



# Investor Presentation

Proposed merger of PT Surya Citra Media Tbk (“SCMA”) and  
PT Indosiar Karya Media Tbk (“IDKM”)

19<sup>th</sup> February 2013

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# Summary merger terms

- The merger proposal recommended to SCMA and IDKM shareholders is that each 1 IDKM share shall be swapped into 0.481 SCMA shares
  - The ratio is based on the independent appraised values of Rp. 2,171 per share for SCMA and Rp 1,044 per share for IDKM
  - Based on the closing price of Rp. 2,250 for SCMA on 18 February 2013 the implied price for IDKM is Rp. 1,082 per share, which represents a premium of 9.3% for IDKM shareholders relative to the closing price of Rp. 990 per share
- PT Surya Citra Media Tbk shall be the remaining listed company post merger
- Existing SCMA and IDKM shareholders will own 67% and 33% of the merged entity respectively
- SCMA and IDKM management expect that the merger can be completed on a tax neutral book value basis



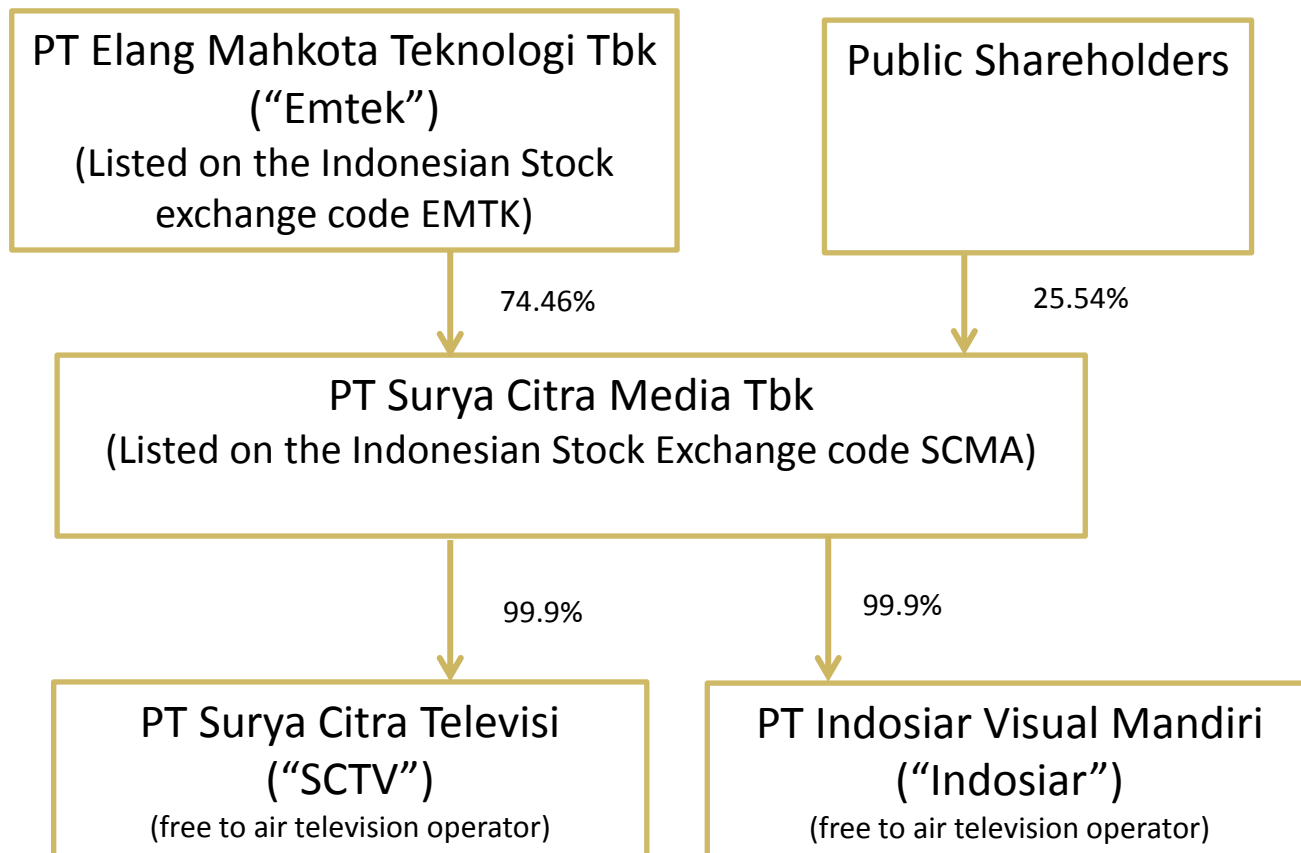
# Summary merger terms

- Post merger, the market capitalization of SCMA will be Rp. 32,898 billion (USD3,399 million) with an enterprise value of Rp. 32,359 billion (USD 3,343 million), based on the market closing price on 18<sup>th</sup> February 2013 for SCMA of Rp 2,250 per share

Value date 18/2/2013  
 USD:IDR 9,680 (Bank Indonesia mid rate)

|                       | SCMA          |            | IDKM           |            | SCMA Post Merger |            |       |
|-----------------------|---------------|------------|----------------|------------|------------------|------------|-------|
|                       | IDR           | USD        | IDR            | USD        | IDR              | USD        |       |
| Share Price           | 2,250         |            | 990            |            | 2,250            |            |       |
| Shares on Issue       | 9,750,000,000 |            | 10,128,069,095 |            | 14,621,601,234   |            |       |
| Market Capitalization | m             | 21,937,500 | 2,266          | 10,026,788 | 1,036            | 32,898,603 | 3,399 |
| Debt 31/12/12         | m             | 250,000    | 26             | 247,700    | 26               | 497,700    | 51    |
| Cash 31/12/12         | m             | 927,423    | 96             | 109,502    | 11               | 1,036,925  | 107   |
| Enterprise Value      | m             | 21,260,077 | 2,196          | 10,164,986 | 1,050            | 32,359,378 | 3,343 |

# Post merger group structure



# Clear strategic rationale for merger

- Strong cash flow generating television business in SCTV matched with growth profile of Indosiar
- Increased opportunity to extract synergies from operating two television stations
- Streamlined governance arrangements achieved through the merger
- The merged entity will achieve an improved position in the Indonesian Stock Exchange Index. SCMA post merger will have a market capitalization of Rp. 32.9 trillion (at a closing price of Rp 2,250 per share) which would make it the 35th largest company in the Jakarta Composite Index (as measured by Bloomberg)
- The enlarged holding company, SCMA, will have an improved free float of shares. SCMA post merger will have a total of 14.62m shares on issue and the free float will be 3.73m shares
- SCMA and IDKM shareholders have expressed a strong interest in having the two television channels held by one holding company



# Indicative transaction timetable

19 February 2013

- Announcement date

21 March 2013

- Notice of shareholder meeting of IDKM and SCMA

5 April 2013

- Shareholders Meeting IDKM and SCMA

24 April 2013

- Estimated last trading day for IDKM shares on IDX

1 May 2013

- Estimated effective date of merger



# Recommendation and approvals

- The board of directors of each of SCMA and IDKM recommend the merger
- The merger requires the approval of shareholders of each of SCMA and IDKM at extraordinary general meetings (EGMs) of those companies
- Other conditions of the merger are:
  - Approval of the Indonesian Financial Services Authority (OJK) is required prior to the EGMs
  - Approval of the Indonesian Ministry of Law and Human Rights is required after the EGMs

# Combined audience share F2012

- The combined audience shares (all demographics 5+) for SCTV and Indosiar for F2012 are as detailed below:

|       | PRIME TIME |               |                |
|-------|------------|---------------|----------------|
|       | ALL TIME   | (18.00-22.59) | NON PRIME TIME |
| SCMA  | 15.4%      | 13.6%         | 16.4%          |
| IDKM  | 9.8%       | 10.7%         | 9.3%           |
| Total | 25.2%      | 24.3%         | 25.7%          |

Source AC Nielsen

- In January 2013, SCTV achieved the number one position in All Time for 3 consecutive weeks (out of 4) with audience share of 18.6% (wk1); 18.8% (wk 2) and 17.9% (wk 3). January audience share for All Time was 18.0%
- Indosiar had a softer start to the year with All Time audience share of 8.0% in January 2013, but several new shows are expected to improve audience share in the short term



# Financial results 2012 for SCMA and IDKM

- The audited financial results for SCMA and IDKM for F2012 are tabled below. SCMA had an improved second half in F2012 and Indosiar continued its substantial improvement on 2011

| Rp millions                | SCMA<br>F2012 | Growth on<br>F2011 | IDKM<br>F2012 | Growth on<br>F2011 |
|----------------------------|---------------|--------------------|---------------|--------------------|
| Revenue                    | 2,240,085     | (2.9%)             | 1,037,419     | 21.1%              |
| Gross Profit               | 1,548,783     | (3.1%)             | 595,725       | 153.8%             |
| <i>Gross Profit Margin</i> | 69.1%         |                    | 57.4%         |                    |
| EBITDA                     | 1,239,150     | (2.6%)             | 406,379       | 286.2%             |
| <i>EBITDA Margin</i>       | 55.3%         |                    | 39.2%         |                    |
| Net Income                 | 913,013       | 0.0%               | 257,088       | NA                 |
| <i>Net Income Margin</i>   | 40.8%         |                    | 24.8%         |                    |
| EPS                        | 93.98         |                    | 25.38         |                    |

# Proforma financial results merged entity F2012

- The proforma financial results for F2012 for SCMA show an EPS of Rp 80 per share

| Rp millions                | SCMA Post Merger*<br>Proforma 2012 |
|----------------------------|------------------------------------|
| Revenue                    | 3,277,282                          |
| Gross Profit               | 2,148,313                          |
| <i>Gross Profit Margin</i> | 65.6%                              |
| EBITDA                     | 1,645,529                          |
| <i>EBITDA Margin</i>       | 50.2%                              |
| Net Income                 | 1,170,100                          |
| <i>Net Income Margin</i>   | 35.7%                              |
| EPS                        | 80.03                              |

\* Assumes merged 01/01/12, and all shares on issue for whole of year



# Board structure SCMA post merger

- The Board of Commissioner and Directors of SCMA will be restructured post merger as follows:

## Board of Commissioners

|  |                  |
|--|------------------|
| President Commissioner                   | Raden Soeyono    |
| Vice President Commissioner, Independent | Suryani Zaini    |
| Commissioner, Independent                | Glenn M.S. Yusuf |
| Commissioner                             | Jay Wachter      |

## Board of Directors

|                         |                    |
|-------------------------|--------------------|
| President Director      | Sutanto Hartono    |
| Vice President Director | Alvin Sariaatmadja |
| Director (Unaffiliated) | Lie Halim          |
| Director                | Harsiwi Achmad     |
| Director (Unaffiliated) | Grace Wiranata     |



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Thank You