



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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2011**

Unaudited Condensed Consolidated Income Statement

	3 months ended		Financial period ended	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Revenue	228,026	230,586	228,026	230,586
Operating expenses	(178,271)	(182,132)	(178,271)	(182,132)
Other operating income	7,153	9,644	7,153	9,644
Profit from operations	56,908	58,098	56,908	58,098
Finance cost	(802)	(3,102)	(802)	(3,102)
	56,106	54,996	56,106	54,996
<i>Share of losses in associate company</i>	(31)	(315)	(31)	(315)
<i>Share of losses in jointly controlled entities</i>	(1,156)	(1,179)	(1,156)	(1,179)
Profit before taxation	54,919	53,502	54,919	53,502
Taxation	(16,869)	(15,162)	(16,869)	(15,162)
Profit for the financial period	38,050	38,340	38,050	38,340
Attributable to:				
Equity holders of the parent	40,270	37,825	40,270	37,825
Non-controlling interest	(2,220)	515	(2,220)	515
	38,050	38,340	38,050	38,340
Basic earnings per ordinary share (sen)	5.45	5.12	5.45	5.12
Diluted earnings per ordinary share (sen)	5.45	5.12	5.45	5.12

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2010)

Notes on Operating Expenses:

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

(11,855)	(12,126)	(11,855)	(12,126)
----------	----------	----------	----------

**Unaudited Condensed Statement of Other Comprehensive Income
For the period ended 31 March 2011**

	3 months ended		Financial period ended	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Profit for the financial period	38,050	38,340	38,050	38,340
Other comprehensive income				
- exchange differences on translating foreign operations	260	(3,810)	260	(3,810)
- fair value adjustment on available-for-sale financial assets	113	109	113	109
Total comprehensive income for the financial period	38,423	34,639	38,423	34,639
Attributable to:				
Equity holders of the parent	40,801	35,209	40,801	35,209
Non-controlling interest	(2,378)	(570)	(2,378)	(570)
	38,423	34,639	38,423	34,639

(The unaudited Condensed Statement of Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2010)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2011**

	31 March 2011 RM'000	31 December 2010 RM'000
Non-current assets		
Property, plant and equipment	573,567	580,225
Investment properties	15,933	16,068
Intangible assets	54,603	54,653
Investment in an associate	10,113	10,144
Investment in jointly-controlled entities	10,166	11,322
Other investments		
-Held-to-maturity investments	10,000	10,000
-Financial assets at fair value through profit or loss	28,426	28,007
-Available-for-sale investment	6,503	6,255
Deferred tax assets	575	574
	709,886	717,248
Current assets		
Inventories	196,580	210,502
Trade and other receivables	178,977	190,058
Current tax assets	-	87
Other investments		
-Held-to-maturity investments	5,000	5,000
Short term deposits	193,255	130,462
Cash and bank balances	68,557	86,226
	642,369	622,335
Non-current assets held for sale	20,562	24,120
TOTAL ASSETS	1,372,817	1,363,703

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2011 (cont'd)**

	31 March 2011 RM'000	31 December 2010 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(225)	(225)
Reserves	244,220	269,883
Equity attributable to equity holders of the parent Company	982,559	1,008,222
Non-controlling interest	24,957	27,335
Total equity	1,007,516	1,035,557
Non-current liabilities		
Borrowings	41,961	42,066
Deferred tax liabilities	79,029	79,026
	120,990	121,092
Current liabilities		
Trade and other payables	110,144	138,855
Borrowings	52,886	53,065
Dividend payable	66,464	-
Taxation	14,817	15,134
	244,311	207,054
Total Liabilities	365,301	328,146
TOTAL EQUITY AND LIABILITIES	1,372,817	1,363,703
Net assets per share attributable to ordinary equity holders of the parent company (RM)	1.33	1.37

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2010)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2011

[----- 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	Non- controlling 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 2011	738,564	20,721	536	100	(225)	248,526	1,008,222	27,335	1,035,557
Total comprehensive income for the year	-	416	2	113	-	40,270	40,801	(2,378)	38,423
<u>Transactions with owners</u>									
Dividend									
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2010, paid on 19 April 2011</i>	-	-	-	-	-	(66,464)	(66,464)	-	(66,464)
Balance as at 31 March 2011	738,564	21,137	538	213	(225)	222,332	982,559	24,957	1,007,516

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 31 March 2011**

	[----- 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	Non-controlling 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

(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 2010)

Unaudited Condensed Consolidated Statement of Cash Flow
For the period ended 31 March 2011

	31 March 2011 RM'000	31 March 2010 RM'000
Profit before taxation	54,919	53,502
Adjustments for non-cash flow items:-		
Share of loss in associate company	31	315
Share of loss in jointly controlled entities	1,156	1,179
Non-cash items	12,362	12,983
Non-operating items	(1,184)	(2,626)
Operating profit before working capital changes	67,284	65,353
Changes in working capital		
Net change in current assets	18,639	4,969
Net change in current liabilities	(21,990)	(6,306)
	(3,351)	(1,337)
Cash generated from operations	63,933	64,016
Net tax paid	(17,095)	(9,157)
Net cash from operating activities	46,838	54,859
Investing Activities		
Proceeds from disposal of property, plant and equipment	628	167
Proceeds from disposal of non-current assets held for sale	3,626	-
Purchases of property, plant and equipment	(5,972)	(10,762)
Additional investment in subsidiary	-	(26)
Investment in financial products	(45)	-
Interest and investment income received	997	3,031
Net cash used in investing activities	(766)	(7,590)
Financing Activities		
Interest paid	(334)	(6,975)
Repayment of hire purchase	(42)	(38)
Net (Repayment)/ drawdown of term loan	(720)	182
Repayment of finance lease	(143)	(197)
Repayment of MTN	-	(150,000)
Net cash used in financing activities	(1,239)	(157,028)
Net Increase/ (Decrease) in Cash & Cash Equivalents	44,833	(109,759)
Effect of exchange rates fluctuations on cash held	291	(4,673)
Cash & Cash Equivalents at beginning of the period	216,688	773,229
Cash & Cash Equivalents at end of the period	261,812	658,797

(The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010).

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 2010.

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 2010 except for the mandatory adoption of the following new and revised Financial Reporting Standards (“FRSs”) and Issues Committee Interpretations (“IC Int.”) effective for the financial period beginning on 1 January 2011:

Amendments to FRS 132	Classification of Rights Issues
FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 2	Share-based Payments
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 12	Service Concession Arrangements
IC Int. 16	Hedges of a Net investment in a Foreign Operations
IC Int. 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 1	Limited Exemptions from Comparative FRS 7
Amendments to FRS 1	Additional Exemption for First-time Adopters
Amendments to FRS 7	Improving Disclosure about Financial Instruments
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
IC Int. 4	Determine Whether an Arrangement Contains a Lease
IC Int. 18	Transfer of Assets from Customer
IC Int. 15	Agreements for Construction of Real Estate
Amendments to FRSs	Improvements to FRSs (2010)
Amendments to IC Int. 14 FRS 119	The Limit of Defined Benefit Assets, Minimum Funding Requirement
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments
FRS 124	Related Party Disclosures

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

Notes to the interim financial report

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 31 March 2011.

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

On 4 April 2011, the Company announced the proposal to implement a Commercial Papers ("CPs") programme of up to RM750.0 million in nominal value ("CP Programme") and a Medium Term Notes ("MTNs") programme of up to RM750.0 million in nominal value ("MTN Programme", together with the Proposed CP Programme, are collectively known as the "Proposed Programmes"). The Proposed Programmes will have a combined limit of up to RM750.0 million.

On 27 April 2011, the Company announced the the Proposed Programmes have been approved by Securities Commission ("SC") via SC's letter dated 26 April 2011. On 11 May 2011, the Company announced that it has made its first issuance of RM200.0 million in nominal value MTNs pursuant to the MTN Programme.

A6. Dividend paid

No dividend was paid in the current financial period ended 31 March 2011.

Notes to the interim financial report

A7. Segment Reporting**Business Segment****3 months ended 31 March 2011**

	Financial period ended 31 March 2011		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and electronic media	1,183,332	207,134	60,574
Event, exhibition, interior and thematic	141,401	19,926	(4,788)
Others	48,084	966	320
	<u>1,372,817</u>	<u>228,026</u>	<u>56,106</u>
Share of results in associate company			(31)
Share of results in jointly controlled entities			(1,156)
Profit before tax			<u><u>54,919</u></u>

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>	<u>54,996</u>
Share of results in associate company			(315)
Share of results in jointly controlled entities			(1,179)
Profit before tax			<u><u>53,502</u></u>

Notes to the interim financial report

A8. Events subsequent to the balance sheet date

- On 4 April 2011, the Company announced the proposal to implement a CP Programme and MTN Programme. The Proposed Programmes will have a combined limit of up to RM750.0 million.

On 27 April 2011, the Company announced the the Proposed Programmes have been approved by SC via SC's letter dated 26 April 2011. On 11 May 2011, the Company announced that it has made its first issuance of RM200.0 million in nominal value MTNs pursuant to the MTN Programme.

- On 19 May 2011, the Company announced a proposed acquisition of 80% equity interest in Capital FM Sdn Bhd ("Capital FM") for a cash consideration of RM15,000,000, subject to the terms and conditions as stipulated in the Shares Sale Agreement ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, Capital FM will become a subsidiary of the Company.

A9. Changes in composition of the Group

There are no changes in the composition of the Group during the quarter under review.

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	18,521
Rental guarantee	1,389

	19,910
	=====

A11. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	21,407
- not contracted	44,434

	65,841
	=====

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 31.03.2011 RM'000	Preceding Year Corresponding Quarter 31.03.2010 RM'000
Revenue	228,026	230,586
Consolidated Profit before taxation	54,919	53,502
Consolidated Profit after taxation	38,050	38,340

For the current financial quarter under review, the Group's revenue was lower at RM228.03 million as compared to RM230.59 million in the corresponding quarter last year mainly due to the decline in the revenue of event, exhibition, interior and thematic segment. The print and electronic media segment however recorded a higher revenue compared to the corresponding quarter last year.

The Group's profit before tax for the current quarter was higher at RM54.92 million compared to RM53.50 million in the corresponding quarter of preceding year mainly as a result of lower operating cost in the current period under review. Profit after tax was slightly lower at RM38.05 million compared to RM38.34 million in the corresponding quarter of preceding year due to higher taxation in the current quarter.

B2. Variation of results against preceding quarter

	Current Quarter 31.03.2011 RM'000	Preceding Quarter 31.12.2010 RM'000
Revenue	228,026	296,909
Consolidated Profit before taxation	54,919	75,171

The Group's revenue for the current quarter was lower at RM228.03 million as compared to RM296.91 million in the preceding quarter as performance in the last quarter of a financial year is generally better. The Group's profit before tax for the current quarter was lower at RM54.92 million as compared to RM75.17 million in the preceding quarter as a result of lower revenue in the current quarter.

B3. Current year prospects

Malaysian Institute of Economic Research ("MIER") reported that the economic growth is projected to moderate to 5.2% yoy in 2011, before rising to 5.5% in 2012. Meanwhile the Consumer Sentiment Index ("CSI") moderated to 108.2 in first quarter of 2011. MIER also expects a stronger Business Consumer Index ("BCI") of 113.3. Consumer Price Index ("CPI") is forecasted to increase 3.2% yoy in 2011. Adex grew by 20% (source: Nielsen Media Research) in first quarter of 2011.

The Board of Directors expects the performance for the year ending 31 December 2011 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	
	31.03.2011 RM'000	31.03.2010 RM'000	31.03.2011 RM'000	31.03.2010 RM'000
Current period tax expense based on profit for the financial year				
1. Malaysian taxation	16,761	14,519	16,761	14,519
2. Foreign taxation	108	643	108	643
3. Deferred taxation	-	-	-	-
	16,869	15,162	16,869	15,162

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. Retained Earnings

	As at 31.03.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries		
-Realised	275,815	298,660
-Unrealised	(77,167)	(76,799)
	198,648	221,861
Total share of accumulated losses from associate company		
-Realised	(2,555)	(2,461)
-Unrealised	429	366
Total share of accumulated losses from jointly controlled entity		
-Realised	(9,839)	(8,683)
-Unrealised	-	-
Consolidation adjustments	35,649	37,443
Total group retained profits as per consolidated accounts	222,332	248,526

Additional information required by Bursa Malaysia Securities Listing Requirements

B7. Unquoted investments and properties

In the current financial quarter under review, the Company disposed a unit of its property previously classified under non-current assets held for sale. The gain from the disposal amounts to RM67,645.

B8. 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.

B9. Status of corporate proposal announced

On 19 May 2011, the Company announced a proposed acquisition of 80% equity interest in Capital FM for a cash consideration of RM15,000,000, subject to the terms and conditions as stipulated in the Shares Sale Agreement ("Proposed Acquisition"). Upon completion of the Proposed Acquisition, Capital FM will become a subsidiary of the Company.

Additional information required by Bursa Malaysia Securities Listing Requirements**B10. Borrowings and debt securities**

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

	As at 31.03.2011 RM'000	As at 31.03.2010 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
5-years MTN 2005/2010 with a coupon rate of 5.50% per annum, maturing on 26 February 2010	-	100,000
Commercial paper	50,835	-
Hire purchase	171	160
Finance lease	858	809
	51,864	100,969
Secured		
Term loan	1,022	2,850
	52,886	103,819
<u>Long Term Borrowings</u>		
Unsecured		
Hire purchase	870	1,015
Finance lease	7,064	7,866
	7,934	8,881
Secured		
Term loan	34,027	34,545
	41,961	43,426

Except for the secured term loan and hire purchase of RM1,000,500 which are denominated in Singapore Dollar, other borrowings are in Ringgit Malaysia.

B11. Derivatives**Forward Foreign Exchange Contracts**

As at 31 March 2011, there is no outstanding foreign currency contract.

B12. 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.

Additional information required by Bursa Malaysia Securities Listing Requirements**B13. Dividend**

No interim dividend have been recommended for the current quarter under review (Quarter 1 2010 : Nil).

In respect of the financial year ended 31 December 2010, the Board of Directors declared a second interim dividend of 6.0 sen per ordinary shares, single tier, and a special interim dividend of 3.0 sen per ordinary share, tax exempt, which was paid on 19 April 2011 (2010 : 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).

B14. 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	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Group's profit after taxation attributable to equity holders of the parent (RM'000)	40,270	37,825	40,270	37,825
Number of shares at the beginning of the year ('000)	738,493	738,493	738,493	738,493
Effect of Share Buy Back during the year ('000)	-	-	-	-
Weighted average number of ordinary shares outstanding ('000)	738,493	738,493	738,493	738,493
Basic earnings per share (sen)	5.45	5.12	5.45	5.12

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 2011
Petaling Jaya, Selangor Darul Ehsan