



STAR PUBLICATIONS (MALAYSIA) BERHAD

Company no. 10894-D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2009

Unaudited Condensed Consolidated Income Statements

	3 months ended		Financial period ended	
	31.03.2009 RM'000	31.03.2008 RM'000	31.03.2009 RM'000	31.03.2008 RM'000
Revenue	181,346	204,728	181,346	204,728
Operating expenses	(160,958)	(152,348)	(160,958)	(152,348)
Other operating income	9,508	10,234	9,508	10,234
Profit from operations	29,896	62,614	29,896	62,614
Finance cost	(3,791)	(3,440)	(3,791)	(3,440)
	26,105	59,174	26,105	59,174
<i>Share of loss in jointly controlled entities</i>	(652)	-	(652)	-
Profit before taxation	25,453	59,174	25,453	59,174
Taxation	(7,861)	(16,647)	(7,861)	(16,647)
Profit for the financial period	17,592	42,527	17,592	42,527
Attributable to:				
Equity holders of the parent	18,264	42,521	18,264	42,521
Minority interest	(672)	6	(672)	6
	17,592	42,527	17,592	42,527
Basic earnings per ordinary share (sen)	2.47	5.76	2.47	5.76
Diluted earnings per ordinary share (sen)	2.47	5.76	2.47	5.76

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial statement for the year ended 31st December 2008)

Notes on Operating Expenses:

Included in the Operating Expenses are depreciation expenses and amortisation of leasehold land :

	(11,890)	(10,806)	(11,890)	(10,806)
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**Unaudited Condensed Consolidated Balance Sheet
As at 31 March 2009**

	31 March 2009 RM'000	31 December 2008 RM'000
Non-Current assets		
Property, plant and equipment	597,434	604,378
Investment properties	8,792	8,888
Prepaid lease payments for land	43,261	43,415
Deferred tax asset	486	486
Intangible assets	51,536	51,966
Investment in jointly-controlled entity	19,647	20,300
Club membership	736	807
	721,892	730,240
Current assets		
Inventories	205,164	214,910
Trade and other receivables	135,178	161,584
Tax recoverable	1,433	889
Short term deposits	597,854	566,147
Cash and bank balances	48,572	55,409
	988,201	998,939
TOTAL ASSETS	1,710,093	1,729,179
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(142)	-
Reserves	431,145	472,306
Equity attributable to equity holders of the parent Company	1,169,567	1,210,870
Minority Interest	22,445	23,117
Total equity	1,192,012	1,233,987
Non-current liabilities		
Borrowings	251,204	251,265
Retirement benefits	-	500
Deferred tax liabilities	77,628	77,628
	328,832	329,393
Current liabilities		
Trade and other payables	87,522	120,893
Borrowings	34,249	34,418
Dividend payable	63,701	-
Taxation	3,777	10,488
	189,249	165,799
Total Liabilities	518,081	495,192
TOTAL EQUITY AND LIABILITIES	1,710,093	1,729,179
Net assets per share attributable to ordinary equity holders of the parent company (RM)	1.58	1.64

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statement for the year ended 31st December 2008)

Unaudited Condensed Consolidated Statements of Changes in Equity For the period ended 31 March 2009

	---- Attributable to equity holders of the Parent Company ----						Total Equity RM'000
	Non-distributable			Distributable		Minority interest RM'000	
	Share capital RM'000	<u>Reserves</u> Treasury shares RM'000	Other reserves RM'000	<u>Reserves</u> Retained earnings RM'000	Total RM'000		
Balance as at 1 January 2009	738,564	-	(1,226)	473,532	1,210,870	23,117	1,233,987
Currency translation differences	-	-	4,276	-	4,276	-	4,276
Net income recognised directly in equity	-	-	4,276	-	4,276	-	4,276
Repurchase of shares	-	(142)	-	-	(142)	-	(142)
Net profit for the financial period	-	-	-	18,264	18,264	(672)	17,592
Total recognised income for the period	-	(142)	4,276	18,264	22,398	(672)	21,726
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2008, paid on 18 April 2009</i>				(63,701)	(63,701)		(63,701)
Balance as at 31 March 2009	738,564	(142)	3,050	428,095	1,169,567	22,445	1,192,012
Balance as at 1 January 2008	738,564	-	18,505	460,921	1,217,990	1,066	1,219,056
Currency translation differences	-	-	501	-	501	-	501
Net income recognised directly in equity	-	-	501	-	501	-	501
Net profit for the financial period	-	-	-	42,521	42,521	6	42,527
Total recognised income and expense for the period	-	-	501	42,521	43,022	6	43,028
Dividend							
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2007, paid on 18 April 2008</i>	-	-	-	(63,147)	(63,147)	-	(63,147)
Balance as at 31 March 2008	738,564	-	19,006	440,295	1,197,865	1,072	1,198,937

(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 2008)

**Unaudited Condensed Consolidated Cash Flow Statement
For the period ended 31 March 2009**

	31 March 2009 RM'000	31 March 2008 RM'000
Profit before taxation	25,453	59,174
Adjustments for non-cash flow:-		
Share of loss in jointly controlled entities	652	-
Non-cash items	13,318	12,216
Non-operating items	(989)	(3,306)
Operating profit before working capital changes	38,434	68,084
Changes in working capital		
Net change in current assets	39,737	19,969
Net change in current liabilities	(31,011)	(9,935)
	8,726	10,034
Cash generated from operations	47,160	78,118
Net tax paid	(15,175)	(16,688)
Retirement benefit paid	(500)	(1,203)
Net cash from operating activities	31,485	60,227
Investing Activities		
Proceeds from disposal of property, plant and equipment	311	91
Purchases of property, plant and equipment	(5,204)	(3,645)
Repurchase of shares	(142)	-
Interest received	2,351	6,743
Net cash (used in)/ from investing activities	(2,684)	3,189
Financing Activities		
Interest paid	(7,326)	(6,975)
Repayment of borrowings	(56)	-
Net cash used in financing activities	(7,382)	(6,975)
Net Increase in Cash & Cash Equivalents	21,419	56,441
Effect of exchange rates fluctuations on cash held	3,451	501
Cash & Cash Equivalents at beginning of year	621,556	658,075
Cash & Cash Equivalents at end of the year	646,426	715,017

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008).

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 2008.

- a) 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 2008.

Standards and Interpretations that are not relevant or material to the Group's operations are as follows:-

- a) FRS 111 Construction Contracts
- b) IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments
- c) IC Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- d) IC Interpretation 6 Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
- e) IC Interpretation 7 Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies

A2. Seasonal or cyclical factors

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

A3. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2009.

A4. 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.

Notes to the interim financial report

A5. Debt and equity securities

As at the date of this report the Company has repurchased 44,200 of its issued and paid-up ordinary share capital from the open market. The average price paid for the shares repurchased was RM3.21 per share. The repurchase transactions were financed by internally generated funds and the shares repurchased are held as Treasury Shares by the Company in accordance with the requirement of the Section 67A of the Companies Act 1965.

Other than the above, there were no other issuances and repayment of debts and equity securities, share cancellations and resale of treasury shares during the financial period ended 31 March 2009.

A6. Dividend paid

No dividend was paid in the current financial period ended 31 March 2009.

A7. 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.

A8. 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.

A9. Changes in composition of the Group

- On 9 April 2009, Cityneon Holdings Limited ("Cityneon"), a subsidiary company of the Company, announced the incorporation of a wholly-owned subsidiary in Vietnam. The newly incorporated wholly owned subsidiary, Cityneon Exhibition Services (Vietnam) Co., Ltd has a paid up capital equivalent to USD50,000.
- On 13 April 2009, Cityneon announced that it has increased its investment in its wholly-owned subsidiary company, Cityneon (Middle East) W.L.L ("Cityneon ME") from Bahraini Dinar (BD) 20,000 to BD100,000. The capital injection of BD80,000 is made by way of capitalizing the loan amounting to BD80,000 owing by Cityneon ME to Cityneon.
- On 6 May 2009, the Company announced that it has acquired 2 ordinary shares of RM1.00 each fully paid, representing 100% of the issued and paid up share capital of Daily Bid (M) Sdn Bhd, a dormant shelf company incorporated in Malaysia.

Notes to the interim financial report

A10. 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.

A11. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	12,006
- not contracted	5,743

	17,749
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Additional information required by Bursa Malaysia Securities Listing Requirements**B1. Review of performance**

	Current Year Quarter 31.03.2009 RM'000	Preceding Year Corresponding Quarter 31.03.2008 RM'000
Revenue	181,346	204,728
Consolidated Profit before taxation	25,453	59,174
Consolidated Profit after taxation	17,592	42,527

For the current financial quarter under review, the Group's revenue was lower at RM181.35 million as compared to RM204.73 million in the same quarter last year.

The Group's profit before tax for the current quarter was lower at RM25.45 million as compared to that of the 2008's corresponding results of RM59.17 million, due to lower revenue and higher cost of direct materials.

The lower Group's profit after tax for the current quarter was in line with the decrease in the Group's profit before tax.

B2. Variation of results against preceding quarter

	Current Quarter 31.03.2009 RM'000	Preceding Quarter 31.12.2008 RM'000
Revenue	181,346	211,590
Consolidated Profit before taxation	25,453	23,861

The Group's revenue for the current quarter was lower at RM181.35 million as compared to RM211.59 million in the preceding quarter.

B3. Current year prospects

According to the Malaysian Institute of Economic Research ("MIER"), monthly indicators up to February 2009 have been losing momentum markedly. Industrial output registered a sharp contraction of 14.7% in February 2009 as the export-oriented sectors faced diminishing demand. Even the domestic-oriented sectors felt the ill effects of the economic slowdown. All these declines have resulted in lower adex spending in the current quarter. Strong performance in the same quarter of preceding year was a result of non-recurring major event such as the General Elections.

Despite the challenging circumstances, the Board of Directors expects the performance for the year ending 31 December 2009 to be reasonably satisfactory.

B4. Profit forecast

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

Additional information required by Bursa Malaysia Securities Listing Requirements**B5. Taxation**

Taxation comprises the following: -

	3 months ended		Financial period ended	
	31.03.2009 RM'000	31.03.2008 RM'000	31.03.2009 RM'000	31.03.2008 RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	7,656	14,707	7,656	14,707
2. Foreign taxation	205	305	205	305
3. Deferred taxation	-	1,635	-	1,635
	7,861	16,647	7,861	16,647

The effective tax rate on the Group's profit for the financial year under review is higher than the statutory tax rate due to the tax impact of non-deductible expenses.

B6. Unquoted investments and properties

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

B7. Quoted investments

- (a) There were no purchases or disposal of quoted securities for the financial period to date.
- (b) There were no investments in quoted securities as at the end of the financial period under review.

B8. Status of corporate proposal announced

The status of corporate proposals announced by the Group but not completed as at 19 May 2009 (being a date not earlier than 7 days from the date of issue of this quarterly report) are as follows:-

- An announcement was made on 24 October 2008, on the execution of Heads of Agreement between a wholly-owned subsidiary of the Company, I.Star Ideas Factory Sdn. Bhd. ("I.STARIF") and Forcast Berton Enterprises Limited ("FBEL"), a company incorporated in British Virgin Island, in relation to the establishment of a joint venture in the proportion of 51% (FBEL) and 49% (I.STARIF).

The proposed Joint Venture was supposed to undertake the business of developing, managing and marketing of Asian Lifestyle TV channel.

However, the proposed Joint Venture has been terminated by mutual consent of both parties.

Additional information required by Bursa Malaysia Securities Listing Requirements

B9. Borrowing and debt securities

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

	As at 31.03.2009 RM'000	As at 31.03.2008 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
Term Loan	34,083	-
Hire Purchase	166	-
	34,249	-
<u>Long Term Borrowings</u>		
Unsecured		
Medium Term Notes ("MTN")		
5-years MTN 2005/2010 with a coupon rate of 5.50% per annum, maturing on 26 February 2010	150,000	150,000
5-years MTN 2005/2010 with a coupon rate of 5.70% per annum, maturing on 27 August 2010	100,000	100,000
	250,000	250,000
Hire Purchase	1,204	-
	251,204	250,000

Except for the Medium Term Notes which are denominated in Ringgit Malaysia, other borrowings of the Group are denominated in Singapore Dollar.

Additional information required by Bursa Malaysia Securities Listing Requirements**B10. Off balance sheet financial instruments**

- **Forward Foreign Exchange Contracts**

As at the 19 May 2009 (being a date not earlier than 7 days from the date of issue of the quarterly report) , structured forward exchange contracts of the Group are as follows:

Description	Notional Amount ('000)	Expiry Date
Euro/ USD Foreign Exchange Forward Contract	Euro 200	15 December 2009
Euro/ USD Foreign Exchange Forward Contract	Euro 250	15 April 2010
Euro/ USD Foreign Exchange Forward Contract	Euro 200	15 December 2010

The above contracts were entered into to limit the exposure to potential changes in the foreign exchange rates with respect to certain subsidiary companies' foreign currencies denominated estimated receipts and payments. The forward contract entered is to buy Euro and sell USD.

There is minimal credit risk as the contracts were entered with reputable financial institutions.

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

No interim dividend have been recommended for the current quarter under review (Quarter 1 2008: Nil).

In respect of the financial year ended 31 December 2008, the Board of Directors declared a second interim dividend of 7.5 sen per ordinary shares less tax and a special tax exempt dividend of 3.0 sen per ordinary share, which was paid on 18 April 2009 (2007: Second interim dividend of 7.5 sen per ordinary share less tax and a special tax exempt dividend of 3.0 sen per ordinary share).

Additional information required by Bursa Malaysia Securities Listing Requirements**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	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Group's profit after taxation attributable to equity holders of the parent (RM'000)	18,264	42,521	18,264	42,521
Number of shares at the beginning of the period ('000)	738,564	738,564	738,564	738,564
Effect of Share Buy Back ('000)	(41)	-	(41)	-
Weighted average number of ordinary shares outstanding ('000)	738,523	738,564	738,523	738,564
Basic earnings per share (sen)	2.47	5.76	2.47	5.76

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
26 May 2009
Petaling Jaya, Selangor Darul Ehsan