

heernet ventures

Private equity sets the pace for investment in Indian media according to new research by Heernet ventures

February 28 - Private equity investors are edging out media companies in the race to invest in the Indian media market, according to research from the media advisory firm, Heernet ventures. Over the last 15 months, groups such as 3i, Sequoia Capital, Blackstone and Matrix Partners have made a substantial number of investments in the Internet, print media and broadcasting sectors. Key transactions include: Blackstone's US\$275 million investment in the Eenadu Group; 3i's US\$45 million investment in the sports content producer and broadcaster, Nimbus Communications; and Canaan Partner's US\$8.7 million co-investment (with Yahoo) in the online classified group, Bharat Matrimony.

Whilst online media is arguably the most active, the average deal size is small at around US\$8-10 million. Key online verticals such as matrimonials, recruitment and travel have attracted approximately US\$100 million of private equity investment in the last 2 years, with four investments (yatra, cleartrip, makemytrip and travelguru) in the online travel segment accounting for a third of the total.

Harjinder Singh-Heer, Managing Director of Heernet ventures said "our research indicates that the sectors most in favour include radio, Internet, broadcast content and print media. Radio is going through a major expansion as the new "Phase 2" licenced stations are launched; demand for television content is also extremely buoyant as DTH services come on air. Print media remains an attractive sector due to growing market penetration and double digit growth in adspend. Blackstone's investment in the Telegu language publisher, Eenadu Group is a vote of confidence in the excellent growth prospects for India's local language media."

Heernet ventures have published three market reports: Indian media; Indian publishing; and Indian film and television. They provide an in-depth strategic and financial assessment of the current state of the industry and its future prospects (including 5 year growth forecasts). Each report also contains profiles of leading public and privately owned media companies. The reports are essential reading for companies and financial investors interested in opportunities in India's media sector.

Heernet ventures is a UK-based media advisory firm; it also has offices in Gurgaon, India. The company advises media companies on strategy and business development and has worked with many clients on their India strategy.

For more information, contact Harjinder Singh-Heer.

Tel: + 44 208 180 7223

Email: harjinder@heernet.com.