



**INVESTORS/
ANALYSTS**
conference call

2010
28 May



Jagran Prakashan
Investors/Analysts Conference
May 28, 2010

Vikash Mantri 

Good afternoon everybody, we at ICICI Securities are pleased to host the Q4 Fy'10 results concall for Jagran Prakashan. We have Mr. Sanjay Gupta the CEO of Jagran Prakashan and Mr. R. K. Agarwal the CFO of Jagran Prakashan, over to you sir.

R K Agarwal 

Ladies and gentlemen we welcome you to the conference call of JPL. The results have been before you. These are far better than one would have expected in the beginning of the year. There is no doubt that all print media companies benefited this year from low news print prices but the bigger gainers were those who are innovative in their marketing approach and could register growth and turnover beating overall industry's average growth rate. Our advertisement revenues grew by 15.71% for the year and nearly 20% for the last quarter as against decline in advertisement revenue for the print media industry in calendar year 2009. Let me clarify here as far as Hindi newspapers are concerned there was a growth, there was no decline and in fact the growth in the space for Hindi newspaper was in the range of about 12% to 13% but it was English newspapers and other than Hindi language papers, which suffered and this is what pulled down the growth of overall industry because still nearly 45% of the total ad is with English print media.

Equally heartening was the performance of our outdoor and event businesses, which cumulatively recorded a growth of about 28% again outperforming the industry. We are particularly pleased with the performance of outdoor business where the industry registered a negative growth but we recorded a growth of nearly 13%. Outdoor business was virtually in operating profit since the second quarter of the financial year, if we exclude the provisioning. Similarly event business continued to be in profits, which would increase disproportionately to increase in turnover next year.

In comparison with Q3 the operating profits are lower despite higher increase in advertisement revenue mainly because of onetime expenses such as contribution of Rs. 3 Crores in CSR activity and expenses relating to Mid-Day merger, creation of uniform corporate entity etc., aggregating over Rs. 2 Crores. Additionally, last quarter also accounted for provisioning of Rs. 4 Crores on extremely conservative basis and target incentives of Rs. 1 Crore due to increased advertisement revenue. As per our adopted policy we provide for all the debts including government debts, where there is

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no question of any doubt, older than three years. We have also accounted for in the last quarter the impact of increased gratuity entitlement from Rs. 3.5 lakhs to Rs. 10 lakhs. Since the parliament had approved this announcement in May before closure of the accounts we thought it is better to take it into consideration in 2009-2010 account. Thus operating profit and net profit for the quarter as well as for the year were adversely impacted by onetime expenses and provisioning on extremely conservative basis. In fact our core operating profit for the year was much higher than what is shown in the results because of these reasons.

I would also like to point out that as per our policy we account for depreciation on written down value method as against straight-line method followed by most in the industry. This

results in higher depreciation in initial years when you are adding the assets, which is the case in our case as compared to those who follow straight-line method. This is why you see a jump of nearly Rs.12 Crore in depreciation as well.

We are also happy to inform that despite increase in competition in certain pockets of ours, Dainik Jagran was once again declared to be the most read newspaper in IRS 2010 quarter one round. Three more editions of I-Next have been launched at Gorakhpur, Bareilly and Jamshedpur. Only eight out of thirteen editions were covered by this survey reporting an impressive total readership of 2.1 million. Cityplus was further expanded and has now 24 editions.

The company's effort to keep itself in readiness in Internet space at appropriate time have continued as company continues to invest in this space but with necessary caution and restraint because we believe that any huge investment at this juncture is undesirable as generation of revenue to justify huge investment is going to be a challenge for the next four to five years.

The company's balance sheet remains strong with gross liquid assets representing cash, liquid investments and ITDs of about 275 Crores as against 250 Crores as of 31st March 2009 despite pay out of dividend and dividend tax of over Rs. 140 Crores approximately during the year and there has also been a drop in borrowing from Rs. 141 Crores to 125 Crore during the year. Similarly, debtor turnover was same at 70 days as last year.

Going forward, we expect growth anywhere between 17% to 18% in advertisement revenue and we expect to continue to benefit from some of the cost control measures taken by us during difficult times. We have adequate quantity of imported newsprint tied up for whole of the year 2010-2011, which will reduce the impact of rising newsprint prices. The merger of print media business of Mid-Day is going to be EPS accretive for the company. We are happy to report that since the approval of this scheme by our board, which is subject to various other regulatory approvals both the companies have already started working together to identify the synergic advantages to improve the profits of print business of mid day and we are quite confident that we shall be able to get additional revenues and save cost for them. We have definite strategy for each of high potential brands of Mid-Day, which will be implemented in due course in consultation with the existing management.

With these opening remarks we now request you to have your questions, which our CEO Mr. Sanjay Gupta and I will endeavor to answer to your satisfaction. Thank you very much once again for sparing your valuable time to attend the call.



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Moderator 

Thank you very much sir. Ladies and gentlemen we will now begin the question and answer session. The first question is from the line of Sumit Modi from Emkay Global. Please go ahead.

Sumit Modi 

Congratulations for very good set of numbers and also for generous dividend once again. Just wanted to know what are the plans of new edition launches for the next year and consequently what would be the CapEx related to those plans and about the advertising revenue growth guidance of 17% to 18% what in your view could be the likely volume growth within this.

R K Agarwal 

First of all I will address your question about the CapEx. We have a CapEx plan of about 125 Crores. As far as new editions are concerned definitely we have plans to launch new editions of I-next and City Plus and for Dainik Jagran I will request our CEO to throw light.

Sumit Modi 

Sir, on 17%-18% ad revenue growth what according to you is the volume growth within that?

R K Agarwal 

Out of 17-18% at least 10% should be the volume growth.

Sumit Modi 

So you think 8%-10% rate hike, which you are taking will be fully implemented.

R K Agarwal 

We have taken higher rate hike, but I believe at least this much will get implemented.

Sumit Modi 

Okay, so at least 8%-10% will get implemented. Sir, can you break this CapEx of 125 Crores how much would go in what?

R K Agarwal 

Out of this Rs.125 Crores 80 Crores are earmarked for plant and machinery.

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Sumit Modi 

For i-Next and City Plus?

R K Agarwal 

No, i-Next and City Plus do not need any CapEx these are essentially required for augmenting our existing capacities.

Sumit Modi 

Okay, and the rest 45 Crores?

R K Agarwal 

I do not remember. In any case we have at least Rs. 30-40 Crores CapEx every year, which are maintenance CapEx. So it would include certain buildings, computers and various other assets.

Sumit Modi 

Okay. Sir, in our core Hindi newspaper do we have plans to launch any new edition and when do we target?

Sanjay Gupta 

Let me tell you that in case of Dainik Jagran we are contemplating of expanding and launching a few editions I cannot disclose this right now as a strategy but you will likely to see new edition being launched by the yearend.

Sumit Modi 

Okay, does this 80 Crores include the CapEx towards that as well?

Sanjay Gupta 

That includes.

Sumit Modi 

Thank you and all the best.

Moderator 

Thank you Mr. Modi. The next question is from the line of Ruchit Mehta from SBI Mutual Fund. Please go ahead.

Ruchit Mehta 

On the subscription revenues they have been pretty weak on growth basis even quarter-on-quarter the revenue remains flat. I just want you get a sense if any pressure that you had mentioned last quarter are still there or...

R.K. Aggarwal 

You are talking about the cover prices?

Ruchit Mehta 

Yes sir.



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R.K. Aggarwal 

We have increased the cover price at couple of places in the last quarter. So, you cannot expect cover price increase every quarter or every year; that pressure still remains.

Ruchit Mehta 

Sir, for the current year what would have been your average realization?

R.K. Aggarwal 

For whole of the year I can tell you but I do not remember for the current quarter and the last quarter, but for whole of the year it was above Rs. 2.

Ruchit Mehta 

This will be again say 183 that you reported last year?

R.K. Aggarwal 

Yes, there is an improvement of about 8%.

Ruchit Mehta 

In terms of the ad growth you said that you are looking at somewhere close to 17%-18% growth in advertising would this also be a function of more and more colour advertising in overall pie?

R.K. Aggarwal 

That in any case is happening. This year also colour space has increased very significantly and it would also contribute in the growth.

Ruchit Mehta 

What would be the current percentage of ad space in colour?

R.K. Aggarwal 

Colour space has contributed about 45% in the total space.

Ruchit Mehta 

What would have been on the average in premium of colour over the black and white ad in the form of rate differential?

R.K. Aggarwal 

Very difficult to say, last year was an exception where the advertisement rates have remained under pressure so currently it is

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very difficult for me to indicate what kind of premium we charged last year, but definitely it was more than 15%.

Moderator 

Thank you Mr. Mehta. The next question is from the line of Amit Ahire from Ambit Capital. Please go ahead.

Amit Ahire 

Sir, what would be the newsprint consumption during FY10 and what would be the average cost for that thing and second as you said there is around 5 Crores of onetime provisioning cost, which you incurred during the quarter so if you adjust for that what would be the EBITDA number for that thing, it will be direct reduction of 5 Crores from the total expenditures will it be the number?

R.K. Aggarwal 

Let me clarify to you couple of things. Onetime expenses were in the range of about 5 Crores and over and above that there was a provisioning of 4 Crores.

Amit Ahire 

That is during the quarter?

R.K. Aggarwal 

During the quarter.

Amit Ahire 

So, the EBITDA number would be 722 million, which will earn 30.6% margins would it be fair?

R.K. Aggarwal 

Yes, it would be fair.

Amit Ahire 

What is the newsprint consumption during the year and what would be the cost or average rate for that?

R.K. Aggarwal 

Average cost is something, which is confidential, but let me tell you this is one of the lowest in the industry.

Moderator 

Thank you Mr. Ahire. The next question is from the line of Avinash Agarwal from Sundaram BNP Paribas. Please go ahead.

Avinash Agarwal 

Good evening sir. I just wanted to understand if this CapEx number includes any CapEx for Mid-Day or...

R.K. Aggarwal 

No Mid-Day does not need any CapEx.



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Avinash Agarwal 

Sir, this provision of 4 Crores is for the gratuity that you have mentioned?

R.K. Aggarwal 

No I did not mention that. I said 4 Crores provisioning for bad and doubtful debts that we do on a very conservative basis as I mentioned in my opening remarks whether it is government or non-government if they are older than three years we make provision (17:40)

Avinash Agarwal 

Sir, your advertising growth has been quite impressive this quarter so could you just highlight a couple of sectors, which have really contributed to this kind of growth?

R.K. Aggarwal 

There is no specific sector, which was very prominent in the last quarter. In fact all sectors came back to their normal levels and contributed and what benefited us additionally to some more extent was our concentration on smaller towns.

Avinash Agarwal 

So, was it more like the regional or the retail sort of players who advertise most this quarter?

R.K. Aggarwal 

That is right, but this quarter saw even national advertisers coming back to their normal levels of advertisement.

Moderator 

Thank you Mr. Agarwal. The next question is from the line of Ritesh Poladia from Almondz Global. Please go ahead.

Ritesh Poladia 

Sir, this is in terms of CapEx, in the last four years we have done about 90-100 Crores assuming not many new regions are open...

R.K. Aggarwal 

Can you please again repeat the figures?

Ritesh Poladia 

In the last four years total cumulative CapEx would be 360 Crores so

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about 90-100 Crores every year. If we do not make any other new editions or new regions till what time this 90-100 Crores CapEx would be required just to refurbish the existing printing centers?

R.K. Aggarwal 

Let me clarify to you one thing .It is not that in the past four –five years we have not done anything in terms of expansion. In 2005 we had launched in Dharamshala and Jammu and Kashmir. When we went for an IPO the e object was to upgrade our existing capacity in order to make them capable of printing more colour pages, which is paiging, Now we have colour space contributing about 45% of the total space, which used to be about 15%-20% four years back and that is what has in fact given the return on investment and that is what is ensuring higher growth in advertisement. Your next question how long we would continue to spend this kind of CapEx for upgradation? I think we have completed almost all. Now we are not going to see that kind of expenditure only on upgradation, but still our CEO would explain a bit more in detail.

Sanjay Gupta 

The issue is the life of a print line is about 12-15 years .So there will always be a few lines that will start becoming old and will require change. Also print capacity of existing plants need to be increased looking into the marketing demand that also leads to the fact that we need to add new press lines in the bigger center.So in centers like Kanpur, Patna, Lucknow, Delhi, Ludhiana, Jalandhar print orders are likely to increase in coming years and we will see more press lines coming in, but that will be not every year Definitely CapEx demand for press lines will start going down from the next year as we will likely be completing our colour installations of plant and machinery by next year and you will see a dramatic drop in plant and machinery expenditures. R.K.

Agarwal 

Let me add here, as it is for our industry Rs. 40-Crores or so is something, what we call maintenance CapEx so we cannot rule out that CAPEX. But last year , you have seen CapEx of just 40 Crores because times were difficult, we held back certain CapEx, which we had planned in the beginning of the year so they have got postponed and now they are going to be incurred in the current fiscal.

Ritesh Poladia 

Very well explained sir. In terms of new editions by yearend would it be in the new regions or in the existing regions?

R.K. Aggarwal 

That as our CEO said strategically we would not like to even make an indication.

Ritesh Poladia 

In terms of Mid-Day by which quarter the numbers would be integrated?

R.K. Aggarwal 

It all depends on when high court approves these schemes.

Ritesh Poladia 

It might take one more quarter?



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R.K. Aggarwal 

No, I am pretty sure till December we will not be able to include.

Ritesh Poladia 

Last year we have consumed about 1 lakh tonnes of newsprint, this year it would be 10% more or higher than that?

R.K. Aggarwal 

You are talking about 2010-2011?

Ritesh Poladia 

No, 2009-2010.

R.K. Aggarwal 

2009-2010, no it was not 10% higher because page levels, etc., were all kept under control, it was higher by about 3%.

Moderator 

Thank you Mr. Poladia. The next question is from the line of Hiren Dasani from Goldman Sachs. Please go ahead.

Hiren Dasani 

Thank you. Good evening Mr. Aggarwal and Mr. Gupta. I just wanted to get a sense of our exit circulation in each of the newspaper brands I mean where are we exiting March 2010 in terms of copies per day for DJ, i-Next as well as City Plus?

R.K. Aggarwal 

DJ, we are about 2.9 million, i-Next about 0.3 million.

Hiren Dasani 

City Plus?

R.K. Aggarwal 

City Plus, it is a weekly. the circulation should be in the range of about 0.4 million.

Hiren Dasani 

The circulation of DJ per day should grow more in line with the organic 4%-5% going forward right?

R.K. Aggarwal 

Growing the circulation of DJ is not an issue. We can grow whenever

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we wish. Our biggest challenge not only for us but also for the entire language media industry is how to monetize the huge leadership base what we carry. If we look at our leadership base and compare it with the advertisement revenue what we are able to generate ,in fact there is a complete mismatch and that gives an impression that not more than 50% of our readership base is standing monetized currently, So growing the circulation is not a problem in fact that 3%-4% growth or 4%-5% growth what you said is organically possible but it has to be kept in mind by the publishers how long we can go on increasing the circulation without commanding the kind of rates what English media commands. Definitely the gap is bridging but it is taking time so we have to be very cautious because after all we have to give return on your investment as well when it comes to circulation.

Hiren Dasani 

Why do you think is the difference only between English or Hindi or you think within your Hindi peer also your monetization of readership is somewhat lower?

R.K. Aggarwal 

Monetization of our readership base is definitely slightly lower than many others for the simple reason that the markets are growing and in future not only that gap would be bridged but then we will be able to monetize our readership base still better in times to come.

Hiren Dasani 

In this 17%-18% ad revenue growth is it like-to-like, I mean it is excluding Mid-Day or including?

R.K. Aggarwal 

No, excluding Mid-Day; whatever figures I am indicating that is excluding Mid-Day.

Hiren Dasani 

Broadly for FY10 can you give us a sense on the advertising revenue for let us say your two satellite papers, which are I-Next and City Plus?

R.K. Aggarwal 

City Plus I do not remember exactly the figure but I think it did anything between 4-5 Crores because when we started the year we had only 14 editions now only we have 24 editions So you will see clear traction because this year we have taken a very steep growth target and I am sure, the way they have been proceeding for past two months, they would achieve that kind of revenue. As far as i-Next is concerned we did about 30 Crores.

Hiren Dasani 

This provisioning for bad debt it is not like an extraordinary thing right having every year?

R.K. Aggarwal 

No, it is not an extraordinary you are absolutely right, but this year there was an extraordinary component and it was about 6 Crores for certain debts, which are under the litigation and it was purely on extremely conservative basis that we have done the provisioning, so this component was extraordinary and regaining provisioning too definitely could have been lower if we were not to be too conservative.



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Moderator 

Thank you Mr. Dasani. The next question is from the line of Rohit Dokania from B&K Securities. Please go ahead.

Rohit Dokania 

Congratulations on good set of numbers. When do we expect i-Next to break even?

R.K. Aggarwal 

In fact, i-Next had a profit last year. It had a small profit, but then I would say it was because newsprint prices were lower, but this year they would have very good traction in their revenue and therefore this year also they have projected profit for their business.

Rohit Dokania 

If I remember it correctly after the Q4 FY09 call I believe you had said within four to five years we want to make i-Next about 220-250 Crores kind of a brand on the top line, are we sticking on those plans?

R.K. Aggarwal 

Definitely for I-Next we have very aggressive plans and in the next four to five years if it does not reach that level it will be sad for us.

Rohit Dokania 

Would you like to comment on your margins, EBITDA margins going forward, how do you expect it to shape up in FY11, will we be able to maintain 30%-31% kind of a range?

R.K. Aggarwal 

31% is little difficult but 28% - 29% should not be a problem and in case advertisement revenue again does better than what we are expecting then the margins would again go beyond 30% because if you recall in the beginning of the year there was so much uncertainty, we were not expecting more than 7% to 8% growth in advertisement revenue. Thanks to our innovative marketing approach and policies, which we implemented to combat the slowdown, it gave us a growth exceeding 15%.

Moderator 

Thank you Mr. Dokania. The next question is from the line of Abneesh Roy from Edelweiss Capital. Please go ahead.

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Abneesh Roy 

Great set of ad revenues. My first question is on your Internet division. Initially you said that you are going to invest in this but very cautiously, just wanted to understand are you happy with the deal with Yahoo any rethink on that because I remember three years back when you had done the deal you were quite positive, so where do we stand with respect to that?

R.K. Aggarwal 

In terms of traffic there has been a tremendous improvement, in terms of the look of the site there has been a tremendous improvement. Revenues definitely have not come on the expected lines, so from the current year we have also started selling the space on our portal in addition to Yahoo and that is what has shown very significant improvement in revenues from Internet property as well.

Abneesh Roy 

How does it work, two sales teams for the same property?

R.K. Aggarwal 

They have identified the clients whom Yahoo would approach whom we would approach.

Abneesh Roy 

There is a new competitor likely to enter in Jharkhand and in the last five or six years we have seen that normally the second player is impacted in terms of new entry, we are the second player in that market, you are very strong I totally agree, but do you think that we will be impacted more in Jharkhand as we are the second player there or how does it work?

R.K. Aggarwal 

I will request later our CEO to answer your question more in detail but there are a few things, which I would like to share with you. Number one ,Jharkhand is normally not sold as standalone state. You have to be in Bihar as well. Number two, Bihar and Jharkhand still depend significantly on government revenues, my hunch would say it is more than definitely 50% in value, so this government advertisement revenue is something, which does not come to new entrant as it never came to us when we went there because there is always a time lag between when you launch and when your rates are approved by the government and there is a significant time lag that is between 16 to 18 months, so during this interim what happens is if you want to take government advertisement you have to give declaration that whatever government approves that is what you will accept. In our case also substantial amounts had to be written-off when we went to Bihar first, so these are the two important points, which have to be borne in mind and in fact when you say number two player gets affected more I think you are talking about particularly regional number two players not those number two players who has pan India presence.

Abneesh Roy 

Why should it be different for a regional and....

R.K. Aggarwal 

For the simple reason Abneesh that, , other places give one particular state like Jharkhand lot of strength, because you are selling bouquet when it comes to national advertising and as far as local advertising is concerned I have already explained you there dependence is much more on government advertisement revenue than anywhere else.



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Sanjay Gupta 

Let me add to what Mr. Agarwal has said Jharkhand is a P3 market for national advertisers and for us Jharkhand was a logical extension of Bihar because Jharkhand as a state was formed after we had launched in Bihar, so for us to launch in Jharkhand was an essentiality in a way that we wanted to have a complete market presence and now we are nearly around 10 years old in that market. We have a very strong brand presence in Jharkhand and any new entrant will have to really fight us for a very long time duration to show some substantial results and initial numbers, which publishers start shooting from the mouth I am not one of those persons to believe in because end of the day those numbers do not yield any advertising return and let me also assure you that as Jagran is, we are not going to take things lightly in any of our markets whenever competition comes to us, so we give a strong fight to the competition and maintain our position in line with our monetization efforts of the market, so that is a policy that we adopt and we do not go overboard and we do not want to fight a battle where it becomes more of an ego clash rather than a logical clash, so we always want to fight a battle on logical grounds rather than on emotional grounds.

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Abneesh, one more thing I want to add and cite as an example. Look at Punjab, there also we were number two to Punjab Keasri. When Dainik Bhaskar came not only we improved our position there but we have increased our revenue manifold, like in Ludhiana we are clearly number one, which we would not have become had we not faced the competition, so if you look at Jagran's past, Jagran has maximum number of competitors in every pocket and we have excelled in competition and another thing is not to forget the strength of I-Next. So far we have not adopted the strategy of selling to the market on the ground that I-Next plus Jagran is bigger than competitor.

Abneesh Roy 

Something like what is there in Bombay?

R. K. Agarwal 

Absolutely right, so this is a strategy we have not adopted so far but then this is something, which we are going to do.

Abneesh Roy 

Sir, my second question is on your subscription growth, which was very disappointing in Q4. You also said you have taken two cover

price increases, so could you give us some guidance in to FY11 growth in circulation revenues?

R. K. Agarwal 

Abneesh, you cannot expect circulation revenue growing quarter after quarter. You must look at two important things, last quarter of the financial year is a very tough one in the sense that examination season starts, so unless and until you push the circulation, there is hardly any growth possible in number of copies sold and as far as cover price is concerned that also you cannot increase every now and then, definitely we have taken increase in cover price but that is in case of only part of couple of editions.

Abneesh Roy 

So, 4 or 5% is possible or that is also too much I circulation revenue?

R. K. Agarwal 

Very difficult to comment looking at the competition, which is going to come may be that on an overall basis.

Abneesh Roy 

Sir, one last question is on your Blackstone funding, which has happened in the promoter group?

R. K. Agarwal 

It has not yet happened.

Abneesh Roy 

No colour on that Sir because it has not happened till now. What is likely in terms of acquisition or something like that?

R. K. Agarwal 

Unfortunately what has happened is immediately after Blackstone deal announcement, there was an announcement of Mid-Day, so people started clubbing these two together, but fact of the matter is that this is absolutely an independent transaction. Our approach towards acquisition and joint venture is altogether different. We have been looking for tie-up etc., because that is what we believe is a real growth vehicle in times to come. You go to new territory spend the money whether you get the desired return on your capital invested? So, if there is somebody who is suffering and by providing marketing support by providing cost synergies, if you can improve their profit, that is the best situation to be in. How much more you would fragment this industry? Already you are having nearly 62,000 newspapers in the country and 92% of them are Indian language newspapers.

Moderator 

Thank you Mr. Roy. The next question is from the line of Amit Kumar from Kotak. Please go ahead.

Amit Kumar 

There was just one point, which I missed somewhere in between, what is the amount of newsprint inventory that you are carrying right now in terms of number of months?



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R. K. Agarwal 

Amit, we have sufficient inventory to feed us for one or two months more but more importantly we have tied up the imported quantity for whole of the year.

Amit Kumar 

What would be the mix of newsprint? Just a rough idea how much would be imported and how much would be domestic?

R.K. Aggarwal 

Imported should be about 25%-30%

Amit Kumar 

Little bit on the Bihar and Jharkhand market. Could you just give us an idea based on your recent experiences in the last three to five months since you yourself had taken ad rate hike as well. What sort of a growth are you witnessing in terms of advertising revenues in that particular market?

R.K. Aggarwal 

Bihar and Jharkhand have been one of the biggest contributors in the last year growth besides Punjab and Haryana.

Amit Kumar 

Could you quantify that with some number?

R.K. Aggarwal 

Amit that is something I would not like to do.

Amit Kumar 

The other point which I broadly wanted to discuss was that given the entry of competition in that particular market, could you give us a very broad idea of what your strategy would be, that is point #1 and corollary to that have you done some sort of an analysis as to what would be in terms of the impact, what would be the financial impact?

R.K. Aggarwal 

Amit, you would agree that no competitor would share the strategy until the time it has to be implemented, that is one thing and number two I do not see much of an impact.

Amit Kumar 

But have you done survey analysis of how much of cost of business

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in that particular market, if Bhaskar had not entered given the fact that the market is growing at the rate where it is what kind of benefit you would have next year and what will the impact be because of new competition coming in?

R.K. Aggarwal 

Let us see and wait because I do not expect too much of impact and I am sure that Dainik Bhaskar being a listed company will also not like to waste money.

Amit Kumar 

In terms of i-Next you have added a couple of new editions on that particular side in the first quarter? How much have your circulation gone, I mean the three additions that you have added how much has the circulation of I-Next gone up on that account?

R.K. Aggarwal 

Those three editions have added, I am not sure, but I think it is 80,000 to 90,000 copies because since this is a city-centric newspaper; we have targets of very limited circulation.

Amit Kumar 

Could you just give us a very broad idea as to, the paper is already present in about 12 markets, have all the urban centers within the markets that you cover have they been targeted or is there still some scope for expansion of I-Next in new areas?

R.K. Aggarwal 

For I-Next we have altogether different strategy and let us see how I-Next progresses and then we will really start implementing that strategy.

Moderator 

Thank you Mr. Kumar. Ladies and gentlemen, the management would be taking one last question. The last question is from the line of Ruchit Mehta from SBI Mutual Fund. Please go ahead.

Ruchit Mehta 

What would have been your I-Next plus Cityplus revenues in the current year?

R.K. Aggarwal 

About 35 Crores, advertisement revenue plus circulation revenue of I-Next?

Ruchit Mehta 

What would have been the outdoor revenues?

R.K. Aggarwal 

About 47 Crores.

Moderator 

Thank you Mr. Mehta. Ladies and gentlemen, that was the last question. I would now like to hand the floor back to Mr. Aggarwal for closing comments. Please go ahead Sir.



Jagran Prakashan
Investors/Analysts Conference
May 28, 2010

R.K. Aggarwal 

Thank you very much gentlemen once again for sparing your valuable time for JP's conference call. Thank you very much.

Moderator 

Thank you Mr. Agarwal, Mr. Gupta, and Mr. Mantri. Ladies and gentlemen on behalf of ICICI Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.

Investors/Analysts Conference



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