

MEDIA PRIMA BERHAD

FINANCIAL & BUSINESS REVIEW

**FOR THE FIRST QUARTER ENDED
31 MARCH 2010**

18 MAY 2010



SECTION 1

OVERVIEW

SECTION 2

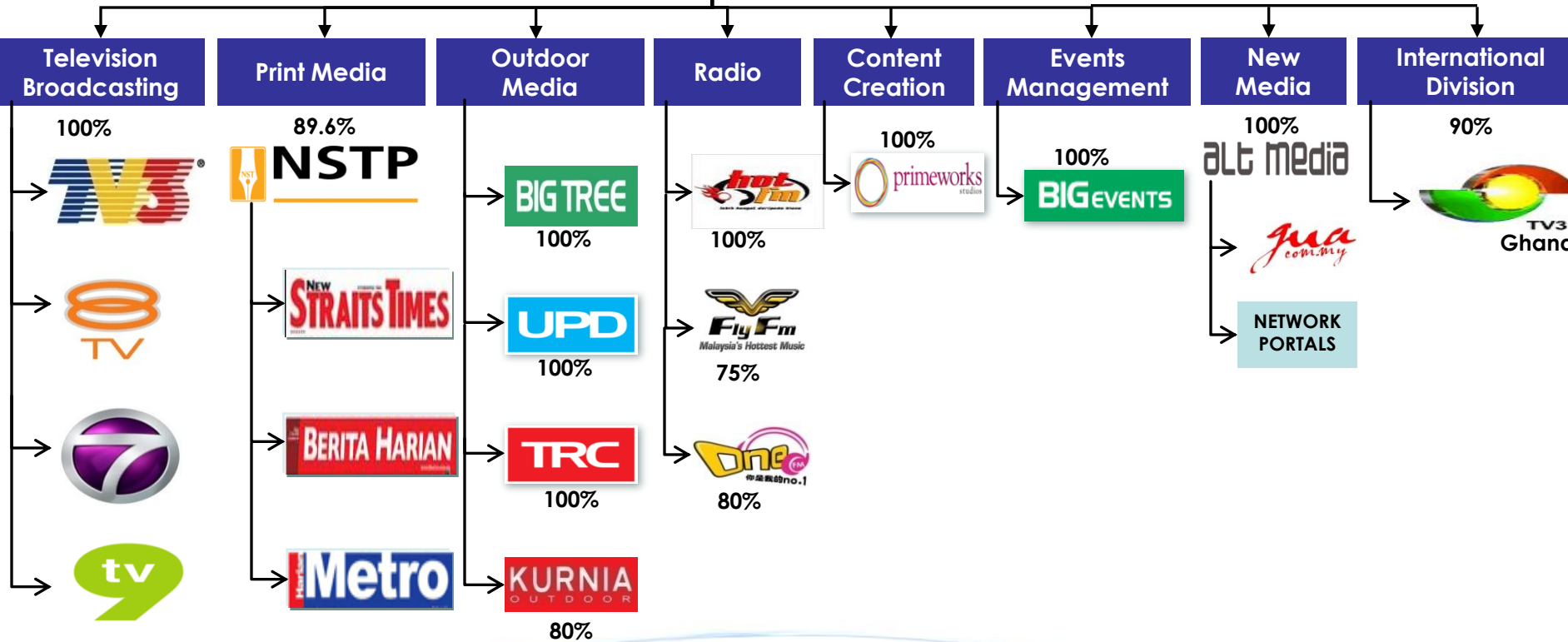
PERFORMANCE REVIEW

SECTION 3

OUTLOOK & CONCLUSIONS

SECTION 1 : OVERVIEW





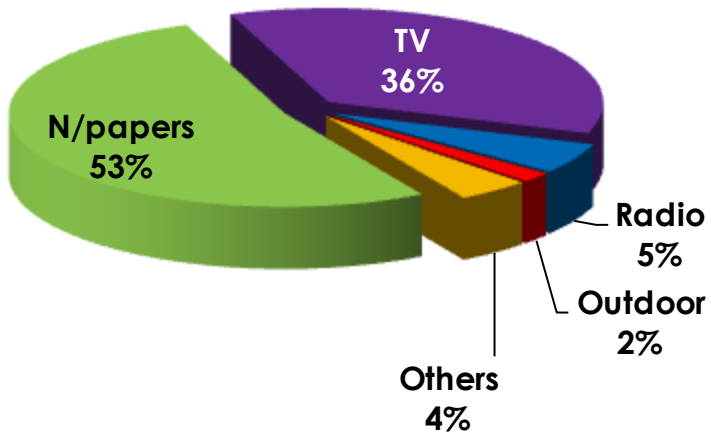
FACT SHEET

Share capital @ 31/03/10

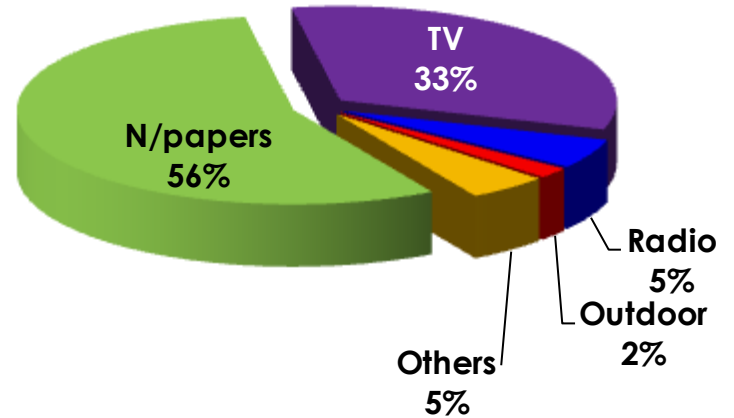
Issued & paid-up share capital	= 977.2m
Extracts from Balance Sheet @ 31/03/10	
S/holders funds	= RM1,025.2m
Total assets	= RM2,132.5m
Cash	= RM256.8m

Group borrowings:
(excl. Overdrafts & Hire Purchase)

PDS Ratings (RAM)	= RM541.7m
	= AAAbg (MTN), P1 (CP)



Q1 2010



Q1 2009

RM Million	Newspapers	TV	Radio	Outdoor	Others	Total
Q1 2010	852	586	85	29	69	1,621
Q1 2009	731	432	67	25	62	1,316
% Change	17	36	27	16	11	23

Source : AC Nielsen

SECTION 2 : PERFORMANCE REVIEW



SECTION 2.1 : MEDIA PRIMA GROUP



RM'000	RM'000		% CHANGE (A-B)
	Q1 2010 A	Q1 2009 B	
NET REVENUE	323,672	141,177	>100
ROYALTIES	(703)	(547)	(29)
NET REVENUE AFTER ROYALTIES	322,969	140,630	>100
DIRECT COSTS	(152,295)	(65,441)	(>100)
CONTRIBUTION	170,674	75,189	>100
OTHER INCOME	4,709	1,372	>100
OVERHEADS	(102,689)	(67,461)	(52)
PRIOR YEARS' RECOVERIES	-	-	NA
EBITDA BEFORE EI	72,694	9,100	>100
INT & FINANCE CHARGES	(6,861)	(5,610)	(22)
DEPRECIATION & AMORTISATION	(24,032)	(11,587)	(>100)
PROFIT / (LOSS) BEFORE ASSOCIATE	41,801	(8,097)	>100
ASSOCIATE	(669)	(1,262)	47
PROFIT / (LOSS) BEFORE TAX BEFORE EI	41,132	(9,359)	>100
EXCEPTIONAL ITEMS ("EI")	17,535	-	100
PROFIT / (LOSS) BEFORE TAX	58,667	(9,359)	>100
TAXATION	(11,792)	(572)	(>100)
PROFIT / (LOSS) AFTER TAX	46,875	(9,931)	>100
MINORITY INTEREST	(1,303)	-	(100)
PATAMI / (LATAMI) - CONTINUING OPERATIONS	45,572	(9,931)	>100
LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE	-	(13,300)	100
PATAMI / (LATAMI)	45,572	(23,231)	>100
PATAMI / (LATAMI) EXCLUDING EI - CONTINUING OPERATIONS	28,037	(9,931)	>100
PATAMI / (LATAMI) EXCLUDING EI & NSTP - CONTINUING OPERATIONS	18,544	(8,669)	>100
EBITDA Margin %	19%	5%	
PATAMI Margin %	12%	-13%	

	Q1 2010 A	RM'000 Q1 2009 B	Q1 2008 C	(A - B) %	(A - C) %
PATAMI / (LATAMI)	45,572	(23,231)	17,063	>100	>100
PATAMI / (LATAMI) EXCLUDING EI - CONTINUING OPERATIONS	28,037	(9,931)	22,261	>100	26
PATAMI / (LATAMI) EXCLUDING EI & NSTP - CONTINUING OPERATIONS	18,544	(8,669)	16,555	>100	12

- As the Malaysian economy recovers in Q1 2010, the Group's performance has surpassed the 2008 level.

(i) REVENUE:

Group

- Malaysia's GDP of 10.1% in Q1 2010 vs. -6% in Q1 2009
- New revenues for the Group from newly acquired NSTP- first full consolidation of NSTP's results
- Q1 2010 revenue increased by >100% from Q1 2009
- Excluding NSTP, the group's revenue grew by 24% from Q1 2009

TV

- TV Networks revenue grew by 29% against Q1 2009
- The economic recovery has returned customers' confidence resulting in increase in Ad Spend

Print Media

- NSTP group's revenue grew by 10% against Q1 2009.
- Both advertising and circulation revenue grew by 8% and 13% respectively.

Radio

- Radio Network revenue grew by 14% against Q1 2009

Outdoor Media

- Outdoor Division registered a growth of 31% against Q1 2009
- Excluding Kurnia, the Outdoor Division recorded a 3% growth against Q1 2009.

New Media

- Growth in TV Networks' revenue contributes to New Media's revenue growth of 17% against Q1 2009

(ii) DIRECT COST:

- Direct cost increased by >100% compared to Q1 2009 due to full consolidation of NSTP
- Excluding NSTP, there were savings in direct costs by 4%.
- Savings mainly due to repeats of highly rated TV contents and deferment of high valued contents
- Outdoor also saw lower costs due to lower revenue share to site owners

(iii) OTHER INCOME

- Increased 67% against Q1 2009 due to increased in facilities rental

(iv) OVERHEADS:

- Increased by 52% due to consolidation of NSTP group
- Excluding NSTP, the increase was only 6% compared to Q1 2009 due to salary increment
- The Group achieved savings in occupancy costs, A&P and Repairs & Maintenance Cost

(v) FINANCE COST:

- Finance cost increased by 22% against Q1 2009 but increased only by 10% when excluding NSTP
- Increased finance cost attributable to additional term loan drawn in 2009 to repay CPs

(vi) DEPRECIATION AND AMORTISATION:

- Excluding NSTP, depreciation and amortisation increased by 7% against Q1 2009
- Increased depreciation attributable to the Integrated Broadcast Systems (“IBS”) capex
- Increased amortisation attributable to amortisation of Kurnia & NSTP’s intangible assets acquired

(vii) EBITDA:

- EBITDA before EI improved by more than 100% against Q1 2009 even after excluding NSTP
- EBITDA margin stood at 19%, surpassing Q1 2009 of 5%

(viii) SHARE OF ASSOCIATES AND RELATED EXTRAORDINARY ITEM (EI):

- Share of associates' losses represents the Group's share of the result of Malaysian Newsprint Industries Sdn Bhd (MNI) via NSTP, inline with the lower prevailing newsprint price
- EI solely relates to negative goodwill from acquisition of 3.56% interest in NSTP during the quarter

(ix) PATAMI:

- The Group recorded PATAMI from continuing operations of RM45.6 million against Q1 2009 LATAMI of RM23.2 million
- Excluding the EI, the Group achieved PATAMI from continuing operations of RM28.0 million, an improvement from LATAMI of RM9.9 million in Q1 2009.
- PATAMI margin stood at 12%, a complete turnaround from Q1 2009 of -13%

	RM'000						
	TVN	Radio	Outdoor Media	Print Media	New Media	Corporate & Others #	Total Actual
NET REVENUE (AFTER ROYALTIES)							
2010	126,575	12,261	30,276	144,897	2,267	6,693	322,969
2009	95,985	10,781	22,862	*	1,812	9,190	140,630
<i>Growth %</i>	32	14	32	100	25	(27)	>100
EBITDA / (LBITDA) BEFORE EI							
2010	35,728	5,629	10,833	25,987	(1,266)	(4,217)	72,694
2009	1,735	3,970	8,418	*	(72)	(4,951)	9,100
<i>Growth %</i>	>100	42	29	100	(>100)	15	>100
DEPRECIATION & INTEREST EXPENSES							
2010	8,050	480	2,322	12,291	353	7,397	30,893
2009	7,843	346	1,588	*	329	7,091	17,197
<i>Growth %</i>	3	39	46	(100)	7	4	80
PBT / (LBT) BEFORE ASSOCIATE BEFORE EI - CONTINUING OPERATIONS							
2010	27,678	5,149	8,511	13,696	(1,619)	(11,614)	41,801
2009	(6,108)	3,624	6,830	*	(401)	(12,042)	(8,097)
<i>Growth %</i>	>100	42	25	100	(>100)	4	>100

Notes:

* NSTP was not a subsidiary in 2009

Inclusive of consolidation adjustments. Decrease in revenue due to lower turnover from GBSB due to deferment of title releases in 2010 to 2009.

SECTION 2.2 : TV NETWORKS











	TV3	ntv7	RM'000 8TV	TV9	Total
NET REVENUE (AFTER ROYALTIES)					
2010	77,311	18,960	20,410	9,894	126,575
2009	62,836	11,059	15,871	6,219	95,985
Growth %	23	71	29	59	32
EBITDA / (LBITDA) BEFORE EI					
2010	26,158	4,381	7,444	(2,255)	35,728
2009	9,622	(3,269)	1,332	(5,950)	1,735
Growth %	>100	>100	>100	62	>100
DEPRECIATION & INTEREST EXPENSES					
2010	5,047	1,224	313	1,466	8,050
2009	4,785	1,231	336	1,491	7,843
Growth %	5	(1)	(7)	(2)	3
PBT / (LBT) BEFORE EI					
2010	21,111	3,157	7,131	(3,721)	27,678
2009	4,837	(4,500)	996	(7,441)	(6,108)
Growth %	>100	>100	>100	50	>100

Note: Improvement due to revenue growth and prudent cost management

	RM'000				
	Q1 2010	Q1 2009	Q1 2008	A - B	A - C
	A	B	C	%	%
NET REVENUE (AFTER ROYALTIES)	126,575	95,985	116,010	32	9
EBITDA	35,728	1,735	26,164	>100	37
PROFIT BEFORE TAX (EXCL. EI)	27,678	(6,108)	18,222	>100	52

- As the Malaysian economy recovers in Q12010, TV Networks' revenue has now surpassed the 2008 level by 9%.
- Increased revenue and prudent cost management had further resulted in higher EBITDA than 2008's achievement by 37%
- Top line RM10.6 million improvement in revenue had resulted in bottom line improvement by RM9.5 million when compared to 2008

TV VIEWERSHIP SHARE (FTA & PAY TV)

Station	Total 4+ Viewers		Chinese 4+ Viewers		Urban 15 to 34 Viewers		Malay 15+ Viewers	
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar
	2010	2009	2010	2009	2010	2009	2010	2009
	29%	32%	4%	5%	22%	25%	42%	43%
	5%	6%	18%	20%	7%	8%	2%	3%
	5%	5%	20%	18%	6%	6%	2%	2%
	8%	9%	1%	2%	5%	6%	10%	9%
	47%	52%	43%	45%	40%	45%	56%	57%
	5%	4%	1%	2%	5%	4%	12%	9%
	11%	10%	5%	6%	9%	8%	7%	11%
	37%	34%	51%	47%	46%	43%	25%	23%

Source : Nielsen Media Research

- Fragmentation of audience due to launch of new channels








TOP 10 CHANNELS WATCHED (FTA & PAY TV): Q1 2010 vs Q1 2009

	TOTAL 6+				CHINESE 6+				MALAY 15+			
	STN	2010	STN	2009	STN	2010	STN	2009	STN	2010	STN	2009
1	TV3	28	TV3	32	8TV	20	ntv7	20	TV3	39	TV3	44
2	RTM2	11	RTM2	10	ntv7	19	8TV	18	TV9	10	TV9	11
3	TV9	8	TV9	9	HUAHEE	8	HUAHEE	9	RTM2	14	RTM2	11
4	RTM1	6	ntv7	6	WLT	7	WLT	8	RTM1	8	RTM1	6
5	ntv7	5	8TV	5	AEC	6	RTM2	6	PRIMA	5	PRIMA	5
6	8TV	5	RTM1	4	XHE	5	OTH. A.	5	RIA	4	RIA	4
7	PRIMA	4	PRIMA	3	RTM2	5	TV3	5	ntv7	2	ntv7	2
8	SUN-TV	4	RIA	3	TV3	4	AEC	4	CERIA	2	CERIA	2
9	RIA	3	SUN-TV	3	OTH. A.	3	XHE	4	8TV	2	8TV	2
10	CERIA	2	CERIA	2	TVBS	2	TVBS	2	AXN	2	KIRANA	2

Source: Nielsen Media Research

- Fragmentation of audience due to launch of new channels

TV ADEX SHARE BY STATIONS

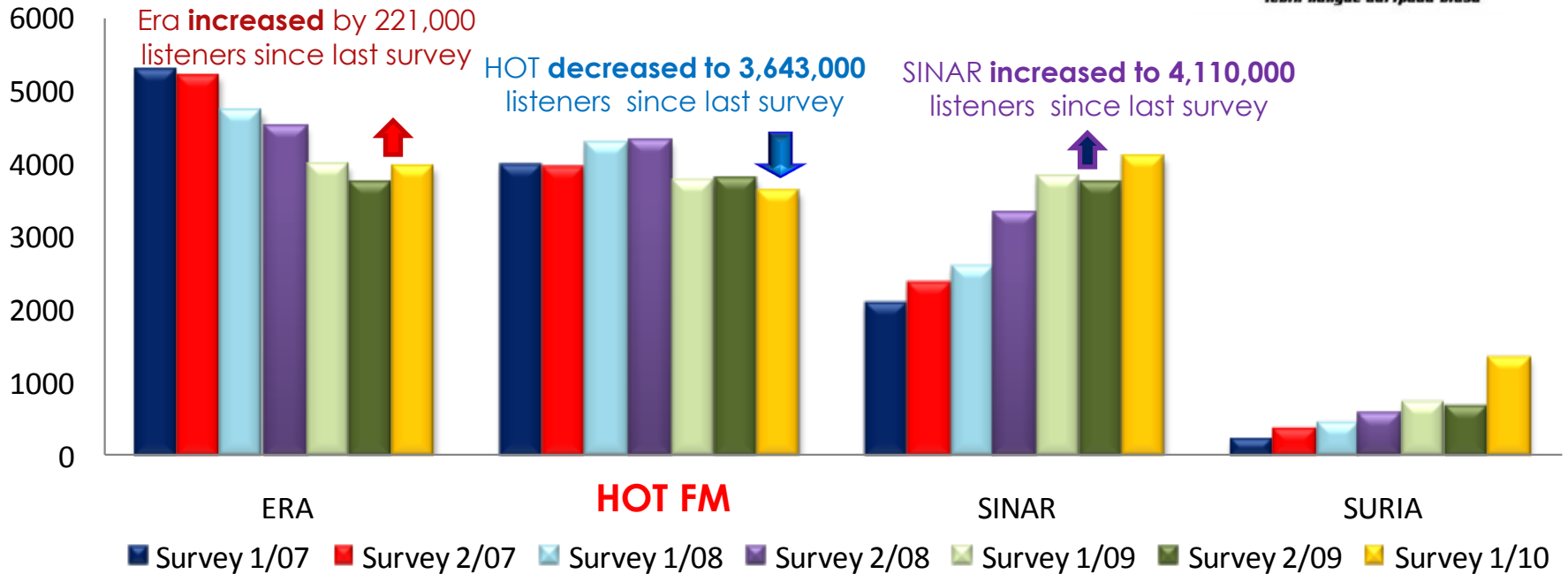
RM'000								TOTAL
2010								
NON DISCOUNTED GROSS REVENUE								
- %	39	18	18	13	89	2	9	100
- RM'000	228,224	108,140	105,928	78,708	521,000	11,459	53,152	585,611
Growth %	27	34	36	62	35	(0)	62	36
DISCOUNT FACTOR								
- %	58	77	75	84	69	60 *	60 *	68
- RM'000	(131,914)	(83,450)	(79,927)	(65,818)	(361,107)	(6,874)	(31,891)	(399,874)
GROSS REVENUE								
- %	52	13	14	7	86	2	11	100
- RM'000	96,310	24,691	26,002	12,890	159,893	4,585	21,261	185,738
Growth %	22	28	52	60	29	(20)	29	27
2009								
NON DISCOUNTED GROSS REVENUE								
- %	42	19	18	11	90	3	8	100
- RM'000	179,778	80,700	78,139	48,583	387,200	11,488	32,891	431,579
DISCOUNT FACTOR								
- %	56	76	78	83	68	50 *	50 *	66
- RM'000	(100,597)	(61,454)	(61,050)	(40,509)	(263,611)	(5,744)	(16,443)	(285,798)
GROSS REVENUE								
- %	54	13	12	6	85	4	11	100
- RM'000	79,181	19,245	17,089	8,074	123,589	5,744	16,448	145,780

* Based on estimates



SECTION 2.3 : RADIO NETWORKS





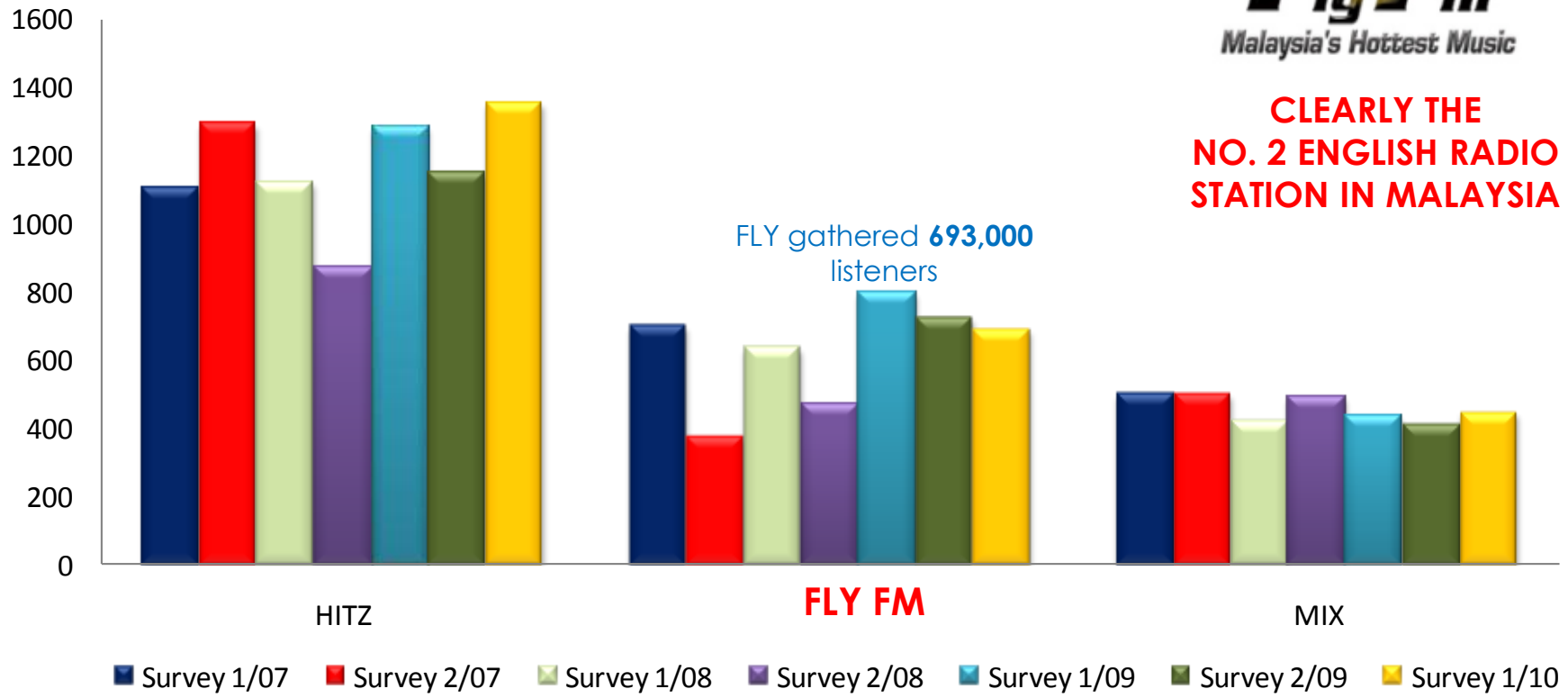
- **HOT FM IS #1 ACROSS ITS KEY DEMOGRAPHICS & YOUNG LISTENERS**

Source: Nielsen Radio Audience Measurement (RAM) Survey 1, 2010

LISTENERSHIP : FLYfm



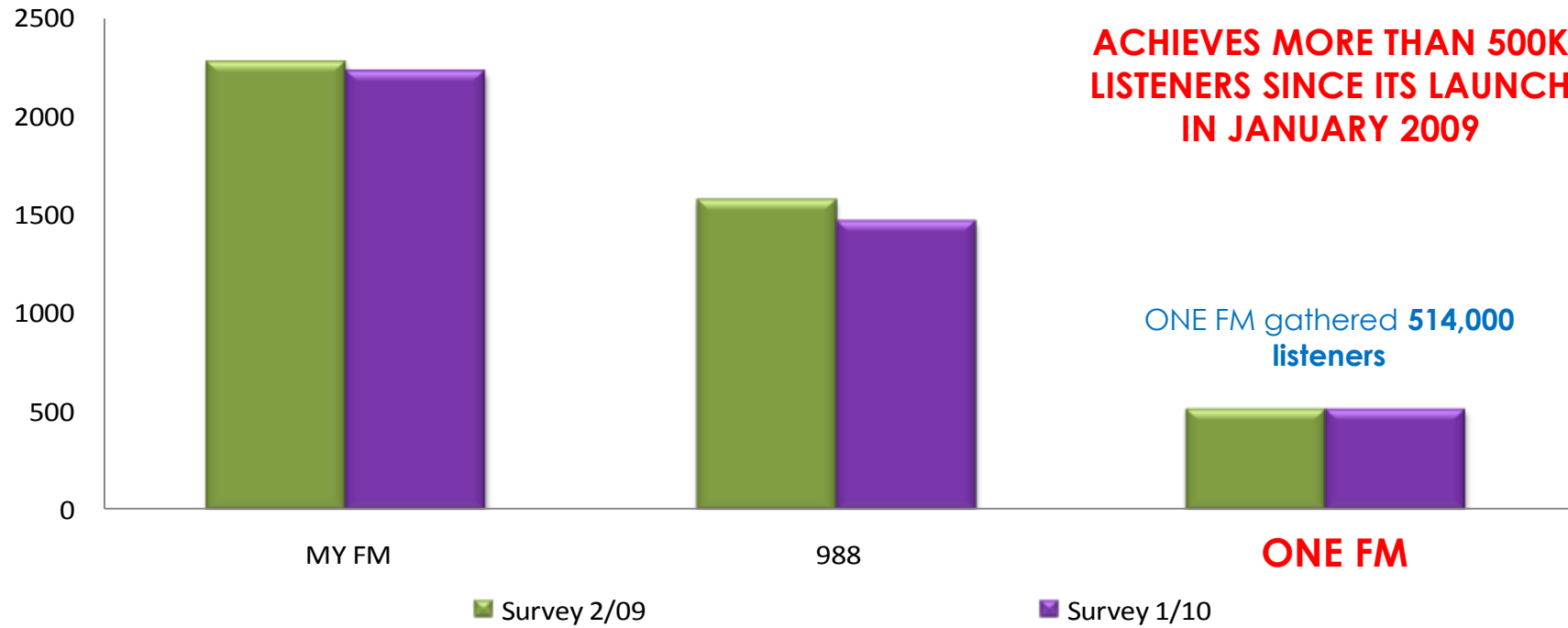
**CLEARLY THE
NO. 2 ENGLISH RADIO
STATION IN MALAYSIA**



Source: Nielsen Radio Audience Measurement (RAM) Survey 1, 2010



ACHIEVES MORE THAN 500K LISTENERS SINCE ITS LAUNCH IN JANUARY 2009



- ONE FM achieved profitability within 15 months of launch date.

Source: Nielsen Radio Audience Measurement (RAM) Survey 1, 2010



SECTION 2.4 : OUTDOOR








	RM'000		% CHANGE A-B
	FPE 2010 A	FPE 2009 B	
NET REVENUE	30,276	22,862	32
DIRECT COSTS	30,276 (15,518)	22,862 (11,828)	32 (31)
CONTRIBUTION	14,758	11,034	34
OTHER INCOME	142	297	(52)
OVERHEADS	(4,067)	(2,913)	(40)
EBITDA	10,833	8,418	29
FINANCE CHARGES	(8)	(9)	11
DEPRECIATION	(2,314)	(1,579)	(47)
PROFIT BEFORE TAX	8,511	6,830	25
TAXATION	(2,140)	-	(100)
PROFIT AFTER TAX	6,371	6,830	(7)
EBITDA %	34%	35%	
PATAMI %	20%	28%	

Note: Outdoor results include Kurnia

SECTION 2.5 : NEW MEDIA



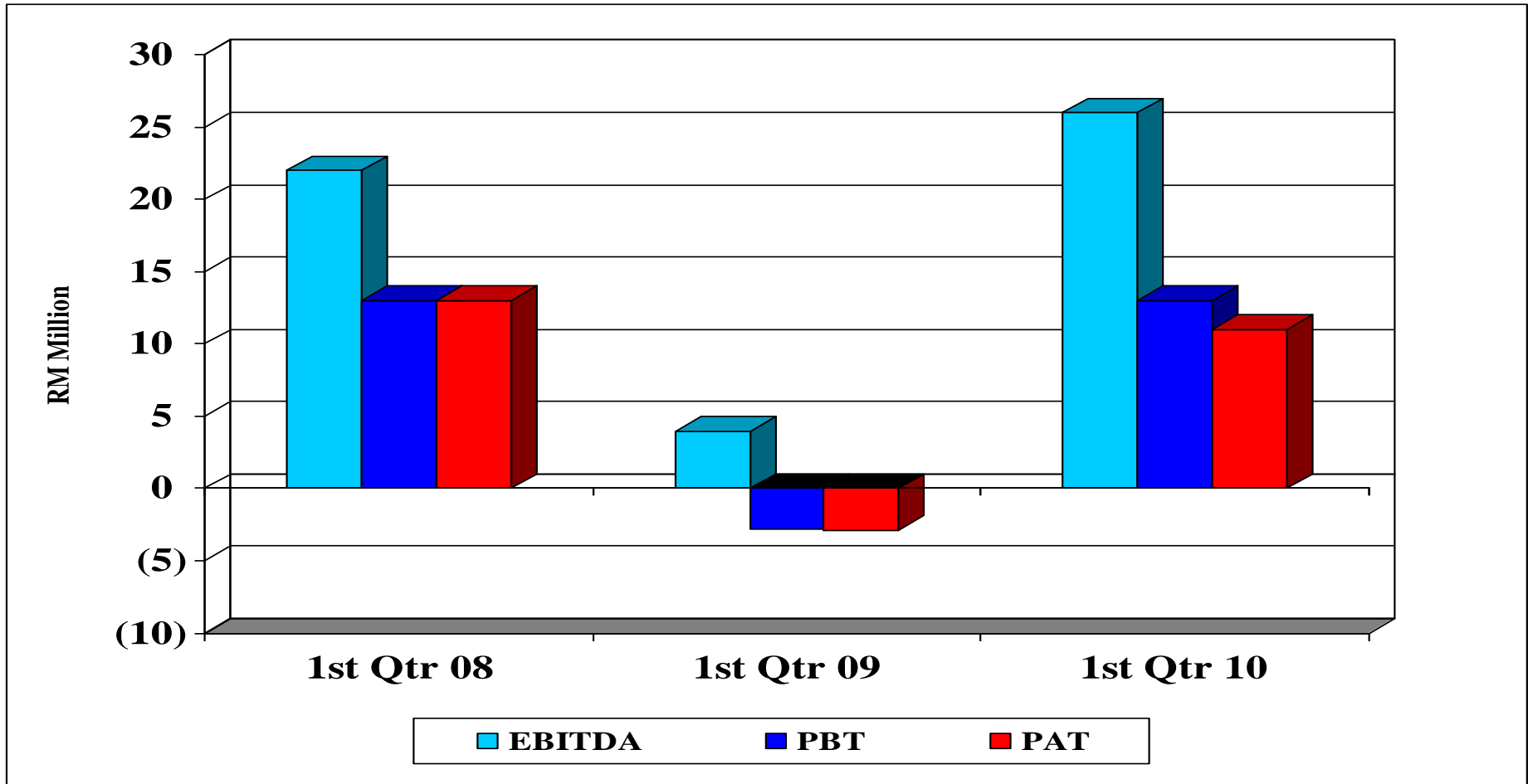
	AVG MTHLY PAGE VIEWS		AVG MTHLY UNIQUE VISITORS		AVG MTHLY VIEW OF VIDEOS	
	Q1 2010 Google Analytics	Q1 2009 Click Tracks	Q1 2010 Google Analytics	Q1 2009 Click Tracks	Q1 2010 Google Analytics	Q1 2009 Click Tracks
	15,844,379	38,586,477	3,659,895	1,887,506	20,424,151	17,320,042
	2,122,369	9,582,292	444,085	323,880	6,335,613	1,868,655
	1,274,330	2,946,395	290,025	167,750	1,089,103	462,423
	2,457,414	4,803,851	588,659	289,196	5,080,750	2,769,540
	3,576,203	4,389,123	762,948	360,590	473,819	184,387
TOTAL	25,274,695	60,308,138	5,745,612	3,028,923	33,403,436	22,605,047

Note: Variance in Page Views and Unique visitors is due to a change in measuring methodology and tools.

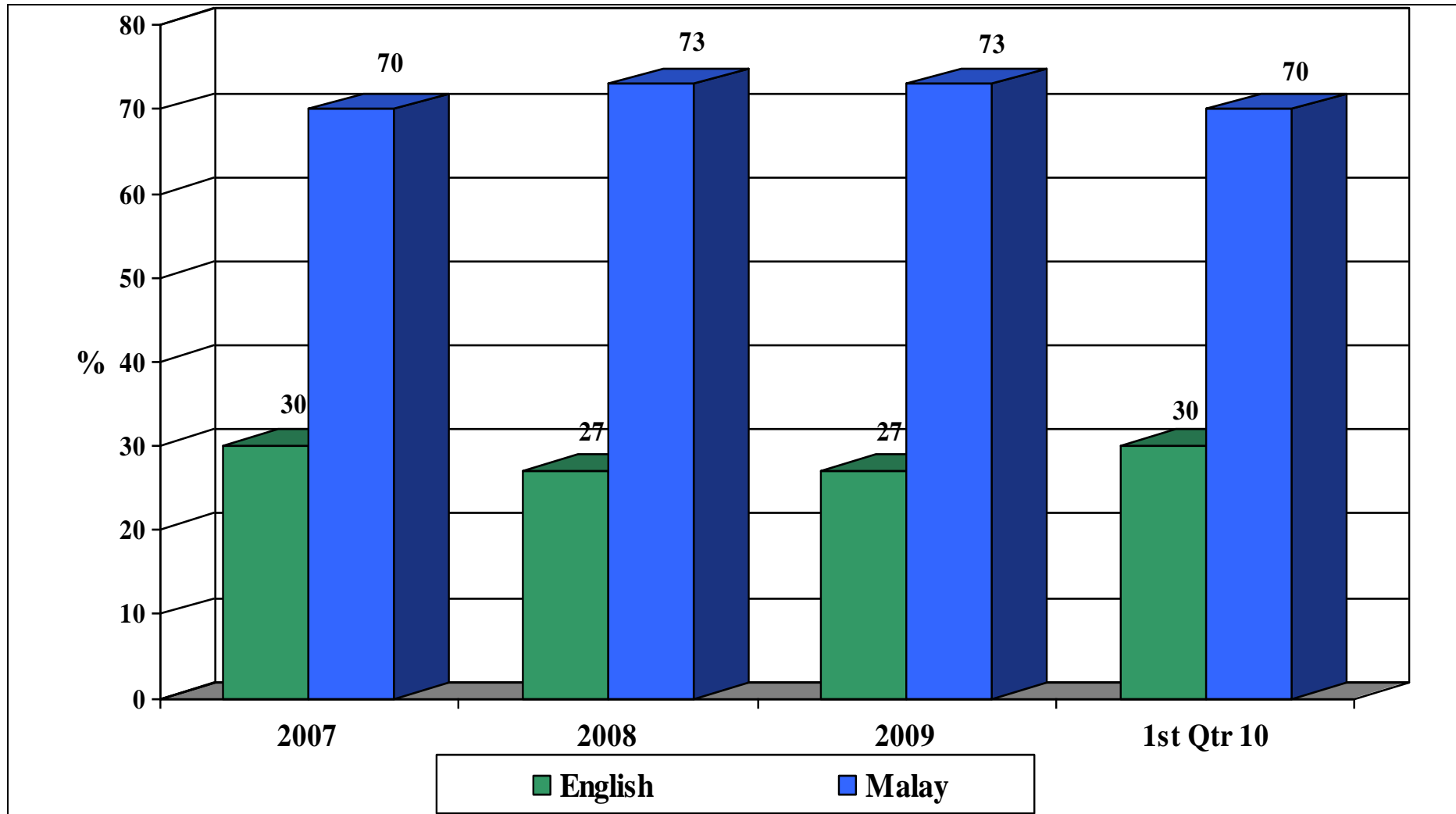
SECTION 2.6 : PRINT



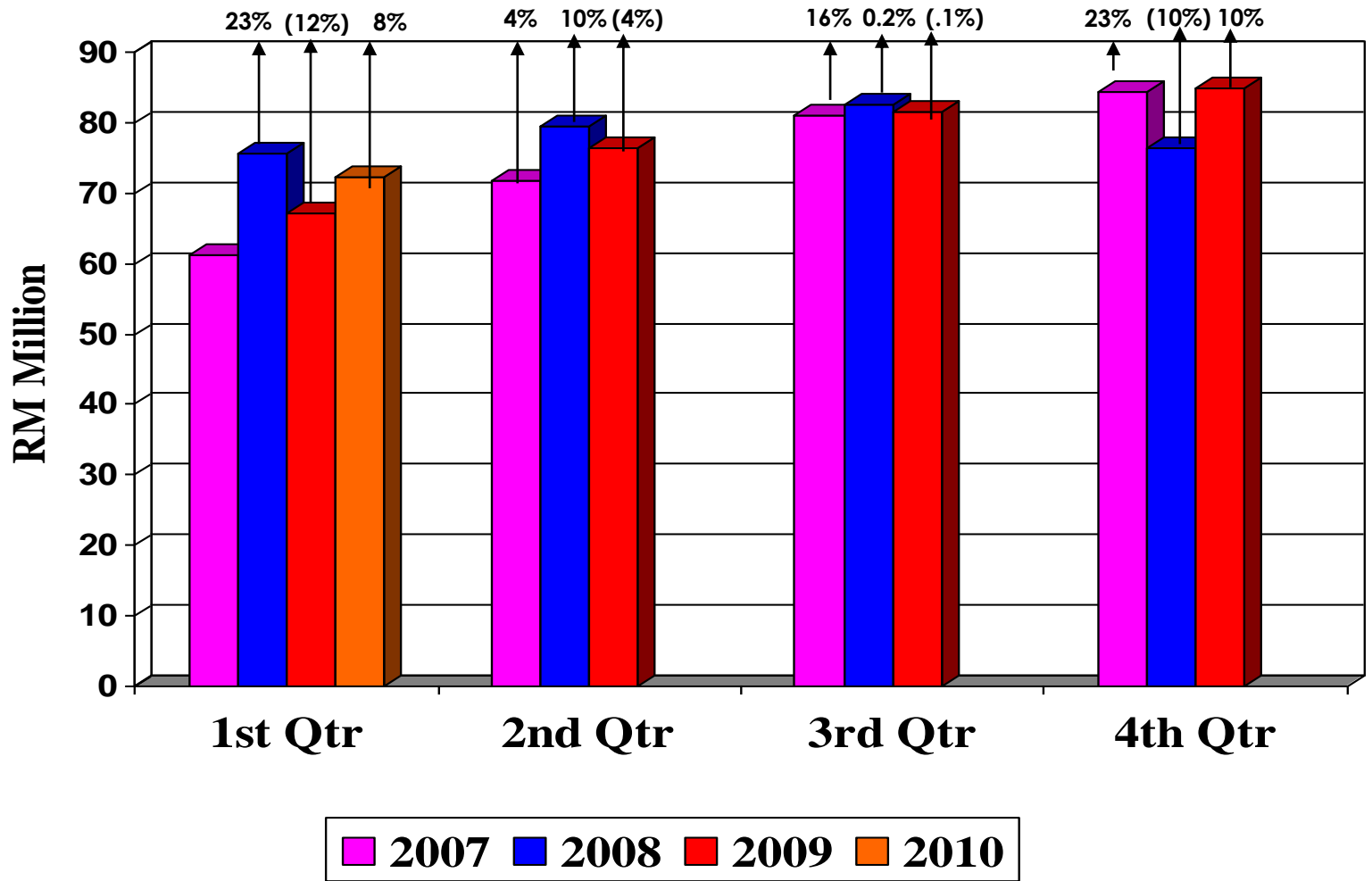
	RM'000		Variance
	Q1 2010	Q1 2009	%
Revenue	144,966	131,659	10
Operating expenses	(118,979)	(127,710)	7
EBITDA (including other income)	25,987	3,949	>100
Depreciation	(11,625)	(11,060)	(5)
Finance Cost	(666)	(554)	(20)
Profit before assoc. companies, EI & tax	13,696	(7,665)	>100
Share of profit associated companies	(669)	4,882	(114)
Profit before exeptional items	13,027	(2,783)	>100
Exceptional items	0	0	0
Profit before tax	13,027	(2,783)	>100
Taxation	(2,435)	(133)	(>100)
Net Profit	10,592	(2,916)	>100
EBITDA Margin	17.9%	3.0%	

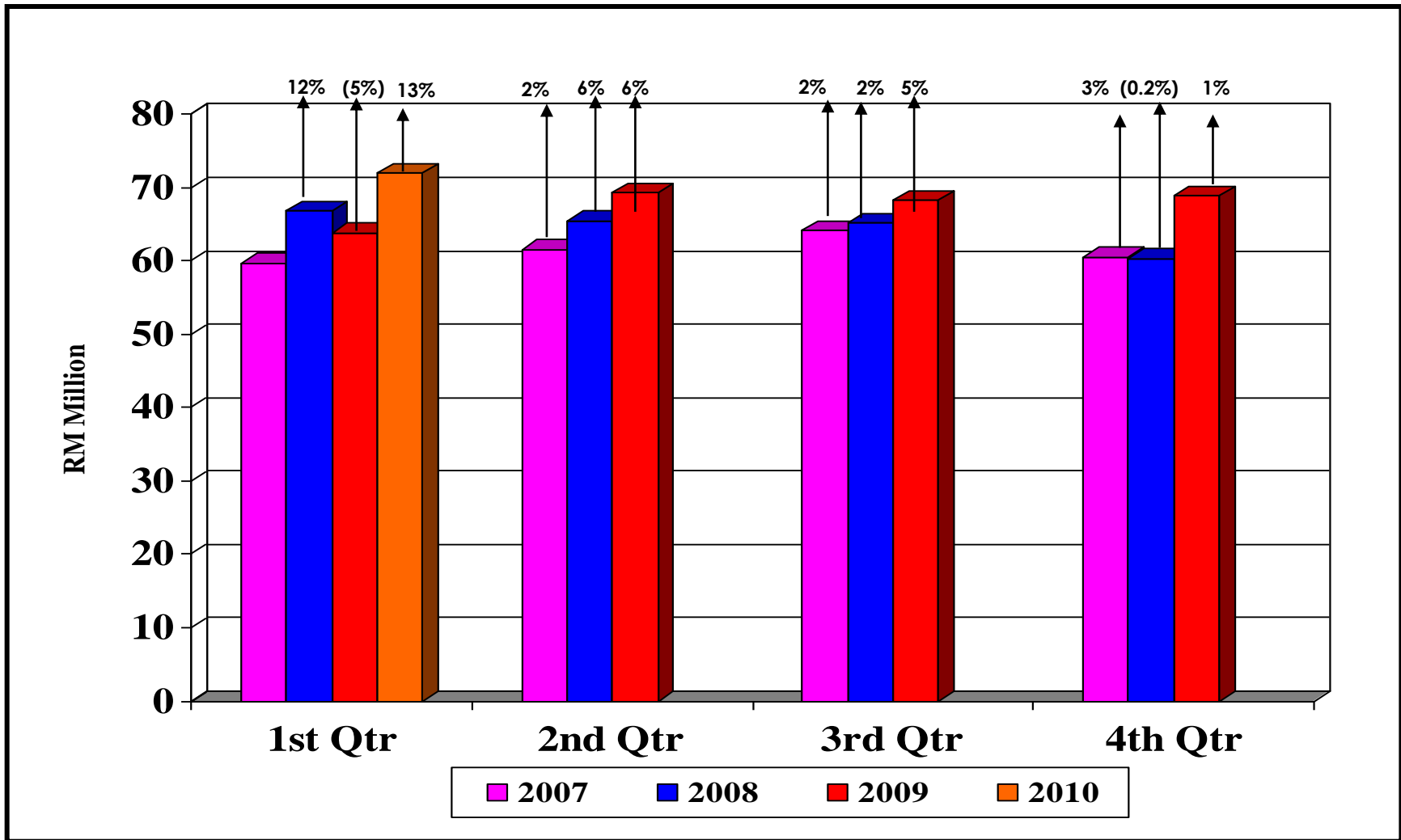


- Q1 2010 EBITDA was higher by RM22 million against Q1 2009 due to higher total revenue by RM13.3 million or 10% and lower operating expenditure by RM8.7 million or 7%.

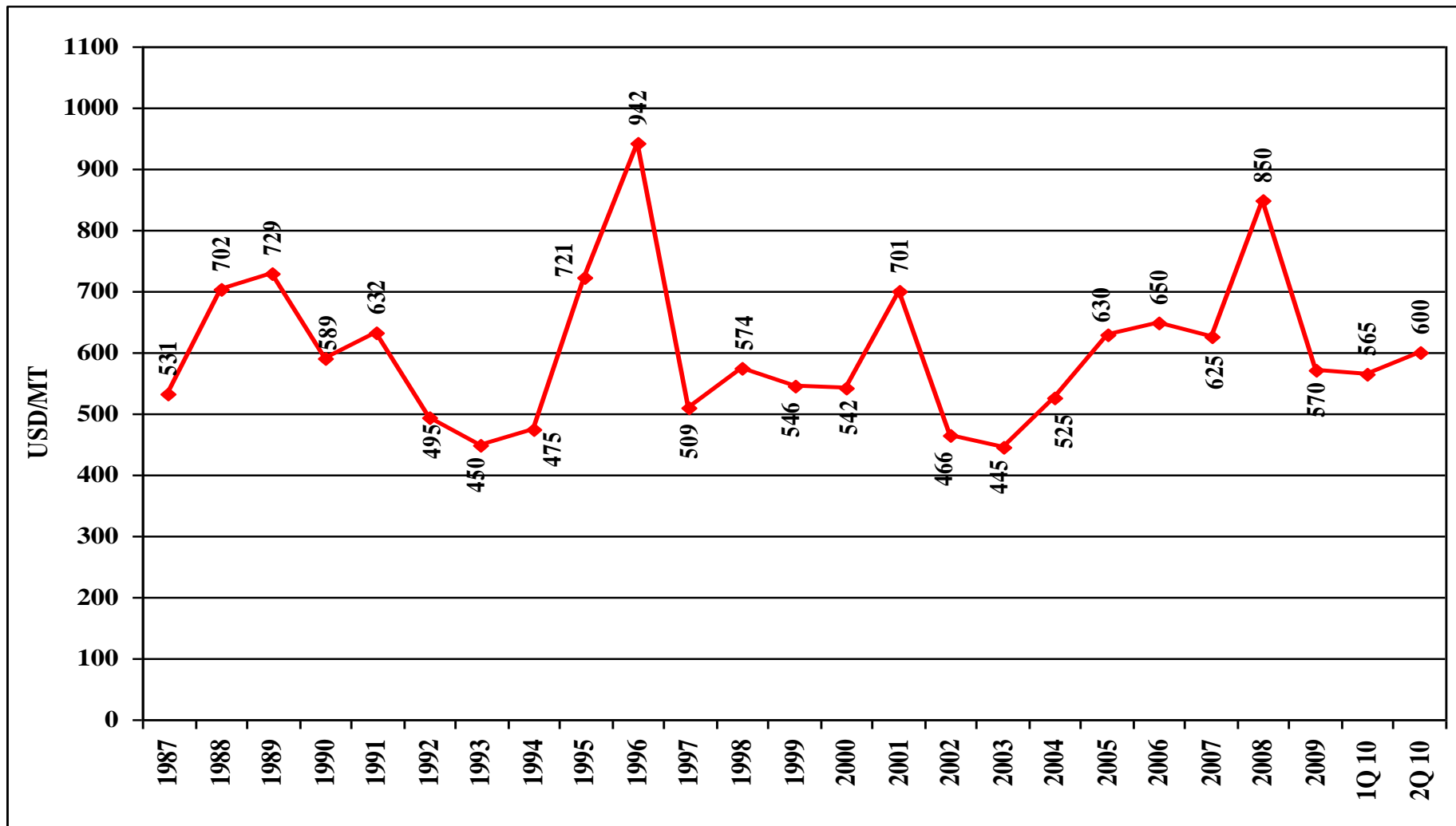


Malay newspapers will continue to be the main driver to revenue growth.





- *Harian Metro is Malaysia's number one Malay language newspaper with average circulation of 398,000 copies per day over Jan-March 2010.*



After reaching its peak in late 2008, newsprint price is expected to remain at the range of USD550/MT to USD750/MT for the next few years

SECTION 2.7 : CORPORATE AND OTHER BUSINESSES



	RM'000				Consol	Total
	MPB	TV3N	GB^	Others	Adjustment	Actual
NET REVENUE						
2010	-	4,475	4,181	599	(2,562)	6,693
2009	-	4,470	5,699	1,972	(2,951)	9,190
<i>Growth %</i>	N/A	0	(27)	(70)	13	(27)
(LBITDA) / EBITDA BEFORE EI						
2010	(4,417)	572	(734)	(297)	659	(4,217)
2009	(3,140)	(109)	57	(1,097)	(662)	(4,951)
<i>Growth %</i>	41	>100	(>100)	73	>100	15
DEPRECIATION & INTEREST EXPENSES						
2010	6,080	618	-	94	605	7,397
2009	5,181	683	-	105	1,122	7,091
<i>Growth %</i>	17	(10)	N/A	(10)	(46)	4
PBT / (LBT) BEFORE ASSOCIATE BEFORE EI						
2010	(10,497)	(46)	(734)	(391)	54	(11,614)
2009	(8,321)	(792)	57	(1,202)	(1,784)	(12,042)
<i>Growth %</i>	(26)	94	(>100)	67	>100	4

^ Existing business only


media prima

- Higher professional fees incurred for issuance of bonus warrants and new ESOS
- Annual surveillance exercise
- Annual report cost incurred in Q1 2010, as compared to Q2 in 2009
- Higher interest charges due to additional term loan resulting in a higher LBT



- The Studio Business of PWS recorded LBITDA of RM0.7 million due to lower box office revenue as a result of deferment of titles release such as Hooperz, Evolusi KL Drift 2 & Janin
- Lower performance of 2 Hati 1 Jiwa contributed to lower revenue
- Good taking from Solomon Kane
- Lower contribution from Drama & Telemovies due to shortfall of 1 episode of telemovie
- Higher cost per episode than budgeted for the drama Na-O-Mei also contributed to the shortfall



- Marginally better in Q1 2010 compared to Q1 2009 due to combination of marginal growth in revenue and cost management

OTHERS

- The 'Others' segment recorded losses of about RM0.3 million mainly from losses incurred by GFC and Alternate records

SECTION 3 : OUTLOOK & CONCLUSION



- **Combination of the continuing improvement in the economic climate and prudent cost management contributed to the improvement in the Group's results as compared to Q1 2009.**
- **Recorded EBITDA (before EI) of RM72.7 million and PATAMI (before EI) of RM28.0 million.**
- **TV Networks' recovery to its top line numbers in Q1 2010 was crucial in delivering TVN's EBITDA (before EI) and PATAMI (before EI). The positive results were also augmented by keeping content costs low and managing overhead costs.**
- **Newly acquired Print Media contributed positively to the Group's results.**
- **Continuous improvement in NSTP result augurs well for the Group in view of full consolidation going forward.**
- **Radio and Outdoor continue to post solid financial and operational performance despite stiff competition from other industry players.**
- **Recorded an exceptional gain of RM17.5 million relating to negative goodwill arising from the additional acquisition of 3.56% stake in NSTP during the quarter.**
- **Recorded PATAMI of RM45.6 million against Q1 2009 LATAMI of RM23.2 million.**

- Committed to maintaining industry leadership position and earnings through continued investment and quality programming and branding.
- Will continue to exercise prudent financial and risk management and stepping up cost management efforts.
- Continue efforts in realising value of investments in NSTP and Kurnia.
 - Improving the revenue generating capacity
 - Improving the operating efficiencies and synergy within the Group's stable of media assets.
- Will continue to look at investment opportunities to enhance business activities and earnings potential.

- On 27 April 2010, Media Prima announced that MPB requested NSTP to undertake the proposed De-listing
- Existing NSTP shares held by MPB - 194,676,650 ordinary shares of RM1.00 each in NSTP (89.62% of NSTP's issued and paid-up capital)
- Through the Proposed Delisting, Media Prima will extend a voluntary general offer to acquire all the remaining ordinary shares of RM1.00 each in NSTP not already owned by Media Prima for an offer price of RM2.40 per NSTP share (10.4% of NSTP's issued and paid-up capital).

Consideration: Issuance of six (6) MPB Shares at an issue price of RM2.00 each and one (1) new MPB warrant for free, for every five (5) NSTP Shares accepted.

- The Proposed Delisting and Exit Offer is the last mile in MPB's acquisition of NSTP. Tentative timeline is set out below:

Date	Timeline
End June	NSTP's EGM to approve the delisting exercise Once approved, MPB to serve Notice of Exit Offer to NSTP's BOD
Early August	First Closing of Exit Offer and delisting of NSTP
Early September	De-listing of NSTP
End September	Closing of Exit Offer and Completion

THANK YOU

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Inquiries, Suggestions and Comments
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Note:

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