

UTUSAN MELAYU (MALAYSIA) BERHAD
Quarterly report on consolidated results for the first quarter ended
31 March 2006

The figures have not been audited

(a) Condensed Consolidated Income Statement

	Current Quarter Ended 31/03/2006 RM'000	Comparative Quarter Ended 31/03/2005 RM'000	3 months Cumulative Ended 31/03/2006 RM'000	3 months Cumulative Ended 31/03/2005 RM'000
Revenue	86,360	89,470	86,360	89,470
Other Operating Income	2,844	1,247	2,844	1,247
Changes in inventories of finished goods and work-in-progress	681	(1,185)	681	(1,185)
Raw materials and consumables used	(32,431)	(28,287)	(32,431)	(28,287)
Vendors' commissions	(11,669)	(11,117)	(11,669)	(11,117)
Transportation costs	(2,831)	(2,360)	(2,831)	(2,360)
Staff costs	(24,798)	(23,717)	(24,798)	(23,717)
Depreciation and amortisation	(6,039)	(5,694)	(6,039)	(5,694)
Other operating expenses	(13,886)	(13,163)	(13,886)	(13,163)
Finance Costs	(1,841)	(2,219)	(1,841)	(2,219)
Share of results of associates	115	162	115	162
(Loss)/Profit before taxation	(3,495)	3,137	(3,495)	3,137
Taxation	662	(178)	662	(178)
Net profit after taxation	(2,833)	2,959	(2,833)	2,959
Attributable to:				
Equity holders of the parent	(2,757)	3,053	(2,757)	3,053
Minority interest	(76)	(94)	(76)	(94)
	(2,833)	2,959	(2,833)	2,959
Earnings per share attributable to equity holders of the parent :				
Basic	(2.52)	2.80	(2.52)	2.80
Diluted	(2.52)	2.80	(2.52)	2.80

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

(b) Condensed Consolidated Balance Sheet

	As at 31/03/06	As at 31/12/05
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	225,088	225,159
Investments in Associates	12,082	11,816
Other Investments	2,820	2,820
Long Term Receivables	351	402
Deferred Tax Assets	1,752	1,753
	<u>242,093</u>	<u>241,950</u>
Current Assets		
Inventories	103,560	103,536
Trade Debtors	46,824	57,176
Other Debtors	63,643	59,409
Marketable Securities	5,108	5,107
Cash & Cash Equivalents	43,124	41,528
	<u>262,259</u>	<u>266,756</u>
TOTAL ASSETS	<u>504,352</u>	<u>508,706</u>
EQUITY AND LIABILITIES		
Share Capital	109,224	109,224
Reserves	114,193	116,986
	<u>223,417</u>	<u>226,210</u>
Minority Interest	1,274	1,351
Total equity	<u>224,691</u>	<u>227,561</u>

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

(b) Condensed Consolidated Balance Sheet (Cont'd)

	As at 31/03/06	As at 31/12/05
	RM'000	RM'000
Non Current Liabilities		
Retirement Benefits	9,665	11,679
Borrowings	103,412	100,731
Deferred Tax Liability	12,029	13,156
	<u>125,106</u>	<u>125,566</u>
Current Liabilities		
Retirement Benefits	553	1,044
Overdraft & Short Term Borrowings	91,794	92,213
Trade Payables	14,404	14,459
Other Payables	46,099	46,191
Taxation	1,705	1,672
	<u>154,555</u>	<u>155,579</u>
Total liabilities	<u>279,661</u>	<u>281,145</u>
TOTAL EQUITY AND LIABILITIES	<u><u>504,352</u></u>	<u><u>508,706</u></u>

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

(c) Condensed Consolidated Cash Flow Statement

	2006	2005
	3 months ended 31 Mar (RM'000)	3 months ended 31 Mar (RM'000)
Profit before tax	(3,495)	3,137
Adjustment for non-cash flow:-		
Non-cash items	6,157	12,925
Operating profit before changes in working capital	2,662	16,062
Changes in working capital		
Net Change in Current Assets	7,276	(24,985)
Net Change in Current Liabilities	(109)	(7,772)
Tax paid	(506)	(475)
Interest paid	(1,226)	(1,604)
Net cash flows from operating activities	8,097	(18,774)
Investing Activities		
- Equity/Other Investments	200	(3,310)
- Purchase of property, plant and equipment	(6,120)	(11,999)
- Net dividends received	-	-
	(5,920)	(15,309)
Financing Activities		
- Issuance of shares	-	-
- Retirement Benefits	(2,856)	(430)
- Bank Borrowings	3,512	35,497
- Dividends paid	-	-
	656	35,067
Net Change in Cash & Cash Equivalents	2,833	984
Cash & Cash Equivalents at beginning of year	29,794	32,310
Effect of change in exchange rate	12	499
Cash & Cash Equivalents at end of year	32,639	33,793

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

UTUSAN MELAYU (MALAYSIA) BERHAD
Interim Financial Statements for the Quarter Ended 31 March 2006

(d) **Condensed Consolidated Statement of Changes in Equity**

	<----Attributable to Equity Holders of the Parent---->					Minority Interest	Total Equity
	<Non-Distributable>						
	Share Capital	Share Premium	Other Reserves	Retained Profits	Total		
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	
<u>3 month - period ended 31 March 2005</u>							
At 1 January 2005	109,224	50,640	6,456	39,990	206,310	1,565	207,875
Current period's net profit	-	-		3,053	3,053	(94)	2,959
Currency Translation	-		499	-	499	-	499
Balance at end of period	<u>109,224</u>	<u>50,640</u>	<u>6,955</u>	<u>43,043</u>	<u>209,862</u>	<u>1,471</u>	<u>211,333</u>
<u>3 month - period ended 31 March 2006</u>							
At 1 January 2006	109,224	50,640	6,996	59,350	226,210	1,350	227,560
Current period's net profit	-	-		(2,757)	(2,757)	(76)	(2,833)
Currency Translation	-		(36)	-	(36)	-	(36)
Balance at end of period	<u>109,224</u>	<u>50,640</u>	<u>6,960</u>	<u>56,593</u>	<u>223,417</u>	<u>1,274</u>	<u>224,691</u>

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements)

Notes to the accounts – 31 March 2006

A1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment and the following assets and liabilities that are stated at fair values: financial assets at fair value through profit or loss, available-for-sale financial assets, derivative financial instruments and investment properties.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2005.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2006:

FRS 2	Share based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

Notes to the accounts – 31 March 2006

A2. Changes in Accounting Policies (Cont'd)

The adoption of FRS 2, 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133, 136, 138 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interests, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognized income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

Current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

A4. Segmental Reporting

	3 months ended 31/3/2006 RM'000	3 months ended 31/3/2005 RM'000
Segment Revenue		
Publishing, Distribution and Advertising	85,961	88,788
Printing	5,983	4,817
Investment Holdings & Mgt Services	579	264
Information Technology & Multimedia	1,167	1,721
Total revenue incl inter-segment sales	93,690	95,590
Elimination of inter-segment sales	(7,330)	(6,120)
Total	86,360	89,470
Segment Results		
Publishing, Distribution and Advertising	(4,450)	3,744
Printing	314	(308)
Investment Holdings & Mgt Services	585	260
Information Technology & Multimedia	3	27
Share of results of associates	115	162
Total revenue incl inter-segment sales	(3,433)	3,885
Eliminations	(62)	(748)
Total	(3,495)	3,137

Notes to the accounts – 31 March 2006

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial period under review.

A6. Material Changes in Estimates

There were no material changes in estimates for the financial period under review.

A7. Seasonal and Cyclical Factors

The Group was not significantly affected by any major seasonal or cyclical factors during the period under review.

A8. Dividend

An approval from shareholders for the first and final dividend of 2.5 sen less taxation of 28% for the year 2005 (2004: 2.5 sen) will be sought at the forthcoming Annual General Meeting to be held on 31 May 2006. Notices on the book closure and the dividend payment will be made not later than 3 months of the date of approval.

A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2005.

A10. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review, other than as mentioned below:

Executives' Share Options Scheme (ESOS)

Details of share options movement during the period:

Options	Exercise Price (RM)	Number of share (options)			As at 31/03/2006
		At 01/01/2006	exercised	lapsed	
Option 1	2.13	1,060,700	-	67,800	992,900
Option 2	1.69	454,200	-	-	454,200
Option 3	1.00	8,978,000	-	88,400	8,889,600
		10,492,900	-	156,200	10,336,700

As at the end of the current financial period, there were no ESOS exercised.

Notes to the accounts – 31 March 2006

A11. Changes In The Composition Of The Group

There were no changes in the composition of the Group in respect of business combination, acquisition or disposal of subsidiaries and long term investments, restructuring or discontinuing operations during the current financial period.

A12. Commitments and Contingent Liabilities/Assets

(i) Commitments	As at 31/03/06 RM'000
Capital Expenditure:-	
Approved and contracted for	5,294
Approved but not contracted for	-

(ii) Contingent Liabilities/Assets

There are no material changes to the contingent liabilities/assets since the last annual balance sheet date to the date of this announcement.

A13. Material Events Subsequent To The End of The Period

There are no material events as at the date of this announcement that will affect the financial results of the financial period under review except for the following:

A Sale and Purchase of Shares Agreement between Advance Screen Sdn. Bhd. ("ASSB") with Classic Billboards (M) Sdn. Bhd. ("CBMSB") for the disposal of 510,000 units of ordinary shares of RM1.00 each (representing 51% of the issued and paid-up share capital) of ASSB for the sale consideration of RM1,020,000 (Ringgit Malaysia One Million and Twenty Thousand only) had been completed on 4 April 2006. The Group is estimated to incur loss on disposal of ASSB shares amounting to RM0.2 million which will be reported in the second quarter of 2006.

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1. Review Of Current Performance

The Group registered lower revenue of RM86.4 million for the first quarter of 2006 as compared with RM89.5 million for the same quarter last year. The Group recorded loss before taxation and minority interest (LBTMI) of RM3.5 million as compared with profit before taxation and minority interest (PBTMI) of RM3.1 million for the corresponding quarter as a result of lower revenue for advertisement segment in the current quarter.

In the opinion of the Directors, the results of the period under review have not been affected by any transaction or event of a material or unusual in nature.

B2. Explanatory Comment On The Result of The Current Quarter Against The Preceding Quarter

The Group registered lower revenue of RM86.4 million for the current quarter as compared with RM97.2 million in the preceding quarter ended 31 December 2005. The drop in revenue by RM10.8 million was due to lower advertising income. This has resulted in a LBTMI of RM3.5 million in the current quarter as compared with PBTMI of RM13.9 million in the preceding quarter last year. Nevertheless, higher profit in the preceding quarter was partly due to the reversal of RM7.7 million provisions for retirement benefit.

B3. Current Year Prospects

The year 2006 will yet be another challenging year for the Group given the continued increase in newsprint prices and intense competition for circulation, readership and advertising expenditure in the Bahasa Melayu newspaper segment. High oil prices may also have impact on transportation and utilities cost for the Group. Measures are being taken to mitigate the impact of these increases in prices.

The Group will continue its efforts towards improving its newspaper circulation and readership. The new look for Utusan Malaysia and Mingguan Malaysia launched in 2006 have received good responses and Kosmo! will be distributed through out peninsular Malaysia by the year end. The Group will continue to explore business opportunities aimed at increasing revenue and profitability.

Barring unforeseen circumstances, the board of directors is of the view that the Group will remain profitable in 2006.

B4. Variance from Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast in a public document.

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B5. Taxation

The taxation charges for the period comprise the following:

	Current Quarter		Year-to-date	
	31/3/2006	31/3/2005	31/3/2006	31/3/2005
	RM'000	RM'000	RM'000	RM'000
Current year provision	474	195	474	195
Deferred Taxation	(1,136)	(17)	(1,136)	(17)
Total	(662)	178	(662)	178

The effective tax rates for the periods presented above are lower than statutory tax rate (28%) principally due to certain income which is not taxable and availability of reinvestment allowance.

B6. Sale of Unquoted Investments and Properties

There was no sale of unquoted investments or properties for the period under review.

B7. Quoted Securities

There was no purchase or disposal of quoted securities for the current period under review.

The Group's investment in quoted securities as at the end of the reporting period was as follows:

	As at	As at
	31/3/2006	31/3/2005
	RM'000	RM'000
At cost	5,975	5,975
At book value	5,108	5,909
At market value	5,142	5,735

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B8. Status of Corporate Proposal

There were no corporate proposals announced as at the date of this report.

B9. Group Borrowings

The Group's bank borrowings as at 31 March 2006 were as follows:

	As at 31/03/2006 RM'000	As at 31/03/2005 RM'000
Short term borrowings		
Secured	13,848	30,933
Unsecured	77,946	98,068
	91,794	129,001
Long term borrowings		
Secured	103,412	67,769
Unsecured	-	-
	103,412	67,769
	195,206	196,770

B10. Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this report.

B11. Changes in Material Litigations

There are several libel suits which involve claims against the Group of which the outcome and compensation, if any, is currently indeterminable.

B12. Dividend Payable

No interim ordinary dividend has been declared for the financial period ended 31 March 2006 (31 March 2005: Nil).

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B13. Earnings Per Share

Basic earnings per share of the Group are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial period.

For the purpose of calculating diluted earnings per share, the net profit for the period and the weighted average number of ordinary shares in issue during the period have been adjusted for the effects of dilutive potential ordinary shares from ESOS.

	Current quarter ended 31/3/2006 RM'000	Comparative quarter ended 31/3/2005 RM'000	3 months cumulative ended 31/3/2006 RM'000	3 months cumulative ended 31/3/2005 RM'000
a) Basic Earnings per share				
Net profit for the period	(2,757)	3,053	(2,757)	3,053
Weighted average number of ordinary shares in issue ('000)	109,224	109,224	109,224	109,224
Basic earnings per share (sen)	(2.52)	2.80	(2.52)	2.80
b) Diluted earnings per share				
Net profit for the period	(2,757)	3,053	(2,757)	3,053
Weighted average number of ordinary shares in issue ('000)	118,144	109,224	118,144	109,224
Adjustment for assumed exercise of share option ('000)	(8,711)	-	(8,711)	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	109,433	109,224	109,433	109,224
Diluted earnings per share (sen)	(2.52)	2.80	(2.52)	2.80

BY ORDER OF THE BOARD

Sharina Saidon
Company Secretary
Date : 24 May 2006