Media Monitor – November '08

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

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- 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

| (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

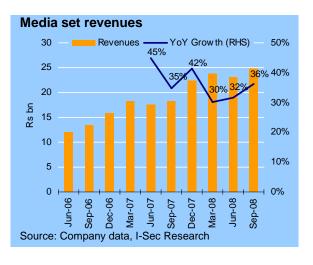
Positive surprises: ZNL, TVTN and Sun TV Network

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

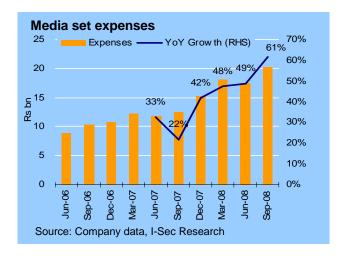
Companies which have cautioned and announced cost cutting: Network 18 group, UTV Software and ENIL.



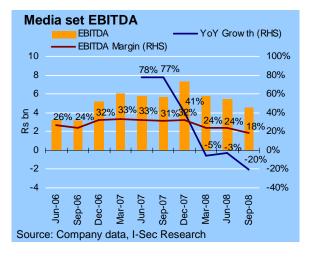
Quarterly media trends – Bulging costs



Revenue growth strong driven by Pay TV growth



Expenses bloat with newsprint & programming costs



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



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

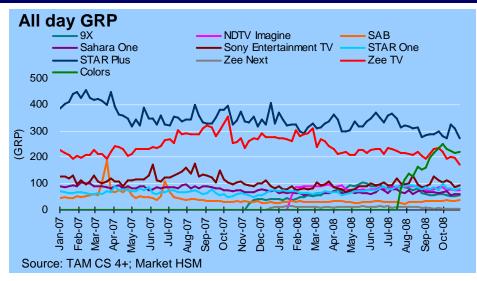


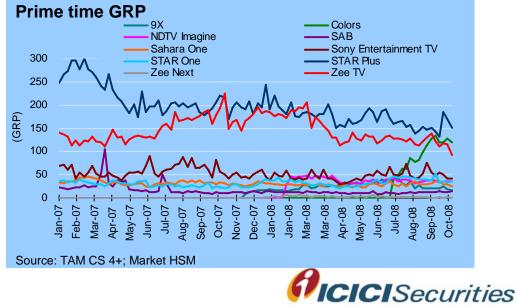
Hindi GECs – Colors retains #2

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)

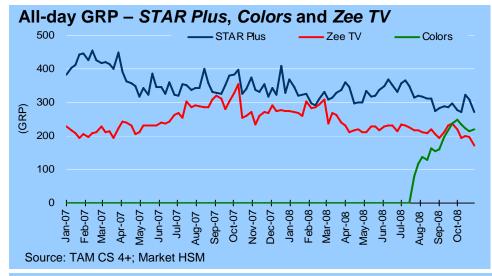


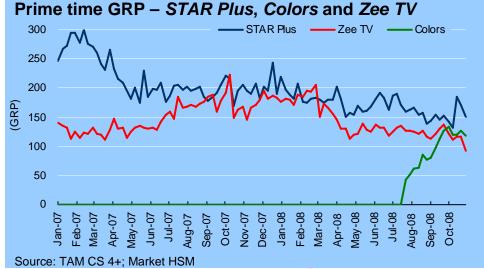


Hindi GECs – STAR Plus, Colors and Zee TV

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 YTDFY09 versus 6% in FY08

| Colors - Pro | gramme | performance | in | Week44, | '08 |
|--------------|--------|-------------|----|---------|-----|
|--------------|--------|-------------|----|---------|-----|

| Day (s) | Time Band | Programme | Highest TRPs |
|---------|---------------|------------------------|--------------|
| Mon-Fri | 07:00-07:30PM | Rahe Tera Ashirwad | 1.26 |
| Mon-Fri | 07:30-08:90PM | 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

| | | wk 41 | | | wk 42 | | wk 43 | | | wk 44 | | | |
|-----------|-------|--------|----------|-------|--------|----------|-------|--------|----------|-------|--------|----------|--|
| Channel | 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%

| | 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 Enterta | 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% |

| | Q4FY07 | Q1FY08 | Q2FY08 | Q3FY08 | Q4FY08 | Q1FY09 | Q2FY09 | Q3FY09 ³ |
|--------------|--------|--------|--------|--------|--------|--------|--------|---------------------|
| 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% |



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

| | | Augu | ıst | | | September | | | | | Octo | ber | |
|-----------------------|------|------|------|------|------|-----------|------|------|------|------|------|------|------|
| | 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

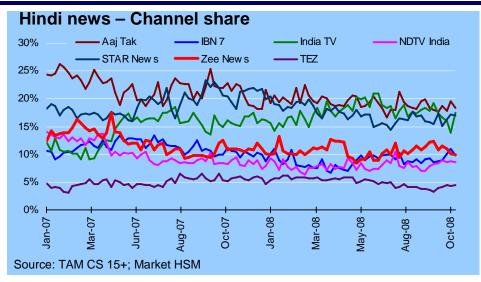
| Channel | Time | Days | Programme | Highest TRP Num | ber of times in Top 50 |
|-----------|--------------|-----------|--------------------------------|-----------------|------------------------|
| Colors | 8:00-8:30PM | Mon-Fri | Balika Vadhu | 7.85 | 6 |
| Star Plus | 9:00-9:30PM | Mon-Thu | Bidayi | 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 | 10:00-10:30P | Non-Thu | Hasee Aur Haseena | 2.9 | 4 |
| Zee TV | 10:00-10:30P | Non-Thu | Betiyann 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 | 1 Fri-Sun | Baa Bahoo Aur Baby | 2.56 | 2 |
| Colors | 10:00-11:00P | Mon-Sun | Big Boss Season 2 | 2.54 | 2 |
| Star Plus | 10:30-11:00P | Non-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 | 10:00-11:30P | N Fri-Sat | Saregamapa Challenge 2009 | 2.31 | 1 |
| Zee TV | 9:30-10:00PM | 1 Mon-Thu | Saath Phere | 2.29 | 1 |
| Colors | 7:30-8:00PM | Mon-Fri | Bandhan Saat Janamon Ka | 2.28 | 1 |

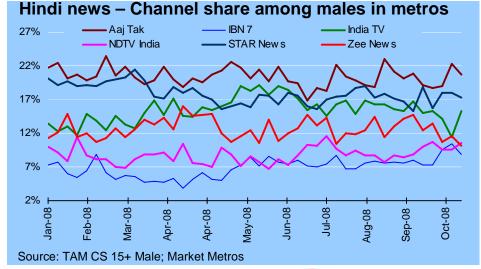


Hindi news

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



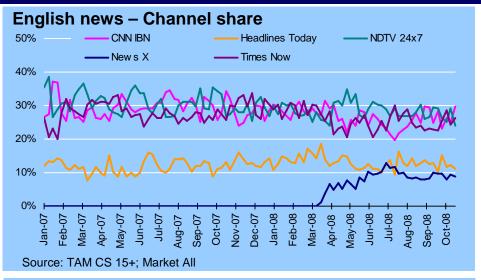


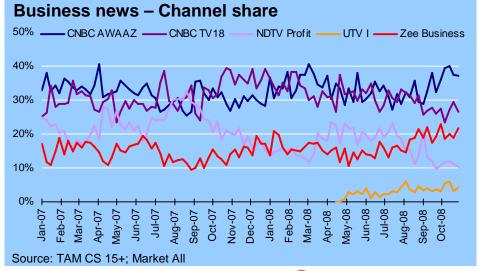


English and business News

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



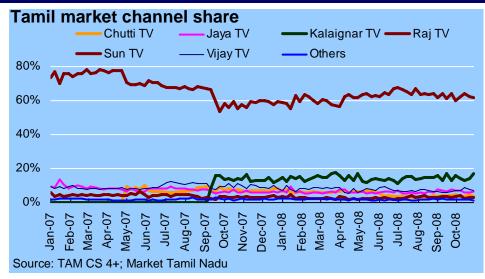


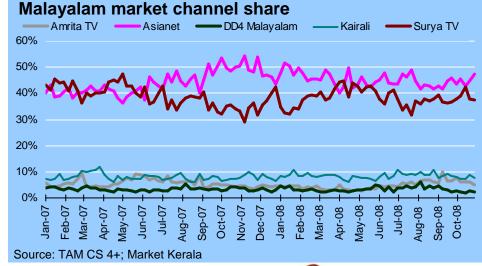


Regional GECs – Tamil & Malayalam

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

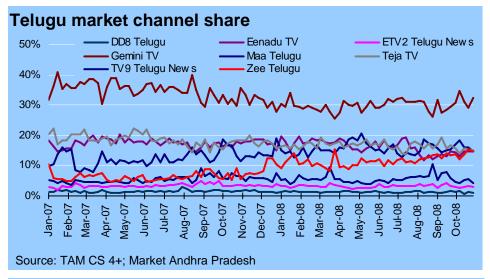


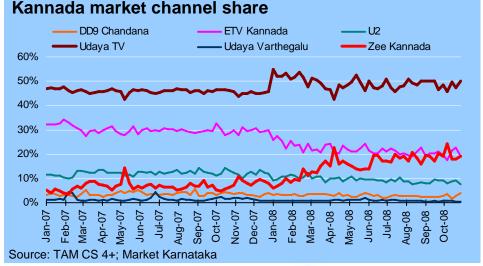


Regional GECs – Telugu and Kannada

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*





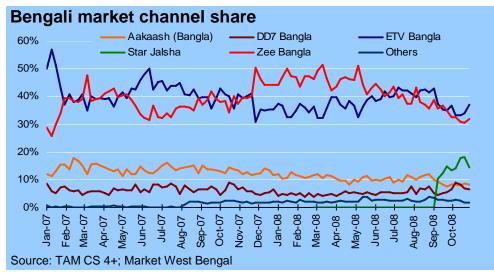


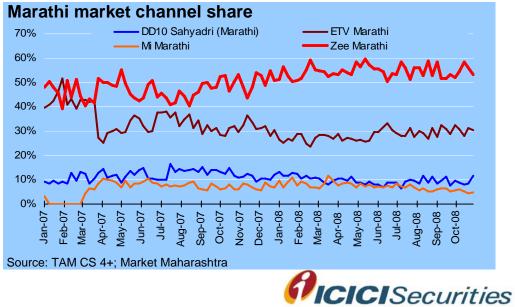
Regional GECs – Bengali and Marathi

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



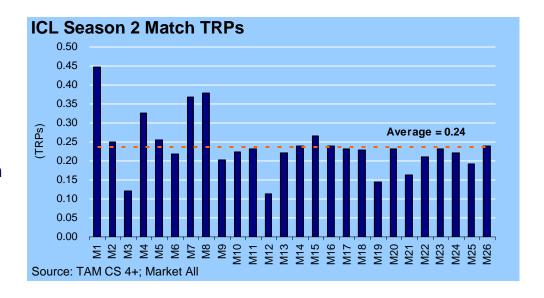


ICL season 2 – Poor performance again

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 | | | | | |

| | 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 | |
|---------------------------|---------|---------|---------|---------|-------------|-----|
| Total readership in '000s | | | | | Abs | % |
| 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% |



IRS – Metros witness lively competition

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

In Mumbai, *Tol* continued to lead with the new player, *DNA* unable to dent *Tol'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) | | | | | |

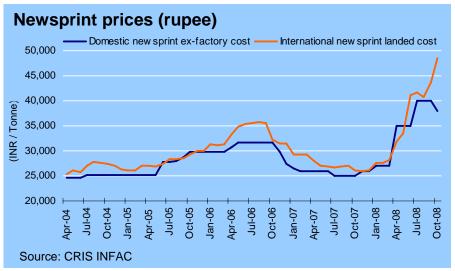


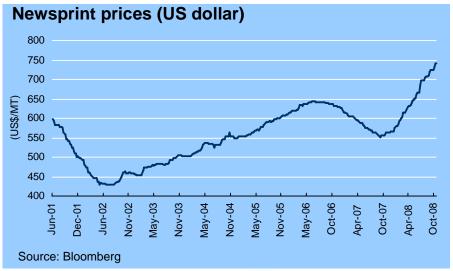
Newsprint – Domestic prices decline in October

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







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

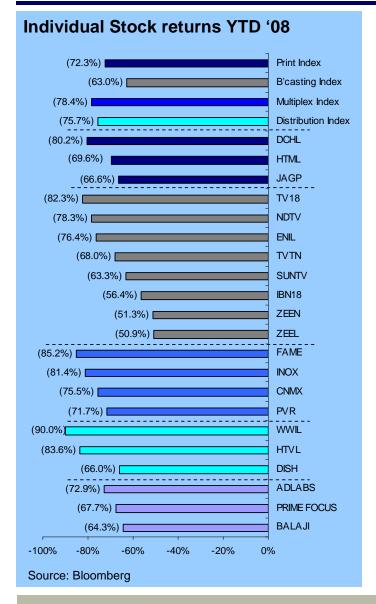


Events to watch for

- 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 YTDCY08 – October mayhem



- In the October free fall, Media stocks in print and broadcasting faired 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

| COMPANY | Last closing price* | | | | | | | | | |
|---------------------------|---------------------|-------|--------|---------|----------|----------|-----------|------|-------------------|---------------------|
| | | 1-Dav | 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 |
| PVR | 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



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