

**Condensed consolidated interim financial statements
for the three-month period ended 31 March 2012 (unaudited)**
Condensed Consolidated statement of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Revenue		81,941	85,828	81,941	85,828
Other income		2,332	1,769	2,332	1,769
Changes in inventories of finished goods and work-in-progress		814	(415)	814	(415)
Raw materials and consumables used		(29,177)	(30,866)	(29,177)	(30,866)
Vendors' commissions		(11,775)	(11,518)	(11,775)	(11,518)
Transportation costs		(3,646)	(3,807)	(3,646)	(3,807)
Employee benefits expense		(31,261)	(30,812)	(31,261)	(30,812)
Depreciation and amortisation		(5,491)	(5,976)	(5,491)	(5,976)
Other expenses		(9,474)	(10,026)	(9,474)	(10,026)
Finance costs		(1,565)	(1,730)	(1,565)	(1,730)
Operating loss		(7,302)	(7,553)	(7,302)	(7,553)
Share of results of associates		425	660	425	660
Loss before tax	6	(6,877)	(6,893)	(6,877)	(6,893)
Income tax	7	1,164	(197)	1,164	(197)
Loss for the period, net of tax		(5,713)	(7,090)	(5,713)	(7,090)
Other comprehensive income					
Net gain on available-for-sale financial assets					
- Gain on fair value changes		1,489	3,859	1,489	3,859
- Transfer to profit or loss upon disposal		-	-	-	-
Foreign currency translation		143	(163)	143	(163)
Other comprehensive income for the period, net of tax		1,632	3,696	1,632	3,696
Total comprehensive income for the period		(4,081)	(3,394)	(4,081)	(3,394)

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Condensed Consolidated statement of comprehensive income (contd.)

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		31 March 2012 RM'000	31 March 2012 RM'000	31 March 2012 RM'000	31 March 2012 RM'000
Profit attributable to:					
Owners of the parent		(5,713)	(7,090)	(5,713)	(7,090)
Total comprehensive income attributable to:					
Owners of the parent		(4081)	(3394)	(4081)	(3394)
Earnings per share attributable to owners of the parent (sen):					
Basic, for profit for the year	8	(5.16)	(6.40)	(5.16)	(6.40)
Diluted, for profit for the year	8	(5.16)	(6.40)	(5.16)	(6.40)

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated statement of financial position (unaudited)

	Note	31 March 2012 RM'000	31 December 2011 RM'000 Restated	1 January 2011 RM'000 Restated
Assets				
Non-current assets				
Property, plant and equipment	9	230,868	228,845	242,298
Investment properties		14,027	14,083	7,995
Intangible assets	10	1,689	1,742	2,292
Investments in associates		27,873	27,448	25,238
Investment securities	13	23,508	22,019	19,406
Other investments	13	14,379	14,379	1,379
Deferred tax assets		1,323	1,302	1,171
Long term receivables		559	584	450
Trade and other receivables		14,845	14,845	0
		<u>329,070</u>	<u>325,246</u>	<u>300,230</u>
Current assets				
Inventories	11	44,042	34,907	73,830
Trade and other receivables		86,128	97,040	93,583
Investment securities		-	-	1,089
Cash and bank balances	12	59,990	67,598	48,557
		<u>190,159</u>	<u>199,545</u>	<u>217,059</u>
Total assets		<u>519,229</u>	<u>524,791</u>	<u>517,289</u>
Equity and liabilities				
Equity attributable to owners of the parent				
Share capital		110,734	110,734	110,734
Share premium		50,703	50,703	50,703
Other reserves		11,300	9,438	8,144
Retained earnings		133,226	139,169	120,846
Total equity		<u>305,963</u>	<u>310,044</u>	<u>290,427</u>

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Condensed Consolidated statement of financial position (contd.)

	Note	31 March 2012 RM'000	31 December 2011 RM'000 Restated	1 January 2011 RM'000 Restated
Non-current liabilities				
Retirement benefit obligations		3,932	3,910	5,543
Loans and borrowings	15	81,899	83,200	78,671
Deferred tax liabilities		10,505	12,529	17,215
		<u>96,336</u>	<u>99,638</u>	<u>101,430</u>
Current liabilities				
Retirement benefit obligations		574	571	731
Loans and borrowings	15	60,977	56,844	60,667
Trade and other payables		53,771	56,137	61,881
Taxation		1,608	1,557	2,154
		<u>116,931</u>	<u>115,109</u>	<u>125,432</u>
Total liabilities		<u>213,266</u>	<u>214,747</u>	<u>226,862</u>
Total equity and liabilities		<u>519,229</u>	<u>524,791</u>	<u>517,289</u>

These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed consolidated statement of changes in equity

	[-----Attributable to owners of the parent-----]									
	I-----Non-distributable-----I		Distributable		I-----Non-distributable-----I					
Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Other reserves RM'000	Fair value adjustment reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Share option reserve RM'000	Capital reserve RM'000	Total equity RM'000
At 1 January 2011	110,734	50,703	115,465	13,525	2,597	6,008	77	390	4,453	290,427
Total comprehensive income	-	-	(7,090)	3,696	3,859	-	(163)	-	-	(3,394)
At 31 March 2011	110,734	50,703	108,375	17,221	6,456	6,008	(86)	390	4,453	287,033
At 1 January 2012	110,734	50,703	133,788	14,819	4,844	5,148	(15)	389	4,453	310,044
Total comprehensive income	-	-	(5,713)	1,632	1,489	-	143	-	-	(4,081)
Transactions with owners										
Forfeiture of share options granted under ESOS	-	-	3	(3)	(3)	-	-	-	-	-
Effect of adopting MFRS optional exemptions - deemed cost	-	-	5,148	(5,148)	-	(5,148)	-	-	-	-
At 31 March 2012	110,734	50,703	133,226	11,300	6,330	-	128	389	4,453	305,963

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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**Condensed consolidated interim financial statements
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Condensed consolidated statement of cash flows

	Note	3 months ended	
		31 March 2012 RM'000	31 March 2011 RM'000
Cash flows from operating activities			
Loss before taxation		(6,877)	(6,893)
Adjustments for:			
Impairment loss on trade and other receivables		409	349
Reversal of impairment loss on trade and other receivables		(5)	-
Gain on disposal of held for trading investment		-	(22)
Provision for retirement benefits		162	237
Share of results of associates		(425)	(660)
Interest income		(405)	(93)
Interest expenses		1,442	1,555
Depreciation of property, plant and equipment		5,385	5,453
Amortisation of intangible assets		106	527
Gain on disposal of property, plant and equipment		(25)	-
Property, plant and equipment written off		-	59
Dividend income		(211)	(82)
Operating profit before working capital changes		(445)	429
Decrease/(increase) in receivables		10,595	(7,408)
(Increase)/decrease in inventories		(9,135)	1,450
(Decrease)/increase in payables		(2,802)	6,070
Cash (used in)/generated from operations		(1,786)	541
Interest paid		(1,539)	(1,514)
Taxes paid		(898)	(296)
Real property gains tax paid		-	(168)
Net cash used in operating activities		(4,224)	(1,437)
Cash flows from investing activities			
Interest received		405	93
Purchase of property, plant and equipment		(7,270)	(5,849)
Purchase of intangible assets		(53)	(16)
Proceeds from disposal of property, plant and equipment		25	2
Dividends received		207	82
Net cash used in investing activities		(6,685)	(5,689)

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Condensed consolidated interim financial statements
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Condensed consolidated statement of cash flows (contd.)

	3 months ended	
	31 March 2012	31 March 2011
	RM'000	RM'000
Cash flows from financing activities		
Drawdown of short term borrowings	2,123	8,170
Drawdown of term loan	6,240	-
Payment of hire purchase payables	(7)	(5)
Repayment of long term borrowings	(5,596)	(4,963)
Payment of retirement benefits	398	(400)
Withdrawal of pledged fixed deposits	110	-
Net cash generated from financing activities	<u>3,267</u>	<u>2,803</u>
Net increase/(decrease) in cash and cash equivalents	(7,641)	(4,323)
Effects of foreign exchange rate changes	143	(167)
Cash and cash equivalents at 1 January	<u>67,022</u>	<u>46,829</u>
Cash and cash equivalents at 31 March	<u>59,523</u>	<u>42,339</u>

These condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Explanatory notes pursuant to MFRS 134
For the three-month period ended 31 March 2012

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

2. First -time adoption of Malaysian Financial Reporting Standards ("MFRS")

These condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company's registered office at Level 7, Menara PGRM, No 8 Jalan Pudu Ulu, 56100 Kuala Lumpur.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the periods covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysia Financial Reporting Standards ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

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Explanatory notes pursuant to MFRS 134
For the three-month period ended 31 March 2012

3. Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

(a) Business combination

MFRS 1 provides the option to apply MFRS Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
- (iii) The carrying amount of goodwill recognised under FRS is not adjusted.

(b) Property, plant and equipment

The Group previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain buildings at revalued amounts but had not adopted a policy of revaluation and continued to carry those buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of land, buildings and machines as at 22 July 1986 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The asset revaluation reserves of RM5,147,994.75 (31 March 2011: RM5,147,994.75; 31 December 2011: RM5,147,994.75) was transferred to retained earnings on date of transition to MFRS.

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3. Significant accounting policies and application of MFRS 1 (contd.)

(c) Quoted equity instruments

The quoted equity instruments at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

(d) Foreign currency translation reserve

Under FRS, the Group recognised translation differences on foreign operations in a separate component of equity. The Group has not elected to deem cumulative foreign currency translation differences in respect of all foreign operations to be zero at the date of transition to MFRS.

(e) Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

**Explanatory notes pursuant to MFRS 134
For the three-month period ended 31 March 2012**
3. Significant accounting policies and application of MFRS 1 (contd.)

(i) Reconciliation of equity as at 1 January 2011

	FRS as at 1 January 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 1 January 2011 RM'000
Assets			
Non-current assets			
Property, plant and equipment	242,298		242,298
Investment properties	7,995		7,995
Intangible assets	2,292		2,292
Investments in associates	25,238		25,238
Investment securities	19,406		19,406
Other investments	1,379		1,379
Deferred tax assets	1,171		1,171
Long term receivables	450		450
Trade and other receivables	-		-
	<u>300,230</u>		<u>300,230</u>
Current assets			
Inventories	73,830		73,830
Trade and other receivables	93,583		93,583
Investment securities	1,089		1,089
Cash and bank balances	48,557		48,557
	<u>217,059</u>		<u>217,059</u>
Total assets	517,289		517,289
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	110,734		110,734
Share premium	50,703		50,703
Other reserves	13,525	(5,148)	8,377
Retained earnings	115,465	5,148	120,613
Total equity	<u>290,427</u>		<u>290,427</u>
Non-current liabilities			
Retirement benefit obligations	5,543		5,543
Loans and borrowings	78,671		78,671
Deferred tax liabilities	17,215		17,215
	<u>101,430</u>		<u>101,430</u>
Current liabilities			
Retirement benefit obligations	731		731
Loans and borrowings	60,667		60,667
Trade and other payables	61,881		61,881
Taxation	2,154		2,154
	<u>125,432</u>		<u>125,432</u>
Total liabilities	<u>226,862</u>		<u>226,862</u>
Total equity and liabilities	<u>517,289</u>		<u>517,289</u>

**Explanatory notes pursuant to MFRS 134
For the three-month period ended 31 March 2012**
3. Significant accounting policies and application of MFRS 1 (contd.)

(ii) Reconciliation of equity as at 31 March 2011

	FRS as at 31 March 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 31 March 2011 RM'000
Assets			
Non-current assets			
Property, plant and equipment	242,659		242,659
Investment properties	7,970		7,970
Intangible assets	1,781		1,781
Investments in associates	25,902		25,902
Investment securities	23,265		23,265
Other investments	1,379		1,379
Deferred tax assets	1,320		1,320
Long term receivables	465		465
Trade and other receivables	-		-
	<u>304,741</u>		<u>304,741</u>
Current assets			
Inventories	72,380		72,380
Trade and other receivables	100,578		100,578
Investment securities	1,111		1,111
Cash and bank balances	43,796		43,796
	<u>217,865</u>		<u>217,865</u>
Total assets	522,606		522,606
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	110,734		110,734
Share premium	61,164		61,164
Other reserves	6,760	(5,148)	1,612
Retained earnings	108,375	5,148	113,523
Total equity	<u>287,033</u>		<u>287,033</u>
Non-current liabilities			
Retirement benefit obligations	5,447		5,447
Loans and borrowings	73,657		73,657
Deferred tax liabilities	17,215		17,215
	<u>96,319</u>		<u>96,319</u>
Current liabilities			
Retirement benefit obligations	664		664
Loans and borrowings	68,613		68,613
Trade and other payables	67,824		67,824
Taxation	2,154		2,154
	<u>139,255</u>		<u>139,255</u>
Total liabilities	<u>235,574</u>		<u>235,574</u>
Total equity and liabilities	<u>522,606</u>		<u>522,606</u>

Explanatory notes pursuant to MFRS 134
For the three-month period ended 31 March 2012
3. Significant accounting policies and application of MFRS 1 (contd.)

(iii) Reconciliation of equity as at 31 December 2011

	FRS as at 31 December 2011 RM'000	Note 3 (b) Property, plant and equipment RM'000	MFRS as at 31 December 2011 RM'000
Assets			
Non-current assets			
Property, plant and equipment	228,845		228,845
Investment properties	14,083		14,083
Intangible assets	1,742		1,742
Investments in associates	27,448		27,448
Investment securities	22,019		22,019
Other investments	14,379		14,379
Deferred tax assets	1,302		1,302
Long term receivables	584		584
Trade and other receivables	14,845		14,845
	<u>325,246</u>		<u>325,246</u>
Current assets			
Inventories	34,907		34,907
Trade and other receivables	97,040		97,040
Investment securities	-		-
Cash and bank balances	67,598		67,598
	<u>199,545</u>		<u>199,545</u>
Total assets	524,791		524,791
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital	110,734		110,734
Share premium	50,703		50,703
Other reserves	19,967	(5,148)	14,819
Retained earnings	128,640	5,148	133,788
Total equity	<u>310,044</u>		<u>310,044</u>
Non-current liabilities			
Retirement benefit obligations	3,910		3,910
Loans and borrowings	83,200		83,200
Deferred tax liabilities	12,529		12,529
	<u>99,638</u>		<u>99,638</u>
Current liabilities			
Retirement benefit obligations	571		571
Loans and borrowings	56,844		56,844
Trade and other payables	56,137		56,137
Taxation	1,557		1,557
	<u>115,109</u>		<u>115,109</u>
Total liabilities	<u>214,747</u>		<u>214,747</u>
Total equity and liabilities	<u>524,791</u>		<u>524,791</u>

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4. Changes in estimates

There were no changes in estimates that have had a material effect in the current interim results.

5. Changes in composition of the Group

There were no changes in composition of the Group that have had a material effect in the current interim results.

6. Loss before tax

Included in the loss before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Interest income	405	93	405	93
Interest expense	1,442	1,555	1,442	1,555
Impairment loss on trade receivables	409	349	409	349
Gain on disposal of property, plant & equipment	25	-	25	-
Net fair value gain on held for trading investment securities	-	23	-	23
Depreciation of property, plant and equipment	5,385	5,453	5,385	5,453
Amortisation of intangible assets	106	527	106	527

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7. Income tax expense

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2012 RM'000	31 March 2011 RM'000	31 March 2012 RM'000	31 March 2011 RM'000
Current tax:				
Malaysian income tax	(881)	(48)	(881)	(48)
Deferred tax	2,045	(149)	2,045	(149)
	<u>1,164</u>	<u>(197)</u>	<u>1,164</u>	<u>(197)</u>

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rates are lower than statutory tax rate (2012: 25% and 2011: 25%) principally due to the increase in unabsorbed capital allowances arising from the upgrade of printing plants and also adjustment of accruals.

8. Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares held by the Company.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive ordinary shares into ordinary shares.

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Explanatory notes pursuant to MFRS 134
For the three-month period ended 31 March 2012

8. Earnings Per Share (contd.)

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Profit net of tax attributable to owners of the parent used in the computation of earnings per share (RM'000)	(5,713)	(7,090)	(5,713)	(7,090)
Weighted average number of ordinary shares in issue ('000)	110,734	110,734	110,734	110,734
Effects of dilution				
- Share options ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	110,734	110,734	110,734	110,734
Basic earnings per share (sen)	(5.16)	(6.40)	(5.16)	(6.40)
Diluted earnings per share (sen)	(5.16)	(6.40)	(5.16)	(6.40)

9. Property, plant and equipment

Acquisitions and disposals

During the three months ended 31 March 2012, the Group acquired assets at a cost of RM7,269,761 (31 March 2011: RM5,849,073). Included in the total assets acquired is an amount of construction work-in-progress of RM6,586,118 (31 March 2011: RM5,036,365). This construction work-in-progress represents the expenditure incurred for the construction of a new corporate head office building. This project is expected to be completed in January 2013.

Assets with a carrying amount of RM15,000 were disposed of by the Group during the three months ended 31 March 2012 (31 March 2011: RM801,000), resulting in a gain on disposal of RM105,000 (31 March 2011: RM247,000), recognised and included in other income in the statement of comprehensive income.

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10. Intangible assets

Included in the intangible assets is goodwill arising from acquisition of a subsidiary amounting to RM50,000 (31 March 2011: RM785,613).

Goodwill is tested for impairment annually (31 December) and as at 31 December 2011 it has been allocated to the cash-generating units ("CGU") of the Publishing, Distributions and Advertisement segments for impairment testing. The key assumptions used to determine the recoverable amount for the different cash generating units were discussed in the annual financial statements for the year ended 31 December 2011.

11. Inventories

There are no write-down of inventories to net realisable value and reversal of write-down inventories during the three months ended 31 March 2012.

12. Cash and cash equivalents

Cash and cash equivalents compared the following amounts

	31 March 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Cash at bank and in hand	38,905	44,972	34,376
Short Term Deposit	21,085	22,626	14,181
Total cash and cash equivalents	59,990	67,598	48,557

13. Fair value hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted priced (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

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13. Fair value hierarchy (contd.)

As at reporting date, the Group held the following financial assets that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
31 March 2012				
Available-for-sale financial assets				
- Equity instrument	37,886	23,508	-	14,379
31 December 2011				
Available-for-sale financial assets				
- Equity instrument	36,397	22,019	-	14,379
1 January 2011				
financial assets				
- Equity instrument	20,785	19,406	-	1,379

No transfer between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

14. Share capital, share premium and treasury shares

There are no movement in share capital, share premium and treasury shares during the financial period ended 31 March 2012.

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15. Interest bearing loans and borrowings

	31 March 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Short term borrowings			
Secured	13,781	16,170	12,920
Unsecured	47,196	40,674	47,748
	<u>60,977</u>	<u>56,844</u>	<u>60,667</u>
Long term borrowings			
Secured	-	-	-
Unsecured	81,899	83,200	78,671
	<u>81,899</u>	<u>83,200</u>	<u>78,671</u>
	<u>142,876</u>	<u>140,043</u>	<u>139,339</u>

16. Dividends

The directors did not recommend any payment of dividend in respect of the financial year ended 31 December 2011.

17. Commitments

	31 March 2012 RM'000	31 December 2011 RM'000	1 January 2011 RM'000
Capital expenditure			
Approved and contracted for:			
Property, plant and equipment	-	-	86,000
Approved but not contracted for:			
Property, plant and equipment	67,117	71,974	-

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18. Contingent liabilities

There is one (1) new material litigation against the Group since the last status reported for the position as at 31 December 2011. As at 31 March 2012 the contingent liabilities amount stood at RM516.63 million, higher than what was reported at 31 December 2011.

After taking appropriate legal advice, no provision has been made in the financial results of the Group as at 31 March 2012 as the Directors are of the opinion that most of the claims have no sustainable merit.

19. Related party transactions

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 31 March 2012 and 31 March 2011:

	2012 RM'000	2011 RM'000
Services rendered by Utusan Transport Sdn Bhd and Group, an associate	2,473	2,800
Services rendered by Utusan Printcorp Sdn Bhd and Group, an associate	2,152	-

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20. Segment information

	Publishing, distribution and advertisements	Printing	Information technology and multimedia	Investment holding, management services and others	Total	Adjustments and eliminations	Per consolidated financial statements
	31 March 2012	31 March 2012	31 March 2012	31 March 2012	31 March 2012	31 March 2012	31 March 2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	79,332	-	2,134	475	81,941	-	81,941
Inter-segment	2,562	-	23	50	2,635	(2,635)	(0)
Total revenue	81,893	-	2,157	525	84,576	(2,635)	81,941
Segment profit/(loss) (Note A)	(7,700)	37	40	345	(7,278)	400	(6,877)
	31 March 2011	31 March 2011	31 March 2011	31 March 2011	31 March 2011	31 March 2011	31 March 2011
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:							
External customers	82,237	2,038	1,344	209	85,828	-	85,828
Inter-segment	2,196	2,310	44	323	4,873	(4,873)	-
Total revenue	84,432	4,348	1,388	533	90,701	(4,873)	85,828
Segment profit/(loss) (Note A)	(6,746)	(999)	(143)	423	(7,465)	572	(6,893)

Note A

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	31 March 2012	31 March 2011
	RM'000	RM'000
Segment loss	(7,278)	(7,465)
Share of profit of associates	425	660
Finance costs	1,565	1,730
Unallocated corporate expenses	(1,589)	(1,818)
Loss before tax	(6,877)	(6,893)

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20. Segment information (contd)

The Group comprises the following main business segments:

- (i) Publishing, distribution and advertisements - publishing and distribution of newspapers, magazines and books and print and online advertising;
- (ii) Printing - printing of magazines and books;
- (iii) Information technology and multimedia; and
- (iv) Investment holding, management services and others.

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21. Performance review

Revenue for the current quarter under review of RM81.9 million was 4.5% lower than that of the preceding year's corresponding quarter of RM85.8 million. The decrease was mainly due to the exclusion of the printing segment's revenue arising from the disposal of 70% equity in a subsidiary in the 3rd quarter last year coupled with lower revenue generated from the publishing, distribution and advertising segment. However the Group's pre tax loss remained at RM6.9 million.

The performance of the respective operating business segments for the current quarter as compared with the corresponding quarter last year is analysed as follows:-

- i. Publication, distribution and advertisements
Revenue decreased by 3.5% primarily due to the government tenders for distribution of school books in the corresponding quarter last year. As a result this segment's loss has increased by 14.1%. Nevertheless advertising revenue has increased by 9.9%.
- ii. Printing
No revenue was recognised for the current quarter under review as the subsidiary namely, Utusan Printcorp Sdn Bhd ("Printcorp") which was the main contributor for this segment has been disposed in September 2011. The Group retains 30% interest in Printcorp which made Printcorp an associate to the Group.
- iii. Information technology and multimedia
This segment recorded revenue growth of 58.8% hence registering a small profit as compared with a small loss in the same period last year.
- iv. Investment holding, management services and others
Profit dropped 18.4% despite similar revenue amount due to higher operating costs.

22. Comparison with the immediate preceding quarter results

The Group recorded pre-tax loss of RM6.9 million for the current quarter compared with pre-tax profit of RM11.4 million for the preceding quarter. This is largely due to lower revenue of RM81.9 million compared with RM99.8 million previously.

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22. Comparison with the immediate preceding quarter results (contd.)

The Group performance by segments is as follows:-

- i. Publication, distribution and advertisements
Advertising revenue dropped significantly by 34.6% as advertisers usually start their promotional campaigns towards second quarter onwards. Revenue from publishing and distribution sub-segment declined by 10% largely due to government tender for distribution of books obtained in the preceding quarter.
- ii. Information technology and multimedia
Revenue improved by 79.0% arising from e-learning and job provision business activities thus registering a small profit compared with pre-tax loss of RM0.4 million previously.
- iii. Investment holding, management services and others
Revenue increased by 19.8% resulting in higher pre-tax profit by 20.6%

23. Comment on prospects

The year 2012 will continue to post challenges to the Group in view of stiff competition for the market share of advertising expenditure (ADEX) among all media. Nevertheless the Group's advertising revenue which grew by 10% in the first quarter this year is expected to maintain its positive growth against the expectation of a General Election, big sporting events namely 2012 London Olympics and Euro Cup 2012 as well as a resilient Malaysian economy.

The Group's compact newspaper, Kosmo which circulation and advertising revenue grew by 14.8% last year will continue to be promoted for wider market reach and better revenue generation while continually improving our flagship newspapers, Utusan Malaysia and Mingguan Malaysia.

Investment will continue to be made for online businesses including making available the contents of newspapers on mobile devices. We also view good potential in education and employment sectors. These business activities are currently undertaken by Perfisio Solutions Sdn Bhd which provides our own educational contents through www.tutor.com.my and career website www.kareer.com.my. This business segment registered an increase of RM1.0 million in revenue last year. Going forward, the Group will continue to invest in the infrastructural requirements of this segment.

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24. Profit forecast or profit guarantee

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

25. Corporate proposals

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

26. Changes in material litigation

There was no material litigation against the Group except as disclosed in Note 18.

27. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 31 March 2012 (31 March 2011: Nil)

28. Disclosure of outstanding derivatives

There were no outstanding derivatives as at the end of the reporting period.

29. Rationale for entering into derivatives

The group did not enter into any derivatives during the period ended 31 March 2012 or the previous financial year ended 31 December 2011.

30. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

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31. Supplementary information

Breakdown of retained profits into realised and unrealised

	As at 31/3/2012 RM'000	As at 31/12/2011 RM'000
Total retained profits of the Company and its subsidiaries		
- Realised	84,812	87,867
- Unrealised loss	(9,182)	(11,275)
	75,630	76,592
Total share of retained profits from associated companies		
- Realised	24,143	23,759
- Unrealised loss	(359)	(400)
	23,784	23,359
	99,414	99,951
Add: Consolidation adjustments	33,812	33,837
Total group retained profits	133,226	133,788

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.

Accordingly, the unrealised retained profits of the Group as disclosed above exclude translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group, hence deemed as realised.

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.

BY ORDER OF THE BOARD

Sharina Saidon
Company Secretary
Date: 23 May 2012