MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 year ended 31 December 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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	NOTE	**31.12.2016**	31.12.2015	**31.12.2016**	31.12.2015
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**318,634**	367,117	**1,289,008**	1,427,693
Operating expenses	A8	**(330,625)**	(319,881)	**(1,269,019)**	(1,235,401)
Restructuring (expenses)/reversal	A8	**6,657**	-	**(97,912)**	-
Other operating income	A9	**13,415**	14,006	**35,428**	30,321
(Loss)/profit from operations		**8,081**	61,242	**(42,495)**	222,613
Finance costs		**(3,412)**	(3,145)	**(13,325)**	(15,300)
Share of results of an associate		**(9,508)**	(2,331)	**(10,089)**	(7,245)
(Loss)/profit before tax		**(4,839)**	55,766	**(65,909)**	200,068
Taxation	B1	**6,705**	(23,808)	**(3,874)**	(61,360)
Net (loss)/profit for the financial year		**1,866**	31,958	**(69,783)**	138,708
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss					
- Revaluation of available-for-sale financial assets		**-**	147	**-**	147
Other comprehensive income for the financial year, net of tax		**-**	147	**-**	147
Total comprehensive (loss)/ income for the financial year		**1,866**	32,105	**(69,783)**	138,855

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	NOTE	**31.12.2016**	31.12.2015	**31.12.2016**	31.12.2015
		RM'000	RM'000	**RM'000**	RM'000
(Loss)/profit attributable to:					
- Owners of the Company		**4,996**	31,728	**(59,198)**	138,717
- Non-controlling interests		**(3,130)**	230	**(10,585)**	(9)
		1,866	31,958	**(69,783)**	138,708
Total comprehensive (loss)/ income attributable to:					
- Owners of the Company		**4,996**	31,872	**(59,198)**	138,861
- Non-controlling interests		**(3,130)**	233	**(10,585)**	(6)
		1,866	32,105	**(69,783)**	138,855
(Loss)/earnings per share (sen)					
- Basic and diluted	B11	**0.45**	2.86	**(5.34)**	12.51

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 31.12.2016 RM'000	AS AT 31.12.2015 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		**623,003**	720,312
Investment properties		**32,711**	37,704
Associates		**146,395**	156,484
Prepaid transmission station rentals		**437**	720
Available-for-sale financial assets		**2,472**	2,472
Intangible assets		**437,140**	421,172
Deferred tax assets		**110,518**	84,016
		1,352,676	1,422,880
Current Assets			
Financial assets at fair value through profit or loss		**90**	90
Inventories		**55,244**	53,268
Trade and other receivables		**318,872**	368,715
Current tax assets		**33,456**	50,288
Deposits, cash and bank balances		**374,898**	420,657
		782,560	893,018
Non-current assets held for sale		**16,541**	14,156
TOTAL ASSETS		**2,151,777**	2,330,054
LIABILITIES AND EQUITY			
Non-Current Liabilities			
Borrowings	B5	**-**	300,108
Deferred tax liabilities		**69,563**	68,280
		69,563	368,388
Current Liabilities			
Trade and other payables		**294,796**	319,409
Borrowings	B5	**300,108**	-
Current tax liabilities		**1,097**	7,125
		596,001	326,534
TOTAL LIABILITIES		**665,564**	694,922
Equity and Reserves			
Share capital		**1,109,199**	1,109,199
Reserves		**352,430**	511,456
Equity attributable to owners of the Company		**1,461,629**	1,620,655
Non-controlling interests		**24,584**	14,477
Total equity		**1,486,213**	1,635,132
TOTAL LIABILITIES AND EQUITY		**2,151,777**	2,330,054
Net Assets per share attributable to equity holders of the Company (sen)		**131.77**	146.11

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 YEAR ENDED 31 DECEMBER 2016

	Attributable to Owners of the Company						
	Issued and fully paid-up ordinary shares of RM1 each	Non – distributable		Distributable			
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	(Accumulated losses)/ Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2016:							
At 1 January 2016	1,109,199	415,536	2,255	93,665	1,620,655	14,477	1,635,132
Net loss and comprehensive loss for the financial year	-	-	-	(59,198)	(59,198)	(10,585)	(69,783)
Transaction with owners:							
Equity contribution from non-controlling interest	-	-	-	-	-	21,070	21,070
Reclassification	-	-	(500)	500	-	-	-
Final dividends paid for the financial year ended 31 December 2015	-	-	-	(55,460)	(55,460)	-	(55,460)
First interim dividends paid for the financial year ended 31 December 2016	-	-	-	(22,184)	(22,184)	-	(22,184)
Second interim dividends paid for the financial year ended 31 December 2016				(22,184)	(22,184)	-	(22,184)
Dividends payable to non-controlling interests	-	-	-	-	-	(378)	(378)
Total transaction with owners	-	-	(500)	(99,328)	(99,828)	20,692	(79,136)
At 31 December 2016	1,109,199	415,536	1,755	(64,861)	1,461,629	24,584	1,486,213

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to Owners of the Company						
	Issued and fully paid-up ordinary shares of RM1 each	Non – distributable		Distributable			
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2015:							
At 1 January 2015	1,109,107	415,449	4,584	63,437	1,592,577	20,627	1,613,204
Profit for the period	-	-	-	138,717	138,717	(9)	138,708
Other comprehensive income, net of tax:							
Items that may be subsequently reclassified to profit or loss							
- Revaluation of available-for-sale financial assets	-	-	144	-	144	3	147
Total profit and comprehensive income for the year	-	-	144	138,717	138,861	(6)	138,855
Transaction with owners:							
Exercise of Employee Share Option Scheme ("ESOS")	92	87	(14)	-	165	-	165
Cancellation of expired ESOS during the period	-	-	(2,459)	2,459	-	-	-
Final dividends paid for financial year ended 31 December 2014	-	-	-	(55,460)	(55,460)	-	(55,460)
First interim dividends paid for financial year ended 31 December 2015	-	-	-	(33,281)	(33,281)	-	(33,281)
Second interim dividends paid for the financial year ended 31 December 2015	-	-	-	(22,184)	(22,184)	-	(22,184)
Dividends paid to non-controlling interests	-	-	-	-	-	(914)	(914)
Acquisition of additional interest in a subsidiary	-	-	-	(23)	(23)	(5,230)	(5,253)
Total transaction with owners	92	87	(2,473)	(108,489)	(110,783)	(6,144)	(116,927)
At 31 December 2015	1,109,199	415,536	2,255	93,665	1,620,655	14,477	1,635,132

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

	NOTE	**FOR THE YEAR ENDED 31.12.2016**	FOR THE YEAR ENDED 31.12.2015
		RM'000	RM'000
Cash flows from operating activities			
Receipts from customers		**1,583,115**	1,554,084
Payments to employees and suppliers		**(1,446,506)**	(1,286,437)
Income tax paid (net of refund)		**(18,289)**	(41,735)
Net cash flows from operating activities		**118,320**	225,912
Cash flows from investing activities			
Purchase of property, plant and equipment		**(77,774)**	(79,381)
Purchase of investment properties		**(50)**	-
Purchase of intangible assets - computer software		**(10,083)**	(5,666)
Interest received		**14,388**	13,682
Acquisition of subsidiaries, net of cash acquired		**-**	(18,949)
Proceeds from disposal of property, plant and equipment		**2,072**	1,386
Proceeds from disposal of non-current assets held for sale		**-**	3,345
Net cash flows used in investing activities		**(71,447)**	(85,583)
Cash flows from financing activities			
Proceeds from issuance of shares		**-**	165
Repayments of hire purchase		**-**	(1,295)
Interest paid		**(13,325)**	(16,989)
Decrease in restricted bank balances		**1,048**	8,565
Equity contribution from non-controlling interest		**21,070**	-
Acquisition of additional interest in a subsidiary		**-**	(5,253)
Drawdown of short term borrowings		**5,313**	1,400
Repayment of Redeemable Fixed Rate Bonds		**-**	(150,000)
Repayment of short term borrowings		**(5,313)**	(1,400)
Dividends paid to shareholders of the Company		**(99,828)**	(110,925)
Dividends paid to non-controlling interests		**(549)**	(365)
Net cash flows used in financing activities		**(91,584)**	(276,097)
Net movement in cash and cash equivalents		**(44,711)**	(135,768)
Cash and cash equivalents at beginning of the financial year		**415,684**	551,452
Cash and cash equivalents at end of the financial year	A13	**370,973**	415,684

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.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 - Accounting for acquisition of interest in joint operations	1 January 2016

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 - Clarification of Acceptable Methods on Depreciation and Amortisation	1 January 2016
Amendments to MFRS 138	Intangible Assets - Clarification of Acceptable Methods on Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127	Separate Financial Statements - Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 10, 12 and 128	Investment entities - Applying the consolidation expection	1 January 2016
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 - Disclosure Initiative	1 January 2017
Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets on Unrealised Losses	1 January 2017
Amendments to MFRS 140	Investment Properties	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
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

During the year, The New Straits Times Press (Malaysia) Berhad ("NSTP"), a subsidiary of the Company, undertook a restructuring exercise for its regional printing plant ("RPP") operations. This involves optimising the Group's printing plant capacity to unlock potential cost savings in line with expansion into digital and new business initiatives. Under the restructuring plan, NSTP will cease the operation of its Ajil and Senai RPPs in Terengganu and Johor respectively. A review of the recoverable amount of its other RPPs that are subject to impairment was also performed and impaired accordingly.

The affected employees from the restructuring exercise have been compensated with an equitable compensation package as well as outplacement programs for a smoother transition.

As at 31 December 2016, the Group's Print reportable segment incurred a total of RM97.9 million arising from the exercise as disclosed in Note A8.

Other than those disclosed above and in Note A8, 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 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 fourth quarter and financial year ended 31 December 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 year is as follows:

Year ended 31 December 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 RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	**630,485**	**68,124**	**157,495**	**410,095**	**2,319**	**20,490**	**-**	**-**	**1,289,008**
Inter-segment revenue	**1,238**	**270**	**1,248**	**5,395**	**30,141**	**94,785**	**239,091**	**(372,168)**	**-**
	631,723	**68,394**	**158,743**	**415,490**	**32,460**	**115,275**	**239,091**	**(372,168)**	**1,289,008**
Royalties	**(2,900)**	**(321)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,221)**
	628,823	**68,073**	**158,743**	**415,490**	**32,460**	**115,275**	**239,091**	**(372,168)**	**1,285,787**
Reportable segment (loss)/profit after tax before non-controlling interest	**5,180**	**25,666**	**37,051**	**(124,219)**	**331**	**10,414**	**130,890**	**(155,096)**	**(69,783)**

Year ended 31 December 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 RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	626,188	67,503	157,229	551,619	11,408	13,733	13	-	1,427,693
Inter-segment revenue	4,470	174	361	10	15,683	97,377	173,177	(291,252)	-
	630,658	67,677	157,590	551,629	27,091	111,110	173,190	(291,252)	1,427,693
Royalties	(1,496)	(245)	-	-	-	-	-	-	(1,741)
	629,162	67,432	157,590	551,629	27,091	111,110	173,190	(291,252)	1,425,952
Reportable segment profit after tax before non-controlling interest	72,869	18,304	36,565	28,116	9,408	14,101	123,439	(164,094)	138,708

* Certain comparatives were reclassified to conform to the current period's presentation.
** The performance of Print Media was impacted by the one-off restructuring of RPP as disclosed in Note A4.
*** Digital Media's profit declined due to demerger of business operations and recognition of deferred tax asset in FY2015.

A7. DIVIDENDS PAID

	31.12.2016 RM'000	31.12.2015 RM'000
In respect of the financial year ended 31 December 2016		
Second interim, single tier dividend of 2.0 sen per ordinary share paid on 30 December 2016	**22,184**	
First interim, single tier dividend of 2.0 sen per ordinary share paid on 30 September 2016	**22,184**	-
In respect of the financial year ended 31 December 2015		
Final, single tier dividend of 5.0 sen per ordinary share paid on 24 June 2016	**55,460**	-
Second interim, single tier dividend of 2.0 sen per ordinary share paid on 30 December 2015	**-**	22,184
First interim, single tier dividend of 3.0 sen per ordinary share paid on 30 September 2015	**-**	33,281
In respect of the financial year ended 31 December 2014		
Final, single tier dividend of 5.0 sen per ordinary share paid on 26 June 2015	**-**	55,460
	99,828	**110,925**

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2016 RM'000	31.12.2015 RM'000	**31.12.2016 RM'000**	31.12.2015 RM'000
Depreciation and amortisation	**26,029**	26,313	**108,215**	103,138
Impairment of receivables	**7,598**	2,355	**11,166**	4,291
Impairment of property, plant and equipment	**-**	267	**-**	267
Impairment of intangible assets	**-**	46	**-**	46
Foreign exchange loss	**751**	168	**1,592**	2,326
Restructuring expenses:				
- Allowance and write off of inventories	**-**	-	**1,500**	-
- Impairment of property, plant and equipment	**391**	-	**76,460**	-
- Provision for termination benefits	**(1,368)**	-	**18,632**	-
- Other closure costs	**(5,680)**	-	**1,320**	-

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2016	31.12.2015	**31.12.2016**	31.12.2015
	RM'000	RM'000	**RM'000**	RM'000
Interest income	**3,688**	3,639	**14,388**	13,682
Other income	**8,803**	8,975	**18,530**	15,083
Dividend income	**-**	-	**-**	-
Gain on disposal of quoted or unquoted investments or properties	**-**	646	**-**	646
Reversal of receivables impairment	**789**	737	**1,039**	737
Foreign exchange gain	**135**	9	**1,471**	173
	13,415	14,006	**35,428**	30,321

A10. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

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

A11. CONTINGENT LIABILITIES

The Group is a defendant in 20 (As at 31.12.2015: 27) legal suits with contingent liabilities amounting to approximately RM4.0 million (As at 31.12.2015: RM4.7 million). All of the 20 legal suits are for alleged defamation.

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 31 December 2016 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant and equipment	**99,545**
- Programmes and film rights	**176,288**
Approved and contracted for:	
- Property, plant and equipment	**12,626**
	288,459
Share of an associate's capital commitments	**119**

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
Cash and bank balances	**107,719**	81,166
Deposits with licensed banks	**267,179**	339,491
Deposits, cash and bank balances	**374,898**	420,657
Less: Restricted deposits		
Deposits with licensed banks	**(3,925)**	(4,973)
Cash and cash equivalents	**370,973**	415,684

NOTES TO THE INTERIM FINANCIAL REPORT

A14. REALISED AND UNREALISED PROFIT

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
MPB realised retained earnings	**145,247**	114,185
Total accumulated losses of its subsidiaries:		
- Realised	**(487,404)**	(270,643)
- Unrealised	**40,081**	13,998
	(447,323)	(256,645)
Total share of retained profits from associated companies:		
- Realised	**(11,518)**	1,995
- Unrealised	**5,662**	2,054
	(5,856)	4,049
Total Group's accumulated losses (before consolidation adjustments)	**(307,932)**	(138,411)
Add: Consolidation adjustments	**243,071**	232,076
Total Group retained earnings as per consolidated accounts	**(64,861)**	93,665

A15. CHANGES IN COMPOSITION OF THE GROUP

Incorporation of subsidiaries during the current financial year:

(a) MP CJ O Shopping Sdn Bhd

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.

A15. CHANGES IN COMPOSITION OF THE GROUP (CONTINUED)

(b) Big Tree Seni Jaya Sdn Bhd

On 10 October 2016, Big Tree Outdoor Sdn Bhd ("BTO"), a wholly-owned subsidiary of the Company, incorporated Big Tree Seni Jaya Sdn Bhd ("Big Tree Seni Jaya") for the purpose of design, build, operate and transfer advertising infrastructure under Projek Mass Rapid Transit Lembah Kelang – Jajaran Sungai Buloh – Kajang for MRT Corp, for Package B (Exterior Station).

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2016	31.12.2015	**31.12.2016**	31.12.2015
	RM'000	RM'000	**RM'000**	RM'000
In respect of the current period:				
- Current income tax	**12,609**	23,675	**23,114**	47,964
- Deferred taxation	**(20,272)**	(2,760)	**(25,219)**	3,209
- Under accruals of taxation in prior year	**958**	2,893	**5,979**	10,187
	(6,705)	23,808	**3,874**	61,360

The Group's current financial year effective tax rate is higher than the statutory tax rate primarily attributed to income tax on profitable subsidiaries which cannot be fully set-off against losses incurred by other subsidiaries.

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 December 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, there was no other material litigation in the period under review since the last announcement.

B5. BORROWINGS AND DEBT SECURITIES

	31.12.2016	31.12.2015
	RM'000	RM'000
Current Borrowings		
Unsecured:		
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	**300,108**	-
Non-current Borrowing		
Unsecured:		
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	**-**	300,108
Total borrowings	**300,108**	**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

	Quarter ended 31.12.2016 RM'000	Quarter ended 30.9.2016 RM'000
Revenue	**318,634**	316,760
(Loss) / Profit Before Tax (PBT)	**(4,839)**	(112,203)
(Loss) / Profit After Tax (PAT)	**1,866**	(113,262)

Despite the year-end being normally the strongest adspend period, Group revenue for 4QFY16 increased by a marginal 1% against the immediate preceding quarter. This is in light of the subdued adex and consumers' continuous shift towards digital media. LBT for the period improved against the preceding quarter due to the one-off restructuring expenses incurred in 3QFY16. The Group recorded a PAT for 4QFY16 which was supported by tax credits during the period.

The performance of the respective business platforms for 4QFY16 against the preceding quarter is as follows:

a) Television Network – Revenue increased by 3% against the preceding quarter.
b) Print Media – Print revenue saw an 8% decline attributed to lower advertising and newspaper sales in the quarter.
c) Outdoor Media – Revenue for the quarter registered a growth of 5% against the preceding quarter.
d) Radio Network – Increase in 4QFY16 revenue by 21% against 3QFY16.
e) Digital Media – Decline in current quarter revenue by 13% compared to preceding quarter.
f) Content Creation – The platform saw a 22% growth in revenue for 4QFY16 against the preceding quarter.

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

	Year ended 31.12.2016 RM'000	Year ended 31.12.2015 RM'000
Revenue	**1,289,008**	1,427,693
(Loss) / Profit Before Tax (PBT)	**(65,909)**	200,068
(Loss) / Profit After Tax (PAT)	**(69,783)**	138,708

Revenue declined by 10% compared to the previous financial year attributed to lower advertising and newspaper sales as traditional media faced ongoing challenges with the shift to digital media. The one-off restructuring expenses incurred during the current financial year led the Group to a RM69.8 million LAT compared to RM138.7 million PAT in the previous financial year. If the one-off restructuring expenses were excluded, the Group posted a PAT of RM28.1 million.

The performance of respective platforms for the financial year ended 31 December 2016 as compared to the comparative financial year is analysed as follows:

a) Television Networks – Segment revenue remained flat compared to prior year as the decline in Free-to-Air ("FTA") television advertising revenue was off-set by new revenue streams significantly contributed by *CJ WOW SHOP*'s home shopping revenue. FY 2016 PAT of RM5.2 million is a 93% reduction year-on-year due to lacklustre FTA TV adex whilst operating costs of new business initiatives also contributed to lower earnings for the year.

b) Print Media – Challenging operating environment affected the print segment as revenue declined 25% year-on-year. Total LAT for the year was recorded at RM124.2 million. Without the one-off RPP restructuring expenses, the platform recorded a lower loss of RM26.3 million for the current financial year.

c) Outdoor Media – Revenue and PAT both increased by 1% year-on-year.

d) Radio Network – Revenue for the current financial year grew by 1% against prior year. Lower operating expenses incurred in the year improved the PAT to post a 40% increase against comparative period.

e) Digital Media – Increase in revenue by 20% against comparative year. However, PAT for the current financial year is lower due to the demerger of business operations and recognition of deferred tax asset in FY2015.

f) Content Creation – The platform saw a 4% year-on-year increase in revenue however higher operating costs led to a 26% decrease in profitability.

B8. PROSPECTS FOR 2017

The Group will continue to face a challenging period moving into 2017 due to prolonged weak adex sentiment, customer fragmentation, technological advancement and shift in advertisement to digital media. Furthermore, new business initiatives implemented by the Group in 2016 to diversify its revenue portfolio is expected to remain in gestation for 2017.

Prospects for the business platforms for the year are as follows:

a) Television Networks – Continuous investment in linear TV offerings whilst improving the digital content experience on *tonton* and expanding consumer business through *CJ WOW SHOP* home shopping.

b) Print Media – Despite the challenging outlook for traditional newspaper business, the Group remains committed in defending its print business. Continuous cost management and operational efficiency is crucial with the lower advertising and newspaper sales outlook affecting the industry. Diversification into digital shall be able to compliment the traditional business.

c) Outdoor Media – Growth opportunities from the expansion into rapid transit advertising concessions secured in 2016. In addition, digital assets at key premium sites should remain a strong contributor to the platform.

d) Radio Network – Strengthen content quality across multiple platforms to enable growth in the traditional and digital radio space. The introduction of *Radio Plus* serves to offer clients with integrated solutions and innovative ideas combining the strength of traditional radio with digital, talent and activation.

e) Digital Media – Continue to support all the digital initiatives within the Group in terms of developing digital products and services as well as upselling the Group's digital marketing.

f) Content Creation – Develop and own hit intellectual properties to grow external revenue and distribution business to reduce dependency on Television Networks. Exploring into international market through various co-productions and expanding animation investment would be the way forward in 2017.

B9. PROFIT FORECAST/PROFIT GUARANTEE

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

B10. DIVIDEND

The Board of Directors recommend a final single tier dividend of 4.0 sen (2015: 5.0 sen) per ordinary share for the financial year ended 31 December 2016 which is subjected to the approval of shareholders at the forthcoming Sixteenth Annual General Meeting of the Company.

With the recommendation of the final single tier dividend, total dividend declared for the current financial year is 8.0 sen (2015: 10 sen) per ordinary share.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B11. (LOSS)/EARNINGS PER SHARE

The Group's (loss)/earnings per share are calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2016	31.12.2015	**31.12.2016**	31.12.2015
(Loss) / profit attributable to owners of the Company (RM'000)	**4,996**	31,728	**(59,198)**	138,717
Weighted average number of ordinary shares in issue ('000)	**1,109,199**	1,109,192	**1,109,199**	1,109,192
Basic and Diluted (loss) / earnings per share (sen)	**0.45**	2.86	**(5.34)**	12.51

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
FARNIDA BINTI NGAH (MIA 22495)
COMPANY SECRETARIES

Kuala Lumpur
23 February 2017

The full financial analysis of Media Prima Berhad Group can also be viewed at Media Prima Berhad's website:
http://www.mediaprima.com.my