

November 04, 2008

Media Compendium
Financials Q2FY09

Rs Mn	Balaji Telefilms	SunTV	Jagran Prakashan	HT Media
Revenue	1,033	2,379	2,806	3,307
YoY Change	32.6%	22.3%	17.8%	17.7%
EBITDA	295	1,975	435	450
YoY Change	-25.2%	28.1%	1.7%	-20.9%
EBITDA Margin	28.6%	83.1%	20.8%	13.6%
YoY Change	-2208bps	375bps	-3296bps	-665bps
Net Profit	181	923	227	163
YoY change	-31.0%	15.2%	3.1%	-49.0%
Net Profit Margin	17.5%	38.8%	10.9%	4.9%
YoY Change	-1617bps	-241bps	-154bps	-645bps
Advertisement Revenue	-	-	69%	86%
Circulation Revenue	-	-	23%	13%
Commissioned Revenue	94%	-	-	-
Sponsored Revenue	6%	-	-	-
Advt Revenue	-	52%	-	-
Income from Pay Channels	-	26%	-	-
Others	-	22%	8%	1%
Remarks & Q2FY09 Result Review	<ul style="list-style-type: none"> BTL's revenue increased mainly on account of overall higher realizations from new launches and increase in programming hours to 406.5 hr from 319 hr in Q2FY08. Operating profit for the quarter declined by 30.4% YoY mainly led by 66% YoY increase in Telecast fees and cost of production. Termination of its JV with Star TV is a big negative for the company, as it will impact the revenue growth assumption of the company. 	<ul style="list-style-type: none"> Sun TV continued to maintain its leadership in local language programming with Ad & Broadcasting revenue growing at 30% on YoY basis The growth in Subscription revenue from the DTH platform continued at 29% QoQ due to the buoyancy provided by the entry of new DTH players like Reliance Big TV and Airtel's Digital TV. The number of the subscribers increased to 2.3 mn from 1.7 mn in same quarter last year. 	<ul style="list-style-type: none"> Advertisement revenues were up by 22.8% YoY driven by an increase in total Ad space and circulation revenue, which increased due to better than expected performance by I-Next & City plus. Raw material costs increased by 29% YoY, while employee expenses increased by 24% YoY on the back of higher direct expenses on outdoor & event services and the launch of two more editions of City Plus. PAT for the quarter went up due to lower interest expenses. EPS for the quarter stood at Rs.0.75. 	<ul style="list-style-type: none"> Ad rate hikes by ~15% & revenue traction through increased readership across Hindi speaking areas helped improve revenue. Raw material expenses increased by 30% YoY due to higher newsprint cost (~25% YoY) and unfavorable foreign currency movement. Hindustan dominates in Bihar with a readership of over 4 million and commands a massive 73% share of the Hindi readership in Bihar.
Recommendation	Market performer with a Negative basis	BUY	Market performer with a Positive basis	BUY

Slowing rate of economic growth and poor macroeconomic conditions leading to lower Ad spend, especially by financial and reality segments, will hamper revenue growth of the media companies.

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