



**INVESTORS' RELEASE – 1 November 2017
PT SURYA CITRA MEDIA Tbk.**

SCM 9M 2017 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 Entertainment Grup (“IEG”), and its 51% owned production house subsidiary PT Screenplay Produksi (“Screenplay”) are pleased to announce their consolidated results for 9M 2017.

Audience Share

SCTV’s All Time average audience share for 9M 2017 increased by 1.7 points to 14.7% compared to the previous corresponding period. IVM’s average All Time audience share decreased by 0.2 points to 12.5%. The resulting combined average audience share for SCM was 27.2%, showing an increase of 1.5 points over the previous corresponding period. SCTV held the No. 3 All Time spot in 9M 2017, and held the No. 1 All Time Spot in March and April 2017. IVM held the No. 4 All Time spot over the same period.

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

Channel/Year	9M 2016	9M 2017	Change	%Change
SCTV	13.0	14.7	1.7	13.1
RCTI	19.7	17.3	-2.4	-12.2
IVM	12.7	12.5	-0.2	-1.6
TRANS	6.6	6.3	-0.3	-4.5
MNCTV	11.6	11.1	-0.5	-4.3
ANTV	14.8	17.0	2.2	14.9
TRANS7	8.6	7.7	-0.9	-10.5
TVONE	3.5	4.3	0.8	22.9
GTV	5.9	5.9	0.0	0.0
METRO	2.1	1.9	-0.2	-9.5

In 9M 2017 SCTV’s Prime Time average audience share was 16.4% versus 11.2% in 9M 2016, for a strong increase of 5.2 points.

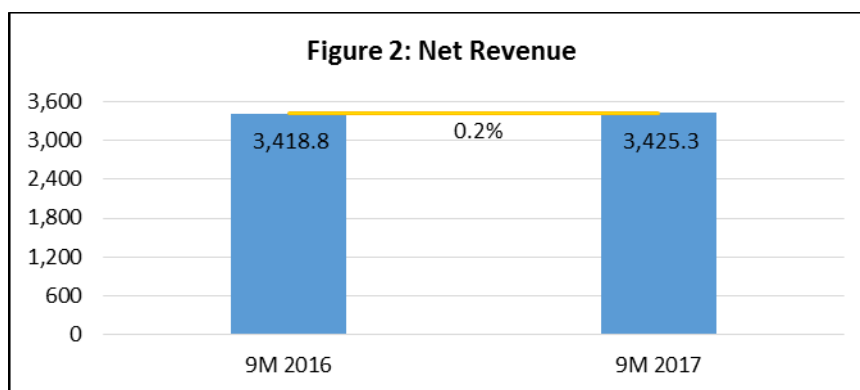
SCTV and IVM ranked No. 2 and 4 respectively amongst television stations in Indonesia for the average Prime Time All 5+ Demographics during 9M 2017, with SCTV holding the No. 1 position for Prime Time in April 2017.



Revenue Growth

SCTV achieved net revenues of Rp 2,033.3 billion for 9M 2017, an increase of 5.6% from 9M 2016, while IVM achieved revenues of Rp 1,346.6 billion, a decrease of 7.3% from 9M 2016. This has driven the total consolidated net revenue increase of 0.2% to Rp 3,425.3 billion. SCTV contributed 59.4% of SCM's net television revenue versus 39.3% for IVM.

The revenue performance of SCM was broadly in line with market conditions and the audience share changes in the previous year, with SCTV prime time audience share beginning to improve from 20 February 2017 onwards with top performance in Q2 and a slightly down in Q3. SCTV's revenue in Q3 2017 versus Q3 2016 decreased by 2.9%, whilst for IVM revenue for the same period decreased by 10.6%.

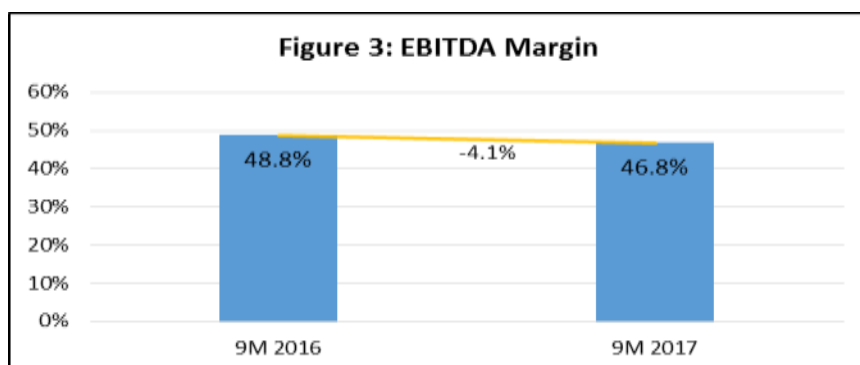


Profit Growth

SCM's gross profit in 9M 2017 decreased by 0.7% to Rp 2,084.3 billion for a gross profit margin of 60.9%. The increase 0.2% in revenue is not reflected in the increase of gross profit margin due to the program costs increasing by 1.6%. SCTV experienced 3.6% lower program costs in 9M 2017, whilst IVM experienced an increase in program costs of 8.6% versus the same corresponding period last year.

The 9M 2017 gross margin achieved by SCTV was 56.9% and for IVM it was 59.2%.

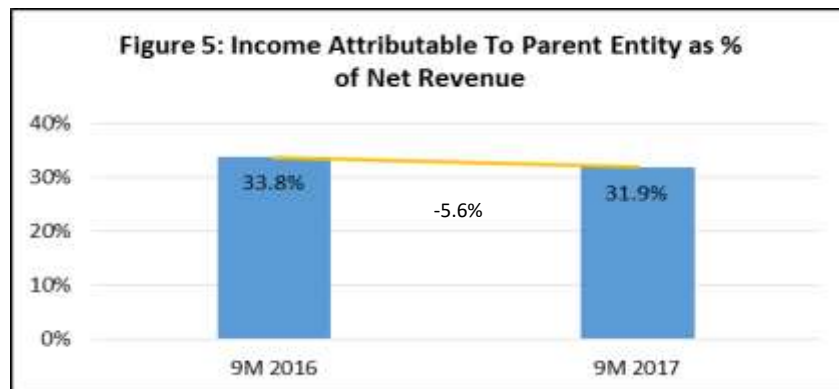
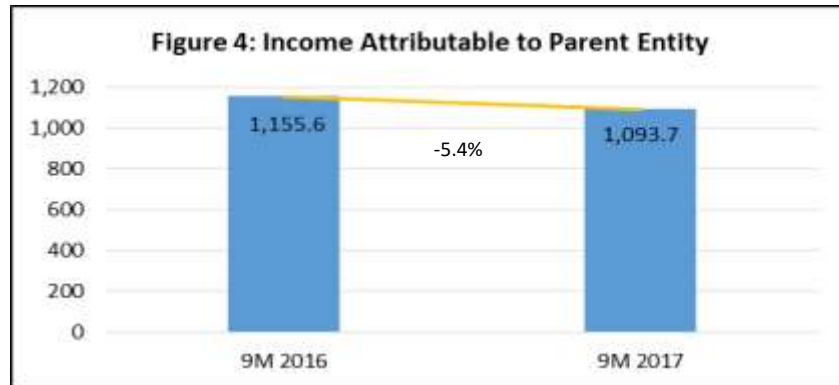
SCM's EBITDA for 9M 2017 decreased by 3.0% to Rp 1,603.8 billion from Rp 1,654.2 billion in 9M 2016. As shown in Figure 3 below, the achieved EBITDA margin in 9M 2017 was 46.8%, which is lower 4.1% than 48.8% in the corresponding period last year.





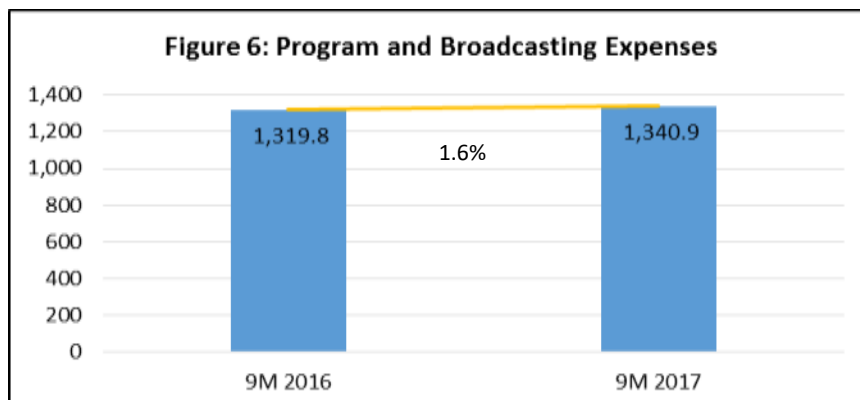
Depreciation and amortization increased by 5.1% to Rp 112.6 billion. This relates to the investment in replacing and upgrading broadcasting and transmission equipment and towers and building refurbishment at transmission sites.

Income for the period attributable to the parent entity decreased by 5.4% year-on-year to Rp 1,093.7 billion at a lower margin of 31.9%, down from 33.8%.



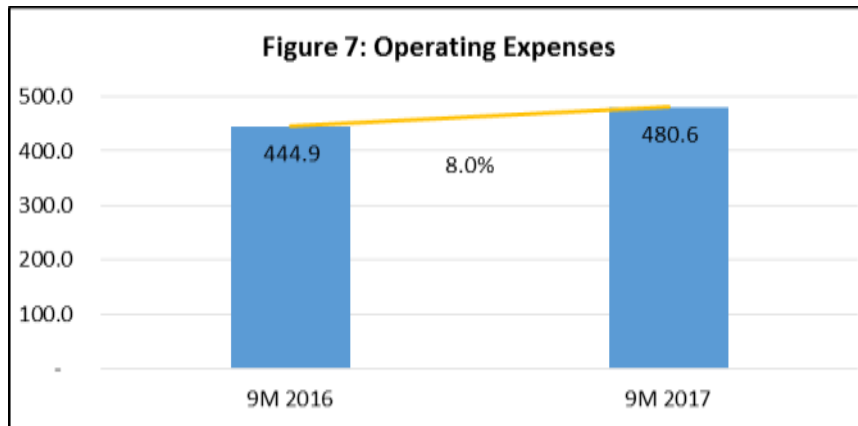
Costs and Expenses

As shown in Figure 6 below, Program and Broadcasting Expenses increased 1.6% year-on-year. The increase in the cost of program and broadcasting in 9M 2017 versus 9M 2016 is mainly due to the President's Cup and the SEA Games which were broadcasted across both of our channels in 9M 2017, as well as investing in new and fresh programs on IVM and new fresh series and FTVs on SCTV to shore up audience share.



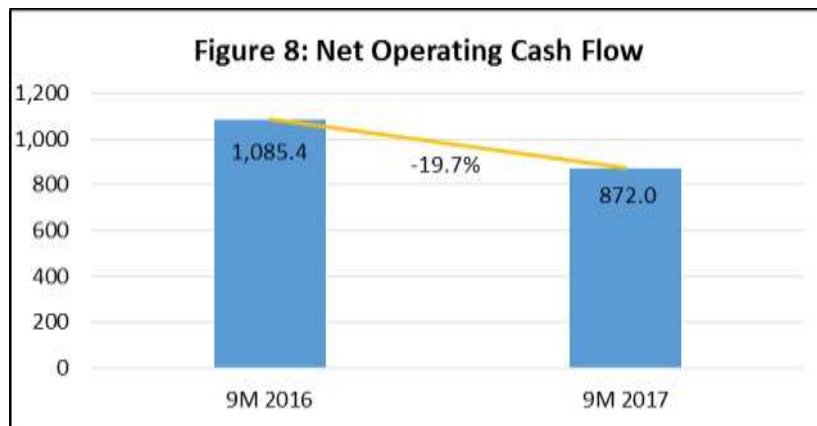


Operating expenses increased by 8.0% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues increased by 1 point to 14.0% as they increased more than revenue growth. Employee salaries and benefits costs were 66.1% of the operating expenses.



Cash Flow

Net operating cash flow decreased by 19.7% year-on-year to Rp 872.0 billion. The decrease primarily resulted from higher payments to purchase more episodes of fresh FTVs and produce better quality series and programs and also down payment for several movies as compared to 9M 2016.



The net investment cash outflow increased by 139.6% to Rp 491.0 billion. This relates primarily to the acquisition of the production house PT Sinemart Indonesia.

The free cash flow for 9M 2017 was Rp 308.9 billion, 56.7% lower than 9M 2016.

Financing cash outflows of Rp 369.5 billion is a decrease of 28.4% from 516.5 billion in the previous corresponding period.



Other Matters

Digital Television Broadcasting

As advised in the 9M 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's subsidiaries 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's subsidiaries together with the Ministry and other TV stations filed cassation to Supreme Court on September 22, 2015 and later on March 14, 2017 received the Cassation Decision Letter that declined the cassation request that was submitted. On September 8, 2017, SCTV, IBT, IST, SCPM, SCMK, IMT, Menkominfo and other television stations submitted judicial review memory to the Supreme Court. Up to the date of completion of these interim consolidated financial statements, the judicial review is still in process. There is no contingent liability for SCM's subsidiaries as a result of this Court's decision.

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.

On December 8, 2016, for the Judicial Review submitted by DGT through the State Administrative Court on the Cassation Decision by the Supreme Court, has been decided by the panel of Judge in the Supreme Court with decision that tax lawsuit has to be decided through the Tax Court.

On April 17, 2017, for the Judicial Review submitted by DGT to the Supreme Court on the Tax Court Award, has been rejected by the panel of Judge in the Supreme Court in consideration that the Tax Court Award was already properly decided. This Supreme Court Decision was announced through the Supreme Court official website (the Company has not



yet received formal notification on this decision). Therefore based on this Supreme Court Decision, the Tax Court Award that was granted in favor of the Company has been affirmed.

Update on Sinemart

On April 13, 2017, AFS Partnership as the attorney of PT Rajawali Citra Televisi Indonesia (“RCTI”) published a notice and warning in Sindo's daily newspaper regarding a court judgment in relation to the sale of shares of PT Sinemart Indonesia and the sale of programs produced by PT Sinemart Indonesia, pursuant to West Jakarta District Court's Decision No. 9/PDT.G/2017/ PN.JKT.BRT dated March 16, 2017 based on claim that is lodged and registered in the registry case dated 6 January 2017 (“West Jakarta District Court Decision”) against Mr. Leo Sutanto (as Defendant 1) and PT Sinemart Indonesia (as Defendant 2).

On April 18, 2017, DR. Luhut M.P. Pangaribuan, SH. LLM. and Reinhard S.C. Situmorang, SH. MH. as the attorney of PT Sinemart Indonesia made an announcement in daily newspaper Kompas, to provide an explanation to public that West Jakarta District Court Decision No. 9/PDT.G/2017/ PN.JKT.BRT dated March 16, 2017 was made without the presence and without knowledge of the defendants (*Verstek*), Mr. Leo Sutanto (as Defendant 1) and PT Sinemart Indonesia (as Defendant 2).

On April 27, 2017, Mr. Leo Sutanto as Plaintiff in Opposition filed opposition claim (*Verzet*) against the West Jakarta District Court Decision, as registered in the Case Registry No. 9/Pdt.Plw/2017/PN.Jkt.Brt (“Opposition Claim”).

On June 19, 2017, RCTI as the Respondent in Opposition submitted Exception and Response, and on the same date PT Sinemart Indonesia as Co-Respondent in Opposition has also submitted its Response as Co-Respondent in Opposition on the Opposition Claim and Objection of PT Sinemart Indonesia on the rendering of the West Jakarta District Court Decision that is issued in absentia of the defendants.

West Jakarta District Court in its court proceeding on October 16 October 2017 has rendered its judgment with regards to Opposition Claim submitted by Mr. Leo Sutanto and ruled that the said Opposition Claim cannot be accepted (*Niet Ontvankelijke Verlaard*) (“West Jakarta District Court Verzet Decision”)

The reason is that although Mr. Leo Sutanto legally lives in Apartment Kedoya Elok, Kedoya Selatan, West Jakarta, but based on the fact that when the notice for court proceeding was submitted to the Urban Village (Kelurahan) of Sukabumi Selatan and the Urban Village (Kelurahan) of Sukabumi Selatan has accepted the court notice designated to Bapak Leo Sutanto, hence it should be deemed that such court notice has been received in person by Mr. Leo Sutanto. Hence, any opposition claim should be submitted at latest 6 April 2017 and Mr. Leo Sutanto’s Opposition Claim cannot be accepted because it was submitted on 27 April 2017.

Mr. Leo Sutanto first knew about the information on West Jakarta District Court Verstek Decision when there was an announcement in Sindo Newspapers on 13 April 2017 made by AFS Partnership as the attorney of RCTI, hence it is impossible for Mr. Leo Sutanto to submit



the opposition claim prior to 6 April 2017. The address in Jl H. Soleh I, Sukabumi Selatan, Jakarta Barat is an empty warehouse with rolling doors closed all the time and no one lives there.

The substantial of Opposition Claims raised by Mr. Leo Sutanto that stated inter alia: (a) the lawsuit was submitted not upon good faith principle since the Plaintiff (RCTI) intentionally stated an address which was not the domicile of the Claimant; (b) no verbal contract on exclusivity was ever made between RCTI, Mr. Leo Sutanto and PT Sinemart Indonesia; and (c) the witnesses and evidence do not support the existence of the verbal contract and there is no evidence of actual losses of RCTI, were not considered in the West Jakarta District Court Verzet Decision of 16 October 2017.

On October 27, 2017, PT Sinemart Indonesia submitted an appeal to the High Court of Jakarta on this West Jakarta District Court Verzet Decision.

PT Sinemart Indonesia will always take the required legal measures as stipulated in the provisions of legislation to preserve its rights.



PT Surya Citra Media Tbk and Subsidiaries
Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Nine-Month Period Ended September 30, 2017
(Expressed in Millions of Rupiah, Except Earnings per Share)

		YTD SEP 2017	YTD SEP 2016	% change
Net Revenues		3,425,278	3,418,838	0.2%
Program and Broadcasting Expenses		1,340,944	1,319,775	1.6%
Gross Profit		2,084,335	2,099,063	-0.7%
	<i>as % of Net Revenue</i>	60.9%	61.4%	
Operating Expenses		480,569	444,854	8.0%
	<i>as % of Net Revenue</i>	14.0%	13.0%	
EBITDA		1,603,766	1,654,209	-3.0%
	<i>as % of Net Revenue</i>	46.8%	48.4%	
Depreciation & Amortization		112,606	107,135	5.1%
EBIT		1,491,160	1,547,075	-3.6%
	<i>as % of Net Revenue</i>	43.5%	45.3%	
Interest Income/(Expenses)		(5,685)	10,771	-152.8%
Other Operating Income/(Expenses)		1,973	(662)	-398.0%
EBT		1,487,448	1,557,183	-4.5%
	<i>as % of Net Revenue</i>	43.4%	45.5%	
Income Tax Expense		387,607	386,738	0.2%
Income For The Period		1,099,842	1,170,445	-6.0%
	<i>as % of Net Revenue</i>	32.1%	34.2%	
Other Comprehensive Income		(642)	(1,298)	-50.5%
Total Comprehensive Income for the Period		1,099,200	1,169,147	-6.0%
	<i>as % of Net Revenue</i>	32.1%	34.2%	
Income for the Period Attributable to:				
Parent Entity		1,093,711	1,155,584	-5.4%
Non-Controlling Interests		6,131	14,861	-58.7%
	<i>as % of Net Revenue</i>	31.9%	33.8%	
Total Comprehensive Income For The Period Attributable to :				
Parent Entity		1,093,399	1,154,551	-5.3%
Non-Controlling Interests		5,801	14,597	-60.3%
EPS (Rp. Per share) - full amount		74.80	79.03	-5.4%



PT Surya Citra Media Tbk and Subsidiaries
Interim Consolidated Statement of Financial Position
As of September 30, 2017
(Expressed in Millions of Rupiah)

	SEP 30, 2017	DEC 31, 2016
ASSETS		
Current Assets		
Cash & cash equivalents	521,461	454,732
Trade receivables - net	1,638,031	1,484,303
Other receivables - net	39,551	49,209
Inventories	850,553	689,291
Advances & prepaid expenses	132,372	162,552
Prepaid tax	11,659	112,094
Total Current Assets	3,193,627	2,952,181
Non-Current Assets		
Advances for purchase of fixed assets	35,240	25,516
Deferred tax assets	85,582	87,653
Fixed assets - net	993,621	966,766
Intangible assets - net	988,028	457,208
Investment in associated companies	25,780	26,245
Long - term investment	98,624	98,624
Prepaid long-term rent	141,067	147,672
Estimated claims for income tax refund	42,940	26,189
Other non-current assets - net	43,014	32,558
Total Non-Current Assets	2,453,895	1,868,431
TOTAL ASSETS	5,647,521	4,820,612
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	287,436	245,914
Other payables	129,315	139,504
Accrued expenses	220,338	279,686
Taxes payables	74,632	95,027
Current maturities of long-term liabilities:		
Due to a related party	105,549	206,227
Financing payables	544	619
Other current liabilities	11,466	23,490
Total Current Liabilities	829,280	990,468
Non-Current Liabilities		
Long-term liabilities - net of current maturities :		
Due to a related party	-	-
Financing payables	3,244	470
Liabilities for employees benefits - net	143,104	124,266
Total Non-Current Liabilities	146,349	124,736
TOTAL LIABILITIES	975,629	1,115,204
EQUITY		
Share capital-issued & fully paid	731,080	731,080
Additional paid-in capital	278,633	278,633
Treasury stock	(41)	(41)
Other comprehensive income	28,588	28,900
Retained earnings	3,218,507	2,387,981
Non-controlling interests	415,125	278,855
TOTAL EQUITY	4,671,892	3,705,408
TOTAL LIABILITIES & EQUITY	5,647,521	4,820,612



PT Surya Citra Media Tbk and Subsidiaries
Interim Consolidated Statement of Cash Flows
For The Nine-Month Period Ended September 30,2017
(Expressed in Millions of Rupiah)

	YTD SEP 2017	YTD SEP 2016	% change
Net Cash Provided by Operating Activities	871,992	1,085,436	-19.7%
Net Cash Used in Investing Activities	(491,058)	(204,970)	139.6%
Free Cash Flow	380,934	880,467	-56.7%
Net Cash Used in Financing Activities	(369,523)	(516,451)	-28.4%
Net Increase (Decrease) in Cash & Cash Equivalents	11,411	364,016	-96.9%
Cash & Cash Equivalents at Beginning of the Period	454,732	685,722	-33.7%
Cash of newly acquired subsidiaries at beginning	55,195	5,204	960.7%
Effect of changes in foreign exchange rates on cash & cash equivalents	122	(6,672)	-101.8%
Cash & Cash Equivalents at Ending of the Period	521,461	1,048,269	-50.3%

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