

MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER

ENDED 30 SEPTEMBER 2015

The Board of Directors of Media Prima Berhad ("MPB" or "Company") is pleased to announce the unaudited consolidated results of Media Prima Berhad Group (the "Group") for the financial period ended 30 September 2015.

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 2014.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.9.2015	30.9.2014	30.9.2015	30.9.2014
		RM'000	RM'000	RM'000	RM'000
Revenue		365,368	379,598	1,060,576	1,122,282
Operating expenses	A8	(302,037)	(323,995)	(916,534)	(987,415)
Other operating income	A9	3,314	6,719	17,329	18,509
Profit from operations		66,645	62,322	161,371	153,376
Finance costs		(3,388)	(5,531)	(12,155)	(17,405)
Share of results of an associate		(2,095)	51	(4,914)	6,226
Profit before tax		61,162	56,842	144,302	142,197
Taxation	B1	(16,062)	(14,264)	(37,552)	(35,528)
Profit for the financial period		45,100	42,578	106,750	106,669
<u>Other comprehensive income:</u>					
Items that may be subsequently reclassified to profit or loss					
- Revaluation of available-for-sale financial assets		-	15	-	15
Other comprehensive income for the financial period, net of tax		-	15	-	15
Total comprehensive income for the financial period		45,100	42,593	106,750	106,684

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(CONTINUED)**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	NOTE	30.9.2015	30.9.2014	30.9.2015	30.9.2014
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
- Owners of the Company		44,163	42,176	106,989	105,022
- Non-controlling interests		937	402	(239)	1,647
		<u>45,100</u>	<u>42,578</u>	<u>106,750</u>	<u>106,669</u>
Total comprehensive income attributable to:					
- Owners of the Company		44,163	42,191	106,989	105,037
- Non-controlling interests		937	402	(239)	1,647
		<u>45,100</u>	<u>42,593</u>	<u>106,750</u>	<u>106,684</u>
Earnings per share (sen)					
- Basic	B11	3.98	3.82	9.65	9.50
- Diluted	B11	3.98	3.75	9.65	9.34

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 2014.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30.9.2015 RM'000	AS AT 31.12.2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		710,256	740,514
Investment properties		49,249	50,743
Associates		158,815	163,729
Prepaid expenditure		791	1,004
Available-for-sale financial assets		2,325	2,325
Intangible assets		388,172	388,004
Deferred tax assets		80,404	88,039
		<u>1,390,012</u>	<u>1,434,358</u>
Current Assets			
Financial assets at fair value through profit or loss		90	90
Inventories		58,762	74,313
Trade and other receivables		364,962	342,279
Tax recoverable		69,257	59,579
Deposits, cash and bank balances		400,719	564,990
		<u>893,790</u>	<u>1,041,251</u>
Non-current assets held for sale		<u>2,699</u>	<u>2,699</u>
TOTAL ASSETS		<u><u>2,286,501</u></u>	<u><u>2,478,308</u></u>
LIABILITIES AND EQUITY			
Non-Current Liabilities			
Borrowings	B5	303,348	300,108
Deferred tax liabilities		68,522	69,094
		<u>371,870</u>	<u>369,202</u>
Current Liabilities			
Trade and other payables		283,550	342,918
Borrowings	B5	69	152,984
		<u>283,619</u>	<u>495,902</u>
TOTAL LIABILITIES		<u><u>655,489</u></u>	<u><u>865,104</u></u>
Equity and Reserves			
Share capital		1,109,199	1,109,107
Reserves		501,790	483,470
Equity attributable to owners of the Company		<u>1,610,989</u>	<u>1,592,577</u>
Non-controlling interest		20,023	20,627
Total equity		<u>1,631,012</u>	<u>1,613,204</u>
TOTAL LIABILITIES AND EQUITY		<u><u>2,286,501</u></u>	<u><u>2,478,308</u></u>
Net Assets per share attributable to equity holders of the Company (sen)			
		145.24	143.59

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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 financial period	-	-	-	106,989	106,989	(239)	106,750
Total profit and comprehensive income for the financial period	-	-	-	106,989	106,989	(239)	106,750
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 the financial year ended 31 December 2014	-	-	-	(55,460)	(55,460)	-	(55,460)
First interim dividends paid for the financial year ended 31 December 2015	-	-	-	(33,281)	(33,281)	-	(33,281)
Dividends payable to non-controlling interests	-	-	-	-	-	(365)	(365)
Total transaction with owners	92	87	(2,473)	(86,283)	(88,577)	(365)	(88,942)
At 30 September 2015	1,109,199	415,536	2,111	84,143	1,610,989	20,023	1,631,012

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

	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
2014:							
At 1 January 2014	1,100,529	407,037	15,703	133,160	1,656,429	19,900	1,676,329
Profit for the financial period	-	-	-	105,022	105,022	1,647	106,669
Other comprehensive income, net of tax:							
Items that may be subsequently reclassified to profit or loss							
- Revaluation of available-for-sale financial assets	-	-	15	-	15	-	15
Total comprehensive income for the financial period	-	-	15	105,022	105,037	1,647	106,684
Exercise of Employee Share Option Scheme (“ESOS”)	930	1,262	(385)	-	1,807	-	1,807
Exercise of warrants	5,076	4,696	(762)	-	9,010	-	9,010
Cancellation of expired ESOS during the period	-	-	(87)	87	-	-	-
Third interim dividends paid for financial year ended 31 December 2013	-	-	-	(33,120)	(33,120)	-	(33,120)
Final dividends paid for financial year ended 31 December 2013	-	-	-	(55,273)	(55,273)	-	(55,273)
First interim dividends paid for financial year ended 31 December 2014	-	-	-	(33,194)	(33,194)	-	(33,194)
Total transaction with owners	6,006	5,958	(1,234)	(121,500)	(110,770)	-	(110,770)
At 30 September 2014	1,106,535	412,995	14,484	116,682	1,650,696	21,547	1,672,243

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 2014.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE PERIOD ENDED NOTE 30.9.2015 RM'000	FOR THE PERIOD ENDED 30.9.2014 RM'000
Cash flows from operating activities		
Receipts from customers	1,130,579	1,405,778
Payments to employees and suppliers	(971,937)	(1,203,095)
Income tax paid	(41,260)	(44,405)
<i>Net cash flows from operating activities</i>	<u>117,382</u>	<u>158,278</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(42,317)	(45,858)
Interest received	10,043	11,227
Proceeds from disposal of property, plant and equipment	1,023	124
Acquisition of other investment	-	(13,455)
<i>Net cash flows used in investing activities</i>	<u>(31,251)</u>	<u>(47,962)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	172	10,818
Repayments of hire purchase	(1,226)	(1,955)
Interest paid	(10,605)	(16,110)
Decrease/(Increase) in restricted bank balances	8,570	(67,440)
Drawdown of short term borrowings	1,400	-
Repayment of Redeemable Fixed Rate Bonds	(150,000)	-
Repayment of short term borrowings	(1,400)	(45,099)
Dividends paid to shareholders of the Company	(88,741)	(121,587)
<i>Net cash flows used in financing activities</i>	<u>(241,830)</u>	<u>(241,373)</u>
Net movement in cash and cash equivalents	(155,699)	(131,057)
Cash and cash equivalents at beginning of the financial period	551,452	608,894
Cash and cash equivalents at end of the financial period	A13 <u>395,753</u>	<u>477,837</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2014.

MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

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 2014, 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 2014.

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 2015 did not have any significant impact on the Group upon the initial application.

Description		Effective for annual periods beginning on or after
Amendments to MFRSs	Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Amendments to MFRSs	Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendments to MFRS 119	Employee Benefits - Defined Benefit Plans: Employee Contributions	1 July 2014

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 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 10	Consolidated Financial Statements <ul style="list-style-type: none">- Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 12	Disclosure of Interests in Other Entities <ul style="list-style-type: none">- Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements <ul style="list-style-type: none">- Disclosure Initiative	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 128	Investment in Associates <ul style="list-style-type: none">- Investment Entities: Applying the Consolidation Exception	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 MFRSs	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016

NOTES TO THE INTERIM FINANCIAL REPORT

A1. BASIS OF PREPARATION (CONTINUED)

Description		Effective for annual periods beginning on or after
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments	1 January 2018

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 2014 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 third quarter and financial period ended 30 September 2015.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the third quarter and financial period ended 30 September 2015.

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 September 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	459,188	47,447	111,608	413,317	10,502	18,237	277	-	1,060,576
Intersegment revenues	3,927	-	343	1,577	9,268	4,325	5,318	(24,758)	-
Total Revenue	463,115	47,447	111,951	414,894	19,770	22,562	5,595	(24,758)	1,060,576
Reportable segment Profit/(loss) after tax before non-controlling interest	69,994	23,376	23,221	24,240	(1,319)	6,374	71,834	(110,970)	106,750

Period ended 30 September 2014	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	472,024	52,569	107,807	451,295	23,476	15,099	12	-	1,122,282
Intersegment revenues	3,906	-	3,049	721	-	2,974	-	(10,650)	-
Total Revenue	475,930	52,569	110,856	452,016	23,476	18,073	12	(10,650)	1,122,282
Reportable segment Profit/(loss) after tax before non-controlling interest	72,655	22,363	21,945	20,857	(3,407)	2,380	(35,044)	4,920	106,669

NOTES TO THE INTERIM FINANCIAL REPORT

A7. DIVIDENDS PAID

	30.9.2015	30.9.2014
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2015</u>		
First interim, single tier dividend of 3.0 sen per ordinary share on 1,109,199,286 ordinary shares paid on 30 September 2015	33,281	-
<u>In respect of the financial year ended 31 December 2014</u>		
Final, single tier dividend of 5.0 sen per ordinary share on 1,109,199,286 ordinary shares paid on 26 June 2015	55,460	
First interim, single tier dividend of 3.0 sen per ordinary share on 1,106,493,547 ordinary shares paid on 30 September 2014	-	33,194
<u>In respect of the financial year ended 31 December 2013</u>		
Final, 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
	88,741	121,587

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	26,217	25,376	76,825	74,812
Impairment of receivables	671	50	1,936	
Foreign exchange loss	1,289	3	2,158	52

NOTES TO THE INTERIM FINANCIAL REPORT

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	3,030	3,599	10,043	11,227
Other income	183	2,761	7,122	6,714
Reversal of receivables impairment	-	88	-	194
Foreign exchange gain	101	271	164	374
	<u>3,314</u>	<u>6,719</u>	<u>17,329</u>	<u>18,509</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.

A11. CONTINGENT LIABILITIES

The Group is a defendant in 29 (As at 31.12.2014: 35) legal suits with contingent liabilities amounting to approximately RM20.0 million (As at 31.12.2014: RM15.3 million). Of the 29 legal suits, 28 suits are for alleged defamation and one is for alleged breach of contract.

As at the date of this report, five legal suits for alleged defamation brought against a subsidiary company, The New Straits Times Press (M) Berhad were unsuccessfully litigated while the Plaintiffs in another three suits withdrew their respective claims and/or resolved the matter out-of-court. Two suits brought against another subsidiary company, Sistem Televisyen Malaysia Berhad and one suit against Big Tree Outdoor Sdn Bhd were successfully litigated respectively. All of the suits mentioned herein have been included as contingent liabilities as at 31 December 2014.

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 awards for defamation is significantly lower. Hence, the likelihood of the amount claimed crystallising into the sum as claimed is 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 and/or its subsidiaries.

NOTES TO THE INTERIM FINANCIAL REPORT

A11. CONTINGENT LIABILITIES (CONTINUED)

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 30 September 2015 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant and equipment	75,275
- Programmes and film rights	64,174
Approved and contracted for:	
- Property, plant and equipment	37,422
	176,871

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 30.9.2015 RM'000	As at 30.9.2014 RM'000
Cash and bank balances	152,758	133,193
Deposits with licensed banks	247,961	421,579
Deposits, cash and bank balances	400,719	554,772
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	(4,966)	(76,935)
Cash and cash equivalents	395,753	477,837

NOTES TO THE INTERIM FINANCIAL REPORT

A14. REALISED AND UNREALISED PROFIT

	As at 30.9.2015 RM'000	As at 31.12.2014 RM'000
MPB realised retained earnings	92,899	104,295
Total accumulated losses of its subsidiaries:		
- Realised	(254,283)	(299,031)
- Unrealised	11,205	19,037
	(243,078)	(279,994)
Total share of retained profits from associated companies:		
- Realised	4,283	9,107
- Unrealised	2,054	2,054
	6,337	11,161
Total Group's accumulated losses (before consolidation adjustments)	(143,842)	(164,538)
Add: Consolidation adjustments	227,985	227,975
Total Group retained earnings as per consolidated accounts	84,143	63,437

A15. SIGNIFICANT EVENT AFTER REPORTING PERIOD

On 1 October 2015, the Company announced that Synchrosound Studio Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional share purchase agreement with Mohamad Fazhly Bin Johari, Hamyzar Bin Toha and Lau Chuan Chiat (collectively, "Vendors") to acquire 500,000 ordinary shares in Copyright Laureate Sdn Bhd ("CLSB") representing 100% of the entire issued and paid-up share capital of CLSB for a total cash consideration of RM20.0 million.

The acquisition has been completed in accordance with the terms of the share purchase agreement on 21 October 2015. As a result of the acquisition, CLSB has become a wholly-owned subsidiary under the Group.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
- Current Malaysian income tax	8,266	13,087	24,289	30,668
- Deferred tax liabilities	2,343	1,177	5,969	4,542
- Under accruals of				
taxation in prior year	5,453	-	7,294	318
	16,062	14,264	37,552	35,528

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 September 2015, 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.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**B5. BORROWINGS AND DEBT SECURITIES**

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

	30.9.2015	31.12.2014
	RM'000	RM'000
<u>Current Borrowings</u>		
Unsecured:		
- Hire purchase	69	1,295
Secured:		
- Redeemable Fixed Rate Bonds	-	151,689
	69	152,984
<u>Non-current Borrowings</u>		
Unsecured:		
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	303,348	300,108
	303,348	300,108
Total borrowings	303,417	453,092

The Group's borrowings are denominated in Ringgit Malaysia.

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.

The bonds have been fully settled on 23 March 2015 via internally generated funds.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**B6. REVIEW OF PERFORMANCE FOR THE CURRENT QUARTER VS. PRECEDING QUARTER**

	Quarter ended 30.9.2015 RM'000	Quarter ended 30.6.2015 RM'000
Revenue	365,368	365,819
Profit Before Tax (PBT)	61,162	57,336
Profit After Tax (PAT)	45,100	42,300

For 3QFY15, revenue remained flat compared to preceding quarter, while PBT and PAT both increased by 7% to RM61.2 million and RM45.1 million respectively driven mainly by lower direct costs from television content and newsprint consumption in the quarter.

Performance of the respective business platforms for 3QFY15 against the preceding quarter is as follows:

- a) Television Network – Increase in advertising revenue by 4% from RM159.3 million in 2QFY15 to RM166.1 million in 3QFY15 stipulated by a mild improvement in adex spending due to festive season and school holidays. Profit after tax increased by only 1% despite lower content cost as new digital and bandwidth costs were incurred in the period.
- b) Print Media – Fall in revenue of 8% to RM134.9 million in 2QFY15. The decrease in revenue as well as other income led to a PAT decrease of 30% against preceding quarter.
- c) Outdoor Media – Revenue increased by 12% while PAT increased by 33% against the preceding quarter contributed by new revenue from Rapid Rail stations and new digital screens at Jalan Imbi.
- d) Radio Network – Increase in revenue by 5% as well as lower overheads contributed to 3QFY15 PAT to increase significantly by 69% compared to preceding quarter.
- e) Digital Media – Boost of new revenue from digital support services rendered to fellow platforms following the business streamlining exercise led to a reduction of 3QFY15 loss after tax by 86% against preceding quarter.
- f) Content Creation – PAT for 3QFY15 decreased by 53% on the back of 5% fall in revenue from the previous 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**

	Period ended 30.9.2015 RM'000	Period ended 30.9.2014 RM'000
Revenue	1,060,576	1,122,282
Profit Before Tax (PBT)	144,302	142,197
Profit After Tax (PAT)	106,750	106,669

Group performance for the current financial year has been generally affected by the soft advertising spending and subdued market sentiment. The Group recorded a drop in revenue by 5% and PAT is at par against the corresponding period.

The performance of the respective platforms for the period ended 30 September 2015 as compared to the previous financial period is analysed as follows:

- a) Television Network – Revenue and PAT declined by 3% and 4% respectively as soft adex attributable to external market sentiments continues to underpin performance in the year. In addition, FTA TV adex has seen increasing competition from pay TV as well as data-centric and cost efficient digital advertising avenues.
- b) Print Media – Revenue declined by 8% due to lower advertising and circulation revenue. However, profit after tax increased by 26% against the corresponding period driven by favourable newsprint cost and newspaper production efficiencies.
- c) Outdoor Media – Increase in revenue by 1% with lower site rental costs and depreciation charges contributed to a 6% growth in PAT as compared to the corresponding period.
- d) Radio Network – An encouraging third quarter performance after a slow first half has contributed to a 4% growth in PAT against the corresponding period despite revenue contracted by 10%.
- e) Digital Media – Lower direct and operating expenses after the business streamlining exercise in the period led to minimisation of loss after tax by 61% against the corresponding period.
- f) Content Creation – Revenue increased by 25% was contributed by higher content sales to external clients. This increase coupled with savings in direct cost and overheads led to a growth in PAT exceeding 100% compared to the corresponding period.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B8. PROSPECTS FOR 2015

In view of the challenging business environment and subdued market sentiment, the Group expects the remainder of the year to remain challenging. Furthermore, the gradual shift in consumer preferences towards digital media is slowly driving a shift in the adex market despite the existing dominance of traditional media platforms which remains at the Group's core.

The Group will also continue to expand its multi-platform content to markets 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. The platform is also seeking to explore new non-traditional revenue streams.
- b) Print Media – Outlook for Print Media will continue to be challenging due to consumers gradual shift in media consumption preferences. New marketing and readership initiatives are constantly being executed to address advertising and circulation challenges while seeking to grow digital presence of its brands. The practice of efficient production and cost management is also expected to improve margins and performance.
- c) Outdoor Media – Expansion and continuous rollout of digital solutions provide an innovative approach towards Out of Home advertising whilst securing new advertising sites and concessions at key and premium market centres.
- d) Radio Network – Engage 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 offering attractive deals in the form of combo packages and sponsorships across its radio stations. At the same time expansion through the new acquisition presents further growth opportunities for Radio Network.
- e) Digital Media – Following the transfer to several business operations to its fellow platforms within the Group, Digital Media will now focus on offering digital production and innovation for the Group.
- 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 monetise its content through partnerships with other content producers, foreign broadcasters and emerging digital media providers.

Concurrently, the Group will continue its effort in managing the costs and improve operational effectiveness and efficiency.

In view of the above, the Board expects the Group financial performance for 2015 to remain resilient.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

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 second interim, single tier dividend of 2.0 sen (2014: 3.0 sen) per ordinary share for the financial year ending 31 December 2015 to be paid on 30 December 2015 to Depositors whose name appear in the Record of Depositors at the close of business on 10 December 2015.

The total dividends declared for the current financial period ended 30 September 2015 is 5.0 sen (2014: 6.0 sen).

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**B11. EARNINGS PER SHARE**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.9.2015	30.9.2014	30.9.2015	30.9.2014
Profit attributable to owners of the Company (RM'000)	44,163	42,176	106,989	105,022
Weighted average number of ordinary shares in issue ('000)	1,109,192	1,105,061	1,109,192	1,105,061
Basic earnings per share (sen)	3.98	3.82	9.65	9.50
Weighted average number of ordinary shares in issue ('000)	1,109,192	1,105,061	1,109,192	1,105,061
Adjustments for Warrants ('000)	-	17,657	-	17,657
Adjustments for ESOS ('000)	-	1,667	-	1,667
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	1,109,192	1,124,385	1,109,192	1,124,385
Diluted earnings per share (sen)	3.98	3.75	9.65	9.34

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)

FARNIDA BINTI NGAH (MIA 22495)

COMPANY SECRETARIES

Kuala Lumpur

19 November 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>