

MEDIA PRIMA BERHAD

ANNUAL GENERAL MEETING


FINANCIAL & BUSINESS REVIEW

For the Financial Year Ended 31 December 2006

18 May 2007

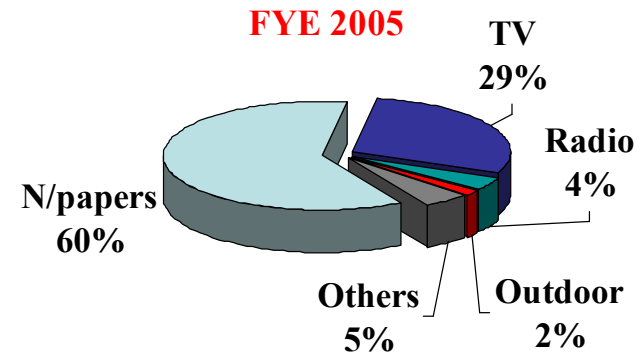
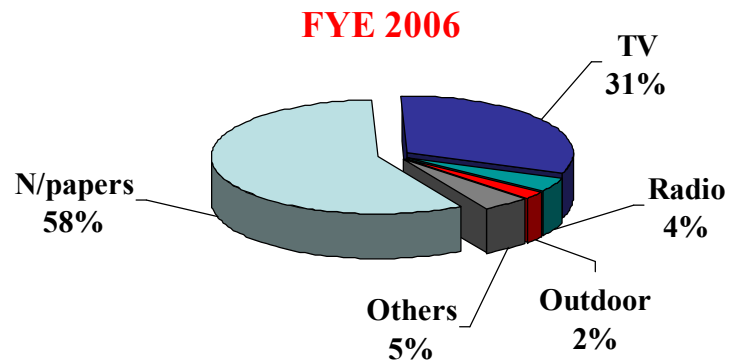
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SECTION 1
ADEX OVERVIEW

ADEX BY MEDIA – A STRUCTURAL SHIFT?



RM Million	Newspapers	TV	Radio	Outdoor	Others	Total
FYE 2006	2,741	1,478	193	101	224	4,737
FYE 2005	2,778	1,311	180	76	218	4,563
% Change	(1)	13	7	33	3	4

TV share in 2002 was 26%

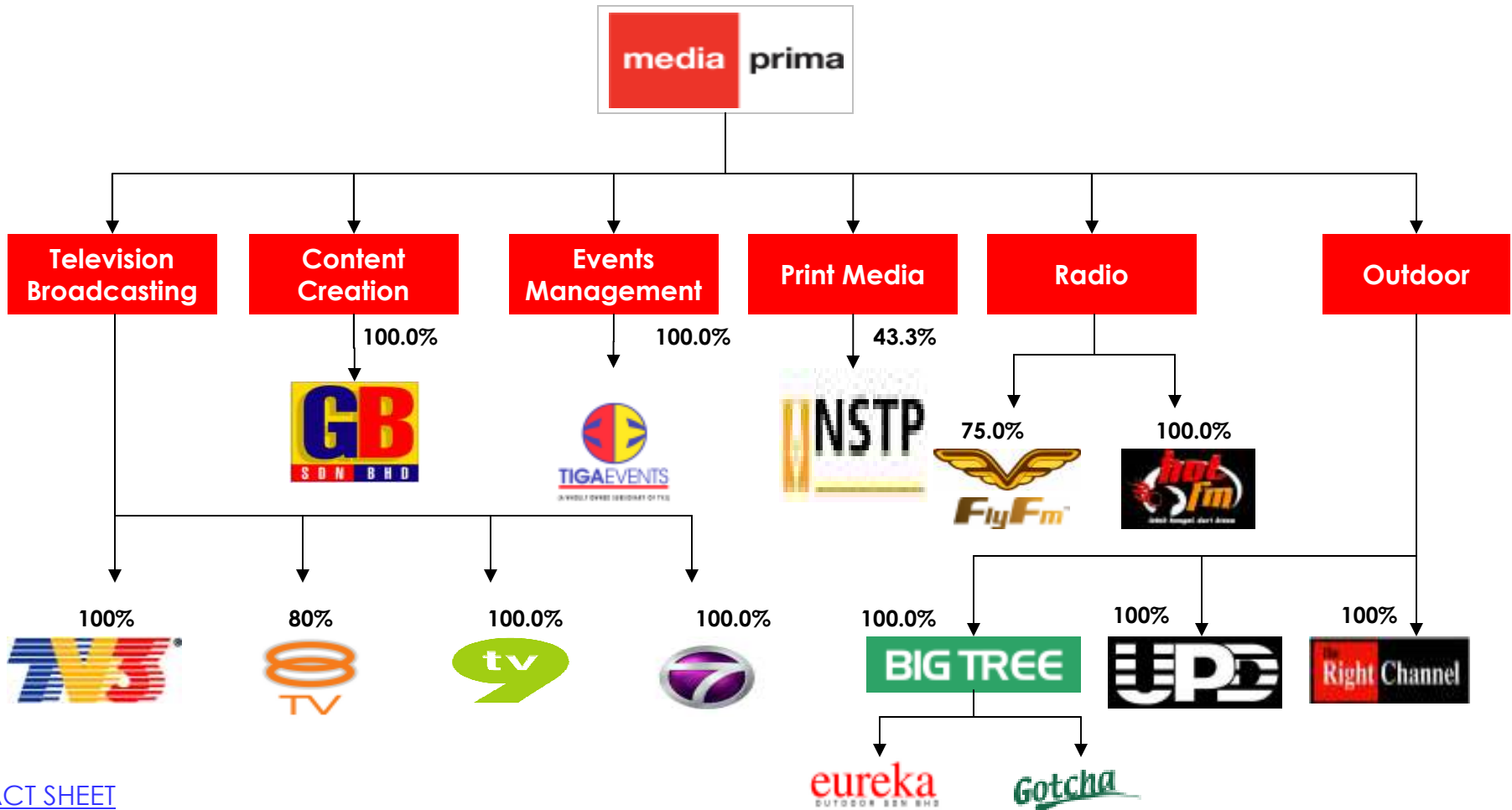
SECTION 2 : PERFORMANCE REVIEW

SECTION 2.1

MEDIA PRIMA GROUP



MEDIA PRIMA GROUP STRUCTURE



FACT SHEET

Share capital

Issued & paid-up share capital @ 30/04/07
 ICULS balance @ 30/04/07
 Warrants balance @ 30/04/07
 ESOS balance @ 30/04/07
 Enlarged s/c (after acqn of BTO)

= 815.2m
 = 12.2m (3 for 2)
 = 20.8m@RM1.10
 = 20.5m
 = 864.6m

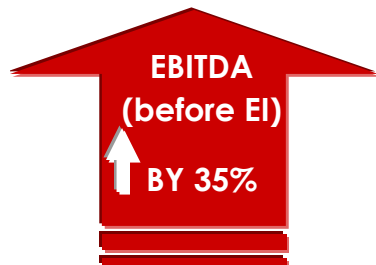
Extracts from Balance Sheet @ 31 December 2006

S/holders funds (incl. ICULS)	= RM328.1m
Total assets	= RM935.3m
Cash	= RM130.3m
Group borrowings (excl. ICULS)	= RM335.4m
PDS Ratings (RAM)	= A1 for EB; A1/P1 for MTN/CP

CONSOLIDATED RESULTS FOR FYE 31 DECEMBER 2006

(RM'000)	MPB Group		Variance (A-B)	
	A FYE 2006	B FYE 2005	RM'000	%
Net Revenue	534,689	399,689	135,000	34%
Direct Costs	(166,353)	(138,044)	28,309	21%
CONTRIBUTION	368,336	261,645	106,691	41%
Other Income	16,965	15,717	1,248	8%
Overheads	(239,508)	(169,756)	69,752	41%
EBITDA BEFORE EI	145,793	107,606	38,187	35%
Exceptional Items	2,878	(9,903)	12,781	>100%
Interest & Finance Charges	(24,847)	(14,883)	9,964	67%
Depreciation	(28,808)	(23,871)	4,937	21%
PROFIT BEFORE TAX (PBT) BEFORE ASSOCIATE	95,016	58,949	36,067	61%
NSTP- Share of net profit	10,635	5,368	5,267	98%
PBT	105,651	64,317	41,334	64%
TAXATION	(22,657)	(9,523)	13,134	>100%
PROFIT AFTER TAX (PAT)	82,994	54,794	28,200	51%
Minority Interest (MI)	(2,712)	1,451	(4,163)	(>100%)
PATAMI	80,282	56,245	24,037	43%

RESULTS FYE 2006 - KEY HIGHLIGHTS



- Strong advertising revenue in TV Networks backed by concentrated sales and marketing efforts
- On pro-forma basis, TV Networks' net revenue grew by 19%
- Driven by TV Networks EBITDA of RM151.5m and even after accounting for start up losses of TV9 (LBITDA 6.6m) and Radio Networks (LBITDA 3.7m)
- Content costs increased by just 21% despite the addition of 2 new TV stations, reflecting improved leverage from consolidation
- Overheads increased by 41% (within expectations) due to acquired operations and higher HR costs for variable compensation
- Higher interest expenses from full year effect of the Exchangeable Bonds and the ntv7 Refinanced Term Loan which was consolidated from Jan 2006
- Improved operational performance from NSTP with operating profit of RM16.2m in 2006 compared to RM12.4m in 2005: (MPB's share: RM7.0m and RM5.4 respectively)
- Higher EI from NSTP due to net writeback in impairment of assets which has been offset by VSS

CONTINUING THE TRANSFORMATION SUCCESS

Completion of de-merger

New management for the Group from 2002 onwards

	2000*	2002*	2003*	2004	2005	2006
	(RMm)	(RMm)	(RMm)	(RMm)	(RMm)	(RMm)
Net revenue	221.57	244.36	279.26	328.41	399.69	534.69
EBITDA before EI	(45.91)	65.10	77.48	85.94	107.61	145.79
EI (Excluding NSTP's EI)	0.00	0.00	162.71	0.00	(9.90)	2.88
EBITDA after EI	(45.91)	65.10	240.19	85.94	97.71	148.67
Associate	0.03	(0.03)	5.79	5.10	5.37	10.64
PBT	(130.04)	(7.16)	184.45	49.43	64.32	105.65
Net profit after MI ("PATAMI")	(144.04)	(16.90)	170.28	37.71	56.25	80.28
Weighted average number of shares (m)	170.31	170.31	170.31	540.66	660.77	709.26
EBITDA margin excl. EI (%)	(20.72)	26.64	27.74	26.17	26.92	27.27
EPS excluding EI (sen)	(84.58)	(9.92)	4.44	6.97	10.01	10.91

Revenue has nearly doubled since 2003.

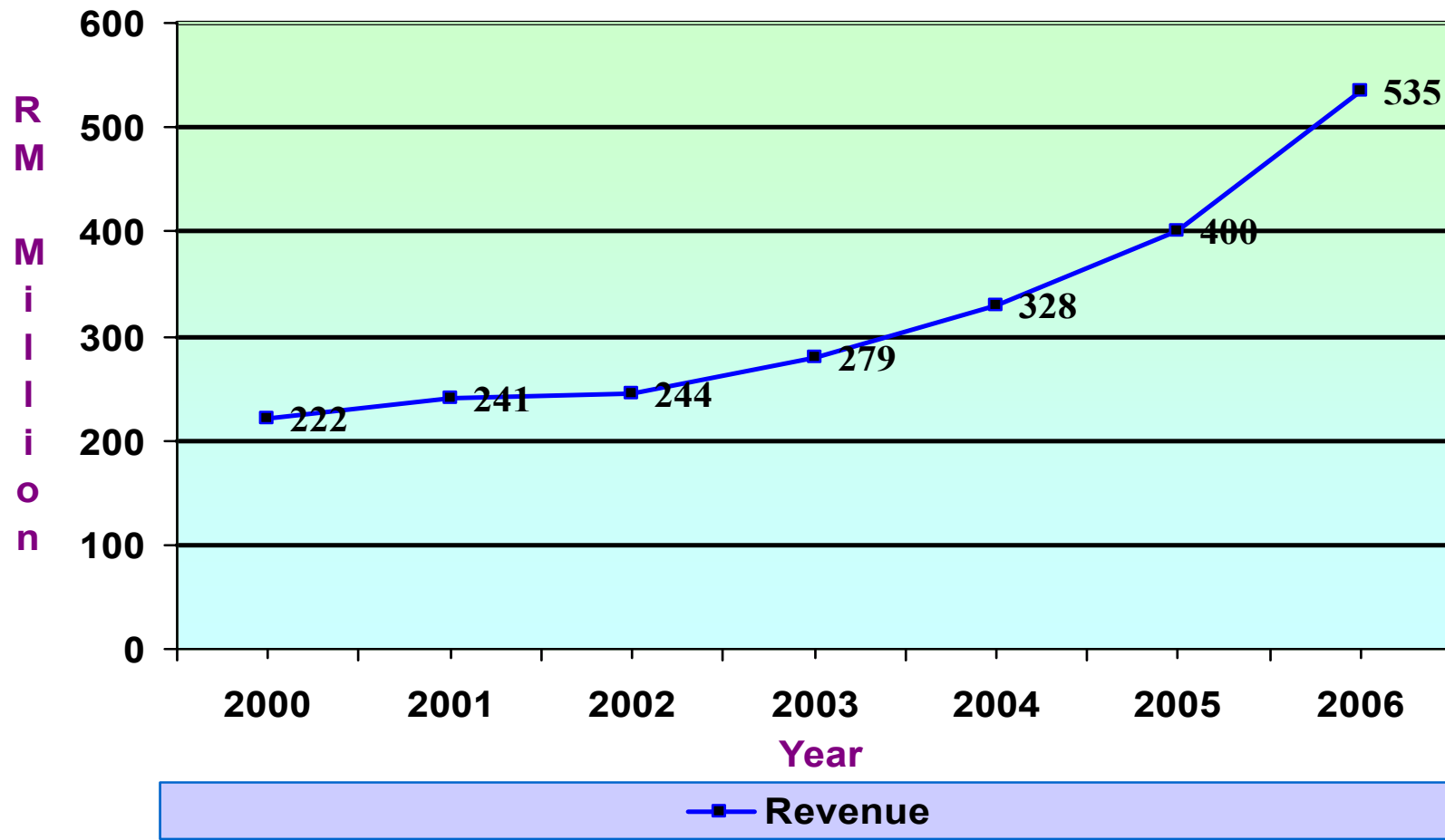
EBITDA has doubled since 2003.

* TV3 group only

Continued improvement in financial performance











STRONG GROWTH - REVENUE

Strong revenue growth: 6-Year Compound Annual Growth Rate (CAGR) of about 15.8%



SECTION 2.2
TV NETWORKS

TV VIEWERSHIP SHARE (FTA & PAY TV)

Station	Total 6+ Viewers		Chinese 6+ Viewers		Urban 6+ Viewers	
	2006	2005	2006	2005	2006	2005
	33%	35%	12%	15%	28%	31%
	9%		15%		10%	
	5%	4%	15%	13%	6%	5%
	3%		1%		2%	
	50%	39%	43%	28%	46%	36%
		8%		11%		9%
		NA		NA		NA
	10%	10%	2%	2%	8%	7%
	13%	15%	11%	10%	11%	13%
	27%	28%	44%	49%	35%	35%

- Tracking for FTA viewership via Astro is only available from April 2005

MPB Collective Share : 60.2% in Jul-Dec 2006 vs. 53.9% in Jan-Jun 2006
(Total Malay 6+Viewers)

	Jan – June 2006	July – Dec 2006	Movement
	42.3%	44.2%	↑ 1.9%
	8.9%	6.0%	↓ 2.9%
	2.7%	2.4%	↓ 0.3%
	-	7.6%	↑ 7.6%
	53.9%	60.2%	↑ 6.3%
	15.3%	11.4%	↓ 3.9%
	17.1%	12.4%	↓ 4.7%
	13.7%	16.1%	↑ 2.4%

Reduced by only 1.3%

Reduced by 8.6%

Source :Nielsen Media Research



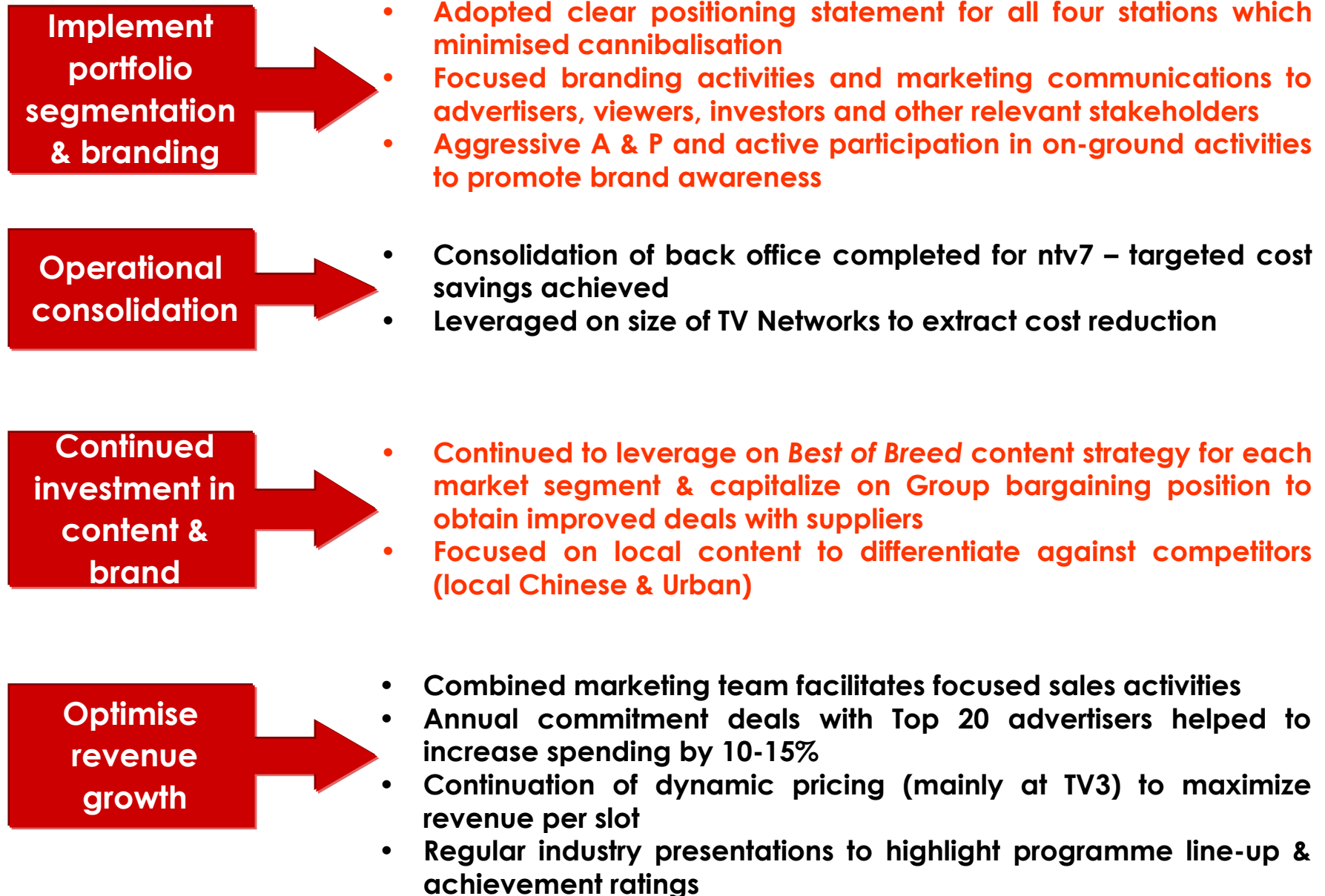
TV ADEX SHARE BY STATIONS: FYE 2006

RM'000	TV3	8TV	ntv7	TV9	Total MPB TVN	TV1	TV2	Total
2006	<div style="border: 1px solid blue; padding: 2px; display: inline-block;"> Increase to attract NTA but sustainable as bonus spots mainly for fringe time </div>							
Non discounted gross revenue								
- %	45	15	19	6	85	4	12	100
- RM'000	672,027	225,709	280,396	92,389*	1,270,521	54,432	174,696	1,499,649
Growth %	19	5	(16)	>100	14	34	13	15
Discount factor								
- %	40	61	66	78*	52	50**	50**	52
- RM'000	(270,782)	(137,278)	(184,775)	(72,272)	(665,107)	(27,216)	(87,348)	(779,671)
Gross Revenue								
- %	56	12	13	3	84	4**	12**	100
- RM'000	401,245	88,431	95,621	20,117	605,414	27,216	87,348	719,978
Growth %	12	18	20	>100	18	34	13	18
2005	<div style="border: 1px solid purple; padding: 2px; display: inline-block;"> Industry discounting falling </div>							
Non discounted gross revenue								
- %	43	17	25	0	85	3	12	100
- RM'000	564,752	215,386	332,023	1,801	1,113,962	40,766	154,063	1,308,791
Discount factor								
- %	37	65	76	85	54	50**	50**	55
- RM'000	(206,176)	(140,568)	(252,023)	(1,531)	(600,298)	(20,383)	(77,032)	(697,713)
Gross Revenue								
- %	59	12	13	-	84	3**	13**	100
- RM'000	358,576	74,818	80,000	270	513,664	20,383	77,031	611,078

* Based on estimates. Non discounted gross revenue for TV9 only officially tracked by Nielsen from July 2006

** Based on estimates

STRATEGIES & REVIEW OF PERFORMANCE: TV NETWORKS

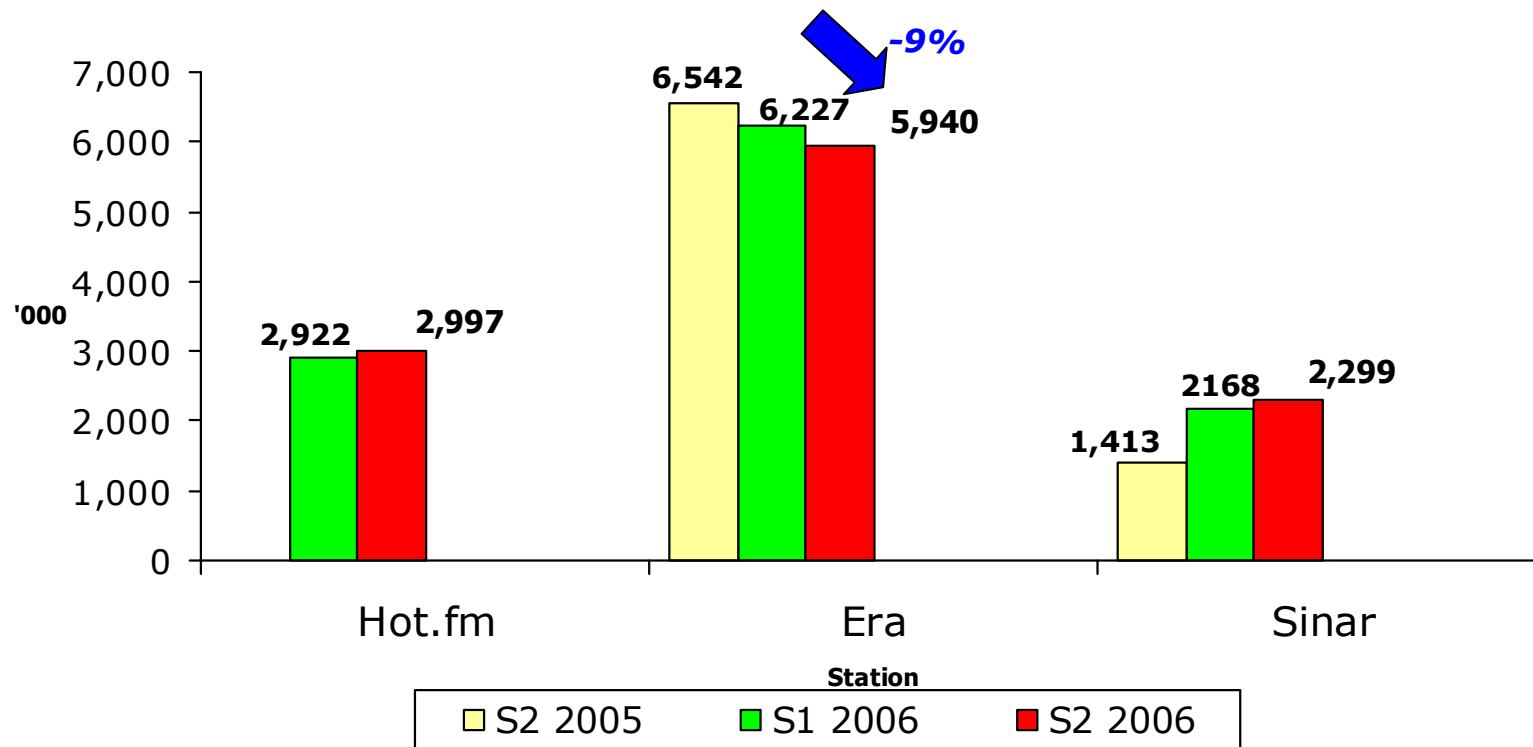




SECTION 2.3 RADIO NETWORKS

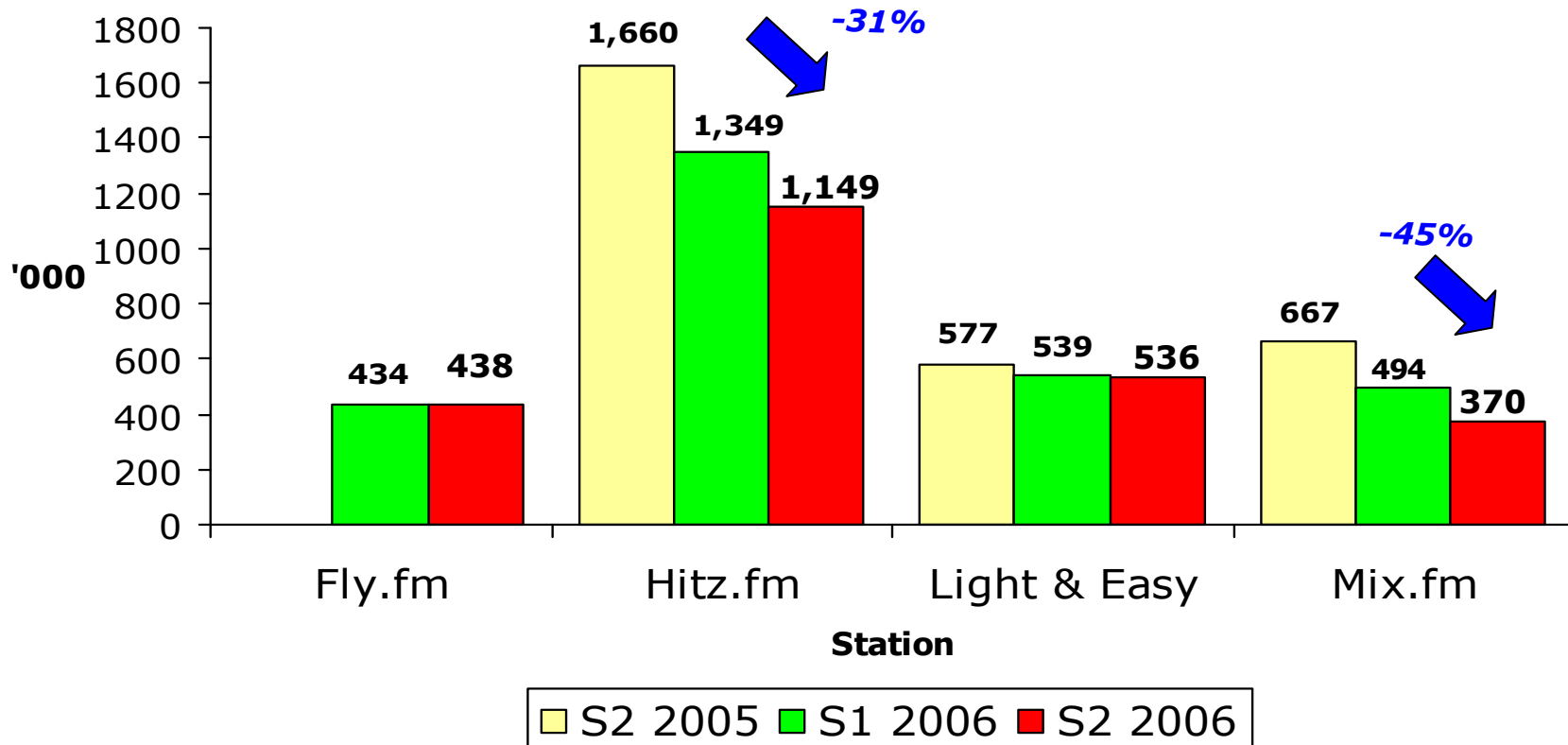
LISTENERSHIP SHARE HOT.FM

Listenership of the Top 3 Most Listened to Radio Stations (excluding RTM channels)



Source: Nielsen Media Research

Listenership of the Top 4 English Radio Stations (excluding RTM Channels)



Source: Nielsen Media Research



SECTION 2.4

PRINT

PUBLISHING RESULTS FY 2006 vs. FY 2005

	2006			2005	Variance	
	Group RM'000	Non Publishing RM'000	Publishing RM'000	Publishing RM'000	RM'000	%
Revenue	520,063	2,680	517,383	518,225	(842)	(0)
EBITDA	62,293	(2,265)	64,558	58,722	5,836	10
Depreciation	(41,298)	(1,370)	(39,928)	(43,456)	3,528	8
Finance Cost	(10,772)	0	(10,772)	(10,698)	(74)	(1)
Profit before associated companies	10,223	(3,635)	13,858	4,568	9,290	>100
Associated companies	6,017	0	6,017	6,481	(464)	(7)
PBT before exceptional items	16,240	(3,635)	19,875	11,049	8,826	80
Exceptional items	21,672	(4,900)	26,572	20,081	6,491	32
Profit/(Loss) before tax	37,912	(8,535)	46,447	31,130	15,317	49

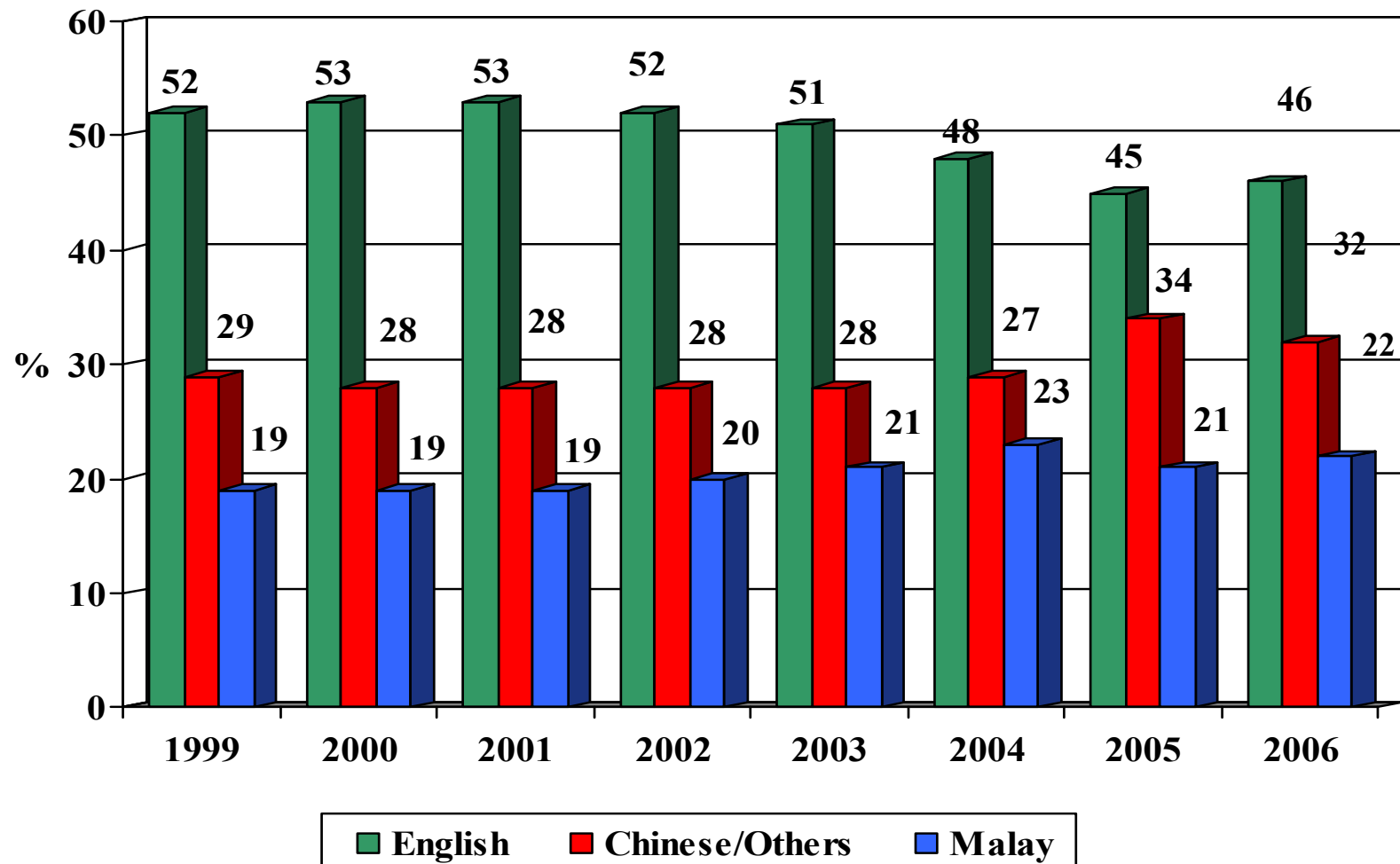
EBITDA margin	12.0%	12.5%	11.3%
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EXCEPTIONAL ITEMS

	2006	2005	Variance
	Group RM'000	Group RM'000	RM'000
VSS	(28,348)	0	(28,348)
Writeback impairment in plant & equipment	85,792	24,885	60,907
Impairment loss on investments	0	(6,818)	6,818
Allowance for impairment on non-trade debts	0	(1,177)	1,177
Impairment of buildings	(37,482)	0	(37,482)
Disposal of property	1,710	0	1,710
Exceptional items	21,672	16,890	4,782

Deferred tax impact on the exceptional items for the year ended 31 December 2006 is RM14.6 million.

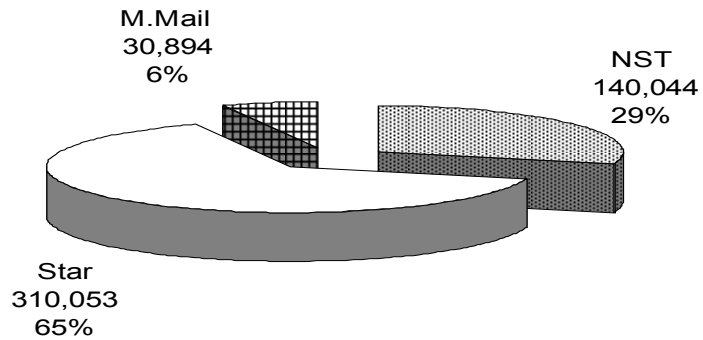
INDUSTRY ADEX MARKET SHARE BY LANGUAGE



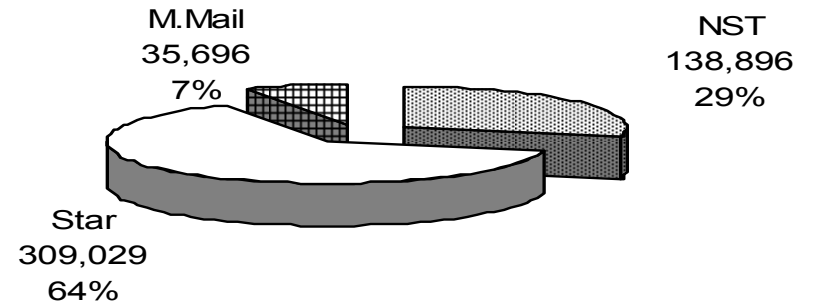
CIRCULATION MARKET SHARE – ENGLISH & BAHASA

ENGLISH

ABC JAN-JUN 2006

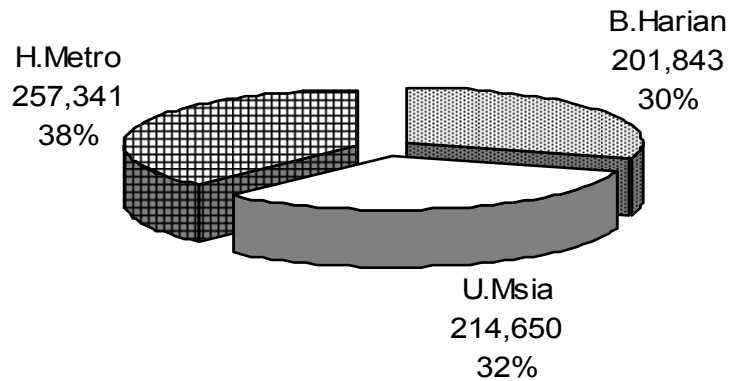


ABC JUL - DEC 2005

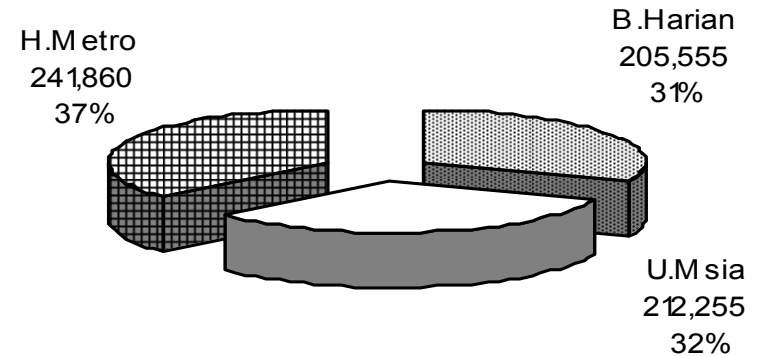


BAHASA

ABC JAN-JUN 2006



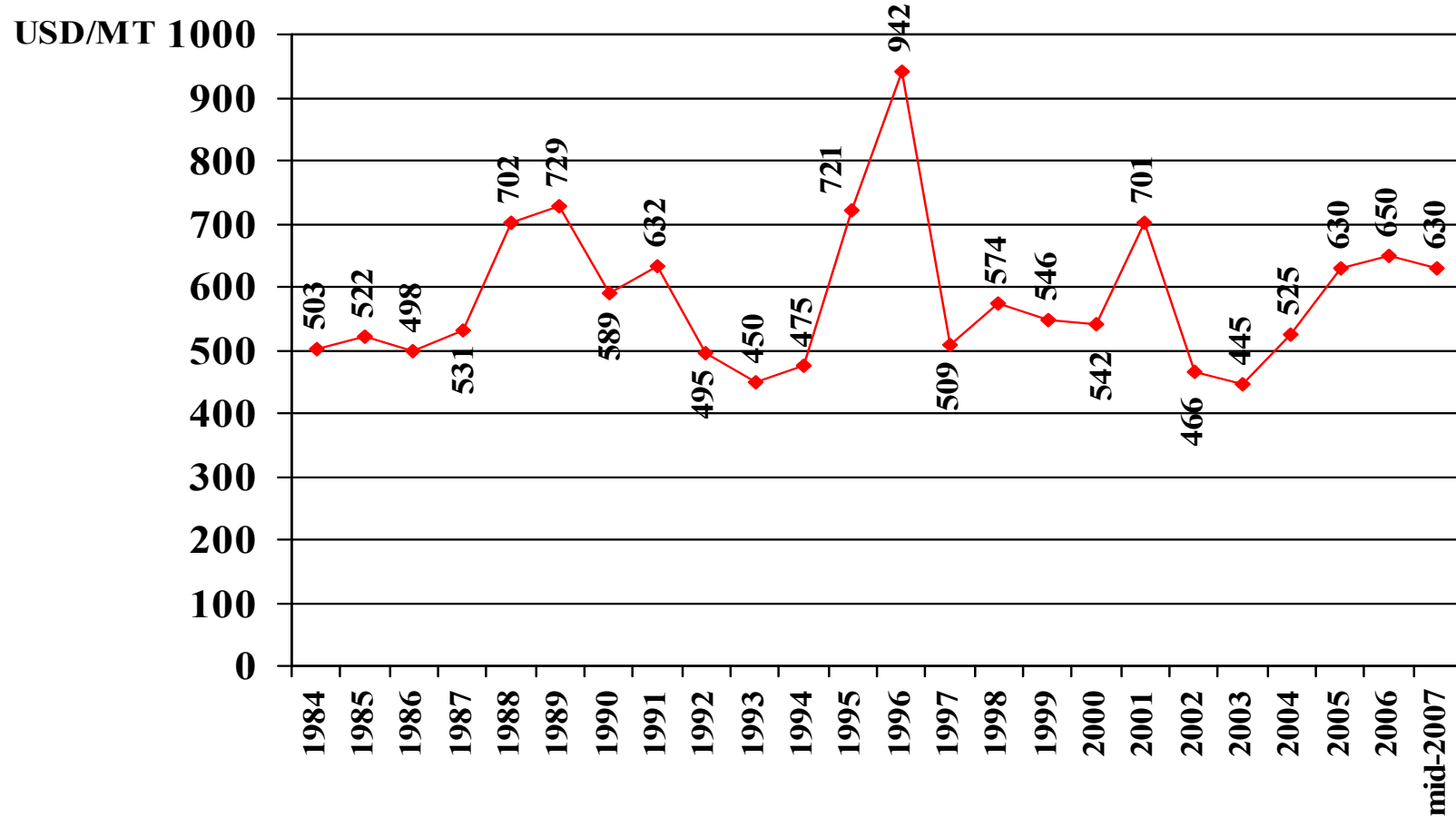
ABC JUL-DEC 2005



Source: Audit Bureau of Circulations

NSTP – NEWSPRINT PRICE TREND

Newsprint accounts for about 35-40% of costs





SECTION 3

PROPOSED DIVIDEND FOR FYE 2006

PROPOSED DIVIDEND – FYE 2006

- Proposed first and final dividend of 3.5 sen less tax of 27% for FYE 31 December 2006 (subject to shareholders' approval at this AGM).
- The calculation for dividend payout and yield for the purpose of illustration based on the issued and paid-up capital as at 30 April 2007:

	Final Dividend for FYE 2006	Special Dividend pursuant to Wangsa Maju Land Disposal**	Total Dividend payout
PATAMI (RM'000)	80,280		
Share capital ('000)*	815,157		
Proposed Net Dividend (RM'000)	20,827	56,000	76,827
Proposed Net Dividend per share (sen)	2.55	6.87	9.42
Proposed Gross Dividend per share (sen)	3.50	9.41	12.91

	FYE 2005	FYE 2006	FYE 2006 + Special Dividend
Dividend Pay-out Ratio	21.3%	25.9%	
Dividend Yield***	1.2%	1.4%	5.2%

Notes:

*The fully enlarged issued and paid-up capital assuming full conversion of ESOS, ICULS, and warrants is 864,551,816 shares.

** Subject to necessary approvals and based on estimated net cash proceeds of RM56m from the proposed disposal

***Based on share price of RM2.50 for FYE 2006 and RM1.60 for FYE 2005



SECTION 4
OUTLOOK & CONCLUSIONS

OUTLOOK & CONCLUSIONS

- **Market environment expected to be challenging but we still expect Adex to continue to track economic growth**
- **Q406 adspend was soft and spilled over to Q107. However, management expects improvement thereafter given expected improvement in market sentiments, Visit Malaysia Year and Merdeka celebrations**
- **TV Network to continue capitalising on synergies across the 4 stations (concentrated efforts on revenue/marketing strategies and cost sharing opportunities) and leverage on economies of scale**
- **TV9 estimated to break-even within the scheduled 2-year target**
- **Radio Network is expected to achieve small profits in 2007**
- **Outdoor to be a major contributor with completion of acquisition at the end of March 2007**



For information

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THANK YOU

Inquiries, Suggestion and Comments

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Note:

The presentation may contain forward-looking statements which are based on MPB's current expectations, forecasts and assumptions based on management's good faith expectations and belief concerning future developments. In some cases forward-looking statements may be identified by forward-looking words like "would", "intend", "hope", "will", "may", "should", "expect", "anticipate", "believe", "estimate", "predict", "continue", or similar words. Forward-looking statements involve risks and uncertainties which could cause actual outcomes and results to differ materially from MPB's expectations, forecasts and assumptions. We caution that these forward-looking statements are not statements of historical facts and are subject to risks and uncertainties not in the control of MPB, including, without limitation, economic, competitive, governmental, regulatory, technological and other factors that may affect MPB's operations. Unless otherwise required by law, MPB disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Although we believe the expectations reflected in forward-looking statements are reasonable we cannot guarantee future results, levels of activity, performance or achievements.