



HT Media Limited

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www.hindustantimes.com

**HT Media Q4 FY2006 operating profit EBITDA up 66% at Rs 396 mn,
Q4 FY2006 revenues rise 44% to Rs 2284 mn,
PBT (before extraordinary item) up 82%**

**FY2006 revenues higher by 32% to Rs 8388 million,
EBITDA improves by 62%,
PAT (before exceptional item) up 55% to Rs 525 million
Board declares 12 % dividend**

Growth outlook driven by:

- **Healthy top-line growth helped by expanding footprint**
- **Encouraging sector trends, continued buoyancy in ad revenues**
- **Recent initiatives beginning to contribute to profitability**

New Delhi, 09 May 2006

HT Media Limited today announced its financial results for the quarter and financial year ended March 31, 2006.

Revenues for the quarter under review increased 44% to Rs. 2284 million, compared to the corresponding quarter last year, reflecting improved advertising and circulation revenues enabled by increasing contributions from the Mumbai operations.

Operating profit (EBITDA) for the quarter registered a 66% improvement to Rs. 396 million. The Company has been able to deliver such a strong operating performance despite the complete expensing of Mumbai operations, related costs and continued firmness in newsprint prices. The operating (EBITDA) margin for Q4 moved up to 17.3% from 15% last year.

PBT (before exceptional items) for Q4 FY2006 increased substantially from Rs. 146 million last year to Rs. 265 million, even after absorbing a higher depreciation pertaining to the Company's recently commissioned state-of-the-art printing facility at Greater Noida.



During the quarter under review, in terms of the Service Agreement with The Hindustan Times Limited, the Company has taken an extraordinary charge of Rs. 199 million towards reimbursement for separation compensation to HTL employees.

PAT for the quarter before the above-mentioned exceptional item increased to Rs. 164 million from Rs. 92 million in Q4FY2005, translating into an EPS (non-annualized, before extraordinary items) of Rs. 3.49.

After considering the impact of the exceptional item, PAT for the quarter was Rs. 32 million implying an EPS (non-annualised) of Rs. 0.57.

For the full financial year 2006, revenues recorded a 31.68% increase to Rs. 8388 million from Rs. 6369 million in the preceding year, driven by healthy ad revenue growth, benefits accruing from the initiation of the Company's Mumbai operations during the year under review and better revenue share in markets like Chandigarh, Bihar & Jharkhand. EBITDA for FY2006 was higher by 62% at Rs. 1361 million, with operating (EBITDA) margins expanding to 16.2%. PAT before exceptional items for the year advanced substantially to Rs 525 million, representing a 55% increase from Rs. 339 million last year. EPS before exceptional items stood at Rs. 11.67. PAT after exceptional items was Rs. 373 million (reflecting an increase of 36% over last year) and, consequently, EPS for the year stood at Rs. 8.27.

The Board of Directors of the Company has recommended a **dividend** of 12 % for the year, amounting to a payout of Rs. 56.2 million. This is in line with the Company's endeavor to reward its shareholders and enable profit participation, after considering its own cash requirements for growth initiatives.

Commenting on the performance for Q4 & FY2006, Mrs. Shobhana Bhartia, Vice Chairperson and Editorial Director, HT Media, said:

"We are pleased to report yet another quarter of strong performance that reflects our ability to effectively implement our growth strategies. To us, our results for the full year, which has been a period of transition, progress, and achievements, indicate that our strategy to expand our national footprint and leverage our strong brand equity is working. Our operations continue to be fundamentally robust. Our Mumbai operations are performing in line with plan and we intend to make further investments in new growth initiatives during FY2007. We remain steadfast and on course in implementing our growth plans which, combined with the results they have already yielded, encourages me to remain confident of our performance outlook going forward."



Q4 FY2006 performance overview

(All comparisons with Q4FY2005)

- Revenues risen by 44% to Rs. 2284 million from Rs.1587 million
- Operating profit (EBIDTA) up 66% to Rs. 396 million from Rs. 239 million
- Interest and financial costs were at Rs. 34 million
- PAT before exceptional items increased significantly to Rs.164 million from Rs. 92 million
- EPS (non-annualized) before exceptional items stood at Rs. 3.49

FY2006 performance overview

(All comparisons with FY2005)

- Revenues increased 32% to Rs. 8388 million from Rs 6369 million
- Operating profits (EBITDA) registered a growth of 62% to Rs. 1361 million
- Interest cost and financial charges were at Rs. 135 million
- PAT before exceptional items recorded a 55% increase to Rs. 525 million
- EPS (before exceptional items) for the year was Rs. 11.67

Key operating highlights

FY2006 has been a period of multiple milestones:

- as the Company initiated operations in the high potential Mumbai market which is also the country's largest media-spend market,
- attained leadership position in markets such as Chandigarh, and
- continued to maintain its status as the No.1 player in Delhi, Bihar and Jharkhand.

HT Media's expanded national footprint is resulting in a significant leverage on the advertising revenue side as we are able to provide better value to our customers.

The Company has been able to report significantly better revenue growth, margins, and earnings despite investments in new operations on the back of improved asset turns and enhanced overall efficiencies achieved during the year, especially in the last two quarters which reflect the first full half-year of performance of its Mumbai operations since its launch in Q2FY2006.

Readership

The first round of IRS 2006 R1, a leading national survey, has once again established *Hindustan Times* (HT) as the undisputed leader in the northern market. According to the survey, HT readership continued to grow faster than



the industry in north India and its editions continued to dominate their respective markets in the region. In Delhi, HT maintained its substantial lead of around 25% over its nearest rival. HT Leadership was also maintained in Chandigarh, while the Hindi daily *Hindustan* remained the No.1 offering in Bihar and Jharkhand.

Successful re-launch of *Hindustan*

HT Media is the only player in the industry to have a strong presence in both the English and Hindi segments that together account for about 75% of national print ad spend. During the year under review, HT Media implemented a market research and consumer feedback led re-packaging of *Hindustan*. In December 2005, the newspaper was re-launched as an all-colour newspaper, with international format and styling. This initiative, supported by a new promotional campaign, received a very encouraging response from readers as well as advertisers. As per the latest readership surveys, *Hindustan* is the fourth-largest Hindi newspaper in the country with a readership of around 1 million.

Mumbai

The Mumbai edition of *Hindustan Times*, launched during Q2 FY2006, continued to build upon the positive initial response it received in that market and delivered a strong performance in Q4FY2006, with circulation numbers and advertising revenues in line with plan.

The Mumbai operations were established at a relatively low cost, as a substantial part of editorial and sales teams already existed in the city prior to entry and the Company is enjoying the benefits of competitive advantages accruing from its ability to offer the Delhi and Mumbai markets together to national advertisers.

Due to a subscription-led growth in its circulation, the *Hindustan Times* is attracting good quality readership. Circulation numbers and advertising revenues for the Mumbai edition continued to grow during the quarter under review, in line with targets.

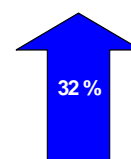
HT Media's own research conducted through reputed research agencies shows greater recognition of the *Hindustan Times* amongst readers in terms of overall content, aesthetics, analysis, variety of supplements. The Company continues to fine-tune the newspaper to ensure distinctiveness and advantage vis-à-vis other offerings in the market.



HT MEDIA LIMITED
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2006

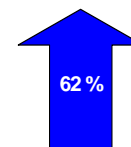
(Rs in lacs)

Sl. No.	Particulars	Nine months	Three months ended		Year ended	Year ended
		31.12.2005 (Reviewed)	31.03.2006 (Unaudited)	31.03.2005 (Unaudited)	31.03.2006 (Audited)	31.03.2005 (Audited)
1	Turnover/ Income from operations	59,916	22,185	15,558	82,101	62,793
2	Other Income	1,118	655	315	1,773	902
	Total Income	61,034	22,840	15,873	83,874	63,695
3	Total Expenditure					
	a) (Increase)/Decrease in stock in trade	(7)	4	9	(3)	(4)
	b) Consumption of raw materials	24,677	9,494	7,027	34,171	28,683
	c) Employee Cost	8,355	3,483	2,067	11,838	7,937
	d) Advertising and Sales Promotion	5,216	1,600	823	6,816	3,378
	e) Other Expenditure	13,143	4,296	3,560	17,439	15,319
	Total Expenditure	51,384	18,877	13,486	70,261	55,314
4	Earning Before Interest, Depreciation/ Amortization, Exceptional Items and Tax (EBITDA)	9,650	3,963	2,387	13,613	8,381
5	Interest	1,015	339	213	1,354	669
6	Depreciation/Amortization	2,881	972	719	3,853	2,266
7	Profit Before Exceptional Items and Tax	5,754	2,652	1,455	8,406	5,446
8	Exceptional Items - Separation Scheme Compensation	301	1,988	7	2,289	1,065
9	Profit Before Tax	5,453	664	1,448	6,117	4,381
10	a) Provision for taxation	1,783	237	531	2,020	1,648
	b) Fringe Benefit Tax	260	110	-	370	-
11	(a) Net Profit before exceptional items but after tax (Net Profit **)	3,609	1,636	921	5,245	3,385
	(b) Net Profit after exceptional items and tax	3,410	317	917	3,727	2,733
12	Paid-up equity share capital	4,685	4,685	4,175	4,685	4,175
13	Reserves and surplus				62,639	34,520
14	(a) Basic Earning Per Share before Exceptional Items - not annualized (fully paid up share of Rs.10/- each)	8.18	3.49	2.29	11.67	8.72
	(b) Basic Earning Per Share - not annualized (fully paid up share of Rs.10/- each)	7.70	0.57	2.28	8.27	7.04
15	Aggregate of non promoter shareholding					
	No. of shares	14,648,789	14,648,789	9,556,848	14,648,789	9,556,848
	Percentage of shareholding	31.27%	31.27%	22.89%	31.27%	22.89%



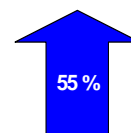
32 %

**TOTAL
INCOME**



62 %

EBITDA



55 %

**NET PROFIT
(**)**



**AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE YEAR ENDED MARCH 31, 2006**

(Rs in lacs)

Sl. No.	Particulars	Consolidated	
		Year ended 31.03.2006 (Audited)	Year ended 31.03.2005 (Audited)
1	Turnover/ Income from operations	82,145	62,842
2	Other Income	1,684	907
	Total Income	83,829	63,749
3	Total Expenditure		
	a) (Increase)/Decrease in stock in trade	(1)	(6)
	b) Consumption of raw materials	34,391	28,898
	c) Employee Cost	12,437	8,458
	d) Advertising and Sales Promotion	6,835	3,378
	e) Other Expenditure	16,582	14,504
	Total Expenditure	70,244	55,232
4	Earnings before Interest, Depreciation/ Amortization, Exceptional Items and Tax (EBITDA)	13,585	8,517
5	Interest	1,375	669
6	Depreciation/Amortization	3,965	2,374
7	Profit Before Exceptional Items and Tax	8,245	5,474
8	Exceptional Items - Separation Scheme Compensation	2,408	1,065
9	Profit Before Tax	5,837	4,409
10	a) Provision for taxation	2,025	1,656
	b) Fringe Benefit Tax	374	-
11	Net Profit after tax	3,438	2,753
12	Add : Pre Acquisition Losses adjusted against Goodwill	78	-
13	Add : Share of Minority interest in losses	43	-
14	Net Profit after adjustments as above	3,559	2,753
15	Paid-up equity share capital	4,685	4,175
16	Reserves and surplus	62,477	34,527
17	Basic Earning Per Share - not annualized (fully paid up share of Rs.10/- each)	7.90	7.08
18	Aggregate of non promoter shareholding		
	No. of shares	14,648,789	9,556,848
	Percentage of shareholding	31.27%	22.89%

Notes :

- (a) During the year, the Company successfully completed its public issue. This comprised of 5,091,941 equity shares of Rs. 10 each at a premium of Rs. 520 per share (including issue of additional 451,941 equity shares on account of the green shoe option). Along with this public issue, there was also a sale of 2,355,000 Equity Shares by a shareholder i.e. HPC (Mauritius) Limited.
- (b) Utilisation of IPO funds : Out of the total share proceeds of Rs. 26987 Lacs, an amount of Rs. 7929 Lacs remains unspent. This comprises Rs. 5629 Lacs relating to certain Capital Expenditure and Sales & Marketing activities which are deferred to 2006-07 and an amount of Rs. 2300 Lacs planned for utilisation in 2006-07 as per the Prospectus. The unspent money is temporarily invested in Fixed Deposits with banks.
- The Company has granted on January 9, 2006 options equivalent to 177,952 Equity Shares of Rs. 10 each. The options would vest as per HTML Employees Stock Option Scheme.
- Status of Investor complaints/queries during the quarter ended March 31, 2006: Pending at the beginning 3; Received 127; Disposed off 130; Pending at the end NIL.
- The Company is engaged in the business of Printing and Publication of Newspapers and Periodicals and there are no other reportable segments as per Accounting Standard 17 on Segment Reporting.
- During the year, the Company has funded HT Music and Entertainment Company Limited (HTMECL), its subsidiary Rs. 1500 Lacs by way of equity share capital and Rs. 7300 Lacs by way of interest bearing loan. HTMECL has been awarded Licences for FM Radio for Delhi, Mumbai, Kolkata and Bangalore, at a total bid price of Rs. 7520 Lacs.
- Dividend : The Board of Directors recommended a Dividend on Equity Shares @ Rs. 1.20 per share (12%) amounting to Rs. 562 Lacs and on 1% Non Cumulative Redeemable Preference Shares @ Rs. 1 per share amounting to Rs. 20 Lacs.
- Provision for Taxation comprises Current Tax Expense and Deferred Tax Charge.
- The Consolidated Group Accounts comprises of the parent company (HT Media Limited) and its subsidiaries, Searchlight Publishing House Limited and HT Music and Entertainment Company Limited.
- Previous period/year figures have been regrouped, wherever considered necessary.
- The above results as reviewed by the Audit Committee has been approved by the Board of Directors at their meeting held on 9th May, 2006.

for HT MEDIA LIMITED

New Delhi,
May 9, 2006.

SHOBHANA BHARTIA
Vice Chairperson & Editorial Director.



About HT Media Limited

HT Media Limited is one of India's foremost media Companies, and home to some of the leading newspapers in the country in both English and Hindi languages - *Hindustan Times* (the flagship English daily) and *Hindustan* (Hindi daily). *Hindustan Times* was started in 1924 and it has an 80-year history as one of India's leading newspapers. As part of its strategy to grow its national presence, the company launched *Hindustan Times* in the Mumbai market on July 14, 2005. HT Media Ltd. has a significant online presence with HindustanTimes.com and also publishes two Hindi magazines *Nandan* and *Kadambini*.

The company has 15 printing facilities across the nation, with a total installed capacity of approximately 1.5 million copies per hour.

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements. HT Media Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Details to the announcement

Financial overview

- Revenues
- Total expenditure
- Operating profit
- Finance cost
- PBT
- PAT & EPS

Outlook

Financial overview

Revenues

Paticulars (Rs. Mn)	Q4 FY2006	Q4 FY2005	Shift (%)	FY2006	FY2005	Shift (%)
Ad revenues	1785	1248	43	6548	4968	32
Revenues from sale of publications	349	311	12	1368	1256	9
Other	150	29	424	471	145	224

- Revenues for the quarter under review increased 44% to Rs. 2284 million, driven by a strong increase in advertising revenues, which increased by 43% to Rs. 1785 million.
- For FY2006, revenues recorded a 32% growth compared to last year, with advertising revenues higher at Rs. 6548 million.
- Advertising revenues for the quarter and for the year contributed 78% to overall revenues. The noticeable upside in ad revenues was driven by
 - continued growth in print media spends by advertisers
 - improved market share of editions
 - contribution from the Mumbai edition
 - increased sourcing of advertising revenue from Mumbai for other editions
 - better yields due to leveraging of multi-city offerings (e.g., Delhi + Mumbai)
- Revenues from the sale of publications reflected the
 - increase in cover price of the Delhi and Chandigarh editions
 - incremental revenues from the Mumbai edition of *Hindustan Times*
- Revenues during the quarter and year under review also included “Other income” from third-party printing at the Company’s facilities, which is in line with the endeavor to maximize asset turns.

Expenditure

Paticulars (Rs. Mn)	Q4 FY2006	Q4 FY2005	Shift (%)	FY2006	FY2005	Shift (%)
Raw material	949	703	35	3417	2868	19
Marketing and promotional	160	82	94	682	338	102
Employee cost	348	207	69	1184	794	49

- Total expenditure during the quarter under review was higher by 40% at Rs. 1888 million, as raw material costs and marketing and promotions expenses increased by 35% and 94%, respectively. As a percentage of sales, however, total expenditure was lower at 82.7% of total sales, compared to 85.0% last year
- For FY2006, total expenditure increased 27% to Rs. 7026 million, amounting to 84.0% of sales for the year. This has shown an improvement from the level of 86.8% of sales in FY 2005.
- The Company continued its investments behind the brands The Hindustan Times and Hindustan by initiating new marketing and promotion campaigns at various locations and also successfully launched its Mumbai operations during FY2006, resulting in significantly higher selling and distribution costs.
- HT Media has been able to contain its newsprint costs despite a sharp increase in newsprint prices, which are now at levels higher than the past 5-year average. This has been achieved by reaping scale benefits and by forging sustainable long-term relationships with leading international newsprint manufacturers. A judicious mix of domestic and imported newsprint has also contributed significantly in this regard. Newsprint prices remained firm during Q4 FY2006, and in the event of a correction in newsprint prices, HT Media is likely to be a major beneficiary.
- The increase in employee costs reflects additional editorial, marketing, and support staff in Mumbai in the current year and other annual increases in employee costs.

Operating profits

Paticulars (Rs. Mn)	Q4 FY2006	Q4 FY2005	Shift (%)	FY2006	FY2005	Shift (%)
EBITDA	396	239	66	1361	838	62

- Operating profits (EBITDA) for the quarter and year under review were significantly higher by 66% and 62% respectively, compared to last year.
- The Company's operating (EBITDA) margins increased to 17.3% in Q4FY2006 from 15.0% in Q4 FY2005, despite fully absorbing the expenses in Mumbai and substantially higher newsprint costs. For the year, operating margins expanded from 13.2% to 16.2%.

Finance costs

Paticulars (Rs. Mn)	Q4 FY2006	Q4 FY2005	Shift (%)	FY2006	FY2005	Shift (%)
Interest	34	21	59	135	67	102

- HT Media has been able to maintain finance costs at healthy levels through a combination of prudent financial management and low cost borrowings
- The increase in interest costs for the quarter and year ended 31st March 2006 reflect the interest cost for the Company's Greater Noida project (new state-of-the-art printing facility) which was earlier getting capitalized and became operating interest in FY2006. Net interest (expense minus income), was relatively better due to considerable interest income from investment of internal accruals and issue proceeds that are pending deployment.

Pre-tax profits (Pre exceptional)

Paticulars (Rs. Mn)	Q4 FY2006	Q4 FY2005	Shift (%)	FY2006	FY2005	Shift (%)
PBT	265	146	82	841	545	54

- Higher ad revenues from continued growth in readership and strong performance in Mumbai, coupled with tight control on operating costs resulted in the Company achieving a substantial increase in PBT (pre exceptional) for the quarter under review. PBT (pre exceptional) for Q4 FY2006 increased to Rs. 265 million from Rs. 146 million in the similar period last year.

- PBT (pre exceptional) for FY2006 was significantly higher by 54%, reflecting improved performance especially during the last few months of the year after the launch of Mumbai operations.
- This sizeable gain in PBT was achieved despite higher depreciation costs pertaining to the new Greater Noida facility and other capex initiatives undertaken during the year.

Net profit and earnings per share

Paticulars (Rs. Mn)	Q4 FY2006	Q4 FY2005	Shift (%)	FY2006	FY2005	Shift (%)
PAT*	164	92	78	525	339	55
EPS*	3.49	2.29	53.	11.67	8.72	34
Cash EPS*	6.12	5.02	22	24.21	18.38	32

*before extra-ordinary item.

- During the quarter, in terms of the Service Agreement with The Hindustan Times Limited (HTL), the Company had reimbursed an amount of Rs. 199 million to HTL towards compensation for separation of its employees under a VRS Scheme. These employees were so far rendering newsgathering and other related services to the Company and their employee costs are required to be reimbursed by the Company in terms of the Agreement. This amount has been reflected as an exceptional item in Q4 FY2006.
- This exercise of VRS is expected to enhance operational efficiencies and result in sizeable cost savings for HT Media in the long term.
- PAT for Q4 FY2006, before taking into consideration the above-mentioned exceptional charge of Rs. 199 million, increased by 78% to Rs. 164 million. Non-annualised EPS and cash EPS before exceptional items for the quarter under review stood at Rs. 3.49 and Rs. 6.12 respectively.
- For the financial year 2005-06, net profit before the exceptional item was higher by 55% to Rs. 525 million, translating into an EPS of Rs. 11.67. Cash EPS before extraordinary items was Rs. 24.21. Even after the exceptional charge of Rs. 229 million, PAT for the year at Rs. 373 million was higher by 36% than last year.
- The significant improvement in earnings (before exceptional item), despite newsprint prices being at the highest levels in several years and complete expensing of the recently launched Mumbai operations, resulted from
 - advertising revenue growth of about 32% over last year
 - increased sourcing of advertising revenue from Mumbai
 - higher total cost productivity
 - better asset-turns

- higher contribution from several other editions, including Chandigarh, Bihar, and Jharkhand

Outlook

- The Company's operating performance during the reported period is indicative of the significant advantages derived from its expanding national footprint and strong brand equity. The operating and financial performance outlook for FY 2007 continues to be very encouraging, as the Company builds upon its existing strengths and implements new initiatives in line with its growth strategy.
- The benefits from its presence in both Delhi and Mumbai, as well as its leadership status in Delhi, Chandigarh, Bihar and Jharkhand should more than compensate for the increase in raw material costs and the losses in Mumbai operations
- Noticeably higher advertising revenues due to the Mumbai edition, reduced costs and planned higher circulation revenue in Delhi, and enhanced market shares of some of the newer editions are likely to help drive profitability in FY2007.
- Going forward, HT Media intends to maintain its thrust on enhancing its product portfolio and emerging as a cross-media company with a national footprint. In that regard, the Company has planned an entry into the business daily segment.
 - The business genre is one segment where HT Media is not present now, and views it as a high potential opportunity.
 - The Company already has a very strong national brand in the English and Hindi language newspaper market with multi-city operations, possesses the capability, brand equity, and reach to provide a superior alternative to what readers have access to now.
 - HT Media is currently in the process of firming up its plans and more details on this initiative will be shared as and when appropriate.
- Sector trends remain positive, pointing towards a very encouraging longer term outlook for the Company. In India, contrary to global trends, print ad spend continues to grow faster than in the electronic media and readership as well as circulation of newspapers are increasing. Sustained economic growth is driving ad spend, while rising literacy levels are fueling newspaper readership. Within the sector, larger players with multi-city operations are likely to enjoy significant competitive advantages.