Moody's Meningkatkan Peringkat *Corporate Family* MSKY Dari B2/Positive Menjadi B1/Stable

Jakarta, Indonesia – 10 Januari 2014

Moody's Investor Service telah meningkatkan peringkat (*rating*) *Corporate Family* PT MNC Sky Vision Tbk. ("MSKY") dari B2 menjadi B1 dengan *outlook* stabil dalam Global Credit Research Note mereka tanggal 8 Januari 2014.

Peningkatan atas rating ini didasari oleh pembiayaan kembali obligasi senilai USD 165 juta, melalui pinjaman sindikasi senilai USD 250 juta yang akan jatuh tempo dalam tiga tahun. Dengan pembiayaan kembali ini, MSKY dapat melakukan penghematan yang sinifikan atas biaya bunga dari 12,75% menjadi LIBOR + 4,25% per tahun.

Mengomentari peningkatan atas *rating* tersebut, Annalisa Di Chiara, Vice President dan Senior Analyst Moody's mengatakan, "Peningkatan ini mencerminkan kinerja operasional Sky Vision yang kuat dan berkelanjutan, seperti yang ditunjukkan dengan peningkatan jumlah pelanggan sebesar 37% selama 9 bulan pertama 2013 (dalam perbandingan tahun-ke-tahun), dan posisinya sebagai pemimpin pasar TV-berbayar dalam negeri dengan pangsa pasar yang di atas 70%. Kami percaya Sky Vision berpeluang besar mengalami pertumbuhan yang pesat dalam jangka waktu menengah dan panjang, dengan mempertahankan marjin EBITDA tetap pada kisaran 40%."

Pengumuman riset Moody's atas peningkatan *rating* MSKY terlampir.

Sekilas Mengenai MSKY
MSKY adalah perusahaan TV-berbayar terbesar di Indonesia, yang beroperasi melalui ketiga mereknya yaitu Indovision, Top TV dan Okevision. MSKY menggunakan teknologi satelit S-band yang merupakan yang terbaik di kelasnya, dengan ketahanan yang tinggi terhadap gangguan cuaca dengan daya siar yang lebih tinggi. Dari segi tayangan, MSKY memiliki 118 channel dengan 29 channel eksklusif yang hanya bisa disaksikan di *platform* MSKY, yang terbagi dalam berbagai genre

Moody's Upgraded MSKY's Corporate Family Rating To B1/Stable from B2/Positive

Jakarta, Indonesia – 10 January 2014

Moody's Investor Service has upgraded the corporate family rating of PT MNC Sky Vision Tbk ("MSKY") to B1 from B2 with stable outlook in its Global Credit Research Note dated 8 January 2014.

The rating upgrade was due to the company's refinancing of its high cost USD 165 million senior notes with a USD 250 million 3 year syndication term-loan. This allowed the company to significantly reduce its funding cost from 12.75% to LIBOR + 4.25% per annum.

Commenting on the rating upgrade, Annalisa Di Chiara, Moody's Vice President and Senior Analyst, "The upgrade reflects Sky Vision's continued strong operating performance, as demonstrated by its year-on-year subscriber growth of 37% in the first nine months of 2013 and its leading position in the domestic pay-TV market with its market share remaining above 70%. We believe Sky Vision is well-positioned for robust organic growth over the medium to long term, and expect EBITDA margins to remain in the 40% range."

Please find Moody's research note for your perusal.

About MSKY
MSKY is the largest pay-TV Company in Indonesia, operating through its three brands, Indovision, Top TV and Okevision. MSKY uses S-band satellite technology, the best in its class, with high resistance against weather disruption and superior broadcast capability. In terms of channel, MSKY owns 118 channels in its portfolio, 29 of which are exclusive channels that can only be seen on MSKY's platforms. Various genres are offered by MSKY's brand, skewed especially for children and families. Today MSKY is

dan difokuskan pada acara untuk anak-anak dan keluarga. Saat ini, MSKY adalah pemimpin pasar TV-berbayar di Indonesia, dengan pangsa pasar sebesar 73% berdasarkan laporan dari Media Partners Asia per Juni 2013.

the leader of Indonesia's pay-TV, with market share of 73% based on the report of Media Partners Asia as of June 2013.

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Sebagai tambahan, informasi yang ada dalam materi ini berisi proyeksi dan pernyataan pandangan kedepan (forward-looking) yang merefleksikan pandangan terkini Perusahaan dengan memperhatikan kejadian-kejadian di masa yang akan datang dan kinerja keuangan. Pandangan-pandangan ini didasarkan pada angka estimasi dan asumsi aktual yang menjadi subjek bisnis, ekonomi dan ketidakpastian persaingan dan dapat berubah dari waktu ke waktu dan dalam kasus-kasus tertentu adalah diluar kontrol dari perusahaan dan direkturnya. Tidak ada jaminan yang dapat diberikan bahwa kejadian dimasa yang akan datang akan terjadi, atau proyeksi akan dicapai, atau asumsi Perusahaan adalah benar adanya. Hasil yang sesungguhnya dapat berbeda secara materiil dibandingkan dengan yang diperkirakan dan diproyeksikan.

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Investasi apapun di sekuritas manapun yang dilakukan oleh perusahaan atau afiliasinya harus dibuat berdasarkan dokumen penawaran final yang dikeluarkan oleh sekuritas tersebut.

MOODY'S
INVESTORS SERVICE

Rating Action: Moody's upgrades MNC Sky Vision to B1; outlook stable

Global Credit Research - 08 Jan 2014

Hong Kong, January 08, 2014 -- Moody's Investor's Service has upgraded the corporate family rating of P.T. MNC Sky Vision to B1 from B2.

The outlook on the rating is stable.

RATINGS RATIONALE

The rating action follows the redemption of Sky Vision's USD165 million 12.75%, 2015 senior secured bonds on 12 December 2013. The redemption was funded with a USD 250 million, three-year syndicated loan which was signed in November 2013.

"The refinancing exercise not only extended Sky Vision's debt maturity profile by one year, but the incremental increase in debt also provides additional capital to support the capex and working capital needs associated with Sky Vision's organic growth over the next few years," says Annalisa Di Chiara, a Moody's Vice President and Senior Analyst.

"In addition, interest on the term loan of LIBOR +425bp will reduce Sky Vision's funding costs considerably, helping to bolster cash flows. The decline in interest costs will also help offset some of the effect of the currency mismatch between its Rupiah-based revenues and USD-denominated interest costs," adds Di Chiara, also Moody's Lead Analyst for Sky Vision.

"The upgrade also reflects Sky Vision's continued strong operating performance, as demonstrated by its year-on-year subscriber growth of 37% in the first nine months of 2013 and its leading position in the domestic pay-TV market with its market share remaining above 70%. Given the significant level of under-penetration in its domestic market, we believe Sky Vision is well-positioned for robust organic growth over the medium to long term, and expect EBITDA margins to remain in the 40% range," adds Di Chiara.

In addition, Sky Vision's credit metrics are well positioned for its B1 rating, and even with its increased debt burden, the company should maintain adjusted debt/EBITDA below 2.5x. Furthermore, the decrease in interest costs will provide significant cash flow benefits and improve its interest coverage ratio from the current 5.5x range.

The rating also continues to reflect the company's small revenue base, the competitive headwinds it will face as other operators increase investment in pay-tv services, satellite operation risks and exposure to foreign currency volatility.

While the company's revenues are denominated in Rupiah, a significant portion of its programming costs and capex is is USD denominated as are its interest costs. However, with the reduction in interest costs combined with the company's solid operating performance and liquidity, there is still some cushion to absorb currency fluctuations. For example, with a further 10% depreciation in the Rupiah, Sky Vision's debt/EBITDA should remain below 3.0x, which is strong for the B1 rating level.

The stable outlook reflects our expectation that Sky Vision's leading market share and product offering will continue to support significant organic growth over the next 12-18 months, and support EBITDA margins in the 40% range.

Given the upgrade, further positive rating action is unlikely over the medium term. However positive momentum could build should Sky Vision maintain its market share and adjusted EBITDA margins above 40% whilst growing the revenue base. Moody's would also like to see an improvement in ARPU and the company achieve consistent positive free cash flow such that adjusted free cash flow/debt is above 10%.

On the other hand, downward pressure could develop should competition intensify and result in a decline in the company's market share and operating profit margins. Specifically, the outlook or ratings could come under pressure if operating margins deteriorate below the 35% range, or the company's cash cushion deteriorates materially, such that it would need to rely on additional external funds to support its growth. Sustained negative free cash flow generation over the longer term or more aggressive shareholder initiatives, including sizeable dividends, would also be negative for the rating.

In addition, any reduction in Global Mediacom's shareholding in Sky Vision, which would change the parent company's undertakings and ability to support Sky Vision, will also have a negative impact on Sky Vision's rating.

The principal methodology used in this rating was the Global Pay Television - Cable and Direct-to-Home Satellite Operators published in April 2013. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

Headquartered in Jakarta, MNC Sky Vision is a provider of direct-to-home, pay-TV services. The company is 66% owned by PT Global Mediacom Tbk, a diversified media company, and in which PT MNC Investama Tbk owns a 53.4% stake. Both Global Mediacom and MNC Investama are publicly listed in Indonesia.

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