

MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER

ENDED 31 DECEMBER 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 year ended 31 December 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	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
		RM'000	RM'000	RM'000	RM'000
Revenue		367,117	384,699	1,427,693	1,506,981
Operating expenses	A8	(319,881)	(424,379)	(1,236,415)	(1,411,794)
Other operating income	A9	14,006	16,929	31,335	35,438
Profit from operations		61,242	(22,751)	222,613	130,625
Finance costs		(3,145)	(5,496)	(15,300)	(22,901)
Share of results of an associate		(2,331)	(12,509)	(7,245)	(6,283)
Profit before tax		55,766	(40,756)	200,068	101,441
Taxation	B1	(23,808)	10,709	(61,360)	(24,819)
Profit for the financial year		31,958	(30,047)	138,708	76,622
<u>Other comprehensive income:</u>					
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 income for the financial year		32,105	(30,047)	138,855	76,622

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	NOTE	31.12.2015	31.12.2014	31.12.2015	31.12.2014
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:					
- Owners of the Company		31,728	(29,494)	138,717	75,528
- Non-controlling interests		230	(553)	(9)	1,094
		31,958	(30,047)	138,708	76,622
Total comprehensive income attributable to:					
- Owners of the Company		31,872	(29,494)	138,861	75,528
- Non-controlling interests		233	(553)	(6)	1,094
		32,105	(30,047)	138,855	76,622
Earnings per share (sen)					
- Basic	B11	2.86	(2.67)	12.51	6.83
- Diluted	B11	2.86	(2.63)	12.51	6.73

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 31.12.2015 RM'000	AS AT 31.12.2014 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		720,312	740,514
Investment properties		37,704	50,743
Associates		156,484	163,729
Prepaid transmission station rentals		720	1,004
Available-for-sale financial assets		2,472	2,325
Intangible assets		421,172	388,004
Deferred tax assets		84,016	88,039
		<u>1,422,880</u>	<u>1,434,358</u>
Current Assets			
Financial assets at fair value through profit or loss		90	90
Inventories		53,268	74,313
Trade and other receivables		368,715	342,279
Current tax assets		50,288	59,792
Deposits, cash and bank balances		420,657	564,990
		<u>893,018</u>	<u>1,041,464</u>
Non-current assets held for sale		<u>14,156</u>	<u>2,699</u>
TOTAL ASSETS		<u><u>2,330,054</u></u>	<u><u>2,478,521</u></u>
LIABILITIES AND EQUITY			
Non-Current Liabilities			
Borrowings	B5	300,108	300,108
Deferred tax liabilities		68,280	69,094
		<u>368,388</u>	<u>369,202</u>
Current Liabilities			
Borrowings	B5	-	152,984
Trade and other payables		319,409	342,918
Current tax liabilities		7,125	213
		<u>326,534</u>	<u>496,115</u>
TOTAL LIABILITIES		<u><u>694,922</u></u>	<u><u>865,317</u></u>
Equity and Reserves			
Share capital		1,109,199	1,109,107
Reserves		511,456	483,470
Equity attributable to owners of the Company		<u>1,620,655</u>	<u>1,592,577</u>
Non-controlling interests		14,477	20,627
Total equity		<u>1,635,132</u>	<u>1,613,204</u>
TOTAL LIABILITIES AND EQUITY		<u><u>2,330,054</u></u>	<u><u>2,478,521</u></u>
Net Assets per share attributable to equity holders of the Company (sen)			
		146.11	143.59

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 2014.

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			Retained earnings	Total	Non- controlling interests	Total equity
	of RM1 each	Non – distributable	Distributable				
	Share capital RM'000	Share premium RM'000	Other reserves RM'000	RM'000	RM'000	RM'000	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 year	-	-	-	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 comprehensive income for the financial year	-	-	144	138,717	138,861	(6)	138,855
Exercise of Employee Share Option Scheme ("ESOS")	92	87	(14)	-	165	-	165
Cancellation of expired ESOS during the year	-	-	(2,459)	2,459	-	-	-
Acquisition of additional interest in a subsidiary	-	-	-	(23)	(23)	(5,230)	(5,253)
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)
Second interim dividends paid for the financial year ended 31 December 2015	-	-	-	(22,184)	(22,184)	-	(22,184)
Dividends paid/payable to non-controlling interests	-	-	-	-	-	(914)	(914)
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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE YEAR ENDED NOTE 31.12.2015 RM'000	FOR THE YEAR ENDED 31.12.2014 RM'000
Cash flows from operating activities		
Receipts from customers	1,554,084	1,656,633
Payments to employees and suppliers	(1,286,437)	(1,387,068)
Income tax paid	(41,735)	(64,072)
<i>Net cash flows from operating activities</i>	<u>225,912</u>	<u>205,493</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(79,381)	(77,993)
Purchase of intangible assets - computer software	(5,666)	-
Interest received	13,682	16,833
Dividends received	-	811
Acquisition of subsidiaries, net of cash acquired	(18,949)	-
Proceeds from disposal of property, plant and equipment	1,386	3,302
Proceed from disposal of investment properties	-	996
Proceeds from redemption of redeemable preference shares in an associate	-	5,360
Proceeds from disposal of non-current assets held for sale	3,345	720
<i>Net cash flows used in investing activities</i>	<u>(85,583)</u>	<u>(49,971)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	165	15,449
Repayments of hire purchase	(1,295)	(2,519)
Interest paid	(16,989)	(21,558)
Decrease/(Increase) in restricted bank balances	8,565	(4,042)
Acquisition of additional interest in a subsidiary	(5,253)	-
Drawdown of short term borrowings	1,400	-
Repayment of Redeemable Fixed Rate Bonds	(150,000)	-
Repayment of short term borrowings	(1,400)	(45,098)
Dividends paid to shareholders of the Company	(110,925)	(154,829)
Dividends paid to non-controlling interests	(365)	(367)
<i>Net cash flows used in financing activities</i>	<u>(276,097)</u>	<u>(212,964)</u>
Net movement in cash and cash equivalents	(135,768)	(57,442)
Cash and cash equivalents at beginning of the financial year	551,452	608,894
Cash and cash equivalents at end of the financial year	A13 415,684	551,452

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 FOURTH QUARTER ENDED 31 DECEMBER 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 - Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to MFRS 10	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 116	Property, Plant and Equipment - 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 128	Investment in Associates - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 138	Intangible Assets - Clarification of Acceptable Methods on Depreciation and Amortisation	1 January 2016
Amendments to MFRSs	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
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.

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 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 fourth quarter and financial year ended 31 December 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 fourth quarter and financial year ended 31 December 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:

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 and Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	626,188	67,503	157,229	551,619	11,408	13,367	379	-	1,427,693
Royalties	(1,496)	(245)	-	-	-	-	-	-	(1,741)
Dividends from subsidiaries	624,692	67,258	157,229	551,619	11,408	13,367	379	-	1,425,952
Inter-segment revenue	47,000	-	36,000	-	-	-	157,112	(240,112)	-
	4,470	174	361	10	15,683	97,270	16,065	(134,033)	-
Reportable segment Profit after tax before non-controlling interest	676,162	67,432	193,590	551,629	27,091	110,637	173,556	(374,145)	1,425,952
	72,869	18,304	36,565	28,116	9,408	14,004	123,536	(164,094)	138,708

Year ended 31 December 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	643,488	71,067	148,090	592,054	32,568	19,701	13	-	1,506,981
Royalties	(3,260)	(355)	-	-	-	-	-	-	(3,615)
Dividends from subsidiaries	640,228	70,712	148,090	592,054	32,568	19,701	13	-	1,503,366
Inter-segment revenue	22,175	-	-	-	-	-	141,640	(163,815)	-
	5,208	-	4,055	413	-	106,040	-	(115,716)	-
Reportable segment Profit after tax before non-controlling interest	667,611	70,712	152,145	592,467	32,568	125,741	141,653	(279,531)	1,503,366
	69,328	21,776	34,693	(16,995)	(7,247)	12,640	102,910	(140,483)	76,622

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

NOTES TO THE INTERIM FINANCIAL REPORT

A7. DIVIDENDS PAID

	31.12.2015 RM'000	31.12.2014 RM'000
<u>In respect of the financial year ended 31 December 2015</u>		
Second interim, single tier dividend of 2.0 sen per ordinary share on 1,109,199,286 ordinary shares paid on 30 December 2015	22,184	-
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	-
Second interim, single tier dividend of 3.0 sen per ordinary share on 1,108,467,362 ordinary shares paid on 30 December 2014		33,241
First interim, single tier dividend of 3.0 sen per ordinary share on 1,106,493,547 ordinary shares paid on 30 September 2014	-	33,195
<u>In respect of the financial year ended 31 December 2013</u>		
Final, 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
	110,925	154,829

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
Depreciation and amortisation	26,313	25,573	103,138	100,385
Impairment of receivables	2,355	5,594	4,291	7,322
Allowance and write off of inventories	-	582	-	582
Impairment of property, plant and equipment	267	-	267	-
Impairment of intangible assets	46	-	46	6
Foreign exchange loss	168	4	2,326	56

NOTES TO THE INTERIM FINANCIAL REPORT

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	3,639	5,606	13,682	16,833
Other income	8,975	9,992	16,097	16,706
Gain on disposal of quoted or unquoted investments or properties	646	171	646	171
Reversal of receivables impairment	737	1,071	737	1,265
Foreign exchange gain	9	89	173	463
	14,006	16,929	31,335	35,438

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 27 (As at 31.12.2014: 35) legal suits with contingent liabilities amounting to approximately RM4.7 million (As at 31.12.2014: RM15.3 million). All of the 27 legal suits are for alleged defamation.

In so far as the suits for the alleged defamation is concerned, the Directors have been advised and are of the considered view that most are unsustainable against the Group.

It is noted that despite the amount claimed, the current trend of award for defamation are significantly lower. Hence, the likelihood of the amount claimed crystallising into the sum as claimed is highly unlikely.

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. 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.

NOTES TO THE INTERIM FINANCIAL REPORT

A12. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 31 December 2015 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant and equipment	109,463
- Programmes and film rights	201,614
Approved and contracted for:	
- Property, plant and equipment	48,551
	359,628
	449

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
Cash and bank balances	81,166	80,210
Deposits with licensed banks	339,491	484,780
Deposits, cash and bank balances	420,657	564,990
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	(4,973)	(13,538)
Cash and cash equivalents	415,684	551,452

NOTES TO THE INTERIM FINANCIAL REPORT

A14. REALISED AND UNREALISED PROFIT

	As at 31.12.2015 RM'000	As at 31.12.2014 RM'000
MPB realised retained earnings	114,182	104,295
Total accumulated losses of its subsidiaries:		
- Realised	(270,643)	(299,031)
- Unrealised	13,998	19,037
	(256,645)	(279,994)
Total share of retained profits from associated companies:		
- Realised	1,995	9,107
- Unrealised	2,054	2,054
	4,049	11,161
Total Group's accumulated losses (before consolidation adjustments)	(138,414)	(164,538)
Add: Consolidation adjustments	232,079	227,975
Total Group retained earnings as per consolidated accounts	93,665	63,437

A15. SIGNIFICANT EVENT AFTER REPORTING PERIOD

On 18 January 2016, Sistem Televisyen Malaysia Berhad ("STMB"), a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement with CJ O Co., Ltd ("CJ O") to establish a joint venture company ("JV Co") for the purposes of a home shopping business. The JV Co had been incorporated on 22 February 2016 as Media Prima CJ O Shopping Sdn Bhd ("Media Prima CJ O") 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.

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

NOTES TO THE INTERIM FINANCIAL REPORT

A16. CHANGES IN COMPOSITION OF THE GROUP

- a) On 21 October 2015, Synchrosound Studios Sdn Bhd ("Synchrosound"), a wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Copyright Laureate Sdn Bhd ("CLSB") for a total cash consideration of RM20.0 million. CLSB is incorporated in Malaysia and is principally engaged in commercial radio broadcasting. As a result of the acquisition, CLSB has become a wholly-owned subsidiary under the Group.
- b) On 16 November 2015, Synchrosound acquired an additional 19.6% equity interest in a subsidiary, One FM Radio Sdn Bhd ("OneFM") for a total consideration of RM5.3 million. Subsequently, the effective equity interest in OneFM has increased to 99.6%.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
In respect of the current year:				
- Current Malaysian income tax	23,675	-	47,964	28,316
- Deferred taxation	(2,760)	(4,220)	3,209	(755)
- Under accruals of taxation in prior year	2,893	(6,489)	10,187	(2,742)
	23,808	(10,709)	61,360	24,819

The Group's current quarter and financial year effective tax rate are higher than the statutory tax rate is primarily due to under accrual of income tax in prior financial years.

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 31 December 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 year are as follows:

	31.12.2015	31.12.2014
	RM'000	RM'000
<u>Current Borrowings</u>		
Unsecured:		
- Hire purchase	-	1,295
Secured:		
- Redeemable Fixed Rate Bonds	-	151,689
	<u>-</u>	<u>152,984</u>
<u>Non-current Borrowings</u>		
Unsecured:		
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	<u>300,108</u>	300,108
	<u>300,108</u>	300,108
Total borrowings	<u><u>300,108</u></u>	<u><u>453,092</u></u>

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 31.12.2015 RM'000	Quarter ended 30.9.2015 RM'000
Revenue	367,117	365,819
Profit Before Tax (PBT)	55,766	61,162
Profit After Tax (PAT)	31,958	45,100

The Group achieved a marginal growth in revenue for 4QFY15 against 3QFY15 while PBT and PAT declined by 9% and 29% respectively against the preceding quarter.

Performance of the respective business platforms for 4QFY15 against the preceding quarter is as follows:

- a) Television Network – Minimal growth in current quarter's revenue of 1%. The increase in overheads in the current quarter resulted in 4QFY15 PAT to decrease by RM9.7 million compared to 3QFY15.
- b) Print Media – Revenue remained flat with a 1% growth against the preceding quarter. PAT reduced by 57% as high overheads and deferred tax charges were incurred in the current quarter.
- c) Outdoor Media – Recent digital rollouts along Jalan Bangsar contributed to Outdoor's growth in current quarter revenue and PAT by 13% and 36% respectively against 3QFY15.
- d) Radio Network – 15% growth in revenue against the preceding quarter contributed by year end promotional airtime and campaigns.
- e) Digital Media – Significant increase in profit for the current quarter due to the reversal of impairment losses on properties and recognition of deferred tax assets.
- f) Content Creation – Lower content sales and box office collections contributed to an 11% decrease in current quarter revenue 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**

	Financial Year 31.12.2015 RM'000	Preceding Year 31.12.2014 RM'000
Revenue	1,427,693	1,506,981
Profit Before Tax (PBT)	200,068	101,441
Profit After Tax (PAT)	138,708	76,622

Group performance for the current financial year had been generally affected by the soft advertising spending and subdued market sentiment. The challenging environment was reflected in the Group's revenue which reduced by 5% against the preceding financial year. However, profitability increased significantly as a one-off Mutual Separation Scheme ("MSS") cost of RM79.8 million was incurred in the preceding financial year. If the MSS cost is excluded from 2014's results, current year's PAT declined by 2% against the preceding year.

The performance of the respective platforms for the year ended 31 December 2015 as compared to the previous financial year is analysed as follows:

- a) Television Network – Lower advertising expenditure ("adex") in the current year especially in the FTA TV segment attributed to the decline in revenue by 3% against 2014. Despite the fall in revenue, PAT increased by 5% mainly contributed by savings in programme costs.
- b) Print Media – Total revenue for the current year reduced by 7% as advertising and circulation revenue fell by 3% and 15% respectively. PAT grew by more than 100% as the platform incurred significant MSS costs in the preceding year.
- c) Outdoor Media – PAT increased by 5% partly due to 4% revenue growth as compared to preceding year. The growth was driven by new digital rollouts at key locations throughout the year.
- d) Radio Network – Current year revenue and PAT declined by 5% and 16% respectively against the preceding year as the share of adex between stations remains highly competitive.
- e) Digital Media – Streamlining of business operations during the current year saw revenue decline by 17%. Profit increased significantly due to the reversal of impairment on assets as well as the recognition of deferred tax assets.
- f) Content Creation – Low external sales of content affected the segment's performance in the current year as total revenue dropped by 6%. Savings in direct costs and overheads led to an 11% growth in PAT.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B8. PROSPECTS FOR 2016

The Group expects 2016 to be a challenging year as the global economic environment continues to remain uncertain. Malaysia is not insulated, with the 2016 national GDP being forecasted lower. At industry level, factors such as consumer fragmentation, technological advancements, shift in advertisement to the digital media and increased competition from new entrants and global media players will continue to pose challenges to the Group.

Industry players anticipate single digit growth in adex this year, as businesses struggle to optimise their advertising and promotion budgets. However, we remain hopeful by major sporting events happening this year, including the UEFA Euro Championships and the Olympics.

Nevertheless, the rapid changes in the media industry also present the Group with new opportunities to explore:

- a) Television Network – Investment in programming and content remains vital in maintaining leading viewership positions to attract advertisers. The recently announced home shopping joint venture will be a new non-traditional revenue stream for the platform.
- b) Print Media – Sustaining the print business by diversifying revenue streams while enhancing brand, content and also maintaining operational efficiency. Moving towards a digital business model presents strategic growth opportunities for the segment.
- c) Outdoor Media – Continue growing its digital out-of-home solutions at key and premium sites. The expected completion of rapid transit lines in 2016 offers new concession opportunities.
- d) Radio Network – The completed acquisition of a new radio station would enable the expansion of its radio offerings to a wider segment of listeners, media buyers and advertisers. The existing stations will continue to compete for listenership and revenue in their respective demographic markets whilst adapting to digital music trends.
- e) Digital Media – Supporting the Group through digital operation, production and data services. The segment will provide a platform to innovate and incubate new digital products and services.
- f) Content Creation – Developing hit content for internal and external markets as various content development initiatives are in the pipeline. In order to achieve growth, monetisation of intellectual properties and maximisation of revenue via all possible platforms is the focus for sales and marketing.

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 year.

B10. DIVIDEND

The Board of Directors recommend a final single tier dividend of 5.0 sen (2014: 5.0 sen) per ordinary share for the financial year ended 31 December 2015 which is subjected to the approval of shareholders at the forthcoming Fifteenth (15th) Annual General Meeting of the Company.

With the recommendation of the final single tier dividend, total dividends declared for the current financial year is 10.0 sen (2014: 11.0 sen) per ordinary share.

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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Profit attributable to owners of the Company (RM'000)	31,728	(29,494)	138,717	75,528
Weighted average number of ordinary shares in issue ('000)	1,109,192	1,105,261	1,109,192	1,105,261
Basic earnings per share (sen)	2.86	(2.67)	12.51	6.83
Weighted average number of ordinary shares in issue ('000)	1,109,192	1,105,261	1,109,192	1,105,261
Adjustments for Warrants ('000)	-	15,010	-	15,010
Adjustments for ESOS ('000)	-	1,416	-	1,416
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	1,109,192	1,121,687	1,109,192	1,121,687
Diluted earnings per share (sen)	2.86	(2.63)	12.51	6.73

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)

FARNIDA BINTI NGAH (MIA 22495)

COMPANY SECRETARIES

Kuala Lumpur

26 February 2016

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

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