



# **HT MEDIA LIMITED**

**Results Presentation**

**Q1 FY2011**

**27 July 2010**

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# Management's Message



**Commenting on the performance for Q1 FY2011, Mrs. Shobhana Bhartia, Chairperson and Editorial Director, HT Media, said:**

*“We are encouraged by a strong start to FY2011. Our revenues have grown on the back of expanding readership base, strong product innovation and visible improvement in the advertising environment.*

*During the quarter, we have concluded a successful listing of our subsidiary Hindustan Media Ventures Limited reflecting the strong confidence of investors. Hindi business continued to showcase robust performance. Mint further consolidated its position with a successful launch in Ahmedabad and nearby regions. Other new businesses like Radio & Internet continued to gain traction and consolidate their position.*

*A strengthening macro environment combined with a focused approach across all our key businesses gives us the confidence in continued strong performance going forward.”*

# Q1 FY11 Performance Overview



(All comparisons with Q1 FY2010)

•**Total revenues** up 20% at Rs. 4,042 million primarily on account of:

- 22% increase in Advertising revenues of print segment at Rs. 3,286 million from Rs. 2,694 million driven by volume growth and improvement in price realization
- 6% increase in circulation revenues to Rs. 468 million from Rs. 444 million driven by higher circulation
- 39% increase in revenue from Radio business at Rs. 123 million from Rs. 88 million

•**EBITDA** increased to Rs. 857 million from Rs. 644 million; EBITDA margin expands to 21% from 19% owing to:

- Robust advertising revenue growth driven by pricing and volumes
- Lower newsprint prices and continuing impact of various cost optimization measures
- Increasing contribution from new businesses like Radio and Firefly e-Ventures

•**PAT** increased to Rs. 414 million from Rs. 287 million; PAT margin expands to 10% from 8% due to the reasons mentioned above

•**EPS** (non annualized) stood at Rs. 1.76

# Financial Performance



(Rs. in millions, except EPS data)

Particulars	Three months ended		
	30.06.2010 (Unaudited)	30.06.2009 (Unaudited)	Shift (%)
Net Sales / Income from operations	4,028	3,296	22%
Other Operating Income	14	70	-81%
<b>Total Revenue</b>	<b>4,042</b>	<b>3,366</b>	<b>20%</b>
Other income	58	66	-12%
<b>Total Income</b>	<b>4,100</b>	<b>3,432</b>	<b>19%</b>
(Increase)/Decrease in Inventory	(42)	(3)	
Consumption of Raw Materials	1,345	1,240	8%
Employees Cost	749	646	16%
Advertising and Sales Promotion	286	195	46%
Other Expenditure	905	710	28%
<b>Total Expenditure</b>	<b>3,243</b>	<b>2,788</b>	<b>16%</b>
<b>EBITDA</b>	<b>857</b>	<b>644</b>	<b>33%</b>
<b>Margin (%)</b>	<b>21%</b>	<b>19%</b>	
Depreciation	194	175	11%
Interest & finance charges	64	79	-19%
<b>Profit before tax</b>	<b>599</b>	<b>390</b>	<b>54%</b>
<b>Margin (%)</b>	<b>15%</b>	<b>11%</b>	
Tax Expense	197	110	79%
<b>Profit after tax</b>	<b>402</b>	<b>280</b>	<b>44%</b>
<b>Margin (%)</b>	<b>10%</b>	<b>8%</b>	
Minority interest - (Profit) / Loss	12	7	72%
<b>Net Income</b>	<b>414</b>	<b>287</b>	<b>44%</b>
<b>Margin (%)</b>	<b>10%</b>	<b>8%</b>	
<b>EPS (not annualized)</b>	<b>1.76</b>	<b>1.22</b>	



## **Successful Listing of Hindustan Media Ventures Limited (HMVL)**

- Issued 16.27 million shares at Rs. 166 per share; closing price on NSE as at July 27, 2010 - Rs. 185.4 per share
- Issue over subscribed 4.89 times; reflecting strong confidence of investor community
- Quality investor participation with QIB book getting oversubscribed 9.24 times
- Proceeds to be utilized for:
  - Setting up new publishing units to enter new markets
  - Upgrading existing plant and machinery in U.P., Bihar & Jharkhand
  - Prepayment of long term loans

## **Hindi business shows robust growth**

- 20% increase in revenues to Rs. 1,328 million from Rs. 1,104 million;
  - 24% increase in advertising revenues to Rs. 963 million from Rs. 779 million
  - 4% increase in circulation revenues to Rs. 323 million
- EBITDA of Rs. 332 million for the quarter reflecting EBITDA margin at 25%

## **Improved ad spend across segments enable healthy performance**

- Good traction received from higher circulation and readership, resulting in improved pricing
- Significant improvement in ad spend across sectors
- Advertisement revenues higher at Rs. 3,286 million; up 22% compared to Q1 FY2010

## **‘Mint’ consolidated its position with launch in Ahmedabad**

- Mint launched in Ahmedabad on July 13, 2010 marking its entry in Gujarat
- Ahmedabad became 6<sup>th</sup> printing location in addition to Delhi, Mumbai, Bangalore, Chennai & Kolkata
- Same printing location will cater to Gandhinagar, Baroda, Rajkot and Surat; further strengthening Mint’s presence in Western India



## **‘Shine.com’ registrations cross 5 million users**

- Users registration on Shine has crossed 5 million during the quarter reflecting strong user traction
- Momentum continues with daily addition of ~10,000 registrations; close to the run rate of industry peers
- Traction driven by its differentiated features including:
  - Site’s unique patented matching technology
  - World class design
  - Salary benchmarking utility
  - Anonymity protection tools

## **Radio maintains its growth momentum**

- ‘Fever 104’ registered 39% growth in its revenues; largely driven by higher volumes
- Positive EBITDA of Rs. 11 million for the quarter as compared to negative EBITDA of Rs. 14 million last year
- Consistent No. 2 in market share in Delhi; has become No. 1 in prime advertising TG (18-25 years old) in Delhi
- Maintained its No. 3 position in Bengaluru while consolidating its presence in Mumbai

# Way Forward



HT Media's business outlook continues to be strong on the back of:

- Increasing ad spends resulting from an improving macro environment
- Strong balance sheet (Net Debt to Equity ratio of 7%, Net debt of Rs. 700 million and net fixed assets of Rs. 8,605 million) capable of supporting investments in growing businesses as well as exploring new opportunities
- Increasing returns in new businesses like Radio, Burda JV and 'Mint' to contribute towards revenue growth and improved profitability
- Continuing investments in the digital space to build new long term growth engines

# About Us



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, through a subsidiary) and 'Mint' (business daily). 'Hindustan Times' was started in 1924 and has a more than 85-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). 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. In addition, 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 through its subsidiary Hindustan Media Ventures Limited.



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