



**INVESTORS/
ANALYSTS**
conference call

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Jagran Prakashan

Investors/Analysts Conference Call

November 01, 2010

Moderator 

Ladies and gentlemen, good day and welcome to Jagran Prakashan Q2 FY'11 earnings conference call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need any assistance during this conference, please signal an operator by pressing "*" and then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Vikash Mantri of ICICI Securities. Thank you and over to you, Sir.

Vikash Mantri 

Good morning everybody. We at ICICI Securities are pleased to organize the Q2 FY'11 conference call for Jagran Prakashan. We have senior management from the company representing in the call, Mr. Sanjay Gupta, the CEO, and Mr. R.K. Aggarwal, the CFO. Over to you, Sir.

R.K. Aggarwal 

Good morning friends. Welcome to the conference call of JPL and thank you for sparing your precious time. The numbers for the quarter and half year ended on September 30 have already been with you, and I hope and trust that you feel satisfied with the performance. There is all round growth in revenue, operating profit as well as net profit on year-on-year basis. However, in comparison with Q1, these numbers look more or less flat as against our expectations of these numbers being lower mainly because of full festive season shifting to Q3 in the current quarter. Notwithstanding this, we could have fared far better, but for massive floods in our region, cancellation of advertisement in the last week of September or rather in the last two weeks of September owing to the uncertainty caused by verdict on Ayodhya.

This is the first time when listed companies have been required to publish the balance sheet and I draw your attention to the unaudited summary of assets and liabilities, which as usual reflect the sound financial health of the company with debt-equity ratio of just 0.15 and current ratio of 2.40, suggesting a strong liquidity.

The investment portfolio stands at 188 Crores comprising primarily liquid investments in the form of mutual fund units. The company's strong liquidity, in spite of dividend payout of nearly 50 Crores during the current quarter, is attributed to strong cash generation from

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operations coupled with continued control over working capital. As many of you desire to know the net debt position you may please note that it was about 57 Crores, but without considering the liquid investments of 188 Crores, and if we consider that then in fact we have net cash of about 130 Crores.

Coming back to the performance of the company, there was growth in revenue from print as well as non-print-based businesses, except outdoor where revenue was flat. During the current quarter, event and digital businesses were once again star performers recording

growth of nearly 78% and 154% respectively on year-on-year basis. Even in comparison with Q1, both these businesses did remarkably well, recording a growth of 60% and 19% respectively. As far as outdoor is concerned, it is expected to record double-digit growth in Q3. The growth in advertisement revenue of 12.75% approximately was on account of improved yield for Dainik Jagran, although the space published was slightly less. Lesser space is not worrying considering the reasons stated in the beginning and higher base of last year. Q3 looks pretty good and we expect space as well as yield improving further.

In spite of drop in cover price much against our wishes in Jharkhand, full impact of which has been accounted for in the current quarter, Circulation revenue registered a growth of about 1%, mainly because of increase in circulation by about 7.90% across various locations. However, there was a silver lining in dropping the cover price, which has made Dainik Jagran #2 newspaper of Jharkhand including Ranchi, just behind Hindustan.

In fact, along with I-Next we have become #1 player in the state. This should augur well for advertisement revenue in medium to long term.

If you look at the cost structure, all the elements of cost are continued to be kept in check; and in comparison with Q1 there was hardly any increase. On year-on-year basis, more than 10% increase is in employee cost and raw material consumption, which is on expected lines. The full impact of increase in newsprint prices shall start getting reflected from Q4, but we reiterate that on year-on-year basis it will not exceed 10% for full year.

We are pleased to inform that Mumbai High Court has since approved the scheme of arrangement in case of Mid-Day and we expect to receive soon similar approval from Allahabad High Court. The approval has also been received from FIPB for investment by Blackstone in Jagran Media Network, which is going to become a holding company of JPL. Jagran Media Network has sought some clarification from FIPB, which is expected to be received shortly. It is also awaiting the registration with RBI as Core Investment Company, which is expected to be received within a month. Post receiving the required approvals and registrations, the individual promoters and their family members shall consolidate their share holding in Jagran Media Network.

We further like to inform you that in the board meeting held on October 29, 2010, the board has approved ESOP scheme for senior employees. This scheme is to be implemented through employees' welfare trust to ensure that on the one hand the existing shareholders are not diluted and on the other hand employees are rewarded for their performance and for being with the company for a longer period of time. The said scheme is subject to approval by the shareholders, which is being sought through postal ballot.



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Now, we request you to have your queries, which we would endeavor to answer to your satisfaction. Thank you very much.

Moderator 

Thank you. Ladies and gentlemen, we will now begin with the question and answer session. Our first question comes from the line of Siddharth Goenka from JM Financial. Please go ahead.

Siddharth Goenka 

Good morning everyone and congratulations on the good set of numbers. Sir my first question is on the advertising outlook, which you earlier said that it should be growing at around 18% to 20%. Do you still maintain that outlook, because we have shown pretty good performance in the first half, so any guidance if you can give us for the ad outlook in FY'11?

R.K. Aggarwal 

We have always been saying growth in the range of about 17% to 18%, and we maintain that.

Siddharth Goenka: Sure. But if you look at the second half, probably Q3 will see a lot of festive spending, and if you just do a 45-55 split or even 48-52 split?

R.K. Aggarwal 

We prefer to be out-performers instead of being under-performers.

Siddharth Goenka 

Sir what is the yield and volume split for advertising revenue for this quarter?

R.K. Aggarwal 

The fact of the matter is as I just mentioned the growth in the second quarter was primarily driven by the improved yield and there was a lesser space published in the current quarter. It was mainly because it had to counter with a higher base of the last year. If you recall, Q2 of FY'10 was the best of the last year.

Siddharth Goenka 

Sir last question. If you can give us what is the average newsprint price for you in this quarter and what kind of outlook you have for newsprint prices going forward?

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R.K. Aggarwal 

We do not expect an impact exceeding 10% on year-on-year basis for full year on account of price increase. In the Q2, the impact was not that much, impact was nearly about, I believe 7%-8%.

Siddharth Goenka 

What is the newsprint price for this quarter, if you can give us any number?

R.K. Aggarwal 

That becomes slightly confidential.

Siddharth Goenka 

Not an issue. This is it from my end. I will come back if I have more questions. Thank you so much.

Moderator 

Thank you. Our next question comes from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy 

Sir congrats on the good set of numbers. My first question is on the ad revenue front, you said you were impacted because of floods in Ayodhya, especially in the last two weeks of September. I just wanted to understand this better if we take these two issues off, what kind of growth you have seen instead of that 13%?

R.K. Aggarwal 

Definitely it could have been easily not less than 15%.

Abneesh Roy 

Sir if you see the numbers for some of the other peers who have reported till now, we have slightly grown slower because of the higher base because of these two issues, so is it fair to assume that we will be out-performers in the coming quarters because these two special events will not be there?

R.K. Aggarwal 

Sure.

Abneesh Roy 

Sir, my next question is on the Mid-Day, if you can talk about what kind of synergies we have achieved in terms of revenue, cost front, and Inqilab also?

R.K. Aggarwal 

Not much till the end of the Q2 because we are still awaiting the approval from Allahabad High Court, but definitely on providing the synergies, lot many things have started happening, the full impact of which we will feel only in the next year. As far as Inqilab is concerned, our CEO would throw light.

Sanjay Gupta 



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Pending Allahabad High Court decision, we have not been able to push the launch of Inqilab in the north, but having said that, we are also looking for a credible journalist up north to head the operations and it is a little difficult to find such people considering a low base of Urdu dailies in the north, but work is going on. We have started exchanging new thoughts and news items with Inqilab Bombay and things are getting streamlined in terms of workflow, editorial, etc., and I do expect something happening in either end of November or may be by December.

Abneesh Roy 

Sir, my last question is on the Jharkand market, you said post the cut in cover prices there was a silver lining that we became #2 and also it is some time now that DB Corp has entered, so in light of this where do you see DB Corp really impacting you in terms of revenues and circulation?

R.K. Aggarwal 

As we have been saying we do not see any new entrant impacting our revenue or something of that sort, but still let us wait and see.

Sanjay Gupta 

Any new entry never impacts the revenue of an existing player in first couple of years at least, because they are only fighting for circulation numbers. No advertising revenue at least for new players ever goes to in any new launch.

Abneesh Roy 

Sir, one small question on the outdoor revenues. You said Q2 was essentially flat YOY, but you also mentioned that Q3 double-digit growth would come back. I wanted to understand why you are envisaging such a delta in outdoor?

R.K. Aggarwal 

See, year-on-year it was flat. Again, Q2 is never good for outdoor industry in the sense that you have rains, etc. In Q3, October has gone very well for outdoors and they have recorded one of the highest growth in their history, so that is what gives me confidence. In fact, I am just keeping my fingers crossed may be that in the Q3 you see a growth in the range of 15% to 20%.

Abneesh Roy 

Sir, is it profitable as yet?

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R.K. Aggarwal 

At operating level, it has been profitable for the past one year rather 15 months and at net level also for the past two quarters they are almost breaking even. So in the Q3 you would see that profit starts coming.

Abneesh Roy 

Okay sir, I will come back if I have more. Thanks a lot.

Moderator 

Thank you. Our next question comes from the line of Ritesh Poladia from Almondz Global. Please go ahead.

Ritesh Poladia 

Good morning sir and thanks for taking my question. I just wanted to know if any sector had outperformed by huge margins in this quarter for advertisement.

R.K. Aggarwal 

Any particular category?

Ritesh Poladia 

Yes, it is like real estate or auto or you see some slowdown happening in either sector?

R.K. Aggarwal 

No, we have not witnessed any slowdown in any of the category and definitely in the Q2 the category, which has been a star performer, is Education.

Ritesh Poladia 

Okay. You do not see any other categories to falter?

R.K. Aggarwal 

No, definitely not. In fact, from the Q2 itself, in spite of no part of the festive season falling in Q2, consumer durables, etc. have started coming and in fact they are faring much better than what we did last year.

Ritesh Poladia 

Okay that is fair enough sir. Another question is on Jharkhand with reduction of cover price, has the loss making editions have increased?

R.K. Aggarwal 

Yes, they have increased. One of the three editions has gone in loss because of reduction in cover price.

Ritesh Poladia 

So Jharkhand would be little loss-making proposition as of now?

R.K. Aggarwal 



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Yes, you may say that, but it would not take much of time before it comes back again.

Ritesh Poladia 

Sure sir. Any other editions you envisage that cover price has to be reduced because of the competitive activity increasing?

R.K. Aggarwal 

So long as Bhaskar does not enter Bihar, we do not expect.

Ritesh Poladia 

Okay. In UP, because of HT.

R.K. Aggarwal 

Because of HT, it keeps happening, they keep dropping the cover price, but then it remains there for some time and again it increases, so I do not think in UP there is anything significant which is going to happen, keeping in view the total number of copies what we circulate in UP and Uttarakhand.

Ritesh Poladia 

Okay. One of your competitors has withdrawn some of the editions, do you have any plans to withdraw, some very small editions?

R.K. Aggarwal 

Not to my knowledge, and yes, and I do not think we have any plans to withdraw any edition.

Ritesh Poladia 

Okay. There is no plan of withdrawal of any editions. Thank you very much sir.

Moderator 

Thank you. The next question comes from the line of Miten Lathia from HDFC Mutual Fund. Please go ahead.

Miten Lathia 

Congratulations sir, just one thought which I want to clarify. Over the three-year timeframe, our readership in UP has declined by 11%, while Amar Ujala is broadly flat, does it worry the management or is it a very conscious trimming of circulation which is causing this loss in readership or what is the macro factor at play which is resulting in this sort of readership decline?

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R.K. Aggarwal 

I will explain you. First of all, I think you are comparing the figures of 2006 with 2010.

Miten Lathia 

No sir, 2007, so the excess of 2005 and 2006, I have taken out.

R.K. Aggarwal 

11% drop in the past three years, I think there is some confusion because we had maximum readership of 1 Crore 71 lakhs, as against which now we have 1 Crore 60 lakhs.

Miten Lathia 

Sir, I am just talking about only UP.

R.K. Aggarwal 

You are talking about only UP. See, first of all let me tell you, as we have always been saying, our challenge has been to monetize the unmonitized readership numbers, so there has not been any push as a matter of strategy to increase the readership. So this was something, which was very well considered and thought-over decision. Now, after we have started with district activation, there is a need being felt where we need to push our circulation, which we will be doing, may be starting from the last quarter of the current year.

Miten Lathia 

Let me also clarify that you said that the circulation numbers have dropped, they are not dropped.

R.K. Aggarwal 

Circulation numbers definitely have not dropped. In fact we have gained about 20% circulation over a period of three years, and why the readership has fallen, the reason is simple that we have been concentrating on city circulation, where you have readership per copy less than what you have in up country. So whenever you attempt this kind of a strategy that is what is going to happen, but still we are sitting on a readership base, which is at least 20% higher than our nearest competitor on overall basis.

Miten Lathia 

Okay, the gap is still intact but I was slightly worried.

R.K. Aggarwal 

There is nothing to worry, because this was a matter of strategy and as I said after we have started focusing on district activation to realize the revenue, we feel that in case we are able to monetize that readership in the next couple of years' time, the time has come when we should push it.

Miten Lathia 

What should one assume would be annual increase in circulation in our UP?

R.K. Aggarwal 

See, as you have already seen in the Q2 of September, we have already grown by about 8%. Definitely, out of that, significant portion has come from Jharkhand after we had dropped the cover price, but across the location we have increased the circulation. It is not that we have been putting



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a check on increasing circulation, but we had not been pushing it. The moment we decide to push it, definitely circulation increase would happen in the range of about 7-8%, which is not a problem.

Miten Lathia 

Thank you very much for that.

Moderator 

Thank you. The next question comes from the line of Girish Raj from IFCI Financials. Please go ahead.

Girish Raj 

Hi, thank you. I would appreciate if management could share their perspective on the direction of profit margin for the next two years, assuming that newsprint prices remain, as you mentioned, 10% increase on a year-on-year basis?

R.K. Aggarwal 

Operating margin should remain 30% in spite of increasing competition.

Girish Raj 

So where exactly is the absorption, given that your revenue is expected to grow 18%?

R.K. Aggarwal 

growth in advertisement revenue, the growth in other non newsprint-based businesses, now these will help encountering the losses which will arise out of the competition.

Girish Raj 

So what you are saying is whatever growth we are achieving may be invested to counter the competition.

R.K. Aggarwal 

Yes

Girish Raj 

Okay. One more broad question, over the next two years or beyond that we do not see much geographical growth, so where exactly?

R.K. Aggarwal 

How do you say that? Geographical growth after couple of years? still

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there are a lot of locations, which are untapped and as it is wherever we are operating there is still a lot of scope to grow.

Girish Raj 

In what terms? One is the yield or the card rate increase that we can

R.K. Aggarwal 

Card rate increase can be under pressure but not the yield. First of all, there is a difference between yield and the card rate. Let me clarify to you. Card rates might remain under pressure for a couple of years, keeping in view the intensity of the competition, but our challenge is to improve the yield, which we have done as you have seen in the Q2, In fact the entire growth was contributed by the improved yield. So that is where our challenge is and when more and more district activation starts generating the revenue, the yield would only improve.

Girish Raj 

Final bookkeeping question sir, the split between subscription and the advertisement revenue if you may share?

R.K. Aggarwal 

I think in this quarter, the split between advertisement revenue and subscription was about 78% advertisement and 22% circulation.

Girish Raj 

I mean the growth rate year-on-year basis for ad revenue?

R.K. Aggarwal 

For ad revenue year-on-year for couple of years or?

Girish Raj 

What was the advertisement revenue growth rate for this particular quarter for approximately?

R.K. Aggarwal 

12.74% and in Q3 you might see a growth exceeding around 25%.

Girish Raj 

Great, thank you sir, that is all.

Moderator 

Thank you. Our next question comes from the line of Chitragda Kapoor from Angel Broking. Please go head.

Chitragda Kapoor 

Good morning sir, thank you for taking my questions. Couple of questions, first on the advertisement revenue. Sir if I am not mistaken, we had taken a blended ad rate hike of about 10-15% in March and April. I would like the management to answer me how much the ad rate hike contributed to the advertising revenue?

R.K. Aggarwal 

In the Q2 the advertisement revenue growth is only because of improved yield and nothing else.



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Chitrangda Kapoor 

Okay sir. There was no ad rate hike absorption I can say that has contributed to the advertising revenue.

R.K. Aggarwal 

When I am saying improved yield, it has function of both, function of improving the yield of existing rate as well as improved rates.

Chitrangda Kapoor 

Okay. Sir if I have to put a number, can I say approximately 6-7% came from ad rate hike this quarter?

R.K. Aggarwal 

This is a very complicated question you are asking. Out of 12.74%, when I say this is only on account of improved yield, how much has contributed because of increase in ad rates and how much has been contributed by improved yield.

Chitrangda Kapoor 

I am not asking for contribution sir. I am just asking was there any ad rate hike absorption happened?

R.K. Aggarwal 

We do hike only once a year and that we have done in the month of March and whatever growth you are seeing it is partly because of impact of increase in ad rates, which we had taken in the month of March.

Chitrangda Kapoor 

Okay, thank you sir. My second question is pertaining to your other income sir. I can say a substantial increase year-on-year this quarter, so could you please attribute why there is such a huge increase in other income?

R.K. Aggarwal 

Other income has not been.

Chitrangda Kapoor 

It is 12 Crores this year versus 5 Crores last year same quarter.

R.K. Aggarwal 

Other income last year it was 5 Crores 2 lakhs and now it is 6 Crores

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39 lakhs, so I do not see much of increase in that.

Chitragda Kapoor 

Sir 6 Crores 39 lakhs is correct, but there is also another operational income of approximately

R.K. Aggarwal 

That is not the other income, that is very much part of the operational income. That is outdoor event and digital business, which is very much part of the business.

Chitragda Kapoor 

So it is part of your operational income.

R.K. Aggarwal 

Yes.

Chitragda Kapoor 

Okay. Sir when you are saying that your advertising revenue was approximately at this time about 270 Crores, we have your circulation revenue at around 55 Crores this quarter. How much has the contribution of your other non-publishing to the total topline? It would be 23 or 24 Crores sir?

R.K. Aggarwal 

I did not get your question at all. Advertisement revenue is 193 Crores, circulation is 54 Crores.

Chitragda Kapoor 

How much is the event outdoor and digital businesses are contributing to topline?

R.K. Aggarwal 

That is the remaining part. Event and outdoor contributed 20.81 Crores and the digital business contributed I think about 1.5 Crores or so. What you say is right, 23 Crores.

Chitragda Kapoor 

23 Crores, okay sir. I will get back if I have more questions. Thank you.

Moderator 

Thanks you. The next question is from the line of Amit Kumar from Kotak Securities. Please go ahead.

Amit Kumar 

Hi, thank you for the opportunity sir. I am sorry, I joined the call a little bit late, so I am not sure whether this is a repeat. I just wanted a breakup of your circulation across Dainik Jagran, I-Next, and other papers that you have, what broadly would be the increase in the circulation versus Q2 of fiscal '10.

R.K. Aggarwal 

There was an increase in circulation about 7.90% in Dainik Jagran.



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Amit Kumar 
About 8% sir you are saying, okay.

R.K. Aggarwal 
And there was no increase in per copy realization, in fact there was a drop.

Amit Kumar 
Okay. What about the other newspapers that you have, I-Next, City Plus, and so on?

R.K. Aggarwal 
City Plus had shown a growth of nearly 20-25%. For I-Next I do not have figure readily available.

Amit Kumar 
Okay. In terms of absolute circulation, for this particular quarter what would be Jagran, I-Next, and City Plus?

R.K. Aggarwal 
City Plus was about 5 lakh copies per week, Dainik Jagran was about 3 million copies, and I-Next I believe was 2.25 lakh copies per day.

Amit Kumar 
Okay, thank you so much sir. That is all from my side.

Moderator 
Thank you. Our next question comes from the line of Arjun Khanna from Principal Mutual Fund. Please go head.

Arjun Khanna 
Sir, thank you for taking my question. My first question is on a national daily, which we had launched. Could you give us some figures how it had actually been able to scale up?

R.K. Aggarwal 
Our CEO will answer this.

Sanjay Gupta 
Delhi is an experimental project to showcase our product to the elite in Delhi only. We have been largely successful in that and it is not a project where we probably think in terms of advertising, so it is more of a branding perspective project, we circulate largely in airports, and in political areas of Delhi.

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Arjun Khanna 

Sir forgive me if I am mistaken here, but I do remember one earlier call, you did mention that you would look at all state capitals, so that is why I was just curious as to its ramp up.

Sanjay Gupta 

We have done a trial launch now in Bhopal Again, it is in the political circle and bureaucratic circle, and similar strategy may be adopted, but test case is Bhopal, which we will probably test for may be another six months, and if we get a desired branding, may be only for branding purposes the product may be launched in other state capitals.

Arjun Khanna 

Sure. Sir my second question was in terms of a business daily. I know we have shoved the project currently, but what would your estimation be, say the market size and the survivability on such an endeavor?

Sanjay Gupta 

We have not studied that project since we dropped it, so it is very difficult to comment on it.

Arjun Khanna 

Sure. Lastly sir, could you give us some sense on the growth say on our digital platform, on our online, the kind of hits we are currently receiving and its monetizability?

R.K. Aggarwal 

We have recorded a growth of 154% on year-on-year basis, definitely there was a lower base, but the way it has been shaping up for the past two quarters it really encourages to continue to invest in digital business in order to be ready when internet becomes the way of life in India but w/o going overboard .

Arjun Khanna 

Sure, sir just a supplement to this, are we looking at classifieds and jobs?

R.K. Aggarwal 

We already have classifieds. Our classifieds portal is called as khojle.in. We have launched, in fact for Mid-Day as well very recently, and we have a gaming portal called jeetle.in, which you see in Midday as bidlu.com, Both these portals have been doing very well. These are both new, but still have been giving very good revenues for the past six months, and despite the fact that we have not promoted our classified portal or the other portal too much.

Arjun Khanna 

Sir, could you give us some guidance as to the amount of CapEx you have incurred in the two to three years?

R.K. Aggarwal 

We have not. We debit the entire investment made to our P&L, but despite doing that, we have profit from both these portals.

Arjun Khanna 

Sure. Thank you sir for the answers.



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Moderator 

Thank you. Our next question comes from the line of Rajeev Ghosh from Wealth Management. Please go ahead.

Rajeev Ghosh 

Good afternoon sir. Sir I wanted to know what is the circulation numbers for Dainik Jagran? Is it 3 millions per week?

R.K. Aggarwal 

3 millions per day.

Rajeev Ghosh 

And for City Plus 5 lakhs per week.

R.K. Aggarwal 

I-Next about 2.25 lakhs per day.

Rajeev Ghosh 

Okay sir, another thing is that, can we see the circulation revenue increasing going forward? Can you give some guidance on that?

R.K. Aggarwal 

That is something, which you would see when it happens.

Rajeev Ghosh 

Okay sir, thank you.

Moderator 

Thank you. The next question comes from the line of Sakshi Malhotra from Eureka Shares & Broking. Please go ahead.

Sakshi Malhotra 

Sir, I had almost the same question, as in for the circulation revenue, what kind of growth do we expect in the coming few quarters and which areas would be the trigger points, since we are not really expanding to new locations?

R.K. Aggarwal 

New location is not compulsion for us, because as it is where we are operating there is still very less penetration, so we will be better advised if we keep on expending the circulation in our existing areas, and that needs to be planned very systemically in the sense that it should result in monetization of those circulation numbers in

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due course of time. So if you look at the growth in circulation for the Q2, it was about 8% and we have not gone to any new territory, which is again not ruled out, but at the same time this is not compulsion, that is what I am trying to say.

Moderator 

Sir, it appears the line from the current participant has been disconnected. Shall we move onto the next question?

Sanjay Gupta 

Yes please.

Moderator 

Thank you. The next question comes from the line of Abneesh Roy from Edelweiss. Please go ahead.

Abneesh Roy 

Sir, two followup questions, one was on Bihar elections, what kind of a total budget you see for all the plans put together in terms of political advertising sir?

R.K. Aggarwal 

I am sorry I do not have an idea about that, may be our CEO will throw light on this.

Sanjay Gupta 

Very early days to project what kind of numbers we are going to get on political advertising, it is only the fourth round that is happening, may be by the end of the round it picks up. It has been modest numbers, nothing too great to report.

Abneesh Roy 

Sir, regarding the circulation breakup, which you have just mentioned, one thing which comes out is in I-Next our growth is just around 4%, while the other segments are growing faster?

R.K. Aggarwal 

See I-Next we had some problems in circulation, which we have addressed. There were many internal issues, which we have addressed already and you will see faster growth in times to come.

Abneesh Roy 

Could you elaborate that?

R.K. Aggarwal 

It was nothing, but logistical problem.

Abneesh Roy 

Sir one thought which comes out is Mid-Day as a product and I-Next as a product, will be targeting maybe the same segment, in the same city they are present, so in the conflicting geography sir what would be the thought process?

Sanjay Gupta 



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There is no question of launching conflicting geographies for Mid-Day and I-Next.

Abneesh Roy 
Present one; there is no conflict at all?

R.K. Aggarwal 
There are no conflicts.

Abneesh Roy 
Okay sir, thanks a lot.

Moderator 
Thank you. Our next question comes from the line of Amit Kumar from Kotak Securities.

Amit Kumar 
Thank you for the followup sir. I just wanted to understand, we integrate Mid-Day either by the end of this quarter or by the end of next quarter, what is your plan for Mid-Day going forwards, if you could just elaborate on that?

R.K. Aggarwal 
For Mid-Day, our strategy remains the same. As we discussed, while we were acquiring this brand, you might have seen that there is a growth in circulation in Mid-Day since the time we have stepped in, and our plans are to make it stronger in its slot that is afternoon slot, at the same time making Mid-Day Gujarati also stronger in Mumbai market. For Inqilab, we have plans to expand it across our territory and that is where our CEO just explained, we are already working on the plan and may be that by end of November or early December post we receive the approval from Allahabad High Court you will see some launches.

Amit Kumar 
Okay. Sir Mid-Day in Bombay, since you have actually acquired that plant, what sort of circulation increase that brand has seen?

R.K. Aggarwal 
That is something very interesting. In fact, the circulation has grown by nearly 20%.

Amit Kumar 

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R. K. AGGARWAL

SANJAY GUPTA

From what to what?

R.K. Aggarwal 

It has grown from, I believe, 91,000 to about 1,10,000.

Amit Kumar 

Okay, fine. Thank you so much sir.

Moderator 

Thank you. The next question comes from the line of Nihar Shah from Enam Holdings. Please go ahead.

Nihar Shah 

Sir, just one quick clarification. You had mentioned that the newsprint price increase would be 10% year-on-year for the full year of FY'11. Is this purely based on the pricing alone or does it take into account your increase in circulation also?

R.K. Aggarwal 

No, it was only factor of price.

Nihar Shah 

Okay, so with circulation you could see about 13% or 15% on that.

R.K. Aggarwal 

Yes, absolutely.

Nihar Shah 

Okay, thank you sir, that is all from my side.

Moderator 

Thank you. Our next question comes from the line of Rohit Dokania from B&K Securites. Please go ahead.

Rohit Dokania 

Good afternoon sir, just one question. Now that we have got the approval for the Blackstone money to come in, I was wondering if there is any consolidation that we take part in the print space, will it happen through the parent entity or will happen through the listed JPL entity?

R.K. Aggarwal 

What is going to happen has to happen in JPL? We are not going to dilute the value for shareholders of JPL.

Rohit Dokania 

Okay sir, whatever consolidation happens in the print space value to JPL. Great sir. Thanks a lot.

Moderator 

Thank you. As there are no further questions, I would like to hand the floor back to Mr. Vikash Mantri for closing comments.



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Vikash Mantri 

Okay sir, that is fine. Thank you everybody for the call. That marks the end of the call.

R.K. Aggarwal 

Thank you very much.

Moderator 

Thank you. On behalf of ICICI Securities that concludes this conference call. Thank you for joining us and you may now disconnect your lines.

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