



**INVESTORS/
ANALYSTS**
conference call

2008
30 JANUARY



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Moderator 

Good afternoon ladies and gentlemen. I am Rita, the moderator, for this conference. Welcome to the Jagran Prakashan Conference Call hosted by Religare Securities Limited. For the duration of the presentation, all participant lines will be in the listen-only mode. I will be standing by for the question and answer session. I would now like to handover the floor to Mr. Abneesh Roy from Religare Securities. Thank you and over to you sir.

Abneesh Roy 

Thanks Rita. A warm good afternoon to everyone. We at Religare Securities are very pleased to hold Jagran Prakashan management Con Call for Q3 FY08. From the Jagran Management, we have Mr. Sanjay Gupta, Editor and CEO of Jagran Prakashan; and Mr. R.K. Agarwal, the CFO. Sir, congratulations on the good set of numbers and over to you for the presentation and the question and answer session.

R.K. Agarwal 

Good afternoon gentlemen, our CEO Mr. Sanjay Gupta and I welcome you to the conference call of Jagran. I am sure that you could spare time and had an opportunity to look at the published results. We are happy to present yet another heartening performance with a good turnover operating and net profit, all of which have registered a significant growth. The operating and net profit would have been still higher but for accounting for additional burden in the form of bonus on account of amendment in the Payment of Bonus Act which came at the fag end of the quarter, increase in circulation of Dainik Jagran for the strategic reasons and losses on account of new launches of I- Next, besides additional provisioning for certain bad and doubtful debts on conservative basis.

During the quarter, the turnover increased by 28.77%, operating profit increased by over 50%, and net profit increased by over 46%. Apart from the robust growth in publication business and I-Next contributing in that significantly,,, the performance of outdoor business was satisfactory. Even if this third quarter too has witnessed some losses, the monthly average revenue for outdoor business for the first time was over Rs. 4 crores per month.

During the quarter, the company also signed the join venture agreement with Television 18 to launch business newspaper in Hindi as well as other regional languages on pan-India basis. It is expected

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

that business paper will be launched in the second half of the year 2008 - 2009. Outlook for all businesses of the company remains as usual pretty positive and the trend of growth will continue. However, there will be impact of increasing newsprint prices from the current quarter itself , intensifying competition in our area of operation and new launches of Inext.

With this, we invite you to have your questions which we shall endeavor to answer to the best of our ability. Thank you very much.

Moderator 

Thank you very much sir. We will now begin the Q&A interactive session. Participants who wish to ask questions, kindly press *1 on your telephone keypad. On pressing *1, participants will get a chance to present their questions on a first-in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, kindly press *1 now. First in line, we have Mr. Ruchit Mehta from HSBC. Over to you sir.

Ruchit Mehta 

Hi, good afternoon sir, and congratulations on your results. Sir, could you give us a breakup of your this quarter's revenues between what would have been coming in from advertising, outdoor event management, and subscription please.

R.K. Agarwal 

Advertisement revenue was 131 crores, Hello ?

Ruchit Mehta 

Yes sir.

R.K. Agarwal 

Advertisement revenue was 131 crores.

Ruchit Mehta 

Okay.

R.K. Agarwal 

Circulation was 47.5

Ruchit Mehta 

37.5 ?

R.K. Agarwal 

47, 47.

Ruchit Mehta 

47, okay. and outdoor and event management.

R.K. Agarwal 

Outdoor and event management put together was about 16.5.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Ruchit Mehta 
Okay, could you give the same figures for the 9 months sir.

R.K. Agarwal 
Nine months, advertisement revenue was 374 crores

Ruchit Mehta 
374?

R.K. Agarwal 
Yeah

Ruchit Mehta 
Okay.

R.K. Agarwal 
And the circulation was 138, outdoor plus event was 38 approximately

Ruchit Mehta 
Okay and in terms of the breakeven for the outdoor and the event management business, would they have broken even around this quarter or do you think it will still take some time ?

R.K. Agarwal 
Event management was in profit last year.

Ruchit Mehta 
Okay.

R.K. Agarwal 
in the last quarter, they had some losses, but in the current quarter, they were in profits.

Ruchit Mehta 
Okay.

R.K. Agarwal 
They will close the year again with the profits.

Ruchit Mehta 
Okay.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 

Outdoor is expected to breakeven in the month of March of this year because we have taken steps to eliminate the sites which were not remunerative. We have increased the ad tariff, and more importantly, in the last quarter, that is December quarter, LED has started operating in Bangalore, that is sometime I think from the month of December only, so the full revenue of will also come in the current quarter.

Ruchit Mehta 

Okay, and just on Inext and City Plus, could you give me a sense of how many editions there are right now, total, and how many more do we plan to launch ?

R.K. Agarwal 

The inext this year ,we had planned to launch seven. We have completed that plan ,,the last one having been launched on 28th January itself that is in Dehradun. City Plus, we have already launched nine, and we had planned to launch I think about 14 editions by the close of this year.

Ruchit Mehta 

14 more by the end of this year.

R.K. Agarwal 

The remaining 5, one more has been launched I think in the month of January.

Ruchit Mehta 

Okay, and on your advertising front, could you give a sense of you any, have you taken any ad rate hikes in recent times or do you plan to now take at the end of the year.

R.K. Agarwal 

We normally do it once in a year, and in fact, that we did in the month of March 9, 2007. Again, we will do it in coming March.

Ruchit Mehta 

And any idea as to how big the quantum could be ?

R.K. Agarwal 

I think it will be too premature. Our marketing department is already working on it.

Ruchit Mehta 

Okay,

R.K. Agarwal 

I have asked them to work on it and then suggest what could be the hike.

Ruchit Mehta 

Okay, and finally sir, could you give some sense of your JV with TV18 for launching the Hindi business paper. Could you give us a sense of what is the total investment that are you looking to do, and when do you expect the JV to actually start breaking even. R.K. Agarwal: See, this is again too premature. We are already working on the business plan. The person already identified to head the project is going to come on board you know from February 1, 2008, then the business plan,



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

etc., will be prepared and we will let you know in the course of time.

Ruchit Mehta 

Okay, but you would still continue to invest, I mean, almost 100 odd crores this year in CAPEX, but over and above that for FY-09 do you see a significant increase in your capital expenditure sir ?

R.K. Agarwal 

There will be increase in CAPEX.

Ruchit Mehta 

Okay.

R.K. Agarwal 

Again, I would like to complete whatever we started say a year back that is you know to complete the color

Ruchit Mehta 

Okay, so, this year could be what 100 crores of CAPEX.

R.K. Agarwal 

This will be slightly more.

Ruchit Mehta 

And next year could be how much sir ?

R.K. Agarwal 

You are talking about 09-10?

Ruchit Mehta 

08-09.

R.K. Agarwal 

08-09, that is what I am referring to, and this would be more than 100 crores.

Ruchit Mehta 

kay, not a problem, thank you sir.

Moderator 

Thank you very much sir. Next in line, we have Kunal from Dalal and Broacha. Over to you sir.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

Kunal 🗨

Good afternoon sir.

R.K. Agarwal 🗨

Good afternoon.

Kunal 🗨

Sir, I can just see that your cost of raw materials has come down in comparison to last quarter as in percentage of sales, so could you basically tell me what would be the main reason for that ?

R.K. Agarwal 🗨

See, going forward you know, in this industry whenever you have top line growth driven by the advertisement revenue, the percentage of raw material in relation to top line is bound to fall, and more importantly, if you consider, , the revenue mix of ours, I mean like when more and more non-news print based activities will contribute, this percentage is going to come down.

Kunal 🗨

Okay and you mentioned that you are entering into regional business papers with TV18, so what would those areas be like what other languages ?

R.K. Agarwal 🗨

See, , it could be any language other than English. Definitely, it is going to be Hindi first and it could be Gujarati, it could be any southern language.

Kunal 🗨

Okay, so, you are more keen on going towards the South or it will be more towards the North.

R.K. Agarwal 🗨

We are working on it. I think Southern part of the country might start a little later.

Kunal 🗨

Okay, that is it from my end. Thank you.

Moderator 🗨

Thank you very much sir. Next in line, we have Vinay from Reuters India. Over to you sir.

Vinay 🗨

Hello.

R.K. Agarwal 🗨

Hello.

Vinay 🗨

Good afternoon sir.

R.K. Agarwal 🗨

Good afternoon.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Vinay 

Congratulations on a great set of results. A few questions sir. In your opening remarks you mentioned about writing-off certain nonrecurring expenses like bad debts and bonus. What is the quantum of those expenses ?

R.K. Agarwal 

Both put together it is about 4 crores.

Vinay 

4 crores ?

R.K. Agarwal 

Yeah.

Vinay 

And they are included in the other expenses, staff cost and other expenses.

R.K. Agarwal 

Yeah.

Vinay 

Secondly, sir, what would be the total circulation of Inext and City Plus, daily circulation ?

R.K. Agarwal 

Inext is about 2,5 lakh copies at the moment.

Vinay 

215 lakh copies ?

R.K. Agarwal 

After Dehradun, it is close to be 2.75. It has already gone up to 2.75 now.

Vinay 

It has gone up to 2.75 lakh copies.

R.K. Agarwal 

Copies per day.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

Vinay 

Okay, and what about City Plus ?

R.K. Agarwal 

City Plus should be doing I think 1.72 lakh copies weekly.

Vinay 

1.72 lakh weekly, okay. Sir, basically, if I look at the quarter-on-quarter increases in your raw material cost is about 5 crores, most of that would be accounted for by these two papers.

R.K. Agarwal 

Exactly.

Vinay 

Secondly, in your press release you mentioned about J9 which is working in mobile and web space. I guess the yahoo venture is also

R.K. Agarwal 

No, that is not part of the J9.

Vinay 

No?

R.K. Agarwal 

Yeah. Yahoo venture is altogether independent.

Vinay 

Okay.

R.K. Agarwal 

J9 is going to focus on this SMS and other digital businesses. Right now, they have launched the home shopping in the last quarter.

Vinay 

Right. So, what has been the total revenues like in J9?

R.K. Agarwal 

See, J9's revenue at the moment is very, very you know...

Vinay 

Small...

R.K. Agarwal 

Within nine-month period, that is December 31, 2007, we have done turnover of just 2 crore or 2.5 crore rupees, not significant at the moment, but it is going to pick up very significantly because this home shopping itself will add a lot to the top line and this is something which was started only in the month of November, I think.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Vinay

This home shopping basically will be, whatever sales are there in home shopping you will be including that in top line or it will be just commission income?

R.K. Agarwal

That we would not. In fact, we are providing them with _platform . We have tied up with a Calcutta-based company which is taking care of the logistics - things like buying the goods, supplying the goods, doing the after-sale service, so on and so forth, but whatever profits they would make, 50% of that at gross level, you know we will include in our top line.

Vinay

So, basically sir, it is a complete, pure profit business?

R.K. Agarwal

Yeah, that in itself would be pretty huge.

Vinay

Any indicator as to what, because this is a new business activity and is it material in relation to your total.....

R.K. Agarwal

You know for a year it does not look to be a really material activity, but going forward I think 2009 - 2010 should see good revenues coming from this activity.

Vinay

Good revenue would be something say like 5 or 10 something like that or bigger than that or smaller than that?

R.K. Agarwal

See I mean it is too premature to comment, but definitely, we are not expecting anything small, otherwise we would not have entered into this business.

Vinay

Okay sir.Thanks a lot. I will come back later for more questions.

Moderator

Thank you very much sir. Next in line, we have Ritesh from Dolat Capital. Over to you sir.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

Ritesh 

Good afternoon sir. Just one question. Are you witnessing any newsprint prices on a rise?

R.K. Agarwal 

Yeah. In fact, as I mentioned in my you know opening remark, impact of increase in newsprint prices has already started coming in the current quarter. Prices have been increased from 1st Jan.

Ritesh 

Okay. What would be the per month figure on the newsprint prices as of now?

R.K. Agarwal 

See, as far as imported is concerned, there has already been an increase of about 7%

Ritesh 

Okay.

R.K. Agarwal 

And as far as the indigenous newsprint is concerned, there it is ranging from 2% to 3%.

Ritesh 

Okay. Thank you very much sir.

Moderator 

Thank you very much sir. Next in line, we have Mr. Amit Bagaria from Angel Broking. Over to you sir.

Amit Bagaria 

Sir, Amit here. Sir, I just wanted to understand what is the ad rate difference between a Hindi and English ad rate?

R.K. Agarwal 

Again, this is a very relative question you are asking. I mean, like if you are asking you know whether Times of India is expensive or Dainik Jagran is expensive in City of Kanpur, definitely Dainik Jagran is more expensive.

Amit Bagaria 

In terms of ad rates, actually when Jagran Prakashan goes to someone for an ad rate...

R.K. Agarwal 

Yeah, just a second, when I say expensive, let me clarify what do I mean.

Amit Bagaria 

Right.

R.K. Agarwal 

If you talk about cost per 1000..



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Amit Bagaria 
Yes.

R.K. Agarwal 
...Jagran is cheaper any day..

Amit Bagaria 
Yes.

R.K. Agarwal 
Than any other English newspaper.

Amit Bagaria 
Yes.

R.K. Agarwal 
Or many of our competitors.

Amit Bagaria 
Okay.

R.K. Agarwal 
Because we have that you know sheer number of readers, right.

Amit Bagaria 
Right.

R.K. Agarwal 
In terms of per square centimeter or whatever you call, in that sense I said Jagran is more expensive than Times of India In Kanpur

Amit Bagaria 
Okay. And what would the difference be, any ballpark figure sir if you can give me?

R.K. Agarwal 
Difference I have not worked out, but then I mean like if you are comparing you know Jagran Kanpur and TOI, Mumbai.

Amit Bagaria 
Right.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 🗨

It may be , I guess, one-fifth in terms of rate.

Amit Bagaria 🗨

Right. And sir, one second sir...

Ms. Neha 🗨

Hello.

R.K. Agarwal 🗨

Yeah.

Ms. Neha 🗨

Sir, this is Neha here.

R.K. Agarwal 🗨

Yeah.

Ms. Neha 🗨

Sir, I am just trying to understand your cost per thousand is less in comparison to other English dailies. Is it because of the segment of, you know the segment of people that we cater to?

R.K. Agarwal 🗨

No, no, let me clarify. First of all, you know if we are talking about segment.

Mr. Neha 🗨

Right.

R.K. Agarwal 🗨

In fact, if an English daily.

Ms. Neha 🗨

Right.

R.K. Agarwal 🗨

is Serving a particular segment to the extent of 50%, we also do serve them. Right, that is one thing.

Ms. Neha 🗨

Okay.

R.K. Agarwal 🗨

The cost per thousand has got nothing to do with the segment.

Ms. Neha 🗨

Okay.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal ☞

Cost per thousand, how does it get worked out, see whatever rate you pay divided by the total number of readers.

Ms. Neha ☞

Right.

R.K. Agarwal ☞

So, since we have you know over 2 crore readers.

Ms. Neha ☞

Right.

R.K. Agarwal ☞

And any English daily..

Ms. Neha ☞

Right.

R.K. Agarwal ☞

Does not have more than you know 80 lakhs.

Ms. Neha ☞

Right.

R.K. Agarwal ☞

Then,, if the rate is same my cost per thousand is going to be say one third.

Ms. Neha ☞

Right.

R.K. Agarwal ☞

And if their rates are say two times of mine, then in that case, I am say five times cheaper than the English paper.

Ms. Neha ☞

Sir, then if supposing you have to sell a space of advertisement in a paper, then the cost of you know putting that advertisement would be same for an English and a Hindi daily, if you just see there is one ad space that you have to...

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 
Again as I clarified,

Ms. Neha 

Okay.

R.K. Agarwal 

So ma'am you are talking about rate per square centimeter, right?

Ms. Neha 

Yes sir.

R.K. Agarwal 

Then in that case English price could be you know four to five times costlier than what we are.

Ms. Neha 

Sir, can this differential go down over a period of time?

R.K. Agarwal 

Yes, it is coming down,.

Ms. Neha 

Okay.

R.K. Agarwal 

Now it is three to four times or five times.

Ms. Neha 

Okay.

R.K. Agarwal 

So, logically speaking, it should come down, because we are serving the larger audience.

Ms. Neha 

Right, right sir. Sir, can you also just tell me if our readership is so high, I mean what is the reason for the cost differential then in the cost square centimeter cost?

R.K. Agarwal 

See cost differential, I have not been able to understand your question, cost differential I do not understand. I told you cost per thousand, how does it get worked out. If supposing you know I am charging 1,000 rupees per square centimeter, then you know cost per thousand would be 1,000 divided by 2 crore 12 lakh readers.

Ms. Neha 

Yes sir.

R.K. Agarwal 

And in case they are charging 10,000 and if they have readership of 80 lakhs.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Ms. Neha 
Yes sir.

R.K. Agarwal 
So, that 10,000 will get divided by 80 lakhs and that is how you get CPT.....
Ms. Neha 
Okay, okay.

R.K. Agarwal 
Right.

Ms. Neha 
Okay, I get it. Thank you.

Moderator 
Thank you very much ma'am. Next in line, we have Ankush from First Global Securities. Over to you sir.

Ankush 
Yeah, good afternoon sir. Sir, like just to understand on the editions part, how many editions are currently loss making?

R.K. Agarwal 
About eight.

Ankush 
About eight editions. Okay fine sir. And sir on the advertisement part, what is the contribution from color advertisement as of now?

R.K. Agarwal 
Color space has been increasing, and this quarter also color has contributed 14% more I mean as compared to the corresponding quarter of the last year, and in the total space, color contribution is about 30% to 35%.

Ankush 
30% to 35%. And sir what could be the same figures say last year?

R.K. Agarwal 
As I said, it has increased by 14%, that figure I know for sure, because we have invested so much you know last year also in the color expansion and this year also we have invested. Next year also we will

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

be investing.

Ankush 

Okay, fine sir. And sir like in the out-of-home business segment, like what is current utilization we are having for the occupancy level?

R.K. Agarwal 

Not more than 60 to 65 on an average

Ankush 

Fine sir. And sir, like on the balance sheet part, like what is the current debt we are having in our balance sheet.

R.K. Agarwal 

I mean debts in Jagran's balance sheet are almost zero except for some working capital limit.

Ankush 

Hello, I did not get it sir.

R.K. Agarwal 

Debts in Jagran's balance sheet are almost nil except for working capital limit ..

Ankush 

And sir like, sorry to repeat, but I missed out on the global newsprint prices, like what is your outlook on the newsprint prices as such?

R.K. Agarwal 

They are going to increase.

Ankush 

They are going to increase. And sir what could be like in quantity of numbers, like what could be percentage increase?

R.K. Agarwal 

We expect the impact of not less than 7% to 8% in the next financial year.

Ankush 

Okay. And that is like a blend of domestic newsprint prices or even global as such?

R.K. Agarwal 

The imported has increased more than the indigenous but then you know when you have pressure on the imported newsprint prices, automatically it would come on the indigenous newsprint prices as well, but the increase in imported newsprint prices is expected to be slightly more on an average, than the indigenous newsprint prices.

Ankush 

Sir, last question. What could be the mix of imported and indigenous newsprint prices?



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal 

I did not understand your point. Like, imported if we are getting at about 30 rupees, indigenous I mean if it is premium quality we might be getting it at about 25 and if it is less than premium quality then about say 23 or 22.

Ankush 

Okay fine. And sir what could be the mix of imported and indigenous, whatever like we are working at present.

R.K. Agarwal 

For us?

Ankush 

Hello sir.

R.K. Agarwal 

For us you are talking about ?

Ankush 

Yes sir.

R.K. Agarwal 

Yeah, we are consuming about 30% imported, 50% premium, and 20% you know nonpremium.

Ankush 

Okay fine. Fair enough sir. Thank you.

Moderator 

Thank you very much sir. Next in line, we have Mr. Jugal Shah from Parag Parikh Finance. Over to you sir.

Jugal Shah 

Good evening sir.

R.K. Agarwal 

Good evening.

Jugal Shah 

Sir, my question would be regarding the OH segment. Could you just tell me as in what all properties or rights of which display sites we acquired?

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 

According to the information what we have, we are clearly now one of the top five agencies in the country as far as our core business is concerned and our monthly run is about now 4 crore rupees per month. Hello?

Jugal Shah 

Sir, my question was which are the properties to we have currently, as in what all display sites do we have?

R.K. Agarwal 

We have properties in Mumbai, we have properties in Bangalore, New Delhi, Lucknow, Aligarh, Hyderabad, we have in Surat, we have in Kolkotta, we have at many other places.

Jugal Shah 

Okay. That would be the bus shelters or railway stations...

R.K. Agarwal 

We have different, different things altogether. We have our traditional holdings, we have street furniture in form of Glow Tubes . Railway station, Lucknow Railway Station, then we have bus stand, then we have bus panels, then we have LED, then we have unipoles. If you travel down from Haji Ali to say Prabhadevi whatever Glow Tubes you see on the way, at Worli, those all belong to Jagran.

Jugal Shah 

Okay.

R.K. Agarwal 

And in the same way at Bandra.

Jugal Shah 

Bandra ?

R.K. Agarwal 

Yeah.

Jugal Shah 

Okay sir, thank you sir.

Moderator 

Thank you very much sir. Next in line we have Rishabh from Karma Capital. Over to you sir.

Rishabh 

Hi Mr. Agarwal, this is Rishabh here.

R.K. Agarwal 

Yes.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Rishabh 

Just wanted to check how is the outdoor business doing, in the sense that what is the kind of loss that you have done in this quarter in the outdoor and what is your outlook for the outdoor business in terms of you know overall profitability as well as overall growth?

R.K. Agarwal 

We have incurred a loss of about 1.25 crore in the last quarter.

Rishabh 

Right.

R.K. Agarwal 

On a turnover of about 13 crores.

Rishabh 

Right.

R.K. Agarwal 

And in this quarter as I mentioned earlier at least till the month of March we expect to breakeven. As far as outlook is concerned for outdoor, I request our CEO Mr. Sanjay to just throw some light on that.

Sanjay Gupta 

The outlook on outdoor is very promising considering the kind of growth that is happening around the cities and it is one of effective medium which complements newspapers ---any print advertising, any television advertising, it is a very highly complementing medium. So, the outlook on outdoor is very positive.

Rishabh 

The other question on outdoor was Sanjay that if you look at any economic activities if there is any slowdown, outdoor actually get hit the first and if we witness, supposing we have some sort of slowdown in the sector, the problem that we see with the outdoor is that you know your occupancy levels falls and therefore you know somehow the business really does not work the way you would expect it to.

Sanjay Gupta 

I will not fully agree with you because firstly let us not presume that the economy is going to be slowingdown,, if a few sectors do slow

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

down some sectors do escalate also, , so if say two-wheeler was on a little slow down, insurance and other activities like mobile telephony was on the upswing, so it all gets compensated, and today the corporate houses are not quite upto trying to reduce on advertising. Gone are the days when the first expenditure cut was advertising.

Male Speaker 

So, you really don't see any problem in terms of the scaling up of the business over the next....

Sanjay Gupta 

Apparently not, because we have seen the trend, how the business has grown you know for us also in the past 1 year or rather past 1-1/2 years we are there only for the past 1-1/2 years.

Male Speaker 

Alright, thanks a lot.

Moderator 

Thank you very much sir. Participants who wish to ask questions, kindly press *1 on your telephone keypad. Next in line we have Zameer from Lehman Brothers. Over to you sir.

Zameer 

Good afternoon everyone. Sir, just wanted to check if you have added any properties in the OH business in the last quarter.

R.K. Agarwal 

Yeah, last quarter we have added, one significant addition, that is getting this sole right for the whole of Aligarh City.

Zameer 

Sir, how do you measure capacity in this business. I mean is this the number of sites.

R.K. Agarwal 

In fact LED started operation at Bangalore.

Zameer 

Okay, sir, just wanted to understand how do you measure capacity in this business. Do you measure it site wise or the area or how does it work ?

R.K. Agarwal 

I mean when I say we have got the sole rights for Aligarh, that means we have got about 45,000, more than that square feet.. I don't remember. In fact, they look at the area, total area, , which is available for sale.

Zameer 

Okay, so I mean.

R.K. Agarwal 

Because we sell at the square foot rate.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Zameer 

Right, right. So, what is the kind of area that we have currently.

R.K. Agarwal 

I don't have a readily available figure on that, but there will be huge number of sites now which are in our possession.

Zameer 

Okay, and you said that capacity utilization at 60 to 65% in this business.

R.K. Agarwal 

Yes.

Zameer 

How is the trend in this business sir, in terms of pricing or headroom of capacity increase ?

R.K. Agarwal 

..... we are looking at, increasing price for certain sites say in Mumbai, in Bangalore, and at other places.

Zameer 

Okay, thanks a lot sir.

Moderator 

Thank you very much sir. Next in line, we have Ritwick from MS Global. Over to you sir.

Ritwick 

Hello ?

R.K. Agarwal 

Hello.

Ritwick 

Good afternoon sir.

R.K. Agarwal 

Good afternoon.

Ritwick 

Sir, I wanted to ask a question about the space zone. Sir, what would

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

be the extent of growth in Y-o-Y and for this quarter ?

R.K. Agarwal 
Pardon ?

Ritwick 
Sir, space sold totally in square centimeter ?

R.K. Agarwal 
The space growth in this quarter as compared to the corresponding quarter of the previous year was 3%.

Ritwick 
3% sir ?

R.K. Agarwal 
Yeah.

Ritwick 
Okay and sir what would your ad rate ratio be across editions ?

R.K. Agarwal 
The same recently I have not worked out, but we remain very well within the limits. It will not be more than 35.

Ritwick 
Okay. Alright sir. Thank you very much.

Moderator 
Thank you very much sir. Next in line, we have Amnesh from Motilal Oswal Securities. Over to you sir.

Amnesh 
Good afternoon sir. I have a couple of questions.

R.K. Agarwal 
Good afternoon.

Amnesh 
Sir, first of all, you have given an outlook that the newsprint prices are expected to rule strong. Does it hold good even for the medium term scenario or is it more applicable for only the short term ?

R.K. Agarwal 
..... for say, current as well as next financial year.

Amnesh 
Okay, so you mean to say that in FY-09, they are likely to rule strong.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal 
Yeah.

Amnesh 
Okay, sir second question is that, the competitive scenario in UP is likely to change considerably going forward due to edition launches by the competitors. So, any steps you are undertaking from your end to ensure your market share and secondly how do you see the entire scenario panning out over there.

R.K. Agarwal 
First I will understand the question and then I will hand it over to our CEO _____. He will explain you on the UP scenario.

Amnesh 
Yeah.

R.K. Agarwal 
Then when you are referring to the competitors launching more edition in UP, you are meaning any particular competitor or you are talking in general.

Amnesh 
No it is particularly regarding plans of HT media to launch more editions in UP.

R.K. Agarwal 
Yeah, I have also read somewhere they have a greater plan when they come in UP.

Amnesh 
Yeah.

R.K. Agarwal 
So, In fact they launched I think four or five editions last year as well, one and a half year back, they came to Kanpur. They are in Lucknow for nearly, you know, 10 to 12 years.

Amnesh 
Okay.

R.K. Agarwal 
In Kanpur and Lucknow, as I said, they have been there, you know, for

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

some time and Jagran has continued to be number one newspaper of both the town.

Amnesh 

Okay.

R.K. Agarwal 

What is the future strategy and how do we propose to tackle that. We have definitely initiated certain steps. We have taken certain steps, which have resulted in increase in circulation in UP as well as at other places. Now, I will request Mr. Gupta to throw some light on the competitive scenario in UP and our strategies to tackle them broadly .

Sanjay Gupta 

Hello ?

Amnesh 

Yeah.

Sanjay Gupta 

let me tell you that today Dainik Jagran brand which is a far more recognized and a credible brand, will always be considered by the readers as a one-up brand .. So, as such we are not really scared or anything like that because of HH launches. They have not been able to dent the Dainik Jagran brand at all in Lucknow and Kanpur where they have been there for quite some time and similarly in Varanasi. So, that is the scenario of Hindi Hindustan, and what we have also done as we knew that they are coming in a competitive area, is we have launched the second brand , and today we have a very significant presence of our second brand and in couple of cities , it has become the number two newspaper of the city. That has been our counter strategy to any new player coming into this territory.

Amnesh 

Okay.

R.K. Agarwal 

as you might have noticed from the press release as well, Inext is already number two newspaper in Kanpur after Dainik Jagran.

Amnesh 

Okay.

R.K. Agarwal 

Banaras, we went just a few months back. I -next is again number two newspaper after Dainik Jagran.

Amnesh 

Okay, okay.

R.K. Agarwal 

Lucknow, it is fast approaching to become number two.



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

Amnesh 

Okay, and sir finally, we have eight loss making editions. Are they mainly the editions in Punjab sector which you had launched few years back ?

R.K. Agarwal 

Yes, all of them are new editions.

Amnesh 

Okay.

R.K. Agarwal 

one launched about 6 to 7 years back and others in past 3 years.

Amnesh 

Okay.

R.K. Agarwal 

But, those editions have come in losses in the last year because of certain strategic decisions which we took to counter the competition and to increase our market share.

Amnesh 

Sir, when is it likely to turn around ?

R.K. Agarwal 

That will take some time, next couple of years are crucial, for newspaper industry as such. So, I would not like to comment exactly when they are going to turn into profits, but it can happen you know any time.

Amnesh 

Okay sir. Thanks a lot.

Moderator 

Thank you very much sir. Next in line, we have Ms. Fatima from ICICI Prudential. Over to you ma'am.

Ms. Fatima 

Hello sir.

R.K. Agarwal 

Hello Fatima.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

Ms. Fatima 

Sir, I wanted to ask a specific economics for Inext and City Plus. Sir, what I remember City Plus was breaking even at the time of launch itself right ?

R.K. Agarwal 

Yeah absolutely.

Ms. Fatima 

Yeah, only Inext, we would yet not be breaking even. Can you just give, you know, say a rough idea of the loss that we have been making on Inext.

R.K. Agarwal 

Inext last quarter, we suffered a loss of about 2.5 to 2.75 crores, which in this quarter should be higher.

Ms. Fatima 

Okay, because of the new launches, but that would be like a one-off thing which will then again stabilize. Would it be of that sort ?

R.K. Agarwal 

Pardon?

Ms. Fatima 

It will be a launch expenses in this quarter, right. You are talking about which third quarter 2.75 crores or second quarter?

R.K. Agarwal 

Third quarter I am talking about. Second quarter we did not have significant loss.

Ms. Fatima 

Okay, so sir, how many more launches are you planning in Inext.

R.K. Agarwal 

For the current year, we have planned to launch seven and that we have done and for next year we are working on it. I am definitely impressed by the performance of Inext. We have plan to launch a few more.

Ms. Fatima 

Okay, sir in terms of ad revenues, Inext and City Plus combined could be, you know, at max would like not more than 5% of total ad revenues, right ?

R.K. Agarwal 

5% of total ad revenues in next couple of years, you must consider one thing, that both these brands are not even a year old brand. 5% of Jagran's total ad revenue, you know, come to a figure of

Ms. Fatima 

I am saying is a target ?



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal 
Target ?

Ms. Fatima 
Yeah.

R.K. Agarwal 
Definitely, the targets are going to be much, much bigger and for Inext, which is selling roughly about 10% of, Jagran at the moment, with only these seven editions, target should be commensurate with the circulation in any case.

Ms. Fatima 
Okay. Sir, regarding the out-of-home business, sir the direct expenses which we are quoting, that is the only expense, right ? There is no other expense in any other segment, right. Direct expenses are direct rental that you pay to the owners, right ?

R.K. Agarwal 
Correct.

Ms. Fatima 
So, sir, like you know, in this quarter would we be adding more sites and that is why there is an increase ?

R.K. Agarwal 
Yeah,

Ms. Fatima 
Okay, so for us to breakeven per se in out-of-home, that will be typically back ended, right, as in like if we have, currently we will be having three-year contracts, right ?

R.K. Agarwal 
We have three year contracts, we have two-year contract, we have one-year contract also, and we have five-year contract also.

Ms. Fatima 
Okay, so but sir, the breakeven, will be typically back-ended right ? Because it will take at least four or five months for us to start using the site, right ?

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 

Not exactly that. Like for example, you know, there are a few sights before we _acquired___ , we were able to sell.

Ms. Fatima 

Okay. Okay, sir then one more thing regarding the HT Media Hindustan. Sir would they be a close competitor now in Lucknow and Kanpur ?

R.K. Agarwal 

See in Lucknow, they have already been there for 12 years and they are definitely you know, respected competitors. There is no doubt about it.

Ms. Fatima 

Sir, what will be the ad rate difference?

R.K. Agarwal 

DJ is the more expensive.

Ms. Fatima 

Pardon sir, I did not hear you.

R.K. Agarwal 

I am not able to give you the exact difference between the ad rates, but Dainik Jagran has to have, you know, higher ad rate.

Ms. Fatima 

Yeah sir, the ad rates are given sir. I just wanted to know the margin at which they are as in like, you know, would they be like say 20 to 30% discount or a much higher discount.

R.K. Agarwal 

I do not think it will be fair on my part, , to comment on their discount rates.

Ms. Fatima 

Okay sir. No problem sir. Thank you sir.

Moderator 

Thank you very much ma'am. Next in line, we have Miten from HDFC Mutual Funds. Over to you sir.

Miten 

Good afternoon sir. Just had a query on the ad growth, a) what if any are the big sectors that have contributed to the 31% growth in ad in the nine month period and are we now seeing any of those sectors slowing down in any sense ?

R.K. Agarwal 

The automobile slowed down, you know, quite significantly in the past nine months of the current fiscal, but still we could maintain that ad growth of nearly 30% so on so forth, but now going forward, now more and more models are expected to be launched. So, automobile is expected to



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

come back.

Miten 

Sure sir. I meant, something that was robust in 2007, but is not looking so robust in 2008 and that worries you at all, if at all there is anything, I am not

R.K. Agarwal 

No, we do not see anything of that sort. We remain, quite positive about a decent revenue growth.

Miten 

So, a 30% like number is possible ?

R.K. Agarwal 

Yeah.

Miten 

Okay, sir. All the best. Thank you very much.

Moderator 

Thank you very much sir. Next in line, we have Mr. Suraj Makhija from ICICI Direct. Over to you sir.

Suraj Makhija 

Good evening sir. My question was as regards, Punjab territory. We have been very aggressive as regards Punjab territory. So, what is the status of that and where we do we rank as regards of our competitors.

R.K. Agarwal 

We are clearly number one in the important towns of Ludhiana, Amritsar, Jalandhar, Patiala.

Suraj Makhija 

Okay sir, and what is the strategy for this going forward, sir because we are still loss making in certain territories of Punjab, I believe so ?

R.K. Agarwal 

You are absolutely right. I request Mr. Sanjay Gupta to

Sanjay Gupta 

See the strategy at the moment was to first counter the competition

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

and have more numbers than them Now they will translate into readership and we will have very significant growth in advertising which will make the state viable.

Suraj Makhija 🗨

Okay sir, so you see Punjab contributing greater share going forward sir ?

Sanjay Gupta 🗨

They are already contributing a lot to the main kitty and I look forward to it contributing in a more healthier manner.

Suraj Makhija 🗨

Okay sir. Thank you so much sir.

R.K. Agarwal 🗨

See, since last one year that has already started, showing up.

Suraj Makhija 🗨

Okay sir, okay sir. Thank you so much.

Moderator 🗨

Thank you very much sir. Next in line, we have Ms. Deepti Solanki from PINC Research. Over to you Ms. Deepti.

Deepti Solanki 🗨

Hello sir.

R.K. Agarwal 🗨

Hello.

Deepti Solanki 🗨

Sir, I would like to know that the 20% increase in advertising, how much is on part of the space sold and how much would be because of the yield.

R.K. Agarwal 🗨

The yield has definitely improved as color space has increased significantly. That is you know an increase of 14%. That has resulted in improving the yield. As far as total space sold is concerned, as I mentioned, there has been an increase of 3%.

Deepti Solanki 🗨

So, _____ space volume has increased by 14% and could you please give us a figure on the yield that has improved, any percent increase ?

R.K. Agarwal 🗨

I do not have , that figure .

Deepti Solanki 🗨

Okay, okay thank you. Sir, the next thing is on circulation. We have grown 11% versus December quarter last year. So, how much would be on part of Inext and City Plus ?



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal 

Inext has contributed about 2% of the entire circulation increase.
Hello ?

Deepti Solanki 

Yeah, that is it. Thank you sir.

Moderator 

Thank you very much ma'am. Next in line, we have Mr. Amit Kumar from Kotak Institutional Equities. Over to you sir.

Amit Kumar 

Good afternoon to you sir. Sir, I just wanted to take some feedback from you. Now, what, you know, what we are seeing is that a couple of radio channels have also started in some of your key cities, Kanpur, Lucknow, Agra, Varanasi. I just want to get a sense of, you know, how will affect your _____ because you know earlier they were not there and now they are also an additional medium that advertisers can use, probably not next year or so, but over a medium to long-term, lets say three to five years. How do you see competition from that space happening ?

R.K. Agarwal 

See, in Kanpur radio has been there now for more than one year. Nothing new. Right ?

Amit Kumar 

Okay.

R.K. Agarwal 

we are firm believer of the fact that,, each medium compliments the other and radio is going to expand the market and not eat away our market.

Amit Kumar 

Okay. Okay sir the other thing, that I wanted to understand was, you know, in terms of if you look at quarter-on-quarter comparison versus last year, you know that the newsprint prices have come down by around 12 to 13% and the rupee has also appreciated by a similar amount, but you know we have see a, if you look at it in that sense, the increase in raw material cost, that is fairly huge. So that is what I wanted to understand that, you know, what have been the drivers behind that ?

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 

First let me clarify that we have not stated that 12 to 13% plus dollar appreciation, impact on the newsprint cost. I think there is some confusion. What we said is 6% on newsprint prices if I am comparing it with the corresponding quarter of the last year. That is one thing. Second thing as we mentioned in the press release as well, there has been a growth in circulation that is roughly about, 9% for strategic reasons as I mentioned in my opening remark as well and out of _this ____ a significant part has happened in Punjab, which our CEO was discussing a few minutes back.

Amit Kumar 

And sir what about the pagination levels, have that also increased on a year-on-year basis.

R.K. Agarwal 

That is something which is very, very common, you know, like you are also a reader of newspaper and you also get fed up getting the same number of pages from the same brand year after year. So, that is something, I mean an increase of 4 to 5%, to accommodate additional advertising also improves the product. That is something which is always happening and this will happen in time to come.

Amit Kumar 

Okay, so 4% to 5% would be the increase in pagination, I mean, we can assume that over the next three to five years.....

R.K. Agarwal 

I do not think that should be taken as an assumption, what I am saying is in general. We have so many editions, we have you know so many sub editions and so on so forth. If the newsprint prices are increasing, we can look pagination level as well to control the affect or impact.

Amit Kumar 

Okay, but if we assume that, you know, your newsprint prices stabilize at a certain level, then you know, 3% to 5%, up to that level, you know, ad space is also increasing and you know probably the content

R.K. Agarwal 

That will happen.

Amit Kumar 

Okay, thank you very much sir.

Moderator 

Thank you very much sir. Next in line, we have Atul from UBS. Over to you sir.

Atul 

Good afternoon sir. Just one question on the various editions, has the growth been kind of similar across editions and for example how would the Lucknow and Kanpur editions have grown compared to others.

R.K. Agarwal 

See again the same story, you know, which Jagran has been telling you all. Kanpur and Lucknow



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

would not grow at that pace at which other smaller towns would be growing.

Atul ☞

Yeah, but what would be the difference, I mean, can you give an indication how much would have

R.K. Agarwal ☞

I have not done that,, comparison to share with you the figures.

Atul ☞

Okay.

R.K. Agarwal ☞

But my hunch is definitely that it is the smaller places where the base was also smaller, the growth should have been , much higher than what is that _____ at Kanpur and Lucknow .

Atul ☞

But Kanpur and Lucknow would have grown at 10% or lower or

R.K. Agarwal ☞

Without a 10% growth in Kanpur and Lucknow, you would not have experienced 30% growth in the overall.

Atul ☞

Okay and they would together account for roughly what half of your ad sales ?

R.K. Agarwal ☞

Definitely not . Out of 32, the two can not contribute half of what others do.....

Atul ☞

Okay.

R.K. Agarwal ☞

50% to 60% revenue must be getting contributed by UP, if you had said that then I would have said yes, and not these two towns.

Atul ☞

Okay, thank you very much.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

Moderator 

Thank you very much sir. Next is a followup question from Vinay from Lotus India. Over to you sir.

Vinay 

Hello ?

R.K. Agarwal 

Hello.

Vinay 

sir, can you tell us what sort of contribution of color advertisement was there in the total advertisement ?

R.K. Agarwal 

You are talking about the sales ?

Vinay 

Yes, in terms of sales.

R.K. Agarwal 

..about 35, % in terms of total space sold .

Vinay 

Can you repeat, I could not get it ?

R.K. Agarwal 

35%.

Vinay 

35%, and how has this moved say over 1-year period ?

R.K. Agarwal 

In the corresponding quarter of the last year, what it was and what it is, there is a difference of 14%.

Vinay 

20%.

R.K. Agarwal 

14%.

Vinay 

Okay, thanks a lot.

Moderator 

Thank you very much sir. Next in line, we have Ms. Pragati from Citi Group. Over to you ma'am.

Ms. Pragati 

Hello sir ?



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal 
Hello Pragati.

Ms. Pragati 
Sir, I had a question on your loss making edition. You have indicated in the past that the three loss making editions in Punjab. They most likely will breakeven in FY09. I just wanted to ask if you see that on track ?

R.K. Agarwal 
I think there is some misunderstanding in that. We never said it is going to breakeven in 2008 - 2009 because the competition is very stiff there, so all the players in Punjab will be incurring losses .

Ms. Pragati 
Sir, Punjab _____, there should be other editions also. I mean, what kind of timeline do you see in the next 2 to 3 years or longer than that.

R.K. Agarwal 
In Punjab ?

Ms. Pragati 
Yes Punjab and the other 5 editions as well.

R.K. Agarwal 
As far as Punjab is concerned whomsoever has deeper pocket, will continue to survive and survive to earn. .

Ms. Pragati 
Okay sir, thanks.

Moderator 
Thank you very much ma'am. Next in line, we have Mr. Ruchit Mehta from HSBC. Over to you sir.

Ruchit Mehta 
Just on your number of pages. Could you give a sense of how many that are there and the total number of editions for the main Dainik Jagran itself.

R.K. Agarwal 
Average pages are 21--- last year about 20.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

Ruchit Mehta 

And the number of editions ?

R.K. Agarwal 

Number of editions, we have now 32 editions.

Ruchit Mehta 

32 ?

R.K. Agarwal 

Yeah.

Ruchit Mehta 

Okay, the 32nd edition, when was it launched and which city is it ?

R.K. Agarwal 

Patiala.

Ruchit Mehta 

When was it launched sir.

R.K. Agarwal 

About 1-1/2 months ago.

Ruchit Mehta 

About 1-1/2 months back. If actually it will start contributing only meaningfully from next year itself.

R.K. Agarwal 

Yeah.

Ruchit Mehta 

And just about ad rate increases, would you be fair to say that you know one can see at least 15% growth in ad rates.

R.K. Agarwal 

I don't think you know that should be a problem...for next couple of years.

Ruchit Mehta 

Okay, despite you know competitive pressures.

R.K. Agarwal 

Competition is not going to impact the ad rate increase because everybody has to bear increasing cost.

Ruchit Mehta 

Okay, just quick question, you know, typically ____50:23 and competition has entered very heavily. You have seen cut throat pricing cuts, and you have also experienced similar things in Punjab. If at some point in time you see the other major players coming to your major territories, do you see



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

foresee issues of the subscription front because that would take quite a hefty bit of your revenues.

R.K. Agarwal 

You see, the thing is that it is a very difficult assumption to make -----, some major player coming to UP, and giving us competition for all those places. That is something a bit I would say, not impossible, but a bit hypothetical. Everybody has to care for their profits, and I don't think that any sensible person would indulge in an indefinite price war. Hindustan is there, and we, both are having the same cover price wherever we are competing with each other. Amar Ujala_ also have the same price. .

Ruchit Mehta 

Okay, that is great. Currently what will be the split between color and black and white in terms of the ad sales ?

R.K. Agarwal 

Color is about 35%.

Ruchit Mehta 

How do you see this increasing over a period of time.

R.K. Agarwal 

It has been increasing for us. Earlier we had a limit on our color capacity as we had been expanding for past one year,, and with the increase in color capacity, __there is ___ growth in the color as well.

Ruchit Mehta 

Okay, and just sir finally, you know, on our expansion plans and earlier we used to have some initiative to go into MP in a bigger way through our sister company. Any progress on that front and also any plans to extend further into the Rajasthan or other states.

R.K. Agarwal 

See, Rajasthan has never been in our agenda, and for MP and in fact for other states now we are working out some other strategy, and we might see some action soon.

Ruchit Mehta 

Would you go into other languages as well.

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

R.K. Agarwal 

Other languages again are not on agenda at the moment. Other languages will be through our business paper /_ acquisition.

Ruchit Mehta 

Thank you so much.

Moderator 

Thank you very much sir. Next in line, we have Mr. Gaurav from Kotak Securities. Over to you sir.

Gaurav 

Mr. Agarwal, good afternoon and to the management also. Most of my questions have been answered. Just one question on margin. Your 9-month margin is 23.9% for this year. What are the margin drivers you see for the company to grow these margins further over the next couple of years. Any two or three points which you can highlight please ?

R.K. Agarwal 

As you know, in newspaper industry normally speaking when you have growth in advertisement revenue or your top line is going to be driven by advertisement year after year, you could see the movement in the operating profit as well as net profit. Normally, this is what should happen, and there are no exceptions, but maybe that you know in short-term because of competitive pressure,, it remains stabilized or it does not improve that much ,That is something different but normally speaking, with the growth in advertisement revenue, the margin should be improving.

Gaurav 

Sir, just to put a number to it. Are you looking at something like 30% margin ?

R.K. Agarwal 

That has not been our policy to comment on that percentage.

Gaurav 

Okay, but you think you can significantly grow your margins from this level over the next 2 years.

R.K. Agarwal 

That should happen, yes.

Gaurav 

Okay. Right Mr. Agarwal, thank you so much and all the best.

Moderator 

Thank you so much sir. Participants who wish to ask questions, kindly press *1 on your telephone keypad. I repeat, participants who wish to ask questions, kindly press *1 on your telephone keypad. Next in line, we have Mr. Ruchit Mehta from HSBC. Over to you sir.

Ruchit Mehta 

Yes sir, just on 30% Inext, would you have any idea as to, could you give us a sense of what these two could do in fiscal 09 in terms of ad revenues ?



Jagran Prakashan
Q3-FY-08 Results Conference
January 30, 2008

R.K. Agarwal 

In terms of ad revenue, I will let you know. In fact in the first 9 months of the current year, _I-Next _____ contributed about 6 to 7 crores revenue.

Ruchit Mehta 

6 to 7 crores ?

R.K. Agarwal 

But then you have to consider t out of 7 editions, 5 are launched in this quarter itself.

Ruchit Mehta 

So, next it will be fair to say these could combine and contribute 50 odd crore of revenues on a blue sky estimate or could you think that 31 crores is a more reasonable one.

R.K. Agarwal 

Which year you are talking about ?

Ruchit Mehta 

Fiscal 09.

R.K. Agarwal 

09 ?

Ruchit Mehta 

Yeah.

R.K. Agarwal 

I mean like it should not be less than 30 crore rupees, that is our target .

Ruchit Mehta 

Okay 30 odd crores you would look at, okay, and just on the outdoor front, you know, it has been a bit choppy in terms of profitability. When do you think it will stabilize and what is the steady state margin that you would expect it to have.

R.K. Agarwal 

We have been in this business for 1-1/2 years only. We first aimed at positioning of our business, in which we have succeeded . Now, we have started focusing on return.. We have started identifying which

Q3-FY-08 Results Conference



ABNEESH ROY

R. K. AGARWAL

RUCHIT MEHTA

were not remunerative or which are remunerative, and we have taken decision to quit from non-remunerative sites. Now after establishing our presence in all metros pan India, we have begun now to concentrate on our area ---- that is you know JPL footprint, and there we will be able to improve margins with the smaller investment.

Ruchit Mehta 

Do you see a greater opportunity to _____ because you have cross selling between outdoor and also between newspapers and magazine.

R.K. Agarwal 

For example, now, we have recently got the sole rights for Aligarh City where we have about 200 hoardings , so in the same way, we have got the rights for various ___other cities in UP.They are very good sites and very remunerative model.

Ruchit Mehta 

Okay, thank you so much sir.

Moderator 

Participants who wish to ask questions, kindly press *1 on your telephone keypad. At this moment, there are no further questions from participants. I would like to handover the floor back to Mr. Abineesh Roy for the final remarks. Over to you sir.

Abneesh Roy 

Thanks to everyone for participating in this conference call. Have a good day, and thanks specially to Mr. R. K. Agarwal and Mr. Sanjay Gupta.Thanks everyone.

R.K. Agarwal 

Thank you very much.

Moderator 

Ladies and gentlemen, thank you for choosing WebEx Conferencing Service. That concludes this conference call.Thank you for your participation.You may now disconnect your lines.Thank you.

Note: Please verify the blank. Poor voice quality.

CORPORATE OFFICE
Jagran Building, 2 Sarvodaya Nagar,
Kanpur 208 005, India.
☎ +91 512 221 📠 +91 512 223 0625
Website : www.jplcorp.in

REGISTERED OFFICE
Jagran Building, 2 Sarvodaya Nagar,
Kanpur 208 005, India.
☎ +91 512 221 📠 +91 512 223 0625

Designed at - Constant Design