

THE STAR MEDIA GROUP

Read. Listen. Watch. Think. Be Inspired

Analyst Briefing
Monday, 24 August 2015

Today's Presenters



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CRO

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**2Q15
Highlights**

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**Quarter 2
2015 Group
Financials**

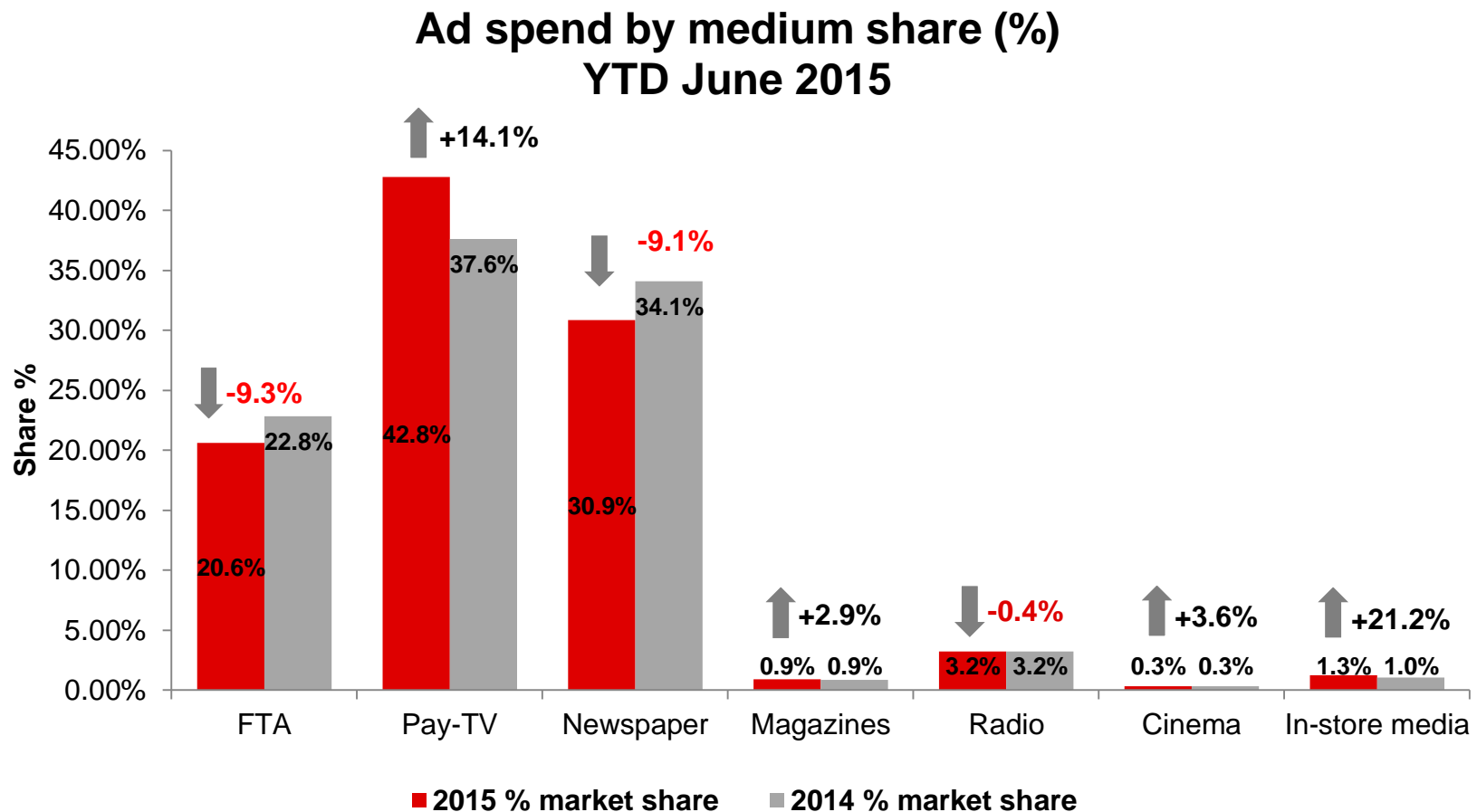
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**Business
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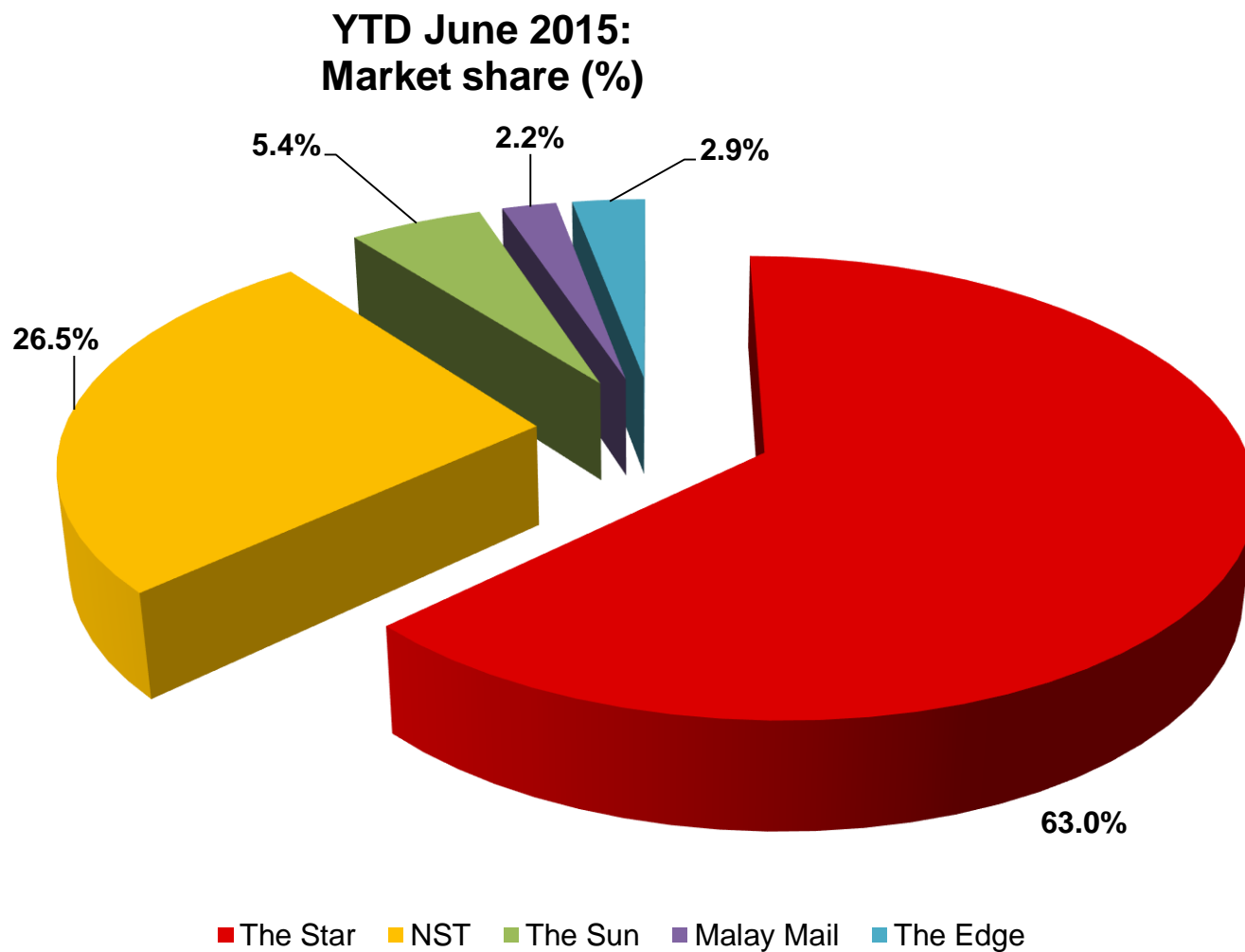
**Media
Outlook
2H15 &
Strategy**

1H15 ad spend; flat growth on low spend



- YTD June 2015 stood at RM6.84 bn vs. RM6.82 bn in the previous corresponding period due to the weak Ringgit, weak oil prices and GST

Despite soft environment; our adex grew



2Q15: Key Achievements

THE STAR BUNDLE
comes with 4 regional ePapers

Enjoy The Star ePaper

RM360 per year

+

The Nation, Jakarta Post, China Daily Asia Weekly, The Philippine Daily Inquirer

It's easy to stay up-to-date with the latest news when you subscribe to The Star Bundle. At RM360 a year, you'll get The Star newspaper, The Star ePaper, and eFlavours. You'll even get 1 year digital access to 4 regional ePapers – The Nation, Jakarta Post, China Daily Asia Weekly and The Philippine Daily Inquirer.

Subscribe today at newsstand.thestar.com.my or call 1300 88 7827 (STAR).

Star people's paper

- The Star ePaper hit a new circulation milestone: 108,375 in June 2015
- Combined print and ePaper circulation breached 400,000 mark for the first time
- 2H 2014 circulation of ePaper stood at 85,806 (*source ABC*)
- Continuously looking at innovative ways to adapt to the new media landscape
- Expect that ePaper circulation to increase by another 20,000 by year end

2Q15: Key Achievements

2 leading brands, 1 subscription.



The Star and Sin Chew Daily are partnering for the very first time to bring you the latest news and updates in digital editions. All in one subscription. Offer is valid for a limited time only, subscribe today!

THE STAR & SIN CHEW ePAPER PACKAGE



PACKAGE INCLUDES:

- ✓ The Star ePaper
- ✓ Sin Chew ePaper
- ✓ eflavours
- ✓ 4 Regional ePapers (China Daily Asia Weekly, The Nation, Jakarta Post, The Philippine Daily Inquirer)

LIMITED TIME OFFER!
RM **199** / year
(RRP: RM560)

OTHER LIMITED TIME OFFERS



THE STAR BUNDLE PACKAGE

PACKAGE INCLUDES:

- ✓ The Star Newspaper
- ✓ The Star ePaper
- ✓ eflavours
- ✓ 4 Regional ePapers (China Daily Asia Weekly, The Nation, Jakarta Post, The Philippine Daily Inquirer)

RM 300 / year
(RRP: RM360)



THE STAR ePAPER PACKAGE

PACKAGE INCLUDES:

- ✓ The Star ePaper
- ✓ eflavours
- ✓ 4 Regional ePapers (China Daily Asia Weekly, The Nation, Jakarta Post, The Philippine Daily Inquirer)

RM 180 / year
(RRP: RM350)

SUBSCRIBE TODAY

Visit <https://newsstand.thestar.com.my/TheStarSinChew> Email customerservice@thestar.com.my

Call 1300-88-7827 (STAR), Monday to Friday (9am – 5:30pm), excluding public holidays.

Terms & conditions apply.



- ePaper bundling with Sin Chew successful
- Extending agreement to continue bundling with Sin Chew

2Q15: Highlights

- Star Publications (M) Berhad is now known as Star Media Group Berhad
- New logo, as part of its rebranding exercise, will be launched on Sept 9
- Strong successful campaigns

Creative campaigns

DAY 1

The brand Mountain Dew Neon bottle was featured in its full glory via a jacket wrap printed with **fluorescent ink**. A miniature battery-powered Mountain Dew bottle was attached inside, and when switched on illuminates a bright neon green.



Creative campaigns

DAY 2

The Star became a **Neon Green ambassador** by transforming the masthead and headlines into a cool neon green, with **creative blurbs** appearing sporadically throughout Main, Star2 and Metro Central. It must be noted The Star is traditionally red and almost NEVER changes its masthead colour.



Creative campaigns

DAY 3

A different creative was used to express the luminosity of the Neon Edition – a jacket wrap printed with fluorescent ink with a **glow-in-the-dark neon green balloon**.



Creative campaigns



DAY 4

The campaign was taken up a notch with a contest 'Neon It, Snap It, Win it' expressed via a **glow-in-the-dark jacket wrap** to spread awareness and encourage public participation in product promotion.

A large advertisement for Mountain Dew Neon Edition. At the top, it says 'GLOW WITH THE NEW MOUNTAIN DEW AND WIN!'. In the top right corner is a 'NEON EDITION' logo. The center features a glowing green Mountain Dew bottle against a black background with green neon crackle patterns. On the left, it says 'Do the DEW'. On the right, it says 'NEON IT, SNAP IT, WIN IT!'. At the bottom, there are four numbered steps in a sequence:

1. Take this glow-in-the-dark ad into a dark corner or room.
2. Snap a photo of yourself illuminating with this ad for the new MOUNTAIN DEW NEON.
3. Upload your photo on social media (Facebook, Twitter, Instagram) and hashtag it with #MYDewNeon.
4. The first 500 best pictures will each be rewarded with RM100.

At the bottom right, it says 'Great prizes are up for grabs! So get creative and do the Neon Dew!' and includes a Facebook link: facebook.com/MountainDewMalaysia.

Creative campaigns

DAY 5

On day 5, a Call-to-Action was featured

Star 1, new, 3, 7-11...

It stays at 55

It took just two days, EPF members overwhelmingly voted to retain full withdrawals at the age of 55 and agreed to have new contributions between ages 55 and 60 to be locked in. Prime Minister Datuk Seri Najib Tun Razak announced that this option will be adopted after about 50,000 contributors responded to the fund's online consultation poll.

Make me pretty
new every girl
make-up
the best

HONDA

THE WAY TO SAVE
THE MOST IS TO
START
NOW

3,000
2,000
1,500
500

Only 7-Eleven

RM 1

Mountain Dew

NEON EDITION

RM 1 FOR TODAY ONLY NEW MOUNTAIN DEW NEON EDITION AT 7-ELEVEN

#MYDewNeon

Full withdrawal age stays at 55

All contributions after that to be locked in until members turn 60

Many laud move to retain EPF withdrawal age

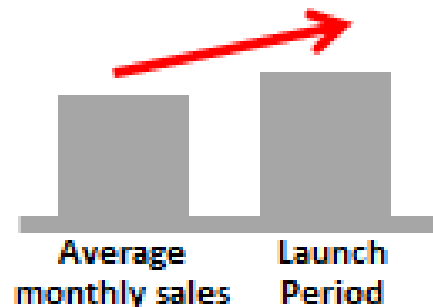
TRIFLEX 3in1
Formulas For Osteoarthritis & JOINT PAIN

ENJOY LIFE WITHOUT JOINT PAIN WITH GNC TRIFLEX

Client's testimony

Mountain Dew Original Neon Edition 500ml sales:

**28%
INCREASED**



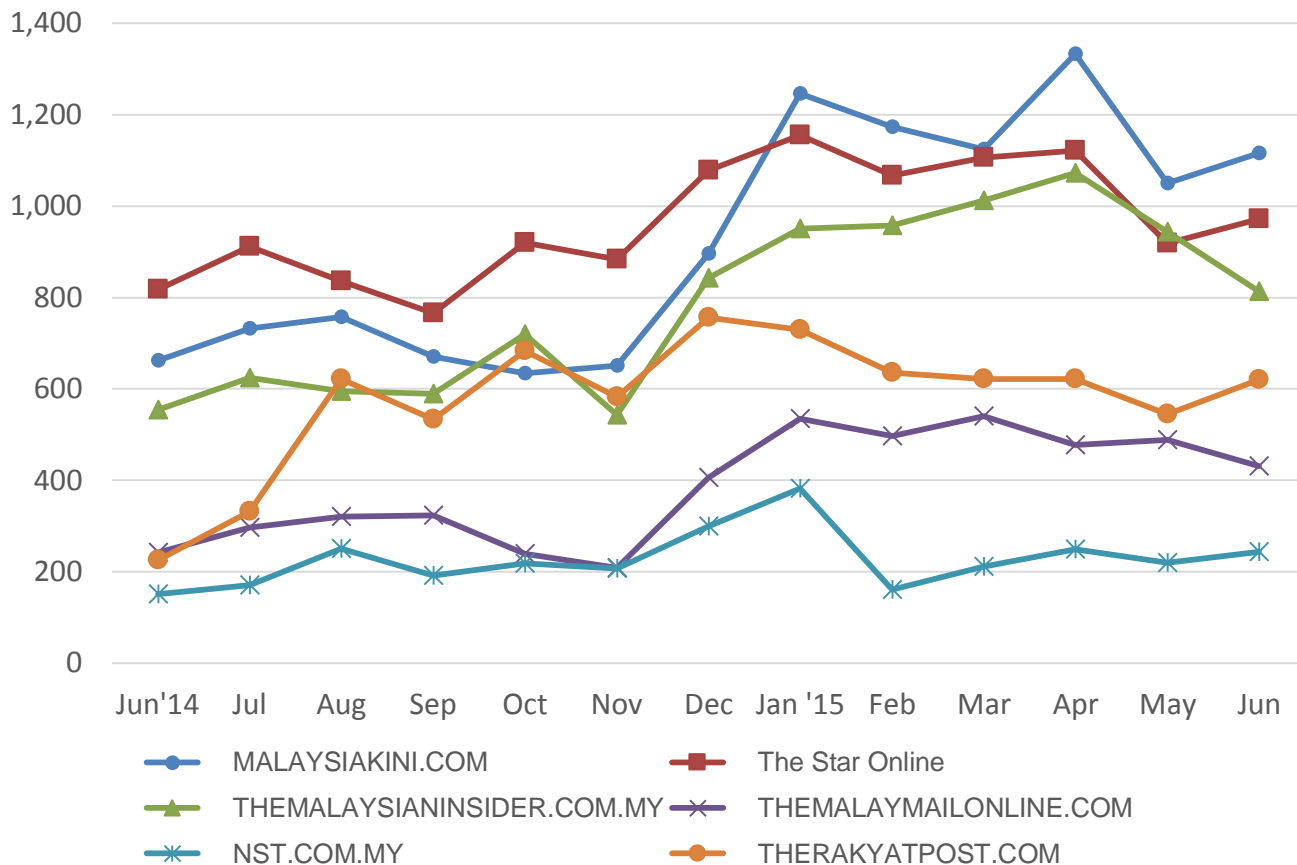
**4,750%
INCREASED**



>> To develop similar successful campaign with other clients

Star Online Performance June '14 - June '15

Total Unique Visitors (000)



- All websites noted an increase in June 2015 vs May 2015 except **The Malaysian Insider & The Malay Mail Online** which noted a decrease

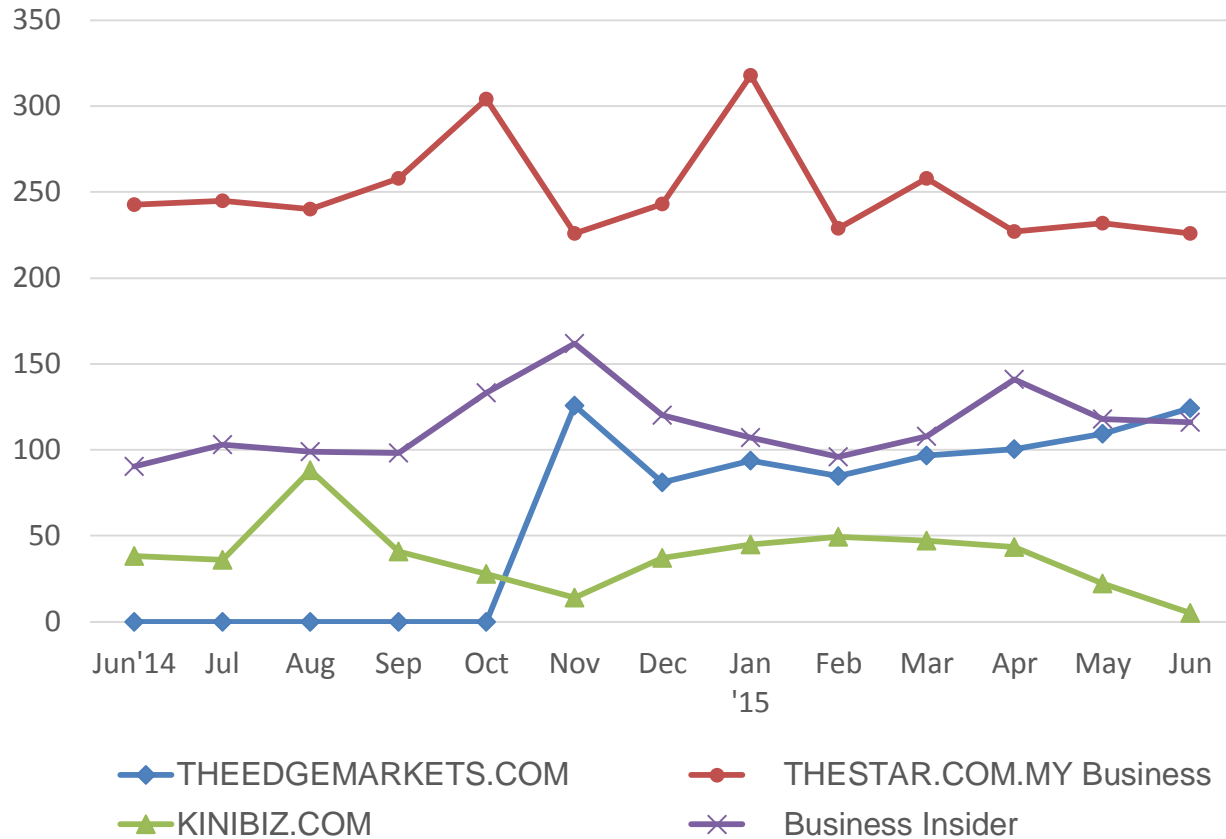
The Star Online

Month	UV
Jun'14	818
Jul	911
Aug	836
Sep	766
Oct	920
Nov	884
Dec	1,078
Jan '15	1,156
Feb	1,068
Mar	1,107
Apr	1,122
May	919
Jun	972

Source: comScore Media Metrix

Star Biz, # 1 local business news

Total Unique Visitors (000)



- **Star Business** vertical is the number 1 **local business news site** in the market

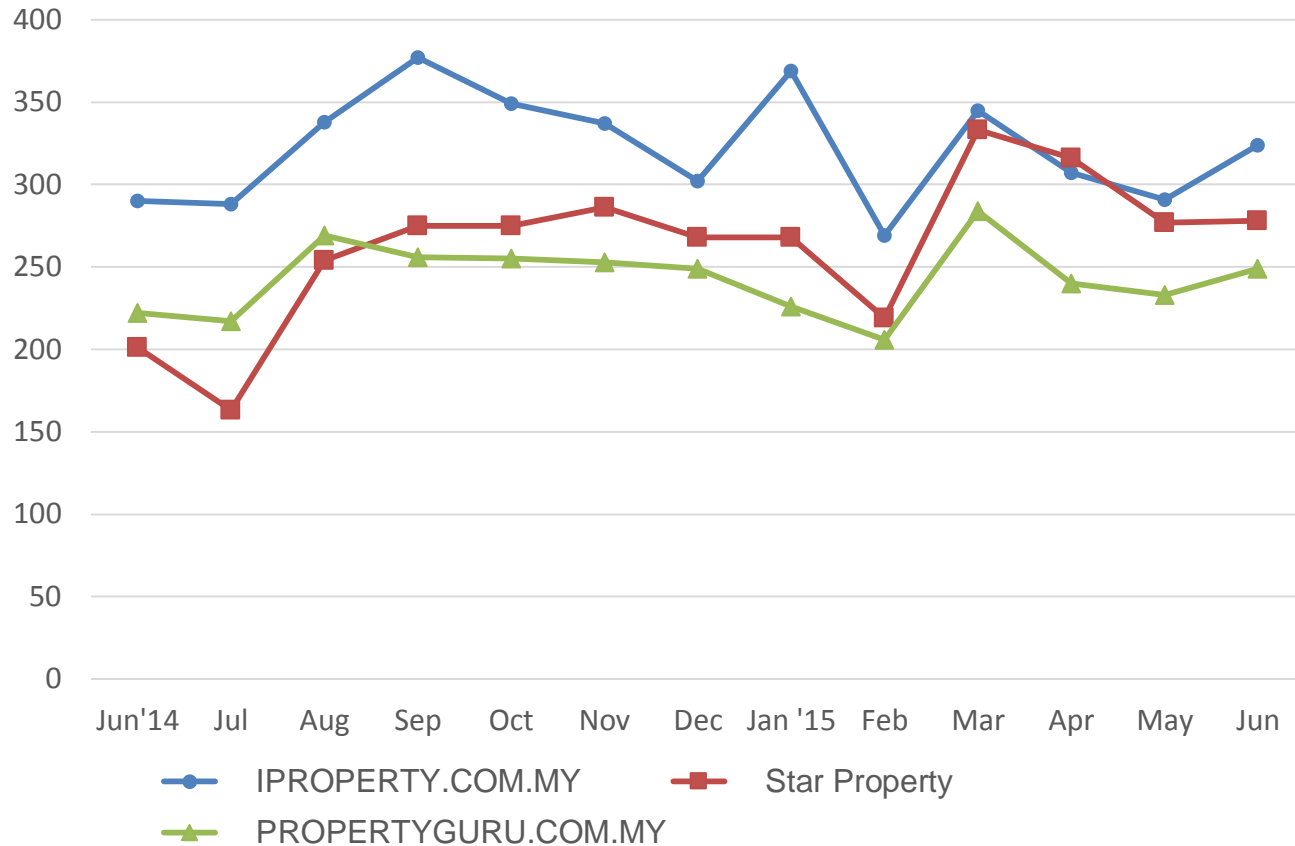
Business Vertical

Month	UV
Jun'14	243
Jul	245
Aug	240
Sep	258
Oct	304
Nov	226
Dec	243
Jan '15	318
Feb	229
Mar	258
Apr	227
May	232
Jun	226

Source: comScore Media Metrix

Star Property Performance Jun '14- Jun '15

Total Unique Visitors (000)



Property Vertical

Month	UV
Jun'14	201
Jul	163
Aug	254
Sep	275
Oct	275
Nov	286
Dec	268
Jan '15	268
Feb	219
Mar	333
Apr	316
May	277
Jun	278

Source: comScore Media Metrix

- Star Property family (Propwall+iBilik+StarProperty.my) is still number 2 position in property category

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2H15 &
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Performance of Star Media Group Berhad

(RM million)	2Q15	2Q14	Var.	1Q15	Var. (2Q15 vs 1Q15)	1H15	1H14	Var.
Revenue	266.31	274.52	(3.0)%	217.43	22.5%	483.74	485.67	(0.4)%
EBITDA	48.09	59.43	(19.1)%	41.03	17.2%	89.12	89.66	(0.6)%
PBT	42.93	52.78	(18.7)%	37.60	14.2%	80.53	74.43	8.2%
VSS Expenses	-	1.92	-	-	-	-	11.50	-
Adjusted PBT (excluding VSS)	42.93	54.70	(21.5)%	37.60	14.2%	80.53	85.93	(6.3)%
EBITDA Margin	18.1%	21.6%	-	18.9%	-	18.4%	18.5%	-
PBT Margin	16.1%	19.2%	-	17.3%	-	16.6%	15.3%	-
Adjusted PBT Margin	16.1%	19.9%	-	17.3%	-	16.6%	17.7%	-



**1H recorded lower revenue, but higher profit margin
due to improved overall profits for Print and Radio**

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2Q15 Business Segments

1.

- **Print and Digital**

2.

- Event, Exhibition, Interior and Thematic

3.

- TV Channel

4.

- Radio

Performance of Star Media Group Berhad

Print and Digital Segment

(RM million)	2Q15	2Q14	Var.	1Q15	Var. (2Q15 vs 1Q15)	1H15	1H14	Var.
Revenue	164.98	193.44	(14.7)%	162.60	1.5%	327.58	356.61	(8.1)%
EBITDA	45.41	53.29	(14.8)%	45.51	(0.2)%	90.92	84.01	8.2%
PBT	39.79	48.00	(17.1)%	44.44	(10.5)%	84.23	72.94	15.8%
VSS Expenses	-	1.92	-	-	-	-	11.50	-
Adjusted PBT (excluding VSS)	39.79	49.92	(20.3)%	44.44	(10.5)%	84.23	84.44	(0.2)%
EBITDA Margin	27.5%	27.5%	-	28.0%	-	27.8%	23.5%	-
PBT Margin	24.1%	24.8%	-	27.3%	-	25.7%	20.5%	-
Adjusted PBT Margin	24.1%	25.8%	-	27.3%	-	25.7%	23.7%	-

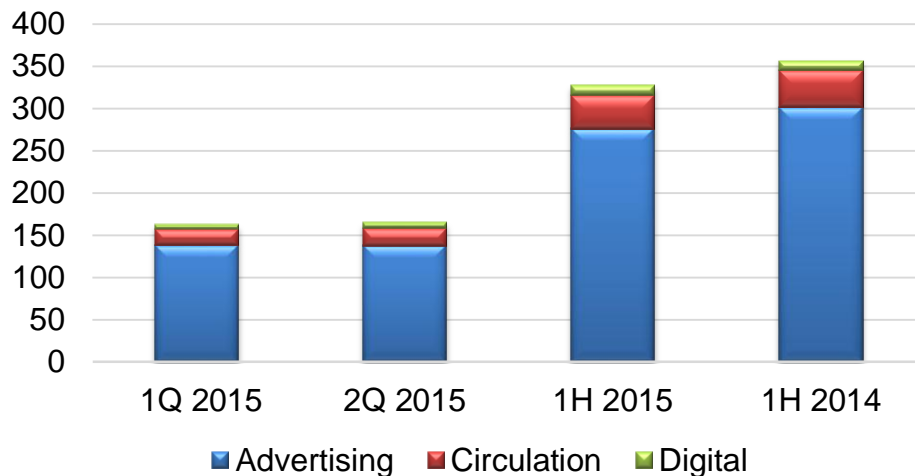
➤ **Implementation of GST, lead to cautious spending by advertisers resulting in lower revenue; Overall higher PBT due to savings impact from VSS in 1H14**

Breakdown of Revenue

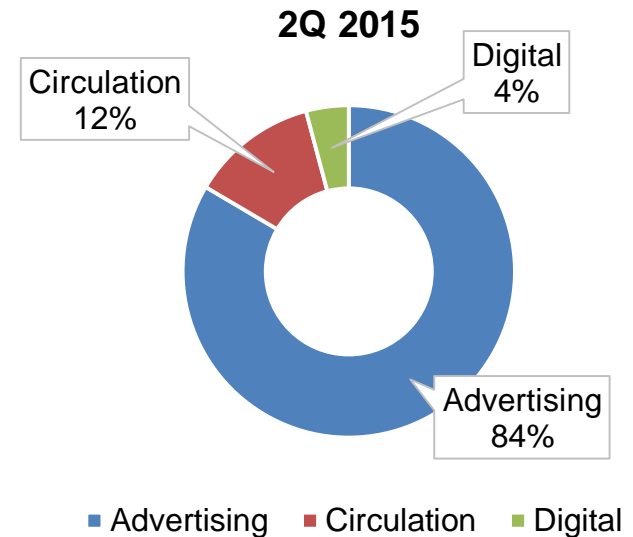
Q-on-Q comparison

RM 'mil

Q-on-Q and H-on-H comparison



**2Q15 Rev – RM 164.98
vs RM162.6 m in 1Q15**



**1H15 versus 1H14, revenue dropped in advertisement
and circulation due to economic conditions**

2Q15 Business Segments

1.

- Print and Digital

2.

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

3.

- TV Channel

4.

- Radio

Performance of I.Star Ideas Factory

Perfect Livin'

(RM million)	2Q15	2Q14	Var.	1Q15	Var. (2Q15 vs 1Q15)	1H15	1H14	Var.
Revenue	7.93	13.18	(39.8)%	3.47	128.5%	11.40	15.39	(25.9)%
EBITDA/ (LBITDA)	2.36	6.75	(65.0)%	(0.55)	529.1%	1.81	6.37	(71.6)%
PBT/LBT	2.33	6.48	(64.0)%	(0.57)	508.8%	1.76	6.13	(71.3)%
EBITDA/ (LBITDA) Margin	29.8%	51.2%	-	(15.9)%	-	15.9%	41.4%	-
PBT/LBT Margin	29.4%	49.2%	-	(16.4)%	-	15.4%	39.8%	-



I.Star held 5 shows in 2Q15 vs 6 shows in 2Q14
Poor sentiment due to GST

Performance of Cityneon Holdings Limited

(SGD million)	2Q15	2Q14	Var.	1Q15	Var. (2Q15 vs 1Q15)	1H15	1H14	Var.
Revenue	27.74	19.38	43.1%	12.95	114.2%	40.69	30.32	34.2%
EBITDA/ (LBITDA)	1.15	0.11	917.7%	(1.49)	177.2%	(0.34)	0.38	(189.5)%
PBT/LBT	0.91	0.02	3856.5%	(1.64)	155.5%	(0.73)	0.11	(763.6)%
EBITDA/ (LBITDA) Margin	4.1%	0.6%	-	(11.5)%	-	(0.8)%	1.3%	
PBT/LBT Margin	3.3%	0.1%	-	(12.7)%	-	(1.8)%	0.4%	

➤➤ Higher event and thematic revenue recognised in 2Q15

2Q15 Business Segments

1.

- Print and Digital

2.

- Event, Exhibition, Interior and Thematic

3.

- **TV Channel**

4.

- Radio

Performance of Li TV Holdings Limited

(USD million)	2Q15	2Q14	Var.	1Q15	Var. (2Q15 vs 1Q15)	1H15	1H14	Var.
Revenue	0.60	0.73	(17.8)%	0.78	(23.1)%	1.38	1.55	(11)%
(LBITDA)	(0.50)	(0.48)	(4.2)%	(0.45)	(11.1)%	(0.95)	(0.85)	(11.8)%
LBT	(0.52)	(0.51)	(2.0)%	(0.44)	(18.2)%	(0.96)	(0.91)	(5.5)%
EBITDA/ (LBITDA) Margin	(83.3)%	(65.8)%	-	(57.7)%	-	(68.8)%	(54.8)%	-
LBT Margin	(86.7)%	(69.9)%	-	(56.4)%	-	(69.6)%	(58.7)%	-



Drop in ad revenue caused higher losses

2Q15 Business Segments

1.

- Print and Digital

2.

- Event, Exhibition, Interior and Thematic

3.

- TV Channel

4.

- **Radio**

Performance of Radio Operations

Star Radio Group

(RM million)	2Q15	2Q14	Var.	1Q15	Var.	1H15	1H14	Var.
Revenue	12.29	13.03	(5.7)%	11.80	4.2%	24.09	25.11	(4.1)%
(LBITDA)	(0.33)	0.38	(186.8)%	1.10	(130.0)%	0.77	1.08	(28.7)%
PBT/(LBT)	(0.54)	(1.23)	56.1%	0.77	(170.1)%	0.23	(2.37)	109.7%
EBITDA/ (LBITDA) Margin	(2.7)%	2.9%	-	9.3%	-	3.2%	4.3%	-
PBT/(LBT) Margin	(4.4)%	(9.4)%	-	6.5%	-	1.0%	(9.4)%	-

(after inter company transaction eliminations)



➤➤ Challenging environment lead to a decrease in revenue

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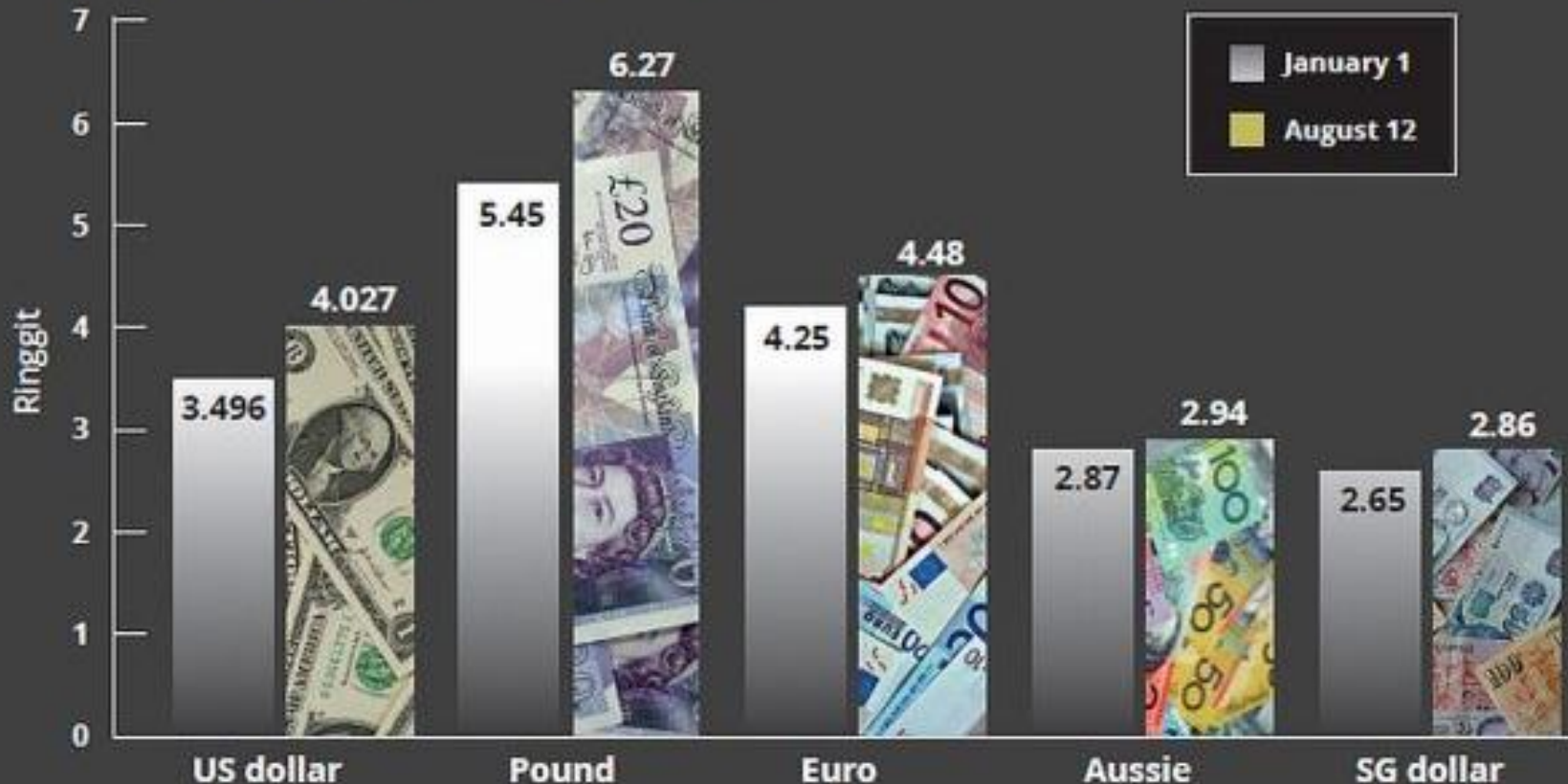
Media outlook 2H15

1.

ECONOMY

- Weak economic outlook: Ringgit lowest since 1998; Strong USD;
- Low oil prices
- BURSA lowest since June 2012

How the ringgit fared this year



Media outlook 2H15

2.

- Outlook in 2H2015 Adex is not expected to grow

3.

STABILITY

- Political & economic uncertainty – creates uneasiness with local and foreign investors
- Effects of GST continues to linger on

Strategies Update for 2H15

1.

Expand into video – Star TV

2.

Strategic and synergistic acquisitions

2. Strategic & synergistic acquisitions

Cityneon EGM outcome

- Shareholders approved the acquisition of Victory Hill Exhibition Pte Ltd and the proposed Rights Issue at Cityneon EGM on 20 August 2015
- Expected Completion of Rights Issue and acquisition exercise – End Sept 2015
- Expected cash out flow from Star up to S\$10.2m

THANK
YOU