

Jagran Prakashan Limited (JPL)

Result Update Presentation

Q2 FY2015



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➤ Q2 FY 2015 - Financial Highlights

➤ Hindi Print Media – Sustainable Growth

- Print Media, India - Growth Market
- Hindi Print – well placed to sustain growth momentum
- Digital – No visible impact on Hindi Print

Quarterly Highlights

- **Consolidated Advertisement Revenue up by 8% to Rs 306.93 crores**
 - Dainik Jagran Advertisement Revenue grew by 11.5%
- **Consolidated Circulation Revenue up by 8.9% to Rs 96.49 crores**
- **Consolidated Operating Profit up by 15.7% to Rs 106.24 crores**
- **Consolidated Profit Before Tax up by 37.1% to Rs 81.51 crores**
- **Consolidated EPS up by 26.4%**
- **Digital business continues to grow from strength to strength**
 - Jagran sites in Sept. 2014 were ranked No. 29 by COMSCORE amongst all internet sites in India, with 12 million unique users
 - Company's news and education portals ranked No.1 by COMSCORE in their respective domains

Consolidated Quarterly Profitability Statement



Rs. in Crs	Q2 FY15	Q2 FY14	YoY
Revenues	436.3	412.4	6%
Advertisement Revenue	306.9	284.2	8%
Circulation Revenue	96.5	88.6	9%
Others	32.9	39.6	
Raw Material	160.3	147.3	
Manpower Cost	64.6	60.3	
Other Operating Expenses	105.1	113.0	
Operating Profit	106.2	91.8	16%
Operating Profit Margin	24.4%	22.3%	
Other Income*	7.1	-5.5	
Depreciation & Amortisation	24.5	19.0	
Interest	7.3	7.8	
Exceptional Items	0.0	0.0	
Profit Before Tax	81.5	59.5	37%
Tax	24.9	13.9	
Profit After Tax	56.6	45.6	24%

- Overall Advertisement Growth of 8% despite subdued activity in Advertising
- Dainik Jagran Advertisement Revenue grew by 11.5%
- Dainik Jagran Circulation Revenue grew due to growth in no. of copies and improvement in per copy realization
- Additional Depreciation of Rs. 4.87 Crs provided on account of new Company's Act accounting guideline
- Effective Tax rate in Q2 FY14 was lower due to benefit of accumulated losses of Naidunia print business

* Net of Exchange Fluctuation Gain / Loss

Operating Margin break-up

Publications (Rs. Crs)	Q2 FY15	Q2 FY14	Q1 FY15	H1 FY15	H1 FY14
<u>Dainik Jagran</u>					
Operating Revenue	336.0	302.4	335.9	671.9	612.7
Operating Profit	110.3	99.6	114.2	224.5	213.7
Operating margin	32.8%	32.9%	34.0%	33.4%	34.9%
<u>Other publications</u>					
Operating Revenue	76.7	80.7	76.1	152.8	154.3
Operating Profit	-2.4	-6.8	-7.6	-10.0	-18.9
Operating margin	-3.1%	-8.5%	-10.0%	-6.5%	-12.2%
<u>Outdoor and Activation business</u>					
Operating Revenue	22.1	29.9	25.8	47.9	57.7
Operating Profit	-1.6	0.2	0.7	-0.9	0.7
Operating margin	-7.3%	0.7%	2.8%	-1.9%	1.2%

- **Continued Operating Losses in Other Publications :**
- Mainly due to Continued Investments in NaiDunia as a part of strategy to increase the Circulation
 - Improved per copy realization for Naidunia, Midday, Punjabi Jagran and magazines
 - Operating result of NaiDunia, Mid-day, I-Next, Punjabi Jagran and magazines improved

* Other Publications: Naidunia, Midday, I-Next, City Plus, Punjabi Jagran & magazines

Consolidated Balance Sheet

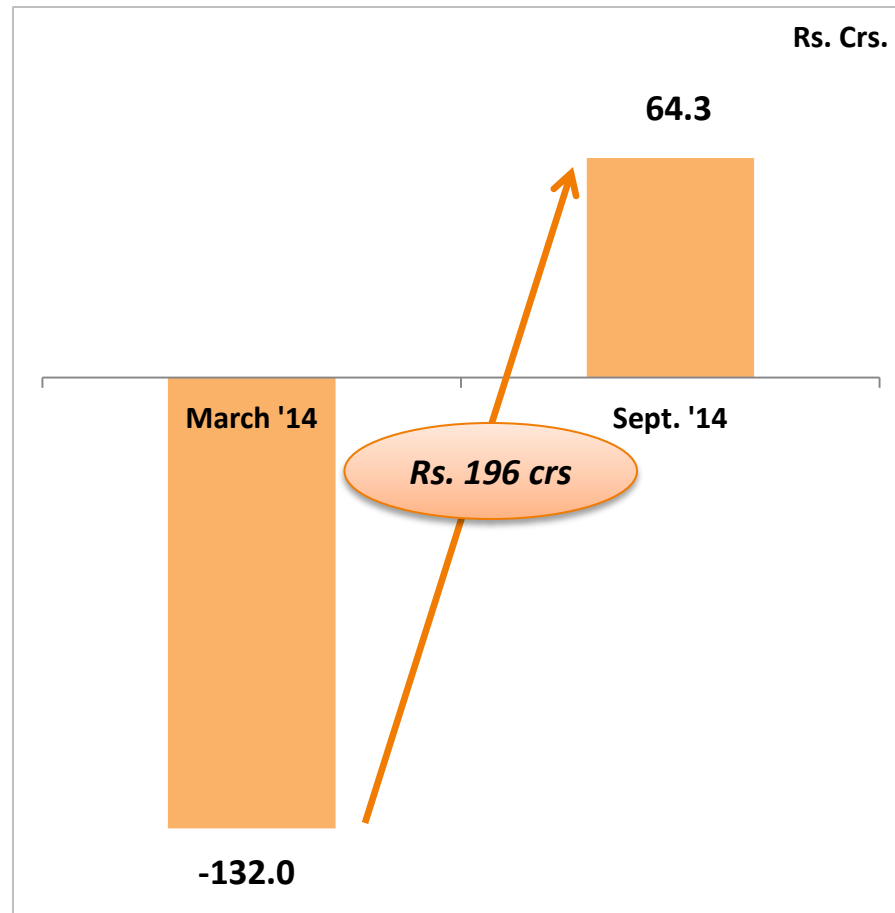


Rs. in Crores	Sept. '14	Mar. '14
Shareholder's Fund	1,070.0	961.6
Share capital	62.3	62.3
Reserves & Surplus	1,007.7	899.4
Minority Interest	0.9	0.9
Non-current liabilities	382.3	401.2
Long term borrowings	269.6	292.7
Deferred tax liabilities(net)	84.8	85.4
Other non-current liabilities & Provisions	27.8	23.1
Current liabilities	493.4	561.9
Short term borrowings	82.6	173.1
Trade payables	180.4	127.5
Other current liabilities & Provisions	230.4	261.3
Total Liabilities	1,946.5	1,925.6

Rs. in Crores	Sept. '14	Mar. '14
Non-current assets	989.5	1,095.4
Fixed assets	645.1	672.5
Goodwill on consolidation	232.3	232.3
Non-current investment	50.7	128.2
Deferred Tax Assets (Net)	1.0	0.3
Other non-current assets	60.3	62.1
Current assets	957.0	830.1
Current investments	250.0	203.8
Inventories	98.6	99.9
Trade receivables	378.2	342.6
Cash and bank balances	139.5	32.5
Other current assets	90.6	151.3
Total Assets	1,946.5	1,925.6

Net Cash as on September 2014

Rs. Crs.	Mar '14	Sept'14
Cash & Bank Balance	32.5	139.5
Investments *	325.1	301.7
Gross Cash Balance (A)	357.6	441.2
Borrowings (B)	489.7	376.9
Net Cash (A-B)	-132.0	64.3



* Investments includes Investment in Mutual Fund and ICDs
 - Net Debt includes Rs. 95 Crs. of NCDs from Holding Company redeemable in 2017 at a Premium of 6.5% pa

From Net debt of ~Rs. 132 crs to Net Cash of ~Rs. 64 crs; a swing of ~Rs. 196 crs

➤ Q2 FY 2015 - Financial Highlights

➤ **Hindi Print Media – Sustainable Growth**

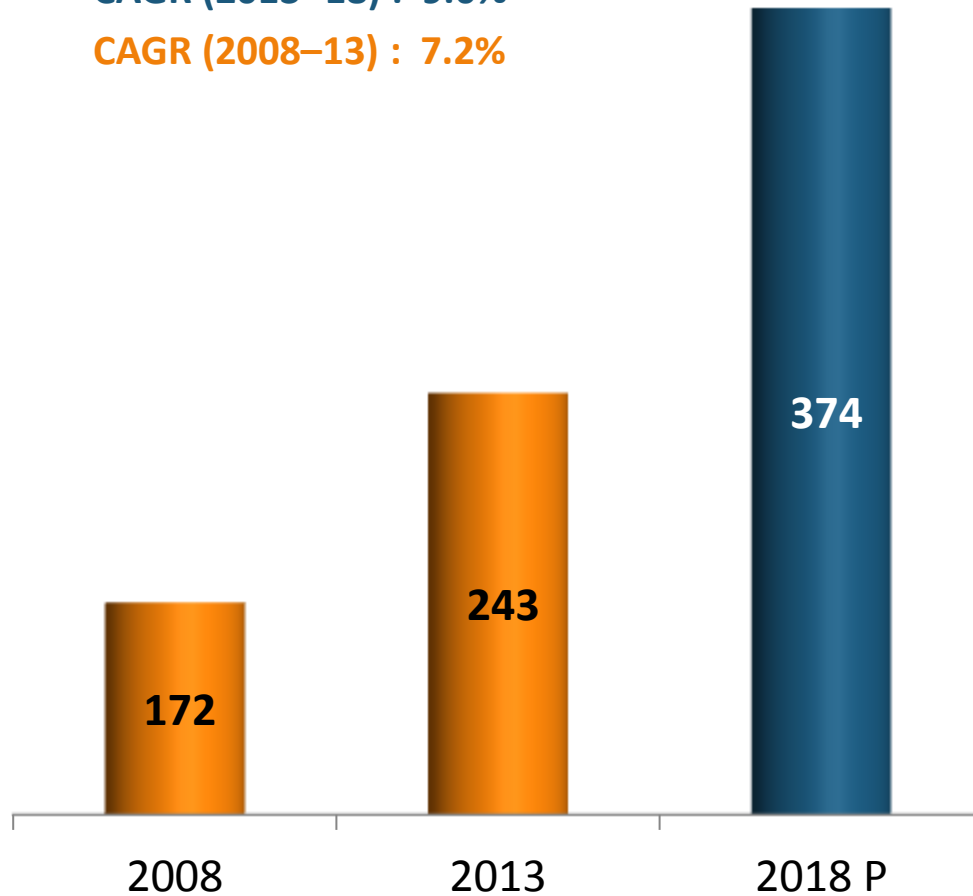
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Print Media, India – A Growth Market

CAGR (2013 -18) : 9.0%

CAGR (2008–13) : 7.2%

➤ **Contrary to trend in Developing economies, Print Industry consistently growing in India**

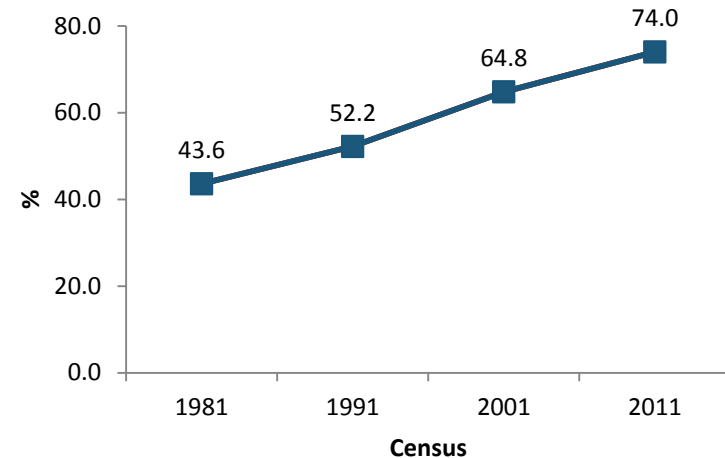


Print Media - Key Growth Drivers

- **Low Print Media Penetration**
- **More local than other media platforms like Television**
- **“Door to Door” Distribution Network**
- **Higher ‘Attention Span’ makes it attractive for advertisers**
- **“Sticky Media” - Ability to create trust**

Connecting with readers through delivery of high quality content

Rising Literacy



895 million Literate Population in 2011

44% do not read any News Paper - provides headroom for growth among literate non-readers

➤ Q2 FY 2015 - Financial Highlights

➤ **Hindi Print Media – Sustainable Growth**

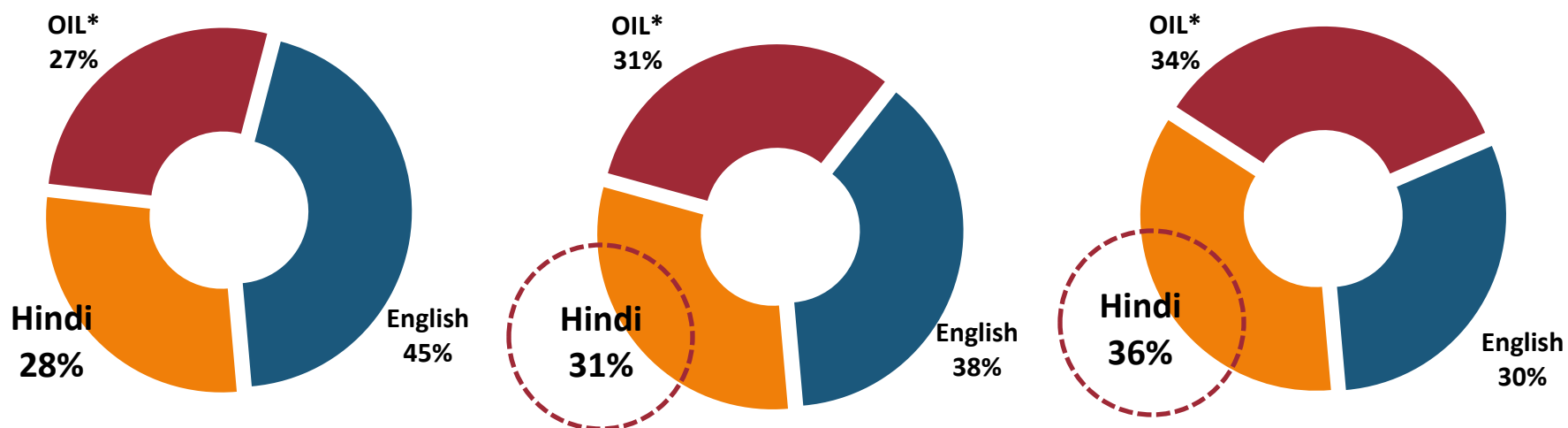
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Hindi Print - Gaining Market Share...

2009

2013

2018



➤ Hindi Advertising to grow at ~14% CAGR

- Share of Hindi Print expected to increase from **31%** in 2013 to **36%** in 2018
- Advertisers expected to enhance reach in Tier II & III cities of Hindi States

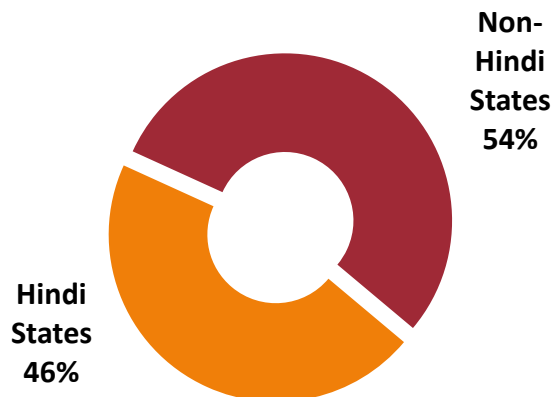
Hindi Belt, covers nearly half of Indian ...

... Population



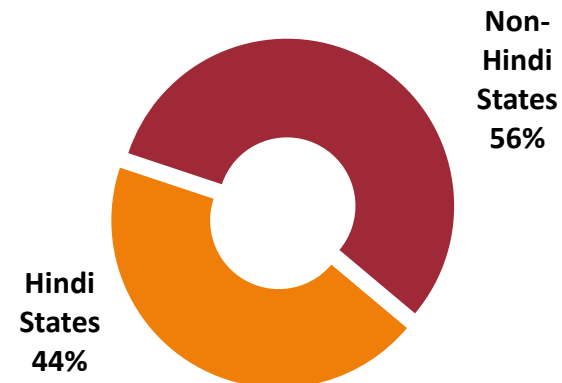
➤ **50%** of population lives in Hindi States

... Literate Population



➤ **46%** of total literate population in India lives in Hindi States

... Consumer Spend



➤ Hindi States Annual Consumer Spend of ~ USD 200 bn - **44%** of total India's spend

Hindi Print, Gaining Importance for Advertisers

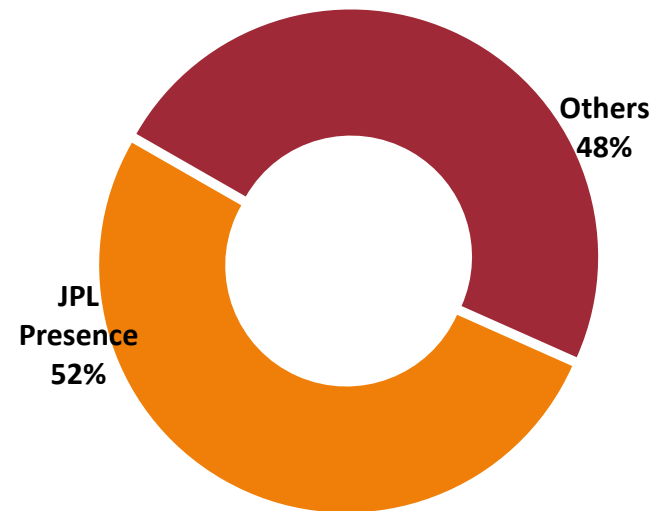
➤ Surge in purchasing power of Tier II & III Cities

- Changing demographic dynamics
- Consumption of consumer durables, automobiles and financial products growing rapidly
- Sizeable proportion of population to fuel consumption growth

➤ Regional media – emerging as an important medium for Advertisers

- Affinity of people for content in local languages and urge for local content
- Advertisers and Media Companies expanding their footprint in local market

JPL Hindi Publication Presence in 32 out of 62 Tier II Cities of India



... Offers large growth potential

* Source: IRS 2012 Q4

➤ Q2 FY 2015 - Financial Highlights

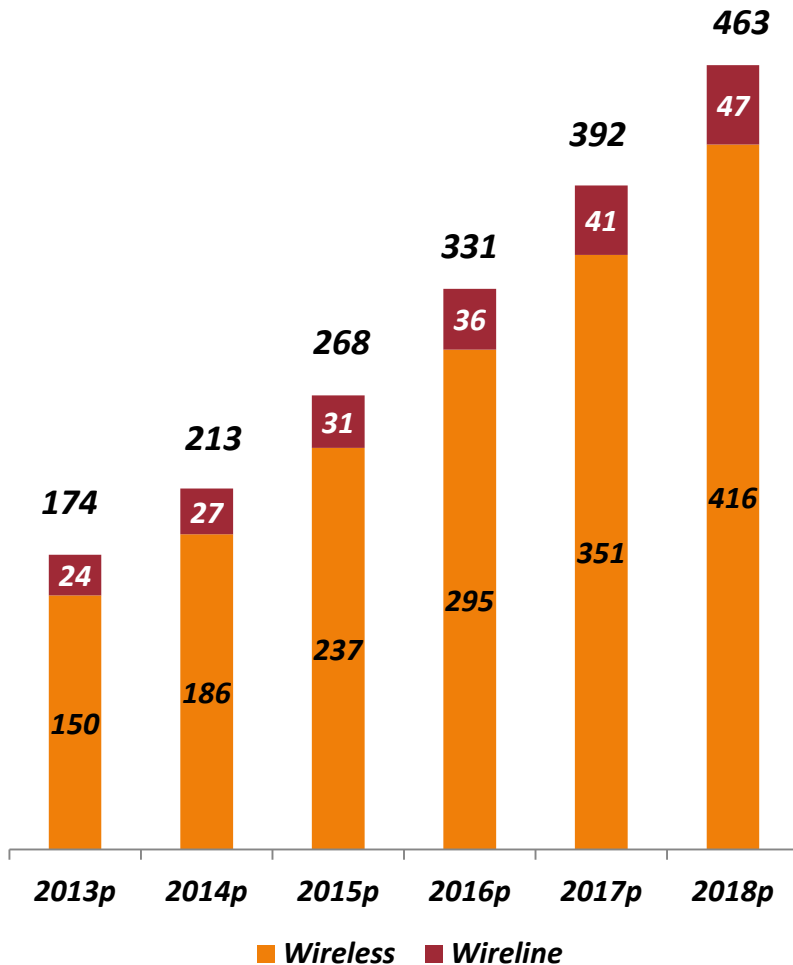
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Digital... No visible impact on Hindi Print Media

- **Digital – No visible impact on Hindi Print Media despite high growth in terms of number of internet connection**
 - Lacks quality in terms of internet connection speed
 - Consumer spends very little time on News Sites
 - Very limited content in Hindi / Local Language / Local Content
 - Authenticity & Credibility of Digital Content
 - Newspaper is Content Creator vis-a-vis Internet is Content Aggregator

Internet Connections growing with Low Quality



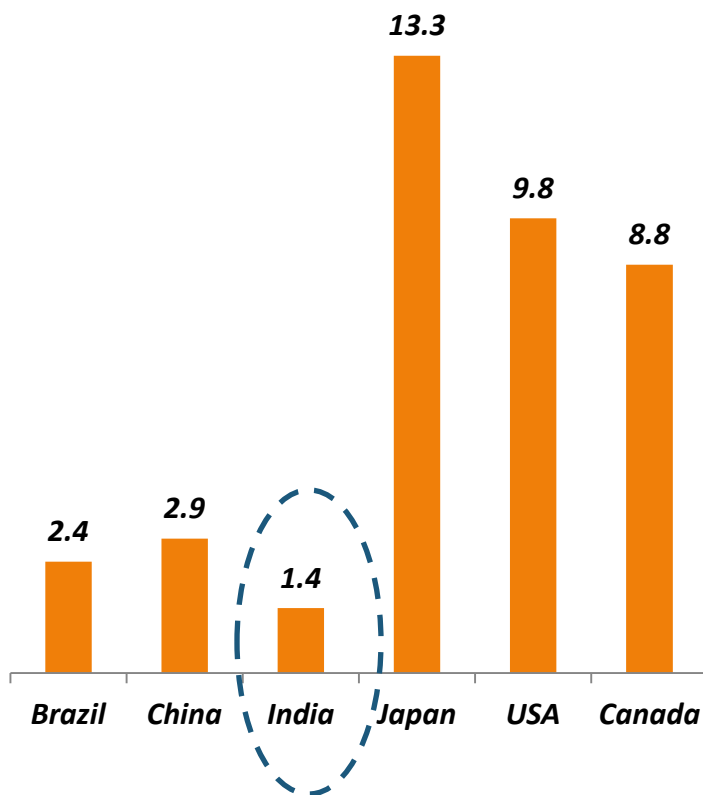
Million Connections

Challenges in Growth

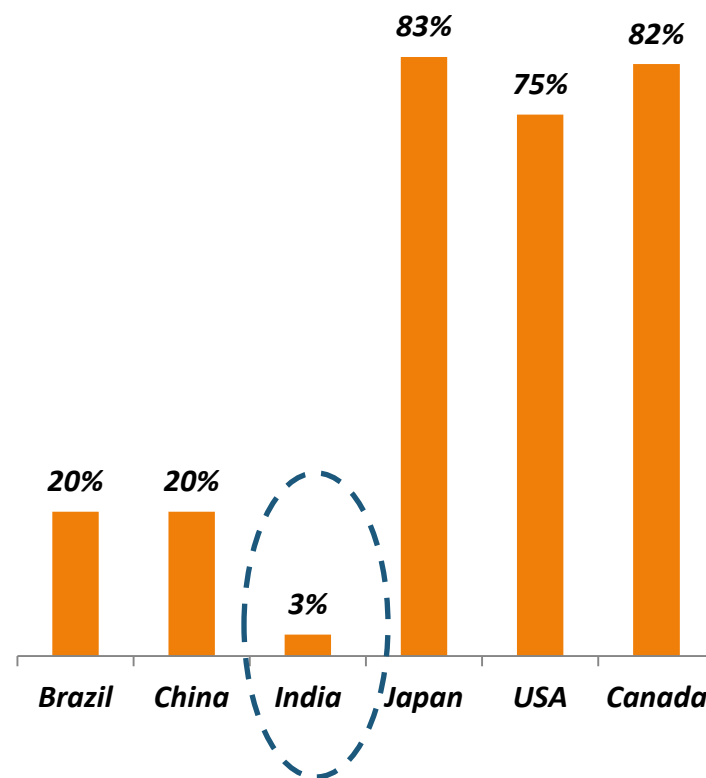
- Inadequate network coverage because of limited 3G towers
- Limited spectrum availability
- High Price of data services
- Lack of affordable of 3G handsets
- Patchy connectivity and inconsistent experience on 3G Network

However, Lowest Internet Connection Speed...

Avg. Connection Speed (mbps)

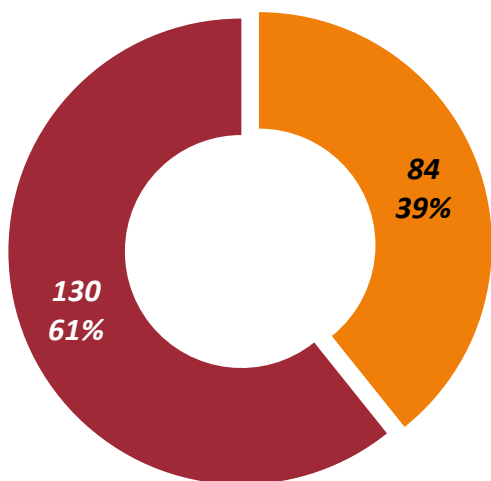


**Broadband Connectivity
(% above 4 mbps)**



... & lacks quality of experience

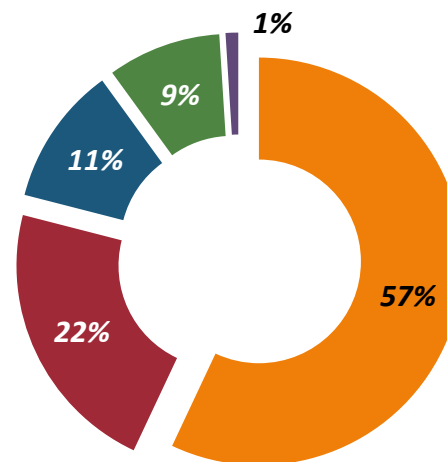
Users by device split



■ Laptop/Desktop ■ Mobile

➤ **61%** of Internet Connection through Mobile

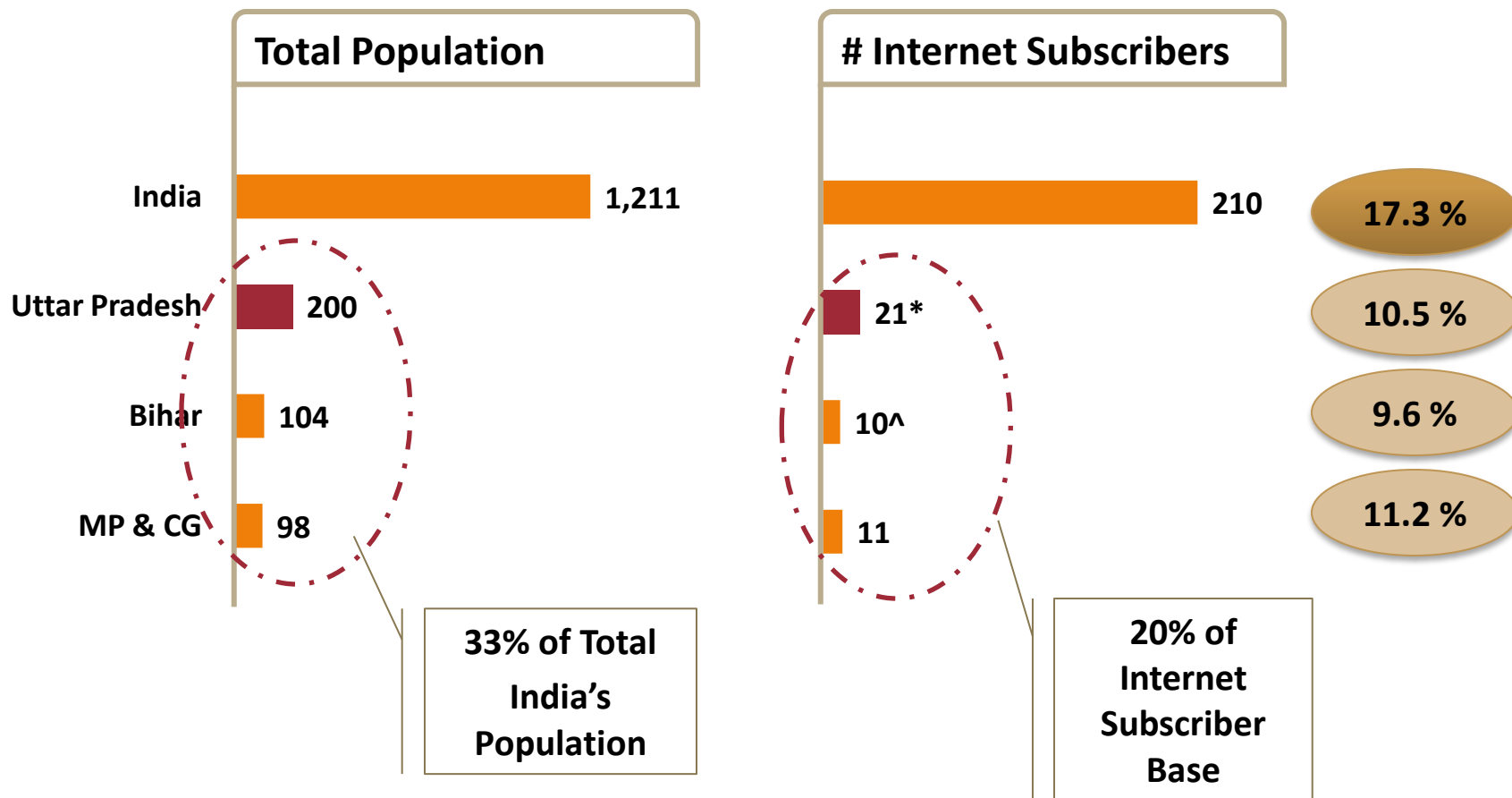
Internet enables Mobile Handset Prices (% market share)



■ Rs. <10,000 ■ Rs. 10,001 - 14,000
 ■ Rs. 14,001-18,000 ■ Rs. 18,001-30,000
 ■ Rs. >30,000

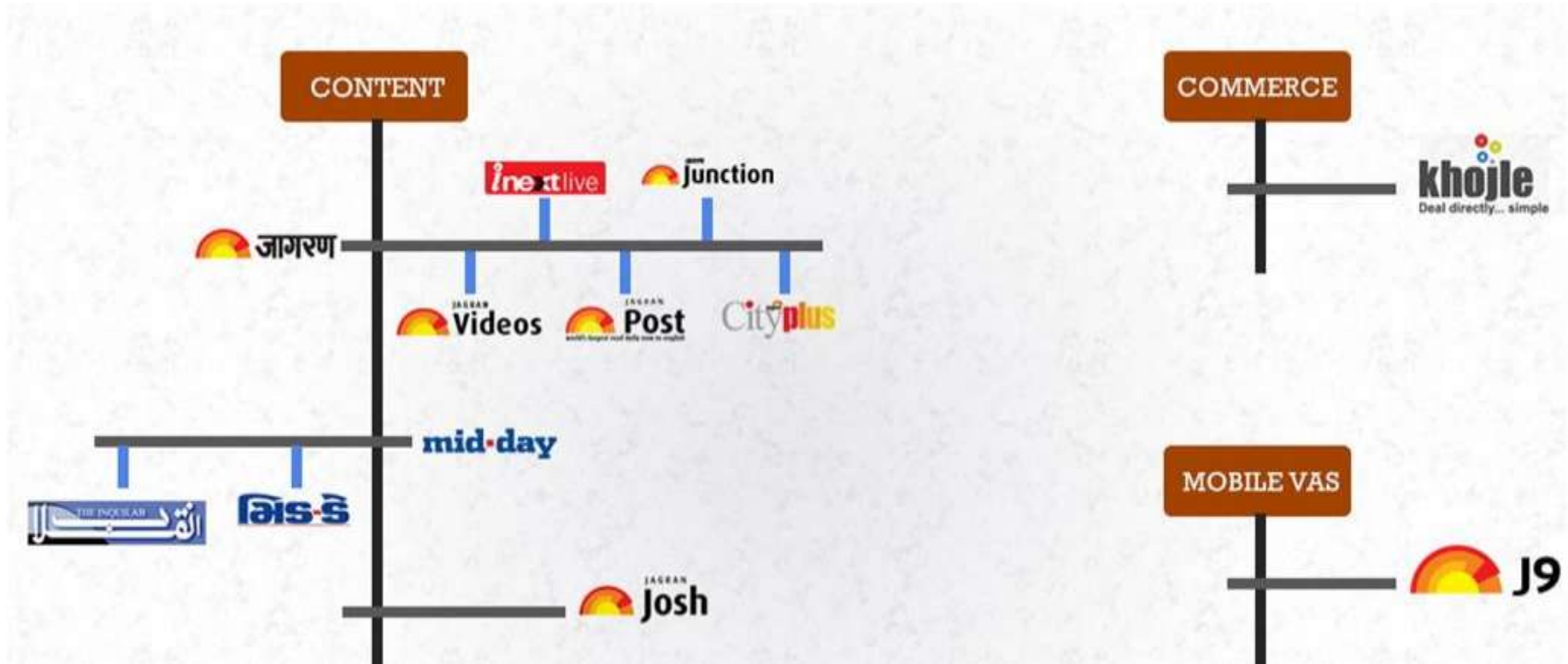
➤ **57%** of uses entry level Mobile handset

Hindi Belt Very low internet penetration



[in Million]

Jagran Digital Business continues to grow



- Jagran sites in Sept 2014 were ranked No.29 by COMSCORE amongst all internet sites in India, with 12 million unique users
- Company's news and education portals were ranked by COMSCORE No.1 in their respective domains

- In News & Information companies, Jagran sites are placed at No.5
- Mobile traffic contributes to 36% of the overall traffic to Jagran Sites
- Digital advertisement revenue grew by 34%

For further information, please contact:

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