



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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

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 period ended 30 September 2014.

This interim report is prepared in accordance with the basis of 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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.09.2014	30.09.2013	30.09.2014	30.09.2013
		RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>					
Revenue		379,598	439,277	1,122,282	1,271,387
Operating expenses	A8	(323,995)	(357,654)	(987,415)	(1,072,826)
Other operating income	A9	6,719	7,421	18,509	19,733
Profit from operations		62,322	89,044	153,376	218,294
Finance costs		(5,531)	(5,852)	(17,405)	(20,045)
Share of results of an associate		51	2,301	6,226	5,133
Profit before tax		56,842	85,493	142,197	203,382
Taxation	B1	(14,264)	(21,413)	(35,528)	(50,898)
Net profit for the period from continuing operations		42,578	64,080	106,669	152,484
<u>Other comprehensive income/(expense):</u>					
Movement in Available-For- Sale reserve		15	(145)	15	(145)
Total Comprehensive Income for the period		42,593	63,935	106,684	152,339

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.09.2014 RM'000	30.09.2013 RM'000	30.09.2014 RM'000	30.09.2013 RM'000
Profit attributable to:					
- Owners of the Parent		42,176	63,516	105,022	150,726
- Non-controlling Interest		402	564	1,647	1,758
		<u>42,578</u>	<u>64,080</u>	<u>106,669</u>	<u>152,484</u>
Total comprehensive income attributable to:					
- Owners of the Parent		42,191	63,374	105,037	150,584
- Non-controlling Interest		402	561	1,647	1,755
		<u>42,593</u>	<u>63,935</u>	<u>106,684</u>	<u>152,339</u>
Earnings per share (in sen)					
- Basic	B11	3.82	5.82	9.50	13.81
- Diluted	B11	3.75	5.54	9.34	13.15

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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30.9.2014 RM'000	AS AT 31.12.2013 RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		732,744	757,978
Investment properties		53,409	54,722
Associates		177,049	176,183
Prepaid expenditure		1,075	1,287
Available-for-sale financial assets		15,780	2,325
Intangible assets		390,704	383,714
Deferred tax assets		80,612	84,510
		<u>1,451,373</u>	<u>1,460,719</u>
Current Assets			
Financial assets at fair value through profit or loss		90	90
Inventories		80,838	117,963
Trade and other receivables		368,063	386,038
Tax recoverable		34,885	21,438
Deposits, cash and bank balances		554,772	618,390
		<u>1,038,648</u>	<u>1,143,919</u>
Non current assets held for sale		1,392	2,024
TOTAL ASSETS		<u>2,491,413</u>	<u>2,606,662</u>
LIABILITIES AND EQUITY			
Non Current Liabilities			
Borrowings	B5	304,210	451,770
Deferred tax liabilities		65,874	66,320
		<u>370,084</u>	<u>518,090</u>
Current Liabilities			
Trade and other payables		298,331	364,290
Borrowings	B5	150,371	47,596
Tax payable		384	357
		<u>449,086</u>	<u>412,243</u>
TOTAL LIABILITIES		<u>819,170</u>	<u>930,333</u>
Equity and Reserves			
Share capital		1,106,535	1,100,529
Reserves		544,161	555,900
Equity attributable to owners of the Parent		1,650,696	1,656,429
Non-controlling interest		21,547	19,900
Total equity		<u>1,672,243</u>	<u>1,676,329</u>
TOTAL LIABILITIES AND EQUITY		<u>2,491,413</u>	<u>2,606,662</u>
Net Assets per share attributable to equity holders of the Parent (sen)		149.18	150.51

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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

	← Attributable to Owners of the Parent →							Non-controlling interests RM'000	Total equity RM'000
	<u>Issued and fully paid ordinary shares of RM1 each</u>		<u>Non – distributable</u>		Retained earnings RM'000	Total RM'000			
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000					
2014:									
At 1 January 2014	1,100,529	1,100,529	407,037	15,703	133,160	1,656,429	19,900	1,676,329	
Profit for the period	-	-	-	-	105,022	105,022	1,647	106,669	
Revaluation of available-for-sale financial assets	-	-	-	15	-	15	-	15	
Total comprehensive income for the period	-	-	-	15	105,022	105,037	1,647	106,684	
Exercise of Employee Share Option Scheme (“ESOS”)	930	930	1,262	(385)	-	1,807	-	1,807	
Exercise of warrants	5,076	5,076	4,696	(762)	-	9,010	-	9,010	
Cancellation of expired ESOS during the period	-	-	-	(87)	87	-	-	-	
Third interim dividends paid for financial year ended 31 December 2013	-	-	-	-	(33,120)	(33,120)	-	(33,120)	
Final dividends paid for financial year ended 31 December 2013	-	-	-	-	(55,273)	(55,273)	-	(55,273)	
First interim dividends paid for financial year ended 31 December 2014	-	-	-	-	(33,194)	(33,194)	-	(33,194)	
Total transaction with owners	6,006	6,006	5,958	(1,234)	(121,500)	(110,770)	-	(110,770)	
At 30 September 2014	1,106,535	1,106,535	412,995	14,484	116,682	1,650,696	21,547	1,672,243	

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	← Attributable to Owners of the Parent →							Total equity RM'000
	<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	
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000				
2013:								
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 period	-	-	-	-	150,726	150,726	1,758	152,484
Revaluation of available-for-sale financial assets	-	-	-	(142)	-	(142)	(3)	(145)
Total comprehensive income for the period	-	-	-	(142)	150,726	150,584	1,755	152,339
Exercise of Employee Share Option Scheme ("ESOS")	6,715	6,715	8,295	(2,819)	-	12,191	-	12,191
Exercise of warrants	11,552	11,552	10,975	(1,733)	-	20,794	-	20,794
Cancellation of expired ESOS during the period	-	-	-	(17)	17	-	-	-
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)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,192)	(1,192)
Total transaction with owners	18,267	18,267	19,270	(4,069)	(109,973)	(76,505)	(1,192)	(77,697)
At 30 September 2013	1,097,959	1,097,959	404,432	68,533	50,445	1,621,369	20,003	1,641,372

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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	FOR THE PERIOD ENDED 30.9.2014	FOR THE PERIOD ENDED 30.9.2013
		RM'000	RM'000
Cash flow from operating activities			
Receipts from customers		1,405,778	1,408,393
Payments to employees and suppliers		(1,203,095)	(1,140,112)
Income tax paid		(44,405)	(63,010)
<i>Net cash flow from operating activities</i>		<u>158,278</u>	<u>205,271</u>
Cash flow from investing activities			
Purchase of property, plant & equipment		(45,858)	(69,312)
Interests received		11,227	10,866
Proceeds from disposal of property, plant and equipment		124	1,247
Proceeds from disposal of investment properties		-	624
Acquisition of other investment		(13,455)	-
<i>Net cash flow used in investing activities</i>		<u>(47,962)</u>	<u>(56,575)</u>
Cash flow from financing activities			
Proceeds from issuance of shares		10,818	32,985
Repayments of hire purchase		(1,955)	(3,744)
Interests paid		(16,110)	(16,413)
Repayment of term loan		-	(187,000)
(Increase)/Decrease in restricted bank balances		(67,440)	(26,419)
Drawdown of short term borrowings		-	42,131
Repayment of short term borrowings		(45,099)	(49,356)
Dividends paid		(121,587)	(110,682)
<i>Net cash flow used in financing activities</i>		<u>(241,373)</u>	<u>(318,498)</u>
Net movement in cash and cash equivalents		(131,057)	(169,802)
Cash and cash equivalents at beginning of period		608,894	646,733
Cash and cash equivalents at end of period	A13	<u>477,837</u>	<u>476,931</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 2013.

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

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 2013, which were prepared in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the 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 2013.

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.

The adoption of the following applicable new MFRS, the revised MFRS and amendments to MFRS that came into effect on 1 January 2014 did not have any significant impact on the Group upon the initial application.

Description		Effective for annual periods beginning on or after
Amendments to MFRS 10	Consolidated Financial Statements - Investment entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interest in Other Entities - Investment entities	1 January 2014
Amendments to MFRS 127	Consolidated and Separate Financial Statements - Investment entities	1 January 2014
Amendments to MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Financial instruments: Recognition and Measurement - Novation of derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

NOTES TO THE INTERIM FINANCIAL REPORT

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

Description		Effective for annual periods beginning on or after
Amendments to MFRS 11	Joint arrangements - Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 116	Property, Plant and Equipment - Clarification of acceptable methods on depreciation and amortisation	1 January 2016
Amendments to MFRS 138	Property, Plant and Equipment: Clarification of acceptable methods on depreciation and amortisation	1 January 2016
Amendments to MFRS 119	Employee benefits - Defined benefits plans: Employee Contribution	1 July 2014
MFRS 7	Financial instruments disclosures - Mandatory effective date on MFRS 9 and Transition disclosures	To be determined by MASB
MFRS 9	Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities	To be determined by MASB
Annual improvements to MFRS 2010 – MFRS 2012		1 July 2014
Annual improvements to MFRS 2011 – MFRS 2013		1 July 2014

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 2013 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 second quarter and financial period ended 30 September 2014.

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 third financial quarter and financial period ended 30 September 2014.

NOTES TO THE INTERIM FINANCIAL REPORT

A6. 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 period is as follows:

Period ended 30 September 2014	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Digital RM'000	Content Creation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	472,024	52,569	107,807	451,295	23,476	15,099	12	-	1,122,282
Intersegment revenues	3,906	-	3,049	721	-	2,974	-	(10,650)	-
Total Revenue	475,930	52,569	110,856	452,016	23,476	18,073	12	(10,650)	1,122,282
Reportable segment Profit/(loss) after tax before non-controlling interest	72,655	22,363	21,945	20,857	(3,407)	2,380	(35,044)	4,920	106,669

Period ended 30 September 2013	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Digital RM'000	Content Creation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	523,304	52,998	117,239	542,083	21,531	14,232	-	-	1,271,387
Intersegment revenues	4,324	-	4,885	1,899	-	5,340	-	(16,448)	-
Total Revenue	527,628	52,998	122,124	543,982	21,531	19,572	-	(16,448)	1,271,387
Reportable segment Profit/(loss) after tax before non-controlling interest	102,273	25,254	25,054	42,713	(4,274)	(1,447)	(50,401)	13,312	152,484

NOTES TO THE INTERIM FINANCIAL REPORT

A7. DIVIDENDS PAID

	30.9.2014	30.9.2013
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2014</u>		
First interim, single tier dividend of 3.0 sen per ordinary share on 1,106,493,547 ordinary shares paid on 30 September 2014	33,194	-
<u>In respect of the financial year ended 31 December 2013</u>		
Final interim, single tier dividend of 5.0 sen per ordinary share on 1,105,460,355 ordinary shares paid on 27 June 2014	55,273	-
Third interim, single tier dividend of 3.0 sen per ordinary share on 1,103,994,194 ordinary shares paid on 28 March 2014	33,120	-
First interim, single tier dividend of 3.0 sen per ordinary share on 1,097,588,417 paid on 30 September 2013	-	32,928
<u>In respect of the financial year ended 31 December 2012</u>		
Final interim, single tier dividend of 7.0 sen per ordinary share on 1,093,738,488 ordinary shares paid on 28 June 2013	-	76,562
	121,587	109,490

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	25,376	24,810	74,812	74,759
Impairment and write off of receivables	50	988	1,922	2,298
Foreign exchange loss	3	385	52	74

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Interest income	3,599	2,886	11,227	10,866
Other income	2,761	4,382	6,714	8,516
Gain on disposal of quoted or unquoted investments or properties	-	153	-	153
Reversal of impairment receivables	88	-	194	-
Foreign exchange gain	271	-	374	198
	<u>6,719</u>	<u>7,421</u>	<u>18,509</u>	<u>19,733</u>

A10. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

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

NOTES TO THE INTERIM FINANCIAL REPORT

A11. CONTINGENT LIABILITIES

The Group is a defendant in 35 (As at 31.12.2013: 44) legal suits with contingent liabilities amounting to approximately RM12.8 million (As at 31.12.2013: RM620.8 million). Of the 35 legal suits, 33 suits are for alleged defamation and 2 are for alleged breaches of contracts.

On 7 February 2014 and 28 February 2014, the Court has struck out the numerical amount claimed in 2 suits amounting to RM550 million and RM5 million respectively, both suits were brought against a subsidiary company, The News Straits Times Press (M) Berhad, which was included as contingent liabilities as at 31 December 2013. In the current year, the Group has revised its exposure on all material claims brought against Sistem Televisyen Malaysia Berhad, another subsidiary company to RM250,000 for each claim (a total of 5 claims) due to the current trend of award for defamation.

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

- A claim of RM3 million was brought against The News Straits Times Press (M) Berhad by a plaintiff who has alleged that he has been defamed over an article published in one of the Group's newspaper. The Court has not given any date for case management.
- A claim of RM5 million was brought against The News Straits Times Press (M) Berhad by a plaintiff who has alleged that he has been defamed over remarks made against him in one of the Group's newspaper's Letters to Editor column. The Court has not given any date for case management.

Apart from the above, there are no new material litigation against the Group. The Directors are not aware of any other proceedings pending against the Group 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 Group 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 30 September 2014 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant & equipment	137,025
Approved and contracted for:	
- Property, plant & equipment	<u>10,273</u>
	<u>147,298</u>

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 30.9.2014 RM'000	As at 30.9.2013 RM'000
Cash and bank balances	133,193	114,832
Deposits with licensed banks	<u>421,579</u>	<u>424,163</u>
Deposits, cash and bank balances	554,772	538,995
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	(76,935)	(60,895)
Bank balances and deposit held in respect of public donations	-	(1,169)
Cash and cash equivalents	<u>477,837</u>	<u>476,931</u>

A14. REALISED AND UNREALISED PROFIT

	As at 30.9.2014 RM'000	As at 31.12.2013 RM'000
MPB realised retained earnings	<u>80,296</u>	146,257
Total accumulated losses of its subsidiaries:		
- Realised	(240,364)	(279,331)
- Unrealised	<u>14,962</u>	<u>18,318</u>
	(225,402)	(261,013)
Total share of retained profits from associated companies:		
- Realised	19,056	12,943
- Unrealised	<u>4,385</u>	<u>4,385</u>
	23,441	17,328
Total Group's accumulated losses (before consolidation adjustments)	(121,665)	(97,428)
Add: Consolidation adjustments	238,347	230,588
Total group retained earnings as per consolidated accounts	<u>116,682</u>	<u>133,160</u>

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB'S LISTING REQUIREMENTS

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
In respect of the current year:				
Current Malaysian income tax	13,087	21,331	30,668	42,267
Deferred tax	1,177	82	4,542	7,431
Underprovision of taxation in prior year	-	-	318	1,200
	<u>14,264</u>	<u>21,413</u>	<u>35,528</u>	<u>50,898</u>

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 September 2014, 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.

B5. BORROWINGS AND DEBT SECURITIES

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

	30.9.2014 RM'000	31.12.2013 RM'000
<u>Short Term Borrowings</u>		
Unsecured:		
- Hire purchase	822	2,498
- Banker's acceptance	-	35,098
- Revolving credit	-	10,000
Secured:		
- Redeemable Fixed Rate Bonds	149,549	-
	<u>150,371</u>	<u>47,596</u>
<u>Long Term Borrowings</u>		
Unsecured:		
- Hire purchase	1,040	1,316
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	303,170	300,036
Secured:		
- Redeemable Fixed Rate Bonds	-	150,418
	<u>304,210</u>	<u>451,770</u>
Total borrowings	<u>454,581</u>	<u>499,366</u>

The Group's borrowings are denominated in Ringgit Malaysia.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B5. BORROWINGS AND DEBT SECURITIES (CONT'D)

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.

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

	Quarter ended 30.9.2014 RM'000	Quarter ended 30.6.2014 RM'000
Revenue	379,598	388,580
Profit before tax	56,842	48,988
Profit after tax	42,578	36,529

Overall Q3 2014 results recorded higher results compared to the preceding Q2 2014.

Group revenue for Q3 2014 decreased by 2% as compared to Q2 2014. However, profit after tax increased by 17%. Performance of the respective business platforms for Q3 2014 against the preceding quarter is as follows:

- a) Television Network – Higher advertisement revenue by 1% from RM162.9 million in Q2 2014 to RM164.2 million in Q3 2014.
- b) Print Media – Print revenue decreased by 8% as compared to Q2 2014. Profit after tax declined from RM12.4 million in Q2 2014 to RM4.2 million in Q3 2014.
- c) Outdoor Media – Revenue increased by 4% and correspondingly profit after tax has increased by 13%.
- d) Radio Network – Lower sales recorded during Q3 2014 by 10% as compared to Q2 2014 and subsequently profit after tax reduced by 19%.
- e) Digital Media – Recorded 12% increase in revenue due to higher take up of online advertising.
- f) Content Creation – Higher revenue by 34% but resulted in a profit of RM0.4 million in the current quarter. This was mainly due to lower contribution margin due to higher direct costs recorded during the quarter.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

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

	Period ended 30.9.2014 RM'000	Period ended 30.9.2013 RM'000
Revenue	1,122,282	1,271,387
Profit before tax	142,197	203,382
Profit after tax	106,669	152,484

The Group recorded a fall in revenue and profit after tax against previous corresponding quarter by 12% and 30% respectively due to the challenging market environment and the MH370 as well as MH17 incidents. Advertisers are more cautious and holding back on the advertising spending during the period. The higher revenue in corresponding period was attributed by the contribution from Non Traditional Advertisers. The Group's profit after tax margin of 9% showed continuous effort to review and improve the business processes to further enhance efficiency and productivity.

The performance of the respective platforms for the period ended 30 September 2014 as compared to previous financial period is analysed as follows:

- a) Television Network – Revenue for the period was lower by 10%. Profit after tax has also declined by 29%, in tandem with lower revenue recorded during the period.
- b) Print Media – Print revenue declined by 17% due to lower advertising and newspaper sales revenue.
- c) Outdoor Media – Revenue contracted by 9% against previous comparative period due to the slow take up by advertisers. Accordingly, it translated to 12% reduction in profit after tax.
- d) Radio Network – Lower revenue by 1% and subsequently profit after tax declined by 11% against corresponding period.
- e) Digital Media – Advertising revenue has increased by 9% due to the higher take up of online advertising and recorded a lower loss by 20% against prior period.
- f) Content Creation – Lower revenue by 17% due to lower number of movie releases in the current period compared to the previous corresponding period. Due to lower production costs, the platform was able to record a profit after tax of RM2.4 million against a loss after tax of RM1.4 million in previous period.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B8. PROSPECTS FOR 2014

The Group remains focused on providing the best local and international content while aiming at new market penetration and new revenue stream. Due to the challenging business and market conditions, the Group will continue to focus on the execution of its key strategy on advertising growth in the remaining period of the financial year as advertising expenditure is expected to take up near the end of the year based on past trends. At the same time, the Group will continue to manage and improve its costs by monitoring its key cost drivers, coupled with the implementation of Group wide cost saving initiatives.

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

- a) Television Network - Continue to invest in commercially viable quality content especially for the prime slots and ground events as well as maximizing promotional resources while offering strategic creative marketing plan from platform integration.
- b) Print Media - Outlook for Print Media will continue to be challenging due to consumers shift in media consumption preferences. Print Media will continue with its optimal management of newsprint inventories, improving on print quality, productivity and offering innovative advertising solutions for advertisers.
- c) Outdoor Media - Maintain its industry edge by investing in innovative products and creative assets at the same time offering attractive seasonal and market-specific packages.
- d) Radio Network - Continue to develop new talents and to attract listeners on digital space through online and social media presence 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 - Digital media is expected to continue monetising its online portals and online subscription business while complementing the other traditional platforms. The platform has recently launched Tonton Music, which is the country's first music portal that offers a free mobile streaming service that supports the Group radio counterpart.
- f) Content creation – Maintain high quality production and compelling stories including animation production. Multiplatform content is targeted across all platforms. A marketing and distribution plan to build presence both locally and abroad has been intensified, as demand for international co-production continues.

B9. PROFIT FORECAST/PROFIT GUARANTEE

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

B10. DIVIDEND

The Board of Directors declares a second interim, single tier dividend of 3.0 sen (2013: 3.0 sen) per ordinary share for the financial year ending 31 December 2014 to be paid on 30 December 2014 to Depositors whose name appear in the Record of Depositors at the close of business on 12 December 2014.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B11. EARNINGS PER SHARE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
Profit attributable to owners of the Parent (RM'000)	42,176	63,516	105,022	150,726
Weighted average number of ordinary shares in issue ('000)	1,105,061	1,091,237	1,105,061	1,091,237
Basic earnings per share (sen)	3.82	5.82	9.50	13.81
Weighted average number of ordinary shares in issue ('000)	1,105,061	1,091,237	1,105,061	1,091,237
Adjustments for Warrants ('000)	17,657	51,731	17,657	51,731
Adjustments for ESOS ('000)	1,667	2,956	1,667	2,956
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	1,124,385	1,145,924	1,124,385	1,145,924
Diluted earnings per share (sen)	3.75	5.54	9.34	13.15

BY ORDER OF THE BOARD

**TAN SAY CHOON (MAICSA 7057849)
COMPANY SECRETARY**

Kuala Lumpur

6 November 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*