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## Press Release

**Mumbai, July 21 2011**

### **Performance Highlights for Q1 FY 2011-12**

- **Stand-alone Advertising Revenue increased by ~ 21% YOY to Rs. 2841 million in current quarter from Rs. 2358.2 million in Q1 of last fiscal.**
  - **Consistent and strong advertising growth which is one of the best in the Indian print space**
- **On an apple to apple basis, i.e. excluding advertising revenues of new markets of Jharkhand and Maharashtra, Stand-alone Advertising Revenue has grown by ~ 18% YOY**
- **Stand-alone Total Revenue has grown by ~ 19% YOY to Rs. 3527 million in current quarter against Rs. 2977.2 million of Q1 of last fiscal**
- **Stand-alone EBIDTA margin for Q1 stands at 29% at Rs. 1024.4 million**
- **Print Business EBIDTA margin for Q1, excluding losses of new markets - Jharkhand and Maharashtra, stands at 35% at Rs. 1154 million**
- **Stand-alone PAT margin stands at 18% at Rs. 634 million.**
  - **Consistently delivering one of the highest PAT margin in Indian print media space, since beginning, after factoring in new market losses, including one-time pre-operative expenses on account of new launches**
- **Consolidated Advertising Revenue increased by 20.2% YOY to Rs. 2832.4 million in current quarter from Rs. 2357.1 million in Q1 of last fiscal**
- **Consolidated Total Revenue has grown by 18.4% YOY to Rs. 3538 million in current quarter against Rs. 2987 million of Q1 of last fiscal**
- **Consolidated EBIDTA margin stands at 28.4% at Rs. 1004 million**
- **Consolidated PAT margin stands at 17.3% at Rs. 611 million**
- **Radio business: Advertising revenue has grown by 17.3% to Rs. 125 million in Q1 of current year, against Rs.106.3 million in Q1 FY 10-11**
- **Radio business has achieved EBIDTA of Rs. 17 million (~14% margin) in current quarter**
- **EPS stands at Rs. 3.33**

**Mumbai, July 21 2011:** DB Corp Limited (DBCL), India's largest print media company and home to flagship news papers Dainik Bhaskar, Divya Bhaskar, Dainik Divya Marathi and Saurashtra Samachar, today announced its financial results for the first quarter ended June 30, 2011. The highlights of the Company's operational and financial performance are as follows:

- ❖ **DB Corp Ltd. retains position as the largest print media group amongst national dailies, with 18.1 million readers across India's fastest growing markets – as revealed by the Inaugural Quarterly Results of IRS (Q1 2011) released in June 2011**
- ❖ **Dainik Bhaskar retains its position as No. 1 Newspaper of urban India in Average Issue Readership (AIR).**
- ❖ **Expansion in new territories continues with strong momentum - Aggressive growth and expansion strategy coupled with strong execution capabilities have enabled DBCL to expand its footprint in Maharashtra with the highly successful launch of Dainik Divya Marathi in Aurangabad and Nashik city**
- ❖ **In April 2011 successfully completed foray in the Jharkhand region with Dhanbad edition launch – that had begun with the launch of Ranchi in August 2010 and Jamshedpur in December 2010**
- ❖ **Maintains leadership position in Madhya Pradesh, Chattisgarh, Chandigarh, Haryana, Punjab (JAL), Rajasthan (U) and Gujarat.**
- ❖ **Radio business continues to scale up well – reports ~17.3% growth this quarter supported by a robust EBITDA growth of Rs. 6 million in Q1 on YOY basis**
- ❖ **Digital business ramping up rapidly– stellar growth in number of page views. dainikbhaskar.com, diyabhaskar.com, divyamarathi.in & dailbhaskar.com, stand out as preferred destinations for their respective online target audiences.**
- ❖ **In the Board Meeting held today, 21<sup>st</sup> July'2011, the Board of Directors has also considered and accorded their in principle approval for acquisition by D. B. Corp Limited (DBCL), of 60% of the paid up share capital of Divya Prabhat Publications Pvt. Ltd, which is presently held by Mr. Sudhir Agarwal, one of the promoters of our Company , for INR12 Million. Divya Prabhat Publications Pvt. Ltd , a profit making company, publishes "Prabhat Kiran", an afternoon Newspaper from Indore ( M.P.).**
- ❖ **Dainik Bhaskar voted as ICMR's (Indian Council of Market Research) star brand 2010-11**
- ❖ **My FM 94.3 selected as Best Station IDs in 'New York Festival Awards (USA)' on June 29, 2011**

**Commenting on the performance for Q1 FY 2011-12, Mr. Sudhir Agarwal, Managing Director, DB Corp Ltd said,** *“On an overall basis, our growth momentum has been well maintained this quarter as reflected by our strong financial performance and a robust ad revenue growth, which we believe is one of the most consistent and strongest across the Indian print media space. This quarter sets off a new fiscal of investments and expansion. Our new-market launch strategies have served us well that have always centred on customising and launching a strong product with high quality content, in territories presenting significant readership gap with an opportunity to expand the market. We continued to make determined progress in consolidating Bhaskar’s presence in key regions – as we successfully completed our foray in Jharkhand with the launch of Dainik Bhaskar’s Dhanbad edition in April 2011, and also made successful in-roads into new territories of Maharashtra – with very exciting and challenging launches of Dainik Divya Marathi in Aurangabad and Nasik cities that are both of great strategic importance in strengthening the Bhaskar brand in the state. Followed by the successes in these regions, we soon plan to launch in Jalgaon and over 2011-12 plan to extend our presence in other formidable markets in Maharashtra.*

*We are excited about future opportunities and our outlook is optimistic, driven by the rapidly rising consumption story in Tier 2 and Tier 3 cities and the potential of the regional print media segment. Leveraging our competitive strengths to well capitalize on this growing opportunity, we remain committed to reporting encouraging performance going forward and in delivering greater stakeholder value.”*

## Financial Performance Overview

### Q1 FY2011-12 financial results highlights: (comparisons with Q1 FY 2010-11)

- ❖ **Total Consolidated Revenue** has expanded by **18.4%** to **Rs. 3537 million** from **Rs. 2987 million on account of:**
  - i) Net Increase in **Stand-alone Total Revenue** of **Rs. 550 million in Q1 FY 2012 on YOY basis**
    - Advertising revenue increases to **Rs. 2841 million** from **Rs. 2358.2 million**, reflecting a growth of **~21% YOY basis**
    - On an apple to apple basis, i.e. excluding advertising revenues of new markets of Jharkhand and Maharashtra, Stand-alone Advertising Revenue has grown by **YOY~ 18%**
    - Circulation revenue grew YOY by **~6%** to **Rs. 568.1 million** from **Rs. 537.4 million**
- ❖ **Consolidated EBIDTA margin** stands at **28.4%** at **Rs.1004 million**
  - Stand-alone EBIDTA margin stands at **29%** at **Rs. 1024.4 million**. The same factors our pre marketing and survey related expenses of around **Rs. 61.5 million** in Q1 FY2012 for Jharkhand, Maharashtra and Bihar which have been booked in the revenue account,

instead of capitalizing or deferring the outlay for future quarters, considering the long term impact of these expenditures.

❖ **Print Business Mature editions EBIDTA margin stands at 37.1%**

- In an endeavour to provide more clarity on our operating performance and continuous expansion, we have indicated an analysis and break-up of Mature and Emerging Editions (New Editions) financials on a quarterly basis as below.

Particulars	Q1 FY12			Rs MN
	Mature Editions	Emerging Editions	Radio Business	DBCL Standalone
Total Revenues	3183.3	219.4	123.8	3526.5
EBIDTA (before pre-operative expenses)	1181.1	-112.1	16.9	1085.9
<b>EBIDTA Margin</b>	<b>37.1%</b>	<b>-51.1%</b>	<b>13.5%</b>	<b>30.8%</b>
EBIDTA (after pre-operative expenses)	1180.9	-173.4	16.9	1024.4
<b>EBIDTA Margin</b>	<b>37.1%</b>	<b>-79.0%</b>	<b>13.5%</b>	<b>29.0%</b>

❖ **Consolidated PAT margin stands at 17.3% at Rs. 611 million**

### Operational Progress and Highlights

- ❖ **DB Corp Ltd retains position as the largest print media group amongst national dailies with 18.1 million readers across India's fastest growing markets**, as revealed by the Inaugural Quarterly Results of IRS (Q1 2011) that were released in June 2011. The Group's combined readership reflects a growth of approximately **2 lakh** new readers in Q1 IRS for FY 12
- ❖ **Our flagship newspaper Dainik Bhaskar retains its position as the No.1 Newspaper of urban India in Average Issue Readership (AIR)**

❖ **Expansion in new regions continues with strong momentum and steadily paves way as additional growth driver for overall business expansion including circulation and advertisement growth:**

- D B Corp Ltd's growth strategy continues to be focused on tapping emerging markets with significant readership gap and the opportunity to develop the market, thus expanding the readership base and overall growth in advertising.
- Our past 15 years experience of different new market launches reveals that our launch strategy of focusing and becoming very strong and formidable player in major urban cities of new market, from beginning has resulted in attaining EBITDA break even in about 4 years time for newer markets – as exemplified by Bhaskar's last launch in Punjab in 2007, which achieved EBITDA breakeven in around 3 years period.
- Through the launch of Dainik Divya Marathi, in Aurangabad in May 2011, DBCL has **extended its presence to 4 languages and to its 60th edition**. The publication is already highly regarded as a product with strong editorial content and has garnered extremely encouraging reactions from readers in Aurangabad and has emerged as the most dominant newspaper in average daily circulation since the beginning of its launch
- Also launched **Dainik Divya Marathi's second edition from Nashik in July (expanded to 62<sup>nd</sup> edition)**. In keeping with its launch tradition and leadership momentum of previous launches, **Dainik Divya Marathi** has once again, been welcomed with great enthusiasm and eagerness, by readers in Nasik city and has emerged as the most popular newspaper in the city from day 1 of its launch
- Our impending launch in Bihar has been deferred to FY2012-13 on the face of slightly sluggish overall market conditions and the resultant weakness in advertising and the recent volatility in the newsprint segment

❖ **The Company remains a strong leader in Madhya Pradesh, Chattisgarh, Chandigarh, Haryana, Punjab (JAL), Rajasthan (U) and Gujarat.**

- In Madhya Pradesh and Chattisgarh, Dainik Bhaskar is in a dominating position with a market lead of 2.5 times over nearest competitor.
- In Chandigarh, Punjab (JAL), Haryana (CPH), Dainik Bhaskar continues to enjoy a lead of 17% over nearest competitor in overall CPH with a lead position of 79% in Chandigarh.
- In Rajasthan, Dainik Bhaskar has a lead of over 43% over nearest competitor in Jaipur. It continues to maintain a commendable lead in other major urban towns of Rajasthan like Jodhpur, Udaipur, Ajmer and Kota.
- In Gujarat it continues to be a formidable player with lead in key markets and reflects a lead of 29% over its nearest competitor in Ahmedabad.

- ❖ **Digital business ramping up rapidly – stellar growth in page views from 8 million to over 100 million over the last 15 months.**
  - Highest average time spent by users on portals at 11 minutes per visit, considered the highest in the industry
  - divyabhaskar.com is the largest Gujarati portal and is twice the size of the nearest competitor
  - As independent portals, dainikbhaskar.com, diyabhaskar.com, divyamarathi.in & dailbhaskar.com, stand out as preferred destinations for the respective, target, online audiences
  - The content served by all our portals extend beyond news to cover entertainment, career, religion, sports, lifestyle & humour
  - Digital business growth strategy centred on developing our portals into one stop solution for content requirements of the online reader
  - Properties also available on mobile through our WAP portals and dedicated apps for iPhone and Android devices – first regional newspaper to have apps for iPhone
  - Fastest company to reach 5 million page views in a short span of time – our focus is to make our WAP portal more interactive for readers and create more apps for Symbian, Blackberry and iPad, strategized to double page views to 200 million by 2012 end
  
- ❖ **Dainik Bhaskar voted as ICMR's (Indian Council for Market Research) Star Brand 2010-11-** Star Brands is awarded based on extensive pan-India research which sums up list of India's most impactful brands
  
- ❖ **MY FM 94.3 has been selected in the category – Best Station ID's, in 'New York Festival Awards (USA)' on 29th June, 2011**

### **About DB Corp Ltd**

D B Corp Ltd. is India's largest read print media company that publishes 8 newspapers with 62 editions, 191 sub-editions in 4 languages (Hindi, Gujarati, English and Marathi) across 13 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 18.1 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, Jharkhand and Jammu. Our other noteworthy newspaper brands are Dainik Divya Marathi, Business Bhaskar, DB Gold, DB Star and DNA (in Gujarat, Rajasthan and MP) 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 all its 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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