

DB Corp Ltd. Investor Presentation

January 2015



दैनिक भास्कर
समूह

TO BE THE LARGEST AND MOST ADMIRER MEDIA BRAND ENABLING SOCIO-ECONOMIC CHANGE

**VALUES
PILLARS**

CREDIBILITY & INTEGRITY
EMPOWERED TALENT

INNOVATIVE & ENTREPRENEURIAL
INNOVATIVE PRODUCTS & PROCESSES

RESPECT & APPRECIATION
ETHICAL GOVERNANCE

Disclaimer

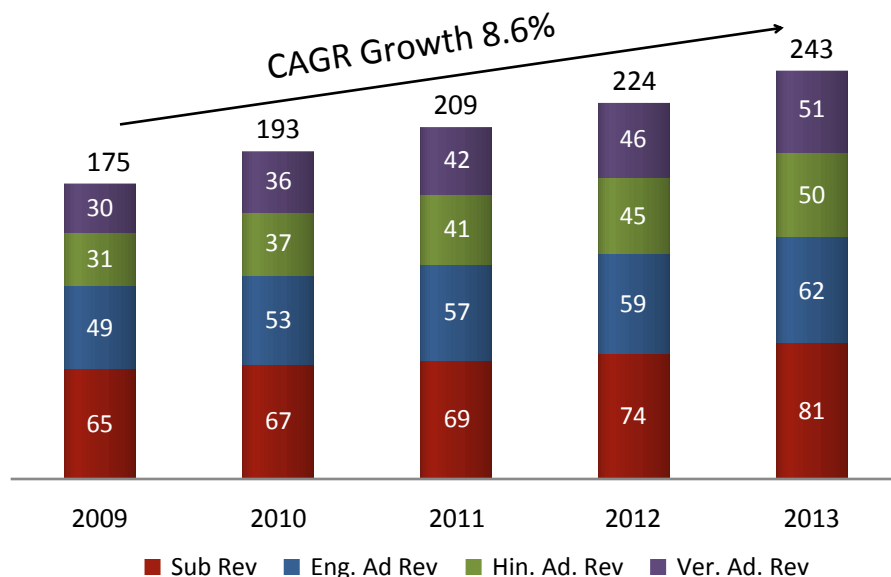
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These forward-looking statements include, without limitation, statements relating to revenues and earnings.

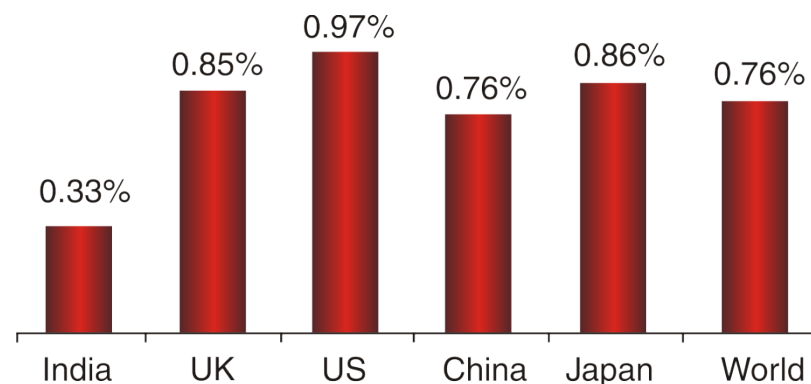
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Indian Media Sector

Print Industry Revenues (Rs bn)



Media Spend as % of GDP



- M&E industry size was Rs 918 bn in 2013, which grew by 11.8% over 2012. Expected CAGR growth is 14.2% till 2018.
- Indian Ad spend is expected to grow at a CAGR of 14% till 2018.
- Print Media Ad pie continues to hold largest % of overall Ad pie at 45% and is expected to maintain lead with expected CAGR growth of 11.1% till 2018, for Regional Print.

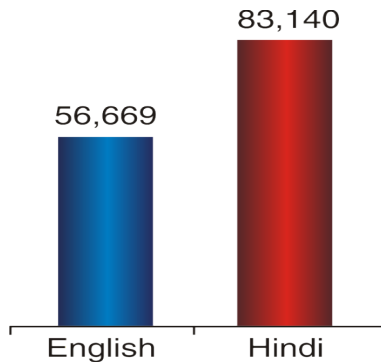
Source: FICCI-KPMG Report 2014

Source: Worldwide Media & Mktg. Forecasts, Group M, Summer 2011

REGIONAL PRINT GROWING FASTER WITH INCREASING LITERACY LEVEL

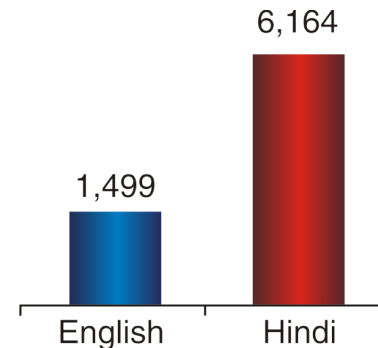
Can Read Population (in '000)

(Growth From 2007 – 2012)



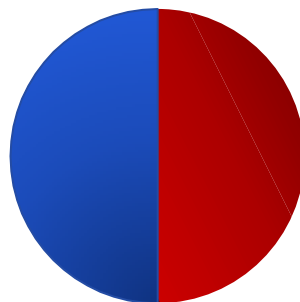
Newspaper Reach (in '000)

(Growth From 2007 – 2012)



Indian Language gaining share of ad-pie

English
50%

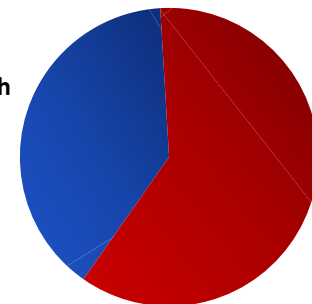


Indian Language
50%

2005 : Rs 69 bn



English
38%



Indian
Language
62%

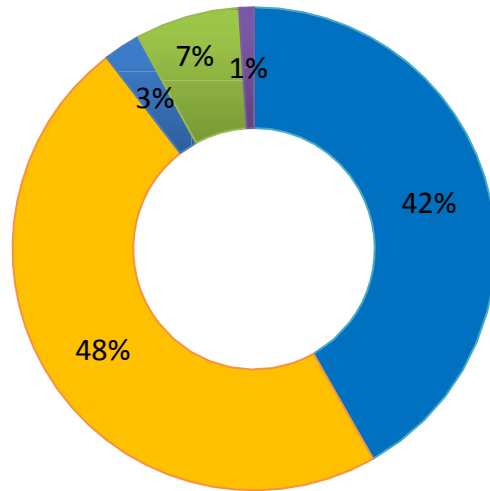
2013 : Rs 163 bn

Source: IRS Q3 '12

Source: FICCI KPMG Report , IRS , TAM Adex

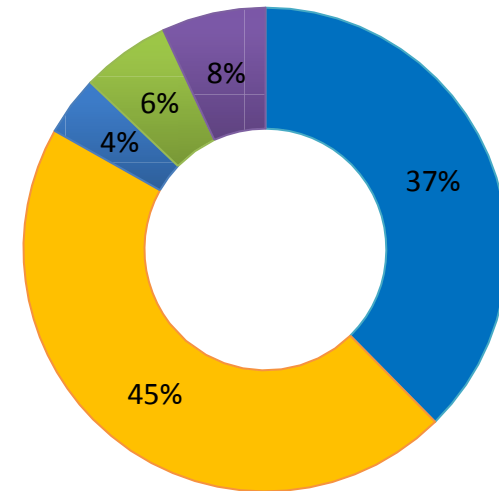
PRINT MAINTAINS LARGEST Ad-PIE - REGIONAL PRINT WITNESS HIGHER GROWTH

2005



2005- Rs. 130.4 bn

2013



2013- Rs. 363 bn

- Television
- Print
- Radio
- OOH
- Online

Source: FICCI KPMG Report , IRS , TAM Adex

A LEADING MEDIA COMPANY OF INDIA

MAJOR BUSINESS BRANDS

Around 44.2 million Total Readership & 19.8 MN Daily readers in India's fastest growing markets



Hindi Newspaper

12 States, 37 Editions



Gujarati Newspaper

2 States, 7 Editions



Marathi Newspaper

1 State, 7 Editions



FM Radio Network

7 States, 17 Stations



Digital & Mobile

Digital & Mobile Service

A LEADING MEDIA COMPANY OF INDIA

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

Leadership in Multiple States – Emerging Tier II & III Cities

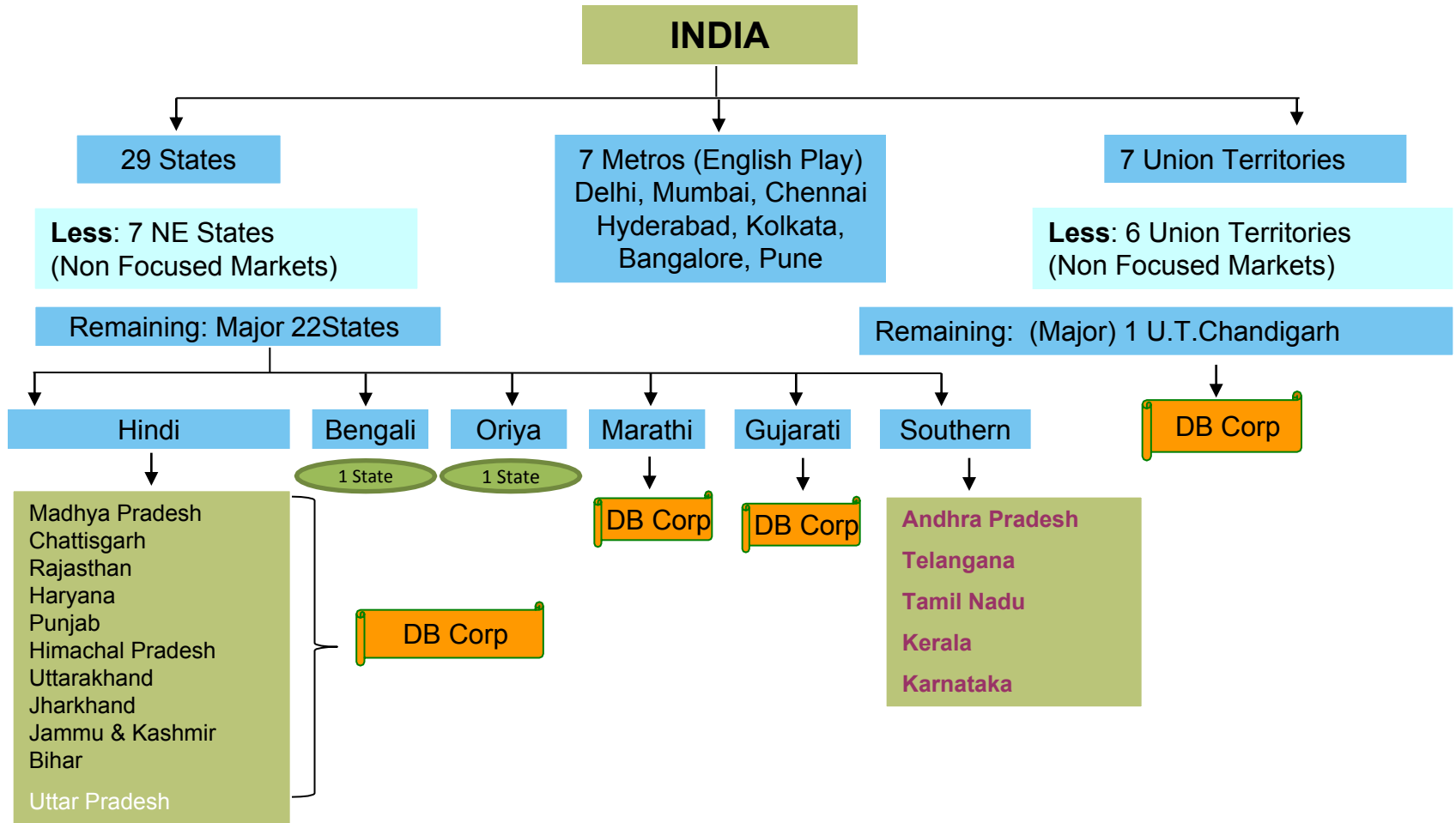
- Madhya Pradesh, Chhattisgarh, Rajasthan, Gujarat, Haryana, Punjab, Chandigarh, Maharashtra, Himachal Pradesh, Uttarakhand, Jharkhand, Bihar, Jammu & Kashmir & Delhi

Focus on Revenue Market Share – in Multiple language

- Hindi, Gujarati, Marathi and English
- 49% Urban population resides in Bhaskar Markets
- 50% of India's total consumption is concentrated in Bhaskar Markets.
- Newspaper readership penetration is only 30%



STRATEGIC FOOTPRINT IN INDIA

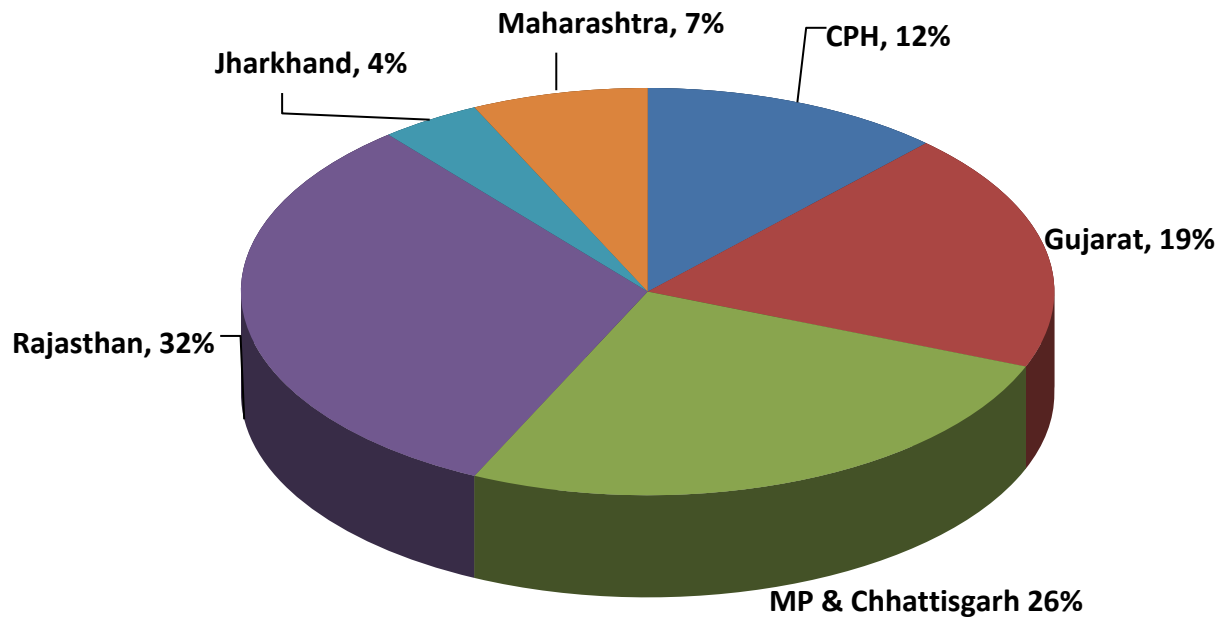


Source: Indian Govt Web site

DIVERSE SUSTAINABLE BUSINESS MODEL

EVEN DISTRIBUTION OF OUR 19.8 MN AVERAGE DAILY READERS

Readership – IRS12 Q4



CPH – Chandigarh, Punjab & Haryana

CURRENT FOCUS

CIRCULATION DRIVE

- Dominant & leading player in Madhya Pradesh, Chhattisgarh, Haryana, Chandigarh, Urban Rajasthan, key cities of Gujarat and Punjab. Our focus is to further improve our lead
- Rural Rajasthan, Rural Punjab and overall turnaround of Gujarat is current focus area
- Post experiencing huge success & acceptance of the product in already launched cities, focus on gradual expansion of 'Divya Marathi' into rural Maharashtra
- Strengthen Jharkhand and Bihar with other Bihar city launches to further strengthen overall offering of the combined Bihar and Jharkhand market

AD SALES

- Sale of all our States, independently, in national market to improve the yield and establish sales on merit
- Overall yield improvements across all our markets

CURRENT FOCUS.....

EDITORIAL

- Monday – No negative news concept in the paper
- Sunday – Jacket Content Concept
- City Bhaskar – For youth and women readership
- New National Editorial Structure to focus on development of rural editions

STRONG BRAND FOCUS

- Dainik Bhaskar has embarked on a Brand Building exercise. To continually add value to its TG, we have identified the four core brand values- Trendsetter, Result Orientation, Analytical and Connected.
- To establish the new Brand tag line and the Brand promise, we are currently working on a Brand Campaign to be launched in mid-March, 2015

SUSTAINED & RELENTLESS FOCUS ON NON- PRINT MEDIA STRATEGY.....





GROWTH OPPORTUNITIES - RADIO

- Launched in 2006, now operates from 17 stations in 7 states, namely M.P., C.G., Punjab, Gujarat, Rajasthan, Chandigarh, Maharashtra
- Leading radio station in majority of 17 markets.
- Our Radio Business has achieved EBITDA breakeven in record 2.5 years time, from the time of operations of all 17 stations.
- Strong Advertisement revenue of Rs. 692 million with growth of 19% in 9 mnths YTD FY15 on YOY Basis.
- Achieved EBIDTA of Rs. 273 million (margin of 40%) and PAT of Rs. 140 million (margin of 20%) in 9 mnths YTD FY15
- **Phase III**, Migration likely to happen in March for Current Stations. We shall also be focusing on bidding for new stations which are in footprint of our existing market
- Allowance of News Content will put us in beneficial position due to already developed infrastructure

- Our online presence is in Hindi, Gujarati and Marathi, which account for 75% of India's regional language audience - as well as in English.
- **Significant progress in growth of UV & PV**, our Unique Visitors have grown to 18 million from 12 million last year. Collective page views stands at 540 million per month from 390 million last year.
- www.dainikbhaskar.com has become largest Hindi language website with 361 million page views.
- www.divyabhaskar.com has become largest Gujarati language website with 156 million page views.
- Our Revenue growth is impressive 70% in Q3 FY15 YOY to Rs. 92 mn. from Rs. 53 mn. of last year, it grew by 80% YOY to Rs. 213 million for YTD Dec 'FY15.
- Focus on Market Expansion: Launching comprehensive destination for larger content need like Bollywood, business & women.

GROWTH OPPORTUNITIES – DIGITAL MEDIA...

- DBCL launched new titles/ properties Bollywoodbhaskar.com, Businessbhaskar.com, Dainikbhaskar.com/UP & Moneybhaskar.com.
- The only fully independent digital media organization in country with editorial force of 250 people and total strength of 400+, operating with independent infrastructure, content and sales team

Mobile Strategy:

- DBCL is fully in place with its mobile strategy, we believe mobile app and increasing numbers of smart phone owners will fuel growth of digital business for us.
- On the similar lines of Dainik Bhaskar per launch survey strategy, undertaken door to door survey in all important cities of our market to assist downloading of our mobile app.

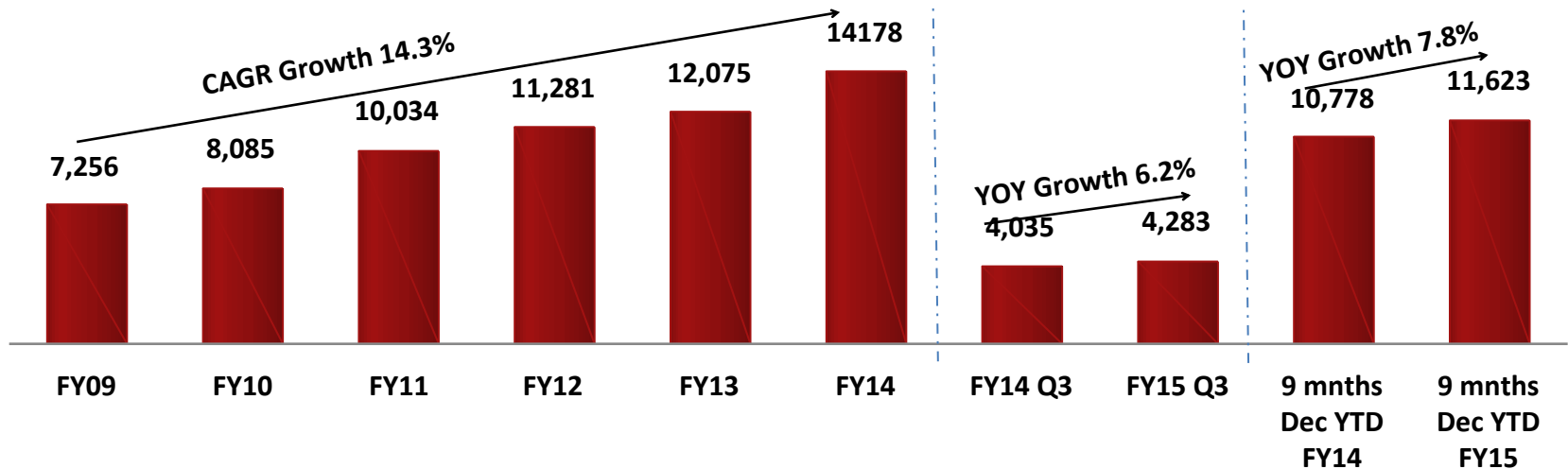
CONSOLIDATED FINANCIAL HIGHLIGHTS

- Robust Growth in Profits
- Strong Focus on ROCE & RONW
- Low Debt Exposure, High Net worth & Strong Balance Sheet

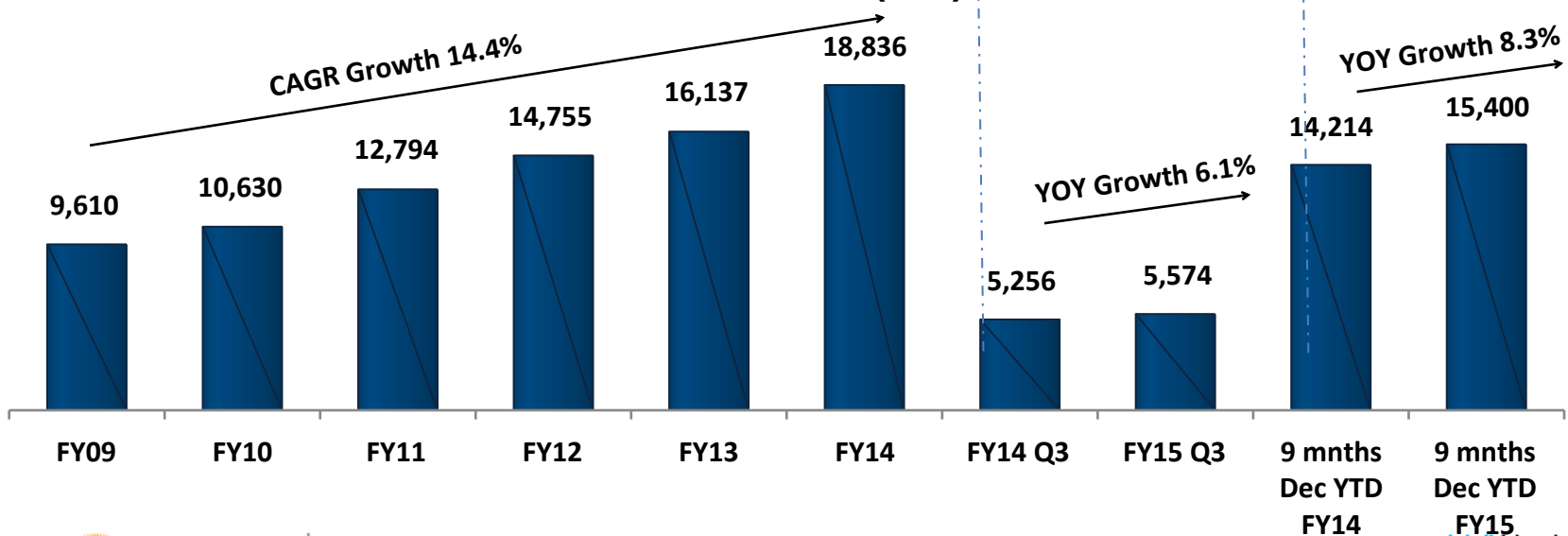


ROBUST ADVERTISEMENT & REVENUE GROWTH

Advertisement Revenue (Mn)

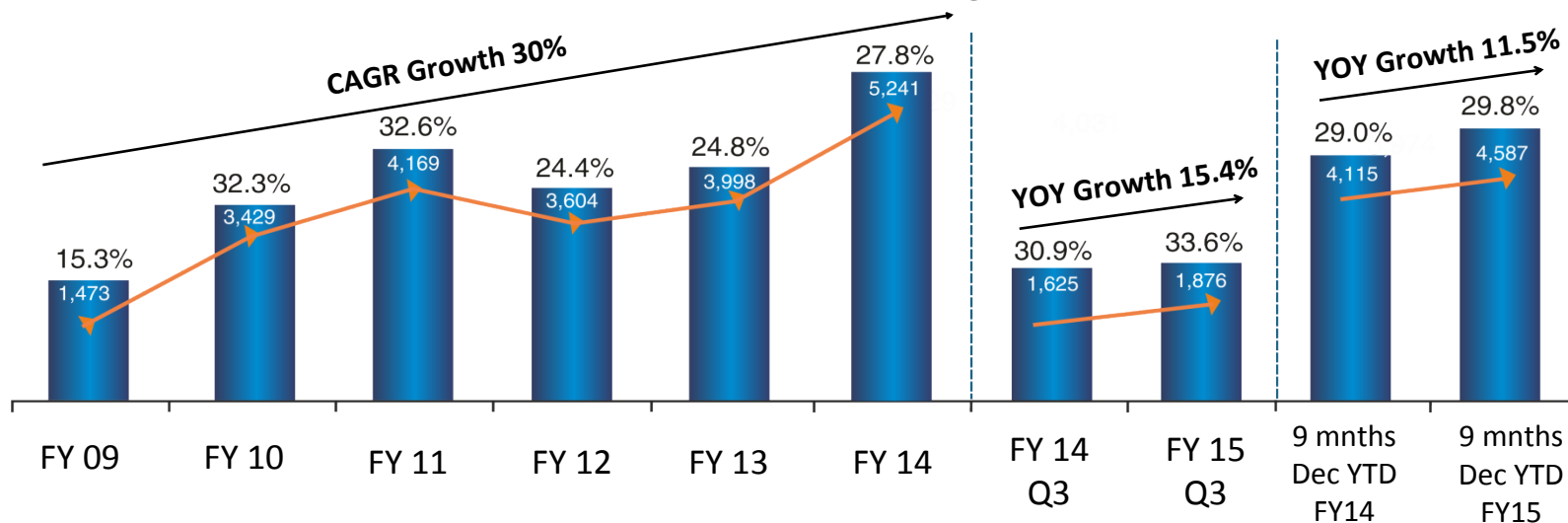


Total Revenue (Mn)

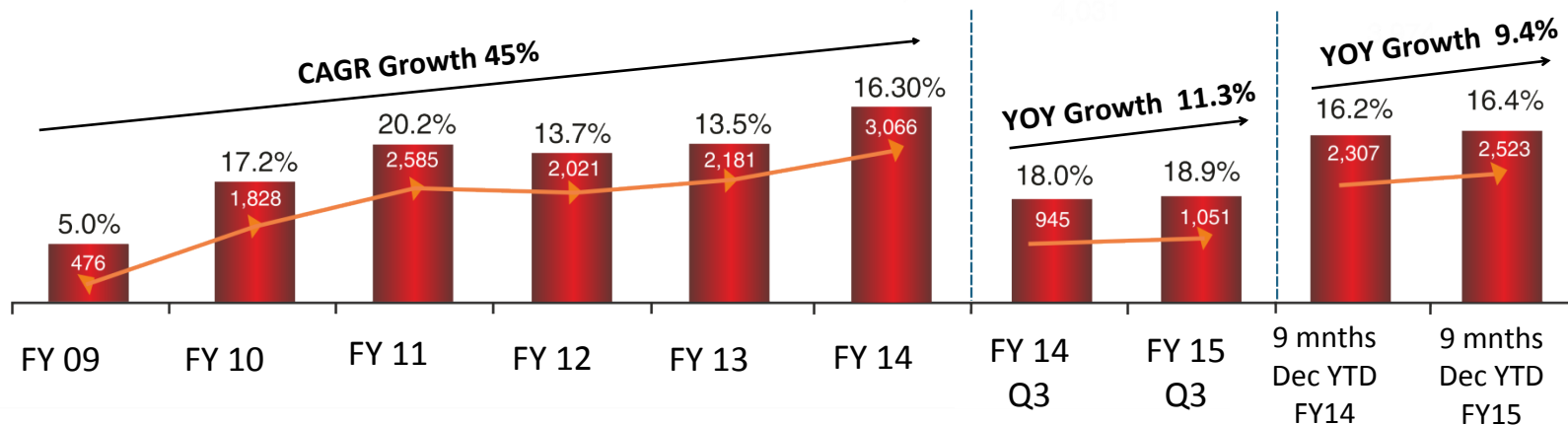


PROPELLING OVERALL MARGIN EXPANSION

EBITDA Growth & its Margin (INR MN)



PAT Growth & its Margin (INR MN)



HEALTHY OPERATING PROFIT IN OUR MATURE MARKET

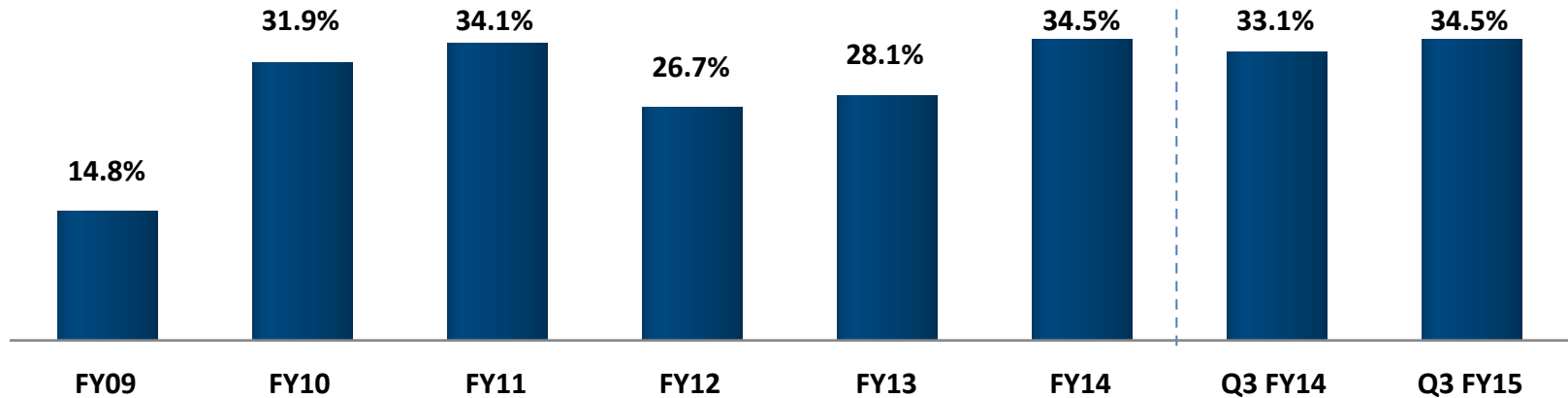
Rs MN

Particulars	Q3 (FY 13-14)			Q3 (FY 14-15)			9 mnths YTD Dec (FY 13-14)			9 mnths YTD Dec (FY 14-15)		
	Matured	Emerging	DBCL	Matured	Emerging	DBCL	Matured	Emerging	DBCL	Matured	Emerging	DBCL
Topline	4503	461	5203	4589	635	5573	12306	1198	14089	12747	1742	15395
EBIDTA(Before pre-opex)	1569	(10)	1672	1739	44	1876	4151	(135)	4236	4462	(108)	4589
EBIDTA(After pre-opex)	1569	(55)	1627	1739	44	1876	4151	(208)	4163	4462	(108)	4589
EBIDTA %	34.9%	(11.9%)	31.3%	38%	7%	34%	33.7%	(17.4%)	29.5%	35.0%	(6.2%)	29.8%

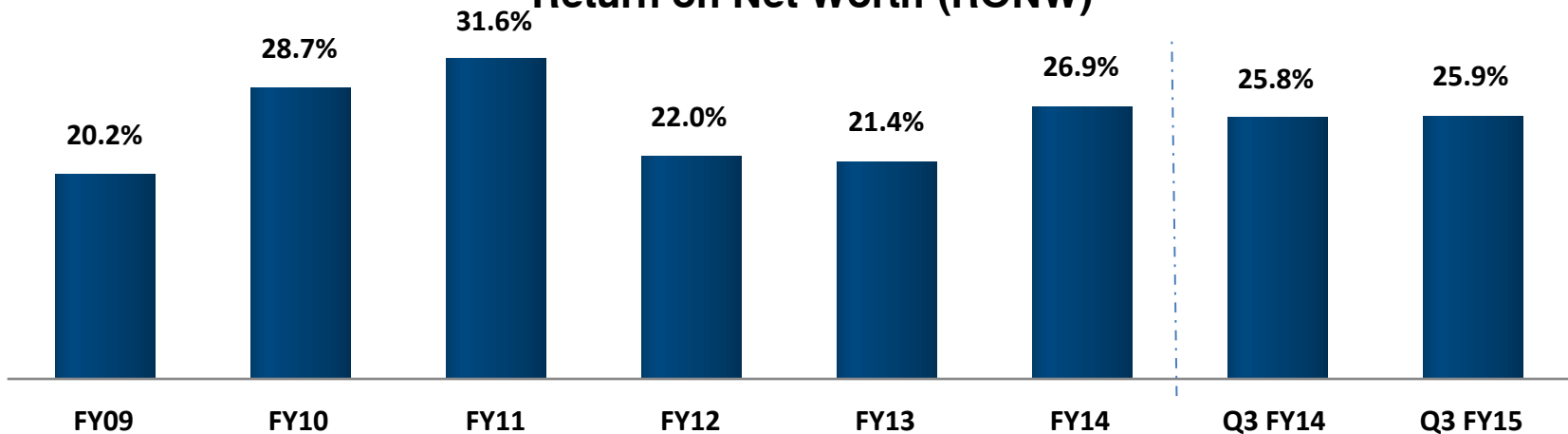
*Emerging Editions: Editions which are less than 4 years old

STRONG FOCUS ON ROCE & RONW

Return on Capital Employed (ROCE)



Return on Net Worth (RONW)



FINANCIAL SUMMARY

	Year Ended				Quarter Ended		
Particulars (INR million)	Mar-11	Mar-12	Mar-13	Mar-14	Q3 FY14	Q3 FY15	Growth %
Advertising Income	10030	11281	12075	14178	4035	4283	6.2%
Circulation Revenue	2144	2422	2823	3235	830	969	16.8%
Total Income	12794	14755	16137	18836	5256	5574	6.1%
Newsprint	(3838)	(5070)	(5446)	(6323)	(1723)	(1685)	-2.2%
Other Operating Expenditure	(4786)	(6071)	(6693)	(7272)	(1908)	(2014)	5.5%
Total Expenditure	(8625)	(11151)	(12138)	(13595)	(3631)	(3699)	1.9%
EBITDA	4169	3604	3998	5241	1625	1876	15.4%
EBITDA Margin	32.6%	24.4%	24.8%	27.8%	30.9%	33.6%	
Net Profit	2587	2021	2181	3066	945	1051	11.3%
Net Worth	8289	9177	10214	11405	11901	13126	
Secured Long Term Gross Loan	1745	1328	1098	969	1125	892	
Cash & Bank Balance	1727	1896	1279	1135	1232	1835	
Secured Working Capital Loan	337	577	299	362	356	299	
Total Secured Gross Debt	2082	1905	1396	1331	1481	1191	
Net Block (Fixed)	7091	8224	8383	8526	8930	8280	
ROCE	35.1%	27.0%	28.1%	34.5%	33.1%	34.5%	
RONW	31.2%	22.0%	21.4%	26.9%	25.8%	25.9%	

BOARD OF DIRECTORS

Ramesh Chandra Agarwal	<ul style="list-style-type: none"> Chairman - 44 years of experience Served as Chairman of FICCI of the MP region
Sudhir Agarwal	<ul style="list-style-type: none"> Managing Director of DBCL 27 years of experience in the publishing and newspaper business
Girish Agarwaal	<ul style="list-style-type: none"> 19 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	<ul style="list-style-type: none"> 13 years of experience in the publishing business Heads entire Production, IT and Technology for DBCL
Piyush Pandey*	<ul style="list-style-type: none"> Executive Chairman of Ogilvy & Mather Pvt. Limited, India
Kailash Chandra Chowdhary*	<ul style="list-style-type: none"> Previously the Chairman & Executive Director at Central Bank of India and Chairman & Managing Director of Vijaya Bank
Harish Bijoor*	<ul style="list-style-type: none"> A member of the planning group sub-committee of the Union Planning Commission of India
Ashwani Kumar Singhal*	<ul style="list-style-type: none"> Vice-President of BIR Brussels, the International Authority in Non- Ferrous Metals

* denotes Independent Directors.

THANK YOU