



Quarterly report on consolidated results for the first quarter ended  
31 March 2007

The figures have not been audited

(a) Condensed Consolidated Income Statement

	Current Quarter Ended 31/03/2007 RM'000	Comparative Quarter Ended 31/03/2006 RM'000	3 months Cumulative Ended 31/03/2007 RM'000	3 months Cumulative Ended 31/03/2006 RM'000
Revenue	88,001	86,361	88,001	86,361
Other Operating Income	9,519	1,613	9,519	1,613
Changes in inventories of finished goods and work-in-progress	228	681	228	681
Raw materials and consumables used	(31,449)	(33,257)	(31,449)	(33,257)
Vendors' commissions	(11,660)	(11,669)	(11,660)	(11,669)
Transportation costs	(3,702)	(2,831)	(3,702)	(2,831)
Staff costs	(27,284)	(24,494)	(27,284)	(24,494)
Depreciation and amortisation	(6,051)	(6,038)	(6,051)	(6,038)
Other operating expenses	(9,728)	(12,134)	(9,728)	(12,134)
Finance Costs	(2,259)	(1,842)	(2,259)	(1,842)
Share of results of associates	235	115	235	115
Profit/(Loss) before taxation	5,850	(3,495)	5,850	(3,495)
Taxation	(810)	662	(810)	662
Net profit/(loss) after taxation	5,040	(2,833)	5,040	(2,833)
Attributable to:				
Equity holders of the parent	5,040	(2,757)	5,040	(2,757)
Minority interest	-	(76)	-	(76)
	5,040	(2,833)	5,040	(2,833)
Earnings per share attributable to equity holders of the parent :				
Basic	4.56	(2.52)	4.56	(2.52)
Diluted	4.48	(2.52)	4.48	(2.52)

**(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)**

**(b) Condensed Consolidated Balance Sheet**

	<b>As at 31/03/07</b> <b>RM'000</b>	<b>As at 31/12/06</b> <b>RM'000</b> <b>restated</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	165,838	169,191
Prepaid lease payments	88,106	91,217
Intangible Assets	41	57
Investments in Associates	13,691	13,451
Other Investments	2,820	2,820
Long Term Receivables	274	300
Deferred Tax Assets	1,618	1,625
	<u><b>272,388</b></u>	<u><b>278,661</b></u>
<b>Current Assets</b>		
Inventories	65,141	73,704
Trade Debtors	47,816	59,578
Other Debtors	44,370	22,382
Marketable Securities	6,026	5,954
Cash & Cash Equivalents	44,975	44,520
	<u><b>208,328</b></u>	<u><b>206,138</b></u>
Assets of disposal group classified as held for sale	-	13,889
	<u>208,328</u>	<u>220,027</u>
<b>TOTAL ASSETS</b>	<u><u><b>480,716</b></u></u>	<u><u><b>498,688</b></u></u>
<b>EQUITY AND LIABILITIES</b>		
Share Capital	110,668	109,996
Reserves	139,239	134,892
	<u>249,907</u>	<u>244,888</u>
<b>Total equity</b>	<u><u><b>249,907</b></u></u>	<u><u><b>244,888</b></u></u>

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

	<b>As at 31/03/07</b>	<b>As at 31/12/06</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>restated</b>
<b>Non Current Liabilities</b>		
Retirement Benefits	8,868	8,877
Borrowings	105,376	95,103
Deferred Tax Liability	13,372	13,119
	<u><b>127,616</b></u>	<u><b>117,099</b></u>
<b>Current Liabilities</b>		
Retirement Benefits	1,240	1,242
Overdraft & Short Term Borrowings	51,910	68,651
Trade Payables	9,196	13,370
Other Payables	40,265	42,399
Taxation	582	457
	<u><b>103,193</b></u>	<u><b>126,119</b></u>
Liabilities directly associated with the assets classified as held for sale	-	<u><b>10,582</b></u>
	<u><b>103,193</b></u>	<u><b>136,701</b></u>
<b>Total liabilities</b>	<b>230,809</b>	<b>253,800</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u><b>480,716</b></u></u>	<u><u><b>498,688</b></u></u>

*(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)*

**(c) Condensed Consolidated Cash Flow Statement**

	<b>2007</b>	<b>2006</b>
	<b>3 months ended 31 March (RM'000)</b>	<b>3 months ended 31 March (RM'000)</b>
<b>Profit before tax</b>	5,850	(3,495)
<b>Adjustment for non-cash flow:-</b>		
Non-cash items	8,645	6,157
<b>Operating profit before changes in working capital</b>	14,495	2,662
<b>Changes in working capital</b>		
Net Change in Current Assets	21,436	7,276
Net Change in Current Liabilities	(15,925)	(109)
Tax paid	(293)	(506)
Interest paid	(2,158)	(1,226)
<b>Net cash flows from operating activities</b>	17,555	8,097
<b>Investing Activities</b>		
- Equity/Other Investments	165	200
- (Purchase)/Disposal of property, plant and equipment	666	(6,120)
- Net dividends received	44	-
	875	(5,920)
<b>Financing Activities</b>		-
- Retirement Benefits	(281)	(2,856)
- Bank Borrowings	(16,935)	3,512
- Dividend Paid	-	-
	(17,216)	656
<b>Net Change in Cash &amp; Cash Equivalents</b>	1,214	8,753
Cash & Cash Equivalents at beginning of year	41,755	29,794
Effect of change in exchange rate	48	12
<b>Cash &amp; Cash Equivalents at end of year</b>	43,017	38,559

*(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements)*

UTUSAN MELAYU (MALAYSIA) BERHAD  
Interim Financial Statements for the Quarter Ended 31 March 2007

(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 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)
As at 31 March 2006	109,224	50,640	6,960	56,593	223,417	1,274	224,691
<u>3 month - period ended 31 March 2007</u>							
At 1 January 2007	109,996	50,678	7,469	76,745	244,888	-	244,888
Current period's net profit	-	-	-	5,040	5,040	-	5,040
Reversal of bonus issue pursuant to disposal of subsidiaries	-	-	(745)	-	(745)	-	(745)
Issue of ordinary shares pursuant to ESOS	672	25	(25)	-	672	-	672
Currency Translation	-	-	52	-	52	-	52
As at 31 March 2007	110,668	50,703	6,751	81,785	249,907	-	249,907

*(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 2006 and the accompanying explanatory notes attached to the interim financial statements)*

## **Notes to the accounts – 31 March 2007**

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### **A1. Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention except for the revaluation of certain land and buildings.

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 2006. 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 2006.

### **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 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial period beginning 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 117 and 124 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of new/revised FRS are discussed below:

#### **FRS117: Leases**

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease term. A lease of land and building is apportioned into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at the inception of the lease. Prior to 1 January 2007, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses. The leasehold land was revalued in 1984.

**Notes to the accounts – 31 March 2007**

**A2. Changes in Accounting Policies (Cont'd)**

**FRS117: Leases (cont'd)**

Upon the adoption of the revised FRS 117 on 1 January 2007, the unamortized revalued amount of leasehold land is retained as surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions of FRS 117. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively.

**A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 December 2006 was not qualified.

**A4. Segmental Reporting**

<b>Segment Revenue</b>	<b>3 months ended 31/03/2007 RM'000</b>	<b>3 months ended 31/03/2006 RM'000</b>
Publishing, Distribution and Advertising	87,381	85,961
Printing	6,093	5,983
Investment Holdings & Mgt Services	466	580
Information Technology & Multimedia	419	1,167
Total revenue incl inter-segment sales	<u>94,359</u>	<u>93,691</u>
Elimination of inter-segment sales	<u>(6,358)</u>	<u>(7,330)</u>
Total	<u><u>88,001</u></u>	<u><u>86,361</u></u>
<b>Segment Results</b>		
Publishing, Distribution and Advertising	991	(4,450)
Printing	(267)	314
Investment Holdings & Mgt Services	537	585
Information Technology & Multimedia	(840)	3
Share of results of associates	235	115
Total revenue incl inter-segment sales	<u>656</u>	<u>(3,433)</u>
Eliminations	<u>5,194</u>	<u>(62)</u>
Total	<u><u>5,850</u></u>	<u><u>(3,495)</u></u>

**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.

**Notes to the accounts – 31 March 2007**

**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 2.0 sen less taxation of 27% for the year 2006 (2005: 2.5 sen less taxation of 28%) will be sought at the forthcoming Annual General Meeting to be held on 31 May 2007. 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 2006.

**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 01/01/2007	granted	exercised	lapsed/ forfeited	As at 31/03/2007
Option 1	2.13	992,900	-	-	-	992,900
Option 2	1.69	454,200	-	-	-	454,200
Option 3	1.00	8,107,300	-	(548,700)	(19,000)	7,539,600
Option 4	1.00	2,383,100	-	(123,400)	-	2,259,700
		11,937,500	-	(672,100)	(19,000)	11,246,400



**Notes to the accounts – 31 March 2007**

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**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 except for the following:

On 28 February 2007, the Company had completed the Sale and Purchase of Shares Agreement with Media Prima Berhad (“MPB”) for the disposal of the entire equity interest in UPD Sdn Bhd and Utusan Sinar Media Sdn Bhd (“UPD Group”) for the total purchase consideration of RM1.00. The Group has recognised gain on disposal of UPD Group shares amounting to RM7.9 million which was incorporated in the first quarter results of 2007.

**A12. Commitments and Contingent Liabilities/Assets**

<b>(i) Commitments</b>	<b>As at 31/03/07 RM’000</b>
Capital Expenditure:-	
Approved and contracted for	26,298
Approved but not contracted for	-
<b>(ii) Contingent Liabilities/Assets</b>	

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.

## **ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS**

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### **B1. Review Of Current Performance**

The Group registered higher revenue of RM88.0 million for the first quarter of 2007 as compared with RM86.4 million for the same quarter last year. The Group recorded profit before taxation (PBT) of RM5.9 million as compared with loss before taxation and minority interest (LBTMI) of RM3.5 million for the corresponding quarter last year mainly due to the gain on disposal of subsidiaries.

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 RM88.0 million for the current quarter as compared with RM104.5 million in the preceding quarter ended 31 December 2006. The drop in revenue by RM16.5 million was due to lower advertising income. This has resulted in a PBT of RM5.9 million in the current quarter as compared with PBT of RM9.7 million in the preceding quarter last year. Nevertheless, PBT of RM5.9 million for the current quarter was contributed mainly by the gain on disposal of subsidiaries.

### **B3. Current Year Prospects**

The year 2007 will yet be another challenging year for the Group given the prevailing high newsprint price and intense competition for circulation and readership of newspapers.

The Group will strive to improve the circulation for all its newspapers and continue with its plan to enhance its core business activities. The encouraging achievement of Kosmo and Kosmo Ahad will contribute to enhance the Group's financial performance in 2007. The Group is also strengthening its online business to take advantage of the increased popularity of the new media.

Barring unforeseen circumstances, the board of directors is of the view that the Group will remain profitable in 2007.

### **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	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	RM'000	RM'000	RM'000	RM'000
Current year provision	(549)	(474)	(549)	(474)
Deferred Taxation	(261)	1,136	(261)	1,136
Total	(810)	662	(810)	662

The effective tax rates for the periods presented above are lower than statutory tax rate (27%) 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.

**B8. Quoted Securities**

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

	As at	As at
	31/03/2007	31/03/2006
	RM'000	RM'000
At cost	6,122	5,975
At book value	6,026	5,108
At market value	7,024	5,142

**B9. Status of Corporate Proposal**

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

**ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS**

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**B10. Group Borrowings**

The Group's bank borrowings were as follows:

	<b>As at 31/03/2007 RM'000</b>	<b>As at 31/03/2006 RM'000</b>
<b>Short term borrowings</b>		
Secured	15,278	13,848
Unsecured	36,632	77,946
	<u>51,910</u>	<u>91,794</u>
<b>Long term borrowings</b>		
Secured	105,376	103,412
Unsecured	-	-
	<u>105,376</u>	<u>103,412</u>
	<u>157,286</u>	<u>195,206</u>

**B11. Off Balance Sheet Risk**

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

**B12. 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.

**B13. Proposed Dividend**

No interim ordinary dividend has been declared for the financial period ended 31 March 2007 (31 March 2006: Nil).

**ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS**

**B14. 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

	<b>Current quarter ended 31/03/2007 RM'000</b>	<b>Comparative quarter ended 31/03/2006 RM'000</b>	<b>3 months cumulative ended 31/03/2007 RM'000</b>	<b>3 months cumulative ended 31/03/2006 RM'000</b>
<b>a) Basic Earnings per share</b>				
Net profit for equity holder of the parent	5,040	(2,757)	5,040	(2,757)
Weighted average number of ordinary shares in issue ('000)	110,633	109,224	110,633	109,224
Basic earnings per share (sen)	4.56	(2.52)	4.56	(2.52)
<b>b) Diluted earnings per share</b>				
Net profit for equity holder of the parent	5,040	(2,757)	5,040	(2,757)
Weighted average number of ordinary shares in issue ('000)	110,633	118,144	110,633	118,144
Adjustment for assumed exercise of share option ('000)	1,818	(8,711)	1,818	(8,711)
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	112,451	109,433	112,451	109,433
Diluted earnings per share (sen)	4.48	(2.52)	4.48	(2.52)

**BY ORDER OF THE BOARD**

**Sharina Saidon**  
Company Secretary  
Date: 23 May 2007