



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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2013**

Unaudited Condensed Consolidated Statement of Profit or Loss

	Note	3 months ended		Financial period ended	
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
		RM'000	RM'000	RM'000	RM'000
Revenue		264,220	256,380	736,157	785,801
Operating expenses	A8	(212,910)	(215,725)	(617,063)	(648,710)
Other operating income	A9	7,207	7,792	20,864	22,212
Profit from operations		58,517	48,447	139,958	159,303
Finance cost		(2,585)	(2,775)	(7,624)	(8,160)
		55,932	45,672	132,334	151,143
<i>Share of losses in an associate</i>		-	(429)	-	(290)
<i>Share of losses in a jointly controlled entity</i>		-	(1,448)	(308)	(3,710)
Profit before taxation		55,932	43,795	132,026	147,143
Taxation	B5	(12,045)	(12,714)	(36,968)	(40,882)
Profit for the financial period		43,887	31,081	95,058	106,261
Attributable to:					
Owners of the parent		44,048	34,296	98,672	110,992
Non-controlling interests		(161)	(3,215)	(3,614)	(4,731)
		43,887	31,081	95,058	106,261
Basic earnings per ordinary share (sen)		5.97	4.64	13.37	15.03
Diluted earnings per ordinary share (sen)		5.97	4.64	13.37	15.03

(The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

Notes on Operating Expenses:

Included in the Operating Expenses are depreciation and amortisation expenses:

	(11,963)	(11,834)	(35,924)	(36,071)
--	----------	----------	----------	----------

**Unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 September 2013**

	3 months ended		Financial period ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	43,887	31,081	95,058	106,261
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
- exchange differences on translating foreign operations	1,559	(2,276)	742	(3,511)
- fair value adjustment on available-for-sale financial assets	(230)	2	(261)	58
Total comprehensive income for the financial period	45,216	28,807	95,539	102,808
Attributable to:				
Owners of the parent	44,807	32,316	98,180	107,790
Non-controlling interests	409	(3,509)	(2,641)	(4,982)
	45,216	28,807	95,539	102,808

(The unaudited Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2013**

	30 September 2013 RM'000	31 December 2012 RM'000
Non-current assets		
Property, plant and equipment	509,111	535,305
Investment properties	8,064	8,249
Intangible assets	131,403	122,255
Investment in a jointly-controlled entity	731	2,650
Other investments		
-Held-to-maturity investments	10,000	15,000
-Financial assets at fair value through profit or loss	45,649	39,179
-Available-for-sale investment	1,100	6,772
Deferred tax assets	584	585
Other receivables	129,426	122,950
	836,068	852,945
Current assets		
Inventories	149,277	160,285
Trade and other receivables	213,846	208,711
Short term deposits	376,481	363,569
Cash and bank balances	133,622	110,166
	873,226	842,731
TOTAL ASSETS	1,709,294	1,695,676

**Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2013 (cont'd)**

	30 September 2013 RM'000	31 December 2012 RM'000
EQUITY AND LIABILITIES		
Share capital	738,564	738,564
Treasury shares	(1,313)	(583)
Reserves	382,068	401,092
Equity attributable to owners of the parent	1,119,319	1,139,073
Non-controlling interests	28,913	31,410
Total equity	1,148,232	1,170,483
Non-current liabilities		
Other payables	10,625	10,095
Borrowings	205,203	206,580
Deferred tax liabilities	64,877	68,362
	280,705	285,037
Current liabilities		
Trade and other payables	166,606	171,938
Borrowings	62,201	58,218
Dividend payable	44,285	-
Taxation	7,265	10,000
	280,357	240,156
Total Liabilities	561,062	525,193
TOTAL EQUITY AND LIABILITIES	1,709,294	1,695,676
Net assets per share attributable to owners of the parent company (RM)	1.52	1.54

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2012)

Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 September 2013

[----- Attributable to equity holders of the Company -----]
 [-----Non-distributable -----] [-----Distributable-----]
 Reserves Reserves

	Share capital RM'000	Foreign exchange translation reserves RM'000	Share option reserve RM'000	Available- for-sale reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
Balance as at 1 January 2013	738,564	22,361	1,040	261	(583)	377,430	1,139,073	31,410	1,170,483
Total comprehensive income for the period	-	(361)	130	(261)	-	98,672	98,180	(2,641)	95,539
<u>Transactions with owners</u>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	144	144
Repurchase of shares	-	-	-	-	(730)	-	(730)	-	(730)
Additional investment in subsidiary	-	-	-	-	-	(6,466)	(6,466)	-	(6,466)
Dividend									
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2012, paid on 29 March 2013</i>	-	-	-	-	-	(66,453)	(66,453)	-	(66,453)
<i>First Interim Dividend for the financial year ended 31 December 2013, paid on 18 October 2013</i>	-	-	-	-	-	(44,285)	(44,285)	-	(44,285)
Balance as at 30 September 2013	738,564	22,000	1,170	-	(1,313)	358,898	1,119,319	28,913	1,148,232

**Unaudited Condensed Consolidated Statements of Changes in Equity
For the period ended 30 September 2012**

	Attributable to equity holders of the Company								Total Equity RM'000
	Non-distributable Reserves				Distributable Reserves				
	Share capital RM'000	Foreign exchange translation reserves RM'000	Share option reserve RM'000	Available-for-sale reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	
Balance as at 1 January 2012	738,564	23,972	854	233	(225)	302,261	1,065,659	40,195	1,105,854
Total comprehensive income for the period	-	(3,396)	136	58	-	110,992	107,790	(4,982)	102,808
<u>Transactions with owners</u>									
Acquisition of subsidiaries	-	-	-	-	-	-	-	191	191
Dividend <i>Dividends paid to non-controlling interest</i>	-	-	-	-	-	-	-	(185)	(185)
<i>Second Interim Dividend and Special Dividend for the financial year ended 31 December 2011, paid on 18 April 2012</i>	-	-	-	-	-	(66,464)	(66,464)	-	(66,464)
<i>First Interim Dividend and Special Dividend for the financial year ended 31 December 2012, paid on 18 October 2012</i>	-	-	-	-	-	(66,464)	(66,464)	-	(66,464)
Balance as at 30 September 2012	738,564	20,576	990	291	(225)	280,325	1,040,521	35,219	1,075,740

(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 2012)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2013

	30 September 2013	30 September 2012
	RM'000	RM'000
Profit before taxation	132,026	147,143
Adjustments for non-cash flow items:-		
Share of losses in an associate	-	290
Share of losses in a jointly controlled entity	308	3,710
Non-cash items	38,412	38,421
Non-operating items	(3,432)	(4,007)
Operating profit before working capital changes	167,314	185,557
Changes in working capital		
Net change in current assets	11,562	(18,891)
Net change in current liabilities	(20,635)	22,155
	(9,073)	3,264
Cash generated from operations	158,241	188,821
Net tax paid	(43,221)	(49,782)
Net cash from operating activities	115,020	139,039
Investing Activities		
Proceeds from disposal of property, plant and equipment	1,238	507
Proceeds from disposal of available-for-sale financial assets	6,326	-
Purchases of property, plant and equipment	(6,524)	(38,635)
Purchases of intangible assets	(1,063)	(764)
Additional investment in a subsidiary	(6,466)	-
Acquisition of a subsidiary, net of cash acquired	(12,182)	(1,553)
Acquisition of a new business, net of cash acquired	-	(27,367)
Investment redeemed on maturity	5,000	5,000
Investment in unquoted securities	(1,100)	(1,193)
Investment in financial products	(5,351)	(10,310)
Interest and investment income received	9,597	10,525
Net cash used in investing activities	(10,525)	(63,790)
Financing Activities		
Interest paid	(5,012)	(5,835)
Repurchase of shares	(730)	-
Repayment of hire purchase	(909)	(206)
Net drawdown/(Repayment) of term loan	2,116	(67)
Repayment of finance lease	(667)	(632)
Dividend paid	(66,453)	(66,464)
Dividends paid to non-controlling interest of a subsidiary	-	(185)
Net cash used in financing activities	(71,655)	(73,389)

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 30 September 2013 (cont'd)

	30 September 2013	30 September 2012
	RM'000	RM'000
Net increase in cash and cash equivalents	32,840	1,860
Effect of exchange rates fluctuations on cash held	3,548	(2,277)
Cash and cash equivalents at beginning of the period	473,558	493,683
Cash and cash equivalents at end of the period	509,946	493,266

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	30 September 2013	30 September 2012
	RM'000	RM'000
Short term deposits	376,481	372,741
Cash and bank balances	133,622	120,525
Bank overdrafts included in borrowings	(157)	-
	<u>509,946</u>	<u>493,266</u>

(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012).

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 Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market 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 2012.

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 2012 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs during the current financial period:

Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurements</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Separate Financial Statements</i>
MFRS 128	<i>Investments in Associates and Joint Ventures</i>
Amendments to MFRS 7	<i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRSs	<i>Annual Improvements 2009-2011 Cycle</i>
Amendments to MFRS 10, MFRS 11 and MFRS 12	<i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>
MFRS 3	<i>Business Combinations (as issued by the International Accounting Standards Board (‘IASB’) in March 2004)</i>
MFRS 127	<i>Consolidated and Separate Financial Statements (as issued by the IASB in December 2003)</i>
IC Interpretation 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>

The adoption of the above did not have any significant impact on the financial statements of the Group.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group:

Effective for annual periods commencing on or after 1 January 2014

Amendments to MFRS 10, MFRS 12 and MFRS 127	<i>Investment Entities</i>
Amendments to MFRS 132	<i>Offsetting Financial Assets and Financial Liabilities</i>

Notes to the interim financial report

A1. Basis of Preparation (cont'd)

The following MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective to the Group (continued):

Effective for annual period commencing on or after 1 January 2015

Mandatory Effective Date of MFRS 9 and Transition Disclosures
MFRS 9 *Financial Instruments*

The Group will adopt the above when they become effective in the respective financial periods. These MFRSs and Amendments to MFRSs are not expected to have any significant effect to the financial statements of the Group upon their initial application.

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 2013.

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

As at the date of this report, the Company has repurchased 279,000 of its issued and paid-up ordinary share capital from the open market. The average price paid for the shares repurchased was RM2.61 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 2013.

Notes to the interim financial report**A6. Dividend paid**

	2013 RM'000	2012 RM'000
<u>In respect of the financial year ended 31 December 2011</u>		
Second interim dividend of 6.0 sen per ordinary share, single tier, and special tax exempt dividend of 3.0 sen per ordinary share, paid on 18 April 2012	-	66,464
<u>In respect of the financial year ended 31 December 2012</u>		
First interim dividend of 6.0 sen per ordinary share, single tier, and special tax exempt dividend of 3.0 sen per ordinary share, paid on 18 October 2012	-	66,464
Second interim dividend of 6.0 sen per ordinary share, single tier, and special tax exempt dividend of 3.0 sen per ordinary share, paid on 29 March 2013	66,453	-
<u>In respect of the financial year ended 31 December 2013</u>		
First interim dividend of 6.0 sen per ordinary share, single tier, paid on 18 October 2013	44,285	-
	110,738	132,928

A7. Segment Reporting**Business Segment****9 months ended 30 September 2013**

	Financial period ended 30 September 2013		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and new media	1,301,115	558,363	138,953
Broadcasting	109,371	38,937	(2,461)
Event, exhibition, interior and thematic	201,248	126,446	3,735
Television channel	25,302	5,960	(4,941)
Others	72,258	6,451	(2,952)
	1,709,294	736,157	132,334
Share of results of a jointly controlled entity			(308)
Profit before tax			132,026

Notes to the interim financial report

A7. Segment Reporting (cont'd)

9 months ended 30 September 2012

	Financial period ended 30 September 2012		
	Assets RM'000	Revenue RM'000	Segment results RM'000
Print and new media	1,220,547	590,996	158,225
Broadcasting	111,589	40,565	(1,074)
Event, exhibition, interior and thematic	225,348	145,850	(1,952)
Television channel	43,492	5,604	(3,988)
Others	53,503	2,786	(68)
	<u>1,654,479</u>	<u>785,801</u>	151,143
Share of results of an associate			(290)
Share of results of a jointly controlled entity			(3,710)
Profit before tax			<u>147,143</u>

A8. Operating expenses

	3 months ended		Financial period ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Allowance of credit losses	690	867	2,090	2,510
Write-off of receivables	-	-	-	3
Impairment on investment in a jointly controlled entity	-	-	1,611	-
Foreign exchange loss	403	549	507	1,095

Notes to the interim financial report**A9. Other operating income**

	3 months ended		Financial period ended	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Interest income	1,584	2,622	5,661	8,477
Investment income	1,894	1,756	5,395	3,690
Gain on disposal of quoted investment	20	-	20	82
Accretion of non-current receivable	1,050	-	3,150	-
Foreign exchange gain	-	40	765	95
Other income	2,659	3,374	5,873	9,868
Total	7,207	7,792	20,864	22,212

A10. Events subsequent to the end of the reporting period

There are no material events subsequent to the end of the reporting period under review that have not been reflected in the quarterly financial statements.

A11. Changes in composition of the Group

On 15 April 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Eighth Power Sdn. Bhd. ("Eighth Power") for a total cash consideration of RM2.00 only. The intended principal activity of Eighth Power is to invest in high growth technology-based startups/industries.

On 18 April 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Axis Genesis Sdn. Bhd. ("Axis Genesis") for a total cash consideration of RM2.00 only. The intended principal activity of Axis Genesis is to carry on the business of publishers of magazines and books.

On 7 May 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each in I.Star Events Sdn. Bhd. ("I.Star Events") for a cash consideration of RM2.00 only, resulting in I.Star Events becoming a wholly-owned subsidiary of the Company. The intended principal activities of I.Star Events are to carry on the business as managers, promoted and organisers of all kinds of events.

On 17 June 2013, the Company completed the acquisition of 90% equity interest in Ocision Sdn. Bhd. and group of companies through its wholly-owned subsidiaries, Star MediaWorks Sdn. Bhd. and Star Commercial Publications Sdn. Bhd.

With effect from the abovementioned date, Ocision becomes a subsidiary of Star MediaWorks Sdn. Bhd., which in turn is a sub-subsidiary of the Company.

Notes to the interim financial report

A11. Changes in composition of the Group (cont'd)

On 3 September 2013, the Company announced the acquisition of 2 ordinary shares of RM1.00 each representing 100% equity interest in Venus Agency Sdn. Bhd. for a total cash consideration of RM2.00 only. The intended principal activity is to carry on the business of advertising agency.

A12. Changes in contingent liabilities

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

	RM'000
Project related bonds/ Guarantee	17,896
Rental guarantee	1,652
	<hr/>
	19,548
	<hr/> <hr/>

A13. Capital commitments

	RM'000
Authorised capital expenditure not provided for in the financial statements	
- contracted	32,783
- not contracted	8,776
	<hr/>
	41,559
	<hr/> <hr/>

Additional information required by Bursa Malaysia Securities Listing Requirements

B1. Review of performance

	Current Year Quarter 30.09.2013 (3Q 2013) RM'000	Preceding Year Corresponding Quarter 30.09.2012 (3Q 2012) RM'000
Revenue	264,220	256,380
Consolidated Profit before taxation	55,932	43,795
Consolidated Profit after taxation	43,887	31,081

Group revenue in 3Q 2013 increased by 3.1% to RM264.22 million from RM256.38 million in the same quarter of 2012 mainly due to the increase in revenue in event, interior and thematic segment. As a result of higher revenue and better cost control, Group profit before tax and profit after tax in 3Q 2013 rose by 27.7% and 41.2% respectively against the corresponding quarter of 2012.

Performance of the respective business segments for 3Q 2013 compared to the corresponding quarter of 2012 is as follows:-

Print and New Media – Print revenue declined by 2.8% or RM5.39 million to RM183.89 million mainly due to lower advertising revenue. However, New Media revenue increased by 21.1% to RM6.51 million in the current quarter under review. Overall profit for this segment increased by 5.3% to RM53.63 million from RM50.92 million in the last corresponding quarter.

Radio Broadcasting – Revenue declined by 1.4% to RM14.24 million as compared to RM14.45 million in the corresponding quarter of 2012. Due to lower operating expenses incurred in the current period under review, this segment recorded a profit before tax of RM1.01 million in 3Q 2013 as compared to a loss before tax of RM0.45 million in 3Q 2012.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory (Perfect Livin'). During the quarter under review, this segment's revenue increased to RM54.19 million from RM43.83 million in 3Q 2012. The increase is mainly due to projects secured by Cityneon for the Asian Youth Games 2013 and revenue contribution from Perfect Livin' which amounted to RM6.54 million from 2 exhibitions held in 3Q 2013. With significant cost savings from Cityneon, this segment recorded a profit before tax of RM2.87 million as compared to a loss before tax of RM3.38 million in 3Q 2012.

Television channel – Revenue from Li TV Holdings Ltd increased by 13.1% to RM2.83 million in 3Q 2013 but suffered a loss before tax of RM1.22 million due to higher programme and marketing expenses.

Additional information required by Bursa Malaysia Securities Listing Requirements**B1. Review of performance (cont'd)**

	9 months ended 30.09.2013 (9M 2013) RM'000	9 months ended 30.09.2012 (9M 2012) RM'000
Revenue	736,157	785,801
Consolidated Profit before taxation	132,026	147,143
Consolidated Profit after taxation	95,058	106,261

Performance of the company and subsidiaries for 9 months ended 30 September 2013 vs 30 September 2012

Group revenue declined by 6.3% from RM785.80 million to RM736.16 million in 9M 2013 mainly due to lower advertising revenue and lesser projects completed in the current period by Cityneon. As a result, Group profit before tax and profit after tax fell by 10.3% and 10.5% respectively.

Performance of the respective business segments are as follows:-

Print and New Media – Print revenue for 9M 2013 declined to RM540.43 million from RM570.74 million in 9M 2012 mainly due to lower advertising revenue. New Media revenue decreased by 11.5% to RM17.93 million in 9M 2013 from RM20.25 million in 9M 2012. Overall, profit before tax for print and new media fell by 12.2% to RM138.95 million in 9M 2013.

Radio Broadcasting – Revenue decreased by 4.0% from RM40.57 million to RM38.94 million due to lower airtime revenue. Higher advertising and promotion for the branding of RedFM and 988's radio stations as well as Capital FM's 1st Year Anniversary have caused the segment to suffer a loss before tax of RM2.46 million in 9M 2013 as compared to a loss of RM1.07 million in the last corresponding period of 2012.

Event, exhibition, interior and thematic – This segment consists of Cityneon and I.Star Ideas Factory (Perfect Livin'). Overall revenue decreased by 13.3% to RM126.45 million in 9M 2013 as compared to RM145.85 million in 9M 2012 mainly due to lesser projects completed in the current period by Cityneon. Since the acquisition of Perfect Livin' took place in 3Q 2012, revenue generated from Perfect Livin' amounted to RM19.28 million in 9M 2013 contributed by 9 exhibitions held during the financial period in comparison with 2 exhibitions in the last corresponding period of 2012. With significant cost savings from Cityneon and increase in revenue from Perfect Livin', this segment increased to a profit before tax of RM3.74 million for the current financial period under review as compared to a loss before tax of RM1.95 million in 9M 2012.

Television channel – Revenue from Li TV Holdings Ltd increased to RM5.96 million for 9M 2013 as compared to RM5.60 million in the corresponding period of 2012. However, due to higher marketing and staff costs, it recorded a higher loss before tax of RM4.94 million in the current period under review as compared to RM3.99 million in 9M 2012.

Additional information required by Bursa Malaysia Securities Listing Requirements

B2. Variation of results against preceding quarter

	Current Quarter 30.09.2013 RM'000	Preceding Quarter 30.06.2013 RM'000
Revenue	264,220	251,319
Consolidated Profit before taxation	55,932	41,103
Consolidated Profit after taxation	43,887	28,333

Group revenue for 3Q 2013 increased to RM264.22 million compared to RM251.32 million in the preceding quarter ended 30 June 2013 mainly due higher revenue contribution from event, interior and thematic segment and a slight increase in advertising revenue in 3Q 2013. Group profit before tax for the current quarter was also higher at RM55.93 million compared to RM41.10 million in the preceding quarter due to higher revenue recorded in the current quarter.

B3. Current year prospects

According to the Malaysian Institute of Economic Research (“MIER”), the Consumer Sentiments Index and Business Condition Index for 3Q 2013 declined and showed a downward trend settling at 102.0 points and 98.6 points respectively. In addition, MIER has also broadly concluded that consumers remain cautious in their spending and business confidence is still generally weak.

In the media sector, advertising expenditure has remained soft but is expected to gradually pick up in the last quarter of the financial year as sentiment improves with the seasonality effect.

The media related segments of the Group, such as the Print, New Media, Broadcasting and Television will continue their efforts in growing the advertising revenue and to offer wider advertising platforms to its clients.

In the events and exhibition business segment, Cityneon has made significant efforts to enable cost savings in operating expenses to improve overall performance. With these measures in place, Cityneon is working towards growing its portfolio and improving their financial performance. I.Star Ideas Factory meanwhile will enhance its revenue and profits by organising more events in 2013 compared to 2012.

The Company and the Board of Directors expect the business environment in the media industry to remain highly challenging in 2013, and will do its best to achieve a satisfactory performance for the financial year ending 31 December 2013.

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	
	30.09.2013 RM'000	30.09.2012 RM'000	30.09.2013 RM'000	30.09.2012 RM'000
Current period tax expense based on profit for the financial period				
1. Malaysian taxation	15,440	14,302	40,272	42,169
2. Foreign taxation	85	92	176	393
3. Deferred taxation	(3,480)	(1,680)	(3,480)	(1,680)
	12,045	12,714	36,968	40,882

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. Retained Earnings

	As at 30.09.2013 RM'000	As at 31.12.2012 RM'000
Total retained profits of Star Publications (Malaysia) Berhad and its subsidiaries		
-Realised	396,502	414,446
-Unrealised	(62,614)	(69,283)
	<u>333,888</u>	<u>345,163</u>
Total share of accumulated losses from a jointly controlled entity		
-Realised	(17,600)	(17,292)
Consolidation adjustments	42,610	49,559
Total group retained profits as per consolidated accounts	<u>358,898</u>	<u>377,430</u>

B7. 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**B8. Borrowings and debt securities**

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

	As at 30.09.2013 RM'000	As at 30.09.2012 RM'000
<u>Short Term Borrowings</u>		
Unsecured		
Hire purchase	174	198
Finance lease	941	883
	1,115	1,081
Secured		
Term loan	60,930	55,680
Bank overdraft	156	-
	62,201	56,761
<u>Long Term Borrowings</u>		
Unsecured		
5-years MTN 2011/2016 with a coupon rate of 4.50% per annum, maturing on 11 May 2016	100,000	100,000
7-years MTN 2011/2018 with a coupon rate of 4.80% per annum, maturing on 11 May 2018	100,000	100,000
	200,000	200,000
Hire purchase	384	1,019
Finance lease	4,819	5,760
	205,203	206,779

Except for the secured term loan of RM60,929,822 and hire purchase of RM191,199 which are denominated in Singapore Dollar, other borrowings are in Ringgit Malaysia.

B9. 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.

B10. 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**B11. Basic earnings per share**

To disclose the following in respect of earnings per share :-

- (i) *The amount used as the numerator in calculating basic and diluted earnings per share and a reconciliation of those amounts to the net profit or loss for the reporting period; and*
The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share; and a reconciliation of these denominators to each other.

The basic earnings per share has been calculated based on the Group's profit after taxation attributable to owners of the parent divided by the weighted average number of ordinary shares outstanding during the financial period.

	3 months ended		Financial period ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Group's profit after taxation attributable to owners of the parent (RM'000)	44,048	34,296	98,672	110,992
Number of shares at the beginning of the year ('000)	738,368	738,493	738,368	738,493
Effect of Share Buy Back during the period ('000)	-	-	(197)	-
Weighted average number of ordinary shares outstanding ('000)	738,368	738,493	738,171	738,493
Basic earnings per share (sen)	5.97	4.64	13.37	15.03

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
 20 November 2013
 Petaling Jaya, Selangor Darul Ehsan