

1.0 INTRODUCTION

1.1 ADVERTISING INDUSTRY

Advertising Industry is also called as the Advertising Services Industry, Ad Agencies, Public Relations Firms, PR Firms, Advertising Agencies, and Advertising and Marketing Industry. Advertising Industry is defined as the establishments primarily engaged in creating advertising campaigns and placing such advertising in periodicals, newspapers, radio and television, or other media. These establishments are organized to provide a full range of services (i.e., through in-house capabilities or subcontracting), including advice, creative services, account management, production of advertising material, media planning, and buying (i.e., placing advertising).

1.2 ADVERTISING

Advertising is paid communication through a non-personal medium in which the sponsor is identified and the message is controlled. Variations include publicity, public relations, product placement, sponsorship, underwriting and sales promotion. Every major medium is used to deliver these messages through television, radio, movies, magazines, newspapers, the Internet, and billboards. Advertising is a announcement of a public nature whether for the sale or purchase or provision of goods or services or constituting of an invitation to participate in an activity and conveyed by or through any signage, image or sound disseminated through electronic medium for advertising purposes. Advertisements are usually placed anywhere an audience can easily or frequently access visuals or audio.

1.3 ADVERTISER

Advertiser is the client who uses the advertising to send out a message about the company's product to create a branding advertisement and it is a medium used to introduce a new product or services in the

market. Advertisers hires the advertising agency in order to accomplish the company objective to attract as many customer as they could who are the target audience being the potential customers.

1.4 AUDIENCE

The desired audience is the target customers for the advertising message which are published through print and media broadcast. The data gathering technology improves accuracy of information about the customer. Advertisers must recognize the various target audiences they are taking to and knowing their need and wants.

1.5 OUTDOOR ADVERTISING

Location intelligence solutions help outdoor media companies to better track inventory and to serve their advertising clients by providing them with a way to match their inventory to each advertiser's campaign needs—whether their client is looking to target a particular demographic, daytime population density, lifestyle segment or volume of traffic.

The outdoor media company also has a means to provide its advertising clients with presentation quality maps and reports that convincingly demonstrate how the media company's locations are ideally suited to meet the advertiser's campaign goals. The ability to link inventory data, from ODBC compliant charting systems, quickly identifies all outdoor locations and those that are available for a client campaign. Outdoor media companies can quickly display their available inventory within a geographic region, zooming in to greater detail and clicking on individual locations to display information associated with that property (for example a photo, street address, inventory number and contract details). Inventory can be thematically mapped to show which locations are available. Visual impact and “ground truth” can also be added to presentations by including aerial imagery.

Advertisers can be shown how their outdoor media placement precisely targets desired demographics, lifestyle clusters, traffic volumes, daytime populations or other key variables along with tabular reports detailing market statistics.

1.6 TYPES OF ADVERTISING MEDIA

1. Broadcast Media

Location intelligence solutions help broadcast media companies to analyze consumer media preferences, identify market potential and to enhance sales presentations to advertisers.

✓ **Analyze Consumer Media Preferences - Use the PSYTE®**

Advantage segmentation system to profile television viewers and radio listeners based on demographic and lifestyle characteristics. These profiles can then be used by the broadcaster to demonstrate to potential advertisers that their target customers can best be reached through the broadcaster's specific media vehicle.

✓ **Identify New Market Opportunities**

The viewer or listener profile can be used to identify areas of under-penetrated market potential geographic regions where there are prospective viewers or listeners with profiles that match the demographic and lifestyle characteristics of your best viewers or listeners. These regions can then be targeted with marketing and promotions to increase viewers or listeners.

✓ **Increase Sales Effectiveness**

Presentation quality reports and maps of the broadcaster's market and viewers or listeners can be used by the sales force to create more compelling presentations to drive increased sales to advertisers. In order to analyze consumer media preferences, identify new market opportunities, and increase sales effectiveness, broadcasters rely location intelligence.

2. **Print media**

✓ **Circulation**

Circulation departments use location intelligence to retain and attract new subscribers. Circulation managers can develop profiles of their subscribers to better understand “who” their customers are, “what” their consumption preferences are, and “how” they spend their free time. The circulation department can profile its best customers and determine which segments demonstrate a high propensity to subscribe to the publication, then literally map out areas where there are concentrations of high value clusters that the company has under-penetrated. These areas of high untapped potential can be precisely targeted through subscriber acquisition campaigns.

✓ **Distribution & Sales**

Distribution can use location intelligence to better identify areas of opportunity. Business data provides the name, address; SIC code, sales volume, number of employees and ownership structures for businesses. This information helps sales to:

- Analyze trade areas, zip codes and sales regions to identify areas of opportunity
- Identify competitive threats for the publication, and its advertisers
- Assign sales territories
- Generate new sales leads

Location intelligence can also help to identify new opportunities for distribution to better tap areas of identified potential, optimize coverage and even to more efficiently route drivers (ex. re-distribute driver coverage in the event a driver is unable to do her route).

✓ **Market Research**

Advertising and market research departments can use location intelligence to provide the sales force with demographic, geographic, and business information they can use to make more effective presentations to advertising customers and to identify new sales prospects. Newspapers and magazines

use location intelligence to provide advertisers with estimates of market potential or demand for their products in specific regions and to profile their advertisers' customers in order to:

- Demonstrate to the advertiser that the publication's circulation will effectively reach customer segments that are similar to those that have been productive for the advertiser in the past; and
- Help the advertiser formulate a more effective media plan, which helps to ensure that the advertiser's campaign will be successful.

The following are some examples of the types of reports can help media companies create to identify and secure advertising customers:

1. Demographic Trend Reports

Contain 2000, current year and five year projections for demographics within a requested region.

2. Retail Sales Potential Summary Reports

Consumer expenditure data for desired retail categories within a specified region (ex. automotive products).

3. Market Potential for Product

Ranks selected markets by their potential to produce results for a specific product.

4. Profile Ranking by Target Group Index

Enables the ranking of different lifestyle and/or media profiles to determine which have the highest appeal to your target group.

5. Postal Carrier Route Maps

Help advertisers target their media buys geographically by carrier route or other geographic region (ex. along major highways).

6. Customer ZIP Distribution Maps

Shows advertisers' current and recommended ZIP code coverage for their preprint

distribution, and enables advertisers to target distribution to match store sales, identify areas of opportunity to increase sales and to strategically plan distribution relative to where competitors are located.

7. Radius / Drive time Maps

Show mileage rings and/or driving distance isochrones for store locations.

8. Presentation Quality Graphics and Reports

Reports and maps show the geographic context of analyses by displaying the values in themed colors and patterns, which creates a strong visual impact on advertising clients. The reports can also be output in digital file formats that can be easily imported into other applications as needed for further processing.

1.7 SCOPE AND COVERAGE

guideline that applies to advertisements communicated electronically and includes television, radio, online services and audio text hosting services otherwise referred to as premium rate services.

Principles of Advertising Guide

The following principles shall guide Advertisement Content providers who are affected by and/or are subject to this Part of the Code:

- a) All advertisements must conform with this part and to the general guidelines on Content.
- b) All advertisements should be legal, decent, honest and truthful.
- c) All advertisements should be prepared with a sense of responsibility to consumers and to society.
- d) All advertisements should respect the principles of fair competition generally accepted in business.

1.8 SPECIFIC GUIDELINES

The following specific guidelines shall apply to advertisements.

a) Legality

Advertisers have primary responsibility for ensuring that their advertisements comply with the law and should not incite anyone to break it.

b) Decency

- i. Advertisements should contain nothing that is likely to cause serious or widespread offence. Particular care should be taken to avoid causing offence on the grounds of, but not limited to, race, religion, sex, sexual orientation and physical or mental disability.
- ii. Advertisements must not contain statements, audio or visual presentations that are offensive to the standards of decency prevailing among those who are likely to be exposed to them. The fact that a particular product is offensive to some people is not sufficient grounds for objecting to an advertisement for it.

c) Honesty and Truthfulness

1. Advertisements must not be so framed as to abuse the trust of the consumer or exploit his lack of experience or knowledge.
2. No advertisement should mislead by inaccuracy, ambiguity, exaggeration, omission or otherwise.

d) Fear and Distress

Advertisements must not without justifiable reason play on fear. They may, however, issue an appeal “to be fearful” to encourage prudent behaviour or to discourage dangerous or ill-advised actions, taking into consideration that the fear likely to be aroused should not be disproportionate to the risk.

e) Safety

Advertisements should not show or encourage unsafe practices except in the context of promoting safety. Particular care should be taken with advertisements addressed to or depicting children and young people.

f) Violence/Anti-social behaviour

Advertisements should contain nothing that condones or is likely to provoke violence or anti-social behavior.

g) Protection of privacy

1. Advertisements shall not portray or refer to, by whatever means, any living person, unless their express prior permission has been obtained.
2. This requirement applies to all persons, including public figures and foreign nationals. Advertisers shall also take note not to offend the religious or other susceptibilities of those connected in any way with deceased persons depicted or referred to in any advertisement.

h) Claims

1. Advertisers must hold documentary evidence to prove all claims made in an advertisement whether direct or implied that are capable of objective substantiation. If there is a significant division of informed opinion about any claims, they should not be portrayed as generally agreed.
2. Claims that have not been independently substantiated should not exaggerate the value, accuracy, scientific validity or practical usefulness of the product advertised. Obvious untruths or exaggerations that are unlikely to mislead and incidental minor errors and

unorthodox words are all allowed provided they do not affect the accuracy or perception of the advertisement in any material way.

i) Testimonials and Endorsements

Advertisements shall not contain or refer to any testimonial or endorsement unless it is genuine and related to the personal experience over a reasonable period of time of the person giving it.

j) Prices

1. Any stated price should be clear and should relate to the product advertised. Advertisers should ensure that prices match the products illustrated.
2. If the price of one product is dependent on the purchase of another, the extent of any commitment by consumers should be made clear.
3. Price claims such as 'up to' and 'from' should not exaggerate the availability of benefits likely to be obtained by consumers.

k) Free Offers

1. In making a free offer conditional on the purchase of other items, consumers' liability for any costs should be made clear in all material featuring the offer.
2. An offer should be described as free only if consumers pay no more than the :
 - a) Current public rates of postage.
 - b) Actual cost of freight or delivery.
 - c) Costs, including incidental expenses, of any travel involved if consumers collect the offer.
3. Advertisers should make no additional charges to consumers for packing and handling.

l) Availability of Products

1. Advertisements shall not be electronically disseminated unless the advertiser has reasonable grounds for believing that he can supply any demand likely to be created by his advertising.
2. In particular, no attempt shall be made to use the advertising of unavailable or unregistered products (when registration is compulsory) or non-existent products as a means of assessing likely public demand, should such a product be offered in the future.
3. Where it becomes clear that an advertised product is not available, (in circumstances where the public are not likely to assume from advertising its ready availability) immediate action must be taken to ensure that further advertisements for the products are promptly amended or withdrawn.

m) Guarantees

1. The word 'guarantee' should not be used in any way that could diminish consumers' legal rights. Substantial limitations should be spelt out in the advertisement. Before commitment, consumers should be able to obtain the full terms of the guarantee from advertisers.
2. Advertisers should inform consumers about the nature and extent of any additional rights provided by the guarantee, over and above those stipulated by law, and should make clear how to obtain redress.

n) Comparisons

1. Advertisements containing comparisons with other advertisers, or other products are permissible in the interest of vigorous competition and public information, provided they comply with the terms of this section.

2. All comparative advertisements shall respect the principles of fair competition and shall be so designed that there is no likelihood of the consumer being misled as a result of the comparison, either about the product advertised or that with which it is compared.
3. The subject matter of a comparison shall not be chosen in such a way as to confer an artificial advantage upon the advertiser or so as to suggest that a better bargain is offered than is truly the case.
4. Points of comparison shall be based on facts that can be substantiated and should not be unfairly selected. In particular:
 - a) The basis of comparison shall be the same for all the products being compared and shall be clearly stated in the advertisements so that it can be seen that like is being compared with like.
 - b) Where items are listed and compared with those competitors' products, the list shall be complete or else the advertisement shall make clear that the items are only a selection.

o) Denigration

Advertisers should not attack or discredit other businesses or their products.

i. Exploitation of goodwill

Advertisers should not make unfair use of the goodwill attached to the trademark, name, brand, logo, slogan or the advertising campaign of any other organization.

ii. Imitation

No advertisement should so closely resemble any other that it misleads or causes confusion.

iii. Unacceptable Products and Services

Advertisements for products or services coming within the recognized character of,

or specifically concerned with the following are not acceptable :

- a) Cigarette, tobacco and its accessories;
- b) Any item banned in the Postal Services Act 1991 (Act 465) for the purpose of cheating or misleading;
- c) The occult and fortune tellers;
- d) Marriage agencies and friendship clubs;
- e) Unlicensed employment agencies;
- f) Any form of gambling including betting and gambling tips
- g) Clothing which is printed with word(s) or symbol(s) that has an inappropriate message
- h) Scenes which are sexual in nature or are indecent including kissing scenes between adults;
- i) Scenes which are sexually explicit or impolite;
- j) Pornography;
- k) Pig, pork products and its derivatives;
- l) Betting and gambling;
- m) Fire crackers;
- n) Any form of financial speculation intended to promote or attract interest in any stocks and shares
- o) Death notices, funeral and burial service notices and burial monuments
- p) Disco scenes
- q) Slimming products, whether it is used orally or physical application.

1.9 INDIRECT ADVERTISING and PRODUCT PLACEMENTS

- ✓ An advertisement for an acceptable product or service shall be unacceptable in the event a significant effect would be to publicize indirectly an unacceptable product or service.
- ✓ “Product Placements” relevant to the context of the situation are allowed but services and goods that are specifically banned are not allowed.
- ✓ “Joint promotions” of products of different brands and products, if exercised for a certain period of time is permissible.

1.10 IDENTIFYING ADVERTISERS and RECOGNISING ADVERTISEMENTS

- ✓ Advertisers, online publishers, broadcasters and owners of other electronic media should ensure that advertisements are designed and presented in such a way that it is clear that they are advertisements.
- ✓ Features, announcements or promotions that are disseminated in exchange for a payment or other reciprocal arrangement should comply with this Code if their content is controlled by the advertisers and should also be clearly identified as such.
- ✓ Distance selling advertisements with written response mechanisms (e.g. postal, fax or email) and advertisements for one-day sales, homework schemes and the like should contain the name and address of the advertisers. Distance selling advertisements for business opportunities should contain the name and contact details of the advertisers. Unless required by law, other advertisers are not normally obliged to identify themselves.

1.11 THE USE of PEOPLE in ADVERTISING

i. Women in Advertising

- a) Advertisements must not project women as an object for sex or be shown to merely satisfy men's desire and satisfaction.
- b) Advertisements must portray positive images of women.

ii. Children and Advertising

Special care and attention is to be paid to children in advertisements. This requires a need to comply with requirements set out below :

- a) The use of children is not encouraged unless the products advertised are relevant to them and or except in the context of promoting safety for the children as depicted within paragraph (d).
- b) Advertisements addressed to children or young people or likely to be seen by them, shall not contain anything whether an illustration or otherwise, which result in harming them physically, mentally or morally or which exploits their credulity, their lack of experience or natural sense of loyalty.
- c) Advertisements pertaining to activities of a society or club for children must be that of a club or society that is properly supervised.
- d) In any situation where children are projected, careful consideration must be given for their safety

✓ Illustrations

1. Children must not be seen leaning on a window or a bridge railing or climbing a steep cliff in a dangerous manner.
2. Small children must not be shown climbing a high rack or to reach for something on a table higher than their head level.
3. Medicines, disinfectants, antiseptics, caustic substances, pesticides and all aerosol preparations must not be shown within reach of children without close parental supervision or neither can they be shown using them.

4. Children must not be shown using matches or any gas, petrol, paraffin, electrical or mechanical appliances which could cause them suffering burns, electric shocks or other injuries.
5. Children must not be shown driving or riding agricultural machines (including tractor-drawn carts) or any other heavy machines.
6. Children are not allowed to be exposed to any form of fire without being observed by adults.
7. Children must not be shown playing with firecrackers or fireworks which are banned in Malaysia.

iii. Professionals in Advertising

Care shall be taken, where a testimonial is given by a person with professional qualifications, that in indicating those qualifications the advertisers do not cause the person giving the testimonial to transgress any regulations of the professional institution(s) to which he belongs.

1.12 OTHER SPECIFIC ADVERTISEMENTS

i. Commercials on Medical Products, Treatments and Facilities

Advertisements on medicines, remedies, appliances, skill and services relating to diagnosis, prevention and treatment of diseases or conditions affecting the human body are under the authority of the Medicine Advertisements Board, Ministry of Health Malaysia (K.K.L.I.U).

ii. Pesticide Advertisements

Advertisements on pesticides are under the authority of Pesticide Advertising Board and Ministry of Agriculture.

iii. Food and Drinks

Advertisements of food and drink products that claim therapeutic or prophylactic qualities will be subject to prior screening; however, food and drink products that help improve, restore or maintain the consumers' general health, physical or mental condition will not be subject to prior screening. All advertisements must comply with the requirement in the Food Act 1983 and Food Regulations 1985.

iv. Direct Sales Advertising

- a) Infomercials and Direct Sales Advertising must also abide by this Code.
- b) Unless otherwise provided by this Code, all advertisers must get relevant approval from the Ministries concerned and abide by the laws set by the Government from time to time unless stated otherwise.

v. Alcoholic Drinks And Liquor

Advertisements on alcoholic drinks and liquor are not allowed. If an alcohol company is the title sponsor of an international sporting event held in Malaysia, it is only allowed to promote the event and not directly advertise its products. In addition to this, alcohol companies should only use the events' logo in the promotional on-air material.

vi. Sanitary Protection Products and Incontinent Pads For Adults

Advertisements in this product category is unusually sensitive and commercials for it can easily cause offence or embarrassment, even among people who have no objection in principle to its being advertised on television. Because it is often viewed in a family setting, television advertising needs to be treated with restraint and discretion. Anyone intending to produce a commercial for a sanitary protection product and incontinent pads for adults MUST abide by the following :-

- a) Restriction on Times of Transmission**

Commercials portraying a sanitary protection product and incontinent pads for adults are permissible.

b) Visual Treatments and Product Descriptions

Sanitary protection products and incontinent pads for adults - visual treatments must be done with taste and restraint, particular care is needed with shots of unwrapped towels, pads or tampons, whether actual or diagrammatic. Detailed references, whether in sound or vision, should avoid graphic descriptions which might offend or embarrass viewers.

c) Appeals To Insecurity

Sanitary protection products and incontinent pads for adults - no commercial may contain anything which, either directly or by its implication, is likely to undermine an individual's confidence in her own standards of personal hygiene. No implication of, or appeal to, sexual or social insecurity is acceptable. Commercials may not suggest, by whatever means, that menstruation is in any way unclean or shameful and variations of the word "clean" are unacceptable in advertising for this product category, as are other potentially offensive words such as "odour". The same applies to the advertising of incontinence.

d) Taste and Offence

All advertisements for the category of sanitary napkins and incontinent pads for adults must not offend against good taste or decency or be offensive to public feeling and should not prejudice respect for human dignity.

vii. Messages and Notices

Messages broadcasted on television based on the following :

- a) Private messages (e.g. birthday greetings, well wishes, etc)

- b) Congratulatory messages; and
- c) Bereavement notices

are only acceptable at the broadcasters discretion and are to be aired after 10.00 p.m. Broadcasters are encouraged to exercise strict discretion so as to reflect the true intention and spirit of the message. Messages that are indecent, obscene, false, menacing, or offensive in character with intent to annoy, abuse, threaten or harass any person is not permissible

1.13 MALAYSIAN CODE OF ADVERTISING PRACTICE

The Malaysian Code of Advertising Practice is a fundamental part of the system of control by which the advertising activities are regulated in Malaysia. It is administered by the Advertising Standards Authority Malaysia (ASAM). It does not cover publicity for products which appear in media otherwise than in space or time paid by advertisers.

Outdoor advertising guidelines and approvals are under the auspices of respective state government / local authorities.

Government-owned television and radio have their own Advertising Code (Kod Pengiklanan) which is under the control of the Ministry of Information.

Advertisements communicated electronically, which include private-owned television and radio, online services and audio text hosting services otherwise referred to as premium rate services, have their own Content Code which is administered by the Malaysian Communications & Multimedia Content Forum (CMCF) of Malaysia.

Commercials must have at least 80% local content and be made in Malaysia if they wish to qualify as a Made-in Malaysia advertisement according to the Made-in Malaysia (MIM) rules under Perbadanan Kemajuan Filem Nasional Malaysia (FINAS).

The Film Censorship Board (Lembaga Penapisan Filem) has its own Film Censorship Guidelines (Garis Panduan Penapisan Filem).

General guidelines to be followed by the companies providing advertising services are:

1. All advertisement shall be legal, decent, honest and truthful.
2. Advertisements must project the Malaysian culture and identity, reflect the multi-racial character of the population and advocate the philosophy of “RUKUNEGARA” which reads as follows: -
 - Believe in God
 - Loyalty to King and Country
 - Upholding the Constitution
 - Rule of Law
 - Good Behaviour and Morality
3. Advertisement must not identify or type-cast each particular racial group or sex with vocations, traditional values and backgrounds.
4. A list of statutes affecting advertising is set out. Particular attention is drawn to the Trade Description Act.
5. Advertisements must comply in every respect with the Law, common or statute. Advertising should not propagate fraudulent trade practice.
6. No advertising material which tends to offend the proprieties of ethics generally observed by the community or contain terms, words or subject matter not generally considered acceptable in polite conversation shall be accepted.
7. All advertisement shall be prepared with a sense of responsibility to the consumer.
8. All advertisement shall conform to the principles of fair competition as generally accepted in business.
9. No advertisement shall bring advertising into disrepute or reduce confidence in advertising as a service to the industry and to the public.
10. Advertisements must be clearly distinguishable as such.

2.0 PROCEDURES TO ENTER ADVERTISING

INDUSTRY IN MALAYSIA

2.1 Identify the classification Advertising Industry

Advertising (classified under code 74300, Malaysia Standard Industrial Classification) refers to the provision of advertising services by advertising agency. Advertising agency activities encompass creating and placing advertisement in periodicals, newspapers, radio, television and outdoor advertising. Its activities also include media representation, aerial advertising, distribution or delivery of advertising materials or samples, and renting of spaces for advertisement. Outdoor advertising refers to billboards, panels, bulletins and frames, window dressing, showroom design, car and bus carding. Media representation refers to sale of time and space for various media soliciting advertising. It excludes the following:

- a) Printing of advertising material which is classified in Item 22210: Printing.
- b) Market research which is classified in Item 74130: Market research and public opinion polling.
- c) Public relations activities which are classified in Item 74143: consultancy services.
- d) Direct mailing activities which are classified in Item 74992: Bill collecting, credit rating, direct mailing, mail advertising and similar activities.
- e) Production of commercial messages for radio, television and film which are classified in the appropriate items of Group 921: Motion picture, radio, television and other entertainment activities.

2.2 Registration and Licensing

i. Registration with Companies Commission of Malaysia

The setting up of a company providing advertising services requires the party (individual or individuals) to register with Companies Commission of Malaysia (CCM) under the Registration of Business Ordinance, 1956, or incorporate a company under the Companies Act, 1965. A foreign company cannot carry on business in Malaysia unless it incorporates a local company or registers the company in Malaysia with CCM. Foreign company means a company, corporation, society, association or other body incorporated outside Malaysia which under the law of its place of origin may sue or be sued. For a foreign company to register a company in Malaysia, the same registration procedures pertaining to the registration of a locally incorporated company apply.

ii. Registration with Ministry of Finance

Any advertising agencies wishing to tender for government contracts must register with the Ministry of Finance (MOF) under code 241800 for Design and Advertising.

a) Conditions that must be fulfilled for registration with MOF

i. Firm with accumulated/paid-up capital as follows:

Sole proprietorship - RM10,000 and above

Partnership - RM20,000 and above

Private limited company - RM20,000 and above

ii. The firm needs to have a legitimate office address, either leased or own property.

iii. The firm needs to have at least one sub-professional and clerk (excluding the Office Manager) under permanent employment and who contribute to the Employee Provident Fund (EPF) account.

iv. The firm needs to have an active current account.

- v. Owner of the firm needs to possess professional qualification in the field of expertise applied for registration, in accordance to the provision of laws and regulations. The applicant is required to submit his/her CV or work experience.
- vi. All shareholders or partners are required to possess at least five (5) years of working experience upon obtaining their academic degree.
- vii. Application by firms with shareholding under nominee or corporate is not acceptable with the exception of Higher Learning Institution and Financial Institution.
- viii. Shareholder must also be a full time Executive Director.
- ix. For professions whose ethics of service are not governed by any Professional Boards, the field of expertise applied for registration is based on the academic qualifications or working experience of the owner or the partners of the partnership.
- x. The firm that applied for registration with MOF must have at least one shareholder, one sub-professional and one clerk who are in full-time employment.

b) Registration Policy

- i. The registration with the MOF can take place upon the registration of the firm with the CCM.
- ii. Firms that register with MOF can be classified as:
 - Ordinary Registration - This applies to wholly-owned Malaysian firms. All shareholders, Board of Directors, management and staff are Malaysian citizens.
 - Local-foreign Joint-venture - Firms have to be incorporated in Malaysia where foreign shares cannot exceed 30% and share holdings of Bumiputera cannot be less than 30%. The composition of the Board of Directors, management and staff must be of the same proportion.

iii. Signboard License

Companies intending to set up an office are required to obtain a signboard license from the respective local authorities, depending on the nature of the business activity. There are 147 local authorities in Malaysia. The requirements for obtaining a signboard license may vary according to the conditions set/requirements of each local authority. Applicants are advised to contact the relevant local authority (based on the location of the business premise) about the specific rules and regulations pertaining to signboard registration. The fee for signboard registration may vary according to each of the local authorities and is dependent on the size and type of the signboard. Applicants are advised to contact the relevant local authority where the company will be located. Generally, an application for a signboard license must be accompanied by the following documents:

- a) A copy of the company's Memorandum and Articles of Association (M&A) and Forms 9, 24 and 49
- b) A copy of either the rental agreement or the sales and purchase agreement of the company's business premise
- c) A copy of location plan of the company's business premise
- d) Photographs showing the location of the company's signboard
- e) Samples of the signboard indicating its design and colors

iv. Service Tax License

The Service Tax Act, 1975 shall apply throughout Malaysia excluding Langkawi, Tioman, Labuan, Free Zones and "Joint Development Area". Under the Service Tax Act, 1975 and the Service Tax Regulation, 1975, companies that provide advertising services that generate a total annual sales turnover of RM150,000 or more are required to obtain a Service Tax License. The rate of the service tax is 5% on the value of the services rendered. Consultancy services provided by a company to

companies within the same group will be exempted from the current service tax of 5%. In addition, the provision of advertising services for promotion outside Malaysia is also exempted from the service tax. Application for Service Tax License should be submitted to the Royal Customs Department.

2.3 Equity Policy

The Companies Act, 1965 does not stipulate any equity conditions on Malaysian incorporated companies. However, to increase local participation in business, the government encourages joint-ventures between Malaysian and foreign investors. The Foreign Investment Committee (FIC) has a set of “Guidelines on the Acquisition of Interests, Mergers and Takeovers by Local and Foreign Interests”.

a) Foreign Investment Committee Guidelines.

The Malaysian government has liberalized its policy on foreign equity participation in businesses in Malaysia as one of its strategies to continuously attract new investments into the country. In 2004, the FIC has liberalized the Malaysian policy on foreign equity participation to allow foreigners to hold up to 70% of the equity in a Malaysian company. Bumiputeras (Malaysians of indigenous origins) have to hold at least 30% of the equity. Companies which do not have any Bumiputera equity or having less than 30% Bumiputera equity are required to increase the Bumiputera’s equity to at least 30%. The remaining equity shareholding can be held either by local interest, foreign interest or by both.

b) General Agreement on Trade in Services (GATS)

As a signatory to General Agreement on Trade in Services (GATS), Malaysia allows foreigners to provide advertising services (CPC 8711, 8712, 8719) subject to the Schedule of Specific Commitments. Foreigners can only provide cross border supply (mode 1) through commercial presence. There is no restriction under consumption abroad (mode 2). Advertising

services may be supplied only by natural person subject to the horizontal commitment. Foreign investment in advertising services can be made only through a locally incorporated joint-venture corporation with Malaysian individuals or Malaysian controlled corporations or both and the aggregate foreign shareholding in the joint-venture corporation shall not exceed 30%. For advertisement through electronic media, it must have at least 80% local content and be made in Malaysia.

2.4 Specific Immigration Procedures

Companies providing advertising services in Malaysia may employ expatriates. The company must submit its applications for Employment Passes to the Immigration Department. Before applying for the employment pass for expatriates, the company or organization must apply for approval of the related post from Expatriate Committee of the Immigration Department. Important post will be considered if the foreign paid up capital are at least RM 500,000. However, this sum is only a guideline and the number of important posts applied is dependent on the company's needs. Application is considered on a case-by-case basis. Upon approval of the expatriate posts, companies should forward their applications for Employment Passes to the Immigration Department for endorsement. Spouses and children of the expatriates can apply for dependant passes once the expatriates have been issued with employment pass. The dependant pass may be applied together with the application before the employment pass or after the employment pass is approved. Spouses and children of the expatriates who enter the country on a visit (temporary employment or professional) will be issued a visit pass (social).

2.5 Financial Assistance for Small and Medium Enterprises (SMEs)

The government provides an enabling environment for the growth and development of globally competitive and resilient small and medium enterprises (SMEs). Initiatives and programmes by the government are directed towards addressing constraints and enhancing capabilities of SMEs in areas such as financial accessibility, advisory services, marketing, technology and ICT. Financial assistance in the form of grants and soft loans are provided by the Ministry of International Trade and Industry (MITI) and its agencies. Apart from the government, funds are also channeled through commercial financial institutions.

Five different types of financial schemes are available for SMEs:

- a) Grant for Business Planning and Development (ITAF 1). This scheme provides assistance to SMEs to undertake studies in business planning, technology and market development.
- b) Grant for Product and Process Improvement (ITAF 2). This scheme provides assistance to SMEs to improve and upgrade existing product, product design and processes
- c) Grant for Productivity and Quality Improvement and Certification (ITAF 3). This scheme provides assistance to SMEs for productivity and quality improvement and to comply with international quality standards and certification.
- d) Soft Loan for ICT Adoption. This scheme provides assistance in the form of soft loan for SMEs to adopt ICT to improve competitiveness, efficiency and productivity.
- e) Soft Loan for SMEs. This soft loan scheme is to assist existing as well as new start-up companies in project, fixed assets and working capital financing.

Qualifying criteria are as follows:

- i) For the services sector, businesses must be incorporated under the Registration of Business Ordinance, 1956 under CCM with an annual sales turnover of not exceeding RM5 million or full-time employees not exceeding 50
- ii) At least 60% of equity must be held by Malaysians
- iii) Possess valid premise license

Additional financial - Special Assistance schemes available for Women Entrepreneurs:

- a) Grant for Enhancing Product Packaging, Design and Labeling Capabilities of SMEs. This scheme provides assistance to SMEs to acquire and improve product packaging, design and labeling. It enables companies to improve their product packaging to enhance product appearance and comply with market regulations. A total of RM100 million has been allocated to implement the scheme.
- b) Grant for Development and Promotion of Halal Product. This scheme is introduced to encourage SMEs in the development and promotion of halal products (food and non-food). A total of RM10 million has been allocated to implement the scheme.
- c) Grant for Enhancing Marketing Skills of SMEs. This scheme provides assistance for SMEs to improve their marketing strategies to compete in both the domestic as well as export markets.

Additional qualifying criteria are as follows:

- i) For a 100% owned Malaysian company
 - A minimum of 51% of the equity must be held by the woman/women or
 - In the case where the majority equity is not held by the woman/women
 - The largest single shareholder must be a woman and the company is run and managed by a woman or

- The Managing Director (MD)/Chief Executive Officer (CEO) is a woman and has a minimum equity of 10% in the company

ii) For 60% Malaysian owned company

- A minimum of 51% of the local equity must be held by the woman/women and the company is run and managed by a woman or
- The MD/CEO must be a woman and she must hold a minimum of 10% in the company.
- For existing business of minimum period of one year, grants are offered for expansion programmes.

3.0 UPD.SDN BHD

3.1 HISTORY

UPD has been in the outdoor advertising media business in Malaysia since 1958. From the days of Cinema Advertising and 6 Sheet posters, we have progressed into producing 96 Sheet billboards, spectaculars and unipoles, in-train and airport transit advertisements and electronic advertising displays. UPD still proudly owns the largest number of outdoor assets in the country - over 2,400 active outdoor advertising panels in Malaysia and a sizable number in Indonesia. Our outdoor operation is fully-integrated, from site identification, development and construction, to sales, marketing and consumer research, up to final production, installation and maintenance of advertising panels and structures. UPD are one of the members of American Association of Advertising Agencies (4A).

3.2 Achievements

UPD Sdn Bhd is the pioneer in outdoor advertising with over 47 years of experience. To date, we have achieved much success in Malaysia as well as in the region. Among our notable achievements are:

- The first to be awarded exclusive advertising concession in the newly built North-South Highway in 1990, which covers the length of Peninsular Malaysia.
- Built the largest electronic billboard in Asia in 1993, located on the Malaysia-Singapore causeway.
- In 1994, the company made a grand entry into the Guinness Book of World Records by building the world's largest free standing billboard measuring 50' x200' in Kuala Lumpur.
- The first to build a vertical double sided unipole in the country in 1997.
- Awarded a 10-year exclusive advertising concession by the Light Rail Transit (LRT) in 1998

3.3 UPD JOB IN MARKET

a. Billboards

The billboard family encompasses many forms and options. The right mixes of billboard forms often create impactful and lasting impressions. Options available are:

- Standard 10 x 40 Billboards
- Free Standing Spectaculars
- Overhead Bridges
- Rooftops
- Giant Arches
- Unipoles
- 96 Sheet

As the main backbone of the outdoor advertising media, billboard plays the most prominent role in creating desired brand awareness and exposure. It is highly effective and complemented well with other mediums when use strategically. Top of mind awareness of billboard often rates the highest among all outdoor mediums. The ability to generate continuous exposure and multiple impressions make billboard a good strategic choice for brand building. Sited on grounds, buildings, rooftops, along streets and highways, billboards are placed in strategic positions to gain full advantage of head-on impact, legibility, immediate brand recall and long lasting memory retention. Billboard provides convenient poster-face production for extensive and intensive market coverage campaigns at cost effective prices.

The large ad space of billboard provides wide options for advertising creativity. This enhances the creation of strong brand impact and helps to deliver strong brand messages. With a yearly growth rate of over 7% in vehicle registration, more Malaysians are spending more time on the road. This makes

billboard a suitable channel to reach the target audience. With good combination of creativity, prominent reach and exposure, billboard provides advertisers the best value for the advertising dollar

b. Street Furniture

Displays that reach people commuting - by car or on foot, street furniture advertising displays offer broad or extremely targeted outdoor messaging solutions designed to reach target consumers, wherever they go, indoors or outside. Street furniture products are visible at all hours, with particular strength during rush hours. Take your pick of the product pack- mix and match. Combining street furniture products can make a tremendous impact in improving reach, frequency and the overall impact in one cohesive media package.

c. Transit Advertising

STAR LRT Line is the country's first inter-urban light rail system. It traverses the Kuala Lumpur cosmopolitan area and attracts young urban professional users. The total ridership averages about 135,000 users per day.

A total of 30 trains serve the route from the four corners of the Kuala Lumpur area, including Sentul, Ampang and Bukit Jalil, with an interchange at Masjid Jamek. External and internal advertisement panels and surfaces are available for advertisers to choose from.

A transit advertising research study that was conducted in August 2005 has revealed the following findings:

- ✓ STAR LRT Line is the choice of young demographic commuters - 70% of riders are between the ages of 18-34 years.
- ✓ Many are highly educated - 65% are with college/university education.

- ✓ There are also high percentages of professionals, managers and white collars riders - 40% of total.
- ✓ High awareness and positive feedback on advertisements seen – (between 77% to 97% depending on medium).
- ✓ Ads are perceived as being enjoyable to read, well-designed, eye-catching, prominent, relevant and informative

4.0 CHALLENGES

4.1 Advertising Images

While many products are not perceived as controversial in nature and have no restrictions on how it is sold, there may be restrictions on the type of images that can be used in its advertising. Some images in advertising, including nudity, anti-social behavior, racist and sexist images, are openly used in some cultures, but restricted in others to reduce the degree of offense in the community. Such restrictions would reduce the ability to standardize a campaign around the world.

4.2 Social Forces

Within society there are various social/cultural aspects that can have a large influence on how a company can promote its products. Some basic factors, like ethnic diversity, the use of multiple languages, and the practice of different religions, are significant factors in Malaysia. This may mean a marketer must change advertising material, vary product varieties, and avoid marketing activities that may cause offence to the local market.

4.3 Government Restrictions

As the government keeps order and manages the community, as well as protecting local interests, it can implement legal restrictions on how companies market their goods. These restrictions can relate to the importing of advertising material from overseas, the hiring of foreigners, and on the advertising claims, again affecting the extent to which companies can use a standardized approach..

4.4 Restriction On Certain Products

Some products, simply because of their nature, may be perceived as controversial or some members of the community may see the public promotion of them as offensive

4.5 Reducing Costs And Enhancing Efficiency In Core Business

Operations

Entertainment and media companies face intense pressure to reduce costs associated with ongoing operations and, in some cases, debt loads associated with transactional investments. Those pressures have only intensified in the current economic environment. With the heat on, companies are looking to reduce costs in their core businesses without sacrificing service quality and jeopardizing revenues. At the same time, executives are being challenged to meet customer requirements while continuing to scale back costs and satisfy heightened expectations for shareholder returns and profitability.

4.6 Tax Issues Related To Content Sales And International Operations

As entertainment and media companies expand their operations and distribute content globally, they face increasingly complex tax issues that can act as a drag on operations and depress profitability. Clearly, many companies in the entertainment & media industry require support to achieve optimal corporate tax rates and implement effective tax planning and management. Whether they are facing issues related to the taxation of Internet sales or transfer pricing on the sale of content rights internationally, companies need service providers with the tools and expertise to optimize their tax strategy.

4.7 Attracting And Retaining Customers

In today's entertainment and media market, content owners and distributors are competing not only to attract new customers, but also to build loyalty and retention rates among existing customers. Companies are seeking to derive value from the entire customer management value chain, from database interrogation to inform and drive marketing and cost-reduction strategies, to development of powerful people and systems strategies which can deliver the highest level of customer service.

4.8 Managing And Protecting Content Rights And Royalties

Entertainment and media companies are facing a host of challenges surrounding intellectual property rights, piracy, security and digital rights management (DRM). With pervasive digitization of content, entertainment & media companies must develop strategies that embrace digital distribution. But to effectively implement these digital content distribution systems, entertainment and media companies need decision frameworks and operational processes that enable them to control their content over the Internet in terms of security, usage tracking, and how their content is consumed. Additionally, companies need to implement advanced processes and methodologies that help them identify and quantify overpayment of royalties and mitigate risks due to non-compliance with contractual stipulations

4.9 Influence Of New Technology

New technologies available to R&C companies offer the prospect of improved corporate decision-making, greater accountability, and more transparency. Differentiation in the marketplace and better margins. Second-generation business intelligence systems are now helping companies monitor and manage individual transactions while new business integration technologies — beyond enterprise application integration (EAI) — are providing explicit business logic models to handle long-running transactions. Supply chain event management capability and radio frequency tags (RFID) track product delivery to provide a real-time view of operations and improve business transactions between companies. eXtensible Business Reporting Language (XBRL) and web-oriented XML are helping to better integrate financial reporting, create greater reporting transparency, and improve communication with investors. In so doing, XBRL can help to boost stock value by eliminating information gaps and better managing investor expectations.

4.10 Marketing Effectiveness

CPG companies spend significant amounts on media advertising, trade promotions and other marketing expenses to raise consumer awareness, increase market share and revenues, and build a brand franchise with consumers. At the same time, retailers are extending their operations around the world, making their stores and their private label products increasingly visible to consumers.

Both retail and consumer goods multinationals are reviewing their marketing functions and experimenting with new initiatives that can serve to reinforce their corporate image and mission. Companies are stepping back from mass-marketing strategies and instead adopting a highly targeted approach through CRM that takes advantage of advances in technology on the internet, DVDs, 3d generation mobile phones, and in-store kiosks.

5.0 OPPORTUNITIES

5.1 OPPURTUNITIES TO THE INDUSTRY

i) INFLUENCE OF INFORMATION TECHNOLOGY

The growth of technology influences advertising industry. In this hi-tech world, trade businesses are done via online and most of the customer access to online services. By introducing the online advertisements, the companies may expand their number of customers with attractive and creative advertisements.

ii) INCREASING DEMAND FOR ADVERISING

Advertising is supportive industry to boost sales or marketing activities of a firm. Almost all firms that are involved in any sales or marketing activities would definitely need advertising to give enough exposure to the public or potential customers on their new or existing product and also services. This promises the demand for advertising needs will never end as long as the firm exist. On the other hand, the companies or firms are not limited and there are many new Small Medium Enterprises being registered in Malaysia daily and this ensures that numbers of SMEs are increasing together enriching demand for advertising service in Malaysia. The demand will never end and will never decrease as Malaysia Economic and Politic are stable enough to encourage all industry in Malaysia.

iii) FINANCIAL ASSISTANCE FOR SMALL AND MEDIUM ENTERPRISES

The government provides an enabling environment for the growth and development of globally competitive and resilient small and medium enterprises (SMEs). Initiatives and programmes by the government are directed towards addressing constraints and enhancing capabilities of SMEs in areas such as financial accessibility, advisory services, marketing, technology and ICT.

iv) BRAND PROMOTION GRANT

The objective of BPG is to develop and promote in the international market brand names owned by Malaysian companies for products and services originating from Malaysia. Companies can obtain 100% reimbursable grants of up to a maximum of RM1 million per company per brand or 50%

reimbursable grant of up to a maximum of RM2 million per company per brand (for non-SMEs). This scheme is extended to all services.

v) ***GAIN PRESTIGE***

Staffing Success is read by the decision makers in all sectors of the staffing industry. Advertisement in Staffing Success demonstrates the support of ASA, which promotes legal, ethical, and professional practices for the staffing industry.

5.2 OPPURTUNITIES TO THE GOVERNMENT

i) ***REVENUE***

Tax is a major revenue for the government. For instance when a company wants to advertise an advertisement first and foremost they have to get the permission from the government and then pay the tax. The payment of the tax is depends on the value of the advertisement. If the value of the advertisement is high the tax which should be paid by the company will also be high. This indirectly will increase the revenue of the government.

5.3 OPPORTUNITY TO THE PUBLIC

i) ***EMPLOYMENT***

To create job opportunity for those who are interested in advertising and also give a chance for those who are seeking job in this industry. Besides, it also reduces the unemployment rate. This also can help those who interesting in advertising industry to develop their skills.

ii) ***CHOICES TO THE PUBLIC***

By advertising, the public has choices to select the services and goods in a perfect way. Such as, they could compare and also minorly identify the quality of the goods and services before purchase it. This indirectly controls the standard of the users in our country.

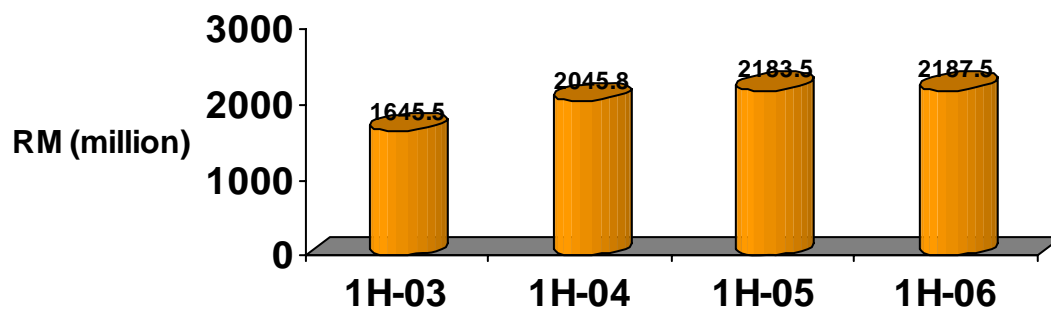
6.0 CONCLUSION

Advertising Industry is a rapid growing industry with many newcomers is always coming into the line with brilliant idea and creativity to be presented. Creativity is yet an important characteristic for the advertising industry to remain competitive with the newcomers. Advertising is not a stand-alone but it is a real supportive industry for sales and marketing activities. Marketing and advertising need to travel intelligently with motive of contributing to the firm. Advertising activities are controlled by the government with help of media. Advertising service could not reach the viewers or respondents without the help of print media or broadcast media to be in between them. The media has its own outline on which is right and wrong way of advertising. In another term, it is called as Advertising Ethics. Similar to other industries, advertising industry do not escape from facing the competitors. At the same time, they are facing several challenges in the market such as growth of Information Technology era which always pushes the advertising industry to be ready equipped with latest technologies or otherwise willing to lose their market share to the competitors. The solid truth behind all this words is that this Advertising industry will keep on growing and many newcomers will enter the industry to scope the demand of advertising from SMEs and other organizations.

7.0 APPENDIX

Table 7.1

Malaysia Adex (Jan-Jun 2003-2006)

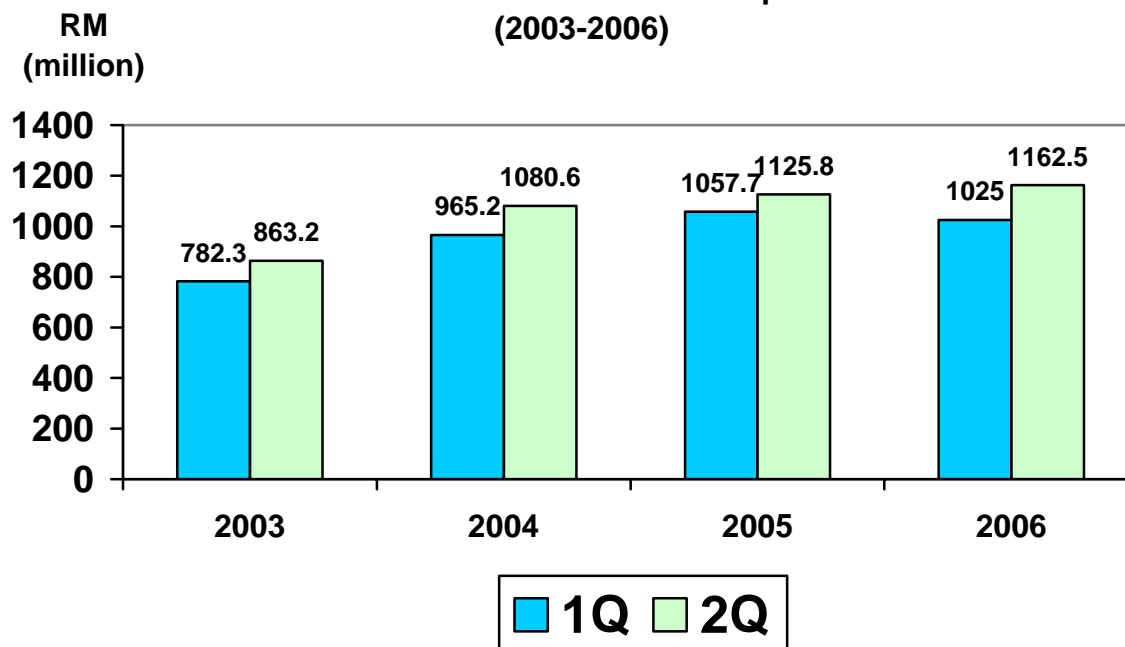


Source : Nielsen Research

Table 7.2

The Malaysian Adex scenario illustrated consistent uptrend from the first half of 2003, 2004, 2005 and right up to the current half of 2006. Advertising growth rate is usually in line with the country's GDP. For 1H-06, Adex Malaysia recorded marginal growth of 0.2% compared to 1H-05 translating to RM2.188 billion.

Quarter - to -Quarter Adex Comparison (2003-2006)



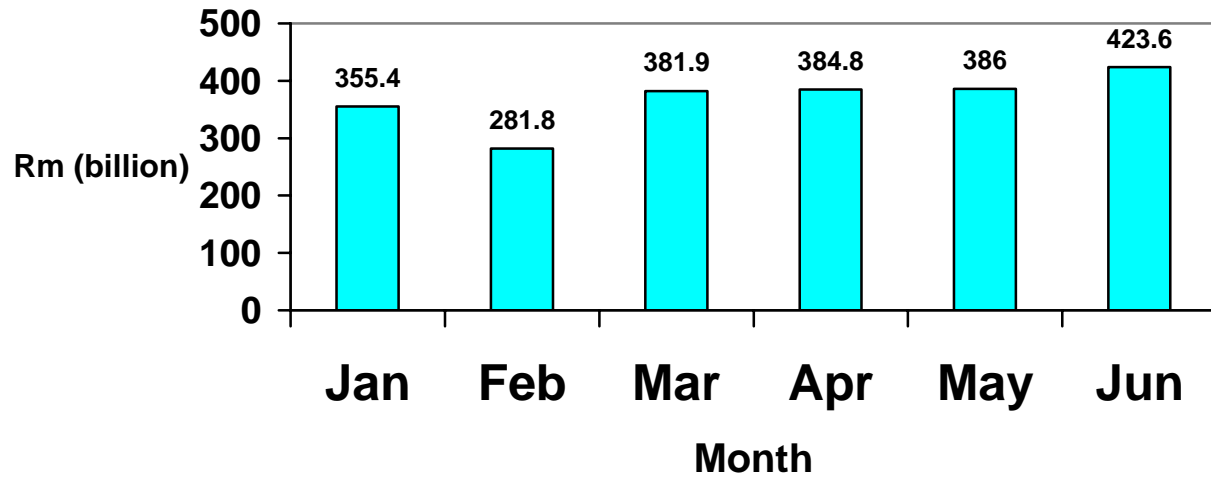
Source :

Nielsen Research

Table 7.3

On a quarterly basis, the Adex recorded in 2Q-06 improved 13.4% from RM1.025 billion in 1Q-06 to RM1.163 billion. Over the last three years or so, the year 2006 posted the highest quarter-to-quarter growth. This could be due to more Adex leading to World Cup in July 2006. On monthly comparatives, the month of June recorded the highest Adex for year-to-date (YTD) 2006 at RM423.6 million.

Month-to-Month Adex 2006 (Jan-Jun)



Source : Nielsen Research

Table 7.4

Adex by Sector

The top five spenders YTD 2006, with a total collective advertising expenditure of RM925.5 million, were the communications, retail, toiletries, automotive and beverage non-alcoholic sectors. The print medium which comprises newspapers and magazines is the most favoured form of advertising amongst these sectors as well, with a total amount of RM487.6 million. Of note is that the toiletries

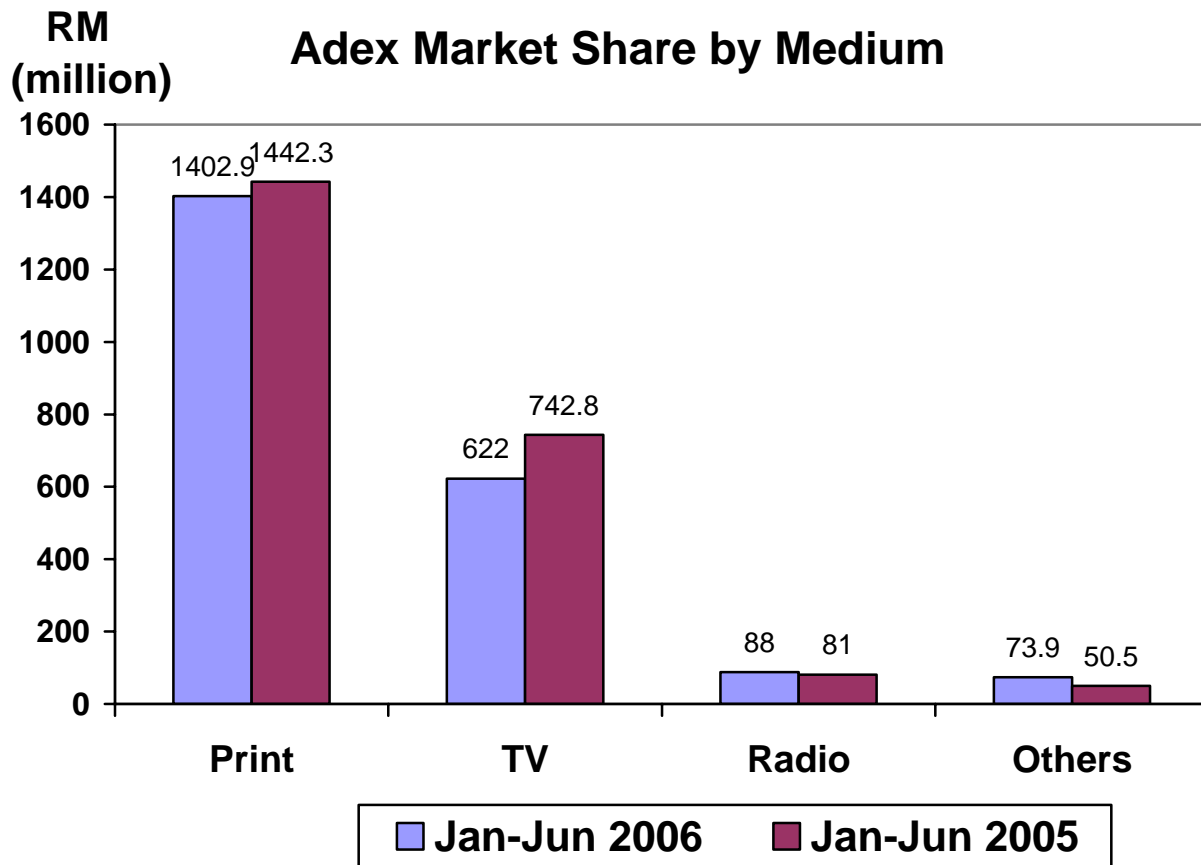
sector spent more on television advertising rather than print and radio, likewise with the beverage-non alcoholic sector. However, the automotive, retail and communications sectors preferred the print medium as their main form of advertising, spending a collective amount of RM423.9 million.

	Top Five Advertising Sector (Jan-Jun 06)					
	RM (million)	%	Print	TV	Radio	Others
Communications	330.6	15	186.0	117.9	15.6	11.1
Retail	200.0	9	156.7	27.7	13.1	2.5
Toiletries	168.4	8	38.7	121.4	3.6	4.7
Automotive	117.0	5	81.2	21.8	8.9	5.0
Beverage-Non Alcoholic	109.5	5	25.0	70.6	15.6	11.1
Total	925.5	42	487.6	359.4	56.8	34.4

Source : Nielsen Research

Table 7.5

The first half of 2006 revealed print medium as the most preferred medium for advertising, capturing 65% or RM1.403 billion of the adex market share. Despite dropping in value by RM39.4 million from RM1.442 billion in 2005, it still formed a major chunk of the adex market share. In contrast, television appears to have reduced its slice of the market share from 32% or RM743 million in the first half of 2005 to 28% or RM622 million in 2006. Nonetheless, television remains the second most preferred medium after print.



Source : Nielsen Research

Table 7.6

Interestingly, radio regained its popularity in the market, contributing a percentage notch higher in the adex market share with 4% or RM88 million in first half 2006, increasing by 7% from RM81 million in comparative period 2005. Other medium of advertising, which includes cinema, outdoor and point-of-sale, are fast capturing the adex market share with a RM23.4 million increment from RM50.5 million in 2005. Amongst these media, the outdoor medium registered the highest amount of advertising expenditure.

Adex Market Share (Jan-Jun 2006)

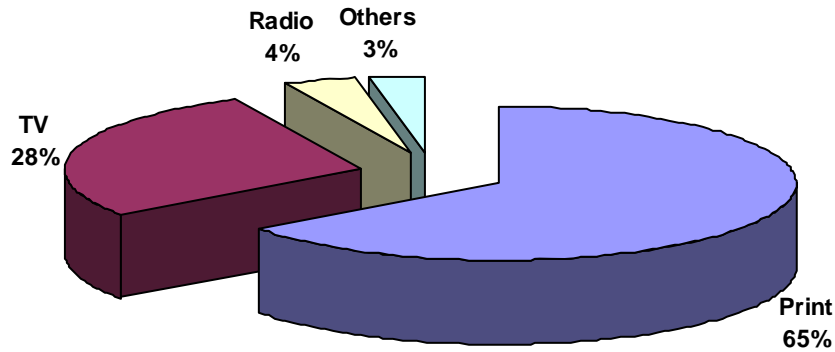
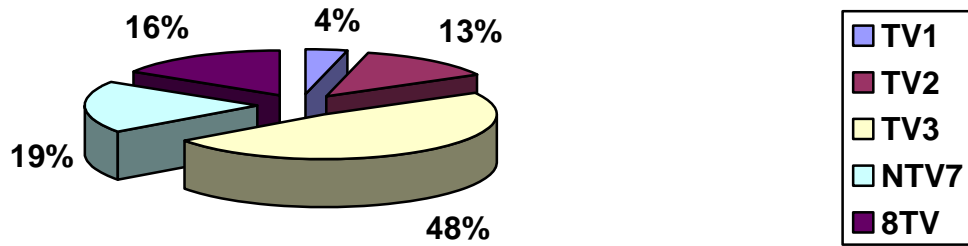


Table 7.7

The Free-To-Air television adex for the first half of 2006 showed TV3 as most sought after television channel for advertising. TV3 has 48% of the total market share, a growth of 4% from the same period last year. This is followed by NTV7 which continued to hold the second position at 19%, although dropping a substantial percentage of the market share by 10%. 8TV gained 2% market share to 16% in first half 2006. Media Prima, which owns TV3, 8TV and NTV7 reported adding transmission lines in the Klang Valley to boost its viewership for TV9 (formerly known as Channel 9) which resumed broadcast on 22 April 2006. Both TV1 and TV2 posted significant growth, specifically, the market

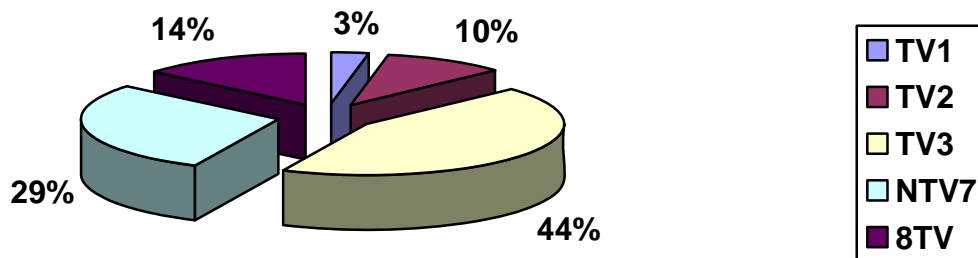
share of TV2 of 13% and TV1 at 4% compared to 10% and 3% respectively in the previous comparative period.

FTA TV Adex (Jan-Jun 2006)



Source : Nielsen Research

FTA TV Adex (Jan-Jun 2005)



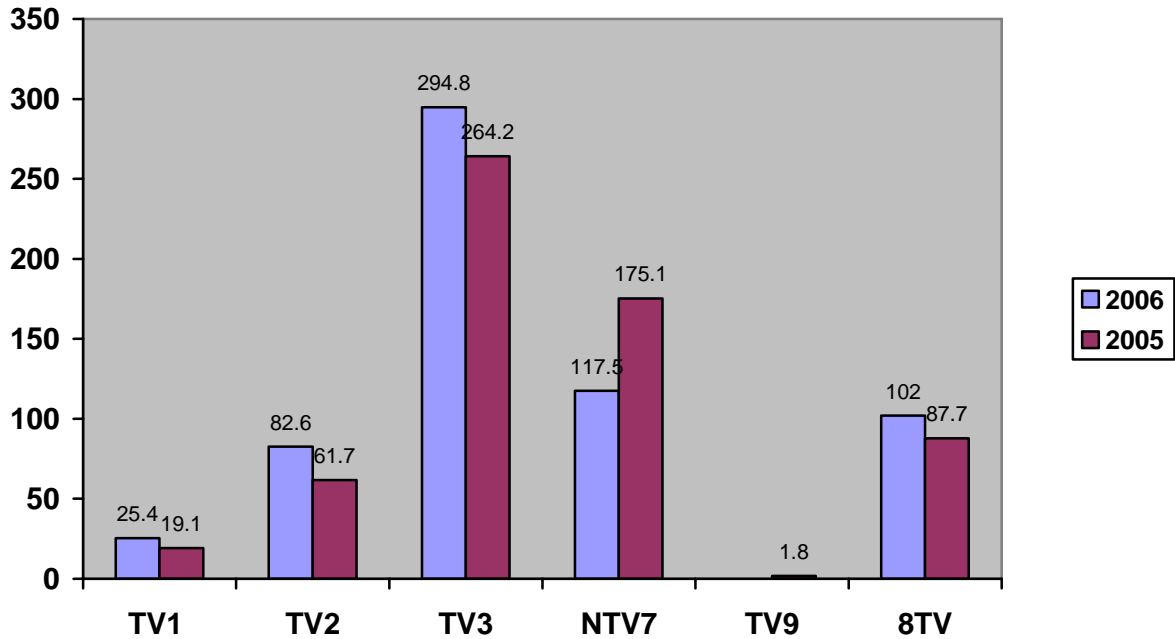
Nielsen Research

Source :

Table 7.8

RM (million)

**FTA TV Adex Comparison
(Jan-Jun 2005/2006)**



*T

V9 commenced operations in April 2006
Source : Nielsen Research

In ringgit terms, TV3 posted a growth of 11.6% or RM30.6 million from first half year of 2005 to RM294.8 million at the end of the first half of 2006. Continuing the uptrend of the Media Prima family is 8TV, which posted an impressive increase of 16% growth or RM14.3 million in first half of 2006. However, NTV7 plunged 49% from RM175.10 million to RM117.5 million. The decline was reportedly due to variations in rates and heavy competition from rivals. TV1 and TV2 registered positive adex growth, recording 33% and 34% increment respectively translating to RM25.4 million and RM82.6 million respectively. In addition to leading the Free-To-Air television adex market share, TV3, Media Prima’s flagship television station, was also tops in terms of number of advertisements at 125,594 and advertisements in seconds at 3,000,102 for the first half of 2006. NTV7 follows with 73,750 in terms of number of advertisements and 1,916,774 advertisements in seconds. 8TV comes in at a close third with 71,512 advertisements.

TV1 has the least number of advertisements compared to TV2 with the former at 33,589 and the latter at 60,042.

Table 7.9

Media	No. of Ads	Ads in Seconds	RM (million)
TV1	33,589	1,069,188	25.36
TV2	60,042	1,786,543	82.60

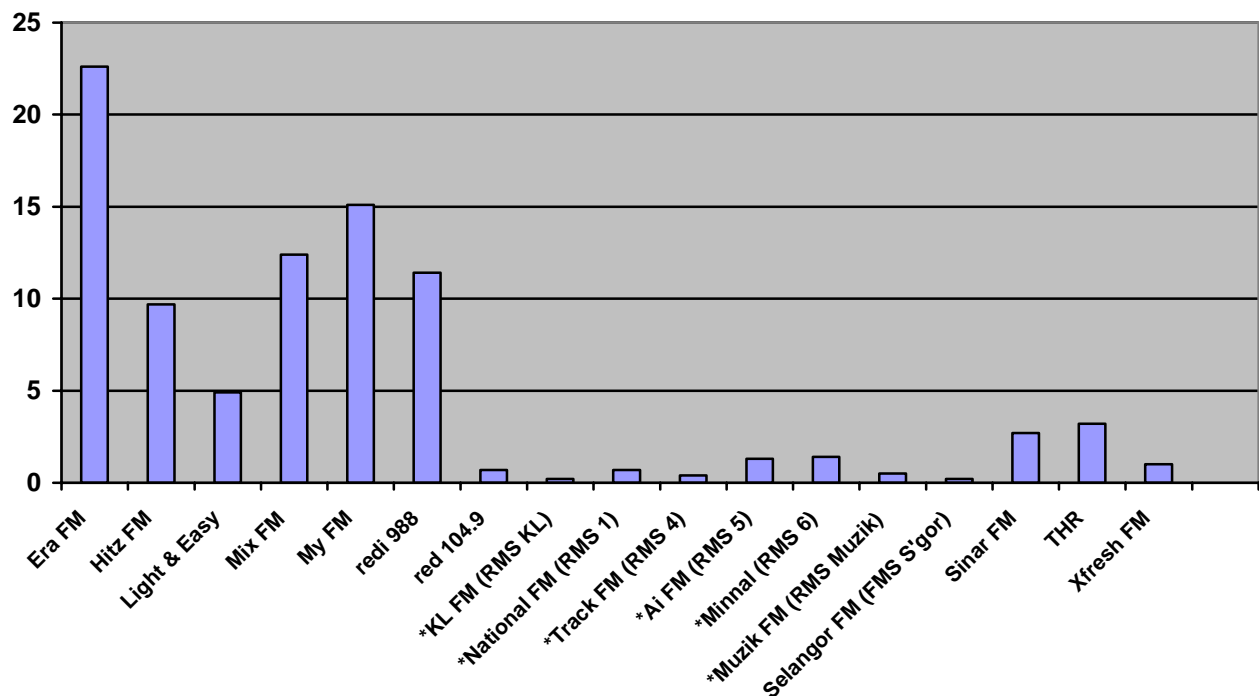
TV3	125,594	3,000,102	294.85
NTV7	73,750	1,916,774	117.52
8TV	71,512	1,864,591	102.04

Source : Nielsen Research

In addition to leading the Free-To-Air television adex market share, TV3, Media Prima’s flagship television station, was also tops in terms of number of advertisements at 125,594 and advertisements in seconds at 3,000,102 for the first half of 2006. NTV7 follows with 73,750 in terms of number of advertisements and 1,916,774 advertisements in seconds. 8TV comes in at a close third with 71,512 advertisements. TV1 has the least number of advertisements compared to TV2 with the former at 33,589 and the latter at 60,042.

Table 7.10

Radio Adex by Station (Jan-Jun 06)



* Does not include June 2006 figures

Source : Nielsen Research

Airtime Management Programming (AMP) operates the eight radio stations owned by ASTRO which includes Era FM, Hitz FM, My FM, Mix FM, Light & Easy FM, Sinar FM, THR and XFresh FM. They command 81% of the radio advertising expenditure raking in RM71.6 million for the first half of

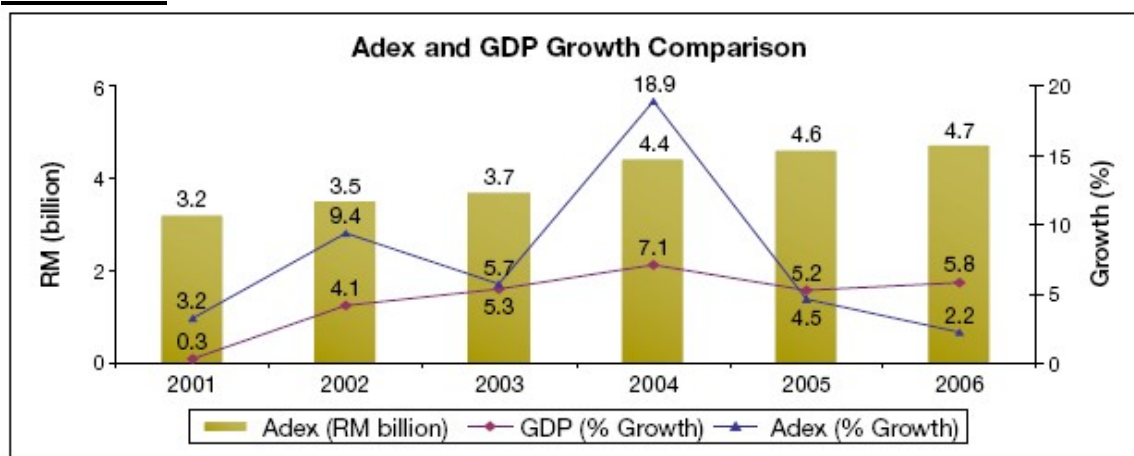
2006. ASTRO reported that these stations collectively reach more than 11 million listeners a week or 55% of all radio listeners.

Although Sinar FM and XFresh FM only commenced broadcasting in 2004 and THR being acquired in 2005, they are the more popular radio stations for advertising compared with the seven RTM radio channels. The RTM stations raked in RM4.7 million at 5% market share. Star RFM, a subsidiary of Star Publications (M) Bhd, the operator of redi 988 and red104.9 radio stations, holds 14% market share with 55,208 number of advertisements and 1,547,560 advertisements in seconds. As expected, AMP stations tops with the number of advertisements of 223,595 and 6,208,000 advertisements in seconds.

Media	RM (million)	Market Share (%)	No. of Ads	Ads in seconds
AMP	71.6	81	223,595	6,208,000
RTM	4.7	5	36,788	846,688
Star RFM	12.1	14	55,208	1,547,560
Total	88.4	100	315,591	8,602,248

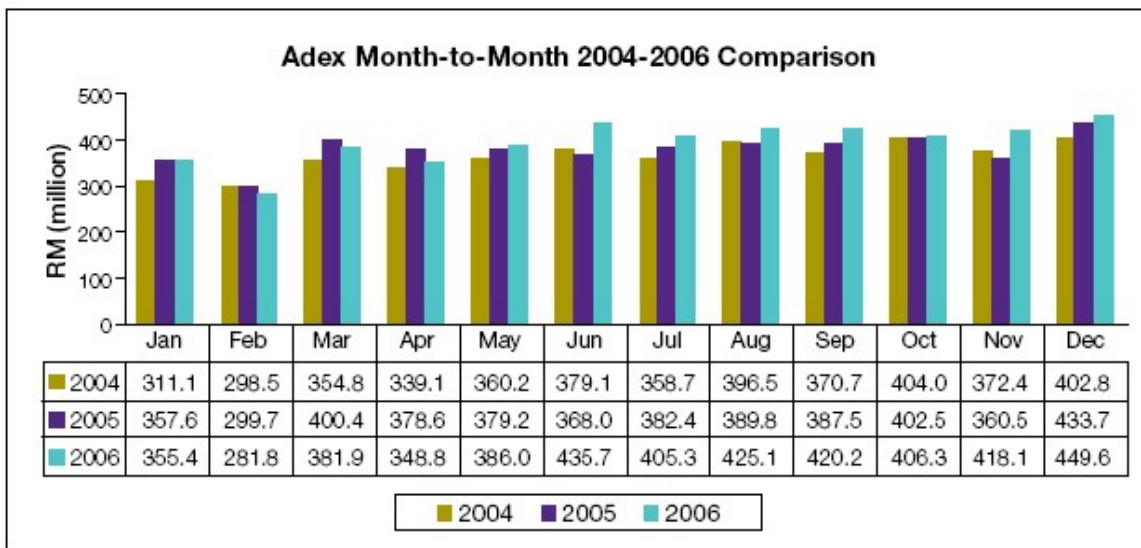
Source : Nielsen Research

Table 7.11



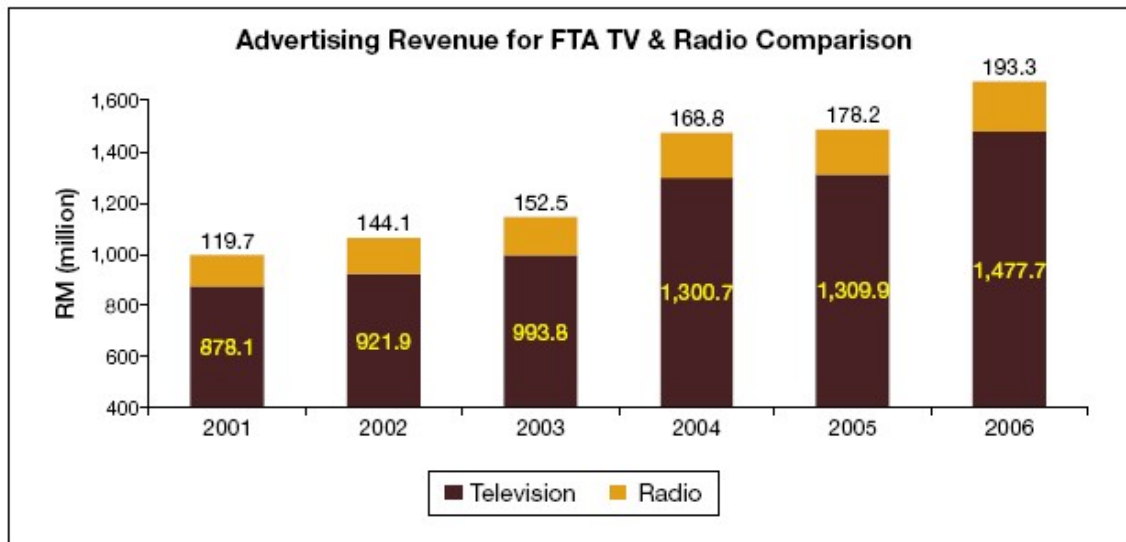
Source: Nielsen Media Research Service, MCMC Note: 2006 GDP (% Growth) is an estimate

Table 7.12



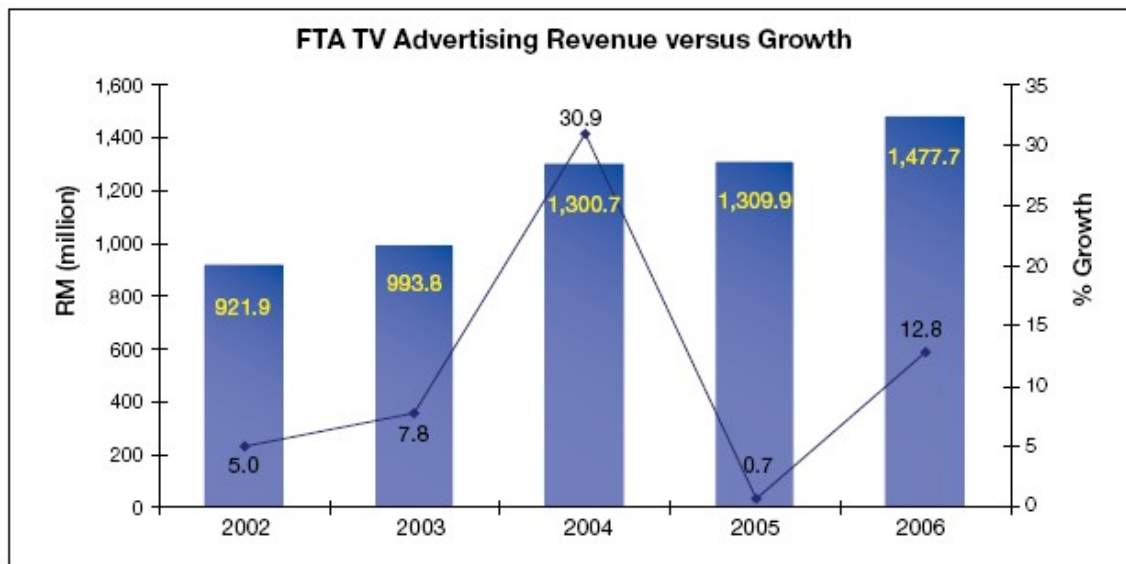
Source: Nielsen Media Research Service

Table 7.13



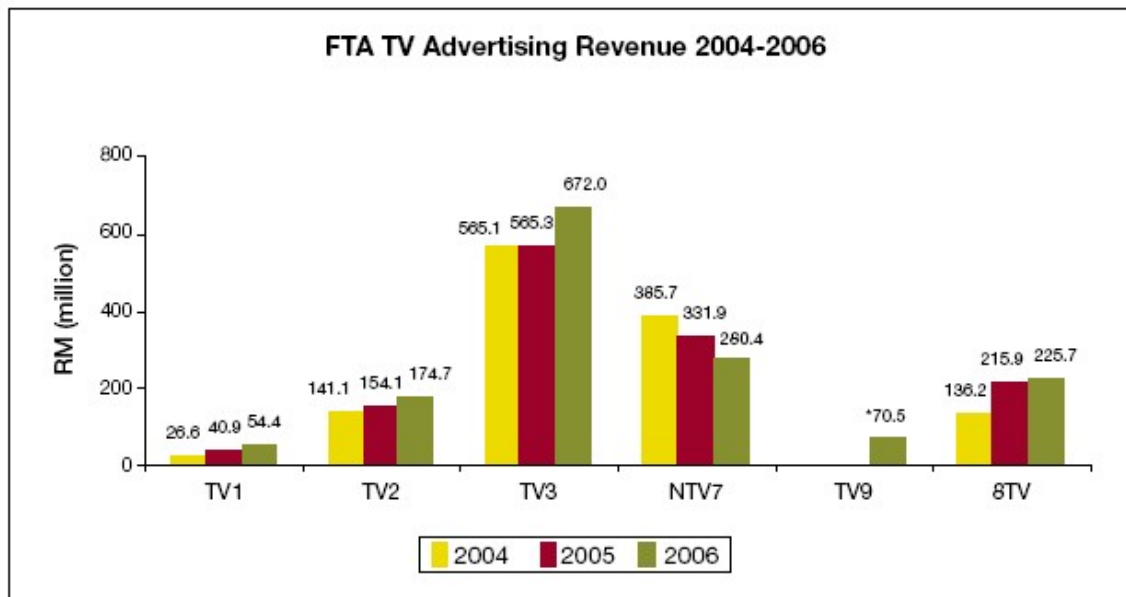
Source: Nielsen Media Research Service

Table 7.14



Source: Nielsen Media Research Service

Table 7.15



* TV9 started operations April 2006
 Source: Nielsen Media Research Service

Table 7.16

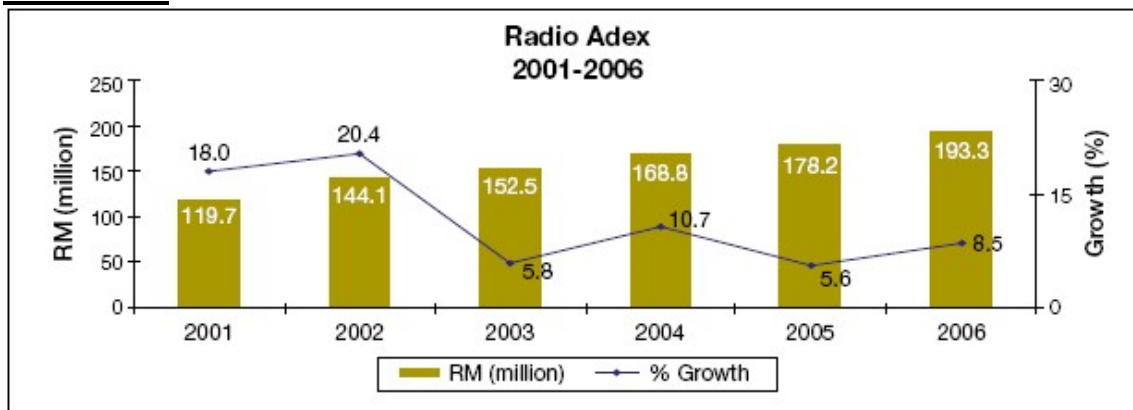
FTA TV Stations	2004		2005		2006	
	RM (million)	Growth %	RM (million)	Growth %	RM (million)	Growth %
TV1	26.6	-18.2	40.9	53.8	54.4	33.0
TV2	141.1	-9.1	154.1	9.2	174.7	13.4
TV3	565.1	7.8	565.3	0.0	672.0	18.9
NTV7	385.7	36.8	331.9	-13.9	280.4	-15.5
Channel 9	*46.0	n.a.	*1.8	n.a.	n.a.	n.a.
TV9	n.a.	n.a.	n.a.	n.a.	**70.5	n.a.
8TV	136.2	n.a.	215.9	58.5	225.7	4.5

* Channel 9 ceased operations on February 2005 ** TV9 (under Media Prima) started broadcast on 22 April 2006

n.a. - not applicable

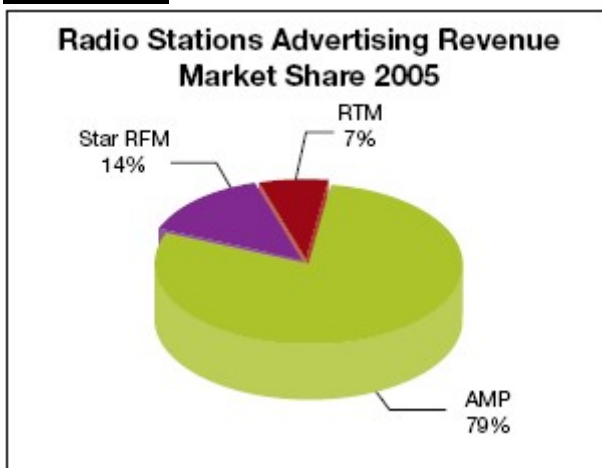
Source: Nielsen Media Research Service

Table 7.17



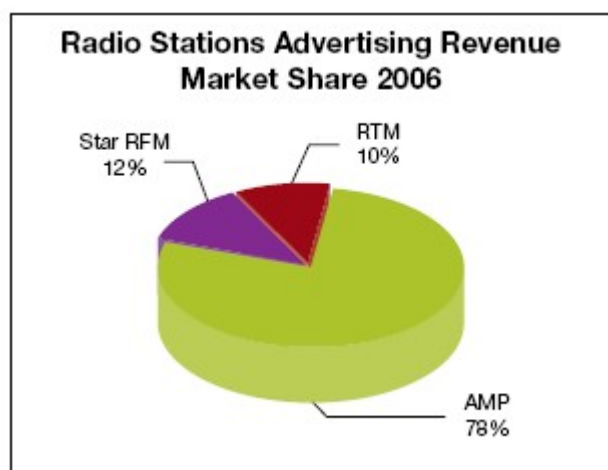
Source: Nielsen Media Research Service

Table 7.18



Source: Nielsen Media Research Service

Table 7.19



Source: Nielsen Media Research Service

Table 7.20

Top Ten Advertising Sectors Comparison					
2005			2006		
Sector	RM (million)	(%) Share**	Sector	RM (million)	(%) Share**
Miscellaneous	622.9	14	Communications	1,257.7	14
Communications	639.1	14	Miscellaneous	1,238.3	13
Toiletries	420.2	9	Toiletries	854.7	9
Retail	408.6	9	Retail	844.5	9
Automotive	243.7	5	Automotive	514.0	6
Finance	229.1	5	Finance	485.4	5
Foodstuff	198.3	4	Beverage (Non-Alcoholic)	445.4	5
Beverage (Non-Alcoholic)	196.2	4	Foodstuff	432.3	5
Service	194.2	4	Service	366.4	4
Entertainment	176.6	4	Government, Social & Political Organisation	364.6	4
Government, Social & Political Organisation	158.0	3	Entertainment	350.3	4

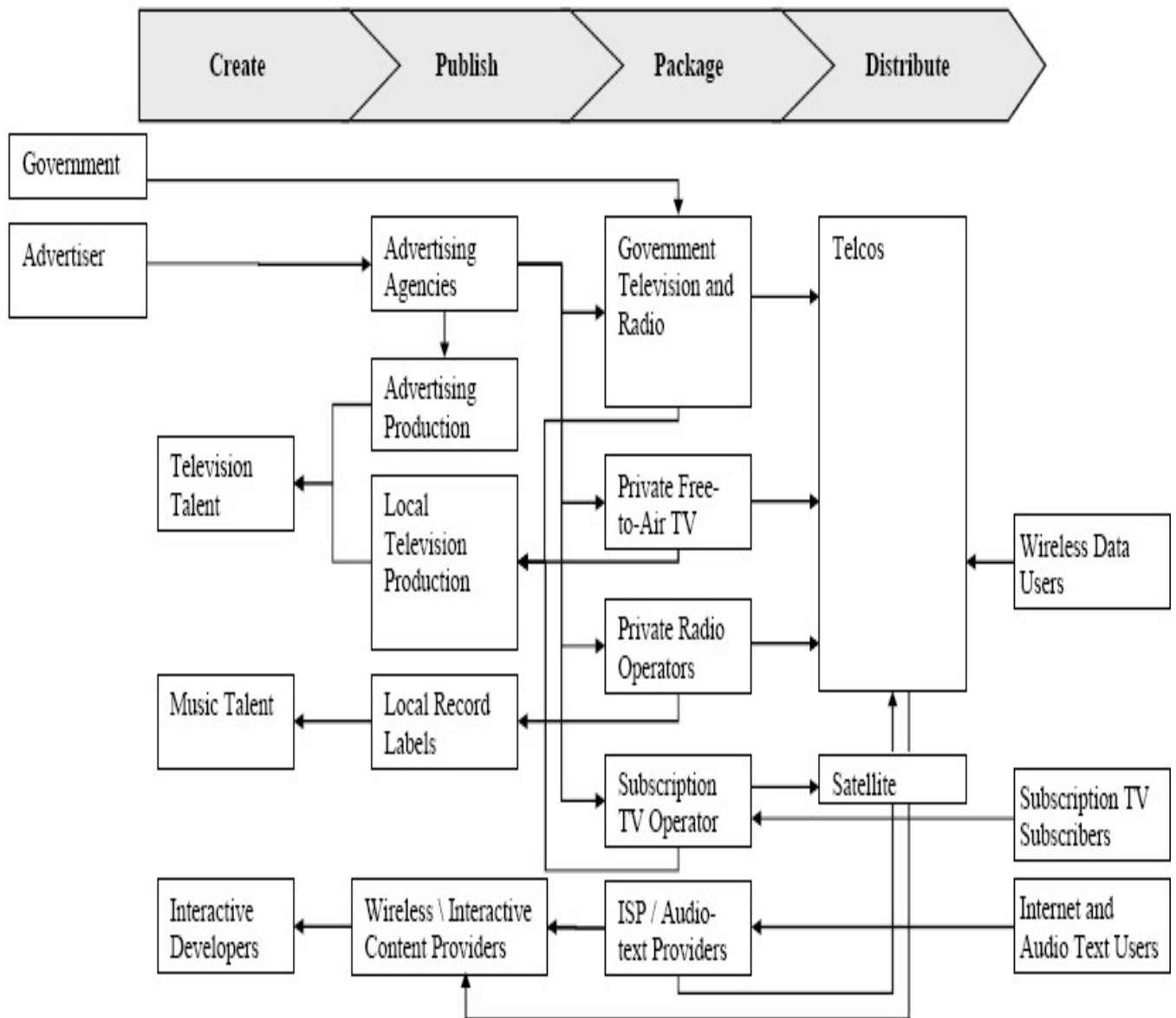
** Percentage share across all sectors
Source: Nielsen Media Research Service

Table 7.21

Communications Sector Advertising Medium 2006		
Medium	RM (million)	Share (%)
Print	764.5	60.8
Television	392.3	31.2
Radio	56.3	4.5
Cinema	10.0	0.8
Outdoor	34.0	2.7
Point-of-Sales	0.5	0.0004
TOTAL	1,257.6	100.0

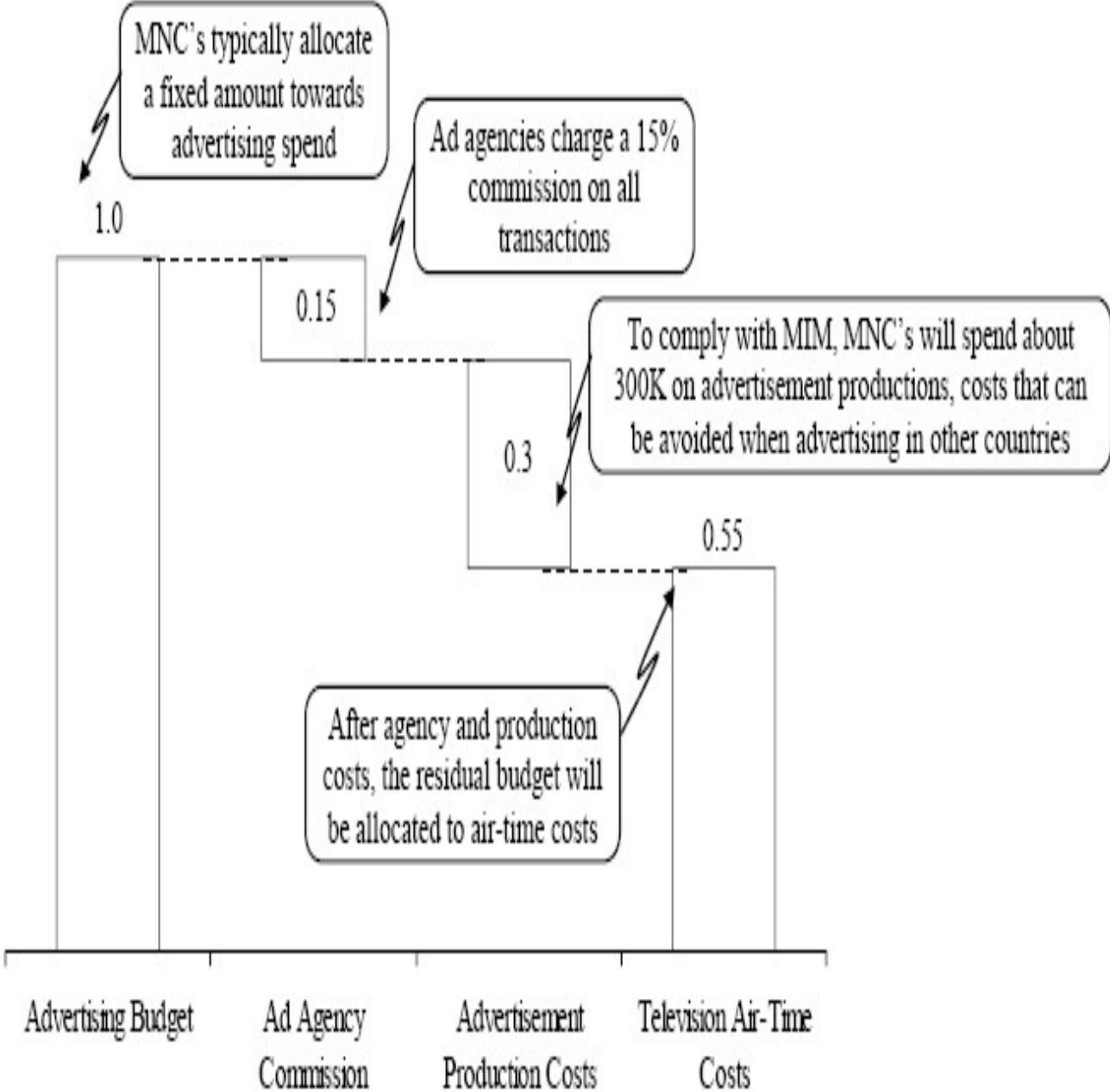
Source: Nielsen Media Research Service

7.22 Flow Of Fund In Malaysia's Networked Content Industry

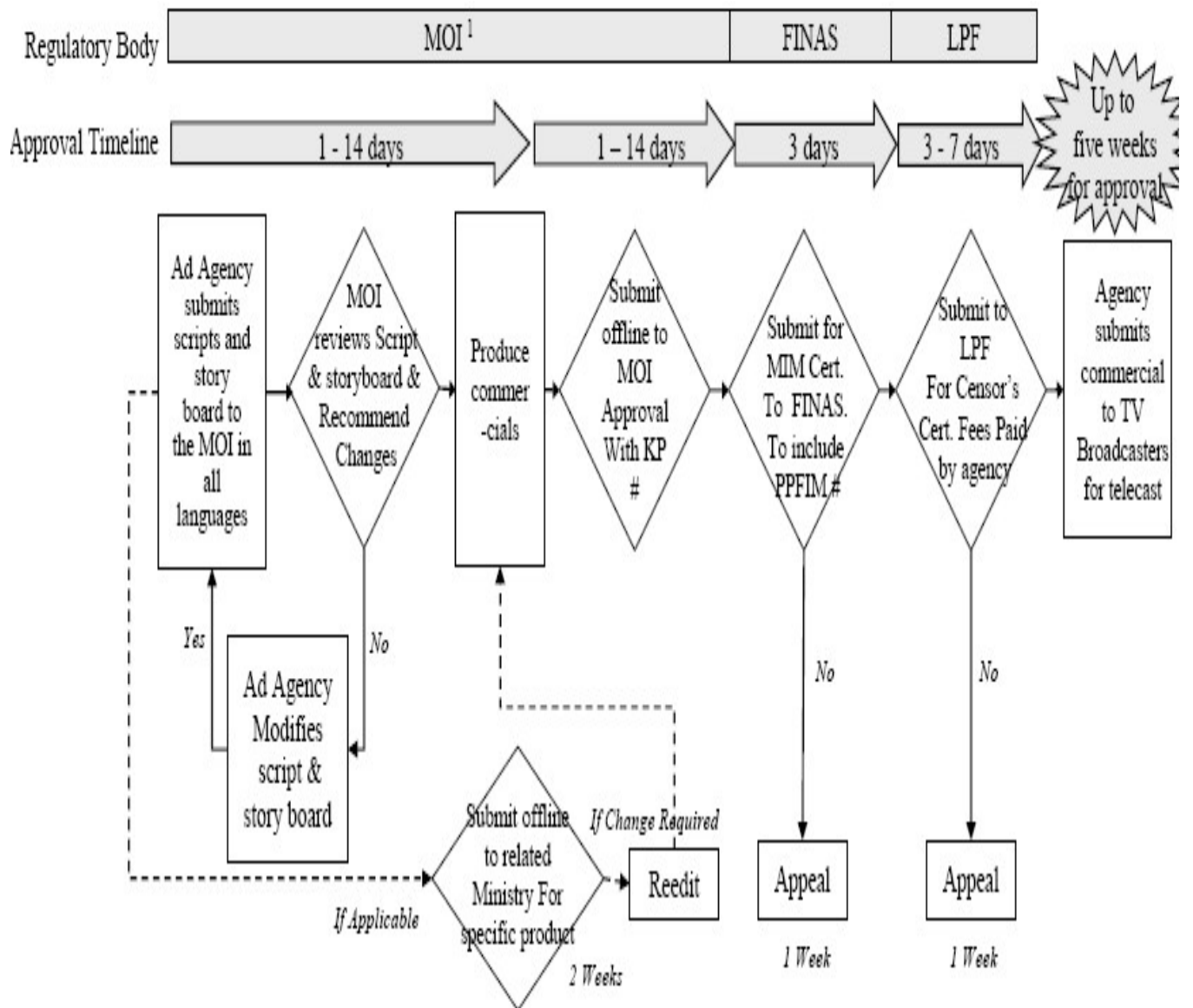


7.23 Effect of Made-In-Malaysia on Multinational Advertising Spend

Typical Multi-National Company Advertising Spend Allocation (RM million)



7.24 Approval Process for Advertising Content (Television)



7.0 Appendix