

notice of annual general meeting

Notice is hereby given that the Fifth Annual General Meeting of **Media Prima Berhad** (“the Company”) will be held at Glenmarie Ballroom, Holiday Inn Glenmarie Kuala Lumpur, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor, Malaysia on Wednesday, 28 June 2006 at 10.00 a.m. for the following purposes:-

agenda

- 1 To receive and adopt the Statutory Financial Statements for the financial year ended 31 December 2005 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**
- 2 To re-elect the following Directors who will retire in accordance with Article 101 and 102 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-
 - i) YBhg Tan Sri Lee Lam Thye **(Resolution 2)**
 - ii) YBhg Dato' Dr Mohd Shahari Ahmad Jabar **(Resolution 3)**
- 3 To approve a final dividend of 2 sen per ordinary share less 28% income tax for the financial year ended 31 December 2005. **(Resolution 4)**
- 4 To approve the Directors' fees of RM187,840.00 for the financial year ended 31 December 2005. **(Resolution 5)**
- 5 To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

as special business

- To consider and if thought fit, to pass the following resolutions with or without modifications as Ordinary Resolutions:-
- 6 Authority to Allot and Issue Shares
“THAT pursuant to Section 132D of the Companies Act 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approval of all regulatory bodies being obtained for such allotment and issues.” **(Resolution 7)**
 - 7 Proposed Renewal of Share Buy-Back Authority
“THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/ or regulatory authorities (if any), the Company be and is hereby authorised, to the extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company (“Shares”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:
 - i) the aggregate number of Shares purchased pursuant to this resolution does not exceed 10% of the total issued and paid-up share capital of the Company subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;
 - ii) an amount not exceeding the Company's retained profit and/ or the share premium account at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-Back; and
 - iii) upon completion of the purchase by the Company of its own Shares, the Directors of the Company are authorised to deal with the Shares so purchased in any of the following manner:-
 - a) cancel the Shares so purchased;
 - b) retain the Shares so purchased as treasury shares held by the Company; or
 - c) retain part of the Shares so purchased as treasury shares and cancel the remainder;

AND THAT the authority conferred by this resolution will commence upon the passing of this resolution until:-

- i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming 5th AGM, at which time it shall lapse, unless by an ordinary resolution passed at that meeting the authority is renewed, either unconditionally or subject to conditions; or
- ii) the expiration of the period within which the next AGM is required by law to be held, or
- iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting, whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased Shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/ or guidelines of Bursa Securities and all other relevant governmental and/ or regulatory authorities." (Resolution 8)

8 To transact any other business of which due notice shall have been received.

notice of
dividend
entitlement
and payment

NOTICE IS ALSO HEREBY GIVEN that a final dividend of 2 sen per ordinary share less 28% income tax for the year ended 31 December 2005, if approved by the shareholders at the 5th Annual General Meeting, will be paid on 18 August 2006 to Depositors whose names appear in the Record of Depositors at the close of business on 31 July 2006.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 July 2006 in respect of transfers; and
- b) shares deposited into the Depositor's Securities Account before 12.30 p.m. on 27 July 2006 in respect of shares exempted from mandatory deposit; and
- c) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

by order of the board

Roselinda Hashim

Tan Say Choon

Company Secretaries

Petaling

Date: 1 June 2006

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
2. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
3. The instrument appointing the proxy must be deposited at The Registrar, Symphony Share Registrars Services Sdn Bhd, Level 26, Menara Multi Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Explanatory Notes on Special Business:
 - a. **Resolution 7**
The proposed Resolution 7 if passed, will empower the Directors to issue shares of the Company up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next Annual General Meeting of the Company. The rationale for this resolution is to save cost and time for convening a general meeting.
 - b. **Resolution 8**
Please refer to the Statement to Shareholders dated 1 June 2006 for further information.

statement accompanying

notice of annual general meeting

1 Directors who are standing for re-election and re-appointment at the Fifth (5th) Annual General Meeting of Media Prima Berhad are:-

- i) YBhg Tan Sri Lee Lam Thye (Resolution 2)
- ii) YBhg Dato' Dr Mohd Shahari Ahmad Jabar (Resolution 3)

Details of the Directors seeking re-election and re-appointment are set out in the Board of Directors Profiles which appear from pages 32 to 35 of the Annual Report.

2 Date and time of the Annual General Meeting

Date: Wednesday, 28 June 2006

Time: 10.00 a.m.

Place: Glenmarie Ballroom,
Holiday Inn Glenmarie Kuala Lumpur
1 Jalan Usahawan U1/8
Seksyen U1
40250 Shah Alam
Selangor, Malaysia

3 Details of Attendance of Directors at Board Meetings

Eleven (11) Board of Directors' Meetings were held during the financial year ended 31 December 2005. Details of attendance of Directors at the Board Meetings are as follows:-

Name of Directors	No. of Meetings Attended
YBhg Dato' Abdul Mutalib Datuk Seri Mohamed Razak	11
YAM Dato' Seri Syed Anwar Jamalullail*	3
Encik Abdul Rahman Ahmad	11
Encik Shahril Ridza Ridzuan	11
YBhg Tan Sri Lee Lam Thye	11
YBhg Dato' Dr Mohd Shahari Ahmad Jabar	11

* Attended all three board meetings prior to resignation as Chairman effective 12 March 2005

4 Place, date and time of the Board of Directors' Meeting

The place, date and hour of the Board Meetings held during the financial year ended 31 December 2005 are as follows:-

Date	Time	Place
7 January 2005*	11.00 am	Board Room, Hyatt Regency Saujana, 2KM Off Jalan Sultan Abdul Aziz Shah Airport Highway, Subang Selangor
11 January 2005*	3.00 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
25 February 2005	3.30 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
28 March 2005*	4.00 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
19 May 2005	2.30 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
23 June 2005*	8.30 am	Board Room, Level 3, Eastin Hotel Business Centre, Seksyen 16, Petaling Jaya, Selangor
18 August 2005	2.30 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
2 September 2005*	9.00 am	Meranti & Mersawa Room, Eastin Hotel Business Centre, Seksyen 16, Petaling Jaya, Selangor
19 October 2005*	4.30 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
28 November 2005	2.30 pm	Board Room, Sri Pentas, No. 3 Persiaran Bandar Utama, Petaling, Selangor
14 December 2005*	8.00 am	Melati Room, The Royale Bintang Damansara, Jalan PJU 7/3, Mutiara Damansara, Petaling Jaya, Selangor

* Special Board Meeting





chairman's statement

realising our dream

~integrating leading
media brands

Dear valued shareholders,

The year 2005 was an eventful and forward driven year for Media Prima Berhad and on behalf of the Board of Directors and Management, I am very pleased to present the annual report and audited financial statements of the Group for the year ended 31 December 2005.

During the year under review, Media Prima successfully reaffirmed its position as the nation's leading integrated media investment group with diversified interests in both the electronic (television and radio) and print media along with content development, event management and outdoor advertising.

In line with the aggressive growth strategies formulated by the Board, Media Prima further expanded its activities with the acquisition of two free-to-air television networks — ntv7 and TV9 – and two radio stations – Fly FM and Hot FM.

I am extremely pleased to note that Media Prima now controls all four private free-to-air television networks in Malaysia and is in the unique position to offer integrated cross media solutions to advertisers and distinctive and differentiated content to all viewers.

With the consolidation, Media Prima will also be in a position to extract significant economies of scale and leverage on synergies across its television platforms to compete more effectively in the highly competitive Malaysian media environment. Our long term strategy remains focused on building high value media brands – each strong, profitable and dominant within their own milieu; yet collectively capable of working together to deliver value added and cost effective services to our clients and provide high quality and distinctive content to our consumers. In this context, I am very pleased to report that TV3, our flagship television network, maintained its leadership position as the No. 1 free-to-air network in Malaysia and the most watched channel

even on ASTRO. The TV3 brand continues to remain strong and unrivalled as the network continues to invest in best-of-breed programming and content strategies, combining the best of local and international content to reach every viewer segment.

I am extremely proud of 8TV, which despite being only two years old has performed beyond expectations – achieving break-even within 18 months, six months ahead of schedule. In addition, 8TV has successfully established itself as the leading television network for its target segment, namely the urban youth and Chinese community.

Collectively, TV3 and 8TV garnered 54% share of television viewership, reaching over four million households and 16 million viewers.

Media Prima's associate company, The New Straits Times Press (Malaysia) Berhad, also registered strong improvement across its group of print publications despite rising newsprint prices. Berita Harian emerged as the leading mainstream Malay newspaper and Harian Metro is now the number one Malay tabloid. New Straits Times has also built on the success of its compact edition within the English newspaper market with significantly improved content, leading to a strong increase in circulation last year.

Moving forward, the Group will look towards consolidating the two new television networks, ntv7 and TV9 into its operations. We are particularly excited about our two new radio networks, Fly FM and Hot FM which we believe will develop into strong and



complementary media brands and enable us to take advantage of the significant opportunities provided by the strong growing radio industry.

Collectively with the expanded media platforms, Media Prima can now offer advertisers better cross media and cross marketing packages that will assist them in reaching and communicating to their targetted consumers in a more cost effective manner.

Further, the Group will continue to pursue its strategic direction of expanding its media investment activities in Malaysia as well as around the region to create greater shareholders' value as we position ourselves as the nation's leading media investment house.

Review of Operations

I am pleased to report that for the year ended 31 December 2005, the Group achieved record profits by registering a consolidated pre-tax profit of RM71.63 million, representing a 44% increase from RM49.43 million posted in 2004.

This significant performance is attributed to the continued positive operational results of TV3 and the significantly improved financial performance of 8TV. Media Prima's revenue also grew strongly, rising by 21.7% to RM399.69 million on the back of strong growth in advertising revenue for both TV3 and 8TV despite a challenging market environment where total advertising expenditure only grew by three per cent in 2005.

TV3 maintained its position as the No. 1 free-to-air television network in Malaysia, capturing 48% share of television viewership and 43% of gross television advertising expenditure (Adex).

As mentioned earlier, 8TV had a remarkable year, establishing itself as the leading station for the vernacular and urban youth segments. 8TV successfully increased its market share to six per cent of television viewership and registered an impressive 17% of the television Adex.

Our associate company, NSTP also registered stronger financial results with a pre-tax profit of RM29.31 million for the year ended 31 December 2005 compared to RM12.51 million recorded in 2004. This is attributable to a stronger operational performance arising from improved advertising and circulation revenue and write-back of diminution in value of fixed assets.

We however expect that, given continuing rising global newsprint prices, the environment will remain challenging for all print businesses. NSTP is, however, addressing this by taking aggressive action by investing in content and brand activities and reducing overheads, including undertaking a voluntary separation scheme and cutting down on other expenses.





We are hopeful that these measures will be successful and NSTP's financial performance will improve further in the medium to longer term.

Moving forward, Media Prima intends to build further on its current strong financial performance and strive for continued improvements in all aspects of its operations and deliver greater value to its shareholders.

In this context, I am happy to report that, after taking into account the capital funding and working capital requirements of the Group, your Board has proposed a maiden dividend of 2 sen per share (less 28% income tax). This represents a payout of more than 20% of the Group's profit after tax and minority interest and we hope to be able to progressively increase this payout ratio to higher levels in the future.

Corporate Governance

We remain fully committed to ensuring that high standards of corporate governance are observed by the Group. In accordance with the Malaysian Code on Corporate Governance, the Board actively reviews and enhances the Group's systems of internal control and governance on a continuous basis to ensure that its business is managed ethically and conforms to accepted standards of best practice. We adhere to three core values – transparency, accountability and integrity – deemed necessary to achieve strong corporate governance. In the ever-changing landscape and competitive environment of our business, all three core values are critical to ensure the Group is able to meet the expectations of all our stakeholders.

We will continue to improve on transparency and corporate governance processes and where possible surpass the expectations set in this area for the benefit of our shareholders.

Corporate Social Responsibility

Beyond enhancing our shareholders' value, we are acutely aware that as one of Malaysia's most influential media group, Media Prima bears a huge responsibility in promoting and inculcating positive values towards promoting our country's nation building process.

We have over the years built a strong track record of promoting CSR-based causes and events. We are pleased to report that this tradition has continued. In 2005, we are especially proud of TV3's *Bersamamu* programme, which highlights the plight of the underprivileged and attracts significant donations from the public to alleviate their condition.

NSTP on the other hand has been at the forefront in promoting English as a second language through its School Sponsorship Programme. This programme successfully attracted a large number of corporate and individual patrons to sponsor English newspapers for rural schools, in line with the government's call for improved English proficiency amongst Malaysians.

NSTP and TV3 also continued its collaboration with PricewaterhouseCoopers to recognise Malaysians who have performed acts of outstanding public service under the annual NSTP-PWC Humanitarian Award.



Outlook in 2006

Moving forward and against the backdrop of the positive outlook for the Malaysian economy, the Group will continue to leverage on the strength of its wide ranging media platforms.

With four television networks under our belt, we have adopted a portfolio segmentation approach, leveraging on the strength and strong brand equity of each television network to reach the different market segments more effectively and better serve the media buyers and advertisers. In addition, we plan to invest significantly in new programmes to ensure consumers will receive high quality and differentiated content.

We also welcome the launch of TV9, which is targeted at Malays with core traditional values in line with its tagline "Dekat di Hati". We strongly believe that TV9 is set to become another important growth engine for the Group.

Acknowledgements

On behalf of the Board of Directors, I would like to thank our shareholders, valued customers, business associates and the relevant authorities for their support. My appreciation also goes to the Management team and all employees for their undivided dedication, support and hard work. And last but not least, I would like to extend my sincere gratitude to my fellow Board members for their guidance and wisdom.

I would also like to extend our heartfelt gratitude to our previous Chairman YAM Dato' Seri Syed Anwar Jamalullail (who has resigned from the Media Prima Group effective 12 March 2005) for his guidance and leadership of the Group over the last three years. We wish him all the best for all his future endeavours.

Dato' Abdul Mutalib bin Datuk Seri Mohamed Razak
Chairman

Malaysia's

Most Beautiful



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2005



THE PAPER THAT CARES

The Malay
Mail





The background of the slide features a textured, light beige surface. Overlaid on this are several thick, diagonal stripes in brown, green, and blue. Scattered across these stripes are stylized handprints in blue, red, and green. The text is positioned over the central part of the slide, with a thin horizontal line underlining the 'operations review' text.

operations review

building lasting media brands

~maximising value
to our stakeholders



Media Prima – Growing Further with Strength

The year under review was especially significant for Media Prima as the Group was able to further consolidate its leading position in the electronic broadcast industry. Two major acquisitions were completed in 2005, which saw the Group adding two more free-to-air TV networks (TV9 and ntv7) and two radio stations (Hot FM and Fly FM) to its media stable. Media Prima is now proud to control all of Malaysia's four private free-to-air television networks.

With this enlarged media reach, Media Prima is now in a stronger position to improve further on our operational strategies and build on the already strong foundations to optimise the strengths of our individual media assets.

During the year, we continued to build on our basic operational strategy - to make each of the media assets under the Group the preferred medium of choice within their own segment; whilst at the same time, harnessing the synergy between these media platforms to value add and generate additional revenue.

Our media platforms offer unparalleled and cost-efficient reach to advertisers seeking to target

consumers. Media Prima's media assets currently reach close to 20.0 million Malaysians daily, including 11.2 million television viewers, 6.8 million newspaper readers and 1.9 million potential radio listeners.

In terms of market share, TV3 continues to maintain its leadership position by garnering 43% of gross television advertising expenditure (Adex) and 48% share of television viewership. More impressively, 8TV, which is only in its second year of operations, successfully increased its market share to 17% and 6% share of the gross TV Adex and viewership respectively.

NSTP also made significant strides with both its Malay dailies. Berita Harian emerged as the No. 1 Bahasa Malaysia newspaper while Harian Metro is now the leading Bahasa Malaysia tabloid. Further, these Bahasa Malaysia newspapers also enjoyed a strong 7% growth in advertising revenue. The flagship newspaper, New Straits Times, continued to improve its content after going fully compact in April 2005, enabling it to achieve an 8% increase in circulation during the year under review.

Malaysian Idol



Looking forward, our main focus would be to further leverage on the synergies within the media assets of the Group. The Group has recently introduced integrated cross-sell and cross-market packages targetted towards specific industries such as properties and consumer electronics; and are aimed at assisting advertisers reach the consumers more effectively using multiple platforms (electronic, print and radio).

Further, we look forward to developing our recently established radio business via Hot FM and Fly FM and to take advantage of the significant opportunities prevailing within the radio industry. We will also continue to look for investment opportunities that will enhance the Group's earnings and deliver shareholders' value over the medium to long term.

Record Financial Performance

We are extremely pleased to note that the Group achieved a record consolidated pre-tax profit of RM71.63 million for the financial year ended 31 December 2005, representing an increase of 44% from RM49.43 million profit recorded in 2004.

Media Prima's revenue also grew strongly, rising by 21.7% to RM399.69 million on the back of strong growth in advertising revenue by both TV3 and 8TV

despite a challenging market environment where total advertising expenditure only grew by 3% in 2005.

The Group's television broadcast companies, Sistem Televisyen Malaysia Berhad (TV3) and Metropolitan TV Sdn Bhd (8TV) recorded significantly improved financial performance with 8TV now profitable after breaking even after only eighteen months in operation. Further, the Group also recorded strong growth in earnings from its TV3 Ghana operations and successfully contained cost escalation through stringent cost management.

Meanwhile, Media Prima's associate company NSTP recorded a profit before tax of RM29.31 million for the year ended 31 December 2005 compared to RM12.51 million posted in 2004. This is attributable to stronger operational performance arising from improved advertising and circulation revenue and write back of diminution in value of fixed assets.

However, NSTP continues to face a challenging market environment due to rising newsprint prices arising from higher fuel prices globally. The Company is addressing these challenges head on by reducing its other overhead costs and a strong drive to increase revenue through improved content and branding of its publications.



electronic media, content development and events

TV3 – continued dominant position

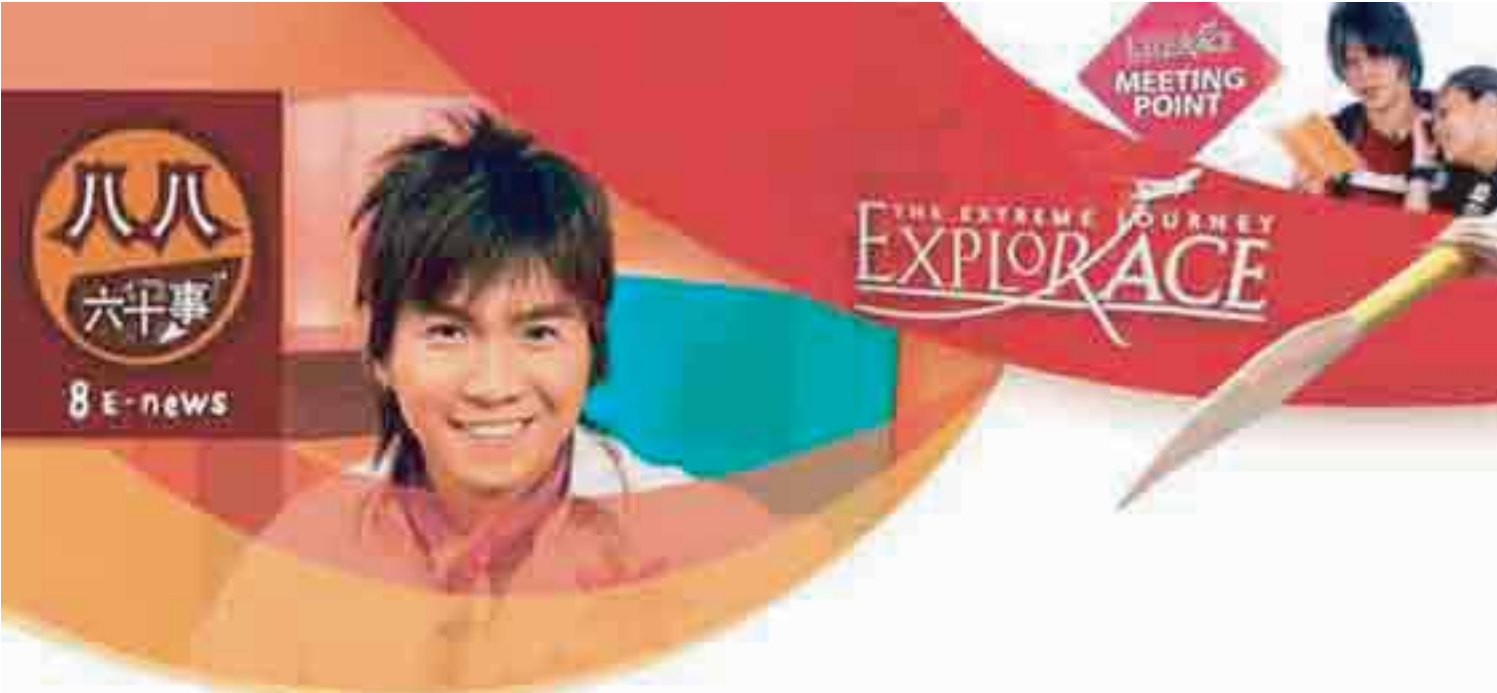
During the period under review, TV3 reinforced its leadership position as the No. 1 free-to-air network in Malaysia and was also rated the most watched channel even on ASTRO. This was achieved with its continued focus on improving programme quality and relevance to viewers, underpinned by its strategy to exceed the expectations of advertisers and viewers.

We continued to adopt the proven formula of best-of-breed programming and content strategies, combining the best of local and international content to reach every viewer segment. As a result, TV3 achieved an impressive 17 of the top 20 programmes most-

watched by all viewers in 2005. Our top-rated programmes include *Anugerah Bintang Popular*, *Anugerah Skrin TV3*, *Mentor*, *Anugerah Juara Lagu* and *Sembilu Kasih*.

Buletin Utama remains the No. 1 most-watched news on all TV stations, giving daily in-depth analysis of events and presented by our top-rated news team. *Bersamamu*, a reality-based programme depicting the plight of the less fortunate, was a hit with its call for donations from generous Malaysians. Other top-rated programmes - including *Puteri*, *Mentor*, *TV3 Anniversary Bash*, *Cerekarama* and *Explore* – continued to draw exceptional viewership ratings and strong support from advertisers.





We are proud that our nationwide road show ground event, TV3's *Karnival Jom Heboh* continued to build on its huge success. The nationwide event lasted 10 months and drew record crowds at all 10 locations around Malaysia. Expanding on this on-ground activity success, TV3 also embarked on *Perkampungan Hadhari* with the Terengganu state government as well as being involved in socially worthy projects to popularise the usage of Malaysian Songket and Nyonya Kebaya.

These significant branding activities helped to further cement TV3's leadership position. During the year, TV3 garnered 43% of gross television advertising expenditure (Adex) and 48% share of television viewership. Despite the emergence of new media channels, we expect TV3's leadership position to continue in the future given its strong brand equity and appeal across all key market segments.

8TV – realising its potential

2005 was an incredible year for 8TV. Having established itself, 8TV made further inroads into its urban youth and Chinese vernacular markets. With differentiated content, irreverent positioning and interactive elements, 8TV has swiftly become one of the hottest media brands in Malaysia.

The strength of 8TV remains its combination of high quality foreign programmes and unique local content. In the year under review, *Malaysian Idol* was once again its highest-rated series in its second season. This was supported by other successful reality-based shows such as *Homegrown*, *Project Superstar* and *Malaysia's Most Beautiful*, which provided dramatic entertainment and created a huge buzz among Malaysians, beyond television. 8TV also took centre stage with high quality sports events such as the Formula 1 and A1 Grand Prix live broadcasts.

During the year, 8TV also created a strong on-ground presence with the introduction of the energetic 8Team, a street team that interacts with 8TV's target audience on ground. This has been further expanded with a similar team established for the Chinese community called the "8Warriors".

As a result of this, 8TV successfully achieved break even within 18 months of operations, significantly earlier than the 24 month target, enabling it to successfully contribute profits to the Group for the year.

Moving forward, we expect 8TV to continue building on this strong foundation and deliver significant value to the Group as it expands its revenue base. With more locally produced content like the *Gol & Gincu* drama series, *Realiti*, *Crime Scene*, *Go Travel*, *Reel Review* and *Voice Your Choice* plus highly-rated foreign programmes such as *Desperate Housewives*, *Alias*, *Lost*, *The Simple Life*, *Ghost Whisperer* and the best drama series from Asia, 8TV is well-poised to fulfill its role as the engine of growth for the Group.

TV3 Network Limited, Ghana – our growing success

TV3 Network Limited ("TV3 Ghana") continued to maintain its leadership position as Ghana's most watched and preferred free-to-air TV station, reaching out to an average 3 million viewers during prime time.

TV3 Ghana, which recorded its maiden profit only in 2004, recorded strong revenue and profit growth during the year despite the challenging market environment in the country. The network has become the medium of choice for advertisers and now commands 22% of the total Adex across all TV stations and other media platforms in Ghana.



The station received a number of accolades in 2005 including being named “Station of the Year” (The Radio and TV Guide), “Sports Station of the Year” (The National Sports Journalists Association) and the Ghana RTV Awards for “Best TV Station of the Year” and “Best TV Station for coverage on environmental related issues”.

With an expanded transmission coverage, TV3 Ghana continues to delight Ghanaian viewers with its high quality entertainment and informative content as well as enjoying popular support from the public with ground events and charity causes such as the donation drive for an orphanage at Teshie, a suburb in Accra.

Media Prima is currently evaluating the possibility of realising its investment in TV3 Ghana via the latter's flotation on the Ghana Stock Exchange.

ntv7 and TV9 – turnaround challenge

Media Prima completed its acquisition of Ch-9 Media Sdn Bhd, the operator of the former Channel 9 TV network, on 23 September 2005.

Since then, extensive efforts have been made in preparation for the re-launch of the station under the new brand name of “TV9” with the tagline “Dekat di Hati”. The network has begun full peninsula-wide transmission on 22 April 2006 with an immediate potential reach of 7 million viewers in Peninsular Malaysia, including all the East Coast states of Pahang, Terengganu and Kelantan.

The station targets core Malays with strong traditional values and will be providing wholesome current affairs and entertainment programming aimed at reinforcing positive human values that Malays hold dear. By reaching out to the largest consumer segment, which also represents the largest growth potential in terms of market value, TV9 is poised to become another future engine of growth for the Group.

Media Prima also executed a collaboration agreement on 13 July 2005 with Natseven TV Sdn Bhd (owner operator of ntv7 network), Synchrosound Studio Sdn Bhd and Encorp Media Technology Sdn Bhd (the respective licence holder and operator of WA.FM radio

station) to assist in the debt and corporate restructuring of the said companies. Upon completion of the debt and corporate restructuring exercise, Media Prima was offered the opportunity to acquire these three companies. These acquisitions were completed on 30 December 2005 enabling Media Prima to own all private free-to-air television stations in Malaysia.

ntv7 has undergone a comprehensive operational restructuring exercise to improve its competitiveness and profitability. The company has undertaken a voluntary separation exercise, enabling it to operate with the right organisation size by taking advantage of the back office consolidation initiatives undertaken with Media Prima's other television network operations. Further efforts were also made to reduce other overheads such as transmission costs.

More importantly, as part of our network segmentation strategy, we have repositioned ntv7 as the Feel Good Channel targetting the higher income urban family households. The station now focuses on bringing the best entertainment for adults aged 25 years and above plus their children.

This will provide advertisers with the opportunity to reach a clearly identifiable market segment with strong purchasing power. We have further invested significant amounts in high quality foreign and local content such as the “CSI” franchises, *Reunion*, *Fear Factor*, *Thursday Night Live* with Harith Iskandar and *Anugerah Industri Muzik* to attract and retain this viewer segment.

We are very encouraged by the early results of this repositioning strategy that has indicated strong support from viewers. We are confident, with continued investment in high quality and compelling content and also in the ntv7 brand, the network will turn around and provide significant value to the Group over the medium to long term.

3R



Bersama



Hot FM – sizzling the airwaves

Meanwhile, WA.FM has since been relaunched as Hot FM on February 2006. Hot FM with the tag line “Lebih Hangat Daripada Biasa” is positioned as an exciting Malay radio station targetted towards the young urban Malay listeners.

Significant amount was expended on advertising and promotion especially by taking advantage of cross promotional activities between Hot FM and TV3. Hot FM became the official radio broadcaster for TV3’s *Anugerah Juara Lagu* as well as the ntv7’s *Anugerah Industri Muzik*. Radio personalities of Hot FM have been continually promoted on all our television networks to ensure public recognition of the station is immediate.

From the early signs received, the market acceptance of Hot FM has been phenomenal. We are highly confident that the radio network will be a huge success amongst the Malay public and the brand will flourish and generate significant value to Media Prima in the future.

Fly FM – edgy and informative

Having made a record of sorts by becoming the first radio station in the world to be located in an airport when it began broadcasting on October 2005, Fly FM is fast becoming a real hit among its target listeners with its tagline, “It’s All About the Music”.

Playing the latest international and local hits with an edgier feel and tighter format, the content and talk-sets of its on air personalities are designed to provide listeners with useful and entertaining information. Fly FM also introduced the concept of 50 minutes of non-stop music which has proven to be very popular with the young urban market between 15-30 years old plus a potential market of 25 million passenger arrivals at KLIA.

On Fly FM, advertisements are innovative, less cluttered, and targetted to the right audience through lifestyle-driven personalities. The radio station has an on-ground daily promotions team which has been involved in many partner activities including the Epson’s epBus tour, KL Tower’s International Base Jump, Estee Lauder’s anniversary celebrations and The Sun’s U! Tour.

Fly FM’s current focus is on continuing to build its listener base by leveraging on promotion opportunities offered via other channels within the Media Prima Group and it aims to be among the nation’s leading English radio stations in the future.

Grand Brilliance Sdn Bhd – evolutionary growth

As one of Malaysia’s leading and largest content producer, GBSB’s strategy during the year remains delivering exciting and sought after content via feature films and television dramas. GBSB is also responsible for the international marketing and distribution of all Media Prima content

For the year under review, GBSB has further expanded its role to distribute international movies in the Malaysian market. In 2005, GBSB distributed best-selling Indonesian movies *Tentang Dia* and *Ungu Violet* which proved to be a huge success. In particular, *Tentang Dia* was hugely successful, setting the record for the highest-grossing Indonesian release in Malaysia.

GBSB continues to take the lead in the production of Malaysian movies. During the year, it released the latest offering under the *Senario* franchise, *Senario XX*, plus *Buli Balik* and a retro comedy titled *Rock*.





Further, GBSB launched in 2005 **Alternate Studio**, a new alternative platform for filmmakers to produce and filmgoers to watch more sophisticated and differentiated feature films. The first film from this in-house studio was the romantic comedy titled *Salon* that was shot using entirely new technology (i.e. HD cameras).

GBSB also continued producing quality and highly rated made for television movies and drama series for the Group. These include *Mya Zara*, *Sekam Cinta*, *Salina 2* and *Simbiosis*.

On the distribution side, GBSB continues to market Media Prima content internationally and achieved numerous sales for products such as *Ilmuan Islam* (English version), *Jejak Rasul*, *Islamic Scholars*, *Islam - Legacy of Faith*, *Mysteries from the East*, *Colours of the East*, *Beauty Secrets from the East* and *Tsunami - The Force of Nature*.

Going forward, GBSB is confident that it will be able to leverage on the Group's media assets to consolidate itself as Malaysia's leading content producer.

Tiga Events Sdn Bhd – reinventing for success

Tiga Events Sdn Bhd, ("TESB") is one of the largest events management companies in Malaysia, handling both local and international events.

During the year, TESB embarked upon a new strategy to be more focused towards undertaking larger, high value events that would enable it to be more competitive by leveraging on the Group's media assets.

Among its key successes in the year under review was the staging of major concerts including that by 12 Girls Band plus Peterpan Live in KL and Disney On Ice - Princess Classic. TESB has also been accredited by the Malaysian Government and has handled in 2005 the launching of the LIMA airshow, Visit Malaysia 2007 tourism campaign and *Pelancaran Bulan ITS*.

Going forward, TESB aims to bring high quality, international standard events and productions into Malaysia, focusing on key markets such as family, music-based youth events and corporate entertainment events.

print media and outdoor advertising

NSTP - renewed vigour

NSTP recorded a higher pretax profit of RM29.31 million compared to RM12.51 million achieved in 2004. The increase in profit is attributable to improved performance in its publishing business and a write back of diminution in the value of fixed assets.

However, with the continuing rise in newsprint prices, the year under review continues to be a challenging year for NSTP. This higher cost has been partly mitigated by the increase in the cover prices of NSTP's Bahasa Malaysia newspapers and the Malay Mail.

To further address this challenge, extensive efforts were made to enhance all the newspaper publications. Berita Harian undertook a revamp in June 2005, offering an improved product alongside a new vibrant masthead, an attractive layout and smarter use of infographics. Harian Metro, which continued to enjoy phenomenal growth in circulation, made further investment in its content and brand to expand its reader base.

These efforts have borne immediate fruits. By year-end, Berita Harian had clearly become the No. 1 Bahasa Malaysia newspaper, while Harian Metro clinched leadership position as the leading Bahasa Malaysia tabloid. This led to a strong increase in advertising revenue for both these publications.

On the other hand, the Group's flagship newspaper New Straits Times went fully compact in April 2005. The paper had been previously printed in both broadsheet and compact formats after the latter's introduction in September 2004.

Further, to improve its content, NST incorporated educational pullouts *Didik*, *Minda Pelajar*, *Skor* in January 2005 and in December 2005 introduced 'Your Say', a mobile interactive service. These efforts have had positive impact on the circulation, which grew 8% during the year under review.



In line with strengthening the Group's core business, the separate classified pullout, 'U Buy U Sell' was launched in May 2005 and was made available in both New Straits Times and the Malay Mail in the Klang Valley. Further, the NSTP Group took advantage of its strong editorial resources and news archives by publishing in NST a special 40-page Merdeka pullout, 'Road to Nationhood', which showcased the history of our nation.

As a continuing effort to invest in its brand, the New Straits Times kiosk was launched in Bintang Terrace, Lot 10 Shopping Centre. The objective of the kiosk is to create a ground presence in a strategic area to provide more interaction with its readers and stakeholders. Visitors can surf the Group's websites and digital newspapers, while shoppers can take a break to read and relax in a cosy, air-conditioned, café-like ambience. The kiosk also serves as a one-stop centre for business purposes, providing the convenience of placing classified ads and making payment for newspaper subscriptions.

We are confident that these measures to improve the brand values of all its newspaper publications plus efforts to reduce costs to offset rising newsprint prices will be successful and NSTP will deliver improved financial performances in the coming years.

Corporate Social Responsibility – being caring corporate citizens

To reflect its caring corporate citizenship, the Group undertook during the year many social activities for the benefit of the public. TV3's efforts in this area revolved around *Bersamamu*, a charity-based programme that was launched by patron YABhg Dato' Sri Rosmah binti Mansor, wife of the Deputy Prime Minister, on 19 May 2005. Depicting the plights of the underprivileged and the challenges faced — including poverty, sickness and single motherhood — this programme has become a major success and managed to raise to-date more than RM1.58 million from the public to be used for the benefit of those affected.

In addition, TV3 continued to promote our strong heritage and cultural values via establishing events such as the Nyonya Kebaya and Songket projects.

On the other hand, New Straits Times has been at the forefront in promoting English amongst the young via its School Sponsorship Programme. Under this programme, corporate bodies and the public in general were invited to subscribe for copies of the paper, which were then distributed free to school students, especially those in rural areas, in an effort to improve their English proficiency.

In addition, NSTP and TV3 continued its collaboration with PricewaterhouseCoopers via the NSTP-PWC Malaysian Humanitarian Award to recognise Malaysians who have performed acts of outstanding public service.





An abstract background painting featuring warm, textured brushstrokes in shades of red, orange, and brown. In the lower-left corner, there are faint, sketchy figures of people, possibly in a social setting. The overall style is expressive and painterly.

corporate review

focusing on opportunities

~strengthening
our position