

media prima

MEDIA PRIMA BERHAD

PROPOSED DIVESTMENT OF MPB PRIMEDIA, INC ("PRIMEDIA")

20 OCTOBER 2009



SECTION 1

SUMMARY OF TRANSACTION

SECTION 2

OPERATIONAL SUCCESSES OF TV5

SECTION 3

PROPOSED DIVESTMENT OF PRIMEDIA

SECTION 1 : SUMMARY OF TRANSACTION



SUMMARY OF TRANSACTION

- ❑ On 15 October 2009, MPB announced the proposed divestment of its entire / 70% equity stake in Primedia to Mediaquest. In March 2008, MPB invested in Primedia as an intended seed asset for its proposed Media Fund, aimed at investing in regional media assets that have long term value.

- ❑ The purchase consideration is USD16.00 million, comprising of:
 - ❑ Equity: USD 0.02 million
 - ❑ Advances: USD 15.98 million

- ❑ The shares in Primedia will be divested at par, hence there is no gain or loss to the MPB Group.

- ❑ Upon the completion of the proposed divestment, MPB is expected to record a net gain of approximately USD17million (RM57.6m) , which represents a partial writeback of advances made by MPB to Primedia that has been already provided for. However, this excludes share of 3rd quarter losses incurred by Primedia to be recognised by MPB in the the coming 3rd quarter results, estimated at RM24.2 million

- ❑ The divestment means that MPB will no longer proceed with the proposed Media Fund and will exit from the Philippines FTA market.

SECTION 2 : OPERATIONAL SUCCESSES OF TV5

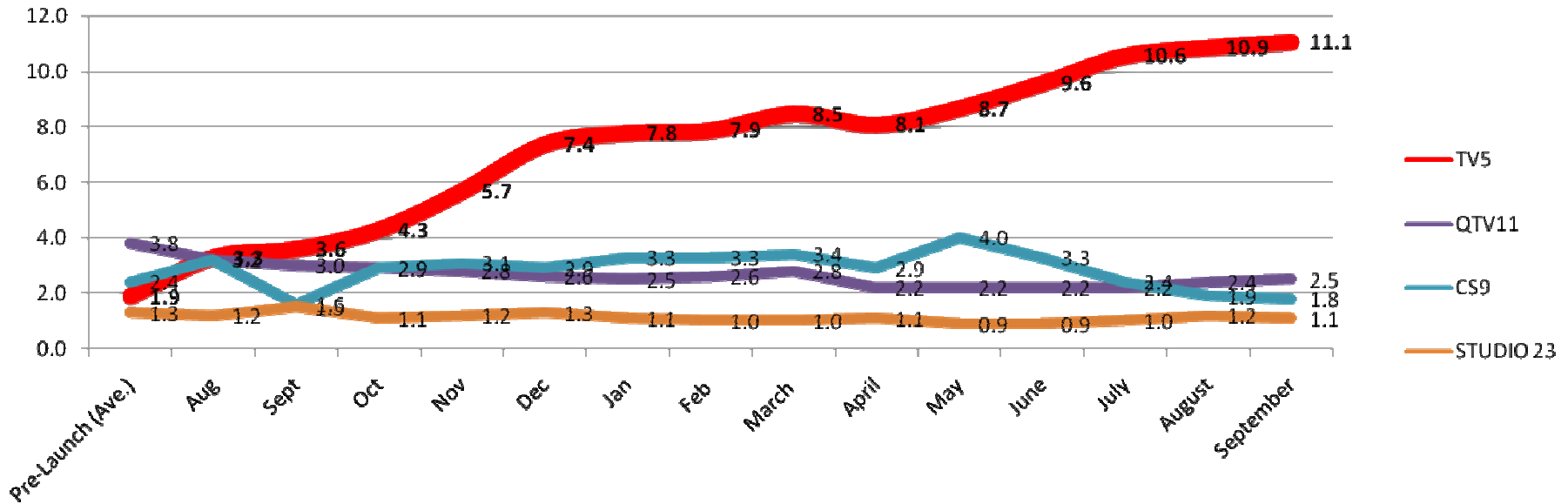


- Primedia was set up as the vehicle to operate and manage the operations of an FTA TV called ABC5.

- Operationally, Primedia has since March 2008:
 - Repositioned and rebranded ABC5 into TV5 to target the young audience
 - Introduce new programming schedule and improve marketing functions
 - Improve transmission quality

- In a short span of time, TV5 has achieved many operational successes.

THE CLEAR NUMBER 3 TV STATION



Monthly Average - Audience Shares (SHR% - All Day)
2008 - September 2009

		AUDIENCE SHARE %														
		2008						2009								
		Pre-Launch (Ave.)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	August	September
TV5	NUTAM	1.8	3.4	3.4	3.9	5.1	5.9	6.0	6.2	7.0	6.6	7.2	7.4	7.6	7.7	8.0
	Mega Mia	1.9	3.3	3.6	4.3	5.7	7.4	7.8	7.9	8.5	8.1	8.7	9.6	10.6	10.9	11.1
ABS-CBN	NUTAM	43.0	42.1	42.2	40.3	40.5	39.9	42.8	42.1	41.1	41.6	40.8	41.8	43.4	42.1	41.8
	Mega Mia	31.5	33.1	33.3	31.6	29.9	29.6	31.2	31.1	30.4	31.1	31.1	31.6	34.5	32.8	32.1
GMA	NUTAM	39.3	38.1	39.1	39.6	38.4	37.8	35.1	35.5	35.6	35.2	35.1	34.3	33.1	34.6	35.5
	Mega Mia	47.4	43.6	44.8	45.1	45.3	43.5	42.0	42.1	41.9	40.9	40.5	39.0	37.2	39.0	40.2
QTV11	NUTAM	2.4	2.3	2.2	2.1	2.0	1.9	1.9	1.9	2.0	1.6	1.7	1.7	1.7	1.7	1.8
	Mega Mia	3.8	3.2	3.0	2.9	2.8	2.6	2.5	2.6	2.8	2.2	2.2	2.2	2.2	2.4	2.5
CS9	NUTAM	1.4	2.3	1.2	2.2	2.5	2.2	2.8	2.9	2.9	2.5	3.4	2.8	2.2	1.6	1.5
	Mega Mia	2.4	3.2	1.6	2.9	3.1	2.9	3.3	3.3	3.4	2.9	4.0	3.3	2.4	1.9	1.8
STUDIO 23	NUTAM	1.5	1.5	1.6	1.4	1.5	1.8	1.6	1.7	1.5	1.6	1.4	1.3	1.5	1.8	1.6
	Mega Mia	1.3	1.2	1.5	1.1	1.2	1.3	1.1	1.0	1.0	1.1	0.9	0.9	1.0	1.2	1.1

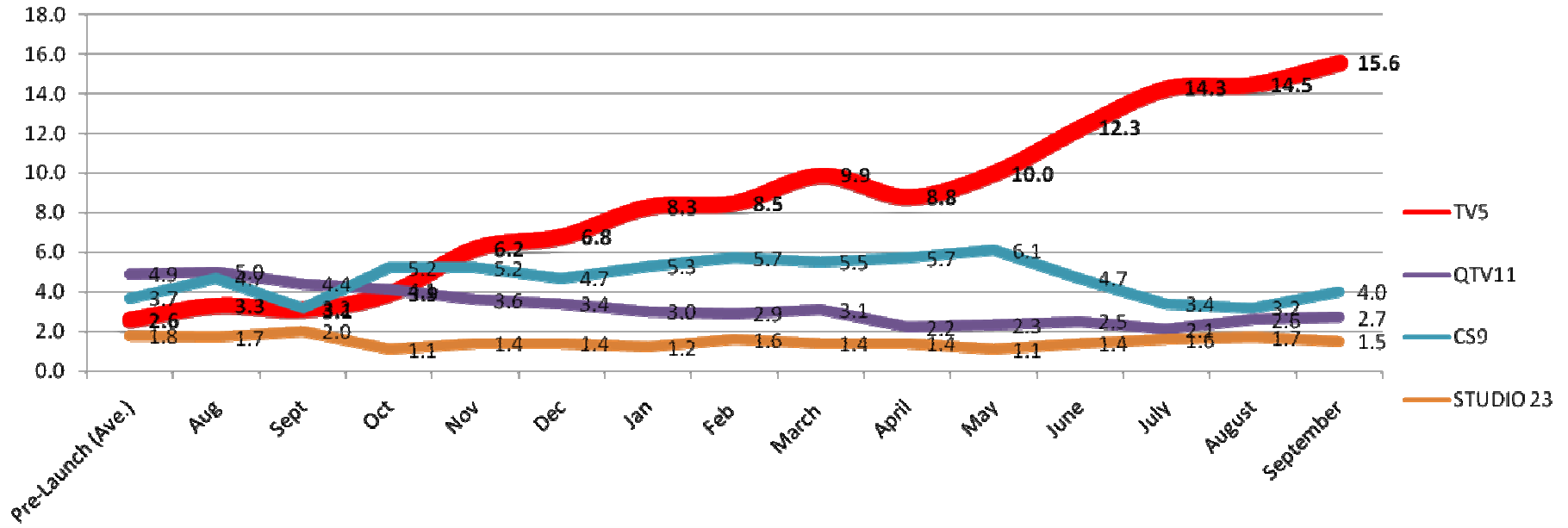
Total Individuals NUTAM Universe: 38,210,000

Total Individuals Mega Manila Universe: 18,598,000

NOTE: September official data until the 25th only because of Typhoon Ondoy

AGB-NMR ARIANNA

EVEN BETTER ON WEEKENDS!



Monthly Average - Audience Shares (SHR% - Weekend)
2008 - September 2009

		AUDIENCE SHARE %														
		2008						2009								
		Pre-Launch (Ave.)	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	August	September
TV5	NUTAM	2.3	3.2	2.9	3.7	5.5	5.5	6.4	6.9	8.1	7.0	8.0	9.4	10.3	10.3	11.2
	Mega Mia	2.6	3.3	3.1	3.9	6.2	6.8	8.3	8.5	9.9	8.8	10.0	12.3	14.3	14.5	15.6
ABS-CBN	NUTAM	39.6	39.1	40.6	38.6	39.3	37.8	40.4	38.8	37.9	38.7	37.6	37.2	40.1	37.8	38.1
	Mega Mia	29.2	31.0	31.5	30.2	28.6	27.4	28.6	28.5	27.1	28.5	28.2	27.3	31.8	28.9	28.8
GMA	NUTAM	38.2	36.0	36.4	36.8	34.9	37.4	33.9	33.4	33.4	33.4	34.0	32.8	30.0	32.6	31.3
	Mega Mia	44.3	39.2	41.0	40.8	40.7	43.0	40.1	38.9	38.9	38.2	37.9	36.1	32.4	35.5	33.8
QTV11	NUTAM	3.1	3.5	3.1	2.9	2.6	2.5	2.3	2.2	2.2	1.6	1.8	1.8	1.7	2.0	2.0
	Mega Mia	4.9	5.0	4.4	4.1	3.6	3.4	3.0	2.9	3.1	2.2	2.3	2.5	2.1	2.6	2.7
CS9	NUTAM	2.2	3.5	2.5	3.8	4.1	3.5	4.2	4.8	4.7	4.8	5.1	4.0	3.0	2.5	3.2
	Mega Mia	3.7	4.7	3.2	5.2	5.2	4.7	5.3	5.7	5.5	5.7	6.1	4.7	3.4	3.2	4.0
STUDIO 23	NUTAM	2.1	2.1	2.1	1.5	1.6	1.6	1.6	2.4	2.0	2.2	1.7	1.9	2.2	2.3	1.9
	Mega Mia	1.8	1.7	2.0	1.1	1.4	1.4	1.2	1.6	1.4	1.4	1.1	1.4	1.6	1.7	1.5

Total Individuals NUTAM Universe: 38,210,000

Total Individuals Mega Manila Universe: 18,598,000

NOTE: September official data until the 25th only because of Typhoon Ondoy

AGB-NMR ARIANNA

SECTION 3 : PROPOSED DIVESTMENT OF PRIMEDIA



Transaction	<ul style="list-style-type: none"> Disposal of the 70% equity stake in MPB Primedia, Inc. (“Primedia”) and all shareholder advances in Primedia made by MPB
Seller	<ul style="list-style-type: none"> MM Studios Sdn Bhd (wholly owned subsidiary of MPB)
Buyer	<ul style="list-style-type: none"> MediaQuest Holdings, Inc.
Purchase Consideration	<ul style="list-style-type: none"> Equity USD 0.02 million Advances <u>USD 15.98 million</u> Total <u>USD 16.00 million</u> 50% of the consideration shall be received by [xxx] whilst the balance upon completion.
Funding	<ul style="list-style-type: none"> No additional working capital to be contributed by MPB from 1 October 2009
Expected Completion Date	<ul style="list-style-type: none"> Proposed divestment expected to be completed by end of fourth (4th) quarter of 2009.

- The impact to MPB's income statement on the divestment of Primedia:

GROSS PROCEEDS	USD
Primedia net liabilities (est end Oct 09)	24.65
MPB's stake in Primedia	70%
Gain on div estment of Primedia	17.25
Less : Advances to Primedia	(38.39)
Less : Write-off of capitalised expenses	(2.08)
Proceeds from div estment	16.00
Net charge to P&L (USD'm)	(7.21)
Net charge to P&L (RM'm)	(24.16)

- The net charge to P&L effectively represents the share of 3rd quarter losses of Primedia that will be recognised in MPB's income statement in the coming 3rd quarter results.

- ❑ Investment into Primedia was made by MPB with the intention that the said investment was to be transferred to the Media Fund which MPB had proposed to set up.
- ❑ The Media Fund was intended to enable MPB to part invest and manage various media assets that have long term value whilst at the same time minimising the impact of the expected gestation losses from these assets on MPB's earnings and balance sheet (as the investments would be "off balance sheet").
- ❑ However, given the current economic downturn which led to extreme difficulty in raising private equity funds, the MPB Board has decided not to proceed with the establishment of the Media Fund.
- ❑ Furthermore, the economic uncertainty has affected advertising spend and could cause a longer than anticipated investment gestation period.
- ❑ Accordingly, in order to protect further dilution to MPB's earnings, cash flow and balance sheet the Board has decided to divest its stake in Primedia and significantly recover the investment expended to date.
- ❑ The proposed divestment will allow MPB to partially recover its investments into Primedia and more importantly, free up funds to be utilised by MPB to consolidate its market leadership over the various platforms in Malaysia, as well as invest in new revenue streams in the Malaysian market.
- ❑ More importantly, it would enable investors to fully value MPB by removing any uncertainty on its future earnings as a result of its investment in the Philippines.

media prima

TALENTADONG PINOY

The latest shows, discovering new talent and opening new frontiers in entertainment – Media Prima's television and radio stations, as well as Internet portals, are opening up new ways to bring entertainment to Malaysians every day.

THANK YOU

For information
www.mediaprima.com.my

Inquiries, Suggestions and Comments
investors@mediaprima.com.my



alt media

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.