



STAR PUBLICATIONS (MALAYSIA) BERHAD

Company no. 10894-D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

Unaudited Condensed Consolidated Income Statements

	3 months ended		Financial period ended	
	30.06.2009 RM'000	30.06.2008 RM'000	30.06.2009 RM'000	30.06.2008 RM'000
Revenue	234,223	211,754	415,569	416,482
Operating expenses	(191,228)	(155,096)	(352,186)	(307,445)
Other operating income	9,135	8,944	18,643	19,179
Profit from operations	52,130	65,602	82,026	128,216
Finance cost	(3,790)	(3,478)	(7,581)	(6,918)
	48,340	62,124	74,445	121,298
<i>Share of loss in jointly controlled entities</i>	(1,053)	-	(1,705)	-
Profit before taxation	47,287	62,124	72,740	121,298
Taxation	(12,231)	(18,155)	(20,092)	(34,802)
Profit for the financial period	35,056	43,969	52,648	86,496
Attributable to:				
Equity holders of the parent	32,861	43,963	51,125	86,484
Minority interest	2,195	6	1,523	12
	35,056	43,969	52,648	86,496
Basic earnings per ordinary share (sen)	4.45	5.95	6.92	11.71
Diluted earnings per ordinary share (sen)	4.45	5.95	6.92	11.71

(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 :

	(11,715)	(10,832)	(23,605)	(21,639)
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**Unaudited Condensed Consolidated Balance Sheet
As at 30 June 2009**

	30 June 2009 RM'000	31 December 2008 RM'000
Non-Current assets		
Property, plant and equipment	587,508	604,378
Investment properties	8,697	8,888
Prepaid lease payments for land	43,108	43,415
Intangible assets	51,118	51,966
Investment in associate company	12,185	-
Investment in jointly-controlled entities	18,594	20,300
Investment in financial products	20,000	-
Deferred tax assets	448	486
Club membership	677	807
Other non-current assets	3,029	-
	745,364	730,240
Current assets		
Inventories	162,729	214,910
Trade and other receivables	155,773	161,584
Tax recoverable	1,966	889
Short term deposits	600,464	566,147
Cash and bank balances	63,997	55,409
	984,929	998,939
TOTAL ASSETS	1,730,293	1,729,179
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(225)	-
Reserves	477,328	472,306
Equity attributable to equity holders of the parent Company	1,215,667	1,210,870
Minority interest	23,890	23,117
Total equity	1,239,557	1,233,987
Non-current liabilities		
Borrowings	252,338	251,265
Retirement benefits	-	500
Deferred tax liabilities	77,641	77,628
	329,979	329,393
Current liabilities		
Trade and other payables	123,257	120,893
Borrowings	35,860	34,418
Taxation	1,640	10,488
	160,757	165,799
Total Liabilities	490,736	495,192
TOTAL EQUITY AND LIABILITIES	1,730,293	1,729,179
Net assets per share attributable to ordinary equity holders of the parent company (RM)	1.65	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 30 June 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
ESOS by subsidiary to minority interest	-	-	-	-	-	60	60
Currency translation differences	-	-	17,598	-	17,598	-	17,598
Net income recognised directly in equity	-	-	17,598	-	17,598	-	17,598
Repurchase of shares	-	(225)	-	-	(225)	-	(225)
Net profit for the financial period	-	-	-	51,125	51,125	1,523	52,648
Total recognised income for the period	-	(225)	17,598	51,125	68,498	1,583	70,081
Dividend							
<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)
<i>Dividends paid to minority shareholders of subsidiary</i>	-	-	-	-	-	(810)	(810)
Balance as at 30 June 2009	738,564	(225)	16,372	460,956	1,215,667	23,890	1,239,557
Balance as at 1 January 2008	738,564	-	18,505	460,921	1,217,990	1,066	1,219,056
Currency translation differences	-	-	8,569	-	8,569	-	8,569
Net income recognised directly in equity	-	-	8,569	-	8,569	-	8,569
Net profit for the financial period	-	-	-	86,484	86,484	12	86,496
Total recognised income and expense for the period	-	-	8,569	86,484	95,053	12	95,065
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 30 June 2008	738,564	-	27,074	484,258	1,249,896	1,078	1,250,974

(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 30 June 2009**

	30 June 2009 RM'000	30 June 2008 RM'000
Profit before taxation	72,740	121,298
Adjustments for non-cash flow items:-		
Share of loss in jointly controlled entities	1,705	-
Non-cash items	26,218	24,633
Non-operating items	(1,295)	(6,930)
Operating profit before working capital changes	99,368	139,001
Changes in working capital		
Net change in current assets	53,122	27,220
Net change in current liabilities	4,399	(34,262)
	57,521	(7,042)
Cash generated from operations	156,889	131,959
Net tax paid	(30,172)	(28,609)
Retirement benefit paid	(500)	(1,203)
Net cash from operating activities	126,217	102,147
Investing Activities		
Proceeds from disposal of property, plant and equipment	530	315
Purchases of property, plant and equipment	(6,960)	(5,034)
Repurchase of shares	(225)	-
Investment in associate company	(12,185)	-
Investment in jointly controlled entity	-	(350)
Investment in financial products	(20,000)	-
Interest received	7,510	13,847
Net cash (used in)/ from investing activities	(31,330)	8,778
Financing Activities		
Interest paid	(7,656)	(6,975)
Repayment of borrowings	(99)	-
Net drawdown of term loan	2,366	-
Dividends paid	(63,701)	(63,147)
Dividends paid to minority shareholders of subsidiary	(810)	-
Net cash used in financing activities	(69,900)	(70,122)
Net Increase in Cash & Cash Equivalents	24,987	40,803
Effect of exchange rates fluctuations on cash held	17,918	8,569
Cash & Cash Equivalents at beginning of year	621,556	658,075
Cash & Cash Equivalents at end of the year	664,461	707,447

(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

The operations of our major business segment 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 30 June 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 70,200 of its issued and paid-up ordinary share capital from the open market. The average price paid for the shares repurchased was RM3.18 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 30 June 2009.

A6. Dividend paid

	2009 RM'000	2008 RM'000
<u>In respect of the financial year ended 31 December 2007</u>		
Second interim dividend of 7.5 sen per ordinary share, less tax and special tax exempt dividend of 3.0 sen per ordinary share, paid on 18 April 2008	-	63,147
<u>In respect of the financial year ending 31 December 2008</u>		
Second interim dividend of 7.5 sen per ordinary share, less tax and special tax exempt dividend of 3.0 sen per ordinary share, paid on 18 April 2009	63,701	-
	63,701	63,147

Notes to the interim financial report**A7. Segment Reporting****(a) Business Segment**

	6 months ended 30 June 2009		
	Assets	Revenue	Segment
	RM'000	RM'000	results
			RM'000
Print and electronic media	1,507,430	350,035	71,192
Event management and exhibition services	103,590	65,185	3,812
Others	119,273	349	(559)
	<u>1,730,293</u>	<u>415,569</u>	74,445
Share of results in jointly controlled entities			<u>(1,705)</u>
Profit before tax			<u>72,740</u>

(b) Geographical Segment

	6 months ended 30 June 2009		
	Assets	Revenue	Segment
	RM'000	RM'000	results
			RM'000
Malaysia	1,519,452	352,953	70,331
Asia and other countries	210,841	62,616	4,114
	<u>1,730,293</u>	<u>415,569</u>	74,445
Share of results in jointly controlled entities			<u>(1,705)</u>
Profit before tax			<u>72,740</u>

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.

Notes to the interim financial report

A9. Changes in composition of the Group

- On 9 April 2009, Cityneon Holdings Limited (“Cityneon”), a company incorporated in Singapore, 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.
- On 18 June 2009, the Company entered into a Sale and Purchase Agreement to acquire 20% interest in 701 SOU Hong Kong Pte Limited, a company incorporated in Hong Kong, for a consideration of S\$5,000,000.

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	17,113
- not contracted	5,160

	22,273
	=====

Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance

	Current Year Quarter 30.06.2009 RM'000	Preceding Year Corresponding Quarter 30.06.2008 RM'000
Revenue	234,223	211,754
Consolidated Profit before taxation	47,287	62,124
Consolidated Profit after taxation	35,056	43,969

For the current financial quarter under review, the Group's revenue was higher at RM234.22 million as compared to RM211.75 million in the same quarter last year.

The Group's profit before tax for the current quarter was lower at RM47.29 million as compared to that of the 2008's corresponding results of RM62.12 million, due to higher printing cost and other cost of sales from the event management and exhibition services segment.

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 30.06.2009 RM'000	Preceding Quarter 31.03.2009 RM'000
Revenue	234,223	181,346
Consolidated Profit before taxation	47,287	25,453

The Group's revenue for the current quarter was higher at RM234.22 million as compared to RM181.35 million in the preceding quarter.

B3. Current year prospects

According to the Malaysian Institute of Economic Research ("MIER"), Malaysia's GDP contracted by a steep -6.2% in 1Q09, while investment was severely affected as well. Monthly indicators up to May 2009 are still losing momentum, but the decline has eased slightly in some sectors. Following several measures taken to support the economy, consumer and business confidence has improved in 2Q09. This improvement can be seen in the Consumer Business Index which has improved by 26.9 points to 105.8 points in second quarter, up from 78.9 points in the first quarter of the year.

According to Nielsen Media Research, increased spending in the government awareness campaigns, social messages and national service campaigns, and continued spending on local events such as Malaysia Grand Prix have eased the declined in adex spending in second quarter as compared to the first quarter of the year.

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

Additional information required by Bursa Malaysia Securities Listing Requirements**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	
	30.06.2009 RM'000	30.06.2008 RM'000	30.06.2009 RM'000	30.06.2008 RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	11,688	17,626	19,344	32,333
2. Foreign taxation	502	529	707	834
3. Deferred taxation	41	-	41	1,635
	12,231	18,155	20,092	34,802

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 disposals 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

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

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 second quarter are as follows:

	As at 30.06.2009 RM'000	As at 30.06.2008 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
Term loan	35,690	-
Hire purchase	170	-
	35,860	-
<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
Term loan	1,165	-
Hire purchase	1,173	-
	252,338	250,000

Except for the Medium Term Notes of RM250 million and hire purchase of RM95,443 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 22 July 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

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, cannot be determined at this juncture.

B12. Dividend

The Board of Directors is pleased to declare an interim dividend of 7.5 sen per ordinary share less tax, (2008: interim dividend of 7.5 sen per ordinary share, less tax) and a special tax exempt dividend of 3.0 sen per ordinary share (2008: special tax exempt dividend of 3.0 sen per ordinary share) to be payable to the shareholders on 16 October 2009. The entitlement date for the said dividend shall be 30 September 2009.

A Depositor shall qualify for entitlement to the Dividend only in respect of:-

- Securities transferred into the Depositor's Securities Account before 4.00pm on 30 September 2009 in respect of transfer;
- Securities brought on Bursa Malaysia on a cum entitlement basis according to the rules of Bursa Malaysia.

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	
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Group's profit after taxation attributable to equity holders of the parent (RM'000)	32,861	43,963	51,125	86,484
Number of shares at the beginning of the period ('000)	738,564	738,564	738,564	738,564
Effect of Share Buy Back ('000)	(16)	-	(49)	-
Weighted average number of ordinary shares outstanding ('000)	738,548	738,564	738,515	738,564
Basic earnings per share (sen)	4.45	5.95	6.92	11.71

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
30 July 2009
Petaling Jaya, Selangor Darul Ehsan