



**INVESTORS' RELEASE – 28 July 2017**  
**PT SURYA CITRA MEDIA Tbk.**

**SCM H1 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 Entertainmen Grup (“IEG”), and its 51% owned production house subsidiary PT Screenplay Produksi (“Screenplay”) are pleased to announce their consolidated results for H1 2017.

### Audience Share

SCTV’s All Time average audience share for H1 2017 increased by 3.1 points to 15.5% compared to the previous corresponding period. IVM’s average All Time audience share decreased by 1.6 points to 11.7%. 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 H1 2017 due to increasing share, and even held 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	H1 2016	H1 2017	Change	%Change
SCTV	12.4	15.5	3.1	25.0%
RCTI	19.7	17.9	-1.8	-9.1%
IVM	13.3	11.7	-1.6	-12.0%
TRANS	6.5	6.4	-0.1	-1.5%
MNCTV	11.4	10.6	-0.8	-7.0%
ANTV	14.8	16.8	2.0	13.5%
TRANS7	8.7	7.6	-1.1	-12.6%
TVONE	3.5	4.0	0.5	14.3%
GTV	5.9	6.0	0.1	1.7%
METRO	2.2	2.0	-0.2	-9.1%

In H1 2017 SCTV’s Prime Time average audience share was 17.7% versus 10.7% in H1 2016, for a strong increase of 7.0 points.

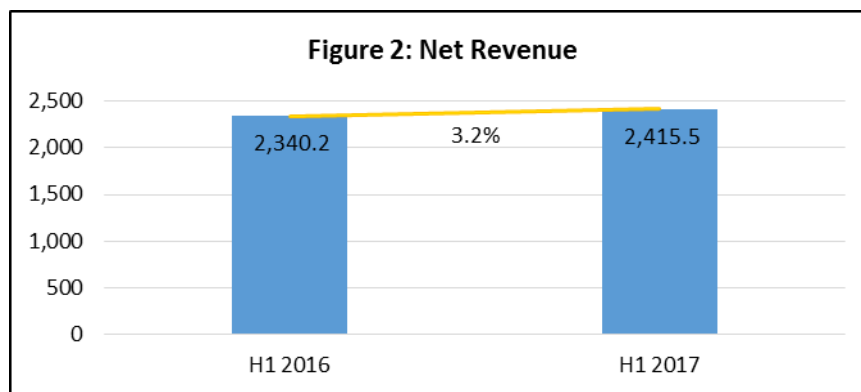
SCTV and IVM ranked No. 2 and 4 respectively amongst television stations in Indonesia for the average Prime Time All 5+ Demographics during H1 2017, with SCTV holding the No. 1 position for Prime Time in April 2017.



## Revenue Growth

SCTV achieved net revenues of Rp 1,435.9 billion for H1 2017, an increase of 9.5% from H1 2016, while IVM achieved revenues of Rp 962.8 billion, a decrease of 5.9% from H1 2016. This has driven the total consolidated net revenue increase of 3.2% to Rp 2,415.5 billion. SCTV contributed 59.4% of SCM's net television revenue versus 39.9% 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 only beginning to improve from 20 February 2017 onwards. SCTV's revenue in Q2 2017 versus Q2 2016 increased by 30.1%, whilst for IVM revenue for the same period decreased by 9.1%.

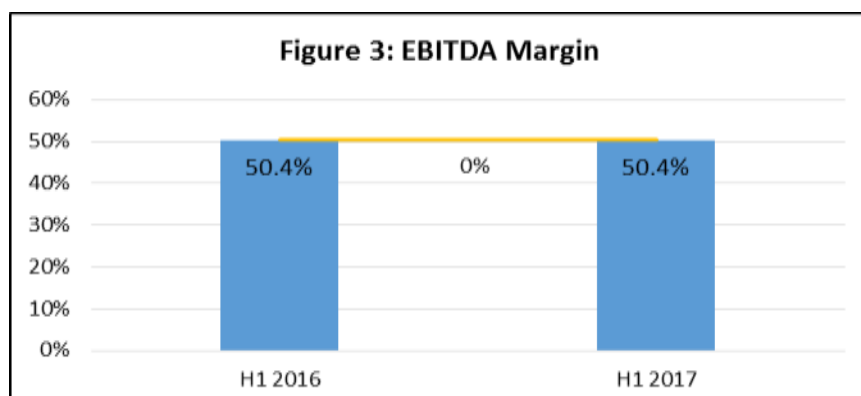


## Profit Growth

SCM's gross profit in H1 2017 increased to Rp 1,556.0 billion, up 3.9% from H1 2016 for a gross profit margin of 64.4%. The increase in gross profit is greater than the increase in revenue of 3.2% due to the program costs increasing by only 2.1%. SCTV experienced 5.0% lower program costs in H1 2017, whilst IVM experienced an increase in program costs of 16.9% versus the same corresponding period last year.

The H1 2017 gross margin achieved by SCTV was 60.2% and for IVM it was 62.0%.

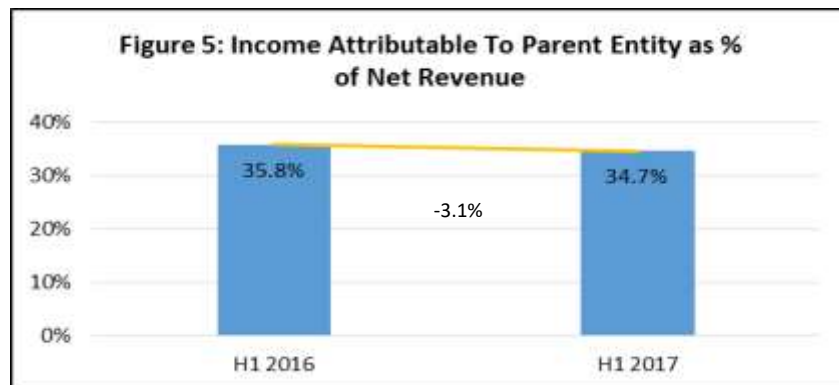
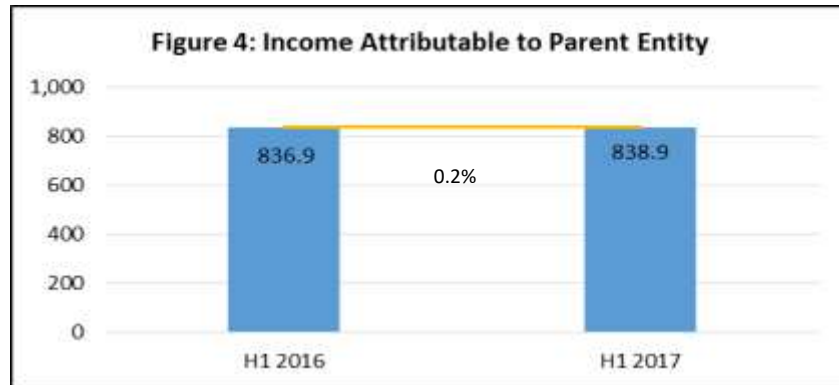
SCM's EBITDA for H1 2017 increased by 3.2% to Rp 1,216.4 billion from Rp 1,178.7 billion in H1 2016. As shown in Figure 3 below, the achieved EBITDA margin in H1 2017 was 50.4%, which is the same as it was during the corresponding period last year.





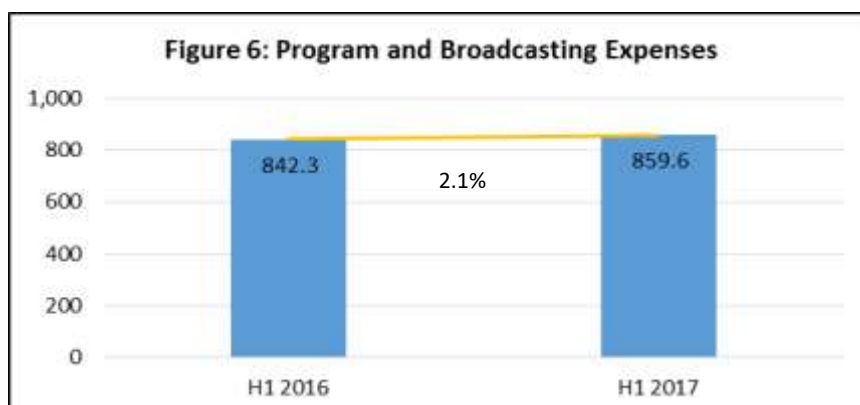
Depreciation and amortization increased by 4.8% to Rp 74.6 billion. This relates to the investment in replacing and upgrading broadcasting and transmission equipment and towers and building refurbishment at transmission sites.

Income for the period attributable to the parent entity increased by 0.2% year-on-year to Rp 838.9 billion at a lower margin of 34.7%, down from 35.8%.



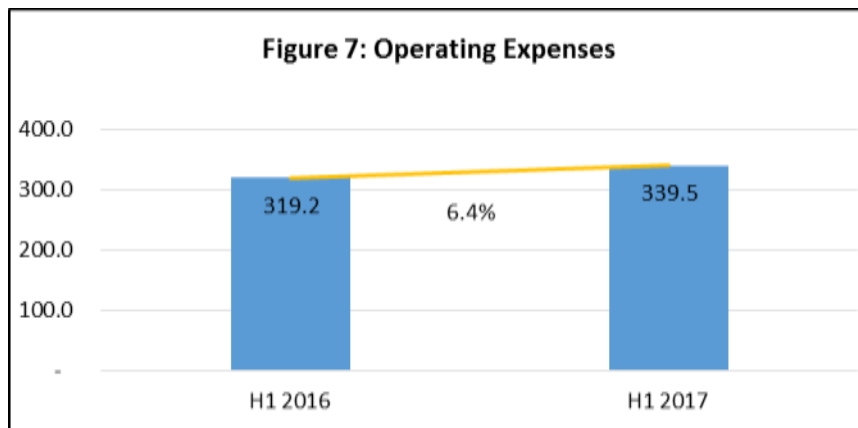
### Costs and Expenses

As shown in Figure 6 below, Program and Broadcasting Expenses increased 2.1% year-on-year. The increase in the cost of program and broadcasting in H1 2017 versus H1 2016 is mainly due to the President's Cup, which was broadcasted across both of our channels in H1 2017, as well as investing in new and fresh program on IVM and new fresh FTVs on SCTV to shore up audience share.



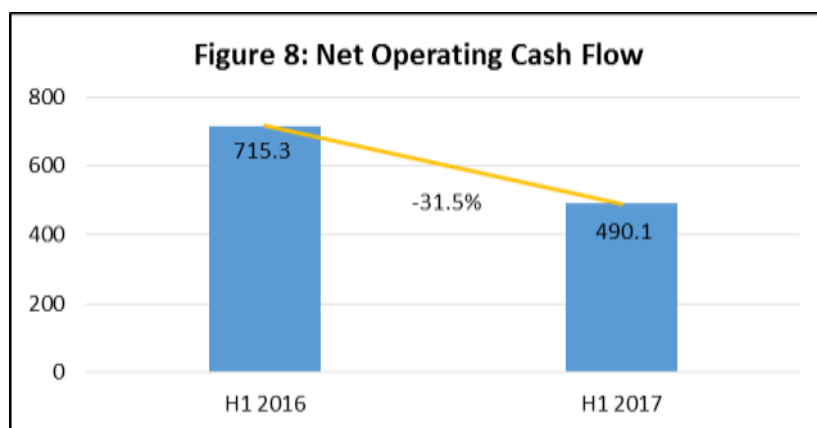


Operating expenses increased by 6.4% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues increased by 0.5 points to 14.1% as they increased more than revenue growth. Employee salaries and benefits costs were just over 70.1% of the operating expenses.



### Cash Flow

Net operating cash flow decreased by 31.5% year-on-year to Rp 490.1 billion. The decrease primarily resulted from higher payments to purchase the sports programs and down payment for several movies and series as compared to H1 2016 and also from slower collections.



The net investment cash outflow increased by 197.0% to Rp 459.2 billion. This relates primarily to the acquisition of the production house PT Sinemart Indonesia.

The free cash flow for H1 2017 was Rp 30.9 billion, 94.5% lower than H1 2016.

Financing cash outflows of Rp 317.0 billion is a decrease of 31.1% from 460.5 billion in the previous corresponding period.



## **Other Matters**

### *Digital Television Broadcasting*

As advised in the H1 2015 Investors' Release dated March 30<sup>th</sup> 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 5<sup>th</sup> 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 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.

The court proceeding on the Opposition Claim is still ongoing and PT Sinemart Indonesia will 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 Six-Month Period Ended June 30, 2017**  
*(Expressed in Millions of Rupiah, Except Earnings per Share)*

	H1 2017	H1 2016	% change
Net Revenues	2,415,538	2,340,205	3.2%
Program and Broadcasting Expenses	859,576	842,273	2.1%
Gross Profit	1,555,962	1,497,933	3.9%
<i>as % of Net Revenue</i>	64.4%	64.0%	
Operating Expenses	339,538	319,223	6.4%
<i>as % of Net Revenue</i>	14.1%	13.6%	
EBITDA	1,216,424	1,178,710	3.2%
<i>as % of Net Revenue</i>	50.4%	50.4%	
Depreciation & Amortization	74,615	71,218	4.8%
EBIT	1,141,809	1,107,492	3.1%
<i>as % of Net Revenue</i>	47.3%	47.3%	
Interest Income/(Expenses)	(5,352)	6,756	-179.2%
Other Operating Income/(Expenses)	984	3,619	-72.8%
EBT	1,137,441	1,117,867	1.8%
<i>as % of Net Revenue</i>	47.1%	47.8%	
Income Tax Expense	291,570	277,521	5.1%
Income For The Period	845,872	840,347	0.7%
<i>as % of Net Revenue</i>	35.0%	35.9%	
Other Comprehensive Income	(360)	(1,118)	-67.8%
Total Comprehensive Income for the Period	845,512	839,229	0.7%
<i>as % of Net Revenue</i>	35.0%	35.9%	
Income for the Period Attributable to:			
Parent Entity	838,910	836,915	0.2%
Non-Controlling Interests	6,962	3,432	102.9%
	34.7%	35.8%	
Total Comprehensive Income For The Period Attributable to :			
Parent Entity	838,726	835,974	0.3%
Non-Controlling Interests	6,786	3,255	108.4%
EPS (Rp. Per share) - full amount	57.38	57.24	0.2%



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

	JUN 30, 2017	DEC 31, 2016
<b>ASSETS</b>		
Current Assets		
Cash & cash equivalents	222,865	454,732
Trade receivables - net	1,899,710	1,484,303
Other receivables - net	42,479	49,209
Inventories	809,020	689,291
Advances & prepaid expenses	164,038	162,552
Prepaid taxes	5,032	112,094
<b>Total Current Assets</b>	<b>3,143,143</b>	<b>2,952,181</b>
Non-Current Assets		
Advances for purchase of fixed assets	53,841	25,516
Deferred tax assets	86,974	87,653
Fixed assets - net	980,775	966,766
Intangible assets - net	988,028	457,208
Investment in associated companies	26,245	26,245
Long - term investment	98,624	98,624
Prepaid long-term rent	143,269	147,672
Estimated claims for income tax refund	30,023	26,189
Other non-current assets - net	44,192	32,558
<b>Total Non-Current Assets</b>	<b>2,451,970</b>	<b>1,868,431</b>
<b>TOTAL ASSETS</b>	<b>5,595,112</b>	<b>4,820,612</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Trade payables	356,605	245,914
Other payables	153,116	139,504
Accrued expenses	232,968	279,686
Taxes payables	121,860	95,027
Current maturities of long-term liabilities:		
Due to a related party	155,922	206,227
Financing payables	1,086	619
Other current liabilities	14,407	23,490
<b>Total Current Liabilities</b>	<b>1,035,964</b>	<b>990,468</b>
Non-Current Liabilities		
Long-term liabilities - net of current maturities :		
Financing payables	3,258	470
Liabilities for employees benefits - net	137,686	124,266
<b>Total Non-Current Liabilities</b>	<b>140,944</b>	<b>124,736</b>
<b>TOTAL LIABILITIES</b>	<b>1,176,908</b>	<b>1,115,204</b>
<b>EQUITY</b>		
Share capital-issued & fully paid	731,080	731,080
Additional paid-in capital	278,633	278,633
Treasury stock	(41)	(41)
Other comprehensive income	28,717	28,900
Retained earnings	2,963,706	2,387,981
Non-controlling interests	416,110	278,855
<b>TOTAL EQUITY</b>	<b>4,418,205</b>	<b>3,705,408</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,595,112</b>	<b>4,820,612</b>





**PT Surya Citra Media Tbk and Subsidiaries**  
**Interim Consolidated Statement of Cash Flows**  
**For the Six-Month Period Ended June 30,2017**  
*(Expressed in Millions of Rupiah)*

	H1 2017	H1 2016	% change
Net Cash Provided by Operating Activities	490,109	715,310	-31.5%
Net Cash Used in Investing Activities	(459,192)	(154,588)	197.0%
<b>Free Cash Flow</b>	<b>30,917</b>	<b>560,722</b>	<b>-94.5%</b>
Net Cash Used in Financing Activities	(317,041)	(460,468)	-31.1%
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(286,123)</b>	<b>100,253</b>	<b>-385.4%</b>
Cash & Cash Equivalents at Beginning of the Period	454,732	685,722	-33.7%
Cash of newly acquired subsidiaries at beginning	55,195	-	0.0%
Effect of changes in foreign exchange rates on cash & cash equivalents	(940)	(5,317)	-82.3%
<b>Cash &amp; Cash Equivalents at Ending of the Period</b>	<b>222,865</b>	<b>780,658</b>	<b>-71.5%</b>

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