



BUSINESS OPERATIONS

Business Development

Over the years, radio has stood its ground to prove that it is the most powerful medium of communication. Given the archipelagic nature of the Philippine Islands, radio continues to be an indispensable medium for information, entertainment and advertising; why not when it has the affordability, portability and mobility which other media do not have. To begin with, almost all Philippine households own at least one radio set. Radios are easily transferred from one section of the house to another. It travels with its listeners be they in their private cars or in jeepneys, taxis and FX.

A few years back, however, the new millennium ushered in an un-chartered era for the media industry, and Manila Broadcasting Company (MBC or the Company), has taken bold moves to address the changing needs of the changing times.

Today, MBC has gone beyond its usual role as a medium and has a message itself in terms of the following:

I. Events

MBC has expanded its operations to embrace both broadcasting and organizing special events. Our current business model provides advertisers with a combination of benefits – the traditional appeal of our AM and FM networks plus the high-impact exposure generated by special events.

- ***Aliwan Fiesta***

One of the most successful events, Aliwan Fiesta has celebrated its 12th year anniversary last April, 2014. It started in 2003 when MBC, in collaboration with Star City and Aliw Theater, ventured to bring together in Manila the award-winning performers and performances from the most popular festivals all over the Philippines. As daunting as this task may have seemed at first, “Aliwan Fiesta” turned out to be a sterling success, drawing tens of thousands to the streets, making it the Philippines’ grandest fiesta.



- ***Paskong Pinoy***

Paskong Pinoy started in 2007 highlighted by Himig ng Pasko Children's Choir competition and Ilaw ng Pasko, a parol making competition. The event's instant success led to a bigger Paskong Pinoy in 2008 adding an open category to Himig ng Pasko for academic institutions, churches, special interest groups, as well as companies or agencies in the public and private sectors. In 2012, MBC has again expanded its scope by turning the event into a nationwide competition which was participated by the best choral conductors and arrangers in the country.

Following the tradition of MBC's annual national choral competition, last December 2013, the event went international for the first time as Interkultur, in collaboration with MBC and the Philippine Choral Directors Association (PCDA) proudly presented the Sing N' Joy Manila 2013, the Philippine International Choral Competition. This very successful event was joined by choirs from various countries across Asia.

- ***Sea Sports Festival***

MBC and the City of Manila, in cooperation with the Philippines Coast Guard, launched in 2005 of what was then called Bankathon Festival. Comprising a Motorized banca competition and Dragon boat race, now called the Sea Sports Festival converge at the Baywalk Roxas Boulevard every March.

- ***Manila Bay Clean-up Run***

Driven by its desire to fulfill its commitment in giving back to the environment, MBC launched its fund raising project that will benefit the Manila Bay, the Manila Bay Clean-up Run which started in 2011. It's a friendly race that aims to raise funds that will help restore and maintain the beauty of the Manila Bay, as well as to promote awareness among Filipinos the benefits of exercise in keeping oneself fit and healthy.



During these recent years, MBC has also gone into producing and sponsoring concerts featuring top local artists. On special occasions, the Company's FM stations would mount movie premiers while giving away tickets to loyal listeners. The company also has tie ups with movie and recording outfits for promo tours, live performances and fans' days in malls. This way, MBC can reach its customers in several ways; on air when our customers listen to radio stations, on the streets where there are streamers and posters of the events, and in the news papers and TV, when media cover these events.

Branding

For Love Radio, it is "Kailangan pa bang memorize 'yan?", for Yes-FM, it is "Hayahay", for Easy Rock, it is "Just the Rite Rock" and for DZRH, it is "RH Agad".

Indeed, these taglines invoke a personality, a character that forms a personal and emotional bond with listeners, so much so that loyalty is formed and is very hard to break.

Creative Content

A far cry from the traditional produced ads, "creative content" in radio is now more pronounced. This is when advertising messages are casually embedded in announcers' and DJs' adlibs and in soap opera scripts. This renders the advertising message more credible, more fun to listen to, and in so many ways than one, more effective.

Promotions

Radio promos are as old as time but they are given new twists nowadays. Most are tailor-made according to the specifications and needs of a particular advertiser. These promos give advertisers both the traditional reach of AM and FM stations; and the high-impact exposure generated by special events and promotions.



Improved Research

Major agencies and advertisers now are provided with the latest and most reliable data to help them buy into radio. The Kapisanan ng mga Broadkasters ng Pilipinas (KBP), of which MBC is an active member, bridges the information gap between advertisers and radio with the Market Readers and AC Nielsen studies.

With the Association of Accredited Advertising Agencies (4A's) and Philippine Association of National Advertisers (PANA), KBP has also reactivated the Radio Research Council (RRC) as the official radio research arm. With this, the radio industry can now be measured with a single, uniform yardstick.

Globalization

Through the internet radio streaming, Filipinos all over the world are now able to listen to MBC's radio stations real time, thus adding additional venue for products and services that need to reach Filipinos and their families worldwide. It is a case of a world that has gone smaller, and we have radio largely to thank for.

Acquisition of Station DWRK (now Easy Rock)

Manila Broadcasting Company marked another milestone in the history of Philippine radio through its acquisition of DWRK in October 2008 under a Memorandum of Agreement with ACWS-United Broadcasting Network Inc. and Exodus Broadcasting Company.

Currently the top-rating niche station in Metro Manila, DWRK's entry into the MBC family—already the home of the two highest-rating stations on the FM band—is viewed as an even bigger boost to the network's over-all audience share, with aggregate advertising revenues set to propel to even higher levels. Armed with the same business foresight that has seen it through seven decades as a media conglomerate to reckon with, MBC now sets out to carve its niche among youthful A-B listeners who favor light



rock music. DWRK, now popularly known as Easy Rock, presents the cream of adult contemporary music from the 70s, 80s, 90s, and onwards thru the 21st century.

RHTV

As part of MBC's integrated media approach, seeing how radio has gone multiplatform in efforts to respond to the Filipino diaspora phenomenon, and thereby expanding both listenership and viewership, the longest running AM radio station in the country is now on television.

DZRH, the flagship station of MBC and considered the standard-bearer of broadcasting excellence in the Philippines, started its 24-hour broadcast on October 1, 2008 over Dream (Channel 10) and Cable link (Channel 9). Through the agreement signed with various members of the Federation of International Cable TV Association of the Philippines operating throughout the country, RHTV is now accessible to a nationwide audience. RHTV may also be accessed via the internet audio/video streaming.

II. Business Issuer

MBC is engaged in the radio broadcasting business. Its banner station is **DZRH**, the only nationwide, via satellite, AM station in the country. **Love Radio**, **YES FM** and **Easy Rock** are the three top-rated FM networks being operated by the Company. These stations utilize an adult contemporary music format, which combines new chart-topping hits with familiar songs that are acknowledged as timeless favorites in order to attract listeners from virtually every age group and economic background. On the other hand, **Hot FM** is the Company's provincial pop format station. It commands a solid following among the youth market. **Aksyon Radyo** is MBC's network composed of provincial AM stations. The company also operates **Radyo Natin**, the largest network of community radio stations in the country with over 100 small FM stations throughout the archipelago.

MBC engages the services of various local and foreign suppliers in the maintenance and upgrade of its existing stations and for its new stations. Its broadcast equipment suppliers include Energy Onix Broadcast Equipment, Broadcast World Phils. System, Inc., Broadcast Electronics, Inc., Binariang



Satellite of Malaysia, Shanghai Teng Da Broadcasting Equipment Co., Ltd., Array Solution, B & F Foto Electronics & Spin Electronics.

MBC is the largest radio network in the country. Its principal competitors include Bombo Radyo, Radio Mindanao Network, GMA, NBC, the Vera Group and ABS-CBN. MBC and its competitors are all engaged in the sale of radio airtime for advertising.

MBC boasts of top-rated stations in almost all areas of the country because of its good program format, talented broadcasters and state-of-the-art equipment. MBC generates sales through advertising that accounts for more than 95% of the corporate revenue. It has a regular team of sales executives handling direct placements from advertisers and/or coordinates with advertising agencies with regard to their advertisement placements for their respective clients.

In view of its leadership in size, MBC is capable of offering to clients an effective advertising package at a lower cost. Big networks such as MBC can be expected to bring in more advertising revenues, because it can market its stations more effectively. By packaging the stations, MBC can lump stations with low listenership level in some areas with stations of high listenership in other areas.

The Company now has seven (6) programming formats, namely DZRH, Aksyon Radyo, Love Radio, Yes-FM, Easy Rock, and Radyo Natin. The Company operates nationwide with one AM and three FM stations in Metro Manila and 10 Aksyon Radyo, 23 Love Radio, 10 Yes FM, 7 Easy Rock and over a hundred Radyo Natin stations in the provinces.