

MEDIA PRIMA BERHAD (532975-A)
(Incorporated in Malaysia)
FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2010

The Board of Directors of Media Prima Berhad ("MPB or Company") is pleased to announce the unaudited results of the Group for the half year ended 30 June 2010.

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 2009.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.6.2010 RM'000	30.6.2009 (Restated) RM'000	30.6.2010 RM'000	30.6.2009 (Restated) RM'000
<u>Continuing Operations</u>					
Revenue		394,947	178,002	718,619	319,179
Operating expenses	A8	(340,911)	(155,166)	(620,748)	(300,156)
Other operating income		12,962	2,379	17,789	3,708
Profit from operations		66,998	25,215	115,660	22,731
Finance costs		(9,338)	(5,858)	(16,199)	(11,471)
Share of associate		5,264	4,580	4,595	3,318
Negative Goodwill	A4	-	-	17,535	-
Profit before tax		62,924	23,937	121,591	14,578
Taxation	B1	(23,017)	(5,976)	(34,809)	(6,548)
Net profit for the period from continuing operations		39,907	17,961	86,782	8,030
<u>Subsidiary Held for Sale</u>					
Operational losses		-	(13,578)	-	(32,578)
Net profit / (loss) for the period		39,907	4,383	86,782	(24,548)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		30.6.2010	30.6.2009 (Restated)	30.6.2010	30.6.2009 (Restated)
		RM'000	RM'000	RM'000	RM'000
Other Comprehensive Income / (expenses):					
Exchange differences on translation of foreign operations		(158)	(1,247)	(808)	(5,905)
Other Comprehensive Income / (expenses) net of tax		-	-	-	-
Total Comprehensive Income / (expenses) for the period		39,749	3,136	85,974	(30,453)
Profit/(loss) attributable to:					
- Owners of the Parent		36,653	8,456	82,225	(14,775)
- Non-Controlling Interest		3,254	(4,073)	4,557	(9,773)
		39,907	4,383	86,782	(24,548)
Total comprehensive income attributable to:					
- Owners of the Parent		36,510	7,284	81,527	(20,710)
- Non-Controlling Interest		3,239	(4,148)	4,447	(9,743)
		39,749	3,136	85,974	(30,453)
Earnings per share (in sen)					
Before share of losses from a subsidiary acquired exclusively for sale					
- Basic	B15	3.75	2.10	8.42	0.94
- Diluted	B15	3.60	2.10	8.24	0.94
After share of losses from a subsidiary acquired exclusively for sale					
- Basic	B15	3.75	0.99	8.42	(1.73)
- Diluted	B15	3.60	0.99	8.24	(1.73)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2009.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	AS AT 30.6.2010 RM'000	AS AT 31.12.2009 (restated) RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		745,076	775,018
Investment properties		55,601	56,416
Available-for-sale investments		1,000	744
Financial assets designated at fair value		2,883	2,892
Associates		210,773	206,178
Prepaid expenditure		2,293	2,162
Intangible assets		368,307	403,076
Deferred tax assets		39,290	39,286
		<u>1,425,223</u>	<u>1,485,772</u>
Current Assets			
Inventories		102,818	123,141
Receivables, deposits and prepayments		331,798	325,267
Tax recoverable		956	1,430
Deposits, bank and cash balances		324,544	149,924
		<u>760,116</u>	<u>599,762</u>
Non-current assets held for sale		180	180
		<u>760,296</u>	<u>599,942</u>
TOTAL ASSETS		<u>2,185,519</u>	<u>2,085,714</u>
LIABILITIES AND EQUITY			
Non Current Liabilities			
Payables and borrowings	B7	530,683	393,561
Deferred tax liabilities		79,695	70,720
		<u>610,378</u>	<u>464,281</u>
Current Liabilities			
Payables and borrowings	B7	380,534	508,321
Taxation		23,733	13,871
		<u>404,267</u>	<u>522,192</u>
TOTAL LIABILITIES		<u>1,014,645</u>	<u>986,473</u>
Equity and Reserves			
Share capital		977,629	945,346
Reserves		84,998	12,761
Equity attributable to equity holders of the Company		1,062,627	958,107
Minority interests		108,247	141,134
Total equity		<u>1,170,874</u>	<u>1,099,241</u>
TOTAL LIABILITIES AND EQUITY		<u>2,185,519</u>	<u>2,085,714</u>
Net Assets per share (sen)		108.69	101.35

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2009.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

← Issued and fully paid ordinary shares of RM1 each — Attributable to Owners of the Company —→

Non – distributable
Revaluation

	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	and other reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2010:								
At 1 January 2010	945,346	945,346	244,797	178,006	(410,042)	958,107	141,134	1,099,241
Effects of applying FRS 139	-	-	-	229	454	683	27	710
Restated balance	945,346	945,346	244,797	178,235	(409,588)	958,790	141,161	1,099,951
Exercise of Employee Share Option Scheme ("ESOS")	2,051	2,051	1,079	-	-	3,130	-	3,130
Exercise of warrants	392	392	412	(98)	-	706	-	706
Acquisition of a new subsidiary:								
- Unissued shares at 31 December 2009 now issued	20,550	20,550	13,768	(34,318)	-	-	-	-
- Shares issued during the period	9,290	9,290	6,504	-	-	15,794	(34,420)	(18,626)
- Warrants issued	-	-	-	836	-	836	-	836
Effects of changes in stakes in a subsidiary	-	-	-	-	-	-	(2,095)	(2,095)
Warrants issued via issuance of redeemable bonds	-	-	-	1,844	-	1,844	-	1,844
Cancellation of expired ESOS during the year	-	-	-	(620)	620	-	-	-
Dividends paid for the financial year ended 31 December 2009	-	-	-	-	-	-	(846)	(846)
Total comprehensive income for the period	-	-	-	(698)	82,225	81,527	4,447	85,974
At 30 June 2010	977,629	977,629	266,560	145,181	(326,743)	1,062,627	108,247	1,170,874

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (restated)
AS AT 30 JUNE 2009

	← Issued and fully paid ordinary shares of RM1 each		Attributable to Owners of the Company		Non-distributable Revaluation		Share Premium		and other reserves		Accumulated losses		Total		Non-controlling interests		Total equity	
	Number of shares '000	Nominal Value RM'000	Share Premium RM'000	Share Premium RM'000	and other reserves RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000									
2009:																		
At 1 January 2009	853,811	853,811	188,118	188,118	33,900	(524,527)	551,302	(11,533)	539,769									
Acquisition of a new subsidiary	-	-	-	-	-	-	-	(517)	(517)									
Total comprehensive income for the period	-	-	-	-	(5,935)	(14,775)	(20,710)	(9,743)	(30,453)									
At 30 June 2009	853,811	853,811	188,118	188,118	27,965	(539,302)	530,592	(21,793)	508,799									

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 2009.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE HALF YEAR ENDED NOTE 30.6.2010 RM'000	FOR THE HALF YEAR ENDED 30.6.2009 RM'000
Cash flow from operating activities		
Receipts from customers	756,744	385,552
Payments to employees and suppliers of goods and services	(591,857)	(314,460)
Income tax paid	(17,300)	(19,276)
Net cash inflow / (outflow) arising from operating activities:		
- Continuing operation	147,587	51,816
- Subsidiary acquired exclusively for sale	-	(37,533)
<i>Net cash flow from operating activities</i>	<u>147,587</u>	<u>14,283</u>
Cash flow from investing activities		
Purchase of property, plant & equipment	(29,317)	(24,907)
Part payment of purchase consideration of subsidiaries	-	(8,487)
Acquisition of subsidiaries, net of cash acquired *	(6,152)	-
Interests received	1,122	133
Dividend received	51	5,690
Proceeds from disposal of property, plant and equipment	15,590	-
Proceeds from disposal of investment properties	1,550	-
Net cash outflow arising from investing activities:		
- Continuing operation	(17,156)	(27,571)
- Subsidiary acquired exclusively for sale	-	(653)
<i>Net cash flow from investing activities</i>	<u>(17,156)</u>	<u>(28,224)</u>
Cash flow from financing activities		
Proceeds from issuance of shares	3,836	-
Drawdown of hire purchase	4,736	-
Repayments of hire purchase	(3,112)	(3,395)
Interests paid	(8,194)	(10,079)
Drawdown of term loan	-	100,000
Repayments of term loan	(7,119)	(7,837)
Decrease in restricted fixed deposits	771	2,222
Drawdown of short term borrowings	73,230	43,000
Repayment of short term borrowings	(162,534)	(100,000)
Proceeds from issuance of bonds with detachable warrants	144,133	-
Dividend paid	(846)	-
<i>Net cash flow from financing activities arising from continuing operations</i>		
	<u>44,901</u>	<u>23,911</u>
Net increase in cash and cash equivalents	175,332	9,970
Foreign exchange differences on opening balances	1,359	(3,034)
Cash and cash equivalents at beginning of period	138,926	44,079
Cash and cash equivalents at end of period	A12 315,617	51,015

* Acquisition of subsidiaries, net of cash acquired consists of:

Purchase consideration settled in cash	6,152
Less: Cash and cash equivalents of subsidiaries acquired	-
	<u>6,152</u>

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited annual financial statements for the financial year ended 31 December 2009.

MEDIA PRIMA BERHAD (532975-A)
(Incorporated in Malaysia)

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2010

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 2009.

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 2009 except for the adoption of new standards and amendments to published standards that are effective for the financial periods beginning 1 January 2010. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:

(a) FRS 101 (revised): Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in one statement.

The Group had applied the amendment to the standard retrospectively. Certain comparatives of the statement of comprehensive income and the statement of changes in equity of the Group as at 30 June 2009 have been restated as set out in Note A13.

(b) Amendments to FRS 117: Leases

Prior to the adoption of the Amendments to FRS 117, leasehold lands were treated as operating leases. The up-front payments made represent prepaid land lease payment and was amortised on a straight-line basis over the remaining lease term. With the adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent to which risks and rewards incident to ownership lie. Accordingly, the Group has changed the classification of long term leasehold lands from operating leases to finance leases in the current period. The Group had applied the amendment to the standard retrospectively. Certain comparatives of the statement of financial position as at 30 June 2009 have been restated as set out in Note A13.

(c) FRS 139: Financial Instruments – Recognition and Measurement

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the nature of the asset and the purpose for which the asset was acquired. Management determines the classification of its financial assets at initial recognition. Set out below are the major changes in classifications of financial assets of the Group:

(i) Fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(ii) Loans and receivables

Non-current receivables, previously measured at invoice amount and subject to impairment, are now classified as loans and receivables and measured at fair value plus transaction costs initially and subsequently, at amortised cost using the effective interest method.

When loans and receivables are impaired, the carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(iii) Available-for-sale financial assets

Based on management's assessment, non-current investments, previously measured at cost and subject to impairment, are now classified as available-for-sale financial assets. These are initially measured at fair value plus transaction costs and subsequently, at fair value.

Changes in the fair values of available-for-sale debt securities denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income. If there is any objective evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Changes in fair values of available-for-sale equity securities are recognised in other comprehensive income, together with the related currency translation differences. A significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the asset is impaired. If any such evidence exists, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognised in profit or loss, is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are reversed through other comprehensive income and not through profit or loss.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognized in other comprehensive income are included in profit or loss.

The Group has applied the new policies in relation to the financial instruments above in accordance with the transitional provisions in FRS 139 by recognising and re-measuring all financial assets and financial liabilities as at 1 January 2010 as appropriate. The related adjustments to the previous carrying amounts are made to the opening retained earnings and other reserves as appropriate. Comparatives are not restated. The effects of the changes are disclosed in Note A13.

(d) **FRS 8: Operating Segments**

Prior to the adoption of FRS 8, the Group's segment reporting was based on a secondary reporting format of geographical segments. With the adoption of FRS 8, the Group's segment reporting has been changed to operating segments based on the segment information provided to the Managing Director and the Board of Directors. This change has resulted in Group reporting based on primary reporting format of the business. The comparatives of the preceding year corresponding period are re-presented to conform to the current period presentation, as disclosed in Note A7.

(e) **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.

A2. AUDIT QUALIFICATION

The annual audited financial statements for the financial year ended 31 December 2009 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

Conditional Take-over Offer of The New Straits Times Press (Malaysia) Berhad ("NSTP")

On 16 October 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. The offer ended on 4 January 2010 with additional acceptance received bringing MPB's share in NSTP to 89.62% as at 30 June 2010 resulting in an additional negative goodwill of RM17.5 million during the period.

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 14 July 2010, the Company paid a final single tier dividend in respect of the financial year ended 31 December 2009 of 5.6 sen per share on 977,629,440 ordinary shares amounting to RM54.7 million to shareholders registered on the Company's Register of Members at the close of business on 15 June 2010.

A7. SEGMENTAL REPORTING

In the prior year's audited consolidated financial statements, the basis of segmentation was on a secondary format of geographical segment. In the current quarter ended 30 June 2010, with the adoption of FRS 8 and acquisition of additional interest in NSTP, the basis of segmentation has been changed to operating segments based on information reported internally to the Group Managing Director and the Board of Directors and by geographical segment. The segment information for the current quarter is as follows:

	Television Network RM'000	Radio Network RM'000	Outdoor Media Business RM'000	Print Media Business RM'000	Others RM'000	Elimination RM'000	Continuing operation RM'000	Discontinued operation RM'000	Consolidated RM'000
Half year ended 30/06/2010									
Revenues from external customers	292,303	26,898	62,879	312,987	23,552	-	718,619	-	718,619
Intersegment revenues	3,803	-	1,947	-	3,643	(9,393)	-	-	-
Total Revenue	43,480	9,635	14,030	38,947	(22,321)	3,011	86,782	-	718,619
Reportable segment profit / (loss) after tax before MI									86,782

	Television Network RM'000	Radio Network RM'000	Outdoor Media Business RM'000	Print Media Business RM'000	Others RM'000	Elimination RM'000	Continuing operation RM'000	Discontinued operation RM'000	Consolidated RM'000
Half year ended 30/06/2009									
Revenues from external customers	230,102	22,962	42,242	-	23,873	-	319,179	-	319,179
Intersegment revenues	2,688	-	1,728	-	4,751	(9,167)	-	-	-
Total Revenue	11,819	6,770	9,692	-	(11,451)	(8,800)	8,030	(32,578)	319,179
Reportable segment (loss) / profit after tax before MI									(24,548)

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

- ◇ Malaysia
- ◇ Republic of Ghana
- ◇ Philippines

Analysis by geographical location is as follows:

	REVENUE ¹ 30.6.2010 RM'000	PROFIT / (LOSS) AFTER TAX BEFORE MI 30.6.2010 RM'000	LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE 30.6.2010 RM'000	TOTAL ASSETS ² 30.6.2010 RM'000
Malaysia	708,383	86,857	-	2,121,242
Republic of Ghana	10,236	(75)	-	24,031
Philippines	-	-	-	-
	<u>718,619</u>	<u>86,782</u>	<u>-</u>	<u>2,145,273</u>

	REVENUE ¹ 30.6.2009 RM'000	PROFIT/ (LOSS) AFTER TAX BEFORE MI 30.6.2009 RM'000	LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE 30.6.2009 RM'000	TOTAL ASSETS ² 30.6.2009 RM'000
Malaysia	309,430	8,968	-	1,053,709
Republic of Ghana	9,749	(938)	-	31,472
Philippines	-	-	(32,578)	50,614
	<u>319,179</u>	<u>8,030</u>	<u>(32,578)</u>	<u>1,135,795</u>

¹ Advertising and newspaper circulation 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 RM50.88 million (2009: RM23.74 million).

A9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT

The group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. There were no changes to valuation of property, plant and equipment brought forward from the previous financial year.

A10. CONTINGENT LIABILITIES

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

- A defamation claim of RM100 million was brought against a subsidiary company, Sistem Televisyen Malaysia Berhad ("STMB"), in April 2010 by a plaintiff in respect of the use of certain visuals of their premises on Bulletin Utama which allegedly defamed them.
- A claim of RM10.6 million made by a plaintiff in June 2010 for the alleged infringement of its copyright in relation to a programme broadcast on TV3 since 2008. NSTP is named as the first defendant in this matter and STMB as the second defendant.

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 30 June 2010 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant & equipment	42,900
Approved and contracted for:	
- Property, plant & equipment	<u>17,818</u>
	<u>60,718</u>

A12. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 30.6.2010 RM'000	As at 30.6.2009 RM'000
Cash and bank balances	109,190	29,273
Deposits with licensed financial institutions:		
Deposits with licensed banks	206,953	22,756
Deposits with finance companies	1,112	1,076
Deposits with licensed discount houses	7,289	2,157
	<u>215,354</u>	<u>25,989</u>
Deposits, cash and bank balances	324,544	55,262
Cash from subsidiary acquired exclusively for sale	-	580
<i>Less:</i>		
Bank Overdraft	<u>(98)</u>	<u>(1,637)</u>
<i>Less:</i>		
Restricted deposits:		
Deposits with licensed banks	(6,445)	(3,190)
<i>Less:</i>		
Trust monies held in relation to public donations:		
Deposits with licensed banks	(2,384)	-
Cash and cash equivalents	<u>315,617</u>	<u>51,015</u>

A13. CHANGE IN ACCOUNTING POLICIES

The effects of the adoption of the new accounting policies described in Note A1 above to the comparatives are as follows:

	As previously stated RM'000	Effects of adoption RM'000	Restated RM'000
For the period ended 30 June 2009:			
Statement of comprehensive income			
- Effect on adoption of FRS 101			
Loss for the period	(24,548)	-	(24,548)
Exchange differences on translation of foreign operations	-	(5,905)	(5,905)
Total comprehensive income	-	-	(30,453)
As at 31 December 2009:			
Statement of financial position			
- Effect on adoption of FRS 117			
Property, plant and equipment	748,025	26,993	775,018
Prepaid lease rentals	29,928	(29,928)	-
Investment properties	53,481	2,935	56,416
As at 1 January 2010:			
Statement of changes in equity			
- Effect on adoption of FRS 139			
Retained earnings	(410,042)	454	(409,588)
Available-for-sale reserve	-	256	256

ADDITIONAL INFORMATION AS REQUIRED BY THE BMSB's LISTING REQUIREMENTS

B1. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.6.2010 RM'000	30.6.2009 RM'000	30.6.2010 RM'000	30.6.2009 RM'000
In respect of the current period:				
Current income tax:				
- Malaysian Tax	15,969	6,731	25,795	6,731
- Foreign Tax	-	-	-	-
	<u>15,969</u>	<u>6,731</u>	<u>25,795</u>	<u>6,731</u>
Deferred tax	7,054	(1,095)	9,023	(523)
(Over)/Under provision of taxation in prior year	(6)	340	(9)	340
	<u>23,017</u>	<u>5,976</u>	<u>34,809</u>	<u>6,548</u>

B2. SALE OF UNQUOTED INVESTMENT AND/OR PROPERTIES

During the quarter under review, the Group disposed six (6) properties for purchase consideration amounting to RM17 million recognising gains on disposal amounting to RM7 million.

There was no sale of unquoted investment included in the financial period under review.

B3. QUOTED SECURITIES

a. There were no purchases and disposals of quoted securities during the financial period under review.

b. Investment in quoted securities is as follows:

	AS AT 30.6.2010 RM'000	AS AT 31.12.2009 RM'000
At cost	<u>5,501</u>	<u>5,501</u>
At carrying value	<u>2,726</u>	<u>2,734</u>
At market value	<u>2,726</u>	<u>2,723</u>

B4. DEBT SECURITIES

The Group issued 4.95% redeemable fixed rate bonds at a total nominal value of RM150 million with 50 million detachable warrants on 23 March 2010. The bonds mature five years from the issue date at their nominal value of RM150 million. The value of the liability component (RM141.9 million) and the warrant component (RM1.8 million), net of transaction costs of RM1.5 million, were determined at issuance of the bond. The fair value of the liability component included in long-term borrowings was calculated using a market interest rate for an equivalent non-convertible bond. The liability component is subsequently stated at amortised cost until extinguished on maturity of the bond. The residual amount, representing the value of the warrant component, is included in shareholders' equity in warrant reserves.

B5. FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

As at 30 June 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

B6. STATUS OF CORPORATE PROPOSALS

Conditional Take-over Offer of NSTP

On 16 October 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 89.62% of voting shares in NSTP.

On 28 June 2010, MPB announced an unconditional take-over offer for all the remaining ordinary shares of RM1.00 each in NSTP not already owned by MPB at an offer price of RM2.40 per NSTP share, to be satisfied by the issuance of six (6) ordinary shares of RM1.00 each in MPB at an issue price of RM2.00 each and one (1) free warrant in MPB, for every five (5) NSTP shares accepted. The closing date of the take-over offer will be on Tuesday, 14 September 2010.

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 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 80% of the transaction. On 19 April 2010, MPB acquired a further 9% stake in Kurnia for the purchase consideration of RM4.1 million and bonus consideration of RM1.8 million for achieving a certain percentage of the agreed profit target of Kurnia for the financial year ended 31 December 2009. As at 30 June 2010, MPB holds 89% equity interest in Kurnia.

B7. PAYABLES AND BORROWINGS

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

	30.6.2010	31.12.2009
	RM'000	RM'000
Current		
Unsecured:		
- Term loans	14,000	19,229
- Bridging loan	-	53,560
- Revolving credit	23,000	33,000
- Commercial Papers	-	30,000
- Hire Purchase creditor	6,685	6,154
- Trade and other payables	273,323	300,054
- Banker's acceptance	63,428	59,172
- Bank overdrafts	98	1,399
- Amount due to an associated company	-	5,753
	<u>380,534</u>	<u>508,321</u>
Non Current		
Secured:		
- Term loans	-	119
Unsecured:		
- Term loans	208,000	215,000
- Hire Purchase creditor	12,969	11,876
- Other payables	885	936
- Bond with detachable warrant	166,540	-
- Medium Term Notes	142,289	165,630
	<u>530,683</u>	<u>393,442</u>
	<u>530,683</u>	<u>393,561</u>
Total payables and borrowings	<u>911,217</u>	<u>901,882</u>

Included in the Group's payables and borrowings is bank overdraft of USD30,403 (RM98,400).

B8. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B9. MATERIAL LITIGATION

Apart from the material litigation disclosed under note A10, there was no other material litigation in the period under review since the last announcement.

B10. COMPARISON WITH IMMEDIATE PRECEDING QUARTER RESULTS

MPB Group's revenue increased by 22% compared to the first quarter 2010 buoyed by the market confidence seen in the second quarter of 2010. The group registered second quarter 2010 revenue of RM394.9 million compared to RM323.7 million registered in the first quarter 2010. Excluding NSTP, the Group registered a 27% increase in revenue compared to first quarter 2010 which is traditionally the case.

Operating expenses increased by 20% against the preceding quarter's results partly due to increased programme cost with the acquisition of new contents and provision made for old movie stock. Increased in staff cost during the quarter as a result of annual salary increment and other overheads in respect of the acquisition of 9% of Kurnia also contributed to the increase in operating expenses.

The increase in revenue resulted in Profit Before Taxation ("PBT") of RM62.9 million for the current quarter higher than the first quarter 2010's PBT of RM58.7 million.

The Group recorded Profit After Tax and Minority Interests ("PATAMI") of RM36.6 million in the second quarter 2010.

B11. 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 Media Division comprising Big Tree Outdoor Sdn Bhd ("BTO"), UPD Sdn Bhd ("UPD"), The Right Channel Sdn Bhd ("TRC") and Kurnia; and newspaper publication, NSTP.

Compared to the performance in first half of 2009, the Group's revenue of more than doubled recording a growth by more than 100%. The growth is partly attributable to the consolidation of NSTP's results. Excluding NSTP, the Group recorded a growth of 27% compared to first half of 2009.

As at the reporting date, the Group has recognised negative goodwill amounting to RM17.5 million from the acquisition of NSTP. The acquisition of NSTP and the disposal of MPB Primedia Inc ("MPI") partly contributed to the increase in Profit After Tax and Minority Interest ("PATAMI") by more than 100% in first half of 2010 compared to preceding period. The financial results for the first half of 2009 includes share of losses from MPI of RM22.8 million.

Excluding the negative goodwill, the Group recorded PATAMI of RM64.7 million for the first half of 2010.

B12. PROSPECTS FOR 2010

As the economy continues to show signs of recovery, the group is optimistic about an improved 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 in realising 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.

B13. PROFIT FORECAST/PROFIT GUARANTEE

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

B14. DIVIDEND

The Directors do not recommend any dividend for the current financial period.

B15. EARNINGS PER SHARE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000):				
- Before share of losses from a subsidiary acquired exclusively for sale	36,653	17,961	82,225	8,030
- After share of losses from a subsidiary acquired exclusively for sale	36,653	8,456	82,225	(14,775)
Weighted average number of ordinary shares in issue adjusted with the potential ordinary shares of the mandatorily convertible instruments ('000)	977,038	853,811	977,038	853,811
Basic earnings per share (sen):				
- Before share of losses from a subsidiary acquired exclusively for sale	3.75	2.10	8.42	0.94
- After share of losses from a subsidiary acquired exclusively for sale	3.75	0.99	8.42	(1.73)
Net profit/(loss) used to determine diluted earnings per share (RM000):				
- Before share of losses from a subsidiary acquired exclusively for sale	36,653	17,961	82,225	8,030
- After share of losses from a subsidiary acquired exclusively for sale	36,653	8,456	82,225	(14,775)
Weighted average number of ordinary shares in issue ('000)	977,038	853,811	977,038	853,811
Adjustments for Warrants	20,686	-	20,686	-
Adjustments for ESOS	-	*-	-	*-
	997,724	853,811	997,724	853,811
Diluted earnings per share (sen):				
- Before share of losses from a subsidiary acquired exclusively for sale	3.60	2.10	8.24	0.94
- After share of losses from a subsidiary acquired exclusively for sale	3.60	0.99	8.24	(1.73)

* 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

23 August 2010