

**MEDIA PRIMA BERHAD (532975-A)**

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER**
**ENDED 31 MARCH 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 31 March 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 31.3.2014 RM'000	31.3.2013 RM'000	CUMULATIVE QUARTERS 31.3.2014 RM'000	31.3.2013 RM'000
Revenue		<b>351,030</b>	365,836	<b>351,030</b>	365,836
Operating expenses	A8	<b>(318,255)</b>	(329,646)	<b>(318,255)</b>	(329,646)
Other operating income	A9	<b>6,786</b>	7,110	<b>6,786</b>	7,110
Profit from operations		<b>39,561</b>	43,300	<b>39,561</b>	43,300
Finance costs		<b>(5,828)</b>	(8,235)	<b>(5,828)</b>	(8,235)
Share of associate		<b>2,634</b>	1,577	<b>2,634</b>	1,577
Profit before taxation		<b>36,367</b>	36,642	<b>36,367</b>	36,642
Taxation	B1	<b>(8,805)</b>	(8,862)	<b>(8,805)</b>	(8,862)
Profit and total comprehensive income for the financial period		<b>27,562</b>	27,780	<b>27,562</b>	27,780
<b>Profit and total comprehensive income attributable to:</b>					
- Owners of the Parent		<b>27,016</b>	27,107	<b>27,016</b>	27,107
- Non-controlling Interest		<b>546</b>	673	<b>546</b>	673
		<b>27,562</b>	27,780	<b>27,562</b>	27,780
<b>Earnings per share (in sen)</b>					
- Basic	B11	<b>2.45</b>	2.50	<b>2.45</b>	2.50
- Diluted	B11	<b>2.40</b>	2.36	<b>2.40</b>	2.36

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 31.3.2014 RM'000	AS AT 31.12.2013 RM'000
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment		758,273	757,978
Investment properties		54,201	54,722
Associates		178,817	176,183
Prepaid expenditure		1,217	1,287
Available-for-sale financial assets		2,325	2,325
Intangible assets		387,350	383,714
Deferred tax assets		84,308	84,510
		<u>1,466,491</u>	<u>1,460,719</u>
<b>Current Assets</b>			
Financial assets at fair value through profit or loss		90	90
Inventories		112,296	117,963
Trade and other receivables		343,895	386,038
Tax recoverable		30,793	21,438
Deposits, cash and bank balances		579,416	618,390
		<u>1,066,490</u>	<u>1,143,919</u>
<b>Non current assets held for sale</b>		<b>1,967</b>	<b>2,024</b>
<b>TOTAL ASSETS</b>		<b><u>2,534,948</u></b>	<b><u>2,606,662</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Non Current Liabilities</b>			
Borrowings	B5	304,322	451,770
Deferred tax liabilities		66,033	66,320
		<u>370,355</u>	<u>518,090</u>
<b>Current Liabilities</b>			
Trade and other payables		283,912	364,290
Borrowings	B5	202,681	47,596
Taxation		849	357
		<u>487,442</u>	<u>412,243</u>
<b>TOTAL LIABILITIES</b>		<b><u>857,797</u></b>	<b><u>930,333</u></b>
<b>Equity and Reserves</b>			
Share capital		1,104,073	1,100,529
Reserves		552,632	555,900
Equity attributable to owners of the Parent		1,656,705	1,656,429
Non-controlling interest		20,446	19,900
Total equity		<u>1,667,151</u>	<u>1,676,329</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2,534,948</u></b>	<b><u>2,606,662</u></b>
<b>Net Assets per share attributable to equity holders of the Company (sen)</b>			
		<b>150.05</b>	<b>150.51</b>

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 31 MARCH 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	-	-	-	-	27,016	27,016	546	27,562
Total comprehensive income for the period	-	-	-	-	27,016	27,016	546	27,562
Exercise of Employee Share Option Scheme (“ESOS”)	326	326	395	(133)	-	588	-	588
Exercise of warrants	3,218	3,218	3,057	(483)	-	5,792	-	5,792
Cancellation of expired ESOS during the period	-	-	-	(19)	19	-	-	-
Third interim dividends paid for financial year ended 31 December 2013	-	-	-	-	(33,120)	(33,120)	-	(33,120)
Total transaction with owners	3,544	3,544	3,452	(635)	(33,101)	(26,740)	-	(26,740)
At 31 March 2014	1,104,073	1,104,073	410,489	15,068	127,075	1,656,705	20,446	1,677,151

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013**

	Attributable to Owners of the Parent						Non-controlling interests RM'000	Total equity RM'000
	Issued and fully paid ordinary shares of RM1 each	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	Total RM'000		
<b>2013:</b>								
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	-	-	-	-	27,107	27,107	673	27,780
Total comprehensive income for the period	-	-	-	-	27,107	27,107	673	27,780
Exercise of Employee Share Option Scheme ("ESOS")	429	429	519	(176)	-	772	-	772
Exercise of warrants	3,869	3,869	3,676	(580)	-	6,965	-	6,965
Cancellation of expired ESOS during the period	-	-	-	(1)	1	-	-	-
Redemption of redeemable preference shares	-	-	-	500	(500)	-	-	-
Total transaction with owners	4,298	4,298	4,195	(257)	(499)	7,737	-	7,737
At 31 March 2013	1,083,990	1,083,990	389,357	72,487	36,300	1,582,134	20,113	1,602,247

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 31.3.2014	FOR THE PERIOD ENDED 31.3.2013
		RM'000	RM'000
<b>Cash flow from operating activities</b>			
Receipts from customers		425,546	502,663
Payments to employees and suppliers		(401,657)	(417,542)
Income tax paid		(17,379)	(19,938)
<i>Net cash flow from operating activities</i>		<u>6,510</u>	<u>65,183</u>
<b>Cash flow from investing activities</b>			
Purchase of property, plant & equipment		(24,008)	(27,935)
Interests received		3,765	4,206
Proceeds from disposal of property, plant and equipment		-	380
<i>Net cash flow used in investing activities</i>		<u>(20,243)</u>	<u>(23,349)</u>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shares		6,379	7,737
Repayments of hire purchase		(700)	(1,375)
Interests paid		(4,332)	(5,919)
Repayment of term loan		-	(180,000)
(Increase)/Decrease in restricted bank balances		(62,636)	28,554
Drawdown of short term borrowings		31,000	13,000
Repayment of short term borrowings		(24,468)	(24,356)
Dividends paid		(33,120)	-
<i>Net cash flow used in financing activities</i>		<u>(87,877)</u>	<u>(162,359)</u>
<b>Net increase in cash and cash equivalents</b>		<b>(101,610)</b>	<b>(120,525)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>608,894</b>	<b>646,733</b>
<b>Cash and cash equivalents at end of period</b>	A13	<u><b>507,284</b></u>	<u><b>526,208</b></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 FIRST QUARTER  
ENDED 31 MARCH 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.

Amendments to MFRS 10, MFRS 12 and MFRS 127	Consolidated Financial Statements, Disclosure of Interest in Other Entities and Consolidated and Separate Financial Statements
Amendments to MFRS 132	Financial Instruments: Presentation
Amendments to MFRS 139	Financial instruments: Recognition and measurement
IC Interpretation 21	Levies

The Group will be adopting the following MFRS when they become effective in the respective financial periods.

		<b>Effective dates</b>
MFRS 9	Financial Instruments Classification and Measurement of Financial Assets and Financial Liabilities	1 January 2015

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.

## **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 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 first quarter and financial period ended 31 March 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 current financial quarter and financial period ended 31 March 2014.

### **A6. DIVIDENDS PAID**

	<b>31.3.2014</b>	31.3.2013
	<b>RM'000</b>	RM'000
<u>In respect of the financial year ended 31 December 2013</u>		
A third interim, single tier dividend of 3.0 sen per ordinary share on 1,103,994,194 ordinary shares paid on 28 March 2014	<b>33,120</b>	-

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A7. 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:

<b>Period ended 31 March 2014</b>	<b>Television Network RM'000</b>	<b>Radio Network RM'000</b>	<b>Outdoor Media RM'000</b>	<b>Print Media RM'000</b>	<b>Digital RM'000</b>	<b>Content Creation RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenues from external customers</b>	<b>148,612</b>	<b>15,817</b>	<b>34,800</b>	<b>140,267</b>	<b>7,325</b>	<b>4,209</b>	<b>-</b>	<b>-</b>	<b>351,030</b>
<b>Intersegment revenues</b>	<b>186</b>	<b>-</b>	<b>1,016</b>	<b>1,437</b>	<b>-</b>	<b>166</b>	<b>-</b>	<b>(2,805)</b>	<b>-</b>
<b>Total Revenue</b>									
<b>Reportable segment Profit/(loss) after tax before non-controlling interest</b>	<b>22,937</b>	<b>7,130</b>	<b>6,146</b>	<b>4,168</b>	<b>(910)</b>	<b>1,217</b>	<b>(11,601)</b>	<b>(1,525)</b>	<b>27,562</b>

<b>Period ended 31 March 2013</b>	<b>Television Network RM'000</b>	<b>Radio Network RM'000</b>	<b>Outdoor Media RM'000</b>	<b>Print Media RM'000</b>	<b>Digital RM'000</b>	<b>Content Creation RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenues from external customers</b>	<b>138,041</b>	<b>14,399</b>	<b>37,019</b>	<b>166,645</b>	<b>5,404</b>	<b>4,328</b>	<b>-</b>	<b>-</b>	<b>365,836</b>
<b>Intersegment revenues</b>	<b>1,260</b>	<b>-</b>	<b>1,459</b>	<b>206</b>		<b>1,537</b>	<b>-</b>	<b>(4,462)</b>	<b>-</b>
<b>Total Revenue</b>									
<b>Reportable segment Profit/(loss) after tax before non-controlling interest</b>	<b>13,273</b>	<b>6,974</b>	<b>7,524</b>	<b>12,366</b>	<b>(2,739)</b>	<b>736</b>	<b>(13,218)</b>	<b>2,864</b>	<b>27,780</b>



## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A8. OPERATING EXPENSES**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.3.2014</b>	<b>31.3.2013</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation and amortisation	<b>25,036</b>	24,471	<b>25,036</b>	24,471
Impairment and write off of receivables	<b>822</b>	320	<b>822</b>	320
Allowance and write off of inventories	-	-	-	-
Loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange loss	<b>22</b>	44	<b>22</b>	44
Gain or loss on derivatives	-	-	-	-

### **A9. OTHER OPERATING INCOME**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.3.2014</b>	<b>31.3.2013</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	<b>3,765</b>	4,206	<b>3,765</b>	4,206
Other income	<b>2,950</b>	2,844	<b>2,950</b>	2,844
Gain on disposal of quoted or unquoted investments or properties	-	-	-	-
Foreign exchange gain	<b>71</b>	60	<b>71</b>	60
	<b><u>6,786</u></b>	<b><u>7,110</u></b>	<b><u>6,786</u></b>	<b><u>7,110</u></b>

### **A10. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT**

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

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A11. CONTINGENT LIABILITIES**

The Group is a defendant in 41 (As at 31.12.2013: 44) legal suits with contingent liabilities amounting to approximately RM9.6 million (As at 31.12.2013: RM620.8 million). Of the 41 legal suits, 39 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 quarter, 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 7 claims) due to the current trend of award for defamation.

As at the date of this report, the following are the material additional 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 31 March 2014 are as follows:

	<b>RM'000</b>
Approved but not contracted:	
- Property, plant & equipment	<b>173,062</b>
Approved and contracted for:	
- Property, plant & equipment	<b>21,322</b>
	<b><u>194,384</u></b>

### **A13. CASH AND CASH EQUIVALENTS**

Details of cash and cash equivalents are as follows:

	<b>As at 31.3.2014 RM'000</b>	<b>As at 31.3.2013 RM'000</b>
Cash and bank balances	<b>151,777</b>	122,316
Deposits with licensed banks	<b><u>427,639</u></b>	<u>410,984</u>
<b>Deposits, cash and bank balances</b>	<b>579,416</b>	533,300
<i>Less: Restricted deposits</i>		
Deposits with licensed banks	<b>(72,132)</b>	(7,092)
<b>Cash and cash equivalents</b>	<b><u>507,284</u></b>	<u>526,208</u>

### **A14. REALISED AND UNREALISED PROFIT**

	<b>As at 31.3.2014 RM'000</b>	<b>As at 31.12.2013 RM'000</b>
MPB realised retained earnings	<b>104,715</b>	146,257
Total accumulated losses of its subsidiaries:		
- Realised	<b>(237,471)</b>	(279,331)
- Unrealised	<b>18,365</b>	18,318
	<b><u>(219,106)</u></b>	<u>(261,013)</u>
Total share of retained profits from associated companies:		
- Realised	<b>6,460</b>	12,943
- Unrealised	<b>4,385</b>	4,385
	<b><u>10,845</u></b>	<u>17,328</u>
Total Group's accumulated losses (before consolidation adjustments)	<b>(103,546)</b>	(97,428)
Add: Consolidation adjustments	<b>230,621</b>	230,588
Total group retained earnings as per consolidated accounts	<b><u>127,075</u></b>	<u>133,160</u>

## **ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**

### **B1. TAXATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.3.2014</b>	<b>31.3.2013</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
In respect of the current year:				
Current Malaysian income tax	<b>8,517</b>	4,312	<b>8,517</b>	4,312
Deferred tax	<b>288</b>	3,350	<b>288</b>	3,350
Underprovision of taxation in prior year	-	1,200	-	1,200
	<b>8,805</b>	<b>8,862</b>	<b>8,805</b>	<b>8,862</b>

### **B2. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES**

As at 31 March 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:

	<b>31.3.2014</b>	<b>31.12.2013</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Short Term Borrowings</u></b>		
Unsecured:		
- Hire purchase	<b>2,071</b>	2,498
- Banker's acceptance	<b>10,630</b>	35,098
- Revolving credit	<b>41,000</b>	10,000
Secured:		
- Redeemable Fixed Rate Bonds	<b>148,980</b>	-
	<b>202,681</b>	<b>47,596</b>
<b><u>Long Term Borrowings</u></b>		
Unsecured:		
- Hire purchase	<b>1,046</b>	1,316
- 5 years MTN 2012/2017 with a coupon rate of 4.38%, maturing on 28 December 2017	<b>303,276</b>	300,036
Secured:		
- Redeemable Fixed Rate Bonds	-	150,418
	<b>304,322</b>	<b>451,770</b>
Total borrowings	<b>507,003</b>	<b>499,366</b>

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**

	<b>Quarter ended 31.3.2014 RM'000</b>	Quarter ended 31.12.2013 RM'000
Revenue	<b>351,030</b>	451,556
Profit before tax	<b>36,267</b>	86,599
Profit after tax	<b>27,562</b>	63,932

Overall Q1 2014 results recorded lower results compared to the preceding Q4 2013 in line with the general seasonal trends of advertising spending. Q1 is traditionally the weakest quarter of the year for the Group.

Group revenue and profit after tax for Q1 2014 decreased by 22% and 57% respectively as compared to Q4 2013. Performance of the respective business platforms for Q1 2014 against the preceding quarter is as follows:

- a) Television Network – Lower advertisement revenue by 27% from RM204.5 million in Q4 2013 to RM148.8 million in Q1 2014. Consequently, profit after tax has also declined by 36%.
- b) Print Media – Print revenue declined by 16% due to lower advertising and newspaper sales revenue.
- c) Outdoor Media – Revenue reduced by 13% and correspondingly profit after tax has declined by 28%.
- d) Radio Network – Slower revenue take up in Q1 2014 as revenue fell by 21% against previous quarter of RM19.9 million. This was however offset by lower spending in overheads, which resulted in the profit after tax for the platform to increase by 4% against last quarter.
- e) Digital Media – Revenue contracted by 17% against preceding quarter mainly from its online advertising revenue and interactive sales. Due to its cost management, loss after tax was reduced by 8% against previous preceding quarter.
- f) Content Creation – Revenue and profit after tax reduced by 64% and 62% respectively, mainly due to lower number of movie releases against the previous quarter (Q1 2014: 1; Q4 2013: 4).

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

	<b>Period ended 31.3.2014 RM'000</b>	Period ended 31.3.2013 RM'000
Revenue	<b>351,030</b>	365,836
Profit before tax	<b>36,267</b>	36,642
Profit after tax	<b>27,562</b>	27,780

Due to the challenging market environment, the Group recorded a fall of 4% revenue and a flat profit after tax against previous corresponding quarter. The higher revenue in corresponding period was attributed by the contribution from Non Traditional Advertisers. Nevertheless, the Group maintained its profit after tax margin of 8% as a result of continuous effort to review and improve the business processes to further enhance efficiency and productivity.

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

- a) Television Network – Revenue for the quarter is higher by 7% which was due to highly rated programmes especially from Mass Market. Reduction in direct costs as a result of the absence of ground events such as Karnival Jom Heboh in the current period has further improved profit after tax for Television Network by 73%.
- b) Print Media – Print revenue declined by 15% due to lower advertising and newspaper sales revenue. The lower revenue was partially mitigated by savings in direct costs and overheads, thus resulted in lower profit after tax by 66% against previous comparative period.
- c) Outdoor Media – Revenue contracted by 7% against previous comparative quarter due to the slow take up by advertisers post Chinese New Year celebration. Accordingly, it translated to 18% reduction in profit after tax.
- d) Radio Network – Higher sponsorship by the advertisers resulted in a higher revenue and profit after tax by 10% and 2% respectively.
- e) Digital Media – Advertising revenue has increased by a remarkable 36% due to the higher take up of online advertising and subsequently recorded an improved bottom line of 67% against comparative quarter.
- f) Content Creation – Lower revenue due to lower number of movie releases in the current quarter compared to the previous corresponding quarter. Due to savings from our distribution arm, the platform managed to improve its profit after tax by 65%.

## **ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS**

### **B8. PROSPECTS FOR 2014**

On the back of GDP forecast of 5-0%-5.5%, the Group is hopeful on advertising growth supported by major sporting events like the World Cup, the Asian Games, the Commonwealth Games and Visit Malaysia Year. The road for 2014 however will remain challenging as a result of weaker business and consumer sentiments.

The Group will also continue to expand its content production for market beyond MPB TV Network while at the same time 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 to sustain its leadership position in viewership and brand loyalty in addition to be a creative solution.
- 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 shareholders had, at the Annual General Meeting of the Company held on 23 April 2014, approved the payment of a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2013 to be paid on 27 June 2014 to Depositors whose name appear in the Record of Depositors at the close of business on 6 June 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:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTERS</b>	
	<b>31.3.2014</b>	<b>31.3.2013</b>	<b>31.3.2014</b>	<b>31.3.2013</b>
Profit attributable to owners of the Parent (RM'000)	<b>27,016</b>	27,107	<b>27,016</b>	27,107
Weighted average number of ordinary shares in issue ('000)	<b>1,103,700</b>	1,083,254	<b>1,103,700</b>	1,083,254
<b>Basic earnings per share (sen)</b>	<b>2.45</b>	2.50	<b>2.45</b>	2.50
Weighted average number of ordinary shares in issue ('000)	<b>1,103,700</b>	1,083,254	<b>1,103,700</b>	1,083,254
Adjustments for Warrants ('000)	<b>19,149</b>	62,561	<b>19,149</b>	62,561
Adjustments for ESOS ('000)	<b>1,870</b>	2,968	<b>1,870</b>	2,968
Weighted average number of ordinary shares for purposes of computing diluted earnings per share ('000)	<b>1,124,719</b>	1,148,783	<b>1,124,719</b>	1,148,783
<b>Diluted earnings per share (sen)</b>	<b>2.40</b>	2.36	<b>2.40</b>	2.36

**BY ORDER OF THE BOARD**

**TAN SAY CHOON (MAICSA 7057849)**  
**COMPANY SECRETARY**

**Kuala Lumpur**

8 May 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](http://www.mediaprima.com.my/investorcenter/quarterly_reports.aspx)