



Quarterly report on consolidated results for the third quarter ended
30 September 2011

(a) Unaudited Condensed Consolidated Statements of Comprehensive Income

	Current Quarter Ended 30/09/2011 RM'000	Comparative Quarter Ended 30/09/2010 RM'000	9 months Cumulative Ended 30/09/2011 RM'000	9 months Cumulative Ended 30/09/2010 RM'000
Revenue	92,136	90,381	266,756	246,611
Other Operating Income	11,644	2,616	15,377	6,305
Changes in inventories of finished goods and work-in-progress	(1,868)	1,448	(617)	5,870
Raw materials and consumables used	(24,933)	(26,856)	(84,900)	(77,536)
Vendors' commissions	(11,482)	(11,330)	(34,644)	(33,473)
Transportation costs	(4,274)	(3,658)	(11,891)	(9,981)
Staff costs	(31,819)	(29,954)	(93,611)	(89,169)
Depreciation/amortisation	(5,687)	(6,432)	(17,397)	(19,658)
Other operating expenses	(13,301)	(12,938)	(36,338)	(36,041)
Finance Costs	(1,873)	(1,692)	(5,276)	(4,659)
Share of results of associates	6,274	151	7,505	1,049
Profit/(Loss) before taxation	14,817	1,736	4,964	(10,682)
Taxation	215	(106)	2,506	1,195
Net profit/(loss) after taxation	15,032	1,630	7,470	(9,487)
Other comprehensive income:				
Net gain on available-for-sale financial assets:				
- gain on fair value changes	(3,601)	383	617	1,501
- transfer to profit or loss upon disposal	(15)		(15)	
Foreign currency translation	(64)	158	(283)	255
Total comprehensive income	11,352	2,171	7,789	(7,731)

(a) Unaudited Condensed Consolidated Statements of Comprehensive Income (contd)

	Current Quarter Ended 30/09/2011 RM'000	Comparative Quarter Ended 30/09/2010 RM'000	9 months Cumulative Ended 30/09/2011 RM'000	9 months Cumulative Ended 30/09/2010 RM'000
Net profit/(loss) after taxation attributable to:				
Equity holders of the parent	15,032	1,630	7,470	(9,487)
Total comprehensive income attributable to:				
Equity holders of the parent	11,352	2,171	7,789	(7,731)
Earnings per share attributable to equity holders of the parent:				
Basic	13.57	1.47	6.75	(8.57)
Diluted	13.57	1.47	6.75	(8.57)

(The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

**(b) Unaudited Condensed Consolidated Statement of Financial Position
As At 30 September 2011**

	As at 30/09/11 RM'000	As at 31/12/10 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	228,994	242,298
Investment properties	15,338	7,995
Intangible Assets	1,518	2,292
Investments in Associates	26,980	25,238
Investment Securities	20,895	19,406
Other Investments	14,378	1,379
Long Term Receivables	512	450
Deferred Tax Assets	1,163	1,171
	309,778	300,229
Current Assets		
Inventories	48,617	73,830
Trade and Other Receivables	101,809	93,583
Investment Securities	-	1,089
Cash & Cash Equivalents	65,662	48,557
	216,088	217,059
TOTAL ASSETS	525,866	517,288
EQUITY AND LIABILITIES		
Share Capital	110,734	110,734
Reserves	191,810	179,693
	302,544	290,427
Total equity	302,544	290,427

**(b) Unaudited Condensed Consolidated Statement of Financial Position
As At 30 September 2011 (contd)**

	As at 30/09/11 RM'000	As at 31/12/10 RM'000
Non Current Liabilities		
Retirement Benefits	4,336	5,543
Borrowings	82,259	78,671
Deferred Tax Liability	13,862	17,215
	100,457	101,429
Current Liabilities		
Retirement Benefits	572	731
Overdraft & Short Term Borrowings	66,689	60,667
Trade and Other Payables	55,557	61,881
Taxation	47	2,153
	122,865	125,432
Total liabilities	223,322	226,861
TOTAL EQUITY AND LIABILITIES	525,866	517,288

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

(c) Unaudited Condensed Consolidated Statement of Cash Flow

	2011	2010
	9 months ended 30 Sept (RM'000)	9 months ended 30 Sept (RM'000)
Profit/(Loss) before tax	4,964	(10,682)
Adjustment for non-cash flow:-		
Non-cash items	24,420	20,868
Operating profit before changes in working capital	<u>29,384</u>	<u>10,186</u>
Changes in working capital		
Net Change in Current Assets	12,176	(41,965)
Net Change in Current Liabilities	(6,357)	19,685
Tax paid/refund	(2,707)	(1,172)
RPGT paid	(224)	-
Interest paid	(4,717)	(2,569)
Net cash flows from operating activities	<u>27,555</u>	<u>(15,835)</u>
Investing Activities		
- Equity/Other Investments	(672)	6,241
- (Purchase)/Disposal of property, plant and equipment	(18,908)	(15,117)
- Net dividends received	1,341	529
	<u>(18,239)</u>	<u>(8,347)</u>
Financing Activities		
- Retirement Benefits	(1,090)	(1,469)
- Drawdown/(Repayment) of Bank Borrowings	9,609	18,743
	<u>8,519</u>	<u>17,274</u>
Net Change in Cash & Cash Equivalents	17,835	(6,908)
Cash & Cash Equivalents at beginning of period	46,829	56,752
Effect of change in exchange rate	(291)	265
Cash & Cash Equivalents at end of period	<u>64,373</u>	<u>50,109</u>

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements)

(d) Unaudited Condensed Consolidated Statement of Changes In Equity

	<Attributable to Equity Holders of the Parent>				
	<Non-Distributable>			Retained Profits	Total Equity
	Share Capital	Share Premium	Other Reserves		
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Financial Period Ended 30 September 2010					
At 1 January 2010	110,734	50,703	10,674	112,749	284,860
Effect of adopting FRS 139	-	-	779	438	1,217
At 1 January 2010 (As restated)	110,734	50,703	11,453	113,187	286,077
Total comprehensive income for the period	-	-	1,756	(9,487)	(7,731)
As at 30 Sept 2010	110,734	50,703	13,209	103,700	278,346
Financial Period Ended 30 September 2011					
At 1 January 2011	110,734	50,703	13,525	115,465	290,427
Impact on retained earnings upon disposal of 70% equity in a subsidiary	-	-	(860)	5,188	4,328
Total comprehensive income for the period	-	-	319	7,470	7,789
As at 30 Sept 2011	110,734	50,703	12,984	128,123	302,544

(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 2010 and the accompanying explanatory notes attached to the interim financial statements)

Notes to the accounts – 30 September 2011

A1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards, the Companies Act, 1965 in Malaysia 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 2010. 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 2010.

A2. Changes in Accounting Policies

The accounting policies and presentation adopted are consistent with those adopted in the audited financial statements for the year ended 31 December 2010, except as follows:

Effective for financial periods beginning on or after 1 March 2010

- Amendments to FRS 132: Classification of Rights Issues

Effective for financial periods beginning on or after 1 July 2010

- FRS 3 Business Combinations (Revised)
- Amendments to FRS 127: Consolidated and Separate Financial Statements
- Amendments to FRS 2 Share-based Payment
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 138 Intangible Assets
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011

- Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
- Amendments to FRS 3: Business Combinations [Improvements to FRS (2010)]
- Amendments to FRS 7: Improving Disclosures about Financial Instruments
- Amendments to FRS 7: Financial Instruments: Disclosures [Improvement to FRS (2010)]
- Amendments to FRS 101: Presentation of Financial Statements [Improvements to FRS (2010)]
- Amendments to FRS 121: The Effects of Changes in Foreign Exchange Rates [Improvements to FRS (2010)]
- Amendments to FRS 128: Investments in Associates [Improvements to FRS (2010)]
- Amendments to FRS 131: Interests in Joint Ventures [Improvements to FRS (2010)]
- Amendments to FRS 132: Financial Instruments: Presentation [Improvements to FRS (2010)]

Notes to the accounts – 30 September 2011

A2. Changes in Accounting Policies (Contd.)

Effective for financial periods beginning on or after 1 January 2011 (contd.)

- Amendments to FRS 134: Interim Financial Reporting [Improvements to FRS (2010)]
- Amendments to FRS 139: Financial Instruments: Recognition and Measurement [Improvements to FRS (2010)]
- IC Interpretation 4: Determining whether an Arrangement contains a Lease
- Amendments to IC Interpretation 13: Customer Loyalty Programme [Improvements to FRS (2010)]
- IC Interpretation 18: Transfer of Assets from Customers

The adoption of the above Standards, Interpretations and Amendments do not have any significant financial impact on the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

A4. Segmental Reporting

Segment Revenue	30/09/2011 RM'000	30/09/2010 RM'000
Publishing, Distribution and Advertising	266,039	247,770
Printing	11,906	14,032
Investment Holdings & Mgt Services	2,289	1,931
Information Technology & Multimedia	3,598	2,280
Total revenue incl inter-segment sales	<u>283,832</u>	<u>266,013</u>
Elimination of inter-segment sales	<u>(17,076)</u>	<u>(19,402)</u>
Total	<u><u>266,756</u></u>	<u><u>246,611</u></u>

Segment Results

Publishing, Distribution and Advertising	16,240	(11,535)
Printing	(3,785)	(2,264)
Investment Holdings & Mgt Services	1,914	1,810
Information Technology & Multimedia	(760)	(780)
Share of results of associates	7,505	1,049
	<u>21,114</u>	<u>(11,720)</u>
Eliminations	<u>(16,150)</u>	<u>1,038</u>
Profit/(Loss) before tax	<u><u>4,964</u></u>	<u><u>(10,682)</u></u>

Notes to the accounts – 30 September 2011

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

The directors did not recommend any payment of dividend in respect of the financial year ended 31 December 2010.

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 2010.

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 01/01/2011	lapsed/ forfeited	As at 30/06/2011
Option 1	2.13	908,900	-	908,900
Option 2	1.69	419,100	-	419,100
Option 3	1.00	6,803,100	(27,900)	6,775,200
Option 4	1.00	1,960,800	-	1,960,800
		10,091,900	(27,900)	10,064,000

Notes to the accounts – 30 September 2011

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 12 August 2011 the Board of Directors of Utusan Melayu (Malaysia) Berhad (UMMB) had announced to Bursa Malaysia that UMMB had entered into a Share Sale Agreement with DTSP Consortium Sdn Bhd for the disposal of 3,500,000 ordinary shares of RM1.00 each in its subsidiary, Utusan Printcorp Sdn Bhd (UPSB) representing 70% of the issued and paid-up share capital of UPSB for the purchase consideration of RM1.00. Upon completion of the Agreement effectively on 1 September 2011 UPSB has become an associate of UMMB.

A12. Commitments and Contingent Liabilities/Assets

(i) Commitments	As at 30/09/11 RM'000
Capital Expenditure:-	
Approved and contracted for	74,401
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 period under review.

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B1. Review Of Current Performance

The Group registered higher revenue of RM266.8 million for the period ended 30 September 2011 as compared with RM246.6 million for the same period last year mainly due to the contribution from advertising segment. In addition, gain of RM8.3 million on disposal of a subsidiary and higher contribution by associates had enabled the Group to record profit before taxation (PBT) of RM5.0 million as compared with the loss before taxation (LBT) of RM10.9 million last year.

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's revenue for the current quarter was higher at RM92.1 million as compared with RM88.8 million in the preceding quarter ended 30 June 2011 mainly due to the increase in advertising revenue. The Group recorded a PBT of RM14.8 million as compared with LBT of RM3.0 million for the preceding quarter as a result of higher revenue recognition, gain on disposal of a subsidiary and higher contribution from associates in the current quarter.

B3. Current Year Prospects

The Group's circulation revenue is expected to grow positively in 2011 mainly driven by Kosmo. The advertising segment which experienced a decline last year bounced back by registering a 10% growth in ten months this year. This positive growth is expected to continue until the year end. The increase in revenue and the gain on disposal of a subsidiary will cushion the impact of increasing operational costs particularly the raw material costs in 2011.

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/credit for the period comprises the following:

	Current Quarter		Year-to-date	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Current/prior year taxation	(239)	(310)	(839)	(672)
Deferred Taxation	454	204	3,345	1,867
Total	215	(106)	2,506	1,195

The effective tax rates are lower than statutory tax rate (2011: 25% and 2010: 25%) principally due to the increase in unabsorbed capital allowances arising from the upgrade of printing plants.

B6. Sale of Unquoted Investments and Properties

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

B7. Investment Securities (Non Current & Current)

There was no purchase or disposal of quoted securities for the current period under review except for the following:

Investment Securities	Current Quarter		Year-to-date	
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Non Current				
Purchase	-	-	900	-
Sale proceeds	28		28	
Current				
Sale proceeds	-	251	1,138	4,423

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

	As at 30/09/2011		As at 30/09/2010	
	RM'000		RM'000	
	Non Current	Current	Non Current	Current
At cost	20,418	-	11,792	1,140
At book value	20,895	-	11,291	1,281
At market value	20,895	-	11,291	1,281

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 were as follows:

	As at 30/09/2011 RM'000	As at 30/09/2010 RM'000
Short term borrowings		
Secured	15,835	12,950
Unsecured	<u>50,854</u>	<u>53,255</u>
	66,689	66,205
Long term borrowings		
Secured	82,259	79,590
Unsecured	<u>-</u>	<u>-</u>
	82,259	79,590
	<u>148,948</u>	<u>145,795</u>

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. Proposed Dividend

No interim ordinary dividend has been declared for the financial period ended 30 September 2011 (30 September 2010: Nil)

ADDITIONAL INFORMATION REQUIRED BY BMSB'S LISTING REQUIREMENTS

B13. Realised and Unrealised Profits or Losses

The breakdown of retained profits of the Group as at the reporting date into realised and unrealised profits is as follows:

	As at 30/09/2011 RM'000	As at 31/12/2010 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	83,278	47,179
- Unrealised loss	(12,747)	(15,983)
	<u>70,531</u>	<u>31,196</u>
 Total share of retained profits from associated companies		
- Realised	23,150	22,546
- Unrealised loss	(400)	(22)
	<u>22,750</u>	<u>22,524</u>
	<u>93,281</u>	<u>53,720</u>
 Add: Consolidation adjustments	34,842	61,745
 Total group retained profits	<u>128,123</u>	<u>115,465</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements* issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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 30/09/2011 RM'000	Comparative quarter ended 30/09/2010 RM'000	9 months cumulative ended 30/09/2011 RM'000	9 months cumulative ended 30/9/2010 RM'000
a) Basic Earnings per share				
Net loss for equity holder of the parent	15,032	1,630	7,470	(9,487)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Basic earnings per share (sen)	13.57	1.47	6.75	(8.57)
b) Diluted earnings per share				
Net loss for equity holder of the parent	15,032	1,630	7,470	(9,487)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Adjustment for assumed exercise of share option ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	110,734	110,734	110,734	110,734
Diluted earnings per share (sen)	13.57	1.47	6.75	(8.57)

BY ORDER OF THE BOARD

Sharina Saidon

Company Secretary

Date: 30 November 2011