

MEDIA PRIMA BERHAD (532975-A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2014

The Board of Directors of Media Prima Berhad ("MPB" or "Company") is pleased to announce the unaudited consolidated results of Media Prima Berhad Group (the "Group") for the financial period ended 30 June 2014.

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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER 30.6.2014 RM'000	30.6.2013 RM'000	CUMULATIVE QUARTERS 30.6.2014 RM'000	30.6.2013 RM'000
Revenue		388,580	466,274	742,684	832,110
Operating expenses	A8	(343,395)	(385,842)	(663,314)	(715,488)
Other operating income	A9	6,308	5,518	11,684	12,628
Profit from operations		51,493	85,950	91,054	129,250
Finance costs		(6,046)	(5,958)	(11,874)	(14,193)
Share of associate		3,541	1,255	6,175	2,832
Profit before taxation		48,988	81,247	85,355	117,889
Taxation	B1	(12,459)	(20,623)	(21,264)	(29,485)
Profit and total comprehensive income for the financial period		36,529	60,624	64,091	88,404
Profit and total comprehensive income attributable to:					
- Owners of the Parent		35,830	60,103	62,846	87,210
- Non-controlling Interest		699	521	1,245	1,194
		36,529	60,624	64,091	88,404
Earnings per share (in sen)					
- Basic	B11	3.24	5.52	5.69	8.00
- Diluted	B11	3.18	5.24	5.58	7.61

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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30.6.2014 RM'000	AS AT 31.12.2013 RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		748,162	757,978
Investment properties		53,808	54,722
Associates		182,358	176,183
Prepaid expenditure		1,146	1,287
Available-for-sale financial assets		7,825	2,325
Intangible assets		391,346	383,714
Deferred tax assets		81,032	84,510
		<u>1,465,677</u>	<u>1,460,719</u>
Current Assets			
Financial assets at fair value through profit or loss		90	90
Inventories		93,379	117,963
Trade and other receivables		371,097	386,038
Tax recoverable		36,135	21,438
Deposits, cash and bank balances		538,346	618,390
		<u>1,039,047</u>	<u>1,143,919</u>
Non current assets held for sale		1,967	2,024
TOTAL ASSETS		<u>2,506,691</u>	<u>2,606,662</u>
LIABILITIES AND EQUITY			
Non Current Liabilities			
Borrowings	B5	301,041	451,770
Deferred tax liabilities		66,208	66,320
		<u>367,249</u>	<u>518,090</u>
Current Liabilities			
Trade and other payables		299,638	364,290
Borrowings	B5	177,575	47,596
Taxation		868	357
		<u>478,081</u>	<u>412,243</u>
TOTAL LIABILITIES		<u>845,330</u>	<u>930,333</u>
Equity and Reserves			
Share capital		1,105,711	1,100,529
Reserves		534,505	555,900
Equity attributable to owners of the Parent		1,640,216	1,656,429
Non-controlling interest		21,145	19,900
Total equity		<u>1,661,361</u>	<u>1,676,329</u>
TOTAL LIABILITIES AND EQUITY		<u>2,506,691</u>	<u>2,606,662</u>
Net Assets per share attributable to equity holders of the Company (sen)			
		148.34	150.51

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 2013.

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

	Attributable to Owners of the Parent							
	Issued and fully paid ordinary shares of RM1 each		Non – distributable					
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and 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	1,100,529	407,037	15,703	133,160	1,656,429	19,900	1,676,329
Profit for the period	-	-	-	-	62,846	62,846	1,245	64,091
Total comprehensive income for the period	-	-	-	-	62,846	62,846	1,245	64,091
Exercise of Employee Share Option Scheme (“ESOS”)	701	701	859	(292)	-	1,268	-	1,268
Exercise of warrants	4,481	4,481	4,257	(672)	-	8,066	-	8,066
Cancellation of expired ESOS during the period	-	-	-	(49)	49	-	-	-
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)
Total transaction with owners	5,182	5,182	5,116	(1,013)	(88,344)	(79,059)	-	(79,059)
At 30 June 2014	1,105,711	1,105,711	412,153	14,690	107,662	1,640,216	21,145	1,661,361

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013

	Attributable to Owners of the Parent							
	Issued and fully paid ordinary shares of RM1 each		Non – distributable					
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
2013:								
At 1 January 2013	1,079,692	1,079,692	385,162	72,744	9,692	1,547,290	19,440	1,566,730
Profit for the period	-	-	-	-	87,210	87,210	1,194	88,404
Total comprehensive income for the period	-	-	-	-	87,210	87,210	1,194	88,404
Exercise of Employee Share Option Scheme ("ESOS")	5,216	5,216	6,409	(2,177)	-	9,448	-	9,448
Exercise of warrants	9,559	9,559	9,082	(1,434)	-	17,207	-	17,207
Cancellation of expired ESOS during the period	-	-	-	(4)	4	-	-	-
Redemption of redeemable preference shares	-	-	-	500	(500)	-	-	-
Final dividends paid for financial year ended 31 December 2012	-	-	-	-	(76,562)	(76,562)	(596)	(77,158)
Total transaction with owners	14,775	14,775	15,491	(3,115)	(77,058)	(49,907)	(596)	(50,503)
At 30 June 2013	1,094,467	1,094,467	400,653	69,629	19,844	1,584,593	20,038	1,604,631

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 2013.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	FOR THE PERIOD ENDED 30.6.2014	FOR THE PERIOD ENDED 30.6.2013
		RM'000	RM'000
Cash flow from operating activities			
Receipts from customers		822,017	952,142
Payments to employees and suppliers		(722,276)	(748,886)
Income tax paid		(32,084)	(36,790)
<i>Net cash flow from operating activities</i>		<u>67,657</u>	<u>166,466</u>
Cash flow from investing activities			
Purchase of property, plant & equipment		(37,601)	(59,776)
Interests received		7,628	7,980
Proceeds from disposal of property, plant and equipment		92	383
Acquisition of other investment		(5,500)	-
<i>Net cash flow used in investing activities</i>		<u>(35,381)</u>	<u>(51,413)</u>
Cash flow from financing activities			
Proceeds from issuance of shares		9,335	26,655
Repayments of hire purchase		(1,322)	(2,776)
Interests paid		(11,842)	(12,622)
Repayment of term loan		-	(187,000)
(Increase)/Decrease in restricted bank balances		(829)	26,099
Drawdown of short term borrowings		15,000	17,235
Repayment of short term borrowings		(35,098)	(39,356)
Dividends paid		(88,393)	(77,158)
<i>Net cash flow used in financing activities</i>		<u>(113,149)</u>	<u>(248,923)</u>
Net movement in cash and cash equivalents		(80,873)	(133,870)
Cash and cash equivalents at beginning of period		608,894	646,733
Cash and cash equivalents at end of period	A13	<u>528,021</u>	<u>512,863</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 2013.

MEDIA PRIMA BERHAD (532975-A)
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2014**

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 2013, which were prepared in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and 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 2013.

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 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 2014 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 10	Consolidated Financial Statements - Investment entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interest in Other Entities - Investment entities	1 January 2014
Amendments to MFRS 127	Consolidated and Separate Financial Statements - Investment entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement - Novation of derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014

NOTES TO THE INTERIM FINANCIAL REPORT

The Group will be adopting the following MFRS 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 116	Property, Plant and Equipment - Clarification of acceptable methods on depreciation and amortisation	1 January 2016
Amendments to MFRS 138	Property, Plant and Equipment: Clarification of acceptable methods on depreciation and amortisation	1 January 2016
Amendments to MFRS 119	Employee benefits - Defined benefits plans: Employee Contribution	1 July 2014
MFRS 7	Financial Instruments disclosures - Mandatory effective date on MFRS 9 and Transition disclosures	To be determined by MASB
MFRS 9	Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities	To be determined by MASB
Annual improvements to MFRS 2010 – MFRS 2012		1 July 2014
Annual improvements to MFRS 2011 – MFRS 2013		1 July 2014

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is not expected to be material.

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2013 was not qualified.

A3. SEASONALITY OR CYCLICALITY FACTORS

The operations of our major business segments are generally affected by the major festive seasons.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the second quarter and financial period ended 30 June 2014.

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 2014.

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 period is as follows:

Period ended 30 June 2014	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Digital RM'000	Content Creation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	309,146	35,176	70,384	302,207	14,749	11,020	2	-	742,684
Intersegment revenues	2,583	-	2,128	1,066	188	1,054	-	(7,019)	-
Total Revenue	311,729	35,176	72,512	303,273	14,937	12,074	2	(7,019)	742,684
Reportable segment Profit/(loss) after tax before non-controlling interest	46,337	15,535	13,563	16,607	(2,741)	1,914	(22,891)	(4,233)	64,091

Period ended 30 June 2013	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Digital RM'000	Content Creation RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenues from external customers	337,461	33,157	78,551	361,753	12,626	8,562	-	-	832,110
Intersegment revenues	2,625	-	2,947	1,247	1,064	5,371	-	(13,254)	-
Total Revenue	340,086	33,157	81,498	363,000	13,690	13,933	-	(13,254)	832,110
Reportable segment Profit/(loss) after tax before non-controlling interest	60,943	15,482	16,385	27,460	(2,557)	(1,551)	(31,805)	4,047	88,404

NOTES TO THE INTERIM FINANCIAL REPORT

A7. DIVIDENDS PAID

	30.6.2014	30.6.2013
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2013</u>		
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	-
Final interim, single tier dividend of 5.0 sen per ordinary share on 1,105,460,355 ordinary shares paid on 27 June 2014	55,273	-
<u>In respect of the financial year ended 31 December 2012</u>		
Final interim, single tier dividend of 7.0 sen per ordinary share on 1,093,738,488 ordinary shares paid on 28 June 2013	-	76,562
	88,393	76,562

A8. OPERATING EXPENSES

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	24,900	25,478	49,936	49,949
Impairment and write off of receivables	944	990	1,766	1,310
Allowance and write off of inventories	-	-	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange loss/(gain)	27	(39)	49	5
Gain or loss on derivatives	-	-	-	-

A9. OTHER OPERATING INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
Interest income	3,863	3,774	7,628	7,980
Other income	2,413	1,290	3,953	4,134
Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
Foreign exchange gain	32	454	103	514
	6,308	5,518	11,684	12,628

NOTES TO THE INTERIM FINANCIAL REPORT

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 38 (As at 31.12.2013: 44) legal suits with contingent liabilities amounting to approximately RM8.8 million (As at 31.12.2013: RM620.8 million). Of the 38 legal suits, 36 suits are for alleged defamation and 2 are for alleged breaches of contracts.

On 7 February 2014 and 28 February 2014, the Court has struck out the numerical amount claimed in 2 suits amounting to RM550 million and RM5 million respectively, both suits were brought against a subsidiary company, The News Straits Times Press (M) Berhad, which was included as contingent liabilities as at 31 December 2013. In the current year, the Group has revised its exposure on all material claims brought against Sistem Televisyen Malaysia Berhad, another subsidiary company to RM250,000 for each claim (a total of 6 claims) due to the current trend of award for defamation.

As at the date of this report, the following are the new material in the Group contingent liabilities since the date of the last annual statement of financial position:

- A claim of RM3 million was brought against The News Straits Times Press (M) Berhad by a plaintiff who has alleged that he has been defamed over an article published in one of the Group's newspaper. The Court has not given any date for case management.

Apart from the above, there are no new material litigation against the Group. 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 award for defamation are significantly lower. Hence, the likelihood of the amount claimed crystallising into the sum as claimed is highly 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 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 30 June 2014 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant & equipment	163,576
Approved and contracted for:	
- Property, plant & equipment	19,911
	<u>183,487</u>

A13. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 30.6.2014 RM'000	As at 30.6.2013 RM'000
Cash and bank balances	119,210	121,934
Deposits with licensed banks	<u>419,136</u>	<u>400,475</u>
Deposits, cash and bank balances	538,346	522,409
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	(10,325)	(7,647)
Bank balances and deposit held in respect of public donations	-	(1,899)
Cash and cash equivalents	<u>528,021</u>	<u>512,863</u>

A14. REALISED AND UNREALISED PROFIT

	As at 30.6.2014 RM'000	As at 31.12.2013 RM'000
MPB realised retained earnings	89,411	146,257
Total accumulated losses of its subsidiaries:		
- Realised	(248,604)	(279,331)
- Unrealised	15,022	18,318
	<u>(233,582)</u>	<u>(261,013)</u>
Total share of retained profits from associated companies:		
- Realised	19,005	12,943
- Unrealised	4,385	4,385
	<u>23,390</u>	<u>17,328</u>
Total Group's accumulated losses (before consolidation adjustments)	(120,781)	(97,428)
Add: Consolidation adjustments	228,443	230,588
Total group retained earnings as per consolidated accounts	<u>107,662</u>	<u>133,160</u>

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
In respect of the current year:				
Current Malaysian income tax	9,064	16,624	17,581	20,936
Deferred tax	3,077	3,999	3,365	7,349
Underprovision of taxation in prior year	318	-	318	1,200
	12,459	20,623	21,264	29,485

B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 June 2014, the Group does not have any financial liabilities measured at fair value through profit or loss.

B3. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals as at the date of this report.

B4. MATERIAL LITIGATION

Apart from the material litigation disclosed under Note A11, there was no other material litigation in the period under review since the last announcement.

B5. BORROWINGS AND DEBT SECURITIES

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

	30.6.2014	31.12.2013
	RM'000	RM'000
<u>Short Term Borrowings</u>		
Unsecured:		
- Hire purchase	1,455	2,498
- Banker's acceptance	-	35,098
- Revolving credit	25,000	10,000
Secured:		
- Redeemable Fixed Rate Bonds	151,120	-
	177,575	47,596
<u>Long Term Borrowings</u>		
Unsecured:		
- Hire purchase	1,041	1,316
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	300,000	300,036
Secured:		
- Redeemable Fixed Rate Bonds	-	150,418
	301,041	451,770
Total borrowings	478,616	499,366

The Group's borrowings are denominated in Ringgit Malaysia.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B5. BORROWINGS AND DEBT SECURITIES (CONT'D)

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.

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

	Quarter ended 30.6.2014 RM'000	Quarter ended 31.3.2014 RM'000
Revenue	388,580	354,104
Profit before tax	48,988	36,367
Profit after tax	36,529	27,562

Overall Q2 2014 results recorded higher results compared to the preceding Q1 2014 in line with the general seasonal trends of advertising spending.

Group revenue and profit after tax for Q2 2014 increased by 10% and 33% respectively as compared to Q1 2014. Performance of the respective business platforms for Q2 2014 against the preceding quarter is as follows:

- a) Television Network – Higher advertisement revenue by 9% from RM148.8 million in Q1 2014 to RM162.9 million in Q2 2014. Consequently, profit after tax has also increased by 15%.
- b) Print Media – Print revenue increased by 14% due to the growth in advertising sales by 26%.
- c) Outdoor Media – Revenue increased by 2% and correspondingly profit after tax has increased by 21%.
- d) Radio Network – Higher take up on sponsorship has increased revenue by 22% and profit after tax by 18%.
- e) Digital Media – Recorded 4% increase in revenue due to higher take up of online advertising.
- f) Content Creation – Lower revenue by 41% resulted in a loss of RM0.6 million in the current quarter. This was mainly due to lower contribution margin as a result of higher direct costs recorded during the quarter.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**B7. REVIEW OF PERFORMANCE FOR CURRENT YEAR TO DATE VS. PREVIOUS YEAR TO DATE**

	Period ended 30.6.2014 RM'000	Period ended 30.6.2013 RM'000
Revenue	742,684	832,110
Profit before tax	85,355	117,889
Profit after tax	64,091	88,404

The market environment has been very challenging for the media industry as a whole. In light of the circumstances, the Group recorded a fall in revenue and profit after tax against previous corresponding period by 11% and 28% respectively. The higher revenue in corresponding period was attributed by the contribution from Non Traditional Advertisers. The Group's profit after tax margin of 9% showed continuous effort to review and improve the business processes to further enhance efficiency and productivity.

The performance of the respective platforms for the period ended 30 June 2014 as compared to previous financial period is analysed as follows:

- a) Television Network – Revenue for the period was lower by 8%. Profit after tax has also declined by 24%, in tandem with lower revenue recorded during the period.
- b) Print Media – Print revenue declined by 16% due to lower advertising and newspaper sales revenue. Profit after tax lower by 40% against comparative period.
- c) Outdoor Media – Revenue contracted by 11% against previous comparative period due to the slow take up by advertisers. Accordingly, it translated to 17% reduction in profit after tax.
- d) Radio Network – Higher sponsorship by the advertisers resulted in a higher revenue by 6% but flat profit after tax against corresponding period.
- e) Digital Media – Advertising revenue has increased by 9% due to the higher take up of online advertising. However, loss after tax was comparable to prior period due to higher bandwidth costs as a result of more page and video views.
- f) Content Creation – Lower revenue by 13% due to lower number of movie releases in the current period compared to the previous corresponding period. Due to lower production costs, the platform was able to record a profit after tax of RM1.9 million against a loss after tax of RM1.6 million in previous period.

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B8. PROSPECTS FOR 2014

The Group is focusing on providing the best local and international content while aiming at new market penetration and new revenue stream. Due to the challenging business and market conditions, the Group will continue to focus on the execution of its key strategy on advertising growth supported by major events such as Asian games, Commonwealth games and Visit Malaysia Year 2014. At the same time, the Group will continue to manage and improve its costs by monitoring of our key cost drivers, coupled with cost saving initiatives.

The Group will also continue to expand its content production for market beyond MPB TV Network while concurrently enhancing its respective platforms' business strategies as follows:

- a) Television Network - Continue to invest in compelling quality especially on the prime slot content and ground events across the nation as well as extensive promotional while offering strategic creative marketing plan from platform integration.
- b) Print Media - Outlook for Print Media will continue to be challenging due to consumers shift in media consumption preferences. Print Media will continue with its optimal management of newsprint inventories, improving on print quality, productivity and offering innovative advertising solutions for advertisers.
- c) Outdoor Media - Maintain its industry edge by investing in innovative products and creative assets at the same time exploring product developments to create market excitement.
- d) Radio Network - Continue to develop new talents and to attract listeners on digital space in order to maintain and strengthen its regional listenership evident in the improvement of overall listenership across all radio stations operated by the Group.
- e) Digital Media - Digital media is expected to continue monetising its online portals and online subscription business while complementing the other traditional platforms. The platform has recently launched Tonton Music, which is the country's first music portal that offers a free mobile streaming service that supports the Group radio counterpart.
- f) Content creation – Maintain high quality production and compelling stories as well as continue to sell content across all platforms while continue to build its presence locally and abroad with its marketing and distribution plan.

B9. PROFIT FORECAST/PROFIT GUARANTEE

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

B10. DIVIDEND

The Board of Directors declares a first interim, single tier dividend of 3.0 sen (2013: 3.0 sen) per ordinary share for the financial year ending 31 December 2014 to be paid on 30 September 2014 to Depositors whose name appear in the Record of Depositors at the close of business on 12 September 2014.

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	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
Profit attributable to owners of the Parent (RM'000)	35,830	60,103	62,846	87,210
Weighted average number of ordinary Shares in issue ('000)	1,104,749	1,089,796	1,104,749	1,089,796
Basic earnings per share (sen)	3.24	5.52	5.69	8.00
Weighted average number of ordinary shares in issue ('000)	1,104,749	1,089,796	1,104,749	1,089,796
Adjustments for Warrants ('000)	19,101	53,168	19,101	53,168
Adjustments for ESOS ('000)	1,825	3,135	1,825	3,135
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	1,125,675	1,146,099	1,125,675	1,146,099
Diluted earnings per share (sen)	3.18	5.24	5.58	7.61

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
COMPANY SECRETARY

Kuala Lumpur
14 August 2014

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