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SECTOR COVERAGE REPORT



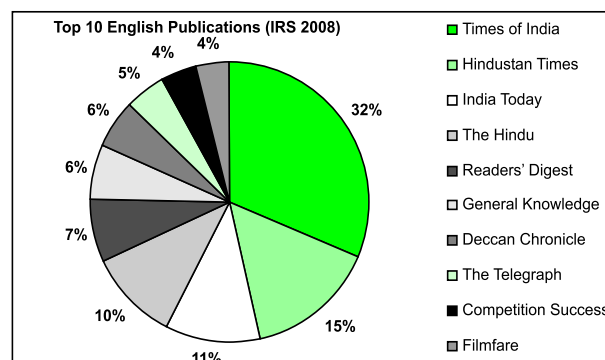
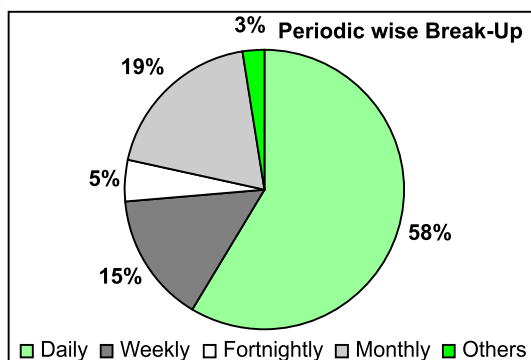
INDIAN PRINT MEDIA INDUSTRY

APRIL 2009

INDUSTRY - REVIEW

India is one of the few countries in the world to have large number of newspapers, which not only reflects the vitality and vibrancy of the media, but also the new vitality of our economy. The structure of the Indian print media industry is highly fragmented with importance to regional dominance. The Indian print media segment primarily comprises newspaper and magazine publishing. Book Publishing also forms part of the print media though currently the share is not substantial.

The large readership for newspapers transcends from the rapidly growing readership base growth of business newspapers, it also illustrates the growing interest that the general public now evinces in economic matters which reflect the growing importance of business and economy in our national discourse.



An industry report released on Feb 2009 by a leading chamber of commerce and a consultancy reported that Indian newspaper industry will grow at compound annual growth rate (CAGR) of 9% over the next five years. In 2008, it grew by 7.6 percent to reach Rs 168 billion. At 8-9% CAGR, the industry's size will be Rs 257 billion in 2012E. Looking at current economic meltdown the growth projection for the industry for 2009-13 has been lowered to 12.5% per annum from 18% predicted earlier for 2008-12. The economic slowdown has affected the print media also as it is largely driven by advertising. Competition from the internet and rising cost of news print has also brought down the profit margins.

The size of media industry in India as a portion of the GDP is estimated at 0.55%, which is lower than most of the developed and developing nations. Thus it offers a scope of high growth in this industry moving forward.

With rising education level in India, readership is expected to rise and with favorable demographics, advertising revenues will increase as advertisers start spending more to attract higher quality audience with more purchasing power.

AdEx to GDP ratio : Lowest for India

Country	AdEX / GDP (%)
USA	1.3
UK	1
JAPAN	0.9
CHINA	0.8
GERMANY	0.7
ITALY	0.6
INDIA	0.5
BRAZIL	1.6
THAILAND	1.3
S. AFRICA	1.1

The Indian print media industry netted billions of foreign investment in the last three years; few papers like Business standard have tied up with Financial Times of London. Business newspapers

Have the ability to carry the message in greater detail and clarity, more in-depth information and analysis, which helps companies and their business. All the business newspapers in India (Economic Times, Business Standard, Financial Times, Business Line, Mint and Financial Chronicle) are working strategically to increase their sales. The English medium dominates the industry in terms of advertisement revenues, though vernacular newspapers outperform the English newspapers in circulation. **More recently, Warburg Pincus moved \$33 million into the Dainik Group and DE Shaw invested \$39 million in Amar Ujala Publications**

Newspaper	Place of strong hold
Jagran Prakashan	UP & Uttaranchal
Times of India	Mumbai
HT Media	Delhi, Bihar, Jharkhan
Deccan-Chronicle	Andhra Pradesh
The Hindu	Chennai
The Telegraph	Kolkatta
Deccan Herald	Bangalore
Punjab Kesari	Punjab

PRINT MEDIA - REGIONAL DOMINANCES

Newspapers reach only 35% of our adult population even though the adult literacy is about 65%. To build this gap between readership and literacy and also to remain competitive the publications have kept their prices low and depended entirely on advertisers to subsidize the reader and to increase the sales.

Present scenario is such that by the time, they see a newspaper, most people have already learned about breaking news stories on television or radio. Readers rely on newspapers to provide detailed background information and analysis, which television and radio newscasts rarely offer. Newspapers not only inform readers that an event happened but also help readers understand what led up to the event and how it will affect the world around them.

REVENUE MIX OF PRINT MEDIA INDUSTRY

The Indian print media industry's market size is estimated at Rs149bn in 2007 and is slated to record 12% CAGR over 2009E-12E. Advertisement revenues account for more than 65% of the print industry and is expected to grow at 14% CAGR over FY09-12 while circulation revenue is expected to grow at 7.6% CAGR over the same period.

