



## STAR PUBLICATIONS (MALAYSIA) BERHAD

Company no. 10894-D  
(Incorporated in Malaysia)

### INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

#### Unaudited Condensed Consolidated Income Statements

	3 months ended		Financial period ended	
	30.09.2009 RM'000	30.09.2008 RM'000	30.09.2009 RM'000	30.09.2008 RM'000
<b>Revenue</b>	<b>243,811</b>	<b>202,968</b>	<b>659,380</b>	<b>619,450</b>
Operating expenses	(199,214)	(152,751)	(551,400)	(460,195)
Other operating income	7,021	9,472	25,664	28,650
<b>Profit from operations</b>	<b>51,618</b>	<b>59,689</b>	<b>133,644</b>	<b>187,905</b>
Finance cost	(3,749)	(3,532)	(11,330)	(10,450)
	47,869	56,157	122,314	177,455
<i>Share of profit in associate company</i>	10	-	10	-
<i>Share of (loss)/profit in jointly controlled entities</i>	(1,326)	147	(3,031)	147
<b>Profit before taxation</b>	<b>46,553</b>	<b>56,304</b>	<b>119,293</b>	<b>177,602</b>
Taxation	(12,974)	(17,252)	(33,066)	(52,054)
<b>Profit for the financial period</b>	<b>33,579</b>	<b>39,052</b>	<b>86,227</b>	<b>125,548</b>
<b>Attributable to:</b>				
Equity holders of the parent	32,613	39,092	83,738	125,576
Minority interest	966	(40)	2,489	(28)
	<b>33,579</b>	<b>39,052</b>	<b>86,227</b>	<b>125,548</b>
<b>Basic earnings per ordinary share (sen)</b>	<b>4.42</b>	<b>5.29</b>	<b>11.34</b>	<b>17.00</b>
<b>Diluted earnings per ordinary share (sen)</b>	<b>4.42</b>	<b>5.29</b>	<b>11.34</b>	<b>17.00</b>

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

Notes on Operating Expenses:

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

(11,760)	(10,935)	(35,365)	(32,573)
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**Unaudited Condensed Consolidated Balance Sheet  
As at 30 September 2009**

	30 September 2009 RM'000	31 December 2008 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	578,609	604,378
Investment properties	8,602	8,888
Prepaid lease payments for land	42,954	43,415
Intangible assets	50,192	51,966
Investment in associate company	12,249	-
Investment in jointly-controlled entities	17,269	20,300
Investment in financial products	29,269	-
Deferred tax assets	450	486
Club membership	616	807
Other non-current assets	2,291	-
	<b>742,501</b>	<b>730,240</b>
<b>Current assets</b>		
Inventories	121,799	214,910
Trade and other receivables	197,677	161,584
Tax recoverable	1,989	889
Short term deposits	649,232	566,147
Cash and bank balances	72,064	55,409
	<b>1,042,761</b>	<b>998,939</b>
<b>TOTAL ASSETS</b>	<b>1,785,262</b>	<b>1,729,179</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	738,564	738,564
Treasury shares	(225)	-
Reserves	452,945	472,306
Equity attributable to equity holders of the parent Company	<b>1,191,284</b>	<b>1,210,870</b>
Minority interest	26,804	23,117
<b>Total equity</b>	<b>1,218,088</b>	<b>1,233,987</b>
<b>Non-current liabilities</b>		
Borrowings	253,685	251,265
Retirement benefits	-	500
Deferred tax liabilities	77,650	77,628
	<b>331,335</b>	<b>329,393</b>
<b>Current liabilities</b>		
Trade and other payables	126,726	120,893
Borrowings	37,062	34,418
Dividend payable	63,695	-
Taxation	8,356	10,488
	<b>235,839</b>	<b>165,799</b>
<b>Total Liabilities</b>	<b>567,174</b>	<b>495,192</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,785,262</b>	<b>1,729,179</b>
<b>Net assets per share attributable to ordinary equity holders of the parent company (RM)</b>	<b>1.61</b>	<b>1.64</b>

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

## Unaudited Condensed Consolidated Statements of Changes in Equity For the period ended 30 September 2009

	--- Attributable to equity holders of the Parent Company ---						Total Equity RM'000
	Non-distributable			Distributable		Minority interest RM'000	
	Share capital RM'000	Reserves Treasury shares RM'000	Other reserves RM'000	Reserves Retained earnings RM'000	Total RM'000		
<b>Balance as at 1 January 2009</b>	738,564	-	(1,226)	473,532	1,210,870	23,117	1,233,987
ESOS by subsidiary to minority interest	-	-	-	-	-	146	146
Currency translation differences	-	-	24,297	-	24,297	-	24,297
Net income recognised directly in equity	-	-	24,297	-	24,297	-	24,297
Repurchase of shares	-	(225)	-	-	(225)	-	(225)
Net profit for the financial period	-	-	-	83,738	83,738	2,489	86,227
Changes of shareholding in subsidiary company	-	-	-	-	-	1,862	1,862
<b>Total recognised income for the period</b>	-	(225)	24,297	83,738	107,810	4,497	112,307
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>First Interim Dividend and Special Dividend for the financial year ended 31 December 2009, paid on 16 October 2009</i>	-	-	-	(63,695)	(63,695)	-	(63,695)
<i>Dividends paid to minority shareholders of a subsidiary company</i>	-	-	-	-	-	(810)	(810)
<b>Balance as at 30 September 2009</b>	738,564	(225)	23,071	429,874	1,191,284	26,804	1,218,088
<b>Balance as at 1 January 2008</b>	738,564	-	18,505	460,921	1,217,990	1,066	1,219,056
Currency translation differences	-	-	(5,268)	-	(5,268)	-	(5,268)
Net income recognised directly in equity	-	-	(5,268)	-	(5,268)	-	(5,268)
Net profit for the financial period	-	-	-	125,576	125,576	18	125,594
<b>Total recognised income and expense for the period</b>	-	-	(5,268)	125,576	120,308	18	120,326
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)
<i>First Interim Dividend and Special Dividend for the financial year ended 31 December 2008, paid on 30 September 2008</i>	-	-	-	(63,147)	(63,147)	-	(63,147)
<b>Balance as at 30 September 2008</b>	738,564	-	13,237	460,203	1,212,004	1,084	1,213,088

(The unaudited Condensed Consolidated Statement Of Changes in Equity should be read in conjunction with the Annual Financial Statement for the year ended 31<sup>st</sup> December 2008)

**Unaudited Condensed Consolidated Cash Flow Statement  
For the period ended 30 September 2009**

	30 September 2009 RM'000	30 September 2008 RM'000
<b>Profit before taxation</b>	119,293	177,602
<b>Adjustments for non-cash flow items:-</b>		
Share of profits in associate company	(10)	-
Share of loss in jointly controlled entities	3,031	(147)
Non-cash items	39,672	36,643
Non-operating items	(1,722)	(10,230)
<b>Operating profit before working capital changes</b>	<b>160,264</b>	<b>203,868</b>
<b>Changes in working capital</b>		
Net change in current assets	54,348	(4,002)
Net change in current liabilities	10,244	(1,240)
	64,592	(5,242)
<b>Cash generated from operations</b>	<b>224,856</b>	<b>198,626</b>
Net tax paid	(36,485)	(42,438)
Retirement benefit paid	(500)	(8,649)
<b>Net cash from operating activities</b>	<b>187,871</b>	<b>147,539</b>
<b>Investing Activities</b>		
Proceeds from disposal of property, plant and equipment	556	321
Purchases of property, plant and equipment	(9,525)	(7,941)
Repurchase of shares	(225)	-
Additional Investment/ Acquisition of subsidiary companies net of shares acquired	(6,627)	(2,029)
Proceeds from partial disposal of subsidiary company	8,917	-
Investment in associate company	(12,239)	-
Investment in jointly controlled entity	-	(20,356)
Investment in financial products	(29,269)	-
Interest received	10,585	17,013
<b>Net cash used in investing activities</b>	<b>(37,827)</b>	<b>(12,992)</b>
<b>Financing Activities</b>		
Interest paid	(14,846)	(13,950)
Repayment of borrowings	(143)	-
Net drawdown of term loan	4,580	-
Dividends paid	(63,701)	(126,294)
Dividends paid to minority shareholders of subsidiary	(810)	-
<b>Net cash used in financing activities</b>	<b>(74,920)</b>	<b>(140,244)</b>
<b>Net Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>75,124</b>	<b>(5,697)</b>
Effect of exchange rates fluctuations on cash held	24,616	(5,320)
Cash & Cash Equivalents at beginning of year	621,556	658,075
<b>Cash &amp; Cash Equivalents at end of the year</b>	<b>721,296</b>	<b>647,058</b>

(The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31<sup>st</sup> 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 September 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 September 2009.

**A6. Dividend paid**

	2009 RM'000	2008 RM'000
<b><u>In respect of the financial year ended 31 December 2007</u></b>		
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
<b><u>In respect of the financial year ending 31 December 2008</u></b>		
First 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 30 September 2008	-	63,147
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	-
<b><u>In respect of the financial year ending 31 December 2009</u></b>		
First 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 16 October 2009	63,695	-
	127,396	126,294

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

	9 months ended 30 September 2009		
	Assets	Revenue	Segment
	RM'000	RM'000	results
			RM'000
Print and electronic media	1,526,027	541,125	118,218
Event, exhibition, interior and thematic	127,263	117,466	4,611
Others	131,972	789	(515)
	<u>1,785,262</u>	<u>659,380</u>	<u>122,314</u>
Share of results in associate company			10
Share of results in jointly controlled entities			<u>(3,031)</u>
Profit before tax			<u>119,293</u>

**(b) Geographical Segment**

	9 months ended 30 September 2009		
	Assets	Revenue	Segment
	RM'000	RM'000	results
			RM'000
Malaysia	1,538,340	545,000	117,141
Asia and other countries	246,922	114,380	5,173
	<u>1,785,262</u>	<u>659,380</u>	<u>122,314</u>
Share of results in associate company			10
Share of results in jointly controlled entities			<u>(3,031)</u>
Profit before tax			<u>119,293</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 charter 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 (“Daily Bid”), a dormant shelf company incorporated in Malaysia. Daily Bid subsequently changed its name to JustJobs Sdn Bhd on 13 August 2009.
- 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.
- On 21 July 2009, Cityneon announced that it has increased its investment in Themewerks Pte. Ltd. (“Themewerks”), a wholly-owned subsidiary company by an additional investment of SGD180,000, increasing the share capital of Themewerks from SGD120,000 to SGD300,000. It also increased its investment in Artscapes Themewerks Pte. Ltd. (“Artscapes”), a 65% owned subsidiary of Themewerks by additional investment of SGD130,000 through Themewerks, thereby the share capital of Artscapes increased from SGD100,000 to SGD300,000. Themewerks and Artscapes are both incorporated in Singapore and their principal activities are to design, build and construct, manufacture and trade in projects and components of water features, landscapes, thematic parks, thematic events, thematic leisure and entertainment outlets.
- On 11 August 2009, Laviani Pte Ltd (“Laviani”), a wholly owned subsidiary of the Company increased its equity interest in Cityneon from 63.73% to 68.73% by acquisition of additional 4,426,270 shares of Cityneon. Subsequent to the increase in equity interest, Laviani sold 8,542,000 units of Cityneon shares in the open market. The controlling interest of Laviani in Cityneon effectively decreased from 68.73% to 59.08% on 25 September 2009. The disposal of shares is in order to fulfill the shareholding spread requirement of Cityneon under Rule 723 and Rule 1105 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX”). Following the compliance of these rules, Cityneon’s shares resume trading on the SGX on 29 September 2009.



**Notes to the interim financial report**

**A9. Changes in composition of the Group (cont'd)**

- On 8 September 2009, the Company announced that Star IT Sdn Bhd (Star IT), a 70% owned subsidiary of the Company, has been placed under Member's Voluntary Winding-Up pursuant to Section 254(1)(b) of the Companies Act, 1965 and pursuant to passing of a special resolution by its members at an Extraordinary General Meeting.
- The Company incorporated a wholly owned subsidiary, Star MediaWorks Sdn Bhd ("SMSB") on 10 September 2009. SMSB has an authorised share capital of RM5,000,000 consisting of 5,000,000 ordinary shares of RM1.00 each with a paid-up share capital of RM2.00. The intended principal activities of SMSB are investment holding and multimedia content development.

**A10. Changes in contingent liabilities**

The contingent liabilities of the Group arise from a subsidiary company. The contingent liabilities are as follow:

	RM'000
Project related bonds/ Guarantee	25,340
Rental guarantee	1,339
	-----
	26,679
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**A11. Capital commitments**

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	13,572
- not contracted	4,106
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	17,678
	=====

**Additional information required by Bursa Malaysia Securities Listing Requirements**

**B1. Review of performance**

	Current Year Quarter 30.09.2009 RM'000	Preceding Year Corresponding Quarter 30.09.2008 RM'000
Revenue	243,811	202,968
Consolidated Profit before taxation	46,553	56,304
Consolidated Profit after taxation	33,579	39,052

For the current financial quarter under review, the Group's revenue was higher at RM243.81 million as compared to RM202.97 million in the same quarter last year.

The Group's profit before tax for the current quarter was lower at RM46.55 million as compared to that of the 2008's corresponding results of RM56.30 million due to lower revenue from the print and electronic media division, higher printing cost and lower margins from the events, exhibition, interior and thematic division. The drop in interest rate which resulted in lower interest income and higher losses from jointly controlled entities of the Group, further contributed to a lower profit after tax for the current quarter under review.

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 30.09.2009 RM'000	Preceding Quarter 30.06.2009 RM'000
Revenue	243,811	234,223
Consolidated Profit before taxation	46,553	47,287

The Group's revenue for the current quarter was higher at RM243.81 million as compared to RM234.22 million in the preceding quarter.

**B3. Current year prospects**

According to the Malaysian Institute of Economic Research ("MIER"), Malaysia's GDP registered a smaller contraction of -3.9% yoy in 2Q09 (-6.2% in 1Q09) after a rebound in the external sector. MIER also added that the public spending has cushioned the economy from a deeper slide. Monthly indicators up to July 2009 have shown some improvement.

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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	RM'000	RM'000	RM'000	RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	12,449	13,814	31,793	46,147
2. Foreign taxation	525	445	1,232	1,279
3. Deferred taxation	-	2,993	41	4,628
	12,974	17,252	33,066	52,054

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.

**Additional information required by Bursa Malaysia Securities Listing Requirements****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 30.09.2009 RM'000	As at 30.09.2008 RM'000
<b><u>Short Term Borrowings</u></b>		
<b>Unsecured</b>		
Term loan	36,897	-
Hire purchase	165	-
	37,062	-
<b><u>Long Term Borrowings</u></b>		
<b>Unsecured</b>		
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	2,537	-
Hire purchase	1,148	-
	253,685	250,000

Except for the Medium Term Notes of RM250 million and hire purchase of RM84,907 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 28 October 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:

<b>Description</b>	<b>Notional Amount ('000)</b>	<b>Expiry Date</b>
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 does not recommend any payment of dividend for the quarter under review.

**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	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Group's profit after taxation attributable to equity holders of the parent (RM'000)	32,613	39,092	83,738	125,576
Number of shares at the beginning of the period ('000)	738,515	738,564	738,564	738,564
Effect of Share Buy Back ('000)	-	-	(49)	-
Weighted average number of ordinary shares outstanding ('000)	738,515	738,564	738,515	738,564
<b>Basic earnings per share (sen)</b>	<b>4.42</b>	<b>5.29</b>	<b>11.34</b>	<b>17.00</b>

**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  
05 November 2009  
Petaling Jaya, Selangor Darul Ehsan