INVESTORS' RELEASE – 9 December 2013
PT SURYA CITRA MEDIA Tbk.

SCM 9M 2013 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 cumulative nine month results to the end of September 2013.

The 2012 consolidated financial results have been restated to include IVM, which was merged into SCM on 1 May 2013. Q3 2013 is also the first financial statement to include Screenplay in the consolidated results of SCM. Screenplay was acquired by SCM from PT Elang Mahkota Teknologi Tbk on 28 June 2013.

Audience Share

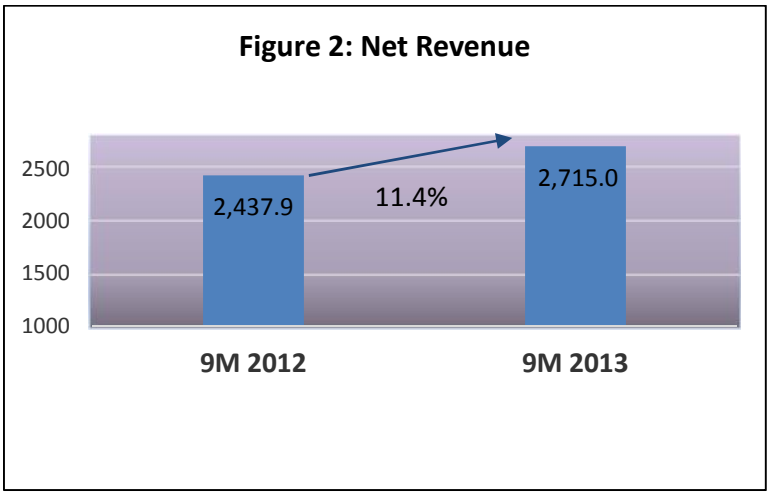
SCTV's average audience share for the nine months ended 30 September 2013 increased by 1.3 points to 16.6% compared to the previous corresponding period. IVM's average audience share declined by 1.3 points to 8.5%. The resulting combined average audience share for SCM was 25.1%, the same as for Q3 2012. SCTV consistently held its top 2 All Time market position during 2013 and IVM remains at number 6.

Figure 1: Average Audience Shares – All Demographic 5+

Channel/Period	9M 2012	9M 2013	% Change
SCTV	**15.3**	**16.6**	**8.4**
RCTI	15.6	18.2	17.0
IVM	**9.8**	**8.5**	**-13.3**
TRANS	11.5	11.4	-0.4
MNCTV	14.0	11.6	-17.4
ANTV	7.3	6.5	-10.9
TRANS7	12.3	11.7	-5.0
TVONE	3.9	4.6	18.5
GTV	6.9	7.2	5.0
METRO	2.3	2.1	-8.7

Revenue Growth

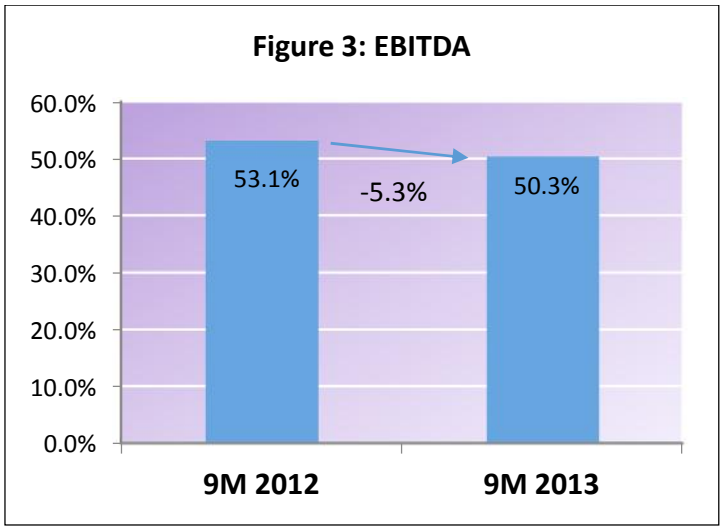
SCTV achieved net revenues of Rp 1,908 billion for Q3 2013, growing by 16.9%, and IVM achieved revenues of Rp 809 billion, flat on Q3 2012. As SCTV contributed 70% of SCM's revenues the total net revenue grew 11.4%. Whilst there was some softening in media spending in the third quarter due to macro-economic headwinds, the underlying fundamentals for growth in advertising revenues are in place.



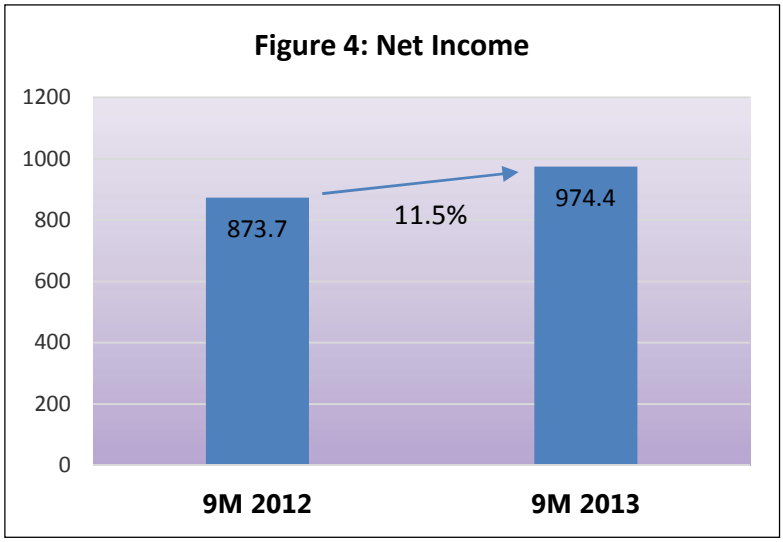
Profit Growth

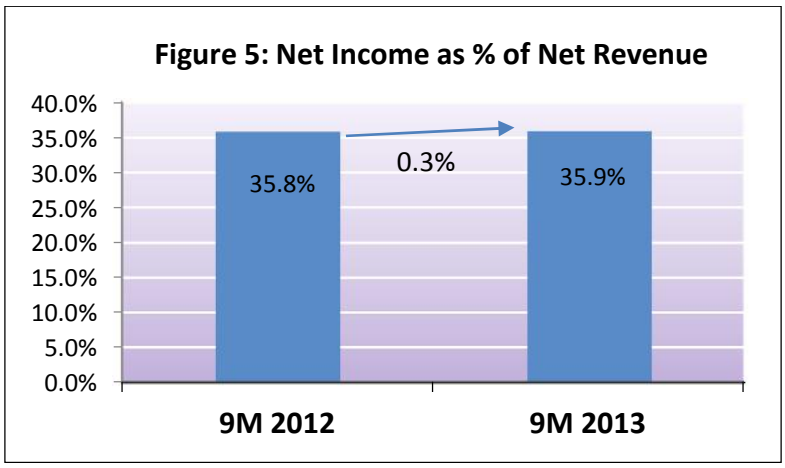
SCM's gross profit in Q3 2013 increased to Rp 1,809 billion, up 7.0% from Q3 2012. The growth in gross profit was lower than revenue growth due to the increased investment in programming, particularly for IVM where there is a rebuilding of the program schedule to improve audience share (refer Costs and Expenses below). The gross margin achieved by SCTV was 70% and for IVM was 49%.

EBITDA for Q3 2013 increased by 5.7% year-on-year to Rp 1,366.8 billion from Rp 1,293.7 billion in Q3 2012. The growth narrowed relative to gross margin growth due to an 11.3% increase in operating expenses (refer Costs and Expenses below). As shown in Figure 3, the achieved EBITDA margin was 50.3%, down from 53.1% in Q3 2012.



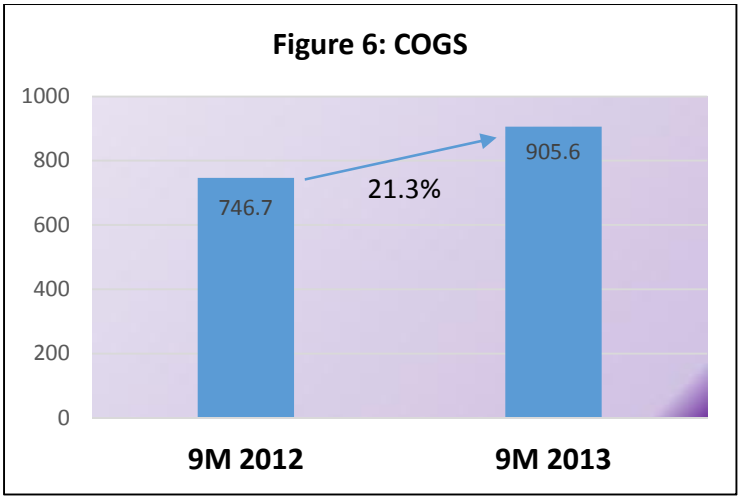
Net income grew by 11.5% year-on-year, as shown in Figure 4. The higher growth achieved relative to EBITDA was the result of interest income being in excess of interest costs compared to net interest expense in Q3 2012. Depreciation was stable at Rp 79.6 billion.



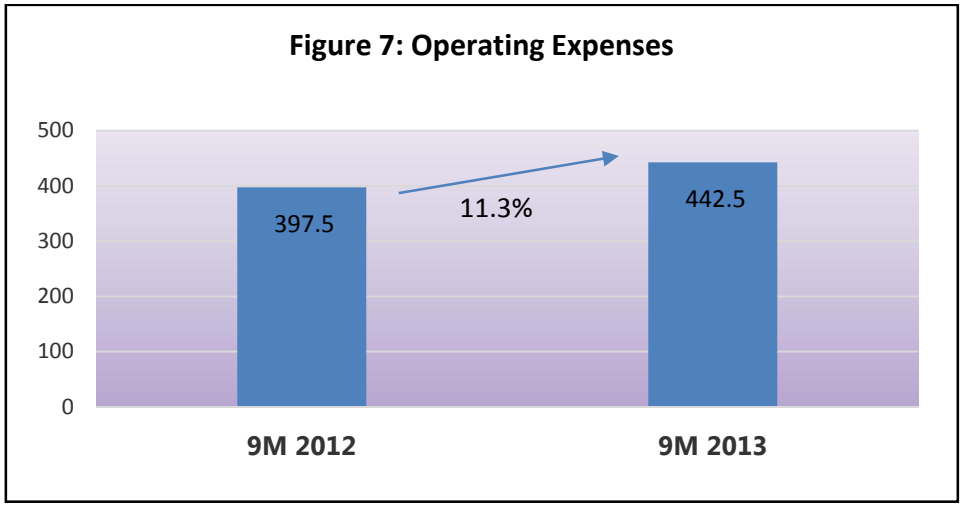


Costs and Expenses

As shown is Figure 6 below, COGS increased 21.3% year-on-year, mainly due to: the introduction of more soccer programming including the UEFA League, AFC Asian Cup and the Barclays Premier League targeted at broadening SCTV's target audience; increased investment in talent scout shows such as The Voice which have become increasingly popular; and the replacement of Korean series with fresh FTV and local drama series in Indosiar. There was also an increased investment in IVM's in-house production capabilities. In FY2014 COGS is expected to grow more slowly than in FY2013, estimated around 15%.

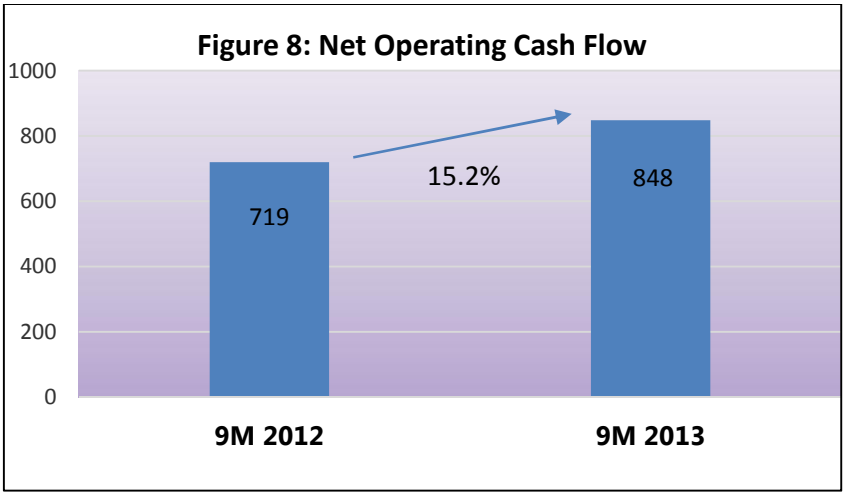


Operating expenses grew 11.3% year-on-year as shown below in Figure 7. However, operating expenses as a percentage of net revenues remain flat at 16.3%. Employee salaries and benefits costs constitute 60% of the operating expenses and depreciation constitutes 14.5%.



Cash Flow

Net Operating Cash Flow increased by 15.2% year-on-year to Rp 847.6 billion. The increase resulted from increased profits and strong working capital management, with trade receivables increasing by only 4% since December.



Investment cash outflows were flat year-on-year at Rp 86 billion, comprising primarily fixed assets acquisitions.

Financing cash outflows of Rp 708 billion relate to dividends paid in 2013.

After the dividend payments the free cash flow to SCM increased by Rp 53 billion resulting in a closing cash balance of Rp 1,119 billion.

Other Matters

SCM declared an interim dividend of Rp15 per share in October 2013, which will be paid on 10 December 2013.

Figure 9:
PT Surya Citra Media Tbk
Profit and Loss Statement
For the Nine-Month Periods Ended 30 Sep 2012 (Restated) and 30 Sep 2013
(In Rp Billion)

		9M 2012 (R)	9M 2013	% Change
Net Revenue		2,437.9	2,715.0	11.4%
Program & Broadcasting		746.7	905.6	21.3%
Gross Profit		1,691.2	1,809.4	7.0%
	as % of Net Revenue	69.4%	66.6%	
Operating Expenses		397.5	442.5	11.3%
	as % of Net Revenue	16.3%	16.3%	
EBITDA		1,293.7	1,366.8	5.7%
	as % of Net Revenue	53.1%	50.3%	
Depreciation & Amortization		76.4	79.6	
EBIT		1,217.3	1,287.2	5.7%
	as % of Net Revenue	49.9%	47.4%	
Interest Income (Expenses)		-32.7	3.2	
Other Income (Expenses)		13.3	49.1	
EBT		1,197.9	1,339.6	11.8%
	as % of Net Revenue	49.1%	49.3%	
Tax		293.1	335.1	
Net Income		837.7	974.4	11.5%
	as % of Net Revenue	35.8%	35.9%	
Net Income - Attributable to Parent Company		873.7	970.5	11.1%
	as % of Net Revenue	35.8%	35.7%	
EPS (Rp per share)		59.94	66.38	10.7%

Figure-10
PT Surya Citra Media Tbk
Balance Sheet
31 December 2012 and 30 September 2013
(In Rp Billion)

	31 Dec 2012 (R)	30 Sept 2013
ASSETS		
Current Assets		
Cash & cash equivalents	1,065.8	1,118.7
Trade receivables	1,002.9	1,046.1
Other receivables	15.3	18.3
Inventories	267.4	351.8
Prepaid expenses & advances	63.1	117.8
Other current assets	9.2	-
Total Current Assets	2,423.6	2,652.7
Non-Current Assets		
Due from related party	2.0	2.0
Advances for purchase fixed assets	22.6	29.3
Deferred taxes	57.2	53.0
Fixed assets - Net	710.2	723.0
Intangible assets	445.2	445.2
Prepaid long-term rent	148.4	144.3
Other non-current assets	28.1	34.2
Total Non-Current Assets	1,413.8	1,431.2
TOTAL ASSETS	3,837.5	4,083.8
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	190.3	202.6
Other payables	66.3	97.9
Accrued expenses	243.0	207.8
Taxes payable	130.1	103.6
Other current liabilities	11.7	18.1
Financing payables	0.6	0.7
Total Current Liabilities	642.0	630.6
Non-Current Liabilities		
Due to related parties	739.9	690.6
Liabilities for employees benefits	45.9	56.7
Long term portion of financing payable	3.5	2.0
Total Non-Current Liabilities	789.29	749.33
TOTAL LIABILITIES	1,431.29	1,379.92
EQUITY		
Share capital - issued & fully paid	487.5	731.1
Additional paid-in capital	563.7	281.9
Retained Earnings	1,319.2	1,605.0
Treasury stock	(0.0)	(0.0)
Proforma equity	(6.4)	30.1
Non-controlling interest	42.2	55.9
TOTAL EQUITY	2,406.2	2,703.9
TOTAL LIABILITIES & EQUITY	3,837.5	4,083.8

Figure-11
PT Surya Citra Media Tbk
Cash Flow Statement
For The Years Ended 30 September 2012 and 2013
(In Rp Billion)

	9M 2012 (R)	9M 2013	% Change
Net Cash Provided by Operating Activities	718.7	847.6	17.9%
Net Cash Used in Investing Activities	(88.7)	(86.0)	-3.1%
Free Cash Flow	630.0	761.7	20.9%
Cash Flows From Financing Activities	(663.1)	(708.7)	6.9%
Net Increase in Cash & Cash Equivalent	(33.1)	52.9	-259.8%
Cash & Cash Equivalent Beginning of Year	897.9	1,065.8	18.7%
Cash & Cash Equivalent at End of Period	864.8	1,118.7	29.4%

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