

**HT Media Limited**

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Investors/Analysts Conference Call**October 29, 2007, 12 noon IST**

Presentation Session

Moderator: Good afternoon ladies and gentlemen. I'm Gopal, moderator for this conference. Welcome to the conference call of HT Media Limited. At this moment all participants are in listen only mode. Later, we will conduct a question and answer session, at that time if you have a question, please press * and 1 on your telephone key pad. Please note this conference is recorded. I would now like to hand over the conference to Ms. Sherna of Citigate. Please go ahead ma'am.

Citigate: Thank you Gopal. Good afternoon everyone and welcome to the HT Media's Q2 FY08 conference call. Today on this call we have with us Mr. Keerthivasan, Chief Financial Officer and Mr. Rahul Jain General Manager Finance. I would now like to invite Mr. Keerthivasan to make a few opening remarks, after which we will have our Q&A session. Over to you Mr. Keerthivasan. Thank you.

Keerthivasan: Good afternoon ladies and gentlemen. Thanks for joining us on the call. Let me start by saying that I am delighted to present the Q2 results of HT Media Limited, it was possibly one of the toughest quarters that this industry has seen in the last 10 to 12 quarters, however we have shown some great results. And I will talk about some of these in detail as I go along, I will also tell you the reason as to why I believe and we believe at HT Media that we have shown great results.

Just going straight into it, we believe that the ad revenue industry for this quarter grew at a very, very low number of about 3% to 4% and if you were to look at our growth, it is 10 points better than industry growth. Obviously we believe that some of the initiatives that we undertook in the last two years are beginning to now show results. The growth in top line has been predominantly led by our initiatives in Mumbai, our Hindi Business, and Mint.. Across all editions, we have done reasonably well; in fact we have done really well beyond the industry. I have always maintained in some of the one on one conversations with some of you that we will show at least 4 to 5 points growth over and above the industry, but in a tough quarter like this, I think we have really shown that we can grow well ahead of the industry.

Just to talk about some of the new initiatives that we undertook in the last 12 months, and we have done a check of where we are on some of those. I think Mint has done really well. I am happy to announce that we are today the second largest newspaper being circulated in the country; we have crossed the 100,000 mark across the country. Please note that currently we circulate this paper only in two cities of Delhi and Bombay. We are going to launch Bangalore within next few days, and in the next 30 to 45 days, we should be launching the Mint in Calcutta as well. So, hopefully in the next 6 to 12 months, we will have a pan India foot print as far as Mint is concerned. I heard from some of you guys, how good the product is, and we are getting this feedback from right



across the cross-section telling us about how good the products are. You guys can all see for yourself the ads that we are carrying currently, especially for the last couple of months, we are clocking an ad rate ratio of about 20% to 25%, which for a 6 month old paper, you would agree with me is, pretty good. Please note that the cost per thousand for a paper like Mint, is already at a premium to Economic Times, it's a very aspirational product, and it is doing really well, as far as this segment goes.

The other area where I think we have made a lot of progress in the last 12 months, especially, is in our Hindustan business. Many of you who would have been following our company a few years ago would know that the revenue from Hindustan was a meager 3%, 4%, . I can tell you for the first time this quarter, we have clocked, out of the total revenues, Hindi revenues account for approximately 20%, which is a sizeable chunk. It actually diversifies our portfolios. I think English as you know is a mature market, whereas Hindi is a very, very high growth market. So from a few couple of editions for the English newspaper daily, we are now currently moving into a diversified business, with presence across languages, across geographies, and across media mediums as well. So I think that has been a notable change that we are now seeing in this business. And I can tell you, this augurs really well for us as we move along.

The other initiative, which we don't talk much about because it's in subsidiaries, is our radio business. Again I think we have launched three stations, we will complete one year since we have launched the first station next month. We believe our internal track shows that we are amongst the top three players, definitely in Delhi and in Bangalore, and we are not far away in Bombay as well. In fact amongst all the new stations that have been launched, we are possibly the number one station currently. So I think we have made rapid progress in radio as well, and we are currently clocking, in all these markets, a volume share of about 10% to 14%, which I think for a 6 to 12 months old sort of a brand is pretty good. We are actually ahead of the normalized share of revenue. And in terms of the pricing, I think I can safely say that in terms of pricing we are the number two, or at max the number three player in the market.

Broadly, one word on Hindustan Times, in our editions of Delhi and Chandigarh, we did witness a considerable slowdown in the industry this quarter. There are couple of reasons, one, yes; there are some sectoral slowdowns in real estate and automobiles. The other reason is, we were actually up against a quarter, where last year second quarter, a lot of the Diwali impact came in September, and this year Diwali is pushed into November, and because of it lot of the revenues are going to be pushed into October. So, its more about the cyclical impact, the entire September was hit because of Shraad and actually Shraad ended early October and then the festive season started, whereas in last year in September, the impact of festive season had already started and we had captured a fair amount. Just to give you a sense, September 2006 was one of the biggest months we have had, and we showed a growth of about 40 odd percent. So, in comparison to that, we were actually comparing our sales this year, and also this year it was Shraad time and therefore we have had some impacts because of that, but we have already seen revival of some of these sectors in October. We are seeing robust growth. Our paper is there for everybody to see. We are actually going full on inventory, in fact we have to take up our ad edit ratio to actually accommodate some of the ads in the last few days. So we believe that, going forward, this quarter is going to look far better than the first two quarters of the year. And we at Hindustan Times really believe that we have seen the bottom of growth.

Couple of words on Mumbai, I think our readership has really grown substantially in the first six months, and so has the brand salience. We are also doing pretty well in terms of our revenue numbers. In fact we have seen a substantial growth over last year, here in Bombay. We are seeing growth north of 20%, even in this quarter, and that we expect to continue going forward.

Just a couple of words on the outlook for the next six months; we stay very bullish; in fact the numbers are going to be way different to what we have seen in the first two quarters, simply because there is a lot of revival happening in some of the slowdown sectors. We are going to see some growth coming in. Also our platforms in Hindi and Mint and all is going to add to our top line as we move along. We are going to make some significant initiatives in the next 6 months, and I have also listed them down in the outlook session. I will be more than happy to give you any further details if any of you need some of those. But notably, yes, the geographical expansion of Mint will be a key area. We will be bidding for some more licenses in radio next month and hopefully we will get them. And we will enter the classified business in Internet, that's going to be a great focus area for us going forward. We might be looking at a couple of one to two acquisitions also, some on the social networking side, who knows, some in classifieds, we will wait and watch. But yes, the classified area of Internet is one of the focus on in the next 6 months of the year. So with this I finish my opening remarks and I open the floor to questions.

Question and Answer Session

Moderator: Thank you sir. Ladies and gentlemen, we will now begin the question and answer session. If you have a question, please press * and 1 on your telephone key pad and wait for your turn to ask the question. If your question has been answered before your turn, and you wish to withdraw your request, you may do so by pressing # key.

Our first question comes from Mr. Rahul Bhangadia of Lucky Securities.

Rahul Bhangadia: Congratulations on a great set of numbers sir. Two things, first if you could give me a sense on your readership numbers in Bombay, and comparative numbers for DNA, and secondly if you could give us a sense of same comparison in terms of revenue for you in Bombay and for DNA in Bombay?

Keerthivasan: I will rather answer the question the other way round. I would rather give you a sense of how my revenues are currently. See, please understand Bombay as a market, not only contributes to the edition in Bombay, it also contributes to all the other editions in the country. Please understand, Delhi and Bombay are two of the biggest markets as far as ad revenues are concerned. What we track is, we don't track revenues that go into the Mumbai edition, we actually track revenues that go into all the other editions. I can tell you today, before we launched the Bombay edition we used to get about couple of crores from that market on a monthly basis, right? Currently we get anything between Rs. 8-10 crore, that's the sort of increase that we have seen...

Rahul Bhangadia: And DNA said they made about 50 or 60 crores of turnover last year, is that the figure roughly?

Keerthivasan: We don't know, we have not seen any audited numbers, and I don't want to comment on my competition.

Rahul Bhangadia: Okay, and just one last question. If you could give us the contribution from Mint this quarter, in terms of revenue as well as cost.

Keerthivasan: See, it's too early and we are not giving out the segmental reports especially for Mint, you will have to wait for six more months before we start giving that.

Rahul Bhangadia: Sure, thank you sir. Thank you very much.

Moderator: Next question comes from Ms. Yasmin of Alchemy capital services.

Yasmin: Hi sir, I just need your breakup of your revenues in circulation and what has been the ad income this quarter?

Keerthivasan: Our ad revenue for the quarter is Rs. 239 crore and circulation revenue is Rs. 36 crore, the rest is others.

Yasmin: And what has been the circulation of Mint in terms of lakh copies of...

Keerthivasan: 1,02,000 copies.

Yasmin: And if I have to work back on your numbers for English advertising growth is at around 11%?

Keerthivasan: We don't give separate numbers there.

Yasmin: Okay, right. Thank you.

Moderator: Next question comes from Mr. Prasun Gupta

Prasun Gupta: Hello, Mr. Keerthi, this is Prasun. I just wanted to ask why HT newspaper is not making publicity in the state of Rajasthan, as far as it is very close to Delhi. Yes, actually I belong to Rajasthan, and I find that the Hindustan Times is not picking up nicely in Rajasthan, whereas Times of India and other newspapers have large number of readers around that area. So is there any possibility of the Hindustan Times management trying to hike up its readership views in state of Rajasthan.

Keerthivasan: No, I think it's not correct to say that our readership is not good, in fact if you look at the city of Jaipur, our readership is far higher than Times of India, however, we are not present in some of the other cities in Rajasthan. This is something that we are aware of, and I think the numbers will be pretty similar once we get into all the cities, but we are currently only based in Jaipur, and we are currently concentrating on getting into the bigger markets there. So I think it's just a question of priority and nothing else.

Prasun Gupta: Okay. Another thing is that the Tuesday paper consists of word block which is having very less number of advertisements in comparison to ads of Wednesday, Times of India, so is there any specification that why actually the

advertisers are not putting advertisements in Hindustan Times, but those same advertisements are coming on in the Times of India.

Keerthivasan: I think it's a question of, if you were to overall look at the volume shares, we are still ahead of Times of India, so I don't think that's something, maybe it could be on a couple of days, we go here and there, but on overall basis, we are ahead of Times of India. So we have volumes in numbers and we are ahead of Times of India, as far as the Delhi edition is concerned.

Prasun Gupta: Okay sir. Thank you.

Moderator: Next question comes from Mr. Ritesh of Dolat capital.

Ritesh Poladia: Good morning sir. I have a question on de merger. What is the status of demerger process and when it is likely to get complete?

Keerthivasan: This is for the Hindi Business?

Ritesh Poladia: Yes sir.

Keerthivasan: We have actually taken the, in principle approval from the Board of Directors. So for the de merger we need to prepare the accounts for the last few years, we are currently in the process of doing that. We should do the demerger either in this quarter, or definitely by the end of March 2008, we will complete the demerger.

Ritesh Poladia: Okay, and sir second questions pertains to Mint, you have given that loss is about Rs. 10 crore a quarter, so what would be the incremental cost you will associate with Bangalore and Calcutta?

Keerthivasan: I would rather keep this to myself and let us launch the paper and I will give you an indication at the end of this quarter.

Ritesh Poladia: No problem sir. And sir, when do you think Mint will breakeven after, like four, six editions are launched?

Keerthivasan: I think you need to give any newspaper in this country, especially in the economic recession; you need to give anything between 24 to 36 months, depending upon the city you are in.

Ritesh Poladia: Okay, so we can expect that in the next 24 to 36 months, Mint will breakeven.

Keerthivasan: Yes.

Ritesh Poladia: That's great. And sir one final question, what is the total investment in radio ventures till date?

Keerthivasan: About Rs. 150 crore.

Ritesh Poladia: For four stations?

Keerthivasan: Yes.

Ritesh Poladia: And sir, don't you think this is high when we compare it with the other companies?

Keerthivasan: See everybody has paid the same license fee. Out of the Rs. 150 crore, Rs. 75 crore is only licenses. Everybody has paid the same Rs. 75 crore for the four cities where we have our radio stations.

Ritesh Poladia: Okay. Sir, one more question if you allow. Sir, what would be our Hindi numbers in absolute terms?

Keerthivasan: I have given you the numbers, I said approximately 20%, please calculate that.

Ritesh Poladia: Okay, thank you very much sir.

Moderator: Next question comes from Mr. Abneesh Roy of Religare Securities.

Abneesh Roy: I have a question on the Delhi market, in Delhi the key reason for slowdown is due to the realty sector, which I think is going down and the auto sector is going down. So when do you expect these two sectors to pick up?

Keerthivasan: We are expecting a new credit policy anytime now, tomorrow, day after. Now the banks have already started announcing reduction in the rates, and the festival season has also started. We are already seeing in the last few days, the reversal in the trend especially on the realty markets. But I can tell you, to go up to last year rates, it's going to take some time, definitely the sectoral growth of realty and auto will be far better than in the first two quarters, that much I can tell you. We are already seeing the results of that. If you look at our paper today, we are carrying a lot more of realty ads.

Abneesh Roy: How many pages the supplement has now, the realty supplement?

Keerthivasan: We had a 32 page supplement this Saturday.

Abneesh Roy: Okay, so that's almost the same level, last year it was around 60 right?

Keerthivasan: No, 36.

Abneesh Roy: Last year, 36, okay.

Abneesh Roy: Okay and second question is regarding the total industry growth rate, you mentioned that total industry is growing by 3 to 4%. So what is the source for this, because...

Keerthivasan: AdEx states about 4% to 5% is across the country. See, for Delhi and Bombay, we track volume of ads that go into the paper. I can tell you the volume growth in Delhi and Bombay is only 2%. That we track on a single centimeter basis that we

know. So we believe the growth in the southern parts of the country is slightly higher than the north and west. It's the best estimate based on what Adex is, but even we have spoken to AdEx, and AdEx is also talking about similar numbers.

Abneesh Roy: Because if you see radio that's going at 30% the number one player, similarly, the TV players are growing at say 25%, 26%.

Keerthivasan: I am talking about print.

Abneesh Roy: So print has slowed down, is it?

Keerthivasan: No, see, two of the biggest sectors, which is real estate and auto, have shown a massive dip in the advertisement. Off take has also been affected, so yes, as these sectors starts coming back, you will start seeing the growth growing back.

Abneesh Roy: Okay sir. Thanks.

Moderator: Next question comes from Ms. Tanu of Quantum Asset Management.

Tanu Kejriwal: Hello?

Keerthivasan: Hello.

Tanu Kejriwal: Hi, just two, three very small questions. Firstly on radio, you have infused some equity this quarter, which is the note in the results version. So, I believe you just said as to how you will be looking at bidding for more stations, will that be under phase 2?

Keerthivasan: Yes, phase 2A.

Tanu Kejriwal: Okay, and any clue on phase 3 when that is likely to come up, and whether you are interested in that?

Keerthivasan: I am as clueless as you are. It's the best guess, yet if you talk to the government guys today, they will tell you that, let us get completed with phase 2A, then we will talk about phase 3. At least some time away I can tell you.

Tanu Kejriwal: Okay. Secondly, why is the tax rate low at about 20% this quarter?

Keerthivasan: Yes, we have now initiated lot of tax planning initiatives, we are working with some of the professionals in the industry, and you are going to see us doing some tax planning work in the next few years as we move, as we go along. So it's on account of that.

Tanu Kejriwal: Okay, so for this year probably it won't be the full corporate tax rate, is that what you are saying?

Keerthivasan: May not be, that's what we are working towards.

Tanu Kejriwal: Okay, another thing is, I am sorry, just excuse me, may be I don't know, I am not able to, but there is some demerged entities for Go4i.com, which you have done something in this quarter, can you explain a bit on that, if you can?

Keerthivasan: No, we had actually merged, there's an entity called Go4i.com, where we had losses of about Rs. five to six crore. We are awaiting the court order for its merger. We have merged that company in this quarter.

Tanu Kejriwal: And what did this company do actually?

Keerthivasan: It's a online content creation company.website.

Tanu Kejriwal: Okay and what is the growth rate expected in your view, for the Hindi and the English segment as a whole, the markets?

Keerthivasan: Going forward?

Tanu Kejriwal: Yes.

Keerthivasan: See, we believe the growth rate definitely from a single digit will move to double digits roughly.

Tanu Kejriwal: Yes, I just wanted to know how English has more or less saturated and Hindi is the growth area, just wanted a sense?

Keerthivasan: English has saturated, see if you look at the growth rates in the last few years, last four to five years this industry has been growing at north of 14%. We are just seeing one or two quarters where the growth has slowed down a little bit. It will pick up, there is no reason why the industry should slow down, especially when there is a huge growth in the circulation and also as India is getting more and more urbanized, there is no reason why the English growth should come down. It's only an aberration caused by few sectoral slow downs happening in some of the sectors. It will come back, it is only temporary.

Tanu Kejriwal: So, is it fair to assume that English for you all will at least grow by about 12% to 15% going forward?

Keerthivasan: We would assume.

Tanu Kejriwal: And Hindi would be 20% plus?

Keerthivasan: Yes, see, 12% to 15% for English and 15% to 20% for Hindi.

Tanu Kejriwal: Okay, and just one last question, on the Hindi print business, you are moving the entire business into a separate subsidiary, will that happen as a sale, like will the holding company book it as some sale to that extent?

Keerthivasan: Yes, we are actually working through the modalities and we will come back to you with the exact details once when we do that.

Tanu Kejriwal: Okay, alright, thank you very much.

Moderator: Next question comes from Mr. Ankit Kedia of ICICI Direct.

Ankit Kedia: Sir, my question is, how much percentage of our ad revenues come from reality and auto sector because that's impacted our revenues tremendously?

Keerthivasan: See, we normally get in our total revenue for Hindustan Times; about 15 to 20% revenue from realty and auto sectors.

Ankit Kedia: Okay, and the remaining from?

Keerthivasan: The remaining from all the other sectors and I can tell you these two sectors have de grown by about 40% to 50%.

Ankit Kedia: Okay, and my second question pertains to classifieds Internet business, how big is this market and if you can throw some light on this?

Keerthivasan: See, everybody knows today that at some stage lot of Internet is going to catch up in India as well, I think, yes India is way behind US and other market, but some of the classifieds will move into Internet. We have a huge classifieds business; we get about 5% to 7% of the total revenues coming in from classifieds. We get huge database of data, be it jobs, be it matrimonial, be it sale and purchase of assets, realities, everything. All we are doing is that we are actually taking all this into our Internet business and we will have portals for jobs, matrimonials and it will be a combination of advertising revenue plus subscription revenue model.

Ankit Kedia: Okay, and my third question pertains to Hindustan, it contributed nearly 20% to the top line, now, this was because English didn't do that well, but do we see the same trend continuing?

Keerthivasan: No, it is not because English is not doing well, it's because we have expanded geographically in Hindustan in a big way. Earlier we were a few city players in UP, today we cover the length and breadth of this country. We have a presence in Bihar, a very, very close number two in Delhi, we have significant presence in UP. We are present in the cities of Lucknow, Kanpur, Varanasi, Meerut, and Agra, so our footprint has really gone up plus we very much dominate the entire Bihar and Jharkhand area. So, if you look at our footprint today, we have a huge footprint and we believe that there is a huge potential for us to take up these revenues even further.

Ankit Kedia: So, going forward we can estimate the same percentage of the top line to come from Hindi or possibly grow even higher?

Keerthivasan: Yes, you are right.

Ankit Kedia: Yes, thank you.

Moderator: Next question comes from Mr. Percy Panthaki of HSBC.

Percy Panthaki: Hi sir, congratulations on a good set of numbers.

Keerthivasan: Thank you.

Percy Panthaki: Just wanted to know for the next few quarters, what is the outlook on your advertising expenditure?

Keerthivasan: Yes, we will continue to be pretty much where we were. See, some of our different businesses are in different stages of evolution, right. There are some new businesses like Mint and so on, which needed some investment in the first half, I would say pretty much in the same range as it was in the first half, we will balance it out.

Percy Panthaki: So, you are saying the second half will be same as first half?

Keerthivasan: Pretty similar.

Percy Panthaki: In terms of absolute number or in terms of percentage of sales?

Keerthivasan: See, our endeavor here is to spend anything between about 5% to 7% on the top line.

Percy Panthaki: So, there probably will not be any operating leverage coming out of this in the second half?

Keerthivasan: May not.

Percy Panthaki: Okay, secondly on Hindi, after the demerger, will HT media still hold 100% of the demerged entity or is there likely to be some dilution of that?

Keerthivasan: Currently we have no plans on dilution and let's see maybe going forward.

Percy Panthaki: Okay and on Hindi editions, this time the growth rate was about 20%, but last quarter it was 40%, so any idea why it came down?

Keerthivasan: See, it's the seasonality issue I told you and also the last quarter we had Lucknow edition and this year, last quarter we had UP elections, this year the whole Shraad has come in. See, this quarter is a little bad quarter comparing to last quarter. Last quarter the festive season had already clocked in. So, don't worry, third quarter we will pick it up.

Percy Panthaki: Okay, thank you very much.

Moderator: Next question comes from Mr. Vikas Mantri of ICICI Securities.

Vikash Mantri: Good afternoon sir.

Keerthivasan: Yes sir.

Vikash Mantri: Sir, just a view on how have the newsprint price cost behaved for us both in rupee terms and in dollar terms and what is our proposed increase in circulation that you might take in various editions?

Keerthivasan: See, Vikas, the newsprint prices we have had benefits coming on two accounts, one obviously is the rupee appreciating vis-à-vis the dollar and also the newsprint prices. I think between these two, we have got savings of north of 10%. That's your answer to the first question. The Indian newsprint prices pretty much remain what we had projected; we have not seen much change. The ratio of foreign newsprint to Indian newsprint will continue to be about 70:30. As regards circulation numbers of for next six months, as of now, I see the Mint numbers going up in Bangalore and possibly Calcutta and we will take up our Bombay circulation numbers. Other than that pretty much things will remain the same.

Vikash Mantri: Okay, thanks sir.

Moderator: Next question comes from Ms. Neha Idnani of Angel Broking.

Neha Idnani: Good morning sir, I am Neha here. I just wanted to understand your employee expenses, I mean, could you bifurcate it for me, for instance, how much would be paid to say a journalist and the rest?

Keerthivasan: We don't do that.

Neha Idnani: Okay sir, the reason why I am trying to understand is, because there is one of the competitor who has employee expenses at roughly 4% of sales, whereas our employee expenses are way high off, so is there any way we could bring this down or what is the reason why the competitor can manage a lower employee expense?

Keerthivasan: I can tell you, we have been in this business for 80 years now and we do benchmark ourselves with all the global giants and the Indian players. Appreciate that we are the second largest print media in the country. There is no country in the world where the employee cost is less than 12% to 13%;. Fact of the matter is, we are getting into lot of new areas, where the revenues are not coming in, we have made those investments, right. I have not come across one business where the employee cost is 4%. .

Neha Idnani: Okay sir, basically by no way automation of the printing mechanism can we achieve that kind of...

Keerthivasan: Printing only prints the news, but you need to go and gather the news also, no? You need people for that.

Neha Idnani: Right, okay sir, thank you.

Moderator: Next question comes from Mr. Ritesh Poladia of Dolat Capital.

Ritesh Poladia: Sir, you spoke about your possible acquisitions, is this in print or other than print?

Keerthivasan: I spoke about the acquisition in Internet space.

Ritesh Poladia: Okay, and what kind of Internet properties you would be looking for?

Keerthivasan: We are looking for all classified properties and the acquisition I spoken about is in the space of social networking.

Ritesh Poladia: Okay, thank you very much, sir.

Moderator: Next question comes from Mr. Harish Krishnan of Kotak Mahindra.

Harish Krishnan: Hi sir, just wanted to know for your Hindi paper Hindustan, what kind of growth in editions can one expect in terms of newer cities and what would be the capex for that paper alone?

Keerthivasan: See, we are currently now looking at, I am not going to talk about, not the next quarter or next six months, I am going to talk about the next two years. We are now looking at expanding our operation substantially. We believe that we have got a fundamental business footprint, which could now be taken up to a level where we would actually become the market leaders or the number two player in this market. We are going to see significant investments being made in at least in the state of Uttar Pradesh and we might enter MP at some stage.

Harish Krishnan: Okay, but in terms of quantifying the cost, at least an approximate ball-park figure?

Keerthivasan: We are looking at making about Rs. 200 crore sort of business.

Harish Krishnan: Okay, and how would the funding of this be done, sir?

Keerthivasan: We have enough cash.

Harish Krishnan: Okay, secondly in terms of Mint, you said you have added currently 20% to 25%, just wanted to know what kind of target rates you have in mind for Mint.

Keerthivasan: I think we will never go beyond 30%, 35%; it's a question of our pricing. So, as the ads starts going up, we will start taking up the prices.

Harish Krishnan: Okay, could you also give some idea on the inventory that you have in the radio, in terms of utilization?

Keerthivasan: I can tell you, Delhi is one market where you should look because there is some period of time basically that you can look at. On our prime time we are about 80% to 85%. I can tell you that we will never be full, because as the inventory starts filling up, we start taking up the rates and on a overall basis we will be at about 60%, 65%.

Harish Krishnan: Okay, thanks a lot, good day.

Moderator: Next question comes from Mr. Vinay Paharia of Lotus Mutual Fund.

Vinay Paharia: Good afternoon sir.

Keerthivasan: Good afternoon.

Vinay Paharia: Sir, it can be seen that there is an increasing integration with the Internet, with lot of the new properties which you have launched, just like Livemint, are these all Internet properties, like livemint.com and htmedia.com housed in Firefly e-Ventures Limited?

Keerthivasan: No, hindustantimes.com is a part of HT Media, livemint is a part of Mint, so Firefly e-Ventures Limited will have separately all the classified sites.

Vinay Paharia: So, all the new Internet ventures, like this classified sites and the new social networking site will be housed. Okay, any ball-park figure, which you have allocated towards any new Internet initiatives or this may be as and when.

Keerthivasan: As and when it happens.

Vinay Paharia: Okay, thanks.

Moderator: Next is a followup question by Ms. Yasmin of Alchemy.

Yasmin: Hi, sir, I just needed circulation numbers for your Delhi edition and Bombay edition for Hindustan Times?

Keerthivasan: Talk to Rahul Jain after this call, he will give you the details.

Yasmin: Right, and sir, lastly on this ad market growth, could you tell us separately for the main cities like Delhi and Mumbai, what has been the growth in the ad markets for English?

Keerthivasan: I spoke to you no; the volume growth is about 2%.

Yasmin: Okay, right sir, thank you.

Moderator: Next is a followup question by Mr. Abneesh Roy of Religare Securities.

Abneesh Roy: Could you tell me more about the classifieds new launches through firefly, will it be a standalone web site in competition to say, naukri.com or timesjob.com, because we have htjobs in any case, right?

Keerthivasan: This will be a standalone site competing with all the names which you told.

Abneesh Roy: Okay, thank you.

Moderator: Next question comes from Ms. Jasmina Parekh of ING Investment Management.

Jasmina Parekh: Good afternoon, sir.

Keerthivasan: Good afternoon.

Jasmina Parekh: Yes, sir, can you talk about the competition in the Delhi market and how it can impact our revenues and secondly can you tell us about the losses in the radio business and the current revenues from there?

Keerthivasan: Jasmine, what do you want to know about competition in the Delhi market, I thought the competition in Delhi is actually a dual market, Hindustan Times and Times of India.

Jasmina Parekh: Lets say, if there is a launch of newspaper from India Today group, then how it can that impact our revenue?

Keerthivasan: I have seen a lot of launches in Delhi of late. I got this question 12 months ago about what will happen if Midday is launched, Midday has launched, I don't know how many of you even track that. Currently in Delhi, between us and Times of India, we give about 7 newspapers. There is Hindustan Times, there is Hindustan, there is Mint, Times of India, Navbharat Times, Economic Times and then there is a 7th paper which is Metro Now. So, every consumer in Delhi is already getting three to four newspapers. The average time spent reading the newspaper is no more than 10 to 12 minutes. I don't know how much more paper can a person read, so all I can tell you is, all the best to all the new entrants and we will fight it out in the street.

Jasmina Parekh: Yes, but can it impact our advertisement revenues?

Keerthivasan: I have not seen any impact so far and I don't expect any impact going forward.

Jasmina Parekh: Yes, what I am saying is that, in terms of our pricing power to increase the advertisement.

Keerthivasan: Yes, I have been in this business for 80 years and we went to Bombay, okay. It has taken us two and a half years to come to where we are today. For a new entrant to enter into a market which has got two huge players having the circulation of close to million papers everyday and you are talking about pricing power, the publications which have two million papers, obviously they will have the powers.

Jasmina Parekh: Right, and sir can you just let us know the top line of radio business.

Keerthivasan: We don't give away the numbers. You will get to know about this in March.

Jasmina Parekh: Okay, thank you sir.

Moderator: Next is a follow up question by Mr. Percy Panthaki of HSBC.

Percy Panthaki: Yes sir, just wanted to know if you could throw some light on your newspaper launches in the south, I mean, I know Mint is going to be launched in

Bangalore, but what about your flagship brand Hindustan Times, when do you plan to launch that in the south?

Keerthivasan: See, currently we don't have any business for print in south, so obviously the most logical step will be for us to enter the market through Mint, because the circulation levels are lower and secondly, to give us good understanding of that market through this paper. We are currently working on the south entry plan and I will not say it is very far, but I don't think it is very, very immediate also. May be it will happen in the next, who knows? Somehow it is not happening this year definitely.

Percy Panthaki: About couple of years would be a reasonable time?

Keerthivasan: You guess it; I don't want to give out any numbers.

Percy Panthaki: Okay sir, and your new edition of Mint, you are planning you said, Bangalore and then Calcutta and anything else there?

Keerthivasan: We will start going to the top 10 cities of the country.

Percy Panthaki: Okay, and what kind of initial print orders would you start of with, let's say, your Bangalore and Calcutta

Keerthivasan: We will be the number two player in all these markets.

Percy Panthaki: Okay, thanks.

Moderator: Next is a followup question by Ms. Jasmina Parekh of ING Investment Management.

Jasmina Parekh: Sir, just one more question, can you tell us whether you have any plans of entering into out of home business?

Keerthivasan: Not as of now.

Jasmina Parekh: And can I know the rationale behind not entering into out of home business when there is so much of revenue potential?

Keerthivasan: Function of, there are so many opportunities available in front of us, it is a question of prioritizing those and putting those in process. Currently we have engaged ourselves in too many initiatives and we will enter at the right time.

Jasmina Parekh: Okay, thank you sir.

Moderator: There are no further questions. Now I hand over the floor to Mr. Keerthivasan, Chief Financial Officer of HT Media Limited for closing comments.

Keerthivasan: Let me take this opportunity to thank each one of you for taking time out from your busy schedules and talk to me. As I said, upfront I and along with my colleagues in HT Media Limited stay extremely bullish about the growth prospects of HT

Media Limited and hopefully next time when I talk to you guys, we will have a great result. Thanks so much and good day, bye.

Moderator: Ladies and gentlemen this concludes your conference for today. Thank you for your participation and for using Door Sabha's conference call service. You may disconnect your lines now. Thank you, have a pleasant day.

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