



## **PRESS RELEASE**

### **MNC MEDIA SCORES NEW REVENUE RECORD OF US\$42.4 MILLION IN 1<sup>st</sup> Half of FY 2015 (“1H2015”)**

- *Mobile games and social ecommerce in China continue to power growth for the Group*
- *Mobile games revenue in China jumped 74% to US\$31.7 million*
- *Social e-commerce sales more than doubled to US\$5.5 million*

#### **Australia, 31 August 2015**

Australian listed MNC Media Investment Ltd (ASX: MIH) (“MNCMI” or “the Group”), a provider of media and entertainment content and services in key strategic markets in Asia, has achieved record sales of US\$42.4 million in 1HFY2015.

This is an almost 82% jump from its revenue of US\$23.3 million in 1HFY2014.

The Group’s turnaround was powered largely by its focus on two high-growth sectors – mobile games and social-e-commerce in China.

Hary Tanosoedibjo, Chairman and CEO of the Group said “Group revenue for the first half of this year is more than 70% of what we achieved for the full year in FY2014. This surge in sales reflects the strong growth of our digital businesses in our key market - China.

“Our mobile games sales leapt 74% with the continued success of Boonie Bears 1 (“BB1”) and the successful launch of our second version of Boonie Bears (“BB2”) and our other popular games Armoured Warriors, which drew robust response. As of end July, we have a total of 248 million downloads for BB1 and BB2. Armoured Warriors achieved 81 million downloads even though it was only launched in September last year.

“Our social e-commerce business in China, has also done well as our flagship, proprietary parenting and family oriented portal - Fumubang (父母邦) and edutainment segment grew its base of active users, from 0.7 million users in January to 1.25 million users by end of July. All the visitors for Fumubang access it via their mobile devices. The main area of growth is in the area of curated family travel. The revenue for this segment rose by 1,052% compared to the corresponding period last year- mirroring the strong surge in online travel in China.

“The record numbers delivered by both the Group’s mobile games business as well as Fumubang in China offer clear-cut proof that the digital space is the next growth frontier for us.”

Even as the overall sales climate softens along with the weaker Chinese economy, online sales in the world’s largest digital marketplace are growing at an annual clip of 25% (Source: Forbes - 21Jan 2015).

“It is also found that among the major trends is the Chinese consumers’ attraction to mobile commerce. Nearly 80% of Chinese consumers who bought online last year made at least one purchase from a smartphone; 20% are weekly mobile shoppers. China is expected to lead the world in mobile commerce too. These trends augur well for us – as we continue to establish strong roots in mobile commerce in this huge market and are hence well-positioned to leverage on this enormous growth trajectory,” added Mr Tanosoedibjo.

### **Financial Performance**

Revenue surged 82% to US\$42.4 million for the first six months ended June 30, 2015 (“1H2015”) compared to US\$23.3 million in the previous half year. This significant rise in revenue was driven largely by the strong performances of the Group’s mobile games business - which makes up about 74% of overall sales and its social e-commerce business, and accounted for about 13% of total revenue. The Group’s other businesses also chalked up higher sales rising by 18% from US\$5 million in 1H 2014 to US\$5.9 million in 1H 2015.

Gross profit for the Group went up by 37% to US\$10.7 million from US\$6.8 million during the same period. This is mainly driven by the higher revenue in 1H 2015 as compared to 1H 2014.

Operating expenses rose by US\$2.7 million from US\$9.5 million due to increased spending in China to develop our mobile games and online parenting portal.

With the surge in sales, the Group narrowed its net loss to US\$0.2 million, from its net loss of US\$1.9 million in 1HFY2014. Another contributing factor was the unrealised gain from the Group’s investments in quoted securities. The unrealised profit of US\$7.9 million was partially offset by the unrealised foreign exchange loss of US\$5.7 million due to the depreciation of the Indonesian Rupiah against the US Dollar.

### **Working Capital Position**

Our working capital position remains healthy although our cash and cash equivalents and short-term investments went down by US\$5.5 million to US\$105.6 million. This was mainly due to the purchase of a 21.7% stake in Yododo Inc., one of China’s leading independent travel platforms.

## **Earnings per share & Net Asset Value per share**

Group loss per share was trimmed to US\$0.05 per share in 1H2015 from a loss per share of US\$0.50 in 1H2014. Net Asset Value (NAV) per share remained constant at US\$0.27

## **Segmental Performance**

### **Mobile Games**

Its mobile games revenue in the first half accounted for 74% of gross revenues, or US\$31.7 million. Sales for this segment were 74% higher compared to the first half of FY2014.

The surge in mobile game revenue in the first half of FY2015 was fuelled mainly by increased sales in China from the Group's key titles - Boonie Bears, and Armoured Heroes.

Sales of both the Group's single player games as well as mobile online games showed significant improvement.

Single-player games chalked up sales of US\$30.5 million in 1H2015 up from US\$16.9 million for the same period a year ago while mobile online games tripled to US\$1 million from US\$0.3 million for the same period.

### **Social Ecommerce**

The Group's social e-commerce revenue more than doubled to US\$5.5 million from US\$2.7 million. This segment accounted for about 13% of total revenue for 1HFY2015 compared to 11% of total revenue for 1HFY2014.

The Group's social e-commerce revenue rise is driven mainly by Fumubang.com ("Fumubang") (父母邦), the Group's parenting and family-oriented edutainment portal in China. As of Q2 2015, Fumubang has received over 10 million visitors; and over 1 million unique users downloaded the Fumubang App. Fumubang has also clocked in strong growth in its family travel business with sales leaping by more than 10 times.

The Group also benefited from its wide range of value-added services and extensive curated content for parents.

The Group's online news and entertainment portal in Indonesia - Okezone.com, also registered an increase in page views to over 550 million in the month of June 2015 as the number of visitors rose from 186 million in the month of January 2015 following the recent revamp of its website.

### **Going Forward**

The research firm, Forrester estimates that revenues from China's digital commerce market will continue to grow 19.9% annually to hit US\$1 trillion by 2019. Of this,

mobile sales saw a staggering 168.3% year on year increase to \$58.4 billion, according to iResearch.

SuperData research has also predicted that China's digital games revenue will rise to US\$8.2 billion by the year end from US\$7.5 billion now. China ranks No. 2 in digital games sales in Asia, making up 38% of Asia's revenue..

“In view of these robust trends, we have plans to widen our game portfolio and to increase usage among gamers. We will invest more in acquiring new intellectual properties (“IPs”) to launch new games to expand our current portfolio, particularly for online mobile games.

To tap the rapid growth of e-commerce in China, the Group will beef up and enhance our Fumubang site. We will curate and launch new offerings and activities to engage our users more actively. We intend to build on the strength and growth momentum in our family travel segment by introducing more edutaining and family focused travel products.

We are also optimistic of the growth potential of Okezone.com in Indonesia which will raise our advertising revenue going forward.

While we adopt a cautious view due to the weaker Chinese economy, the Group will persist in its digital plans to accelerate our growth for the year,” said Mr. Tanoesoedibjo

MNCMI currently has operations in China, Malaysia, Singapore, Indonesia and Hong Kong. Its full array of services includes providing entertainment content to internet and mobile users, mobile game services, media content distribution and related services, operating online news and entertainment and parenting portals, and trading in quoted securities.

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## **About MNC Media Investment Ltd**

Established in 1999, MNC Media Investment Ltd is a provider of rich and engaging services and content to a wide range of traditional and new media consumers and enterprises in Mainland China, Indonesia, Malaysia, Hong Kong and Singapore. Its full array of services includes providing entertainment content to internet and mobile users, mobile game services, media content distribution and related services, operating online news and entertainment and parenting portals, and trading in quoted securities.

MNC Media Investment Ltd's shares are listed on the Australian Stock Exchange and quoted on the OTC Markets Group's OTC Pink. It is a subsidiary of PT Global Mediacom Tbk – which owns one of the largest and most integrated media groups in Southeast Asia.

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*Release issued on behalf of MNC Media Investment Ltd by Stratagem Consultants Pte Ltd*

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