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## Press Release

**Mumbai, July 17, 2014**

### **Performance highlights for Q1 FY 2014-15**

#### **Consolidated Q1 FY 2014-15**

- ⤴ **Total Revenues have increased by ~10% to Rs. 4,987 million from Rs. 4,549 million in Q1 of last fiscal, on a very high base of Qtr 1 of last year**
- ⤴ **Revenues from advertising reported a growth of ~8% to Rs. 3,730 million in current period as against Rs. 3,457 million in the same period last year, on a very high base of Qtr 1 of last year**
- ⤴ **EBIDTA margin for the quarter came in at ~29% at Rs. 1,441 million, against Rs. 1,374 million, in Q1 FY 2014, growing by 5% on a very high base of Qtr 1 of last year.**
- ⤴ **PAT margin stands at 16% to Rs. 791 million against Rs. 761 million, growing by 4% in Q1 of last year, on a high . Due to new accounting guidelines, as per new company act 2013, company has provided incremental depreciation of Rs. 47.74 million, in Qtr 1' FY 15.**
- ⤴ **Radio business: Advertising revenues have expanded by 21% to Rs. 207 million in Q1 of current period, against Rs. 172 million in Q1 of last fiscal.**
- ⤴ **Radio business EBIDTA stands at Rs. 73 million (35% margin) in Q1 FY 15.**
- ⤴ **Radio Business PAT stands at Rs. 35 million (17% margin) in Q1 FY 15.**
- ⤴ **Digital business revenue grew by ~134% to Rs. 59 million from Rs. 25 million of last year.**
- ⤴ **Digital business EBIDTA losses reduced to Rs. 8 million from Rs. 31 million of last year.**

**Mumbai, July, 17 2014:** DB Corp Limited (DBCL), India's largest print media company and home to flagship newspapers Dainik Bhaskar, Divya Bhaskar, Divya Marathi and Saurashtra Samachar, today announced its financial results for the first quarter ended June 30, 2014. The highlights of the Company's operational and financial performance are as follows:

- **DB Corp Ltd. remains the highly respected regional news daily by 19.8 million readers across India's fastest growing markets**
- **Dainik Bhaskar continues to be the largest read newspaper of urban India, retains its market position in legacy markets while gaining strong ground in emerging regions**
  - **Has maintained leadership position in legacy markets of Madhya Pradesh, Chhattisgarh, Chandigarh, Punjab, Haryana (CPH), urban Rajasthan, urban Gujarat**
  - **Jharkhand – continues to make strong progress, strengthening its brand amongst readers with a significant urban reach. In major cities of Ranchi, Jamshedpur & Dhanbad where Bhaskar is a formidable second player, it has focussed its growth strategy to steadily close the leadership difference to move to No. 1 position, in readership profile of affluent class SEC A & B**
  - **In Maharashtra, Divya Marathi maintains strong growth momentum, in all its 7 editions. Consistent strong focus to enhance unbiased editorial content with greater emphasis on coverage of credible local news. Have achieved significant impact on SEC A and B class of readers, over last 2.5 year.**
  - **In Bihar, Dainik Bhaskar continues to strengthen presence, achieved strong circulation growth with noteworthy progress in SEC A & B category of readers**
- **'Aspiring Growth' - a case study on the launch of Dainik Bhaskar's Marathi daily 'Divya Marathi' in Maharashtra, selected as a reference case study in Harvard Business Publishing's collection of cases. The case study was written by Professor Seema Gupta of The Indian Institute of Management, Bangalore (IIM, B). The case study on the launch of Divya Marathi provides interesting insights into the unique media environment in India with extensive focus on the importance of local journalism.**
- **DBCL's non-print media reflects strong growth momentum – continues to make significant inroads across digital (internet and mobile) and radio business segments**

**Digital: Increasing percentage of urban population is accessing news electronically. Our modern portal and mobile applications meet today's mobile population's on-the-go information needs.**

**Consistently scaling up digital (internet and mobile) business and very well placed to capitalise on the expected exponential growth of internet users in India guided by a well thought through strategy hinged on:**

- **Leveraging Bhaskar's tradition of editorial excellence to generate credible unique content**

- Extend the uniqueness of the Bhaskar brand by creating other innovative destinations to cater to various target groups, e.g. launch of Moneybhaskar.com, Bollywood bhaskar.com etc.
- Expanding mobile engagement by assisted selling and regular marketing
- Adapting value creating monetization models through advertising and subscription
  
- **Current status:** DBCL's sites continued to develop a loyal readership base. As a result, DBCL's [www.dainikbhaskar.com](http://www.dainikbhaskar.com) continues to be the #1 Hindi news site, as well as the #1 website in Hindi on the Internet. Similarly, [www.divyabhaskar.com](http://www.divyabhaskar.com) is the #1 Gujarati news site, as well as the #1 website in Gujarati on the Internet. DBCL's other websites are the Marathi news website [www.divyamarathi.com](http://www.divyamarathi.com) and the English news site [www.dailybhaskar.com](http://www.dailybhaskar.com).
  
- **Noteworthy progress in growth of page views and unique visitors:** For the quarter under review, Dainik Bhaskar's digital business has registered a total of 400 million page views and 14 million unique visitors.
  - [www.dainikbhaskar.com](http://www.dainikbhaskar.com) registered unique visitors of 9 million and 259 million page views
  - [www.divyabhaskar.com](http://www.divyabhaskar.com) registered 2.1 million unique visitors and 104 million page views
  - As per ComScore data, DBCL's digital properties [www.dainikbhaskar.com](http://www.dainikbhaskar.com) and [www.divyabhaskar.com](http://www.divyabhaskar.com) registered the highest user engagement
  - Strong focus on generating reader engagement through unique content:
    - Local news: coverage of 800+ cities with real time coverage of 13 cities surpassing print and broadcast capabilities, continue to add more cities to real time coverage
    - Religion: demystifying religion and addressing curiosities anchored by the digital editorial team at Ujjain
    - Bollywood: special online reporting team in Mumbai
    - Flicker: a collection of entertaining stories from around the world
    - Real time: Delivering the digital brand promise of delivering most updated news on real time basis – "*har khabar ka sabse tej update din bhar*"
  - **Focus on market expansion:** Creation of innovative platform through launch of [www.Moneybhaskar.com](http://www.Moneybhaskar.com):
    - [www.moneybhaskar.com](http://www.moneybhaskar.com) launched on June 25, 2014 by the Hon. Finance Minister Mr. Arun Jaitley and positioned as the largest business destination for the SMEs in their local language
    - Small traders, retailers, SME entrepreneurs, small investors as well as people seeking expert advice on personal finance comprise a huge target audience, spread across the Hindi footprint who are in pursuit of dependable information, latest financial news, guidance and mentoring on a real time basis. Moneybhaskar.com is a comprehensive unique product created based on research to cater to an identified business audience, presented in an easy-to-consume and attractive manner, while also helping in de-mystifying financial issues
  
- **Mobile:** The majority of Indian Internet users access the Internet through their mobile phones.
  - Through launch of DBCL's smart phone apps in 2014 for iOS (iPhone) and Android operating systems, DBCL is well placed to capitalize on the rapidly growing potential of news consumption on the mobile / smartphone.

- Aggressive door-to-door campaign launched to communicate and assist the download of DBCL smart phone apps on users' phones across 19 cities with DBCL's presence and also initiated mass campaign in non-DBCL markets to generate awareness.

#### **Radio:**

- DBCL seeks to be the market leading radio business in 'Un metro' geographies, where DBCL has a significant print media footprint.
  - 85% of radio listenership originates from rest of India excluding top 4 metros
  - Revenue growth expected to be driven by Tier 2 and 3 towns due to growing popularity and launch of majority of new stations
  - DBCL is well positioned in the non-metro markets
  - Achieved fastest breakeven in a record 2.5 years since launch
  - In Phase 3, healthy prospective delta in our existing print markets with an avenue of almost 100 new radio stations – DBCL stands to benefit well through:
    - Content synergies: leverage fully developed print infrastructure for the relay of news content on radio
    - Cost efficiencies: strong upside on infrastructure development and manpower – supported by print business in respective market
    - News on My FM already aligned to parent company – resources, content heads, RJs, programming heads being trained at DB national news room
- **Most innovative branding development endeavors: launched DB Vasiyat – A unique national level reader engagement activity** - DB Vasiyat is a game of probability and luck for participants to pick the exact same bank locker and items to win the grand prize. This is a first-ever endeavor of such an event by the Group. This event brings an exciting mix of the entertainment element and innovation to reader engagement strategies connecting 3 of our brands - Dainik Bhaskar, Divya Marathi and Divya Bhaskar. The event is based on the 'cut & paste' principle marking a unique twist to the otherwise mundane and regular activity frequently followed everywhere, and utilising it most creatively across our brands to enhance reader engagement culminating into exciting rewards not only for winners of the game but also the maximum number of loyal readers
- **Dainik Bhaskar group won 3 ABBY awards at the GoaFest 2014, (South Asia's premier advertising & marketing festival).** The ABBY AWARDS are the Oscars of Indian ad awards to honour creative excellence in advertising and are attended by over 2500 professionals from the marketing communications, advertising & media fraternity
  - 'Un metro' campaign won a gold award under the category 'Best Marketing of a printed newspaper'
  - 'Junior Editor II' won a silver award under the category 'Best Marketing of a printed newspaper'
  - 'Speak Up Bihar' campaign won a bronze award under the category best launch of a regional newspaper
- **Dainik Bhaskar won two awards at the Asian Customer Engagement Awards:**
  - In the category 'Most Effective Use of Market Research' - (Out of Home), Dainik Bhaskar wins for 'Speak Up Bihar'
  - In the category 'Effectiveness' - (Newspaper) Dainik Bhaskar won for 'Unmetro Your Mind'

➤ **Best CSR practices awards 2014**

- **Ongoing efforts on water preservation continues in Gujarat, Rajasthan and MP**
- **Continuation of campaign focused on nature preservation through efforts to take care of birds during hot summers. Readers have participated with high enthusiasm in “Aao bane panchchio ka sahara” campaign across all cities**

**Commenting on the performance for Q1 FY 2014-15, Mr. Sudhir Agarwal, Managing Director, DB Corp Ltd said,** *“We are happy to report a sound performance to start our fiscal year that reflects that we have sustained our growth momentum. We have maintained our strengths and leadership position in all our legacy markets as we also continue to demonstrate good growth in our emerging editions. Having already demonstrated operational excellence in the print business, we have also maintained a similar focus and emphasis on DBCL’s non-print segments spanning our digital and radio initiatives. Both these segments hold tremendous potential to capitalise on over the next few years, given India’s still nascent exposure to internet penetration and yet one of the largest and fastest growing digital markets. We have successfully leveraged our strengths in the print medium to deliver robust growth in the digital and radio businesses also and are in the process of achieving greater scale as well as being well placed to take advantage of future growth opportunities. On an overall basis, we have continued to capitalise on organisational efficiencies, expense management and maintained a strong momentum across print and non-print segments, supported by innovative brand development endeavours and a reader-centric approach that continues to drive growth.*

*The macro-economic environment centred on a stable government reflects positive sentiments that are expected to translate into better GDP numbers. The current environment demands an agile operating model that can capture diverse growth opportunities. We are confident of our operating strengths and continue to execute to plan and invest for growth, while maintaining stability in our profitability outlook.”*

**Q1 FY 2014-15 financial results highlights: (comparisons with Q1 FY 2013-14)**

- **Total Consolidated Revenues** have expanded by 10 % to **Rs. 4,987 million** from **Rs. 4,549 million on account of:**
  - ◆ Net Increase in print business **Total Revenue** of **Rs. 385 million in Q1 FY 2015 on YOY basis**
    - Advertising revenues increase/decrease to **Rs. 3,465 million** from **Rs. 3,253 million**, reflecting a growth of **7% YOY basis**
    - Circulation revenues grew to **Rs. 885 million** from **Rs. 767 million**, at **15% YOY**
  - ◆ Net increase of **Rs. 36 million** in revenues from radio segment in Q1 on YOY basis
    - Revenues increased from **Rs.172 million** to **Rs. 207 million** due to improved advertising revenues
- ❖ Print business EBIDTA margins stand at **29.2%** at **Rs. 1,377 million.**

- ❖ Print business PAT stands at Rs. 765 million (16.2% PAT margin)
- ❖ **Print Business Mature editions EBIDTA margin stand at 35%**
  - *An analysis and break-up of Mature and Emerging Editions financials on a quarterly basis is given below. We classify emerging editions as those which are below 4 years of age or profitable since last 4 quarters, whichever is earlier.*

<b>Q1 FY15</b>					<b>Rs.Mn</b>
<b>Particulars</b>	<b>Mature Editions</b>	<b>*Emerging Editions</b>	<b>Radio Business</b>	<b>Internet Business</b>	<b>DBCL Standalone</b>
<b>Total Revenues</b>	4180	540	208	59	4987
<b>EBIDTA before pre-opex</b>	1457	<b>(80)</b>	73	<b>(8)</b>	1442
<b>EBIDTA Margin</b>	35%	<b>(15%)</b>	35%	<b>(13%)</b>	29%
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<b>EBIDTA Margin</b>	35%	<b>(15%)</b>	35%	<b>(13%)</b>	29%

\*Almost all spill over new printing centres / Editions, after completion of 2 years have been transferred to mature editions with effect from Qtr 1, FY 14.

#### **About DB Corp Ltd**

DB Corp Ltd. is India's largest print media company that publishes 7 newspapers with Dainik Bhaskar 37 editions, Divya Bhaskar 7 editions, Divya Marathi 7 Editions, with 199 sub-editions in 4 multiple languages (Hindi, Gujarati, English and Marathi) across 14 states in India. Our flagship newspapers Dainik Bhaskar (in Hindi) established in 1958, Divya Bhaskar and Saurashtra Samachar (in Gujarati) have a combined average daily readership of 19.8 million, making us one of the most widely read newspaper groups in India with presence in Madhya Pradesh, Chhattisgarh, Rajasthan, Haryana, Punjab, Chandigarh, Himachal Pradesh, Uttarakhand, Delhi, Gujarat, Maharashtra, Bihar, Jharkhand and Jammu. Our other noteworthy newspaper brands are Dainik Divya Marathi, DB Star and, DNA (in Gujarat & Rajasthan) on a franchisee basis. DBCL is the only media conglomerate that enjoys a leadership position in multiple states, in multiple languages and is a dominant player in its all major markets. The company's other business interests also span the radio segment through the brand "My FM" Radio station with presence in 7 states and 17 cities, and a strong online presence in internet portals.

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