



STAR PUBLICATIONS (MALAYSIA) BERHAD

Company no. 10894-D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

Unaudited Condensed Consolidated Income Statement

	3 months ended		Financial period ended	
	31.03.2010 RM'000	31.03.2009* RM'000	31.03.2010 RM'000	31.03.2009* RM'000
Revenue	230,586	181,346	230,586	181,346
Operating expenses	(182,132)	(160,958)	(182,132)	(160,958)
Other operating income	9,644	9,508	9,644	9,508
Profit from operations	58,098	29,896	58,098	29,896
Finance cost	(3,102)	(3,791)	(3,102)	(3,791)
	54,996	26,105	54,996	26,105
<i>Share of loss in associate company</i>	(315)	-	(315)	-
<i>Share of loss in jointly controlled entities</i>	(1,179)	(652)	(1,179)	(652)
Profit before taxation	53,502	25,453	53,502	25,453
Taxation	(15,162)	(7,861)	(15,162)	(7,861)
Profit for the financial period	38,340	17,592	38,340	17,592
Attributable to:				
Equity holders of the parent	37,825	18,264	37,825	18,264
Minority interest	515	(672)	515	(672)
	38,340	17,592	38,340	17,592
Basic earnings per ordinary share (sen)	5.12	2.47	5.12	2.47
Diluted earnings per ordinary share (sen)	5.12	2.47	5.12	2.47

* The Group has applied FRS 139 prospectively for financial year beginning 1 January 2010 onwards, as the Standard does not permit retrospective application.

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009)

Notes on Operating Expenses:

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

	(12,126)	(11,890)	(12,126)	(11,890)
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**Unaudited Condensed Statement of Other Comprehensive Income
For the period ended 31 March 2010**

	3 months ended		Financial period ended	
	31.03.2010 RM'000	31.03.2009* RM'000	31.03.2010 RM'000	31.03.2009* RM'000
Profit for the financial period	38,340	17,592	38,340	17,592
Other comprehensive income				
- exchange differences on translating foreign operations	(3,810)	4,276	(3,810)	4,276
- fair value adjustment for available-for-sale financial assets	109	-	109	-
Total comprehensive income for the financial period	34,639	21,868	34,639	21,868
Attributable to:				
Equity holders of the parent	35,209	22,540	35,209	22,540
Minority interest	(570)	(672)	(570)	(672)
	34,639	21,868	34,639	21,868

* The Group has applied FRS 139 prospectively for financial year beginning 1 January 2010 onwards, as the Standard does not permit retrospective application.

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2010**

	31 March 2010	31 December 2009*
	RM'000	(Restated) RM'000
Non-current assets		
Property, plant and equipment	621,190	622,787
Investment properties	19,946	20,093
Intangible assets	51,842	52,331
Investment in associate company	11,596	11,911
Investment in jointly-controlled entities	14,781	15,960
Other investments	-	47,352
Held-to-maturity investments	15,000	-
Financial assets at fair value through profit or loss	26,850	-
Available-for-sale investment	6,168	-
Deferred tax assets	630	632
Other non-current assets	1,772	1,825
	769,775	772,891
Current assets		
Inventories	77,559	85,514
Trade and other receivables	198,096	197,332
Tax recoverable	568	1,386
Short term deposits	572,420	672,084
Cash and bank balances	86,377	101,145
	935,020	1,057,461
TOTAL ASSETS	1,704,795	1,830,352

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2010 (cont'd)**

	31 March 2010	31 December 2009* (Restated)
	RM'000	RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(225)	(225)
Reserves	487,465	515,767
Equity attributable to equity holders of the parent Company	1,225,804	1,254,106
Minority interest	28,242	28,778
Total equity	1,254,046	1,282,884
Non-current liabilities		
Borrowings	43,426	45,555
Deferred tax liabilities	81,119	81,140
	124,545	126,695
Current liabilities		
Trade and other payables	143,030	157,135
Derivative financial liabilities	326	-
Borrowings	103,819	253,410
Dividend payable	63,695	-
Taxation	15,334	10,228
	326,204	420,773
Total Liabilities	450,749	547,468
TOTAL EQUITY AND LIABILITIES	1,704,795	1,830,352
Net assets per share attributable to ordinary equity holders of the parent company (RM)	1.66	1.70

The restatement of the 2009 Statement of Financial Position reflects the change in the Group's accounting policy for classification of prepaid lease payments for land required by *FRS 117: Leases*, as explained in Note A1(b).

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2010

	[----- Attributable to equity holders of the Parent Company -----]								
	[-----Non-distributable-----]					[-----Distributable-----]			
	Reserves					Reserves			
	Share capital	Foreign exchange translation reserves	Capital reserves	Available-for-sale reserve	Treasury shares	Retained earnings	Total	Minority interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2010	738,564	24,771	149	-	(225)	490,847	1,254,106	28,778	1,282,884
Effect of adopting FRS 139	-	-	-	-	-	141	141	-	141
As at 1 January 2010, restated	738,564	24,771	149	-	(225)	490,988	1,254,247	28,778	1,283,025
Total comprehensive income for the period	-	(2,725)	-	109	-	37,825	35,209	(570)	34,639
<u>Transactions with owners</u>									
ESOS by subsidiary company to Minority shareholders	-	-	43	-	-	-	43	34	77
Dividend									
<i>First Interim Dividend and Special Dividend for the financial year ended 31 December 2009, paid on 16 April 2010</i>									
	-	-	-	-	-	(63,695)	(63,695)	-	(63,695)
Balance as at 31 March 2010	738,564	22,046	192	109	(225)	465,118	1,225,804	28,242	1,254,046

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2010**

	[----- Attributable to equity holders of the Parent Company -----]		Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total Equity RM'000
	[---Non-distributable ---] Reserves	[-----Distributable-----] Reserves					
	Share capital RM'000	Foreign exchange translation reserves RM'000					
Balance as at 1 January 2009	738,564	(1,226)	-	473,532	1,210,870	23,117	1,233,987
Total comprehensive income for the period	-	4,276	-	18,264	22,540	(672)	21,868
<u>Transactions with owners</u>							
Repurchase of shares	-	-	(142)	-	(142)	-	(142)
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)
Balance as at 31 March 2009	738,564	3,050	(142)	428,095	1,169,567	22,445	1,192,012

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2009)

Unaudited Condensed Consolidated Statement of Cash Flow
For the period ended 31 March 2010

	31 March 2010 RM'000	31 March 2009 RM'000
Profit before taxation	53,502	25,453
Adjustments for non-cash flow items:-		
Share of loss in associate company	315	-
Share of loss in jointly controlled entities	1,179	652
Non-cash items	12,983	13,318
Non-operating items	(2,626)	(1,927)
Operating profit before working capital changes	65,353	37,496
Changes in working capital		
Net change in current assets	4,969	39,737
Net change in current liabilities	(6,306)	(31,011)
	(1,337)	8,726
Cash generated from operations	64,016	46,222
Net tax paid	(9,157)	(15,175)
Retirement benefit paid	-	(500)
Net cash from operating activities	54,859	30,547
Investing Activities		
Proceeds from disposal of property, plant and equipment	167	311
Purchases of property, plant and equipment	(10,762)	(5,204)
Repurchase of shares	-	(142)
Additional Investment/ Acquisition of subsidiary companies net of shares acquired	(26)	-
Interest received	2,663	2,351
Investment income received	368	938
Net cash used in investing activities	(7,590)	(1,746)
Financing Activities		
Interest paid	(6,975)	(7,326)
Repayment of hire purchase	(38)	(56)
Net drawdown of term loan	182	-
Repayment of finance lease	(197)	-
Repayment of MTN	(150,000)	-
Net cash used in financing activities	(157,028)	(7,382)
Net Decrease in Cash & Cash Equivalents	(109,759)	21,419
Effect of exchange rates fluctuations on cash held	(4,673)	3,451
Cash & Cash Equivalents at beginning of period	773,229	621,556
Cash & Cash Equivalents at end of the period	658,797	646,426

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31st December 2009).

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 2009.

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 2009 except that the Group has adopted the Malaysian Financial Reporting Standards (FRSs) and other interpretations that are effective for the financial statements commencing 1 January 2010. The FRSs which are effective commencing 1 January 2010 and have significant impact on the financial statements of the Group are:

- a) FRS 101 : Presentation of Financial Statements
Changes in financial statements presentation have been adopted by the Group.
- b) FRS 117 : Leases
The amendments requires entity with existing leases of land and building to reassess the classification of land as finance or operating lease. Following the amendments, the Group has reclassified the existing leasehold land to property, plant and equipment, with no effect on reported profit or equity. However, as a result of the adoption of the amendments, comparative balances as at 31 December 2009 has been restated as follows:

	As previously reported RM'000	Effects of adopting amendments to FRS 117 RM'000	As restated RM'000
Property, plant and equipment	579,986	42,801	622,787
Prepaid lease payments for land	42,801	(42,801)	-

- c) FRS 139 : Financial Instruments : Recognition and Measurement
Held-to-maturity investments are initially recognised at fair value and subsequently measured at amortised cost. Financial assets at fair value through profit and loss are measured at fair value and fair value changes are recognised directly in profit or loss. Available-for-sale financial assets are measured at fair value and changes in the fair value are recognised directly in equity as “available-for-sale reserve” except for impairment losses which are recognised in profit or loss.

Notes to the interim financial report**A1. Basis of Preparation (cont'd)**

c) FRS 139 : Financial Instruments : Recognition and Measurement (cont'd)

Financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

Derivatives are initially recognised at fair value on the trade date and subsequently re-measured at fair value. Fair value changes are recognised directly in profit or loss.

Impact on opening balance

In accordance with the transitional provisions of FRS139, the above changes are applied prospectively and the comparative as at 31 December 2009 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the Statement of Financial Position as at 1 January 2010.

	Previously stated RM'000	Effect of FRS 139 RM'000	As restated RM'000
Assets			
Other investments	47,352	(47,352)	-
Held-to-maturity investments	-	15,000	15,000
Financial assets at fair value through profit or loss	-	26,312	26,312
Available-for-sale investment	-	6,181	6,181
	<hr/>		<hr/>
Equity			
Retained earnings	490,847	141	490,988
	<hr/>		<hr/>

d) FRS 4 : Insurance contract

The Group has adopted FRS 4 in relation to financial guarantee contracts.

A2. Seasonal or cyclical factors

The operations of our major business segment are generally affected by the major festive seasons.

Notes to the interim financial report**A3. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2010.

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.

A5. Debt and equity securities

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 2010 except for a repayment of RM150 million for Medium Term Notes ("MTN") which matured on 26 February 2010.

A6. Dividend paid

No dividend was paid in the current financial period ended 31 March 2010.

A7. Segment Reporting**Business Segment****3 months ended 31 March 2010**

	Financial period ended 31 March 2010		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and electronic media	1,398,698	197,603	52,995
Event, exhibition, interior and thematic	178,010	32,433	1,310
Others	128,087	550	691
	<u>1,704,795</u>	<u>230,586</u>	54,996
Share of results in associate company			(315)
Share of results in jointly controlled entities			(1,179)
Profit before tax			<u>53,502</u>

Notes to the interim financial report

A8. Events subsequent to the balance sheet date

- On 9 April 2010, Cityneon Holdings Limited (“Cityneon”), a subsidiary incorporated in Singapore announced that it has acquired the remaining 49% interest comprising 12,250 ordinary shares, fully paid in the capital of Cityneon-World Project Pte Ltd (“CWP”), thereby increasing the Company’s interest in CWP from 51% to 100%. The consideration of SGD10,000 is arrived based on willing-buyer willing-seller basis and are internally funded. CWP is incorporated in Singapore and its principal activities involve provision of design and build services for museums and visitor galleries, interior architecture and shop fit-outs.
- On 22 April 2010, Cityneon-World Projects Pte Ltd, a wholly-owned subsidiary of Cityneon, changed its name to Wonderful World Pte Ltd.
- On 10 May 2010, Laviani Pte Ltd (“Laviani”), a wholly owned subsidiary of the Company increased its equity interest in Cityneon from 59.08% to 64.08% by the acquisition of additional 4,426,270 shares of Cityneon for a total consideration of SGD2,700,025.

A9. Changes in composition of the Group

- On 15 March 2010, 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 Acacia Forecast (M) Sdn Bhd, a dormant shelf company incorporated in Malaysia, for a cash consideration of RM2.00.
- On 15 March 2010, Laviani, a wholly-owned subsidiary of the Company increased its share capital from SGD1 to SGD11,750,412. The new allotment of SGD11,750,411 were fully subscribed by the Company by converting the amount owing by Laviani to equity. There are no changes in the stakeholding of the Company subsequent to this allotment and Laviani remains a wholly-owned subsidiary of the Company.

A10. Changes in contingent liabilities

The contingent liabilities of the Group, arising from a subsidiary company, are as follow:

	RM'000
Project related bonds/ Guarantee	17,595
Rental guarantee	1,307

	18,902
	=====

Notes to the interim financial report**A11. Capital commitments**

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	14,961
- not contracted	15,558

	30,519
	=====

Included in the contracted capital commitments is an amount of RM10,000,000 relating to balance subscription for the investment in a jointly controlled entity of the Company. The amount was supposed to be paid on or before 16 May 2010, but it has been deferred indefinitely pending review by the Company and joint venture partner.

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

	Current Year Quarter 31.03.2010 RM'000	Preceding Year Corresponding Quarter 31.03.2009 RM'000
Revenue	230,586	181,346
Consolidated Profit before taxation	53,502	25,453
Consolidated Profit after taxation	38,340	17,592

For the current financial quarter under review, the Group's revenue was higher at RM230.59 million as compared to RM181.35 million in the same quarter last year.

The Group's profit before tax for the current quarter was higher at RM53.50 million due to higher revenue compared to that of 2009's corresponding results of RM25.45 million.

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

B2. Variation of results against preceding quarter

	Current Quarter 31.03.2010 RM'000	Preceding Quarter 31.12.2009 RM'000
Revenue	230,586	314,541
Consolidated Profit before taxation	53,502	77,862

The Group's revenue for the current quarter was lower at RM230.59 million as compared to RM314.54 million in the preceding quarter.

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

According to the Malaysian Institute of Economic Research ("MIER"), both the Consumer Sentiments Index (CSI) and Business Conditions Index (BCI) were higher by +4.6 points qoq and +5.2 points qoq respectively in 1Q2010.

Following the improvement in the consumer and business confidence, MIER raised its GDP growth forecast of +3.7% yoy for 2010 to +5.0% yoy.

Adex also grew by 22% (source: Nielsen Media Research) in first quarter of 2010.

The Board of Directors expects the performance for the year ending 31 December 2010 to be satisfactory.

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	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
Current period tax expense based on profit for the financial year				
1. Malaysian taxation	14,519	7,656	14,519	7,656
2. Foreign taxation	643	205	643	205
3. Deferred taxation	-	-	-	-
	15,162	7,861	15,162	7,861

The effective tax rate on the Group's profit for the financial period 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. Borrowings and debt securities

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

	As at 31.03.2010 RM'000	As at 31.03.2009 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
5-years MTN 2005/2010 with a coupon rate of 5.70% per annum, maturing on 27 August 2010	100,000	-
Hire purchase	160	166
Finance lease	809	-
	100,969	166
Secured		
Term loan	2,850	34,083
	103,819	34,249
<u>Long Term Borrowings</u>		
Unsecured		
5-years MTN 2005/2010 with a coupon rate of 5.50% per annum, maturing on 26 February 2010	-	150,000
5-years MTN 2005/2010 with a coupon rate of 5.70% per annum, maturing on 27 August 2010	-	100,000
	-	250,000
Hire purchase	1,015	1,204
Finance lease	7,866	-
	8,881	251,204
Secured		
Term loan	34,545	-
	43,426	251,204

Except for the secured term loan and hire purchase of RM1,106,400 which are denominated in Singapore Dollar, other borrowings are in Ringgit Malaysia.

Additional information required by Bursa Malaysia Securities Listing Requirements**B10. Derivatives****Forward Foreign Exchange Contracts**

As at 31 March 2010, the Group entered into forward foreign exchange contract to buy Euro. The foreign currency contract entered into by the Group is as follow:

Forward foreign exchange contract	Notional value RM'000	Fair value RM'000
Euro/ USD Foreign Exchange Forward Contract - Less than 1 year	1,109	326

Credit risk

There is minimal credit risk as the contract was entered with reputable a financial institution.

Cash requirements

The Group will fund the cash requirements of the derivative from its net cash flow from operating activities when the payments fall due.

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

No interim dividend have been recommended for the current quarter under review (Quarter 1 2009 : Nil).

In respect of the financial year ended 31 December 2009, 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 16 April 2010 (2009 : 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).

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	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Group's profit after taxation attributable to equity holders of the parent (RM'000)	37,825	18,264	37,825	18,264
Number of shares at the beginning of the year ('000)	738,493	738,564	738,493	738,564
Effect of Share Buy Back during the year ('000)	-	(41)	-	(41)
Weighted average number of ordinary shares outstanding ('000)	738,493	738,523	738,493	738,523
Basic earnings per share (sen)	5.12	2.47	5.12	2.47

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
24 May 2010
Petaling Jaya, Selangor Darul Ehsan