
Media Monitor – November '08

"All media companies are being tested and the year ahead will be difficult. I am confident that our long-term strategy of cultivating diversified assets at different stages of development, judicious investment of our capital and a strong balance sheet will guide us through these difficult times."

-Rupert Murdoch, Chairman News Corp

Q2FY09 – Margins slide; revenue growth still strong

Media companies post dismal results in Q2FY09

Q2FY09 media results were disappointing owing to significant escalation in costs as companies continue to incur heavy expenses (since new initiatives continue to bleed). Revenue growth for the Media universe (Page 3) was strong at 36%, while EBITDA and PAT dipped 20% YoY and 36% YoY respectively. The decline in profitability was owing to higher-than-anticipated costs in programming, newsprint and carriage fees. Revenue growth momentum was driven by advertisement and subscription, but most companies are circumspect with macroeconomic scenario deteriorating rapidly. Surprisingly, most companies have not indicated any cost cutting as they continue to deny significant slow down in advertising. Realty and financial segments dragged down ad growth in Q2FY09. Zee News (ZNL) and TV Today (TVTN) posted the best results with PAT growing 101% and 47% respectively.

IRS Round 2 – Top order unchanged, publications gain as TV sees fragmentation; HT Media gains

Indian Readership Survey '08 round 2 threw no surprises as the top order remained unchanged; however, growth in readership failed to follow the growth in circulation owing to increasing urbanisation. Time spent per title increased in print, whereas owing to rising fragmentation, time spent per channel on TV and radio decreased. Advertisers need to spend more to gain reach in TV and radio going forward. *Hindustan Times* and *Hindustan* HT Media's newspaper brands, with strong readership gains, were better overall performers in English and Hindi respectively.

Reactions to Colors: Zee TV increases movies; STAR Plus revamps prime time content

Colors continues to maintain its #2 position and increased its lead over *Zee TV* substantially. To combat falling GRPs, *Zee TV* has increased movies in its programming and its focus on programming in the extended prime time slot of 7.30PM. *STAR Plus* has announced a major revamp by extending its key programme *Bidayi* to an hour and replacing the long running Balaji Telefilms' (BTL) serials *Kyunki Saas Bhi Kabhi Bahu Thi (Kyunki)* and *Kahaani Ghar Ghar Ki (Kahaani)* with fresh content.

Key events to watch for

i) Performance of *Star Pravah* (Marathi GEC), *Zee Tamizh* (Tamil GEC) and *Zee Telugu News* and ii) dispute between TV producers and TV Workers Union iii) Decline in domestic Newsprint prices(Oct-08 witnessed the first dip).

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Q2FY09 – Margins slide; revenue growth still strong

Q2FY09 media results were disappointing owing to significant escalation in costs as companies continued to incur heavy expenses (since new initiatives continue to bleed). Revenue growth for the Media universe (Page 3) was strong at 36%, while EBITDA and PAT dipped 20% YoY and 36% YoY respectively. The decline in profitability was owing to higher-than-anticipated costs in programming, newsprint and carriage fees. Revenue growth momentum was driven by advertisement and subscription, but most companies are circumspect with macroeconomic scenario deteriorating rapidly. Surprisingly, most companies have not indicated any cost cutting as they continue to deny significant slow down in advertising. Realty and financial segments dragged down ad growth in Q2FY09. Print players are likely to benefit from the decline in newsprint prices as crude eases. ZNL and TVTN posted the best results with PAT growing 101% and 47% respectively.

- **Programming costs, a drag for broadcasting companies.** Strong revenue growth was reported by broadcasting companies such as TVTN and ZNL. Ad revenues for Zee Entertainment (ZEEL), ex-sports, grew only a marginal 13%. EBITDA growth for the broadcasting companies *sans* IBN18 and NDTV was at 22% YoY, lower than 37% revenue growth owing to higher programming costs. While TVTN and ZNL reported healthy EBITDA margin, high programming and sports business related costs pulled down ZEEL's margins.
- **Print players pulled down by newsprint.** Print players witnessed 19% revenue growth, but EBITDA was down 24% YoY owing to higher newsprint prices. Print players have been able to cut volumes and increase efficiency, which will benefit them going forward as newsprint prices soften.
- **Slowdown – Companies still in denial.** Media companies continue to be in denial mode in spite of clear signs of slowdown. Network18 and UTV have announced plans to prune costs though, more importantly, the companies are reconsidering aggressive growth plans and limiting organic expansion via using only current free cashflows.

Q2FY09 – Financial performance of key media stocks

Financial performance of key media stocks in Q2FY09

(Rs mn)	Sales	YoY %	QoQ %	EBITDA	YoY %	QoQ %	PAT	YoY %	QoQ %
ZEEL	5,716	43.4	5.5	1,488	12.7	3.2	991	7.2	(3.5)
Sun TV	2,379	22.3	6.4	1,763	26.1	4.8	1,083	35.1	5.6
ENIL	1,099	28.1	2.7	(60)	(14.9)	(305.5)	(182)	NM	98.6
NDTV	1,203	67.6	0.7	(1,035)	NM	12.6	(1,130)	NM	11.1
TV18	791	21.3	5.7	227	(9.5)	(6.4)	34	(74.7)	(67.2)
TV Today	669	44.1	4.3	122	55.2	(6.6)	79	47.2	(14.0)
Zee News	1,277	64.5	16.5	212	101.8	21.0	115	101.3	20.6
IBN18	308	20.3	2.2	(102)	NM	NM	(189)	NM	NM
DCHL	2,264	20.6	17.0	773	(34.3)	(18.0)	453	(45.2)	(25.8)
HT Media	3,342	18.9	2.9	399	(17.8)	(39.9)	163	(49.0)	(56.8)
Jagran Prakashan	2,086	17.8	1.0	380	(2.6)	(23.5)	227	3.2	(28.3)
Balaji Tele	1,034	32.7	12.9	231	(30.0)	(27.2)	181	(31.0)	(18.6)
Prime Focus	892	52.7	5.1	185	(2.2)	(6.5)	53	(44.1)	(48.7)
UTV	1,708	139.7	25.8	(78)	(144.4)	(147.4)	275	56.6	38.3
Total	24,769	36.2	7.3	4,505	(20.1)	(18.1)	2,152	(36.2)	(25.8)

Source: I-Sec Research

Results Q2FY09

Positive surprises: ZNL, TVTN and Sun TV Network

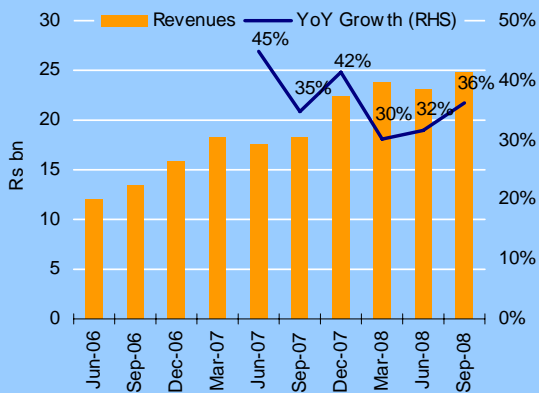
Negative surprises: ZEEL, ENIL, Prime Focus, DCHL & HT Media

Companies which have cautioned and announced cost cutting : Network 18 group, UTV Software and ENIL.



Quarterly media trends – Bulging costs

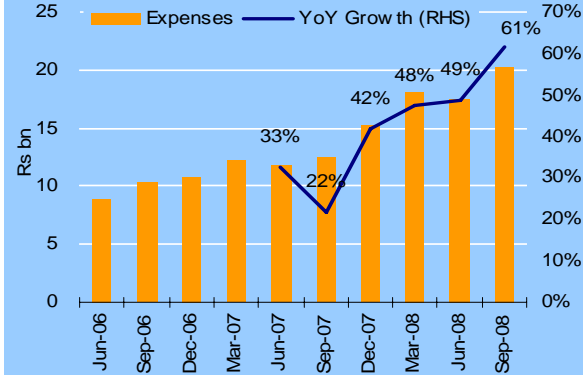
Media set revenues



Revenue growth strong driven by Pay TV growth

Source: Company data, I-Sec Research

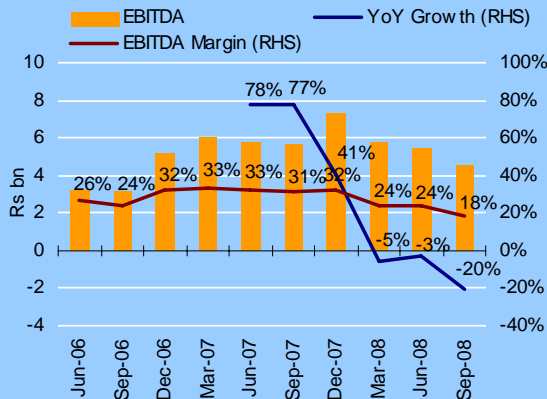
Media set expenses



Expenses bloat with newsprint & programming costs

Source: Company data, I-Sec Research

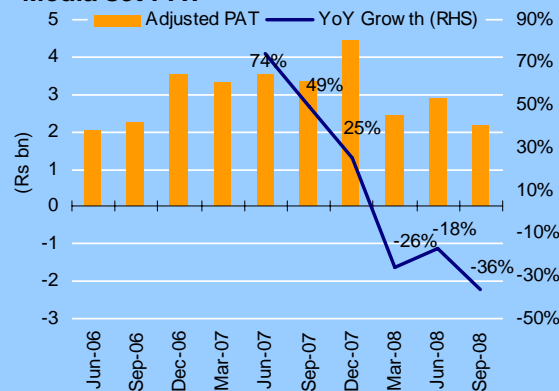
Media set EBITDA



Margins slide as costs of business rise due to higher employee costs & carriage fees

Source: Company data, I-Sec Research

Media set PAT



Industry profitability down; with low recourse to outside capital, expansions will stall

Source: Company data, I-Sec Research

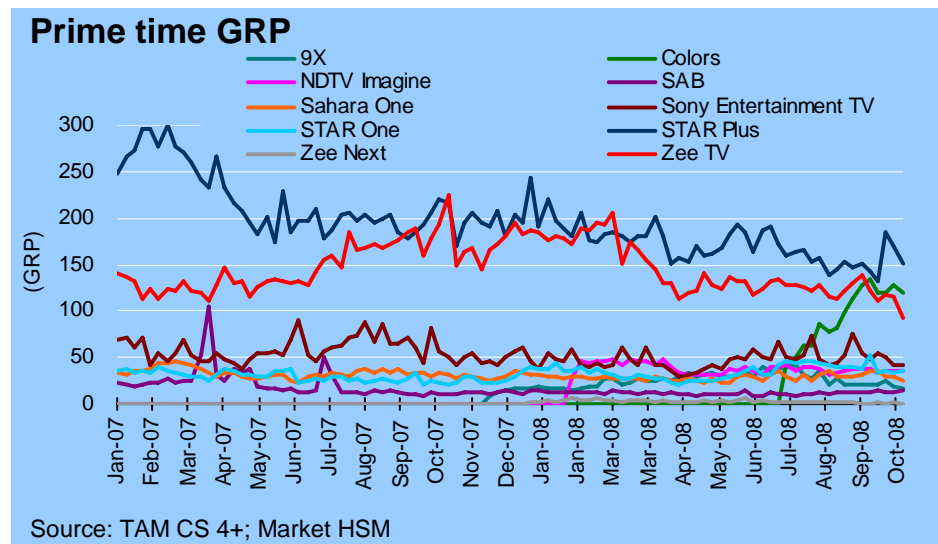
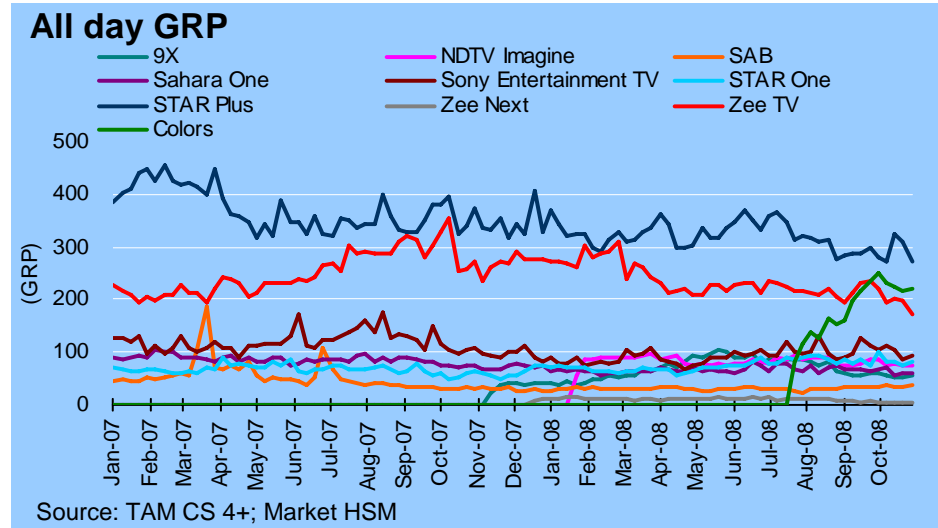


Hindi GECs – Colors retains #2

Colors maintained its #2 position in the Hindi GEC space, with 221 GRPs in Week44 of CY08 versus STAR Plus' 271 and Zee TV's 171

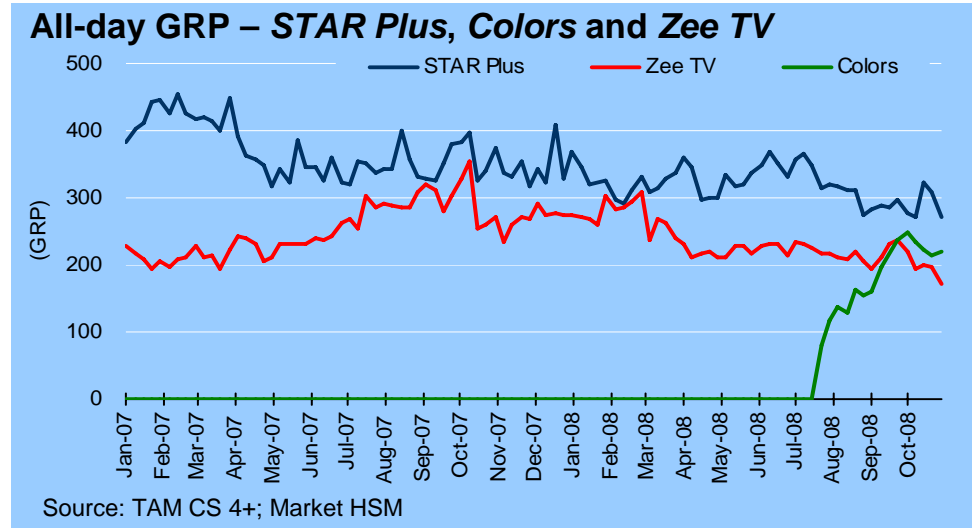
STAR Plus managed to gain some of the lost ground in October '08, while Zee TV continued to decline

Zee TV's decline in GRPs was even more alarming in prime time slots. Plans to spruce up programming in weekdays (in 7.30 PM slot)

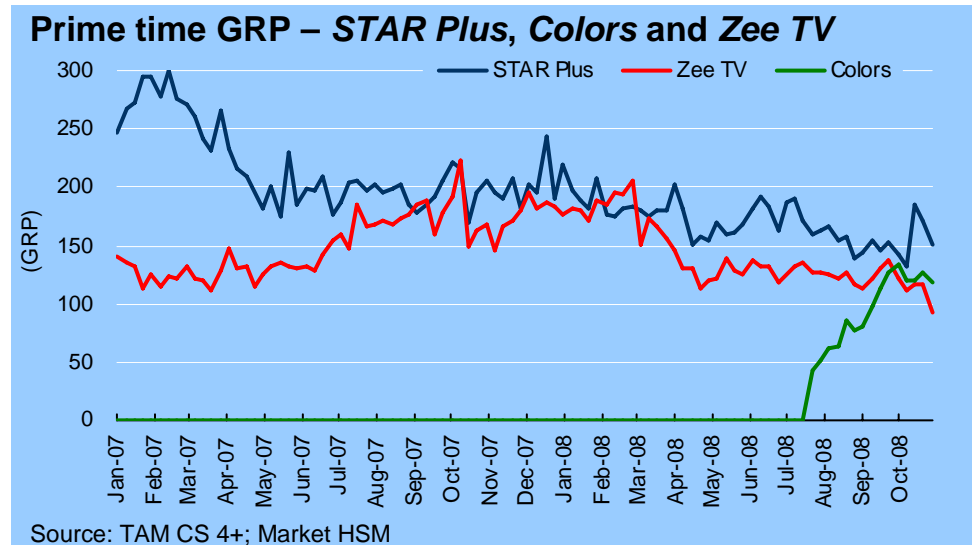


Hindi GECs – STAR Plus, Colors and Zee TV

Colors and STAR Plus gained 11 and 7 GRPs respectively in October '08 on an average, while Zee TV lost 28



Prime time GRPs of STAR Plus improved by 12 GRPs in October '08, while Zee TV continued to be under pressure during prime time



Colors retains #2; Zee TV and STAR Plus react

Colors garnered #2 position through out October '08. While *Big Boss Season 2* picked up steam as it nears its end in November '08, the channel is launching a children-based stand-up comedy show, another innovation.

Weekday prime time programming on *STAR Plus* is set to undergo a revamp with long running shows, *Kahaani* and *Kyunki* ending. *STAR Plus* plans to replace *Kahaani* with *Tujh Bin Preet Lagayi Sajna* and *Kyunki* with *Aap Ki Kacheri*, starring retired police officer Kiran Bedi and based on a global format show *Judge Judy*.

Zee TV, in order to prop up sliding GRPs, has tilted its programming content towards movies. Movies accounted for 9% share of GRPs YTD FY09 versus 6% in FY08

Colors – Programme performance in Week44, '08

Day (s)	Time Band	Programme	Highest TRPs
Mon-Fri	07:00-07:30PM	Rahe Tera Ashirwad	1.26
Mon-Fri	07:30-08:00PM	Bandhan Saat Janmon Ka	2.28
Mon-Fri	08:00-08:30PM	Balika Vadhu	7.85
Mon-Fri	08:30-09:00PM	Jai Shri Krishna	4.67
Mon-Thu	09:00-09:30PM	Jeevan Sathi	1.07
Mon-Thu	09:30-10:00PM	Mohe Rang De	0.75
Sat	09:00-10:00PM	Ek Khiladi Ek Haseena	0.87
Mon-Sun	10:00-10:30PM	Bigg Boss 2	2.54

Source: TAM CS4+; Market HSM

Colors – GRP break-up

Colors - Week 44	GRPS
Balika Vadhu	72.8
Big Boss Season 2	57.1
Jai Shri Krishna	49.3
Bandhan Saat Janamon Ka	10.3
Jeevan Saathi	9.5
Movies	8.1
Rahe Tera Aashirwaad	5.9
Ek Khiladi Ek Haseena	5.2
Others	2.8
Total	221.0

Source: TAM CS4+; Market HSM

Movies and original programming

Channel	wk 41			wk 42			wk 43			wk 44		
	Total	Movies	Original	Total	Movies	Original	Total	Movies	Original	Total	Movies	Original
Star Plus	271	20	251	323	6.5	316.5	310	16.7	293.3	271	14.5	256.5
Zee TV	194	16	178	201	20.2	180.8	198	18.2	179.8	171	26.1	144.9
Colors	233	10	223	224	7.2	216.8	215	6.9	208.1	221	8.1	212.9

Source: TAM CS4+; Market HSM



Channel share

Colors retained and consolidated its #2 position in the Hindi GEC space.

Both *STAR Plus* and *Zee TV* continued to see a drop in market share. Entry of new players has helped increase viewership 8% QoQ in the GEC space in Q3FY09

In primetime, GRPs of *Zee TV* and *STAR Plus* dipped 38% YoY and 20% YoY respectively

Zee TV's market share slipped YoY from 35.1% to 19.1%

Channel share – All day

	Q4FY07	Q1 FY08	Q2 FY08	Q3 FY08	Q4FY08	Q1 FY09	Q2FY09	Q3FY09*
9X	0.0%	0.0%	0.0%	1.8%	4.8%	8.2%	6.1%	4.7%
Colors	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.0%	19.1%
DD1	5.9%	5.3%	6.1%	13.3%	6.0%	4.3%	3.9%	2.6%
NDTV Imagir	0.0%	0.0%	0.0%	0.0%	6.3%	7.6%	7.1%	6.4%
SAB	6.3%	6.0%	3.8%	2.8%	2.8%	2.9%	2.5%	3.0%
Sahara One	8.7%	8.5%	8.1%	6.7%	6.0%	6.3%	5.8%	5.3%
Sony Entertz	10.7%	11.6%	12.8%	9.2%	8.2%	8.2%	8.7%	8.4%
STAR One	6.1%	7.4%	6.4%	5.5%	6.3%	6.6%	7.2%	6.8%
STAR Plus	39.9%	34.6%	32.5%	32.4%	30.5%	31.0%	26.1%	25.1%
Star Utsav	2.7%	3.5%	3.1%	2.6%	2.2%	3.1%	2.5%	2.2%
Zee Next	0.0%	0.0%	0.0%	0.1%	1.1%	1.0%	0.7%	0.3%
Zee TV	19.9%	23.2%	27.2%	25.7%	25.8%	20.8%	18.4%	16.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TAM CS 4+; Market HSM; * Week 41-44 CY08

Channel share – Prime time

	Q4FY07	Q1FY08	Q2FY08	Q3FY08	Q4FY08	Q1FY09	Q2FY09	Q3FY09*
9X	0.0%	0.0%	0.0%	1.6%	3.8%	6.3%	5.4%	3.6%
Colors							12.0%	21.2%
NDTV Imagine	0.0%	0.0%	0.0%	0.0%	6.2%	7.6%	6.6%	6.1%
SAB	5.8%	5.0%	2.7%	2.4%	2.3%	2.3%	2.1%	2.4%
Sahara One	6.8%	6.2%	6.6%	6.0%	5.1%	5.6%	5.4%	5.2%
Sony	10.2%	11.5%	13.5%	9.7%	8.8%	8.7%	9.7%	8.2%
Star One	6.0%	6.6%	5.2%	5.6%	6.3%	5.8%	7.4%	6.1%
STAR Plus	48.6%	42.4%	38.4%	39.7%	34.1%	36.0%	28.5%	27.8%
Zee Next	0.0%	0.0%	0.0%	0.1%	0.8%	0.7%	0.4%	0.2%
Zee TV	22.5%	28.3%	33.6%	35.1%	32.7%	27.1%	22.5%	19.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TAM CS 4+; Market HSM; * Week 41-44 CY08

Share of top programmes

- Colors increased its share of top-100 programmes with *Balika Vadhu*, *Jai Shri Krishna* and *Bigg Boss 2* continuing to garner ratings
- Zee TV slipped further in the top-50 and top-20 programme categories, while *STAR Plus* showed some improvement in top-50 and top-20 programme categories

Share of programmes

	August				September					October			
	wk32	wk33	wk34	wk35	wk36	wk37	wk38	wk39	wk40	wk41	wk42	wk43	wk44
Top 100													
9X	0	0	0	0	0	0	0	0	0	0	0	0	0
Colors	5	7	14	17	15	19	18	18	22	20	22	23	26
NDTV Imagine	4	4	4	3	4	4	4	4	4	4	4	4	4
Sony Entertainment TV	4	4	3	3	4	5	5	4	3	4	2	1	3
Star One	2	2	2	1	1	1	1	0	2	0	0	0	1
Star Plus	55	53	50	51	46	44	45	47	44	43	41	41	35
Zee TV	30	30	27	25	30	27	27	27	25	29	31	31	31
Top 50													
Others	2	5	3	5	9	10	13	14	13	13	10	11	14
Star Plus	28	26	26	23	23	20	17	17	20	20	24	24	26
Zee TV	20	19	21	22	18	20	20	19	17	17	16	15	10
Top 20													
Colors	0	0	0	3	4	8	9	9	9	10	10	10	9
Sony Entertainment TV	0	1	0	0	0	0	2	0	0	0	0	0	0
Star Plus	12	12	13	10	10	8	4	5	7	8	8	8	10
Zee TV	8	7	7	7	6	4	5	6	4	2	2	2	1

Source: TAM CS 4+; Market HSM

Top programmes

- *Balika Vadhu* remained the best performing programme, with the highest TRP of 7.85, better than *STAR Plus' Bidayi* with TRP of 6.7
- *Colors* now boasts of 26 of the top 100 programmes, which is only slightly lower than *Zee TV's* 31. Of the top-20, *Colors* has none programmes, *STAR Plus* 10, while *Zee TV* has only one
- *STAR Plus* has added another 30 minutes slot every weekday in the afternoon programming, while *Zee TV* has recently spruced up its afternoon programming by adding one more hour in afternoon every weekday
- Of the top 50 programmes in week 44 CY08, only three shows were from BTL

Top 50 programmes – Week44 ended November 1, '08

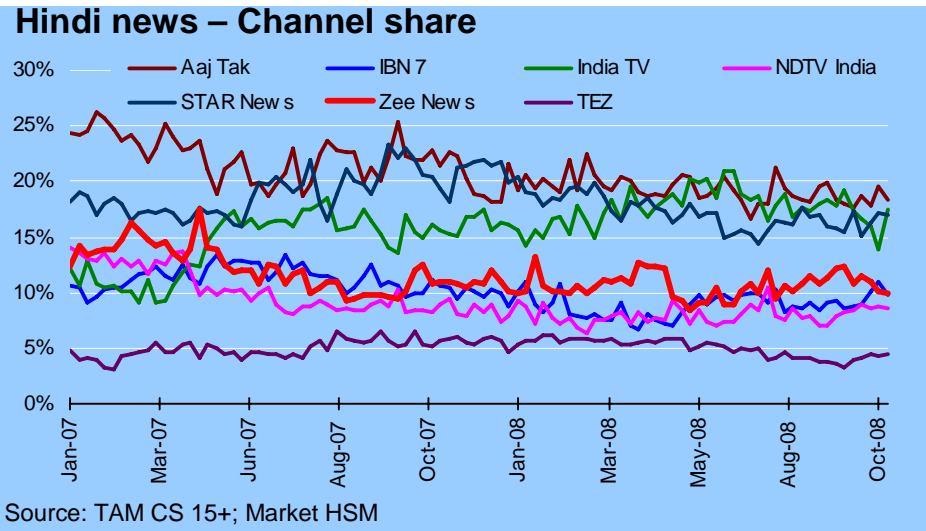
Channel	Time	Days	Programme	Highest TRP	Number of times in Top 50
Colors	8:00-8:30PM	Mon-Fri	Balika Vadhu	7.85	6
Star Plus	9:00-9:30PM	Mon-Thu	Bidayi	6.7	4
Colors	8:30-9:00PM	Mon-Fri	Jai Shri Krishna	4.67	5
Star Plus	8:00-8:30PM	Mon-Thu	Raja Ki Aayegi Baarat	3.68	4
Star Plus	8:30-9:00PM	Mon-Thu	Kis Desh Mein Hai Meraa Dil	3.25	4
Zee TV	9:00-9:30PM	Mon-Thu	Kasamh Se	3.19	3
Star Plus	10:00-10:30PM	Mon-Thu	Hasee Aur Haseena	2.9	4
Zee TV	10:00-10:30PM	Mon-Thu	Betiann Ghar Ki Lakshmi	2.83	1
Zee TV	8:30-9:00PM	Mon-Fri	Maayka	2.82	3
Star Plus	8:00-9:00PM	Fri-Sat	Nach Baliye 4	2.64	2
Star Plus	9:00-9:30PM	Sat-Sun	Prithviraj Chauhan	2.59	2
Star Plus	9:30-10:00PM	Fri-Sun	Baa Bahoo Aur Baby	2.56	2
Colors	10:00-11:00PM	Mon-Sun	Big Boss Season 2	2.54	2
Star Plus	10:30-11:00PM	Mon-Thu	Kyunki Saas Bhi Kabhi Bahu Thi	2.52	3
Zee TV	9:00-9:30PM	Fri-Sat	Naagin-Vaadon Ki Agni Pariksha	2.44	1
Star Plus	8:00-9:00PM	Sun	Saibaba	2.37	1
Zee TV	10:00-11:30PM	Fri-Sat	Saregamapa Challenge 2009	2.31	1
Zee TV	9:30-10:00PM	Mon-Thu	Saath Phere	2.29	1
Colors	7:30-8:00PM	Mon-Fri	Bandhan Saat Janamon Ka	2.28	1

Source: TAM CS 4+; Market HSM

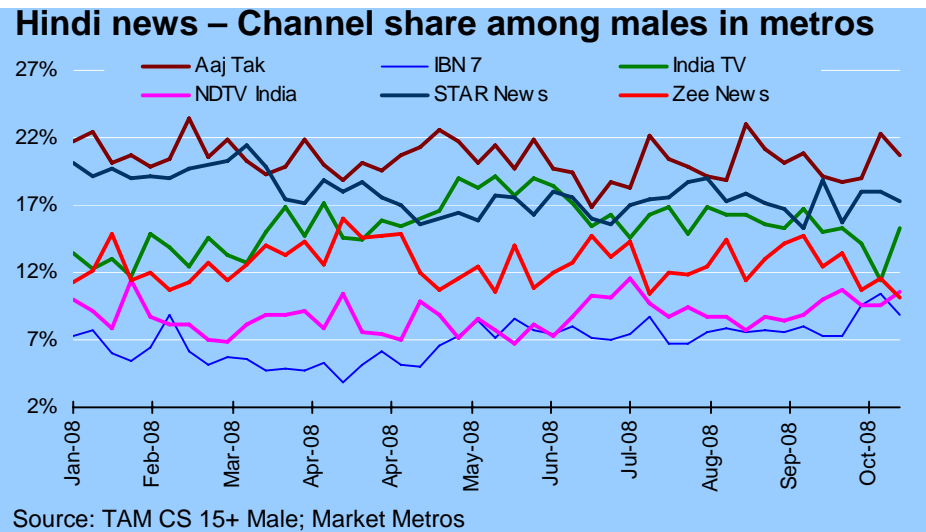


Hindi news

The Hindi news segment continued to be fragmented; *Aaj Tak*, *India TV* and *STAR News* continued to closely compete for the #1 position

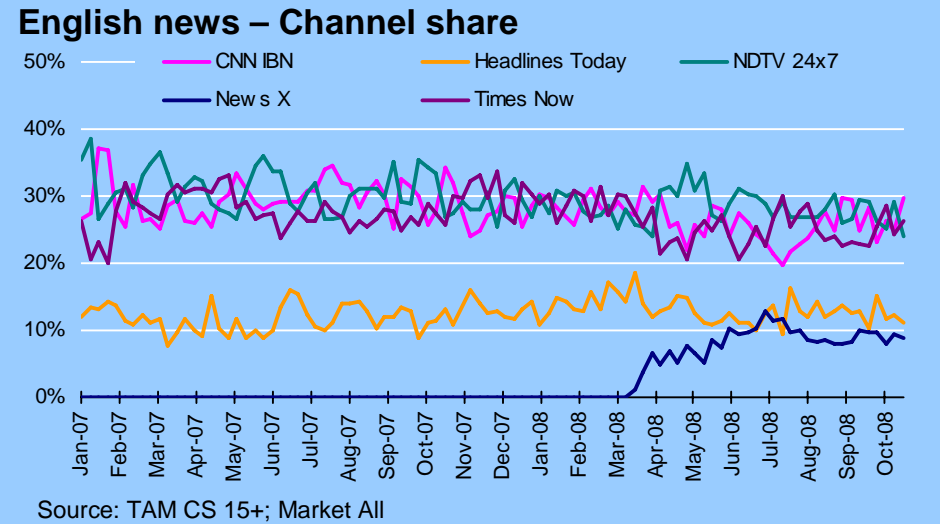


Aaj Tak is the clear #1 among the male population in metros, followed by *STAR News* & *India TV*

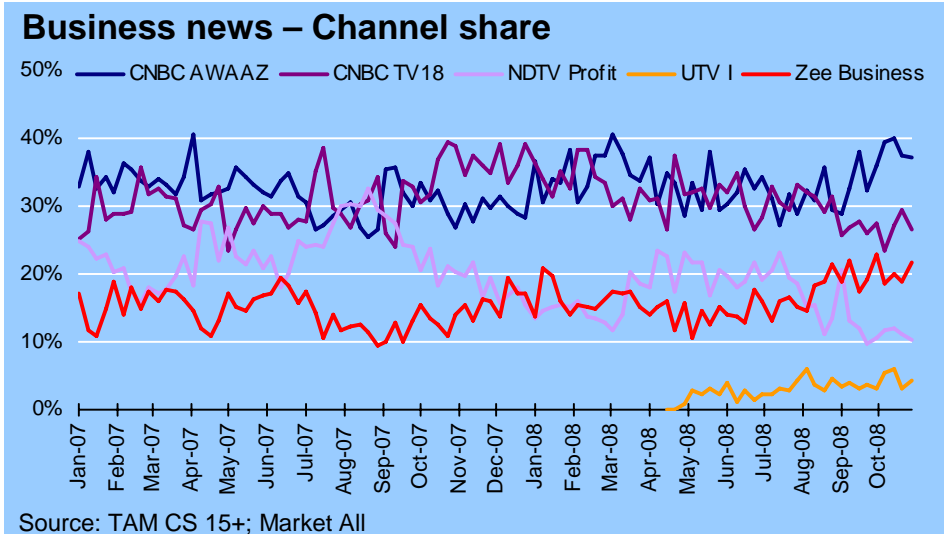


English and business News

The English news space has become a three-horse race between *CNN IBN*, *Times Now* and *NDTV 24*7*, with leadership shuffling between the three

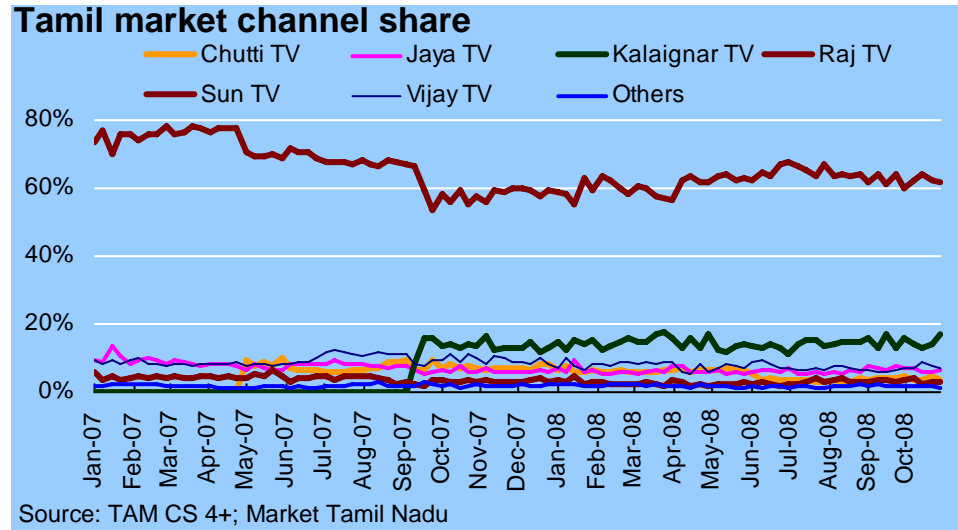


CNBC Awaaz and *CNBC TV18* remained leaders in business news. *Zee Business* consolidated its lead over *NDTV Profit* to become the clear #3; *NDTV Profit's* market share continued to decrease

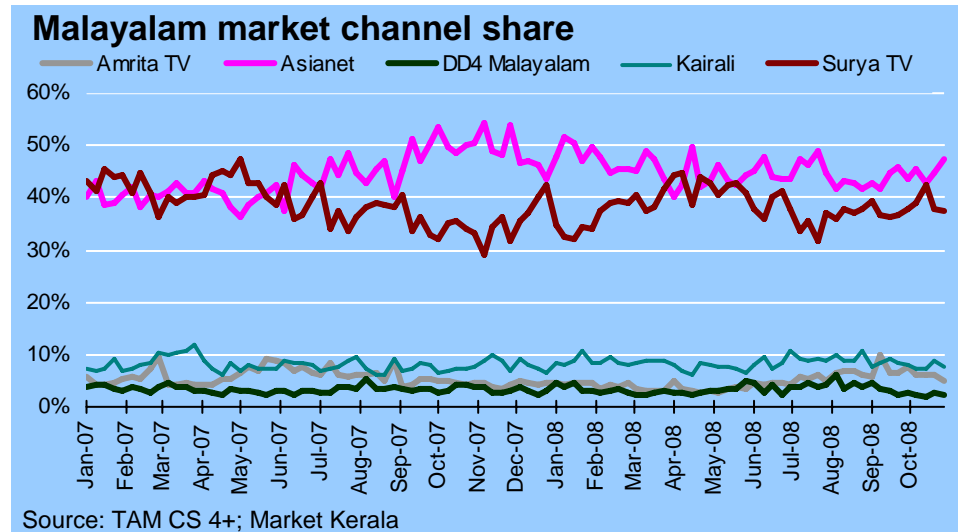


Regional GECs – Tamil & Malayalam

Performance of Zee Tamizh, launched in October '08, has been poor so far due to unavailability on Sumangali Cablevision

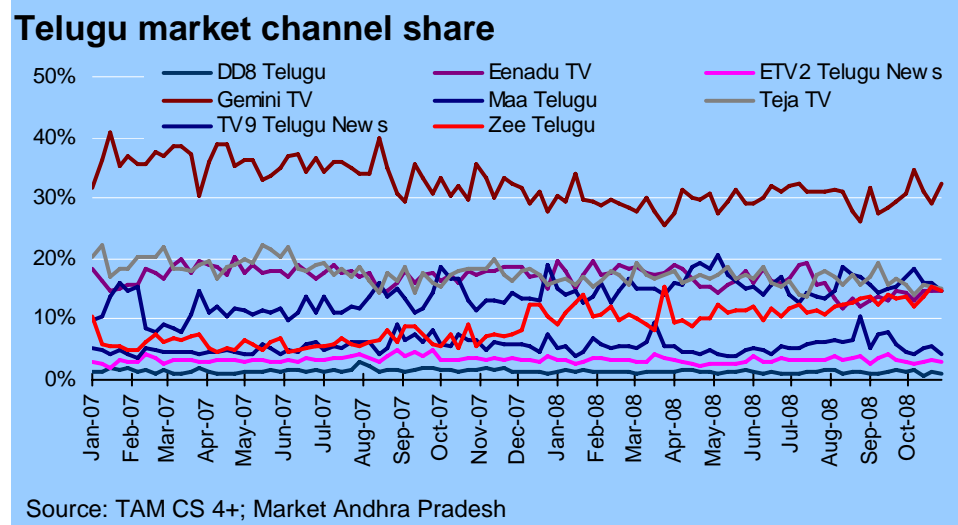


Sun TV Network's channel in Malayalam, *Surya TV*, lost some market share to the advantage of *Asianet*, which remains #1

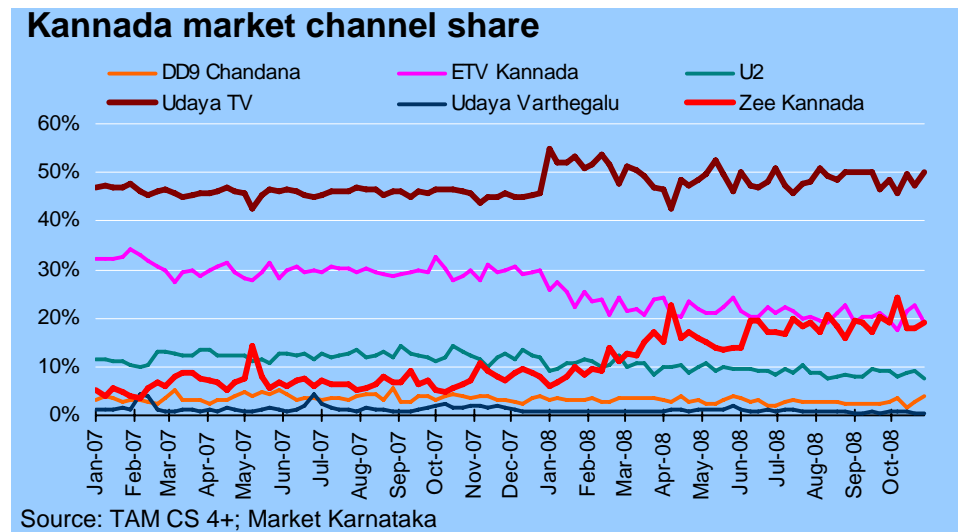


Regional GECs – Telugu and Kannada

Sun's *Gemini TV* maintained its dominating position in the fragmented Telugu market, while *Teja TV*, *Maa Telugu*, *Zee Telugu* and *Eenadu* fought for the #2 spot. *Zee Telugu* continued to improve ratings. ZNL is set to launch a Telugu news channel in November '08

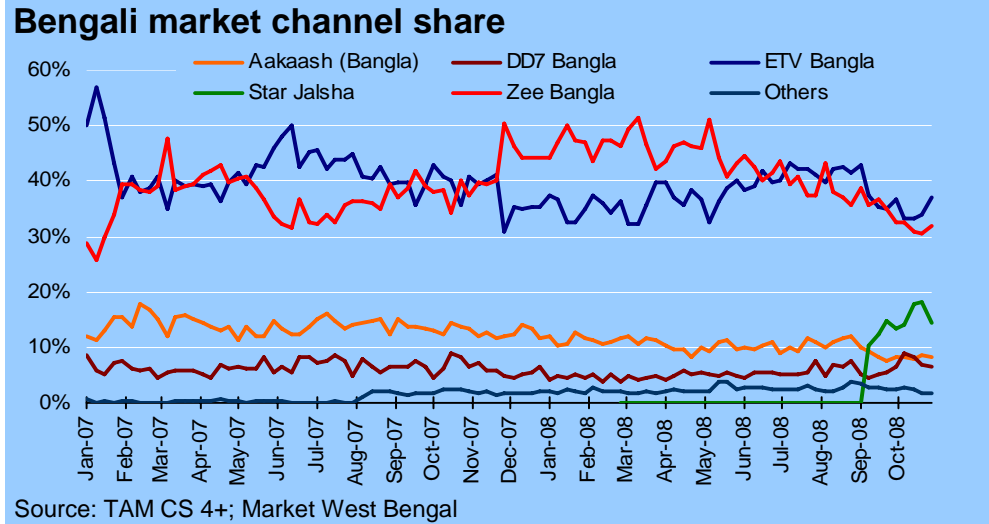


Sun's *Udaya TV* maintained market leadership in the Kannada market. *Zee Kannada* is close to usurping the #2 position from *ETV Kannada*



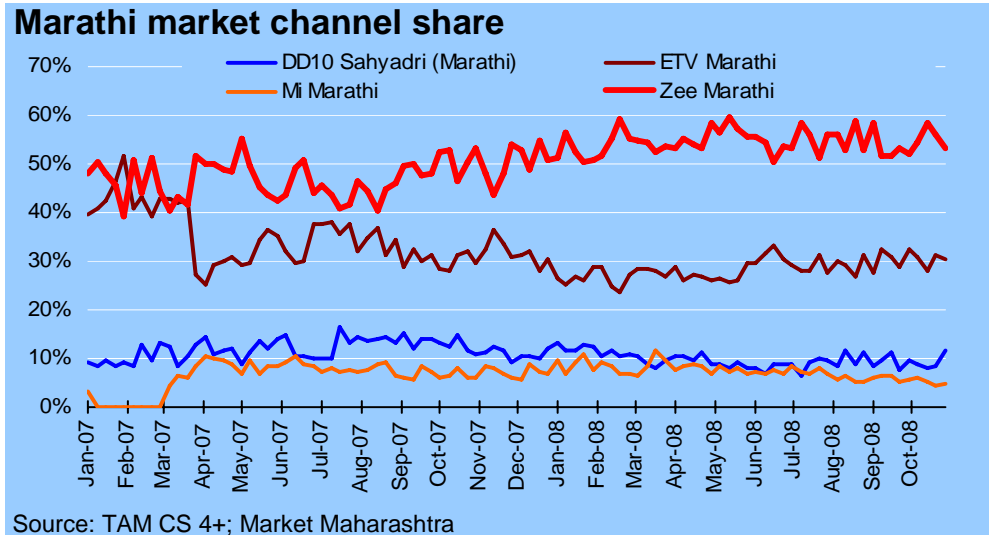
Regional GECs – Bengali and Marathi

ETV Bangla and *Zee Bangla* recovered slightly from the initial impressive performance of *STAR Jalsha*, which made an entry in September '08. Although having lost its #1 position, we expect *Zee Bangla* to improve as distribution issues in West Bengal get resolved



Zee Marathi and *ETV Marathi* maintained their #1 and #2 positions respectively

Competition is set to increase in the Marathi space as the STAR Group is launching its Marathi GEC *STAR Pravah* in November '08

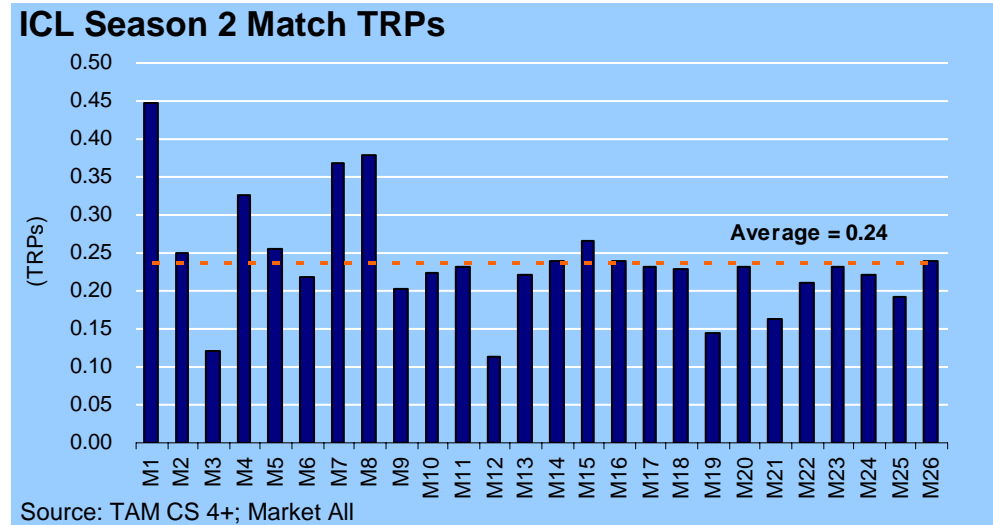


ICL season 2 – Poor performance again

ICL has had a mediocre showing in the second season too, with the matches managing an average TRPs of only 0.25

This compares poorly with the average match TRP of ~5 for IPL in April-May '08

The weak performance of ICL season 2 is likely to affect ZEEL's Q3FY09 advertising revenues



Key takeaways from IRS 2008 (R2)

- Indian Readership Survey '08 round 2, the data for which has been recently released, sprung no major surprises with top dailies maintaining their older ranking
- With higher fragmentation of TV and radio, the time spent per channel is now declining. In print, the time spent per title has gone up owing to lesser readership per copy, though overall time spent on press declined
- The number of titles read is declining, whereas the number of channels consumed in TV and radio are increasing

Average time spent – Minutes

MEDIA	2006	2007	2008
Press	27.8	27.4	26.5
TV	93.8	96.4	99.4
Radio	69.7	70.4	81.1
Internet	61.5	62.3	60.1
Total Time Spent	113	115.8	121.1

Time spent per title/ channel – Minutes

	2006	2008	% Change
Any Publication	9.6	10.6	10.6
Any TV	31.3	26.9	-14.1
Any Radio	43.6	42.7	-2

Source: IRS 2008 (R2)

IRS 2008 (R2)- Top dailies

Dainik Jagran maintained leadership in India at #1 position in Hindi segment, with *Times of India* in English. Only, *Times of India* and *Deccan Chronicle* lost readership on a YoY basis

Both *Hindustan Times* and *Hindustan* from HT Media witnessed higher growth in readership versus peers

Publications	2007 R1	2007 R2	2008 R1	2008 R2	07R2Ovr08R2	
					Abs	%
Total readership in '000s						
Hindi						
Dainik Jagran	20,049	53,610	56,562	55,745	2,135	4%
Dainik Bhaskar	5,665	30,576	31,932	33,829	3,253	11%
Amar Ujala	5,757	28,221	29,611	29,382	1,161	4%
Hindustan	17,175	23,532	25,162	26,631	3,099	13%
Rajasthan Patrika	1,877	13,189	13,651	13,996	807	6%
Punjab Kesari	3,932	10,850	11,134	10,965	115	1%
English						
The Times Of India	10,982	13,471	13,640	13,334	-137	-1%
Hindustan Times	5,094	6,088	6,348	6,347	259	4%
The Hindu	3,287	5,249	5,540	5,268	19	0%
The Telegraph	2,204	3,039	3,037	2,970	-69	-2%
Deccan Chronicle	2,405	2,988	3,027	2,823	-165	-6%
Others						
The Economic Times	1,666	1,973	2,005	1,998	25	1%
DNA	1,047	1,217	1,309	1,336	119	10%

Source: IRS 2008 (R2)

IRS – Metros witness lively competition

Delhi witnessed lively competition with *Hindustan Times* gaining readership over *ToI*. For business papers, *Mint* gained substantial traction

In Mumbai, *ToI* continued to lead with the new player, *DNA* unable to dent *ToI*'s readership

Deccan Chronicle maintained lead in the home turf, but was unable to gain in Chennai

Publications	2007 R1	2007 R2	2008 R1	2008 R2	%(YoY)
Delhi					
The Times Of India	3,036	3,286	3,301	2,957	-10%
Hindustan Times	2,698	2,690	2,771	2,817	5%
The Hindu	101	170	166	159	-6%
The Economic Times	305	381	381	385	1%
Mint				132	
Dainik Jagran	1,354	1,395	1,483	1,523	9%
Hindustan	1,552	1,526	1,713	1,956	28%
Mumbai					
The Times Of India	2,854	2,771	2,722	2,581	-7%
Mumbai Mirror	1,635	1,531	1,506	1,560	2%
Mid-Day (Eng)	1,657	1,617	1,608	1,471	-9%
DNA	580	644	683	682	6%
Hyderabad					
Deccan Chronicle	964	933	865	794	-15%
The Times Of India	274	266	241	240	-10%
The Hindu	259	260	230	187	-28%
Chennai					
The Hindu	1,143	1,067	1,126	1,076	1%
Deccan Chronicle	749	694	694	627	-10%

Source: IRS 2008 (R2)

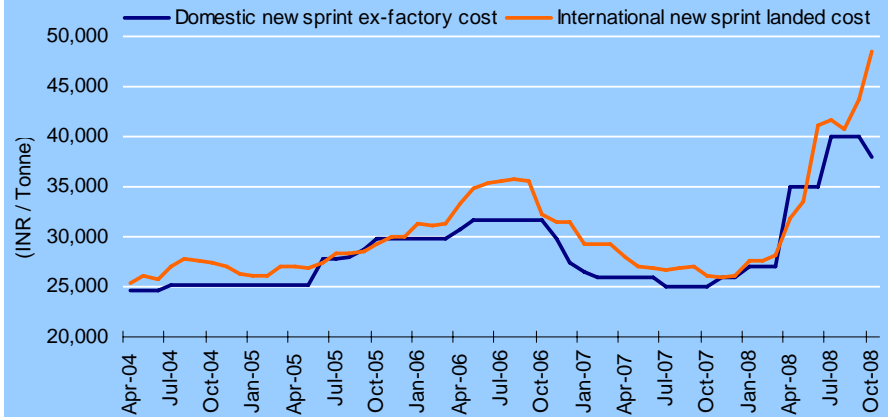
Newsprint – Domestic prices decline in October

Domestic newsprint prices have started declining, with 5% MoM dip in October '08

However, landed cost for imported newsprint continued to climb up

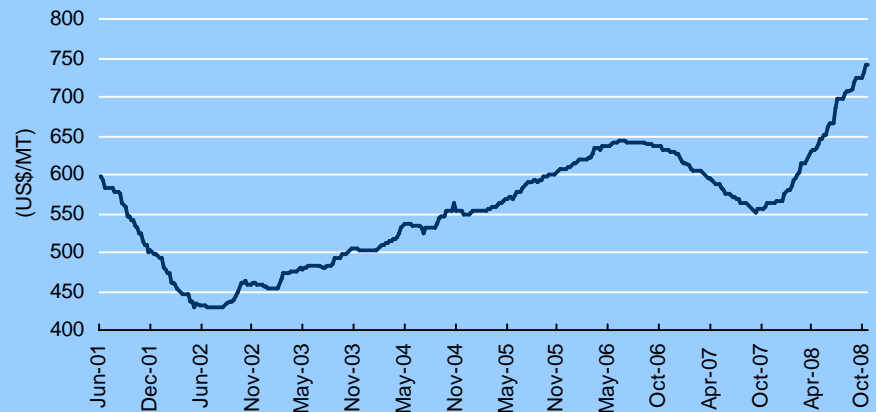
In the US, domestic newsprint demand fell as much as 19.5% in September and 20% for dailies. With YTD demand down 9%, upward movement in imported newsprint prices has to reverse

Newsprint prices (rupee)



Source: CRIS INFAC

Newsprint prices (US dollar)



Source: Bloomberg



News/updates

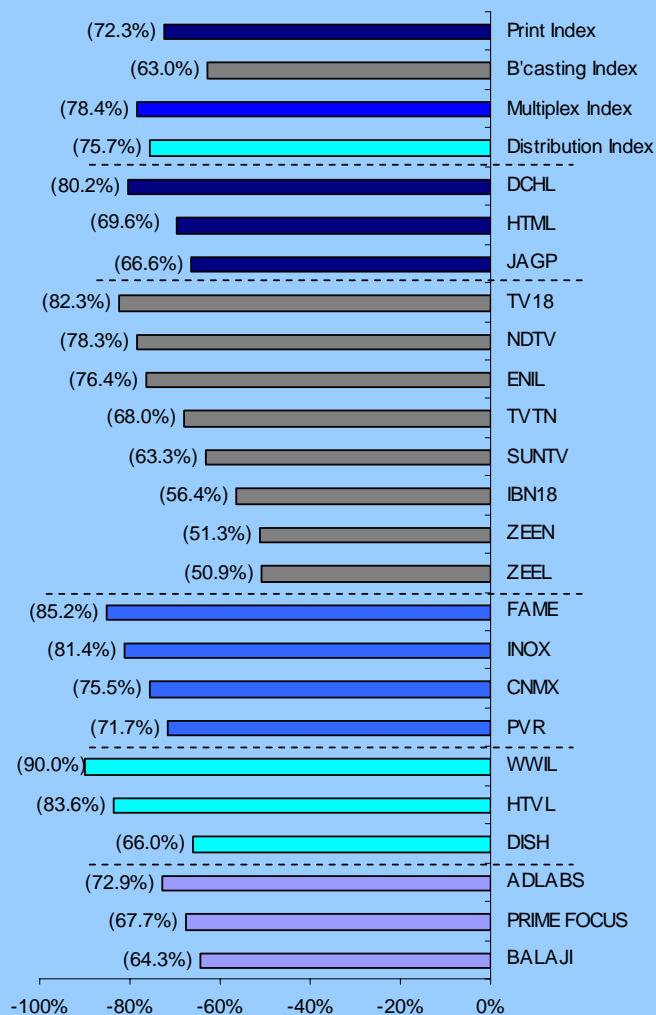
- **Kyunki taken off air; STAR Plus' programming slate changing.** *STAR Plus* took *Kyunki* off air from November 10, '08. BTL management had sought a stay on the termination, but the stay was declined by the Court. *STAR Plus* plans to replace *Kyunki* with *Aap Ki Kacheri*, starring retired police officer Kiran Bedi
- **Dish TV crossed 4mn subscribers.** Dish TV had a subscriber base of 4.4mn as of end-October '08, adding a record 0.43mn DTH subscribers during the month. This follows addition of 0.53mn subscribers in Q2FY09
- **NBC Universal to invest in NDTV's film business.** NDTV plans to set up a separate entity for film production with NBC Universal (NBCU) as an equity partner. NBCU has already pumped in US\$150mn for an effective indirect stake of 26% in NDTV Networks, the holding company for NDTV's entertainment and lifestyle channels.
- **ZNL acquired 26% in Akaash Bangla.** ZNL acquired 26% stake in Sky B (Bangla) Pvt, the company which runs the Bengali infotainment channel, *Akaash Bangla*. ZNL will handle the channel's marketing, advertising sales and programming for a fee. Sky B also holds 40% stake in ZNL's Bengali news channel, *24 Ghanta*
- **Tata Sky launches PVR services; BIG TV slashes prices.** PVR allows subscribers to time-shift their TV viewing via the record and playback feature. Tata Sky's PVR-enabled set-top boxes are priced at Rs8,999, but will be offered to existing subscribers at discounted rates. Meanwhile, Big TV brought down the entry price for its DTH service by Rs1,000 to Rs1,490 in a limited period festive offer, which includes installation charges, three-month subscription for 64 channels and one-month subscription for video-on-demand

Events to watch for

- **Upcoming launches of regional channel.** The STAR Group is set to launch *STAR Pravah* in November, while ZNL will launch *Zee Telugu News* in November and *Zee 24 Ghante UP* by end-FY09E. ZNL plans to invest US\$5mn in the UP news channel.
- **Face-off between TV producers and TV Workers Union.** The two unions have been disputing the terms and conditions at which producers engage cine workers. Seven Hindi GECs – *STAR Plus*, *Zee TV*, *Sony*, *Sahara One*, *Colors*, *9X* and *NDTV Imagine* – have issued an ultimatum to the two associations to resolve their differences by November 9, '08, failing which they will stop commissioning any fresh episodes.

Media Stock performance YTD CY08 – October mayhem

Individual Stock returns YTD '08



Source: Bloomberg

- In the October free fall, Media stocks in print and broadcasting fared better, whereas multiplex and content stocks saw a free fall
- We continue to favour companies with strong balance sheet and free cashflows (such as print companies, ZNL, Sun TV and TVTN)
- Multiplex and distribution stocks have seen the biggest fall and look attractive at current valuations versus historical ranges. We recommend avoiding them as business conditions are likely to deteriorate significantly with reducing earnings visibility



Stock price performance

Stock price performance

COMPANY	Last closing price*	Returns								
		1-Day	1-Week	1-Month	3-Months	6-Months	12-Months	YTD	From 52 week high	from 52 week low
Deccan Chronicle	43	(1)	2	(44)	(62)	(72)	(75)	(80)	(84)	14
H T Media	71	(5)	(4)	(35)	(39)	(51)	(65)	(72)	(73)	18
Jagran Prakashan	50	(0)	(2)	(24)	(22)	(41)	(60)	(68)	(72)	12
ENIL	140	(5)	(5)	(33)	(52)	(65)	(69)	(78)	(80)	24
Global Broadcast News	100	0	18	6	(1)	(22)	(47)	(58)	(61)	81
New Delhi Television	95	(4)	(7)	(50)	(75)	(77)	(73)	(79)	(81)	12
Sun T V Network	145	(5)	7	(23)	(41)	(56)	(53)	(64)	(67)	16
Television Eighteen India	76	(5)	(10)	(53)	(68)	(78)	(85)	(86)	(87)	13
T V Today Network	62	(5)	1	(3)	(38)	(46)	(61)	(66)	(69)	33
Zee Entertainment	144	(4)	3	(22)	(31)	(34)	(53)	(56)	(58)	58
Zee News	37	(4)	2	4	(14)	(39)	(35)	(54)	(60)	28
Adlabs Films	176	(3)	10	(38)	(67)	(76)	(80)	(87)	(91)	35
Cinemax India	42	(3)	3	(44)	(54)	(63)	(65)	(75)	(77)	23
Inox Leisure	39	(6)	1	(33)	(53)	(66)	(66)	(83)	(84)	29
P V R	98	6	12	(28)	(46)	(51)	(47)	(71)	(74)	28
Balaji Telefilms	66	(6)	(1)	(49)	(63)	(61)	(77)	(80)	(83)	6
Prime Focus	200	(4)	(4)	(41)	(57)	(69)	(82)	(84)	(87)	25
Saregama India	49	5	(8)	(25)	(54)	(63)	(82)	(84)	(87)	18
U T V Software	275	(31)	(45)	(63)	(64)	(65)	(61)	(69)	(76)	12
Dish T V India	17	(5)	19	(28)	(51)	(71)	(70)	(84)	(84)	42
Wire & Wireless (India)	11	(5)	32	(21)	(56)	(74)	(71)	(88)	(89)	49

* As on November 6, '08
Source: Bloomberg

Important terms/definitions

- GEC – General Entertainment Channel
- TRP – Television Rating Point
- GRP – Gross Rating Point
- Prime Time – 7.30pm to 11.30pm
- Oct-08 implies Week40-44 of CY08 (October 26, '08 to November 1, '08)
- TAM – Television Audience Measurement
- CS – Cable & Satellite Households
- HSM – Hindi Speaking Market

