



Quarterly report on consolidated results for the second quarter ended
30 June 2007

The figures have not been audited

(a) Condensed Consolidated Income Statement

	Current Quarter Ended 30/06/2007 RM'000	Comparative Quarter Ended 30/06/2006 RM'000	6 months Cumulative Ended 30/06/2007 RM'000	6 months Cumulative Ended 30/06/2006 RM'000
Revenue	90,726	94,672	178,727	181,033
Other Operating Income	4,625	2,209	14,144	3,823
Changes in inventories of finished goods and work-in-progress	1,397	292	1,625	972
Raw materials and consumables used	(33,374)	(34,154)	(64,823)	(67,411)
Vendors' commissions	(11,619)	(12,211)	(23,279)	(23,880)
Transportation costs	(3,771)	(3,286)	(7,473)	(6,117)
Staff costs	(26,075)	(25,046)	(53,359)	(49,540)
Depreciation and amortisation	(6,066)	(5,295)	(12,117)	(11,333)
Other operating expenses	(11,929)	(12,719)	(21,657)	(24,854)
Finance Costs	(2,085)	(1,850)	(4,344)	(3,692)
Share of results of associates	455	353	690	468
Profit/(Loss) before taxation	2,284	2,965	8,134	(531)
Taxation	(557)	(589)	(1,367)	73
Net profit/(loss) after taxation	1,727	2,376	6,767	(458)
Attributable to:				
Equity holders of the parent	1,727	2,376	6,767	(382)
Minority interest	-	-	-	(76)
	1,727	2,376	6,767	(458)
Earnings per share attributable to equity holders of the parent :				
Basic	1.56	2.18	6.11	(0.35)
Diluted	1.54	2.16	6.02	(0.35)

(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

	As at 30/06/07	As at 31/12/06
	RM'000	RM'000
		restated
ASSETS		
Non Current Assets		
Property, plant and equipment	164,917	169,191
Prepaid lease payments	87,519	91,217
Intangible Assets	26	57
Investments in Associates	14,147	13,451
Other Investments	2,820	2,820
Long Term Receivables	220	300
Deferred Tax Assets	1,803	1,625
	<u>271,452</u>	<u>278,661</u>
Current Assets		
Inventories	51,437	73,704
Trade Debtors	50,748	59,578
Other Debtors	43,266	22,382
Marketable Securities	6,078	5,954
Cash & Cash Equivalents	49,294	44,520
	<u>200,823</u>	<u>206,138</u>
Assets of disposal group classified as held for sale	-	13,889
	<u>200,823</u>	<u>220,027</u>
TOTAL ASSETS	<u>472,275</u>	<u>498,688</u>
EQUITY AND LIABILITIES		
Share Capital	110,700	109,996
Reserves	140,952	134,892
	<u>251,652</u>	<u>244,888</u>
Total equity	<u>251,652</u>	<u>244,888</u>

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

	As at 30/06/07	As at 31/12/06
	RM'000	RM'000
		restated
Non Current Liabilities		
Retirement Benefits	8,565	8,877
Borrowings	104,688	95,103
Deferred Tax Liability	13,485	13,119
	<u>126,738</u>	<u>117,099</u>
Current Liabilities		
Retirement Benefits	1,198	1,242
Overdraft & Short Term Borrowings	37,996	68,651
Trade Payables	8,302	13,370
Other Payables	45,807	42,399
Taxation	582	457
	<u>93,885</u>	<u>126,119</u>
Liabilities directly associated with the assets classified as held for sale	-	<u>10,582</u>
	<u>93,885</u>	<u>136,701</u>
Total liabilities	220,623	253,800
TOTAL EQUITY AND LIABILITIES	<u><u>472,275</u></u>	<u><u>498,688</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

	2007	2006
	6 months ended 30 June (RM'000)	6 months ended 30 June (RM'000)
Profit before tax	8,134	(531)
Adjustment for non-cash flow:-		
Non-cash items	13,541	14,391
Operating profit before changes in working capital	<u>21,675</u>	<u>13,860</u>
Changes in working capital		
Net Change in Current Assets	33,379	34,246
Net Change in Current Liabilities	(11,276)	421
Tax paid	(701)	(1,350)
Interest paid	(4,102)	(3,024)
Net cash flows from operating activities	<u>38,975</u>	<u>44,153</u>
Investing Activities		
- Equity/Other Investments	265	67
- (Purchase)/Disposal of property, plant and equipment	(890)	(44,866)
- Net dividends received	176	160
	<u>(449)</u>	<u>(44,639)</u>
Financing Activities		
- Retirement Benefits	(900)	(2,379)
- Proceeds from issuance of shares	704	-
- Bank Borrowings	(33,940)	3,390
	<u>(34,136)</u>	<u>1,011</u>
Net Change in Cash & Cash Equivalents	4,390	525
Cash & Cash Equivalents at beginning of year	41,755	29,794
Effect of change in exchange rate	35	(41)
Cash & Cash Equivalents at end of period	<u>46,180</u>	<u>30,278</u>

(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 30 June 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>6 month - period ended 30 June 2006</u>							
At 1 January 2006	109,224	50,640	6,996	59,350	226,210	1,351	227,561
Current period's net profit	-	-	-	(382)	(382)	(76)	(458)
Disposal of Subsidiary/ Minority Interest	-	-	0	-	-	(1,275)	(1,275)
Currency Translation	-	-	(14)	-	(14)	-	(14)
As at 30 June 2006	<u>109,224</u>	<u>50,640</u>	<u>6,982</u>	<u>58,968</u>	<u>225,814</u>	-	<u>225,814</u>
<u>6 month - period ended 30 June 2007</u>							
At 1 January 2007	109,996	50,678	7,469	76,745	244,888	-	244,888
Current period's net profit	-	-	-	6,767	6,767	-	6,767
Reversal of bonus issue pursuant to disposal of subsidiaries	-	-	(745)	-	(745)	-	(745)
Issue of ordinary shares pursuant to ESOS	704	25	(25)	-	704	-	704
Currency Translation	-	-	38	-	38	-	38
As at 30 June 2007	<u>110,700</u>	<u>50,703</u>	<u>6,737</u>	<u>83,512</u>	<u>251,652</u>	-	<u>251,652</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 2006 and the accompanying explanatory notes attached to the interim financial statements)

Notes to the accounts – 30 June 2007

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:

FRS 117: 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.

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.

Notes to the accounts – 30 June 2007

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

Segment Revenue	6 months ended 30/06/2007 RM'000	6 months ended 30/06/2006 RM'000
Publishing, Distribution and Advertising	181,794	182,657
Printing	12,690	11,368
Investment Holdings & Mgt Services	717	797
Information Technology & Multimedia	1,206	1,992
Total revenue incl inter-segment sales	<u>196,407</u>	<u>196,814</u>
Elimination of inter-segment sales	<u>(17,680)</u>	<u>(15,781)</u>
Total	<u><u>178,727</u></u>	<u><u>181,033</u></u>
 Segment Results		
Publishing, Distribution and Advertising	4,688	(1,573)
Printing	(98)	1,247
Investment Holdings & Mgt Services	861	860
Information Technology & Multimedia	(3,198)	(85)
Share of results of associates	690	468
	<u>2,943</u>	<u>917</u>
Eliminations	<u>5,191</u>	<u>(1,448)</u>
Profit before tax	<u><u>8,134</u></u>	<u><u>(531)</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.

A6. Material Changes in Estimates

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

Notes to the accounts – 30 June 2007

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

The shareholders at the company's Annual General Meeting (AGM) held on 31 May 2007 had approved the first and final dividend of 2.0 sen less taxation of 27% on 110,730,837 ordinary shares for the year 2006 (2005: 2.5 sen less taxation of 28%). Payment has been made to the shareholders on 9 August 2007.

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 30/06/2007
		As at 01/01/2007	granted	exercised	lapsed/ forfeited	
Option 1	2.13	992,900	-	-	(21,000)	971,900
Option 2	1.69	454,200	-	-	(10,000)	444,200
Option 3	1.00	8,107,300	-	(580,200)	(112,200)	7,414,900
Option 4	1.00	2,383,100	-	(123,400)	-	2,259,700
		11,937,500	-	(703,600)	(143,200)	11,090,700

Notes to the accounts – 30 June 2007

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

(i) Commitments	As at 30/06/07 RM’000
Capital Expenditure:-	
Approved and contracted for	26,194
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.

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1. Review Of Current Performance

The Group registered lower revenue of RM90.7 million for the second quarter of 2007 as compared with RM94.7 million for the same quarter last year. The Group recorded lower profit before taxation and minority interest (PBTMI) of RM2.3 million as compared with PBTMI of RM3.0 million for the corresponding quarter mainly due to lower revenue. Similarly, on a year-to-date basis, the Group registered lower revenue of RM178.7 million for the period ended 30 June 2007 as compared with RM181.0 million last year. Nevertheless, the Group recorded PBTMI of RM8.1 million as compared with loss before taxation and minority interest (LBTMI) of RM0.5 million 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 higher revenue of RM90.7 million for the current quarter as compared with RM88.0 million in the preceding quarter ended 31 March 2007. However, the Group recorded lower PBTMI of RM 2.3 million in the current quarter as compared with PBTMI of RM5.9 million in the preceding quarter. PBTMI was lower by RM3.6 million mainly due to the gain on disposal of subsidiaries in the first quarter of 2007.

B3. Current Year Prospects

The remainder of the year 2007 will continue to be challenging for the Group given the prevailing high prices of newsprint and other raw materials and intense competition for circulation of and advertising revenue for newspapers.

The Group will strive to improve the circulation of 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	
	30/06/2007	30/06/2006	30/06/2007	30/06/2006
	RM'000	RM'000	RM'000	RM'000
Current year provision	(631)	(846)	(1,180)	(1,310)
Deferred Taxation	74	257	(187)	1,383
Total	(557)	(589)	(1,367)	73

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 30/06/2007 RM'000	As at 30/06/2006 RM'000
At cost	5,975	5,975
At book value	6,078	5,110
At market value	6,454	5,110

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

B10. Group Borrowings

The Group's bank borrowings were as follows:

	As at 30/06/2007 RM'000	As at 30/06/2006 RM'000
Short term borrowings		
Secured	14,461	14,742
Unsecured	23,535	78,752
	<u>37,996</u>	<u>93,494</u>
Long term borrowings		
Secured	104,688	102,978
Unsecured	-	-
	<u>104,688</u>	<u>102,978</u>
	<u>142,684</u>	<u>196,472</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 30 June 2007 (30 June 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.

	Current quarter ended 30/06/2007 RM'000	Comparative quarter ended 30/06/2006 RM'000	6 months cumulative ended 30/06/2007 RM'000	6 months cumulative ended 30/06/2006 RM'000
a) Basic Earnings per share				
Net profit for equity holder of the parent	1,727	2,376	6,767	(382)
Weighted average number of ordinary shares in issue ('000)	110,665	109,224	110,665	109,224
Basic earnings per share (sen)	1.56	2.18	6.11	(0.35)
b) Diluted earnings per share				
Net profit for equity holder of the parent	1,727	2,376	6,767	(382)
Weighted average number of ordinary shares in issue ('000)	110,665	109,224	110,665	109,224
Adjustment for assumed exercise of share option ('000)	1,666	670	1,666	670
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	112,331	109,894	112,331	109,894
Diluted earnings per share (sen)	1.54	2.16	6.02	(0.35)

BY ORDER OF THE BOARD

Sharina Saidon
Company Secretary
Date: 29 August 2007