



INVESTORS' RELEASE – 3 April 2017
PT SURYA CITRA MEDIA Tbk.

SCM FY 2016 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 2016.

Audience Share

SCTV’s All Time average audience share for FY 2016 decreased by 2.9 points to 12.8% compared to the previous corresponding period. IVM’s average All Time audience share decreased by 0.9 points to 12.5%. The resulting combined average audience share for SCM was 25.3%, showing a decrease of 3.8 points over the previous corresponding period. SCTV held the No. 4 Prime Time spot in FY 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	FY 2015	FY 2016	Change	%Change
SCTV	15.7	12.8	-2.9	-18.7%
RCTI	16.5	19.6	3.1	18.6%
IVM	13.4	12.5	-0.9	-6.5%
TRANS	7.7	6.5	-1.2	-15.4%
MNCTV	11.3	11.5	0.2	1.8%
ANTV	12.4	15.5	3.1	24.8%
TRANS7	8.1	8.5	0.4	4.9%
TVONE	3.8	3.7	-0.1	-3.1%
GTV	6.9	5.8	-1.1	-16.1%
METRO	2.5	2.0	-0.5	-18.9%

In FY 2016 SCTV’s All Time average audience share was 12.8% versus 13.0% in 9M 2016 for a slight decrease of 0.2 points.

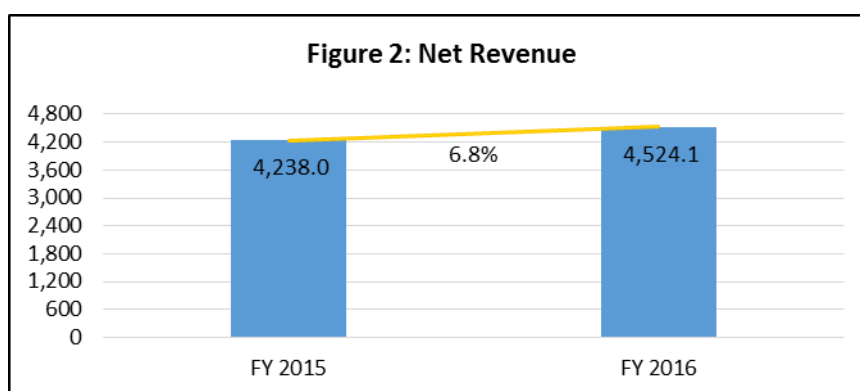
SCTV and IVM ranked No. 3 and 4 respectively amongst television stations in Indonesia for the average All Time All 5+ Demographics during FY 2016.



Revenue Growth

SCTV achieved net revenues of Rp 2,610.9 billion for FY 2016, a decrease of 3.5% from FY 2015, while IVM achieved revenues of Rp 1,907.0 billion, strongly up by 20.8% from FY 2015. This has driven the total consolidated net revenue increase of 6.8%. SCTV contributed 57.7% of SCM's television revenue versus 42.3% for IVM.

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 18.7% decline in all time audience share year-on-year, whilst IVM has enjoyed significant revenue growth notwithstanding an annual audience share decrease of 6.5%.

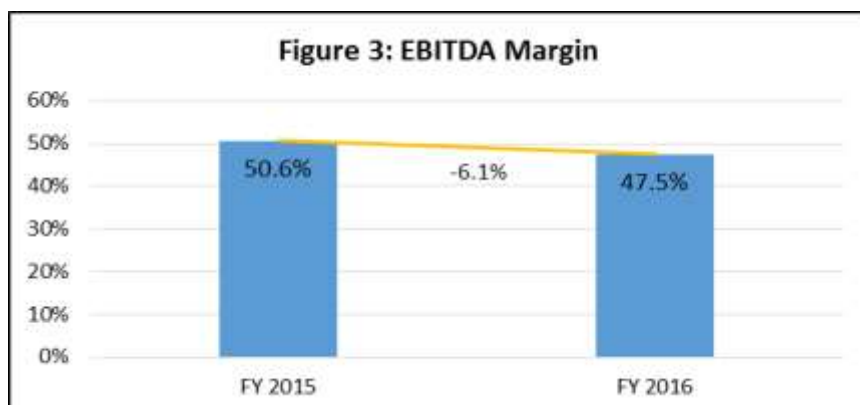


Profit Growth

SCM's gross profit in FY 2016 increased to Rp 2,749.2 billion, up 1.1% from FY 2015. The increase in gross profit is below the improved revenue growth of 6.8% due to the program costs increasing by 16.8%, which is more than the revenue growth. SCTV experienced 11.0% higher program costs in FY 2016, whilst IVM experienced an increase in program costs of 29.5% versus the same corresponding period last year.

The FY 2016 gross margin achieved by SCTV was 55.6% and for IVM it was 60.0%.

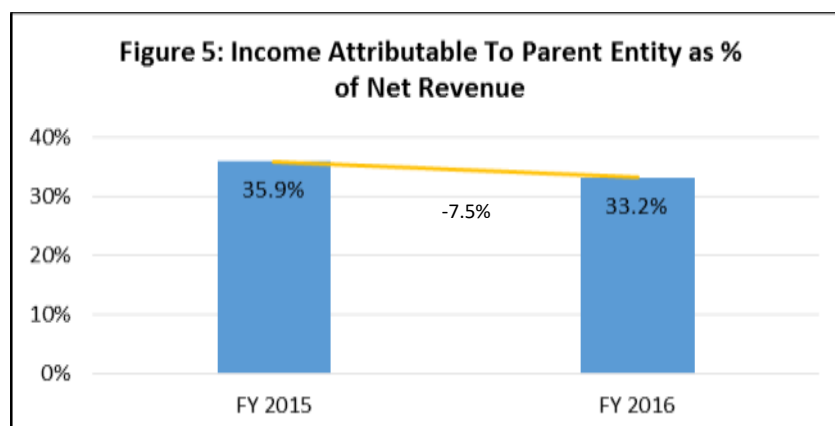
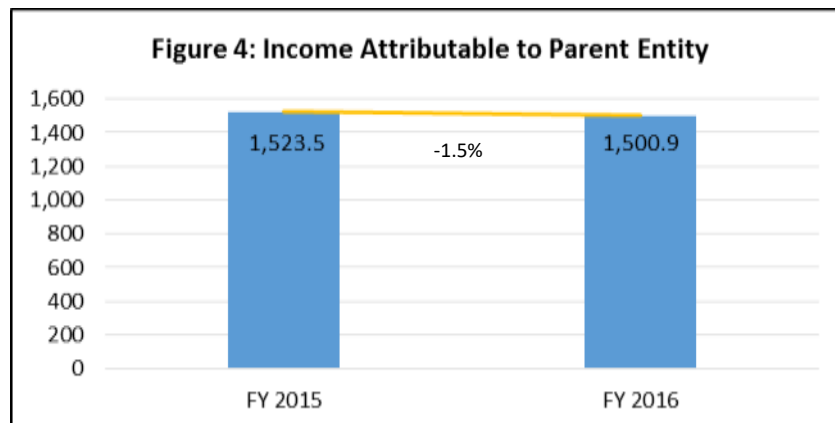
SCM's EBITDA for FY 2016 increased marginally by 0.1% to Rp 2,146.8 billion from Rp 2,144.0 billion in FY 2015. As shown in Figure 3 below, the achieved EBITDA margin in FY 2016 was 47.5%, versus 50.6% the corresponding period last year.





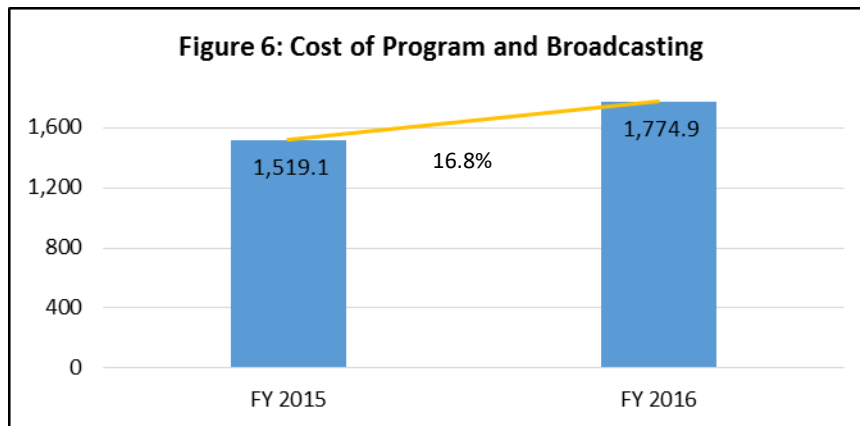
Depreciation and amortization increased 7.8% to Rp 143.5 billion. This relates to the investment in replacing and upgrading broadcasting and transmission equipment and towers and building refurbishment at transmission sites.

Income for the year attributable to the parent entity decreased by 1.5% year-on-year to Rp 1,500.9 billion at a slightly lower margin of 33.2%, down from 35.9%, 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 year).

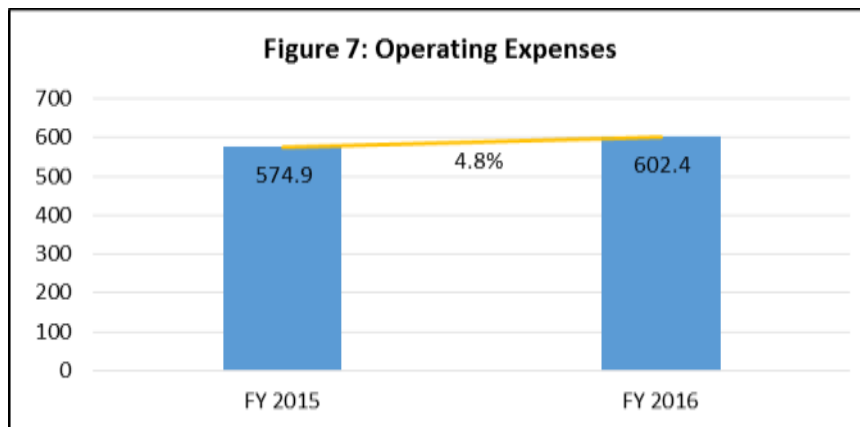


Costs and Expenses

As shown in Figure 6 below, Cost of Program and Broadcasting increased 16.8% year-on-year. The increase in the cost of program and broadcasting in Q4 2016 versus Q3 2016 is mainly due to the total number of matches of Torabika Soccer Championship ('TSC') broadcasted in Q4 which were higher than Q3 as well as the airing of sports packages La Liga, UEFA Champions League and UEFA Europa League, all of which had more matches in Q4 versus Q3 since the seasons only started in August 2016.

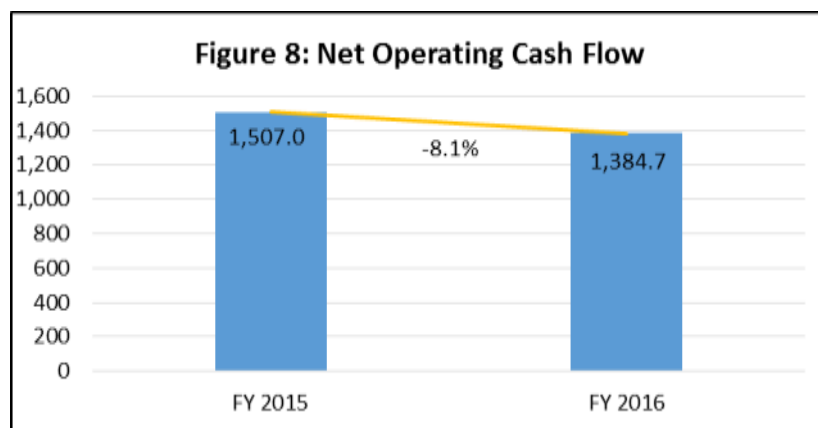


Operating expenses increased by 4.8% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues decreased by 0.3 points to 13.3% as they increased less than revenue growth. Employee salaries and benefits costs were just over 68.8% of the operating expenses.



Cash Flow

Net operating cash flow decreased by 8.1% year-on-year to Rp 1,384.7 billion. The decrease primarily resulted from higher payments to purchase the sports programs as compared to FY 2015.





The net investment cash outflow increased by 123.5% to Rp 250.3 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 increased share capital. Excluding the impact of the IEG transaction, the net investment cash outflow was Rp 169.0 billion in FY 2015. Adjusting for this content restructuring, there is an increase in the net investment cash outflow of Rp 81.3 billion in FY 2016 which is mainly due to the new investment in Iflix.

The free cash flow for FY 2016 was Rp 1,134.4 billion, 18.7% lower than FY 2015.

Financing cash outflows of Rp 1,367.8 billion primarily relate to the disbursement of the final dividend for the year 2015 paid in May 2016 and the interim dividend for the year 2016 paid in December 2016 and higher loan repayments. The 2016 interim dividend payout ratio was 70% of 9M 2016 net profit after tax.

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'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. Up to date of completion of the consolidated financial statements, SCM's subsidiaries, the Ministry and other television stations are still in discussion and have not yet decided on the next steps to be taken. 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.

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 to grant the judicial review as announced in the Supreme Court official website (the Company has not yet received formal notification on this decision). Up to the date of completion of these consolidated financial statements, judicial review submitted by DGT for the Tax Court Award is still in process at the Supreme Court.



PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended December 31, 2016
(Expressed in Millions of Rupiah, Except Earnings per Share)

	YTD DEC 2016	YTD DEC 2015	% change
Net Revenues	4,524,136	4,237,980	6.8%
Program and Broadcasting Expenses	1,774,907	1,519,097	16.8%
Gross Profit	2,749,229	2,718,882	1.1%
<i>as% of Net Revenue</i>	60.8%	64.2%	
Operating Expenses	602,423	574,889	4.8%
<i>as% of Net Revenue</i>	13.3%	13.6%	
EBITDA	2,146,806	2,143,993	0.1%
<i>as % of Net Revenue</i>	47.5%	50.6%	
Depreciation & Amortization	143,468	133,144	7.8%
EBIT	2,003,338	2,010,849	-0.4%
<i>as % of Net Revenue</i>	44.3%	47.4%	
Interest Income/(Expenses)	18,358	24,137	-23.9%
Other Operating Income/(Expenses)	1,855	3,481	-46.7%
EBT	2,023,552	2,038,467	-0.7%
<i>as % of Net Revenue</i>	44.7%	48.1%	
Income Tax Expense	509,923	513,470	-0.7%
Income For The Year After Merging Entities' Income Adjustment	1,513,629	1,524,997	-0.7%
<i>as % of Net Revenue</i>	33.5%	36.0%	
Merging Entities' Income	(2,484)	(3,411)	-27.2%
Income For The Year Before Merging Entities' Income Adjustment	1,511,145	1,521,586	-0.7%
<i>as % of Net Revenue</i>	33.4%	35.9%	
Other Comprehensive Income	(9,468)	17,659	-153.6%
Total Comprehensive Income For The Year	1,501,677	1,539,245	-2.4%
<i>as % of Net Revenue</i>	33.2%	36.3%	
Income For The Year before Merging Entities' Income Adjustment Attributable to:			
Parent Entity	1,500,932	1,523,524	-1.5%
Non-Controlling Interests	10,212	(1,939)	-626.8%
	33.2%	35.9%	
Total Comprehensive Income For The Year Attributable to:			
Parent Entity	1,493,437	1,540,528	-3.1%
Non-Controlling Interests	8,240	(1,283)	-742.0%
EPS (Rp. Per share) - full amount	102.65	104.20	-1.5%



PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statement of Financial Position
As of December 31, 2016
(Expressed in Millions of Rupiah)

	DEC 31, 2016	DEC 31, 2015
ASSETS		
Current Assets		
Cash & cash equivalents	454,732	685,722
Other current financial assets		
Trade receivables - net	1,484,303	1,380,266
Other receivables - net	49,209	31,606
Inventories	689,291	532,656
Advances & prepaid expenses	162,552	145,024
Prepaid taxes	112,094	68,225
Total Current Assets	2,952,181	2,843,500
Non-Current Assets		
Due from related party		
Advances for purchase of fixed assets	25,516	19,505
Deferred tax assets	87,653	73,325
Fixed assets - net	966,766	962,114
Intangible assets - net	457,208	449,889
Investment in associated companies	26,245	24,394
Long - term investment	98,624	-
Prepaid long-term rent	147,672	146,895
Estimated claims for income tax refund	26,189	16,423
Other non-current assets - net	32,558	29,919
Total Non-Current Assets	1,868,431	1,722,464
TOTAL ASSETS	4,820,612	4,565,964
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	245,914	155,068
Other payables	139,504	104,717
Accrued expenses	279,686	271,985
Taxes payables	95,027	133,888
Dividend payable		
Current maturities of long-term liabilities:		
Due to a related party	206,227	148,238
Financing payables	619	1,323
Other current liabilities	23,490	45,250
Financing payables		
Total Current Liabilities	990,468	860,470
Non-Current Liabilities		
Long-term liabilities - net of current maturities:		
Due to a related party	-	205,764
Financing payables	470	928
Liabilities for employees benefits - net	124,266	85,126
Total Non-Current Liabilities	124,736	291,818
TOTAL LIABILITIES	1,115,204	1,152,288
EQUITY		
Share capital-issued & fully paid	731,080	731,080
Additional paid-in capital	278,633	278,306
Treasury stock	(41)	(41)
Other comprehensive income	28,900	36,395
Retained earnings	2,387,981	2,100,622
Non-controlling interests	278,855	267,313
TOTAL EQUITY	3,705,408	3,413,676
TOTAL LIABILITIES & EQUITY	4,820,612	4,565,964



PT Surya Citra Media Tbk and Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2016
(Expressed in Millions of Rupiah)

	YTD DEC 2016	YTD DEC 2015	% change
Net Cash Provided by Operating Activities	1,384,728	1,506,974	-8.1%
Net Cash Used in Investing Activities	(250,323)	(112,019)	123.5%
Free Cash Flow	1,134,405	1,394,955	-18.7%
Net Cash Used in Financing Activities	(1,367,807)	(1,950,529)	-29.9%
Net Decrease in Cash & Cash Equivalents	(233,402)	(555,574)	-58.0%
Cash & Cash Equivalents at Beginning of the Year	685,722	1,248,623	-45.1%
Cash of newly acquired subsidiaries at beginning	7,382	4,591	60.8%
Effect of changes in foreign exchange rates on cash & cash equivalents	(4,970)	(11,919)	-58.3%
Cash & Cash Equivalents at Ending of the Year	454,732	685,722	-33.7%

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