



PRESS RELEASE

MOBILE GAMES POWER MNC MEDIA INVESTMENT'S TURNOVER SURGE TO US\$27M IN 1H2014

- *Mobile games sales in China soared more than four-fold to US\$18.3million in 1H2014 from US\$4.0 million in 1H2013*
- *Parenting portal "Fumubang" in China reaches 400,000 targeted users within first year of launch*
- *Cash per Chess Depositary Interests ("CDIs") as at 30 Jun 2014 is US\$2.90, which is close to two times of current valuation*

Australia, August 29, 2014 — *Within six months of its repositioning, 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 seen its sales soar to US\$27.0 million in 1H2014.*

Hary Tanosoedibjo, Chairman and CEO of the Group said: "The Group's repositioning and transformation have borne fruit. Our strategic focus on digital games – particularly mobile games in China – has given us a shot in the arm – driving our performance up significantly in the first six months of this year. Compared to same period last year, we reduced our losses by 63% to US\$1.9 million.

"With the positive results garnered from our vigorous efforts in the digital games/mobile games industry, we believe that our games will continue to build greater traction in our key market, China - in the coming months.

"We will focus on building a rich portfolio of media assets focusing on mobile games, social commerce and leisure entertainment industries, in populous markets such as China and South East Asia. With the population of more than 200 million in Indonesia, the world's fourth populous country, and 1.3 billion in China, the world's most populous country, the opportunities for growth are extensive. We are confident that our prospects for the full year will be positive."

Financial Performance

Revenue surged 48% to US\$27 million for the first six months ended June 30, 2014 ("1H2014") compared to the six-month period ended December 31, 2013 ("2H2013").

This was up 11% or US\$2.6 million compared to the corresponding period last year ("1H2013").

The leap in sales was mainly due to the Group's new strategic emphasis on its mobile gaming business - which saw more than four-fold surge in mobile games sales in China.

Gross profit eased 8% to US\$7.2 million from US\$7.8 million in 1H2013. This was due to the distribution costs of mobile games and licensing fees for popular intellectual properties and animation characters such as Boonie Bears (熊出没) for the development and distribution of mobile games.

With the surge in sales, the Group trimmed its net loss from US\$5.2 million in 1H2013 to US\$1.9 million in 1H2014.

The net loss in 1H2014 was also cushioned by a net foreign exchange gain of US\$1.9 million, compared to US\$2.0 million of net foreign exchange loss in 1H2013. This foreign exchange gain was due to the appreciation of the Indonesia Rupiah against the US Dollar, which resulted in a significant foreign exchange gain for the Group's quoted investments that are denominated in Indonesia Rupiah.

Working Capital Position

The Group's financial position remains healthy. Cash and cash equivalents remained relatively stable – easing marginally to US\$27.5 million as at June 30, 2014 from US\$28.3 million as at December 31, 2013.

Cash per Chess Depositary Interests (“CDIs”) as at 30 Jun 2014 was US\$2.90, which is close to two times of the CDIs current valuation.

Group operational cash outflow improved from US\$3.8 million in 1H2013 to US\$0.9 million in 1H2014.

Earnings Per Ordinary Share and Net Tangible Assets Per Share

The Group's Loss Per Ordinary Share was reduced to US 0.5 cent in 1H2014, compared to Loss Per Share of US 1.3 cents in 1H2013 while its Net Tangible Assets per share increased to US 39 cents as at June 30, 2014 from US 36 cents as at December 31, 2013.

Segmental Performance

Mobile and PC Games

Revenue from the Group's mobile games business in China, which is operated by the Group's subsidiary, Letang, was US\$18.3million in 1HFY2014 soaring more than four-fold from US\$4.0 million in 1H2013. Contributions from mobile games now represent 68% of the Group's total revenue, up from 16% in 1H2013. Letang, a fast-growing mobile games company in Hefei, China, has achieved over 100 million downloads for its latest casual game Boonie Bear (熊出没). This six-month old game has garnered revenue of close to US\$14 million from China gamers alone. Letang will continue to focus on acquiring popular IPs for developing new games for China and International markets, including Russia, Brazil, Mexico, and Southeast Asia.

Revenue from its PC games business also climbed 25% from US\$0.4 million to US\$0.5 million in 1H2014.

Social Commerce

The Social Commerce segment contributed 7% to the Group's total revenue. It achieved sales of US\$1.8 million in 1H2014, 63.6% higher than the sales of US\$1.1 million recorded in 1H2013.

Under this segment, the Group owns a parenting and family-oriented entertainment portal, fumubang.com ("Fumubang") (父母邦), which was developed and launched in Shanghai and Beijing in the second half of 2013. Adopting offline and online marketing strategies, Fumubang now has more than 400,000 highly targeted users (parents). While sales of US\$1 million for the first half of 2014 in Shanghai and Beijing were highly encouraging, the Group will also seek to expand into other populous cities in China.

Outside of China, the Group also owns some online news and entertainment portals, including Okezone.com in Indonesia, which currently has over two million daily users, and a nascent e-retail business portal, Happybuys.com, which focuses on bringing popular entertainment related products to families worldwide at local prices.

Media Content

The Media Content business represents 16% of the Group's total revenue. It recorded US\$4.4 million in sales in 1H2014, against sales of US\$5.4 million in 1H2013. The decline is due to the weak demand for DVDs in Singapore, Malaysia and Hong Kong.

The Media Content business is operated by the Group's subsidiary, Innoform, which generates revenue from three categories namely, video (which includes the acquisition, licensing, and distribution of Asian and non Asian movies, and kids content across multiple platforms such as theatres television, video discs, and online and mobile devices in Singapore, Malaysia, Hong Kong and Indonesia), music (which includes licensing of karaoke music videos), as well as staging of concerts and events.

Telecommunication Value Added services (VAS)

Since its strategic transformation in the first six months of this year, the Group has trimmed its telecommunication value-added services (VAS) business significantly, while boosting its focus on mobile games.

The VAS business achieved sales of US\$2 million in 1H2014 – down from US\$13.5 million in the corresponding period last year. The decline is in line with the Group's strategy to transition away from the VAS business, and this revenue is from the licensing of the VAS short codes to third parties operators.

Going Forward

According to market research company EEDAR's research in 2014, the number of

gamers in China is 517 million, surpassing the total number of citizens in the United States. China Game Publishers Association Publications Committee (“GPC”) has also forecast that the games market in China will have an average annual growth rate of 15% from 2014 to 2017.

Southeast Asian markets are also experiencing rapid growth in online/mobile games. According to the report from Niko Partners, the Southeast Asian games market, (which includes Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam) will reach US\$1.2 billion by 2017, double the figure in 2013.

With the recent change in China’s one-child policy to allow parents (who are themselves single children) – to have two children, the number of babies is expected to grow substantially. With grandparents and parents doting on only two children, there is tremendous growth potential for our parenting portal Fumubang.com.

Going forward, in view of these favourable trends, the Group maintains an optimistic outlook for FY2014. For the second half ending 31 December 2014, the Group anticipates gross revenues to be in the range of US\$23 million to US\$27 million. These forecasts reflect the Company’s current and preliminary view, which is subject to change.

About MNC Media Investment Ltd

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. It focuses on media, entertainment, communication and edutainment products, which are promoted through the Group’s strong nationwide distribution networks, integrated service platforms and multiple marketing sales channels, as well as through the networks of leading mobile operators in Mainland China and Indonesia.

*Release issued on behalf of MNC Media Investment Ltd by
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