HT MEDIA LIMITED

ANNUAL REPORT
2016-17

ENRICHING AND EMPOWERING INDIA

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Smt. Shobhana Bhartia
Chairperson & Editorial Director

Shri K.N. Memani
Shri N.K. Singh
Shri Ajay Relan
Shri Vikram Singh Mehta
Shri Priyavrat Bhartia
Shri Shamit Bhartia

Shri Dinesh Mittal
Whole-time Director, Group General Counsel & Company Secretary

CHIEF EXECUTIVE OFFICER
Shri Rajiv Verma

GROUP CHIEF FINANCIAL OFFICER
Shri Piyush Gupta

STATUTORY AUDITORS
S.R. Batliboi & CO. LLP

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Cautionary Statements

Certain statements in this Annual Report may be forward-looking statements. Such forward-looking statements are subject to risks and uncertainties like regulatory changes, local political or economic developments, technological risks and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. HT Media Limited will not, in any way, be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Disclaimer: All data used in the initial sections of the report (including the MD&A) have been taken from publicly available sources, and discrepancies, if any, are incidental and unintentional.

ENRICHING AND **EMPOWERING INDIA**

At HT Media, our objective has always been to empower people with information and insight that enrich their lives. Our insightful information is unbiased, and enables our readers to make informed choices with a broader perspective. We empower India by shaping public opinion with our impartial news and views.

A GLIMPSE OF **HT MEDIA**

HT Media is among India's preferred media companies in print, radio and digital segments. Our pivotal print businesses include 'Hindustan Times', 'Hindustan', and 'Mint'. In the digital space, we manage multiple web portals. With FM Radio Stations 'Fever' and 'Radio Nasha', we enjoy a significant position in the key markets. HT Media's foray into education empowers and transforms the youth. Our 'Bridge School of Management' sets high standards for management studies, while 'Studymate' is a popular mode of tutorials for school students. Through information, education and entertainment, HT Media is committed to bring a positive change in the lives of its readers, listeners and students.

OUR BRANDS THAT SPEAK FOR US

PRINT

HINDUSTAN TIMES
India's preferred English newspaper; No.1 newspaper in Delhi-NCR and No.2 in Mumbai in terms of readership

MINT
A business daily, specialising in insightful coverage of business and economy; distributes a weekly newspaper 'MintAsia' in Singapore and Kuala Lumpur

HINDUSTAN
The leading Hindi newspaper of India. No. 1 readership in Bihar, Jharkhand and Uttarakhand and No. 2 in Uttar Pradesh and Delhi

HT CITY & HT CAFE
Daily supplements in HT Delhi and HT Mumbai, respectively; covering entertainment, city, campus and lifestyle

BRUNCH
The Sunday magazine supplement with Hindustan Times that covers travel, music, celebrities, food and gadgets, among others

NANDAN AND KADAMBINI
Legacy Hindi magazines for children (Nandan) and family reading (Kadambini)

DIGITAL

SHINE.COM
Leading job portal connecting job-seekers and recruiters

DIGITAL QUOTIENT
Mobile marketing and engagement solution provider across mobile, social media and internet space

HINDUSTANTIMES.COM
English news website

LIVEMINT.COM
Business news website

LIVEHINDUSTAN.COM
Hindi news website

DESIMARTINI.COM
Movie reviews and ratings site

EDUCATION

STUDYMATE
An education initiative in Delhi-NCR for supplementary tutorials for classes VIII-XII

BRIDGE
World-class management school offering Business Management/ Predictive Business Analytics programmes at its centres located in Gurgaon and Noida

HT CAMPUS
An education portal that offers comprehensive information on courses offered in colleges/ institutions in the country

RADIO

FEVER
Leading FM radio station, operating in Delhi, Mumbai, Bengaluru, Kolkata, Chennai, Hyderabad and seven cities of Uttar Pradesh

RADIO NASHA
The brand-new FM station in Delhi and Mumbai, playing retro music

OTHERS

HT LEADERSHIP SUMMIT
The forum where International and Indian visionaries lay out their blueprint for the future

QUICK FACTS

215 MN
Pageviews across digital properties in March 2017

51 MN
Unique users across all digital properties in March 2017

NO. 1
HT readership ranking in Delhi-NCR region

NO. 1
Hindustan's readership ranking in Bihar, Jharkhand and Uttarakhand

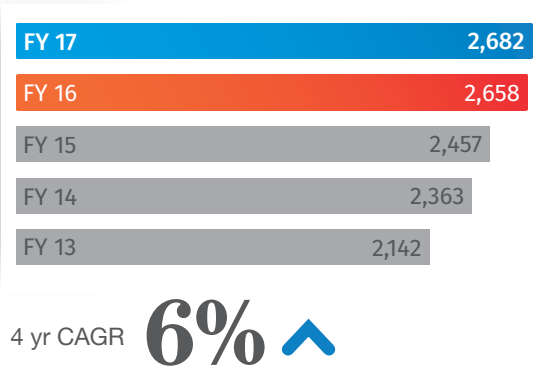
350+
Weeks of leadership by Fever FM in Delhi

NO. 2
Radio Nasha's rank in Delhi

4,000+
Students studying with Studymate

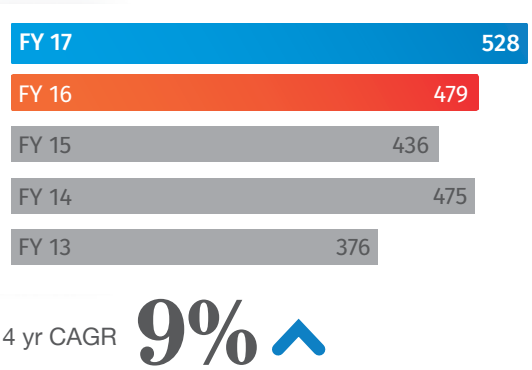
FINANCIAL PERFORMANCE

TOTAL INCOME (₹ In Cr.)



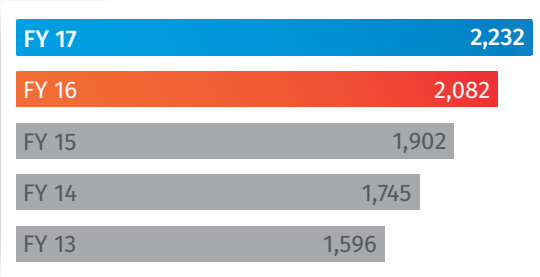
4 yr CAGR **6%** ▲

EBITDA (Before Exceptional items) (₹ In Cr.)



4 yr CAGR **9%** ▲

NET WORTH (₹ In Cr.)



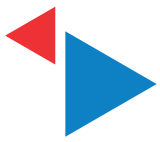
CHAIRPERSON'S MESSAGE

DEAR SHAREHOLDERS,

India remained one of the world's fastest growing economy in 2016-17. Despite headwinds and short-term disruptions, the country's economy grew 7.1% last year. It remains a preferred destination for foreign investment, ahead of China and the US for the second successive year, according to FDI Intelligence, a unit of the Financial Times.

The year was even more significant because it saw the Indian government take steps towards new fiscal and tax policies supported by a more robust statistical framework to report economic numbers. Some of these new measures have since been implemented, most notably, the unified Goods and Services Tax from 1st July, 2017.

In 2016-17, India's media and entertainment industry grew by 9.1%, powered by growing demand for entertainment and knowledge in an expanding economy. The Indian digital media ecosystem has become especially vibrant, with non-linear TV offerings competing against traditional broadcasters, and digital-only news start-ups fighting it out with established media companies. At stake are relevance, salience, and of course, revenues.



Not surprisingly, one of our main focus areas in FY 2016-17 was to identify a digital strategy to build a news media company of future, and develop the capabilities required to become one.

NEW MEDIA, AND OLD

A growing economy, rising consumption, and the emergence of a thriving digital ecosystem present significant opportunities to a company such as yours. Not surprisingly, one of our main focus areas in FY 2016-17 was to identify a digital strategy to build a news media company of future, and develop the capabilities required to become one. In FY 2015-16, we created a state-of-the-art integrated newsroom and last year, our three news brands leveraged this newsroom to up the quality and relevance of their digital offerings.

Our website hindustantimes.com ended the year doing around 100 million monthly page views and 30 million monthly unique visitors, while livemint.com became one of the leading destinations for business news in the country with around 30 million monthly page views and 11 million monthly unique visitors. In the entertainment segment, desimartini.com became the No.2 movie entertainment content website in the country.

This focus on digital hasn't come at the cost of our print business, which continues to remain one of our strengths. We have worked to ensure that our three newspapers are in step with the new India. We have also made significant investments in

We will continue to be innovative with our print offerings, grow our digital footprint, including with digital-only products, and expand our radio business.

training our journalists. Our flagship newspaper Hindustan Times continued to maintain its strong position in the English newspaper segment, including in the country's two biggest markets of Delhi and Mumbai. Mint remains India's second widely read business newspaper and continues to win national and international awards for its work. Our Hindi newspaper Hindustan is the leader in Uttarakhand, Bihar and Jharkhand, and a strong second in Uttar Pradesh and Delhi.

In FY 2016-17, we strengthened our radio operations by launching FM Radio stations in seven cities in Uttar Pradesh and Hyderabad in addition to second frequency in Delhi and Mumbai, which were launched last year. Fever FM continues to enjoy a significant position in the radio markets where it operates. Radio Nasha has gained immense popularity, both in Delhi and Mumbai, since its launch.

REACHING OUT

Our effort to engage with audiences and society at large extends into the offline domain. At one level, events such as the Hindustan Times Leadership Summit and Hindustan Shikhar Samagam provide a platform for thought leaders to discuss and deliberate issues of relevance to the country and even the world. At another, our thematic and industry-focused events such as the Mint - MIT Emtech Conference and the Mint Annual Banking Conclave deepen our engagement with key interest groups. And at still another, our regular community outreach and socio-economic development programmes nurture our deep-rooted bond with society.

POWERING AHEAD

As we continue our journey, we will always align ourselves with our core values and the preferences of the new India.

We will continue to be innovative with our print offerings, grow our digital footprint, including with digital-only products, and expand our radio business.

Our performance so far, and our initiatives going ahead, are both driven by people. I thank my colleagues on the Board of Directors for their support and guidance, and our employees for their relentless drive to take HT Media to the next level. I would also like to continue to thank our shareholders and vendors for their continued support and partnership.

Thanking you,

Shobhana Bhartia
Chairperson and Editorial Director

MESSAGE FROM THE CEO

DEAR FRIENDS,

2016-17 was a year of structural change for the economy and your Company. Our policymakers pushed through initiatives aimed at the medium-to-long-term, even as they sought to ensure the country remained on its current growth trajectory. The benefits of these initiatives will become evident over time, but there is no doubt they are required to build the India of future.

At HT Media, our focus in 2016-17 was similar to consolidate our gains over the past few years, ensure our costs are in alignment with the realities of the marketplace, and build a digitally-oriented company of the future.

Expectedly, given the pace of digital transformation of the media landscape, our print business came under pressure, even as our new businesses did well. Our new radio stations are up and running (and also generating revenue). The revenue and operating profit of our entire radio business has substantially grown over the previous year. Additionally, our digital businesses continue to grow.

The transition in the marketplace was evident in our numbers – HT Media's operating profit (EBITDA) grew 10.2% in 2016-17 over the previous year, from ₹ 479 crore to ₹ 528 crore, even as consolidated revenue grew by just 1% to ₹ 2,682 crore.

In the digital space, the Company has made significant progress by increasing revenue from ₹ 140 crore in FY 2015-16 to ₹ 151.4 crore in FY 2016-17. Desimartini.com witnessed growth of over 50% in visits and over 65% in page views, vis-a-vis the previous year. Shine.com registered revenue growth of 30%.

SEGMENT PERFORMANCES

In print, Hindustan Times (HT) continued to maintain its leadership in the Delhi-National Capital Region. It remained the second most read newspaper in Mumbai. Hindustan, India's leading Hindi daily is a leader in Bihar, Jharkhand and Uttarakhand and No. 2 in Uttar Pradesh and Delhi.

In the digital space, the Company has made significant progress by increasing revenue from ₹ 140 crore in FY 2015-16 to ₹ 151.4 crore in FY 2016-17. Desimartini.com witnessed growth of over 50% in visits and over 65% in page views, vis-a-vis the previous year. Shine.com registered revenue growth of 30%.

Our radio business crossed the ₹ 150 crore revenue mark, growing 36% over the previous year. The revenue growth was driven by the successful and early launch of stations acquired under phase-III license auctions.

Our efforts through the year have left us well placed in our new businesses. In the year ahead, we will ensure that our print business continues to deliver value, our radio business consolidates its leadership position, and our digital businesses continue to grow.

KEY INITIATIVES

Our priority in the last financial year was the philosophy of 'digital first'. We successfully rolled out our integrated newsroom, massively enhancing the digital output. The newsroom is powered by world-class content management systems, and partnerships with digital giants, such as Google and Facebook.

The infrastructure we have created, and the capabilities we have acquired (and continue to acquire), have made our newsroom processes more efficient, enabling us to offer news (often in real-time), views, analysis and videos. They have also enhanced our data analytics capabilities – helping us understand our audience better and serve both, them and our advertisers.

On the technology front, the organisation introduced a sales automation system for HT, Hindustan, Mint and the radio business to serve advertisers better. All our content websites received a significant makeover in the course of the year. They are optimised for mobile, which is rapidly emerging as the medium of choice in India.

Our efforts through the year have left us well placed in our new businesses. In the year ahead, we will ensure that our print business continues to deliver value, our radio business consolidates its leadership position, and our digital businesses continue to grow.

With warm wishes,

Rajiv Verma
Chief Executive Officer

CONNECTING WITH OUR READERS, DIGITALLY

As readership evolves from print to digital media, with a robust penetration of mobile, internet and smartphones, India witnesses a surge in alternative screens for media consumption. To be in step with this digital drive, we have made significant developments in the digital front.