media prima

MEDIA PRIMA BERHAD *(532975-A)*

(Incorporated in Malaysia)

FINANCIAL RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2010

The Board of Directors of Media Prima Berhad ("MPB or Company") is pleased to announce the unaudited results of the Group for the 9 months ended 30 September 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 30.09.2010 RM'000	30.09.2009 (Restated) RM'000	CUMULATIVE QUARTERS 30.09.2010 RM'000	30.09.2009 (Restated) RM'000
Continuing Operations					
Revenue		**416,753**	206,352	**1,135,372**	525,531
Operating expenses	A8	**(371,629)**	(161,617)	**(992,377)**	(461,773)
Other operating income		**21,152**	3,327	**38,941**	7,035
Profit from operations		**66,276**	48,062	**181,936**	70,793
Finance costs		**(8,322)**	(6,425)	**(24,521)**	(17,896)
Share of associate		**612**	8,006	**5,207**	11,324
Negative Goodwill	A4	**35,770**	-	**53,305**	-
Profit before tax		**94,336**	49,643	**215,927**	64,221
Taxation	B1	**(20,655)**	(18,653)	**(55,464)**	(25,201)
Net profit for the period from continuing operations		**73,681**	30,990	**160,463**	39,020
Subsidiary Held for Sale					
Operational losses		**-**	(19,611)	**-**	(52,189)
Net profit / (loss) for the period		**73,681**	11,379	**160,463**	(13,169)

	NOTE	INDIVIDUAL QUARTER 30.09.2010 RM'000	30.09.2009 (Restated) RM'000	CUMULATIVE QUARTERS 30.09.2010 RM'000	30.09.2009 (Restated) RM'000
Other Comprehensive Income / (expenses):					
Exchange differences on translation of foreign operations		**972**	857	**164**	(5,048)
Other Comprehensive Income / (expenses) net of tax		**-**	-	**-**	-
Total Comprehensive Income / (expenses) for the period		**74,653**	12,236	**160,627**	(18,217)
Profit/(loss) attributable to:					
- Owners of the Parent		**71,869**	17,262	**154,094**	2,487
- Non-Controlling Interest		**1,812**	(5,883)	**6,369**	(15,656)
		73,681	11,379	**160,463**	(13,169)
Total comprehensive income attributable to:					
- Owners of the Parent		**72,929**	18,159	**154,456**	(2,551)
- Non-Controlling Interest		**1,724**	(5,923)	**6,171**	(15,666)
		74,653	12,236	**160,627**	(18,217)
Earnings per share (in sen)					
Before share of losses from a subsidiary acquired exclusively for sale					
- Basic	B15	**7.29**	3.63	**15.64**	4.57
- Diluted	B15	**6.60**	3.63	**14.15**	4.57
After share of losses from a subsidiary acquired exclusively for sale					
- Basic	B15	**7.29**	2.02	**15.64**	0.29
- Diluted	B15	**6.60**	2.02	**14.15**	0.29

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 30.09.2010 RM'000	AS AT 31.12.2009 (restated) RM'000
ASSETS			
Non Current Assets			
Property, plant and equipment		754,561	775,018
Investment properties		52,834	56,416
Available-for-sale investments		744	744
Financial assets designated at fair value		3,366	2,892
Associates		211,385	206,178
Prepaid expenditure		2,115	2,162
Intangible assets		362,148	403,076
Deferred tax assets		39,290	39,286
		1,426,443	1,485,772
Current Assets			
Inventories		95,028	123,141
Receivables, deposits and prepayments		348,629	325,267
Tax recoverable		4,804	1,430
Deposits, bank and cash balances		297,771	149,924
		746,232	599,762
Non-current assets held for sale		180	180
		746,412	599,942
TOTAL ASSETS		2,172,855	2,085,714
LIABILITIES AND EQUITY			
Non Current Liabilities			
Payables and borrowings	B7	533,563	393,561
Deferred tax liabilities		86,592	70,720
		620,155	464,281
Current Liabilities			
Payables and borrowings	B7	344,597	508,321
Taxation		20,358	13,871
		364,955	522,192
TOTAL LIABILITIES		985,110	986,473
Equity and Reserves			
Share capital		999,522	945,346
Reserves		162,241	12,761
Equity attributable to equity holders of the Company		1,161,763	958,107
Minority interests		25,982	141,134
Total equity		1,187,745	1,099,241
TOTAL LIABILITIES AND EQUITY		2,172,855	2,085,714
Net Assets per share (sen)		116.23	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

	Attributable to Owners 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	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	-	-	-	251	454	705	5	710
Restated balance	945,346	945,346	244,797	178,257	(409,588)	958,812	141,139	1,099,951
Exercise of Employee Share Option Scheme ("ESOS")	2,454	2,454	1,400	-	-	3,854	-	3,854
Exercise of warrants	393	393	413	(98)	-	708	-	708
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	30,779	30,779	30,721	-	-	61,500	(118,387)	(56,887)
- Warrants issued	-	-	-	4,734	-	4,734	-	4,734
Effects of changes in stakes in a subsidiary	-	-	-	-	-	-	(2,095)	(2,095)
Warrants issued via issuance of redeemable bonds								
ESOS granted during the year	-	-	-	32,446	-	32,446	-	32,446
Cancellation of expired ESOS during the year	-	-	-	(620)	620	-	-	-
Dividends paid for the financial year ended 31 December 2009	-	-	-	-	(54,747)	(54,747)	(846)	(55,593)
Total comprehensive income for the period	-	-	-	362	154,094	154,456	6,171	160,627
At 30 September 2010	999,522	999,522	291,099	180,763	(309,621)	1,161,763	25,982	1,187,745

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

	Attributable to Owners 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	Non-controlling 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
Acquisition of a new subsidiary	-	-	-	-	-	-	(517)	(517)
Dividend paid	-	-	-	-	(42,904)	(42,904)	-	(42,904)
Total comprehensive income for the period	-	-	-	(5,038)	2,487	(2,551)	(15,666)	(18,217)
At 30 September 2009	853,811	853,811	188,118	28,862	(564,944)	505,847	(27,716)	478,131

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

	NOTE	FOR THE PERIOD ENDED 30.09.2010 RM'000	FOR THE PERIOD ENDED 30.09.2009 RM'000
Cash flow from operating activities			
Receipts from customers		**1,102,968**	599,344
Payments to employees and suppliers of goods and services		**(813,862)**	(480,896)
Income tax paid		**(36,886)**	(39,820)
Net cash inflow / (outflow) arising from operating activities:			
- Continuing operation		**252,220**	78,628
- Subsidiary acquired exclusively for sale		**-**	(48,673)
Net cash flow from operating activities		**252,220**	29,955
Cash flow from investing activities			
Purchase of property, plant & equipment		**(40,896)**	(33,414)
Part payment of purchase consideration of subsidiaries		**-**	(8,487)
Acquisition of subsidiaries, net of cash acquired *		**(6,609)**	-
Interests received		**2,205**	319
Dividend received		**100**	5,690
Proceeds from disposal of property, plant and equipment		**15,547**	218
Proceeds from disposal of investment properties		**2,649**	-
Net cash outflow arising from investing activities:			
- Continuing operation		**(27,004)**	(35,674)
- Subsidiary acquired exclusively for sale		**-**	(1,589)
Net cash flow from investing activities		**(27,004)**	(37,263)
Cash flow from financing activities			
Proceeds from issuance of shares		**4,561**	-
Drawdown of hire purchase		**8,222**	-
Repayments of hire purchase		**(4,928)**	(5,139)
Interests paid		**(24,459)**	(10,432)
Drawdown of term loan		**-**	187,000
Repayments of term loan		**(7,123)**	(15,056)
Decrease in restricted fixed deposits		**2,764**	2,217
Drawdown of short term borrowings		**73,230**	90,000
Repayment of short term borrowings		**(219,594)**	(197,000)
Proceeds from issuance of bonds with detachable warrants		**144,475**	-
Dividend paid		**(55,593)**	(42,904)
Net cash flow from financing activities arising from continuing operations		**(78,445)**	8,686
Net increase in cash and cash equivalents		**146,771**	1,378
Foreign exchange differences on opening balances		**4,203**	(3,259)
Cash and cash equivalents at beginning of period		**138,926**	44,079
Cash and cash equivalents at end of period	A12	**289,900**	42,198

* Acquisition of subsidiaries, net of cash acquired consists of:	
Purchase consideration settled in cash	**6,609**
Less: Cash and cash equivalents of subsidiaries acquired	**-**
	6,609

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.

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 September 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 September 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 31 December 2009 to 86.06%. The transaction resulted in a negative goodwill of RM216.1 million. The offer closed on 14 September 2010 with additional acceptance received bringing MPB's share in NSTP to 97.87% as at 30 September 2010 resulting in an additional negative goodwill of RM53.3 million during the period.

Other significant transactions affecting the income statement

During the period ended 30 September 2010, the Group's income statement was also significantly affected by material transactions that are not directly related to the core business operations of the Group. These transactions include credits in the income statement relating to writeback of impairment of print media assets amounting to RM17.3 million and gain on disposal of land of RM5.4 million. There was also a charge to the income statement of RM32.4 million relating to the issuance of Employee Share Options Scheme ("ESOS") in accordance with accounting standard FRS 2 'Share-based Payment',

The negative goodwill and the significant transactions disclosed above had a net impact of RM43.6 million credit to the Group's net profit for the period ended 30 September 2010.

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 September 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:

Half year ended 30/09/2010	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Others RM'000	Elimination RM'000	Continuing operation RM'000	Discontinued operation RM'000	Consolidated RM'000
Revenues from external customers	475,667	43,565	95,267	487,124	33,749	-	1,135,372	-	1,135,372
Intersegment revenues	4,032	-	3,770	-	5,478	(13,280)	-	-	-
Total Revenue									1,135,372
Reportable segment profit / (loss) after tax before MI	75,067	14,409	20,737	61,025	(42,573)	31,798	160,463	-	160,463

Half year ended 30/09/2009	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Others RM'000	Elimination RM'000	Continuing operation RM'000	Discontinued operation RM'000	Consolidated RM'000
Revenues from external customers	388,311	37,349	64,342	-	35,529	-	525,531	-	525,531
Intersegment revenues	4,032	-	2,442	-	7,894	(14,368)	-	-	-
Total Revenue									525,531
Reportable segment (loss) / profit after tax before MI	38,166	12,635	15,438	-	(25,790)	(1,429)	39,020	(52,189)	(13,169)

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] 30.09.2010 RM'000	**PROFIT / (LOSS) AFTER TAX BEFORE MI 30.09.2010 RM'000**	**LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE 30.09.2010 RM'000**	**TOTAL ASSETS[2] 30.09.2010 RM'000**
Malaysia	**1,119,870**	**161,174**	**-**	**2,105,568**
Republic of Ghana	**15,502**	**(711)**	**-**	**23,192**
Philippines	**-**	**-**	**-**	**-**
	1,135,372	**160,463**	**-**	**2,128,760**

	REVENUE[1] 30.09.2009 RM'000	PROFIT/ (LOSS) AFTER TAX BEFORE MI 30.09.2009 RM'000	LOSSES FROM SUBSIDIARY ACQUIRED EXCLUSIVELY FOR SALE 30.09.2009 RM'000	TOTAL ASSETS[2] 30.09.2009 RM'000
Malaysia	511,581	40,438	-	1,075,577
Republic of Ghana	13,950	(1,418)	-	26,934
Philippines	-	-	(52,189)	54,419
	525,531	39,020	(52,189)	1,156,930

[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 RM75.6 million *(2009: RM36.0 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 claim of RM0.4 million was brought against Media Prima Berhad, in August 2010 by plaintiffs for alleged breach of media representative contract.

- A defamation claim of RM7 million was brought against a subsidiary company, Sistem Televisyen Malaysia Berhad ("STMB"), in August 2010 by a plaintiff whom alleged that he was defamed in an interview by his ex-wife in the 'Wanita Hari Ini' programme.

- A defamation claim of RM50 million was brought against STMB, in September 2010 by a plaintiff whom alleged that he was defamed in comments made during Bulletin Utama. STMB is named as the fifth 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 September 2010 are as follows:

	RM'000
Approved but not contracted:	
- Property, plant & equipment	33,717
Approved and contracted for:	
- Property, plant & equipment	17,046
	50,763

A12. CASH AND CASH EQUIVALENTS

Details of cash and cash equivalents are as follows:

	As at 30.09.2010 RM'000	As at 30.09.2009 RM'000
Cash and bank balances	**158,215**	34,601
Deposits with licensed financial institutions:		
Deposits with licensed banks	**126,098**	27,954
Deposits with finance companies	**1,120**	1,077
Deposits with licensed discount houses	**12,338**	2,176
	139,556	31,207
Deposits, cash and bank balances	**297,771**	65,808
Cash from subsidiary acquired exclusively for sale	**-**	510
Less:		
Bank Overdraft	**(1,036)**	(20,924)
Less:		
Restricted deposits:		
Deposits with licensed banks	**(4,451)**	(3,196)
Less:		
Trust monies held in relation to public donations:		
Deposits with licensed banks	**(2,384)**	-
Cash and cash equivalents	**289,900**	42,198

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	Effects of adoption	Restated
	RM'000	RM'000	RM'000
For the period ended 30 September 2009:			
Statement of comprehensive income			
- Effect on adoption of FRS 101			
Loss for the period	(13,169)	-	(13,169)
Exchange differences on translation of foreign operations	-	(5,048)	(5,048)
Total comprehensive income	-	-	(18,217)
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	
	30.09.2010	30.09.2009	**30.09.2010**	30.09.2009
	RM'000	RM'000	**RM'000**	RM'000
In respect of the current period:				
Current income tax:				
- Malaysian Tax	**13,727**	18,967	**39,522**	25,698
- Foreign Tax	**-**	-	**-**	-
	13,727	18,967	**39,522**	25,698
Deferred tax	**6,927**	(314)	**15,950**	(837)
(Over)/Under provision of taxation in prior year	**1**	-	**(8)**	340
	20,655	18,653	**55,464**	25,201

B2. SALE OF UNQUOTED INVESTMENT AND/OR PROPERTIES

There was no sale of unquoted investment or properties 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 30.09.2010 RM'000	AS AT 31.12.2009 RM'000
At cost	**5,501**	5,501
At carrying value	**2,952**	2,236
At market value	**2,952**	2,579

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 September 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 held 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 held 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 was on 14 September 2010.

However, by virtue of a notice to the remaining shareholders of NSTP under Section 223(2) of the Capital Markets and Services Act 2007 issued by MPB on the 21st August 2010, the remaining shareholders now have until 14th December 2010 to serve a notice on MPB to require MPB to acquire the NSTP shares held by them on the same terms as set out in the Offer Document for the Exit Offer dated 16 July 2010 or such other terms as may be agreed by the remaining shareholders and MPB.

As at 30 September 2010, MPB owns 97.87% 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 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 September 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:

		30.09.2010 RM'000	31.12.2009 RM'000
Current	Unsecured:		
	- Term loans	**13,996**	19,229
	- Bridging loan	-	53,560
	- Revolving credit	-	33,000
	- Commercial Papers	-	30,000
	- Hire Purchase creditor	**5,919**	6,154
	- Trade and other payables	**294,278**	300,054
	- Banker's acceptance	**29,368**	59,172
	- Bank overdrafts	**1,036**	1,399
	- Amount due to an associated company	-	5,753
		344,597	508,321
Non Current	Secured:		
	- Term loans	-	119
	Unsecured:		
	- Term loans	**208,000**	215,000
	- Hire Purchase creditor	**15,404**	11,876
	- Other payables	**525**	936
	- Bond with detachable warrant	**142,631**	-
	- Medium Term Notes	**167,003**	165,630
		533,563	393,442
		533,563	393,561
	Total payables and borrowings	**878,160**	901,882

Included in the Group's payables and borrowings is bank overdraft of USD335,810 (RM1,036,142).

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 6% compared to the second quarter 2010 as the market condition continues to improve. The group registered third quarter 2010 revenue of RM416.8 million compared to RM394.9 million registered in the second quarter 2010.

Operating expenses increased by 9% against the preceding quarter's results mainly due to the recognition of ESOS cost amounting to RM32.4 million. The group also recognised an additional RM35.8 million of negative goodwill as a result of the acquisition of 8.24% shares in NSTP during the quarter.

The increase in revenue along with the recognition of negative goodwill resulted in Profit Before Taxation ("PBT") of RM94.3 million for the current quarter higher than the second quarter 2010's PBT of RM62.9 million.

The Group recorded Profit After Tax and Minority Interests ("PATAMI") of RM71.9 million in the third 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 Radio 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; newspaper publication, NSTP; and alternative media, Alt Media Sdn Bhd.

The Group's revenue to date more than doubled the revenue recorded in the same period last year partly attributable to the consolidation of NSTP's results. Excluding NSTP, the Group recorded a growth of 23%.

As at the reporting date, the Group had recognised negative goodwill amounting to RM53.3 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 the period ended 30 September 2010 compared to preceding period. The financial results for the period ended 30 September 2009 includes share of losses from MPI (net of minority interest) of RM36.5 million. Excluding the negative goodwill, the Group recorded PATAMI of RM100.8 million for the period ended 30 September 2010.

B12. PROSPECTS FOR 2010

As the Malaysian economy continues to grow, 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 content and branding. Concurrently, the Group will continue to exercise prudent financial and risk management and is optimising its cost management for better leverage on the Group's income generating capacity.

The Group will continue its efforts in realising the value of its diverse media platforms by embarking on various integration initiatives involving the assimilation of its recent investments in NSTP and Kurnia into the enlarged Media Prima Group. These efforts include improving the revenue generating capacity and improving the operation's efficiencies to achieve synergy within the Group's stable of media assets.

Barring any unforeseen circumstances, the Board remains confident that the Group will register an improved financial performance for the financial year ending 31 December 2010.

B13. PROFIT FORECAST/PROFIT GUARANTEE

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

B14. DIVIDEND

The Directors declare an interim single-tier dividend for the financial year ending 31 December 2010 of 4.0 Sen per ordinary share that will be paid at a date to be determined.

B15. EARNINGS PER SHARE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
	30.09.2010	30.09.2009	**30.09.2010**	30.09.2009
Profit attributable to ordinary equity holders of the Company (RM'000):				
- Before share of losses from a subsidiary acquired exclusively for sale	**71,869**	30,990	**154,094**	39,020
- After share of losses from a subsidiary acquired exclusively for sale	**71,869**	17,262	**154,094**	2,487
Weighted average number of ordinary shares in issue adjusted with the potential ordinary shares of the mandatorily convertible instruments ('000)	**985,300**	853,811	**985,300**	853,811
Basic earnings per share (sen):				
- Before share of losses from a subsidiary acquired exclusively for sale	**7.29**	3.63	**15.64**	4.57
- After share of losses from a subsidiary acquired exclusively for sale	**7.29**	2.02	**15.64**	0.29
Net profit used to determine diluted earnings per share (RM000):				
- Before share of losses from a subsidiary acquired exclusively for sale	**71,869**	30,990	**154,094**	39,020
- After share of losses from a subsidiary acquired exclusively for sale	**71,869**	17,262	**154,094**	2,487
Weighted average number of ordinary shares in issue ('000)	**985,300**	853,811	**985,300**	853,811
Adjustments for Warrants	**93,520**	-	**93,520**	-
Adjustments for ESOS	**9,910**	*-	**9,910**	*-
	1,088,730	853,811	**1,088,730**	853,811
Diluted earnings per share (sen):				
- Before share of losses from a subsidiary acquired exclusively for sale	**6.60**	3.63	**14.15**	4.57
- After share of losses from a subsidiary acquired exclusively for sale	**6.60**	2.02	**14.15**	0.29

* 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

16 November 2010