

## MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER

ENDED 30 JUNE 2016

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 June 2016.

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 2015.

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.6.2016 RM'000	30.6.2015 RM'000	30.6.2016 RM'000	30.6.2015 RM'000
Revenue		<b>349,551</b>	365,819	<b>653,614</b>	695,208
Operating expenses	A8	<b>(323,363)</b>	(312,187)	<b>(609,068)</b>	(614,497)
Other operating income	A9	<b>7,071</b>	7,889	<b>12,809</b>	14,015
Profit from operations		<b>33,259</b>	61,521	<b>57,355</b>	94,726
Finance costs		<b>(3,202)</b>	(3,439)	<b>(6,580)</b>	(8,767)
Share of results of an associate		<b>(216)</b>	(746)	<b>358</b>	(2,819)
Profit before tax		<b>29,841</b>	57,336	<b>51,133</b>	83,140
Taxation	B1	<b>(5,468)</b>	(15,036)	<b>(9,520)</b>	(21,490)
Profit and total comprehensive income for the financial period		<b>24,373</b>	42,300	<b>41,613</b>	61,650
<b>Profit and total comprehensive income attributable to:</b>					
- Owners of the Company		<b>27,917</b>	43,944	<b>45,163</b>	62,826
- Non-controlling interests		<b>(3,544)</b>	(1,644)	<b>(3,550)</b>	(1,176)
		<b>24,373</b>	42,300	<b>41,613</b>	61,650
<b>Earnings per share (sen)</b>					
- Basic	B11	<b>2.52</b>	3.96	<b>4.07</b>	5.66

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 2015.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	NOTE	AS AT 30.6.2016 RM'000	AS AT 31.12.2015 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		706,465	720,312
Investment properties		37,030	37,704
Associates		156,842	156,484
Prepaid transmission station rentals		578	720
Available-for-sale financial assets		2,472	2,472
Intangible assets		437,412	421,172
Deferred tax assets		83,957	84,016
		<u>1,424,756</u>	<u>1,422,880</u>
<b>Current Assets</b>			
Financial assets at fair value through profit or loss		90	90
Inventories		45,129	53,268
Trade and other receivables		360,655	368,715
Current tax assets		50,815	50,288
Deposits, cash and bank balances		406,942	420,657
		<u>863,631</u>	<u>893,018</u>
<b>Non-current assets held for sale</b>		<u>14,156</u>	<u>14,156</u>
<b>TOTAL ASSETS</b>		<u><u>2,302,543</u></u>	<u><u>2,330,054</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Non-Current Liabilities</b>			
Borrowings	B5	300,036	300,108
Deferred tax liabilities		67,941	68,280
		<u>367,977</u>	<u>368,388</u>
<b>Current Liabilities</b>			
Trade and other payables		285,198	319,409
Current tax liabilities		7,013	7,125
		<u>292,211</u>	<u>326,534</u>
<b>TOTAL LIABILITIES</b>		<u>660,188</u>	<u>694,922</u>
<b>Equity and Reserves</b>			
Share capital		1,109,199	1,109,199
Reserves		501,159	511,456
Equity attributable to owners of the Company		<u>1,610,358</u>	<u>1,620,655</u>
Non-controlling interests		31,997	14,477
Total equity		<u>1,642,355</u>	<u>1,635,132</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>2,302,543</u></u>	<u><u>2,330,054</u></u>
<b>Net Assets per share attributable to equity holders of the Company (sen)</b>		<b>145.18</b>	<b>146.11</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 2015.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE**

	Attributable to Owners of the Company						
	Issued and fully paid-up ordinary shares						
	of RM1 each	Non – distributable	Distributable			Non-	Total
	Share capital	Share premium	Other reserves	Retained earnings	Total	controlling interests	equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2016:</b>							
<b>At 1 January 2016</b>	<b>1,109,199</b>	<b>415,536</b>	<b>2,255</b>	<b>93,665</b>	<b>1,620,655</b>	<b>14,477</b>	<b>1,635,132</b>
<b>Total profit and comprehensive income for the financial period</b>	-	-	-	45,163	45,163	(3,550)	41,613
<b>Transaction with owners:</b>							
Equity contribution from non-controlling interest	-	-	-	-	-	21,070	21,070
Final dividends paid for the financial year ended 31 December 2015	-	-	-	(55,460)	(55,460)	-	(55,460)
<b>Total transaction with owners</b>	-	-	-	(55,460)	(55,460)	21,070	(34,390)
<b>At 30 June 2016</b>	<b>1,109,199</b>	<b>415,536</b>	<b>2,255</b>	<b>83,368</b>	<b>1,610,358</b>	<b>31,997</b>	<b>1,642,355</b>
<b>2015:</b>							
<b>At 1 January 2015</b>	<b>1,109,107</b>	<b>415,449</b>	<b>4,584</b>	<b>63,437</b>	<b>1,592,577</b>	<b>20,627</b>	<b>1,613,204</b>
<b>Total profit and comprehensive income for the period</b>	-	-	-	62,826	62,826	(1,176)	61,650
<b>Transaction with owners:</b>							
Exercise of Employee Share Option Scheme ("ESOS")	92	87	(15)	-	164	-	164
Cancellation of expired ESOS during the period	-	-	(2,458)	2,458	-	-	-
Final dividends paid for financial year ended 31 December 2014	-	-	-	(55,458)	(55,458)	-	(55,458)
<b>Total transaction with owners</b>	92	87	(2,473)	(53,000)	(55,294)	-	(55,294)
<b>At 30 June 2015</b>	<b>1,109,199</b>	<b>415,536</b>	<b>2,111</b>	<b>73,263</b>	<b>1,600,109</b>	<b>19,451</b>	<b>1,619,560</b>

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 2015.

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>NOTE</b>	<b>FOR THE PERIOD ENDED 30.6.2016</b>	<b>FOR THE PERIOD ENDED 30.6.2015</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		751,500	741,770
Payments to employees and suppliers		(683,672)	(682,381)
Income tax paid (net of refund)		(10,590)	(31,778)
<i>Net cash flows from operating activities</i>		57,238	27,611
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(35,885)	(28,963)
Interest received		6,458	7,013
Proceeds from disposal of property, plant and equipment		-	999
<i>Net cash flows used in investing activities</i>		(29,427)	(20,951)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of shares		-	172
Repayments of hire purchase		-	(1,021)
Interest paid		(6,587)	(10,529)
Decrease in restricted bank balances		1,158	4,521
Drawdown of short term borrowings		-	5,900
Repayment of Redeemable Fixed Rate Bonds		-	(150,000)
Equity contribution from non-controlling interest		21,070	-
Dividends paid to shareholders of the Company		(55,460)	(55,458)
Dividends paid to non-controlling interests		(549)	-
<i>Net cash flows used in financing activities</i>		(40,368)	(206,415)
<b>Net movement in cash and cash equivalents</b>		(12,557)	(199,755)
<b>Cash and cash equivalents at beginning of the financial period</b>		415,684	551,452
<b>Cash and cash equivalents at end of the financial period</b>	A13	403,127	351,697

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 2015.

# MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

### 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 2015, 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 2015.

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 amendments and improvements to MFRS that came into effect on 1 January 2016 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 11	Joint Arrangements	1 January 2016
	- Accounting for Acquisitions of Interest in Joint Operations	

## NOTES TO THE INTERIM FINANCIAL REPORT

### A1. BASIS OF PREPARATION (CONTINUED)

Description		Effective for annual periods beginning on or after
Amendments to MFRS 116	Property, Plant and Equipment	1 January 2016
	- Clarification of Acceptable Methods on Depreciation and Amortisation	
Amendments to MFRS 138	Intangible Assets	1 January 2016
	- Clarification of Acceptable Methods on Depreciation and Amortisation	
Amendments to MFRS 127	Separate Financial Statements	1 January 2016
	- Equity Method in Separate Financial Statements	
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2016
	- Disclosure Initiative	
Amendments to MFRSs	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016

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

Description		Effective for annual periods beginning on or after
Amendments to MFRS 107	Statement of Cash Flows	1 January 2017
	- Disclosure Initiative	
Amendments to MFRS 112	Income Taxes	1 January 2017
	- Recognition of Deferred Tax Assets on Unrealised Losses	
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019

The effects of the above standards are currently being assessed by the Directors.

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

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

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2015 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 June 2016.

### **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 second quarter and financial period ended 30 June 2016.

## 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 financial period is as follows:

Period ended 30 June 2016	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	Corporate and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	305,260	33,329	74,731	230,254	846	9,194	-	-	653,614
Inter-segment revenue	1,239	83	316	575	16,094	46,225	104,986	(169,518)	-
Royalties	306,499 (1,461)	33,412 (99)	75,047 -	230,829 -	16,940 -	55,419 -	104,986 -	(169,518) -	653,614 (1,560)
Reportable segment profit after tax before non-controlling interest	305,038 14,763	33,313 11,324	75,047 14,362	230,829 547	16,940 280	55,419 4,996	104,986 52,286	(169,518) (56,945)	652,054 41,613

Period ended 30 June 2015	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	Corporate and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	295,706	29,589	71,881	278,928	8,747	10,357	-	-	695,208
Inter-segment revenue	1,296	171	300	1,093	481	49,148	71,000	(123,489)	-
Royalties	297,002 (1,485)	29,760 (149)	72,181 -	280,021 -	9,228 -	59,505 -	71,000 -	(123,489) -	695,208 (1,634)
Reportable segment profit after tax before non-controlling interest	295,517 33,219	29,611 7,200	72,181 13,434	280,021 15,277	9,228 (2,460)	59,505 10,758	71,000 52,583	(123,489) (68,361)	693,574 61,650

Certain comparatives were reclassified to conform to the current period's presentation.



## NOTES TO THE INTERIM FINANCIAL REPORT

### A7. DIVIDENDS PAID

	<b>30.6.2016</b>	30.6.2015
	<b>RM'000</b>	RM'000
<u>In respect of the financial year ended 31 December 2015</u>		
Final, single tier dividend of 5.0 sen per ordinary share paid on 24 June 2016	<b>55,460</b>	
<u>In respect of the financial year ended 31 December 2014</u>		
Final, single tier dividend of 5.0 sen per ordinary share paid on 26 June 2015	-	55,458
	<u><b>55,460</b></u>	<u>55,458</u>

### A8. OPERATING EXPENSES

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>30.6.2016</b>	30.6.2015	<b>30.6.2016</b>	30.6.2015
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Depreciation and amortisation	<b>27,290</b>	25,397	<b>53,126</b>	50,608
Impairment of receivables	<b>617</b>	594	<b>1,199</b>	1,265
Foreign exchange loss	<b>83</b>	319	<b>435</b>	869

### A9. OTHER OPERATING INCOME

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>30.6.2016</b>	30.6.2015	<b>30.6.2016</b>	30.6.2015
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
Interest income	<b>3,386</b>	3,323	<b>6,458</b>	7,013
Other income	<b>2,902</b>	4,532	<b>5,068</b>	6,939
Reversal of receivables impairment	-	-	<b>251</b>	-
Foreign exchange gain	<b>783</b>	34	<b>1,032</b>	63
	<u><b>7,071</b></u>	<u>7,889</u>	<u><b>12,809</b></u>	<u>14,015</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 26 (As at 31.12.2015: 27) legal suits with contingent liabilities amounting to approximately RM4.8 million (As at 31.12.2015: RM4.7 million). All of the 26 legal suits are for alleged defamation.

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 materialising into the sum as claimed is highly unlikely.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group 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 30 June 2016 are as follows:

	<b>RM'000</b>
Approved but not contracted:	
- Property, plant and equipment	<b>77,494</b>
- Programmes and film rights	<b>118,709</b>
Approved and contracted for:	
- Property, plant and equipment	<b>31,378</b>
	<b>227,581</b>
	<b>-</b>

### **A13. CASH AND CASH EQUIVALENTS**

Details of cash and cash equivalents are as follows:

	<b>As at 30.6.2016 RM'000</b>	As at 30.6.2015 RM'000
Cash and bank balances	<b>190,375</b>	114,468
Deposits with licensed banks	<b>216,567</b>	246,244
<b>Deposits, cash and bank balances</b>	<b>406,942</b>	360,712
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	<b>(3,815)</b>	(9,015)
<b>Cash and cash equivalents</b>	<b>403,127</b>	351,697

## NOTES TO THE INTERIM FINANCIAL REPORT

### A14. REALISED AND UNREALISED PROFIT

	As at 30.6.2016 RM'000	As at 31.12.2015 RM'000
MPB realised retained earnings	<u>111,009</u>	<u>114,182</u>
Total accumulated losses of its subsidiaries:		
- Realised	<b>(285,920)</b>	(270,643)
- Unrealised	<u>15,385</u>	<u>13,998</u>
	<b>(270,535)</b>	<b>(256,645)</b>
Total share of retained profits from associated companies:		
- Realised	<b>747</b>	1,995
- Unrealised	<u>3,653</u>	<u>2,054</u>
	<b>4,400</b>	<b>4,049</b>
Total Group's accumulated losses (before consolidation adjustments)	<b>(155,126)</b>	(138,414)
Add: Consolidation adjustments	<b>238,494</b>	232,079
Total Group retained earnings as per consolidated accounts	<u><b>83,368</b></u>	<u>93,665</u>

### A15. CHANGES IN COMPOSITION OF THE GROUP

On 18 January 2016, Sistem Televisyen Malaysia Berhad ("STMB"), a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement ("JVA") with CJ O Co., Ltd ("CJ O") to establish a joint venture company ("JV Co") for the purpose of a home shopping business. The JV Co was incorporated on 22 February 2016 as MP CJ O Shopping Sdn Bhd ("MPCJ") with an initial issued and paid-up share capital of RM100 comprising 100 ordinary shares of RM1.00 each, issued to STMB and CJ O in the ratio of 51% and 49% respectively. On 13 April 2016, STMB and CJ O subscribed for a further 21,929,949 and 21,069,951 ordinary shares of RM1.00 each in MPCJ, proportionate to their respective shareholding proportion of 51% and 49% respectively.

MPCJ shall have an eventual issued and paid-up capital of RM65.0 million and the shareholding structure of MPCJ shall be held by STMB and CJ O in the ratio of 51% and 49% respectively.

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

### **B1. TAXATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>30.6.2016</b>	30.6.2015	<b>30.6.2016</b>	30.6.2015
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
In respect of the current period:				
- Current income tax	<b>5,533</b>	9,349	<b>9,800</b>	16,023
- Deferred taxation	<b>(65)</b>	3,846	<b>(280)</b>	3,626
- Under accruals of taxation in prior year	-	1,841	-	1,841
	<b>5,468</b>	15,036	<b>9,520</b>	21,490

The Group's current financial period effective tax rate is lower than the statutory tax rate primarily due to utilisation of group tax reliefs.

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

As at 30 June 2016, 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 and Note A16, there was no other material litigation in the period under review since the last announcement.

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

	<b>30.6.2016</b>	31.12.2015
	<b>RM'000</b>	RM'000
<b><u>Non-current Borrowing</u></b>		
Unsecured:		
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	<b>300,036</b>	300,108
Total borrowings	<b>300,036</b>	300,108

The Group's borrowing is denominated in Ringgit Malaysia.

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

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

	<b>Quarter ended 30.6.2016 RM'000</b>	Quarter ended 31.3.2016 RM'000
Revenue	<b>349,551</b>	304,063
Profit Before Tax (PBT)	<b>29,841</b>	21,292
Profit After Tax (PAT)	<b>24,373</b>	17,240

Group performance for 2QFY16 improved as revenue grew by 15% against 1QFY16 partly contributed by the new retail home shopping business which was launched during the period. 2QFY16 PAT improved by 41% against the preceding quarter.

The performance of the respective business platforms for 2QFY16 against the preceding quarter is as follows:

- a) Television Network – Revenue grew by 22% from RM138.3 million to RM168.2 million correspondingly. PAT increased by 49% against the immediate preceding quarter.
- b) Print Media – Print revenue of RM120.7 million for 2QY16 was a 10% improvement against 1QFY16's revenue of RM110.2 million.
- c) Outdoor Media – Recorded a quarterly revenue of RM38.5 million, which was a 5% growth against 1QFY16 revenue.
- d) Radio Network – Increase in 2QFY16 PAT to RM7.7 million as compared with RM3.7 million in 1QFY16.
- e) Digital Media – Digital recorded a minimal loss of RM0.2 million in 2QFY16 compared to the RM0.5 million PAT recorded in 1QFY16 due to higher promotion and research costs. These were incurred relatively for our new Media Prima Labs.
- f) Content Creation – 9% revenue increase from RM26.5 million in 1QFY16 to RM28.9 million in 2QFY16.

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

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

	<b>Period ended 30.6.2016 RM'000</b>	Period ended 30.6.2015 RM'000
Revenue	<b>653,614</b>	695,208
Profit Before Tax (PBT)	<b>51,133</b>	83,140
Profit After Tax (PAT)	<b>41,613</b>	61,650

Revenue for 1HFY16 declined by 6% against the corresponding period due to lower revenue from Print. Weak consumer sentiment, change in media consumption habits and economic slowdown has impacted the revenue. Nevertheless, new revenue streams from recently launched home shopping business has partially mitigated the decline in the traditional revenue segment. This has cushioned the decline of our 1HFY16 PAT by 33% against the corresponding period.

The performance of the respective platforms for the period ended 30 June 2016 as compared to the comparative financial period is analysed as follows:

- a) Television Network – Revenue grew by 3% contributed by new retail revenue from home shopping business. Nevertheless, a one-time implementation and start-up costs from home shopping resulted in PAT of RM14.8 million.
- b) Print Media – Print's revenue declined to RM230.8 million compared to 1HFY15, attributed to industry wide challenges in advertising revenue and newspaper sales. This impacted the PAT to close at RM0.5 million for the current period.
- c) Outdoor Media – Encouraging performance recorded as current period revenue and PAT increased by 4% and 7% respectively against the comparative period.
- d) Radio Network – 1HFY16 revenue increased by 12% against the comparative period. This subsequently pushed PAT to close 57% higher compared to the corresponding period.
- e) Digital Media – Recorded a RM0.3 million PAT for 1HFY16 compared to the loss position in the corresponding period after the streamlining of group digital support services under the platform.
- f) Content Creation – Revenue decreased by 7% due to lower external and intersegment sales. As a result of lower revenue, PAT declined by 54% compared to the corresponding period.

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

### **B8. PROSPECTS FOR 2016**

Outlook for 2016 remains challenging as market sentiment is still cautious due to the current economic condition and consumers' sentiment. Within the media industry, the Group continues to face challenges from factors such as customer fragmentation, technological advancements, shift in advertisement to digital media, and increased competition from global media players.

Nevertheless, the rapid changes in the media industry also present the Group with new opportunities to explore for all of its business platforms:

- a) Television Network – Apart from strengthening the traditional adex-reliant Free-To-Air (FTA) segment with more creative solutions, the Network has also started to diversify its revenue, through new offerings that include home shopping, Video On Demand (VOD) and Multi-Channel Network (MCN).
- b) Print Media – The platform is continuously reviewing areas for improvement and undertaking cost management initiatives to improve effectiveness and efficiency. Evolution into the digital landscape like *FullAMark* education portal and online presents an opportunity to mitigate the challenging environment of the traditional newspaper segment.
- c) Outdoor Media – Continue growing its digital out-of-home solutions at key and premium sites whilst exploring new business opportunities. The recently secured advertising concession for the LRT Extension Line and other upcoming infrastructure projects provides new revenue potential for the platform.
- d) Radio Network – MPRN will continue to compete for listenership and also reach out to its audience, clients and agencies in the digital and social media space. The new addition of Kool FM provides the opportunity to grow its media sales and venture into the mature Malay segment in which MPRN was not present before.
- e) Digital Media – The segment will leverage on the Group's unique intellectual properties to provide a unique platform for digital and mobile products and service following the overwhelming response for its *Jalan Jalan Cari Makan (JJCM)* mobile app and *Ejen Ali* game.
- f) Content Creation – The platform has developed another unique business proposition of being a content distributor. This was reflected in its recent success distributing box office hits *BoBoiBoy The Movie* and *Ada Apa Dengan Cinta 2*. The platform is also looking at opportunities to expand its presence in the content industry by tapping into the needs of digital media and streaming services for content production.

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

### **B8. PROSPECTS FOR 2016 (CONTINUED)**

As the current industry climate is increasingly challenging and further aggravated by the soft market sentiment, the Group will continue to defend its core traditional adex business. Concurrently, the Group has started to launch new business initiatives to complement the existing business segment in view of the challenging outlook facing the media industry. These new initiatives are still going through gestation period and shall expect positive development in the upcoming quarters.

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

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

### **B10. DIVIDEND**

The Board of Directors declares a first interim single-tier dividend of 2.0 sen (2015: 3.0 sen) per ordinary share for the financial year ending 31 December 2016 to be paid on 30 September 2016 to Depositors whose name appear in the Record of Depositors at the close of business on 9 September 2016.



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

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

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>30.6.2016</b>	<b>30.6.2015</b>	<b>30.6.2016</b>	<b>30.6.2015</b>
Profit attributable to owners of the Company (RM'000)	<b>27,917</b>	43,944	<b>45,163</b>	62,826
Weighted average number of ordinary shares in issue ('000)	<b>1,109,199</b>	1,109,192	<b>1,109,199</b>	1,109,192
<b>Basic earnings per share (sen)</b>	<b>2.52</b>	3.96	<b>4.07</b>	5.66

**BY ORDER OF THE BOARD**

**TAN SAY CHOON (MAICSA 7057849)**

**FARNIDA BINTI NGAH (MIA 22495)**

**COMPANY SECRETARIES**

**Kuala Lumpur**

11 August 2016

*The full financial analysis of Media Prima Berhad Group can also be viewed at Media Prima Berhad's website:*

<http://www.mediaprima.com.my>