media prima

MEDIA PRIMA BERHAD *(532975-A)*

(Incorporated in Malaysia)

FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2009

The Board of Directors of Media Prima Berhad ("MPB or Company") is pleased to announce the unaudited results of the Group for the fourth quarter ended 31 December 2009.

This interim report is prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the "Bursa Malaysia Securities Berhad" (BMSB) Listing Requirements, and should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2008.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT 31.12.2009 RM'000	PRECEDING 31.12.2008 RM'000	**CURRENT 31.12.2009 RM'000**	PRECEDING 31.12.2008 RM'000
Continuing Operations					
Revenue		**218,498**	208,925	**744,029**	781,290
Operating expenses	A8	**(224,599)**	(171,276)	**(686,372)**	(655,566)
Other operating income		**2,972**	17,045	**10,007**	33,319
(Loss) / profit from operations		**(3,129)**	54,694	**67,664**	159,043
Finance costs		**(6,553)**	(5,606)	**(24,449)**	(20,308)
Share of associate		**5,190**	3,110	**16,514**	20,529
Negative Goodwill		**216,115**	-	**216,115**	-
Profit before tax		**211,623**	52,198	**275,844**	159,264
Taxation	B1	**1,213**	(15,869)	**(23,988)**	(41,561)
Net profit for the period from continuing operations		**212,836**	36,329	**251,856**	117,703
Subsidiary Held for Sale					
Operational losses	A4	**(43,105)**	(45,257)	**(95,294)**	(45,257)
Gain on disposal		**38,238**	-	**38,238**	-
Net profit for the period		**207,969**	(8,928)	**194,800**	72,446
Minority interests attributable to subsidiary acquired exclusively for sale		**(15,656)**	13,577	**-**	13,577
Net profit attributable to equity holders of the Company		**192,313**	4,649	**194,800**	86,023
Earnings per share					
Before share of losses from a subsidiary acquired exclusively for sale					
- Basic	B13	**24.82**	4.30	**29.37**	13.92
- Diluted	B13	**24.78**	4.30	**29.32**	13.92
After share of losses from a subsidiary acquired exclusively for sale					
- Basic	B13	**22.42**	0.55	**22.71**	10.17
- Diluted	B13	**22.39**	0.55	**22.68**	10.17

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2008.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	NOTE	AS AT 31.12.2009 RM'000	AS AT 31.12.2008 RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		771,002	212,553
Investment properties		37,076	13,682
Other investments		3,636	2,393
Associates		206,178	347,444
Prepaid expenditure		2,164	2,622
Intangible assets		397,205	179,084
Deferred tax assets		79,525	19,445
Prepaid lease rentals		14,295	9,162
		1,511,081	786,385
Current Assets			
Inventories		122,859	35
Receivables, deposits and prepayments		334,870	281,023
Tax recoverable		2,547	3,814
Deposits, bank and cash balances		149,924	51,083
		610,200	335,955
Non-current assets held for sale		180	-
Assets of subsidiary acquired exclusively for sale		-	42,402
		610,380	378,357
TOTAL ASSETS		2,121,461	1,164,742
LIABILITIES AND EQUITY			
Non Current Liabilities			
Payables and borrowings	B5	393,207	229,114
Deferred tax liabilities		111,642	20,007
		504,849	249,121
Current Liabilities			
Payables and borrowings	B5	507,458	349,142
Taxation		13,898	18,283
		521,356	367,425
Liabilities of subsidiary acquired exclusively for sale		-	8,427
		521,356	375,852
TOTAL LIABILITIES		1,026,205	624,973
Equity and Reserves			
Share capital		945,346	853,811
Reserves		12,761	(302,509)
Equity attributable to equity holders of the Company		958,107	551,302
Minority interests		137,149	(11,533)
Total equity		1,095,256	539,769
TOTAL LIABILITIES AND EQUITY		2,121,461	1,164,742
Net Assets per share (sen)		101.35	64.57

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2008.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2009

	Attributable to Equity Holders of the Company							
	Issued and fully paid ordinary shares of RM1 each		Non – distributable					
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Revaluation and other reserves RM'000	Accumulated losses RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
2009:								
At 1 January 2009	853,811	853,811	188,118	33,900	(524,527)	551,302	(11,533)	539,769
Currency translation differences recognised directly in equity	-	-	-	2,344	-	2,344	(54)	2,290
Exercise of Employee Share Option Scheme ("ESOS")	606	606	303	-	-	909	-	909
Acquisition of a new subsidiary	90,929	90,929	56,376	99,966	-	247,271	135,159	382,430
Shares not yet issued for acquisition of a subsidiary	-	-	-	34,318	-	34,318	-	34,318
Warrants granted	-	-	-	10,030	-	10,030	-	10,030
Net profit for the financial period from continuing operations	-	-	-	-	251,856	251,856	-	251,856
Losses from a subsidiary acquired exclusively for sale	-	-	-	-	(95,294)	(95,294)	13,577	(81,717)
Gain on disposal of subsidiary acquired exclusively for sale	-	-	-	(2,329)	38,238	35,909	-	35,909
Dividends paid	-	-	-	-	(80,538)	(80,538)	-	(80,538)
At 31 December 2009	945,346	945,346	244,797	178,229	(410,265)	958,107	137,149	1,095,256
2008:								
At 1 January 2008	842,183	842,183	183,250	30,132	(495,952)	559,613	1,922	561,535
Conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	6,182	6,182	3,092	-	-	9,274	-	9,274
Exercise of warrants	4,839	4,839	968	(525)	-	5,282	-	5,282
Exercise of Employee Share Option Scheme ("ESOS")	607	607	808	(423)	-	992	-	992
New subsidiary acquired exclusively for sale	-	-	-	-	-	-	31	31
Currency translation differences	-	-	-	4,716	-	4,716	91	4,807
Dividends paid	-	-	-	-	(114,598)	(114,598)	-	(114,598)
Net profit for the financial period	-	-	-	-	117,703	117,703	-	117,703
Losses from a subsidiary acquired exclusively for sale	-	-	-	-	(31,680)	(31,680)	(13,577)	(45,257)
At 31 December 2008	853,811	853,811	188,118	33,900	(524,527)	551,302	(11,533)	539,769

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2008.

UNAUDITED CONDENSED CASH FLOW STATEMENT

	NOTE	FOR THE YEAR ENDED 31.12.2009 RM'000	FOR THE YEAR ENDED 31.12.2008 RM'000
Cash flow from operating activities			
Receipts from customers		835,728	899,584
Payments to employees and suppliers of goods and services		(672,303)	(785,506)
Income tax paid		(46,332)	(46,484)
Net cash inflow arising from operating activities:			
- Continuing operation		117,093	67,594
- Subsidiary acquired exclusively for sale		(63,891)	(31,290)
Net cash flow from operating activities		53,202	36,304
Cash flow from investing activities			
Purchase of property, plant & equipment		(42,262)	(36,148)
Proceeds from disposal of investment property		-	57,251
Part payment of purchase consideration of subsidiaries		-	(27,832)
Payment to scheme creditors		-	(12,867)
Acquisition of subsidiaries, net of cash acquired *		(24,975)	-
Interests received		703	1,493
Dividend received		45,423	5,713
Proceeds from disposal of unquoted investment		-	10
Proceeds from disposal of property, plant and equipment		1,261	3,195
Proceeds from disposal of prepaid investment lease		1,348	-
Proceeds from disposal of investment property		502	-
Net cash outflow arising from investing activities:			
- Continuing operation		(18,000)	(9,185)
- Subsidiary acquired exclusively for sale		54,305	(1,618)
Net cash flow from investing activities		36,305	(10,803)
Cash flow from financing activities			
Proceeds from issuance of shares		909	6,274
Repayments of hire purchase		(6,963)	(4,405)
Interests paid		(21,703)	(20,188)
Drawdown of term loan		187,000	2,047
Repayments of term loan		(15,109)	(9,807)
Decrease / (increase) in restricted fixed deposits		27	(4,371)
Dividend paid		(80,538)	(114,598)
Drawdown of Commercial Papers ("CP")		90,000	37,000
Repayment of CP		(197,000)	-
Drawdown of bridging loan		53,560	-
Net cash flow from financing activities arising from continuing operations		10,183	(108,048)
Net increase/(decrease) in cash & cash equivalents		99,690	(82,547)
Foreign exchange differences on opening balances		(629)	14
Cash and cash equivalents at beginning of period		44,079	126,612
Cash and cash equivalents at end of period	A12	143,140	44,079

* Acquisition of subsidiaries, net of cash acquired consists of:	
Purchase consideration settled in cash	41,576
Less: Cash and cash equivalents of subsidiaries acquired	(16,601)
	24,975

The unaudited Condensed Cash Flow Statement should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2008.

FINANCIAL RESULTS FOR THE QUARTER ENDED 31 DECEMBER 2009

NOTES TO THE FINANCIAL RESULTS

A1. BASIS OF PREPARATION

The unaudited condensed interim financial statements of the Group have been prepared in accordance with Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the "Bursa Malaysia Securities Berhad" (BMSB) Listing Requirements, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008.

The accounting policies, method of computation and basis of consolidation applied in the unaudited condensed interim financial statements are consistent with those used for the annual audited financial statements for the financial year ended 31 December 2008 except for the adoption of the following new standards and amendments to published standards that are effective for the financial periods beginning 1 January 2010 or later periods:

- FRS 7 "Financial Instruments: Disclosures" (effective for accounting period beginning on or after 1 January 2010). This standard removes duplicative disclosures and simplified the disclosures on concentrations of risk, credit risk, liquidity risk and market risk in IAS 32.
- FRS 8 "Operating Segments" (effective for accounting period beginning on or after 1 July 2009). This standard sets out requirements for disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers.
- FRS 139 "Financial Instruments: Recognition and Measurement" (effective for accounting periods beginning on or after 1 January 2010). This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is only permitted only under strict circumstances.

The Group will apply the above standards and amendments to the published standards when it becomes effective. With the exception of FRS 139, the application of the above standards and amendments to published standards is not expected to result in any significant impact on the financial results and financial position of the Group in the year of initial application. As allowed under the transitional provision of FRS 139, the Group is exempted from having to disclose the possible impact of the application of this standard on the financial statements of the Group in the year of initial application.

There were no other changes in estimates that have had a material effect on the current quarter results.

As at 17 December 2009, The New Straits Times Press (Malaysia) Berhad ("NSTP") has become a subsidiary of Media Prima Berhad ("MPB") as mentioned under note A4(2).

A2. AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 December 2008 were not subject to any qualification.

A3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The business of the Group is not subject to material seasonal or cyclical fluctuations.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASHFLOWS

1. Subsidiary acquired exclusively for sale

On 25 March 2008, mmStudios Sdn Bhd (formerly known as Newslink Asia Sdn Bhd) ("MSSB"), MPB's wholly owned subsidiary entered into a Shareholders' Agreement with SBC Markwendell. Inc ("SBC") and MPB Primedia, Inc. ("MPI") for the subscription by both MSSB and SBC of their respective portions of common shares in MPI, whereby MSSB will hold 70% of the issued and paid up capital of MPI and SBC the balance 30%.

This investment was intended to be the seed asset for the private-equity media fund ("the Fund") to be set-up by MPB as part of its regional strategy as mentioned in note B4.

The Board had decided not to proceed with the establishment of the Fund and accordingly, entered into a Sale and Purchase Agreement with MediaQuest Holdings Inc ("MediaQuest") for the divestment of its investments in MPI on 19 October 2009. The divestment was subsequently completed on 3 November 2009.

The full financial effect of the divestment is reflected in this announcement.

2. Conditional Take-over Offer of NSTP

On 16 November 2009, MPB announced a conditional take-over offer to acquire all the remaining ordinary shares of RM1.00 each in NSTP not already owned by MPB ("Offer Shares"), at an offer price of RM2.00 per Offer Share, to be satisfied by the issuance of one (1) ordinary share of RM1.00 each in MPB at an issue price of RM2.00 each for every one (1) Offer Share accepted and one (1) free new warrant in MPB for every five (5) Offer Shares accepted ("Original Offer").

Subsequently on 12 November 2009, MPB announced its intention to revise certain terms of the Original Offer, whereby, the offer price for each Offer Share has been increased from RM2.00 to RM2.40.

As at 31 December 2009, MPB had acquired 42.77% of shares from other NSTP shareholders, bringing MPB's equity holding in NSTP as at the reporting date to 86.06%. The transaction resulted in a negative goodwill of RM216.1 million as at the reporting date.

A5. MATERIAL CHANGE IN ESTIMATES

There was no material change in accounting estimates used in the preparation of the financial statements in the current financial quarter as compared to the previous financial quarters or previous financial year.

A6. DIVIDENDS PAID

On 28 July 2009, the Company paid a final dividend in respect of the financial year ended 31 December 2008 of 6.7 sen per share on 853,811,042 ordinary shares less income tax of 25%, amounting to RM42.9 million to shareholders registered on the Company's Register of Members at the close of business on 30 June 2009.

On 22 December 2009, the Company paid a special tax-exempt dividend in respect of the financial year ended 31 December 2009 of 4.4052 sen per share on 853,811,042 ordinary shares, amounting to RM37.6 million to shareholders registered on the Company's Register of Members at the close of business on 14 December 2009.

A7. SEGMENTAL REPORTING

The Group is organised on a worldwide basis based on three geographical locations:

- ◊ Malaysia
- ◊ Republic of Ghana
- ◊ Philippines

Analysis by geographical location is as follows:

	REVENUE[1] 31.12.2009 RM'000	PROFIT / (LOSS) BEFORE TAX 31.12.2009 RM'000	LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE 31.12.2009 RM'000	TOTAL ASSETS[2] 31.12.2009 RM'000
Malaysia	**724,817**	**293,420**	**-**	**2,014,793**
Republic of Ghana	**19,212**	**(17,576)**	**-**	**24,596**
Philippines	**-**	**-**	**(95,294)**	**-**
	744,029	**275,844**	**(95,294)**	**2,039,389**

	REVENUE[1] 31.12.2008 RM'000	PROFIT BEFORE TAX 31.12.2008 RM'000	LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE 31.12.2008 RM'000	TOTAL ASSETS[2] 31.12.2008 RM'000
Malaysia	754,820	156,104	-	1,062,388
Republic of Ghana	26,470	3,160	-	36,693
Philippines	-	-	(45,257)	42,402
	781,290	159,264	(45,257)	1,141,483

[1] Advertising revenue

[2] Excludes deferred tax assets and tax recoverable

The Group operates primarily within one industry, being electronic and print media.

A8. OPERATING EXPENSES

Included within operating expenses for the period under review are depreciation and amortisation charges of RM50.39 million *(2008: RM46.42 million)* and write-down and allowances raised for certain properties and assets of the Group amounting to RM38.1 million (2008: RMNil).

A9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

The group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Based on the valuation performed by independent professionally qualified valuers at the balance sheet on the properties, impairment losses were recognised during the year on affected properties.

A10. CONTINGENT LIABILITIES

As at the date of this report, the following is the additional Group contingent liability since the last quarter announcement:

- The Group is a defendant in one legal action with contingent liability amounting to approximately RM0.04 million.

The Directors are of the opinion, after taking appropriate legal advice, that the outcome of such action will not give rise to any significant loss.

A11. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements as at 31 December 2009 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant & equipment	57,704
Approved and contracted for:	
- Property, plant & equipment	14,834
	72,538

A12. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 31.12.2009 RM'000	As at 31.12.2008 RM'000
Cash and bank balances	**69,963**	39,961
Deposits with licensed financial institutions:		
Deposits with licensed banks	**58,631**	7,887
Deposits with finance companies	**1,100**	1,048
Deposits with licensed discount houses	**20,230**	2,187
	79,961	11,122
Deposits, cash and bank balances	**149,924**	51,083
Cash from subsidiary acquired exclusively for sale	-	82
Less:		
Bank Overdraft	**(1,399)**	(1,674)
Less:		
Restricted deposits:		
Deposits with licensed banks	**(3,001)**	(5,412)
Less:		
Trust monies held in relation to public donations:		
Deposits with licensed banks	**(2,384)**	-
Cash and cash equivalents	**143,140**	44,079

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT	PRECEDING	**CURRENT**	PRECEDING
	31.12.2009	31.12.2008	**31.12.2009**	31.12.2008
	RM'000	RM'000	**RM'000**	RM'000
In respect of the current period:				
Current income tax:				
- Malaysian Tax	**15,266**	20,696	**40,964**	46,388
- Foreign Tax	**-**	1,043	**-**	1,043
	15,266	21,739	**40,964**	47,431
Deferred tax	**(18,079)**	(8,574)	**(18,916)**	(8,574)
Under provision of taxation in prior year	**1,600**	2,704	**1,940**	2,704
	(1,213)	15,869	**23,988**	41,561

The Group's effective tax rate is lower than the statutory rate due to the non-taxable negative goodwill arising from NSTP's acquisition recognized during the year.

B2. SALE OF UNQUOTED INVESTMENT AND/OR PROPERTIES

During the financial period under review MPB disposed a property for sale proceeds of RM1.8 million realising a gain of RM0.6 million.

B3. QUOTED SECURITIES

a. There are no purchases and disposals of quoted securities during the financial year.

b. Investment in quoted securities is as follows:

	AS AT 31.12.2009 RM'000	AS AT 31.12.2008 RM'000
At cost	**5,900**	5,501
At carrying value	**2,735**	2,236
At market value	**2,723**	2,205

B4. STATUS OF CORPORATE PROPOSALS

Establishment of a Media Fund

On 25 March 2008, MPB announced the intention of the setting up of the Fund. The Fund, with an expected size of USD100 million, was being established for the purpose of making private equity investment in the media sector within the ASEAN emerging markets including Indonesia, the Philippines, Vietnam and Malaysia.

Given the global financial crisis and difficulty in raising private equity funds in such a climate, the Board had decided to divest MPI, being the intended seed asset for the Fund.

Divestment of MPI

Pursuant to the Board's decision of divesting the Group's interest in MPI, MSSB entered into a Sales and Purchase Agreement with MediaQuest on 19 October 2009. The salient terms of the transaction are as follow:

- MediaQuest will acquire MSSB's entire 70% equity stake in MPI, together with all shareholder advances made to MPI, for a purchase consideration is USD16 million.

- MediaQuest will assume all third party liabilities residing in MPI.
- All operating expenses from 1 October 2009 shall be borne by MediaQuest.

The divestment to MediaQuest was completed on 3 November 2009.

Conditional Take-over Offer of NSTP

On 16 November 2009, MPB announced a conditional take-over offer to acquire all the remaining ordinary shares of RM1.00 each in NSTP not already owned by MPB ("Offer Shares"), at an offer price of RM2.00 per Offer Share, to be satisfied by the issuance of one (1) ordinary share of RM1.00 each in MPB at an issue price of RM2.00 each for every one (1) Offer Share accepted and one (1) free new warrant in MPB for every five (5) Offer Shares accepted ("Original Offer").

Subsequently on 12 November 2009, MPB announced its intention to revise certain terms of the Original Offer, whereby, the offer price for each Offer Share has been increased from RM2.00 to RM2.40. The Board of MPB has decided to revise the offer price after taking into consideration the views of the various stakeholders of NSTP and prevailing market sentiment.

As at 31 December 2009, MPB owns 86.06% of the voting shares in NSTP.

The transaction was completed on 4 January 2010. As at the closure date of the transaction, MPB owns 89.6% of voting shares in NSTP.

Acquisition of Kurnia Outdoor Sdn Bhd and Jupiter Outdoor Networks Sdn Bhd (collectively known as "Kurnia")

On 13 November 2009, MPB announced the acquisition of potentially 100% issued and paid-up capital of Kurnia for an aggregate purchase consideration of RM42.076 million and an additional of up to RM4.291 million which is dependent on the achievement of certain profitability targets for the financial year ended 31 December 2009 and financial years ending 31 December 2010 and 2011.

As at 31 December 2009, MPB completed the acquisition of 80% equity stake in Kurnia. The acquisition of the remaining 20% equity stake is expected to be completed in the financial years ending 31 December 2010, 2011 and 2012.

B5. PAYABLES AND BORROWINGS

The Group's payables and borrowings classified as short term and long term are as follows:

		31.12.2009 RM'000	31.12.2008 RM'000
Current	Secured:		
	- Term loans	-	845
	Unsecured:		
	- Term loans	19,229	14,000
	- Bridging loan	53,560	-
	- Revolving credit	33,000	-
	- Commercial Papers	30,000	137,000
	- Hire Purchase creditor	6,121	5,088
	- Trade and other payables	304,977	186,253
	- Banker's acceptance	59,172	-
	- Bank overdrafts	1,399	1,674
	- Amount due to an associated company	-	4,282
		507,458	348,297
		507,458	349,142
Non Current	Unsecured:		
	- Term loans	215,119	49,589
	- Hire Purchase creditor	11,877	14,585
	- Other payables	581	950
	- Medium Term Notes	165,630	163,990
		393,207	229,114
	Total payables and borrowings	900,665	578,256

Included in the Group's payables and borrowings is a term loan amounting to USD34,671 (RM118,799) and bank overdraft of USD168,106 (RM576,015).

B6. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments issued by the Group as at the date of this report.

B7. MATERIAL LITIGATION

Apart from the material litigation disclosed under note A10, there is no other material litigation in the current quarter since the last announcement.

B8. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

MPB Group performed significantly better during the fourth quarter of 2009, registering revenue of RM218.5 million, a 6% increase from the RM206.4 million registered in the third quarter of 2009. The improvement can be attributed to the increase in advertising spending given the continued improvement in the economic environment in Malaysia and the Group's efforts to boost revenue.

During the current quarter, as a result of the acquisition of 42.77% of voting shares in NSTP, the Group recognised a negative goodwill amounting to RM216.1 million in its income statement. Moreover, the Group recorded write-down to certain properties and assets within the Group, together with additional allowances and impairment to some of the Group's assets relating to the Ghana operations. This has resulted in the increase in Operating Expenses by 39% against the preceding quarter's results.

The Group has also fully accounted for the operational losses and disposal of MPI, its subsidiary in the Philippines. The net charge booked in the current quarter of RM20.5 million represents the final charge for the Group's investment in MPI.

The increase in revenue, coupled with recognition of the goodwill, resulted in Profit MPB Group recorded Profit Before Taxation ("PBT") of RM211.6 million for the current quarter, significantly higher than the PBT of RM49.6 million recorded in the third quarter of 2009.

As mentioned in Note A4, the effects of the divestment of MPI have been fully accounted in the Group's current quarter announcement. After taking into account the full share of losses from MPI and gain on disposal of MPI, the Group recorded Profit After Tax and Minority Interests ("PATAMI") of RM192.3 million in the fourth quarter.

B9. REVIEW OF PERFORMANCE

MPB Group's results and revenue activities are mainly driven by the performance of Television Networks, consisting of Sistem Televisyen Malaysia Berhad ("TV3"), Metropolitan TV Sdn Bhd ("8TV"), Natseven TV Sdn Bhd ("ntv7") and Ch-9 Media Sdn Bhd ("TV9"), Radio Networks comprising of Synchrosound Studio Sdn Bhd ("Hotfm"), One FM Sdn Bhd (formerly known as Radio Wanita Sdn Bhd) and Max-Airplay Sdn Bhd ("Flyfm"), the Outdoor Division comprising Big Tree Outdoor Sdn Bhd ("BTO"), UPD Sdn Bhd ("UPD") and The Right Channel Sdn Bhd ("TRC") and Kurnia and newspaper publication, NSTP.

When compared to the performance in 2008, the Group has managed to narrow the decline in revenue from a high of 12% in the first quarter of 2009 to a decline of 4.8% for the whole year of 2009. The recovery to the Group's top-line figures can be attributed to the continued improvement in the Malaysian economy and rigorous effort made by the Group to capitalise on the recovery to the economy.

The major business groups within the Group, namely TV Networks, Radio Networks and Outdoor, recorded encouraging growth especially in the fourth quarter of 2009, the result of which the Group's revenue for the fourth quarter of 2009 exceeded the revenue for the fourth quarter of 2008 by 4.6%.

As at the reporting date, the Group has recognised negative goodwill amounting to RM216.1 million from the acquisition of NSTP and this resulted in the Group recording PATAMI of RM194.8 million for the current financial year.

Excluding the negative goodwill, write-down, impairment and allowances to certain properties and assets and net losses from MPI, the Group recorded PATAMI of RM73.8 million for the financial year.

B10. PROSPECTS FOR 2010

The recovery in the economy is expected to improve the outlook for both consumers and advertisers. The Group, is, however cognisant of the challenges such recovery brings. For the financial year 2010, the Group is committed to maintaining its industry leadership position and its earnings through continued investment in quality programming and branding. Concurrently, the Group will continue to exercise prudent financial and risk management and is stepping up its cost management efforts.

The Group will continue its efforts to realise the value of its recent investments in NSTP and Kurnia. The efforts include improving the revenue generating capacity of both companies, together with improving the operating efficiencies and synergy within the Group's stable of media assets.

Furthermore, the Group will also continuously look at investment opportunities to enhance its business activities and earnings potential. Accordingly the Board remains confident that the Group will continue to be operationally profitable for 2010.

B11. PROFIT FORECAST/PROFIT GUARANTEE

The Group has not issued any Group forecast/profit guarantee during the current financial period.

B12. DIVIDEND

The Directors recommend a final single-tier dividend for the financial year ended 31 December 2009, gross dividend of 5.6 sen per ordinary share, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, and will be paid at a date to be determined.

B13. EARNINGS PER SHARE

The Group's earnings per share are calculated as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	CURRENT	PRECEDING	**CURRENT**	PRECEDING
	31.12.2009	31.12.2008	**31.12.2009**	31.12.2008
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000):				
- Before share of losses from a subsidiary acquired exclusively for sale	**212,836**	36,329	**251,856**	117,703
- After share of losses from a subsidiary acquired exclusively for sale	**192,313**	4,649	**194,800**	86,023
Weighted average number of ordinary shares in issue adjusted with the potential ordinary shares of the mandatorily convertible instruments ('000)	**857,648**	845,483	**857,648**	845,483
Basic earnings per share (sen):				
- Before share of losses from a subsidiary acquired exclusively for sale	**24.82**	4.30	**29.37**	13.92
- After share of losses from a subsidiary acquired exclusively for sale	**22.42**	0.55	**22.71**	10.17
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	**212,836**	36,329	**251,856**	117,703
Elimination of interest expense on ICULS, net of tax effect (RM'000)	**-**	-	**-**	-
Net profit/(loss) used to determine diluted earnings per share (RM000):				
- Before share of losses from a subsidiary acquired exclusively for sale	**212,836**	36,329	**251,856**	117,703
- After share of losses from a subsidiary acquired exclusively for sale	**192,313**	4,649	**194,800**	86,023
Weighted average number of ordinary shares in issue ('000)	**857,648**	845,483	**857,648**	845,483
Adjustments for Warrants	**691**	-	**691**	-
Adjustments for ESOS	**702**	*-	**702**	*-
	859,041	845,483	**859,041**	845,483
Diluted earnings per share (sen):				
- Before share of losses from a subsidiary acquired exclusively for sale	**24.78**	4.30	**29.32**	13.92
- After share of losses from a subsidiary acquired exclusively for sale	**22.39**	0.55	**22.68**	10.17

* The ESOS were not assumed to be exercised because they were antidilutive in the particular period.

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
COMPANY SECRETARY

Petaling
24 February 2010