newspaper that we introduced for the Metro Rail and c) some activity in Mint.

Vikash Mantri: So should it get normalized going forward?

Vinay Mittal: I think it will be normalized at 7% - 8%.

Vikash Mantri: If I were to look at last 5 years performance of HT Media and compare it with the other players, HT Media's EBITDA margin has declined by 2% from 16% to 14% whereas Jagran had moved from 20% to 25% and DB Corp has moved from 12% to 25%. Secondly if I were to compare the last five years growth, you have grown by 2 times and DB Corp and Jagran have grown by 2.2 times. So are we ready to agree that we as a Company will be at 15% margin forever and continue to invest anything above that?

Rajiv Verma: I have two data points in front of me here. Our revenues from 2005 to 2011 ,have been growing at a compounded annual growth of 18% and our EBITDA has been growing at a CAGR rate of 30% for the same period. Now you have to understand that we are a Company with roughly about Rs. 2,000 Crore turnover and all other companies that you are mentioning are in the range of about Rs. 1,500 to Rs. 1,600-odd Crore turnover. We are a Company, which is investing a lot behind geographies like Mumbai and UP and our investments in digital itself are roughly in the range of over Rs. 30-40 Crore. I wonder whether any other company is investing those kinds of money. Now you will agree with me that digital is where the future lies. It is a matter of time before which we will start seeing shareholder value creation happening out of digital. So the agenda of the Company is long-term sustainable shareholder value creation in a profitable manner.

Vikash Mantri: The only point here was the other players have also been investing and they have exhibited higher growth rates in both revenue and EBITDA compared to us. The trouble is that we have remained at 15% average EBITDA margins and investing whereas the other players have gone to higher level EBITDA margins and investing and they have ventured out into newer markets and stuff like that? Should I believe and assume that in the next few years we will continue to invest anything surplus that you generate above 15% EBITDA margin into newer opportunities for growth?

Rajiv Verma: On the contrary, most of these businesses behind which investments have been made are now reaching an inflection point. Like you have seen, we have invested behind Hindi and you are seeing the returns of that. Hindi business, which five years ago was losing money, contributes a little over Rs. 120 Crore of EBITDA today. So the investments which have gone behind businesses like Mumbai and Hindi will now start turning up even greater levels of profits; but for that, some amount of tailwinds are expected to come from Industry also.

Vikash Mantri: I agree that we have grown and made investments which have turned over in few cases and all, the point is now that you will start getting better margins from some of the investments that you made, you have made new investments like Burda and now the education business and something more that you will tell us in the near future, which means that we as a business are fine with 15% and ready to invest anything over and above that?

Rajiv Verma: As a Company, our goal is to take the EBITDA margins to anything north of 20% - 25%. As I said, the goal of the Company is profitable growth in most of the investments which we have made. Now these are reaching a turning point where they are all going to be throwing up free cash. To give you an example, Mint is an investment which was made, is now its reaching a point where it will start throwing up free cash.

Vikash Mantri: Should I say that until you achieve 20% you will not make any further investments or investment trajectory remains irrespective of where our margins are?

Vinay Mittal: Just to add to what Rajiv said, there is no set thing of above 20% or below 20%; however, more and more money will be in free cash flow than in investments going forward, so you will see bigger cash accruals as we are past that inflection point of more cash getting invested as opposed to getting generated. Unfortunately over the last three years we have had two economic cycles, which have affected the top-line of the media industry across categories, more so of English than regional.

Moderator: Thank you very much. Our next question is from Amit Kumar of Kotak Securities Limited. Please go ahead.

Amit Kumar: Is 19% rise in advertising and sales promotion on a Y-o-Y basis or Q-o-Q basis?

Vinay Mittal: The rise during the quarter was for both i.e. Y-o-Y as well as Q-o-Q.

Amit Kumar: What is the kind of negative realization that we are running in Mumbai; what has been the trend in some of the schemes that you are running for Rs 199 for one year etc.? Has that moved anywhere?

Vinay Mittal: The Rs.199 scheme has already moved to Rs.299 as of March 15. So that scheme has already started moving upward; and as Rajiv said earlier, circulation revenue will start contributing positively to ease the pressure on the topline.

Amit Kumar: At Rs.299, what is the kind of effective realization net of distribution cost that you have?

Vinay Mittal: I will have to come back to you on that.

Moderator: Thank you very much. Our next question is from Nikhil Pahawa of Medianama. Please go ahead.

Nikhil Pahawa: Could you give us some clarity on the performance of your joint venture with Velti for mobile marketing.

Vinay Mittal: Well, the joint venture with Velti for mobile marketing is doing well. It is one of the few businesses which is housed under the digital banner and has had a positive EBITDA. With respect to Velti we had revenue of about Rs.4 Crore this quarter and Rs.12 Crore for the year.

Nikhil Pahawa: Have we broken-even on Shine.com? Could you throw some light on that?

Vinay Mittal: Shine has not broken even as yet and if you notice our segmental performance, our digital business has a full year EBITDA loss of about Rs.40 Crore and a Q4 loss of about Rs 8 Cr, and shine forms majority of it. However, on all the softer parameters, Shine has started doing very well. We do enjoy a live database, which basically means antiquity of six months, which is running at about close to Rs.45 lakhs. The total database is about 85 lakhs and we expect the inflection point at a live database level of about 50 lakhs, when the revenue should start flowing in. Just like in print media, where readership is necessary first to get advertising, here also you need a critical mass of live database before revenue starts flowing in. So we do expect to see an upward trending line in the revenues of Shine over the next three to four months.

Nikhil Pahawa: Yes I just wanted to understand this because Shine also had a significant event component growth?

Vinay Mittal: Shine does not have a significant event composition at all. It is the radio business which has a bit of events and entertainment.

Nikhil Pahawa: But you have the job fairs as well?

Vinay Mittal: Yes, job fairs are a part of the business.

Nikhil Pahawa: Could you shed some light on the revenues that you are making on online advertising on livemint.com, or hindustantimes.com?

Vinay Mittal: We do not give separate numbers on this. However, it is not much because internet online advertising as such on the content piece is not that high.

Moderator: Thank you very much. Our next question is from Pranav Kshatriya of BRICS Securities. Please go ahead.

Pranav Kshatriya: You mentioned about some radio rates restructuring. Could you throw some light on that?

Vinay Mittal: We had taken a 50% increase on our rates for per 10 seconds because of our leadership position in Delhi as there was a lot of difference between the No.1 and No.2 players. So we kind of closed the gap and took a big hike; it took about close to two to three months for the advertisers to get used to that big hike. It has now settled and we hope to see some traction and better results from radio this year.

Moderator: Thank you very much. Our next question is from Mohan Lal of Elara Capital. Please go ahead.

Mohan Lal: Can you provide us a growth in ad spends from Delhi and Mumbai?

Vinay Mittal: In the English edition in Delhi, we had a negative ad revenue growth of about 7% in Q4 and in Mumbai we had ad revenue growth of about 11% in Q4

Mohan Lal: It seems to be quite sudden because in last three quarters we had very healthy growth in both these markets. So was there a one off or some big client deferment or how do you see this year?

Vinay Mittal: It is just because of underperformance of sectors like real estate, telecom and BFSI. However, on a Y-o-Y basis, Q4 last year was a very good quarter. So there is an element of base effect also.

Mohan Lal: If I see the Q3 numbers, we had an 11% growth and the base was Rs. 275 Crore whereas this time we have a base of Rs. 269 Crore base and we have a decline of about 3%. So could you explain as to what happened all of a sudden in the English business?

Vinay Mittal: The volumes in the market have certainly declined by about 7% - 8% but the fundamentals have not changed.

Mohan Lal: In Q3, we had registered a 9% growth in Delhi which is a mature market for us. There is no base effect there and suddenly we have a 7% decline. So how do you read this signal at least for FY13; is that a secular trend that we are now going to see because we will have high base for the next three quarters as well?

Vinay Mittal: We will have a high base but Q4 seemed to be a bit of an aberration and you may not see any spectacular growth in Delhi. We expect a flattish to a single digit growth to come through in Delhi. We have to take it quarter-by-quarter.

Mohan Lal: Has there been any rationalization of copies across any markets?

Vinay Mittal : There is been some rationalization which includes cutting down on wastage; i.e. copies that were unsold. Besides, as Amit also pointed out, a lot of effort has gone into pagination; all the expansion in Hindi has been funded out of pagination and simultaneously efforts are being made to take up the circulation revenue. Like I said, we have taken up the rates from about Rs. 199 to Rs. 299 for the packages in Mumbai starting end March. Similarly even in Jharkhand, the circulation rates have gone up.

Moderator: Thank you very much. Our next question is from the Rohit Dokania of Batlivala & Karani Securities. Please go ahead.

Rohit Dokania: What was the ad for equity revenue this quarter and for the full year?

Vinay Mittal: For this quarter it was about Rs.11 Crore and for the full year it was Rs.41 Crore.

Rohit Dokania: Can you please throw some light on the revamp in ad for equity?

Vinay Mittal: What we have really done out there is a) we have tried to match the revenue that we book in ad-for -equity with the liquidation , so that as a company we remain cash neutral. Hence for the whole year we have managed to generate literally Rs.42 Crore of cash. b) All the deals that have been done now are partly cash and partly in equity;

Rohit Dokania: Could you tell us the total newsprint consumed for the Company and for Hindi?

Vinay Mittal: The Company, consumed close to 178,000 tonnes on a consolidated basis and about 74,000 tonnes for Hindi during the year. .

Moderator: Thank you very much. Our next question is from Ritwik Rai of Kotak Securities. Please go ahead.

Ritwik Rai: Could you give me the growth that we have seen in FY12 in Delhi, Mumbai and Mint for full year?

Vinay Mittal: For the full year, we have seen an ad revenue growth of 18% in Mint, 15.5-16% in HT Mumbai and 6% in Delhi

Ritwik Rai: In the digital business I understand you expect to reduce losses. Could you provide some idea of how much one can expect in terms of reduction of losses in the coming year or two?

Vinay Mittal: We expect this business to grow quite dramatically after next three or four months. I would not like to give you a figure or indicate a particular number, but as I said, you should see improvement every quarter.

Ritwik Rai: If what you are planning does not work out as you are saying, can you provide us with some indication as to how long do we expect to continue this? Do we have an upper limit in mind in terms of losses and time investment?

Vinay Mittal: We plan to evaluate this business at the end of this year as we had revamped the products in July 2011. Since that revamp, we have had excellent traction in all softer parameters and as I told you, all these parameters like the live database, total database etc., have to first improve before revenues can start to flow in. We feel that there is a critical mass that is now coming through and we are confident of getting revenue. However, your point is valid; suppose it does not happen for whatever reason, certainly the Company is cognizant of it and we will re-evaluate all options every quarter.

Ritwik Rai: In the digital business, how much is attributable to Shine.com itself?

Vinay Mittal: Close to about 90% of it is attributable to Shine.com.

Moderator: Thank you very much. We will take the last question from the line of Bijal Shah of IIFL. Please go ahead.

Bijal Shah: As you said that probably March quarter was a bit of an aberration, can you tell us how has advertisement trend in Delhi been in the month of April and May? Are we flat still down or there is some growth?

Vinay Mittal: Till date we are flat and we hope to do a single digit growth in Delhi.

Bijal Shah: That is, on a very high base of 21% growth we continue to remain flat; so that would mean that overall profitability could improve very significantly as we get into Q1 of FY13?

Vinay Mittal: Yes we are pretty much hoping that.

Moderator: Thank you very much. I would now like to hand the conference back to the management for closing comments.

Vinay Mittal: Thank you once again everybody for attending this call and taking out the time. Just wanted to highlight a few things again to close the call; yes, Q4 has been very difficult with the slowdown in advertising and the rise in input costs, but I would just like to also talk about the brighter side where we have done well i.e. the IRS numbers validate our growth strategy , UP expansion is complete, which is the biggest market for Hindi advertising and we expect to monetize it going forward. Our digital businesses are showing good traction; as Rajiv pointed and we hope to see some value creation in this coming year. So, with a strong balance sheet with cash of about Rs.545 to Rs.550-odd Crore and our new businesses exhibiting strong fundamentals, I think we are well positioned to create shareholder value as the macro environment improves. Thank you.

Moderator: Thank you very much Sir. On behalf of JM Financial Institutional Securities Private Limited that concludes this conference call. Thank you for joining us.
