

# UBS Investment Research

## Jagran Prakashan

### Strong revenue growth outlook

#### ■ EBITDA and net profit largely in line with UBS estimates

Q4 FY11 revenues grew 19.6% YoY to Rs2.8bn ahead of the UBS estimate of Rs2.6bn. EBITDA grew 12.9% YoY to Rs714m, marginally below the Rs739m UBS estimate. The EBITDA margin declined 150bps YoY to 25.3% (UBS estimate 28.2%) due to a 350bps YoY increase in raw material costs to 32.2%. Net profit grew 15.7% YoY to Rs421m vs. the UBS estimate of Rs432m and consensus estimate of Rs446m.

#### ■ Key takeaways from conference call

1) Jagran Prakashan (JPL) expects revenues to grow an average 18-20% for the next five years led by increasing print penetration, expansion of I-next and successful integration of Mid Day's print business. 2) The company expects newsprint prices to increase 10% in FY12. 3) Management has guided for a 28-29% EBITDA margin in FY12 (vs. 29.2% in FY10). The EBITDA margin is likely to remain at a 25-26% level during Q1 FY12 due to a delay in education sector advertising spends. 4) Jagran plans to launch a newspaper daily in Punjabi language—*Punjabi Jagran*.

#### ■ Maintain positive view on JPL

JPL benefits from rapidly growing advertising spending in the tier 2 and 3 cities due to strong economic growth and increasing consumption there compared to the metros. JPL has a strong leadership position in print media in Uttar Pradesh—one of the largest Hindi print media markets with an estimated market size of Rs8bn.

#### ■ Valuation: Buy rating with price target of Rs145

We derive our price target from our FY13 EPS estimate of Rs8.76 and 16.5x FY13E PE in line with its historical trading average since its listing.

Highlights (Rsm)	03/09	03/10	03/11E	03/12E	03/13E
Revenues	8,234	9,419	12,211	13,861	15,484
EBIT (UBS)	1,184	2,315	2,913	3,260	3,903
Net Income (UBS)	916	1,759	2,080	2,298	2,770
EPS (UBS, Rs)	3.04	5.84	6.58	7.27	8.76
Net DPS (UBS, Rs)	2.34	4.09	3.51	4.12	4.89

Profitability & Valuation	5-yr hist av.	03/10	03/11E	03/12E	03/13E
EBIT margin %	12.1	24.6	23.9	23.5	25.2
ROIC (EBIT) %	-	49.1	51.2	46.0	49.4
EV/EBITDA (core) x	-	10.2	9.8	9.0	7.5
PE (UBS) x	-	17.0	18.3	16.5	13.7
Net dividend yield %	-	4.1	2.9	3.4	4.1

Source: Company accounts, Thomson Reuters, UBS estimates. (UBS) valuations are stated before goodwill, exceptional and other special items. Valuations: based on an average share price that year, (E): based on a share price of Rs120.00 on 27 May 2011 23:38 SGT

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## Global Equity Research

India

Publishing

12-month rating **Buy**  
**Unchanged**

12m price target **Rs145.00/US\$3.21**  
**Unchanged**

Price **Rs120.00/US\$2.66**

RIC: JAGP.BO BBG: JAGP IB

30 May 2011

#### Trading data (local/US\$)

52-wk range	Rs141.50-107.10/US\$3.19-2.31
Market cap.	Rs36.1bn/US\$0.80bn
Shares o/s	301m (ORD)
Free float	38%
Avg. daily volume ('000)	84
Avg. daily value (m)	Rs10.0

#### Balance sheet data 03/11E

Shareholders' equity	Rs7.02bn
P/BV (UBS)	5.4x
Net Cash (debt)	(Rs1.56bn)

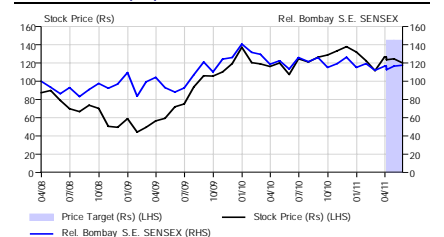
#### Forecast returns

Forecast price appreciation	+20.8%
Forecast dividend yield	3.3%
Forecast stock return	+24.1%
Market return assumption	13.0%
Forecast excess return	+11.1%

#### EPS (UBS, Rs)

	03/11E	03/10	Actual
	UBS	Cons.	
Q1E	1.76	-	1.64
Q2E	1.75	-	1.67
Q3E	1.66	-	1.32
Q4E	1.40	1.52	1.21
03/11E	6.58	6.70	
03/12E	7.27	7.42	

#### Performance (Rs)



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ANALYST CERTIFICATION AND REQUIRED DISCLOSURES BEGIN ON PAGE 8.

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JPL Q4 FY11 standalone revenues grew 19.6% YoY to Rs2.8bn ahead of the UBS estimate of Rs2.6bn. EBITDA grew 12.9% YoY to Rs714m, marginally below the Rs739m UBS estimate. The EBITDA margin declined 150bps YoY to 25.3% (UBS estimate 28.2%) due to an increase in raw material costs from 28.7% of revenue in Q4 FY10 to 32.2%. Net profit grew 15.7% YoY to Rs421m vs. UBS estimate of Rs432m and consensus estimate of Rs446m.

**Table 1: Jagran Prakashan Q4 FY11 standalone results summary**

Rs m	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	% QoQ	% YoY	Q4 FY11E UBS-e	% diff
Revenue	2,363	2,698	2,769	2,860	2,826	-1.2%	19.6%	2,619	7.9%
Raw material cost	678	756	802	863	911	5.5%	34.5%	890	2.4%
Employees cost	319	347	354	363	365	0.6%	14.4%	344	6.2%
Other expenditure	733	693	705	736	835	13.5%	13.9%	645	29.5%
Total costs	1,730	1,796	1,861	1,963	2,112	7.6%	22.1%	1,880	12.3%
EBITDA	633	902	908	897	714	-20.4%	12.9%	739	-3.4%
EBITDA margin	26.8%	33.4%	32.8%	31.4%	25.3%			28.2%	
Net profit	364	556	554	526	421	-20.1%	15.7%	432	-2.6%

Source: Company data, UBS estimates

**Table 2: Jagran Prakashan FY11 consolidated results summary**

Rs m	FY10	FY11	% YoY	FY11E UBS-e	% diff	FY11E Consensus	% diff
Revenue	9,419	12,211	29.6%	11,930	2.4%	11,263	8.4%
- Advertising	6,384	8,540	33.8%	8,344	2.3%		
- Circulation	2,156	2,384	10.6%	2,428	-1.8%		
- Out of home and event management	709	940	32.6%	920	2.1%		
- Digital	31	82	169.3%	80	3.0%		
- Others	140	265	88.8%	158	67.8%		
Raw material cost	2,735	3,590	31.2%	3,361	6.8%		
Employees costs	1,212	1,727	42.4%	1,686	2.4%		
Other expenditure	2,648	3,327	25.6%	3,229	3.0%		
Total costs	6,595	8,643	31.0%	8,277	4.4%	7,711	12.1%
EBITDA	2,823	3,568	26.4%	3,653	-2.3%	3,552	0.4%
EBITDA margin	30.0%	29.2%		30.6%		31.5%	
Net profit	1,759	2,078	18.1%	2,118	-1.9%	2,133	-2.6%

Note: FY10 financials are stand-alone financials. Jagran Prakashan has reported consolidated financials for the first time in FY11. FY11 consolidated results include the financials of the print business acquired from Mid Day.

Source: Company data, Bloomberg, UBS estimates

## Key takeaways from conference call

- Newsprint prices increased from Rs23,931 per MT in FY10 to approximately Rs27,000 per MT in FY11. JPL management expects newsprint prices to increase 10% in FY12 (we have built in an 8% increase in newsprint prices in FY12).
- JPL management believes revenue growth of 18-20% for the next five years is achievable led by an increase in print penetration, expansion of I-next and successful integration of the print business acquired from Mid Day Multimedia.
  - JPL expects outdoor business revenues to grow 20% for the next three to four years.
  - JPL expects event management revenues to grow to Rs600m in FY12.
  - JPL does not expect a slowdown in GDP to impact its advertisement revenue growth in FY12 due to its focus on tier-2 and tier-3 cities.
- Management attributed a decline in Q4 FY11 EBITDA margins partly to one-time expenses such as donation (incurred primarily in Q4), and higher contribution of outdoor, event management and digital business to total revenues. For FY12, the company has guided for EBITDA margins in the range of 28-29%. However, for Q1 FY12, it expects EBITDA margins to remain at a 25-26% level due to a delay in the pick-up of advertising spends from the education sector.
- For FY11, JPL took Rs104m of one-time charges to align the accounting policy of Mid-Day Infomedia Ltd. with itself. The depreciation method has now been changed from straight line to written-down value basis.
- The company improved its advertisement yield 12-13% in FY11 driven by a mix of card rate increase and multi-selling of same space.
- JPL plans to launch *Inquilab* in Bihar and New Delhi. JPL also plans to launch a newspaper daily in Punjabi language, '*Punjabi Jagran*'. As per JPL, the Punjabi regional market size is approximately Rs900m.
- For FY12, JPL expects maintenance capex of Rs500-Rs600m, and total capital expenditure of Rs1200m.

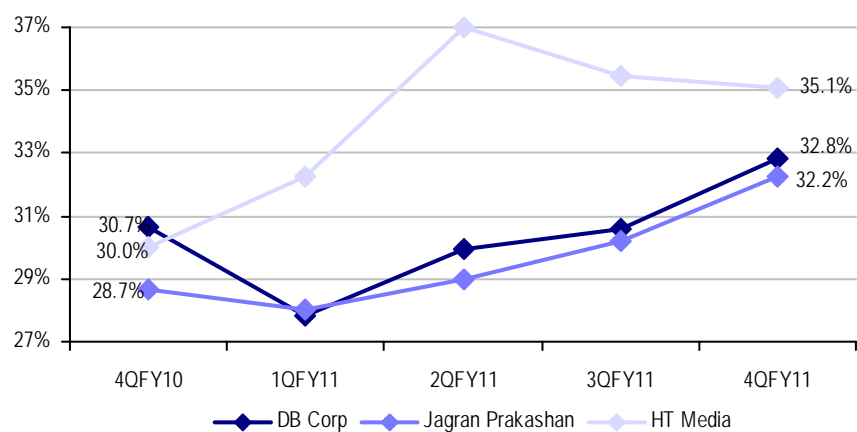
## Print media sector Q4 FY11 results comparison

Table 3: India print media sector quarterly results summary

Rs m	Q4 FY10	Q1 FY11	Q2 FY11	Q3 FY11	Q4 FY11	% QoQ	% YoY
<b>Revenue</b>							
HT Media	3,851	4,042	4,455	4,651	4,704	1.1%	22.1%
DB Corp	2,572	2,987	3,010	3,482	3,174	-8.9%	23.4%
Jagran Prakashan (standalone)	2,363	2,698	2,769	2,860	2,826	-1.2%	19.6%
<b>EBITDA</b>							
HT Media	929	799	791	883	876	-0.8%	-5.7%
DB Corp	696	1,136	951	1,148	796	-30.7%	14.4%
Jagran Prakashan (standalone)	633	902	908	897	714	-20.4%	12.9%
<b>EBITDA margin</b>							
HT Media	24.1%	19.8%	17.7%	19.0%	18.6%		
DB Corp	27.0%	38.0%	31.6%	33.0%	25.1%		
Jagran Prakashan (standalone)	26.8%	33.4%	32.8%	31.4%	25.3%		
<b>Net profit</b>							
HT Media	480	414	388	478	529	10.8%	10.3%
DB Corp	367	695	551	659	450	-31.8%	22.6%
Jagran Prakashan (standalone)	364	556	554	526	421	-20.1%	15.7%

Source: Company data

Chart 1: Raw material costs (% of revenue)



Source: Company data

Table 4: Print segment revenue comparison

Rs m	Q4 FY10	Q3 FY11	Q4 FY11	% QoQ	% YoY
<b>Print advertising revenue growth</b>					
HT Media - English	2,231	2,754	2,696	-2.1%	20.8%
HT Media - Hindi (Hindustan)	786	945	939	-0.6%	19.5%
DB Corp	1,851	2,688	2,490	-7.4%	34.5%
Jagran Prakashan (standalone)	1,577	1,950	1,887	-3.2%	19.7%
<b>Circulation revenue growth</b>					
HT Media	429	471	469	-0.4%	9.3%
DB Corp	527	540	534	-1.1%	1.3%
Jagran Prakashan (standalone)	536	570	559	-2.0%	4.2%

Source: Company data

# Jagran Prakashan

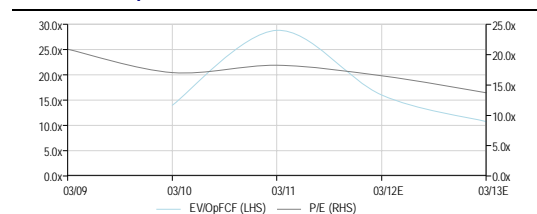
Income statement (Rsm)	03/06	03/07	03/08	03/09	03/10	03/11E	% ch	03/12E	% ch	03/13E	% ch
Revenues	4,805	5,982	7,496	8,234	9,419	12,211	29.6	13,861	13.5	15,484	11.7
Operating expenses (ex dephn)	(4,104)	(4,783)	(5,858)	(6,667)	(6,596)	(8,644)	31.0	(9,881)	14.3	(10,758)	8.9
EBITDA (UBS)	702	1,198	1,638	1,567	2,823	3,567	26.4	3,979	11.5	4,725	18.7
Depreciation	(201)	(237)	(336)	(383)	(507)	(655)	29.0	(720)	9.9	(822)	14.2
Operating income (EBIT, UBS)	500	961	1,302	1,184	2,315	2,913	25.8	3,260	11.9	3,903	19.7
Other income & associates	63	248	215	227	343	233	-31.9	250	7.1	275	10.0
Net interest	(76)	(85)	(60)	(59)	(66)	(91)	38.2	(130)	43.6	(104)	-20.0
Abnormal items (pre-tax)	0	0	0	0	0	0	-	0	-	0	-
Profit before tax	488	1,124	1,457	1,352	2,592	3,055	17.9	3,379	10.6	4,074	20.6
Tax	(141)	(389)	(476)	(436)	(833)	(976)	17.1	(1,081)	10.8	(1,304)	20.6
Profit after tax	347	735	981	916	1,759	2,080	18.2	2,298	10.5	2,770	20.6
Abnormal items (post-tax)	(30)	27	1	0	0	(2)	-	0	-	0	-
Minorities / pref dividends	0	0	0	0	0	0	-	0	-	0	-
Net income (local GAAP)	317	762	981	916	1,759	2,077	18.1	2,298	10.6	2,770	20.6
Net Income (UBS)	347	735	981	916	1,759	2,080	18.2	2,298	10.5	2,770	20.6
Tax rate (%)	29	35	33	32	32	32	-0.6	32	0.2	32	0.0
Pre-abnormal tax rate (%)	29	35	33	32	32	32	-0.6	32	0.2	32	0.0
Per share (Rs)	03/06	03/07	03/08	03/09	03/10	03/11E	% ch	03/12E	% ch	03/13E	% ch
EPS (local GAAP)	1.26	2.53	3.26	3.04	5.84	6.57	12.5	7.27	10.6	8.76	20.6
EPS (UBS)	1.38	2.44	3.26	3.04	5.84	6.58	12.6	7.27	10.5	8.76	20.6
Net DPS	0.91	1.71	2.34	2.34	4.09	3.51	-14.2	4.12	17.3	4.89	18.8
Cash EPS	2.18	3.23	4.37	4.32	7.53	8.64	14.9	9.54	10.4	11.36	19.0
BVPS	16.16	16.97	17.89	18.59	20.34	22.20	9.2	25.35	14.2	29.21	15.2
Balance sheet (Rsm)	03/06	03/07	03/08	03/09	03/10	03/11E	% ch	03/12E	% ch	03/13E	% ch
Net tangible fixed assets	1,598	2,645	3,046	3,990	3,941	5,469	38.8	6,099	11.5	6,377	4.6
Net intangible fixed assets	0	0	0	0	0	0	-	0	-	0	-
Net working capital (incl. other assets)	1,297	1,457	1,463	1,149	1,460	1,715	17.4	2,115	23.3	2,444	15.6
Other liabilities	(368)	(384)	(531)	(521)	(580)	(617)	6.5	(617)	0.0	(617)	0.0
Operating invested capital	2,527	3,719	3,979	4,618	4,821	6,566	36.2	7,597	15.7	8,204	8.0
Investments	1,760	1,446	1,833	1,568	1,666	2,018	21.1	2,091	3.6	2,091	0.0
Total capital employed	4,287	5,165	5,812	6,186	6,487	8,584	32.3	9,688	12.9	10,295	6.3
Shareholders' equity	4,867	5,111	5,388	5,599	6,125	7,022	14.6	8,017	14.2	9,239	15.2
Minority interests	0	0	0	0	0	0	-	0	-	0	-
Total equity	4,867	5,111	5,388	5,599	6,125	7,022	14.6	8,017	14.2	9,239	15.2
Net debt / (cash)	(581)	54	424	587	362	1,562	331.7	1,671	7.0	1,056	-36.8
Other debt-deemed items	0	0	0	0	0	0	-	0	-	0	-
Total capital employed	4,287	5,165	5,812	6,186	6,487	8,584	32.3	9,688	12.9	10,295	6.3
Cash flow (Rsm)	03/06	03/07	03/08	03/09	03/10	03/11E	% ch	03/12E	% ch	03/13E	% ch
Operating income (EBIT, UBS)	500	961	1,302	1,184	2,315	2,913	25.8	3,260	11.9	3,903	19.7
Depreciation	201	237	336	383	507	655	29.0	720	9.9	822	14.2
Net change in working capital	(395)	(160)	(6)	313	(311)	(255)	-18.0	(400)	57.1	(329)	-17.7
Other (operating)	345	142	(148)	(188)	391	271	-30.7	250	-7.7	275	10.0
Operating cash flow (pre tax/interest)	651	1,181	1,483	1,691	2,903	3,583	23.4	3,829	6.9	4,671	22.0
Net interest received / (paid)	(76)	(85)	(60)	(59)	(66)	(91)	38.2	(130)	43.6	(104)	-20.0
Dividends paid	(229)	(515)	(352)	(352)	(1,409)	(1,111)	-21.1	(1,303)	17.3	(1,548)	18.8
Tax paid	(141)	(389)	(476)	(436)	(833)	(976)	17.1	(1,081)	10.8	(1,304)	20.6
Capital expenditure	(544)	(1,224)	(730)	(1,319)	(454)	(2,092)	361.1	(1,350)	-35.5	(1,100)	-18.5
Net (acquisitions) / disposals	0	0	0	0	0	(352)	-	0	-	0	-
Other	(2,004)	394	(241)	356	12	0	-	(73)	-	0	-
Share issues	4,114	0	0	0	0	(49)	-	0	-	0	-
Cash flow (inc)/dec in net debt	1,772	(638)	(376)	(119)	153	(1,087)	-	(109)	-90.0	615	-
FX / non cash items	0	4	6	(44)	72	(113)	-	0	-	0	-
Balance sheet (inc)/dec in net debt	1,772	(634)	(370)	(163)	225	(1,200)	-	(109)	-90.9	615	-
Core EBITDA	702	1,198	1,638	1,567	2,823	3,567	26.4	3,979	11.5	4,725	18.7
Maintenance capital expenditure	(545)	(1,225)	(731)	(1,320)	(455)	(2,093)	360.3	(1,351)	-35.5	(1,101)	-18.5
Maintenance net working capital	(396)	(161)	(7)	312	(312)	(256)	-18.0	(401)	56.8	(330)	-17.7
Operating free cash flow, pre-tax	(240)	(187)	900	558	2,056	1,218	-40.8	2,227	82.8	3,294	47.9

Source: Company accounts, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items. Note: For some companies, the data represents an extract of the full company accounts.

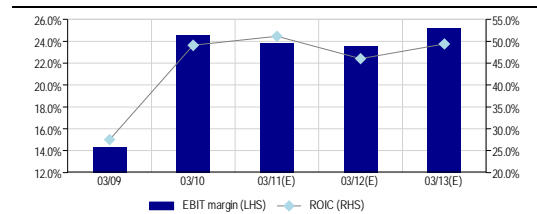
Company profile

Jagran Prakashan is one of the largest Hindi newspaper companies in India. It also has presence in outdoor advertising, the Internet, magazines, below the line marketing solutions and mobile value-added services. Its flagship Hindi newspaper 'Dainik Jagran' has consistently been the most widely-read newspaper in India. Dainik Jagran publishes 37 editions and more than 200 sub-editions in 11 states, with an average daily readership of 16.1m. In May 2010, Jagran Prakashan acquired the print business of Mid Day Multimedia in a 7:2 share swap (two Jagran Prakashan shares for every seven Mid Day Multimedia shares).

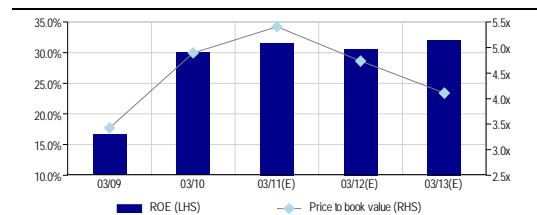
Value (EV/OpFCF & P/E)



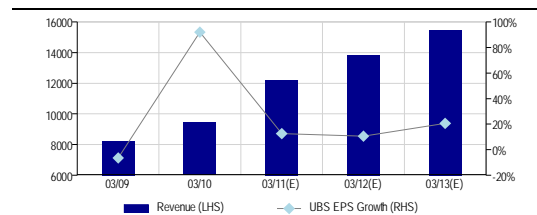
Profitability



ROE v Price to book value



Growth (UBS EPS)



Valuation (x)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
P/E (local GAAP)	-	20.9	17.0	18.3	16.5	13.7
P/E (UBS)	-	20.9	17.0	18.3	16.5	13.7
P/CEPS	-	14.8	13.2	13.9	12.6	10.6
Net dividend yield (%)	-	3.7	4.1	2.9	3.4	4.1
P/BV	-	3.4	4.9	5.4	4.7	4.1
EV/revenue (core)	-	2.2	3.1	2.9	2.6	2.3
EV/EBITDA (core)	-	11.6	10.2	9.8	9.0	7.5
EV/EBIT (core)	-	15.3	12.4	12.0	10.9	9.1
EV/OpFCF (core)	-	NM	14.0	28.8	16.0	10.8
EV/op. invested capital	-	4.2	6.1	6.2	5.0	4.5

Enterprise value (Rsm)	03/09	03/10	03/11E	03/12E	03/13E
Average market cap	19,173	29,990	36,140	36,140	36,140
+ minority interests	0	0	0	0	0
+ average net debt (cash)	506	474	962	1,616	1,363
+ pension obligations and other	0	0	0	0	0
- non-core asset value	(1,568)	(1,666)	(2,018)	(2,091)	(2,091)
Core enterprise value	18,111	28,799	35,085	35,666	35,413

Growth (%)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
Revenue	21.6	9.8	14.4	29.6	13.5	11.7
EBITDA (UBS)	56.8	-4.3	80.1	26.4	11.5	18.7
EBIT (UBS)	94.0	-9.1	95.6	25.8	11.9	19.7
EPS (UBS)	72.1	-6.6	92.0	12.6	10.5	20.6
Cash EPS	2.8	-1.3	74.4	14.9	10.4	19.0
Net DPS	0.6	0.0	75.0	-14.2	17.3	18.8
BVPS	69.0	3.9	9.4	9.2	14.2	15.2

Margins (%)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
EBITDA / revenue	16.5	19.0	30.0	29.2	28.7	30.5
EBIT / revenue	12.1	14.4	24.6	23.9	23.5	25.2
Net profit (UBS) / revenue	8.8	11.1	18.7	17.0	16.6	17.9

Return on capital (%)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
EBIT ROIC (UBS)	-	27.5	49.1	51.2	46.0	49.4
ROIC post tax	-	18.7	33.3	34.8	31.3	33.6
Net ROE	-	16.7	30.0	31.6	30.6	32.1

Coverage ratios (x)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
EBIT / net interest	14.5	23.9	NM	NM	26.9	NM
Dividend cover (UBS EPS)	1.2	1.3	1.4	1.9	1.8	1.8
Div. payout ratio (% UBS EPS)	188.6	76.9	70.1	53.4	56.7	55.9
Net debt / EBITDA	0.3	0.4	0.1	0.4	0.4	0.2

Efficiency ratios (x)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
Revenue / op. invested capital	-	1.9	2.0	2.1	2.0	2.0
Revenue / fixed assets	-	2.3	2.4	2.6	2.4	2.5
Revenue / net working capital	-	6.3	7.2	7.7	7.2	6.8

Investment ratios (x)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
OpFCF / EBIT	-	0.5	0.9	0.4	0.7	0.8
Capex / revenue (%)	-	16.0	4.8	17.1	9.7	7.1
Capex / depreciation	-	3.4	0.9	3.2	1.9	1.3

Capital structure (%)	5Yr Avg	03/09	03/10	03/11E	03/12E	03/13E
Net debt / total equity	7.7	10.5	5.9	22.2	20.8	11.4
Net debt / (net debt + equity)	7.2	9.5	5.6	18.2	17.2	10.3
Net debt (core) / EV	-	2.8	1.6	2.7	4.5	3.8

Source: Company accounts, UBS estimates. (UBS) valuations are stated before goodwill, exceptionals and other special items. Valuations: based on an average share price that year, (E): based on a share price of Rs120.00 on 27 May 2011 23:38 SGT Market cap(E) may include forecast share issues/buybacks.

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## ■ Jagran Prakashan

Jagran Prakashan is one of the largest Hindi newspaper companies in India. It also has presence in outdoor advertising, the Internet, magazines, below the line marketing solutions and mobile value-added services. Its flagship Hindi newspaper 'Dainik Jagran' has consistently been the most widely-read newspaper in India. Dainik Jagran publishes 37 editions and more than 200 sub-editions in 11 states, with an average daily readership of 16.1m. In May 2010, Jagran Prakashan acquired the print business of Mid Day Multimedia in a 7:2 share swap (two Jagran Prakashan shares for every seven Mid Day Multimedia shares).

## ■ Statement of Risk

We believe the key risks for Jagran Prakashan are decline in average readership could impact advertising rates, increase in newsprint costs could impact margins, intense competition in UP and Bihar.

## ■ Analyst Certification

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### UBS Investment Research: Global Equity Rating Allocations

UBS 12-Month Rating	Rating Category	Coverage <sup>1</sup>	IB Services <sup>2</sup>
Buy	Buy	52%	41%
Neutral	Hold/Neutral	40%	37%
Sell	Sell	8%	20%
UBS Short-Term Rating	Rating Category	Coverage <sup>3</sup>	IB Services <sup>4</sup>
Buy	Buy	less than 1%	30%
Sell	Sell	less than 1%	17%

1:Percentage of companies under coverage globally within the 12-month rating category.

2:Percentage of companies within the 12-month rating category for which investment banking (IB) services were provided within the past 12 months.

3:Percentage of companies under coverage globally within the Short-Term rating category.

4:Percentage of companies within the Short-Term rating category for which investment banking (IB) services were provided within the past 12 months.

Source: UBS. Rating allocations are as of 31 March 2011.

### UBS Investment Research: Global Equity Rating Definitions

UBS 12-Month Rating	Definition
Buy	FSR is > 6% above the MRA.
Neutral	FSR is between -6% and 6% of the MRA.
Sell	FSR is > 6% below the MRA.
UBS Short-Term Rating	Definition
Buy	Buy: Stock price expected to rise within three months from the time the rating was assigned because of a specific catalyst or event.
Sell	Sell: Stock price expected to fall within three months from the time the rating was assigned because of a specific catalyst or event.

**KEY DEFINITIONS**

**Forecast Stock Return (FSR)** is defined as expected percentage price appreciation plus gross dividend yield over the next 12 months.

**Market Return Assumption (MRA)** is defined as the one-year local market interest rate plus 5% (a proxy for, and not a forecast of, the equity risk premium).

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**Equity Price Targets** have an investment horizon of 12 months.

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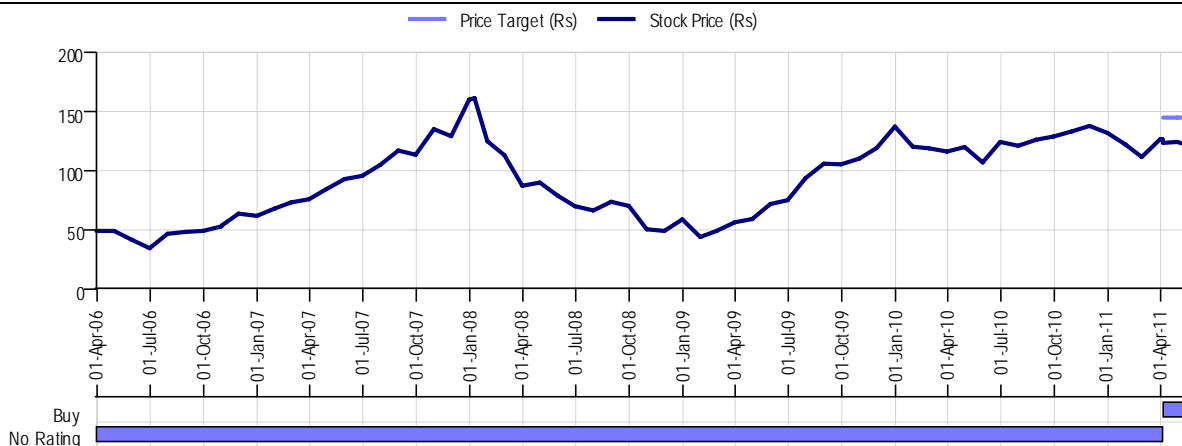
Company Name	Reuters	12-mo rating	Short-term rating	Price	Price date
Jagran Prakashan	JAGP.BO	Buy	N/A	Rs120.00	27 May 2011

Source: UBS. All prices as of local market close.

Ratings in this table are the most current published ratings prior to this report. They may be more recent than the stock pricing date

Unless otherwise indicated, please refer to the Valuation and Risk sections within the body of this report.

**Jagran Prakashan (Rs)**



Source: UBS; as of 27 May 2011



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