



**MEDIA PRIMA BERHAD** (532975-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 DECEMBER 2013**

The Board of Directors of Media Prima Berhad (“MPB” or “Company”) is pleased to announce the unaudited consolidated results of Media Prima Berhad Group (the “Group”) for the financial year ended 31 December 2013.

This interim report is prepared in accordance with the basis or preparation in Note A1 and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“BMSB”) Listing Requirements, and should be read in conjunction with the Group’s audited annual financial statements for the financial year ended 31 December 2012.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	NOTE	INDIVIDUAL QUARTER 31.12.2013	31.12.2012	CUMULATIVE QUARTERS 31.12.2013	31.12.2012
		RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>					
Revenue		<b>451,556</b>	477,727	<b>1,722,943</b>	1,697,845
Operating expenses	A8	<b>(380,670)</b>	(386,852)	<b>(1,453,496)</b>	(1,418,445)
Other operating income	A9	<b>17,816</b>	10,642	<b>37,549</b>	23,070
Profit from operations		<b>88,702</b>	101,517	<b>306,996</b>	302,470
Finance costs		<b>(6,208)</b>	(5,416)	<b>(26,253)</b>	(27,451)
Share of associate		<b>4,105</b>	2,275	<b>9,238</b>	7,926
Profit before tax		<b>86,599</b>	98,376	<b>289,981</b>	282,945
Taxation	B1	<b>(22,667)</b>	(25,092)	<b>(73,565)</b>	(71,967)
Net profit for the period from continuing operations		<b>63,932</b>	73,284	<b>216,416</b>	210,978
Gain on disposal of a subsidiary		-	334	-	334
Profit for the year		<b>63,932</b>	73,618	<b>216,416</b>	211,312

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
<u>Other comprehensive income/(expense):</u>					
Movement in					
Available-For-Sale reserve		-	1,271	(145)	1,200
Reclassification adjustment for Gain included in Profit and Loss		-	(8,580)	-	(8,540)
Total Comprehensive Income for the year		<b>63,932</b>	66,309	<b>216,271</b>	203,972
<b>Profit attributable to:</b>					
- Owners of the Parent		<b>63,439</b>	73,164	<b>214,165</b>	209,312
- Non-controlling Interest		<b>493</b>	454	<b>2,251</b>	2,000
		<b>63,932</b>	73,618	<b>216,416</b>	211,312
<b>Total comprehensive income attributable to:</b>					
- Owners of the Parent		<b>63,439</b>	65,833	<b>214,023</b>	201,946
- Non-controlling Interest		<b>493</b>	476	<b>2,248</b>	2,026
		<b>63,932</b>	66,309	<b>216,271</b>	203,972
<b>Earnings per share (in sen)</b>					
Before share of gain from subsidiaries held for sale					
- Basic	B11	<b>5.81</b>	6.76	<b>19.62</b>	19.42
- Diluted	B11	<b>5.68</b>	6.39	<b>19.18</b>	18.33
After share of gain from subsidiaries held for sale					
- Basic	B11	<b>5.81</b>	6.80	<b>19.62</b>	19.45
- Diluted	B11	<b>5.68</b>	6.42	<b>19.18</b>	18.36

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 31.12.2013 RM'000	AS AT 31.12.2012 RM'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment		757,978	748,977
Investment properties		54,722	62,056
Associates		176,183	163,345
Prepaid expenditure		1,287	1,571
Available-for-sale investments		2,325	2,525
Intangible assets		383,714	375,240
Deferred tax assets		84,510	97,953
		<u>1,460,719</u>	<u>1,451,667</u>
<b>Current Assets</b>			
Financial assets designated at fair value		90	90
Inventories		117,963	84,418
Receivables, deposits and prepayments		386,038	435,352
Tax recoverable		21,438	14,265
Deposits, bank and cash balances		618,390	682,378
		<u>1,143,919</u>	<u>1,216,503</u>
Non current assets held for sale		2,024	-
<b>TOTAL ASSETS</b>		<u><b>2,606,662</b></u>	<u><b>2,668,170</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Non Current Liabilities</b>			
Trade and other payables		-	279
Borrowings	B5	451,770	452,311
Deferred tax liabilities		66,320	70,297
		<u>518,090</u>	<u>522,887</u>
<b>Current Liabilities</b>			
Trade and other payables		364,290	343,823
Borrowings	B5	47,596	230,435
Taxation		357	4,295
		<u>412,243</u>	<u>578,553</u>
<b>TOTAL LIABILITIES</b>		<u><b>930,333</b></u>	<u><b>1,101,440</b></u>
<b>Equity and Reserves</b>			
Share capital		1,100,529	1,079,692
Reserves		555,900	467,598
Equity attributable to equity holders of the Company		1,656,429	1,547,290
Non-controlling interest		19,900	19,440
Total equity		<u>1,676,329</u>	<u>1,566,730</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>2,606,662</b></u>	<u><b>2,668,170</b></u>
<b>Net Assets per share attributable to equity holders of the Company (sen)</b>		<b>150.51</b>	<b>143.31</b>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2012.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	← Attributable to Owners of the Company →							
	<u>Issued and fully paid ordinary shares of RM1 each</u>		<u>Non – distributable</u>		Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000				
<b>2013:</b>								
At 1 January 2013	1,079,692	1,079,692	385,162	72,744	9,692	1,547,290	19,440	1,566,730
Profit for the year	-	-	-	-	214,165	214,165	2,251	216,416
Revaluation of available-for-sale financial assets	-	-	-	(142)	-	(142)	(3)	(145)
Reclassification	-	-	-	(52,276)	52,276	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(52,418)	266,441	214,023	2,248	216,271
Exercise of Employee Share Option Scheme (“ESOS”)	7,442	7,442	9,188	(3,123)	-	13,507	-	13,507
Exercise of warrants	13,395	13,395	12,687	(1,970)	-	24,112	-	24,112
Cancellation of expired ESOS during the year	-	-	-	(30)	30	-	-	-
Redemption of redeemable preference shares	-	-	-	500	(500)	-	-	-
Final dividends paid for financial year ended 31 December 2012	-	-	-	-	(76,562)	(76,562)	-	(76,562)
First interim dividends paid for financial year ended 31 December 2013	-	-	-	-	(32,928)	(32,928)	-	(32,928)
Second interim dividends paid for financial year ended 31 December 2013	-	-	-	-	(33,013)	(33,013)	-	(33,013)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,788)	(1,788)
<b>Total transaction with owners</b>	20,837	20,837	21,875	(4,623)	(142,973)	(104,884)	(1,788)	(106,672)
<b>At 31 December 2013</b>	1,100,529	1,100,529	407,037	15,703	133,160	1,656,429	19,900	1,676,329

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	← Attributable to Owners of the Company →							
	<u>Issued and fully paid ordinary shares of RM1 each</u>		<u>Non – distributable</u>					
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000	Accumulated losses/ Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>2012:</b>								
At 1 January 2012	1,068,151	1,068,151	372,953	83,144	(80,789)	1,443,459	19,885	1,463,344
Profit for the year	-	-	-	-	209,312	209,312	2,000	211,312
Other comprehensive income	-	-	-	(7,366)	-	(7,366)	26	(7,340)
Total comprehensive income for the year	-	-	-	(7,366)	209,312	201,946	2,026	203,972
Exercise of Employee Share Option Scheme ("ESOS")	4,557	4,557	5,574	(1,892)	-	8,239	-	8,239
Exercise of warrants	6,984	6,984	6,635	(1,047)	-	12,572	-	12,572
Cancellation of expired ESOS during the year	-	-	-	(95)	95	-	-	-
Final dividends paid for the financial year ended 31 December 2011	-	-	-	-	(53,922)	(53,922)	-	(53,922)
First interim dividends paid for the financial year ended 31 December 2012	-	-	-	-	(32,370)	(32,370)	-	(32,370)
Second interim dividends paid for the financial year ended 31 December 2012	-	-	-	-	(32,389)	(32,389)	-	(32,389)
Dividend paid to non-controlling interest	-	-	-	-	-	-	(448)	(448)
Effects of changes in stakes in a subsidiary	-	-	-	-	(245)	(245)	(2,023)	(2,268)
Total transaction with owners	11,541	11,541	12,209	(3,034)	(118,831)	(98,115)	(2,471)	(100,586)
At 31 December 2012	1,079,692	1,079,692	385,162	72,744	9,692	1,547,290	19,440	1,566,730

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2012.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>FOR THE YEAR ENDED NOTE 31.12.2013</b>	<b>FOR THE YEAR ENDED 31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Receipts from customers	<b>1,895,837</b>	1,729,791
Payments to employees and suppliers	<b>(1,494,464)</b>	(1,330,320)
Income tax paid	<b>(75,210)</b>	(51,581)
<i>Net cash flow from operating activities</i>	<u><b>326,163</b></u>	<u>347,890</u>
<b>Cash flow from investing activities</b>		
Purchase of property, plant & equipment	<b>(103,470)</b>	(96,899)
Acquisition of subsidiaries, net of cash acquired*	-	(2,269)
Interests received	<b>15,322</b>	9,141
Dividends received	<b>8,640</b>	61
Proceeds from disposal of property, plant and equipment	<b>745</b>	1,448
Proceeds from disposal of investment	-	3,378
Proceeds from disposal of investment properties	<b>4,319</b>	2,924
<i>Net cash flow used in investing activities</i>	<u><b>(74,444)</b></u>	<u>(82,216)</u>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of shares	<b>37,619</b>	20,811
Repayments of hire purchase	<b>(4,492)</b>	(5,403)
Interests paid	<b>(24,296)</b>	(25,404)
Repayment of term loan	<b>(187,000)</b>	(14,000)
Repayment of Medium Term Notes ("MTN")	-	200,000
Decrease/(Increase) in restricted bank balances	<b>26,149</b>	(10,466)
Drawdown of short term borrowings	<b>55,514</b>	153,399
Repayment of short term borrowings	<b>(49,356)</b>	(156,412)
Dividends paid	<b>(143,696)</b>	(206,383)
<i>Net cash flow used in financing activities</i>	<u><b>(289,558)</b></u>	<u>(43,858)</u>
<b>Net increase in cash and cash equivalents</b>	<b>(37,839)</b>	221,816
<b>Cash and cash equivalents at beginning of year</b>	<b>646,733</b>	424,917
<b>Cash and cash equivalents at end of year</b>	<b>A13 608,894</b>	<u>646,733</u>
* Acquisition of subsidiaries, net of cash acquired consists of:		
Purchase consideration settled in cash	-	2,269
Less: Cash and cash equivalents of subsidiaries acquired	-	-
	<u>-</u>	<u>2,269</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2012.

**MEDIA PRIMA BERHAD (532975-A)**  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER**  
**ENDED 31 DECEMBER 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT**

**A1. BASIS OF PREPARATION**

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2012, which were prepared in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and Companies Act 1965 in Malaysia. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2012.

The unaudited interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit and loss.

During the financial period, the Group has adopted the following applicable new MFRS, the revised MFRS and amendments to MFRS issued by the Malaysian Accounting Standards Board:

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurement
Amendment to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 10, 11 & 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendment to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendment to MFRS 119	Employee Benefits
The revised MFRS 127	Separate Financial Statements
The revised MFRS 128	Investments in Associates and Joint Ventures
Annual Improvements to IC Interpretations and MFRSs 2009-2011 Cycle	

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A1. BASIS OF PREPARATION (CONT'D)**

The amendments to MFRS 136 "Impairment of assets" removed certain disclosures of the recoverable amount of CGUs by the issuance of MFRS 13. The amendment is not mandatory for the Group until 1 January 2014. However, the Group has decided to early adopt the amendment as of 1 January 2013.

The Group will be adopting the following MFRS when they become effective in the respective financial periods.

		<b>Effective dates</b>
Amendments to MFRS 10, MFRS 12 and MFRS 127	Consolidated Financial Statements, Disclosure of Interest in Other Entities and Consolidated and Separate Financial Statements	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation	1 January 2014
Amendments to MFRS 139	Financial instruments: Recognition and measurement	1 January 2014
IC Interpretation 21	Levies	1 January 2014
MFRS 9	Financial Instruments Classification and Measurement of Financial Assets and Financial Liabilities	1 January 2015

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is not expected to be material.

### **A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2012 was not qualified.

### **A3. SEASONALITY OR CYCLICALITY FACTORS**

The operations of our major business segments are generally affected by the major festive seasons.

### **A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the fourth quarter and financial year ended 31 December 2013.



## NOTES TO THE INTERIM FINANCIAL REPORT

### A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the fourth quarter and financial year ended 31 December 2013.

### A6. DIVIDENDS PAID

	<b>2013</b>	2012
	<b>RM'000</b>	RM'000
<u>In respect of the financial year ended 31 December 2011</u>		
A final single tier dividend of 5.0 sen per share on 1,078,449,869 ordinary shares amounting to RM53,922,493 paid on 13 July 2012	-	53,922
<u>In respect of the financial year ended 31 December 2012</u>		
A first interim single tier dividend of 3.0 sen per share on 1,079,001,666 ordinary shares paid on 28 September 2012	-	32,370
A second interim, single tier dividend of 3.0 sen per ordinary share on 1,079,625,985 ordinary shares paid on 28 December 2012	-	32,389
A final single tier dividend of 7.0 sen per share on 1,093,738,488 ordinary shares paid on 13 July 2013	<b>76,562</b>	-
<u>In respect of the financial year ended 31 December 2013</u>		
A first interim, single tier dividend of 3.0 sen per ordinary share on 1,097,588,417 ordinary shares paid on 30 September 2013	<b>32,928</b>	-
A second interim, single tier dividend of 3.0 sen per ordinary share on 1,100,458,955 ordinary shares paid on 30 December 2013	<b>33,013</b>	-
	<hr/> <b>142,503</b> <hr/>	<hr/> 118,681 <hr/>

## NOTES TO THE INTERIM FINANCIAL REPORT

### A7. SEGMENTAL REPORTING

The Group determines and presents its operating segments based on information reported internally to the Group Managing Director and the Board of Directors. The Group predominantly operates in Malaysia and consequently, there is no disclosure on geographical segment being made. The segment information for the current year is as follows:

	Television Network	Radio Network	Outdoor Media	Print Media	Digital	Others	Elimination	Continuing operation	Subsidiaries Held for Sale	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year ended 31 December 2013</b>										
Revenues from external customers	727,769	72,889	156,962	710,898	30,351	24,074	-	1,722,943	-	1,722,943
Intersegment revenues	4,302	45	6,135	2,309	-	18,167	(30,958)	-	-	-
<b>Total Revenue</b>										
Reportable segment Profit/(loss) after tax before non-controlling interest	138,144	32,117	33,634	56,178	(5,122)	191,950	(230,485)	216,416	-	216,416

	Television Network	Radio Network	Outdoor Media	Print Media	Digital	Others	Elimination	Continuing operation	Subsidiaries Held for Sale	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Year ended 31 December 2012</b>										
Revenues from external customers	712,172	62,902	152,096	731,142	22,509	17,024	-	1,697,845	-	1,697,845
Intersegment revenues	5,313	-	4,632	1,514	-	19,049	(30,508)	-	-	-
<b>Total Revenue</b>										1,697,845
Reportable segment Profit/(loss) after tax before non-controlling interest	155,899	23,184	31,906	63,588	(3,425)	73,972	(134,146)	210,978	334	211,312

## NOTES TO THE INTERIM FINANCIAL REPORT

### A8. OPERATING EXPENSES

Included within operating expenses for the period under review are the following expenses:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation (Reversal)/impairment and write off of receivables	<b>26,408</b>	26,480	<b>101,167</b>	102,373
Allowance and write off of inventories	<b>(4,168)</b>	(1,633)	<b>(1,870)</b>	769
Loss on disposal of quoted or unquoted investments or properties	<b>174</b>	458	<b>174</b>	458
Impairment of assets	-	-	-	-
Foreign exchange loss	<b>38</b>	9	<b>112</b>	23
Gain or loss on derivatives	-	-	-	-

### A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	<b>4,456</b>	2,017	<b>15,322</b>	9,141
Other income	<b>4,212</b>	6,785	<b>12,728</b>	10,865
Dividend income	<b>8,640</b>	61	<b>8,640</b>	61
Gain on disposal of quoted or unquoted investments or properties	<b>487</b>	1,188	<b>640</b>	1,645
Foreign exchange gain	<b>21</b>	591	<b>219</b>	1,358
	<b>17,816</b>	10,642	<b>37,549</b>	23,070

### A10. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

### A11. CONTINGENT LIABILITIES

The Group is a defendant in 44 (2012: 70) legal suits with contingent liabilities amounting to approximately RM620.8 million (2012: RM519.1 million). Of the 44 (2012: 70) legal suits, 42 (2012: 61) suits are for alleged defamation (of which 32 (2012: 46) are against NSTP), 2 (2012: 5) are for alleged breaches of contracts and nil (2012: 4) are for alleged copyright.

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A11. CONTINGENT LIABILITIES (CONT'D)**

As at the date of this report, the following are the material additional Group contingent liabilities since the date of the last annual statement of financial position:

- A claim of RM100 million was brought against a subsidiary company, Sistem Televisyen Malaysia Berhad ("STMB") and 4 others by plaintiff who was allegedly defamed during a telecast. Since the last reporting date, the matter is now fixed for hearing on 14, 15, 21 and 22 April, 2014.
- A claim of RM2 million was brought against a subsidiary company, Sistem Televisyen Malaysia Berhad ("STMB") by plaintiff who was allegedly defamed during a telecast. Since the last reporting date, the matter went for hearing on 2 January 2014, which shall be continued on a new date to be fixed by the Court.
- A claim of RM1 million was brought against another subsidiary company, News Straits Times Press (M) Berhad by plaintiff who was allegedly defamed over an article published in one of the Group's newspaper. Since the last reporting date, the matter is now pending case management.
- A new claim of RM5 million was brought against a subsidiary company, News Straits Times Press (M) Berhad by plaintiff who was allegedly defamed over an article published in one of the Group's newspaper. The matter is currently pending an application by News Straits Times Press (M) Berhad to strike out the numerical amount claimed, which is fixed for hearing on 28 February 2014.
- A new claim of RM550 million was brought against a subsidiary company, News Straits Times Press (M) Berhad by plaintiff who was allegedly defamed over an article published in one of the Group's newspaper.

Subsequent to year end, the Court has struck out a claim amounting to RM550 million, which has been included as contingent liabilities as at 31 December 2013. The contingent liabilities after the struck out of the said claim stands at RM70.8 million.

Apart from the above, there is no new material litigation against the Group. The Directors are not aware of any other proceedings pending against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company and/or its subsidiaries.

It is noted that despite the amount claimed, the current trend of award for defamation are significantly lower. Hence, the likelihood of the amount claimed crystallising into the sum as claimed is highly unlikely. In addition, for the defamation suits against the Group, the Group continues to have in place insurance coverage against damages awarded against it. Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group as at the date of this report as the Directors are of the opinion that most of the claims have no sustainable merit. The Directors do not therefore expect the outcome of the legal suits against the Group to have a material impact on the financial position of the Group.

## NOTES TO THE INTERIM FINANCIAL REPORT

### A12. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 31 December 2013 are as follows:

	<b>RM'000</b>
Approved but not contracted:	
- Property, plant & equipment	<b>186,702</b>
Approved and contracted for:	
- Property, plant & equipment	<u><b>29,349</b></u>
	<u><b>216,051</b></u>

### A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Cash and bank balances	<b>99,709</b>	107,204
Deposits with licensed banks	<u><b>518,681</b></u>	<u>575,174</u>
<b>Deposits, cash and bank balances</b>	<b>618,390</b>	682,378
<i>Less:</i>		
<b>Restricted deposits</b>		
Deposits with licensed banks	<b>(9,496)</b>	(33,841)
Bank balances and deposits held in respect of public donations	-	(1,804)
<b>Cash and cash equivalents</b>	<u><b>608,894</b></u>	<u>646,733</u>

### A14. REALISED AND UNREALISED PROFIT

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
MPB realised retained earnings	<u><b>146,257</b></u>	<u>95,007</u>
Total accumulated losses of its subsidiaries:		
- Realised	<b>(279,331)</b>	(315,930)
- Unrealised	<u><b>18,318</b></u>	<u>27,594</u>
	<u><b>(261,013)</b></u>	<u>(288,336)</u>
Total share of retained profits from associated companies:		
- Realised	<b>12,943</b>	1,726
- Unrealised	<u><b>4,385</b></u>	<u>6,534</u>
	<u><b>17,328</b></u>	<u>8,260</u>
Total Group's accumulated losses (before consolidation adjustments)	<b>(97,428)</b>	(185,069)
Add: Consolidation adjustments	<b>230,588</b>	194,761
Total group retained earnings as per consolidated accounts	<u><b>133,160</b></u>	<u>9,692</u>

## **ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**

### **B1. TAXATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.12.2013</b>	31.12.2012	<b>31.12.2013</b>	31.12.2012
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
In respect of the current year:				
Current Malaysian income tax	<b>15,211</b>	21,719	<b>57,478</b>	52,152
Deferred tax	<b>2,035</b>	8,044	<b>9,466</b>	24,643
Under/(over) provision of taxation in prior year	<b>5,421</b>	(4,671)	<b>6,621</b>	(4,828)
	<b><u>22,667</u></b>	<u>25,092</u>	<b><u>73,565</u></b>	<u>71,967</u>

### **B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

As at 31 December 2013, the Group does not have any financial liabilities measured at fair value through profit or loss.

### **B3. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals as at the date of this report.

### **B4. MATERIAL LITIGATION**

Apart from the material litigation disclosed under Note A11, there was no other material litigation in the period under review since the last announcement.

## ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB'S LISTING REQUIREMENTS

### **B5. BORROWINGS AND DEBT SECURITIES**

The Group's borrowings as at the end of the financial year are as follows:

	<b>31.12.2013</b>	31.12.2012
	<b>RM'000</b>	RM'000
<b><u>Short Term Borrowings</u></b>		
Unsecured:		
- Term Loans	-	187,000
- Hire purchase	<b>2,498</b>	4,495
- Banker's acceptance	<b>35,098</b>	26,940
- Revolving credit	<b>10,000</b>	12,000
	<hr/> <b>47,596</b>	<hr/> 230,435
<b><u>Long Term Borrowings</u></b>		
Unsecured:		
- Hire purchase	<b>1,316</b>	3,814
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	<b>300,036</b>	300,144
Secured:		
- Redeemable Fixed Rate Bonds	<b>150,418</b>	148,353
	<hr/> <b>451,770</b>	<hr/> 452,311
Total borrowings	<hr/> <b>499,366</b>	<hr/> <b>682,746</b>

The Group's borrowings are denominated in Ringgit Malaysia.

#### Debt securities

The Group issued 4.95% Redeemable Fixed Rate Bonds at a total nominal value of RM150 million with 50 million detachable warrants on 23 March 2010. The bonds mature five years from the issue date at their nominal value of RM150 million. The value of the liability component (RM141.9 million) and the warrant component (RM1.8 million), net of transaction costs of RM1.5 million, were determined at issuance of the bond. The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The liability component is subsequently stated at amortised cost until extinguished on maturity of the bond. The residual amount, representing the value of the warrant component, is included in shareholders' equity in warrant reserves.

## ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

### B6. REVIEW OF PERFORMANCE FOR THE CURRENT QUARTER VS. PRECEDING QUARTER

	<b>Current Quarter 31.12.2013 RM'000</b>	<b>Preceding Quarter 30.09.2013 RM'000</b>
Revenue	<b>451,556</b>	439,277
Profit before tax	<b>86,599</b>	85,493
Profit after tax	<b>63,932</b>	64,080

Seasonally, there will be a surge in the adex spending as we enter the festive season of the fourth quarter. It is also the time for advertisers to fully utilise their annual budgets concurrently with the year end campaign.

The Group registered 3% growth in revenue compared to Q3 2013. Profit before tax increased slightly against the preceding quarter in line with the increase in revenue, offset by an increase in cost of sales and an increase in overheads cost. Performance of the respective business platforms for Q4 2013 against the preceding quarter is as follows:

- a) Television Network – Advertisement revenue grew by 9%. It is however offset by a higher operational costs and continuous investment in quality content resulting in profit after tax to reduce by 13% from preceding quarter.
- b) Print Media – Print revenue declined by 6% due to lower advertising and newspaper sales revenue.
- c) Outdoor Media – Revenue has increased by 1% but profit after tax has declined by 1%.
- d) Radio Network – Maintain its revenue for all time high driven by the favourable market environment for radio. This was however offset by the increase in advertising and promotion, as well as higher tax provision which resulted in the profit after tax for the platform to fall by 30% against last quarter.
- e) Digital Media – Increased its revenue by 12% against preceding quarter mainly from its online advertising revenue and interactive sales. Digital has also lower its loss for the year by managing its bandwidth costs.



## ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

### B7. REVIEW OF PERFORMANCE FOR CURRENT YEAR TO DATE VS. PREVIOUS YEAR TO DATE

	<b>Financial Year 31.12.2013</b>	Preceding Year 31.12.2012
	<b>RM'000</b>	RM'000
Revenue	<b>1,722,943</b>	1,697,845
Profit before tax	<b>289,981</b>	282,945
Profit after tax	<b>216,416</b>	210,978

The Group's complete media offering and leadership position enables the Group to remain resilient and relevant by being able to offer comprehensive, customised and integrated solutions to the clients.

Despite the challenging market environment, the Group recorded an increase of 1% and 3% in revenue and profit after tax respectively which are mainly attributable to the increase in the Non Traditional Advertising revenue. Nevertheless, the profit after tax surpassed 2012 as a result of continuous effort to review and improve the business processes to further enhance efficiency and productivity.

The performance of the respective platforms for the year ended 2013 as compared to previous financial year is analysed as follows:

- a) Television Network – Despite stiff market competition, revenue for the TV Network rose by 2%. Content costs has also increased in line with the commitment to continue to invest in programmes.
- b) Print Media – Challenging year for Print Media as the revenue declined by 3% against last year.
- c) Outdoor Media – Recorded 4% revenue growth with increased contributions from new and upgraded sites as well as revenue from digital screens. Accordingly, it translated to 5% increase in profit after tax.
- d) Radio Network – Higher sponsorship by the advertisers due to favourable market environment resulted in a higher revenue and profit after tax by 16% and 39% respectively.
- e) Digital Media – Advertising revenue has increased by a remarkable 35% due the take up of online advertising but recorded a loss in the current financial year due to the rising overheads mainly related to bandwidth costs.

## **ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**

### **B8. PROSPECTS FOR 2014**

The Group expects another challenging year for 2014. However, the impact will be cushioned by major sporting events in 2014 like the World Cup, Asian Games, Commonwealth Games and Visit Malaysia Year.

The Group is committed to sustain its industry leadership position and earnings growth through continued investment in quality and relevant content and expanding its reach beyond traditional advertisers on top of leveraging on its media integration to offer complete solution for customised marketing and branding. Concurrently, the Group will continue to exercise prudent financial and risk management whilst upholding strong corporate governance.

The Group will also continue to expand its content production for market beyond MPB TV Network while at the same time enhancing its respective platforms' business strategies as follows:

- a) Television Network - Continue to invest in compelling quality especially on the prime slot content and ground events across the nation to sustain its leadership position in viewership and brand loyalty in addition to be a creative solution to expand advertising revenue.
- b) Print Media - Outlook for Print Media will continue to be challenging. Print Media will continue with its optimal management of newsprint inventories, improving on print quality and productivity.
- c) Outdoor Media - Maintain its industry edge by investing in innovative products and creative assets at the same time exploring new technology/mediums of display at strategic key locations.
- d) Radio Network - Continue to develop new talent to attract listeners in order to maintain and strengthen its regional listenership evident in the improvement of overall listenership across all radio stations operated by the Group.
- e) Digital Media - Continue to grow, support and complementing the other traditional platforms. Digital media is expected to continue monetising its online portals and online subscription business.

## **ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**

### **B9. PROFIT FORECAST/PROFIT GUARANTEE**

The Group has not issued any Group forecast/profit guarantee during the current financial year.

### **B10. DIVIDEND**

The Board of Directors declared a third interim single tier dividend of 3.0 sen (2012: Nil sen) per ordinary share for the financial year ended 31 December 2013, to be paid on 28 March 2014 to shareholders whose names appear in the Record of Depositors at the close of business on 10 March 2014.

In addition, the Board of Directors recommend a final single tier dividend of 5.0 sen (2012: 7.0 sen) per ordinary share for the financial year ended 31 December 2013 which is subject to the approval of shareholders at the forthcoming Thirteenth (13<sup>th</sup>) Annual General Meeting of the Company.

With the declaration of the third interim single tier dividend and the recommendation of a final single tier dividend, total dividends declared for the current financial year is 14.0 sen (2012: 13.0 sen) per ordinary share.

### **B11. EARNINGS PER SHARE**

The Group's earnings per share are calculated as follows:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.12.2013</b>	31.12.2012	<b>31.12.2013</b>	31.12.2012
Profit attributable to ordinary equity holders of the Company (RM'000)				
-Before share of gain from subsidiaries held for sale	<b>63,439</b>	72,830	<b>214,165</b>	208,978
-After share of gain from subsidiaries held for sale	<b>63,439</b>	73,164	<b>214,165</b>	209,312
Weighted average number of ordinary shares in issue ('000)	<b>1,091,669</b>	1,076,324	<b>1,091,669</b>	1,076,324
<b>Basic earnings per share (sen)</b>				
-Before share of gain from subsidiaries held for sale	<b>5.81</b>	6.76	<b>19.62</b>	19.42
-After share of gain from subsidiaries held for sale	<b>5.81</b>	6.80	<b>19.62</b>	19.45

**ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**

**B11. EARNINGS PER SHARE (CONT'D)**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.12.2013</b>	31.12.2012	<b>31.12.2013</b>	31.12.2012
Weighted average number of ordinary shares in issue ('000)	<b>1,091,669</b>	1,076,324	<b>1,091,669</b>	1,076,324
Adjustments for Warrants ('000)	<b>21,837</b>	59,601	<b>21,837</b>	59,601
Adjustments for ESOS ('000)	<b>2,925</b>	4,182	<b>2,925</b>	4,182
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	<b>1,116,431</b>	1,140,107	<b>1,116,431</b>	1,140,107
<b>Diluted earnings per share (sen)</b>				
-Before share of gain from subsidiaries held for sale	<b>5.68</b>	6.39	<b>19.18</b>	18.33
-After share of gain from subsidiaries held for sale	<b>5.68</b>	6.42	<b>19.18</b>	18.36

**BY ORDER OF THE BOARD**

**TAN SAY CHOON (MAICSA 7057849)  
TASNEEM MOHD DAHALAN (LS 6966)  
COMPANY SECRETARIES**

**Kuala Lumpur**  
20 February 2014

*The full financial analysis of Media Prima Berhad Group can also be viewed at Media Prima Berhad's website:  
[http://www.mediaprima.com.my/investorcenter/quarterly\\_reports.aspx](http://www.mediaprima.com.my/investorcenter/quarterly_reports.aspx)*