



INVESTORS' RELEASE – 4 April 2016
PT SURYA CITRA MEDIA Tbk.

SCM FY 2015 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”), 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 FY 2015.

Audience Share

SCTV’s All Time average audience share for FY 2015 decreased by 1.4 points to 15.7% compared to the previous corresponding period. IVM’s average All Time audience share increased by 1.5 points to 13.4%. The resulting combined average audience share for SCM was 29.1%, showing a slight improvement of 0.1 points over the previous corresponding year. SCTV held the No. 1 All Time market position during the months of August, September and October 2015, with IVM holding the No. 1 All Time market position in the months of March and April 2015. SCTV held the No. 1 Prime Time Spot in September 2015 with IVM holding the No. 1 Prime Time spot in February, March, April and May 2015.

Figure 1: Average Audience Shares - All Demographics 5+

Channel/Year	FY 2014	FY 2015	% Change
SCTV	17.1	15.7	-7.9%
RCTI	15.1	16.5	9.4%
IVM	11.9	13.4	12.0%
TRANS	10.8	7.7	-28.7%
MNCTV	9.6	11.3	17.2%
ANTV	11.8	12.4	5.2%
TRANS7	8.3	8.1	-2.2%
TVONE	4.7	3.8	-19.1%
GTV	6.2	6.9	11.0%
METRO	2.8	2.5	-10.6%

In Q4 2015 SCTV’s All Time average audience share was 15.1% versus 17.4% in Q3 for a decrease of 2.3 points. This decline is primarily due to share improvement at IVM with an increase of 4.1 points to 15.2% and to a lesser extent RCTI with an improvement of 1.5 points to 17.9%. SCTV’s Q4 Prime Time average audience share dropped 2.5 points to 14.1% versus 16.6% in Q3. This is attributable almost equally to IVM with an increase of 6.9 points to 18.3% and RCTI with an increase of 6.4 points to 24.8%.

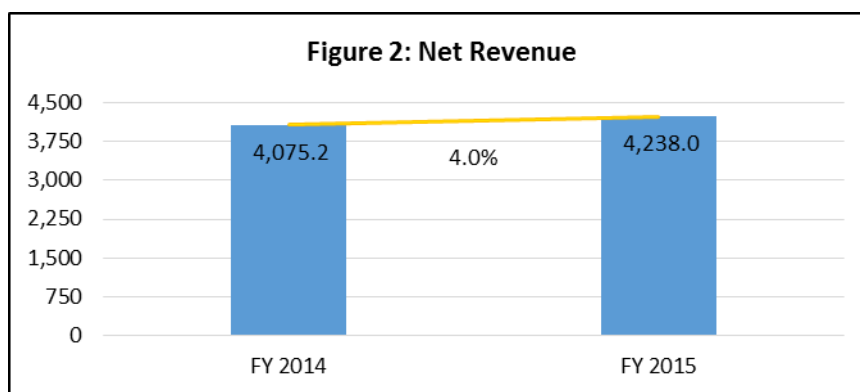
SCTV and IVM ranked No. 2 and 3 respectively amongst television stations in Indonesia for the All Time All 5+ Demographics during FY 2015.



Revenue Growth

SCTV achieved net revenues of Rp 2,704.6 billion for FY 2015, a slight decrease of 0.4% from FY2014, while IVM achieved revenues of Rp 1,579.3 billion, strongly up by 11.0% from FY 2014. As SCTV contributed 63.8% of SCM's television revenues, the total net revenue increased by 4.0%.

The revenue performance of SCTV and IVM was broadly in line with market conditions and the audience share changes at each station. After a recovery in ad spend to normal levels at end of September, the advertisers were more cautious in ad spending throughout Q4, thus resulting a lower net ad spend in 2H 2015 vs 1H 2015.



Profit Growth

SCM's gross profit in FY 2015 increased to Rp 2,718.9 billion, up 4.6% from FY 2014. The increase in gross profit is slightly above the improved revenue growth of 4.0% due to programming costs only increasing by 3.0%, which is less than the revenue growth. SCTV experienced 2.8% higher program costs in FY 2015, whilst IVM experienced a decrease in program costs of 4.4% during the same period.

In October 2015, IVM introduced a new talent show called *Stand Up Comedy Academy* which received a very strong average audience share of 20.5%. This program is also considered a breakthrough show that gave a new flavor to the talent shows that dominate the variety and entertainment focused TV stations and are largely music based. To increase its male audience, IVM also aired a local soccer competition called *Piala Presiden* (President's Championship) which achieved an average share of 16.1%, and even achieved a share of 40.9% in the final match. Again in November 2015, IVM created another spin-off program of *D'Academy*, called *D'Academy Asia* with contestants from neighboring countries such as Singapore, Brunei and Malaysia. This program was also received very well in Indonesia with average audience share of 21.2% and it also received a lot of attention from the other countries that participated. Subsequently in 2016, the successful and groundbreaking program *D'Academy* began its third season and garnered a solid average audience share of 17.5%.

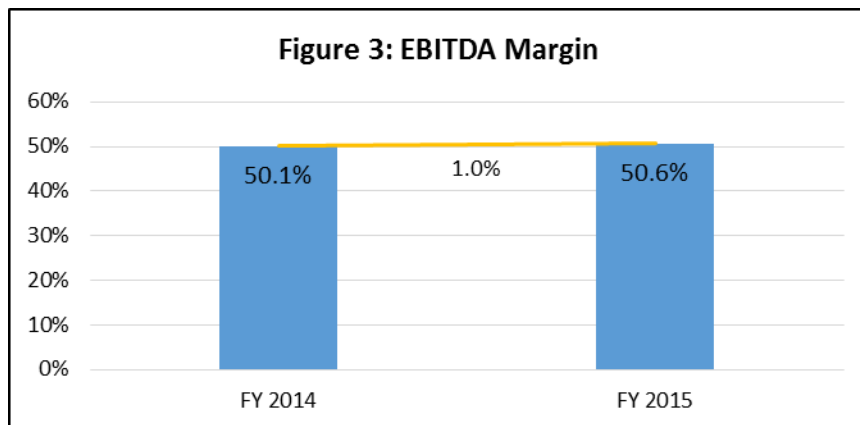
SCTV began 2015 with very strong audience share which lasted through October 2015. This performance was driven by its joint-venture in-house produced series such as *Ganteng-*



Ganteng Serigala, Emak Ijah Pengen ke Mekah, and Pangeran, and its new in-house programs, including *Hell's Kitchen* and *Dance Icon*, along with the sport programs, such as SCM Cup, Sea Games and BPL. However, SCTV's audience share declined in the last two months of 2015. To improve its audience share, SCTV has changed its program scheduling by adding more slots for fresh series, reducing rerun of FTVs and introducing more awards programs and grand music concerts. All of these changes have resulted in a slight increase in the programming costs despite the expiry of the Champions League Football contract in June 2015.

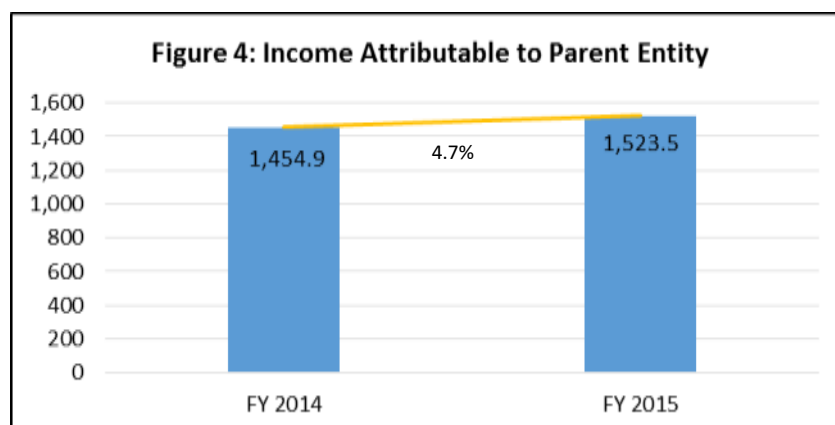
The FY 2015 gross margin achieved by SCTV was 61.4% and for IVM it was 62.7%.

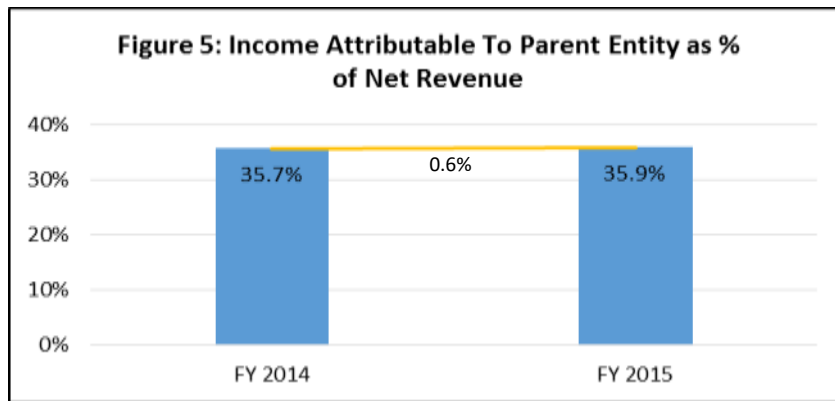
EBITDA for FY 2015 increased by 5.0% to Rp 2,144.0 billion from Rp 2,042.9 billion in FY 2014. As shown in Figure 3 below, the achieved EBITDA margin was 50.6%, an increase of 0.5 points over FY 2014.



Depreciation and amortization increased 16.0% to Rp 133.1 billion. This relates to the investment in replacing and upgrading broadcasting and transmission equipment and towers and building refurbishment at transmission sites.

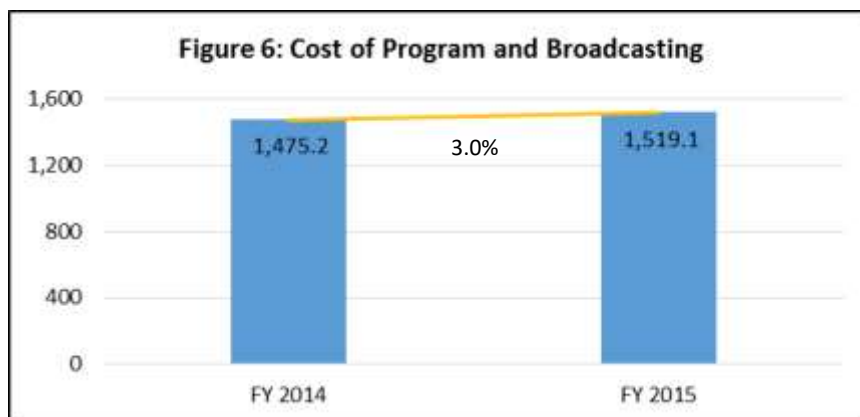
Income for the year attributable to the parent entity increased by 4.7% year-on-year to Rp 1,523.5 billion with the total income margin increasing by 0.2 points to 35.9%.



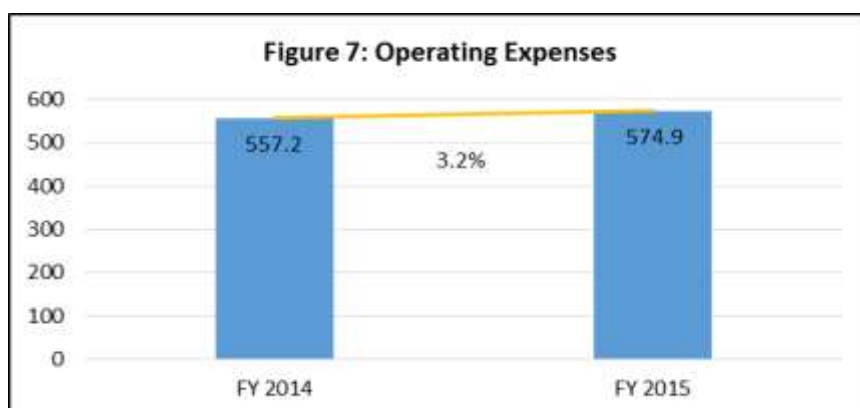


Costs and Expenses

As shown in Figure 6 below, Cost of Program and Broadcasting increased 3.0% year-on-year. The increase in the cost of program and broadcasting is mostly due to the cost of broadcasting SCM Cup in January 2015 and SEA Games in June 2015 on both TV stations. SCTV also had higher program costs mainly due to the weakened IDR against USD resulting in higher cost of the imported sport programs and Turkish series, but also from changing the scheduling pattern by adding one more daily drama series and an increase of fresh run FTVs.



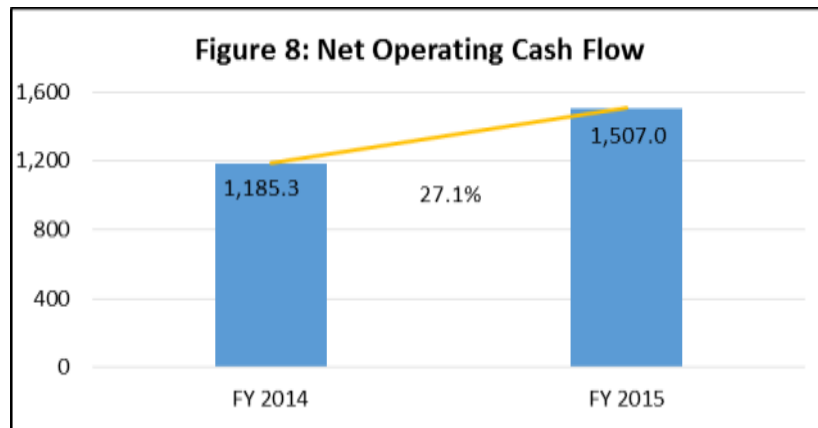
Operating expenses increased by 3.2% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues decreased by 0.1 points to 13.6% as they increased slightly less than revenue growth. Employee salaries and benefits costs were just over 66% of the operating expenses.





Cash Flow

Net operating cash flow increased by 27.1% year-on-year to Rp 1,507.0 billion. The increase primarily resulted from higher collections by 11.3% whilst maintaining the same level of payments to suppliers as FY 2014.



The net investment cash outflows decreased by 40.2% to Rp 112.0 billion. This comprised two significant elements relating to the formation of the content company PT IEG and its subsidiaries IES (“PT Indonesia Entertainmen Studio”) and IEP (“PT Indonesia Entertainmen Produksi”) in July 2015. Of the total investment in fixed assets of Rp 305.9 billion for FY 2015, Rp 165.0 billion was for the acquisition of land and a studio by IES from SCM’s parent company, PT Elang Mahkota Teknologi Tbk (“Emtek”). This was offset by an investment of Rp 222.0 billion in IEG’s share capital by Emtek. Excluding the impact of the IEG transaction, the net investment cash outflow was Rp 169.0 billion in FY 2015, a decrease of 9.8% vs FY 2014.

Financing cash outflows of Rp 1,950.5 billion primarily relate to the disbursement of the final dividend for the year 2014 paid in May 2015 and the interim dividend for the year 2015 paid in December 2015, as well as the partial repayment of SCM’s loan from Emtek.

The free cash flow for FY 2015 was Rp 1,395.0 billion, 40% higher than FY 2014. The year end closing cash balance was Rp 685.7 billion, lower than for FY2014 as a result of the size and timing of dividend payments and higher loan repayments.

Other Matters

Digital Television Broadcasting

As advised in the FY 2014 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.

PT Indonesia Entertainmen Grup ("IEG")

IEG was set up in July 2015 to reorganize the content businesses of SCM and Emtek in order to:

1. Create a content business that can service many distribution platforms (traditional and online)
2. Target new revenues which provides diversification from FTA TV revenues
3. Consolidate content resources and capabilities to expand production and maximize utilization and efficiency
4. Position content platform to maximize opportunity for strategic investments and partnerships

Restatement of 2014 Financial Statements

There has been a restatement of the FY2014 profit and loss and cash flow statements and the December 2014 balance sheet relating to:

- a) the retrospective application of accounting standard PSAK No. 24 relating to the calculation of the liability for employee benefits ; and
- b) the acquisition of PT Animasi Kartun Indonesia ("AKI") by IEG, as it is considered as business combination of an entity under common control which requires SCM to consolidate AKI's financials in SCM as if the business combination occurred at the beginning of the period under which the entity was under common control.

The net impact of the restatements was to increase the income for the year attributable to the parent entity by Rp 1.3 billion, increasing earnings per share for FY 2014 from Rp 99.42 to Rp 99.51. Full details of the restatement are contained in Note 4 of SCM's audited financial report for the year ended 31 December 2015.



PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the years ended December 31
(in Rp. million)

	2015	2014 *)	% change
Net Revenues	4,237,980	4,075,227	4.0%
Program and Broadcasting Expenses	1,519,097	1,475,217	3.0%
Gross Profit	2,718,882	2,600,010	4.6%
<i>as% of Net Revenue</i>	64.2%	63.8%	
Operating Expenses	574,889	557,151	3.2%
<i>as% of Net Revenue</i>	13.6%	13.7%	
EBITDA	2,143,993	2,042,859	5.0%
<i>as % of Net Revenue</i>	50.6%	50.1%	
Depreciation & Amortization	133,144	114,794	16.0%
EBIT	2,010,849	1,928,066	4.3%
<i>as % of Net Revenue</i>	47.4%	47.3%	
Interest Income/(Expenses)	24,137	(75)	-32177.4%
Other Operating Income/(Expenses)	3,481	(853)	-508.2%
EBT	2,038,467	1,927,138	5.8%
<i>as % of Net Revenue</i>	48.1%	47.3%	
Income Tax Expense	513,470	469,441	9.4%
Income for the Year After Merging Entities' Income Adjustment	1,524,997	1,457,696	4.6%
<i>as % of Net Revenue</i>	36.0%	35.8%	
Merging entities' income	(3,411)	(8,137)	-58.1%
Income For the Year Before Merging Entities' Income Adjustment	1,521,586	1,449,559	5.0%
<i>as % of Net Revenue</i>	35.9%	35.6%	
Other Comprehensive Income	17,659	12,393	42.5%
Total Comprehensive Income for the Year	1,539,245	1,461,953	5.3%
<i>as % of Net Revenue</i>	36.3%	35.9%	
Income for the Year Before Merging Entities' Income Adjustment Attributable to:			
Parent Entity	1,523,524	1,454,928	4.7%
Non-Controlling Interests	(1,939)	(5,369)	-63.9%
Total Comprehensive Income for the Year Attributable to :			
Parent Entity	1,540,528	1,467,530	5.0%
Non-Controlling Interests	(1,283)	(5,578)	-77.0%
EPS (Rp. Per share) - full amount	104.20	99.51	4.7%
*) Restated			



PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statement of Financial Position
As of 31 Dec 2015 and 2014
(in Rp. Million)

	31 December 2015	31 December 2014 *)
ASSETS		
Current Assets		
Cash & cash equivalents	685,722	1,248,623
Other current financial assets	-	2,541
Trade receivables - net	1,380,266	1,269,771
Other receivables - net	31,606	21,749
Inventories	532,656	463,929
Advances & prepaid expenses	145,024	197,477
Prepaid taxes	68,225	652
Total Current Assets	2,843,500	3,204,743
Non-Current Assets		
Advances for purchase of fixed assets	19,505	35,664
Deferred tax assets	73,325	72,454
Fixed assets - net	962,114	763,737
Intangible assets - net	449,889	445,237
Investment in associated companies	24,394	24,057
Estimated claims for tax refund	16,423	27,849
Prepaid long-term rent	146,895	137,523
Other non-current assets	29,919	38,146
Total Non-current Assets	1,722,464	1,544,667
TOTAL ASSETS	4,565,963	4,749,410
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	155,068	228,167
Other payables	104,717	104,512
Accrued expenses	271,985	248,190
Taxes payable	133,888	126,766
Current maturities of long-term liabilities		
Finance lease payables	1,323	1,630
Due to a related party	148,238	100,000
Other current liabilities	45,250	8,776
Total Current Liabilities	860,469	818,040
Non-Current Liabilities		
Long-term portion of:		
Finance lease payables	928	1,505
Due to a related party	205,764	348,396
Liabilities for employees benefits - net	85,126	93,601
Total Non-Current Liabilities	291,818	443,501
TOTAL LIABILITIES	1,152,287	1,261,542
EQUITY		
Share capital-issued & fully paid	731,080	731,080
Additional paid-in capital	278,306	281,906
Other comprehensive income	36,395	19,391
Retained earnings	2,100,622	2,404,769
Treasury stock	(41)	(41)
Merging entities' equity	-	18,551
Non-controlling interests	267,313	32,212
TOTAL EQUITY	3,413,676	3,487,868
TOTAL LIABILITIES & EQUITY	4,565,963	4,749,410
*) Restated		



PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31
(in Rp million)

	2015	2014 *)	% change
Net Cash Provided by Operating Activities	1,506,974	1,185,275	27.1%
Net Cash Used in Investing Activities	(112,019)	(187,259)	-40.2%
Free Cash Flow	1,394,955	998,016	39.8%
Net Cash Used in Financing Activities	(1,950,529)	(814,117)	139.6%
Net Increase (Decrease) in Cash & Cash Equivalents	(555,574)	183,899	-402.1%
Cash & Cash Equivalents at Beginning of Year	1,248,623	1,045,896	19.4%
Cash of Newly Acquired Subsidiary, at Beginning	4,591	-	0.0%
Effect of changes in foreign exchange rates on cash & cash equivalents	(11,919)	18,828	0.0%
Cash & Cash Equivalent at Ending of the Year	685,722	1,248,623	-45.1%
*) Restated			

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