



**INVESTORS' RELEASE – 1 November 2016
PT SURYA CITRA MEDIA Tbk.**

SCM 9M 2016 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”), its 72% owned content and production company PT Indonesia Entertainmen Grup (“IEG”), and its 51% owned production house subsidiary PT Screenplay Produksi (“Screenplay”) are pleased to announce their consolidated results for 9M 2016.

Audience Share

SCTV’s All Time average audience share for 9M 2016 decreased by 2.9 points to 13.0% compared to the previous corresponding period. IVM’s average All Time audience share decreased by 0.1 points to 12.7%. The resulting combined average audience share for SCM was 25.7%, showing a decrease of 3.0 points over the previous corresponding period. SCTV held the No. 4 Prime Time spot in 9M 2016 due to decreasing share. IVM held the No. 2 Prime Time spot over the same period.

Figure 1: ALL TIME (02.00-25.59) - All Demographics 5+

Channel/Year	9M 2015	9M 2016	Change	%Change
SCTV	15.9	13.0	-2.9	-18.2%
RCTI	16.1	19.7	3.6	22.4%
IVM	12.8	12.7	-0.1	-0.7%
TRANS	7.8	6.6	-1.2	-15.4%
MNCTV	11.3	11.6	0.3	2.5%
ANTV	12.7	14.8	2.1	16.5%
TRANS7	8.1	8.6	0.5	6.3%
TVONE	3.9	3.5	-0.5	-12.8%
GTV	7.1	5.9	-1.2	-16.9%
METRO	2.5	2.1	-0.4	-16.0%

In 9M 2016 SCTV’s All Time average audience share was 13.0% versus 12.4% in H1 2016 for an increase of 0.6 points. This increase is primarily due to share improvement from the sinetrons ‘Mermaid in Love’ and ‘Surga Yang Ke 2’ in Prime Time and ‘Ranveers & Ishani’ during Non-Prime Time. ‘Ranveers & Ishani’ reached 18.1% share during Q3 2016, which is a significant increase versus 11.6% in H1. In Q3 2016 and onwards, UEFA Champions’ League and La Liga have also improved audience share in the late night time slots.

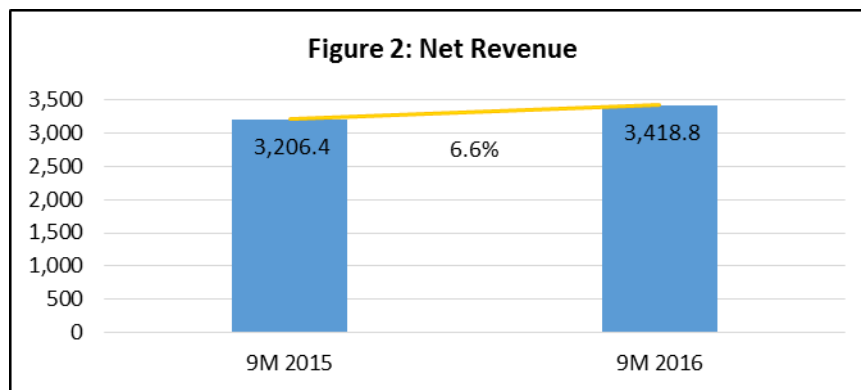
SCTV and IVM ranked No. 3 and 4 respectively amongst television stations in Indonesia for the average All Time All 5+ Demographics during 9M 2016.



Revenue Growth

SCTV achieved net revenues of Rp 1,926.4 billion for 9M 2016, a decrease of 4.9% from 9M 2015, while IVM achieved revenues of Rp 1,452.8 billion, strongly up by 22.1% from 9M 2015. This has driven the total net revenue increase of 6.6%.

The revenue performance of SCM was broadly in line with market conditions and the audience share changes, with SCTV revenue proving resilient in the face of an 18.2% decline in all time audience share year-on-year, whilst IVM has enjoyed significant revenue growth without a corresponding audience share increase.

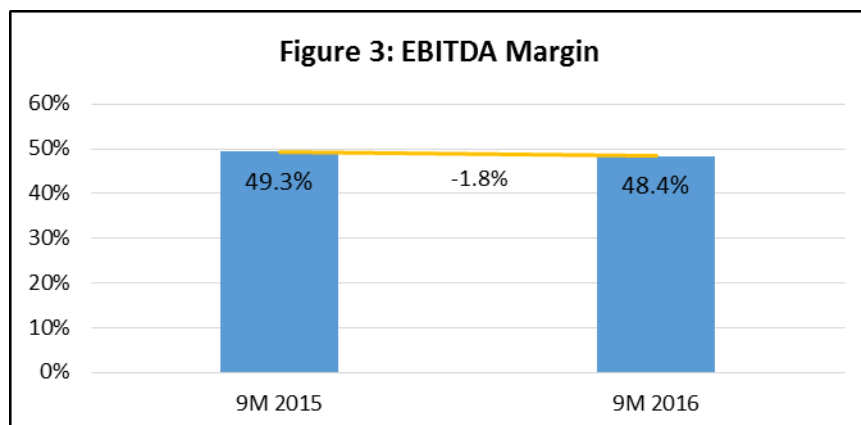


Profit Growth

SCM's gross profit in 9M 2016 increased to Rp 2,099.1 billion, up 4.1% from 9M 2015. The increase in gross profit is below the improved revenue growth of 6.6% due to the program costs increasing by 10.8%, which is more than the revenue growth. SCTV experienced 14.2% higher program costs in 9M 2016, whilst IVM experienced an increase in program costs of 11.8% versus the same corresponding period last year.

The 9M 2016 gross margin achieved by SCTV was 52.8% and for IVM it was 65.2%.

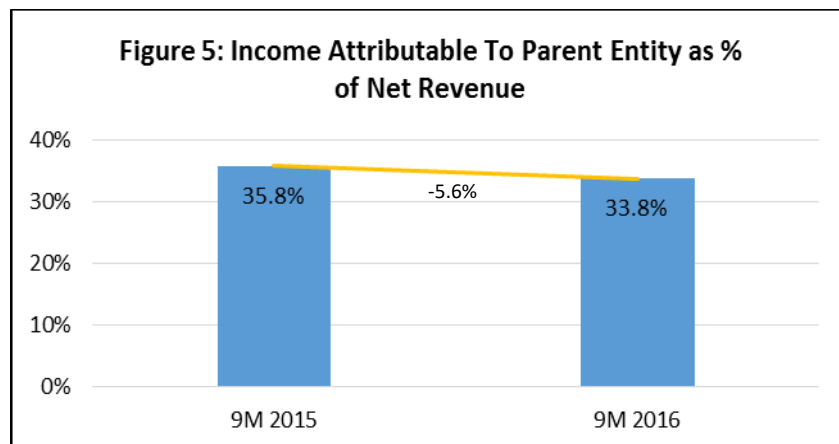
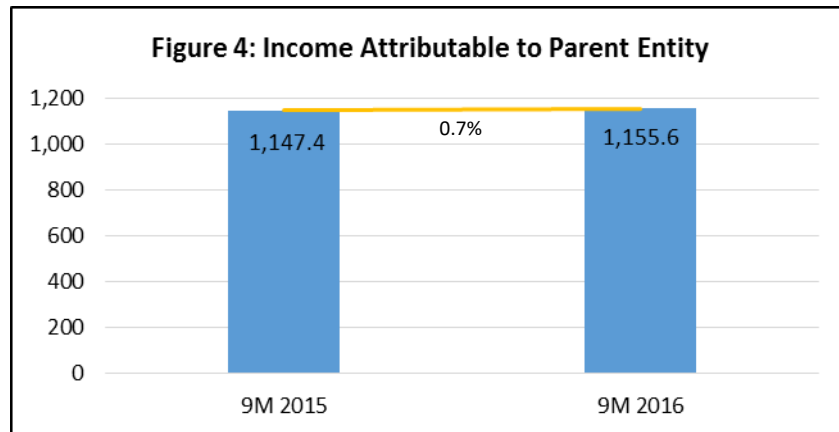
SCM's EBITDA for 9M 2016 increased by 4.7% to Rp 1,654.2 billion from Rp 1,579.8 billion in 9M 2015. As shown in Figure 3 below, the achieved EBITDA margin in 9M 2016 was 48.4%, versus 49.3% the corresponding period last year.





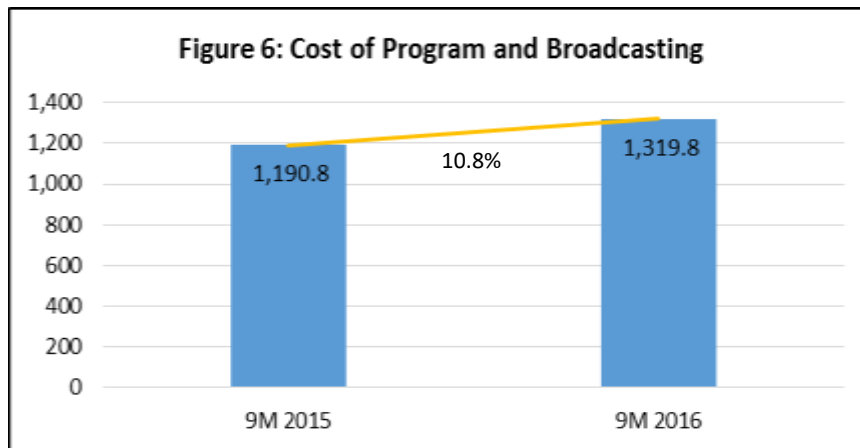
Depreciation and amortization increased 8.8% to Rp 107.1 billion. This relates to the investment in replacing and upgrading broadcasting and transmission equipment and towers and building refurbishment at transmission sites.

Income for the period attributable to the parent entity increased by 0.7% year-on-year to Rp 1,155.6 billion at a slightly lower margin of 33.8%, down from 35.8%, due to lower interest income because of the reduction of interest rates on time deposits (consistent with government policy) and foreign exchange losses (versus gains in the previous corresponding period).

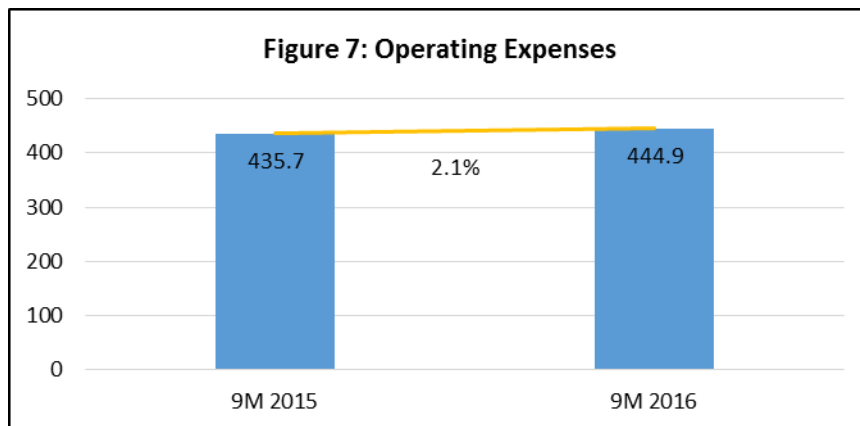


Costs and Expenses

As shown in Figure 6 below, Cost of Program and Broadcasting increased 10.8% year-on-year. The increase in the cost of program and broadcasting in Q3 2016 versus Q2 2016 is mainly due to the total number of matches of Torabika Soccer Championship ('TSC') broadcasted in Q3 which were higher than Q2 to compensate for matches not being played during Ramadhan, as well as the airing of sports packages of the 2016 Summer Olympics, La Liga, UEFA Champions League and UEFA Europa League.

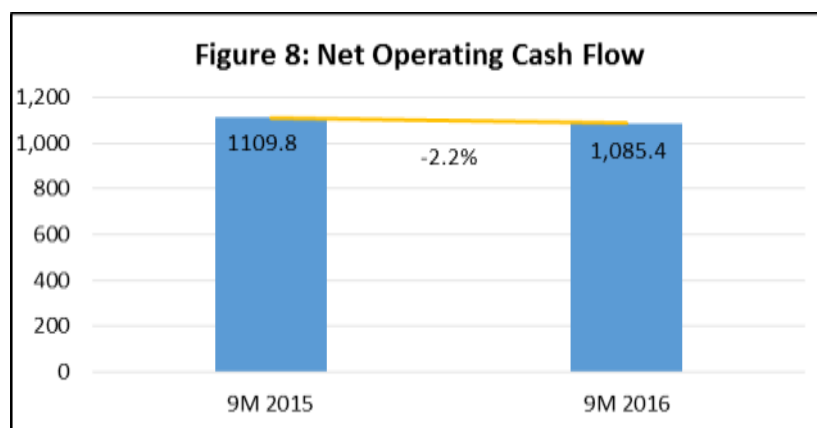


Operating expenses increased by 2.1% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues decreased by 0.6 points to 13.0% as they increased significantly less than revenue growth. Employee salaries and benefits costs were just over 69.4% of the operating expenses.



Cash Flow

Net operating cash flow decreased by 2.2% year-on-year to Rp 1,085.4 billion. The decrease primarily resulted from higher payments to purchase the sports programs as compared to 9M 2015.





The net investment cash outflow increased by 343.4% to Rp 211.2 billion. In 2015, there were transactions relating to the formation of the content company IEG, which included the acquisition of land and studios by IES from SCM's parent company, PT Elang Mahkota Teknologi Tbk ("Emtek") amounting to Rp 165.0 billion which was offset by an investment of Rp 222.0 billion received from Emtek for IEG's share capital. Excluding the impact of the IEG transaction, the net investment cash outflow was Rp 104.6 billion in 9M 2015. Adjusting for this content restructuring, there is an increase in the net investment cash outflow of Rp 106.6 billion in 9M 2016 which is mainly due to the new investment in Iflix..

The free cash flow for 9M 2016 was Rp 874.2 billion, 17.7% lower than 9M 2015.

Financing cash outflows of Rp 510.2 billion decreased by 54.4% compared to 9M 2015. This primarily relates to the lower dividend payments in 9M 2016 as an interim dividend for the year 2015 was paid at the end of December 2015, whilst for the the year 2014 there was no interim dividend and the dividend was paid in full in May 2015. The dividend payout ratio for 2015 income was 80% which was greater than the dividend payout ratio for 2014 income which was 70%.

Other Matters

National FTA license renewal

In October 2016, SCTV and IVM received a renewal on their National FTA licenses (IPP). The IPP period is 10 (ten) years, and therefore IPPs for SCTV and IVM's are effective up to October 2026.

Digital Television Broadcasting

As advised in the Q1 2015 Investors' Release dated March 30th 2015, SCM's subsidiaries together with the Ministry of Communication and Information ("Ministry") and other TV stations filed an appeal to the Administrative High Court in order to protect their interests in relation to the issuance of multiplex licenses to operate digital terrestrial broadcast. On 5th August 2015 SCM received notice of the Decision of the Administrative High Court upholding the earlier decision of the Administrative Court of Jakarta to postpone the implementation of all of the Ministry's decisions that issued the multiplex licenses to operate Digital free to air television, which were declared null and void. SCM together with the Ministry and other TV stations filed cassation to Supreme Court on September 22, 2015. There is no contingent liability for SCM's subsidiaries as a result of this decision by the Administrative High Court.

Update on Tax Case

As informed previously in FY2014 Investors' Release dated March 30, 2015, the Company has won the case in the Tax Court, High Administrative Court and Supreme Court.

However on July 12, 2016, the Company received the Judicial Review Petition filed by DGT to the Supreme Court in response to the Tax Court Award and also on July 14, 2016, the



Company received the judicial review memory filed by DGT through the State Administrative Court in response to the Supreme Court Award.

On August 5, 2016, the Company submitted the judicial review contra memory to response the judicial review memory filed by DGT through the State Administrative Court in response to the Supreme Court Award. Furthermore, on August 8, 2016, the Company also submitted the judicial review contra memory in response to the judicial review memory filed by DGT to the Supreme Court in response to the Tax Court Award.

The Company will perform all necessary actions to protect its legal rights and to also protect the interests of all its stakeholders. The earlier Awards of the Supreme Court, State Administrative High Court and the Tax Court in favor of the Company are evidence that the Company has a strong legal position in this tax dispute.



PT Surya Citra Media Tbk and Subsidiaries
Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Nine-month period ended Sept 30
(Expressed in Millions of Rupiah Except Earnings per Share)

	YTD SEP 2016	YTD SEP 2015	% change
Net Revenues	3,418,838	3,206,353	6.6%
Program and Broadcasting Expenses	1,319,775	1,190,815	10.8%
Gross Profit	2,099,063	2,015,538	4.1%
<i>as% of Net Revenue</i>	61.4%	62.9%	
Operating Expenses	444,854	435,691	2.1%
<i>as% of Net Revenue</i>	13.0%	13.6%	
EBITDA	1,654,209	1,579,847	4.7%
<i>as % of Net Revenue</i>	48.4%	49.3%	
Depreciation & Amortization	107,135	98,444	8.8%
EBIT	1,547,075	1,481,402	4.4%
<i>as % of Net Revenue</i>	45.3%	46.2%	
Interest Income/(Expenses)	10,771	17,605	-38.8%
Other Operating Income/(Expenses)	(662)	26,086	-102.5%
EBT	1,557,183	1,525,093	2.1%
<i>as % of Net Revenue</i>	45.5%	47.6%	
Income Tax Expense	386,738	380,215	1.7%
Income For the Period after Merging Entities' Income Adjustment	1,170,445	1,144,878	2.2%
<i>as % of Net Revenue</i>	34.2%	35.7%	
Merging Entities' Income	0	(3,411)	-100.0%
Income For the Period before Merging Entities' Income Adjustment	1,170,445	1,141,467	2.5%
<i>as % of Net Revenue</i>	34.2%	35.6%	
Other Comprehensive Income	(1,298)	6,490	-120.0%
Total Comprehensive Income for the Period	1,169,147	1,147,957	1.8%
<i>as % of Net Revenue</i>	34.2%	35.8%	
Income for the Period before Merging Entities' Income Adjustment Attributable to:			
Parent Entity	1,155,584	1,147,434	0.7%
Non-Controlling Interests	14,861	(5,967)	-349.0%
	33.8%	35.8%	
Total Comprehensive Income for the Period Attributable to :			
Parent Entity	1,154,551	1,153,843	0.1%
<i>as % of Net Revenue</i>	33.8%	36.0%	
Non-Controlling Interests	14,597	(5,886)	-348.0%
EPS (Rp. Per share) - full amount	79.03	78.48	0.7%



PT Surya Citra Media Tbk and Subsidiaries
Interim Consolidated Statement of Financial Position
As of September 30, 2016 and December 31, 2015
(Expressed in Millions of Rupiah, Except Par Value pe Share)

	SEP 30, 2016	DEC 31, 2015
ASSETS		
Current Assets		
Cash & cash equivalents	1,048,269	685,722
Other current financial assets		
Trade receivables - net	1,518,375	1,380,266
Other receivables - net	61,584	31,606
Inventories	623,737	532,656
Advances & prepaid expenses	142,901	145,024
Prepaid taxes	2,709	68,225
Total Current Assets	3,397,575	2,843,500
Non-Current Assets		
Due from related party		
Advances for purchase of fixed assets	10,127	19,505
Deferred tax assets	72,806	73,325
Fixed assets - net	973,549	962,114
Intangible assets - net	457,208	449,889
Investment in associated companies	25,433	24,394
Long - term investment	98,618	-
Prepaid long-term rent	144,456	146,895
Estimated claims for tax refund	123,750	16,423
Other non-current assets - net	30,873	29,919
Total Non-Current Assets	1,936,820	1,722,464
TOTAL ASSETS	5,334,395	4,565,964
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	255,004	155,068
Other payables	95,545	104,717
Accrued expenses	307,885	271,985
Taxes payables	124,654	133,888
Dividend payable		
Current maturities of long-term liabilities:		
Due to a related party	238,269	148,238
Financing payables	315	1,323
Other current liabilities	14,670	45,250
Financing payables		
Total Current Liabilities	1,036,343	860,470
Non-Current Liabilities		
Long-term portion of:		
Due to a related party	18,586	205,764
Financing payables	928	928
Liabilities for employees benefits - net	101,886	85,126
Total Non-Current Liabilities	121,399	291,818
TOTAL LIABILITIES	1,157,742	1,152,288
EQUITY		
Share capital-issued & fully paid	731,080	731,080
Additional paid-in capital	278,306	278,306
Treasury stock	(41)	(41)
Other comprehensive income	35,362	36,395
Retained earnings	2,846,808	2,100,622
Non-controlling interests	285,138	267,313
TOTAL EQUITY	4,176,653	3,413,676
TOTAL LIABILITIES & EQUITY	5,334,395	4,565,964



PT Surya Citra Media Tbk and Subsidiaries
Interim Consolidated Statement of Cash Flows
For the Nine-month period ended September 30
(Expressed in Millions of Rupiah)

	YTD SEP 2016	YTD SEP 2015	% change
Net Cash Provided by Operating Activities	1,085,436	1,109,796	-2.2%
Net Cash Used in Investing Activities	(211,200)	(47,628)	343.4%
Free Cash Flow	874,237	1,062,168	-17.7%
Net Cash Used in Financing Activities	(510,221)	(1,119,570)	-54.4%
Net Increase in Cash & Cash Equivalents	364,016	(57,403)	-734.1%
Cash & Cash Equivalents at Beginning of the Period	685,722	1,248,623	-45.1%
Cash & Cash Equivalents at Beginning Period from Subsidiary	5,204		
Effect of changes in foreign exchange rates on cash & cash equivalents	(6,672)	(3,959)	68.5%
Cash & Cash Equivalents at Ending of the Period	1,048,269	1,187,261	-11.7%

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

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