



1Q17 Results

Analyst Briefing
30 May 2017

THE STAR MEDIA GROUP

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Agenda

1

**Quarter 1
2017
Highlights**

2

**Quarter 1
2017 Group
Financials**

3

**Business
Segments
financials**

4

Strategy

1Q17's dynamics

1.

- Soft start as print segment faced headwinds

2.

- Growth in revenue from the digital segment primarily from Property BU

3.

- Improved performance from Radio segment

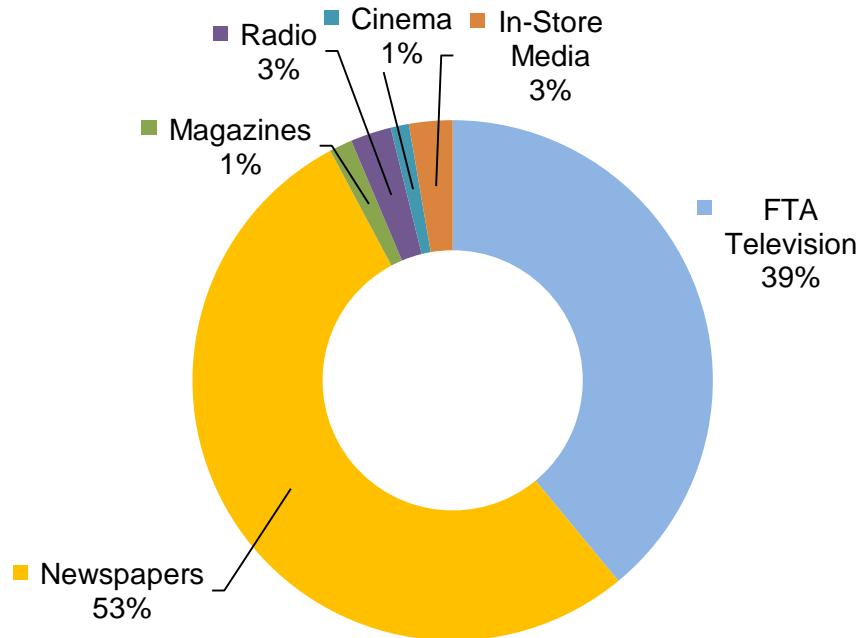
4.

- Strong growth in the Events & Exhibition segment

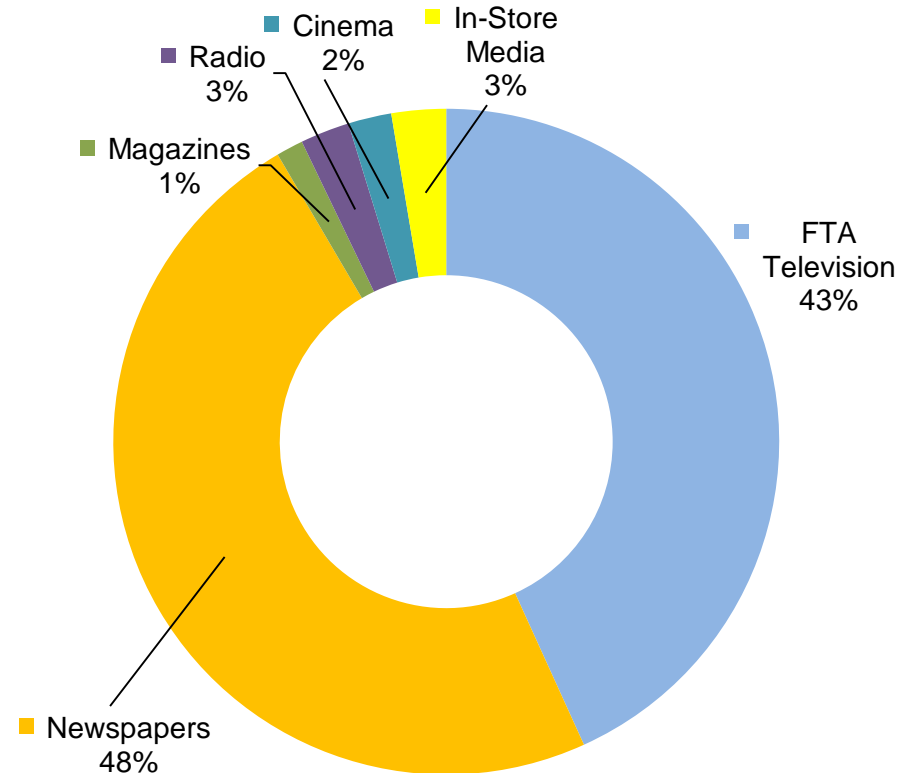
YTD Mar '16 / '17; total adex, all media

Medium share (%)

YTD Mar 2016 (ex. Pay TV & Astro Radio)



YTD Mar 2017 (ex. Pay TV & Astro Radio)

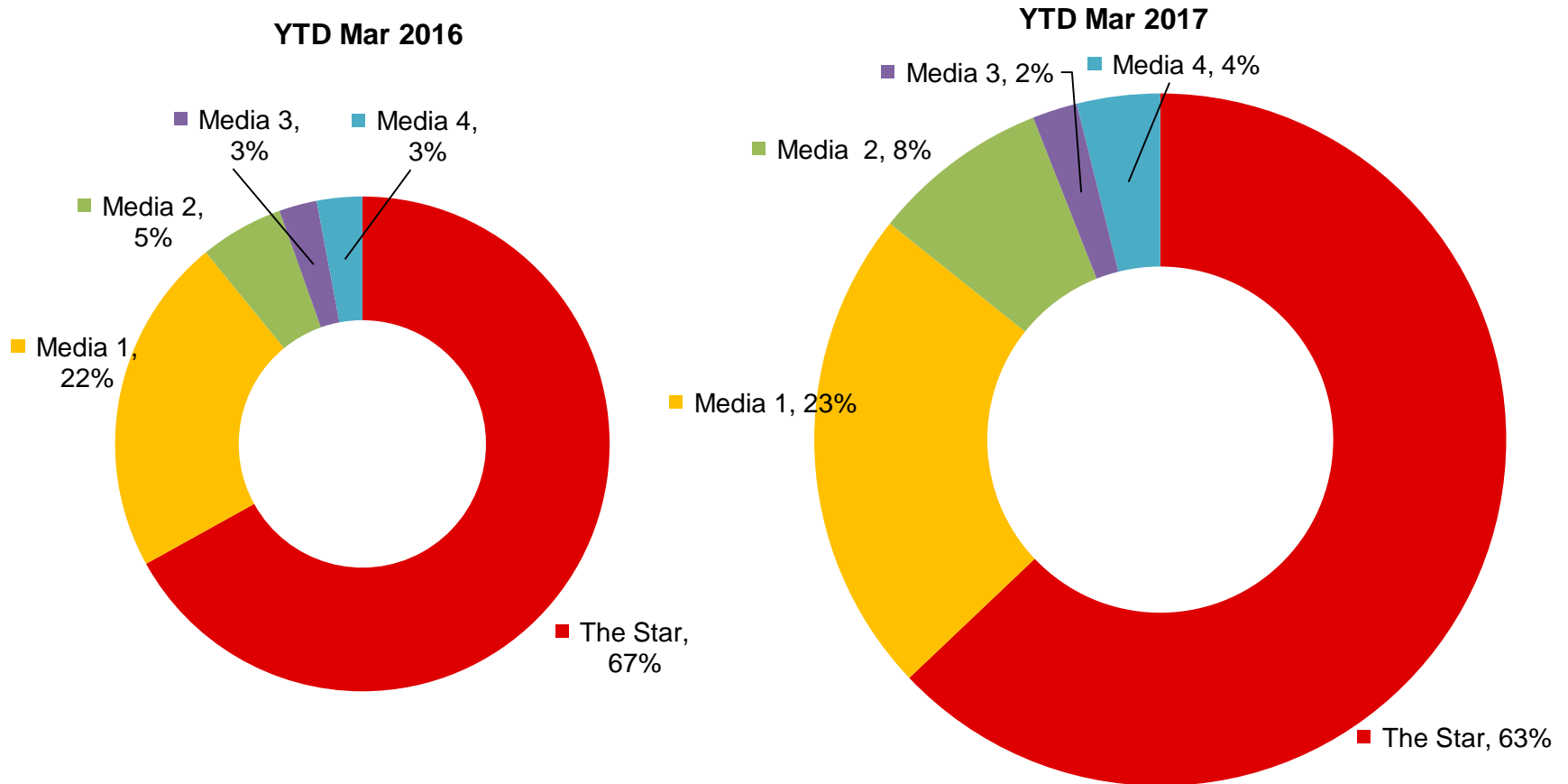


Source: Nielsen AIS. Numbers have not taken into consideration the discounting factor. Excludes Pay TV and Astro radio stations

Contraction in print y-o-y

YTD Mar '16 / '17; English paper adex

Total English newspapers Adex, Peninsular Malaysia YTD Dec (%)

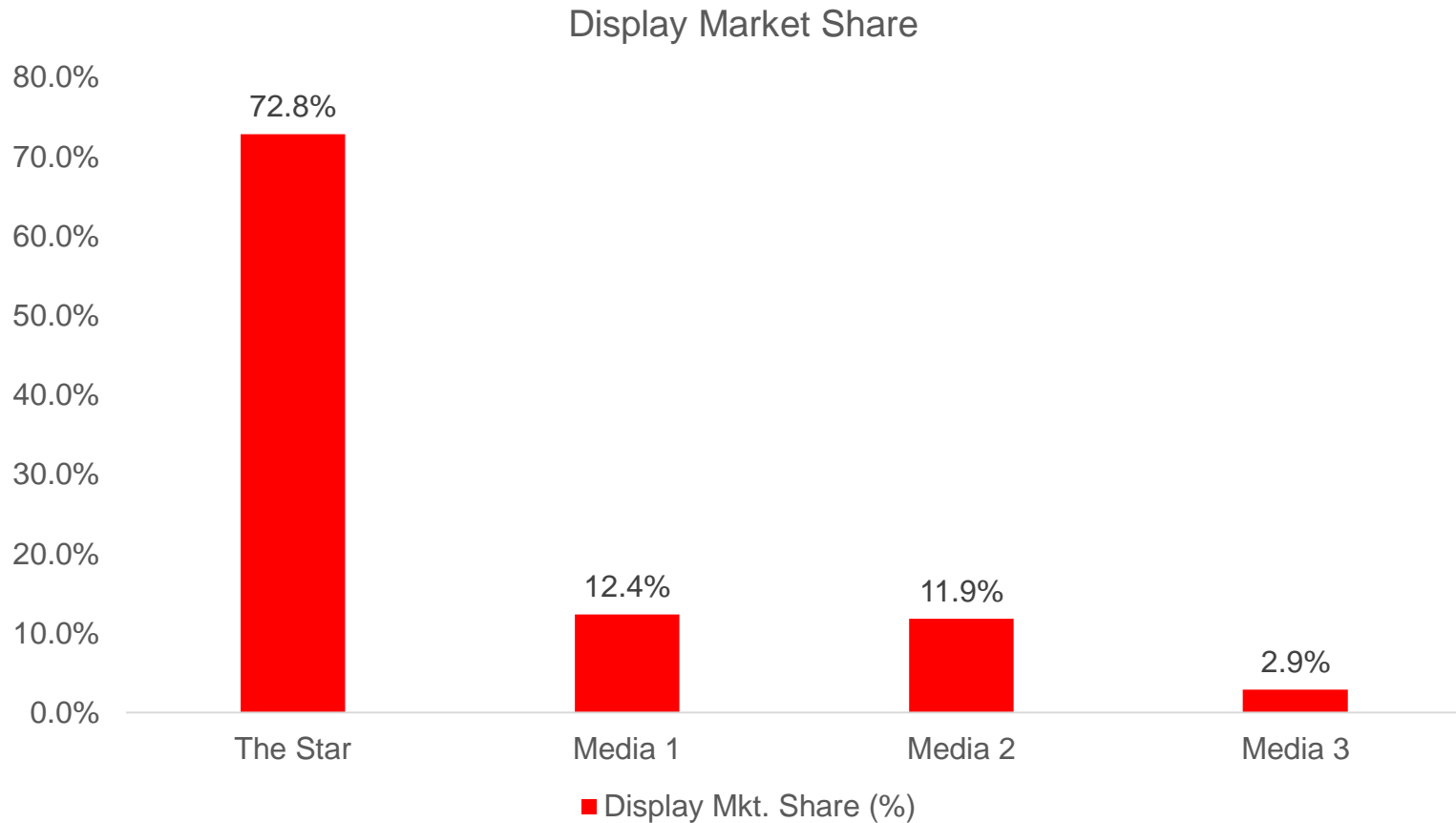


Source: Nielsen AIS. Numbers have not taken into consideration the discounting factor. Excludes Pay TV and Astro radio stations

Still the biggest piece of the pie

YTD display market share

Total English newspapers adex, Peninsular Malaysia; YTD Mar 2017 (%)



Source: Nielsen AIS

Star has dominance in the display category

1Q17 highlights

- Ceased distribution of print in Sabah/Sarawak on 1 Feb 2017
- Epaper subscription in East Malaysia increased 14.7% from 6,099 to 7,001 as at April 2017



- dimsum sealed deals with China International Television Corp (CITVC), Shanghai Media Group, Japanese broadcaster TV Asahi, Hong Kong-based MediaQuiz Entertainment International, and Singapore's largest media conglomerate MediaCorp



1Q17 highlights

**Partnership with
Etika, Malaysia's
biggest beverage
distributor**



**Partnership with
Senheng and senQ,
Malaysia's leading
consumer electronics
chain store**



SMG Entertainment Sdn. Bhd. (507045-H)
(formerly known as Star Online Sdn. Bhd.)

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1Q17 highlights

Malaysian SVOD service dimsum unveils Asian broadcaster deals

Filmart, Malaysian SVOD service dimsum unveils Asian broadcaster deals

13 March 2017 4:00 PM, PDF | ScreenDaily | See recent ScreenDaily news »

Asian content-focused streaming service launched in November 2016.

Malaysia's new SVOD service dimsum has unveiled five deals with top Asian broadcasters and distributors at Filmart in Hong Kong, including Japan's TV Asahi, MediaQuiz from Hong Kong, Singapore's MediaCorp as well as China's CITV and Shanghai Wings Media.

The deals bring exclusive content to dimsum, including CITV's biggest TV series, fantasy drar Tribes And Empire: Storm Of Prophecy, TV Asahi's medical drama series Doctor-s, which has already become the No.1 show on dimsum, and MediaQuiz's TV drama Chibi Maruko-Chan, which is also available on the same day as its global release in China.

The deals were announced by dimsum's chief marketing officer Lam Swee Kim [pictured], a former director at Media Prima Digital.

Launched in November 2016, dimsum is an OTT platform operated by SMG Entertainment Sdn. Bhd.

Video On Demand service dimsum inks major content deal

Tastier treats coming to dimsum

streaming deals with 5 top

SVOD dimsum hot at Filmart

Hong Kong Filmart 2017

Collaboration with Regional Partners:

- CITVC (China)
- Shanghai Media Group (China)
- TV Asahi (Japan)
- MediaQuiz (Hong Kong)
- Mediacorp (Singapore)
- Go Asean (Malaysia)

SMG Entertainment Sdn. Bhd. (507045-H)
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1Q17 highlights

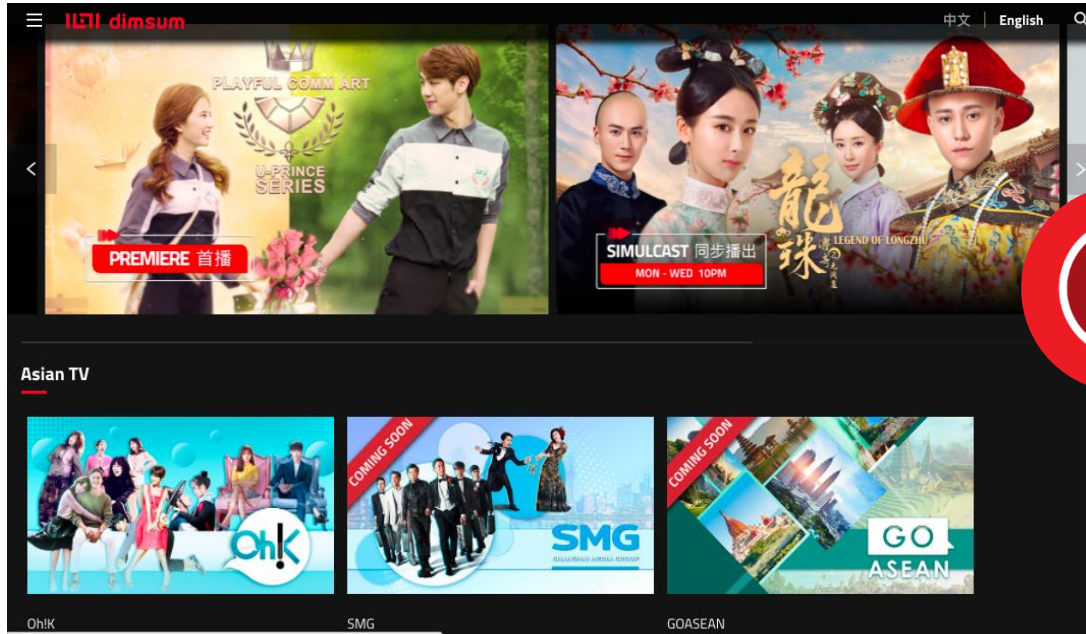


Compatible with Google Chromecast

SMG Entertainment Sdn. Bhd. (507045-10)
(formerly known as Star Online Sdn. Bhd.)

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1Q17 highlights



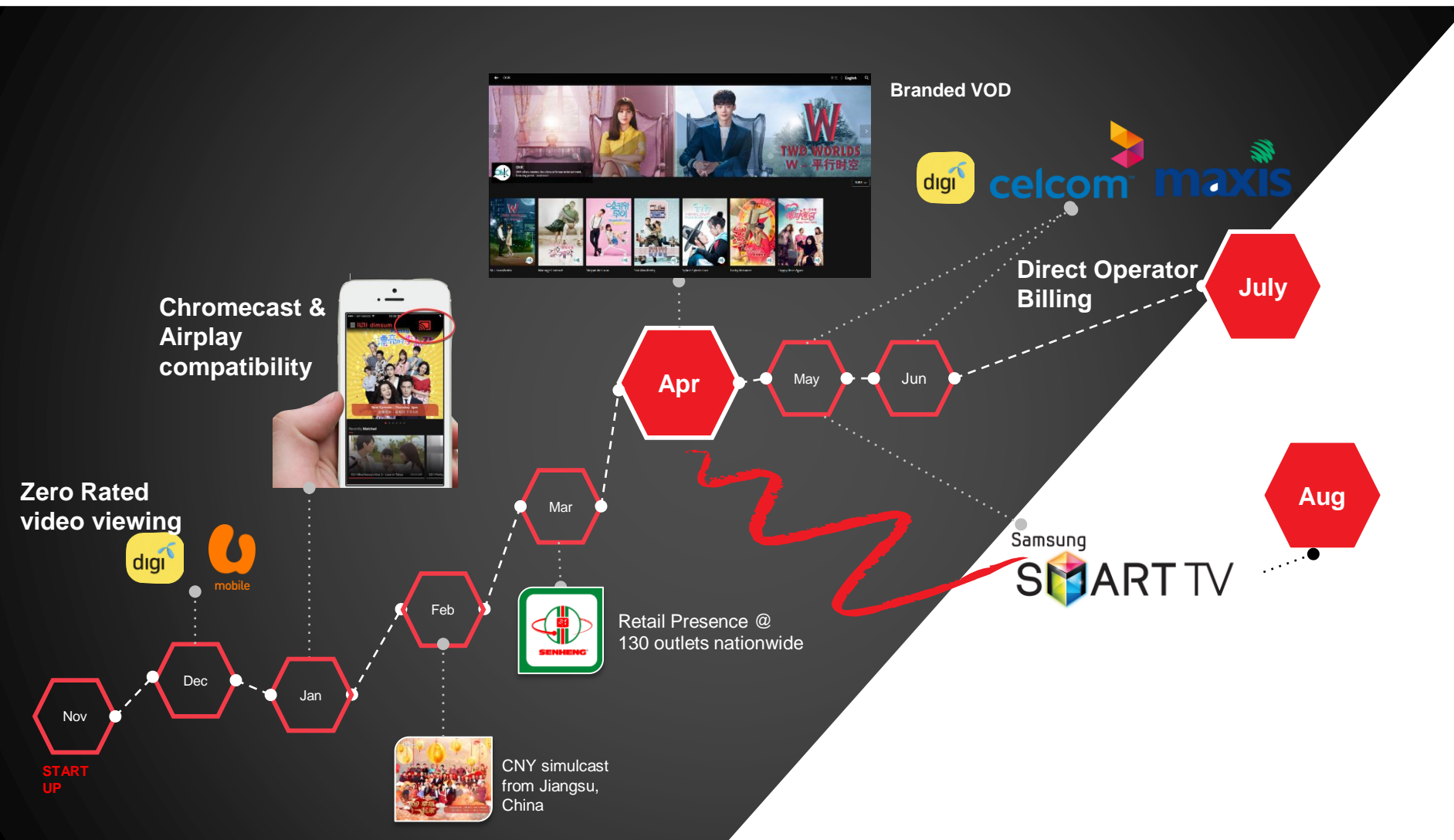
Branded VOD channels

- Oh!K (Turner Asia Pacific)
- Shanghai Media Group (China)
- Go Asean (Malaysia)

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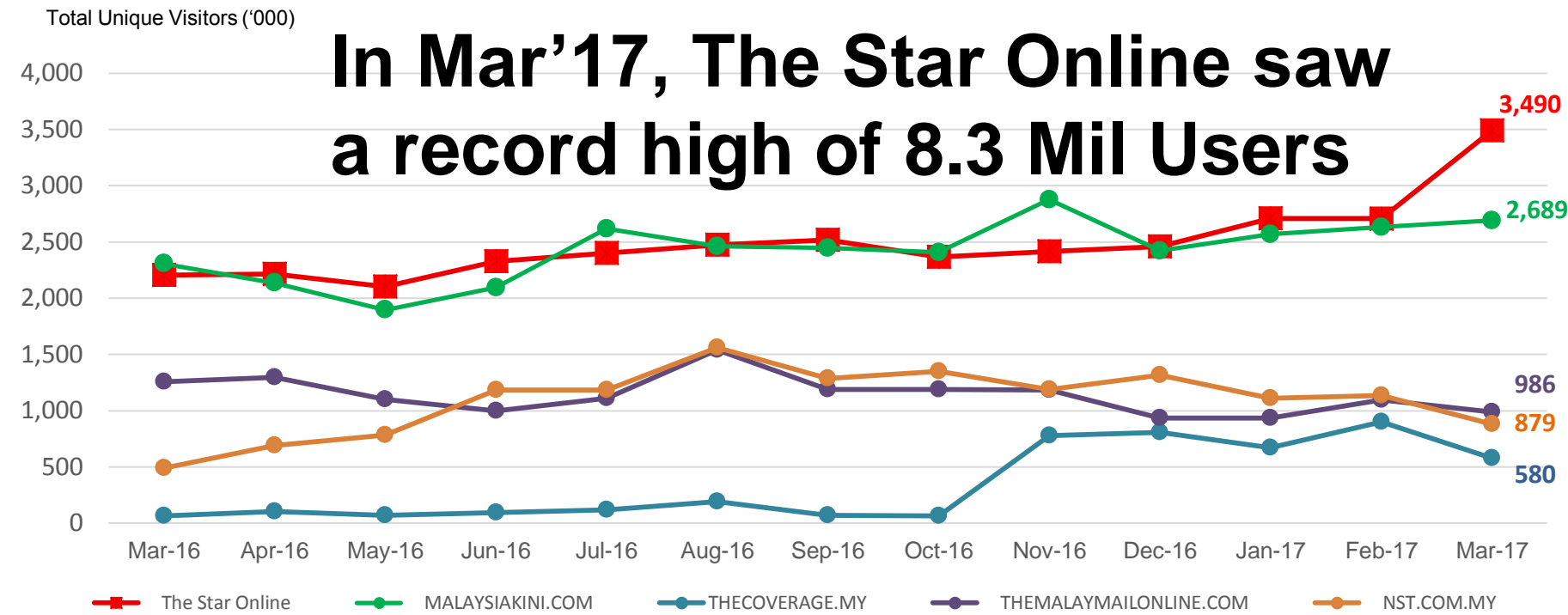
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Dimsum's road map 2017



TSOL; Mar '16 – Mar '17

English News Portals Performance Mar'16 - Mar'17 (Combined PC & Mobile)



The Star Online UV ('000)

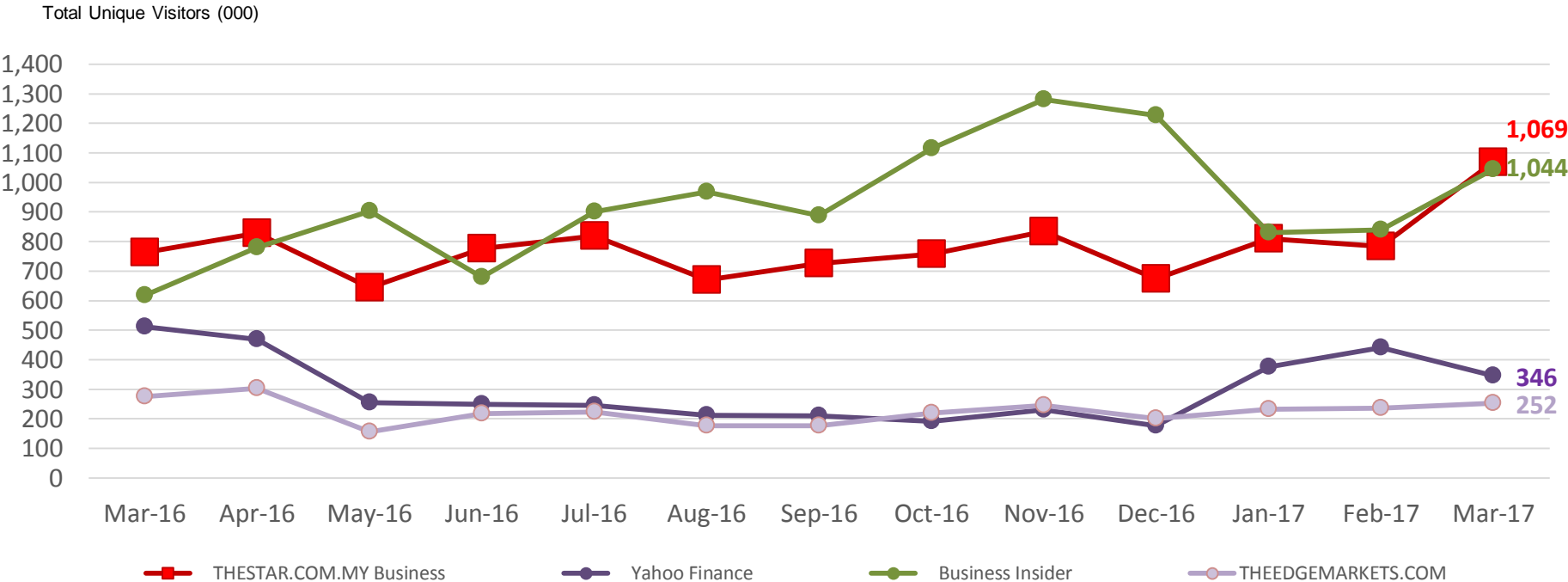
Mar'16	Apr'16	May'16	Jun'16	Jul'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17
2,204	2,215	2,103	2,326	2,403	2,472	2,518	2,368	2,417	2,460	2,708	2,707	3,490

• The Star Online remained at top position in Mar 2017

Source: comScore Media Metrix / Mobile Metrix

Star Biz, Mar '16 – Mar '17

The Star Online Business versus Competitors; Mar'16- Mar'17 (Combined PC & Mobile)



thestar.com.my business UV ('000)

Mar'16	Apr'16	May'16	Jun'16	Jul'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17
763	828	643	776	819	670	726	758	834	673	809	783	1,069

- StarBiz's topped the business portals ranking in Mar'17 with a 37% increase in UV.

Source: comScore Media Metrix / Mobile Metrix

Agenda

1

Quarter 1
2017
Highlights

2

Quarter 1
2017 Group
Financials

3

Business
Segments
financials

4

Strategy

Performance of Star Media Group

(RM million)	1Q17	1Q16	Variance (%)	4Q16
Revenue	183.10	198.73	(7.9%)	260.35
EBITDA	21.44	28.99	(26.0%)	8.36
PBT	13.76	22.38	(38.5%)	47.52
Extraordinary items		-		39.97
PBT (excluding extraordinary items)		-		7.55
<i>EBITDA Margin</i>	11.7%	14.6%	-	3.2%
<i>PBT Margin</i>	7.5%	11.3%	-	18.3%

Challenging market pared down earnings

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1

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2017
Highlights**

2

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2017 Group
Financials**

3

**Business
Segments
financials**

4

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1Q17 Business Segments

1.

- **Print and Digital**

2.

- Event, Exhibition, Interior and Thematic

3.

- TV Channel

4.

- Radio

Performance of Star Media Group

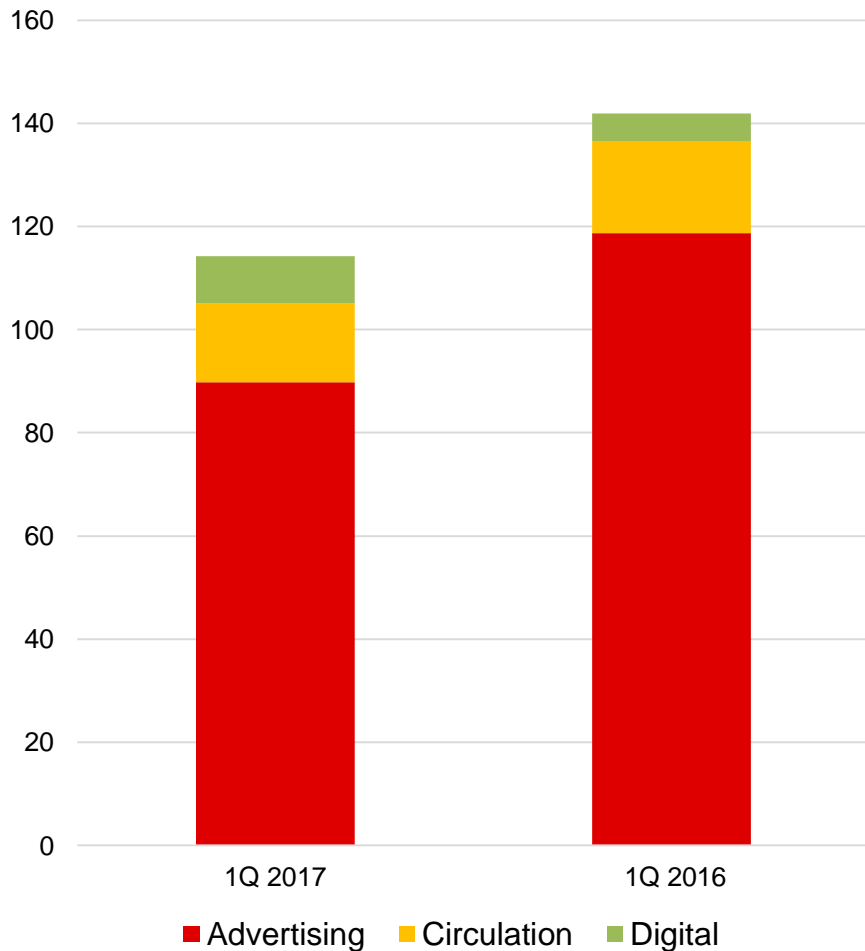
Print and Digital Segment

(RM million)	1Q17	1Q16	Variance (%)	4Q16
Revenue	114.2	141.91	(19.5%)	128.34
EBITDA	11.54	31.66	(63.6%)	19.45
PBT	8.10	27.16	(70.2%)	16.32
<i>EBITDA Margin</i>	10.1%	22.3%	-	15.2%
<i>PBT Margin</i>	7.1%	19.1%	-	12.7%

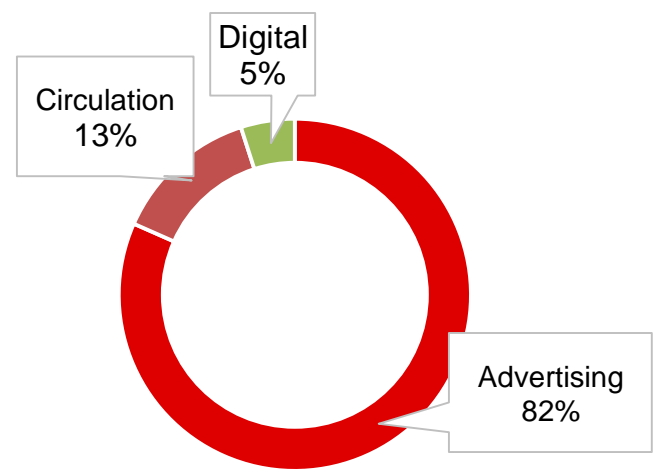
Tough quarter due to poor consumer sentiment and weak retail market

Breakdown of revenue 1Q17

Q-on-Q comparison



1Q 2017 revenue RM114.21m
vs RM141.91m in 1Q2016



1Q17 Business Segments

1.

- Print and Digital

2.

- **Event, Exhibition, Interior and Thematic**

3.

- TV Channel

4.

- Radio

Performance of I.Star Ideas Factory

(RM million)	1Q17	1Q16	Variance (%)	4Q16
Revenue	2.16	1.19	81.5%	4.63
EBITDA/ (LBITDA)	(0.01)	(1.09)	99.1%	1.55
PBT/LBT	(0.05)	(1.07)	95.3%	1.53
<i>EBITDA/ (LBITDA) Margin</i>	<i>(0.5%)</i>	<i>(91.6%)</i>	-	33.5%
<i>PBT/LBT Margin</i>	<i>(2.3%)</i>	<i>(89.9%)</i>	-	33.1%

Revenue improved and losses narrowed

Performance of Cityneon Holdings Ltd

(SGD million)	1Q17	1Q16	Variance (%)	4Q16
Revenue	16.32	13.5	20.9%	33.74
EBITDA	3.70	0.29	1175.9%	3.47
PBT/(LBT)	2.27	(0.31)	832.3%	2.24
EBITDA Margin	22.7%	2.15%	-	10.3%
PBT/(LBT) Margin	13.9%	(2.3%)	-	6.6%

Higher revenue contribution from exhibition services and Intellectual Property Rights

1Q17 Business Segments

1.

- Print and Digital

2.

- Event, Exhibition, Interior and Thematic

3.

- **TV Channel**

4.

- Radio

Performance of Li TV Holdings Ltd

(USD million)	1Q17	1Q16	Variance (%)	4Q16
Revenue	0.74	0.48	54.2%	1.26
(LBITDA)	(0.29)	(0.47)	38.3%	(0.11)
(LBT)	(0.30)	(0.48)	37.5%	(0.12)
<i>(LBITDA) Margin</i>	<i>(39.2%)</i>	<i>(97.9%)</i>	-	<i>(8.7%)</i>
<i>(LBT) Margin</i>	<i>(40.5%)</i>	<i>(100%)</i>	-	<i>(9.5%)</i>

Revenue rose and losses narrowed

1Q17 Business Segments

1.

- Print and Digital

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- Event, Exhibition, Interior and Thematic

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- TV Channel

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- **Radio**

Performance of Radio Operations

Star Media Radio Group

(RM million)	1Q17	1Q16	Variance (%)	4Q16
Revenue	9.91	10.95	(9.5%)	11.48
(LBITDA)/EBITDA	1.13	(0.11)	1127.3%	0.61
(LBT)/PBT (excluding impairment)	1.07	(0.36)	397.2%	1.21
(LBITDA)/EBITDA Margin	11.4%	(1.0%)	-	5.3%
(LBT)/PBT Margin	10.8%	(3.3%)	-	10.5%

(after inter company transaction eliminations)



Cost savings from the disposal of Capital FM and RedFM

Agenda

1

Quarter 1
2017
Highlights

2

Quarter 1
2017 Group
Financials

3

Business
Segments
financials

4

Strategy

Strategy

1.

- dimsum is broadening the strength of its Asian content through branded VOD with regional partners

2.

- Increasing dimsum distribution through telco partners & TV manufacturers

3.

- Aggressive drive to provide more bundled products and creative buys to advertisers, as well as organize client-driven events

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