

### ESCALATING GROWTH

2006 was an outstanding year for Media Prima. The Group in most cases exceeded all of its key objectives for the year - financially, strategically and operationally.

The aggressive expansion strategy adopted by the Board in the last three years to significantly grow revenue and earnings are showing substantive results.

Media Prima's media assets now cover television broadcasting with four television networks (TV3, 8TV, ntv7 and TV9), two successfully launched radio stations (Hot FM and Fly FM), four newspapers under our associate company NSTP and the largest content creation house in Grand Brilliance.

And with our recently completed acquisitions of outdoor advertising companies, BTO, UPD and TRC, our traditional media platforms are now complete.



Media Prima's media assets currently reach close to 22 million Malaysians daily, including 11.2 million television viewers, 6.8 million newspaper readers and 3.5 million radio listeners. With such reach, our media assets offer unparalleled and cost efficient reach to advertisers seeking to target any consumer segment.

We know that there is much to continue doing. Customers' needs, changing lifestyle and growing consumer sophistication means that all our media brands need to constantly improve their content offering to ensure they remain attractive and relevant to our consumers. Further, we have to work harder to ensure our clients' ever increasing expectations are met and to ensure our advertising services are competitive and value adding.

### **RECORD FINANCIAL PERFORMANCE**

But as we reflect in our past year results, we are extremely pleased to note that the group achieved a record consolidated pre tax profit of RM105.7 million for the financial year ended 31 December 2006. This represents an increase of 64 per cent from RM64.3 million recorded in 2005.

Our net earnings that we deliver to shareholders similarly grew in tandem with profit after tax increasing by 51 per cent from RM54.8 million recorded in 2005 to RM83.0 million in 2006.

This performance is a result of strong increase in advertising revenue generated by the Group driven by both organic growth from existing media assets, TV3 and 8TV, as well as the contribution of acquisitions undertaken in late 2005 of additional media brands, ntv7, TV9 and the two recently launched radio networks.

Media Prima's revenue grew strongly, rising by 34 per cent to RM534.7 million despite challenging market environment where total advertising expenditure only grew by 4 per cent in 2006. Looking back, over a period of three years our revenue has more than doubled from RM244 million recorded in 2002, reflecting how much the Group has grown in such a short period of time.

Our profitability margin remains strong despite launching three new media assets, Hot FM, Fly FM and TV9 that incurred normal expected start up losses. With stringent financial controls, the Group's operating profit margin increased from 18.5 per cent in 2005 to 22.4 per cent in 2006.

### **TV NETWORKS – DRIVING GROWTH**

Our main driver of revenue and earnings remain the television networks. In terms of market share, Media Prima's television networks have increased its combined audience share from 39 per cent in 2005 to 50 per cent, reflecting the contribution of our acquisition of ntv7 and newly launched TV9.

TV3 continues to be the leading TV network in the country by sustaining its share of audience at 33 per cent and remains the largest revenue and earnings contributor to the Group.

8TV, which achieved profitability within a record 18-month period, continued to grow in strength and profits and now is one of the most popular channels amongst urban youth and Chinese audience.

Our acquisition of ntv7 has started to show positive results. Through our consolidation exercise, we have achieved our target cost reduction in overheads set and ntv7 operation is now profitable.

TV9 which was re-launched in April 2006 targeting towards core traditional Malay audience has been a tremendous success. Within a short period of time, TV9 has garnered an established audience share of 8 per cent amongst Malay audience between July to December 2006 and growing. With this encouraging trend continuing in 2007, we expect TV9 to break even within two years of launch, as planned.

### **RADIO NETWORKS – A START**

Both our radio networks that we launched have achieved results beyond expectations. Within three months of launch, Hot FM has become the No. 2 radio station in the country and now has nearly three million listeners daily.

Fly FM, an English radio network we operate and manage for Malaysia Airports (Sepang) Sdn Bhd, is now the number three radio station amongst English listeners.

With such a strong start, we expect both radio networks to generate significant increase in revenue and achieve profitability earlier than expected.

### **PRINT – DELIVERING RESULTS**

Our associate company, NSTP continues to face a challenging market environment due to continuing high newsprint prices and overall stagnant print advertising share.

Despite this, we are proud that NSTP has managed to record a higher net profit from 12.4 million in 2005 to 24.6 million in 2006. This improved financial performance is attributable to stronger results from the publishing business benefiting from our aggressive overhead reduction strategy and net write back in the impairment loss in the value of property, plant and equipment.

We are optimistic going forward with the continued improvement in content for our flagship newspapers, New Straits Times and Berita Harian and increased circulation in Harian Metro, currently Malaysia's most popular publication. NSTP will continue its trend of showing increased profitability going forward.

### **EXPANDING INTO OUTDOOR**

Last year we announced our intention to acquire ownership of Malaysia's leading outdoor advertising outfit, BTO. This acquisition forms the last leg of our strategy to become the leading integrated media investment group in the country and immediately transforms Media Prima into a dominant player within the outdoor industry.

In addition to BTO, Media Prima also acquired two additional outdoor media companies, UPD and TRC. These acquisitions are expected to be earnings accretive and are expected to contribute positively to the future value of the Group.

BTO has strong mid to long term concessions, a strong brand and a great management team that has agreed to stay on post acquisition. We plan to utilize BTO as the "Anchor" entity to spearhead our outdoor operations and grow the business further.

We also expect to derive potential synergistic benefits from collaborative marketing strategies between the outdoor segment and other media platforms within the Group, thus further enhancing Media Prima group's offering to the general consumers, media buyers and advertisers.

In time, we hope outdoor advertising operations contribute up to 15 per cent of the Group's earnings and with BTO within our media portfolio, we look forward to delivering greater shareholder value.

### **OTHER BUSINESSES – OPPORTUNITIES TO GROW**

Our other businesses have had a mixed year. Our content creation business led by Grand Brilliance had a great year with increasing high quality television production drama output and achieving theatre box office successes through Nana Tanjung and Cinta.

Grand Brilliance also has successfully expanded its activities beyond overseas sale of in house content into distributing foreign movies in Malaysia with high profile releases such as The Banquet starring Zhang Ziyi and Heart, which achieved record box office for an Indonesian movie.

Our event management business, Tiga Events, however failed to deliver within expectations. Our strategy of shifting into high value franchise events such as Disney's Winnie the Pooh and concerts such as Peter Pan and S2, whilst well received by the public, did not attract the expected financial returns.

We have undertaken a strategic retreat from the business and intend to recommence the event management operations only after due research has been done on branding, internal resources and competitive strategy.

Our sole international operations, TV3 Ghana also experienced a weaker financial performance due to soft economic conditions in Ghana arising from high increase in petrol prices and advertising revenue affected by not having the rights for the World Cup.

However, we are confident that given its strong brand as the leading television network in Ghana, TV3 Ghana will deliver better financial results in the coming year.

## **EXCITING NEW HORIZON**

All in all we are pleased with the state of our media assets. Further details of each of their operations are provided in a dedicated section of this Annual Report.

We are aware that it is imperative that we continue to execute our strategies well. In media, content and brand are key and we continue to invest significantly in our content and branding. In this context, we are pleased that in September last year about 1,500 clients and business partners came together to watch our annual "screenings" as we unveiled to them our television networks' high quality offerings that we have in store.

We expect that the growth of the media advertising will remain strong although competition within the media industry will continue to intensify. To remain competitive, continued investment in content and brand coupled with maintaining a culture of tight financial discipline will remain the cornerstone of our strategy.

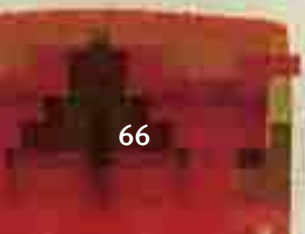
Going forward, we are excited by the possibilities of new technology and the convergence between telecommunication and content which will open up new potential revenue streams for the Group.

We believe in the new converged world, all communication devices and medium require compelling content to drive adoption. Leveraging on our huge library content of nearly 40,000 hours and as the largest producer of content, Media Prima is in a strong and advantageous position to distribute, market and sell content to create new revenues for the Group.

We intend to unveil our new media strategy in the coming year which we hope will be the catalyst of our next phase of growth.

Despite the challenging market environment, we are excited for Media Prima's future. As a creative based organisation, our success is attributable to all our dedicated employees and we are aware that to continue our aggressive growth path, we require a well-motivated, highly innovative and financially disciplined talent pool. To ensure this, we will continue to invest in our talent through our performance driven incentive reward system, succession planning and talent development programmes.

We are confident that having delivered on consistent growth in recent years, we are now well positioned to leverage on this strong foundation in our quest to build a regional networked media investment group that will evolve to be the pride of the nation.



### TV3 – CONTINUED DOMINANT POSITION

Adopting the proven formula of best-of-breed programming and content strategies, combining the best of local and international content to reach every viewer segment, TV3 continued to maintain its dominant position as the No.1 free-to-air network in Malaysia and the most watched channel even on ASTRO. It continued to remain as a mass-market station serving the best content for all Malaysians with TV3 as the No. 1 TV station in the country holding the nation's Top 10 programmes.

During the year under review, TV3 continued to maintain its lead position of 43 per cent ADEX and 48 per cent share of TV viewer ship (7-8 million viewers) day in and day out.

Being number one in news and localized content, TV3 has also managed to continuously maintain ratings which made up the entire Top Ten programmes listed weekly (Source: AC Nielsen). TV3's top rated programmes include *Buletin Utama*, *Anugerah Juara Lagu* and *Bawang Merah Bawang Putih*, which managed to get a Malaysian viewership of more than four million.

Anugerah Juara Lagu ke-20, which aired on 5 February 2006 created Malaysian broadcast history by garnering the highest amount of viewers for any individual programme, on Free-To-Air or Pay-TV. According to AGB Nielsen Media Research, over 4.76 million viewers or 27.5 rating (TVR) was recorded when the first Malaysian Idol champion, Jaclyn Victor received the highest honours with song titled '*Gemilang*' created by Aubrey Suwito and Asmin Mudin.

'*Mentor*', a singing reality programme ran for a second year in 2006 and garnered over two million viewers per show, making it one of the most watched programmes on Malaysian TV. The programme format was then borrowed by TRANS TV Indonesia, which produced a version called '*Bintang Cari Bintang*' resulting in a Grand Finale between the champions of '*Mentor*' and '*Bintang Cari Bintang*'. The Grand Finale also garnered top ten ratings.

A fresh genre on Malaysian TV is soccerbased reality programme 'MyTeam' which featured homegrown soccer talents recruited by famous Malaysian soccer coach Serbegeth Singh or 'Shebby' to create 'MyTeam' to play against the Malaysian national soccer team on 28 May 2006. Although 'MyTeam' fell short of its dream when it narrowly lost its final game, the match provided a great spectacle to the Malaysian audience, garnering over 3.3 million viewers and 49.1 per cent audience share and 19.2 TVR.

*Bersamamu*, a reality programme which represents the plight of some members of the society in meeting the challenges of having to survive and succeed ordeals such as poverty, sickness and so on, entered its 6th season this year.

Datuk Siti Nurhaliza's wedding, which was aired 'live' over TV3, was a hit in 2006. Other top-rated programmes such as *Lestary-Natasha*, *Dunia Baru* and *Dunia Anita* continued to draw exceptional viewership ratings and strong support from advertisers.

TV3's nationwide road show ground event, '*Karnival Jom Heboh*' drew record crowds at all 10 locations throughout Malaysia. In tandem with the Government's efforts to inculcate Islam Hadhari, TV3 together with TV9 also held the '*Perkampungan Hadhari*' with the Terengganu and Kelantan state governments.

2007 promises to be an exciting year ahead with various new and exciting programmes in store for all TV3 viewers. Moving forward, TV3 will leverage on its exciting programmes and continue to undertake various on ground activities to further enhance its brand visibility.

### TV3'S TOP TEN PROGRAMMES IN 2006

NO	TITLE	GENRE
1	ANUGERAH JUARA LAGU (LIVE)	MUSICAL/ ENTERTAINMENT
2	ANUGERAH BINTANG POPULAR Berita Harian	MUSICAL/ ENTERTAINMENT
3	MENTOR AKHIR (LIVE)	REALITY TV
4	MENTOR LAWAN BINTANG CARI BINTANG	REALITY TV
5	MY TEAM VS MALAYSIA	SPORTS
6	ANUGERAH SKRIN (LIVE)	MUSICAL/ ENTERTAINMENT
7	SEMBILU KASIH	DRAMA/SERIES
8	MAJLIS PERSANDINGAN SITI (LIVE)	MUSICAL/ ENTERTAINMENT
9	MUZIK MUZIK SEMI FINALS (LIVE)	MUSICAL/ ENTERTAINMENT
10	PUTERI	DRAMA/SERIES

Source: AGB Nielsen Media Research





**ntv7 – BRINGING THAT FEEL GOOD FEELING**

It was a feel good year for ntv7 following the successful restructuring of the television network after it was acquired by Media Prima in December 2005. The turnaround vis-à-vis the 3R (rationalize, restructure and rejuvenate) strategy saw ntv7 improve its performance from loss-making to profitability in 2006.

The Group’s segmentation strategy has repositioned ntv7 as a preferred channel among the affluent urban family households. This was complemented by the introduction of a new vibrant logo in July 2006 that reaffirmed ntv7’s aim to provide superior and quality content to its discerning viewers.

During the year under review, *The Feel Good Channel* dominated the Chinese 6+ viewership segment on the back of the growing appeal of its Chinese content. ntv7 cornered 15 per cent of the viewership and hit a high of 18 per cent in December 2006. Similarly, the network maintained its strong presence in the Urban 25+ segment, closing the year with 9 per cent market share from 8 per cent in 2005.

The combination of compelling content, including award-winning sitcoms, dramas and entertainment along with the Chinese dramas was the turning point for ntv7. The three-year tie-up with MediaCorp Studios also paid handsome returns with a string of successful locally produced Chinese dramas.

*The Beginning*, ntv7’s first Made-for-Malaysia Chinese drama, made a dream debut with an average 9 per cent rating or about 427,000 Chinese viewers daily and emerged as the second most-watched Chinese drama in its debut week. *Falling in Love*, a heart warming family drama, was a follow-up runaway success, recording a record high of a 15 per cent rating to emerge as the most popular Chinese drama in Malaysia.

With the successful introduction of its local Chinese Drama during the primetime slot, the station secured itself as the No. 1 TV station amongst Chinese viewers in Malaysia.

2006 was another significant year for ntv7 vis-à-vis the *FIFA World Cup*. ntv7 garnered 41 per cent of the free to air ADEX during the month-long competition, 20 per cent higher than the previous World Cup. ntv7 also emerged as the only broadcaster to develop a successful campaign to allow a non-World Cup sponsor to participate and be associated with the station’s World Cup campaign.

ntv7 also achieved a notable first – the collaboration with the Malaysian Philharmonic Orchestra for an innovative composition of the National Anthem in conjunction with the Merdeka celebrations. The recording involved well-known artistes – Ning Baizura, Hazami, Dayang Nurfaizah, Syafinaz Selamat, Vince and Reshmonu.

On the sports front, ntv7 hosted for the *MasterCard ntv7 Platinum Golf Masters* for the 6th consecutive year. The prestigious amateur golf tournament, which offered a RM1 million (in kind) prize, had grown in popularity in recent years among the increasing number of amateur golfers in Malaysia, wanting to take a shot at the lucrative prizes up for grabs.

Moving forward, ntv7 is expected to leverage on its strong brand equity and growing appeal among the urban and affluent audience in 2007. It will invest over RM30 million on content and programmes that are unique, different and relevant to its target audience.

**ntv7’S TOP TEN PROGRAMMES IN 2006**

NO	TITLE	GENRE
1	AIM 2006 (L)	MUSICAL/ ENTERTAINMENT
2	DORAEMON	CARTOONS
3	DORAEMON:- NOBITA & ROBOT KINGDOM	MOVIES
4	CRAYON SHIN CHAN	CARTOONS
5	AHMAD ALBAB	MOVIES
6	HARI RAYA SPEC	MOVIES
7	MALAY MOVIE	MOVIES
8	HONG(SUN)–ACES GO PLACES IV	MOVIES
9	HONG(TUE)– THE KUNGFU C.MASTER	MOVIES
10	NUJUM PAK BELALANG	MOVIES

Source: AGB Nielsen Media Research





## 8TV – ANOTHER SOLID AND SUCCESSFUL YEAR

2006 has been another year of reckoning for 8TV as the coolest and hottest station in Malaysia as it continued to make inroads with the urban youth and the Chinese vernacular markets.

Combining the best of US shows and Eastern delights, including the unique flavour of local content, 8TV consolidates its position further as the fastest growing network in its target market.

The year 2006 saw 8TV winning several awards and recognition from around Asia. The station won two awards at the 2006 Promax Asia Awards for Funniest Spot and Best Public Service Announcement. It also received three nominations for *Reel Review*, *Vector Challenge* and *Spirit of KL* at the Asian Television Awards.

During the year under review, 8TV took centre stage with a series of locally produced reality shows and on-ground activities, including *One In A Million* which has been dubbed the mother of all talent search shows.

### Expanding Our Reach

8TV continued to mesmerize its viewers with a series of hit TV series. These included *Lost*, *Prison Break*, *Alias*, *Gilmore Girls*, *The Bachelor*, *Desperate Housewives*, *Legend of Condor Hero*, *My Lovely Samsoon*, *My Girl*, *The Hospital*, *Go Travel*, *Gol & Gincu (The Series)*, *Realiti* and many more!



### Staying Innovative and Creative

In 2006, 8TV continued to make headways with reality-based shows like *One In A Million*, a testament of its commitment to offering the reality-based programmes. The all-new talent search show was consistently the highest-rated show on 8TV and has proven its credibility with the discovery of fresh and new talents.

Other popular in-house productions included *Project Superstar*, *Malaysia's Most Beautiful*, *I Wanna Be A Model*, *Ho Chak!*, *Crime Scene*, *Step Forward*, *Trippin'*, and *The Top Kid*.

In 2006, 8TV introduced the first Chinese breakfast talk show – *Hey! Morning* – covering topical issues of interest to the Chinese community. It also moved its Mandarin News slot to prime time at 8pm, in order for it to reach a wider segment of its Chinese audience.

Interactivity 8TV has strong brand equity, which is second to none as it continued to leverage on its effective on-ground activities with hands-on approach to woo audiences from all walks of life and ages.

The 8Team and the 8 Warriors are 8TV's street teams that interact with its target audience in a series of nationwide road shows at popular shopping malls in major towns.

8TV's *Summer Live Concert*, one of the biggest concerts in Asia, continued to be a huge success when the music extravaganza was held in Johor Bahru following its successful debut in Penang in 2005. Over 120,000 thronged the venue, which featured the best artistes from this region, including Taiwan, Hong Kong, Singapore and Korea.



2006 marked an important phase as 8TV emerged as a bolder, sexier and cooler TV station. 8TV is steadily on its way of becoming the No.1 channel of choice for the urban youth and Chinese audience in Malaysia.

### 8TV'S TOP 10 PROGRAMMES IN 2006

NO	TITLE	GENRE
1	ONE IN A MILLION GR.FINAL (L)	REALITY TV
2	PROJECT SUPERSTAR GRAND FINAL	REALITY TV
3	SUMMER LIVE CONCERT (L)	MUSICAL/ ENTERTAINMENT
4	8 E-NEWS '07 C.STREET PARTY(L)	MISCELLANEOUS
5	BEST OF T.EAST	DRAMA/SERIES
6	THE 6TH GLO.CHIN. MUSIC AWARDS	MUSICAL/ ENTERTAINMENT
7	CHINESE MOVIE-MAGIC CRANE	MOVIES
8	PER.PM SEMPENA HARI MERDEKA	MISCELLANEOUS
9	TVB HOUR	DRAMA/SERIES
10	FULL HOUSE	DRAMA/SERIES

(Source AGB Nielsen Media Research)





# Cari Menantu



## TV9 – SOARING TO GREATER HEIGHTS

When TV9 began its first official transmission, expectations were high for the 4th television station under the Media Prima Berhad umbrella. After nearly a year since its full peninsula wide transmission on 22 April 2006, TV9 had proven itself worthy of a competition when it captured 7.5 percent of the market share. (Source: AGB Nielsen Media Research as of week 7 of 2007).

With its reality flagship programmes such as *Akademi al-Quran* and their latest reality offering *Cari Menantu*, TV9 is poised to soar to greater heights, filling the gap left by other stations while at the same time meeting the needs of viewers who demand wholesome and educational programmes. TV9 aims at providing purposeful entertainment, striking a balance between entertainment combined with good moral values.

The strategy of having an uninterrupted kids block programme daily from 2.30p.m. to 7 pm, which is the first for any terrestrial TV in Malaysia, had certainly paid off. With Nickelodeon cartoons such as *Spongebob Squarepants*, *Avatar – The Legend of Aang*, *Danny Phantom* and many more dubbed in Bahasa Malaysia, it comes as no surprise that the segment called *Nick Di 9* and *Adik Di 9* which is hosted by Nik Aduce became a hit among the kids.

Having an Indonesian drama slot daily has also proven to be a successful strategy. TV9 kicked off the Indonesian drama slot with *Kiamat Sudah Dekat* and garnered nearly 1.1 million viewers. Following this huge success, TV9 introduced its second Indonesian drama *Mutiara Hati*. To date, the current drama series has gathered close to 1.6 million viewers and is expected to rise even further before the series end. In addition, *Oshin* a very popular Japanese series in the late 1980's has made a comeback to TV9.

TV9 in-house programmes are not left out in the limelight. After much discussion and than revamped, its weekly dosage of entertainment news around the local and international scene had certainly turn heads within the industry. With a brand new host Sarimah Ibrahim taking over the helm, *Galaksi* is set to become the next big thing in the entertainment industry.

In its efforts to be closer to the audience, TV9 took the lead in its first ground activation event, *Perkampungan Hadhari*, which took place at the state museum in Losong, Terengganu. The event proved to be a tremendous success as it attracted more than 500,000 visitors to the venue. Following this overwhelming success, TV9 as the main organizer held the next *Perkampungan Hadhari* in Kelantan with support from TV3 and this event also managed to captured the hearts of the people in Kelantan.

TV9's inclusion in ASTRO was certainly a much-anticipated event. Currently shown on ASTRO on channel 22, TV9 has spread its wings even further, reaching out to those in Sabah and Sarawak.

With the first year anniversary just around the corner, 2007 promises another exciting year for the young television station. Returning soon by popular demand is *Akademi Al-Quran 2*, where the search for the most talented Qari and Qariah in the country continues, while a talent show in search of the next vocal nasyid group aptly titled *Akademi Nasyid* is set to reach out the largest consumer segment of the Malaysian peninsula.

### TV9'S TOP 10 PROGRAMMES IN 2006

NO	TITLE	GENRE
1	AKADEMI AL-QURAN AKHIR(L)	REALITY TV
2	SEMBILU KASIH	DRAMA/SERIES
3	MUTIARA HATI	DRAMA/SERIES
4	KIAMAT SUDAH DEKAT	DRAMA/SERIES
5	SINEMA HIDAYAH (INDONESIA)	MOVIES
6	SINEMA (MALAY)	MOVIES
7	SPONGEBOB SQUAREPANTS	CARTOONS
8	CARI MENANTU	REALITY TV
9	AKADEMI AL-QURAN	REALITY TV
10	CATDOG	CARTOONS

Source: AGB Nielsen Media Research





## HOT FM & FLY FM

Within less than a year of their inception, *Hot FM* and *Fly FM* have made tremendous impact on the radio listenership. Within that short period of time both stations have registered phenomenal results in terms of ranking amongst all radio stations.

In less than two months after its launch, *Hot FM* became the second most listened to radio station in the nation, garnering almost three million listeners in eight short weeks. While *Fly FM* ended 2006 as the third biggest and the fastest growing English radio station affecting other more established stations.

However both stations could not have recorded such excellent results if it's not for the best music, compelling content, vibrant and energetic announcers as well as creative and innovative promotions and events that the two stations have had all year long. Among the big events hosted by the stations were the *Hot FM Yeah Yeah Tour edition 1 & 2*. *Hot FM's* booth also proved to be one of the main draws at the massive *Karnival Jom Heboh*.

*Hot FM* also created a record of sorts when its morning show hosts comprising the popular Fara Fauzana and Faizal Ismail went on what was named the *Hot FM AM Krew Basikal Tour*. The duo made an epic journey of more than 1000 kilometers riding on a tandem bicycle. Thousands of supportive listeners lined up to greet them at the finishing line in *Jom Heboh Kuantan*. What started out as a gesture of appreciation to the listeners turned out to be a record-making feat.

Beginning 1 October 2006, *Hot FM* and *8TV* took cross platform synergy to another level when for the first time ever in Malaysian history the *Hot FM AM Krew* was broadcasted live on television. A whole new dimension was created where viewers could enjoy the antics of wacky morning show hosts in the studio every weekday morning from 8 a.m. to 10 a.m.. The *Hot FM AM Krew @ 8TV* show registered a high viewership that garnered more than half a million viewers daily.

2006 was also a busy year for *Fly FM* as they flew listeners to international destinations for the biggest concerts and shows like *50 Cent* in Bangkok, *V Fest* in the UK, *MTV Movie Awards* in New York and Toulouse France for the handing over of the *Air Asia Airbus* in early January 2007.

The *Fly-anniversary* which was held in November to commemorate *Fly FM's* first birthday saw 4000 fans of the station flocking to one of the biggest and best parties of the year. *Fly FM's Big Bang Breakfast Show* staged a couple of record breaking stunts where it became the first radio station in the country to do an underwater broadcast while swimming with sharks. That made an entry in the Malaysia Book of Records. In October the wacky breakfast crew went skydiving and their adventures were recorded and shown on *8TV*.

Another notable event of the year was the launch of the ground vehicle teams; *Hot FM Myvi Zoomerz* and *Fly FM Perodua Troopers* in May. Both teams have since toured the nation many times – bringing 'a piece of the station' to the listeners. Leveraging on the cross network promotional opportunities both *Hot FM* and *Fly FM* formed strategic alliances with *TV3*, *ntv7* and *8TV* by supporting shows like *Anugerah Juara Lagu*, *Anugerah Industri Muzik*, *Mentor*, *One In a Million* and *Love Perhaps*.

However it was not all fun and games for the radio network as *Hot FM* in a partnership with *Breeze* helped to raise money by selling limited edition footballs to build playgrounds for orphanages.





## GRAND BRILLIANCE SDN BHD (GBSB)

Grand Brilliance Sdn Bhd (GBSB), one of the largest production houses in Malaysia, was set up on 1 October 1994. GBSB was established to produce and market local content comprising high quality theatrical and TV movies, documentaries, magazine shows, children and infotainment programmes. GBSB's vision is to be the leading and profitable producer and distributor of visual contents in Malaysia.

GBSB's strategies during the year under review continued to be delivering exciting and sought after content via feature films and television dramas. GBSB also continued in its efforts to bring in quality foreign films for local distribution and also becoming the media planner and distributor for selected local films. Apart from the feature films and television dramas segments, GBSB also acted as the international sales arm for all Media Prima content.

### Feature films & television dramas – local

For the year under review, GBSB continued to take the lead in the production of Malaysian movies with a total of four Malay movies released in 2006. In line with its strategy of producing different genres that can attract viewers of all kinds, GBSB's 2006 Malaysian movie releases range from mass-market comedy to suspense thriller. Two of the Malaysian movies released by GBSB in 2006, "*Buli Balik*" and "*Nana Tanjung*" garnered box-office status.

GBSB's alter ego, Alternate Studio released "*Cinta*" in November 2006, a full-length feature shot entirely on HD. "*Cinta*"'s beautiful storyline, enigmatic cinematography, elegant songs, powerful cast and most importantly, a different and integrated approach to promoting the movie brought both critical and commercial acclaim. Malay Mail dubbed "*Cinta*" as the coolest Malaysian movie released in 2006.



GBSB undertook distribution and promotion services for local films in 2006 starting with "*Bujang Senang*", and played a major role in the promotions of the movie which turned out to be a huge box office hit and one of the top four grossing Malay films in 2006. GBSB also undertook another distribution service for "*CICAKMAN*" which became the highest grossing Malay movie for the year.

In 2006, GBSB continued to produce quality and highly rated made for television movies and drama series for Media Prima, including the telemovies "*Syurga Di Mana*" and "*Korban Kala*" which were both nominated for Best Telemovie of The Year award and the television dramas "*Salina*" and "*Mya Zara*" which were both nominated for Best Television Series of The Year award at *Anugerah Skrin Ke-8*.

### Feature films & television dramas – foreign

GBSB continued its efforts from the previous year by sourcing foreign films deemed suitable and feasible for local distribution. In 2006, GBSB released seven foreign films – made up of three Indonesian films, three Hong Kong films and a Tamil film.

Of the three Indonesian films released by GBSB in 2006, "*Heart*" turned out to be the biggest box-office hit and is currently, the highest ever grossing Indonesian film to be released in Malaysia, beating the record set by "*Tentang Dia*", released by GBSB in 2005.



One of the Hong Kong films released was "*The Banquet*", a big budget and sumptuous historical epic directed by acclaimed director Feng Xiaogang and starring the internationally renowned actress Zhang Ziyi, which was recently nominated at the Academy Awards 2007. "*The Banquet*" was the first big budget foreign film to be distributed by GBSB.

### International marketing and content sales

2006 saw GBSB recording its highest revenue figure for international and content sales. Amongst the markets penetrated in 2006 were China, Cambodia, Pakistan and Turkey.

Apart from securing foreign movies for local cinema distribution, GBSB managed to secure home video rights for some foreign titles, which were then sold to local VCD distributors. GBSB also began revenue sharing with TV9 on their Malay movie slot, which took off in May 2006, garnering good ratings for TV9 as well as advertising revenue for Media Prima.

### Moving forward

Moving forward, GBSB intends to leverage on Media Prima's strategy of being a holistic media platform by careful execution of its strategic plan including its focus to produce high quality content and expanding its content distribution business by selling into regional and international markets.

GBSB also would leverage on Media Prima's strength as a media group to promote movie releases and offer its services as media planner and distributor to other local producers. Lastly, GBSB plans to participate as an active buyer in major film markets and seller of home video rights of its content in relevant international markets while simultaneously establishing contacts and confidence against established local distributors.





## **THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD**

The softening of the total print advertising expenditure market in Malaysia coupled with high newsprint prices did not dampen the performance of The New Straits Times Press (Malaysia) Berhad ('NSTP') Group for 2006. The Group registered a net profit of RM24.6 million, 98 per cent higher than the RM12.4 million recorded in the previous year. Excluding the one-off exceptional item, the Group achieved operating profit before tax of RM16.2 million, 31 per cent higher than the RM12.4 million recorded in 2005.

The encouraging operating performance was achieved through stringent cost control measures adopted throughout the Group's publications, and included the Voluntary Separation Scheme implemented in the first quarter of 2006. In addition, although the print advertisement expenditure in the country was soft, the advertisement spending in the Group's Bahasa Melayu newspapers grew by 6 per cent.

The Group also continued its focus on its publishing business by enhancing its stable of core products for readers and advertisers alike. In March 2006, the New Straits Times introduced its "seamless" format in which the paper adopted an integrated content approach for its layout. The paper started to dedicate more pages towards the 'opinion editorial' section, garnering new readers attracted to the daily writers' columns, public opinions published and strong editorial content in general. The New Straits Times also entered into the second year of the School Sponsorship Programme ('SSP') to help English proficiency among school children. Through the SSP, individuals and companies are invited to sponsor copies of the paper at a subsidized rate to schools of their choice.

Harian Metro's meteoric rise in the past few years has continued its momentum in 2006. By the second quarter of 2006, Harian Metro was proclaimed as the number 1 daily Bahasa Melayu newspaper by the Audit Bureau of Circulation. Not wanting to rest on its laurels, the paper underwent a layout revamp in July 2006. The new look has since been well received by its readers, consolidating further its position as the leading Bahasa Melayu paper. During the year, the paper also introduced 'iMetro', a mobile interactive service enabling readers' opinions, views and photos sent via SMS and MMS to be published in the paper and on its the website.

The other Bahasa Melayu paper within the Group, Berita Harian continued to enhance its educational supplements, *Didik, Minda Pelajar, and Skor* aimed at helping primary and secondary school students sitting for the UPSR, PMR and SPM exams. During the first quarter of 2006, the paper also introduced its mobile interactive service '*Rakan BH*' and as with its other Bahasa Melayu counterpart, enjoyed good acceptance throughout the year.

The revamped Malay Mail and its weekend counterpart, Weekend Mail was introduced in May 2006, focusing on a clear and differentiated brand positioning to create a platform for higher advertising revenue. The paper is now aimed at a younger and urban market with a contemporary news reporting style being adopted. Being a niche market product, the Malay Mail and Weekend Mail requires a longer gestation period for market acceptance. The financial impact of the paper does not significantly affect the Group's financial performance as a whole; nevertheless the Group is constantly looking at ways to improve the paper to raise its marketable value.

The Group ended the year 2006 with the disposal of its outdoor advertising arm to Media Prima Berhad, in line with the Group's commitment to concentrate on its core business of newspaper publishing. The subsidiary, The Right Channel Sdn Bhd was disposed to Media Prima to establish a complete media platform.

## TIGA EVENTS SDN BHD (3E)

Incorporated on 31 July 1995, Tiga Events Sdn Bhd (3E), a wholly-owned subsidiary of Media Prima, is one of the largest event management companies in Malaysia, with business activities segmented into local and international concerts, family entertainment, sports, and other third-party events such as corporate and government-based engagements, exhibitions, expositions, and seminars besides offering technical production services.

TESB's strategy during the year under review remains to continue with its focus to create its own high-value events, undertake larger high-value events and increase its brand visibility.

### Concerts

Kicking off 2006 with a bang, 3E successfully organised *Peterpan Live in Kuala Lumpur* concert, which attracted a crowd of approximately 20,000 people to Stadium Merdeka. During the middle of the year, 3E, in cooperation with 8TV, ventured into staging its first Chinese concert called *Summerlive 2006*, held at Danga Bay in Johor Bahru, which featured a host of local and international artistes from Taiwan, Thailand and Korea, attracting a frenzied crowd of 80,000. Rounding off the year, 3E successfully organised another international concert in the form of the *S2 Celebration Concert* featuring the talents of Slank, a highly established Indonesian rock band with a huge fanatical following at Stadium Merdeka.



### Family Entertainment

In its efforts to build strategic alliances with local or regional event managers, 3E partnered with BEC-Tero, a Thai event management company, to organise *Disney Live! Winnie the Pooh* in Kuala Lumpur, which was the first live Disney show of its kind in Malaysia. This event increased 3E's visibility locally and internationally. 3E was also the media partner for *Disney on Ice*, which was held in Kuala Lumpur and Penang. The event was a huge hit and 3E was again offered to become the preferred media partner for this event in 2007.

### Sports

3E staff were selected to be involved in the technical production of the Opening and Closing Ceremonies, and Production of the *2006 Asian Games* in Doha, Qatar. In December 2006, 3E in collaboration with ntv7 successfully organised the Millionaire Mastercard Golf Challenge tournament.



### Third Party Events

3E organised a host of events ranging from sports to carnivals for corporate and government clients. Amongst them were *Laman 2006*, the biggest landscape fair in Malaysia, *Fiesta Pulau Indah*, *Le Tour de Langkawi* and *National Teachers' Day Exhibition*. 3E was also the organiser for Media Prima Group events such as *Karnival Jom Heboh 2006*, TV3's *Mentor Road Show 2006*, 8TV's *One in a Million Road Show 2006* and TV9's *Perkampungan Hadhari 2006*.

### 8 Unit

In 2006, 8 Unit added the winners from *Malaysian Idols*, *Project Superstar* and *One in a Million* to its burgeoning stable of talent. From its new and existing pool of talents, 3E's 8 Unit continued to secure performing engagements and lucrative endorsement deals from companies such as Proton, Segi College and Pepsi.

Amongst other initiatives undertaken in 2006 included restructuring 3E's organisation structure to streamline marketing activities. 3E, in collaboration with GBSB also successfully organised *Showtime 2007* in November 2006 at Sime Darby Convention Centre in which 3E presented its offerings for the coming year to potential sponsors and clients to educate them on the potential of sponsorship and promotions via its products. 3E also rendered its production services for *Engelbert Humperdinck's Truly Amazing Tour*, INXS "Switch On" *World Tour Live* in Kuala Lumpur, and *Cartier Launch*.





## TV3 GHANA

The year 2006 saw TV3 Ghana taking television programming to new heights and establishing itself as the most watched Free-To-Air (FTA) television station in Ghana. Awarded Best TV News Reporter and Best Environmental Report Award by the Ghana Journalists Association, the most respected media organisation in the country, is testament that TV3 Ghana is still first in news.

Poised to maintain its position as the “Best in Entertainment”, in the year under review, TV3 Ghana had introduced the first ever reality show, *TV3 MENTOR I*. This 13-week singing reality programme format was copied from TV3 Malaysia’s popular reality show. The network then continued with a second season – *MENTOR II*, which became more successful from the pilot version. TV3 MENTOR raised the bar to be one of Ghana’s ‘must watch’ programme.

Riding on the success of *MENTOR*, TV3 Ghana introduced another reality show, *LOOKING FOR LOVE*, a localized version of TV3 Malaysia’s popular reality programme titled ‘*Mencari Cinta*’.

Aside from reality shows, *The GARDENER’S DAUGHTER* is the most watched telenovela on Ghana TV. With the country experiencing power outages at the moment, the network receives many requests for repeats. *AFRICAN THEATRE* also continues to be a big hit with viewers.

In term of sports, TV3 Ghana had in the year under review, introduced “*LA LIGA SEASON 2006/2007*” (Spanish League), arguably the best soccer league in the world, to the viewers. TV3 Ghana will keep on showing *LA LIGA SEASONS 2007/08 & 2008/09* as part of its long term commitment to bring the best of soccer to the viewers.

In terms of coverage, 2006 saw the expansion of TV3 transmission to Cape Coast, in the Central Region in December 2006. This has completed 65 per cent penetration. TV3 is on course to expand to Sunyani, in the Brong-Ahafo Region; Ho, in the Volta Region; Tamale, in the Northern Region; and Bolgatanga in the Upper East Region, to make 90 per cent penetration in 2007/08.

2006 also saw TV3 Ghana initiated a few ground activities, including an appeal for funds for two hole-in-heart boys, who were operated on successfully, and a leukemia patient. A Family Day was organized during the Christmas period where all live programmes were held outdoors on the day, which afforded the public the opportunity to see how programmes were produced. A Blood Donation drive and eyes screening was held on the premises at the same time whilst games of all kinds were also available for children.

## TV3 GHANA’S TOP 10 PROGRAMMES IN 2006

NO	TITLE	GENRE
1	THE GARDENER’S DAUGHTER	TELENOVELA
2	TV3 MENTOR	REALITY TV
3	TIMELESS	TELENOVELA
4	AFRICAN THEATRE	MOVIE
5	EFIA WURA	DRAMA SERIES
6	LOOKING FOR LOVE	REALITY TV
7	ABRABOR MUM ASEM	CHAT SHOW
8	TODAY’S WOMAN	TALK SHOW
9	NATIONAL INTEREST	POLITICAL TALK SHOW
10	SPORTS STATION	DISCUSSION

Source: TV3 Network Limited In-House Information

