

DB Corp. Investor Presentation

June 2010



 Dainik Bhaskar

 Divya Bhaskar

 बिज़नेस भास्कर

 DNA
Read the world

 TV 18
entertainment

 I Media Corp Ltd

 db activation
"reaching events"

 DB Corp Ltd




Dainik Bhaskar


Divya Bhaskar


बिज़नेस भास्कर

DNA
Read the world




I media corp ltd


db activation
"redefining events"


DB Corp Ltd

A LEADING MEDIA COMPANY OF INDIA

*Third Largest Market Cap
in Entertainment & Media
Sector*



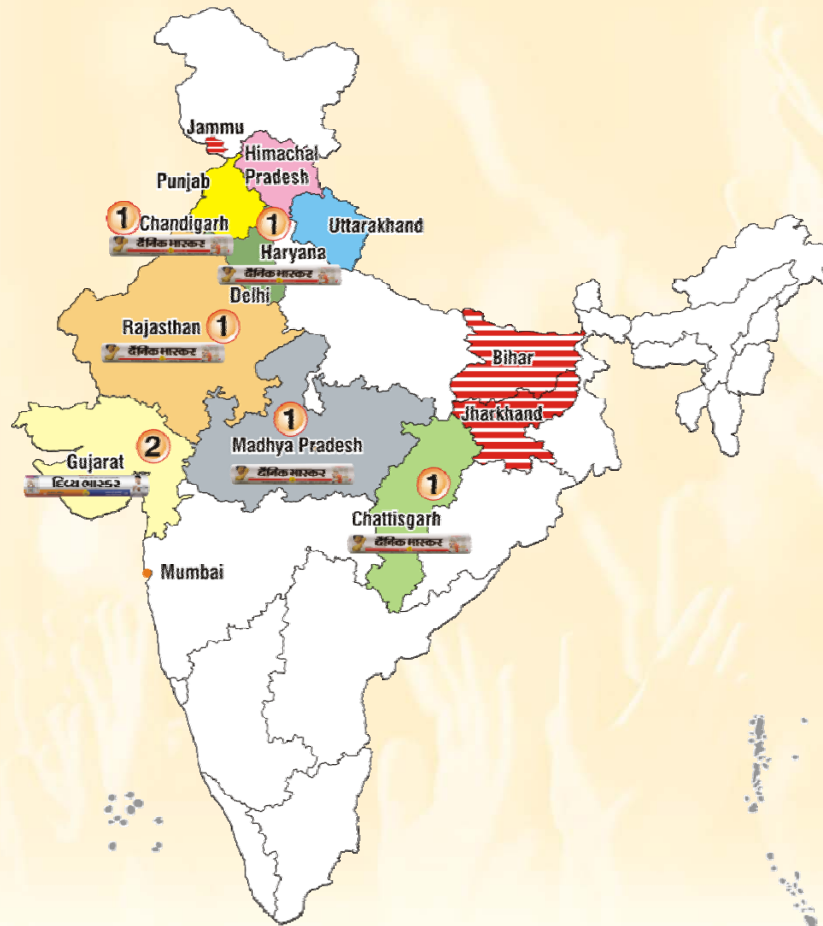
MAJOR BUSINESS BRANDS AND THEIR FACTS

Around 15.8 MN readers in India's fastest growing markets

	Hindi News Paper	9 States, 27 Editions
	Gujarati Newspaper	2 States, 8 Editions
	Hindi Business Newspaper	5 States, 7 Editions
	FM Radio Network	7 States, 17 Stations
	Digital & Mobile Platform	Web Portals, SMS Services

A LEADING MEDIA COMPANY OF INDIA

A Leader in Print Readership, operating in the highest growth markets in India



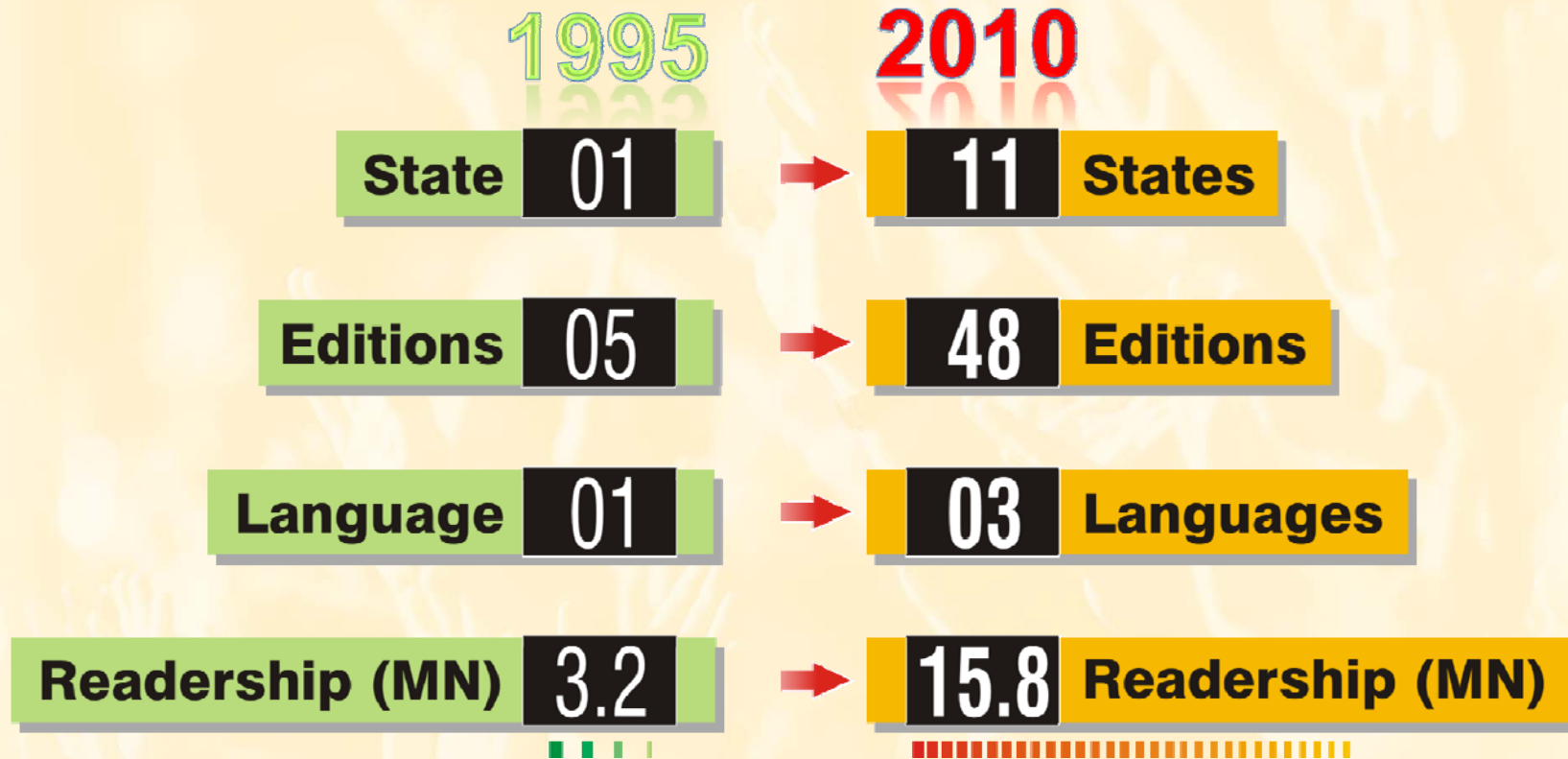
Multiple States

- Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh, Maharashtra, Himachal Pradesh, Delhi
- Launching Jammu, Jharkhand & Bihar shortly

Multiple Languages

- Hindi, Gujarati, English
- 24% Urban population of India resides in Bhaskar Markets (excluding Delhi & Mumbai)
- 25% of India's total consumption based on Market Potential Value (MPV) is concentrated in Bhaskar Markets

CONSISTENT TRACK RECORD OF GROWTH

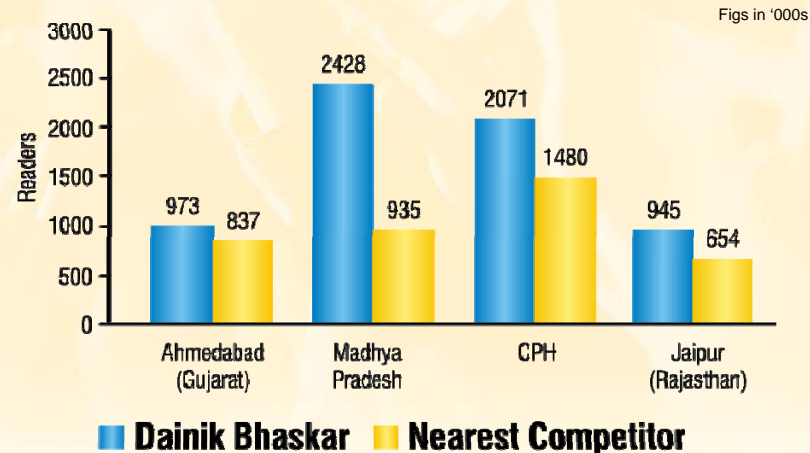


A LEADING MEDIA COMPANY OF INDIA

LEADING IN EACH MARKET

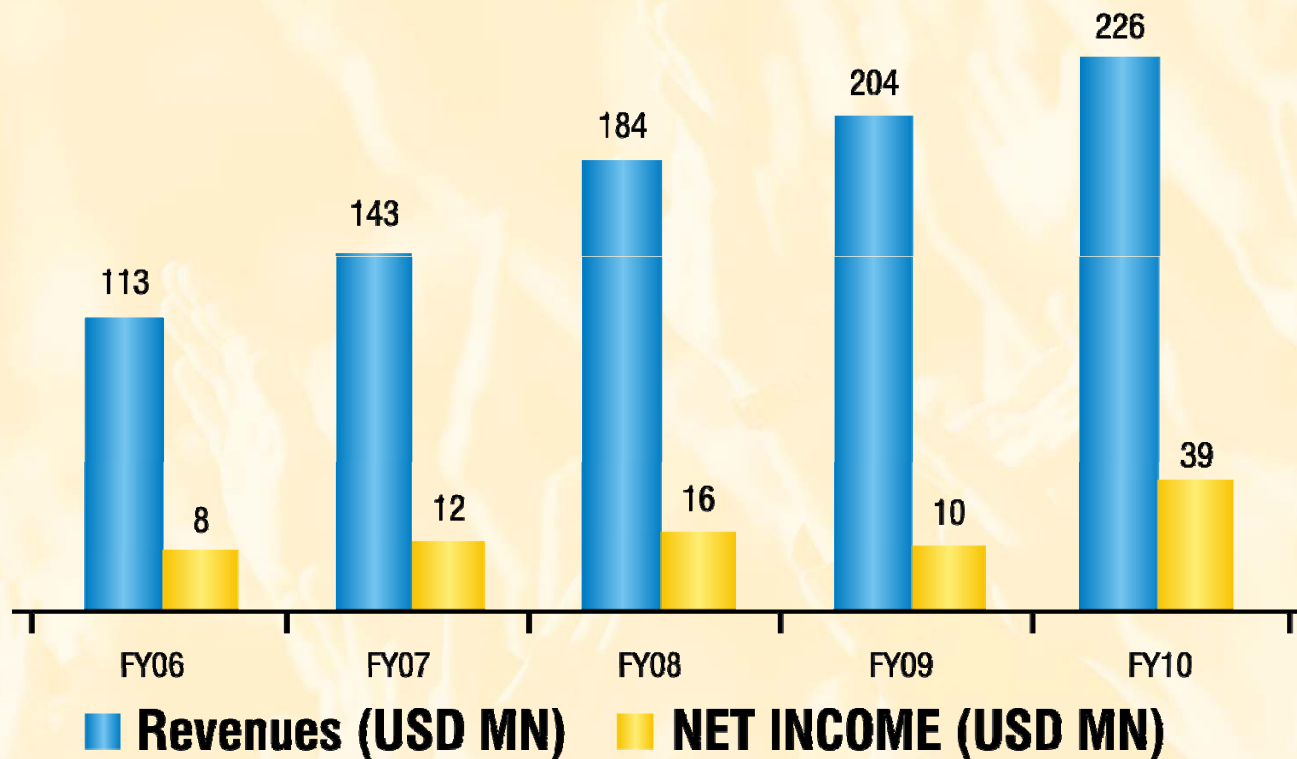
- **Madhya Pradesh (MP)** – Dominating the market with a market share of around 3 times over nearest competitors.
- **Chattisgarh** – 27% lead over nearest competitors
- **Rajasthan** – Maintaining, Sustaining and Increasing lead to 44% over nearest competitor in **Jaipur** . Besides, we are much ahead in all other major towns of Rajasthan like Jodhpur, Bikaner, Udaipur, Ajmer and Kota from our nearest competitor.
- **Chandigarh, Punjab, Haryana (CPH)** – A lead of 40% over nearest competitor in overall CPH with a lead of 107% in **Chandigarh**
- **Gujarat** – Formidable Player with lead in key markets; with a lead of 16% over nearest competitor in **Ahmedabad**

50% of advertising in the regions, originates from, & is targeted at, these top cities



Source: Readership data as per IRS 10 Q1

CONSISTENT TRACK RECORD OF PROFITABILITY



USD = INR 47

PROVEN BUSINESS MODEL - AGGRESSIVE ENTRY

Identify Profitable markets

Successful Performance

- ❑ High growth markets with low print penetration
- ❑ Ability to justify
 - Revenue
 - Profit
- ❑ The potential in print consumption that can be tapped by our proven approach

DB Corp's proven market entry strategy has redefined category norms and broke barriers across languages & geography, time and again.

Jaipur – Dec 1996 - No.1 from the day of launch

Chandigarh / Haryana – May / June 2000 - No.1 from the day of launch

Ahmedabad – June 2003 – No.1 from the day of launch

• Amritsar/ Jalandhar – 2006 – No.1 from the day of launch

Proven ability to operate and launch in different geographies with different languages, different socio economic cultures and achieve success in each market

DBCL has demonstrated success in every market it has entered

STRONG EXECUTION CAPABILITIES

THE LAUNCH OF DIVYA BHASKAR, AHMEDABAD -A Case Study at IIM, Ahmedabad

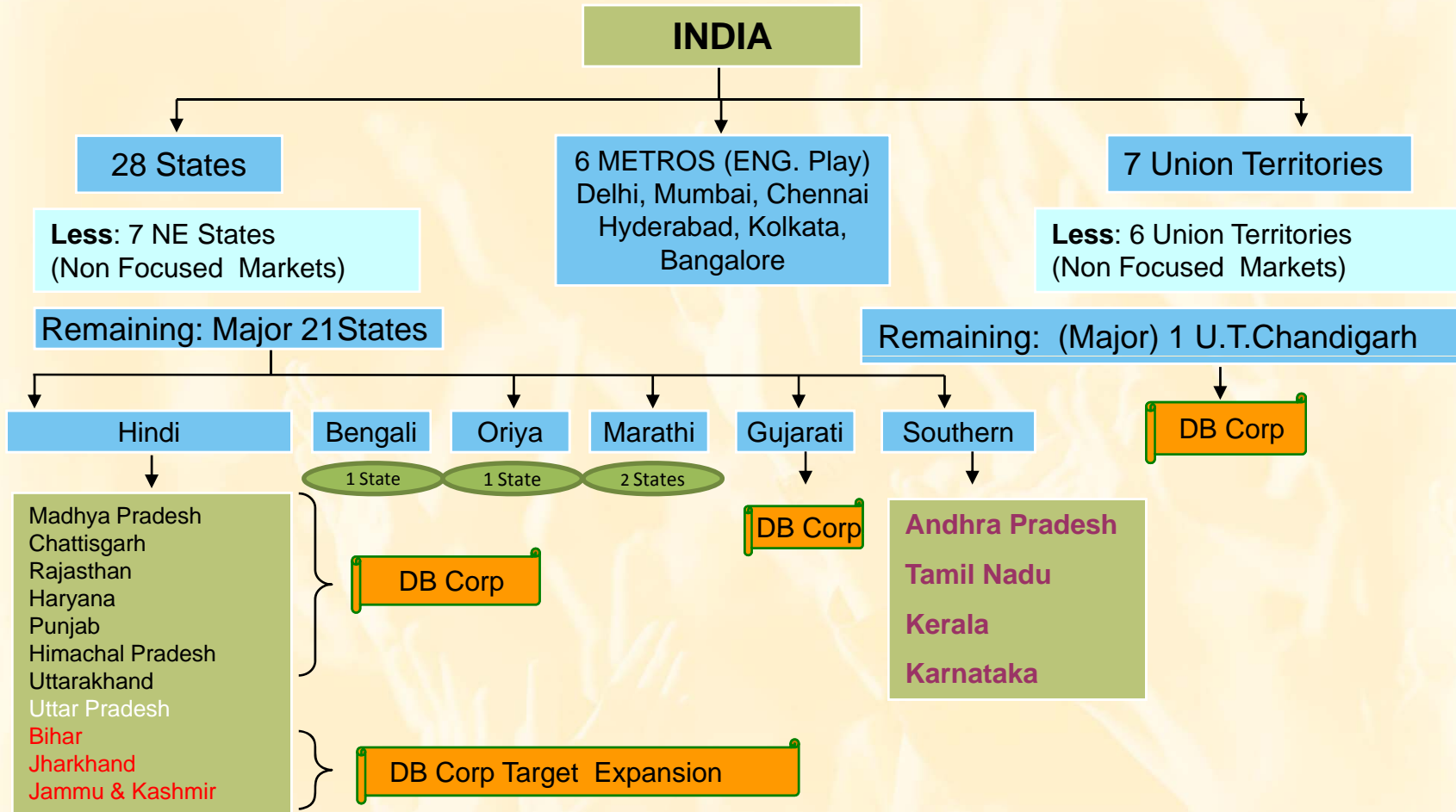
- Pre-Launch door-to-door Contact Programme of 1200 Thousand Households was conducted to understand current needs and desires of Readers by a team of 1050 surveyors in 45 days
- Potential readers were asked to design their dream newspaper
- In the pre-launch order booking phase, readers were shown the outline of the newspaper content and design with an agreement to book the newspaper before the launch
- The pre-launch order booking provided us a confirmed circulation of 452 Thousand Copies from the very first day, thus making Divya Bhaskar the No. 1 newspaper from the first day of its launch, toppling the 80 year old competitor
- Project completed in 189 Days as a record from the day of ground breaking center

**FOCUSED ON
GROWING
MEDIA OPPORTUNITIES
IN INDIA**

-REGIONAL MARKETS



STRATEGIC FOOTPRINT IN INDIA



Source: Indian Govt Web site

FOCUSED ON GROWING MEDIA OPPORTUNITIES IN INDIA

REGIONAL MARKETS

- Tier II & III cities are catalysts of growth in India, Regional Newspapers dominate the market
- SEC A & B Population is growing faster in Tier II & III Cities

	CAGR 06-09
SEC A (Upper Class)	
Metro: (4Million+ towns)	2.2%
Tier II + III towns*	3.5%
SEC B (Upper Middle Class)	
Metro: (4 Million+ towns)	2.5%
Tier II + III towns*	3.2%

All India	SEC A	SEC B
AED (Any English Daily Reach)	30%	10%
ALD (Any Indian Language Daily Reach)	60%	50%

*Tier I: Population > 4 Mn
 Tier II : 1 Mn < Population <4 Mn
 Tier III : Population < 1 Mn

Source: IRS R1 09

CONSUMPTION GROWTH IS HIGHER IN TIER II & TIER III CITIES

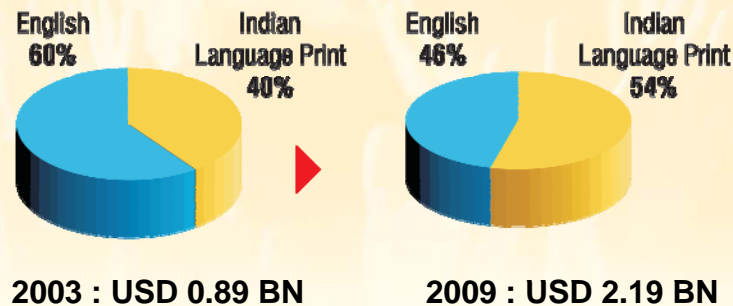
Growth 2008 vs 2009	Metros	Tier II	Tier III
Consumer Durable Ownership	7%	9%	11%
IT & Communication Product Ownership	13%	16%	19%
Automobiles Ownership	5%	4%	10%
FMCG Product Purchases	7%	10%	5%

Source: IRS

The Per Capita Income is growing faster in Tier II & III cities.

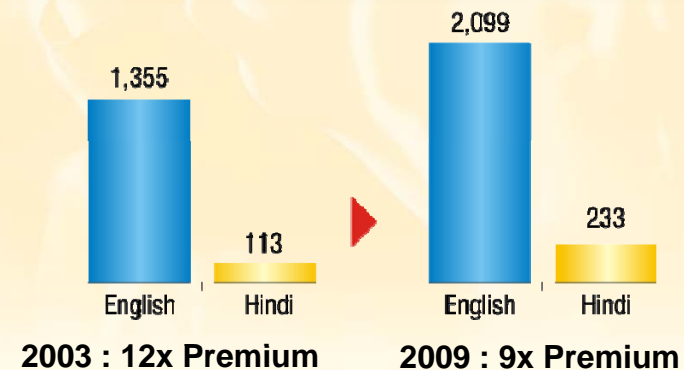
‘Regional Language Newspaper to play a vital role’ – Group M Report

Indian Language gaining share of ad-pie



Source: FICCI KPMG Report

Premium of English declining (On Value Basis)



DIVERSE, SUSTAINABLE BUSINESS MODEL



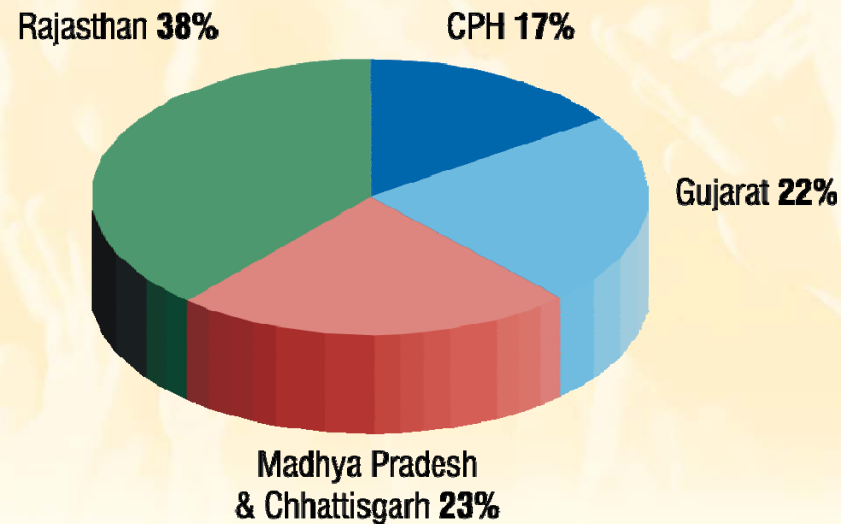
SUSTAINABLE BUSINESS MODEL

UNIFORMLY DISTRIBUTED EBIDTA FROM OUR DIVERSIFIED MARKETS

Our business in Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh etc. individually contributes towards the EBIDTA, thus reducing the dependability on any one single market

EVEN DISTRIBUTION OF OUR 15.8 MN AVERAGE DAILY READERS

Readership – IRS 10 Q1



FOCUS ON RETAIL ADVERTISERS

60% of our Ad revenue is from the Retail market / Local market

A client base of around 300 Thousand Retail advertisers fuel our growth as we offer them opportunity to advertise with various options as –
Specific city, district, town, region, state
This kind of reach cannot be offered effectively through any other medium.

MAXIMIZE OUR AD-REVENUES

Cross Selling

- ❑ **Multi-language**
 - Divya Bhaskar + Dainik Bhaskar +DNA
- ❑ **Multiple geographies**
 - From Gujarat to Chattisgarh
- ❑ **Multiple Media**
 - Print +Radio+ Magazines+Internet

Yield improvement

- ❑ **Premium for colour supplements**
- ❑ **Premium for dominant markets**

Gaining larger wallet share and maximizing revenues

GROWTH OPPORTUNITIES - RADIO



- Launched in 2006, now operates from 17 stations in 7 states
- Average age of each radio station is 2.5 years only.
- EBIDTA Break-even as on 31st March, 2010.
- Current revenue growth of approx . 30 % - YTD March 2010.
- Strong Competitive advantage because of knowledge of consumers & advertisers, in these markets
- Well poised to gain synergy, post expected changes in government policies of airing news content

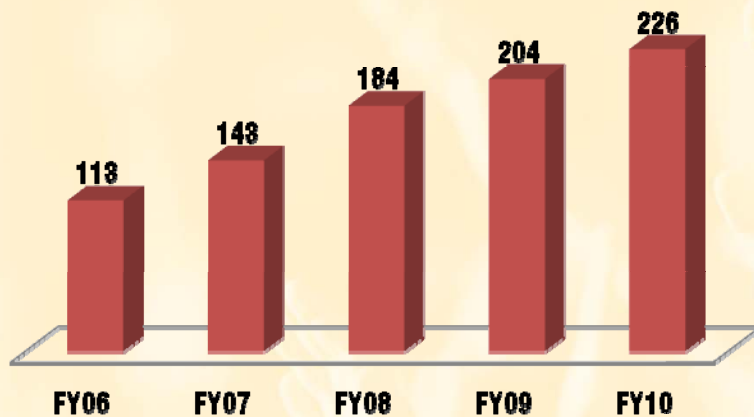
FINANCIAL HIGHLIGHTS

- *Robust Growth in Profits*
- *Strong Focus on ROCE*
- *Low Debt Exposure & High Networth*

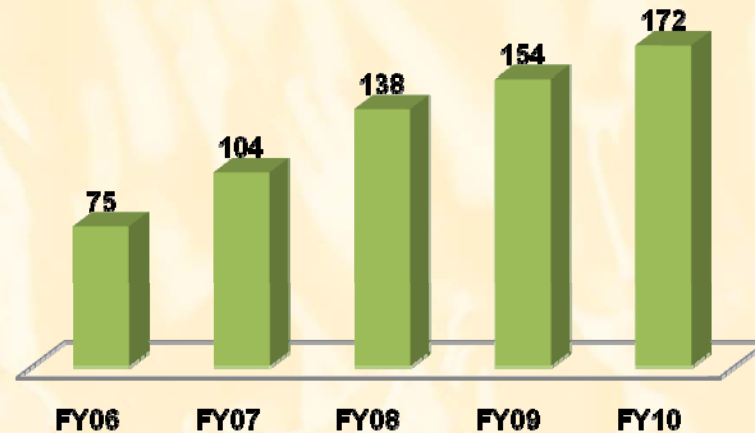


ROBUST REVENUE GROWTH

Revenue Growth
(USD MN)

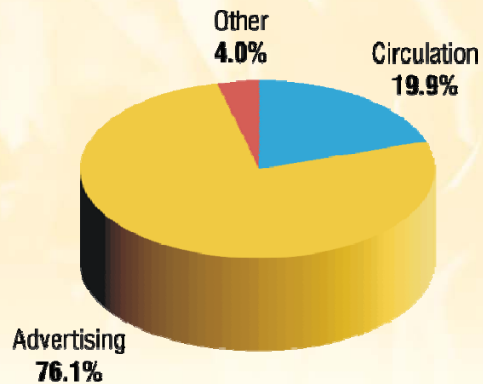


Growth in Advertising Revenue
(USD MN)



Revenue Breakdown

FY 2010

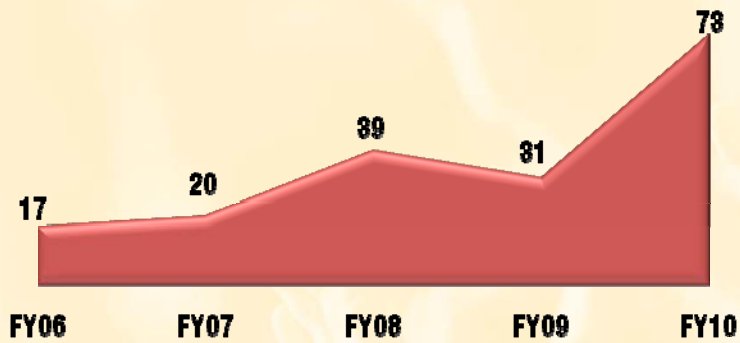


Revenue Growth Drivers

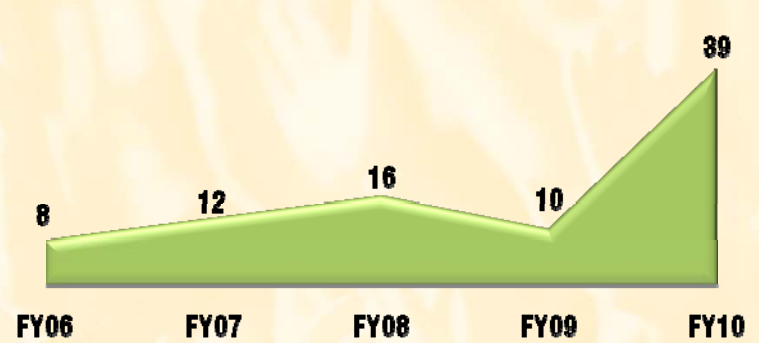
- Upward revision of ad rates at national and local level
- Increase in cover price
- High focus on Retail Advertisers driving growth

PROPELLING OVERALL MARGIN EXPANSION

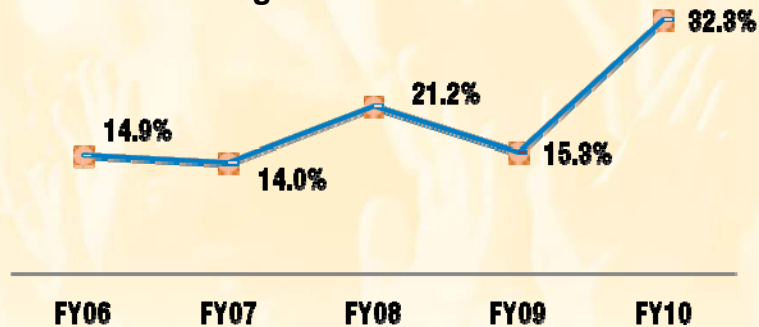
EBITDA Growth
(USD MN)



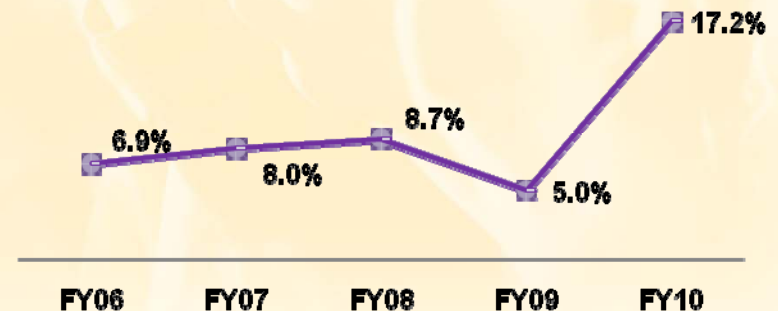
Net Income Growth
(Net Margins in USD MN)



EBITDA Margins

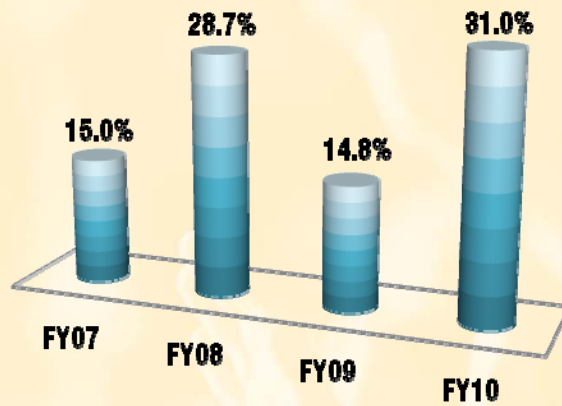


PAT Margins (Net Margins)

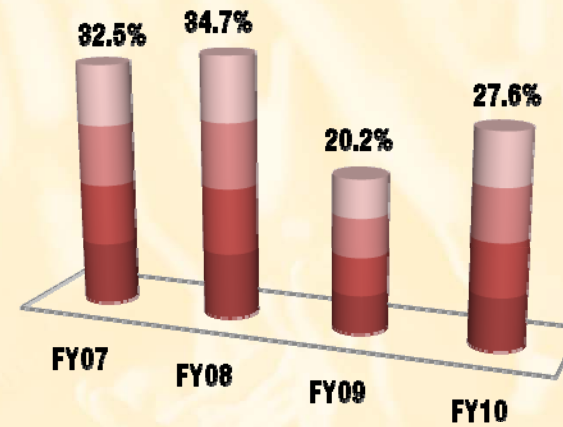


STRONG FOCUS ON ROCE

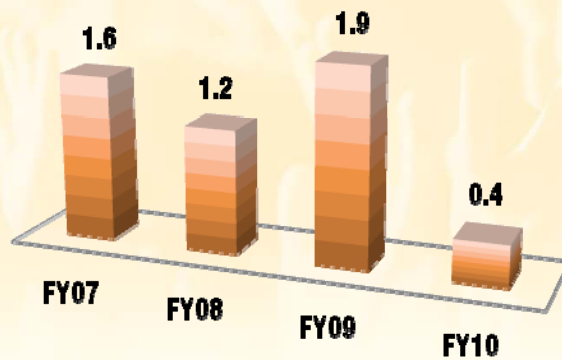
Return on Capital Employed (ROCE)



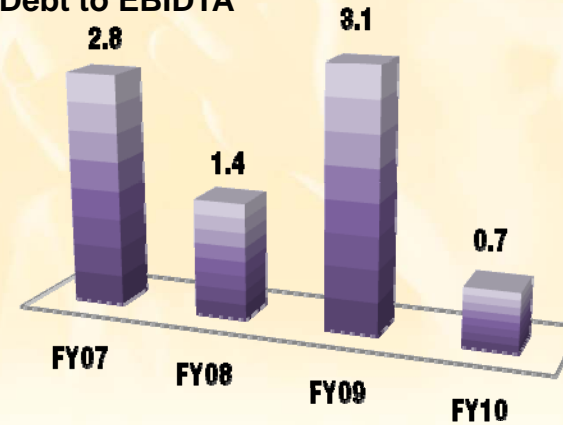
Return on Net Worth (RONW)



Debt to Equity

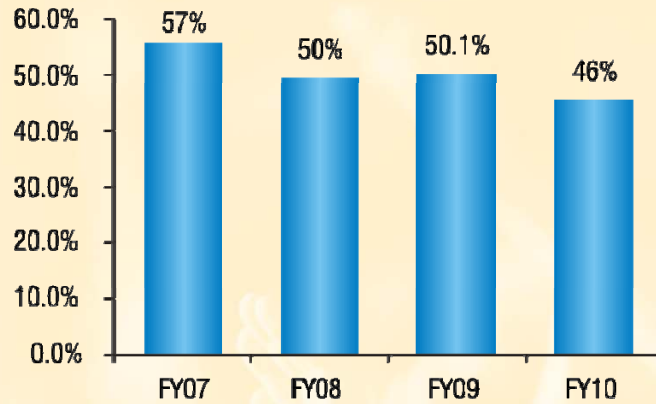


Debt to EBIDTA

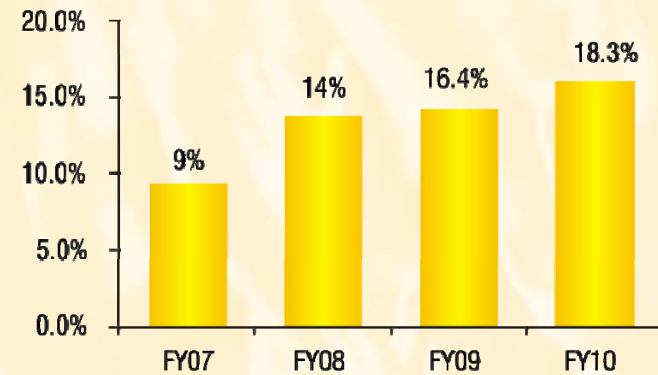


Key Financial Ratios

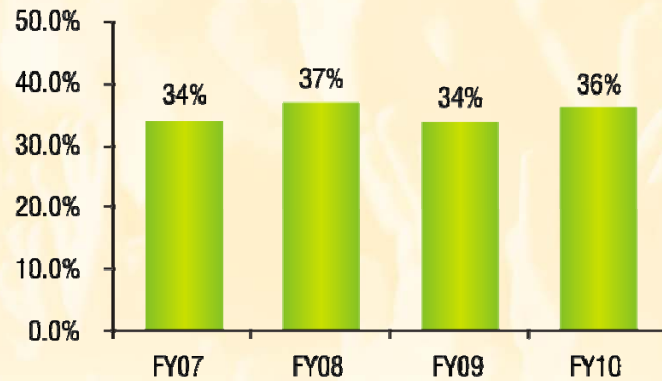
Newsprint Cost to Total Cost



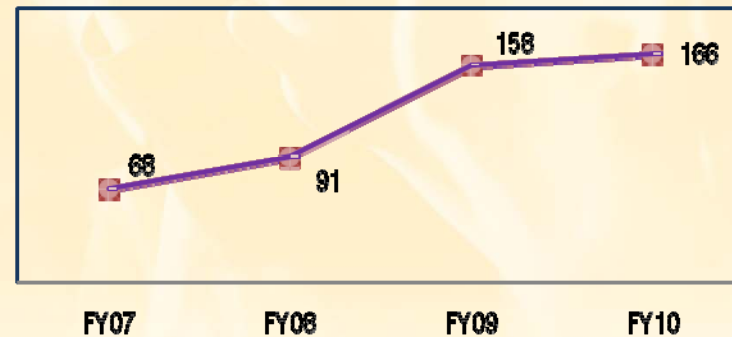
Personnel Cost to Total Cost



Other Operating Cost to Total Cost

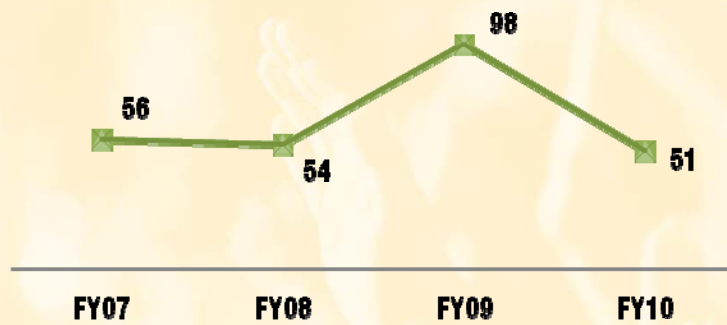


Gross Fixed Assets (USD MN)

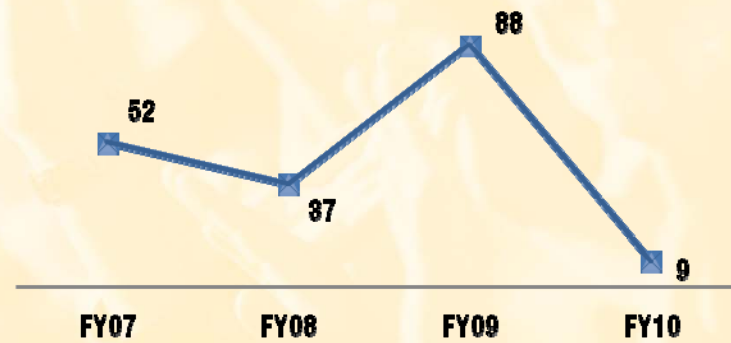


Key Financial Ratios Contd...

Gross Debt (USD MN)



Net Debt (USD MN)



FINANCIAL SUMMARY

Particulars (USD MN)	Year ended		Year ended		
	March-07	March-08	March-09	March-10	Growth %
Advertising Income	104	138	154	172	11%
Circulation Revenue	35	39	43	45	5%
Total Income	143	184	204	226	11%
Newsprint	(70)	(72)	(87)	(70)	-20%
Other Operating Expenditure	(53)	(73)	(86)	(83)	-3%
Total Expenditure	(123)	(145)	(173)	(153)	-12%
EBITDA	20	39	31	73	133%
EBITDA Margin	14.0%	21.2%	15.3%	32.3%	110%
Net Profit	12	16	10	39	284%
Net Worth	35	46	50	141	
Secured Long Term Gross Loan	56	55	98	51	
Cash & Bank Balance	4	17	10	41	
Secured Working Capital Loan	20	14	17	12	
Total Gross Debt	76	69	115	63	
Net Block (Fixed)	59	77	138	138	
ROCE	15%	29%	15%	31%	
RONW	33%	35%	20%	28%	

BOARD OF DIRECTORS

Ramesh Chandra Agarwal

- Chairman - 42 years of experience
- Served as Chairman of FICCI of the MP region

Sudhir Agarwal

- Managing Director of DBCL
- 25 years of experience in the publishing and newspaper business

Girish Agarwal

- 17 years of experience. Won the E&Y 'Young Entrepreneur of the Year 2006' Award
- distinction of being the youngest chairman of Indian Newspaper Society for MP region

Pawan Agarwal

- 11 years of experience in the publishing business
- Heads entire Production, IT and Technology for DBCL

Niten Malhan

- Managing Director at Warburg Pincus India Private Ltd

Ajay Piramal*

- Heads the Piramal Group in India

Piyush Pandey*

- Executive Chairman of Ogilvy & Mather Pvt Limited, India

Kailash Chandra Chowdhary*

- Previously the Chairman & Executive Director at Central Bank of India and Chairman & Managing Director of Vijaya Bank

Ashwani Kumar Singhal*

- Vice-President of BIR Brussels, the International Authority in Non- Ferrous Metals

Harish Bijoor*

- A member of the planning group sub-committee of the Union Planning Commission of India

** denotes Independent Directors.*

A LEADING MEDIA COMPANY OF INDIA

*Third Largest Market Cap
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