



# हिन्दुस्तान

**Hindustan Media Ventures Ltd.**

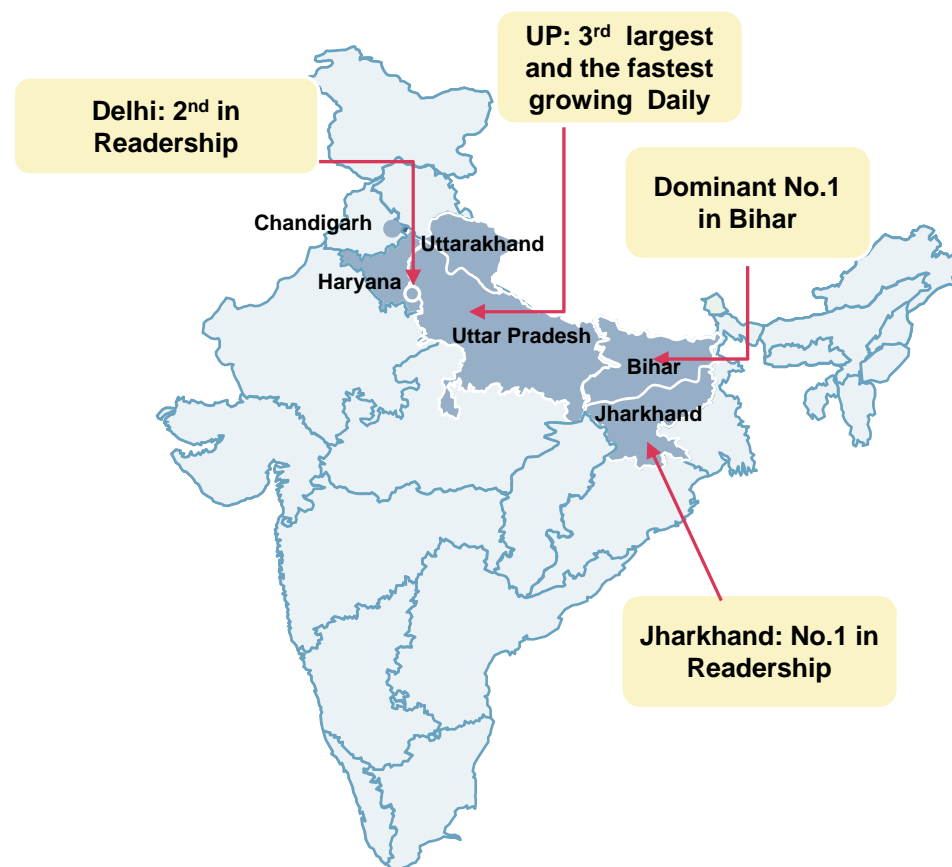
## Investor Presentation

June 2013

# HMVL – A Strong Presence in the Hindi Speaking Markets

- **Hindustan – the second largest daily** \* newspaper in India
  - Average daily readership of 12.25 million readers
  - Overtaken DB to become second largest newspaper in India in terms of total readership
  - Fastest growing Hindi daily newspaper, readership growth of 40%\*\* between 2008 and 2013
- Large player in key Hindi markets that cover ~38% of India's population
  - **Dominant #1 in Bihar**, a rapidly growing state
  - **Emerging leader in UP/UK**, the largest Hindi market
  - **Strong position in Delhi NCR**, largest print market
- Robust growth and profitability
  - FY13 Income: Rs 6,647 Mn , EBITDA: Rs 1,410 Mn
  - FY13 EBITDA margin: 21%, PAT margin:13%

**#1 Player in Bihar & Jharkhand, #2 Player in Delhi and #3 Player in UP**



\* Basis Total Readership (IRS Q4 2012)

\*\*Growth as per IRS Q4 2012 over IRS R1 2008

**Fastest growing newspaper in India**

# Total Readership

Gained No. 2 Position

Readership Ranking	
2007	2011
1	1
2	2
3	3
4	4
5	5
6	6

Source: IRS

Only brand on continuous growth path

	R2 2008	R2 2009	Q4 2010	Q4 2011	Q4 2012
AHD	1,300	1,332	1,361	1,402	1,424
Dainik Jagran	557	548	545	559	565
Hindustan	266	279	351	382	391
Dainik Bhaskar	338	330	339	353	350
Amar Ujala	294	291	296	297	301

Source: Total Readership data by IRS ; Readership in Lakhs

Hindustan overtakes Dainik Bhaskar to become second largest newspaper in country

# Average Issue Readership

***Hindustan continues to grow in AIR even as 3 out of the top 4 declined.***

## ***AIR***

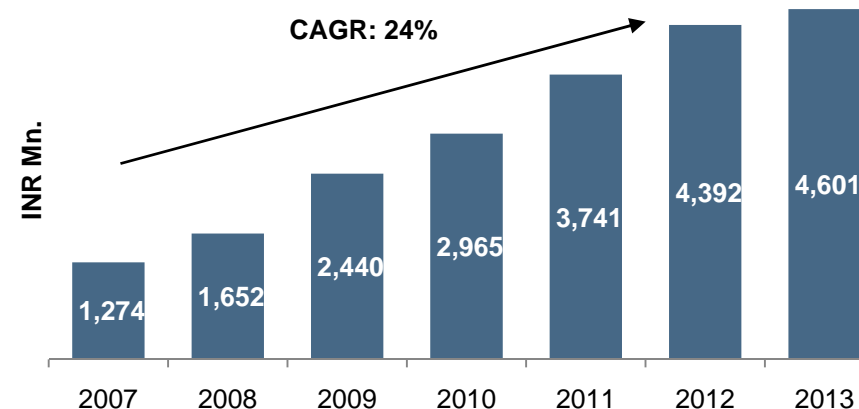
Publication	11 Q3	11 Q4	12 Q1	12 Q2	12 Q3	12Q4	Growth vs 11 Q4
AHD	634.6	635.3	637.1	636.8	644.1	645.0	1.5%
Dainik Jagran	164.6	164.1	164.1	164.3	164.8	163.7	-0.3%
Dainik Bhaskar	148.8	146.0	145.5	144.5	144.9	144.2	-1.3%
Hindustan	120.3	120.5	121.6	122.0	122.4	122.5	1.7%
Amar Ujala	88.3	88.4	86.9	86.1	85.4	84.3	-4.7%
Rajasthan Patrika	69.2	68.4	68.0	67.5	68.1	68.4	0%
Punjab Kesari	33.2	33.3	33.8	33.5	33.6	33.2	0%
Prabhat Khabar	20.6	21.9	24.4	26.2	27.6	28.6	31%

*Source: IRS  
Figures in Lakhs*

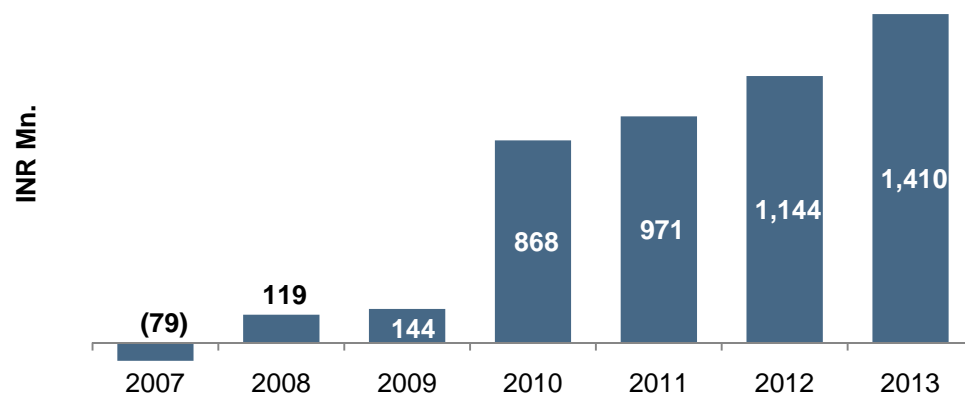
# A track record of strong financial performance

- Strong revenue growth:
  - Ad revenue CAGR – 24%
  - Total revenue CAGR – 20%

## Advertising Revenue Growth

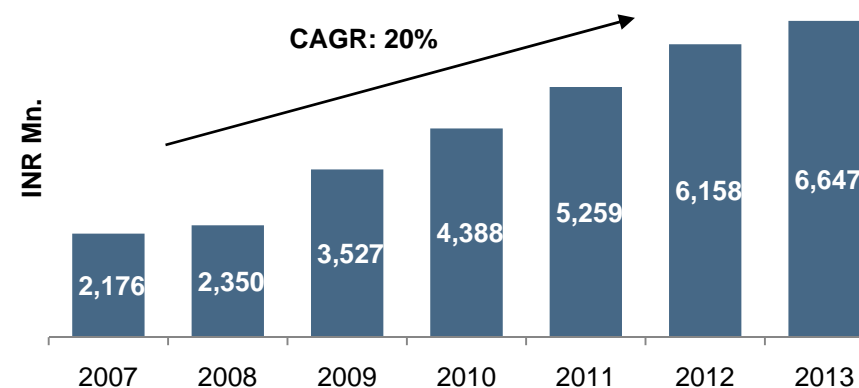


## EBITDA \*



EBITDA %	2007	2008	2009	2010	2011	2012	2013
	-4%	4%	4%	20%	18%	19%	21%

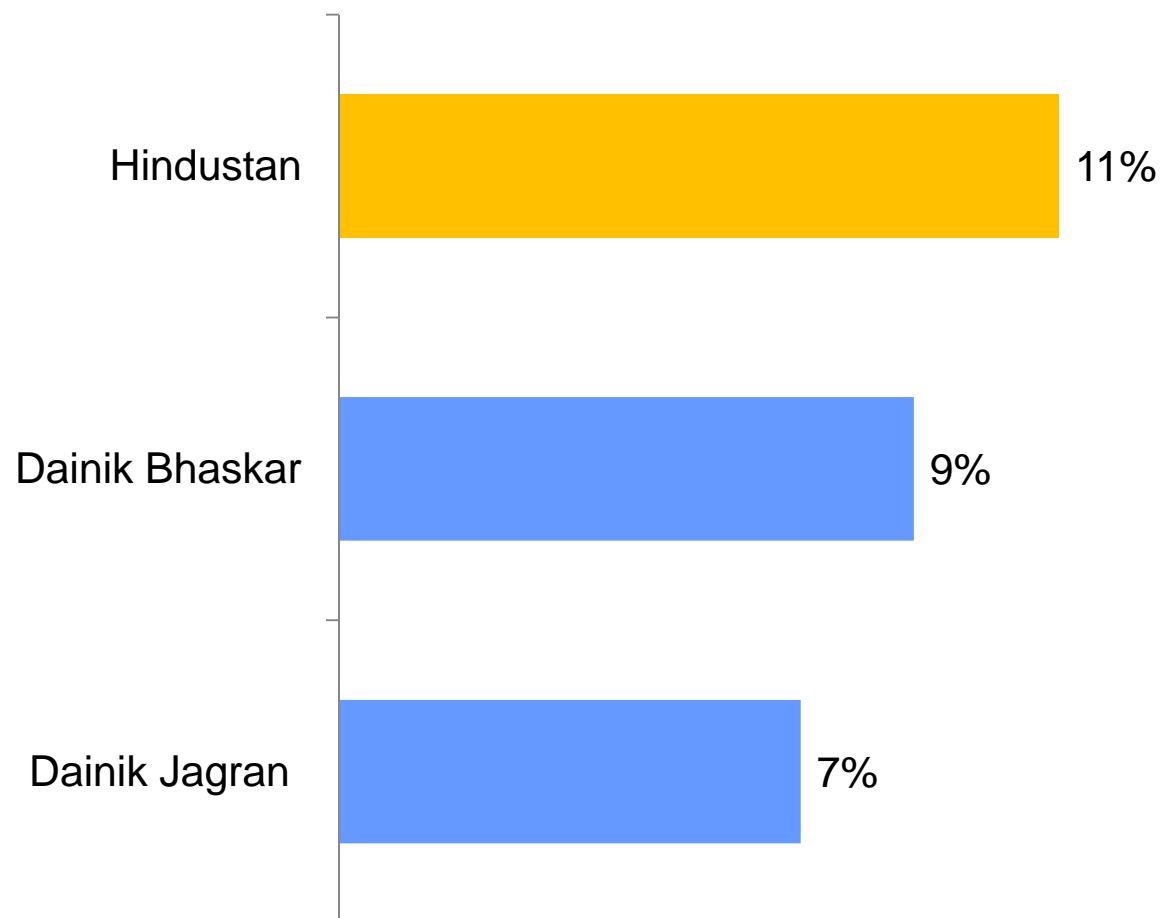
## Total Revenue Growth



# Hindustan has delivered highest Advertising Revenue Growth amongst its Peers

Advertising Revenue

*CAGR % (FY '11 to FY '13)*

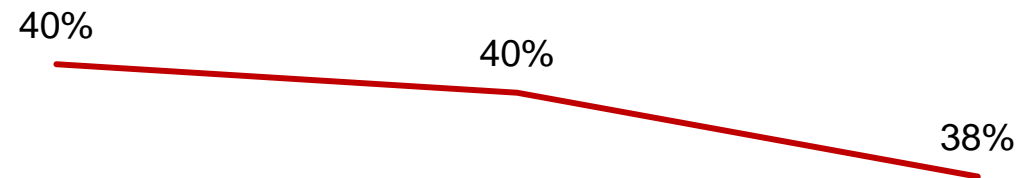


# The Operating Leverage will now come through as investment in copies stabilizes

Operating  
EBITDA Margin



Newsprint Cost  
as % of  
Revenue



FY '11

FY '12

FY '13

Daily  
Circulation  
(Mn)

2.02

2.20

2.35

Realization  
Per Copy  
(Rs.)

1.70

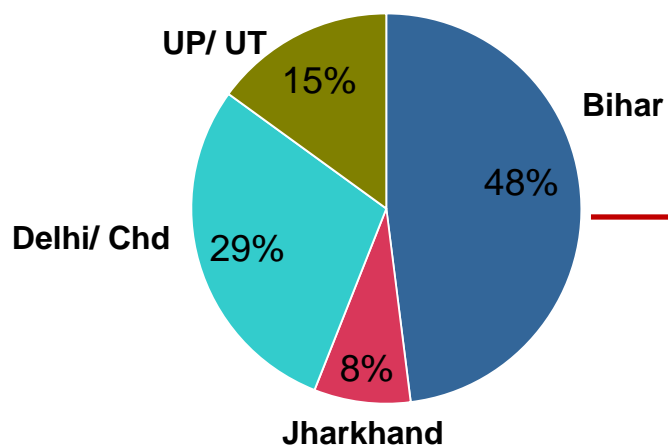
1.71

1.84

# A Well Balanced Revenue Mix

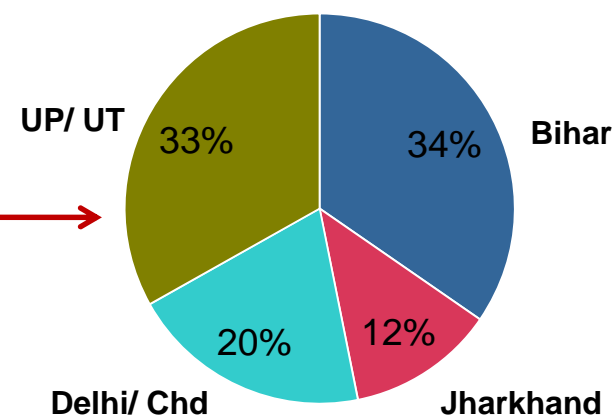
Balanced Revenue Pie, a result of the explosive growth in UP/UT

Ad revenue mix by Markets for FY '07



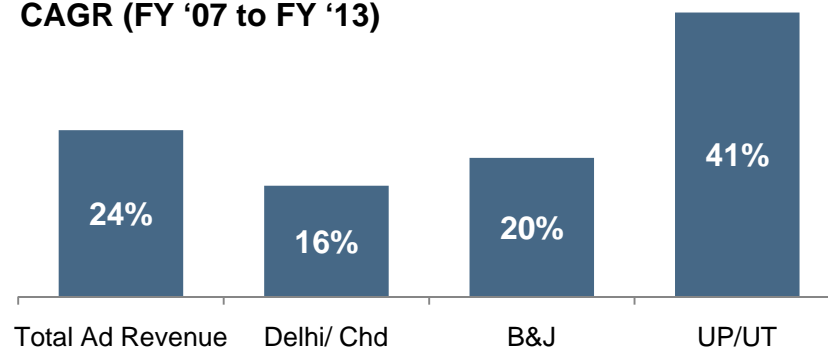
41% Ad Revenue CAGR in UP/UT

Ad revenue mix by Markets for FY '13



High Growth in UP/UT

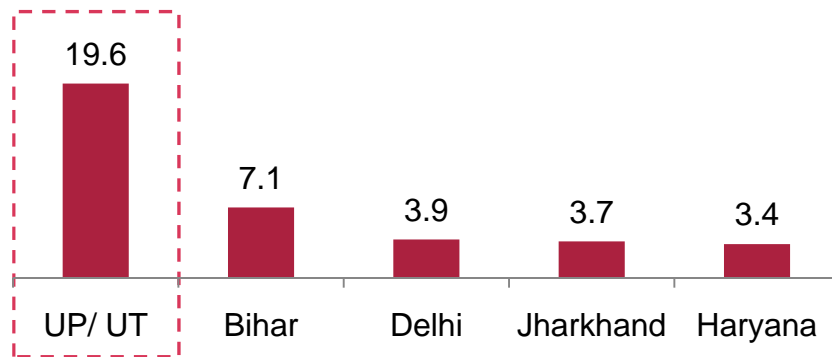
Ad Revenue CAGR (FY '07 to FY '13)





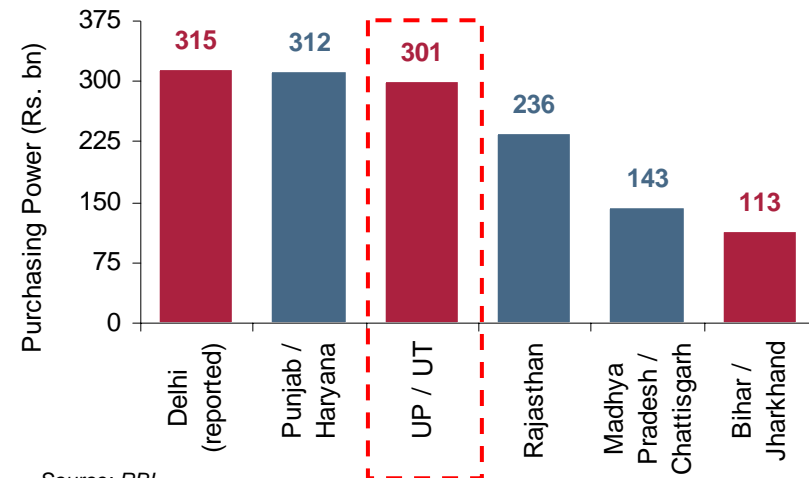
# Uttar Pradesh (UP) and Uttarakhand (UT) – The Largest Language Print Market

## UP / UT - largest print readership



Any Hindi Daily Readership, IRS Q4 2012; in Millions

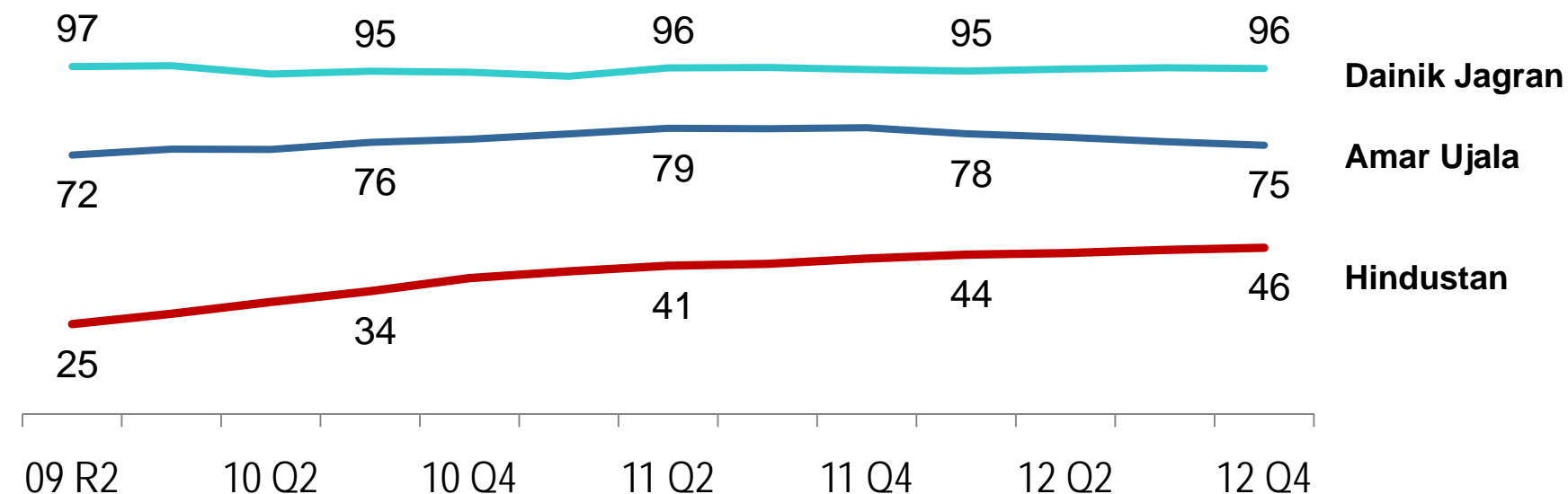
## UP/UT - high purchasing power



Source: RBI

- UP/ UT has the largest Hindi speaking population in India
- UP / UT is the largest Regional print market

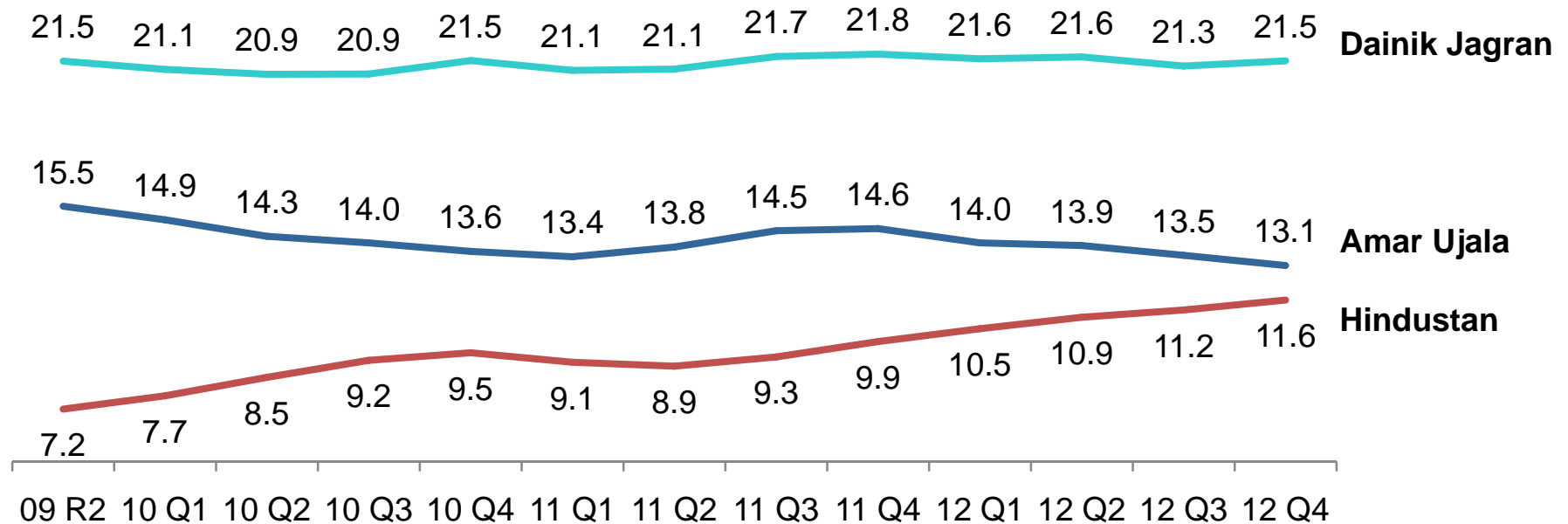
# Hindustan is the Fastest Growing Daily in UP and Uttarakhand



Source: IRS  
Figures in 'Lakhs

- Aligarh & Moradabad yet to be reflected in current readership
- Readership expected to cross 50 Lakhs in subsequent rounds

# Hindustan now at 90% of AU readership for Top 10 towns of UP and Uttarakhand



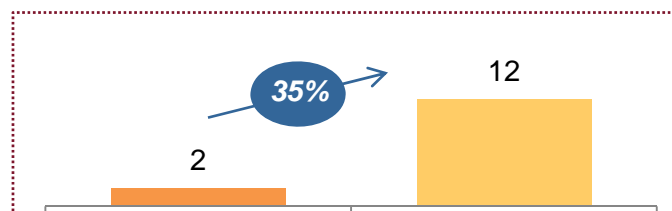
- Readership in Top 10 towns a key factor influencing decision to advertise
- Approx. 60% of advertising resides in Top 10 towns

Source: IRS  
Figures in Lakhs

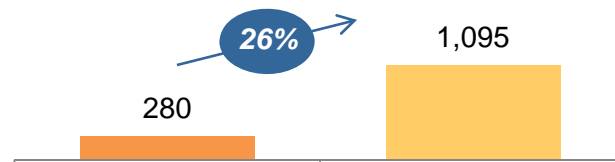
# Hindustan – An Emerging Leader in UP / UK

2007 2013 *Progress made by Hindustan*

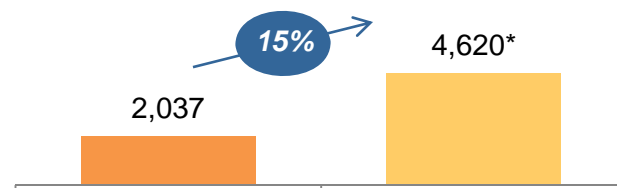
# of Editions



Circulation ('000)



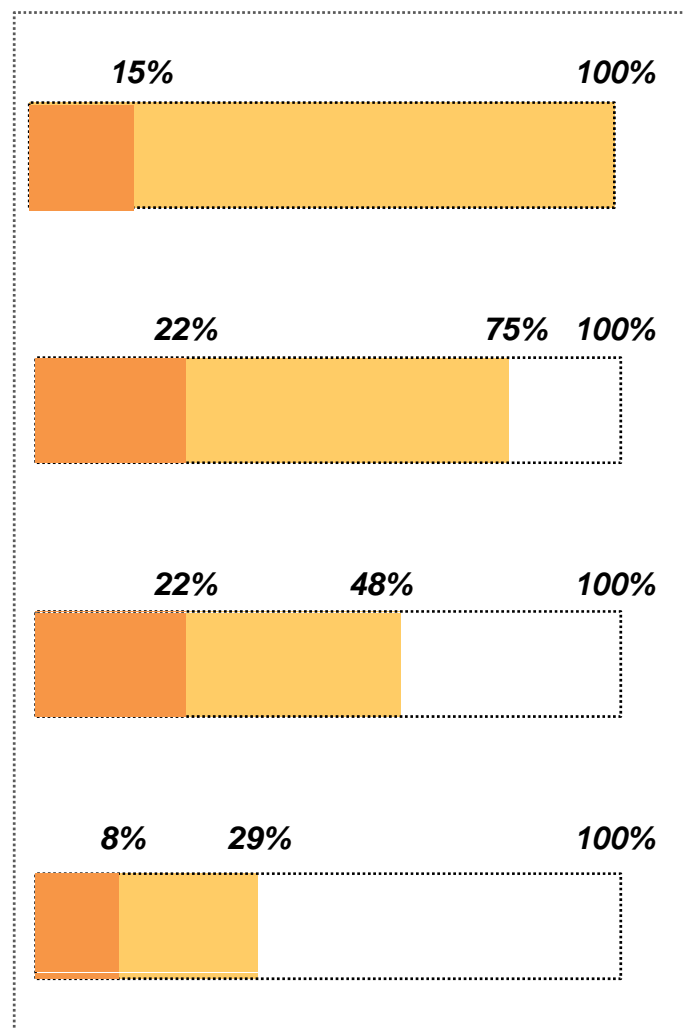
Readership ('000)



Ad Revenues

41% CAGR  
(FY '07 to FY '13)

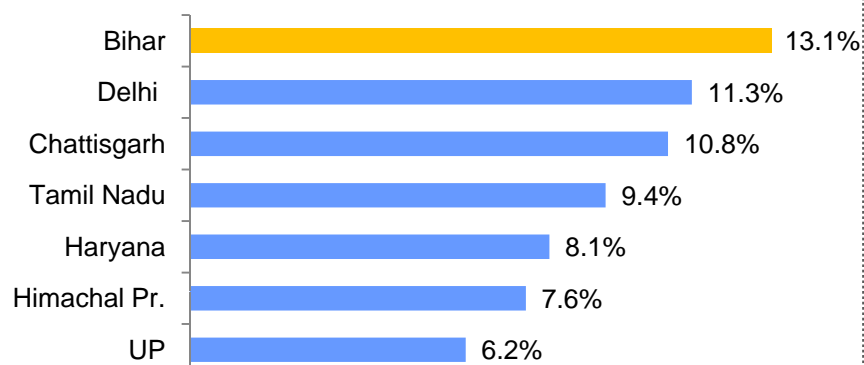
% of Leader



# Bihar & Jharkhand – Poised for Accelerated Growth

## High economic growth in Bihar/Jharkhand

2011-12 GSDP Growth% at 2004-05 Prices: Top 7 states



Source: Ministry of Statistics and Program Implementation (MOSPI).

### Bihar on the growth path of development: Nitish

*The Hindu: Patna, November 24, 2012*



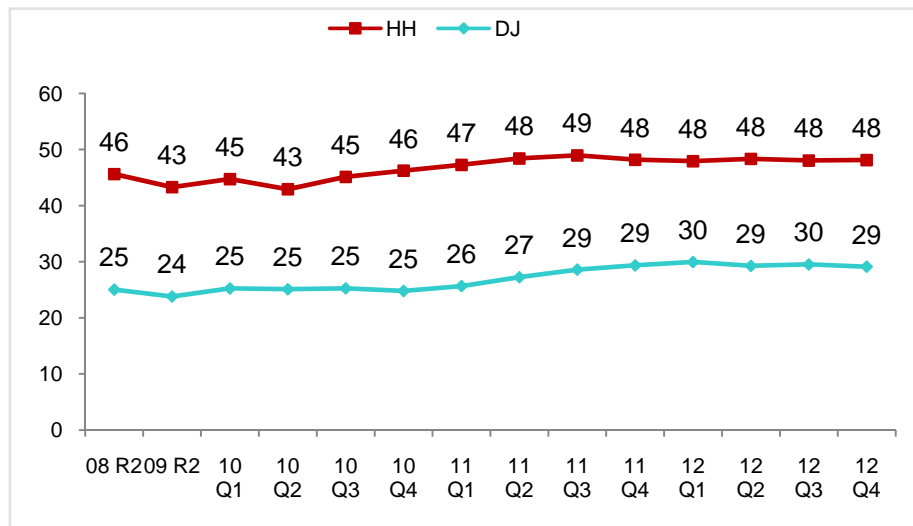
**Patna:** With setting up of 35 km of roads daily, “better than scenic Goa”, Bihar is making faster strides on the path of development, Chief Minister Nitish Kumar said on Saturday. “The Bihar model of development is fast catching up the imagination of other states and also by foreign countries,” Mr. Kumar said at a function after release of annual report card 2012.

Stating that Bihar, earlier rated as a “laggard state”, is fast moving on the path of development, Mr. Kumar said significant steps have been taken in all the sectors.

- Bihar/ Jharkhand growing rapidly, led by progressive political leadership and renewed development focus
- Rising literacy and disposable income indicate huge growth upside
- Hindustan poised to grow rapidly owing to its dominant position and high quality of readership

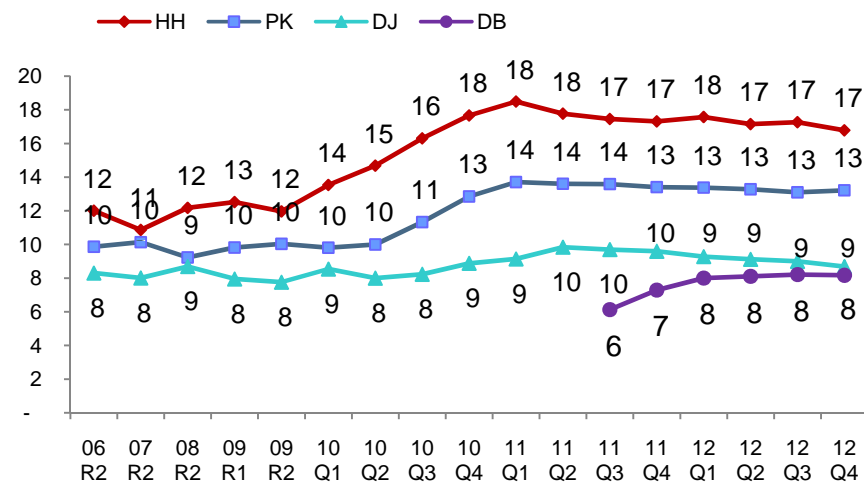
# Dominant Presence in Bihar & Jharkhand

#1 Player in Bihar



Source: IRS, AIR in Lakhs

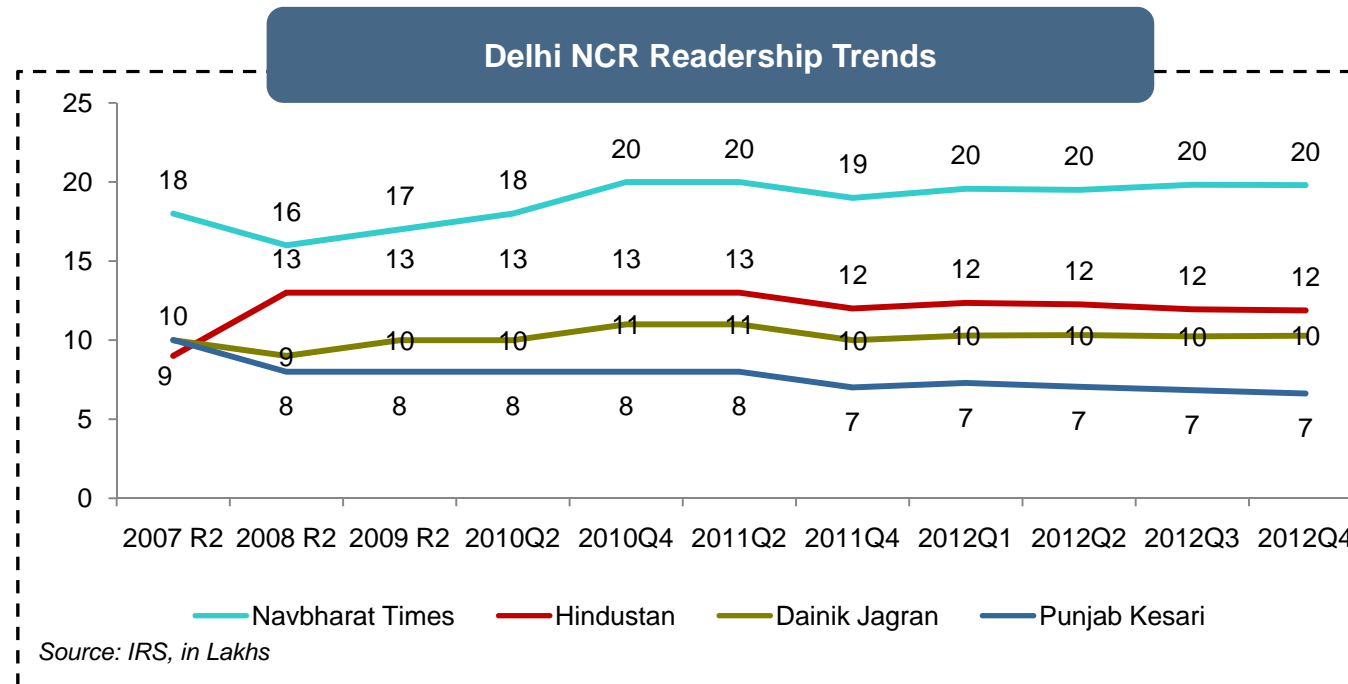
#1 Player in Jharkhand



Source: IRS, AIR in 'Lakhs

- Hindustan, a cult brand in Bihar & Jharkhand. Enjoys pole position for last 25 years
- Continuous strengthening of leadership ;
  - Increased customization and localization
  - Focused expansion of distribution network and news gathering system
  - Continuous investment in upgrading and enhancing printing facilities

## Number 2 position of Hindustan in Delhi NCR



- Hindustan is the #2 Hindi player in Delhi with a readership base of over Ten Lakhs
- Combination packages of 'Hindustan' and 'Hindustan Times' gives a unique opportunity to rapidly scale-up the readership base in Delhi
- Highly valued reader franchise, 6 year Ad revenue CAGR of 16%

# Key Pillars of Growth of Hindustan



## Content

- ❑ Consumer Insights driving Product construct and News Mix
- ❑ Quality of news gathering at hyperlocal level

## Innovation

- ❑ Focus on innovations in areas of product, news gathering and content dispersion

## Talent

- ❑ High quality talent, on business and editorial side

## Synergy

- ❑ Leveraging synergy with Hindustan Times across circulation, ad sales and supply chain



# Contemporary and Informative Design

**Earlier**

Fixed Do Took

S/c Ad Saturates 1st column

Anchor Without Branding



**Now**

Bolder Left aligned Mast

News You Can Use



Differentiator: Regular caricature

Tarakki Story

New Nazaria stand alone story

# A First – A Youth Paper, Yuva

- **Copy Investment in Patna through low cost Yuva, priced @ Rs 2 ( initially Rs 1)**
- **Improved readership among Youth & expand the market**
- **Helped flank competition**
- **PO growth**
  - **At 30000 copies**



# Strong Supplements building Readership



***Education supplement  
Distributed on Wednesday  
TG – XI to UG***



***Woman supplement  
Distributed on Saturday  
TG – Female, 16 to 39 yrs***



***Entertainment supplement  
Distributed on Sunday***

# Distinctive Marketing Initiatives strengthening brand in UP

**आओ**  
**राजनीति करें**  
विधान सभा चुनाव, 2012



*Our 6-month five phase campaign urging people to actively participate in every aspect of the electoral process*

*300+ on-ground events*

*~60,000 Facebook Fans*

## **ACHIEVEMENTS:**

*1 Cr+ fresh voter registrations: Acknowledged by Election Commission (Only Media actively campaigning during the timeframe)*

*Increased voter turnout in every region*



# Successfully Implemented Various Public Issue Campaigns

## Agra - “Kyo Batti Gul ?”



- Power cuts a major concern throughout the year
- 3 weeks campaign organized to raise awareness using all communication channels: synthesized 26,000 consumer complaints
- Impact: 5 key promises made by the power company including 24 hours power supply

## “Hello Hindustan”



- Platform to resolve day to day issues of the people of Aligarh/ Meerut
- Initiated a call service for public grievance, investigation conducted by the editorial team
- Received more than 34,000 calls in 6months
- Impact - Roads repaired, public parks restored, drained cleaned

## A Train For Bulandshahr



- Demand for rail connectivity to Bulandshahr raised 60 years ago; promised 15 years ago
- Hindustan published articles to capture Railway Ministry's attention
- Impact: Railway Budget 2013 announced a new rail line from Bulandshahr to Chola

# To sum... Hindustan poised for continued aggressive growth

	<u>Market Opportunity</u>	<u>Hindustan's Strengths</u>	<u>Impact on Business</u>
<b>Bihar &amp; Jharkhand</b>	<ul style="list-style-type: none"> <li>→ Rapidly transforming state</li> <li>→ High GDP growth</li> <li>→ Under monetized</li> </ul>	<ul style="list-style-type: none"> <li>→ Hindustan, a Cult brand</li> <li>→ Dominant readership share</li> </ul>	<ul style="list-style-type: none"> <li>→ Accelerated Ad revenue growth</li> <li>→ Boost in profitability</li> </ul>
<b>UP &amp; UK</b>	<ul style="list-style-type: none"> <li>→ Largest market for regional print</li> <li>→ Growing Ad revenues</li> <li>→ Limited competitive activity</li> </ul>	<ul style="list-style-type: none"> <li>→ 3<sup>rd</sup> Largest , Fastest growing daily</li> <li>→ Rapid Expansion - 6 new factories and 0.6 mn copies in past 6 years</li> <li>→ Ad revenue CAGR of 41% in last 6 years</li> </ul>	<ul style="list-style-type: none"> <li>→ Growth in Readership</li> <li>→ Explosive Ad revenue growth</li> <li>→ Operating leverage to kick-in, radically improve profitability</li> </ul>
<b>Delhi NCR</b>	<ul style="list-style-type: none"> <li>→ Largest Ad market for Print</li> <li>→ Growing Hindi literate population</li> <li>→ Hindi Daily Readership higher than English</li> </ul>	<ul style="list-style-type: none"> <li>→ 2<sup>nd</sup> largest readership</li> <li>→ Strong brand, profitable business operations</li> <li>→ HT Media leverage, a source of sustainable securitized position</li> </ul>	<ul style="list-style-type: none"> <li>→ Increasing share in the largest Adex pie</li> <li>→ Continued high Ad revenue growth</li> <li>→ Improved business profitability</li> </ul>

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***Thank You***