

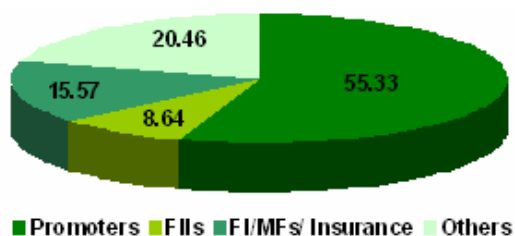
Jagran Prakashan Ltd

03 June 2010

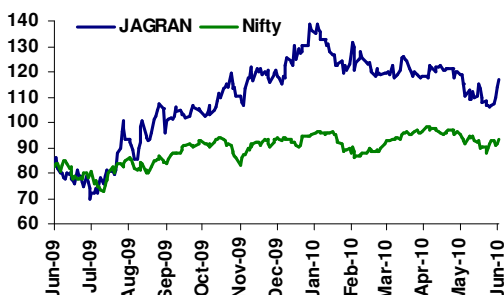
BUY

Industry	Media
CMP (INR)	116.80
52 week High/Low (INR)	142 / 66
Market Cap (INR BN)	35.18
P/E (FY12E)	14x
3M Avg. Daily Volumes	447,686

Shareholding Pattern (%)



Stock Performance (Last one year)



Performance (%)

	1 Month	3 Months	1 Year
JAGRAN	-1.43	-2.14	41.23
NIFTY	-2.19	0.40	12.75

* Source: Capitaline, Unicon Research

Result Highlights

- Jagran Prakashan Ltd (JAGRAN) posted good results with revenue growth of 17.47% Y-o-Y to INR 2320.80 mn backed by a ~20% growth in advertising revenue. Circulation revenues were flat due to high base as cover prices were hiked during Q4 FY09.
- The expenditure for the quarter was INR 1730.3 mn, up by 6.64% on a Y-o-Y basis.
- The company's operating profit at INR 632.50 mn, witnessed a 62.18% increase Y-o-Y. EBITDA margin at 27.25% registered an increase of 751 basis points on a Y-o-Y basis backed by stable newsprint prices.
- PAT witnessed a growth of 66.73% as compared to the same quarter in the previous year at INR 363.8 mn. The break-even of OOH and I-next contributed to profit growth. PAT margin at 15.68% has increased by 463 basis points Y-o-Y.
- EPS for the quarter stood at INR 1.21.

Outlook & Valuation

- Print Media segment's size is expected to grow from USD 3.88 bn in 2009 to USD 5.97 bn in 2014. This will drive JAGRAN's revenue growth.
- Media industry ad-revenue growth is expected at 12% - 13% for the coming fiscal and JAGRAN expects advertising revenue growth to be ~17-18%. Thus, JAGRAN is expected to deliver improved ad revenues in coming quarters on better momentum in advertising across mediums with the growth in consumption backed by strong economic recovery.
- The company plans to launch new editions of I-next, City Plus and Dainik Jagran.
- The company expects to continue to benefit from cost control measures going forward translating into better margins.
- The merger of print media business of Mid-Day is going to be EPS accretive for JAGRAN as it would get additional revenues and save cost for them.

At the CMP of INR 116.80, the stock trades at ~14x its FY12E EPS. The company is well positioned to benefit from the growth potential of print media sector. Upbeat trend in advertisement revenues backed by growing personal consumption in Tier 2, Tier 3 and rural areas augur well for Jagran's revenue growth. Blackstone's recent investment of INR 2.25 bn takes care of the company's further expansion plans. We recommend to **BUY** the stock from medium to long term perspective.

Analyst

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Jagran Prakashan Ltd

Financials

(INR in mn, except EPS)

Standalone Performance	Q4 FY10	Q4 FY09	Y-o-Y (%)	Q3 FY10	Q-o-Q (%)
Net Sales	2320.80	1975.70	17.47	2229.40	4.10
Other Operating Income	42.00	36.80	14.13	39.70	5.79
Total Income	2362.80	2012.50	17.41	2269.10	4.13
Total Expenditure	1730.30	1622.50	6.64	1616.30	7.05
EBITDA	632.50	390.00	62.18	652.80	-3.11
EBITDA (%)	27.25	19.74	751 bps	29.28	-203 bps
Depreciation	134.90	112.60	19.80	119.00	13.36
EBIT	497.60	277.40	79.38	533.80	-6.78
Interest	23.90	19.70	21.32	13.40	78.36
Other Income	66.00	64.50	2.33	69.60	-5.17
PBT	539.70	322.20	67.50	590.00	-8.53
Tax	175.90	104.00	69.13	192.70	-8.72
PAT	363.80	218.20	66.73	397.30	-8.43
PAT(%)	15.68	11.04	463 bps	17.82	-215 bps
EPS	1.21	0.72	66.73	1.32	-8.43

Source: Capitaline, Unicon Research



Jagran Prakashan Ltd

Unicon Investment Ranking Methodology

Rating	Buy	Accumulate	Hold	Reduce	Sell
Return Range	>= 20%	10% to 20%	-10% to 10%	-10% to -20%	<= -20%

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