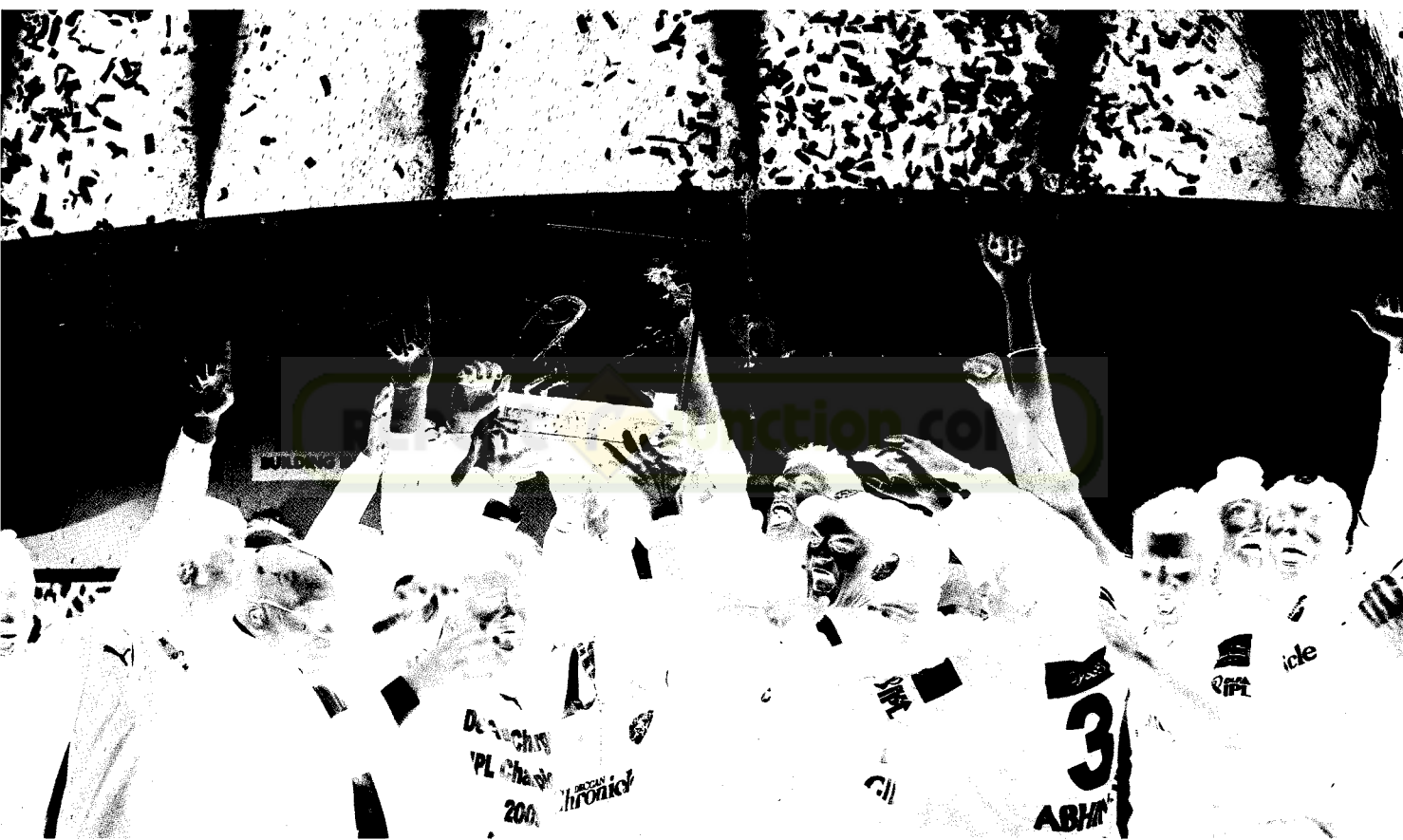




Annual Report 2008-09



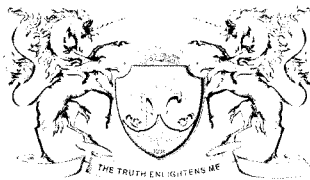
No.1 newspaper in the South

No.1 team in the IPL

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Dear Shareholders,

Your company has become the largest circulated English daily in South India with a daily circulation of 13,33,668 copies daily as certified by the Audit Bureau of Circulation across the cities of Hyderabad, Bengaluru & Chennai for the period June – December 2008.

We are the leaders, a vision has been realised and a mission accomplished, your company is the Champion of the south and the Champions of the IPL – season – 2009 as well, congratulations to all our stakeholders.

Financial Chronicle now gets published in Hyderabad, Bengaluru, Chennai, Mumbai & New-Delhi, we see great growth potential for this product in the years to come.

The global economy its pains and several structural changes and paradigm shifts has not been easy for your company either, in the last fiscal with the price of crude spiraling to US\$ 150 affecting our freight cost of newsprint shipments besides the cost of newsprint itself at an all time high of US\$ 980 per tonne landed cost, together with de-growth in the advertising volumes were difficult and have affected profitability, further your company's profits were also impacted by the appreciating US Dollar and depreciating Indian Rupee.

As I write to you all today things have turned around, crude oil is quoting at US \$ 65, inflation is negative, the Rupee is appreciating, and above all newsprint is at US\$ 500 a tonne, environment has changed business volumes have improved and the following fiscal is definitely going to be good, besides the world's largest democracy has given a decisive mandate a new stable Government at the Center has brightened the scenario further.

There is also a positive in the downturn, real estate bubble has bust and rentals are realistic this has benefited your retail division immensely, Odyssey has grown from 24 stores and 1,42,198 sq ft in 2007-2008 to 45 Stores and 2,60,152 sq ft at the end of 2008-2009 with 7 Stores in the North, 28 in the South and 10 in the West, many more on the way ensures it will emerge as the largest national chain in its segment.

Your company continues to invest in the future of content flow & management with investment and growth in the web through its subsidiaries, Sieger Solutions & Netlink, we have created multiple properties that are definite to reap benefits in the years to come.

On behalf of the Management, I assure that your company will continue to grow its size and profitability, overcome challenges, be prepared for new opportunities and markets besides mitigating risks to the best of our abilities.

I take this opportunity to thank our Board of Directors for their support, suggestions and our committed employees, also a special thanks to all our shareholders, valuable readers.

Sincerely,

P.K. Iyer
Managing Director



Champions of the south

IT HAS BEEN A DREAM

HOW do you write about a job you do not consider done? At *Deccan Chronicle* we have a tradition of not viewing our own achievements with too much sentiment.

Every day is a fresh start, propelling us forward based on what we have learnt yesterday and what remains to be learnt tomorrow.

But the present chapter, which we can modestly describe as a glorious one, allows for a self-congratulatory pause.

STAR OF THE SOUTH



13,33,668

global content, which we called infotainment.

Today, we occupy the numero uno position in the south of

Ten years back, *Deccan Chronicle* was positioned at an undistinguished No. 10 in the roster of top 10 most-read English newspapers in the country.

From a regional paper we determinedly turned national in look and outlook, and then international. The name we coined to describe ourselves was glocal. A great mix of the local news and

India and it has been a fantastic ride, filled with fun and passion for all of us involved. We have on board a professional team that enjoys the job it is doing, and therefore we do not hear the dreaded corporate word "stress." We have come to understand first-hand that when you love your job and enjoy being on top of things, it can only translate into a high. High up we are, and we aim to go higher.

TOP NOTCH

After our launch in Bengaluru, last year, *Deccan Chronicle* has emerged as the **undisputed top-selling** English daily of the South. It would be fairly accurate to say that our deliberate attempts not to preen and intellectualise on any subject, whatever may be the gravity, while giving high-quality fare, has been one of our stepping stones to success.

We celebrated our 70th anniversary not with another supplement and huge ad spends and announcements about ourselves but with the launch of our Bengaluru edition. It was a memorable milestone for us. We had a massive task ahead of us — to catapult ourselves as the King of the South.

AMONG ENGLISH DAILIES IN THE SOUTH, CHRONICLE ACCOUNTS FOR MAJORITY OF THE MEASURED AD VOLUMES IN HYDERABAD AND IN CHENNAI.

DC HAS 5.00 MILLION
READERS IN 3
CRUCIAL STATES.
48% READERS ARE
IN SEC AB.
44% HAVE A
BACHELOR'S OR
MASTER'S DEGREE
54% ARE WITHIN
THE TOP 10
PERCENTILE OF THE
HOUSEHOLD
PREMIUMNESS
INDEX, AN INDICATOR
OF THEIR DISPOSABLE
INCOME LEVELS.

Bengaluru baby delivered in less than seven months.

The Bengaluru figures do not in any way diminish what we have achieved in Chennai. We created history and establishing beyond doubt that Chennai had changed, and was looking for change.

A point to be noted though is that whatever may have been our national position in the ABC ranking, DC has always been the No. 1 paper in Hyderabad. Each time any new entrant came into our market there would be talk of us being eliminated from the top slot but each time we took our competition seriously.

The Bengaluru edition helped us achieve our goal. It's a great moment to celebrate all right, but our final task is as yet incomplete. Our aim and ambition is to be the market leader. Given our incredible growth and will to succeed this is not impossible.

The figures speak for themselves. In the three southern markets — Andhra Pradesh, Karnataka and Tamil Nadu — where we compete for the reader's mindspace.

Year on year *Deccan Chronicle* has backed its claims by producing audited figures. We are the only English newspaper in history that applied for ABC audit the day we launched our Bengaluru edition

on May 27, 2008. The audited figures for June 2008 placed us at one lakh copies.

The Chennai edition took nearly 16 months to deliver the figure that our

OUR BUSINESS DAILY,
FINANCIAL
CHRONICLE,
IS INDIA'S 6TH
NATIONAL
BUSINESS DAILY IN
ENGLISH
IT HAS 5 EDITIONS IN
DELHI, MUMBAI,
BENGALURU, CHENNAI
& HYDERABAD





were the first to introduce TV Guide free with the paper, and remain the only ones to do that. What we do at DC may appear seemingly easy because we do not make a song and dance about it, but it is an hard act to follow.

Each day of the week has special features that address the entire gamut of reader interest. The *a la carte* spread has something for every reader across all age groups and gender.

We always remember that the consumer who loves food, comics, astrology and entertainment is our reader as much as the sports enthusiast or the political animal or the news junkie. And we strive to deliver information on all subjects with equal passion and commitment. At the DC editorial team you are expected to stay engaged in all aspects that interest the reader, be that TV soaps or editorials.

DECCAN
CHRONICLE GROUP
HAS ENTERED THE
MAINSTREAM OF
LIFE IN EVERY
POSSIBLE WAY.
THE GROUP HAS
CONNECTED WITH
KIDS THROUGH THE
INNOVATIVE
NEWSPAPER IN
EDUCATION
INITIATIVE

<http://www.papyrusclubs.com>
WHICH HAS LARGE
NUMBER OF
MEMBER SCHOOLS

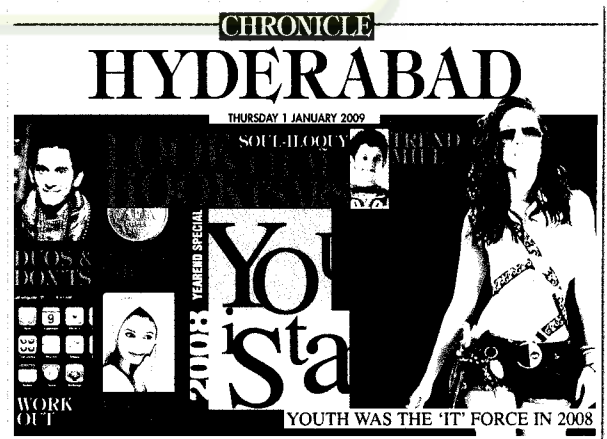
YOUNG ACHIEVERS

BY NEWSPAPER years we are very youthful at 71. It is this youthfulness that has been the hallmark of this paper. Looking old and sounding like a sage is no advantage in the newspaper industry. If you cannot be young and vibrant and crackle with information that the reader can discuss or use, you will have to retire from the race for the top slot.

The design changed. The masthead changed.

The outlook changed. The approach to news and stories changed.

The only constant at DC has been change. We were one of the first papers in the south to understand that the future lay in giving the reader more options. With this in mind DC introduced a supplement a day over 20 years back. The reader had, and still has, something new to look forward to each day. If it is *Lifestyle* every Friday, it is *TV Guide* on Saturdays. We



INDIA'S 4TH LARGEST CIRCULATED AND READ ENGLISH DAILY HAS A HIGHER YOUTH READERSHIP.

The catalogue of changes we have implemented are many.

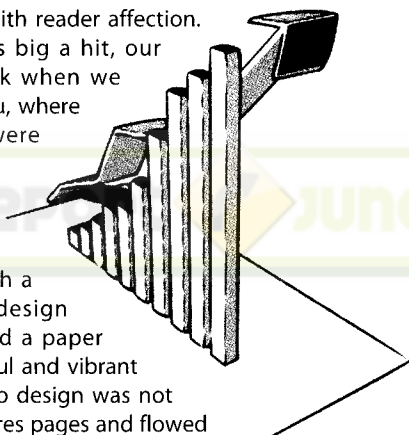
We were the first mainstream paper to introduce the tabloid format daily when we launched our Chennai edition. The tabloid encapsulated the irreverence of youth which mocked at all things traditional. This ideal combo of the broadsheet and tabloid took Chennai by storm, as it did Hyderabad, and later Bengaluru. As expected the tabloid grabbed the attention of the

Chennai youth. The youth turned to us, they have in every market we have ventured into. In Chennai, it was the traditional reader turning to us which was the final triumph. The broadsheet was filled with a rich range of articles from the best publications in the world — *The New York Times*, *International Herald Tribune*, *Dawn* and *The Spectator* charmed the voracious Chennai reader.

All improvements and changes in the paper have received a huge response in Andhra Pradesh where we have been lavished with reader affection.

If the tabloid was as big a hit, our completely new look when we launched in Bengaluru, where all our newpages were given new design elements, went down well with all our readers.

Bengaluru, a city with a strong sense of design aesthetics, demanded a paper that looked as youthful and vibrant as it claimed to be. So design was not restricted to the features pages and flowed into the newpages too.



READER + YOUTH = SUCCESS

THE reader and youthfulness.

These are the two magic mantras that have helped us on our way to the top. Our reader has been the single-most important ingredient of the incredible *Deccan Chronicle* success story. And the emotional bond we share with our readers is unmatched. Be it a cyclone or a child with cancer or heart ailment, *Deccan Chronicle* has only had to publish a request for help and it has come pouring in, connecting the reader with the cause. We have been careful to remain the medium between the reader and the issue. When the government of Andhra Pradesh identified thousands of children with

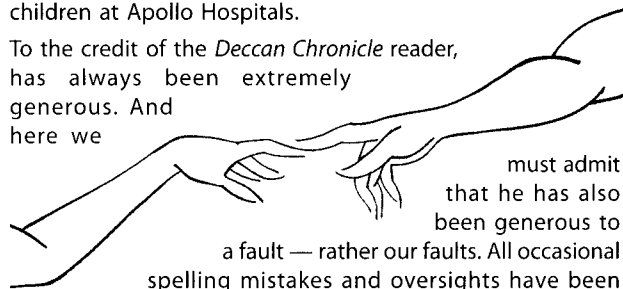
congenital heart condition and in need of surgery, *DC* launched *Dil Se*, a campaign to help the children as the government and the hospitals were ready to pitch in. The response from our readers was so overwhelming that their contributions paid for the cardiac surgery of 1,000 children at Apollo Hospitals.

To the credit of the *Deccan Chronicle* reader, has always been extremely generous. And here we

must admit that he has also been generous to a fault — rather our faults. All occasional spelling mistakes and oversights have been forgiven but not overlooked. Be it with the weather forecast, Rahu Kalam, Phantom comics or shoddy proof-reading. Our email boxes will show how many of our readers have noticed our gaffé and, interestingly and importantly, took the time to alert us as he would not like to see his favourite paper appear slipshod.

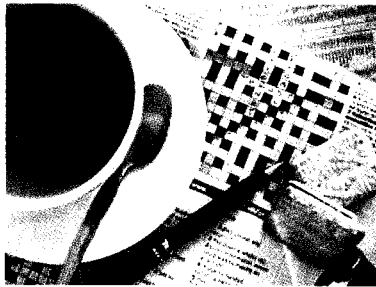
A personal note of acknowledgement and apology to the reader is always sent. This has only helped strengthen the bond. Any complaint the reader has, be it with the telephone services or the auto driver, the drain or the water supply, has expected us to pick the cause — and has not been disappointed. The payback too has been ample. They send us pictures and reports of any notable event they feel deserves to be reported. From mistakes in exam question papers, to fire in a cell tower to corruption, readers have tipped us off. In gratitude, we have opened a column we call "DC reader reports."

The youth element comes only from our young readers, a large component is from the young team that holds extremely senior positions. We may perhaps be the only newspaper that has a 23-year-old as features editor and a 27-year-old as assistant editor. They think young, write young and lead a team without wearing the weight of their "seniority" too heavily.



TIME FRAME

THE YESTERYEAR reader will still recall with sentiment his first poem or picture being published in *Deccan Chronicle*. But from being local if today *DC* can say it has gone global, it is because the reader has. Not only because the global village is a reality and issues like international terrorism and climate change impact our lives, but also because every family has spread its wings, and technology has so broadened its horizon that it thirsts for information beyond borders. This is not to say we print all the news that is fit to print but only what interests the reader and, importantly, fits his time-slot. This is the other important part of our success. Give the reader not only the reading he seeks and fit it within the quality time he spends with the paper. The time the reader spends reading the paper is what draws the advertiser in. If the newspaper is unable to get the reader and the advertiser to connect, we will lose both. A look at the space that ads in *Deccan Chronicle* consume gives an accurate reading of how well the reader connects with the advertiser.



There is much talk about the extended media and how news is being delivered over the Internet, the cellphone via blogs, Facebook and Twitter etc. But even in places like the United

States the total number of readers who read their papers on the Internet is some 3 or 5 per cent, and in India less than one per cent. And for all the people who sing paeans to the new media we have just one question: If it were so popular, how come globally no one has been able to monetise it? When television arrived there were obituaries written for newspapers.

Then came the Internet and the coffin was sought to be reburied. With the arrival of news on your cell there was a serious attempt to bury the coffin, except that a

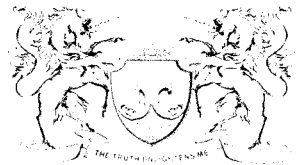
good newspaper refuses to die and just keeps reinventing and rejuvenating itself. Frankly how would the reader find what he can view on the multiple channels if he was not informed in print? Ditto with the internet. There is only so much time a busy individual will waste trawling the net which is inundated with trivia. Informing him of the most useful and informative sites helps. So the more the media multiplies more the readership grows as everyone looks to the paper to make his life simpler.

SIMPLE AND CLEAN

THAT'S HOW we have kept not just the elements in the paper but the work ethics too. Simple regulations are followed rigorously.

All news is verified not just for accuracy but for any slant that may have crept in, however unintentional.

All parties in a story are quoted. Announcements do not make news. No pandering to individuals, institutions or parties. No reporter can fight his battle in the news pages, no reporter can benefit from what he/she reports. News is what the reader has not already heard on the television or read on the Internet. News must interest the reader. Reports must be filled with facts, but not be long-winding. It takes a reporter of fine mettle to enjoy working under such stringent guidelines, so we have only the best on board. While the reporter may take a whole day or more to file his report the editorial desk has less than 2 to 3 hours to fine-tune it and ensure it gets a good display. Over the years the newsdesk has had to become as adept at design as the features desk as a drab display diminishes the strength of the story. To guard against personal biases being reflected in the paper, renowned columnists from across the globe are invited to write on the edit and op-ed pages.



www.deccanchronicle.com

HAS OVER 5
MILLION PAGE
VIEWS A MONTH.
THE SITE RECORDS
1 MILLION VISITS A
MONTH,
51% FROM THE
UNITED STATES

