INVESTORS' RELEASE – 23 July 2014
PT SURYA CITRA MEDIA Tbk.

SCM 1H 2014 RESULTS ANNOUNCEMENT

(All figures are un-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 subsidiary PT Screenplay Produksi ("Screenplay") are pleased to announce their consolidated results for 1H 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 average audience share for the six months ended 30 June 2014 declined by 0.4 points to 16.1% compared to the previous corresponding period. IVM's average audience share increased by 4.6 points to 12.8%. The resulting combined average audience share for SCM was 28.9%, an increase of 4.2 points from 24.7% in the previous corresponding period. SCTV held the No. 1 All Time market position during 4 months in 1H 2014 and improved its average ranking from No. 2 to No. 1, and IVM has improved its average ranking from No. 6 to No. 4.

Figure 1: Average Audience Shares - All Demographics 5+

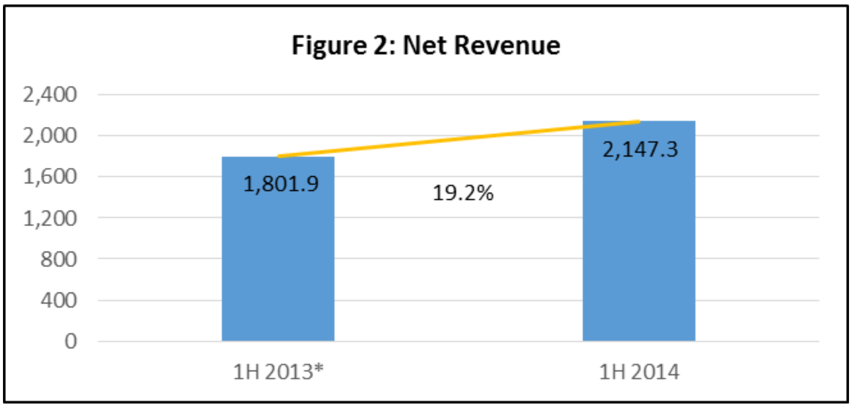
Channel/Year	1H 2013	1H 2014	% Change
SCTV	16.5	16.1	-2.4
RCTI	18.7	14.6	-22.2
IVM	8.2	12.8	55.7
TRANS	11.1	13.2	19.3
MNCTV	11.7	9.6	-17.7
ANTV	6.4	9.9	54.4
TRANS7	11.9	8.8	-26.5
TVONE	4.7	4.6	-2.8
GTV	7.2	6.4	-10.7
METRO	2.1	2.6	22.4

In the last three months of 1H 2014, SCTV has experienced a substantial improvement in both audience share and market position, with most of the gains coming as a result of the introduction of a new drama series 'Ganteng Ganteng Serigala' which has been the top ranking show in prime time throughout 2Q , and the continuing good performance of 'Diam

Diam Suka'. SCTV spent the entire 2Q as the No. 1 ranking television station in Indonesia for the All Time All 5+ Demographics, and the last 2 months of 2Q as No. 1 in Prime Time also.

Revenue Growth

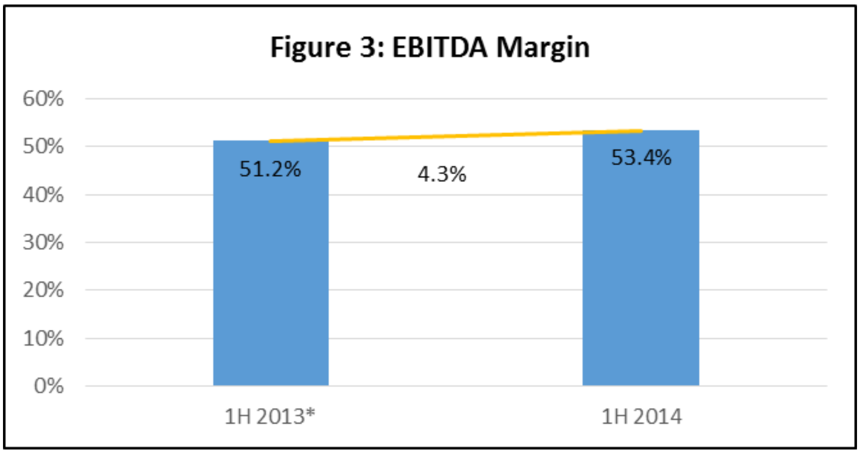
SCTV achieved net revenues of Rp. 1,373.4 billion for 1H 2014, growing by 12.1%, and IVM achieved revenues of Rp. 779.7 billion, up by 35.8% from 1H 2013. As SCTV contributed 63.7% of SCM's television revenues the total net revenue grew 19.2%. Revenue growth at both SCTV and IVM is lower than what might have been achieved had management opted to maximize revenue instead of taking the strategic decision to try and significantly reduce the number of adverts sold on a CPRP basis. With improved audience share across both channels for the entire 1H 2014, SCM is seeking to reduce the contribution of lower value CPRP advert sales and replace them with higher value spot advert sales. We expect this strategy to translate into higher average effective rate cards on both channels in 2H 2014.



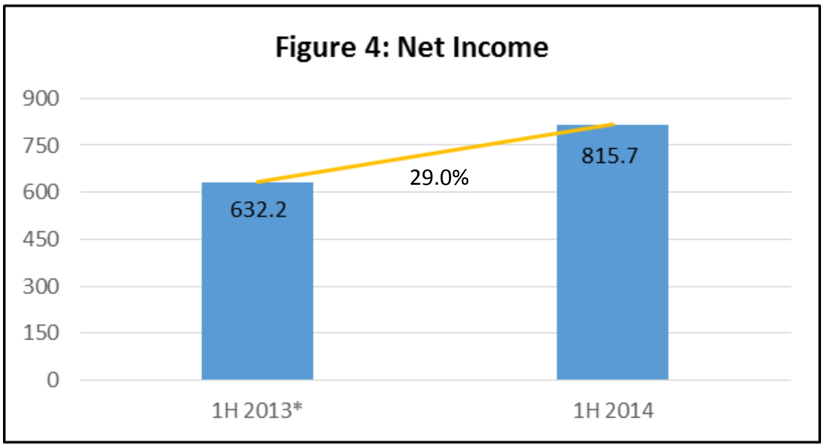
Profit Growth

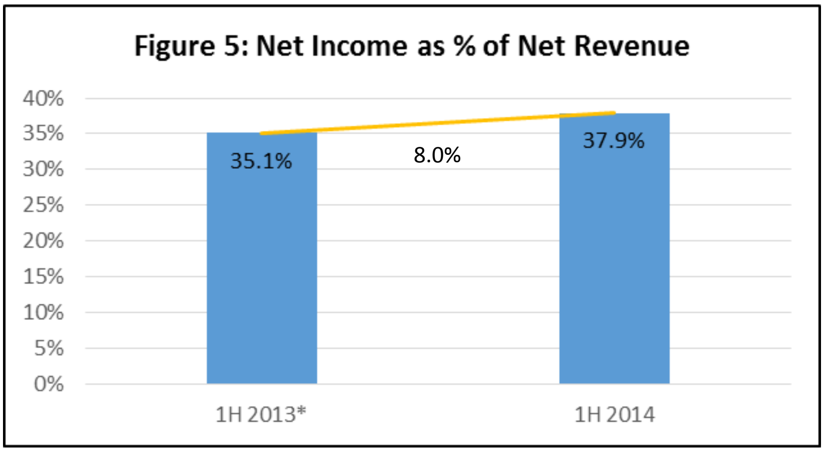
SCM's gross profit in 1H 2014 increased to Rp. 1,430.2 billion, up 17.5% from 1H 2013. The increase in gross profit was lower than revenue growth due to the increased programming spending for both SCTV and IVM relative to the previous corresponding period. For SCTV, the introduction of additional sports programming contributed to cost increases. For IVM the cost of program increases reflect the continued showing of drama series and FTV in the first few months of the year, with changes to in-house programming not occurring until mid-February (refer Costs and Expenses below). Revenue growth generally trails audience share growth and the positive revenue impact of the improved Prime Time audience share by SCTV should therefore be more noticeable from 3Q 2014. The gross margin achieved by SCTV was 62.3% and for IVM was 67.8% - an increase for IVM of 15.8 points since the end of 1Q 2014.

EBITDA for 1H 2014 increased by 24.2% to Rp. 1,146.0 billion from Rp. 922.4 billion in 1H 2013. As shown in Figure 3, the achieved EBITDA margin was 53.4%, up from 51.2% in 1H 2013.



Net income attributable to the parent company grew by 29.0% year-on-year, as shown in Figure 4. The higher growth in Net Income relative to EBITDA primarily relates to a proforma accounting adjustment to 2Q 2013 Net Income relating to the acquisition of Screenplay. Depreciation increased 1.2% to Rp. 53.4 billion.

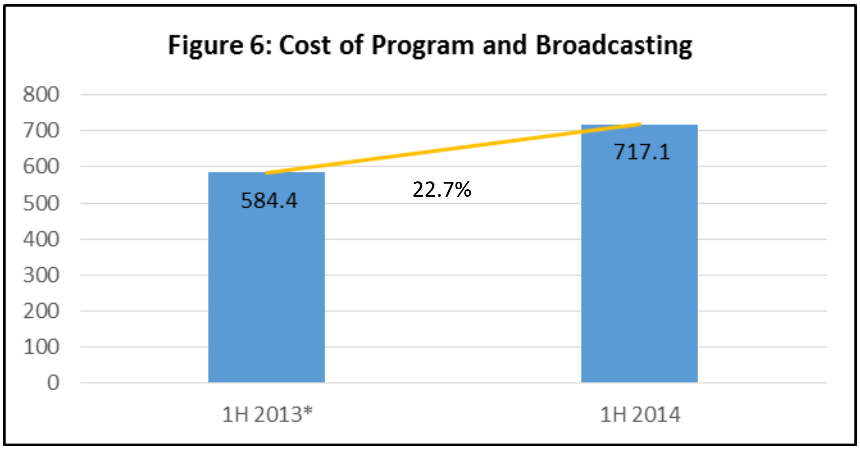




Costs and Expenses

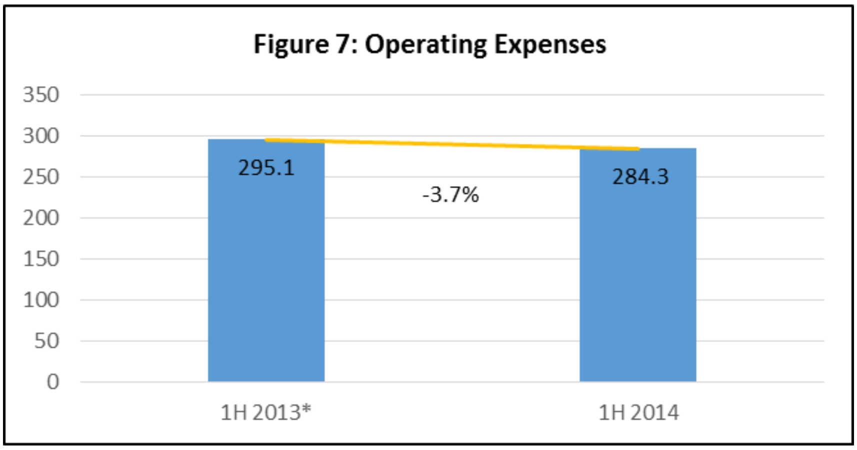
As shown is Figure 6 below, Cost of Program and Broadcasting increased 22.7% year-on-year, mainly due to: the introduction of more soccer programming including the Indonesian U-19 national soccer team to improve audience share; the Barclays Premier League targeted at broadening SCTV's target audience; and the replacement of Korean drama series with fresh FTV and local drama series in IVM, which were only discontinued in the second half of February.

In 2Q 2014 IVM has been 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 significantly lower cost base. With the current program strategy for IVM the lower program costs are expected to continue in the second half. IVM has substantially improved its ability to produce high quality programs using international formats such as The Voice, and has more recently produced the No. 1 rating Prime Time television program, a talent show called 'D Academy', a spin-off variety show called D'T3Rong and an upcoming talent show called Mama-Mia.



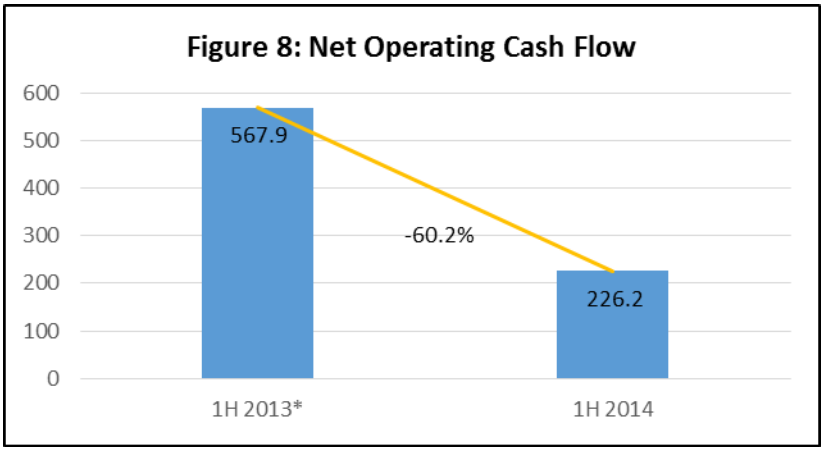
The overall Cost of Programming in FY 2014 will be impacted by changes to the amortization policy for certain programs and the reallocation of some operating expenses to production costs for production employees (refer Accounting Policy under Other below).

Operating expenses decreased by 3.7% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues decreased by 3.2 points to 13.2% primarily as the result of an accounting policy change to reallocate production employee expenses to the cost of programming. Employee salaries and benefits costs constitute 60% of the operating expenses.



Cash Flow

Net Operating Cash Flow decreased by 60.2% year-on-year to Rp. 226.2 billion. The decrease primarily resulted from an increase in receivables from slower collections and increased payments to suppliers consistent with the increase in programming costs.



Investment cash outflows decreased by 42.4%, mostly due to lower requirement for investments in studio and broadcasting equipment.

Financing cash outflows of Rp. 8.5 billion primarily relate to dividends paid to minority interests in 1Q 2014.

The free cash flow for 1H 2014 was Rp. 158.4 billion resulting in a closing cash balance of Rp. 1,209.2 billion.

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 Visual Mandiri Tbk (refer SCMA'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 SCMA. Furthermore, the Panel of Judges of the Tax Court, in its Decision No. 54110/PPMXIV/9/2014, which was read in the Hearing Session on July 16, 2014, also decided in favor of SCMA, thereby annulling the DGT Ruling and ordering the DGT to issue its approval ("Court Awards").

The merger of SCMA and IDKM has been effective as of May 1, 2013, in accordance with the effective letter from Otoritas Jasa Keuangan ("OJK") dated April 2, 2013, and the approval from the Minister of Law and Human Rights dated April 19, 2013. With the issuance of the Court Awards, SCMA's application for the implementation of the Tax Neutrality Principle is deemed to have been approved in accordance with the Tax Rules.

Should the DGT file an appeal or reconsideration request against the Court Awards, SCMA will take all necessary action, including appeal to the Supreme Court, if required, to have the said Court Awards affirmed by the relevant higher courts.

Accounting Policy

SCM has determined to adjust 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 will increase to 90% from Q2 2014. Amortization of drama series broadcast on IVM will reduce from 100% amortization to 90%. The impact will increase the cost of drama in SCMs program schedule (on a constant cost basis). The FTV amortization schedule will also change, reducing the first run from 70% to 50%, and extending the amortization period over three years. 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 determined to book the costs of production personnel in cost of program. This will move some of the employee costs from operating expenses to cost of program over the course of the year. The end result is that there will be cost of programming increases in 2014 as a result of accounting reallocation. The operating expenses should benefit from the reallocation.

Figure 9:
PT Surya Citra MediaTbk
Profit and Loss Statement
For The Years Ended 30 June 2013* and 2014
(In Rp. Billion)

	1H 2013*	1H 2014	% change
Net revenue	1,801.9	2,147.3	19.2%
Program and Broadcasting	584	717.1	22.7%
Gross Profit	1,217.5	1,430.2	17.5%
as% of Net Revenue	67.6%	66.6%	
Operating Expenses	295.1	284.3	-3.7%
as% of Net Revenue	16.4%	13.2%	
EBITDA	922.4	1,146.0	24.2%
as % of Net Revenue	51.2%	53.4%	
Depreciation & Amortization	52.8	53.4	1.2%
EBIT	869.7	1,092.6	25.6%
as % of Net Revenue	48.3%	50.9%	
Interest Income/(Expenses)	5.0	1.3	-74.7%
Other Income/(Expenses)	10.0	(6.5)	-165.5%
EBT	884.6	1,087.3	22.9%
as % of Net Revenue	49.1%	50.6%	
Tax	222.4	273.0	22.8%
Net Incomes before effect of proforma adj	662.2	814.3	23.0%
as % of Net Revenue	36.8%	37.9%	
Proforma Adjustment	(30.1)	-	-100.0%
Net Income	632.2	814.3	28.8%
as % of Net Revenue	35.1%	37.9%	
Net Income attributable to :			
Parent Entity	632.2	815.7	29.0%
Non Controling Interest	0.0	(1.4)	-14181%
EPS (Rp. Per share)	43.24	55.79	29.0%

** restated*

Figure 10
PT Surya Citra Media Tbk
Balance Sheet
as of 31 December 2013 and 30 June 2014
(In Rp. Billion)

	31 Dec 2013*	1H 2014
ASSETS		
Current Assets		
Cash & cash equivalents	1,043.3	1,209.2
Trade Receivables	995.3	1,580.0
Other Receivables	19.4	21.0
Inventories	374.6	436.6
Prepaid Expenses & advances	137.3	189.5
Other current assets	0.2	0.1
Total Current Assets	2,570.1	3,436.4
Non-Current Assets		
Advances for purchase of fixed assets	30.6	36.6
Deferred taxes	59.5	57.8
Fixed Assets - Net	725.0	734.1
Intagible assets	445.2	445.2
Prepaid long-term rent	143.0	141.5
Other non-current assets	36.6	42.2
Total Non-current Assets	1,439.9	1,457.4
TOTAL ASSETS	**4,010.0**	**4,893.8**
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	197.6	215.9
Other payables	107.4	112.3
Accrued expenses	235.5	239.3
Taxes payable	91.9	148.5
Dividend payable	-	745.7
Current maturities of Long term liabilities	21.8	101.1
Other current liabilities	51.5	16.4
Total Current Liabilities	705.7	1,579
Non-Current Liabilities		
Due to related parties	448.3	398.4
Liabilities for employees benefits	66.0	70.2
Long term portion of financing payable	0.7	2.8
Total Non-Current Liabilities	515.0	471.4
TOTAL LIABILITIES	**1,220.7**	**2,050.4**
EQUITY		
Share capital-issued & fully paid	731.1	731.1
Additional paid-in capital	281.9	281.9
Retained earnings	1,724.9	1,794.9
Treasury stock	(0.0)	(0.0)
Proforma Equity	-	-
Non-controlling interest	51.6	35.6
TOTAL EQUITY	**2,789.5**	**2,843.4**
TOTAL LIABILITIES & EQUITY	**4,010.2**	**4,893.8**
		-

* *restated*

Figure - 11
PT Surya Citra Media tbk
Cash Flow Statement
as of 30 June 2014
(In Rp. Billion)

	1H 2013*	1H 2014	% change
Net Cash provided by Operating Activities	567.9	226.2	-60.2%
Net Cash Used in Investing Activties	(117.7)	(67.8)	-42.4%
Free cash Flow	450.2	158.4	-64.8%
Cash Flows from Financing Activties	(702.5)	(8.5)	-98.8%
Net Increase in cash & cash Equivalent	(252.3)	149.9	-159.4%
Cash & Cash Equivalent Beginning of Year	1,065.8	1,043.3	-2.1%
Effect of exchange rate different on forex	-	16.1	100.0%
Cash & Cash Equivalent at End of Period	813.4	1,209.2	48.7%

** restated*

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