



DB Corp Limited

Q2 and H1 FY13 Conference Call Transcript

October 19, 2012

Moderator Ladies and gentlemen good day and welcome to the DB Corp Limited's Q2 and H1 FY13 earnings conference call. As a reminder for the duration of this conference all participants' lines will be in the listen-only mode. There will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference please signal an operator by pressing * and then 0 on your touch-tone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Ms. Malini Roy from CDR India. Thank you and over to you Ms. Roy.

Malini Roy Thank you Inba. Welcome to the Q2 and H1 FY13 conference call of DB Corp Limited. We will be sharing the key operating and financial highlights for the second quarter and half year ended September 30th 2012. We have with us today the senior management team of DB Corp Limited. Mr. Pawan Agarwal – Non-Executive Director. Mr. Girish Agarwal – Non-Executive Director, Mr. PG Mishra – Group CFO, Mr. Ashok Sodhani – Chief General Manager Finance and Accounts and Mr. Praseon Pandey – Head Investor Relations. Before we begin, I would like to state that some of the statements made in today's discussion may be forward-looking in nature and may involve risks and uncertainties. Documents relating to the company's financial performance have been mailed to you. I invite Mr. Pawan Agarwal to share his outlook on DB Corp's performance for this quarter. Over to you Mr. Agarwal. Thanks.

Pawan Agarwal Thank you Malini. Good afternoon everybody and welcome to the DBCL's Q2 and H1 FY13 earnings conference call. You would have already glanced through this quarter's performance, I will share some key highlights of our financial and operating performance for the quarter, after which we will be happy to respond to your questions. This quarter, we continue to focus on consolidating our position in core markets. While our strong cost rationalization measures have translated into a strong EBITDA performance as reflected in EBITDA margins and also helps in reporting an impressive bottom line growth. In an overall challenging environment, we maintained leadership ranks while also developing our radio and digital businesses.

Our progress in Aurangabad and Nasik in Maharashtra, where we recently celebrated our first anniversary launch continues to be very encouraging. We have continued to consolidate our pan India leadership position in core and legacy markets of Madhya Pradesh, Chhattisgarh, Chandigarh, Haryana, Punjab, Rajasthan and Gujarat where DB Corp continues to be the largest read newspaper

Group with 19.6 million readers. In Madhya Pradesh and Chhattisgarh, we have a combined readership of around 5 million; while in MP, Dainik Bhaskar continues to lead over 120% to its nearest peer and has a readership greater than the combined readership of its next four peers. In Chandigarh, Haryana, Punjab (CPH), Dainik Bhaskar enjoys sole readership with over 2.2 million readers as per IRS Q2 2012. In Rajasthan, Dainik Bhaskar continues to increase its lead and remain a leader with 13% more readers than its closest competitor in urban Rajasthan. In the capital city of Jaipur, we maintained the momentum in gaining market share and currently we enjoy a lead of 45% over our peer. According to IRS Q2 2012, DBCL continued to strengthen its presence in the Gujarati market focused on developing a core and a dedicated readership base where 3.03 million of Divya Bhaskar readers do not read any other newspaper.

The total readership of Divya Bhaskar and Saurashtra Samachar stands at 3.9 million in Gujarat. In Jharkhand, Dainik Bhaskar has further increased its readership to 0.81 million readers, Dainik Bhaskar is the only newspaper in this region showing growth in readership and remains the fastest growing newspaper in Jharkhand. Dainik Divya Marathi also continues to ramp up steadily; the readership numbers have shown an impressive debut. In the later IRS round, 6.95 lakhs readers which considers and captures only a part period of launch of the Marathi edition. Further in (SEC) Social Economic Class A & B, in Aurangabad and Nasik we have registered impressive numbers close to number one, which is very heartening and in line with the new market launchstrategy. I would now like to take you through DB Corp's Consolidated financial performance for the quarter under review.

Our total revenues stood at Rs.3,784 million compared to Rs.3,509 million in Q2, FY12; thereby showing a growth of around 8% on a Y-o-Y basis. We clocked advertising revenues of Rs.2,826 million reflecting a growth of about 3% on Y-o-Y basis against Rs.2,750 million in the corresponding quarter last year. Our EBITDA margins came in at 23% in the quarter which factors a FOREX gain of Rs. 26 million as per latest revised Schedule 6 requirements. We reported a robust growth of 24% Y-o-Y in EBITDA at Rs.861 million as against Rs.695 million in the corresponding quarter of the last year. Our net profit for the quarter registered an impressive growth of 21% Y-o-Y and stood at Rs.486 million with net profit margins at 13%.

Our reported EPS stands at Rs.2.65 against Rs.2.19 in the same period last year. Mature market EBITDA margins stand at around 30% for quarter two FY13. Our radio business remains on track showing healthy growth. Advertising revenue stood at Rs.153 million as against Rs.127 million of advertising revenue same period last year, reflecting a growth of 20.3%. EBITDA margins in the radio business stood at a phenomenal 30% with an EBITDA of Rs. 46 million. We will now move on to DB Corp's financial performance for H1 FY13.

Our advertising revenues have expanded by around 2% to touch Rs.5688 million for H1 FY13 against Rs.5592 million in the corresponding period of the last fiscal. Our total revenues for H1 FY13 stands at Rs.7553 million as compared to Rs.7034 million in H1 FY12, depicting a growth of 7.4%. EBITDA stands at Rs.1629 million at EBITDA margins of 22%. PAT for the H1 FY13 came in at Rs.923 million, while the PAT margin is 12.2%. Our digital business continues to report a steady and phenomenal progress. dainikbhaskar.com, divyabhaskar.com, divyamarathi.com and dailybhaskar.com have grown to 250 million page views; thus registering an impressive growth of 1923% over the last three years. In terms of page views, dainikbhaskar.com has witnessed an exceptional growth of 2694% and divyabhaskar.com has grown by 1098% over the last year. On a macro perspective, the government's new reform initiative in the second phase has been improving corporate sentiments. As we progress, we are all well placed to capitalize on growth opportunities and will continue to strive in our efforts that have

enabled us to maintain our leadership as a largest newspaper of urban India. My colleagues and I will now be happy to take your questions. We look forward to continuing interactions and please do contact our investor relations department headed by Mr. Prasoon Pandey for all further request and queries. Thank you.

Moderator Thank you very much sir. Ladies and gentlemen we will now begin the question and answer session. Our first question is from Abneesh Roy of Edelweiss, please go ahead.

Abneesh Roy My first question is on the advertising front, radio has grown at 20% while the print business has seen single digit growth. So, I wanted to understand between the two segments, how things are different and coming back to the print business, if you could give the numbers for the color category and the national versus local figures?

Girish Agarwaal On the print side, overall growth as you rightly said, is in single digit. But at the same time there are some sectors which have shown upsurge like real estate, auto, lifestyle & FMCG. But the percentage growth is not very high. Also, you will have to account for that last quarter of 2011 – 2012; we had a growth of 16% on that quarter. So, whatever growth we are showing right now is on that quarter because last year the festival season was during both Q2 and Q3.. Navratri started in Q2and Diwali was in Q3that was in October. But this year, Navratri and Diwali both are in Q3, October and November respectively. So, I think compared to that, there has been growth. But we are not satisfied yet. However, the overall number looks to be in the right direction and there has been a momentum starting on the ground. In the retail segment, the growth is still much better than the national advertising.

Abneesh Roy Can you give us some numbers for both corporate and local advertising?

Girish Agarwaal We had a ratio of 66% - 34%.

Abneesh Roy And what was it last year during the same quarter?

Girish Agarwaal Last year, same quarter we were at 62% - 38%.

Abneesh Roy You mentioned that on the ground, some signals are improving. So, this is on the back of some reforms being announced and some interest rates being cut by the banks, Although RBI hasn't cut interest rates. Is it because of that or is it because of the festive season that is now approaching?

Girish Agarwaal I would say it is a mix of both, because of the forthcoming festive season and also since the negativity has been coming down in people's minds now. I really can't say everybody is very bullish and positive. But the negativity has subsided. So hopefully things will improve further, going forward.

Abneesh Roy As for the cost items, you have had a very remarkable control especially on the raw material side. How have you managed that? And, in terms of circulation how much is the growth and how do you see newsprint cost in the second half?

Girish Agarwaal On the circulation front, if compared to last year there has been a 2.5% growth in circulation. While for the overall newsprints, the price increase over last year has been around 6.35%.But if you look at the price increase from Q1 to Q2 this year, there is an increase of just 2.5%. So, newsprint cost looks under control. Also we have been able to successfully take care of the editions, where we managed the ad - edit ratio very well. Also, we have been able to do some reduction in the number of pages, albeit very little but still something to help the cost come under control. At

the same time, we controlled the cost on the other elements of the operating expenses. So everything put together, there has been benefit which we have translated into the numbers this time.

- Abneesh Roy** What is the newsprint cost expected in the second half and how much inventory do we hold?
- Girish Agarwaal** We have around an average of 90 days' inventory, including the imported and Indian editions and the indication with regard to pricing going forward, is that the newsprint prices may soften furthermore.
- Abneesh Roy** In the South, one of the players is under distress. In the past, since we have gone into regional languages in markets like Gujarat, are we open to editions in the English language and the other regional languages in the other markets? Lately, you may have noticed that Bennett Coleman has entered the Bengali market. So what is our thought process? I understand currently new expansion in these tough times looks difficult but we would appreciate if you shed some more light on this front?
- Girish Agarwaal** As you know, that it was only last year that launched the Marathi newspaper and we are just a 12 – 14 months old newspaper in Marathi. We still have a long way to go there. So, I think our focus will be on our current markets and on the existing languages, for a while.
- Moderator** Thank you very much. Our next question is from Shobhit Khare of Motilal Oswal Securities, please go ahead.
- Shobhit Khare** **My** first question is a follow up on the cost. If we were to look at your raw material costs for the last five quarters, we have seen 2% to 3% increase in the pricing for four out of these five quarters, So, while you just indicated that it might soften from hereon in. But we have already heard that there has been some decline in the newsprint pricing. So is it that it has not yet reflected in our numbers and that going forward it should?
- Girish Agarwaal** Yes, because the rate that we had negotiated with our suppliers, was anyway better than the average market rates and the further benefits that we indicated are going to further soften in the next quarter. So, though we'll have an advantage, we do not know as to how much that would be. We can only ascertain that once we start buying newsprints at that price.
- Shobhit Khare** Your overall operating cost for the first half, is at around 12%, You have already initiated so many cost cutting measures. So, in the second half, can you improve on this or can we see a 10% - 12% increase overall for this year?
- Girish Agarwaal** No, I think there would be some improvement which we are working on. But at the same time, we have cut down the cost to a large extent and we will certainly work on whatever control that still needs to be exercised. But I think, now the focus is on the top-line -- that how we are able to grow the top-line because I am confident that whatever increase happened in the top line now will reflect on the bottom line because cost is all been taken care of. Also, our emerging markets of Maharashtra and Jharkhand are on track and so in those markets as well, there is a saving of expenses in terms of losses.
- Shobhit Khare** Can we get a sense on pricing? How the yields have been like on Y-o-Y basis?

Girish Agarwaal On the yield side, volumes have slightly gone down because that has been our stand on discounts -- that we do not want to offer more discounts; but on the yield front I think there has been a growth of around 1.5 – 2 %.

Shobhit Khare Can you just give an update on the competitive intensity in MP? In Chhattisgarh, have you seen any new initiative from Nai Duniya in the last quarter?

Girish Agarwaal In Madhya Pradesh and Chhattisgarh, we are happy to announce that we have been able to increase our cover price and that has been accepted in the market very well. So, we have been able to increase the cover price as well as some percent of circulation in Madhya Pradesh & Chhattisgarh. I think that clearly indicates that when readers are willing to buy our papers more at a higher price, we are doing a decent enough in those markets.

Moderator Thank you very much. Our next question is from Vikash Mantri of ICICI Securities, please go ahead.

Vikash Mantri How is your ad-edit ratio and given that we would be having festivities all clubbed-up in Q3 this time and on a lower base and advertising slightly to be higher in Q3, would we have to increase our pagination levels in the quarter ahead as you have done some cost cutting in Q2?

Girish Agarwaal Our ad-edit ratio has been largely in the range of almost 30-70. If you were to look at last year's numbers, it was 70-30, this year it has been 29-71. So, it is not that we have cut down the ad-edit ratio drastically. Now, going forward in the market season, if the advertising top line goes up and if I have to increase couple of pages I will be happy to do so.

Vikash Mantri It cannot be managed by just increasing the ad-edit ratio?

Girish Agarwaal No, we should do that. That's the reason I am saying that the ad-edit ratio should remain the same at 70-30. I have the leeway to increase the advertising ratio to some more percentage points. But if the number goes higher, I will be happy to increase the pages because the DVC - the Direct Variable Cost is obviously much lower than the advertising revenue that I generate.

Vikash Mantri In terms of the cover prices, we have seen good enough circulation growth. Is it purely because you are starting to get paid for some of the copies that you were not getting paid for earlier on, the ones that were on those annual plans? or Is it that there is a calculated move of increasing cover prices across markets which is helping that and what would be the outlook going forward on the same?

Girish Agarwaal First of all, I would like to mention here that we do not sell any free copies anywhere. So any copy that we sell in any market is always paid for. The only difference is that when I launch an edition, I offer a more lucrative price and going forward I increase the price on that. As you would know, that my average cover price last year was Rs.2.41 which has now risen to Rs.2.66. So, I have been able to increase my average cover price in most of the markets like Madhya Pradesh & Chhattisgarh. I would also like to mention that in these markets, in spite of the intensity of competition we have been able to increase our cover price and we have also been able to increase our circulation in this market. We are now doing the rebooking in Maharashtra - there as well we have been able to command a higher cover price. Similarly in Jharkhand, we did the rebooking with higher cover price. So, we took a call that in the market where we have already gained reader confidence, there is a scope of increasing the cover price.

Moderator Thank you very much. Our next question is from Pranav Kshatriya of Brics Securities, please go ahead

Pranav Kshatriya My question is regarding your radio revenue. It has grown by 20% which is quite high, so is it sustainable or is this a one-off instance?

Girish Agarwaal Radio, as we saw, is slightly different than the print category. So, I think radio as of now, is doing good and it may continue to grow as in the various quarters of the past, the growth has been good and the EBITDA percentage for Radio has also been able to grow pretty well. So now that we are awaiting the next launch of the auction for radio waves, I believe that will further give a boost to the radio business.

Pranav Kshatriya Is that driven more by utilization or is it driven more by an increase in the prices?

Girish Agarwaal It is completely driven by the increase in prices.

Pranav Kshatriya In the mature markets, as we have seen in MP and Chhattisgarh, is there change in the competitive intensity because of the entrance of Jagran or does it still remain the same?

Girish Agarwaal We increased our cover price and we have also increased our circulation, particularly in the MP market.

Moderator Thank you very much. Our next question is from Girish Raj of IFCI please, go ahead.

Girish Raj Your ad revenue is at Rs.275 crores in FY12 Q2. That would include print ad revenue at approximately Rs.261 crores, radio at Rs.12.7 crores and event at around Rs.6.1 crores which adds up to Rs.280 crores. Now, I am not sure what I am missing, with respect to the gap of Rs.5 crores.

Girish Agarwaal You have not included two more segments - one is our Internet business....

Girish Raj But your reported ad revenue is Rs. 275 crores.

Girish Agarwaal And now it is at Rs. 282 crores.

Girish Raj After adding it up.

Girish Agarwaal Yes.

Girish Raj So, what is it that I am missing in terms 5 crores to 7 crores?

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Girish Agarwaal Rs. 264 crores is the revenue for the print business. In addition to this, there is the revenue for a small publication called Divya Prabhat based in Indore, at Rs. 1 crore.

Girish Raj Now, this number is not reported in your press release, as the print revenue reported in the press release is Rs. 261 crore.

Girish Agarwaal It does not include the Rs. 1 crore figure, whereas radio is at Rs. 15.3 crores and then Internet business stands at Rs. 3.1 crores. So everything adds up to Rs. 282.6 crores.

Girish Raj I guess the radio revenue is reported as Rs. 12.7 crores .

Girish Agarwaal Rs. 12.7 crores is the number for last year.

Girish Raj Yes, I am referring to the last year's number - Rs. 275 crores.

Girish Agarwaal Okay. You can note the breakup for the last year's number i.e. Rs. 275 crores. The breakup is Rs. 261 crore, Rs. 127 and Rs. 16 crores for the Internet business. So, that adds up to Rs. 275 crores.

Girish Raj But your income statement's last page gives me a number of Rs. 6 crores.

Girish Agarwaal I can give you the detailed numbers and you can note them down.

Girish Raj As per your income statement's last page, your print and publication revenue is at Rs. 330 crores, radio stands at Rs. 12.7 crores and events which is at Rs. 6 crores.

Prasoon Pandey The internet business reported a revenue of Rs.2 crores and not Rs.6 crores.

Girish Raj I was referring to the number reported for events in your statement.

Girish Agarwaal So, you are counting events separately, while we have taken it in the other operating income which also includes the wastage.

Prasoon Pandey Girish, the income for events is a part of the other operating income.

Girish Raj So, should it be taken as Rs. 2 crores?

Prasoon Pandey It is almost Rs.5.5 crores.

Girish Agarwaal It is a part of the other operating income.

Girish Raj But what makes up the number of Rs.275 crores? To confirm, Rs.261 crores is the figure for print and Rs.12.7 crores is for radio. So, what makes up for the the rest.

Girish Agarwaal Around Rs.2 crores is for Internet, which adds up to Rs.275 crores.

Girish Raj And what would be the job work income this quarter?

Girish Agarwaal The job work income for this quarter is Rs.16.8 crores.

Prasoon Pandey Around Rs.17 crores.

Girish Raj So there is a gap when I reduce the numbers for print, radio and internet.

Girish Agarwaal The advertising revenue for this quarter is Rs.282.6 crores, then newspaper sales is 683, magazine sale is 16 then there is an 'other operative income' of 256, a breakup of that is 40 is the event revenues, wastage sales revenue is 49 and job work revenue is 168.

Girish Raj What would be the pagination circulation levels for this quarter?

Girish Agarwaal Pagination level for this quarter is 21.13.

Girish Raj This is lower than this quarter last year.

Girish Agarwaal Yes.

Girish Raj And circulation?

Girish Agarwaal Circulation is at 46.58.

Girish Raj Since our inventory is of 90 days, can you give us any indications for the average cost during the third quarter?

Girish Agarwaal We would not like to comment on the third quarter for now, please.

Moderator Thank you very much. Our next question is from Amit Kumar of Kotal Securities, please go ahead.

Amit Kumar To the best of our understanding, the domestic newsprint prices have gone up in the last two-three months by about a rupee or two. When you say that you are expecting newsprint prices to actually drop down, is that for the running quarter or is that more of a medium-to long-term view? Could you please clarify this?

Girish Agarwaal We are talking about the next two quarters.

Amit Kumar So **are**, the newsprint prices coming down in the next two quarters?

Girish Agarwaal That is what the indication is from our team who are in talks with our newsprint suppliers. Because the quarter-to-quarter change from Q1 to Q2 has been 2.5% so we are thinking that going forward the indication is that this may further soften.

Amit Kumar So, the inflation would be less than this 2.5%?

Girish Agarwaal Yes.

Amit Kumar You have had a 2.5% Y-o-Y growth in circulation. Is that correct?

Girish Agarwaal Yes.

Amit Kumar So, I would presume that a large part or rather all of this would be coming from the Maharashtra expansion because by that time you had only two editions of Aurangabad which had been launched in the first quarter of FY12 and Nashik in the second quarter.

Girish Agarwaal Yes.

Amit Kumar Then there were three more editions which got launched during the course of the year.

Girish Agarwaal Yes.

Amit Kumar So, you have increased the cover price in MP, CG and the circulation has also gone up, simultaneously. So, could you explain how the circulation trends are moving in existing and legacy markets because both of them seem to be growing but the overall number is not really that substantial?

Girish Agarwaal I cannot give you the exact numbers for growth in Madhya Pradesh. But I can share that out of this 2.5% of an overall growth, almost 0.75% has come from the existing editions. There has been a growth of almost 11% Y-o-Y and there then a growth of 6% on Q1 to Q2 in the existing markets' cover price increase.

Amit Kumar To follow up on that, has the growth in the circulation of the new editions just been about 1.5% to 2%?

Girish Agarwaal Overall. But that's still a big number.

Amit Kumar That would be on a base of 46 lakhs, which will just be a circulation of around 90,000.

Girish Agarwaal Yes, because last year after my Aurangabad and Nashik editions were launched in the Q1 itself, what was left for Q2 was only the Jalgaon and Sholapur editions.

Amit Kumar Okay, so these are in that sense relatively smaller editions. You have also launched one more edition in Ahmednagar this time.

Girish Agarwaal We launched Sholapur this time around. The Ahmednagar and Jalgaon editions were launched in the Q2 and Q3 of last year.

Moderator Thank you very much. Our next question is from Jayashree Dhananjay of Parry Washington, please go ahead.

Jayashree Dhananjay What is the total CAPEX plan for this year?

Girish Agarwaal It looks like that we should be able to sail through around Rs.30– 32 crores.

Jayashree Dhananjay And what is the total current debt level?

Girish Agarwaal Rs.117 crores

Jayashree Dhananjay Does that include all kinds of debt?

Girish Agarwaal No, this is the figure for the long-term debt.

Jayashree Dhananjay No, I am talking about the total debt number.

Girish Agarwaal Around Rs.200 crores.

Jayashree Dhananjay And how much of this is foreign currency debt?

Girish Agarwaal Foreign currency debt stands at Rs.117 crores.

Girish Agarwaal Rs.117 crores is the CAPEX loan which we have taken on a long-term basis, The balance debt is also a foreign debt because this is the buyer's credit that we have taken on our newsprint.

Jayashree Dhananjay Now, out of these Rs.200 crores, what is the total foreign currency debt?

Girish Agarwaal All of it is the foreign currency loan.

Jayashree Dhananjay So, the entire amount is in foreign currency.

Girish Agarwaal Yes, because the balance amount of approximately Rs.87 crores is actually the buyer's credit on our imported newsprint.

Moderator Thank you very much. Our next question is from Miten Lathia of HDFC Mutual Fund, please go ahead.

Miten Lathia What would be the strategy in Maharashtra given the IRS results that you have already seen in Maharashtra?

Girish Agarwaal In Maharashtra, we have already launched five editions and so far even the local revenues are very much on track. If the market was not slow, then we could have actually exceeded our expectations, Having said that, we are on track. I think whatever expansion plans in Maharashtra will continue as is, going forward.

Miten Lathia So, we aren't launching new editions in Maharashtra this year. But in the next year, do we start covering Bombay, Pune & the other the editions?

Girish Agarwaal This would be slightly confidential because of my competitive intensity in Maharashtra. I will not be able to answer this in so many words.

Miten Lathia Could you give a broad timeline as to when we could finish our Maharashtra rollout in the manner the company intended?

Girish Agarwaal In the next 12 to 16 months.

Miten Lathia Is there any development on the Bihar front?

Girish Agarwaal We have no movement, as of now.

Moderator Thank you very much. Our next question is from Vikash Mantri of ICICI Securities, please go ahead.

Vikash Mantri Just wanted to understand the dynamics in the local advertising where we are seeing that radio has been growing at 20% whereas the same is not visible in the local print per se, going forward. If I consider a relatively long term horizon of 2 – 3 years, do you see the ad dollar shifting to radio from print?

Girish Agarwaal Vikash, in radio the entire growth is taking place on the rate side, so there is no volume growth on the rate. We have seen a rate correction in radio, as it has been selling for cheap all along. So now that the inventory is all filled up, there needs to be an increase in the yield. So, that is what has been done and since our number base is too small, I don't really anticipate such a growth for radio. We can clearly take a holistic approach on this for now.

Vikash Mantri That's why you do not see that as a movement over a longer term.

Girish Agarwaal Frankly speaking, no.

Moderator Thank you very much. Our next question is from Satish Ganeshan of Crisil, please go ahead.

Satish Ganeshan What would be your blended domestic and imported newsprint cost for this quarter and how does it compare to a year ago?

Girish Agarwaal My total blended cost this quarter is Rs.33,146.

Satish Ganeshan Per kilogram what would it come to ?

Girish Agarwaal Rs.33.14 will be the kilogram per tonne and last year the rate was Rs.31.16 per kilogram.

Satish Ganeshan This would be the blended rate and what would be the split between the domestic and imported?

Girish Agarwaal The split that we have been using is 67-33 this year and last year it was 65-35.

Satish Ganeshan How have educational institutes done as a category in advertising over the last two quarters?.

Girish Agarwaal The Q2 is not the season time. Actually, Q1, Q3 and a part of Q4 are the season times for the educational institutes., Q2 is not the season time for that. If I compare the number of last Q2 and this year's Q2, then there has been a flat growth. But if I compare Q1 to Q2, there is a decline because Q2 is not a seasonal period.

Satish Ganeshan And any sense on how Q3 is shaping up for them?

Girish Agarwaal No idea, as of now. As generally, this happens towards the end of the quarter. December, January and March are the months for the advertising by most of the educational institutes.

Moderator Thank you very much. Next question is from Amit Kumar of Kotak Securities, please go ahead.

Amit Kumar How the different advertising categories are performing in terms of ad spends across the DB newspapers?

Girish Agarwaal Automobile, lifestyle, real estate and banking and finance as categories are growing, whereas, education is flat. While, healthcare has almost slightly declined. This is just like comparing last year to this year but the growth numbers are not very encouraging.

Amit Kumar But actually, I think with the sole exception of real estate and education, all of the other categories such as auto, BFSI & FMCG are essentially national categories. So where is really the pressure coming from?

Girish Agarwaal No, I think for us even the lifestyle is largely a local category and also automobile is a local and national category for us because the advertising is by both the corporates and the dealers themselves from their budget. So, we have been seeing an overall growth. But, I agree with you on automobile as a category improving both nationally and locally. Also, like real estate, the category has improved at a local level only. For example, in lifestyle the national category has not grown but the local lifestyle segment has improved.

Amit Kumar And now that given the festival season has to some extent started we are going through the Navratri period right now. How do you see the shape of advertising during the festival season?

Girish Agarwaal It is looking good.

Girish Agarwaal As of now the days which have started from the 15th. As Navratra has started from the 15th because we had first 15 days of Shraadh. So the last four days have been good.

Amit Kumar And this is just in local or are you seeing some sort of a pick up on the national side as well?

Girish Agarwaal National too has done pretty well in the last four days.

Moderator Thank you very much. That was the last question. I would now like to hand the floor back to Mr. Pawan Agarwal for closing comments.

Pawan Agarwal Thank you everyone. On behalf of the management I thank you for your participation and time on this earnings call. I hope that we have been able to respond to your queries adequately and we will be happy to be of all assistance through our investor relation department headed by Prasoon Pandey, should you have any further enquiries.

Moderator Thank you very much. Ladies and gentlemen on behalf of DB Corp Limited that concludes this conference call.