MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

The Board of Directors of Media Prima Berhad ("MPB" or "Company") wishes to announce the unaudited consolidated results of Media Prima Berhad Group (the "Group") for the financial period ended 30 June 2017.

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 2016.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.6.2017	30.6.2016	**30.6.2017**	30.6.2016
		RM'000	RM'000	**RM'000**	RM'000
Revenue		**328,769**	349,551	**600,969**	653,614
Operating expenses	A8	**(322,981)**	(323,363)	**(635,723)**	(609,068)
Impairment of investment in an associate	A8	**(142,430)**	-	**(142,430)**	-
Other operating income	A9	**6,643**	7,071	**13,030**	12,809
(Loss)/profit from operations		**(129,999)**	33,259	**(164,154)**	57,355
Finance costs		**(3,196)**	(3,202)	**(6,516)**	(6,580)
Share of results of an associate		**(2,408)**	(216)	**(4,293)**	358
(Loss)/profit before tax		**(135,603)**	29,841	**(174,963)**	51,133
Taxation	B1	**(2,783)**	(5,468)	**(4,784)**	(9,520)
Net (loss)/profit and total comprehensive (loss)/income for the financial period		**(138,386)**	24,373	**(179,747)**	41,613
(Loss)/profit and total comprehensive (loss)/income attributable to:					
- Owners of the company		**(132,909)**	27,917	(**171,374**)	45,163
- Non-controlling interests		(**5,477**)	(3,544)	(**8,373**)	(3,550)
		(138,386)	24,373	(**179,747**)	41,613
(Loss)/earnings per share (sen)					
- Basic and diluted	B11	**(11.98)**	2.52	(**15.45**)	4.07

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 2016.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30.6.2017 RM'000	AS AT 31.12.2016 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		**616,912**	623,003
Investment properties		**32,055**	32,711
Associates		**-**	146,395
Prepaid transmission station rentals		**294**	437
Available-for-sale financial assets		**2,472**	2,472
Intangible assets		**431,554**	437,140
Deferred tax assets		**110,369**	110,518
		1,193,656	1,352,676
Current Assets			
Financial assets at fair value through profit or loss		**-**	90
Inventories		**36,023**	55,244
Trade and other receivables		**336,526**	318,872
Current tax assets		**30,182**	33,456
Deposits, cash and bank balances		**286,862**	374,898
		689,593	782,560
Non-current assets held for sale		**13,353**	16,541
TOTAL ASSETS		**1,896,602**	2,151,777
LIABILITIES AND EQUITY			
Non-Current Liabilities			
Deferred tax liabilities		**68,986**	69,563
Current Liabilities			
Trade and other payables		**265,421**	294,796
Borrowings	B5	**300,072**	300,108
Current tax liabilities		**25**	1,097
		565,518	596,001
TOTAL LIABILITIES		**634,504**	665,564
Equity and Reserves			
Share capital		**1,109,199**	1,109,199
Reserves		**136,688**	352,430
Equity attributable to owners of the Company		**1,245,887**	1,461,629
Non-controlling interest		**16,211**	24,584
Total equity		**1,262,098**	1,486,213
TOTAL LIABILITIES AND EQUITY		**1,896,602**	2,151,777
Net Assets per share attributable to equity holders of the Company (sen)		**112.32**	131.77

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 2016.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2017

	Attributable to owners of the Company						
	Issued and fully paid-up ordinary shares	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
2017							
At 1 January 2017	**1,109,199**	**415,536**	**1,755**	**(64,861)**	**1,461,629**	**24,584**	**1,486,213**
Net loss and total comprehensive loss for the period	**-**	**-**	**-**	**(171,374)**	**(171,374)**	**(8,373)**	**(179,747)**
Transactions with owners:							
Final dividends paid for the financial year ended 31 December 2016	**-**	**-**	**-**	**(44,368)**	**(44,368)**	**-**	**(44,368)**
At 30 June 2017	**1,109,199**	**415,536**	**1,755**	**(280,603)**	**1,245,887**	**16,211**	**1,262,098**
2016							
At 1 January 2016	1,109,199	415,536	2,255	93,665	1,620,655	14,477	1,635,132
Net profit and total comprehensive income for the period	-	-	-	45,163	45,163	(3,550)	41,613
Transactions with owners:							
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)
Total transactions with owners	-	-	-	(55,460)	(55,460)	21,070	(34,390)
At 30 June 2016	1,109,199	415,536	2,255	83,368	1,610,358	31,997	1,642,355

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 2016.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	**FOR THE PERIOD ENDED 30.6.2017 RM'000**	FOR THE PERIOD ENDED 30.6.2016 RM'000
Cash flows from operating activities			
Receipts from customers		**596,527**	751,500
Payments to employees and suppliers		**(592,271)**	(683,672)
Income tax paid (net of refund)		**(3,010)**	(10,590)
Net cash flows generated from operating activities		**1,246**	57,238
Cash flows from investing activities			
Purchase of property, plant and equipment		**(47,854)**	(35,885)
Interest received		**5,299**	6,458
Proceeds from disposal of property, plant and equipment		**607**	-
Proceeds from disposal of non-current assets held for sale		**3,964**	-
Net cash flows used in investing activities		**(37,984)**	(29,427)
Cash flows from financing activities			
Interest paid		**(6,552)**	(6,587)
Decrease in restricted bank balances		**-**	1,158
Equity contribution from non-controlling interest		**-**	21,070
Dividends paid to shareholders of the Company		**(44,368)**	(55,460)
Dividends paid to non-controlling interests		**(378)**	(549)
Net cash flows used in financing activities		**(51,298)**	(40,368)
Net movement in cash and cash equivalents		**(88,036)**	(12,557)
Cash and cash equivalents at beginning of the financial period		**370,973**	415,684
Cash and cash equivalents at end of the financial period	A13	**282,937**	403,127

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 2016.

MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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 2016, which were prepared in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 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 2016.

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 2017 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 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 12	Disclosure of Interests in other Entities	1 January 2017
Amendments to MFRSs	Annual improvements to MFRS Standards 2014 – 2016 cycle	1 January 2018

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION (CONTINUED)

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 2	Share-based Payment	1 January 2018
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.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

On 1 August 2017, the Group's associate, Malaysian Newsprint Industries Sdn Bhd ("MNI"), volunteered to wind up by way of Creditors' Voluntary Winding Up. The decision to wind up was made as MNI had been operating under very difficult market conditions, especially declining newsprint demand, and has incurred losses for the past 3 years. Consequently, the carrying amount of the investment in an associate of RM142.4 million was fully impaired in the second quarter and financial period ended 30 June 2017.

Other than the above, 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 2017.

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 2017.

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 2017	Television Networks RM'000	Radio Networks RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	Home Shopping RM'000	Corporate RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	241,139	30,397	81,638	177,656	83	10,328	59,728	-	-	600,969
Inter-segment revenue	2,971	133	638	5,956	20,600	44,685	-	75,824	(150,807)	-
	244,110	30,530	82,276	183,612	20,683	55,013	59,728	75,824	(150,807)	600,969
Royalties	219	(153)	-	-	-	-	-	-	-	66
	244,329	30,377	82,276	183,612	20,683	55,013	59,728	75,824	(150,807)	601,035
Reportable segment (loss)/profit after tax before non-controlling interest	(20,743)	9,927	14,007	(159,385)	170	2,781	(8,766)	14,428	(32,166)	(179,747)

Period ended 30 June 2016	Television Networks RM'000	Radio Networks RM'000	Outdoor Media RM'000	Print Media RM'000	Digital Media RM'000	Content Creation RM'000	Home Shopping RM'000	Corporate RM'000	Elimination RM'000	Total
Revenue from external customers	286,581	33,329	74,731	230,254	846	9,194	18,679	-	-	653,614
Inter-segment revenue	3,067	83	316	575	16,094	46,225	-	104,986	(171,346)	-
	289,648	33,412	75,047	230,829	16,940	55,419	18,679	104,986	(171,346)	653,614
Royalties	(1,461)	(99)	-	-	-	-	-	-	-	(1,560)
	288,187	33,313	75,047	230,829	16,940	55,419	18,679	104,986	(171,346)	652,054
Reportable segment (loss)/profit after tax before non-controlling interest	22,076	11,324	14,362	547	280	4,996	(7,313)	52,286	(56,945)	41,613

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

NOTES TO THE INTERIM FINANCIAL REPORT

A7. DIVIDENDS PAID

	30.6.2017	30.6.2016
	RM'000	RM'000
In respect of the financial year ended 31 December 2016		
Final, single tier dividend of 4.0 sen per ordinary share paid on 30 June 2017	**44,368**	-
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
	44,368	55,460

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTERS**	
	30.6.2017	30.6.2016	**30.6.2017**	30.6.2016
	RM'000	RM'000	**RM'000**	RM'000
Depreciation and amortisation	**26,183**	27,290	**52,287**	53,126
Impairment of receivables	**1,119**	617	**1,514**	1,199
Foreign exchange loss	**341**	83	**1,162**	435
Provision for impairment of financial assets at fair value through profit or loss	**-**	-	**90**	-
Impairment of investment in an associate	**142,430**	-	**142,430**	-

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTERS**	
	30.6.2017	30.6.2016	**30.6.2017**	30.6.2016
	RM'000	RM'000	**RM'000**	RM'000
Interest income	**2,611**	3,386	**5,299**	6,458
Other income	**2,732**	2,902	**5,241**	5,068
Gain on disposal of property plant and equipment	**496**	-	**513**	-
Gain on disposal of non-current assets held for sale	**107**	-	**776**	-
Reversal of receivables impairment	**463**	-	**493**	251
Foreign exchange gain	**234**	783	**708**	1,032
	6,643	7,071	**13,030**	12,809

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 21 (As at 31.12.2016: 27) legal suits with contingent liabilities amounting to approximately RM6.8 million (As at 31.12.2016: RM4.7 million). Of the 21 legal suits, 18 suits are for alleged defamation and 3 are for alleged breach of contract.

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 2017 are as follows:

	RM'000
Approved but no contracted:	
- Property, plant and equipment	**73,487**
- Intangible assets	**81,562**
Approved and contracted for	
- Property, plant and equipment	**22,068**
	177,117

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 30.6.2017 RM'000	As at 30.6.2016 RM'000
Cash and bank balances	**138,172**	190,375
Deposits with licensed banks	**148,690**	216,567
Deposits, cash and bank balances	**286,862**	406,942
Less: Restricted deposits		
Deposits with licensed banks	**(3,925)**	(3,815)
Cash and cash equivalents	**282,937**	403,127

A14. REALISED AND UNREALISED PROFIT

	As at 30.6.2017 RM'000	As at 31.12.2016 RM'000
MPB realised retained earnings	**115,307**	145,247
Total accumulated losses of its subsidiaries:		
- Realised	**(632,942)**	(487,404)
- Unrealised	**40,287**	40,081
	(592,655)	(447,323)
Total share of retained profits from associated companies:		
- Realised	**(13,575)**	(11,518)
- Unrealised	**3,505**	5,662
	(10,070)	(5,856)
Total Group's accumulated losses (before consolidation adjustments)	**(487,418)**	(307,932)
Add: Consolidation adjustments	**206,815**	243,071
Total Group accumulated losses as per consolidated accounts	**(280,603)**	(64,861)

A15. CHANGES IN COMPOSITION OF THE GROUP

The Company received final notices pursuant to Section Section 308(4) of the Companies Act, 1965 from Suruhanjaya Syarikat Malaysia for the following subsidiaries:

Subsidiary	Notice Date
New Straits Times Technology Sdn Bhd	22 May 2017
Amity Valley Sdn Bhd	22 May 2017
Berita Book Centre Sdn Bhd	22 May 2017
Utusan Sinar Media Sdn Bhd	17 April 2017
Uni-Talent Gateway Sdn Bhd	23 March 2017
Encorp Media Technology Sdn Bhd	23 March 2017

(Collectively referred to as, the "Subsidiaries").

The notices confirmed that the Subsidiaries has been struck-off from the Register of Companies and the notices shall be published in the gazette. As such, the Subsidiaries has ceased to be the subsidiary of the Company.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.6.2017 RM'000	30.6.2016 RM'000	**30.6.2017 RM'000**	30.6.2016 RM'000
In respect of the current period:				
- Current income tax	**2,997**	5,533	**5,211**	9,800
- Deferred taxation	**(214)**	(65)	**(427)**	(280)
	2,783	5,468	**4,784**	9,520

The Group incurred tax expense for the current period despite being in a loss before tax position primarily due to income tax on profitable subsidiaries which cannot be fully set-off against losses incurred by other subsidiaries, which also resulted in a higher effective tax rate for the current quarter than the statutory tax rate of 24%.

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 June 2017, the Group does not have any financial liabilities measured at fair value through profit or loss.

B3. STATUS OF CORPORATE PROPOSALS

On 8 May 2017, Media Prima Digital Sdn. Bhd. ("MPD"), a wholly-owned subsidiary of the Company had entered into a conditional sale and purchase agreement ("SPA") with Rev Asia Berhad ("RAB") and Youth Asia Sdn. Bhd. to acquire 15,828,831 ordinary shares in Rev Asia Holdings Sdn. Bhd. ("RAHSB"), representing 100% of the issued and paid up capital of RAHSB, for a total consideration of RM105.0 million ("Proposed Acquisition").

Pursuant to the Proposed Acquisition, MPD, will, at the time of completion of the SPA, acquire RAHSB comprising only the following subsidiaries:

a) Rev Digital Sdn. Bhd.;
b) Rev Lifestyle Sdn. Bhd.;
c) Rev Social Malaysia Sdn. Bhd.;
d) Rev Social International Sdn. Bhd.;
e) Rev Entertainment Sdn. Bhd.

(Collectively referred to as, the "Subsidiaries").

The other subsidiaries, Rev Luxury Enterprise Sdn. Bhd. and Rev Home Sdn. Bhd., which are excluded from the Proposed Acquisition will be disposed by RAHSB prior to completion of the SPA.

On 1 August 2017, the Proposed Acquisition has been completed in accordance with the terms of the SPA.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

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

	30.6.2017 **RM'000**	30.6.2016 RM'000
Current Borrowings		
Unsecured:		
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	**300,072**	300,108
Total borrowings	**300,072**	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 30.6.2017 RM'000	Quarter ended 31.3.2017 RM'000
Revenue	**328,769**	272,200
Profit/(Loss) Before Tax (before exceptional item)	**6,827**	(39,360)
Exceptional item	**(142,430)**	-
Loss After Tax (LAT)	**(138,386)**	(41,361)
Normalised Profit/(Loss) After Tax (PAT/LAT)	**4,044**	(41,361)

Group revenue for 2QFY17 grew by 21% against the immediate preceding quarter (1QFY17) as core advertising revenue started to gain momentum in 2QFY17 after a slow start early in the year. The Group incurred an LAT of RM138.4 million for 2QFY17 mainly due to the impairment of investment in an associate of RM142.4 million. If the one-off impairment of investment in an associate was excluded, the Group posted a PAT of RM4.0 million against RM41.4 million LAT in 1QFY17.

The performance of the respective business platforms for 2QFY17 against 1QFY17 is as follows:

a) Television Networks – Revenue grew by 26% against the preceding quarter due to improved advertising during the festive season.

b) Print Media – Revenue improved by 21% contributed by higher advertising and digital revenue in 2QFY17.

c) Outdoor Media – 2QFY17 revenue grew by 18% against the immediate preceding quarter.

d) Radio Networks – 48% increase in revenue as compared to 1QFY17.

e) Digital Media – 9% growth in revenue against the preceding quarter.

f) Content Creation – Increase in revenue by 9% against the preceding quarter.

g) Home Shopping – Recorded 15% growth as compared to 1QFY17.

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

	Period ended 30.6.2017 RM'000	Period ended 30.6.2016 RM'000
Revenue	**600,969**	653,614
Profit/(Loss) Before Tax (before exceptional item)	**(32,533)**	51,133
Exceptional item	**(142,430)**	-
Profit/(Loss) After Tax (PAT/LAT)	**(179,747)**	41,613
Normalised Profit/(Loss) After Tax	**(37,317)**	41,613

Revenue for the financial period ended 30 June 2017 declined by 8% against the previous financial period attributed to lower advertising and newspaper sales as the shift to digital media significantly affected the Group's traditional media business. While the Group has ventured into new digital and consumer-based business initiatives to complement its traditional media segments, these initiatives are still undergoing a gestation period. The Group recorded 1HFY17 LAT of RM179.7 million against PAT of RM41.6 million in the corresponding period mainly attributed to the impairment of investment in an associate. If the one-off impairment of investment in an associate was excluded, the Group posted a lower LAT of RM37.3 million.

The performance of respective platforms for the financial period ended 30 June 2017 as compared to the comparative financial period is as follows:

a) Television Networks – Revenue declined by 15% compared to corresponding period as weak adex continues to affect the Free-to-Air ("FTA") Television segment. The decline in revenue led to Television Networks posting a loss of RM20.7 million against RM22.1 million PAT in the corresponding period.

b) Print Media – Performance remains challenging as revenue declined by 20% against 1HFY17 attributed by lower newspaper advertising and circulation revenue despite the encouraging performance of its digital properties.

c) Outdoor Media – Increase in revenue by 10% against the corresponding period supported by higher display and production revenue. However, PAT declined by 2% partly due to the start-up cost incurred for its MRT segment which commenced operations this year.

d) Radio Networks – 1HFY17 revenue declined by 9% against the corresponding period attributed to lower adex in the period. This led to current period PAT to close lower by 12% against the corresponding period.

e) Digital Media – Higher revenue by 22% against the corresponding period was due to higher digital services rendered.

f) Content Creation – Revenue decreased by 1% attributed to lower production revenue from Television Networks. However, the decrease was mitigated by higher box office revenue.

B7. REVIEW OF PERFORMANCE FOR THE CURRENT YEAR TO DATE VS. PREVIOUS YEAR TO DATE (CONTINUED)

g) Home Shopping – Significant growth in revenue was due to the reported revenue for current period was for six-month operations while the corresponding period revenue was only contributed from three-month operations as the business commencement was on 1 April 2016. However, the business still in its gestation period, hence, the loss for the period.

B8. PROSPECTS FOR 2017

The second half of the year is expected to remain challenging as adex and media consumption continues to shift towards digital. While the Group's venture in digital and consumer business has seen encouraging growth, it has yet to contribute substantially to the Group and is expected to remain in gestation period for 2017.

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

a) Television Networks – The upcoming SEA Games presents opportunities for an uplift in adex spending on the segment.

b) Print Media – Expanding its digital offerings by exploring vertical content and strengthening its current digital properties. The segment will continue its cost optimisation initiatives given the challenging outlook of the traditional print segment.

c) Outdoor Media – New site roll-outs after the launch of the complete MRT Sungai Buloh-Kajang line.

d) Radio Networks – Media Prima Radio Networks new initiatives, notably podcasts, e-commerce partnerships and brand icons, offers diversification opportunities into the digital space to complement its traditional radio stations.

e) Digital Media – The proposed acquisition of RAHSB will enable access to resources and competencies to drive growth in digital business by acquiring expertise in digital content curation and digital content marketing. The acquisition of RAHSB increases content monetisation opportunities for the key market segments by leveraging on the Group's audience base, big data initiative and traditional media platforms to strengthen the newly acquired business further.

f) Content Creation – Exploring potential new IPs for animation and co-production with external broadcasters while expanding the current sales in overseas markets.

g) Home Shopping - With the encouraging growth for this new platform, the outfit is looking at additional avenues in increasing its exposure to further tap the nation's growing home shopping/e-commerce market. In addition, it is looking at expanding by diversifying into more local product offerings.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B8. PROSPECTS FOR 2017 (CONTINUED)

To remain resilient and relevant, the Group is committed to its transformation journey in defending traditional revenue sources and increasing efforts in growing new revenue streams. The foundation for these efforts are placed on several key areas which include market leadership in broadcast, over-the-top content and digital publishing. At the same time, the Group is also focused in growing commerce revenue through integrated media and expansion beyond Malaysia. Concurrently, continuous cost management by maximising existing value chain and increasing productivity and efficiency will still be a priority whilst exercising prudent financial and risk management.

B9. PROFIT FORECAST/PROFIT GUARANTEE

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

B10. DIVIDEND

No dividends have been declared by the Board of Directors for the quarter ended 30 June 2017 (2016: 2.0 sen).

B11. (LOSS)/EARNINGS PER SHARE

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

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTERS**	
	30.6.2017	30.6.2016	**30.6.2017**	30.6.2016
(Loss)/profit attributable to owners of the Company (RM'000)	**(132,909)**	27,917	**(171,374)**	45,163
Weighted average number of ordinary shares in issue ('000)	**1,109,199**	1,109,199	**1,109,199**	1,109,199
Basic and diluted (loss)/earnings per share (sen)	**(11.98)**	2.52	**(15.45)**	4.07

The Group and Company does not have in issue any financial instruments or other contract that may entitle its holders to ordinary shares and potentially dilute its earnings per share.

BY ORDER OF THE BOARD

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

Kuala Lumpur
14 August 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