



INVESTORS' RELEASE – 30 March 2015
PT SURYA CITRA MEDIA Tbk.

SCM FY 2014 RESULTS ANNOUNCEMENT

(All figures are audited and in Rupiah billion unless otherwise stated)

PT Surya Citra Media Tbk (“SCM”), its wholly owned television subsidiaries PT Surya Citra Televisi (“SCTV”) and PT Indosiar Visual Mandiri (“IVM”) and its 51% owned production house subsidiary PT Screenplay Produksi (“Screenplay”) are pleased to announce their consolidated results for FY 2014.

PT Indosiar Karya Media Tbk (“IKM”) was merged into SCM on 1 May 2013. Screenplay was acquired by SCM from PT Elang Mahkota Teknologi Tbk on 28 June 2013. In accordance with Indonesian accounting standards, the 2013 financial statements reflect the financial position and results of operations as if the transactions for the merger of IKM and the acquisition of Screenplay had occurred at the beginning of that presentation period.

Audience Share

SCTV’s All Time average audience share for the FY 2014 increased by 0.6 points to 17.1% compared to the previous corresponding period. IVM’s average audience share increased by 3.4 points to 11.9%. The resulting combined average audience share for SCM was 29.0%, an increase of 4.0 points from 25.0% in the previous corresponding period. SCTV held the No. 1 All Time market position during 10 months in FY 2014 and improved its average ranking from No. 2 to No. 1, and IVM improved its average ranking from No. 6 to No. 3.

Figure 1: Average Audience Shares - All Demographics 5+

Channel/Year	FY 2013	FY 2014	% Change
SCTV	16.5	17.1	3.6
RCTI	17.7	15.1	-14.7
IVM	8.5	11.9	40.4
TRANS	12.4	10.8	-12.9
MNCTV	11.2	9.6	-14.3
ANTV	6.9	11.8	71.0
TRANS7	11.3	8.3	-26.5
TVONE	4.4	4.7	6.8
GTV	7.3	6.2	-15.1
METRO	2.1	2.8	33.3

In the last nine months of 2014, SCTV experienced a substantial improvement in both audience share and market position, with most of the gains coming as a result of the drama series *Ganteng Ganteng Serigala*, which was the top ranking show over the last nine months, and the continuing good performance of *Diam Diam Suka* and *Emak Ijah Pengen Ke Mekah*. SCTV spent the last 9 consecutive months of FY 2014 as the No. 1 ranking television station in Indonesia for the All Time All 5+ Demographics, and also the last 8 consecutive months as No. 1 in Prime Time. IVM ranked a solid 3rd in both categories during FY 2014.

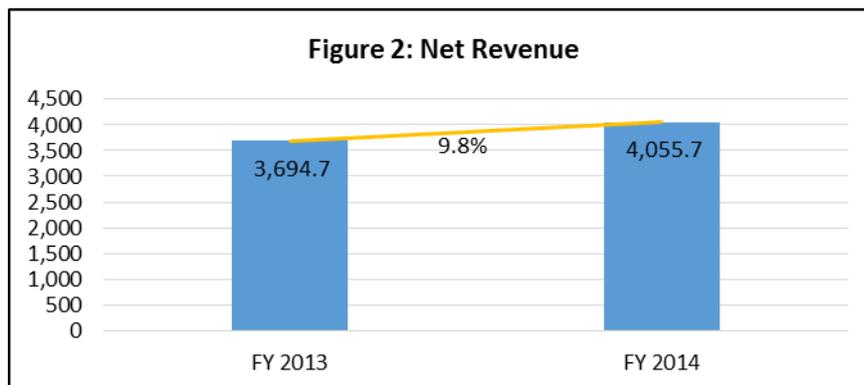


Revenue Growth

SCTV achieved net revenues of Rp 2,716.7 billion for FY 2014, growing by 3.6%, and IVM achieved revenues of Rp 1,422.3 billion, up by 31.6% from FY 2013. As SCTV contributed 67.0% of SCM's television revenues, the total net revenue grew 9.8%.

Revenue growth at both SCTV and IVM was lower than what might have been achieved given the audience share improvement at each station. This was attributable to lower advertising volumes in each quarter of the second half resulting from external and internal factors. Externally, a slowdown in advertising expenditure was experienced in the second half with political and macro headwinds weighing on the FMCG sector after the election. With President Jokowi's Government now in office, and the Cabinet appointed, we expect that underlying sentiment holding back advertising spend will turn more positive going into 2H 2015.

Internally, SCM sought to implement a strategy to improve its revenue mix. SCM's goal during the second half was to reduce the contribution of lower value CPRP advert sales and replace them with higher value spot advert sales, built-in advertising and sponsorships. The strategy has enabled a higher net rate card in certain slots by the last quarter of the year. We expect some recovery in advertising volumes during 2015.



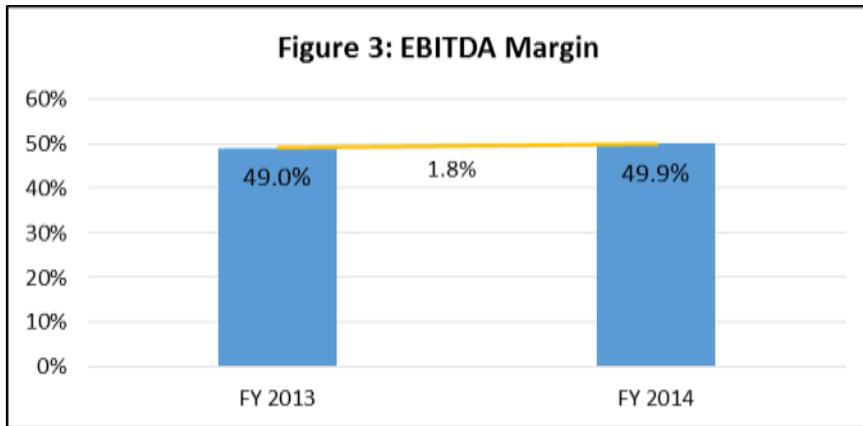
Profit Growth

SCM's gross profit in FY 2014 increased to Rp 2,585.7 billion, up 11.7% from FY 2013. The increase in gross profit was greater than revenue growth due to the relatively lower increase in programming costs for SCM for the period. SCTV experienced 11.7% higher program costs, whilst IVM experienced a smaller increase in program costs of 4.0%. The overall increase in programming costs on a consolidated basis was 6.5%.

The increase in SCTV's programming costs relates to a combination of factors including: a) additional incentive payments for the strong performance of sinetron aired on SCTV; b) accounting policy change; and c) more hours of soccer content with an accompanying depreciation of the Rupiah against the USD (refer Costs and Expenses below). The effects of IVM's programming shift to in-house content enabled a smaller increase in cost of program at IVM.

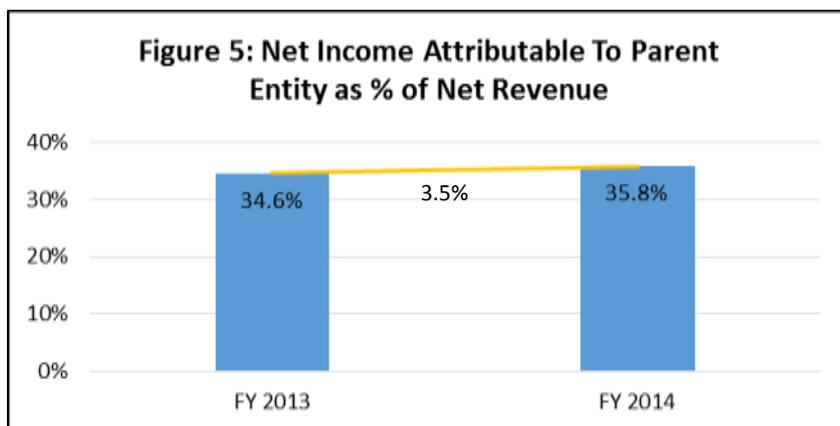
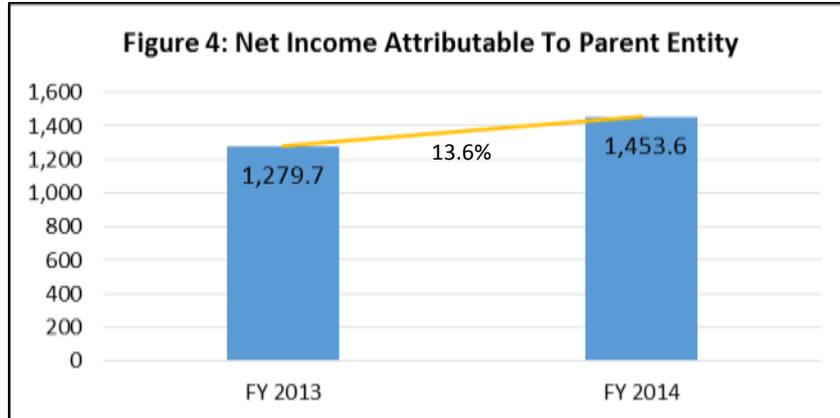


The gross margin achieved by SCTV was 62.6% and for IVM was 56.6%. EBITDA for FY 2014 increased by 11.8% to Rp 2,025.6 billion from Rp 1,811.2 billion in FY 2013. As shown in Figure 3, the achieved EBITDA margin was 49.9%, an increase of 0.9 points over FY 2013.



Depreciation increased 6.2% to Rp 112.7 billion. Net cash outflows used in investing were Rp 186.7 billion, as we completed construction of our digital transmission towers in several areas as required under our digital license commitments, upgraded video and studio equipment, and also upgraded our media assets management system.

Net income attributable to the parent company grew by 13.6% year-on-year to Rp 1,453.6 billion with the net income margin attributable to the parent company increasing to 35.8%.



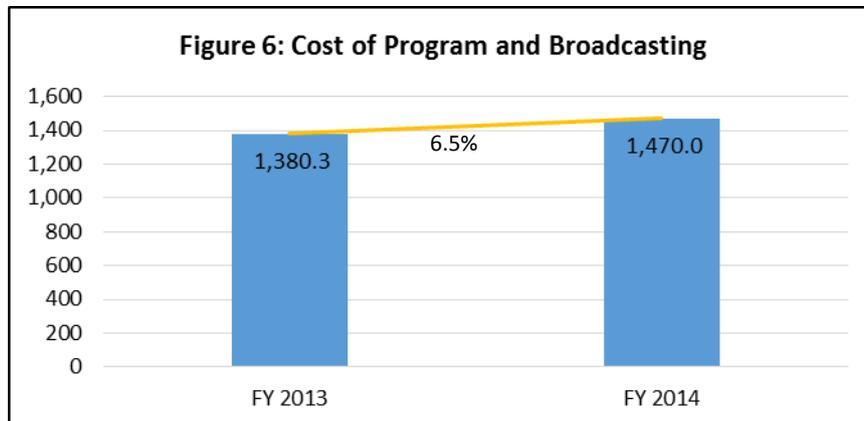


Costs and Expenses

As shown in Figure 6 below, Cost of Program and Broadcasting increased 6.5% year-on-year. The low increase in the cost of program and broadcasting is mostly due to the effect of running more complementary programming schedules at SCTV and IVM, with IVM allocating more hours to cheaper in-house produced formats. SCTV had higher program costs mainly due to the introduction of more soccer programming to improve audience share including the Indonesian U-19 national soccer team, and the Barclays Premier League (with a full year of program in 2014 versus five months in 2013). The international soccer content is USD cost and therefore was also adversely impacted by a weaker Rupiah which depreciated over 14% on average during the year 2014.

The policy change to increase the amortization of sinetron (drama series) programs commencing in 2014 also increased programming costs relative to 2013, with sinetron representing most of SCTV's Prime Time programming. In addition, SCTV paid incentives for the strong performance of the drama series which increased the costs of that program for the period (refer Accounting Policy under Other Matters below).

An accounting policy change relating to production personnel costs in SCTV had the effect of increasing cost of program and decreasing operating expenditure. IVM also reallocated transmission costs from operating expenses to cost of broadcast. These changes were made to align the accounting treatment of SCTV and Indosiar (refer Accounting Policy under Other Matters below).

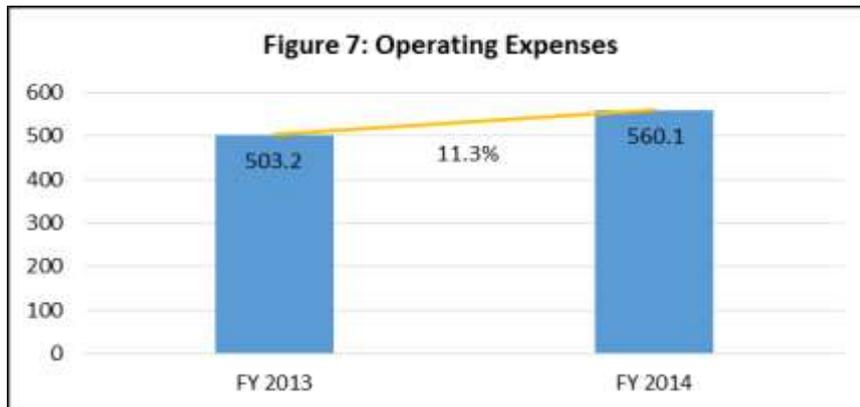


In the last 9 months of 2014 IVM was able to reduce its Cost of Program and Broadcasting as a result of changes to its program strategies, replacing more expensive drama sinetron in Prime Time with in-house produced talent, variety and entertainment shows with a lower cost base. IVM substantially improved its ability to produce high quality programs using international formats such as *The Voice* in 2013 and *New Family 100*.

The year 2014 is also the year when IVM repositioned itself after the merger by introducing an in-house talent show called *D Academy*, which became the No. 1 rating Prime Time television program in the second quarter of 2014, and its spin-off variety show called *D'T3Rong*.

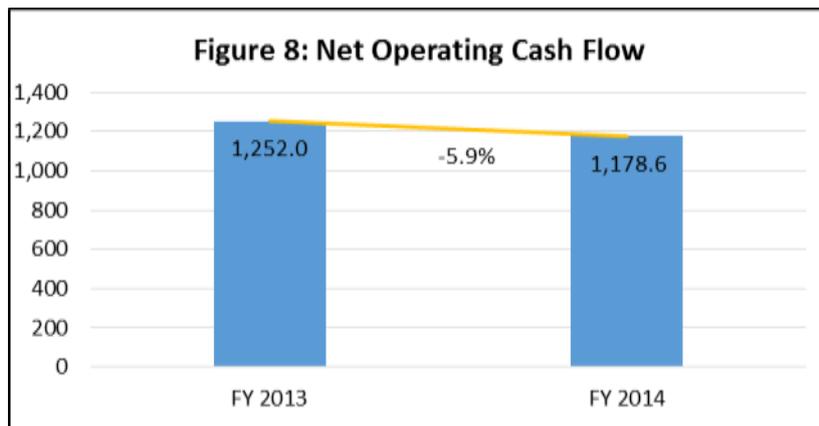


Operating expenses increased by 11.3% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues increased by 0.2 points to 13.8% primarily due to a salary adjustment increase of 7%, a 15% increase in the cost of electricity, aligning of insurance in-patient benefits between SCTV and IVM, changes to insurance regulations which almost doubled the cost of insurance, and an increase in outsourcing costs to comply with minimum salary increases mandated by the Government. Employee salaries and benefits costs constitute over 69% of the operating expenses.



Cash Flow

Net operating cash flow decreased by 5.9% year-on-year to Rp 1,178.6 billion. The decrease primarily resulted from an increase in receivables from slower collections and increased payments to suppliers relating to the advance payment for soccer programs. The receivables days increased as a result of a slower advertising market in the second half and the adoption of prudent policy on discounts for early payment.



Investment cash outflows decreased by 47.8% to Rp 186.7 billion, mostly due to a Rp 242.25 billion payment in 2013 as part of the acquisition of a 51% majority stake in Screenplay.

Financing cash outflows of Rp 807.9 billion primarily relate to dividends paid in Q3 2014 of Rp 745.7 billion.

The free cash flow for FY 2014 was Rp 991.9 billion resulting in a closing cash balance of Rp 1,246.1 billion.



Dividends

SCM paid a final dividend for the 2013 financial year of Rp 51 per share in September 2014. The total dividend paid for 2013 was Rp 66 per share.

Other Matters

Update on Tax Case

In regard to the legal proceedings against the Director General of Tax (DGT) relating to the tax treatment of the merger of SCM and PT Indosiar Karya Media Tbk (refer SCM's announcement of January 15, 2014), the Panel of Judges of the Administrative Court in the Hearing Session on July 3, 2014 decided in favor of SCM. Furthermore, the Panel of Judges of the Tax Court, in its Decision No. 54110/PP/M.XIVB/99/2014, which was read in the Hearing Session on July 16, 2014, also decided in favor of SCM, thereby annulling the DGT Decision Letter and ordering the DGT to issue its approval on SCM's application to use the net book value on the assets transferred in relation to the merger ("Court Awards").

On September 18, 2014, DGT filed an appeal to the Administrative Court and SCM received the appeal notice on September 22, 2014. SCM submitted its response to the appeal to the Administrative High Court in Jakarta on October 17, 2014. On 20 November 2014, SCM received the decision of the Panel of Judges of the State Administrative High Court No. 268/B/2014/PT.TUN.JKT dated 23 October 2014 ("Appeal Award"). The Appeal Award, which was in favor of SCM, reaffirmed the Administrative Court Award.

DGT also filed an appeal to the Supreme Court on 6 January 2015 in regard to the High Court Decision, and the appeal notice was received by SCM on 15 January 2015. SCM submitted its response to the appeal on 28 January 2015, however until to date, SCM has not yet received the ruling.

On 29 January 2015, as the implementation of the Tax Court's Decision No. PUT.54110/PP/M.XIVB/99/2014, DGT has issued to the Company the following decision letters: (1) Decision No. 231/WPJ.07/2015 concerning cancellation and revocation of DGT Decision Letter, effective as of the date of the decision letter, and (2) Decision No. 232/WPJ.07/2015 concerning approval for implementing the net book value on the assets transferred for the merger, effective from May 1, 2013.

Accounting Policy

SCM adjusted its program amortization policy for drama series in 2014, to a more conservative basis. Previously SCTV amortized 70% of its drama series on the first run. This increased to 90% in Q2 2014 with retrospective effect since Q1 2014. Amortization of drama series broadcast on IVM will reduce from 100% amortization to 90%. The net impact increased the cost of drama in SCM's program schedule (on a constant cost basis). The FTV amortization schedule was also changed, reducing the first run from 70% in SCTV and 100% in IVM to 50%, and extending the amortization period over three runs. This change reflects the television networks' ability to rebroadcast FTV over time. The changes will primarily



impact SCTV due to the amount of drama series and FTV broadcast. Inventory balances will be impacted by the net effect of these changes to amortization.

Also, for further accounting alignment between SCTV and IVM, SCM has reallocated the costs of production personnel into the cost of program for SCTV. This has moved some of the employee costs from operating expenses to cost of program over the course of the year. IVM also has moved its transmission cost from operating expenses to cost of program. The end result is that there has been a cost of programming increase in 2014 but a corresponding reduction in operating expenses.

For the Q1, 1H and 9M SCM Investors' Releases', the 2013 operating expenses numbers had not been adjusted to reflect these changes in accounting policy, whereas for this FY 2014 Investors' Release, the FY 2013 operating expenses number has been adjusted so that we have a like-for-like FY 2014 vs FY 2013 comparison.

Digital Television Broadcasting

On June 13, 2014, the Indonesian Association of Local Television (ATVJ) commenced proceedings against the Ministry of Communication and Information in relation to the issuance of multiplex licenses to operate digital terrestrial broadcast. The proceedings are before the State Administrative Court (PTUN) Jakarta.

On September 18, 2014, the subsidiaries of SCM holding multiplex licenses in various regions were admitted by the Court to represent their interests in the legal proceedings.

On March 5, 2015, the panel of judges of the PTUN decided to postpone the implementation of all of the Ministry of Communication and Information's decisions that issued the multiplex licenses to operate Digital free to air television, and declared such decisions null and void, and ordered the Ministry to revoke all of its decisions related to the issuance of such multiplex licenses, including the licenses granted to SCM's subsidiaries.

On March 18, 2015, SCM's subsidiaries together with the Ministry and other TV stations filed an appeal to the Administrative High Court in order to protect their interests. There is no contingent liability for SCM's subsidiaries as a result of this decision by the PTUN.



Figure 9:
PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Full Year Periods Ended Dec 31 2013 and 2014
(in Rp million)

	FY 2013*	FY 2014	% change
Net revenue	3,694,748	4,055,702	9.8%
Program and Broadcasting	1,380,335	1,469,959	6.5%
Gross Profit	2,314,413	2,585,743	11.7%
<i>as % of Net Revenue</i>	62.6%	63.8%	
Operating Expenses	503,187	560,113	11.3%
<i>as % of Net Revenue</i>	13.6%	13.8%	
EBITDA	1,811,226	2,025,630	11.8%
<i>as % of Net Revenue</i>	49.0%	49.9%	
Depreciation & Amortization	106,051	112,655	6.2%
EBIT	1,705,175	1,912,975	12.2%
<i>as % of Net Revenue</i>	46.2%	47.2%	
Interest Income/(Expenses)	5,309	217	-95.9%
Other Income/(Expenses)	53,611	3,900	-92.7%
EBT	1,764,095	1,917,092	8.7%
<i>as % of Net Revenue</i>	47.7%	47.3%	
Tax	448,139	468,818	4.6%
Net Incomes before effect of proforma adj	1,315,956	1,448,274	10.1%
<i>as % of Net Revenue</i>	35.6%	35.7%	
Proforma Adjustment	(30,059)	-	-100.0%
Net Income	1,285,897	1,448,274	12.6%
<i>as % of Net Revenue</i>	34.8%	35.7%	
Net Income attributable to :			
Parent Entity	1,279,679	1,453,644	13.6%
<i>as % of Net Revenue</i>	34.6%	35.8%	
Non Controlling Interest	6,218	(5,369)	-186.4%
EPS (Rp Per share) in full amount	87.52	99.42	13.6%
<i>* shows effect of reallocation of operating expenses to cost of broadcast</i>			



Figure 10
PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statements of Financial Position
As of Dec 31
(in Rp Million)

	Dec 31, 2013	Dec 31, 2014
ASSETS		
Current Assets		
Cash & cash equivalents	1,043,283	1,246,109
Other current financial assets	-	2,541
Trade Receivables	995,301	1,269,611
Other Receivables	19,383	21,763
Inventories	374,639	462,439
Advances and prepaid expenses	137,327	197,250
Prepaid taxes	234	652
Total Current Assets	2,570,167	3,200,366
Non-Current Assets		
Due from related party		
Advances for purchase of fixed assets	30,629	35,664
Deferred tax assets	59,543	69,497
Fixed assets - net	724,970	761,978
Intangible assets - net	445,237	445,237
Investment in an associated company	-	24,057
Estimated claims for tax refund	14,535	26,144
Prepaid long-term rent	142,969	137,523
Other non-current assets - net	22,115	27,969
Total Non-Current Assets	1,439,999	1,528,070
TOTAL ASSETS	4,010,166	4,728,436
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	197,641	230,806
Other payables	107,413	104,512
Accrued expenses	235,469	246,909
Taxes payable	91,904	126,581
Current maturities of long term liabilities	51,484	101,630
Other current liabilities	21,788	8,720
Financing payables		
Total Current Liabilities	705,700	819,158
Non-Current Liabilities		
Long-term liabilities - net of current maturities:		
Financing payable	668	1,505
Due to a related party	448,324	348,396
Liabilities for employees benefits - net	66,018	81,189
Total Non-Current Liabilities	515,010	431,090
TOTAL LIABILITIES	1,220,709	1,250,248
EQUITY		
Share capital - issued and fully paid	731,080	731,080
Additional paid-in capital	281,906	281,906
Retained earnings	1,724,867	2,432,821
Treasury stock	(41)	(41)
Non-controlling interest	51,645	32,422
TOTAL EQUITY	2,789,457	3,478,188
TOTAL LIABILITIES & EQUITY	4,010,166	4,728,436



Figure 11
PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statements of Cash Flows
For the Year Ended Dec 31
(in Rp million)

	YTD 2013	YTD 2014	% change
Net cash provided by operating activities	1,251,987	1,178,602	-5.9%
Net cash used in investing activities	(357,746)	(186,717)	-47.8%
Free cash flow	894,241	991,886	10.9%
Net cash used in financing Activities	(935,737)	(807,887)	-13.7%
Net increase (decrease) in cash and cash equivalents	(41,497)	183,999	-543.4%
Cash and cash equivalents at beginning of year	1,065,760	1,043,283	-2.1%
Effect of changes in foreign exchange rates on cash and cash equivalents	19,019	18,828	-1.0%
Cash and cash equivalents at end of year	1,043,283	1,246,109	19.4%

Investor Relations contact details:

Olle Wennerdahl
 Investor Relations, SCM
 E-mail: olle.wennerdahl@scm.co.id
 Phone: +62 21 7278 2066 ext. 8231
 Fax: +62 21 7278 2194
www.scm.co.id

Disclaimer Notice: PT Surya Citra Media Tbk and its employees make no representations or warranties as to the adequacy, completeness, suitability or alike for any purpose of the information contained in this release, and disclaim liability for any error or omissions therein and for any damages whatsoever or howsoever arising, including from any action taken in reliance on any information in this release.