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## Press Release

**Mumbai, October 16, 2014**

### **Performance highlights for Q2 FY 2014-15 & H1 FY 2014-15**

#### **Consolidated Q2 FY 2014-15**

- ✧ Total Revenues have shown a growth of 9.2% YOY to Rs. 4838 million in Q2 against Rs. 4430 million of Q2 of last fiscal
- ✧ Revenues from advertising reported a growth of 9% YOY to Rs. 3610 million in current period from Rs. 3311 million in Q2 last fiscal, on a high base of Qtr 2 of last year
- ✧ EBIDTA margin for the quarter came in at 26.3% at Rs. 1271 million, against Rs. 1116 million, in Q2 FY 2014 with YOY growth of 14%. The same factors forex loss of Rs. 18.2 million
- ✧ PAT margin stands at 14.1% to Rs. 681 million against Rs. 602 million, in Q2 of last year, with YOY growth of 13.2%. Due to new accounting guidelines, as per new company act 2013, company has provided incremental depreciation of Rs. 50 million, in Q2 FY 15. The same also factors Forex loss of Rs. 19.6 million
- ✧ Radio business: Advertising revenues have expanded by 33.3% to Rs. 228 million in Q2 of current period, against Rs. 171 million in Q2 of last fiscal
- ✧ Radio business EBIDTA stands at Rs. 86 million (38% margin) in Q2 FY 2014-15
- ✧ Radio business PAT stands at Rs. 43.4 million (19% margin) in Q2 FY 15
- ✧ Digital business Revenue grew by 57% to Rs. 63 million from Rs. 40 million of last year
- ✧ Digital business EBIDTA losses reduced to Rs. 9.6 million from Rs. 22 million of last year

#### **H1 FY 2014-15:**

- ✧ Consolidated Total Revenues have increased by 9.4% to Rs. 9825 million, from Rs. 8980 million
- ✧ Consolidated Advertising Revenues grew by 8.5% to Rs. 7340 million as against Rs. 6768 million in last year under review
- ✧ DBCL achieved Consolidated EBIDTA Margins of 27.6% in H1 FY2015 at Rs. 2712 million
- ✧ Consolidated PAT margin is 15%, at Rs. 1472 million, after considering incremental depreciation of Rs. 97.7 million, (as per new Accounting Guidelines) and forex loss of Rs. 19.6 million

**Mumbai, October 16, 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 second quarter and half year ended September 30, 2014. The highlights of the Company's operational and financial performance are as follows:

- **DB Corp Ltd. remains highly respected regional news dailies 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 markets**
  - **Maintains leadership position in legacy markets of Madhya Pradesh, Chhattisgarh, Chandigarh, Punjab, Haryana (CPH), urban Rajasthan, urban Gujarat through continuous focus on high quality content and strong brand development initiatives**
  - **Jharkhand – Ramping up steadily to close the gap to move to No. 1 position. Making focussed progressive inroads in the major urban cities & within the readership profile of affluent class SEC A & B, becoming a preferred vehicle for key local advertisers**
  - **In Maharashtra, Divya Marathi continues on a high growth trajectory in all its 7 editions. DBCL continues to aggressively explore the real potential of Maharashtra and the economic growth of surrounding cities and towns**
    - **In an endeavour to unearth the real economic potential of Maharashtra beyond Mumbai and outside of Pune & Nagpur regions, the Company commissioned an independent study undertaken by a leading economic research and data analytics firm**
    - **Key findings have unravelled noteworthy facts and facets across various growth-oriented aspects**
  - **Besides Mumbai, Nagpur and Pune, if we consider the other regions within Central Maharashtra, most have demonstrated excellent progress across several aspects including:**
    - ❖ **Greater concentration of urban population & home to young aspirer population**
    - ❖ **Central Maharashtra has a larger proportion of SEC A&B, besides Mumbai, Nagpur and Pune**
    - ❖ **21,000 Crore market for FMCG companies, which is more than the combined market size of Nagpur and Pune regions**
    - ❖ **Top cities of Central Maharashtra have been demonstrating excellent progress: Nashik, Aurangabad, Solapur, Amravati, Nanded Waghala, Kolhapur, Malegaon, Jalgaon, Akola and Latur, each with their respective unique economic strengths**
    - ❖ **Capitalising on the real potential of Maharashtra which is concentrated in Central Maharashtra, Divya Marathi through its 7 editions continues to intensely explore and tap the growing economic prospects offered by these expanding regions**

- **In Bihar-Patna, Dainik Bhaskar gaining strong ground- in addition to stronger presence in SEC A & B category of readers, is also well ahead of peers in city circulation**
- **DBCL's consistent efforts to mine the true potential and value of regional Indian markets has been delivering tremendous response and results - signature event Unmetro initiative that demystifies the potential of smaller towns and cities extended to the next level**
  - In line with the recent focus on developing 100 smart cities as satellite towns, Dainik Bhaskar's Unmetro series of conferences returned to Bengaluru
  - With an offering of some very interesting panel discussions, the event analysed issues spanning implications of Unmetro growth on marketers and the agency ecosystem, the growth dividend from these markets and impact of media reach on Unmetro markets
  - The event attracted active participation from leading global corporates with like views on the unearthed potential of regional Indian markets – over 200 clients, agencies and marketing consultants participated in the discussions
- **DBCL maintains a sound focus on the non-print media business growth – continues to harness the Company's strengths in the present digital and social era**

**Digital: Rapidly scaling up digital (internet and mobile) business on the back of real-time uploading of local news and engaging content**

- **Current status:** DBCL's sites continue to develop a robust viewership base. DBCL's www.dainikbhaskar.com continues to be the #1 Hindi news site, as well as the #1 website in Hindi on the Internet. 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 and the English news site www.dailybhaskar.com
- **DBCL's core markets tier II and tier III cities (population less than 4 million) witnessing exponential growth in internet users – leading to greater traction across all DB Digital properties**
  - DB Digital subsuming of six digital portals has breached 14 million unique visitors mark. The rich experience offered by the website - fastest news, exhaustive views is driven by the aggressive approach towards its core strategy of hyper local content
  - Robust infrastructure is ensured to enable reporters across cities to submit real time content around local markets through coverage of 800+ cities throughout the country, making it the most preferred destination for content. All reporters are armed with smartphones with 3G connection and professional cameras to capture high resolution images for filing content
- **'Quality of audience' growing strong reflecting loyalty to DB Digital. DB Digital has the highest engagement rate with one of highest time spent on the sites by average reader**
  - **The properties saw phenomenal progress in Q2 with Unique Visitors growing by 56% and a growth of 83% in Pages per Visit – the highest in the industry**
- **Moneybhaskar.com DBCL's newest digital property, saw a significant growth of 155% increase in page views and 43% in unique visitors and continues to attract a huge number of readers from the SME & investor communities throughout the country**

- **Undertaken various campaigns throughout Q2 for strengthening user engagement and creating awareness around social campaigns:**
  - **Save Our Sisters (SOS)** - campaign was promoted through Print & Social Media that generated a huge response from all across the country
  - **DB Digital extended support to UNICEF on the routine immunization and polio awareness programs - several stories were done on motivating and educating people on the benefits of immunisation and other health concerns**
  - **Bal Gopal Photo Contest & Ganesh Chaturthi Photo Contest conducted on the occasions of Janmasthanmi & Ganesh Chaturthi witnessed an immense reader engagement translating into high increase in both unique visitors and page views**

**Mobile: Significant traction in growth of mobile users of the Dainik App.**

- **Dainik App active user base has grown by 260%, over last quarter to have 250,000 active users**
  - **Divya App. active users has also shown a similar growth of 111% with 0.1 million active users per month**
  - **Dainik App. users grew by 30% with 4 million active users on Dainikbhaskar.com. Divya mobile app users has also shown a growth by 26%**
  - **DBCL's smart phone apps launched in 2014 for iOS (iPhone) and Android operating systems has been greatly instrumental in capitalizing on the rapidly growing potential of news consumption on mobiles / smartphones**
  - **Continued efforts in aggressive door-to-door campaign to communicate and assist the download of DBCL smart phone apps on users' phones across 19 cities**

**Radio:**

**DBCL continues to ramp up well in 'Un-metro' geographies where DBCL has a significant print footprint leveraging synergies of the print segment**

- **Continues to build on its strengths to capitalize on the potential offered by Phase 3 implementation through healthy prospective delta in our existing print markets with an avenue of almost 100 new radio stations**
- **Gaining industry acknowledgments across Asia: - My FM awarded CMO Asia Awards 2014: Marketing Campaign of the Year and CMO Asia Awards 2014: Radio Station of the Year for the second consecutive year at the third edition of CMO Asia Awards ceremony held in Singapore**
- **MY FM has successfully cultivated a very strong bond with its listeners – driven by DBCL's relentless toil to understand the preferences of its audiences across all age groups. This philosophy also resonates in the way MY FM operates where we actively review content development and innovation.**

- This customer-centric approach has lent growing popularity to MY FM's stations across 17 cities, ranking it beyond peers.
- **Most innovative branding development and audience engagement endeavours:**
  - **The CMO League – A knowledge and thought leadership platform, sponsored by Dainik Bhaskar was held on 5th September 2014 at Delhi NCR**
    - The CMO league has been created with the unique purpose of bringing together CMOs and high ranking marketing professionals of various corporates
    - A panel discussion conducted on 'The changing India' where the potential of Unmetro markets (Tier II and Tier III cities of India) and the possible strategies to connect with the consumers of these markets were discussed
  - Divya Bhaskar launched 'Divya Bhaskar Jalsa' with the 'The Great Gujarat Selfie' & 'The Great Gujarat Crossword' contest in August '14. Through these contests, Divya Bhaskar provided 11 winners a lifetime opportunity to be present at one of the most prestigious industry platforms - Adfest 2015, Pattaya
- **Industry acknowledgements:**
  - **CMO Asia Awards for Excellence in Branding & Marketing - My FM winner of the 'Radio Station of the Year'** honour for the second consecutive year at the third edition of CMO Asia Awards ceremony held in Singapore
  - **International Radio Festival**  
RJ Meenakshi from MY FM awarded 'Sound of India Contest 2014'  
The International Radio Festival (IRF) was founded to celebrate the world's most consumed, and most influential medium, Music Radio, and represents the world's first and only public on-air festival and conference of its kind

**Commenting on the performance for H1& Q2 FY 2014-15, Mr. Sudhir Agarwal, Managing Director, DB Corp Ltd said,** *"We are happy to report a quarter of satisfactory performance driven by satisfactory advertisement revenue growth with strong traction from segments such as FMCG, real estate, Auto and Life Style categories. On an overall basis, we have ensured that our legacy and emerging markets maintain steady growth as we continue to focus on delivering a content-backed news product that has become an integral part in the lives of our readers in various age-groups and with diverse interests. Through continuous strategic reviews on product quality, DBCL is working diligently in each market to bring to its readers unbiased news reports based on local region-wise developments and on news of national importance. It is through this larger mission of unearthing the local potential that we continue to progress along the path of our vision to be the largest and most admired media brand enabling socio-economic change.*

*While the print media business segment on a self-growth momentum, we have maintained a steady focus on the non-print segment. 52% of India's population is 24 years or younger comprising audiences of Generation X, Y and Z. We have very successfully adapted ourselves to this digital and social era and are harnessing our strengths to offer greater value to audiences across radio, digital and mobile platforms.*

*Over the past few months, macroeconomic sentiments have improved especially with several global institutions positively revising their India outlook, which has had a good impact on consumer and industrial confidence. We believe that the current outlook indicates broad economic stability and a pick-up in*

growth, which DBCL is very well positioned to capitalise on, given our inherent business strengths and position as the only media conglomerate that enjoys a leadership position in multiple states, and in multiple languages.”

#### Q2 FY 2014-15 financial results highlights: (comparisons with Q2 FY 2013-14)

- **Total Consolidated Revenues** have expanded by 9.2 % to **Rs. 4838 million** from **Rs. 4430 million on account of:**
  - ◆ Net Increase in print business **Total Revenue** of **Rs. 340 million in Q2 FY 2015 on YOY basis**
    - Advertising revenues increase to **Rs. 3319 million** from **Rs. 3099 million**, reflecting a growth of **7.1% YOY basis**
    - Circulation revenues grew YOY **15%** to **Rs. 915 million** from **Rs. 796 million**
  - ◆ Net increase of **Rs. 53 million** in revenues from radio segment in Q2 on YOY basis
    - Revenues increased from **Rs.175 million** to **Rs. 228 million** due to improved advertising revenues
- ❖ Print business EBIDTA margins stand at **26.3%** at **Rs. 1195 million**. The same considers Forex loss of **Rs. 18.2 million**
- ❖ Print business PAT stands at **Rs.646 million (14% PAT margin)**
- ❖ **Print Business Mature editions EBIDTA margin stand at ~32%**
  - 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

#### Q2 FY15

Rs.Mn

Particulars	Mature Editions	*Emerging Editions	Radio Business	Internet Business	DBCL Standalone
Total Revenues	3979	566	228	63	4836
EBIDTA before pre-opex	1267	(72)	86	(10)	1271
EBIDTA Margin	32%	(13%)	38%	(15%)	26%
EBIDTA after pre-opex	1267	(72)	86	(10)	1271
EBIDTA Margin	32%	(13%)	38%	(15%)	26%

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

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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