

MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 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 year ended 31 December 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	
		31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
<u>Continuing operations</u>					
Revenue		384,699	451,556	1,506,981	1,722,943
Operating expenses	A8	(416,364)	(380,670)	(1,403,779)	(1,453,496)
Other operating income	A9	8,914	17,816	27,423	37,549
Profit from operations		(22,751)	88,702	130,625	306,996
Finance costs		(5,496)	(6,208)	(22,901)	(26,253)
Share of results of an associate		(12,509)	4,105	(6,283)	9,238
Profit before tax		(40,756)	86,599	101,441	289,981
Taxation	B1	10,709	(22,667)	(24,819)	(73,565)
Net profit for the period from continuing operations		(30,047)	63,932	76,622	216,416
<u>Other comprehensive income/(loss):</u>					
Movement in Available-For-Sale reserve		-	-	-	(145)
Total Comprehensive Income for the year		(30,047)	63,932	76,622	216,271

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
- Owners of the Company		(29,494)	63,439	75,528	214,165
- Non-controlling Interest		(553)	493	1,094	2,251
		<u>(30,047)</u>	<u>63,932</u>	<u>76,622</u>	<u>216,416</u>
Total comprehensive income attributable to:					
- Owners of the Company		(29,494)	63,439	75,528	214,023
- Non-controlling Interest		(553)	493	1,094	2,248
		<u>(30,047)</u>	<u>63,932</u>	<u>76,622</u>	<u>216,271</u>
Earnings per share (in sen)					
- Basic	B11	(2.67)	5.81	6.83	19.62
- Diluted	B11	(2.63)	5.68	6.73	19.18

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 31.12.2014 RM'000	AS AT 31.12.2013 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		740,514	757,978
Investment properties		50,743	54,722
Associates		163,729	176,183
Prepaid expenditure		1,004	1,287
Available-for-sale financial assets		2,325	2,325
Intangible assets		388,004	383,714
Deferred tax assets		88,039	84,510
		<u>1,434,358</u>	<u>1,460,719</u>
Current Assets			
Financial assets at fair value through profit or loss		90	90
Inventories		74,313	117,963
Trade and other receivables		342,279	386,038
Tax recoverable		59,792	21,438
Deposits, cash and bank balances		564,990	618,390
		<u>1,041,464</u>	<u>1,143,919</u>
Non-current assets held for sale		<u>2,699</u>	<u>2,024</u>
TOTAL ASSETS		<u><u>2,478,521</u></u>	<u><u>2,606,662</u></u>
LIABILITIES AND EQUITY			
Non-Current Liabilities			
Borrowings	B5	300,108	451,770
Deferred tax liabilities		69,094	66,320
		<u>369,202</u>	<u>518,090</u>
Current Liabilities			
Trade and other payables		342,918	364,290
Borrowings	B5	152,984	47,596
Tax payable		213	357
		<u>496,115</u>	<u>412,243</u>
TOTAL LIABILITIES		<u><u>865,317</u></u>	<u><u>930,333</u></u>
Equity and Reserves			
Share capital		1,109,107	1,100,529
Reserves		483,470	555,900
Equity attributable to owners of the Company		<u>1,592,577</u>	<u>1,656,429</u>
Non-controlling interest		20,627	19,900
Total equity		<u>1,613,204</u>	<u>1,676,329</u>
TOTAL LIABILITIES AND EQUITY		<u><u>2,478,521</u></u>	<u><u>2,606,662</u></u>
Net Assets per share attributable to equity holders of the Company (sen)		143.59	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 YEAR ENDED 31 DECEMBER 2014

	Attributable to Owners of the Company							
	Issued and fully paid ordinary shares of RM1 each		Non – distributable		Retained earnings	Total	Non- controlling interests	Total equity
	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 year	-	-	-	-	75,528	75,528	1,094	76,622
Total comprehensive income for the year	-	-	-	-	75,528	75,528	1,094	76,622
Exercise of Employee Share Option Scheme ("ESOS")	964	964	1,178	(399)	-	1,743	-	1,743
Exercise of warrants	7,614	7,614	7,234	(1,142)	-	13,706	-	13,706
Cancellation of expired ESOS during the year	-	-	-	(112)	112	-	-	-
Cancellation of expired warrants during the year	-	-	-	(9,466)	9,466	-	-	-
Third interim dividends paid for the financial year ended 31 December 2013	-	-	-	-	(33,120)	(33,120)	-	(33,120)
Final dividends paid for the financial year ended 31 December 2013	-	-	-	-	(55,273)	(55,273)	-	(55,273)
First interim dividends paid for the financial year ended 31 December 2014	-	-	-	-	(33,195)	(33,195)	-	(33,195)
Second interim dividends paid for the financial year ended 31 December 2014	-	-	-	-	(33,241)	(33,241)	-	(33,241)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(367)	(367)
Total transaction with owners	8,578	8,578	8,412	(11,119)	(145,251)	(139,380)	(367)	(139,747)
At 31 December 2014	1,109,107	1,109,107	415,449	4,584	63,437	1,592,577	20,627	1,613,204

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

	Attributable to Owners of the Company							
	Issued and fully paid ordinary shares of RM1 each		Non – distributable		Retained earnings	Total	Non- controlling interests	Total equity
	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 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	-	-	-
Total comprehensive income for the year	-	-	-	(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)
Total transaction with owners	20,837	20,837	21,875	(4,623)	(142,973)	(104,884)	(1,788)	(106,672)
At 31 December 2013	1,100,529	1,100,529	407,037	15,703	133,160	1,656,429	19,900	1,676,329

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

	FOR THE YEAR ENDED NOTE 31.12.2014	FOR THE YEAR ENDED 31.12.2013
	RM'000	RM'000
Cash flows from operating activities		
Receipts from customers	1,656,633	1,895,837
Payments to employees and suppliers	(1,387,068)	(1,494,464)
Income tax paid	(64,072)	(75,210)
<i>Net cash flows from operating activities</i>	<u>205,493</u>	<u>326,163</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(77,993)	(103,470)
Interests received	16,833	15,322
Dividends received	811	8,640
Proceeds from disposal of property, plant and equipment	3,302	745
Proceeds from disposal of investment properties	996	4,319
Proceeds from redemption of redeemable preference shares in an associate	5,360	-
Proceeds from disposal of non-current assets held for sale	720	-
<i>Net cash flows used in investing activities</i>	<u>(49,971)</u>	<u>(74,444)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	15,449	37,619
Repayments of hire purchase	(2,519)	(4,492)
Interests paid	(21,558)	(24,296)
Repayment of term loan	-	(187,000)
(Increase)/Decrease in restricted bank balances	(4,042)	26,149
Drawdown of short term borrowings	-	55,514
Repayment of short term borrowings	(45,098)	(49,356)
Dividends paid to shareholders of the Company	(154,829)	(142,503)
Dividends paid to non-controlling interests	(367)	(1,193)
<i>Net cash flows used in financing activities</i>	<u>(212,964)</u>	<u>(289,558)</u>
Net movement in cash and cash equivalents	(57,442)	(37,839)
Cash and cash equivalents at beginning of the financial year	608,894	646,733
Cash and cash equivalents at end of the financial year	A13 551,452	608,894

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 FOURTH QUARTER ENDED 31 DECEMBER 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, (including derivative instruments, if any) 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
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 <ul style="list-style-type: none">- Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 10	Consolidated Financial Statements <ul style="list-style-type: none">- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 116	Property, Plant and Equipment <ul style="list-style-type: none">- Clarification of acceptable methods on depreciation and amortisation	1 January 2016
Amendments to MFRS 127	Separate Financial Statements <ul style="list-style-type: none">- Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 128	Investment in Associates <ul style="list-style-type: none">- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 138	Intangible Assets <ul style="list-style-type: none">- Clarification of acceptable methods on depreciation and amortisation	1 January 2016
Amendments to MFRS 119	Employee benefits <ul style="list-style-type: none">- Defined benefits plans: Employee Contribution	1 July 2014
MFRS 7	Financial instruments disclosures <ul style="list-style-type: none">- Mandatory effective date on MFRS 9 and Transition disclosures	To be determined by MASB
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments	1 January 2018

Annual improvements to MFRSs 2010 – 2012 cycle	1 July 2014
Annual improvements to MFRSs 2011 – 2013 cycle	1 July 2014
Annual improvements to MFRSs 2012 – 2014 cycle	1 January 2016

The effects of the above standards and amendments to published standards are currently being assessed by the Directors.

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 fourth quarter and financial year ended 31 December 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 fourth financial quarter and financial year ended 31 December 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 year is as follows:

Year ended 31 December 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	643,488	71,067	148,090	592,054	32,568	19,701	13	-	1,506,981
Intersegment revenues	5,208	-	4,055	413	-	5,703	-	(15,379)	-
Total Revenue	648,696	71,067	152,145	592,467	32,568	25,404	13	(15,379)	1,506,981
Reportable segment Profit/(loss) after tax before non-controlling interest	79,372	30,733	34,693	(16,995)	(4,736)	(3,941)	98,459	(140,963)	76,622

Year ended 31 December 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	727,769	72,889	156,962	710,898	30,351	24,051	23	-	1,722,943
Intersegment revenues	4,302	45	6,135	2,309	-	18,167	-	(30,958)	-
Total Revenue	732,071	72,934	163,097	713,207	30,351	42,218	23	(30,958)	1,722,943
Reportable segment Profit/(loss) after tax before non-controlling interest	138,144	32,117	33,634	56,178	(5,122)	(511)	192,461	(230,485)	216,416

NOTES TO THE INTERIM FINANCIAL REPORT

A7. DIVIDENDS PAID

	31.12.2014	31.12.2013
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2014</u>		
Second interim, single tier dividend of 3.0 sen per ordinary share on 1,108,047,362 ordinary shares paid on 30 December 2014	33,241	-
First interim, single tier dividend of 3.0 sen per ordinary share on 1,106,493,547 ordinary shares paid on 30 September 2014	33,195	-
<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	-
Second interim, single tier dividend of 3.0 sen per ordinary share on 1,100,458,955 ordinary shares paid on 30 December 2013	-	33,013
First interim, single tier dividend of 3.0 sen per ordinary share on 1,097,588,417 ordinary shares 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
	154,829	142,503

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	25,573	26,408	100,385	101,167
Impairment and write off of receivables	5,594	961	7,322	4,146
Allowance and write off of inventories	582	174	582	174
Foreign exchange loss	4	38	56	112

NOTES TO THE INTERIM FINANCIAL REPORT

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
Interest income	5,606	4,456	16,833	15,322
Other income	1,977	2,755	8,691	6,622
Dividend income	-	8,640	-	8,640
Gain on disposal of quoted or unquoted investments or properties	171	487	171	640
Reversal of receivables impairment	1,071	1,457	1,265	6,106
Foreign exchange gain	89	21	463	219
	<u>8,914</u>	<u>17,816</u>	<u>27,423</u>	<u>37,549</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 RM15.3 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 New 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 material litigation 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 New 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 fixed 26 February 2015 as the next case management date.
- A claim of RM5 million was brought against The New 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 given the trial date for this case on 6-8 July 2015.
- A claim of RM2 million was brought against The New 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.

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.

A12. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 31 December 2014 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant & equipment	98,848
- Programmes and film rights	207,315
Approved and contracted for:	
- Property, plant & equipment	45,665
	<u>351,828</u>
Share of an associate's capital commitments	<u>1,313</u>

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Cash and bank balances	65,493	99,709
Deposits with licensed banks	499,497	518,681
Deposits, cash and bank balances	<u>564,990</u>	<u>618,390</u>
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	(13,538)	(9,496)
Cash and cash equivalents	<u>551,452</u>	<u>608,894</u>

A14. REALISED AND UNREALISED PROFIT

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
MPB realised retained earnings	104,295	146,257
Total accumulated losses of its subsidiaries:		
- Realised	(299,031)	(279,331)
- Unrealised	19,037	18,318
	<u>(279,994)</u>	<u>(261,013)</u>
Total share of retained profits from associated companies:		
- Realised	9,107	12,943
- Unrealised	2,054	4,385
	<u>11,161</u>	<u>17,328</u>
Total Group's accumulated losses (before consolidation adjustments)	(164,538)	(97,428)
Add: Consolidation adjustments	227,975	230,588
Total Group retained earnings as per consolidated accounts	<u>63,437</u>	<u>133,160</u>

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB'S LISTING REQUIREMENTS**B1. TAXATION**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
In respect of the current year:				
Current Malaysian income tax	-	15,211	26,806	57,478
Deferred tax (assets)/liability	(4,220)	2,035	755	9,466
Under/(Over) accruals of taxation in prior year	(6,489)	5,421	(2,742)	6,621
	<u>(10,709)</u>	<u>22,667</u>	<u>24,819</u>	<u>73,565</u>

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 December 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:

	31.12.2014	31.12.2013
	RM'000	RM'000
<u>Short Term Borrowings</u>		
Unsecured:		
- Hire purchase	1,295	2,498
- Banker's acceptance	-	35,098
- Revolving credit	-	10,000
Secured:		
- Redeemable Fixed Rate Bonds	151,689	-
	<u>152,984</u>	<u>47,596</u>
<u>Long Term Borrowings</u>		
Unsecured:		
- Hire purchase	-	1,316
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	300,108	300,036
Secured:		
- Redeemable Fixed Rate Bonds	-	150,418
	<u>300,108</u>	<u>451,770</u>
Total borrowings	<u>453,092</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 31.12.2014 RM'000	Quarter ended 30.9.2014 RM'000
Revenue	384,699	379,598
Profit before tax	(40,756)	56,842
Profit after tax	(30,047)	42,578

Group revenue in Q4 2014 increased marginally by 1% as compared to Q3 2014. However, profit after tax in Q4 2014 fell by more than 100% against the corresponding quarter of 2013 mainly due to Mutual Separation Scheme (MSS) expenses amounting to RM79.8 million. If the one off MSS amount was excluded, the profit after tax for the Group has declined by 13%. Performance of the respective business platforms for Q4 2014 against the preceding quarter is as follows:

- a) Television Network – Higher advertisement revenue by 5% from RM164.2 million in Q3 2014 to RM172.8 million in Q4 2014.
- b) Print Media – Print revenue decreased by 6% as compared to Q3 2014.
- c) Outdoor Media – Revenue increased by 8% and correspondingly profit after tax has increased by 52%.
- d) Radio Network – Higher sales recorded during Q4 2014 by 6% as compared to Q3 2014 and subsequently profit after tax increased by 21%.
- e) Digital Media – Recorded 6% increase in revenue in Q4 2014 as compared to Q3 2014.
- f) Content Creation – Revenue of RM7.3 million in Q4 2014 is higher against previous quarter by 22%.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB'S LISTING REQUIREMENTS

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

	Financial Year 31.12.2014 RM'000	Preceding Year 31.12.2013 RM'000
Revenue	1,506,981	1,722,943
Profit before tax	101,441	289,981
Profit after tax	76,622	216,416

The Group recorded a fall in revenue and profit after tax against previous corresponding year by 13% and 65% respectively due to the market uncertainties, weak consumer sentiments and the tragic airlines incidents that resulted in advertisers being more cautious over advertisement placed during the period. We closed the year with the worst flood the country had seen in many years. As part of the Group's rationalisation and consolidation plan, the Group undertook a Mutual Separation Scheme (MSS) towards end of 2014. If the MSS amount was excluded, the profit after tax for the Group contracted by 35%.

The performance of the respective platforms for the year ended 31 December 2014 as compared to previous financial year is analysed as follows:

- a) Television Network – Revenue for the year was lower by 11%. Profit after tax has also declined by 43%, in tandem with lower revenue recorded during the year.
- b) Print Media – Print revenue declined by 17% due to lower advertising and newspaper sales revenue.
- c) Outdoor Media – Revenue contracted by 7% against previous comparative year due to the slow take up by advertisers. However, profit after tax increased by 3% on the back of cost saving initiatives.
- d) Radio Network – Lower revenue by 3%. However profit after tax increased by 4% against corresponding year.
- e) Digital Media – Advertising revenue has increased by 7% due to the higher take up of online advertising and recorded a lower loss by 8% against prior year.
- f) Content Creation – Lower revenue by 40% due to lower number of movie releases in the current year compared to the previous corresponding year.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB'S LISTING REQUIREMENTS

B8. PROSPECTS FOR 2015

The Group is bracing for another challenging year in 2015, with the domestic economic outlook factored from a lower anticipated GDP growth, prevailing low oil prices and the implementation of Goods and Services Tax (GST) in the year. In view of these challenges, the Group seeks to grow its non-traditional revenue while consolidating its market share in core advertising revenue. 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 multi-platform content production for market beyond MPB TV Network while concurrently enhancing its respective platforms' business strategies as follows:

- a) Television Network - Continue to focus on high quality content and market positioning by introducing new programmes in order to maintain leading viewership positions.
- b) Print Media - Outlook for Print Media will continue to be challenging due to consumers shift in media consumption preferences. Cover price revision of its three newspapers is set to compensate for lower newspaper sales and higher production costs.
- c) Outdoor Media - Maintain its industry edge by investing in innovative products and creative assets through upgrading of premium sites, new roll-outs in key market sites and more digital format roll-outs.
- d) Radio Network - Attract listeners in the digital space through various online and social media outlets in order to maintain and strengthen its listenership in the face of digital music consumption trends at the same time leveraging on multi-platform and integrated marketing solutions for clients.
- e) Digital Media - Digital media's strategy revolves around the subscriber base of its online portal Tonton, and the potential reach of the Group. Digital is looking to tap into the Group's entire digital assets by collaborating with fellow platforms while also targeting advertising and e-commerce avenues.
- f) Content creation - Delivery of high quality production and commercially viable content to increase external revenue domestically and regionally. While continuing to be an in-house production house for MPB TVN, it seeks to expand with opportunities in emerging digital channels and foreign markets through partnerships with other content producers and foreign broadcasters.

B9. PROFIT FORECAST/PROFIT GUARANTEE

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

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB'S LISTING REQUIREMENTS

B10. DIVIDEND

The Board of Directors recommend a final single tier dividend of 5.0 sen (2013: 5.0 sen) per ordinary share for the financial year ended 31 December 2014 which is subject to the approval of shareholders at the forthcoming Fourteenth (14th) Annual General Meeting of the Company.

With the recommendation of the final single tier dividend, total dividends declared for the current financial year is 11.0 sen (2013: 14.0 sen) per ordinary share.

B11. EARNINGS PER SHARE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit attributable to owners of the Company (RM'000)	(29,494)	63,439	75,528	214,165
Weighted average number of ordinary shares in issue ('000)	1,105,261	1,091,669	1,105,261	1,091,669
Basic earnings per share (sen)	(2.67)	5.81	6.83	19.62
Weighted average number of ordinary shares in issue ('000)	1,105,261	1,091,669	1,105,261	1,091,669
Adjustments for Warrants ('000)	15,010	21,837	15,010	21,837
Adjustments for ESOS ('000)	1,416	2,925	1,416	2,925
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	1,121,687	1,116,431	1,121,687	1,116,431
Diluted earnings per share (sen)	(2.63)	5.68	6.73	19.18

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)

COMPANY SECRETARY

Kuala Lumpur

25 February 2015

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