



STAR PUBLICATIONS (MALAYSIA) BERHAD
 Company no. 10894-D
 (Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
 ENDED 30 SEPTEMBER 2007**

Unaudited Condensed Consolidated Income Statements

	3 months ended		Financial period ended	
	30.09.2007 RM'000	30.09.2006 RM'000	30.09.2007 RM'000	30.09.2006 RM'000
Revenue	210,563	184,425	593,219	539,230
Operating expenses	(157,750)	(149,280)	(452,985)	(422,763)
Other operating income	7,844	33,041	22,887	46,222
Profit from operations	60,657	68,186	163,121	162,689
Finance cost	(3,516)	(3,516)	(10,434)	(10,434)
Profit before taxation	57,141	64,670	152,687	152,255
Taxation	(14,343)	(15,901)	(39,252)	(31,915)
Profit for the financial period	42,798	48,769	113,435	120,340
Attributable to:				
Equity holders of the parent	42,788	48,769	113,721	120,340
Minority interest	10	-	(286)	-
	42,798	48,769	113,435	120,340
Basic earnings per ordinary share (sen)	5.79	6.60	15.40	16.29
Diluted earnings per ordinary share (sen)	5.79	6.60	15.40	16.29

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial statement for the year ended 31st December 2006)

Notes on Operating Expenses:

Included in the Operating Expenses is depreciation expenses of: -

(10,822)	(11,101)	(32,224)	(32,988)
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**Unaudited Condensed Consolidated Balance Sheet
As at 30 September 2007**

	30 September 2007 RM'000	31 December 2006 RM'000
Non-Current assets		
Property, plant and equipment	635,485	662,226
Investment properties	9,364	6,284
Leasehold land	44,181	44,642
Intangible assets	26,197	30,820
	715,227	743,972
Current assets		
Inventories	175,528	199,817
Investment in bonds	-	21,000
Other investment	-	9
Trade receivables	102,198	100,280
Other receivables, deposits and prepayments	19,615	9,536
Tax recoverable	390	598
Short term deposits	620,064	489,639
Cash and bank balances	37,555	34,060
	955,350	854,939
TOTAL ASSETS	1,670,577	1,598,911
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Reserves	427,233	427,461
Equity attributable to equity holders of the parent Company	1,165,797	1,166,025
Minority Interest	1,064	-
Total equity	1,166,861	1,166,025
Non-current liabilities		
Medium Term Notes	250,000	250,000
Retirement benefits	6,240	5,484
Deferred tax liabilities	76,706	71,372
	332,946	326,856
Current liabilities		
Trade payables	3,331	16,012
Other payables, accruals and provisions	76,426	73,196
Dividend Payable	62,593	-
Taxation	28,420	16,822
	170,770	106,030
Total Liabilities	503,716	432,886
TOTAL EQUITY AND LIABILITIES	1,670,577	1,598,911
Net assets per share attributable to ordinary equity holders of the parent company (RM)	1.58	1.58

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statement for the year ended 31st December 2006)

Unaudited Condensed Consolidated Statements of Changes in Equity For the period ended 30 September 2007

	---- Attributable to equity holders of the Parent Company ----						Total Equity RM'000
	Non-distributable			Distributable		Total RM'000	
	Share capital RM'000	Reserves Share premium RM'000	Other reserves RM'000	Reserves Retained profits RM'000			
Balance as at 1 January 2007	738,564	-	14,211	413,250	1,166,025	-	1,166,025
Currency translation differences	-	-	7,544	-	7,544	-	7,544
Net income recognised directly in equity	-	-	7,544	-	7,544	-	7,544
Net profit for the financial period	-	-	-	113,721	113,721	(286)	113,435
Total recognised income for the period	-	-	7,544	113,721	121,265	(286)	120,979
Acquisition of ordinary shares by minorities	-	-	-	-	-	1,350	1,350
Dividend <i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2006, paid on 18 April 2007</i>	-	-	-	(58,900)	(58,900)	-	(58,900)
<i>First Interim/Special Dividend for the financial year ending 31 December 2007, paid on 18 October 2007</i>	-	-	-	(62,593)	(62,593)	-	(62,593)
Balance as at 30 September 2007	738,564	-	21,755	405,478	1,165,797	1,064	1,166,861
Balance as at 1 January 2006	368,433	301,522	14,680	433,853	1,118,488	-	1,118,488
Currency translation differences	-	-	(203)	-	(203)	-	(203)
Net expense recognised directly in equity	-	-	(203)	-	(203)	-	(203)
Net profit for the financial period	-	-	-	120,340	120,340	-	120,340
Total recognised income for the period			(203)	120,340	120,137	-	120,137
Dividend <i>Second interim Dividend and Special Dividend for the financial year ended 31 December 2005, paid on 18 April 2006</i>				(58,346)	(58,346)	-	(58,346)
<i>Interim Dividend and Special Dividend for the financial year ending 31 December 2006, paid on 18 October 2006</i>				(58,346)	(58,346)	-	(58,346)
<i>Bonus issue on 6 July 2006</i>	369,282	(304,284)		(64,998)	-	-	-
Issue of shares	849	2,762	-	-	3,611	-	3,611
Balance as at 30 September 2006	738,564	-	14,477	372,503	1,125,544	-	1,125,544

(The unaudited Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Annual Financial Statement for the year ended 31st December 2006)

**Unaudited Condensed Consolidated Cash Flow Statement
For the period ended 30 September 2007**

	30 Sept 2007 RM'000	30 Sept 2006 RM'000
Profit before taxation	152,687	152,255
Adjustments for non-cash flow:-		
Non-cash items	39,662	7,721
Non-operating items	(6,360)	(3,378)
Operating profit before working capital changes	185,989	156,598
Changes in working capital		
Net change in current assets	10,496	(1,230)
Net change in current liabilities	(6,111)	(6,321)
	4,385	(7,551)
Cash generated from operations	190,374	149,047
Tax paid	(22,650)	(10,734)
Net cash from operating activities	167,724	138,313
Investing Activities		
Proceeds from disposal of property, plant and equipment	191	65,301
Purchases of property, plant and equipment	(8,540)	(25,622)
Proceeds from the redemption of bonds upon maturity	21,000	-
Interest received	16,793	13,812
Net cash from / (used in) investing activities	29,444	53,491
Financing Activities		
Issue of shares	-	3,611
Proceeds from the issue of shares to minorities	1,350	-
Interest paid	(13,950)	(13,950)
Dividend paid	(58,900)	(58,346)
Net cash used in financing activities	(71,500)	(68,685)
Exchange differences	(169)	302
Net Change in Cash & Cash Equivalents	125,499	123,421
Cash & Cash Equivalents at beginning of year	523,699	416,346
Effect of change in exchange rate	8,421	(202)
As restated	532,120	416,144
Cash & Cash Equivalents at end of the period	657,619	539,565

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st December 2006).

Notes to the interim financial report

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2006, except that the Group has adopted the new/revised standards mandatory for annual periods beginning on or after 1 January 2007, as follows:

FRS 117	Leases
FRS 119 ₂₀₀₄ (Revised)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have any significant financial impact on the Group except for the following:

(a) FRS 117 Leases

Prior to 1 January 2007, leasehold land and buildings held for own use were classified as property, plant and equipment and were stated at cost less accumulated depreciation and impairment loss (if any). The adoption of the revised FRS 117 Leases in 2007 has resulted in a change in the accounting policy relating to the classification of leasehold land and buildings.

Under FRS 117, leasehold land and buildings are classified as operating or finance leases in the same way as leases of other assets. The land and buildings elements of leasehold land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as an operating lease and the payment made on entering into it represents prepaid lease payments. Leasehold land held for own use is disclosed as a separate line item in the Balance Sheet under Non-Current Assets with effect from 1 January 2007 and to be accounted for retrospectively. The costs of leasehold land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values. The leasehold land portion is amortised on a straight-line basis over the remaining lease term.

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The Group has applied the change in accounting policy in respect of leasehold land held for own use in accordance with the transitional provisions of FRS 117. There is no impact on the income statements as the prepaid lease payments continue to be amortised on a straight line basis over the lease term.

Leasehold buildings held for own use remains classified under Property, Plant and Equipment as they are finance leases. The leasehold buildings continue to be depreciated on a straight line basis, in accordance with the requirements of FRS 116 Property, Plant and Equipment.

As a result of the adoption of FRS 117, comparative amounts as at 31 December 2006 have been reclassified as follows:-

	As previously reported RM'000	Effects of reclassification RM'000	As restated RM'000
Property, plant and equipment	706,868	(44,642)	662,226
Leasehold land (shown under Non-Current Assets)	-	44,642	44,642

- (b) FRS 119₂₀₀₄ (Revised) Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures

This standard is not applicable to the group and hence no further disclosure is warranted.

- (c) FRS 124 Related Party Disclosures

This standard affects the identification of related parties, and resulted in additional related party disclosures presented in the financial statements.

As at the date of this report, the Group has not applied the following six new/revised standards which have been issued by the Malaysian Accounting Standards Board, but are not yet effective:

- a) FRS 107 Cash Flow Statements
- b) FRS 112 Income Taxes
- c) FRS 118 Revenue
- d) FRS 134 Interim Financial Reporting
- e) FRS 137 Provisions, Contingent Liabilities and Contingent Assets
- f) FRS 139 Financial Instruments: Recognition and Measurement

The Group will apply FRS 107, FRS 112, FRS 118, FRS 134 and FRS 137 in the annual period commencing 1 January 2008, when they become effective. The Group has not applied the new standard FRS 139, as the effective date has yet to be determined by MASB. It is expected that there will be no material impact on the financial statements when the Group applies these new/revised standards.

Notes to the interim financial report

A2. Annual Report of the Group's Preceding Annual Financial Statements

The audit report of the Group's most recent annual audited financial statements for the year ended 31 December 2006 was not qualified.

A3. Seasonal or cyclical factors

Our business operations are generally affected by the major festive seasons.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 30 September 2007.

A5. Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the current quarter.

A6. Debt and equity securities

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 September 2007.

Notes to the interim financial report

A7. Dividend paid

	2007 RM'000	2006 RM'000
<u>In respect of the financial year ended 31 December 2005</u>		
Second interim dividend of 15.0 sen per ordinary share, less tax and special tax exempt dividend of 5.0 sen per ordinary share, paid on 18 April 2006		58,346
<u>In respect of the financial year ended 31 December 2006</u>		
First interim dividend of 7.5 sen per ordinary share less tax, based on the enlarged share capital and special tax exempt dividend of 2.5 sen per ordinary share, based on the enlarged share capital, paid on 18 October 2006		58,346
Second interim dividend of 7.5 sen per ordinary share less tax, based on the enlarged share capital and special tax exempt dividend of 2.5 sen per ordinary share, based on the enlarged share capital, paid on 18 April 2007	58,900	
<u>In respect of the financial year ending 31 December 2007</u>		
First interim dividend of 7.5 sen per ordinary share less tax, based on the enlarged share capital and special tax exempt dividend of 3.0 sen per ordinary share, based on the enlarged share capital, paid on 18 October 2007	62,593	
	121,493	116,692

A8. Segment Reporting

No segmental reporting has been prepared as the Group's activities are predominantly in the publication, printing and distribution of newspaper and magazines within Malaysia.

A9. Property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2006.

Acquisition and disposals of property, plant and equipment

	Current Quarter RM'000	Current Year To Date RM'000
Additions	3,842	8,540
Disposals	375	389

Notes to the interim financial report

A10. Events subsequent to the balance sheet date

There are no material events subsequent to the end of the financial period under review that have not been reflected in the quarterly financial statements.

A11. Changes in composition of the Group

The paid-up share capital of Star-IT Sdn Bhd (“Star-IT”) was increased from RM2.00 to RM3,500,000.00 by the issuance of 3,499,998 ordinary shares of RM1.00 each. The Company subscribed and fully paid for the 2,449,998 newly issued ordinary shares at RM1.00 each, while the remaining 1,050,000 new ordinary shares were subscribed and paid at RM1.00 each by minorities. The Company’s equity interest in Star-IT remains at 70%.

The paid-up share capital of Rimakmur Sdn Bhd (“Rimakmur”) was increased from RM32,000.00 to RM10,032,000.00 by the issuance of 10,000,000 ordinary shares of RM1.00 each. The Company subscribed and fully paid for the 7,000,000 newly issued ordinary shares at RM1.00 each, while the remaining 3,000,000 new ordinary shares were subscribed and paid at RM0.10 each by minorities with an uncalled portion of RM0.90 for each of these ordinary shares. The Company’s equity interest in Rimakmur remains at 70%.

A12. Changes in contingent liabilities

There are no changes in the contingent liabilities or assets of the Group since the last annual balance sheet date to the date of this announcement.

A13. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	8,470
- not contracted	-

	8,470
	=====

Additional information required by Bursa Malaysia Securities Listing Requirements**B1. Review of performance**

	Current Year Quarter 30.09.2007 RM'000	Preceding Year Corresponding Quarter 30.09.2006 RM'000
Revenue	210,563	184,425
Consolidated Profit before taxation	57,141	64,670
Consolidated Profit after taxation	42,798	48,769

For the current financial quarter under review, the Group's revenue was 14.2% higher at RM210.56 million as compared to RM184.42 million in the same quarter last year.

The profit before tax in the 2006's corresponding quarter includes a gain of RM25.75 million resulting from the disposal of the remaining land of a subsidiary company (post-tax gain of RM17.35 million).

The Group's profit before tax for the current quarter was higher at RM57.14 million as compared to that of the 2006's corresponding results of RM64.67 million if the gain on disposal of land of RM25.75 million is excluded from the latter.

	Current Year To Date 30.09.2007 RM'000	Preceding Year To Date 30.09.2006 RM'000
Revenue	593,219	539,230
Consolidated Profit before taxation	152,687	152,255
Consolidated Profit after taxation	113,435	120,340

The increase in profit before tax for the financial year to date was mainly due to higher revenue partially offset by the increase in operating expenses.

The profit before tax for the preceding financial year to date includes a gain of RM25.75 million resulting from the disposal of the remaining land of a subsidiary company (post-tax gain of RM17.35 million).

In the opinion of the Directors, the results for the financial year to date under review have not been affected by any transaction or event of an unusual nature.

B2. Variation of results against preceding quarter

	Current Quarter 30.09.2007 RM'000	Preceding Quarter 30.06.2007 RM'000
Revenue	210,563	198,081
Consolidated Profit before taxation	57,141	48,950

The Group's revenue for the current quarter was higher at RM210.6 million as compared to RM198.1 million in the preceding quarter. The Group's profit before tax in the current quarter increased to RM57.1 million from RM49.0 million, mainly due to higher revenue partially offset by the increase in direct costs and operating expenses.

Additional information required by Bursa Malaysia Securities Listing Requirements**B3. Current year prospects**

The Malaysian economy is projected to remain firm and given its strong fundamentals, it is expected to register a growth of between 5.5% to 6.0% for 2007. The boost from the tourism-related activities associated with Visit Malaysia Year would impact positively on adex growth.

Barring unforeseen circumstances, the Board of Directors is optimistic of achieving another satisfactory performance for the final quarter of 2007.

B4. Profit forecast

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

B5. Taxation

Taxation comprises the following: -

	3 months ended		Financial period ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
	RM'000	RM'000	RM'000	RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	12,465	2,787	32,665	9,059
2. Foreign taxation	381	8,406	1,255	8,432
3. Deferred taxation	1,497	4,708	5,332	14,424
	14,343	15,901	39,252	31,915

The effective tax rate on the Group's profit for 2007 is approaching the statutory tax rate as the remaining balance of reinvestment allowances available will be fully utilised this year.

The effective tax rate on the Group's profit for 2006 was much lower than the statutory tax rate due to the higher utilisation of reinvestment allowances available.

B6. Unquoted investments and properties

There were no sales of unquoted investments and properties for the financial period to date.

Additional information required by Bursa Malaysia Securities Listing Requirements**B7. Quoted investments**

(a) Sale proceeds of quoted securities for the financial period to date.

	3 months ended 30.09.2007 RM'000	Financial period ended 30.09.2007 RM'000
Total sale proceeds	-	13
Total gain/(loss) on disposal	-	4

(b) There were no investments in quoted securities as at the end of the financial period under review.

B8. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the date of this report.

B9. Borrowing and debt securities

The Group borrowings and debt securities as at the end of the third quarter are as follows:

	As at 30.09.2007 RM'000	As at 30.09.2006 RM'000
<u>Long Term Borrowings</u>		
Unsecured		
<u>Domestic – Ringgit Malaysia</u> 5-year Medium Term Notes 2005/2010 with a coupon rate of 5.50% per annum, maturing on 26 February 2010	150,000	150,000
<u>Domestic – Ringgit Malaysia</u> 5-year Medium Term Notes 2005/2010 with a coupon rate of 5.70% per annum, maturing on 27 August 2010	100,000	100,000

B10. Off balance sheet financial instruments

During the financial period under review, the Company has unwound all the outstanding interest rate swap contracts.

As at the date of this announcement, there is no outstanding foreign currency contract to hedge its committed purchases in foreign currencies.

Additional information required by Bursa Malaysia Securities Listing Requirements**B11. Changes in material litigation**

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

B12. Dividend

The Board of Directors does not recommend any payment of dividend for the quarter under review

B13. Basic earnings per share

The basic earnings per share has been calculated based on the Group's profit after taxation attributable to equity holders of the parent divided by the weighted average number of ordinary shares outstanding during the financial period.

	3 months ended		Financial period ended	
	30.09.2007	30.09.2006	30.09.2007	30.09.2006
Group's profit after taxation attributable to equity holders of the parent (RM'000)	42,788	48,769	113,721	120,340
Weighted average number of ordinary shares outstanding ('000)	738,564	738,564	738,564	738,564
Basic earnings per share (sen)	5.79	6.60	15.40	16.29

[Please refer to note B1 for a clearer understanding of the results for the current quarter and financial period to date]

Diluted earnings per share

The Group does not have in issue any financial instrument or other contract that may entitle its holder to ordinary shares and therefore, dilutive to its basic earnings per share.

By Order of the Board

Ong Wei Lymn

Company Secretary
1 November 2007
Petaling Jaya, Selangor Darul Ehsan