

## **EARNINGS RELEASE FOR Q3FY15**

### **Strong Revenues and Operating Profit Growth in Dainik Jagran (DJ)**

**DJ Revenues grew by 8.6% and Operating Profits by 18.9%**

**DJ Operating Margin stands at 35.7%**

**Consolidated Operating Profit up by 20.6% to Rs 132.48 crores;**

**Consolidated Profit Before Tax up by 12.4% to Rs 99.05 crores;**

**New Delhi, January 29, 2015;** Jagran Prakashan Limited (JPL) (BSE SCRIP ID: 532705; NSE SYMBOL: JAGRAN), publishers of '**Dainik Jagran**', India's largest read newspaper (Source: Indian Readership Survey 2012 – Quarter 4), has reported consolidated operating revenues of Rs 470.46 crores, Operating Profit of Rs 132.48 crores, Profit Before Tax (PBT) of Rs 99.05 crores and Net Profit (PAT) of Rs 66.62 crores for Q3FY15.

The company has entered into a share purchase agreement with the owners of Music Broadcast Private Limited for acquisition of the said company and its radio business, which is subject to the approval of Ministry of Information and Broadcasting. Application for such approval has been made. Acquisition of fellow subsidiary of Music Broadcast Private Limited namely Crystal Sound and Music Private Limited which is in radio related activation business is integral to the said acquisition. In terms of the agreement, the company has deposited the agreed enterprise value in Escrow account with the bank.

Music Broadcast Private Limited operates 20 radio stations across the country under the brand name Radio City (91.1 FM) and 14 internet radio stations under the brand name PlanetRadiocity.com. Radio city is a leading FM radio network of the country, ranked number 1 in cities of Mumbai, Bangalore & Lucknow and present in major cities currently relevant for the industry.

Commenting on the performance of the company for the quarter ended 31<sup>st</sup> December 2014, **Mr. Mahendra Mohan Gupta, Chairman and Managing Director, JPL** said,

“We are happy to present the results for the quarter just ended which witnessed highest ever operating profit coupled with significant improvement in operating margin. Dainik Jagran and Midday deserve special mention as these brands performed outstandingly. Even if there is an improvement in overall economy and business sentiments, it will take some time before it gets translated into higher advertisement spend.

I am also happy to announce the company’s foray into FM Radio industry by acquiring a leading brand of the country Radio City. Radio City has high operating margin of over 30% and is poised to exponential growth with improving margins. I am confident that it will be value accretive for the stakeholders.”

## FINANCIAL HIGHLIGHTS

### Consolidated

#### **Q3FY15 (all comparisons with Q3FY14)**

- Operating Revenues at Rs 470.46 crores, up by 3.6% from Rs 453.92 crores.
- Advertisement Revenues at Rs 338.35 crores, up by 5.60% from Rs 320.42 crores.
- Circulation Revenues at Rs 100 crores, up by 8.2% from Rs 92.40 crores.
- Other Operating Revenues at Rs 32.10 crores down by 21.9% primarily due to lower revenue of outdoor advertising and activation/event business.
- Operating Profit at Rs 132.48 crores, up by 20.6% from Rs 109.88 crores.
- Depreciation at Rs 26.56 crores, up by 34.3% from 19.77.
- PBT at Rs 99.05 crores, up by 12.4% from Rs 88.13 crores.\*
- PAT at Rs 66.62 crores as against Rs 67.69 crores.\*\*
- EPS (non-annualized) of Rs 2.14 as against Rs 2.14.

\* After charging additional depreciation of Rs 6.29 crores as a result of increased rate of depreciation w.e.f. 01.04.2014 as per new Companies Act.

\*\* After tax of Rs 32.31 crores i.e. 32.6% in Q3FY15 as against Rs 20.44 crores i.e. 23.2% in Q3FY14. Effective tax rate in Q3FY14 was lower due to benefit of accumulated losses of Naidunia print business.

#### **9MFY15 (all comparisons with 9MFY14)**

- Operating Revenues at Rs 1347.02 crores, up by 5.3% from Rs 1278.59 crores.
- Advertisement Revenues at Rs 954.17 crores, up by 6.68% from Rs 894.40 crores.
- Circulation Revenues at Rs 292.15 crores, up by 9.6% from Rs 266.51 crores.
- Other Operating Revenues at Rs 100.70 crores down by 14.4% primarily due to lower revenue of outdoor advertising and activation/event business.
- Operating Profit at Rs 345.76 crores, up by 13.9% from Rs 303.65 crores.
- Depreciation at Rs 74.87crores, up by 31.6% from 56.88 crores
- PBT at Rs 262.34 crores, up by 17.6% from Rs 223.13 crores.\*
- PAT at Rs 178.30 crores, up by 4.22% from Rs 171.08 crores.\*\*
- EPS (non-annualized) of Rs 5.73, up by 5.9% from Rs 5.41.

\* After charging additional depreciation of Rs 16.11 crores as a result of increased rate of depreciation w.e.f. 01.04.2014 as per new Companies Act.

\*\* After tax of Rs 83.92 crores i.e.32% in 9MFY15 as against Rs 52.05 crores i.e. 19.8% in 9MFY14. Effective tax rate in 9MFY14 was lower due to benefit of accumulated losses of Naidunia print business.

## **Stand Alone**

### **Q3FY15 (all comparisons with Q3FY14)**

- Operating Revenues at Rs 440.63 crores, up by 3.1% from Rs 427.44 crores.
- Advertisement Revenues at Rs 314.13 crores, up by 4.7% from Rs 300.04 crores.
- Circulation Revenues at Rs 94.24 crores, up by 9.4% from Rs 86.11 crores.
- Other Operating Revenues at Rs 32.26 crores down by 21.9% primarily due to lower revenue of outdoor advertising and activation/event business.
- Operating Profit at Rs 126.14 crores, up by 15.7% from Rs 108.99 crores.
- Depreciation at Rs 24.46 crores, up by 33.1% from Rs 18.38 crores.
- PBT at Rs 94.78 crores, up by 6.5% from Rs 89.01 crores.
- PAT at Rs 61.90 crores as against Rs 68.57 crores.
- EPS (non-annualized) of Rs 1.89 as against Rs 2.07.
- \* **After charging additional depreciation of Rs 5.88 crores as a result of increased rate of depreciation w.e.f. 01.04.2014 as per new Companies Act.**
- \*\* **After tax of Rs 32.88 crores i.e. 34.7% in Q3FY15 as against Rs 20.45 crores i.e. 23% in Q3FY14. Effective tax rate in Q3FY14 was lower due to benefit of accumulated losses of Naidunia print business.**

### **9MFY15 (all comparisons with 9MFY14)**

- Operating Revenues at Rs 1264.54 crores, up by 5.6% from Rs 1197.52 crores.
- Advertisement Revenues at Rs 888.71 crores, up by 6.9% from Rs 831.60 crores.
- Circulation Revenues at Rs 274.63 crores, up by 10.7% from Rs 248.12 crores.
- Other Operating Revenues at Rs 101.20 crores down by 14.1% primarily due to lower revenue of outdoor advertising and activation/event business.
- Operating Profit at Rs 335.32 crores, up by 11.3% from Rs 301.36 crores.
- Depreciation at Rs 68.56 crores, up by 30.8% from 52.42.
- PBT at Rs 258.85 crores, up by 14% from Rs 227.07 crores.
- PAT at Rs 173.86 crores as against Rs 174.87 crores.
- EPS (non-annualized) of Rs 5.32, up by 1% from Rs 5.27.
- \* **After charging additional depreciation of Rs 14.81 crores as a result of increased rate of depreciation w.e.f. 01.04.2014 as per new Companies Act.**
- \*\* **After tax of Rs 84.99 crores i.e. 32.8% in 9MFY15 as against Rs 52.20 crores i.e. 23% in 9MFY14. Effective tax rate in 9MFY14 was lower due to benefit of accumulated losses of Naidunia print business.**

**Operating Revenue and Operating Profit from major businesses:**

		Rs. in Crores		
		Q3FY2015	Q2FY2015	Q3FY2014
<b>Dainik Jagran</b>				
	Operating Revenue	361.12	336.00	332.53
	Operating Profit	129.12	110.30	108.62
	Operating margin%	<b>35.7%</b>	<b>32.8%</b>	<b>32.7%</b>
<b>Other publications</b>				
(Naidunia, Midday, I-Next, City Plus, Punjabi Jagran, Josh & Sakhi)	Operating Revenue	87.48	76.73	88.95
	Operating Profit	7.20	-2.36	1.85
	Operating margin%	<b>8.2%</b>	<b>-3.1%</b>	<b>2.1%</b>
<b>Outdoor &amp; Event</b>				
	Operating Revenue	21.61	22.09	32.89
	Operating Profit	-1.67	-1.60	0.83
	Operating margin%	<b>-7.7%</b>	<b>-7.3%</b>	<b>2.5%</b>

Note: Reduction in losses of other publications was achieved in all cases except City Plus primarily due to improved per copy realization and continued control over cost.

**Financial performance of combined business (i.e. radio and activation) as reported by Music Broadcast Private Limited:**

Rs. In crores						
Combined Profit & Loss Account (Unaudited)						
	Q3FY2015	Q3FY2014	Growth	Total YTD Dec 14	Total YTD Dec 13	Growth
Revenue	58.69	42.53	38.0%	155.84	115.86	34.5%
Expenses	37.07	30.54	21.4%	107.36	88.90	20.8%
<b>Operating Profit</b>	<b>21.61</b>	<b>11.98</b>	<b>80.4%</b>	<b>48.49</b>	<b>26.97</b>	<b>79.8%</b>
Depreciation	3.94	3.69	6.6%	11.77	11.47	2.7%
Interest	0.58	1.43	-59.0%	2.17	4.32	-49.7%
<b>Profit Before Tax</b>	<b>17.09</b>	<b>6.86</b>	<b>149.0%</b>	<b>34.54</b>	<b>11.18</b>	<b>208.9%</b>
Tax	0.00	0.00	0.0%	0.00	0.00	0.0%
<b>Profit After Tax</b>	<b>17.09</b>	<b>6.86</b>	<b>149.0%</b>	<b>34.54</b>	<b>11.18</b>	<b>208.9%</b>
<b>Cash Profit</b>	<b>21.03</b>	<b>10.56</b>	<b>99.2%</b>	<b>46.32</b>	<b>22.65</b>	<b>104.5%</b>
<b>Operating Profit Margin</b>	<b>36.8%</b>	<b>28.2%</b>	<b>30.7%</b>	<b>31.1%</b>	<b>23.3%</b>	<b>33.7%</b>
<b>Net Profit Margin</b>	<b>29.1%</b>	<b>16.1%</b>	<b>80.5%</b>	<b>22.2%</b>	<b>9.6%</b>	<b>129.6%</b>
<b>Cash Profit Margin</b>	<b>35.8%</b>	<b>24.8%</b>	<b>44.3%</b>	<b>29.7%</b>	<b>19.5%</b>	<b>52.0%</b>

## **OPERATIONAL HIGHLIGHTS OF Q3FY15 (ALL COMPARISONS WITH Q3FY14)**

In terms of total readership, **Dainik Jagran** has the **largest number of premium NCCS A readers** in the country (more than any English or language publication). The leadership position in catering to this premiere audience increases Dainik Jagran's ability to charge a premium for its space in the future.

As per IRS 2012 -Q4 survey, Dainik Jagran continues to hold its No.1 position in Dehradun, 2<sup>nd</sup> position in Haryana and remain No.3 Hindi newspaper of New Delhi.

Majority of other major publications too are progressing satisfactorily and have reduced their losses considerably in-spite of tough market conditions.

All publication brands including Dainik Jagran continued to improve per copy realisation which helped record highest growth in profits in spite of economy still to support advertisement spend.

Digital business continues to grow from strength to strength. Jagran sites in December 2014 were ranked No.32 by COMSCORE amongst all internet sites in India, with 30 million unique users (Google Analytics). Mobile traffic contributes to 35% of the overall traffic to Jagran Sites. The company's news and education portals are ranked by COMSCORE No.1 in their respective domains. In News & Information companies, Jagran sites are placed at No.5.

Digital advertisement revenue grew by 35%.

### **Awards and Recognitions**

DainikJagran awarded 1<sup>st</sup> Place (THE BEST COLOUR NEWSPAPER) in SANAT-2014 international competition at Sochi, Russia. Competition was with the newspapers printed on KBA, Man Roland, Goss and others.

## About Jagran Prakashan Limited

Jagran Prakashan Limited is a leading media house of India with interests spanning across newspapers, magazines, outdoor advertising, promotional marketing, event management, on ground activities and digital businesses.

The Group publishes 12 newspaper brands from 36 different printing facilities across 15 states in 5 different languages. With a total readership (TR) of 68.01 million for all its publication brands. **The Group is the largest print media group of the country.** (Source: IRS 2012 Q4).

Established in 1942, the Group's flagship brand **Dainik Jagran** is the brainchild of the Freedom fighter, Late Shri Puran Chandra Gupta. **Dainik Jagran** is **India's largest read** daily with a total readership of **56.46** million (source: IRS 2012 Q4) and this numero-uno position continues since year 2003.

Dainik Jagran was voted as the most credible and trusted newspaper in India according to a Globescan survey commissioned by BBC-Reuters which was conducted across 10 leading countries including US, UK, Germany and Russia. Jagran Prakashan Limited has also been accorded the status of a Business Superbrand by the Superbrands Council.

The Company publishes 6 editions of Hindi daily "**Naidunia**" from Indore, Ujjain, Gwalior, Jabalpur, Raipur and Bilaspur and "**Navdunia**" from Bhopal besides national edition from New Delhi.

In addition, company publishes other 3 newspaper brands **I-Next**, first ever bilingual newspaper published in 13 editions from 5 states, **City Plus** a weekly infotainment English newspaper published in 28 editions from Maharashtra, Karnataka, Andhra Pradesh and NCR and Punjabi newspaper, **Punjabi Jagran** published in 2 editions from Punjab. I-Next and City Plus target the youth and are compact newspapers.

Besides newspapers, the company publishes 2 monthly magazines - **Sakhi**, targeted at women and **Josh**, targeted at career oriented youth. The Company also publishes annual general knowledge digest books and other publications including Coffee Table Books on various subjects ranging from travel to statistical compilations.

Amongst the company's divisions, **Jagran Engage** provides specialized 'Out of Home' advertising services with a Pan-India footprint and **Jagran Solutions** provides below the line solutions and carries on activities like promotional marketing, event management and on ground activities throughout the country.

The Group has a strong presence in **Digital Media Space** through Content & Mobile Applications. The Group has also adopted all the Social Media platforms like Facebook (Over 5.7M Fans) & twitter to engage with the users at a deeper level and into our own UGC Platform JagranJunction.com & bolindiabol.jagran.com. The content portfolio includes offerings in Hindi, English & other languages, namely: (Hindi version: Jagran.com, naidunia.com and inextlive.com, the English version : jagranpost.com and Mid-day.com, Punjabi Version: jagranpunjabi.com, Urdu version: inquilab.com). The Education Portal JagranJosh.com is number 1 Education website in the Country since February 2013 and offers its content through web, mobile & paid subscription besides selling e-books and test papers. The Group has embraced Mobile as important platform of delivery. All contents are available on Mobile through Websites, dedicated applications and Operator Subscription through SMS/IVR including our own SMS Service 57272.

The Company's subsidiary Midday Infomedia Limited is publisher of 3 newspaper brands, **Midday English** a niche English daily, **Inquilab** the highest read Urdu daily of the country and **Midday Gujarati, No.2 Gujarati newspaper in Mumbai**. All the 3 brands are hugely popular newspaper brands in Mumbai, one of the two largest advertising markets of the country. In addition, **Inquilab** is circulated in Maharashtra and the states of U.P., Delhi and Bihar.

The Company is rated for its credit worthiness by the leading credit agency CRISIL which has reaffirmed in December 2014 the Company's long term and short term ratings of AA+/(stable) and A1+ respectively .

As a responsible corporate citizen, JPL supports outfit of Shri Puran Chandra Gupta Smarak Trust, **Pehel**, to discharge its social responsibilities and provide social services such as organizing workshops/seminars to voice different social issues, health camps/roadshows for creating awareness on social concerns and helping underprivileged masses. **Pehel** has been working with various national and international organizations such as World Bank and UNICEF on various projects to effectively discharge the responsibilities entrusted by the company. **Shri Puran Chandra Gupta Smarak Trust** has also been imparting primary, secondary and higher education to more than 7000 students through schools and colleges at Kanpur, Noida, Lucknow, Dehradun, smaller towns Kannauj, Aligarh, Basti and are establishing school at Varanasi. The company has also been assisting trusts and societies dedicated to the cause of promoting education, culture, healthcare, etc.

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