

INVESTORS' RELEASE – 19 OCT 2018
PT SURYA CITRA MEDIA Tbk

SCM 9M 2018 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 Entertainment Grup (“IEG”), and its 51% owned production house subsidiary PT Screenplay Produksi (“Screenplay”) are pleased to announce their consolidated results for 9M 2018.

Audience Share

SCTV’s All Time average audience share for 9M 2018 increased by 2.4 points to 17.1% compared to the previous corresponding period. IVM’s average All Time audience share increased by 3.3 points to 15.8%, a strong improvement of over 26%. The resulting combined average audience share for SCM was 32.9%, showing an increase of 5.7 points over the previous corresponding period. SCTV gained the No. 1 All Time spot in 9M 2018 due to increasing share. IVM improved its ranking from No. 4 to No. 2 over the same period.

Figure 1: ALL TIME (02.00-25.59) - All Demographics 5+

Channel/Year	9M 2017	9M 2018	Change	%Change
SCTV	14.7	17.1	2.4	16.3%
RCTI	17.3	14.5	-2.8	-16.2%
IVM	12.5	15.8	3.3	26.4%
TRANS	6.3	7.5	1.2	19.0%
MNCTV	11.1	9.8	-1.3	-11.7%
ANTV	17.0	15.8	-1.2	-7.1%
TRANS7	7.7	6.6	-1.1	-14.3%
TVONE	4.3	3.1	-1.2	-27.9%
GTV	5.9	7.3	1.4	23.7%
METRO	1.9	1.4	-0.5	-26.3%

In 9M 2018 SCTV’s Prime Time average audience share was 19.4% versus 16.4% in 9M 2017, for a strong increase of 3.0 points. IVM’s Prime Time share was 15.6%, up from 12.4%, for an even better improvement of 3.2 points.

SCTV’s significant 9M 2018 Prime Time audience share improvement came from series produced by Sinemart, namely Cinta Suci, Orang Ketiga, Anak Langit and Siapa Takut Jatuh Cinta with average audience share of 16.9%, 20.0%, 16.4%, 15.5%, respectively. IVM’s improvement came from various programs ranging from live variety and entertainment

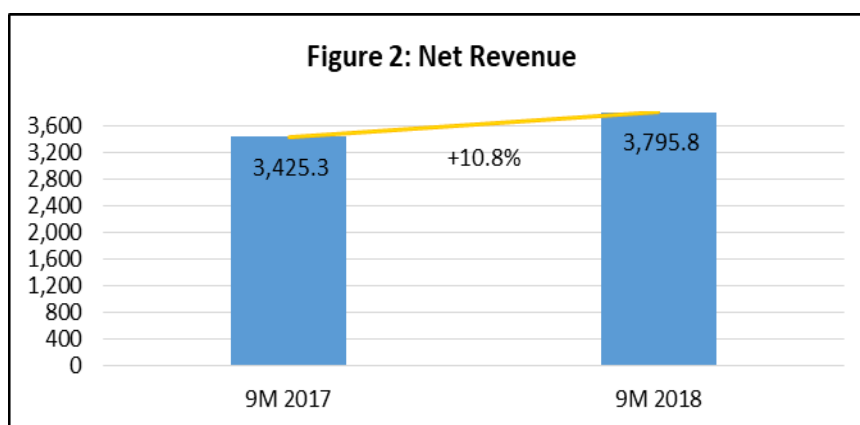
shows, sport and also from its new Prime Time slot of FTV Azab with average share of 15.8%.

This improved performance has increased SCTV's share and ranking to No. 1 amongst television stations in Indonesia for the average Prime Time All 5+ Demographics during 9M 2018, up from No. 2 in 9M 2017, while IVM moved from No. 4 to No. 3 for the same period.

Revenue Growth

SCTV achieved net revenues of Rp 2,095.1 billion for 9M 2018, an increase of 3.0% from 9M 2017, while IVM achieved net revenues of Rp 1,529.9 billion, an increase of 13.6% from 9M 2017. SCTV contributed 55.2% of SCM's net consolidated revenue and 40.3% for IVM. SCM's consolidated net revenue increased by 10.8%.

The revenue performance of SCM was broadly in line with market conditions, the audience share changes in the previous year and one off specials, namely the 2018 Asian Games.

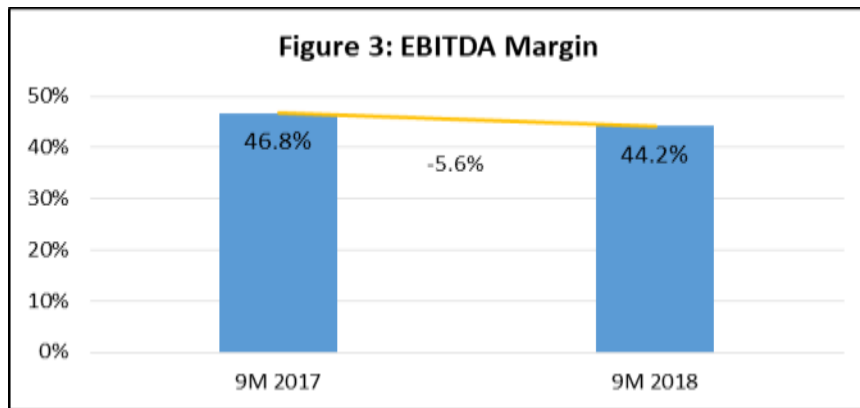


Profit Growth

SCM's gross profit in 9M 2018 increased to Rp 2,205.0 billion, up by 5.8% from 9M 2017. The increase in gross profit is less than revenue growth because program and broadcasting costs increased by 18.6%. SCTV experienced 4.4% higher program costs in 9M 2018, whilst IVM experienced an increase in program costs of 32.5% versus the corresponding period last year.

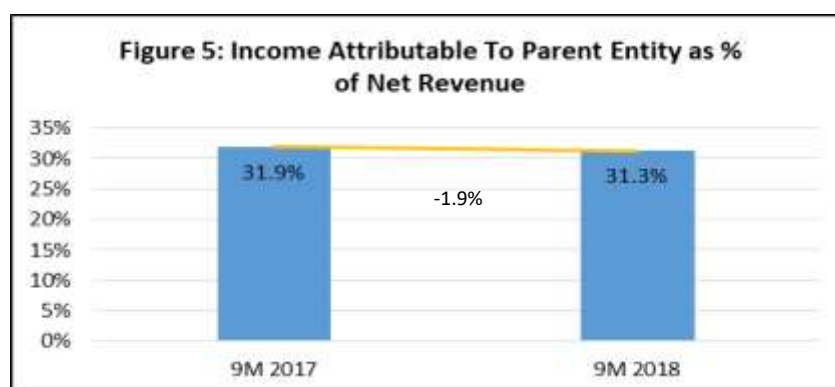
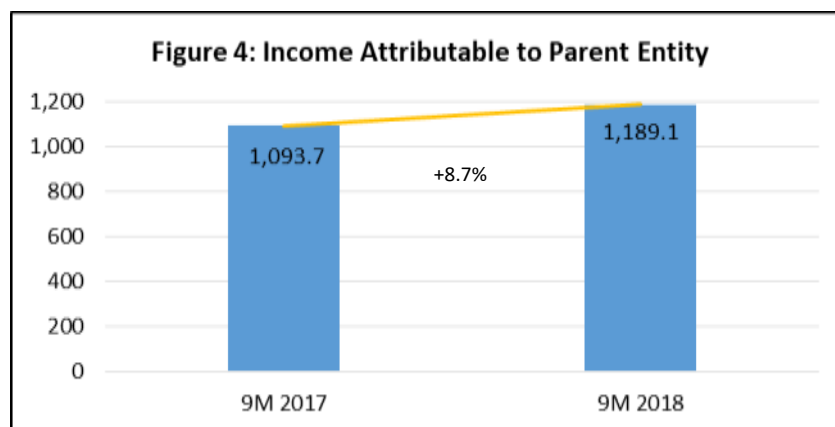
The 9M 2018 gross margin achieved by SCTV was 56.4% and for IVM it was 52.4%.

SCM's EBITDA for 9M 2018 increased by 4.5% to Rp 1,676.5 billion from Rp 1,603.8 billion in 9M 2017. As shown in Figure 3 below, the achieved EBITDA margin in 9M 2018 was 44.2%, a decrease from 46.8% in the corresponding period last year.



Depreciation and amortization increased 9.7% to Rp 123.5 billion. This relates to the investment in replacing and upgrading broadcasting and transmission equipment and towers and building refurbishment at transmission sites.

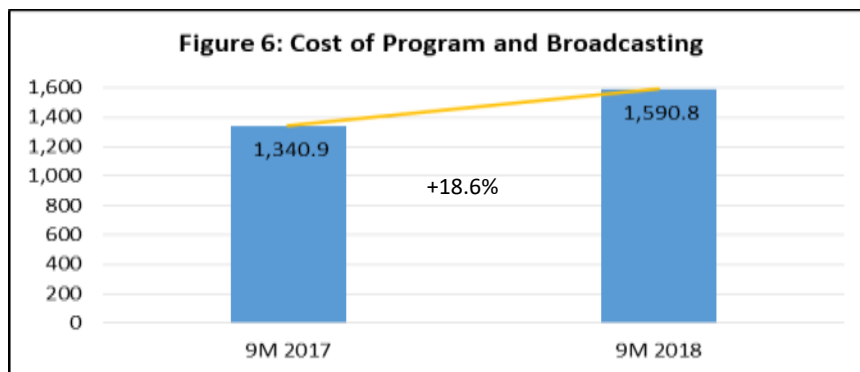
Income for the period attributable to the parent entity increased by 8.7% year-on-year to Rp 1,189.1 billion at a slightly lower margin of 31.3%, down from 31.9%.



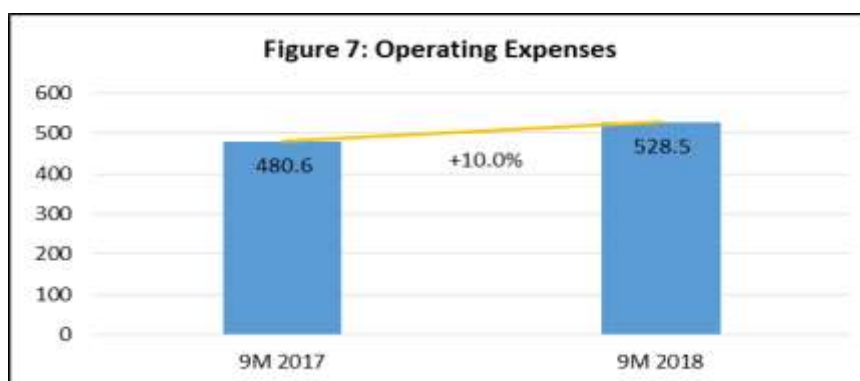
Costs and Expenses

As shown in Figure 6 below, Cost of Program and Broadcasting increased 18.6% year-on-year. The increase in the cost of program and broadcasting in 9M 2018 versus 9M 2017 is mainly due to investing in new and fresh programming on IVM, notably Liga Dangdut, which

featured contestants from all of Indonesia’s provinces, the Liga 1 Go-Jek Soccer Championship, which began broadcasting in March 2018 as well as the 2018 Asian Games and AFF (Asean Football Federation) broadcast on IVM predominantly during the month of August. IVM also has new program for prime time, called FTV Azab with fresh run episodes every day.

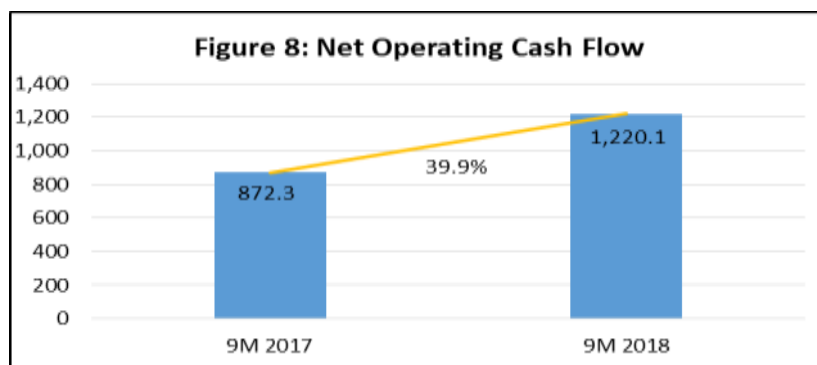


Operating expenses increased by 10.0% year-on-year as shown below in Figure 7. Operating expenses as a percentage of net revenues decreased by 0.1 points to 13.9% as they increased less than revenue growth. Employee salaries and benefits costs were just over 68.7% of the operating expenses.



Cash Flow

Net operating cash flow increased by 39.9% year-on-year to Rp 1,220.1 billion. The increase primarily resulted from improved management of receivables and payables.





The net investment cash outflow decreased by 74.3% to Rp 126.0 billion. The decrease is primarily due to the 9M 2017 acquisition of the production house PT Sinemart Indonesia.

The free cash flow for 9M 2018 was Rp 1,094.1 billion, 187.2% higher than 9M 2017.

Financing cash outflows of Rp 564.3 billion is an increase of 52.7% from 369.5 billion in the previous corresponding period, mainly due to the timing of dividend payments.

Other Matters

Digital Television Broadcasting

As advised in the Q4 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'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. On September 8, 2017, SCM's subsidiaries, Ministry and other television stations submitted judicial review memory to the Supreme Court. Based on information available on the official website of the Supreme Court, on August 13, 2018, the judicial review was denied. There is no contingent liability for SCM's subsidiaries as a result of this decision by the Court.

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 a claim that is lodged and registered in the registry case dated 6 January 2017 ("Verstek Decision") against Mr. Leo Sutanto (as Defendant 1) and PT Sinemart Indonesia (as Defendant 2). The Verstek Decision 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 Verstek Decision, as registered in the Case Registry No. 9/Pdt.Plw/2017/PN.Jkt.Brt ("Opposition Claim").

West Jakarta District Court in its court proceeding on October 16, 2017 has rendered its judgment with regards to Opposition Claim submitted by Mr. Leo Sutanto and ruled that the said Opposition Claim cannot be accepted (*Niet Ontvankelijke Verlaard*) (“Verzet Decision”).

The substance of Opposition Claims raised by Mr. Leo Sutanto stated inter alia that: (a) the lawsuit was submitted not upon good faith principle since the Plaintiff (RCTI) intentionally stated an address which was not the domicile of the Claimant; (b) no verbal contract on exclusivity was ever made between RCTI, Mr. Leo Sutanto and PT Sinemart Indonesia; and (c) the witnesses and evidence do not support the existence of the verbal contract and there is no evidence of actual losses of RCTI, which was not considered in the Verzet Decision of October 16, 2017.

On October 27, 2017, PT Sinemart Indonesia submitted an appeal to the High Court of Jakarta on this Verzet Decision.

On May 21, 2018, PT Sinemart Indonesia received notification on the decision of High Court of Jakarta No. 107/PDT/2018/PT.DKI which stipulates the cancellation of Judgment No. 9/PDT.G/2017/PN.JKT.BRT dated March 16, 2017 dan Judgment No. 9/Pdt.Plw/2017/PN.Jkt.Brt dated October 16, 2017 and further stated that the claim submitted by Claimant (RCTI) was not accepted.

On June 28, 2018, PT Sinemart Indonesia received notification of the submission of RCTI’s cassation memory to the Supreme Court and on July 11, 2018, PT Sinemart Indonesia submitted the contra cassation memory. Up to the completion date of these financial statements, the Supreme Court has not yet issued any judgment.

More details on the legal case are contained in Note 36 of the Company’s interim consolidated financial statements for the nine-month period ended September 30, 2018.

PT Sinemart Indonesia will always take the required legal measures as stipulated in the provisions of legislation to preserve its rights.

PT Surya Citra Media Tbk and Its Subsidiaries
Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Nine-Month Period Ended September 30, 2018
(Expressed in Millions of Rupiah, Except Earnings per Share)

		YTD SEP 2018	YTD SEP 2017	% change
Net Revenues		3,795,832	3,425,278	10.8%
Program and Broadcasting Expenses		1,590,791	1,340,944	18.6%
Gross Profit		2,205,041	2,084,335	5.8%
	<i>as % of Net Revenue</i>	58.1%	60.9%	
Operating Expenses		528,533	480,569	10.0%
	<i>as % of Net Revenue</i>	13.9%	14.0%	
EBITDA		1,676,508	1,603,766	4.5%
	<i>as % of Net Revenue</i>	44.2%	46.8%	
Depreciation & Amortization		123,532	112,606	9.7%
EBIT		1,552,976	1,491,160	4.1%
	<i>as % of Net Revenue</i>	40.9%	43.5%	
Interest Income/(Expenses)		9,246	(5,685)	-262.6%
Other Operating Income		19,949	1,973	911.3%
EBT		1,582,171	1,487,448	6.4%
	<i>as % of Net Revenue</i>	41.7%	43.4%	
Income Tax Expense		392,491	387,607	1.3%
	<i>as % of EBT</i>			
Income for the Period		1,189,680	1,099,842	8.2%
	<i>as % of Net Revenue</i>	31.3%	32.1%	
Other Comprehensive Income		(540)	(642)	-15.9%
Total Comprehensive Income for the Period		1,189,140	1,099,200	8.2%
	<i>as % of Net Revenue</i>	31.3%	32.1%	
Income for the Period Attributable to:				
Parent Entity		1,189,102	1,093,711	8.7%
Non-Controlling Interests		578	6,131	-90.6%
		31.3%	31.9%	
Total Comprehensive Income For the Period Attributable to:				
Parent Entity		1,188,827	1,093,399	8.7%
Non-Controlling Interests		313	5,801	-94.6%
EPS (Rp. Per share) - full amount		81.33	74.80	8.7%

PT Surya Citra Media Tbk and Its Subsidiaries
Interim Consolidated Statement of Financial Position
As of Sep 30, 2018
(Expressed in Millions of Rupiah)

	SEP 30, 2018	DEC 31, 2017
ASSETS		
Current Assets		
Cash & cash equivalents	762,221	233,517
Trade receivables - net	1,659,597	1,530,461
Other receivables - net	27,481	25,900
Inventories - net	884,927	765,985
Advances & prepaid expenses	168,095	116,725
Prepaid tax	16,144	36,019
Total Current Assets	3,518,465	2,708,606
Non-Current Assets		
Advances for purchase of fixed assets	19,809	38,103
Fixed assets - net	1,051,905	1,029,336
Intangible assets - net	1,270,534	1,271,397
Investment in associated companies	50,456	37,250
Long - term investment	101,124	98,624
Prepaid long-term rent	131,590	138,866
Estimated claims for income tax refund	10,698	23,224
Other non-current assets - net	34,052	40,403
Total Non-Current Assets	2,670,168	2,677,201
TOTAL ASSETS	6,188,633	5,385,808
LIABILITIES & EQUITY		
LIABILITIES		
Current Liabilities		
Trade payables	362,727	297,624
Other payables	122,394	139,704
Accrued expenses	193,399	164,725
Tax payables	128,945	64,291
Current maturities of long-term liabilities:		
Bank Loan	9,834	1,769
Due to a related party	10,328	60,328
Finance lease payables	666	2,877
Other current liabilities	25,799	12,020
Total Current Liabilities	854,092	743,336
Non-Current Liabilities		
Long-term liabilities - net of current maturities :		
Finance lease payables	2,305	2,051
Liabilities for employee benefits - net	181,993	160,738
Deferred Tax Liabilities	71,419	74,290
Total Non-Current Liabilities	255,716	237,078
TOTAL LIABILITIES	1,109,808	980,415
EQUITY		
Share capital-issued & fully paid	731,080	731,080
Additional paid-in capital	278,633	278,633
Treasury stock	(41)	(41)
Other comprehensive income	19,791	20,066
Retained earnings	3,548,755	2,871,401
Non-controlling interests	500,607	504,254
TOTAL EQUITY	5,078,825	4,405,393
TOTAL LIABILITIES & EQUITY	6,188,633	5,385,808

PT Surya Citra Media Tbk and Its Subsidiaries
Interim Consolidated Statement of Cash Flows
For The Nine-Month period Ended September 30, 2018
(Expressed in Millions of Rupiah)

	YTD SEP 2018	YTD SEP 2017	% change
Net Cash Provided by Operating Activities	1,220,142	872,342	39.9%
Net Cash Used in Investing Activities	(126,084)	(491,408)	-74.3%
Free Cash Flow	1,094,058	380,934	187.2%
Net Cash Used in Financing Activities	(564,265)	(369,523)	52.7%
Net Increase (Decrease) in Cash & Cash Equivalents	529,792	11,411	4542.8%
Cash & Cash Equivalents at Beginning of the Period	233,517	454,732	-48.6%
Cash of newly acquired subsidiaries at beginning	-	55,195	-100.0%
Effect of changes in foreign exchange rates on cash & cash equivalents	(1,088)	122	-990.3%
Cash & Cash Equivalents at Ending of the Period	762,221	521,461	46.2%

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