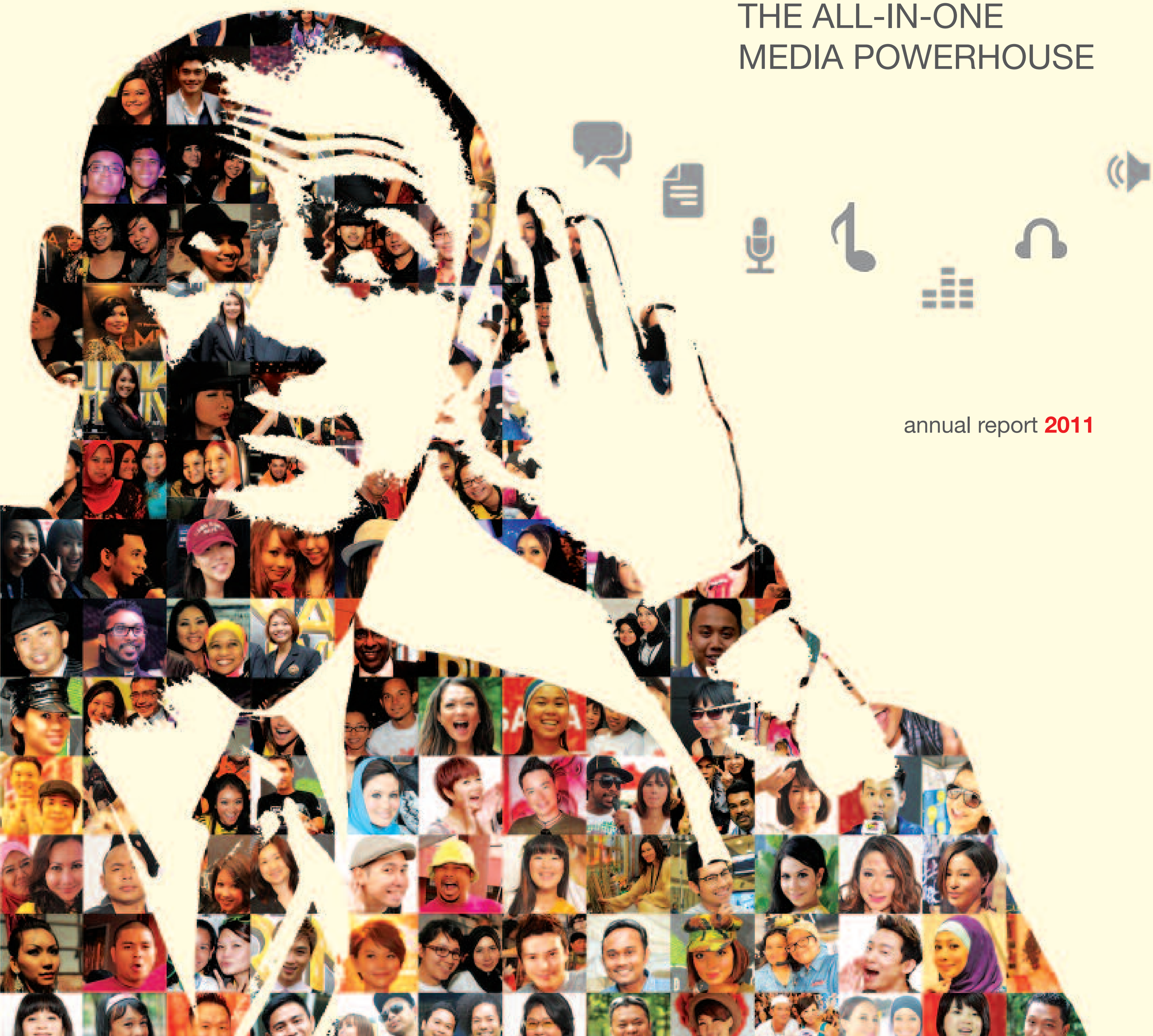
media prima

THE ALL-IN-ONE MEDIA POWERHOUSE



annual report 2011

THE ALL-IN-ONE MEDIA POWERHOUSE

Media Prima Berhad, Malaysia's foremost media powerhouse and the only media group in Southeast-Asia to offer an integrated and comprehensive media solution continues to grow from strength to strength. In 2011, we embarked on a group integration programme to consolidate our TV networks and print operations; expand our radio, outdoor and online operations; as well as enhance the synergies and cross-promotions within the Group's stable of media assets.

As a result, Group synergies and business performance were elevated, operational efficiencies were enhanced, and solid developmental and game-changing measures were brought into play. Today, a new and improved Media Prima continues to empower stakeholders and remains the media provider of choice through meeting entertainment and informational needs in a truly integrated and interactive manner.

Media Prima operates four free-to-air (FTA) television channels - TV3, ntv7, 8TV and TV9. The four stations collectively command 47% of the nationwide viewership figures.

Source: Nielsen Audience Measurement

The Group owns The New Straits Times Press (Malaysia) Berhad (NSTP), one of Malaysia's largest publishing groups with newspaper titles such as New Straits Times, Berita Harian and Harian Metro. The latter is Malaysia's No.1 Bahasa Malaysia newspaper and newspaper portal.

Source: ABC Malaysia

The Group's New Media outfit continues to make strong inroads as it leverages on its online and mobile platforms, including Malaysia's No. 1 video portal, Tonton, to strategically position itself for further growth.

Media Prima's Outdoor media platform comprising brands such as Big Tree Outdoor, Gotcha, UPD, The Right Channel and Kurnia Outdoor, holds the market leader position in the outdoor media segment and commands a hefty 43% share of the market.

Media Prima's content creation arm, Primeworks Studios has grown to become the nation's premier content production company with a string of award-winning television programmes, movies and documentaries to its name.

The Group now has the second largest reach in terms of combined Malaysia radio channel listener number.

Contents

CORPORATE REVIEW

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eleventh (11th) Annual General Meeting of **MEDIA PRIMA BERHAD** ("the Company") will be held at Topaz Ballroom (Level G), One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor, Malaysia on Thursday, 19 April 2012 at 10.00 a.m. for the following purposes:

AGENDA

1. To receive and adopt the Statutory Financial Statements for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To re-elect the following Directors who will retire in accordance with Articles 100 and 101 of the Company's Articles of Association and being eligible, have offered themselves for re-election:

   (i) Datuk Johan bin Jaaffar **(Resolution 2)**

   (ii) Dato' Amrin bin Awaluddin **(Resolution 3)**

   (iii) Datuk Ahmad bin Abd Talib, JP **(Resolution 4)**

   (iv) Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor **(Resolution 5)**

3. To approve a final single tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2011. **(Resolution 6)**

4. To approve the Directors' fees of RM435,000.00 for the financial year ended 31 December 2011. **(Resolution 7)**

5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution with or without modifications:

ORDINARY RESOLUTION

6. **Proposed Renewal of Share Buy-Back Authority**

   "THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised, to the extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company ("Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

   (i) the aggregate number of Shares purchased pursuant to this resolution does not exceed 10 percent of the total issued and paid-up share capital of the Company subject to a restriction that the issued and paid-up share capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirements;

   (ii) an amount not exceeding the Company's retained profit and/or the share premium account at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-Back; and

   (iii) upon completion of the purchase by the Company of its own Shares, the Directors of the Company are authorised to deal with the Shares so purchased in any of the following manner:

      (a) cancel the Shares so purchased;

      (b) retain the Shares so purchased as treasury shares and held by the Company; or

      (c) retain part of the Shares so purchased as treasury shares and cancel the remainder.

   AND THAT the authority conferred by this resolution will commence upon the passing of this resolution until:

   (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming 11th AGM, at which time it shall lapse, unless by an ordinary resolution passed at that meeting the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever occurs first.

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased Shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities."

(Resolution 9)

7. To transact any other business for which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN that a final single tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2011, if approved by the shareholders at the Eleventh (11th) Annual General Meeting, will be paid on 13 July 2012 to Depositors whose names appear in the Record of Depositors at the close of business on 15 June 2012.

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

a. shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15 June 2012 in respect of transfers;

b. shares deposited into the Depositor's Securities Account before 12.30 p.m. on 13 June 2012 in respect of shares exempted from mandatory deposit; and

c. shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

TAN SAY CHOON (MAICSA 7057849)
TASNEEM MOHD DAHALAN (LS 6966)
Company Secretaries

Petaling
Date : 27 March 2012

Notes: -

1. Only depositors whose names appear in the Record of Depositors as at 10 April 2012 shall be regarded as members and be entitled to attend and vote at the Eleventh (11th) Annual General Meeting.

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of a corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.

3 The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.

4. The instrument appointing the proxy must be deposited with the Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

5. Explanatory Notes on Special Business:

   a. Resolution 9

   Please refer to the Statement to Shareholders dated 27 March 2012 for further information.

Statement Accompanying Notice of Annual General Meeting

Directors who are standing for re-election and re-appointment at the Eleventh (11th) Annual General Meeting of Media Prima Berhad are:

(i)	Datuk Johan bin Jaaffar	**(Resolution 2)**
(ii)	Dato' Amrin bin Awaluddin	**(Resolution 3)**
(iii)	Datuk Ahmad bin Abd Talib, JP	**(Resolution 4)**
(iv)	Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	**(Resolution 5)**

The details of the above Directors who are seeking re-election and re-appointment are set out in the "Board of Directors' Profiles" which appear from pages 16 to 20 of the Annual Report.

The details of Directors' securities holdings in the Company are set out in the "Statement of Directors' Interests" which appear on pages 232 and 235 of the Annual Report.

Corporate Information

BOARD OF DIRECTORS

Datuk Johan bin Jaaffar*
Chairman

Dato' Amrin bin Awaluddin
Group Managing Director

Dato' Sri Ahmad Farid bin Ridzuan

Dato' Shahril Ridza bin Ridzuan***

Tan Sri Lee Lam Thye*

Tan Sri Dato' Seri Mohamed Jawhar*

Dato' Abdul Kadir bin Mohd Deen*

Dato' Gumuri bin Hussain*

Datuk Ahmad bin Abd Talib, JP

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor**

* Independent Non-Executive Director
** Senior Independent Non-Executive Director
*** Non-Independent Non-Executive Director

AUDIT COMMITTEE MEMBERS

Chairman
Dato' Gumuri bin Hussain*

Members
Tan Sri Lee Lam Thye*
Tan Sri Dato' Seri Mohamed Jawhar*
Dato' Abdul Kadir bin Mohd Deen*

* Independent Non-Executive Director

COMPANY SECRETARIES

Jessica Tan Say Choon
(MAICSA 7057849)
Tasneem Mohd Dahalan
(LS 6966)

REGISTERED OFFICE

Media Prima Berhad
Sri Pentas
No 3, Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan
Tel : 03 7726 6333
Fax : 03 7728 0787

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03 7841 8000/7849 0777
Fax : 03 7841 8151/8152

AUDITORS

PricewaterhouseCoopers
Level 10, 1 Sentral Jalan Travers
Kuala Lumpur Sentral
P.O Box 10192
50706 Kuala Lumpur
Tel : 03 2173 1188
Fax : 03 2173 1288

SOLICITORS

M/s TH Liew & Partners
Advocates & Solicitors
Level 3 Block B
Plaza Damansara
No 45, Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel : 03 2089 5000
Fax : 03 2089 5001

M/s Raja Riza & Associates
Advocates & Solicitors
Suite 11-3A, Level 11
Wisma UOA II
No 21, Jalan Pinang
50450 Kuala Lumpur
Tel : 03 2711 8118
Fax : 03 2163 3464

BANKER

Malayan Banking Berhad
No 2, Lorong Rahim Kajai 14
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel : 03 7727 9459
Fax : 03 7729 2770

MEDIA PRIMA BERHAD

Datuk Johan bin Jaaffar
Chairman

Dato' Amrin bin Awaluddin
Group Managing Director

Dato' Sri Ahmad Farid bin Ridzuan
Group Chief Executive Officer,
Television Networks of Media Prima

Ahmad Izham bin Omar
Chief Operating Officer,
Television Networks
Chief Executive Officer,
Primeworks Studios Sdn Bhd

Mohamad Ariff bin Ibrahim
Group Chief Financial Officer

Datuk Ahmad bin Abd Talib, JP
Executive Director
News and Editorial Operations
Media Prima

Datuk Shaharudin bin Abd. Latif
Group Managing Editor,
News & Current Affairs
TV & Radio Networks

Datuk Mohd Ashraf bin Abdullah
Deputy Group Managing Editor,
News & Current Affairs
TV & Radio Networks

Dato' Manja bin Ismail
Group Editor,
News & Current Affairs
TV & Radio Networks

Sofwan bin Mahmood
Group General Manager
New Operations
TV & Radio Networks

Corporate Information (Cont'd)

Datuk Kamal Khalid
Chief Operating Officer,
Shared Services,
TV Networks & Business Development
Media Prima

Dato' Zainul Arifin Mohammed Isa
Head of New Media Division,
Media Prima / E-Media Sdn Bhd

Goh Hin San
Advisor, GMD's Office

Zuraidah Atan
Group Chief Technology Officer

Zafrul Shastri Hashim
Group General Manager,
Legal & Secretarial /
Director, Corporate Affairs, NSTP

Jessica Tan Say Choon
Group Company Secretary

Sere Mohammad Mohd Kasim
Group General Manager,
Group Corporate Governance

Mohd Hisham Md Shazli
Group General Manager,
Group Risk Management

Tuan Hj Zulkifli Hj Mohd Salleh
Group General Manager,
Stakeholder Management, Media Prima

Laili Hanim Mahmood
Group General Manager,
Regulatory Affairs,
Stakeholder Management
Television Networks

Shareen Ooi Bee Hong
Chief Marketing Officer
Television Networks

**Nadhirah Abdullah @
Dorothy Ak Empam**
General Manager,
Client Services
Television Networks

Fatima Mustafa
General Manager,
Client Services
Television Networks

Tan Kwong Meng
Group General Manager,
Engineering
Television Networks

Abdul Rashid Malik Khushi Muhammad
Group General Manager,
Airtime Management Group
Television Networks

Nor Arzlin Redzwan
Group General Manager,
Group Human Resources

Mastura Adnan
Group General Manager,
Group Corporate Communications

Datin Nyarose Mohd Jaafar
General Manager,
Management Services

Shariman Zainal Abidin
General Manager,
Integration Initiatives,
Corporate Development & Strategy

Suhaimi Sheikh Muhamad
General Manager,
Group Chief Financial Officer's Office

Aiza Azreen Ahmad
General Manager,
Business Process Improvement
& Transformation

Johan Mohamed Ishak
General Manager,
Finance
Account Management & Financial Reporting

Ahmad Riza Mohd Saian
General Manager,
Finance
Treasury & Financial Operations

Cheah Cheng Imm
General Manager,
Acquisition & Content Management
Television Networks

Marzina Ahmad
General Manager,
Research
Television Networks

Halim Mas'od
General Manager,
Project Management,
Television Networks

Farah Shamsudin
General Manager,
Creative Marketing
Television Networks

SISTEM TELEVISYEN MALAYSIA BERHAD

Nurul Aini Hj Abu Bakar
Group General Manager, TV3/TV9

Siti Nurlisia Mohd Nadzri
General Manager,
Mass Market Brand

Hadzelynda Khairuddin
Manager,
Women Brand

NATSEVEN TV SDN BHD

Nur Airin Zairin Zainul Bahrin
Group General Manager, ntv7 & 8TV

Emilya Suzana Ab. Rahim
Manager, BMG, Brand Communications,
Special Projects & Events

Lai Cheah Yee
Manager, Chinese Brand

METROPOLITAN TV SDN BHD

Nur Airin Zairin Zainul Bahrin
Group General Manager, ntv7 & 8TV

Goh Ling Ling
Manager, Chinese Brand

Nawar Deress
Manager, Promotions/Public Relations

CH-9 MEDIA SDN BHD

Sherina Mohamad Nordin
General Manager, TV9

PRIMEWORKS STUDIOS SDN BHD

Ahmad Izham Omar
Chief Executive Officer

Azhar Borhan
General Manager,
Business Development & Operations

Lennon Lim Yen Leong
Advisor,
Sports

Ahmad Kamaludin Zaba'ai
General Manager,
Magazine & Documentary

Tengku Iesta Tengku Alaudin
General Manager,
Film, Studio Business & Corporate Affairs

Mas Ayu Ali
General Manager,
Chinese Entertainment

Mohd Zulkifli Abd Jalil
General Manager,
New Media

Douglas Khoo Hong Seng
Creative Director,
Creative Services

Sunil Kumar
General Manager,
Entertainment & Musical

Hemanathan Paul
General Manager,
Entertainment, Drama & Sports

Datin Jacynta Au Yong Yim San
Manager,
Artistes & Talent Management

SYNCHROSOUND STUDIO SDN BHD / MAX-AIRPLAY SDN BHD / ONE FM SDN BHD

Seelan Paul
Chief Executive Officer,
Radio Networks

Zurina Othman
General Manager,
Network Brand & Promotions

Anida Mohd Tahrim
General Manager,
Network Programme

Mohd Akhmal Andak
Manager,
Network Engineering

Elaine Lee Yee Lim
Head of Marketing

NEW MEDIA DIVISION

Dato' Zainul Arifin Mohammed Isa
Head of New Media Division,
Media Prima / E-Media Sdn Bhd

Lam Swee Kim
Group General Manager,
New Media & Integrated Marketing

Paul Moss
General Manager,
Platforms, Technology & New Business

Cheryl Goh Ching Ling
Head,
e-Media

BIG TREE OUTDOOR SDN BHD

Jeff Cheah See Heong
Chief Operating Officer

Mohamad Shukor Ariffin
General Manager,
Operations

Farnida Ngah
General Manager,
Finance

Shirley Gan
General Manager,
Human Resource & Corporate Services

Mary Koh Mei Yoke
General Manager,
Sales

KURNIA OUTDOOR SDN BHD

Alex Yew Wai Sung
Director of Development

THE NEW STRAITS TIMES PRESS (MALAYSIA) BERHAD

Mohammad Azlan Abdullah
Chief Executive Officer

Abdul Jalil Hamid
Group Managing Editor

Dato' Syed Nadzri Syed Harun
Group Editor, New Straits Times

Datuk Mior Kamarul Shahid
Group Editor, Berita Harian

Datuk Mustapa Omar
Group Editor, Harian Metro

Abd Wahab Mohamad
Director of Properties, Admin & Branch Operations and Human Capital

Zafrul Shastri Hashim
Director of Corporate Affairs

Dr. Rodaina Ibrahim
Director of Information Technology

Aszman Kasmani
General Manager, Production

Abdul Hamid Abdullah
General Manager, Finance

Cheryl Goh Ching Ling
Head, NSTP e-Media

Jeannie Leong Lee Eu
General Manager, Advertising Sales

Mohd Azrai Ariffin
General Manager, Circulation

Putri Shireen Syed Othman
General Manager, Marketing

Corporate Structure

Television Broadcasting

Sistem Televisyen Malaysia Berhad
100%

- Metropolitan TV Sdn Bhd — 100%
- Natseven TV Sdn Bhd — 100%
- CH-9 Media Sdn Bhd — 100%

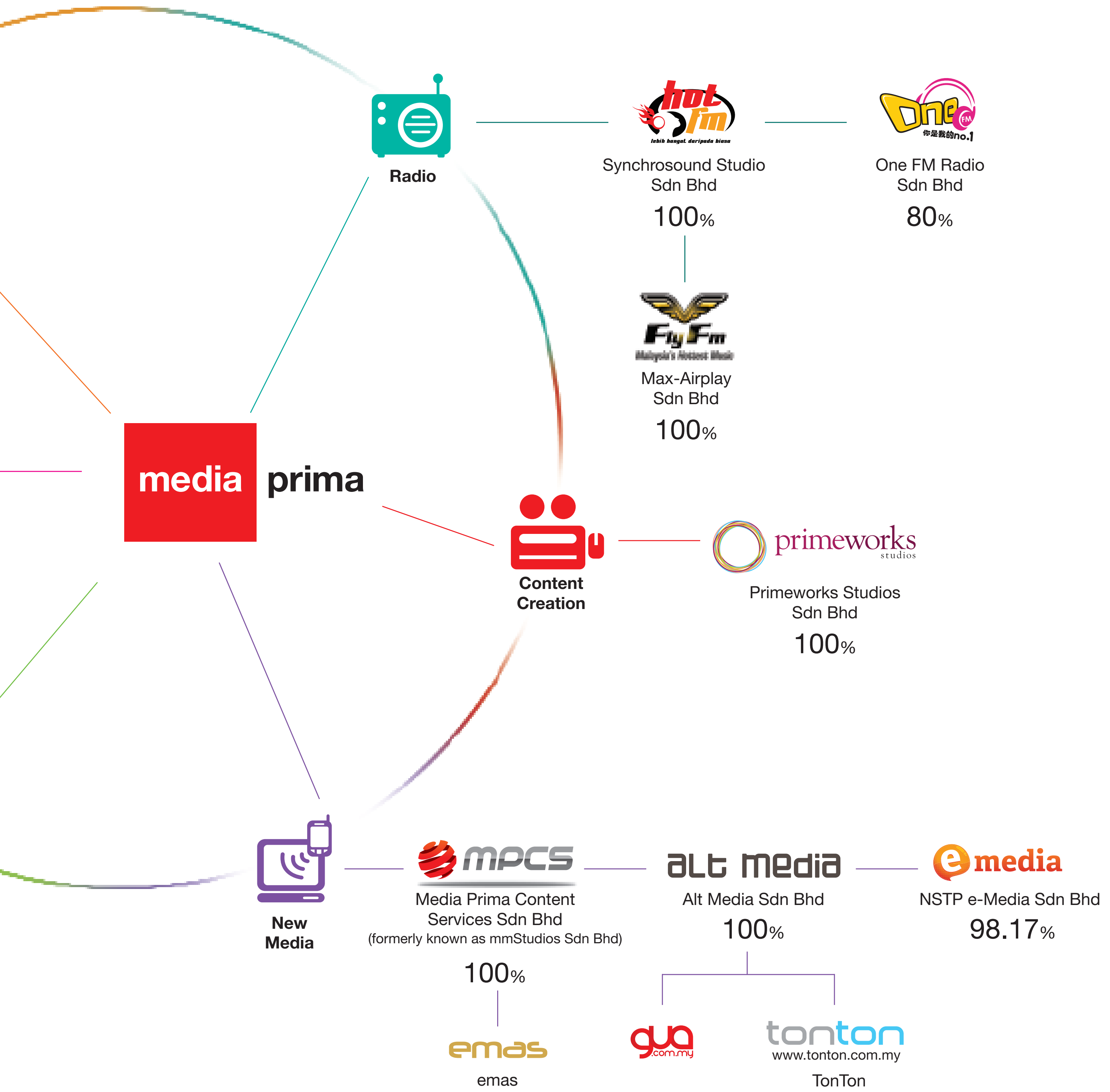
Print Media

The New Straits Times Press (Malaysia) Berhad (NSTP)
98.17%

- New Straits Times — 100%
- Berita Harian — 100%
- Harian Metro — 100%

Outdoor Media

- The Right Channel Sdn Bhd — 100%
- UPD Sdn Bhd — 100%
- Big Tree Outdoor Sdn Bhd — 100%
- Kurnia Outdoor Sdn Bhd — 95%


media prima
Radio
Synchrosound Studio Sdn Bhd
100%
Max-Airplay Sdn Bhd
100%
One FM Radio Sdn Bhd
80%
Content Creation
Primeworks Studios Sdn Bhd
100%
New Media
Media Prima Content Services Sdn Bhd
(formerly known as mmStudios Sdn Bhd)
100%
emas
Alt Media Sdn Bhd
100%
www.tonton.com.my
TonTon
NSTP e-Media Sdn Bhd
98.17%

Organisational Structure

Chairman
Datuk Johan Jaaffar

Group Managing Director
Dato' Amrin Awaluddin

Corporate Governance
Group General Manager
Sere Mohammad Mohd Kasim

Risk Management
Group General Manager
Mohd Hisham Md. Shazli

Television Networks
Group Chief Executive Officer
Dato' Sri Ahmad Farid Ridzuan

TV Networks
Chief Operating Officer
Ahmad Izham Omar

- **TV3 & TV9** **Group General Manager** Nurul Aini Abu Bakar
- **TV9** **General Manager** Sherina Mohamed Nordin
- **ntv7 & 8TV** **Group General Manager** Nur Airin Zainul
- **Client Services Group** **Chief Marketing Officer** **Television Networks** Shareen Ooi
- **Project Management** **General Manager** **Television Networks** Halim Ma'sod
- **Creative Marketing** **General Manager** **Television Networks** Farah Shamsudin

Shared Services
TV Networks
Chief Operating Officer
Datuk Kamal Khalid

- **Stakeholder Management & Regulatory Affairs** **Group General Manager** Haji Zulkifi Mohd Salleh
- **Regulatory Affairs** **Television Networks** **Group General Manager** Laili Halim
- **Engineering** **Television Networks** **Group General Manager** Tan Kwong Meng
- **Airtime Management** **Television Networks** **Group General Manager** Abdul Rashid Malik Kushi
- **Research** **Television Networks** **General Manager** Marzina Ahmad

Primeworks Studios
Chief Executive Officer
Ahmad Izham Omar

- **Business Development & Operations** **General Manager** Azhar Borhan
- **Sports** **Advisor** Lennon Lim Yen Leong
- **Magazine & Documentary** **General Manager** Ahmad Kamaludin Zaba'ai
- **Film, Studio Business & Corporate Affairs** **General Manager** Tengku Iesta Tengku Alaudin
- **Chinese Entertainment** **General Manager** Mas Ayu Ali
- **New Media** **General Manager** Mohd Zulkifli Abd Jalil
- **Creative Services** **Creative Director** Douglas Khoo Hong Seng
- **Entertainment & Musical** **General Manager** Sunil Kumar
- **Entertainment, Drama & Sports** **General Manager** Hemanathan Paul
- **Artistes & Talent Management** **Manager** Datin Jacynta Au Yong Yim San

News & Current Affairs
Executive Director
News & Editorial Operation
Datuk Ahmad Abd Talib, JP

Group Managing Editor
TV & Radio Networks
Datuk Shaharudin Latif

Deputy Group Managing Editor
TV & Radio Networks
Datuk Ashraf Abdullah

- **Group Editor** **TV & Radio Networks** Dato' Manja Ismail
- **Group General Manager** **News Operations** **TV & Radio Networks** Sofwan Mahmood

Outdoor
Chief Operating Officer
Jeff Cheah

Radio Networks
Chief Executive Officer
Sathiaseelan Paul Thurai

New Media
Head / Managing Editor
Dato' Zainul Arifin
Mohammed Isa

Group General Manager
Lam Swee Kim

Alt Media
General Manager
Paul Moss

E-Media
Head
Cheryl Goh Ching Ling

NSTP
Chief Executive Officer
Mohammad Azlan Abdullah

Group Managing Editor
Abdul Jalil Hamid

Group Editor
News Straits Times
Dato' Syed Nadzri Syed Harun

Group Editor
Berita Harian
Datuk Mior Kamarulbaid
Mior Shahid

Group Editor
Harian Metro
Datuk Mustapa Omar

Director of Corporate Affairs
Zafrul Shastri Hashim

Director of Properties, Administration and Branch Operations & Human Capital
Abdul Wahab Mohamad

Director of Information Technology
Dr. Rodaina Ibrahim

General Manager
Circulation
Mohd Azrai Ariffin

General Manager
Production
Aszman Kasmani

General Manager
Finance
Abdul Hamid Abdullah

Head
NSTP e-Media
Cheryl Goh Ching Ling

General Manager
Advertising Sales
Jeannie Leong Lee Eu

General Manager
Marketing
Putri Shireen Syed Othman

Group Legal & Secretarial
Group General Manager
Zafrul Shastri Hashim

Group Corporate Communications
Group General Manager
Mastura Adnan

Stakeholder Management
Group General Manager
Haji Zulkifli Mohd Salleh

Group Human Resource
Group General Manager
Nor Arzlin Redzwan

Corporate Development & Strategy

Integration Initiative
General Manager
Shariman Zainal Abidin

BPI & Transformation
General Manager
Aiza Azreen Ahmad

Integrated Sales
General Manager
Lam Swee Kim

Corporate

Group Chief Financial Officer
Mohamad Ariff Ibrahim

Finance Treasury & Financial Operations
General Manager
Ahmad Riza Mohd Saian

Account Management & Financial Reporting
General Manager
Johan Mohamed Ishak

Group Chief Financial Officer's Office
General Manager
Suhaimi Sheikh Muhamad

Management Services
General Manager
Datin Nyarose Jaafar

Management Infomation Services
Chief Technology Officer
Zuraidah Atan

Acquisition & Content Management
General Manager
Cheah Cheng Imm

STRONGER FOUNDATIONS

As we accelerate forward on our journey to success, we are leveraging our vastly improved media network, our well-diversified and optimised integrated media strategies, as well as our proven proprietary analytical systems to drive strong performance.

Board of Directors

from left to right:

Dato' Abdul Kadir bin Mohd Deen
Dato' Sri Ahmad Farid bin Ridzuan
Tan Sri Lee Lam Thye
Datuk Ahmad bin Abd Talib, JP
Datuk Johan bin Jaaffar (Chairman)

from left to right:

Dato' Amrin bin Awaluddin
Dato' Gumuri bin Hussain
Tan Sri Dato' Seri Mohamed Jawhar
Dato' Shahril Ridza bin Ridzuan
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor

Board of Directors' Profile

DATUK JOHAN BIN JAAFFAR

Datuk Johan bin Jaaffar, aged 58, a Malaysian, is the Independent Non-Executive Chairman of Media Prima Berhad ("Media Prima"). He was appointed to the Board of Media Prima on 30 April 2009.

Datuk Johan is also Chairman of the following subsidiaries within Media Prima Group, namely Sistem Televisyen Malaysia Berhad ("TV3"), Metropolitan TV Sdn Bhd ("8TV"), Natseven TV Sdn Bhd ("ntv7"), Ch-9 Media Sdn Bhd ("TV9"), Max-Airplay Sdn Bhd ("Fly FM"), Synchrosound Studio Sdn Bhd ("Hot FM"), One FM Radio Sdn Bhd ("One FM"), Primeworks Studios Sdn Bhd ("Primeworks Studios"), and Big Tree Outdoor Sdn Bhd ("Big Tree Outdoor"). He has also served as an Independent Non-Executive Director of Sindora Berhad. He is currently a columnist for the New Straits Times.

Datuk Johan is a member of MERCY Malaysia Board of Trustees and is Chairman of the Consultation and Corruption Prevention Panel (which is under the Malaysian Anti-Corruption Commission (MACC). In addition, he is Chairman of Sekolah Sri Nobel, a notable private school and is as one of the representatives in the National Information Technology Council (NITC).

Datuk Johan was the Chairman of the Board of Dewan Bahasa dan Pustaka (DBP) from 2006 until 2010. Datuk Johan started his career with DBP in 1977. In 1998, he was appointed as the Chief Editor of the DBP's magazine division. His last position in DBP was Head of General Publishing Department before he joined Utusan Melayu (M) Berhad as Group Chief Editor in November 1992 until July 1998. In 1995, he was also appointed as one of the members of Malaysian Business Council. When the government mooted the idea of the Multimedia Super Corridor, Datuk Johan was appointed to the Board of the Multimedia Development Council.

In the past, Datuk Johan has served as committee member of Yayasan Anak-anak Yatim Malaysia, member of Jawatankuasa Diplomasi dan Hubungan Antarabangsa, member of Majlis Perpaduan Negara and member of the National Brains Trusts on National Education which is under the auspices of ISIS and the National Economic Action Committee (NEAC).

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

DATO' AMRIN BIN AWALUDDIN

Dato' Amrin bin Awaluddin, aged 45, a Malaysian, is the Group Managing Director of Media Prima. He was appointed to the Board of Media Prima on 1 September 2009.

He held various positions within the Group prior to assuming his current position on 1 September 2009 and holds a Bachelor of Business Administration (Honours) from Acadia University, Canada and Master of Business Administration (Finance) with Distinction from University of Hull, England.

He joined the Group as the Chief Financial Officer of TV3 in November 2001 with responsibilities, which include amongst others, to implement the restructuring and turnaround of TV3 and The New Straits Times Press (Malaysia) Berhad ("NSTP"). Completion of the restructuring of these former media assets of Malaysian Resources Corporation Berhad ("MRCB") in September 2003 led to the incorporation of Media Prima and his appointment as its Group Chief Financial Officer. Dato' Amrin played a pivotal role in transforming Media Prima into an integrated media group with a solid financial position. He was involved in the acquisition and restructuring of 8TV in 2003, ntv7, TV9, Hot FM and Fly FM in 2005 which contributed to the consolidation of the domestic TV industry and Media Prima's maiden expansion into radio.

During his tenure as the Chief Executive Officer of ntv7 (January 2006 - March 2008), Dato' Amrin led a team which formulated and implemented the financial and operational turnaround of the network, and the repositioning of the ntv7 brand.

He was involved in the successful acquisition of Big Tree Outdoor Sdn Bhd and the eventual consolidation of Media Prima's outdoor business through the acquisitions of UPD Sdn Bhd and The Right Channel Sdn Bhd.

At present, Dato' Amrin sits on the Boards of Media Prima's subsidiaries amongst them NSTP, TV3, 8TV, ntv7, TV9, Hot FM, Fly FM, One FM, Big Tree Outdoor, Kurnia Outdoor Sdn Bhd, Primeworks Studios and Alt Media Sdn Bhd.

He is also the Deputy President of Kuala Lumpur Business Club (KLBC), a Member of the Asian Television Awards Advisory Board, a Board Advisor of Pusat Sains Negara and a Board Member of Yayasan Kelana Ehsan.

Prior to joining the Group, Dato' Amrin was with Amanah Merchant Bank Berhad, Renong Berhad, Malaysia Resources Corporation Berhad and Putera Capital Berhad.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

DATO' SRI AHMAD FARID BIN RIDZUAN

Dato' Sri Ahmad Farid bin Ridzuan, aged 51, a Malaysian, is the Group Chief Executive Officer, Television Networks of Media Prima. He was appointed to the Board of Media Prima on 30 August 2006.

Before his appointment as the Group Chief Executive Officer, Television Networks of Media Prima on 1 January 2006, he was the Chief Executive Officer of TV3, a position he took up in April 2002. He currently sits on the Board of TV3, ntv7, 8TV, TV9, Primeworks Studios, Big Events Sdn Bhd and several private limited companies.

Dato' Sri Farid was an Executive Director at Leo Burnett Advertising from 1998 to 2002. He had fifteen years of line and staff experience specialising in General Management, strategic marketing, regional and international business development and corporate communications. He holds a MBA in International Business from US International University, San Diego, California; and BBA Marketing (Major) and a BBA Management (Minor) from Western Michigan University, Kalamazoo, Michigan, USA.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

Dato' Sri Farid is currently on secondment to the Prime Minister's office as the Communication Advisor.

DATO' SHAHRIL RIDZA BIN RIDZUAN

Dato' Shahril Ridza bin Ridzuan, aged 41, a Malaysian, is a Non-Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 22 October 2001 and is a member of the Remuneration Committee.

Dato' Shahril Ridza currently sits on the Boards of Malaysian Resources Corporation Berhad, Malaysia Building Society Berhad, Felda Global Ventures Holdings Berhad and Pengurusan Danaharta Nasional Berhad.

Dato' Shahril Ridza began his career as a Legal Assistant at Zain & Co from 1994 to 1996. He then became Special Assistant to the Executive Chairman of Trenergy (M) Berhad/Turnaround Managers Inc (M) Sdn Bhd from 1997 to 1998. He subsequently joined Pengurusan Danaharta Nasional Berhad in 1998 for a year before joining SSR Associates Sdn Bhd as Executive Director from 1999 to August 2001. He served as Group Managing Director, Malaysian Resources Corporation Berhad ("MRCB") until November 2009 and is presently Deputy Chief Executive Officer (Investment) at Employees Provident Fund ("EPF").

Dato' Shahril Ridza holds a Bachelor of Civil Law (1st Class) from Oxford University, England, a Master of Arts (1st Class) from Cambridge University, England, and was called to the Malaysian Bar and the Bar of England & Wales.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima Berhad. He has had no convictions for any offences within the past ten years.

Board of Directors' Profile (Cont'd)

TAN SRI LEE LAM THYE

Tan Sri Lee Lam Thye, aged 66, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 18 August 2003, and is a Member of the Nomination Committee, Audit Committee and Remuneration Committee.

Before retiring from politics in 1990, Tan Sri Lee served as the State Legislative Assemblyman for Bukit Nenas, Selangor, from 1969 to 1974 and from 1974 to 1990 as the Member of Parliament for Kuala Lumpur Bandar/Bukit Bintang.

He currently serves as the Chairman of the National Institute of Occupational Safety & Health under the Ministry of Human Resources. He is also the Chairman of the S P Setia Foundation and Vice-Chairman of the Malaysia Crime Prevention Foundation. Previously he served as a Member of the Special Royal Commission, which had been set up to enhance the operations and Management of the Royal Malaysian Police. He was also Chairman of the National Service Training Council and a former Member of the Malaysian Human Rights Commission.

In the private sector, Tan Sri Lee serves as a Non-Executive Director to a few companies, namely AMDB Berhad, MBM Resources Berhad and S P Setia Berhad. Within the Media Prima Group, he is a Board member of 8TV and One FM. Tan Sri Lee is also a Professional Representative on the Board of Employees Provident Fund since 1 June 2009.

Tan Sri Lee completed his secondary education at Saint Michael's Institution, Ipoh, Perak, and obtained his Senior Cambridge Certificate in 1965.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

TAN SRI DATO' SERI MOHAMED JAWHAR

Tan Sri Dato' Seri Mohamed Jawhar, aged 67, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 30 August 2006. He is also a member of the Audit Committee, Nomination Committee and Risk Management Committee.

His other positions include and has included: Chairman, Institute of Strategic and International Studies (ISIS) Malaysia; Member, Securities Commission Malaysia; Member, Malaysian Anti-Corruption Commission Advisory Panel; Distinguished Fellow, Institute of Diplomacy and Foreign Relations (IDFR), Ministry of Foreign Affairs Malaysia; Distinguished Fellow, Malaysian Institute of Defence and Security (MiDAS); Board Member, International Institute Of Advanced Islamic Studies (IAIS) Malaysia; Member, National Unity Advisory Panel, Malaysia (2004-2009); Chairman, Malaysian National Committee, Pacific Economic Cooperation Council (2005-2009); Co-Chair, Network of East Asia Think-tanks (NEAT) (2005-2006); Co-Chair, Council for Security Cooperation in the Asia Pacific (CSCAO) (2006-2008); and Expert and Eminent Person, ASEAN Regional Forum (ARF). Tan Sri also holds directorships in Ekuiti Nasional Berhad (Ekuinas), Affin Bank and Affin Islamic Bank. Within the Media Prima Group, he is Chairman of NSTP and Board Member of TV3.

He served with the government for over 20 years before joining ISIS Malaysia as Deputy Director-General in 1990. He was appointed as Director-General in March 1997 and later as Chairman and CEO in 2006. Although no longer CEO of ISIS since January 2010, he still serves as the Institute's Chairman.

During his government service, his positions included Director-General, Department of National Unity; Under-Secretary, Ministry of Home Affairs; Director (Analysis) Research Division Prime Minister's Department; and Principal Assistant Secretary, National Security Council. He also served as Counselor in the Malaysian Embassies in Indonesia and Thailand.

He holds a BA Hons. from University Malaya.

Other than disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

DATO' ABDUL KADIR BIN MOHD DEEN

Dato' Abdul Kadir bin Mohd Deen, aged 67, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 29 May 2007. He is also a Member of the Remuneration Committee, Nomination Committee and Audit Committee.

Within the Media Prima Group, Dato' Abdul Kadir sits on the Boards of TV3, ntv7, Hot FM and is Chairman of Alt Media Sdn Bhd, Kurnia Outdoor Sdn Bhd and Big Events Sdn Bhd. He is also Chairman of Eco Motive Sdn Bhd.

Dato' Abdul Kadir was with the Ministry of Foreign Affairs for over 33 years and served in various overseas postings, including Second Secretary at the Embassy of Malaysia in Manila, Philippines, 1973-1976 and First Secretary at the Embassy of Malaysia, Kuwait, 1977-1979. He also served as the Minister Counselor Deputy Permanent Representative, Malaysian Permanent Mission to the United Nations, New York from 1984-1988. He was subsequently assigned as Deputy Chief of Mission, Embassy of Malaysia, Beijing, People's Republic of China from March 1988 to December 1989. In October 1990 he was reassigned as Minister, Deputy Chief of Mission, Embassy of Malaysia, Tokyo, Japan and thereafter in July 1992 he was appointed High Commissioner of Malaysia to Sri Lanka until December 1996. From January 1997 to February 1999 he was High Commissioner of Malaysia to South Africa. He was reassigned as Ambassador of Malaysia to the Federal Republic of Germany concurrently accredited to Switzerland and Greece from 1999 to 2003, before his retirement from the Malaysian Diplomatic Service.

He holds a B.A. (Hons) from University of Lancaster, United Kingdom.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

DATO' GUMURI BIN HUSSAIN

Dato' Gumuri bin Hussain, aged 65, a Malaysian, is an Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 29 April 2008. He is also the Chairman of the Audit Committee and member of the Risk Management Committee of Media Prima.

Dato' Gumuri is currently the Chairman of SME Bank, a Board member of Metrod Holdings Berhad and KUB Malaysia Berhad. Within the Media Prima Group, he sits on the Board of Fly FM and Alt Media Sdn Bhd. Dato' Gumuri is also a member of the Securities Commission and Audit Oversight Board.

Dato' Gumuri was the former Managing Director and Chief Executive Officer of Penerbangan Malaysia Berhad from August 2002 to August 2004. Prior to this, he was a Senior Partner and Deputy Chairman of the Governance Board of PricewaterhouseCoopers Malaysia. He has also served as a Non-Executive Director of Bank Industri & Teknologi Malaysia Berhad, Malaysian Airline System Berhad and Sabah Bank Berhad.

Dato' Gumuri is a Fellow of the Institute of Chartered Accountants in England and Wales, a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

Board of Directors' Profile (Cont'd)

DATUK AHMAD BIN ABD TALIB, JP

Datuk Ahmad bin Abd Talib, aged 60, a Malaysian, is the Executive Director, News and Editorial Operations, Media Prima. He was appointed to the Board of Media Prima on 1 July 2009 and is a member of the Risk Management Committee of Media Prima.

Datuk Ahmad began his career in journalism as a reporter with the Economic Service of BERNAMA in 1972. He joined Financial Publications Sdn Bhd (a subsidiary of NSTP now known as Business Times (Malaysia) Sdn Bhd) in 1978. On 1 May 1985 he joined Berita Harian as the Economic News Editor.

In 1987, Datuk Ahmad became Assistant Editor, Berita Harian before joining New Straits Times as News Editor. He rose through the ranks, becoming Chief News Editor, Associate Editor and Assistant Group Editor between 1991 and 1996.

Datuk Ahmad was made Group Editor, New Straits Times in 1998. He was later re-designated as Group General Manager, Communications and Editorial Marketing in 2004. Datuk Ahmad opted for early retirement from the NSTP Group in 2005 before rejoining in 2009.

Datuk Ahmad is currently a trustee for Yayasan Salam Malaysia and Yayasan Kabajikan Anak-Anak Yatim Malaysia. He is also the Chairman of the Publicity Committee of the Malaysian Red Crescent.

Datuk Ahmad was awarded The Knight-Bagehot Fellowship in Economics and Business Journalism, Columbia University, New York in 1989/1990. He also participated in the NSK-CAJ Fellowship Programme, Japanese Newspaper Publishers and Editors Association.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

DATO' FATEH ISKANDAR BIN TAN SRI DATO' MOHAMED MANSOR

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor, aged 44, a Malaysian, is the Senior Independent Non-Executive Director of Media Prima. He was appointed to the Board of Media Prima on 4 September 2009, and is the Chairman of the Nomination Committee, Remuneration Committee and Risk Management Committee of Media Prima.

Dato' Fateh Iskandar attended the Malay College Kuala Kangsar (MCKK) and later obtained his law degree from the University of Queensland, Australia and subsequently went on to obtain his Masters in Business Administration.

He practiced law in Australia before coming back to Malaysia joining Kumpulan Perangsang Selangor Berhad (KPS) as its Corporate Manager. He left KPS to join Glomac in 1992 as General Manager for Business Development and climbed the way up the corporate ladder. In February 1997, he was appointed to the Board of Glomac Berhad.

Apart from sitting on several private limited companies, Dato' Fateh Iskandar also sits as a Board Member of Axis-Reits Managers Berhad, the first REITs company to be listed on Bursa Malaysia. He is also a Board Member of The New Straits Times Press (Malaysia) Berhad ("NSTP"), the publisher of the New Straits Times, Berita Harian and Harian Metro.

He is currently the Deputy President of The Real Estate & Housing Developer's Association (REHDA) Malaysia and Immediate Past Chairman of REHDA Selangor Branch. He is also a Director of MPI (Malaysian Property Incorporated), a partnership between the Government and the private sector that was established to promote property investments among foreigners in Malaysia. He is the Deputy Chairman of the Malaysian Australian Business Council (MABC), Chairman of Gagasan Badan Ekonomi Melayu, Selangor Branch (GABEM) a body that promotes entrepreneurship amongst Malays in the country and the Treasurer of Selangor State UMNO. He is the Co-Chair of the Special Taskforce to Facilitate Business Group (PEMUDAH National) on Legal & Services and is also a Member of PEMUDAH Selangor Group.

With around 20 years of experience and involvement in the property development industry, his vast experience and expertise has made him a very well-known and respected figure among his peers locally as well as on the international arena. He is frequently invited as a guest speaker in forums, seminars and conventions to offer his insights and views and to share his wealth of experience, and has given talks both locally and internationally on the property market in Malaysia over the years.

Other than as disclosed, he does not have any family relationship with any Directors and/or major shareholders of Media Prima. He has no personal interest in any business arrangements involving Media Prima. He has had no convictions for any offences within the past ten years.

Senior Management

One Team,
An Integrated
Vision

Senior Management

Dato' Amrin bin Awaluddin

Group Managing Director
Media Prima Berhad

Ours is a highly competitive business environment, where the players are aggressive and change is constant. Similar to the sports arena, the media landscape involves the survival of the fittest. We have to constantly be on our toes, honing our strengths and fine-tuning our strategies for victory. As the playing field continues to get a little too crowded and new challengers emerge, we need to outrun, out-jump and out-throw the rest. While many are just planning to survive, Media Prima Berhad (Media Prima) is here to THRIVE.

We are focused on reinforcing our position as Malaysia's foremost media powerhouse and the most complete integrated media platform group in ASEAN. We will achieve this by leveraging on our spread of platforms covering TV, radio, print, outdoor and new media to deliver compelling content and experiences to audiences from all ages and walks of life. Concurrently, each of our brands will operate and compete independently to make strong inroads into their respective market segments. Our aim is to be the market leader in each of the segments we compete in.

To win a good race and keep the audience enthralled we have to remain relevant. Which means informing, educating and entertaining our audience in a quality and compelling manner, anyway, anywhere, anytime they desire. We must continue to produce high-quality content that is compelling and relevant to the tastes and needs of our audience. A clear segmentation strategy will ensure we remain relevant.

We will leverage on our integrated and ubiquitous media platforms as well as strategic collaboration with our partners and advertisers to deliver content that is platform-agnostic, engaging, relevant and responsible to our target audiences. We will tap rising Internet and broadband penetration and the convergence of our products in the digital media space, to deliver advertisers a comprehensive, fully-integrated and persuasive one-stop solution.

We are intent on not just surviving but thriving in our highly competitive industry. Constant innovation will ensure we stay ahead of the game and stay in tune with the evolving technological landscape and related changes in social behaviour and market dynamics. We must explore all opportunities to go beyond traditional media boundaries to deliver content across platforms and across borders. Only then can we truly say that we have run a good race.

Mohamad Ariff bin Ibrahim

Group Chief Financial Officer
Media Prima Berhad

Media Prima's unique selling proposition has always been relevant and compelling content. Together with our offer of a complete integrated platform providing consumers convenient access to both the content of their choice and the medium of their choice, our proposition has become all the more persuasive today.

Nevertheless, the creation of business value still hinges on our ability to "do more with less" continuously. With content cost remaining our biggest cost component, we are continually looking at ways and means to do more things with the same content.

Today, our complete media offering has enabled us to produce content that is platform agnostic – content that can travel across multiple platforms and windows. This offers exciting opportunity for our people and talents, maximum consumer consumption and more importantly, lowering the unit cost per platform.

Whereas in the past we leveraged on acquisitions to derive the best business value to get where we need to be, we cannot simply look to this anymore. We must also follow through with the successful transformation of our people, their mindset and our work processes.

These surely are the catalysts that will help the Group keep its competitive edge in this ever challenging but exciting journey we have embarked on.

Senior Management (Cont'd)

Dato' Sri Ahmad Farid bin Ridzuan

Group Chief Executive Officer, Television Networks
Media Prima Berhad

The new broadcasting landscape is changing by the day. We are faced with intense competition from many different parties. Besides the traditional media competition from other free-to-air and pay-TV players, we are now seeing new entrants into the broadcasting scene from telcos as well.

This intense competition has spurred us to be the best that we can be. We are motivated to keep producing the top-rated content in Malaysia and this has ensured that our four TV networks, TV3, ntv7, 8TV and TV9, remain top-of-mind amongst our valued audience.

2011 has seen numerous hits being produced – from the glitzy award shows to the captivating drama series to the hard-hitting news and current affairs – across all the networks.

Our four TV networks strengthened their incredible reach amongst all the main demographics in Malaysia and remain a tantalizing media vehicle for our esteemed clients.

However, in the near future our main focus is to ensure that our content and our TV brands make the leap into the new digital world. The future of TV is digital and we must ensure that we are leaders in the new digital TV arena.

We have made tremendous progress in this with the introduction of tonton.com.my, our video portal. With Tonton, content from our TV networks can be seen anytime and anywhere, which fits well with the changing consumer content viewing habits.

The main catalyst for the success of our digital strategy is the symbiotic relationship between Tonton and the four TV networks. The television networks work hard to achieve the mass following, which will then translate into a big following online via Tonton. We realize early that any digital strategy needs to be complemented by a traditional media strategy. Combining the mass power of the television medium with the unbridled potential and interactivity of the internet would maximize results and success.

I look forward to 2012 with a lot of excitement as we turn up the heat with new digital campaigns that ride on the bigness provided by television. Working together, both old media and new media, we can achieve the impossible.

Dato' Sri Ahmad Farid bin Ridzuan is currently on secondment to the Prime Minister's office as the Communication Advisor.

Mohammad Azlan bin Abdullah

Chief Executive Officer,
The New Straits Times Press (Malaysia) Berhad

The integration of various media platforms under Media Prima has created a new working force, the largest media group in the country with a complete offer of media channels, technology, content and reach.

Being in this one big family, it provides one with greater prospects to move around, try new things and sharpen necessary skills to take on further challenges. There are more to look now in terms of collaboration, greater efficiency and career advancement.

Having served Media Prima's outdoor advertising arm, Big Tree until it became the country's biggest outdoor advertising player, I now have the opportunity to try something new and different under the group's print media.

In The New Straits Times Press (Malaysia) Berhad (NSTP), the challenge becomes bigger and of course, tougher. It is not an easy task managing a company which is an institution in the nation's print media history and facing a global declining trend on readership and circulation.

However, the integration offers us an opportunity to enable print media relevant to readers and consumers. The synergy that we offer creates new window of opportunities for cross selling, cross promotion, content innovation and new creative dimension.

The introduction and integration with new media teams, reflects our commitment to strive for new business openings to extend the reach of our group's traditional media platforms.

The integration of support services functions should become a catalyst for greater integration within the whole group which leads to greater efficiency and higher productivity.

I believe more can be done to promote integration, and that is what we are doing together.

Featured here are Dato' Anthony@Firdauz Bujang (left), the former CEO of NSTP, and En Mohammad Azlan bin Abdullah (right), NSTP's new CEO and the former CEO of Big Tree Outdoor. Dato' Anthony ended his tenure with the Group in December 2011 after having served with us for twelve years.

Senior Management (Cont'd)

Ahmad Izham bin Omar

Chief Operating Officer, TV Networks
Chief Executive Officer, Primeworks Studios
Media Prima Berhad

The broadcasting industry now stands at the precipice of a digital future. The onslaught of technical advances coupled with explosive broadband access have changed consumer behavior in unprecedented ways.

The media Executive of today has to understand the digital future to survive. He has to keep abreast of the latest developments in technology and content distribution and understand the power play between the many different companies getting into the media space.

The future is no longer only in the hands of the traditional media company. The future is also now being shaped by new disruptors like telecommunications companies with their broadband-content bundled offerings and consumer electronics giants with their connected TVs and mobile devices.

To complicate things further, the pervasive power of the internet has broken down all traditional business models and has forced the hand of all major media companies to explore new models more attuned to the democratisation of content consumption.

Yes, the media Executive of today could indeed study all these trends and have all the latest information and developments at his fingertips. But he would then be like any other media Executive.

To stay one step ahead of the rest, the media Executive of today must also understand that the key to the future still lies in the age-old formula for entertainment: Great Storytelling.

Great Storytelling is the cornerstone of any successful media outfit, be it a TV station, a production house, a telecommunications company or even a consumer electronics device manufacturer.

Great Storytelling is the source of hits. A great media mogul once said, Wireless is Useless if it's Hitless. Hits are the vibrations that shake all media screens, whether it's the big screen in your living room or the tiny one in your hand, over and over again, engaging your mind and filling your soul.

Indeed, Great Storytelling would fulfill all your senses and make you feel alive. It would take you on a journey of your own emotions. It will explore your deepest desires and ambitions and leave you at the end gasping at the new truth you've inevitably discovered.

Great Storytelling is the ammunition we take with us as we jump off the precipice into the digital new world. And it is the only ammunition that will keep us in good stead.

Datuk Ahmad bin Abd Talib, JP

Executive Director, News And Editorial Operations
Media Prima Berhad

THE ball is in our court. What we do with it is very much up to us. For the first time, this conglomerate is presented with an array of performance tools that are the envy of others in the same industry. You name it, we have it. Apart from four free-to-air television stations, we also have three newspapers, including the nation's biggest-circulating newspaper, Harian Metro. Yes, we have radio stations too. And our online portals have some of the biggest hits anywhere in the country.

The potential for us is mouth-watering, to say the least. Riding on the back of integration, Media Prima is now able to provide you with the complete solution to your communication needs. Honestly, if you have any messages that you wish to convey to consumers, look no further. MPB, with the New Straits Times Press within its stable, is now better poised to facilitate your key messaging 24/7. Even when you are asleep, we will be delivering your messages to the masses.

That, in a nutshell, is integration at work. It's partly about human resources, a marriage not made in heaven but targeted to create multi-platforms of convenience, to satisfy most, if not all, consumer communication needs. Marrying talents headquartered in Balai Berita in Bangsar, and Sri Pentas in Damansara, is not an easy task. Indeed, there are challenges. But we believe we have the confidence, leadership, intellect and sense of purpose to undertake integration and push the media scene to another level. It's all in the mind, this integration thing. And this is firmly supported by a genuine hunger to inspire, lead and push the boundaries of excellence to new heights. Integration is no longer a buzzword. It's a philosophy, a corporate ideology if you like.

Senior Management (Cont'd)

Jeff Cheah See Heong

Chief Operating Officer
Big Tree Outdoor Sdn Bhd
(From Oct 2011)

Business integration is one of the toughest challenges facing any organisation. In addition to the organisation & drive that would be necessary to bring about structural change in any environment, there are other differences like working culture and processes that need to be overcome. However, the anticipated rewards for business integration are able to minimise both operational risks and operating costs.

At Media Prima, integration of all media platform is an evolutionary process. This process is unavoidable to achieve the status of media powerhouse, and ultimately to suppress the continuation of media fragmentation.

The Management of Media Prima has a broad based understanding of the different business functions and how they work together, as well as operate in interdisciplinary teams and apply an understanding of the entire organisational system in order to create greater value and success.

In today's turbulent marketplace, the day of functional silos is gone.

Featured here are En Mohammad Azlan bin Abdullah (left), the former CEO of Big Tree Outdoor (BTO) who has moved on to become NSTP's new CEO, and Mr Jeff Cheah See Heong (right), the new COO of BTO who has played a pivotal role in the growth and expansion of the Group's Outdoor platform.

Abdul Jalil Hamid

Group Managing Editor,
The New Straits Times Press (Malaysia) Berhad

Across the region, convergence is the buzzword of the media landscape these days. At NSTP, we have been at the forefronts in term of technology and innovation. As a leading newspaper group in the country, our aim is simply to create a better user experience seamlessly across all four platforms – mobile, online, print and iPad.

A convergence of print and digital media means news and information can be assessed anytime and anywhere. More and more people are getting the news delivered to them via mobile phones or smartphones. The advent of Internet and changing consumer appetite are revolutionising the print industry. Our popular online news websites have to operate like a wire service than a newspaper, by providing news on a 24-hour cycle.

These developments are also changing the way our journalists operate. A print reporter, those days, would wait until the end of the day to begin writing a story. But these days, the reporter will have to file a story almost immediately for the SMS and online services before writing for the print version.

Going forward, what sets us apart from other brands are the quality of content and how good we deliver the products to our readers. We will continuously enhance the content for the three print products under the NSTP – *the New Straits Times, Berita Harian and Harian Metro*. The NST has recently undergone a massive revamp. Plans are afoot to undertake a similar exercise for *Berita Harian and Harian Metro* to enable the NSTP to be relevant and help expand our foothold in the markets that we serve.

Through an integration process, the NSTP brands can also leverage on Media Prima's TV and radio networks and a myriad of new media platforms. This will further strengthen the Group as a dominant media company in the country. This will in turn help NSTP newspapers reach out to a wider readership base and become more appealing to our stakeholders and business partners.

Featured here are Dato' Zainul Arifin bin Mohammed Isa (left) and En Abdul Jalil Hamid (right). Dato' Zainul, formerly the Managing Editor of NSTP, has moved on to assume the dual roles of Managing Editor for NSTP e-media and Head of the New Media Division, while En Abdul Jalil takes on the role of Group Managing Editor for NSTP.

Senior Management (Cont'd)

Sathiaseelan A/L Paul Thurai

Chief Executive Officer, Radio Networks

I was writing this while I was listening to youtube and tweeting at the same time. We are so spoiled for attention from so many screens either big or small. Where does radio fit in this mix? Radio needs to be on those screens and allow engagement and participation from the listeners and continue to build the community. We have recently enhanced our entrance on smartphones and tablets. It has allowed us to be with our listeners anywhere at anytime not just by delivering content but also instant connection with the brand. Such connectivity enhances radio and amplifies our presence in this dynamic world.

Hot Fm, Fly Fm and One Fm continues to believe in integration and in 2011 we have broken new ground in content convergence. For instance Hot Fm and TV9 have come up with a football content idea for both TV, Radio and also using social media as a big draw. That's a first for us and also in Malaysia. We will continue to develop more ideas that will cut across all platforms especially digital medium to ensure we will continue to grow as a medium of choice and also to leverage on integration within Media Prima.

As much as people dis-engage using technology, human nature always drives them back to the community. Radio not only builds communities, it also has conversations with them via multiple touch points, and evokes emotions in them. This is truly the power of radio. Be part of us.

Dato' Zainul Arifin bin Mohammed Isa

Head of New Media Division, Media Prima Berhad
Managing Editor, NSTP e-Media Sdn Bhd

The impact of the integration of Media Prima is mostly, and perhaps best, felt by the group's new media teams - Alt Media Sdn Bhd and NSTP e-Media Sdn Bhd. Firstly, both subsidiaries are involved in extending the reach of the Group's traditional media platforms be it print, television or radio into the new media.

More important, however, is that the new media teams help to blur the boundaries between the different platforms, allowing, for instance, newspapers to offer videos, and television networks giving full-length write-ups in their respective web portals.

Advances in technology are also constantly re-shaping the media world, and consequently, and simultaneously, re-defining the way content is consumed. These are obviously challenges to the current operations of a media group like Media Prima, but they are also incentives to innovate in how we produce as well as distribute our content.

One of the key characteristics of the Group is that it is collectively a major producer of original content. When others buy most of content, which can be cheaper and more convenient, the Group remains committed and aggressive in the creation of original content. Owning something uniquely ours provides the Group a strong foundation and allows it to differentiate itself from the other media companies.

The combined content created, coupled with the resources of the various platforms, allow for a powerful phenomenon - regardless if it were text or video or voice, content may reside in a single platform, or move across the various formats, potentially giving consumers an enriched multi-media offering.

Under the big umbrella of the Group, good, desirable and relevant content can be platform agnostic and has the potential of being consumed on demand, anytime and anywhere.

Consumers, of course, are better served, and for the Group, integration offers opportunities that were never there before.

Featured here are Dato' Zainul Arifin bin Mohammed Isa (left) Head of the New Media Division, Media Prima Berhad and Managing Editor for NSTP e-Media and Lam Swee Kim (right), Group General Manager, New Media & Integrated Marketing Media Prima Berhad.

Statement on Corporate Governance

The Board of Directors (Board) of Media Prima Berhad (Media Prima) is committed towards achieving excellence in corporate governance and acknowledges that the prime responsibility for good corporate governance lies with the Board. The Board is fully committed to ensuring that the highest standards of corporate governance are practised throughout Media Prima and its subsidiaries (the Group) as a fundamental part of discharging its responsibilities to create, protect and enhance shareholders' value and the performance of the Group.

The Malaysian Code on Corporate Governance (the Code) aims to set out principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework. The Board reaffirms its support to the Code and believes that good corporate governance is fundamental in achieving the Group's objectives. In order to ensure that the best interests of shareholders and other stakeholders are effectively served, the Board continues to play an active role in improving governance practices and monitors the development in corporate governance including the Code.

The commitment and efforts of the Board of Directors, Management and employees of Media Prima in sustaining high standards of corporate governance and investor relations are proven by the following accolades received in 2011:

Award	Awarded by
Malaysia Corporate Governance Index 2011 • Distinction Award	Minority Shareholders Watchdog Group (MSWG)
• Best Overall for Corporate Governance • Best for Disclosure & Transparency • Best for Responsibilities of Management and the Board of Directors • Best for Shareholders' Rights and Equitable Treatment • Best for Investor Relations • Best Investor Relations Officer - Tengku Adrinna Shahaz	AsiaMoney's Corporate Governance Poll 2011
Best Mid-Capitalised Company in Malaysia – Ranked 2nd	Asia's Best Companies 2011 Award (Finance Asia) 2011
Best Corporate Social Responsibility Award • Platinum Award	National Annual Corporate Report Awards (NACRA) 2011
Winner of Best Corporate Social Responsibility Award	4th Malaysia Business - CIMA Enterprise 2011 Award
Global Leadership Award 2011 • Winner of Media & Entertainment Sector - Dato' Amrin Awaluddin, Group Managing Director	The Leaders International

The Board of Media Prima is pleased to report to the shareholders, the Group's application of the Principles as set out in Part 1 of the Code and the extent to which the Group has complied with the Best Practices of the Code during the financial year ended 31 December 2011.

1 THE BOARD OF DIRECTORS

The Group is led and controlled by an effective Board. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board knows and understands the Board's philosophy, principles, ethics, mission and vision and reflects this understanding on key issues throughout the year.

The Board delegates authority and vests accountability for the Group's day to day operations with a Management team led by the Group Managing Director (GMD). The Board however assumes responsibility for the following in discharging its duty of stewardship of the Group:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the conduct of the Group's business to evaluate whether the Group is being properly managed;
- Succession planning including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management;
- Identifying principal risks and ensuring implementation of appropriate systems to manage these risks;
- Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- Reviewing the adequacy and the integrity of the Group's internal control systems and Management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

1.1 Board Composition and Balance

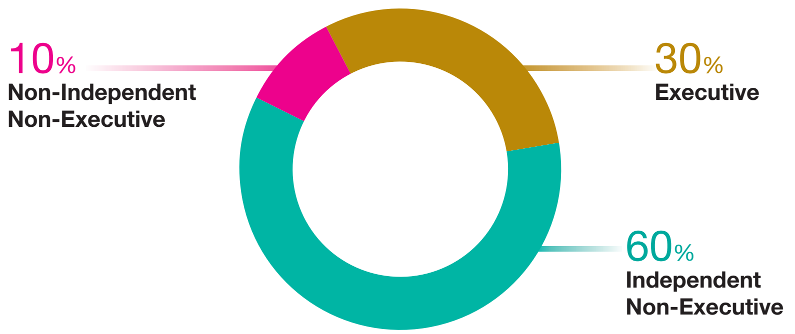
The Board is comprised of individuals who are highly experienced in their respective fields of endeavour and whose knowledge, background and judgement are invaluable in ensuring that the Group achieves the highest standards of performance, accountability and ethical behaviour as expected by Media Prima's stakeholders. The Board has a balanced composition of Executive and Non-Executive Directors (including Independent Directors) such that no individual or group of individuals can dominate the Board's decision-making powers and processes. The Independent Non - Executive Directors make up 60% of the Board membership.

The Group is in compliance with the Listing Requirements of Bursa Securities whereby the directorship held by Directors of the Company in public listed companies and non-listed companies do not exceed the maximum limit of 10 and 15 directorships respectively.

As at 31 December 2011, the Board has ten (10) members, of which three (3) are Executive Directors and seven (7) are Non-Executive Directors. The Board believes the size of the Board is optimum given the scope and size of the Group, and sufficient to provide for effective debate and decision making with a substantial degree of independence from Management. A brief description of the background of each Director is set out on pages 16 to 20 of this Annual Report.

The role and responsibilities of the Chairman of the Board and the GMD are clear and distinct. The Chairman is responsible to conduct Board discussions effectively and the GMD is responsible for the running of operation on a day to day basis. The current Chairman is not the previous Chief Executive Officer of the Company.

Media Prima Berhad Board of Directors As At 31 December 2011



Statement on Corporate Governance (Cont'd)

1.2 Directors' Roles and Responsibilities

The Independent Non-Executive Directors are individuals of credibility, calibre and have the necessary skill and experience to carry sufficient weight in Board decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and examined, and take account of the long term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

There is a clear division of roles and responsibilities between the Chairman of the Board and the GMD to ensure that there is a balance of power and authority and that no one individual has unfettered powers of decision. The Chairman of the Board is responsible for ensuring the Board's effectiveness and conduct whilst the GMD has overall responsibility over the business units, organisational effectiveness and implementation of Board's policies, strategies and decisions. The Board, together with the GMD, has developed position descriptions for the Board and for the GMD, involving definition of the limits to Management's responsibilities. The Board has also approved the corporate objectives for which the GMD is responsible to meet.

Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor is the Senior Independent Non-Executive Director, as prescribed in the Code, to whom concerns pertaining to the Group may be conveyed by shareholders and the public. The Senior Independent Non-Executive Director may be contacted at
Tel : + (603) 7801 9012
Fax : + (603) 7806 5333

1.3 Directors' Code of Ethics

Media Prima has established a Directors` Code of Ethics to guide the Board in discharging its oversight role effectively. The Code of Ethics requires all Directors to observe high ethical business standards of honesty and integrity and to apply these values to all aspects of our business and professional practices and act in good faith in the best interests of Media Prima Group and its shareholders.

1.4 Board Effectiveness Evaluation

The Board through the Nomination Committee conducts an effective assessment to evaluate the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director. The Board has also reviewed its required mix of skills and experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board. The Board also examines its size, with a view to determining the effective number of Board members. The Board feels that the current size of the Board is appropriate.

Messrs PricewaterhouseCoopers Advisory Services Sdn Bhd was commisioned to conduct a Board Effectiveness Evaluation that was designed to determine whether the Board continues to be capable of providing a high level of judgement required and whether the Board are informed and updated with the business and its goals.

1.5 Company Secretary

The Company Secretary provides a central source of guidance and advice to the Board, on matters of ethics and good corporate governance. The Company Secretary is required to provide the Directors, collectively and individually, with detailed guidance on their duties and responsibilities. The Company Secretary assists in determining the annual Board plan and Board agenda and in formulating governance and Board-related matters.

The Board has unrestricted access to the advice and services of the Company Secretary who is responsible for providing Directors with the Boards' papers and related matters. The Company Secretary co-ordinates the induction programme for newly-appointed Directors as well as the Board assessment process.

The Company Secretary is currently in the midst of establishing the Board Charter that serves to ensure that all Board members acting on the Group's behalf are aware of their expanding roles and responsibilities. The charter will set out their strategic intent and specific responsibilities to be discharged by the Board members collectively and individually. The formal charter will also regulate on how the Board conducts business in accordance with sound corporate governance principles.

1.6 Board Meetings

Board meetings are scheduled in advance at the beginning of the new financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules. The Board meets at least four (4) times a year, once every quarter and has a formal schedule of matters specifically reserved to it for decision, such as the approval of corporate plans and budgets, acquisitions and disposals of assets that are material to the Group, major investments, changes to Management and control structure of the Group, including key policies, procedures and authority limits. Additional meetings are held as and when required.

Key transactions submitted to and approved by the Board in 2011 include:

Business Plan	• Proposed revised Limits of Authority for The New Straits Times Press (M) Berhad. ("NSTP"). • Proposed expansion of procurement business of MMStudios Sdn Bhd & change of name to "Media Prima Content Services Sdn Bhd". • Setting up of regional Media Prima Radio Networks by Synchrosound Studio Sdn Bhd.
Investor Relation	• Proposed changes in Board Member of Subsidiaries. • Investors / Corporate Communication Plan for 2011.
Financial	• Proposed striking off dormant subsidiaries and restructuring of intercompany balances of subsidiaries.
Employee Relations	• Proposed employees salary adjustment and merit increment 2011 and job re-grading exercise. • Proposed streamlining of group remuneration and benefit plans covering enhanced medical benefits. • Development of corporate social responsibility strategy.

Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues. Decisions are made on a consensus basis after due deliberation.

During the financial year ended 31 December 2011, the Board of Directors have met eight (8) times as illustrated below:

Date Of Board Meeting	Attendance By Directors			
	Executive Director	**Non-Independent Non-Executive Director**	**Independent Non-Executive Director**	**Total Numbers**
23 February 2011*	3	2	4	9
8 March 2011**	3	2	5	10
20 April 2011**	3	2	5	10
12 May 2011*	3	1	4	8
24 August 2011*	2	2	4	8
13 October 2011**	2	1	5	8
18 November 2011*	2	–	6	8
23 November 2011**	3	–	4	7

* Scheduled Meeting
** Special Meeting

Statement on Corporate Governance (Cont'd)

Details of the Board movement and attendance at meetings for financial year ended 31 December 2011 are set out below:

Directors	Designation	Attendance	Percentage
Datuk Johan bin Jaaffar (appointed on 30 April 2009)	Independent* Non-Executive Chairman	8 out of 8	100%
Dato' Amrin bin Awaluddin (appointed on 1 September 2009)	Group Managing Director	8 out of 8	100%
Tan Sri Lee Lam Thye (appointed on 18 August 2003)	Independent Non-Executive Director	6 out of 8	75%
Tan Sri Dato' Seri Mohamed Jawhar (appointed on 30 August 2006)	Independent Non-Executive Director	7 out of 8	88%
Dato' Abdul Kadir bin Mohd Deen (appointed on 29 May 2007)	Independent Non-Executive Director	7 out of 8	88%
Dato' Gumuri bin Hussain (appointed on 29 April 2008)	Independent Non-Executive Director	6 out of 8	75%
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (appointed on 4 September 2009)	Independent Non-Executive Director	8 out of 8	100%
Dato' Shahril Ridza bin Ridzuan (appointed on 22 October 2001)	Non-Independent Non-Executive Director	5 out of 8	63%
Dato' Sri Ahmad Farid bin Ridzuan (appointed on 30 August 2006)	Executive Director	5 out of 8	63%
Datuk Ahmad bin Abd Talib, JP (appointed on 1 July 2009)	Executive Director	8 out of 8	100%

* Re-designated from Non-Independent Non-Executive Chairman to Independent Non-Executive Chairman effective 2 September 2011.

1.7 Supply of Information

The Board and its Committees have full and unrestricted access to all information necessary in the furtherance of their duties, which is not only quantitative but also other information deemed suitable such as customer satisfaction, product and service quality, market share and market reaction.

The Board is provided with the agenda for every Board meeting together with comprehensive Management Reports, in advance for the Board's reference. The Chairman of the Board takes primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to Directors on a timely basis. All Directors have the right and duty to make further enquiries where they consider necessary. In most instances, members of Senior Management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board. The Board papers are circulated on a timely basis and more often than not, at least five (5) days in advance of the meeting to enable the members to have sufficient time to review the papers prepared. Board papers are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions can be made.

The Board papers supplied to the Directors include:

- Quarterly performance report of the Group;
- Corporate proposals;
- Group's Risk Profile Review;
- Information on operational and financial issues;
- Updates on Group's Corporate Social Responsibility
- Business forecasts and outlook; and
- Circular resolutions passed.

The Board recognises that the Chairman is entitled to the strong and positive support of the Company Secretary in ensuring the effective functioning of the Board. All Directors have access to the advice and services of the Company Secretary and, whether as a full Board or in their individual capacities, Directors are also at liberty to take independent professional advice on any matter connected with the discharge of their responsibilities as they may deem necessary and appropriate, at the Company's expense.

1.8 Appointments to the Board

The Code endorses, as good practice, a formal procedure for appointment to the Board, with a Nomination Committee making recommendations to the Board. The Nomination Committee of the Board of Media Prima scrutinises the sourcing and nomination of suitable candidates for appointment as a Director in Media Prima and its subsidiary companies and to the Committees of the Board, before making recommendations to the Board for approval. This Committee will ensure the selection of Board members with the right experience, skill and expertise, thus strengthening the composition of the Board and contributing significantly to the effectiveness of the Board.

1.9 Re-election of Directors

In accordance with the Company's Articles of Association, newly-appointed Directors shall hold office until the next AGM and shall then be eligible for re-election. The Articles also provide that all Directors shall retire from office at least once in every three (3) years. Retiring Directors may offer themselves for re-election.

1.10 Directors' Training

The Board views Directors' training as an integral element of the process of appointing new Directors. The Nomination Committee ensures that there is an induction and education programme for new Board members.

In 2011, all Directors attended relevant training programmes to enhance their skills and knowledge, and to keep abreast with the relevant changes in laws, regulations and business environment, in order to discharge their duties more effectively.

Statement on Corporate Governance (Cont'd)

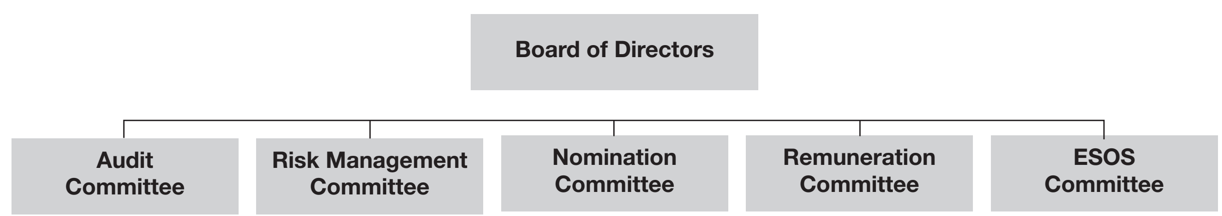
The Company had organised an in-house Board of Directors Workshop on 20 July 2011 which covered topics on challenges in regulating the New Media and strategic challenges facing the Media Industry. In addition to the Board of Directors Workshop 2011, external trainings attended by the Board of Directors include:

Course	Date
• CSCAP study group on cyber security	22 March 2011
• 25th Asia Pacific Roundtable	30 May 2011
• The Securities Commission's New Corporate Governance Blueprint	10 August 2011
• Launch of Corporate Governance Week 2011	30 November 2011
• Seminar on the new Corporate Governance Blueprint & Regulator updates	14 December 2011

1.11 Board Committees

The Board delegates certain responsibilities to Board Committees, each with defined terms of reference and responsibilities and the Board receives reports of their proceedings and deliberations. Where Committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted for the Board of Directors' approval. The Chairman of the various committees report the outcome of the Committee meetings to the Board and relevant decisions are incorporated in the minutes of the Board of Directors' meetings.

The Board Committees in Media Prima are as follows:



The composition, responsibilities and activities of the respective Board Committees are described below:

AUDIT COMMITTEE (AC)

AC was established on 19 August 2003 and the members are:

Member	Attendance	Percentage
• Dato' Gumuri bin Hussain (Chairman)	4 out of 5^	80%
• Tan Sri Dato' Seri Mohamed Jawhar	4 out of 5^	80%
• Tan Sri Lee Lam Thye	5 out of 5	100%
• Dato' Abdul Kadir bin Mohd Deen	5 out of 5	100%

^ Absent with Apologies (Abroad)

Responsibilities & Activities

- Reviewing issues on accounting policies and presentation of external financial reporting; monitoring the mechanism of the internal audit function; and ensuring the professional relationship and objective is maintained with external auditors.
- The AC has full access to both Internal and External Auditors who, in turn, have access at all times to the Chairman of the Committee.
- The AC also reviews related party transactions for compliance with the Listing Requirements of the Bursa Securities and the appropriateness of such transactions before recommending it for Board approval.

A full Audit Committee report detailing its membership, its role and its activities during the year is set out on pages 61 to 67.

RISK MANAGEMENT COMMITTEE (RMC)

RMC was established on 12 May 2011 and the members are:

Member	Attendance	Percentage
• Dato' Fateh Iskandar bin Tan Sri Dato' Mohammed Mansor (Chairman)	2 out of 2	100%
• Tan Sri Dato' Seri Mohammed Jawhar	2 out of 2	100%
• Datuk Ahmad bin Abd Talib, JP	1 out of 2	50%
• Dato' Gumuri bin Hussain	1 out of 2	50%

Statement on Corporate Governance (Cont'd)

Responsibilities & Activities

- To establish a clear Risk Management Policy for the Group.
- To allocate and optimise the use of resources in managing risk effectively.
- To inculcate an effective risk management culture throughout the Media Prima Group.
- To safeguard financial and non-financial assets of the Group.
- To comply with policies, procedures, guidelines, laws and regulations.
- The Committee held two meetings on 24 August 2011 and 17 November 2011.

NOMINATION COMMITTEE (NC)

NC was established on 19 August 2003. The committee comprised of exclusively Independent Non-Executive Directors.

Member	Attendance	Percentage
• Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Chairman)	2 out of 2	100%
• Dato' Abdul Kadir bin Mohd Deen	2 out of 2	100%
• Tan Sri Lee Lam Thye	1 out of 2	50%
• Tan Sri Dato' Seri Mohamed Jawhar	1 out of 2	50%

Responsibilities & Activities

- Assisting the Board in assessing its overall effectiveness.
- Assisting the Board in reviewing its required mix of skills and experience and other qualities Non-Executive Directors should bring to the Board.
- Identifying and recommending new nominees to the Board and committees of the Board of Media Prima and nominees to the Boards of its subsidiaries. All decisions and appointments are made by the respective Boards after considering the recommendation of the NC.
- The Committee held two meetings on 23 February 2011 and 13 October 2011.

REMUNERATION COMMITTEE (RC)

RC was established on 19 August 2003 and the members are:

Member	Attendance	Percentage
• Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor (Chairman)	4 out of 4	100%
• Dato' Abdul Kadir bin Mohd Deen	4 out of 4	100%
• Tan Sri Lee Lam Thye	3 out of 4	75%
• Dato' Shahril Ridza bin Ridzuan	3 out of 4	75%

Responsibilities & Activities

- To review any major changes in employee benefit structures throughout the Company or Group, and if fit recommend to the Board for adoption.
- To review and recommend to the Board for adoption the framework for the Company's annual incentive scheme. The framework for the annual incentive scheme may include
  - Merit Increment;
  - Merit Bonus; and
  - Incentives (based on sales and others).
- To review and recommend to the Board improvements (if any) on designated Executive Managements' remuneration policy and package and any other issues relating to benefits of designated Executive Management on an annual basis.
- To establish a formal and transparent procedure for developing policy on the total individual remuneration package of Executive Directors, GMD and other designated Executive Management including, where appropriate, bonuses, incentives and share options.
- To design the remuneration package for all Executive Directors, GMD and other designated Executive Management with the aim of attracting and retaining high-calibre designated Executive Management who will deliver success for shareholders and high standards of service for customers, while having due regard to the business environment in which the Group operates. Once formulated, to recommend to the Board for approval.
- To determine and recommend to the Board the framework or broad policy for the remuneration packages of the GMD, the Chairman of the Company and such other members of the Executive Management as it is designated to consider.
- The Committee held four meetings on 23 February 2011, 8 March 2011, 13 October 2011 and 18 November 2011.

EMPLOYEE'S SHARE OPTION SCHEME (ESOS) COMMITTEE

ESOS Committee was established on 27 August 2004 and the members are:

Member
• Dato' Abdul Kadir bin Mohd Deen (Chairman)
• Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
• Dato' Amrin bin Awaluddin

Responsibilities & Activities

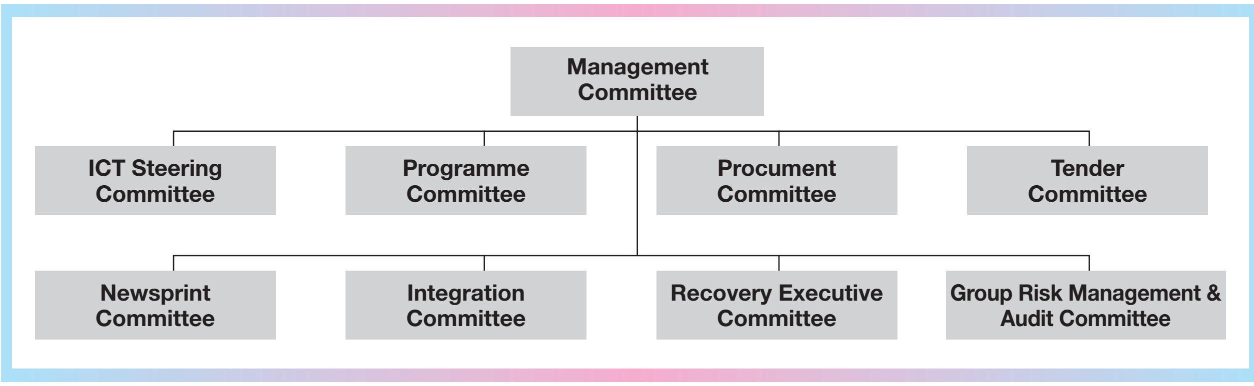
- To implement and administer the Media Prima Employees' Share Option Scheme in accordance with the by-laws approved by the shareholders of the Company.
- To determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required.
- The Committee did not hold any meeting in 2011.

Statement on Corporate Governance (Cont'd)

1.12 Management Committee

The Company has established various Management Committees such as the Programme Committee, Group Risk Management & Audit Committee, Tender Committee, ICT Steering Committee and Recovery Executive Committee to help the Board fulfill its responsibilities. The terms of reference of these committees are clearly defined in terms of their roles and functions.

Programme Committee and Tender Committee have been established to ensure transparency and integrity of the procurement process. The main responsibility of the Group Risk Management & Audit Committee is to oversee the Group's risk management activities while the ICT Steering Committee reviews the status of implementation of ICT initiatives within the Group. The Recovery Executive Committee is tasked to manage business recovery and business operations in the event of a disaster or major disruption to operations.



2 DIRECTORS' REMUNERATION

2.1 Level and Make-up of Remuneration

The Group has established a formal and transparent procedure for developing policy on Executive remuneration and for fixing the remuneration package of the individual Director. The objective of the Group's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to manage the Group successfully.

The Remuneration Committee (RC), comprising wholly of Non-Executive Directors, carries out the annual review of the overall remuneration policy for Executive Directors whereupon recommendations are submitted to the Board for approval. The remuneration for Executive Directors is structured to link rewards to corporate and individual performance. It is nevertheless, the ultimate responsibility of the Board to approve the remuneration of these Directors.

An annual review by the RC records the performance of the GMD and Executive Directors and submits recommendations to the Board on specific adjustments in remuneration and/or reward payments that reflect their respective contributions for the year, and which are competitive and are in tandem with Media Prima's corporate objectives, culture and strategy.

The determination of the remuneration packages of Non-Executive Directors (whether in addition to or in lieu of their fees as Directors), is a matter for the Board as a whole subject to approval of shareholders at the Annual General Meeting (AGM). Each individual Director abstains from the Board's decision on his own remuneration.

2.2 Remuneration Package

The remuneration package of the Executive Directors is as follows:

(i) Basic Salary

Remuneration Committee recommends the basic salary (inclusive of statutory employer contributions to the Employee Provident Fund) for the Executive Director, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar positions in a selected group of comparable companies.

(ii) Performance Bonus

The Group operates a performance based bonus scheme for all employees, including the Executive Directors. The criteria for the scheme is dependent on the achievement of KPI set for the Group's business activities as measured against targets, together with an assessment of each individual's performance during the period. Bonuses payable to the Executive Directors are reviewed by the Remuneration Committee and approved by the Board.

(iii) Fixed Allowance

The Board has in 2004, approved for the payment of fixed allowances to Executive Directors. This is in lieu of the contractual bonus that was in the original contract of the Individual Director but has since been collapsed.

(iv) Employees' Share Option Scheme (ESOS)

Executive Directors are also eligible to participate in the employees' share option scheme designed to incentivise employees of the Group.

(v) Benefits-in-kind

Executive Directors are entitled to other customary benefits such as private medical cover, leave passage, car and driver.

The Non-Executive Directors are paid annual fees, attendance allowance for each Board meeting that they attend and effective August 2011, the Non-Executive Directors are also eligible for Group Hospitalisation and Surgical insurance. The Chairman is entitled to leave passage, contributions to Employee Provident Fund, a car and driver benefits.

Directors of Media Prima are also covered under a Directors and Officers Liability Insurance Policy against any liability incurred by them in discharging their duties while holding office as Directors of the Group. The Directors contribute partially toward the payment of the insurance premium.

Statement on Corporate Governance (Cont'd)

2.3 Directors' Remuneration

The details on the aggregate remuneration of Directors for the financial year ended 31 December 2011, distinguishing between Executive and Non-Executive Directors with categorisation into appropriate components are as follows:

Non-Executive Directors

Name of Directors	Fees (Media Prima)	Fees (Subsidiaries)	Bonus	EPF	Other Remuneration/ Emoluments	Benefits-in-Kind	Total
	RM						
Dato' Johan bin Jaaffar	75,000	178,000	100,000	64,000	391,235	98,150	906,385
Tan Sri Dato' Seri Mohamed Jawhar	60,000	94,548	86,664	–	35,532	17,194	293,938
Dato' Gumuri bin Hussain	60,000	11,573	40,000	–	24,282	–	135,855
Dato' Abdul Kadir bin Mohd Deen	60,000	72,014	40,000	–	42,250	–	214,264
Tan Sri Lee Lam Thye	60,000	45,000	40,000	–	27,500	–	172,500
Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	60,000	40,000	66,664	–	37,173	–	203,837
Dato' Shahril Ridza bin Ridzuan	60,000	8,100	60,000	–	11,500	–	139,600
Total	**435,000**	**449,235**	**433,328**	**64,000**	**569,472**	**115,344**	**2,066,379**

Executive Directors

Name of Directors	Salary	Bonus	EPF	Other Remuneration/ Emoluments	Benefits-in-Kind	Total
	RM					
Dato' Amrin bin Awaluddin	801,216	556,400	254,626	153,125	57,183	1,822,550
Dato' Sri Ahmad Farid bin Ridzuan	761,461	523,944	238,218	178,356	28,257	1,730,236
Datuk Ahmad bin Abd Talib, JP	538,453	194,400	141,176	67,831	38,700	980,560
Total	**2,101,130**	**1,274,744**	**634,020**	**399,312**	**124,140**	**4,533,346**

The remuneration paid to Directors during the year, analysed into bands of RM50,000, which complies with the disclosure requirements under Bursa Malaysia Listing Requirements is as follows:

Remuneration Band	**Number of Directors**	
	Executive	**Non-Executive**
RM 100,001 – RM150,000		2
RM 150,001 – RM200,000		1
RM 200,001 – RM250,000		2
RM 250,001 – RM300,000		1
RM 900,001 – RM950,000		1
RM 950,001 – RM1,000,000	1	
RM1,700,001 – RM1,750,000	1	
RM1,800,001 – RM1,850,000	1	
Total	**3**	**7**

Note : Successive bands of RM50,000 are not shown entirely as they are not represented.

3 SHAREHOLDERS

3.1 Investor Relations

The Group maintains regular and proactive communication with its shareholders and investors, with the provision of clear, comprehensive and timely information through a number of readily accessible channels such as Corporate Website, Annual General Meeting and Investors Briefing. The Group's Investor Relations policy provides guidelines on the activities that enable the Board and Management to communicate effectively with the investment and financial community and other stakeholders including institutional investors, fund managers, analyst, bankers as well as research and stock-broking houses and the general public in relation to dissemination of timely, relevant and accurate information pertaining to the Group.

The Board actively demonstrates and promotes the value of transparency, accountability and integrity in all its dealings with its investors to ensure their utmost satisfaction. The Board also maintains lines of communication with major shareholders to take heed of their concerns over matters relating to corporate governance and Group performance. The Corporate Finance Unit, under direct supervision of the Group Chief Financial Officer, is tasked with the responsibility to respond to all queries raised by the investors and analysts. This is particularly important to shareholders and investors for informed investment decision making. Corporate Communication Department is responsible to coordinate investor relation events and activities which include organising Annual General Meeting, Investors Briefing, Investors Road Shows, press conferences and also providing a platform other than the Annual General Meeting for stakeholders to meet the Management and be updated on Group's performance and initiates.

The Corporate Finance Department has conducted an Investor Relations survey in January 2012 to assess the levels of satisfaction and effectiveness of Media Prima's Investor Relation activities for 2011. Selected analysts, shareholders and fund managers were invited to participate in the survey. Media Prima has scored an overall score of 3.93 points (out of a maximum of 5 points) which exceeds Media Prima's KPI target rating of 3.75.

Statement on Corporate Governance (Cont'd)

In line with good corporate governance practice, an annual programme to meet both local and international investment communities including the institutional fund managers and analysts is set at the beginning of the year. To maintain good rapport and relationship with local and foreign investors and fund managers, the GMD and the Group Chief Financial Officer attended presentations and meetings in London, Singapore, Hong Kong, New York and a series of local road shows during the year. Briefings with investors and analysts were also held after each quarter's announcement of financial results to the Bursa Securities to explain the Group's strategy, performance and major developments and to address other matters affecting shareholders' interest.

As a corporate subscriber with the Minority Shareholders Watchdog Group ("MSWG"), the Group is able to access MSWG's Tracker portal that provides services such as MSWG Monitoring Services, Corporate Actions on Public Listed Companies ("PLCs"), 10-year Financial Performance of PLCs, Benchmarking reports and also priority bookings on MSWG Investor Education Programme. This further enhances the Group's credibility in promoting good corporate governance practice and dealing with investors.

In addition to corporate announcements, events and developments are notified to the public via press releases and/or by holding press conferences after general meetings or corporate events. These would provide shareholders, analysts and the investing public with an overview of the Group's performance and operations. All press releases are consistent with announcement to Bursa Securities.

All corporate and financial information, such as the Annual Report of Media Prima Berhad, the quarterly announcements of the financial results of the Group, and other announcements and disclosures are available on Media Prima's website, www.mediaprima.com.my.

3.2 Annual General Meeting

In addition to the quarterly financial reports and annual report, the Annual General Meeting (AGM) remains the principal opportunity for communication with shareholders and investors. At each AGM, the Board presents the progress and performance of the Group. The Chairman and/ or the GMD presents a comprehensive review of the financial performance of the Group and value created for shareholders. This review is supported by visual and graphical presentation of key points and financial figures.

Shareholders are encouraged to participate in the proceedings and ask questions on the operations of the Group and on any resolutions being proposed. The Chairman will provide sufficient time for shareholders' questions on matters pertaining to the Group's performance and seek to explain concerns raised by the shareholders.

Each item of ordinary and special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution. Separate resolutions are proposed for separate issues at the meeting and the Chairman declares the outcome of each resolution after proposal and secondment are done by the shareholders. A press conference is held immediately after the AGM where the Chairman and the GMD will clarify and explain issues raised by the media and analysts. An analyst briefing will also be held in the course of providing all stakeholders with the latest updates on the Group.

3.3 Websites

The Group strives to ensure that shareholders and the general public would have an easy and convenient access to the Group's latest financial results, press releases, annual reports and other corporate information via its website www.mediaprima.com.my. Each of Media Prima's subsidiaries also has established their own website as a source of information and excellent medium of communication to shareholders and the general public.

3.4 Whistle-Blowing Policy

To strengthen corporate governance practices across the Group, a whistle-blowing policy was introduced to provide employees with accessible avenue to report suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will, to the extent possible, be protected from reprisal.

The Group welcomes inquiries and feedbacks from shareholders and other stakeholders. All queries and concerns regarding the Group may be conveyed to the following personnel:

Name	Designation	Related Matters	Telephone	Facsimile
Mohamad Ariff Ibrahim	Group Chief Financial Officer	Financial/ Investor relations	603 7726 6508	603 7726 1502
Zafrul Shastri Hashim	Group General Manager, Legal & Secretarial	Legal	603 7729 1345	603 7726 0896
Mohd Hisham Md. Shazli	Group General Manager, Group Risk Management	Internal Control and Risk Management	603 2282 7599	603 2056 7180
Sere Mohammad Mohd Kasim	Group General Manager, Group Corporate Governance	Internal Audit	603 7726 0897	603 7727 0719
Haji Zulkifli Mohd Salleh	Group General Manager, Stakeholder Management	Stakeholder Management	603 7726 0884	603 7729 2444
Laili Hanim Mahmood	Group General Manager, Regulatory Affairs	Regulatory Compliance	603 7726 0891	603 7726 1246
Mastura Adnan	Group General Manager, Corporate Communications	Corporate Responsibility and Other Queries	603 7725 2135	603 7727 3014

4 ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

The Board aims to present a balanced and understandable assessment of the Group's financial position and prospects in presenting the annual financial statements and quarterly announcement to shareholders. This also applies to other price-sensitive public reports and reports to regulators.

On behalf of the Board, the Audit Committee scrutinises the financial and statutory compliance aspects of the audited financial statements and adherence to internal policies and procedures prior to full deliberation at the Board level. The Board ensures the integrity of the Company's financial reporting and fully recognises that accountability in financial disclosure forms an integral part of good corporate governance practices.

4.2 Dividend Policy

The enlarged Media Prima Group integration exercise has significantly changed the financial landscape of the Group. The Management has proposed a revised dividend policy that would provide the flexibility to the Group to channel the excess cash flow to maximise shareholders' returns. Dividend policy reflects the Board's current views on the Group financial and cash flow position, the dividend policy will be reviewed from time to time. It is the policy of the Board, in recommending dividend distribution.

The Board of Directors has approved a revised dividend policy on November 2010. The Revised Dividend Policy will have a pay-out ratio ranging from minimum 25% to the maximum of 75% (from previous 20% to maximum 50%) based on;

- PATAMI
- Funding Requirement (Capital expenditure & Investments); and
- Availability of cash flow

Statement on Corporate Governance (Cont'd)

The Company's ability to pay dividend is dependent upon receipts of dividends, interest income and loans from respective subsidiaries, which in turn depend on the subsidiaries' distributable profits, operating results, business prospects, current and expected obligations, financial condition, maintenance of an efficient capital expenditure plans and such other factors that the Board of Directors may deem relevant. The Group will take every effort to grow its businesses as to spur growth in the dividend rate.

4.3 Internal Control

The Board acknowledges its responsibility for the Group's system of internal controls and risk management and for reviewing the effectiveness of these systems. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. Any system can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

The Statement on Internal Control furnished on pages 51 to 55 of the Annual Report provides an overview on the state of internal controls within the Group.

4.4 Corporate Responsibility

The Company's corporate responsibility initiatives are explained in our Corporate Responsibility Report 2011.

4.5 Relationship with the Auditors

The Board has established a formal, transparent and appropriate relationship with the Group's auditors, both external and internal, through the Audit Committee.

The Audit Committee meets regularly with the external and internal auditors to discuss and review the audit plan, quarterly financial results, annual financial statements and the audit findings, and makes recommendations for the Board's approval. During the year, the Board has also met with the external and internal auditors without the presence of the Executive Directors and Management.

A report by the Audit Committee and its Terms of Reference are provided on pages 61 to 67 of the Annual Report.

5 STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for the preparation of the financial statements of the Company and the Group. The Board has ensured that the financial statements have been prepared based on accounting policies that have been consistently and properly applied, supported by reasonable and prudent judgements and estimates and in adherence to all applicable accounting standards.

It is also the Board's responsibility to ensure that accounting records are accurate, within margins of reasonableness, which discloses the financial position of the Company and the Group in a true and fair manner.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated on 5 March 2012.

Additional Compliance Information

1. SHARE BUY-BACK FOR THE FINANCIAL YEAR

There was no share buy-back exercise carried out by the Company for the financial year ended 31 December 2011.

2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any Options, Warrants and Convertible Securities during the financial year ended 2011 save for as follows:

(a) Employees' Share Options Scheme ("ESOS")

(i) The Company's ESOS was approved at an Extraordinary General Meeting ("EGM") held on 14 May 2010, for a period of five (5) years up to 13 May 2015 ("MPB ESOS"). As at 31 December 2011, three (3) offers were made to employees, the details of which are as below:

Exercise Price	Total of Options Granted ('000)	Options Exercised and Shares Issued during 2011 ('000)	Options Exercised and Shares Issued since commencement of MPB ESOS ('000)
RM1.80	79,283	52,114	58,852
RM1.98	2,322	1,585	1,600
RM2.10	480	204	204

A total of 19,495,000 options are still outstanding for the employees under the MPB ESOS.

Under the MPB ESOS, a total of 1,550,000 options were granted to the Executive Directors at the exercise price of RM1.80, out of which 760,000 options were exercised during the financial year ended 31 December 2011. A total of 790,000 options are still outstanding for the Executive Directors under the MPB ESOS.

(ii) Under the approval made at the EGM, the aggregate maximum allocation applicable to Directors and Senior Management shall not exceed 50% of the options offered available under MPB ESOS. The actual percentage granted to them was 4.8%.

(b) Conversion of Warrants

There was an issuance of 7,552,490 ordinary shares of RM1.00 each arising from the exercise of 7,552,490 Media Prima Warrants 2009/2014 at an exercise price of RM1.80 per Warrant.

3. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme in the financial year ended 31 December 2011.

Additional Compliance Information (Cont'd)

4. NON-AUDIT FEES

The amount of Non-Audit Fees paid/payable to external auditors and their affiliated companies by the Company for the financial year ended 31 December 2011 is set out in Note 6 to the financial statements for the financial year ended 31 December 2011 on page 162 of this Annual Report.

5. PROFIT GUARANTEE

There was no profit guarantee received nor given by the Company during the financial year ended 31 December 2011.

6. LIST OF TOP TEN PROPERTIES HELD BY THE GROUP

The list of top ten properties held by the Group and required details are set out on page 238 of this Annual Report.

7. MATERIAL CONTRACTS

There have been no material contracts involving Directors and Major Shareholders' interests entered into since the end of the previous financial year.

8. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no significant sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management arising from any significant breach of rules/guidelines by the relevant regulatory bodies during the financial year.

9. VARIATION IN RESULTS

There were no variations in results (differ by 10% or more) from any profit estimate/forecast/projection/unaudited results announced.

10. UTILISATION OF PROCEEDS

On 23 March 2010, the Company issued 4.95% Redeemable Fixed Rate Bonds at a total nominal value of RM150.0 million with 50 million detachable warrants on a bought deal basis to Affin Investment Bank Berhad and Affin Bank Berhad, in accordance with the Trust Deed governing the Bonds dated 23 February 2010.

Proceeds from the issuance of RM143.7 million Bonds have been utilised for the following purposes:

(i) Repayment of the Bridging Loan of RM53.6 million; and
(ii) Finance investments in media related assets of RM19.9 million and RM15.8 million in Year 2010 and 2011, respectively.

The remaining balance of RM54.40 million will be utilised for MPB's investments in media related assets/new investments in media related assets and capital expenditure in the future.

11. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF REVENUE NATURE

There were no RRPTs during the financial year ended 31 December 2011.

Statement on Internal Control

RESPONSIBILITY

The Malaysian Code on Corporate Governance (revised in October 2007) prescribes as a principle of Corporate Governance that the Board of Directors should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets. The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The related principal responsibilities of the Board in relation to internal controls as outlined in Best Practices Provision AA I in Part 2 of the Code include:

- Identifying principal risks and ensuring the implementation of appropriate control systems to manage these risks;
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of the systems. It should however be noted that such systems are only designed to manage rather than totally eliminate the risk of failure to achieve business objectives. Accordingly, these systems can only provide reasonable but not absolute assurance against material losses, fraud, misstatements or breaches of laws or regulations.

The Group acknowledges that a sound internal control system is a vital process developed to ensure effective and efficient operation, provide reliable and relevant reporting, and compliance with the applicable laws and regulations. The Group has in place a continuous, proactive and systematic process for identifying, evaluating and managing significant risks pertinent to the achievement of the Group's overall corporate objectives.

CONTROL ENVIRONMENT & ACTIVITIES

The Board is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. The Group's control environment comprises of the following components which have been in place throughout the financial year:

- ***The Board of Directors***

  The Board meets at least quarterly, and more frequently when required, to review and evaluate the Group's operations and performance and to address key policy matters, where necessary. The Group Managing Director leads the presentation of Board papers and provides comprehensive explanation over pertinent issues. The prerequisite to decisions made in the meeting is the thorough deliberation and discussion by the Board, together with recommendations and feedback from Management. In addition to quarterly financial results, corporate proposals, Group's Risk Profile, progress reports on business operations are also tabled at the Board's quarterly meetings.

- ***Independence of the Audit Committee***

  The Audit Committee is wholly comprised of four Independent Non-Executive Directors who are highly experienced and whose knowledge, background and judgement are invaluable to the Group. The Audit Committee have unimpeded access to both the Internal and External Auditors and has the right to convene meetings with the auditors without the presence of Executive Directors and Management.

  The Audit Committee reviews the work of the Internal and External Auditors, their findings and recommendations to ensure that it obtains the necessary level of assurance with respect to the adequacy of the internal controls. Further details of the activities undertaken by the Audit Committee during the year are set out in the Audit Committee Report.

- ***Risk Management Committee***

  The Risk Management Committee (RMC) was established in May 2011 and comprised of 1 Executive Director and 3 Non-Executive Directors. The RMC was formed to oversee the Group's risk management systems, practices and to ensure the effectiveness of the Group's Risk Management Framework. The RMC updates the Board on the significant changes that affect the risk profile of the Group.

Statement on Internal Control (Cont'd)

- ***Management Committees***

  Management Committees have been established to ensure that the Group's interests are adequately protected in arriving at important business/operational decisions. The committees include the Programme Committee, Newsprint Committee, Group Risk Management & Audit Committee, Procurement Committee, Tender Committee, ICT Steering Committee, Integration Committee and Recovery Executive Committee with clearly defined terms of reference.

- ***Organisational structure with defined roles and responsibilities***

  The Board has established a properly defined organisational structure with clear reporting lines and formalised roles and responsibilities. The Group's Limits of Authority assigns authority to appropriate levels of staff to exercise control over the Group's commitment of both capital and operational expenditure. The Limits of Authority are approved by the Board and are regularly reviewed and updated to reflect changing conditions.

- ***Limits of Authority ("LOA")***

  The LOA for the Group has been structured to define all the common matters pertaining to operations such as policy approval, awarding of projects and capital and operational expenditures. It serves as a control whereby a cross-check system has been incorporated to minimise any abuse of authority. The system provides that approvals granted should be supported by a recommendation from the subordinates and notified to the superior of the approving authority particularly pertaining to material transactions. The highest approving authority is the Board of Directors where the transactions will determine the direction and financial position of the Company and are above the limit that has been granted to the Group Managing Director.

  A separate LOA for each subsidiary company has been prepared in order to ensure adequate management control and smooth operations at subsidiary level. All Heads of each subsidiary shall always be governed by the authority limits accorded to them in the LOA for the respective subsidiaries. The Board of Directors had on 12 May 2011 approved the LOA for the New Straits Times Press (Malaysia) Berhad (NSTP).

- ***Senior Management Meeting***

  Senior Management meetings are held on a monthly basis to formulate strategies on an ongoing basis and to address issues arising from changes in both the external business environment and internal operating conditions.

- ***Code of Ethics***

  The Code of Ethics is communicated to all employees and compliance with this Code is mandatory. The Code serves as a guide and reference to assist employees to live up to the high ethical business standards, and it provides guidance on the way business and duties is conducted in an efficient, effective and fair manner. The Code highlights key issues and identifies the relevant policies and procedures and resources to help employees conduct business and duties with high integrity in line with Company's acceptable practices.

- ***Documented Policies and Procedures***

  Policies and procedures of business processes are documented and set out in a series of Standard Operating Manuals and implemented throughout the Group. These policies and procedures are subject to regular reviews, updates and continuous improvements to reflect the changing risks and operational needs.

  The Group has during the year issued a revised Group IT Policy and is curently streamlining Policies and Procedures for NSTP. All the documented Policies and Procedures can be accessed via the Company's intranet at http://peopleconnect.mediaprima.com.my.

- ***Human Resources Policy***

  The Group has in place, a comprehensive Human Resources Policy approved by the Board that set the tone of control consciousness and employee conduct. There is also in place, supporting procedures for the reporting and resolution of actions contravening these policies.

There are proper guidelines within the Company regarding employment and dismissal, formal training programmes as well as other relevant procedures in place to ensure that staff are competent and adequately guided in carrying out their responsibilities.

The Group has also in place a Performance Management System, which is linked to and guided by Key Performance Indicators (KPI) and accountability.

- ***Spiritual, Motivational and Health Related Activities***

The Group has taken the initiative to organise spiritual related activities such as regular religious discourse and weekly Quran recital, as well as provides subsidy for eligible employees who plan to perform Haj or Umrah.

During the year, the Group has continued to organise "Media Prima Inspirational Series" where prestigious inspirational and iconic leaders are invited to share their stories. The Group also places an importance in health awareness by organizing a "Health & Fitness Day". The Group had also conducted quarterly health awareness programme which include "Health Screening Package" for staff and blood donation activities.

- ***Risk Management***

The Group has in place a Risk Management Framework to ensure that business, financial and manpower risks are identified, assessed and managed effectively. The risk management process in place requires management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to identify and evaluate the adequacy of mechanisms in place to manage these risks.

These specified risk management process are further elaborated and detailed within the Statement on Risk Management.

- ***Internal Audit Function***

The Group's internal audit function undertakes regular reviews of the Group's operations and its system of internal controls. The Internal Audit function reviews the Group's activities based on an approved audit plan presented to the Audit Committee. The audit plan is developed based on the risk profiles of the respective business entities of the Group identified in accordance with the Group's Risk Management Framework approved by the Board. Internal audit findings are discussed at management level and actions are agreed in response to the internal audit recommendations. The progress of implementation of the agreed actions is being monitored by Internal Audit through follow up reviews.

The internal audit function has a clear line of reporting to the Audit Committee and the Audit Committee determines the remit of the Internal Audit function. Thus, the internal audit function is independent of the activities being audited and is performed with impartiality, proficiency and due professional care.

- ***Group Risk Management and Audit Committee***

The Group holds regular meetings on a quarterly basis to discuss and evaluate significant continuous improvement on risk management and internal control. Group Risk Management and Audit Committee (GRMAC) provides an opportunity for Senior Management to discuss any issues and rectify audit findings raised by both Internal and External Auditors.

- ***Annual Assessment of Internal Controls***

In line with the Board's request, an annual assessment to evaluate the state of internal controls and risk management at each operating unit was conducted during the year. A General Audit Report (GAR) based on a rating system approved by the Board was issued to all the operating units within the Group at the end of the assessment. The rating system considers the achievement of key objectives by the operating units; financial performance of the operating units including cost control measures; compliance with risk management framework and internal control procedures; the effectiveness of management supervision; the quality of staffing and follow-up actions on issues raised by the external auditors. The assessment provides the Board with the necessary assurance that a sound control environment and structure are in place.

Statement on Internal Control (Cont'd)

- ***Fraud Prevention Manual and Whistle-blowing Policy***

  The Group has established a Fraud Prevention Manual consisting of the Anti-fraud Policy and Whistle-blowing Policy. The Anti-fraud Policy defines clearly what constitutes fraud and fraudulent activities. It also endeavours to limit the opportunity for fraud against the Group by increasing the prevention, detection and prosecution of fraudulent activities.

  The Whistle-blowing Policy guides employees of the Group in communicating instances of illegal or immoral conduct to the appropriate parties within the Group and at the same time protecting these employees against victimisation, discrimination or being disadvantaged in any way arising from such communications. It also provides for proper investigation on all allegations or reports from within and outside the Group.

  The manual builds into the Group's culture, abhorrence for fraud, and that any conduct of this nature will not be tolerated. It also promotes a transparent and open environment for fraud reporting within the Group.

- ***Supplier Code of Conduct***

  The Board expects all Media Prima's suppliers to observe high ethical business standards of honesty and integrity and to apply these values to all aspects of their business and professional practices. A Supplier Code of Conduct is established in which the Group's minimum expectations on the suppliers vis-à-vis legal compliance and ethical business practices are stipulated. The Code applies to all suppliers, vendors, contractors and any other persons doing business with Media Prima and its subsidiary companies.

- ***Business Plan and Budgets***

  Annual business plans and budgets are prepared by the Company's business units, and are reviewed and approved by the Board. The performance of each business unit is assessed against the approved budget, with explanation on significant variances provided to the Board on a periodic basis.

- ***ICT Strategy Blueprint***

  Media Prima has initiated a three year ICT Blueprint in 2007 to address the Group ICT requirements. The Blueprint had identified key ICT development strategies that include:

  - Aligning the ICT initiatives with the business strategy to ensure proper exploitation of technology;
  - Support the Group's human capital development programme to increase the ICT skills and competencies within the Group;
  - Develop key performance to measure the effectiveness of ICT deliverables and contributions; and
  - Address key concerns/risk and mitigation strategies.

  A committee called the ICT Steering Committee has been formed to oversee the development and implementation of the ICT Blueprint. The Group's Internal Audit monitors the progress of the ICT initiatives and reports to the Audit Committee on a quarterly basis. The ICT initiatives completed in 2011 include Production Management System and Integrated Library System.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control system include:

- Monthly reporting of actual results and their review against budget, with major variances being followed up and management actions taken, where necessary. The financial results are reviewed by the Board with Management on a quarterly basis, to enable them to gauge the Group's achievement of its annual targets and review any key financial and operational issues.
- Regular and comprehensive information provided to Management, covering financial performance and key performance indicators, such as advertising market share, television viewership, programme ratings and utilisation of resources.
- Monitoring of performance including discussion of any significant issues at Senior Management meetings.
- Content Regulatory workshop conducted as part of the initiative to impart information and to provide explanation on the rules and regulations governing the broadcast industry based on the Communication and Multimedia Act 1998; Communication and Multimedia Content Forum Content Code and the respective license condition of each TV Networks / Radio.
- Regular visits to operating units by Senior Management.

The officers responsible for monitoring of internal control, legal and regulatory compliance for the Group are as follows:

Name	Designation	Matters
Mohd Hisham Md.Shazli	Group General Manager, Group Risk Management	Internal Control and Risk Management
Sere Mohammad Mohd Kasim	Group General Manager, Group Corporate Governance	Internal Audit
Zafrul Shastri Hashim	Group General Manager, Legal & Secretarial	Legal
Laili Hanim Mahmood	Group General Manager, Regulatory Affairs	Regulatory Compliance

The Board believes that the development of the system of internal controls is an on-going process and has taken steps throughout the year to improve its internal control system and will continue to do so. Based on the assessment of the internal control system of the Group, no significant control failures or weaknesses that would result in material loss, contingency or uncertainty requiring disclosure in the Group's annual report were noted.

The Board is satisfied that the system of internal control was generally satisfactory. Where exceptions were noted, they were not material in the context of this report and corrective actions have been taken. This Statement, prepared for inclusion in the Annual Report of the Company for the year ended 31 December 2011 has been reviewed by the Audit Committee prior to their recommendation to the Board for approval.

This statement is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 5 March 2012.

ASSOCIATED COMPANY

The state of internal control of Malaysian Newsprint Industries Sdn Bhd (MNI), an associated company of Media Prima Berhad is excluded from this Statement. However, two Senior Management from Media Prima Berhad are appointed to MNI's Board, attend its Board meetings and review the key financial information of the company. These Directors report to the Media Prima Berhad Board in the event that the Company does not appropriately manage significant risks.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

This Statement on Internal Control has been reviewed by the external auditors for the inclusion in the annual report of Media Prima Berhad for the year ended 31 December 2011. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of the internal controls.

Statement on Risk Management

As the nation's leading integrated media investment group with diversified interests in television, radio, print media, movie-making, talent Management, outdoor advertising and new media, Media Prima Berhad is exposed to various types of risk. The Board acknowledges its responsibility to adopt best practices in Corporate Governance and endeavours to instil risk management and control as part of the Group's business culture.

Achievement of the Group's business objectives depends, among other things, on external economic factors, the unpredictability of market trends, ever evolving technology, unforeseen calamities and human factors. In recognition of the wide exposure to operational, financial and manpower risks, the Group's internal risk management and control systems strive to identify, assess and mitigate risks effectively. The Group's risk management methodology is based on an integrated risk management model that considers risk at all levels of the organisation, from the strategic to the day-to-day operations. The Group is currently aligning the risk management framework towards the new international standard ISO 31000 – risk management, Principle and Guidelines.

RISK MANAGEMENT FRAMEWORK

The Group has in place a risk management Framework which encompasses the formation of a Group Risk Management Committee (GRMC). The GRMC which was renamed the Group Risk Management & Audit Committee (GRMAC) due to the separation of the Corporate Governance and Risk Management Departments in May 2011, is responsible for the continuous development of risk management in the Group. The implementation of the framework ensures that business risks are identified, assessed and managed effectively. This framework provides the platform to adopt a more holistic and integrated approach to managing risk. The objectives of the framework are as follows:

- Establish a clear Risk Management Policy;
- Allocate and optimise the use of resources in managing risk effectively;
- Inculcate an effective risk management culture throughout the Group;
- Safeguard financial and non-financial assets of the Group;
- Ensure compliance to policies, procedures, guidelines, laws and regulations; and
- Establish an integrated risk management process where
    - Risk management operating structure is formalised and key lines of responsibility for risk management throughout the Group are defined;
    - Monitoring of major risk factors, which may have significant impact on individual businesses and the Group, is centralised at Group Senior Management level; and
    - A transparent system of information and communication for risk management between operations, Management and Board of Directors is achieved.

BOARD RISK MANAGEMENT COMMITTEE

As a continuous effort to promote better governance, the Board Risk Management Committee (RMC) was formed on 12 May 2011 to oversee the Group's risk management systems, practices and to ensure the effectiveness of the Group's risk management Framework. The RMC also considers any matters relating to the identification, assessment, monitoring and Management of risks associated with the operations of the Group that it determines to be appropriate.

The RMC updates the Board on the significant changes that affect the risk profile of the Group. The Board monitors the implementation of the risk mitigation strategies and changes to the risk profiles.

1. RESPONSIBILITY AND DUTIES

a) The duties of the RMC shall include:
   i. Assessment and monitoring of all risks associated with the operations of the Group.
   ii. Development and implementation of internal compliance and control systems and procedures to manage risk.
   iii. Assessment and monitoring of the effectiveness of controls instituted.
   iv. Review and make recommendations on behalf of the Board in relation to risk management.
   v. To consider, and make recommendations on behalf of the Board in connection with, the compliance by the Group with its Risk Management Strategy.
   vi. To report to the Board on any material changes to the risk profile of the Group.
   vii. To monitor and refer to the Board any instances involving material breaches or potential breaches of the Group's Risk Management Strategy.
   viii. To report to the Board, when necessary, in connection with the Group's annual reporting responsibilities to Bursa Malaysia in relation to matters pertaining to the Group's Risk Management Strategy.

b) RMC shall have the authority to seek any information it requires from any officer or employee of the Company or its subsidiary companies and such officers or employees shall be required to respond to such enquiries.

c) RMC may as and when deemed necessary invite other Board members and Management personnel to attend the meetings where risk management issues are discussed.

d) RMC has the authority to direct special investigations on behalf of the Board, into significant risk management activities, as and when necessary.

e) RMC is authorized to take such independent professional advice as it considers necessary;

f) RMC shall make recommendations to the Board but shall have no Executive powers with regard to its findings and recommendations.

2. MEMBERSHIP

Chairperson – Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor
Board of Director 1 – Tan Sri Dato' Seri Mohamed Jawhar
Board of Director 2 – Dato' Gumuri Hussain
Board of Director 3 – Datuk Ahmad Abd Talib, JP

a) RMC must be composed of no fewer than 4 members.
b) Majority of the members must be Independent Directors.
c) The Chairperson shall be an Independent, Non-Executive Director.
d) No alternate Director is appointed as a member of the RMC.
e) In the event of any vacancy in the RMC resulting in the non-compliance of the above requirements, the Company must fill the vacancy within 3 months.
f) The Company Secretary shall act as Secretary to the RMC.

3. MEETINGS

a) To form a quorum in respect of a meeting of the Committee shall be a minimum of three (3) members.
b) Meetings of the Committee shall be held at least four (4) times per year.
c) The Chairperson will call a meeting of the RMC if so directed by the Board. The Chairperson will call a meeting of the RMC if so requested by any Committee Member or the Group Managing Director (GMD).
d) The Secretary is responsible for the co-ordination of administrative details including calling the meetings, voting and keeping of minutes.

Statement on Risk Management (Cont'd)

RISK MANAGEMENT OVERSIGHT STRUCTURE

The risk management process in place requires Management to comprehensively identify and assess all types of risks in terms of likelihood and magnitude of impact as well as to identify and evaluate the adequacy of mechanisms in place to manage, mitigate, avoid or transfer these risks. The process encompasses assessments and evaluations at business unit process level before being examined on a Group perspective.

RISK MANAGEMENT PROCESS

Risk Identification

- Control Risk Self Assessment (CRSA) technique is used as a tool to identify risks and mitigation strategies and is carried out by Group Risk Management Department and risk owners.

Risk Assessment & Measurement

- Identified risks are rated based on risk quadrants and compiled into the Risk Profile Review Report (RPRR).
- Risk owners implement action plans based on identified strategies.

Risk Control & Monitoring

- RMU & risk owners monitor the implementation status of identified strategies.
- Review and adherence to standard operating policies and procedures.

Risk Reporting

- The RPRR is presented to the GRMC, Risk Management Committee & Board of Directors for review.

BUSINESS RISKS

Financial Risk

- The risk pertaining to possible inability to reach financial goal

Operational Risk

- The risk of losses due to procedural errors or failures in internal controls

Manpower Risk

- The risk pertaining to Management of staff

The Group has developed an enterprise wide risk profile through the Control and Risk Self-Assessment method facilitated by the Group Risk Management Department (GRMD). The risk profile provides a common understanding and the impetus for discussion of risk that influence organizational performance. The risk management team conducts risk assessments for every unit of the Group and assists staff in understanding the application of the process. The Risk Management Framework ensures a consistent system of risk management across the Group with clear Executive support. Each appointed divisional Risk Liaison Officer owns the responsibility for risk management activities in their specific division. Based on the compilation and analysis of risk monitoring results, Risk Profile Review Reports are then prepared and presented to the GRMAC, RMC and the Board on a quarterly basis for evaluation as well as to recommend effective control measures and risk mitigation strategies.

During the year, the Group continued to enhance and evaluate the risk management framework for efficacy and coherence. Some of the risk management ongoing activities and/or initiatives include:

- **Awareness Sessions**

  Awareness sessions serve as a refresher course and interactive session on certain standard operating policies and procedures to the primary users. These sessions are conducted by GRMD in collaboration with identified stakeholders to introduce new operating policies and procedures and to reiterate relevant guidelines for the benefit of staff. These awareness sessions also serves as a platform for staff to clarify any uncertainty in regards to the Group's operating policies and procedures.

- **Communication Sessions**

  In order to ensure a better understanding of the risk management framework and control procedures, and smooth implementation of new policies and procedures, the risk management team continuously holds presentations to educate and update the Group's staff accordingly. Control Risk Assessment Sessions (CRSA) are conducted with risk owners to identify and explain the objectives and processes involved in risk identification. During the year, Group risk management had conducted numerous sessions with Senior Management on risk management and to obtain feedback on key risk that are affecting the respective platforms.

- **Group Risk Management Web Portal**

  Group Risk Management Department strives for efficient communications with all other units within Media Prima Berhad. A web portal consisting of information such as Policies and Procedures and other information pertaining to risk are accessible to all employees through this portal. It acts as a reference point and interactive platform to welcome feedback on all relevant areas in regards to risk management.

- **Business Continuity Plan**

  Business Continuity Planning aims to minimise the impact of disruptions during a disaster while maximising resources available to resume normal operations. The Board recognises that it is crucial to ensure business continuity in case of significant disruption or disaster. The Business Continuity Plan (BCP) for the Group is being continuously reviewed to reflect changes in risk profiles and organisational structure. This Plan focuses on the sudden inability for the Group to provide services to its stakeholders due to the loss of physical assets, broadcasting and printing capability. In this respect, the Group has formulated a comprehensive plan that covers all actions to be taken before, during and after a disaster, with the following objectives:

  - Minimise disruption of services to all levels of clients and stakeholders;
  - Minimise financial loss;
  - Ensure a timely (and prioritised) resumption of business operations in the event of disaster or disruption;
  - Provide particular emphasis on information services and computer operations, given the integral relation between Information and Communications Technology and all parts of key operations;
  - Ensure a safe and secure working environment and provide other assistance to help staff cope with the disruption and their individual workloads; and
  - Provide adequate communications internally and externally in the event of disaster or disruption to operations.

Statement on Risk Management (Cont'd)

During the year, the following initiatives were carried in regards to business continuity and disaster recovery:

1. Group risk management had conducted refresher courses at the Regional Printing Plants to ensure all staff are aware of their responsibilities during a disaster.
2. Disaster recovery sites had been relocated from third party premises to Sri Pentas and Balai Berita to capitalize on synergy.
3. Management Information Services (MIS) had conducted a disaster recovery simulation for all key IT systems to ensure the disaster recovery plan for each of the systems are accurate and viable.
4. Radio Networks had constructed a playout system at a 'warm site' to effectively recover in the event of a disaster at radio conty locations.
5. The Business Continuity Plan for Media Prima is continuously updated to reflect the changes of the business within the Group.

- **Occupational Safety and Health Policy**

  The Group has in place an Occupational Safety and Health (OSH) Policy and one of its subsidiaries, Sistem Televisyen Malaysia Berhad (TV3) had in 2006 successfully obtained the Occupational Health and Safety Assessment Series certification (OHSAS 18001:1999) awarded by Bureau Veritas Certification for establishing, implementing and maintaining a safe, healthy and conducive workplace related to broadcasting activities. Media Prima has established a dedicated OSH team to assist in the development of safety and health rules and are also involved in ensuring compliance to health and safety regulations at Media Prima's ground events. National Institute of Occupational, Safety and Health (NIOSH) had also conducted an OSH audit on Media Prima during the year. Media Prima is currently updating and revising the OSH system manual to incorporate the latest changes as required for the OHSAS18001:2007 certification.

- **IT Security Master Plan**

  In view of the Group's increasing use of IT as a business enabler and the inherent risk associated with cyber threats, the ICT Steering Committee has approved the development of the Enterprise Security Architecture (ESA), an Information Security Management System in accordance with ISO 27001.

  An Information Security Audit Framework, a subset of the ESA has also been established to measure the effectiveness of the implementation of the ESA.

  The Corporate Information Security Policy and Procedures (CISP), which was developed and communicated to all staff, covers the Management of information, data security and provides guidelines on the acceptable use of Media Prima IT resources. The CISP also provides basic guidance on operational controls related to information security at Media Prima Group of Companies. The CISP was revised in 2011 to incorporate the latest best practices and to keep abreast with the latest technological developments.

  During the year, the following measures were implemented to ensure that the CISP is adhered to and applied for IT quality assurance:

  - Penetration testing was conducted on all servers in Media Prima and co locations;
  - Briefing to newly joined staff; and
  - Continuous monitoring of software installation to prevent any incident of illegal software installation.

- **New investments and projects**

  Risk assessments are included in business proposals for acquisitions and investments in new business ventures or new major IT systems in order to ensure that decisions are made after assessing the significant risks associated with the proposed investments or projects. During the year, risk assessment was carried out for the implementation of the Production Management System and for the purchase of the ORAD news system.

  This statement is made on the recommendation of the Board Risk Management Committee to the Board of Directors and as per the Board's resolution dated 5 March 2012.

Audit Committee Report

1. MEMBERS OF THE AUDIT COMMITTEE

DATO' GUMURI BIN HUSSAIN
Independent Non-Executive Director

- Chairman of Audit Committee.
- Member of Risk Management Committee.
- Member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants.
- Fellow of the Institute of Chartered Accountants in England and Wales.

TAN SRI DATO' SERI MOHAMED JAWHAR
Independent Non-Executive Director

- Member of Risk Management Committee.
- Member of Nomination Committee.

TAN SRI LEE LAM THYE
Independent Non-Executive Director

- Member of Nomination Committee.
- Member of Remuneration Committee.

DATO' ABDUL KADIR BIN MOHD DEEN
Independent Non-Executive Director

- Chairman of Employees' Share Option Scheme (ESOS) Committee.
- Member of Nomination Committee.
- Member of Remuneration Committee.

Audit Committee Report (Cont'd)

2. ATTENDANCE AT MEETINGS

The Audit Committee held a total of five (5) meetings during the financial year 2011 and the details of attendance of the Committee members are as follows:

	30th ACM 17 Feb 2011	Special ACM 2 Mar 2011	31st ACM 3 May 2011	32nd ACM 18 Aug 2011	33rd ACM 18 Nov 2011
Dato' Gumuri bin Hussain (Chairman)	√	√	√	*	√
Tan Sri Lee Lam Thye	√	√	√	√	√
Tan Sri Dato' Seri Mohamed Jawhar	√	*	√	√	√
Dato' Abdul Kadir bin Mohd Deen	√	√	√	√	√

ACM : Audit Committee Meeting
√ : Attend
* : Absent with Apologies (Abroad)

In addition to the Committee members, the Group Managing Director, the Group Chief Financial Officer and the Group General Manager, Group Corporate Governance were also invited for each meeting. The Audit Committee also invited members of the senior management or relevant employees within the Group who the Committee deems fit to attend its meetings to assist in resolving and clarifying matters raised in audit reports.

The quorum for each meeting shall be three (3) members. The Company Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes. Minutes of each meeting is signed by the Chairman and distributed to all attendees at the meetings and members of Committee.

The Audit Committee Chairman briefed the Board of Directors on matters discussed at every Audit Committee meeting. The Chairman is also responsible to update the Board about Committee activities and make appropriate recommendations when necessary. This is to ensure that the Board is aware of matters that may significantly impact the financial condition or affairs of the business.

The Committee has explicit right to convene meetings with both the Internal and External Auditors without the presence of other directors and employees. The Audit Committee held two meetings with the External Auditors on 17 February 2011 and 18 August 2011 respectively in the absence of Management and Executive Directors. The Chairman of Audit Committee held separate meetings with the Group General Manager, Group Corporate Governance prior to every scheduled Audit Committee meeting.

3. TERMS OF REFERENCE

The Audit Committee of Media Prima Berhad (Media Prima) is guided by the following Terms of Reference in performing their duties and responsibilities:

3.1 Composition of Members

1. The Committee must be appointed from amongst its Directors which fulfil the following requirements:
   i. The Audit Committee must be composed of no fewer than three (3) members;
   ii. All members must be independent directors; and
   iii. At least one member of the Audit Committee:
      - Must be a member of the Malaysian Institute of Accountants (MIA); or
      - If he is not a member of the MIA, he must have at least 3 years' working experience and:
         • He must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
         • He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
2. The Chairman shall be an Independent Non-Executive Director.
3. No alternate director is appointed as a member of the Audit Committee.
4. In the event of any vacancy in the Audit Committee resulting in the non-compliance of the above requirements, the Company must fill the vacancy within 3 months.
5. The Company Secretary shall act as Secretary to the Committee.

3.2 Scope

1. The Audit Committee shall be granted the authority to investigate any activity of the Company and its subsidiaries and all employees shall be directed to cooperate as requested by members of the Committee.
2. The Audit Committee shall be empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibilities.
3. The Audit Committee shall provide assistance to the Board in fulfilling its fiduciary responsibilities particularly relating to business ethics, policies, financial management and control.
4. The Audit Committee, through regularly scheduled meetings, shall maintain a direct line of communication between Board, External Auditors, Internal Auditors and Management.
5. The Audit Committee shall provide greater emphasis on the audit functions by increasing the objectivity and independence of External and Internal Auditors and providing a forum for discussion that is independent of the Management.
6. The Audit Committee may invite any person to the meeting to assist the Committee in decision-making process and that the Committee may meet exclusively as and when necessary.
7. Serious allegations that have financial implications against any employee of the Company shall be referred to the Audit Committee for investigation to be conducted.

3.3 Authority

The Audit Committee shall have the following authority as empowered by the Board of Directors:

1. Have authority to investigate any matter within its terms of reference;
2. Have the resources which are required to perform its duties;
3. Have full, free and unrestricted access to any information, records, properties and personnel of the Company and any other companies within the Group;
4. Have direct communication channels with the External Auditors and person(s) carrying out the Internal Audit function or activity;
5. Be able to obtain independent professional or other advice; and
6. Be able to convene meetings with the External Auditors and Internal Auditors together with other independent members of the Board excluding the attendance of the Executive members of the committee at least twice a year or whenever deemed necessary.

Audit Committee Report (Cont'd)

3.4 Duties and Responsibilities

The duties and responsibilities of the Audit Committee with the following groups will be as follows:

Board / Management

1. Chairman of the Audit Committee is to provide written reports / updates on deliberations and decisions made at the Committee's level to the Board on regular basis with focus given to significant issues and resolutions by the Committee.
2. To submit to the Board a summary of material concerns and weaknesses in the control environment noted during the year and the corresponding measures taken to address the issues.
3. To obtain satisfactory response from Management on reports issued by Internal and External Auditors.
4. To highlight significant findings identified and the impact of the audit findings on the operations.
5. Where review of audit reports of subsidiaries and any related corporation also falls under the jurisdiction of the Committee, all the above mentioned function shall also be performed by the Committee in co-ordination with the Board of Directors of the subsidiaries and related corporation.
6. To review arrangements established by Management for compliance with any regulatory or other external reporting requirements, by-laws and regulation related to the Media Prima Group's operations.
7. To consider other areas as defined by the Board.

Internal Auditors

1. To oversee the Internal Audit function by:
   - Reviewing the adequacy of the scope, functions and resources of the Internal Audit function, and that it has the necessary authority to carry out its work;
   - Reviewing the Internal Audit programme, the results of the Internal Audit programme, processes or investigation undertaken and ensure that appropriate action is taken on the recommendations of the Internal Audit function;
   - Reviewing any appraisal or assessment of the performance of members of the Internal Audit function;
   - Determining and recommending to the Board the remit of the Internal Audit function, including the remuneration of the Group General Manager, Group Corporate Governance;
   - Approving any appointment or termination of senior staff members of the Internal Audit function;
   - Informing itself of resignations of Internal Audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
   - Ensuring on an on-going basis that Internal Audit has adequate and competent resources;
   - Monitoring closely any significant disagreement between Internal Audit and Management irrespective whether they have been resolved; and
   - Ensuring that Internal Audit reports are not subject to the clearance of the Group Managing Director/Chief Executive Officer, save for purposes of presentation to the Group Risk Management & Audit Committee.
2. To consider the major findings of internal investigations and Management's response.

External Auditors

1. To consider the appointment of the External Auditor, the audit fee and any questions of resignation or dismissal.
2. To discuss with the External Auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
3. To review the assistance given by the employees of the Company to the External Auditor.
4. To discuss with the External Auditor, his audit report and his evaluation of the system of the internal controls;
5. To review the quarterly and year-end financial statements of the Company, focusing particularly on:
    - Any changes in accounting policies and practices;
    - Significant adjustments arising from the audit;
    - The going concern assumption; and
    - Compliance with accounting standards and other legal requirements.
6. To discuss problems and reservations arising from the interim and final audits, any matter the Auditor may wish to discuss.
7. To review the External Auditor's Management letter and Management's response.

Related Party Transactions

1. To consider any related party transactions that may arise within the Company or group including any transaction, procedure or course of conduct that raises questions of Management integrity.

4. ACTIVITIES OF THE AUDIT COMMITTEE

The Committee carried out the following activities during the year in discharging its duties and responsibilities as stipulated in its Terms of Reference:

4.1 Risks and Controls

- Evaluated the overall effectiveness of the system of internal controls through the review of the results of work performed by Internal and External Auditors and discussions with Senior Management.
- Reviewed the results of the Annual Assessment exercise.
- Reviewed the Statement on Internal Control and Audit Committee Report prior to their inclusion in the Company's Annual Report.

4.2 Financial Results

- Reviewed the Group's quarterly results before recommending to the Board for their approval and release of the Group's results to the Bursa Securities focusing on the following areas, where relevant:
    - Listing Requirements of the Bursa Securities;
    - Provisions of the Companies Act, 1965;
    - Applicable approved accounting standards; and
    - Other legal and regulatory requirement.
- Reviewed the audited financial statements of Media Prima and its subsidiaries with the Group Chief Financial Officer and the External Auditors before recommending to the Board for their approval.
- In the review of the annual audited financial statements, the Committee discussed with the Management and the External Auditors regarding the accounting policies and standards that were applied and their judgement of the items that may affect the financial statements.

Audit Committee Report (Cont'd)

4.3 External Audit

- Reviewed with the External Auditors their audit plan, strategy and scope of the statutory audits of the Group accounts for the financial year ended 31 December 2011.
- Reviewed the results and issues arising from their audit of the year end financial statements and their resolution of such issues highlighted in their report to the Committee.
- Reviewed their performance and independence before recommending to the Board their re-appointment and remuneration.
- During the year under review, the Committee held two meetings with the External Auditors without the presence of Management.

4.4 Internal Audit

- Reviewed the Internal Audit plan for the financial year ended 31 December 2011 ensuring the principal risk areas were adequately identified and covered in the plan.
- Reviewed the scope and coverage of the audit over the activities of the respective operating units of the Group and the basis of assessment and risk rating of the proposed areas of audit.
- Reviewed and deliberated on audit reports and follow-up reports prepared by Group Corporate Governance.
- Reviewed the recommendations by Group Corporate Governance and appraised the adequacy and effectiveness of Management response in resolving the audit issues reported.
- Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.
- Reviewed the adequacy of resources and the competencies of staff within the Internal Audit function to execute the plan and the results of their work.
- Appraised the performance of the Group General Manager, Group Corporate Governance.

4.5 Employees` Share Option Scheme

- As per paragraph 8.17(2) of Listing Requirements of Bursa Securities, the Audit Committee reviewed and verified allocation of share options during the year under Media Prima Berhad Employees` Share Option Scheme (ESOS), to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the by-laws of the Media Prima ESOS.

4.6 Training

Members of the Audit Committee have attended the following seminars and/or training programmes during the year:

- 2011 Institute of Internal Auditors (IIA) International Conference
- Board of Directors' Workshop on challenges in regulating the New Media and strategic challenges facing the Media Industry
- The Securities Commission's New Corporate Governance Blueprint (Bursa Malaysia Berhad)
- Media Prima Berhad Inspirational Series
- Talk by Encik Nor Zahidi Alias from Malaysia Rating Corporation Berhad
- Launch of Securities Commission (SC) Bursa Corporate Governance Week 2011
- Seminar on the new Corporate Governance Blueprint & Regulator Updates

5. INTERNAL AUDIT FUNCTION

The Group has an established in-house Internal Audit function carried out by the Group Corporate Governance Department (GCG). GCG headed by the Group General Manager, Encik Sere Mohammad Mohd Kasim reports to the Audit Committee. The activities of GCG are guided by the Internal Audit Charter that defines the roles, responsibilities, accountability and scope of work of the Department. This is to enable the Internal Audit function to remain relevant in the context of new challenges and opportunities in the changing global business and economic environment.

GCG, through a systematic and structured approach is responsible for the following:

- Provide independent assurance to the Board and Management that adequate and effective internal control system is in place to safeguard Company's assets; and
- Reference point to ensure effective implementation of policies and procedures and agent of change to promote best corporate governance practices.

During the year, the GCG has completed and issued internal audit reports for 15 assignments based on the approved annual audit plan. The audit conducted in 2011 covered wide range of operational areas within the Group which include review on Client Services Group (Television Networks & Radio Networks), Alt Media Sdn Bhd, Circulation (Print Media), Magazine and Documentary (Content Creation), operational review of Kurnia Outdoor and Alternate Records Sdn Bhd and Procurement. The corresponding reports of the audits performed were presented to the Audit Committee and forwarded to the Management for attention and corrective actions.

The Management is responsible for ensuring that corrective actions on reported weaknesses as recommended are taken within the required timeframe. GCG continuously monitors the implementation of audit recommendations through periodic follow-up reviews. The Internal Auditors also works closely with External Auditors to resolve any control issues and assists in ensuring that appropriate Management actions are taken. Management is also responsible for ensuring that a written report on action planned or completed is sent to the Audit Committee and the Group General Manager, Group Corporate Governance.

Internal Auditors were also in attendance at major competition based programmes organised by the Group's Television Networks such as *Anugerah Juara Lagu, Vokal, Mentor, Ultimate Power Star Soccer Kids* and *Idola Kecil* to provide independent verification and confirmation of the competitions results and/ or SMS votes. Ground events organised by the Group, such as *Karnival Jom Heboh* and *Yuan Carnival* were also participated by the Internal Auditors for observation and identification of areas for process improvements.

Internal Auditors attended stock-takes, fixed assets and tape disposal exercise and tender openings to ensure due process has been observed and complied with according to approved Policies and Procedures. Internal Auditors also reviewed and verified allocation of share options during the year to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the ESOS by-laws. The total operation costs of the department for 2011 were RM 840,170.

GCG is a Corporate Member of The Institute of Internal Auditors Malaysia (IIAM). As a member, the department receives the monthly IIA's Internal Auditor Journal. The Journal provides up to date and pertinent information on auditing techniques, applications, trends, and best practices that has been a good reference to the department. GCG has been selected by the Management to be the first placement for the Group's Business Executive Programme for 6 years in a row.

The Department has undertaken the following initiatives to improve customer service and quality of audit work:

- Communication sessions with Management on Internal Audit activities and planning of audits so that areas of Management concern are covered;
- Conducting control and risk awareness workshops; and
- Implementation of online Client Satisfaction Survey.

GCG personnel participated in the following training and/or conferences during the year, in order to enhance their skills and knowledge and to continuously provide value added services to the Group. Each training programme attended will be followed by an internal knowledge sharing session. Trainings attended in 2011 include:

- 2011 Institute of Internal Audit International Conference – Standing Tall
- 3rd Annual Corporate Governance Summit 2011 – Detection, Red Flags and Investigation
- Fraud Detection, Investigation and Prevention
- Risk Based – IT Audit
- Management Retreat
- Leadership Training
- Corporate Talent Pool Retreat
- OSH : Safety & Health
- Talk on Malaysia Economy 2012 : Issues & Concern
- Benchmarking Visit to TransTV and SCTV, Indonesia

The GCG Department is contactable via gcg@mediaprima.com.my

This report is made on the recommendation of the Audit Committee to the Board of Directors and as per the Board's resolution dated 5 March 2012.

A MORE SYNERGISTIC PLATFORM

Rising above the clutter of today's media landscape, we are tapping the strong synergies of our comprehensive and fully integrated media platform offering to stay ahead of the game as the nation's leading content and media solutions provider.

5-Year Financial Highlights

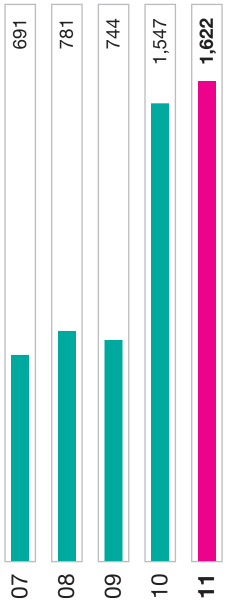
	Year ended 31 Dec 2011 RM'000	Year ended 31 Dec 2010 RM'000	Year ended 31 Dec 2009 RM'000	Year ended 31 Dec 2008 RM'000	Year ended 31 Dec 2007 RM'000
Revenue	**1,622,133**	1,546,643	744,029	781,290	691,339
Profit Before Taxation	**279,516**	295,311	275,844	159,264	149,095
Net Profit After Taxation	**209,662**	249,026	194,800	72,446	117,440
Net Profit Attributable To Owners of the Parent	**207,650**	242,294	194,800	86,023	117,440
Non-controlling interests	**(2,012)**	(6,732)	-	13,577	-
Total Asset	**2,414,424**	2,235,118	2,085,714	1,164,742	1,224,990
Total Borrowings	**503,597**	550,360	595,139	386,771	357,431
Share Capital	**1,068,151**	1,006,696	945,346	853,811	842,183
Shareholders' Funds*	**1,363,838**	1,227,150	958,107	551,302	559,613
Earnings Per Share (sen) (Basic)**	**19.78**	24.58	22.71	10.00	14.00
Return On Shareholders' Funds (%)	**15%**	20%	20%	13%	21%
Return On Total Assets (%)	**9%**	11%	9%	6%	10%
Net Assets Backing Per Share (RM)	**1.28**	1.22	1.01	0.64	0.66
Gearing Ratio	**0.36**	0.44	0.54	0.72	0.64
Interest Cover Ratio	**9.7**	10.1	12.3	8.8	7.2
Dividend Per Share (Sen)***	**16.0**	10.0	10.0	15.7	9.3
Number Of Employees ****	**4,680**	4,793	4,605	2,217	2,061

* *Shareholders' Funds : Share Capital + Share Premium + Other Reserves + Accumulated Losses*

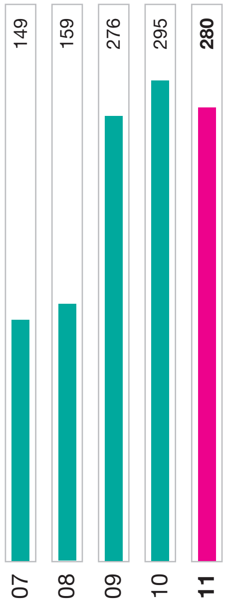
** *Earnings per Share (Basic) : Net Profit After Taxation and Minority Interests of RM207,650,000 (2010 : RM242,294,000) and the weighted average number of ordinary shares in issue of 1,049,540,000 (2010 : 985,817,000)*

*** *Dividend per share is total dividend declared for the respective financial year*

**** *2008 and 2007 number of employees excludes employees of newly acquired subsidiaries*

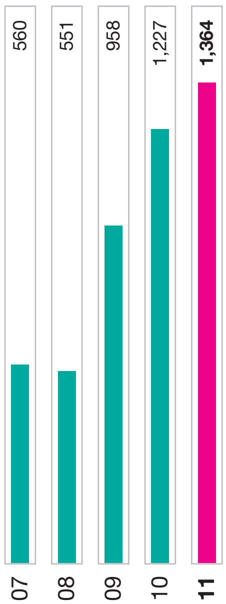


Group Revenue
RM' Million

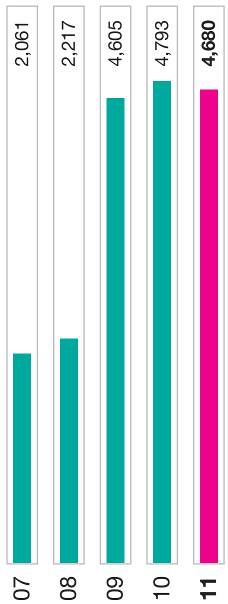


Group Profit
Before Taxation
RM' Million

Net Profit After Taxation
RM' Million

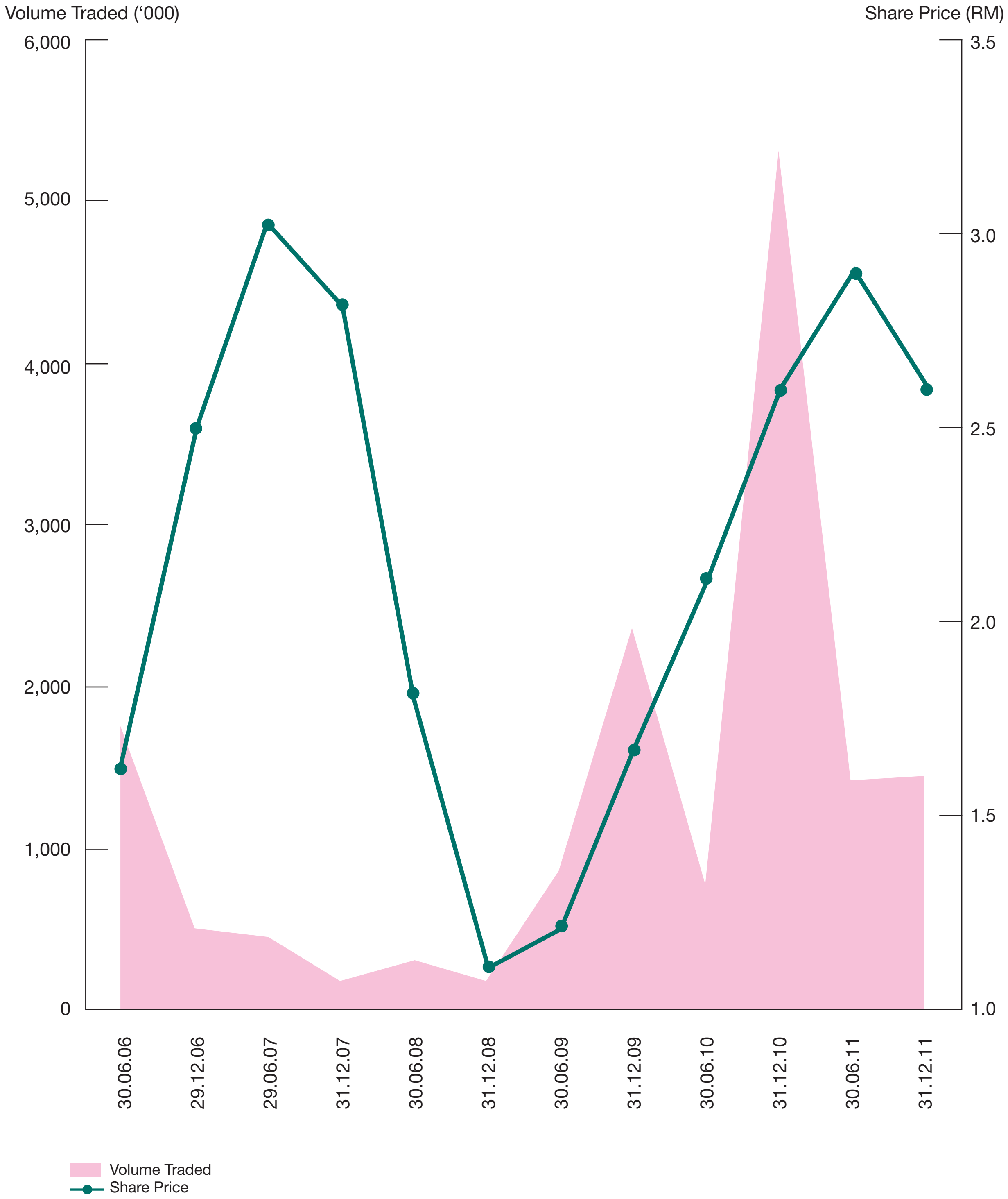


Group Shareholders' Funds
RM' Million

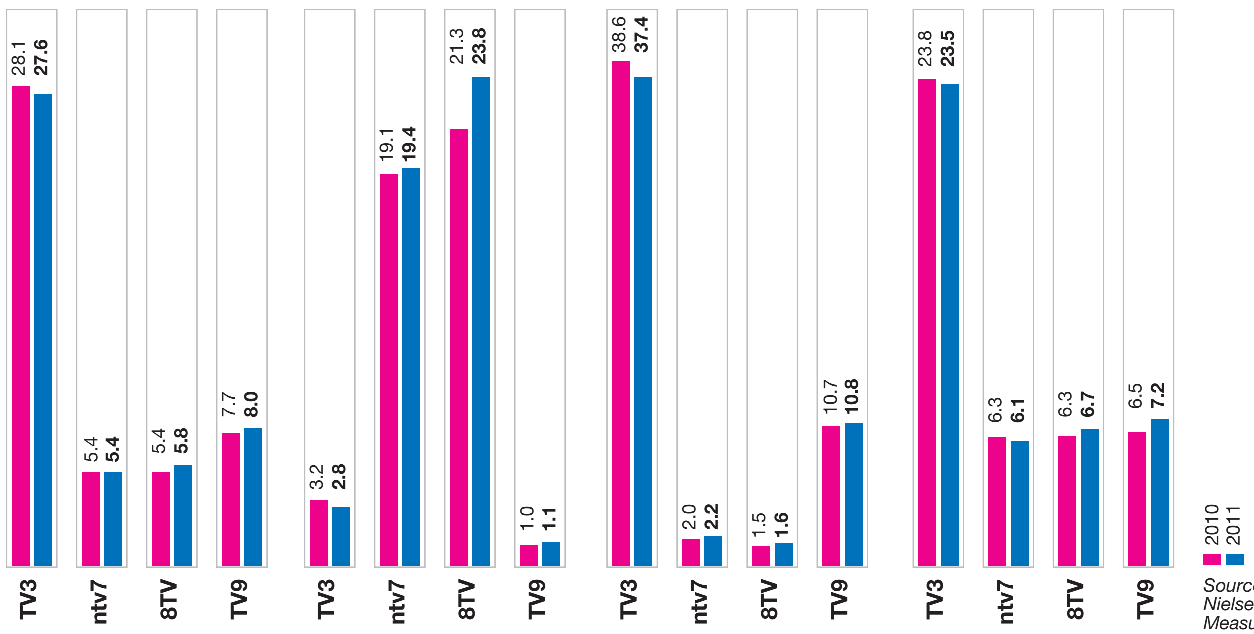


Group Employees
No. of Employees

Share Price Chart



Viewership, Listenership & Readership Data



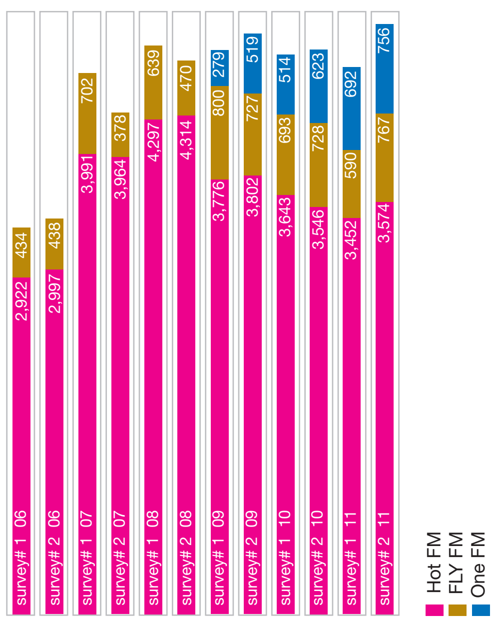
Source : Nielsen Audience Measurement

Total 4+ % of Viewing Share Universe : 20,078,203

Chinese 4+ % of Viewing Share Universe : 5,266,323

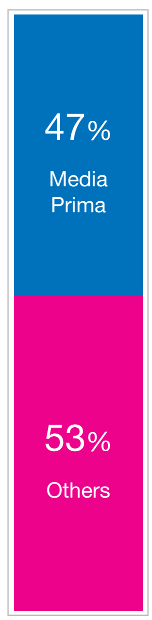
Malay 4+ % of Viewing Share Universe : 12,905,439

Urban 4+ % of Viewing Share Universe : 15,246,331



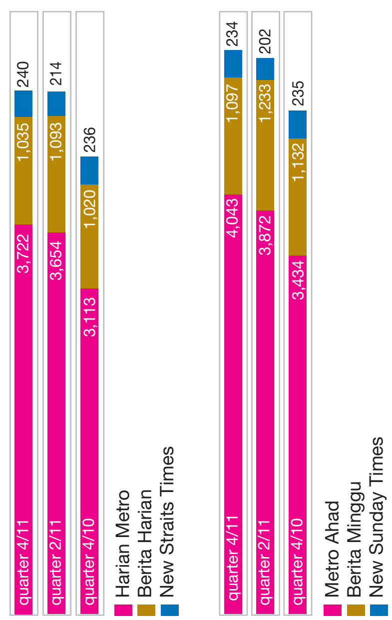
Listenership - Radio Network Reach (000's) All People 10+

Source: Nielsen Media Research



MPBTVN vs Others All 4+ % of Viewing Share Universe : 20,078,203

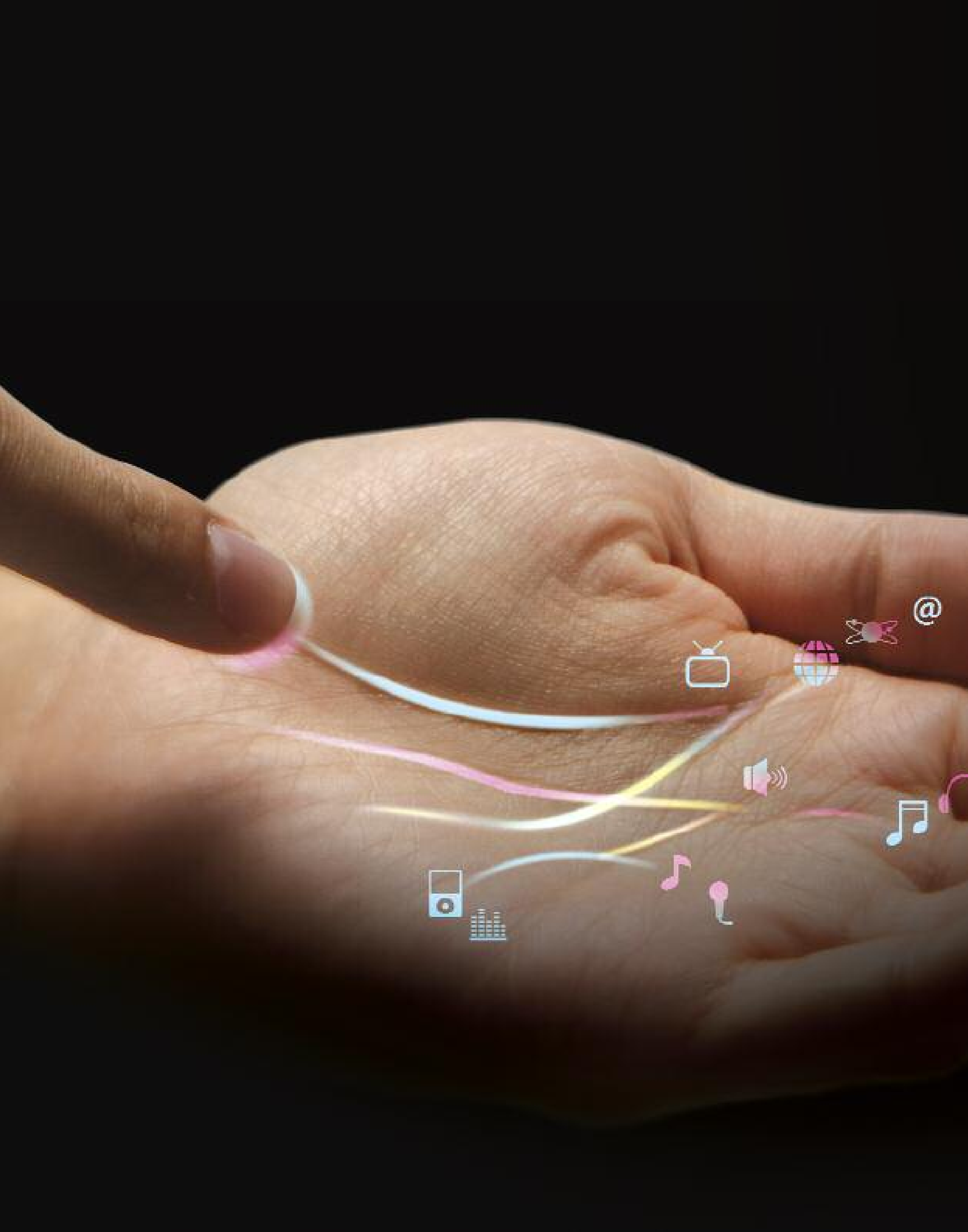
Source: Nielsen Audience Measurement



Readership ('000)

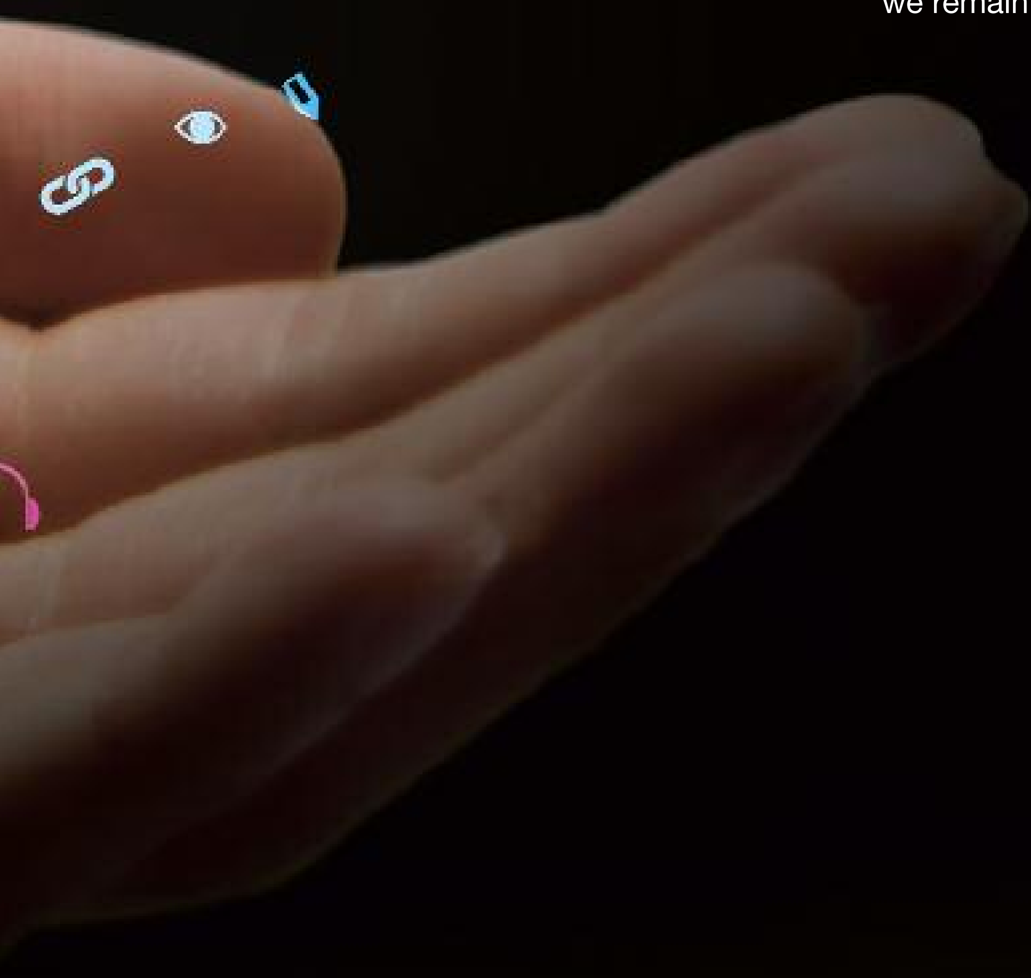
Source: Nielsen Media Research

Universe : TV Population



HIGHLY COMPELLLING CONTENT

As the nation's foremost media powerhouse, we are continually responding to the information and entertainment needs of our audiences by constantly providing them relevant, compelling and high quality content in a seamless manner, thereby ensuring we remain their media provider of choice.



Chairman's Statement

The Race to be The Best

MEDIA PRIMA'S JOURNEY AS AN ALL-IN-ONE MEDIA POWERHOUSE

HOW FAST CAN THE FASTEST HUMAN RUN?

That is the question that has been bedevilling sports scientists, researchers and sportsmen for a long time. When Usain Bolt made a 100-meter dash in 9.58 seconds at the World Championship in Berlin on August 16, 2009, the world was astounded. Many believed that speed would only be achieved by a human being in another 50 years' time. He could have done better if he had had a perfect start and he wasn't slowing down at the 93 meters. All eyes are on Bolt as he sets out for the coming Olympics in London – will he breach the 9.50-second mark at these games?

In 1968, Jim Hines became the first man to run a sub-10 (9.98 seconds), an astonishing achievement at the time. Fast forward to 2008 – he probably would not even have made it to the finals at the Beijing Olympics where Bolt broke the world record in 9.69 seconds. In Berlin, Bolt made it clear he was the king of sprint, battering many seconds off his Olympics feat.

Could Bolt become the first human to run 9.50 seconds for a 100-meter sprint? Not impossible, some would argue. But there are sports scientists who believe 9.44 seconds would be the ultimate speed for a 100 meter race. Could 8.99 seconds be possible? Or even a five-second 100 meter? In 1912, Don Lippincott won the Olympics 100 meters in 10.6 seconds. Ninety seven years later, Bolt sliced more than a second off Lippincott's speed.

WINNING HAS BECOME A LITTLE MORE COMPLICATED

Sports has always been about speed and winning. And about those who have participated and lost. It is also about sportsmanship and comradeship, not to mention the tenacity and dedication of those involved.

Today's sportsmen and sportswomen, however, are competing in a totally different environment altogether. Be they sprinters, middle distance runners or marathoners, they all train tirelessly and endure hardships to be the best in their respective fields. There are those who go through punishing regimes to win, and of course, there are those who disgrace the world of sports by cheating or taking banned substances to enhance their performance. Winning has undoubtedly become all the more complex and competitive today.

Media Prima Berhad (Media Prima) too is in a business that celebrates the will to win and to be successful. At same time, we have learnt to accept any failings gracefully. Like the arena of sports, our business is competitive. Like sportsmen and sportswomen, we too have to better ourselves all the time. The field is getting crowded. The new kids on the blocks are getting better. They run faster, they jump higher and they throw further. Not unlike athletes, we too have to be on our toes all the time. This is about survival of the best, the brightest, the most creative and innovative, and the fastest too.

Take the case of the world of TV – there were only two stations four decades ago. When TV3 came into being 27 years ago, it was another addition to RTM1 and RTM2. Today, we are witnessing hundreds of channels – free-to-air (FTA) and pay-TV – and the numbers are growing by the day. TV3 is not just competing with two government-owned stations today but hundreds of channels offering almost everything under the sun. The world of TV has changed beyond recognition, perhaps for the better.

Datuk Johan bin Jaaffar
Chairman

Chairman's Statement (Cont'd)

Take a look at the world of newspapering. True, the *New Straits Times* has been around for more than 167 years. In fact it is one of the few survivors of the previous millennium. Today, however, it is facing insurmountable challenges from online options, blogs and citizen journalism. You name it.

Berita Harian was born the year this nation achieved its independence. It is part of the great and proud narrative of Malaysia chronicling the travails and adventures of its people. *Harian Metro*, although the new addition to the family, has made its mark in the history of newspaper in this country. Today, *Harian Metro* and *Metro Ahad* are the indisputable leaders in terms of circulation and readership in the country.

RISING OUT OF THE ASHES OF NEAR DEFEAT

Media Prima was born in a media industry that is both tantalising and unpredictable. The Company has seen some tough times since its inception. Today, it is a force to be reckoned with – the only truly integrated media company in the country and perhaps the region. We are not too far wrong to claim that we are "The All-in-One Media Powerhouse".

Media Prima has come a long way from where it was, and is an altogether different entity today. The Media Prima of today is a far cry from the problematic and fledgling entity that it was when it was restructured in the aftermath of the Asian financial crisis. Today, this all-in-one media powerhouse is an approximately RM3 billion market-cap company with a gross turnover of almost RM2 billion a year.

However, it wasn't an easy journey. Like a phoenix, we had to rise from the ruins of the Asian financial crisis. It was a journey littered with minefields, uncertainties and at times despair. But we soldiered on despite the odds. For we believed that in order to reconstruct we had to accept some painful measures – even prolonged ones – and perhaps even absorb some heavy blows and some collateral damage.

We have weathered some tumultuous times and we have prevailed. We must have done something right these last nine years to be where we are today. We have grown from strength to strength, from victory to victory.

LEARNING TO PLAY BY THE NEW RULES

But that was then. Today we are facing a totally different media landscape. A totally different animal has emerged and the landscape is becoming extremely competitive and totally unpredictable. Like true sportsmen and sportswomen, we have competed in some of the most suspenseful and nerve-wrecking races. Some of which have simply not been for the weak-hearted.

There were many a time we had to hold our collective bated breath as others gained strength in areas that we used to excel in. We had to learn to understand the new terms of engagement, the new rules of the game and the ever changing scenarios. Most of the time, we soared. At other times, we have had to recoup our losses, take stock of the damage, and learn from our mistakes.

This is the spirit of true sportsmanship – it is never a zero-sum game – it is about achieving new heights, battering previous records and gaining new ground. And more importantly it is about competing on a level playing field where we are to recognise and give due respect to our competitors at all times.

Like a marathoner we need stamina. Like a middle distance runner, we need to sprint over the final stretch. And like Bolt, we need to know the importance of every step, every pace and every breath as every microsecond matters.

WHEN BUSINESS UNUSUAL PREVAILS

More importantly we must be willing to make adjustments. We need to remember the lessons learnt by the operators of the American railways who were transporters extraordinaire in their heyday. They forgot the fact that the railroad was just one part of the transportation or logistics spectrum – and they lost out. We all know fixed lines are a thing of the past. If telecommunication companies are not adapting to change fast enough today – they will end up being footnoted in the annals of history.

Many industries today are having to make adjustments, realign and restructure at light speed. Captains of industries are forced to rethink their priorities and re-strategise time and time again. There is a lot of soul searching going on in almost every industry to understand the changing dynamics in society and customers' tastes and wants. Many of the old rules are not applicable anymore. Business unusual has become the norm, and it is here to stay.

There are the naysayers who believe that the demise of TV is imminent, that people are not watching as much TV as they used too. While there may be a substantial segment of society who are not glued to their traditional TV sets, yet they are still watching TV. In fact with alarming regularity but on other platforms – via online means, on their iPads, iPhones,

Blackberry or other smart appliances. It is not about watching less TV, in fact they are watching more. It's just that the medium is shifting.

We all know that the TV industry is today facing the challenge of a radical shift in viewer habits. These shifting habits are proving to be very challenging not only to broadcasters but also to content providers. Even as there has been a significant change in the way "TV" is perceived today, there may be many more surprises in store for us in the near future. Perhaps in time to come, even the current significant migration from traditional TV viewing to online viewing may be outmoded by other forms of migration in the TV realm. The question is, are we prepared or fully equipped to manage these new challenges based on the changing habits of more and more discerning viewers?

ALREADY UP TO THE CHALLENGE

I am happy to report that Media Prima is already quite ready for that. Even as we have been strengthening our TV networks, we have also been embracing the migration to online channels and smart devices.

Take the case of our Tonton platform. While the initial concept was to deliver "catch-up TV" where viewers missing our programmes could watch them at their convenience online, today Tonton has taken on a life of its own. It has become an alternative platform where streaming is king and is proving to be more appealing than downloading and storing content.

Tonton was the ninth most searched site on Google in Malaysia last year and is currently the king of video portals in the country. With more than two million registered users now and up to 4.5 million video views per month, Tonton is truly a one of its kind platform in the country and the region. We are certain that the next battle front for TV viewing will be by way of Tonton-like applications and not pay-TV.

We are bullish about Tonton and the potential of the video portal and are excited about what it can do come the future. What's in store for viewers? [Will it be video streaming of radio shows on tablet TV channels?] We are fully aware of the potential of the tablet as the next killer-application as it is fast becoming the platform of choice for many viewers.

A multi-platform world has arrived at our doorsteps and all must embrace it or falter. One media analyst opines, "Consumers are ready to embrace a new method of

Chairman's Statement (Cont'd)

accessing TV content… what's missing now is the right platform and offer – something easy to use, understandable, reliable, and affordable. Various players are working hard to come up with that solution; as we learned from the music industry, the first one to offer it effectively will be in an extremely strong position."

We are already there, and well prepared, that much I can assure you.

PREPARING TO RUN THE RACE WELL

We recognise that content plays a critical role in our industry. Eventually everything we do is about content. We are part of the creative content industry – an industry that has seen systemic, in fact cataclysmic changes, over the years. We depend on content to survive. We helped create an industry that is both robust and growing at breakneck speed. And we are determined to remain a key contender leading it, guiding it, nurturing it.

One thing is certain. While Malaysia has created new benchmarks in technology and creativity, we need to do more. The industry needs support in terms of funding, global market access, talent development, strategic partnerships and infrastructure. In short, we need the right eco-system.

Imagine the potential for this country if we are able to leverage on the global demand for creative content. The entire global content industry is valued at RM4.2 trillion. The advertising market (online and offline) alone was valued at RM485 billion last year while filmed entertainment was valued at RM274 billion. While these numbers are staggering, where is Malaysia in that context? Yes, we have a long way to go, but we are determined to be a significant player in content creation at least in this region.

THE NEED FOR OUT-OF-THE-BOX THINKING

At Media Prima, we have at least a 27-year history of content creation for TV. When TV3 started, we basically started from scratch. Although there was no necessity to re-invent the wheel, the expectation for the first ever private station was different. Today, TV3 is still the number one station in the nation and together with its siblings – ntv7, 8TV and TV9 – we command a respectable 48 percent of total TV viewership in the country.

Today, we operate in a realm that is getting very crowded, where players are jostling each other for attention and

advertisement ringgit. The race is getting more intense and everyone is striving to improve themselves by leaps and bounds. If TV3 for instance is to win over the Malay mass market segment, it has to keep its edge. It can't afford to be complacent. It has to think beyond the box.

Thankfully, to stay ahead, TV3 has done a lot of rethinking. New, great and workable "Ideas" (with a capital "I") have been the mainstay of its philosophy as it endeavours to excel. For some, it is a game of numbers or ratings. While that is true, there are other dynamics that TV stations have to understand. Ratings alone do not attract advertisers these days, they are demanding quality fare to cater for more sophisticated audiences. Changing viewers' tastes and demands too have to be taken into consideration.

Take the case of ntv7 and 8TV, two of the most formidable urban, Chinese-based stations. Both these stations are offering the best programmes to cater for loyal viewers and to attract new ones, while TV9 too is fast finding its niche among the younger, more urbane Malay viewers. These stations realise the need for new markers of excellence in order to stay ahead of the pack.

TEAMWORK IS ABSOLUTELY NECESSARY

To run the race well, and win it, we are already investing heavily in content. However, we are well aware that we can't go it alone. We see the need for strategic partnerships, where we can learn from others, and they from us. We acknowledge the benefits of working with our partners in Singapore and Indonesia and elsewhere. The collaboration with Media Corp of Singapore has been very fruitful and the one with Indonesia's SCTV and Indosiar is showing positive results.

I am glad to report that Primeworks Studios, our subsidiary that produces content for our TV networks and films for cinemas, is making strong strides forward in this area. Primeworks Studios has collaborated with a respectable documentary maker, Novista on a documentary entitled *Rising Sun Over Malaya*. They are also getting the support of FINAS and AETN All Asia Networks. The documentary premiered on History Channel Asia all over Southeast Asia, Hong Kong and Taiwan on 15 February this year and has gone down extremely well with viewers.

For Media Prima, it is a significant milestone too as we believe such quality documentaries will see us extending our footprint into the international markets.

CONTINUING TO MAKE STRONG STRIDES FORWARD

Media Prima is a multi-platform outfit. We like to believe that we are providing our customers a total solution for all their needs. More importantly, we offer them the widest reach any media company can offer them. From TV to radio, from outdoor to our online initiatives and newspapers, we reach out to a staggering 24 million Malaysians in one day. In short, you wake up in the morning listening to one of our radio stations, read one of our newspapers, see one of our 818 advertising billboards, watch one of our TV channels or peruse one of our portals. We are doing all this and we want to do more and to reach out to many more.

I am also happy to report that all our platforms are doing well. Big Tree and its sister outfits, UPD, Kurnia and TRC are providing the most creative outdoor solutions for our customers. You see our handiwork in rainbow colours and with astonishing creativity.

Our radio networks too have seen vast improvements with Hot FM, Fly FM and One FM all putting on a good performance. Hot FM's East Coast rollout of the popular Hot FM Kelate and Hot FM T'ganu stations for Kelantan and Terengganu respectively, have met with huge success.

Yes, we have added value to our products, and yes, we have delivered value to our shareholders and investors, and yes, we have registered the best ever result these past three years and we are proud of our financial achievements. We have been successful despite the odds and the challenges in the media industry. I believe our success hinges partly on the fact that we are a responsible company. The bottom line is not everything to us.

SOMETIMES WINNING IS NOT EVERYTHING

I must also touch upon our commitment as a responsible corporate entity. Corporate Responsibility (CR) has long been embedded within our businesses and our people and continues to be a priority area going forward.

Our CR initiatives on the community front have been exemplary and we continue to actively engage with the communities around us via education and humanitarian efforts and projects that elevate communities. From distributing food to the homeless via our *Remaja* programme, showcasing the difficulties faced by the underprivileged through TV3's *Bersamamu* and organising donations for Japan via the Fly FM Honk initiative, we are helping to enrich the lives of the people around us.

We continue to leverage on our platforms to help convey the plight of those affected by natural calamities and catastrophes and areas such as Acheh, Jogjakarta and Tokyo have all benefited from these efforts. Via the Tabung Bencana NSTP-Media Prima to help the victims of the 2009's West Sumatra earthquake, some RM2.1 million has been channelled towards the construction of a fully furnished tremor-proof primary school and a 23-room specialist rural clinic to meet on-the-ground needs at Padang Besi, Padang. Our news teams too continue to put their lives at risk as they cover conflicts in some of the most unstable regions in the world such as Gaza and Somalia.

As part of our commitment to being an employer of choice and establishing best workplace practices, we continue to provide attractive remuneration packages and reward good performance. At the same time, we are focusing our efforts on nurturing our employees, keeping them safe and getting them to perform at their best.

Chairman's Statement (Cont'd)

On the marketplace front, we continue to elevate our customers' experience through delivering compelling and unbiased content, while internal brainstorming programmes and target audience studies are helping us measure customer satisfaction levels and discern what our customers like or dislike.

To help protect the environment, subsidiaries Big Tree Outdoor and NSTP continue to implement their activities by 3R recycling waste from expired billboards and newsprint. Across the Group, energy conservation efforts too are underway to mitigate the effect of our operations on the environment.

As a result of these tangible efforts on the CR front, Media Prima won the Platinum Award for "best corporate social responsibility" at the National Annual Corporate Report Awards (NACRA) 2011.

THE SWEET TASTE OF VICTORY

Other victories matter to us as well. As you may be aware, Media Prima won the accolade "best overall for corporate governance" in the latest Asiamoney Corporate Governance Poll. Not only that, Media Prima won five other awards and our Tengku Adrinna Shahaz was voted last year's "best investor relations officer" (together with Siew Yen Chang of Public Bank Bhd). Media Prima was also lauded "best for disclosure and transparency" (a tie with Public Bank Bhd), "best for responsibilities of management and the board of directors", "best for shareholders' rights and equitable treatment" and "best for investor relations."

What makes these achievements exceptionally sweet is the fact that the Asiamoney poll invited chief executive officers, chief investment officers, senior executives from fund management and hedge fund companies and heads of research and senior analysts in securities firms in the Asia Pacific region to participate. Those surveyed were requested to look at the level of transparency, shareholders' rights and improved investor relation of public listed companies over the last 12 months.

In the press release after the Asiamoney announcement, I mentioned that "we will continue to excel in the areas of governance and transparency and to adopt best practices with the ultimate objective of enhancing the shareholders' value."

I am also pleased to inform you that recently the Minority Shareholders Watchdog Group (MSWG) awarded Media Prima a "distinction award" based on the Malaysia Corporate Governance Index 2011.

What is the significance of these awards? They bear testament to the way we manage the company and of our adherence to best practices. They are also a testimony of our commitment to inculcate the right values and culture to achieve our goals. These achievements also validate the unwavering efforts on the part of the Board of Directors, the management and the *karyawans* (employees) in those areas.

By upholding the principles of transparency, integrity and accountability and viewing these as sacrosanct, we cannot go wrong. I am both proud and humbled that we have scored reasonably well and favourably in poll after poll, survey after survey and finding after finding, all of which speak volumes that we are running the race well.

On behalf of the Media Prima Board of Directors, I congratulate Dato' Amrin Awaluddin, our Group Managing Director, and the entire management team for their excellent endeavours in running a good race.

SMOOTH SAILING ALL THE WAY

I must also add that we won the coveted awards not too long after we completed the merger exercise between Media Prima and NSTP. It is most gratifying to know that our openness and transparency in the undertaking of this major exercise has been acknowledged by the industry. While many other mergers are littered with boardroom tussles, shareholders' revolt and disgruntled employees, it was relatively smooth sailing for us all the way.

As I have stated in my New Year message to the staff, the merger is about one company for all. Just look at the potential in terms of market capitalisation, shared creativity and growth. Imagine what we can do to enhance the value, cost effectiveness and strength of the merged entity.

There are other areas where the merger can benefit us such as in the area of better utilisation of our domains. A special board committee was set up to advise the Board and make recommendations as to the best ways to handle the integration process and to ensure the merged entity benefits all parties.

THE LONG TREK AHEAD

As a company, there are many challenges ahead for us. As a media company, we are vulnerable to the economic climate of our nation and also the effects of the global economy. While we believe the economic growth for Malaysia this year and the next will still be reasonably strong, there are many uncertainties as the result of the worsening economic situation in the Eurozone. The United States too has yet to recover from its economic woes.

At the same time we have to be mindful of technological advancements in the media sphere. On the TV front, high definition TV (HDTV) has arrived. More importantly, we must be prepared to adapt to the inevitable digital migration that this country will experience. To this end, we have set up a special committee to look into and prepare for the digital rollout when it commences. There is also a need to look into the budget for equipment and to ready ourselves for the simulcast period. We anticipate that the government is working towards an analogue switch off date some time in 2015. That we reckon, will be another interesting phase of our media transformation.

As for the newspaper business, despite the naysayers predicting the demise of newspapers, we believe those under our platforms will gain new strength. While it is true we are seeing a reduction in the numbers of news-stand sales (nothing surprising there, as it is a global trend) but we believe it is part of the migration to other platforms. All our newspapers have their online edition and the iPad versions too. Interestingly *Harian Metro* and *Metro Ahad* are bucking the trend, registering some incredible numbers in circulation and readership.

And our editors are never complacent. You may have noticed they revamped the *New Straits Times* to make it more appealing. It is another milestone in NST's long journey to keep its edge and maintain a class of its own. *Berita Harian* and *Berita Minggu* to will soon be having new looks, as will the outstandingly successful *Harian Metro* and *Metro Ahad*.

CROSSING THE FINISHING LINE AS A TEAM, IN STYLE

This is Media Prima's philosophy: We are a team. We work in tandem with each other. We walk together in unison. We have a common goal. We can do more and achieve even greater heights, when we work together.

Let's take advantage of the accolades bestowed upon us by outsiders – Asiamoney and MSWG among others – to prove that we have been doing the right things. The awards itself speak volume of the kind of company we are. My colleagues on the Board have reiterated our belief that Media Prima ought to be the beacon of transparency and openness. There are, I'm sure, many more awards to come.

More importantly, Media Prima is committed to running the race in a fair and transparent manner. We realise that the markers of success are shifting. We believe many more players are coming into the media sphere, and that the best ones will prevail. We for one intend to keep our lead.

Like a good marathoner, we must sustain our pace. Like a good middle-distance runner we need to maintain the tempo. And like a 100-meter sprinter, we need to make that final push to stay ahead of the pack. But like an exemplary media outfit, we want to do it right, and with style and finesse.

Datuk Johan Jaaffar
Chairman, Media Prima Berhad

COMMITTED MARKET LEADER

We will continue to make waves and maintain our leadership position in the media arena by setting high standards and new benchmarks, as well as through making continued investments in the areas of quality, content and branding.


TUESDAY, MARCH 6, 2011
NEWS

Review of Operations

Dato' Amrin bin Awaluddin
Group Managing Director
Media Prima Berhad

Dear Shareholders,

2011 was the year in which Media Prima Berhad (Media Prima or the Group) reinforced its position as Malaysia's foremost media powerhouse and the most complete integrated media platform company in ASEAN. Leveraging on our spread of platforms covering TV, radio, print, outdoor and new media, we worked in a cohesive manner to deliver compelling content and experiences to an audience of 24 million Malaysians from all ages and walks of life. At the same time, each of our brands operated and competed independently to make strong inroads into their respective markets segments.

As a result of our efforts, not only did we achieve the largest reach in Malaysia in the way of TV viewership, we also garnered the largest reach in terms of newspaper circulation and readership in Peninsular Malaysia. On top of this, your Company secured the second largest reach in terms of combined radio channel listener numbers and one of the largest shares of advertising revenue on the outdoor media front. Last but not least, via our new media platforms, especially the innovative Tonton online video portal, we reached out to a rapidly growing base of 2.0 million registered users to date, while subsidiary Primeworks Studios, the largest production house in the country, churned out approximately 5,300 hours of relevant and compelling content throughout 2011.

2011 also saw Media Prima living up to the label "the all-in-one media powerhouse," by delivering the region's first test case of total news integration. Over the run-up to the Sarawak elections in April 2011, our TV, radio, print and online news teams all came together under one roof as a unique integrated newsroom to gather and broadcast news across all our platforms. Today, the widespread use of similar content across the Company's multi-platform offering is common. Be it local happenings or news from around the world, we are using content to inform, entertain and touch the lives of a wider spread of target audiences across our ubiquitous media platforms. At the same time, we are leveraging on rising Internet and broadband penetration and the convergence of our products in the digital media space, to deliver advertisers a comprehensive, fully-integrated and persuasive one-stop solution.

COMMENDABLE FINANCIAL PERFORMANCE

Your Company's business is reliant on economic conditions and given the volatile global economic environment these last few years, we experienced a somewhat mixed year in 2011. While the first half of 2011 was very encouraging, the start of the second half was rather challenging as a result of a drop in Malaysia's Advertising Expenditure (ADEX) in the third quarter of 2011. It regained upward momentum in November 2011 onwards when the ADEX rebounded.

Amidst this backdrop, the Company recorded its highest ever net revenue of RM1.622 billion in the financial year ended 31 December 2011. This 5% increase over net revenue of RM1.547 billion in 2010 came on the back of a 6% growth in advertisement revenue and contributions from all media platforms. At the same time, we registered profit before tax of RM279.5 million in 2011 against RM295.3 million in 2010. The profit before tax figure for 2011 incorporates a RM55.4 million negative goodwill from the acquisition of The New Straits Times Press (Malaysia) Berhad (NSTP).

The year also saw the Company registering profit after tax and minority interest (PATAMI) from continuing operations excluding extraordinary item (EI) of RM205.4 million, some 11% higher than the RM185.3 million recorded in the preceding year. PATAMI (excluding EI) margin stood at 13% in 2011 in comparison to 12% in 2010.

Review of Operations (Cont'd)

PATAMI including EI for the full year stood at RM207.6 million in 2011, some 14% lower than the RM242.3 million recorded in 2010. This was mainly attributable to the negative goodwill arising from the acquisition of NSTP, which was recognised in 2010. The year also saw the Company's EBITDA margin remaining strong at 25%.

The year's good results are a reflection of Media Prima's ability to provide holistic and much sought after solutions across our integrated media platform. It also shows that consumers, advertisers and partners are keen to continue their relationships with us even as we work hard to meet their specific needs. 2011's performance also attests to the fact of a prudent financial management.

GOOD SHAREHOLDER VALUE CREATION

In view of the year's commendable performance, the Board is delighted to recommend a final single tier dividend of 5.0 sen per share subject to shareholders' approval at the forthcoming Annual General Meeting. This is in addition to the first interim single tier dividend of 3.0 sen per share paid on 14 October 2011, as well as a second interim single tier dividend of 3.0 sen per share and a special single tier dividend of 5.0 sen per share, both paid on 16 January 2012. This will bring the total dividend pay-out for the year to 16.0 sen per share.

For the first time Media Prima has paid out dividends (including special dividends) thrice to shareholders in a single financial year. It is our way of acknowledging the steadfast support that our shareholders bestowed us. As your Company ventures forward, we will maintain our solid financial position which places us in an advantageous position to deliver profitable, sustainable business growth and create good value for our shareholders.

STRATEGIES FOR SUSTAINABLE GROWTH

Expanding our Reach and Distribution

2011 saw Media Prima undertaking several measures to expand the Company's reach and distribution throughout Malaysia. On the print front, in line with our objective of contributing towards national integration, we rolled out *Harian Metro* in Sabah and Sarawak to capture greater market share among Malay language readers. In keeping with the times, the *New Straits Times* was revamped in November 2011 to make it more appealing to readers and to ensure it retained its edge.

On the radio network, Hot FM rolled out of its Hot FM Kelate and Hot FM T'ganu stations for Kelantan and Terengganu respectively to cater to audiences in their own unique Malay dialects. The Company's expansion into region-specific radio networks (as opposed to our traditional national radio networks) bodes well for us in the long-run.

The year also saw our outdoor media platform deploying its digital media formats across its retail advertising concession areas at the Kuching and Kota Kinabalu international airports. In introducing digital media formats at these airports, we are providing advertisers more options and creative room to execute their campaigns.

In the way of new media, our world-class video portal, Tonton registered approximately 2.0 million registered users in less than two years of operations, while the paid-for Tonton Premium continued to attract audiences who are willing to pay a small fee for exclusive content. As more and more online viewers join the online TV bandwagon, advertisers too are beginning to recognise this platform's viability as a touch point for their future campaigns.

2011 also saw the launch of EMAS, the first retro channel in Malaysia showcasing Media Prima's collection of popular classic TV programmes. Launched as a paid-for service in June 2011, EMAS features vintage content from over 40,000 hours of archived material and is aimed at the Malay-speaking urban and mass markets. Today five of Media Prima's channels are delivered via Internet Protocol Television (IPTV) on HyppTV over Telekom Malaysia's UniFi platform.

In 2011, we launched an Integrated Marketing unit to provide selected clients a fully-integrated marketing solutions package. This will ensure our clientele are able to reap the synergistic benefits of marketing solutions across all our platforms.

Reaping the Benefits of Restructuring

Over the last nine years, Media Prima has been undertaking a variety of mergers and acquisitions and has been expanding rapidly. In December 2011, we began the rollout of an internal restructuring exercise which involved the reorganisation of the various entities within our Company's existing business segments into six principal business units. Post-restructuring, six legal entities served as the anchor companies for Media Prima's respective business units.

All our television networks now falls under Sistem Televisyen Malaysia Berhad (STMB); all our print media companies falls under NSTP; our radio networks comes under Synchrosound Studio Sdn Bhd (Synchrosound); outdoor media, under Big Tree Outdoor Sdn Bhd (Big Tree); content creation, under Primeworks Studios Sdn Bhd (Primeworks Studios); and new media, under Alt Media Sdn Bhd (Alt Media).

By consolidating our operations and sharing centralised resources across the Group, we are beginning to reap the benefits of economies of scale, bulk purchases and shared support services. The restructuring also aims to improve our Company's financial standing by allowing sustainable earnings to fuel future dividend streams and cost optimisation.

On the governance front, by ensuring there is only one Board of Directors for every platform or division, it lends to more practical and cost effective board composition and board meeting activities, while providing effective checks and balances. Our financial reporting too will become less complex and can be effected in a timelier manner. While all our businesses will have a shared strategy, they will still maintain their individual brand identities.

The first phase of the restructuring exercise is expected to be fully completed by the second quarter of 2012 and the second phase by the end of 2012. This exercise, however, will not have any material impact on the share capital, earnings or net assets of the Media Prima Group.

Shifting our Overseas Focus

In line with our strategy of refocusing our efforts on operations closer to home, the Company completed the disposal of its subsidiaries in Ghana during the third quarter and fourth quarter of 2011. Details of the disposals are included under Note 38B to the financial statements.

Strengthening our Outdoor Capability

In 2011, we consolidated our leadership position in the outdoor advertising by acquiring an additional 6% equity interest in the Kurnia Outdoor, the country's second largest outdoor advertising company, bringing our shareholding in Kurnia Outdoor to 95%.

PRODUCING COMPELLING CONTENT

Media Prima continues to maintain its position as the nation's premier content producer by leveraging the resources and talents of our content-creation arm Primeworks Studios. Being the biggest production house in Malaysia, Primeworks Studios continues to develop and produce relevant, compelling, high quality content to satisfy the demands of discerning TV, cinema and new media audiences. While the mainstay of Primeworks Studios' business revolves around the production of TV content, it also produces feature films and undertakes distribution for box-office releases. More recently, Primeworks Studios has been producing content for non-Media Prima-related clients which includes several international channels such as TV Al-Hijrah and the History Channel.

Review of Operations (Cont'd)

In 2011, Primeworks Studios produced approximately 5,300 hours of best-of-breed content encompassing highly-rated, award-winning programmes, ground-breaking content, as well as selected content in High Definition (HD) format. Approximately 60% of this output involved the production of primetime documentaries and magazines, while the remaining 40% involved annual flagship shows which commanded over 4 million viewers and a 60% market share for each programmes. The bulk of Primeworks Studios' content continues to be produced in Malaysia in support of the local content industry. Reality shows like *Vokal* and *Anugerah Juara Lagu ke-25* too are drawing audiences by the millions and which reinforced Primeworks Studios as the leading content production house in Malaysia.

Primeworks Studios' Film and Drama unit, Grand Brilliance continues to produce box-office feature films and generated approximately RM23.7 million in revenue in 2011. Grand Brilliance's revenue contributions were mainly led by the success of *Khurafat* which garnered RM8 million, *Nur Kasih* which brought in a total collection of RM5 million and *Songlap* which brought in a total collection of RM2.2 million and widely acclaimed to be the best local movie for 2011.

For these and its other worthy efforts, Primeworks Studios was bestowed a host of awards and accolades at top-notch events like the *Anugerah PROFIMA*, *Anugerah Juara Lagu ke-25, Anugerah Planet Muzik 2011, Anugerah Industri Muzik 2011, Festival Filem Malaysia 24, Hadiah Kewartawanan Malaysia MPI-Petronas 2011*, Sabah Tourism Awards 2011 and *Anugerah Skrin 2011*. At the Advertising + Marketing Agency of the Year Awards 2011, Primeworks Studios received a Gold Award and the accolade Production Agency of the Year. On the international front, Primeworks Studios received recognition for original music, art direction and direction at the New York Festival 2011.

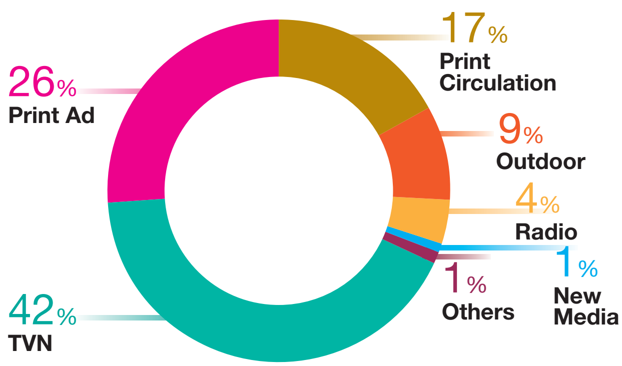
Going forward, Primeworks Studios will focus its efforts on elevating the quality of its output via appropriate investments in technology and talent. The company is expected to contribute significantly towards the Group's overall revenues as it begins to produce compelling content for the regional and international markets.

STEADFAST PERFORMANCE BY OUR PLATFORMS

Amidst 2011's uncertain global economic environment, the nation's ADEX recorded double digit growth evident by Malaysia's advertisers spent of RM1.076 billion on media expenditure. This represents a 11.9% increase from 2010's ADEX of RM1.017 billion, spurred by the Government's measures to stimulate economic growth as well as improve consumer sentiments. Television and newspaper platforms retained the lion's share of Malaysia's ADEX in 2011, with a 50.9% and 40.5% share respectively (source: Nielsen Audience Measurement Sdn Bhd).

The largest revenue contributor for Media Prima came from our TV networks, print advertising and print circulation businesses which contributed 42%, 26% and 17% respectively. Outdoor, radio, new media and other activities contributed 9%, 4%, 1% and 1% of revenue respectively. TV platform is contributing some 42%, the print platform 43% and the remaining platforms some 15%.

REVENUE CONTRIBUTION FY2011



TV

In 2011, Media Prima reinforced its position as the network with the largest reach in Malaysia in the way of TV viewership. We continued to provide consumers a personalised TV experience by leveraging our integrated platform to deliver TV on air, on-ground and through virtual means. Our TV networks platform comprising TV3, 8TV, ntv7 and TV9, maintained its position as the main driver of the Company's performance. Together, these channels captured a combined 47% of Malaysia's TV audience share.

Our strategy of catering specifically to the needs and wants of different market segments has proven to be effective.

POSITIONING AND MARKET SEGMENTATION BY TV STATION

STATION	TARGET VIEWERS	POSITIONING	ADVERTISING FOCUS
TV3 Inspirasi Hidupku	Mass Market skewed towards Malay audience, with progressive mindsets.	Channel synonymous with family, real-life, entertainment and news content leaning towards cultural proximity – *"Inspirasi Hidupku"*	Fast moving consumer goods (FMCG) products, communications, services, transportation
7	Malaysian Urban Households; 25-45 years old; Kids and Chinese audiences	Television as an escapade – "Home of Feel Good"	Brands targeting the Malaysian Urban middle to high class; image products and lifestyle
8 TV	Young Malaysian Urban 15-29 years old; Mass Chinese audience	Tastemaker, Trendsetter, Energetic, Creative – "We're different"	Young Urban: Fashion, Sports, Gadgets Chinese: FMCG products, Lifestyle, Fashion
tv9	Young, Fresh, Mass Malays (YFMs)	Skewed to Young, Fresh, Mass Malays with strong content influence from youth-related, real life experiences. Aspirational, informative and entertaining – *"Di hatiku"*	Brands targeting the YFMs ranging from semi-urban and urban demographic. From FMCG to niche products related to Fashion, Sports and youth lifestyle

Review of Operations (Cont'd)

TV3

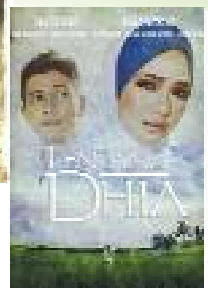
The nation's No. 1 free-to-air (FTA) TV station, continues to deliver bold and innovative mass market programming that is skewed towards progressive Malay language audiences. 2011 saw TV3 maintaining its premiership position as the single most watched TV station with an audience share of 28% on both FTA and pay-tv platforms despite the introduction of several new channel offerings.

As Malaysia's first FTA TV network, TV3 has maintained its leadership position in its 27 years of existence. Not only has it been a trendsetter by producing quality local productions that have caught the attention and loyalty of Malaysians, the station also broadcasts quality foreign content including movies, dramas, situation comedy and documentaries. With its "prime time all the time" promise and its combination of best-of-breed local and international content.

In providing content that served to educate, inform and entertain audience all at one-go, TV3's top-rated programmes continued to lead the pack and maintained a stronghold on the entire weekly Top Ten programmes listing in 2011 (source: Nielsen Media Research). TV3's top-rated programmes including *Buletin Utama, Anugerah Juara Lagu, Mentor, Anugerah Skrin* and *Anugerah Bintang Popular Berita Harian (ABPBH)*, garnered a viewership of more than four million for each respective programmes in 2011.

Despite the addition of new channels on competing platforms, TV3 retained its dominant position in 2011, taking the lead with a 37.4% share for Malay 4+ (aged four years and above) audiences (source: Nielsen Media Research). TV3 proved to be the main choice among overall mass market audiences as millions tuned in to highly rated favourites such as *Juvana, Mantera Anjasmoro, Cinta Elysa, Nora Elena, Tentang Dhia, SuperMak* and *Nilapura*. TV3's flagship magazine programmes such as *Majalah 3, Bersamamu, 999, Aduan Rakyat and 360* too remained steadfast in prime time, while signature entertainment and variety shows such as *Edisi Khas, Melodi, Muzik Muzik, Jalan Jalan Cari Makan, Jangan Tidur Lagi* and *Fuhhh!* all continued to make strong strides to gain audience share.

Through extending prime time slots into the morning and evening hours, investing in quality programmes, as well as ensuring effective integration with client brands, the channel garnered a huge following in 2011. Following the overwhelming response to its coverage of the 26th SEA Games in Indonesia in November 2011, TV3 is planning a repeat performance even as it takes on the role of an official broadcaster for the Euro 2012 event.



Moving forward, TV3 will leverage on its exciting programme line-up and community service projects for the masses such as *Bersamamu* and *Aduan Rakyat*, to strengthen its position as the TV station that serves the people in every way. The station will continue to reinforce brand awareness through various on-air and on-ground events such as the highly successful *Karnival Jom Heboh* as well as by embracing new media platforms. In 2011, the breakthrough drama, *Nora Elena* was ranked fourth in the world for video streaming.

ntv7

Entertainment powerhouse ntv7 continues to successfully carve a niche for itself in the highly competitive Malaysian urban households, 25-45 year old, children and Chinese-speaking viewers market. Through its fresh and appealing TV programme line-up as well as on-ground events, ntv7 managed to capture an impressive 19.4% Chinese 4+ audience share in 2011.

To strengthen its position as the preferred channel amongst Chinese-speaking and urban households, the "Home of Feel Good" continued to roll out a powerful line-up of high quality local dramas and reality shows as well as popular international syndicated programmes in 2011. Some of ntv7's star offerings for its Chinese-speaking audiences includes the Star Live Concert, now into its fifth year; its maiden Chinese telemovie offering, The Superb Match Makers which was also nominated for the 16th Asian Television Awards; the bold reality show The Perfect Gentleman; as well as a host of popular locally produced Chinese drama series such as The Seeds Of Life, Mystique Valley, Destiny In Her Hands, Forget Me Not and Dark Sunset. For its urban audiences, ntv7 rolled out Bella, a highly popular women's magazine talk show; Take Me Out – the Malaysian version of the hit romantic reality show; and the large scale Pan Asian musical drama series, The Kitchen Musical.

2011 also saw ntv7 making its mark through content distribution and co-production activities with its overseas partners. The success of its first Chinese New Year telemovie The Superb Match Makers has opened doors for more collaboration as well as opportunities for its content to be sold in countries such as Taiwan and Singapore.

Moving forward, ntv7 intends to attract more viewers and create even greater value for its stakeholders. It will continue to reach out to audience via on-ground engagements such as the immensely popular Yuan Carnival and Feel Good Run platforms. It will also continue to invest in human capital, leverage on technology and diversify its revenue sources to better serve its viewers, customers, and stakeholders.

8TV

2011 saw 8TV further consolidating its position as the No. 1 and fastest growing network for urban Malaysian youth, Chinese-speaking audiences and age 15-29 English-speaking viewers. Staying true to its "We Are Different" tagline, the "hippest and trendiest" television network achieved high ratings by showcasing best-of-breed local entertainment as well as hit television programmes from Hollywood and throughout Asia. As a result, the station garnered an 6.7% urban viewership rating and a 23.8% Chinese-speaking viewership rating in 2011. 8TV also garnered an impressive 29.2% viewership rating during the Lunar New Year celebrations, taking it to the No. 1 spot for the Chinese New Year season.

In 2011, 8TV continued to mesmerise its viewers with a series of hit TV series which included The Vampire Diaries 2, Gossip Girls 5, Desperate Housewives Year 7, Pretty Little Liars, Hellcats, Michael Jackson Special, My Babysitter's A Vampire, The X factor, Hole in the Wall and Hannah Montana 4. 8TV also showcased several in-house and local productions which included Best in the World, Showdown 2011, Cheer 2011, Field Trip USA 2 and The 8TV Quickie. 8TV's *Ba Du Kong Jian* also provided viewers an array of foreign and local dramas including Rosy Business, Beyond the Realm of Conscience, Bread Love and Dreams, He's

Beautiful, All Men Are Brothers, Just Love II, The Fugitive: Plan B, Personal Taste, You're Hired, Ultimate Power Star, A Time to Embrace, The Ring Mission, The Adjuster 2, Model A La Mode and Exodus.

8TV continues to leverage a host of new media platforms to engage with and build up its audiences. The station's huge following on the Facebook and Twitter platforms bears testament to how it is tapping these platforms to engage with a generation of technologically-adept audiences. The year saw 8TV setting new records and making good headway into the top 10 trending topics on Twitter nationwide. The channel also continues to leverage its strong brand equity to engage with its audiences from all ages and walks of life.

Recognised as the fastest growing network in its target market, 8TV received a string of local and international awards for the milestones it achieved in the broadcasting industry in 2011. The year saw the station receiving the accolade the Best Reality Show at the Showdown 2011 event for the second year running, as well as Best Musical Show at the Shout! Awards 2010 at the *Anugerah Skrin 2011*. 8TV was also named A+M's TV Broadcaster of the Year 2010 among young urban English literate viewers.

2012 marks 8TV's eight anniversary celebration. To keep its edge, 8TV will create more ground-breaking content, set new trends, and boost its partnership with the street dance community locally and around the world while fostering young urban and Chinese-speaking talent through its content and activities.

Review of Operations (Cont'd)

TV9

With its tagline *"Di Hatiku"*, the young and vibrant TV9 targets the mass market with a skew towards young semi-urban and urban Malays. 2011 marked the fifth year of operations for TV9 and saw it strengthening its position as the No. 2 FTA station in Malaysia. Most of the programmes produced by the station reflect its close relationship with its viewers.

Since its inception in 2006, TV9 has grown more aggressive, and creative in providing quality content. Its current line-up includes Malaysia's No. 1 kids' reality TV programme *Idola Kecil 4 (IK4)* showcasing the best of Malaysia's young talent; the wacky culinary adventure series *Makan Angin Season 2;* the exciting *Apa Saja … FBI and Galaksi* talk shows; as well as Islamic-related programmes under the *Raudhah* prime time slot such as *Akademi Al-Quran 5 (AQ5), Tanyalah Ustaz* and *Semanis Kurma*.

In 2011, TV9 continued to strengthen its position in the mass youth market by focusing most of its efforts and investments into areas that spoke and catered to this target audience. Three new slots for Prime time – *Ratu*, *Aurora* and *Skrin di 9* were introduced to engage young mass Malay viewers. To be up close and personal with its audiences, TV9 rolled out the Jam Session at the Pavillion, followed by the GIG, Malaysia's biggest rock music festival. Both these events saw more than 40,000 youth in attendance over two-days of activities. Other audience-specific events such as the *Karnival Upin Ipin*, *Ekspresi Remaja* and *Raudhah di Hatiku* too went down very well with their market segments.

Going forward, TV9 will focus its effort on building its brand equity among the young mass Malay and semi-urban markets. The station will continue to meet the needs of its target segments by rolling out entertainment, drama, comedy and reality shows that resonate with its audiences.

PRINT

The Company's print platform comprise of NSTP which publish the *New Straits Times*, *Harian Metro* and *Berita Harian*. In 2011, we retained our market leadership position with the largest total circulation and readership in Peninsular Malaysia. Our Malay and English newspaper titles contributed approximately 79% and 21% of revenue respectively and this trend is expected to continue going forward.

Over the course of 2011, NSTP continued to pursue a strategy of maximising profits and deriving cost efficiencies. As part of the strategy to transform NSTP into a high-performance company, new cross-functional teams were set in place to unleash the full potential of NSTP's people, talents and brands.

POSITIONING AND MARKET SEGMENTATION BY NEWSPAPER TITLE

NEWSPAPER	TARGET VIEWERS	POSITIONING	ADVERTISING FOCUS
Harian Metro	New Malays, young age 20-39 years old, dynamic and progressive Malaysian	**Malay Daily** Young people who are looking for entertainment, shopping news and lifestyle features	FMCG products, communications, services, transportation
BERITA HARIAN	From all walks of life, working class to students, housewives, business people and decision makers	**Malay Daily** People who have an open mind and are drawn to new and interesting products and services	FMCG product, government, services
NEW STRAITS TIMES	Influential newspaper addressed to government and corporate sectors, the intelligentsia, young professional and students	**English Daily** Authoritative newspaper that is responsible for the well-being and progress of the nation in all fields, "The Newspaper of The Nation"	Targeting the Malaysian urban middle to high class; image products and lifestyle

Review of Operations (Cont'd)

Going forward, NSTP will continue to explore collaboration with third parties to provide new media applications to the public and elevate readers' experience. To reinforce its market position and capture a greater share of readership and advertising revenue, NSTP will continue to implement a clear segmentation strategy which will provide readers and advertisers with what they want.

Harian Metro

NSTP's Malay daily, *Harian Metro*, is targeted at young Malays, 20-39 year olds, as well as all dynamic and progressive Malaysians. In 2011, *Harian Metro* retained its pole position as Malaysia's No. 1 newspaper with a readership of 3.72 million. Daily circulation in 2011 averaged above 393,050 copies with a total of more than 447,000 copies circulated on Sundays for *Metro Ahad* (source: Audit Bureau of Circulations, Jan-June 2011). In 2011 *Harian Metro's* online readership reached 15.33 million readers, making it the nation's most popular *Bahasa Malaysia* newspaper portal (source: Nielsen Media Index 2011).

In conjunction with the newspaper's 20th anniversary in 2011, *Harian Metro* organised a series of road shows throughout the states of Perak, Johor, Kuala Trengganu and Melaka to thank and reward its loyal readers. The Jelajah Metro event culminated in a grand "Thank You Concert" at Dataran Merdeka, Kuala Lumpur attracting more than 100,000 spectators. To highlight *Harian Metro's* brand promise, personality and values as well as reinforce its position as the No. 1 newspaper in Malaysia, the newspaper rolled out an integrated brand campaign with the theme, *"Biar Betul"*. In recognition of this innovative campaign, *Harian Metro* won a Bronze Award at the fourth Malaysian Effie Awards.

To expand the newspaper's reach, the Sabah Edition of *Harian Metro* was introduced in April 2011 at a soft launch event in Kota Kinabalu while radio and print advertising campaigns complemented the launch. The newspaper also went on to create awareness and drive readership in Sarawak by tapping outdoor and print advertising as well as supporting the largest outdoor sporting event in Sarawak, the Sarawak Regatta. On top of this, a series of brand engagement activities were organised to further enhance the brand's No. 1 market position as well as to reward its loyal readers. These included the *Karnival Futsal* which drew in total of 2,000 futsal teams nationwide; the *Karnival Gegaria* and *Konsert Gegaria* which attracted thousands of spectators; and the *Gempak Santai* redemption programme which offered readers theme park tickets.

A Brand Equity Index (BEI) survey undertaken indicates that top of mind awareness for the *Harian Metro* brand is solid at 69% and that the brand continues to maintain a strong conversion and retention level among its readers. The preference for the brand has increased significantly not only among its Malay language readers but also among Chinese and Indian-speaking readers in market centres within the Central and East Coast regions. *Harian Metro's* readers are highly satisfied with the paper with the Customer Satisfaction Index (CSI) trending at a high of 68. The BEI also established that 68% of all *Harian Metro* readers are hard core loyalists.

Berita Harian

Targeted at Malaysians from all walks of life, *Berita Harian* is a newspaper that appeals to everyone from the working class to students, housewives, business people and decision makers. The newspaper also has an immensely strong following in the new media arena with a readership of 13.22 million readers (source: Nielsen Media Index Q2 2011). On average, 151,490 copies of the newspaper are circulated daily (source: Audit Bureau of Circulations, Jan-June 2011) while it reaches a total of 1,035,000 readers on a daily basis (source: Nielsen Media Index Q2 2011).

A new-look *Berita Harian* was launched on 8 May 2011 with contents enhanced to appeal to the younger age group. The newspaper's Saturday supplement, *Sabtu* and Sunday supplement, *BMDua* sections were renamed *Inspirasi* and *Rona* respectively. *Inspirasi* is skewed towards family issues while *Rona* focuses on travel and living. The revamp include improved editorial content and a new campaign line "BH mewarnai hari anda."

To reinforce the *Berita Harian* brand's standing among its target readership, several on-ground events were organised. These included the *Anugerah Bintang Popular 2010*, *Jelajah Aungerah Bintang Popular 2010*, *10,000 Langkah Sehari Mysihat bersama Berita Harian* and *"Berita Harian mewarnai hari anda"* integrated brand campaign.

New Straits Times

The *New Straits Times* is positioned as the natural choice for the government and corporate sectors, the intelligentsia, young professionals, students and anyone who wants different perspectives. Offering in-depth perspective of the news, the brand inspires readers and helps them make informed decisions that shape their lives in meaningful ways.

2011 saw the *New Straits Times* undergoing a brand makeover which kicked off with a 360° marketing campaign in March that cut across TV, print outdoor, radio and online media and ended with the re-launch of the paper on 11 November 2011 (11/11/11). The campaign positioned the newspaper as "A Sharper Read" and led to the *New Straits Times* being made available on four different platforms. The iPad edition of the newspaper was launched in April 2011 while the 3D edition was made available on 11 November 2011, making it Malaysia's first ever 3D newspaper edition.

For its efforts, NSTP won numerous awards including the Canned Gold Lion award, The Spikes Award and a Kancil plus it was also announced as a finalist at the MSA Awards and Effie Awards.

Several brand engagement activities helped reinforce the brand's unique positioning as the newspaper that catered to intelligent readers who wanted different perspectives. These included the RHB-*New Straits Times* Spell-It-Right National Challenge, Malaysia's CEO of the Year, The New Straits Times Body Makeover Challenge and the Sharper Read Campaign.

With a circulation of 98,920 copies (source: Audit Bureau of Circulations, Jan-June 2011), the *New Straits Times* is currently read by 240,000 readers (source: Nielsen Media Index Q4 2011). The newspaper's online following stood at 4.83 million readers in 2011 (source: Nielsen Media Index Q4 2011).

RADIO

Media Prima's radio networks platform now has the second largest reach in terms of combined Malaysian radio channel listener numbers. Our radio networks platform comprises the Hot FM, Fly FM and One FM brands that all now come under the banner of Synchrosound Studio Sdn Bhd.

With listeners becoming a lot more discerning and selective of who and what they want to listen to, radio stations are having to outdo one another not only by serving up the latest entertainment and information to listeners, but by ensuring they remain relevant to their target audiences. To maintain the Hot FM, Fly FM and One FM brands top of mind standing among listeners (in particular the Generation Y listeners), these stations continue to focus on innovative, high quality content and activities that cater to listeners' needs.

In 2011, the Company's radio networks continued to go to ground to track trends and engage listeners. At the same time, they leveraged on the growth of online media and converged with other media platforms to expand their reach. The Tonton video portal provided our radio networks tremendous opportunities to engage with listeners while boosting revenue. Through Tonton, listeners can now actively engage with our radio stations by accessing social networking sites. They can also view our radio personalities or engage in a host of interactive and customised activities. This multi-platform capability is also enabling our clients to make the most of their integrated campaigns.

Review of Operations (Cont'd)

POSITIONING AND MARKET SEGMENTATION BY RADIO STATION

STATION	TARGET VIEWERS	POSITIONING	ADVERTISING FOCUS
	Malay listeners aged between 15 to 35 years old	**Malay Radio Station** Students and urban professionals who love entertainment, gossip, the hottest music, SMS-trendsetters	Brands targeting Malay youth, telecommunications, FMCG
	Urban listeners age 15 to 35 years old, mainly students and young adults	**English Radio Station** Targeting urban listeners below the age of 35 who are tech savvy and keep themselves abreast of the latest music and entertainment trends as well as love unpredictability	Brands targeting urban youth, telecommunications, lifestyle
	Chinese listeners aged between 15 to 35 years old	**Chinese Radio Station** Urban listeners who are music enthusiasts that are tech savvy and loves the latest news in entertainment	Brands targeting Chinese youth, telecommunications, FMCG

Hot FM

In 2011, Hot FM remained the No. 1 choice for the under 35 demographic with total weekly listenership increasing by 4% to almost 3.6 million listeners targeting young and fun 15-34 year olds, the station also assumed its place as the second most-listened-to radio station in the country. Being a Malay-language station that promotes local music, Hot FM holds a powerful appeal for urban Malay listeners. 2011 saw Hot FM's urban listenership growing by 28% while there was a 61% increase in Professionals, Managers, Executives, Businessmen (PMEBs) and a 37% increase in listeners with a household income of more than RM5,000. Hot FM also continued to dominate the Students, PMEBs and other white collar listener categories as well as maintained its No. 1 position in the Central Region (source: Nielsen Radio Audience Measurement, Wave 2, 2011).

The Hot FM AM Krew, Hot FM Jam, Hot FM Zon and Menu Muzik segments continued to appeal to Generation Y listeners, each maintaining their place as the most popular slot in their respective belts for under-35 listeners. The presence of dynamic, high-calibre announcers in these segments did much to attract listeners and contribute to Hot FM's popularity.

2011 also saw Hot FM rolling out the Hot FM Kelate and Hot FM T'ganu stations for Kelantan and Terengganu respectively. With both states having their own unique Malay dialects, the two East Coast stations are leveraging on localised content to cater to different audiences. Both stations are leveraging on a base of state-specific local advertisers as well as brands that are looking to reach consumers in these two states. Since their launch in early January 2012, both stations have received overwhelming response.

Fly FM

2011 saw Fly FM reinforcing its position as Malaysia's No. 2 English language radio station. With an emphasis on discovering and nurturing local music talent, the station holds an appeal for hip urban youths and adults aged 15-34. In 2011, the station's listenership increased by 30% to 767,000 people a week. There was also a 34% increase in PMEB listenership and a 43% increase in urban listenership. Fly FM also achieved an impressive 115% surge in listeners with a household income of more than RM5,000 while its Chinese-language listeners increased by 155% (source: Nielsen Radio Audience Measurement, Wave 2, 2011).

In July 2011, Fly FM revamped its format and moved its teams around. This clearly delivered a strong impact when the station recorded a 30% increase in listenership. The Pagi Rock Crew segment was the main contributor (54%) to this surge in listenership along with the Phat Fabes and Ben Show (30%) which enabled Fly FM to continue dominating the urban listener category.

One FM

Our Chinese language station, One FM, continues to deliver impressive results since its inception in 2009. Focusing on young, fun Chinese listeners aged 15-34, One FM has successfully achieved the No. 2 Chinese radio station slot for this demographic in just three years. In fact, there has been a 170% rise in One FM's listenership since the station's launch.

In 2011, the station's listenership increased by 9% to 756,000 people a week while One FM also turned in the highest Time Spent Listening (TSL) for a Chinese radio station in the under 35 segment. The station registered a 13% increase in listeners in the Central Region and a 48% increase in the East Region. There was also a 22% increase in listenership in the market centres of Penang, Johor Baru and Ipoh (source: Nielsen Radio Audience Measurement, Wave 2, 2011).

OUTDOOR

The Group's outdoor media platform comprising brands such as Big Tree Outdoor, Gotcha, UPD, The Right Channel and Kurnia Outdoor, continued to deliver impressive growth in 2011, reinforcing Media Prima's leadership of the outdoor advertising sector. Our outdoor media business held on to its leadership position by retaining 43% market share and achieving its expected growth in revenue.

The year in review saw the outdoor media platform successfully penetrating a niche market segment in the form of university and college advertising. The Company's foray into this new area began when it secured the Taylor's University Lakeside Campus outdoor advertising concession. The inroads we have made into institutions of higher learning complements our strategy of offering advertisers a fully integrated outdoor advertising solution.

Riding on the success of digital media deployment across its retail advertising concession areas, the outdoor media business introduced similar formats within the Kuching International Airport and Kota Kinabalu International Airport. Digital media formats provide advertisers with alternate products and creative solutions for their campaigns. This initiative also sets our Company on par with other international advertising firms that are specialising in airport advertising.

In 2011, Big Tree Outdoor was once again recognised as the top out-of-home medium of the year in a survey by Advertising & Marketing magazine for the third year running. The company emerged as the Marketers' Favourite Media Company in Targeting Specific Groups against a backdrop of stiff competition and an array of newcomers to the industry. Moving forward, our outdoor media platform will continue to focus on creativity and reach to reinforce its leading position in this segment.

NEW MEDIA

Alt Media is our Company's new media arm that is responsible for spearheading our digital media initiatives. The company manages the portals of our television and radio stations; Southeast Asia's largest online video portal, Tonton; the lifestyle portal, Gua; and the music portal, GuaMuzik.

Review of Operations (Cont'd)

2011 proved to be a very rewarding year for digital media at Media Prima. There was constant innovation surrounding the live streaming of numerous big-ticket TV and sports events such as *Anugerah Juara Lagu*, Showdown, *Anugerah Skrin* and the 26th SEA Games. By incorporating social networking mediums such as Facebook and Twitter during the live streams, Alt Media helped drive viewer interaction as well as increase a strong awareness of the events.

As a result of these efforts, *Anugerah Skrin 2011* garnered over 50,000 live streaming hits for the Red Carpet, Behind-The-Scenes and Awards Show on 4th November 2011. The number of hits garnered in 2011 for this event was three times higher than that achieved in 2010 and this currently stands as the highest number of hits for all live streamed events by Media Prima. In just over a month, the official *Augerah Skrin 2011* microsite garnered almost one million page views. On Facebook alone, the @TV3MALAYSIA fan page captured one million page views throughout the live awards show. For the first time in the history of the awards, a hashtag (#ask2011) was used and it trended as the second most popular hashtag in Malaysia on the awards night. This achievement is all the more impressive given that 20% of these online viewers were from countries like Singapore, Brunei, United Kingdom, Egypt and Australia, to name a few.

For the 26th SEA Games, a microsite was created in support of Team Malaysia as well as TV3 and Tonton's live broadcast and coverage of the regional sports meet. From 11th to 22nd of November 2011, the portal had over 50,000 unique visitors and almost 150,000 total live streaming hits. These results were mainly attributable to the Malaysia vs. Indonesia football finals, which had 80,000 live streaming hits on Tonton.

2011 saw Tonton continuing to maintain its foothold as the No. 1 video portal in Malaysia (source: comScore). It continued to make strong headway with its offer of a cutting-edge online quality viewing experience as well as the ability to customise content and interact via social networking. Tonton's intelligent and unobtrusive approach based on user preferences or historical content continues to go down well with audiences. In addition, by leveraging on Tonton's Intelligent Media Platform feature which provides advanced viewer profiling, advertisers were able to roll out their advertising with greater precision.

In March 2011, Tonton was awarded the Rakyat's Choice Award for Favourite Entertainment Portal at the NEF-Awani ICT Awards 2010. Votes were generated via the Facebook page of the Awards with Tonton garnering 43% of the total votes. The NEF-Awani ICT Award is Tonton's very first recognition from the Malaysian ICT industry and fellow Malaysians from all walks of life.

Tonton also leveraged on the hit local TV drama, *Nora Elena*, to bolster its online popularity. A special online viewing party (*Parti Tonton Nora Elena*) was created to give fans a fabulous viewing experience. The event generated 492,152 video views in just seven days. Aside from this, a Star Chat session with actor Aaron Aziz was held on the day the final episode was aired. The video stream came in fourth in the world on USTREAM with 25,000 viewers and almost 3,000 chatters. Overall, *Nora Elena* proved to be the biggest hit of the year on Tonton with total video views amounting to over two million.

The year ended with a bang when Tonton was ranked #9 in the Google's Top 10 Fastest Rising Searches of 2011 in Malaysia (source: Google 2011 Zeitgeist lists for Malaysia) which reaffirms the growing appreciation and interest Malaysians have towards online TV. In line with Tonton's expansion plans, it has opened up access to more than 30,000 hours of TV content from Media Prima's 26-year old archives via Tonton Premium (a pay-to-view service).

To cater to the growing number of mobile internet usage, Tonton launched its html5 mobile portal – m.tonton.com.my (a first in South East Asia). Optimised for the iPhone, iPad, Android, Blackberry and smart mobile devices, this mobile portal enhances Tonton's standing among users, advertisers and clients. Tonton Mobile has many features including Catch Up TV (TV3, ntv7, 8TV and TV9); exclusive videos (specials, movies, music, etc); thousands of videos for free viewing; video sharing via social networks Facebook and Twitter; as well as Easy navigation and HD-quality streaming.

Since its launch in April 2011, Tonton Mobile has reached over a million page views monthly. The mobile portal also utilises the Cross-Platform intelligent targeting system, therefore Tonton Mobile's users' log-in and registrations are linked with the main online platform to enable an intelligent multi-platform user targeting through CRM (consumer relationship marketing) as well as advertising capabilities (pre-roll, mid-roll, end-roll and banner overlays), depending on device capabilities.

In 2012, several new features will be introduced, namely pay-to-view content, advanced viewing, plus a 'Playlist' and 'Favourite' Selection.

As of end December 2011, Tonton had achieved the following numbers:

Page Views: Up to 11 million per month
Unique Visitors: Up to 955,000 visitors per month
Video Views: Up to 4.5 million video views per month
Average Time Spent: 13 minutes per month
Registered users: 1.9 million

By February 2012, Tonton had garnered more than two million registered users and delivered up to 40,000 hours of content.

MOVING FORWARD

As we go into 2012, Media Prima remains cautiously optimistic on the fundamentals of the global and domestic economies. With upcoming events such as Euro 2012, the Olympics and Malaysia's general elections, Media Prima is confident of delivering another profitable year. We will continue to maintain our industry leadership position and invest prudently in all our brands to maintain sustainable growth in our revenue and earnings performance. We will also endeavour to undertake proactive and prudent financial management, maximise operational efficiencies and leverage on the synergies across the Company. In addition, we will adopt good corporate governance and risk management practices to ensure Media Prima's reputation and stakeholders' interests are safeguarded.

As we set our sights on bolstering our position as Malaysia's media powerhouse and a complete integrated media platform group in ASEAN, we will continue to execute the following platform-specific strategies.

In TV networks, we will continue to invest in compelling, high quality, programming and brand engagement activities across our markets to sustain our leadership position in TV viewership and brand loyalty. We will increase our investment in local content and ensure that Malaysian content is made a priority for regional distributions. Improvements in brand awareness and the higher ratings that may arise from this will in turn provide advertisers the assurance and confidence for their continued partnership with Media Prima.

In print media, we will address the volatility of newsprint costs by implementing flexible forward buying for newsprint inventories. Concurrently, we will revive our existing brands, image and content as well as focus on printing quality and productivity while maximising advertising revenue from our strong presence amongst Malay language readers.

Within our radio networks, we will continue to develop new talent to attract listeners in order to maintain and strengthen our overall listenership. We will focus on Hot FM, which has improved its ranking from third place to second place among all stations and is No. 1 across its key demographics. 2012 will also see us focusing on regionalisation efforts as we expand Hot FM's footprint across the East Coast of Peninsular Malaysia.

In the outdoor media, we will maintain our edge by exploring new mediums of display at key strategic locations. We currently hold a 43% market share and will continue to invest in high yielding assets to maximise returns on investment.

New media platforms will provide us the opportunity to merge our online expertise with our strong brands in the traditional platforms. We will work towards monetising our online portals and online subscription business through our video portal Tonton in addition to collaboration with new platforms such as IPTV and next-gen platforms.

We are focused on thriving in our highly competitive eco-system. To this end, we must continue to produce high-quality content that is compelling and relevant to consumers. Innovation and creativity will remain the name of the game as we respond to consumers' specific tastes and needs whilst we remain relevant amidst the ever evolving technological landscape and changing social behaviour.

Killer content will undoubtedly remain key to our future success and we will continue to explore opportunities beyond traditional boundaries to deliver content across platforms and across borders. We are making our content available anywhere, anytime and will work to ensure that our integrated platform is able to capitalise on all opportunities that come our way. Regionalisation features strongly within our strategy via regional distribution of our content and collaboration via smart partnerships. We will capitalise on Government incentives and support to develop local content for the global market.

Our content and platforms touch the lives of more than 24 million Malaysians each day and we have a duty to ensure that we operate responsibly in the interests of our many stakeholders. We will ensure we maintain an optimal balance between economic performance and social obligations. After all, in the words of the great industrialist Henry Ford, "A business that makes nothing but money is a poor business."

In closing, I would like to take this opportunity to record our deep appreciation to our partners, suppliers, clientele, consumers and regulators for their steadfast support. I would also like to thank the Board of Directors and Media Prima's employees for their unwavering support and cooperation.

Thank you.

Dato' Amrin bin Awaluddin
Group Managing Director
Media Prima Berhad

Corporate Responsibility

At Media Prima, sustainability has always been central to our business and we believe in creating value for our stakeholders through sustainable engagement. As the largest and leading integrated media investment group, our stakeholder groups are huge consisting of our customers, investors, employees, suppliers and local communities. Close relations with these stakeholder groups allows us to integrate sustainability into all our activities. Working in an emerging and fast-phased industry, it is vital that sustainability efforts are integrated into all business operations. Our balanced and holistic approach helps us initiate win-win projects that benefits our surroundings. We believe profits go side-by-side with environmental and social performance. Our sustainability achievements is summarised here but are presented more comprehensively in our Sustainability Report 2011.

COMMUNITY

At Media Prima, we are wholeheartedly committed to good corporate citizenship and "giving back" to our communities. We work in partnership with non-government organisations, local foundations, community leaders, expert project facilitators and the Government. We identify the issues of greatest importance to the communities in which we operate. Community programmes are determined according to community benefit. There are three strategic core areas on which we focus on:

Community Projects at Media Prima

Education | **Humanitarian** | **Other Community Initiatives**

FOCUS	CHAMPION	PROGRAMMES
Education	Media Prima	Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR)
	NSTP	• Education Pullouts • Examination Workshops and Seminars • RHB New Straits Time National Spell It Right • *Akhbar Dalam Darjah* (ADD) Workshops • Guru.net.my • NST-NIE Actitivites • Niexter • Journalism on Campus • School Times • NST School Sponsorship Programme
Humanitarian	TV3	*Tabung TV3*, Special Purpose and *TV3 Bersamamu* Funds
	NSTP	• NSTP Charity Fund • *Tabung Bencana* NSTP-Media Prima
	Harian Metro	*Titipan Kasih Harian Metro*
	Alt Media	Gua Gives Back
Other Community Initiatives	ntv7 8TV *Berita Harian*	• ntv7 Feel Good Run • Autism Campaign • The 8TV Celebrity Charity Drive • *Semarak Ramadhan - Berita Harian*
	Alt Media	Tonton Cupcakes Charity Sale
	Hot Fm	• *Hangatkan Sekolahku* • Hot FM *Kita Punya*
	One Fm	• LOL - Back To School • LOL - Unitalk at UTAR • *Yayasan* Nanyang Press Project - Bangkok Flood • Ice Cream 4 You

Reaching Out to Our Stakeholders

2011 has been a very active year for Media Prima. We continued to serve the nation by reaching out to our stakeholders. Our engagement programmes affect millions of lives by engaging and interacting with them. Our reaching out programmes deliver a fun and interactive experience to the people of Malaysia. There is something for everyone as Media Prima engages with millions of people throughout Malaysia and overseas.

Reaching out: Yuan Carnival

ntv7's *Yuan Carnival* reaches out to its faithful viewers throughout Malaysia and promotes fellowship by spreading love, fun and excitement to local communities. Popular artistes from Singapore, Taiwan and Hong Kong and provided fun and entertaining activities for the entire family.

Reaching Out : Karnival Jom Heboh 2011

Karnival Jom Heboh 2011 is the epitome of leisureliness and family cohesion in-line with the Government's promotion of togetherness for families and society. It received thunderous applause in each of the nine locations visited including its launching ceremony in Terengganu. This nationwide tour was a great success and received 400,000 attendees.

Karnival Jom Heboh is a platform for TV3 to engage with its loyal viewers. Five million yearly visitors experience a variety of fun and healthy activities. It also promoted commercial growth and opportunities as small entrepreneurs were provided an opportunity to celebrate the fiesta which boosted their socio-economy standards.

Konsert Jom Heboh was the highlight of the event which featured Malaysia's best industry talents for TV3's loyal audience. Popular names included Anuar Zain, Ziana Zain, Ning Baizura, Jaclyn Victor, Tomok, Alyah, Black, Awie Rafael, Meet Uncle Hussain, Sofazr and Sixth Sense.

Integrating Sustainability into Our Business

Corporate Responsibility at Media Prima is more than simply giving back to the community. We realise that we can create a far greater impact by integrating CR into our businesses through various programmes on TV, radio, print advertisements and other relevant channels.

Reaching Out : Karnival Jom Heboh 2011

Reaching out: Yuan Carnival

Remaja : Food Distribution to the Homeless

A group of youth volunteers provided social services by distributing food to Kuala Lumpur's homeless around. The event created awareness and educated people for a better, more caring society, from the youths' perspectives. Food was distributed through a buffet organised in the *Jamek Mosque* area. A 'Night Run' featured a group of motorcyclists distributing packed food to the homeless on the streets throughout the city. The homeless were also entertained by a movie screening called *'Wayang Pacak'*.

Soccer Kids 3

Soccer Kids 3 programme discovers new talents in children aged between 10 and 12 years old by educating them about football tactics and increasing their technical skills. Training is conducted by professional coaches from the Football Association of Malaysia (FAM). This programme helps FAM develop the future of Malaysian football team from the grassroots.

Soccer Kids 3

Corporate Responsibility (Cont'd)

Tabung Bencana NSTP-Media Prima

The *Tabung Bencana* NSTP-Media Prima is a platform for the general public to donate money to major catastrophes, natural disasters and humanitarian crises. Well-known campaigns conducted include the Kosovo Action Fund, Malaysian Tsunami Disaster Fund, Gujerat Earthquake Fund, Fund for Gaza and Fund for Somalia. All funds were launched on an ad hoc basis and only operate for the specific campaign duration.

The *Tabung Bencana* NSTP-Media Prima was launched on 1 October 2009 in response to a huge earthquake that occurred in Padang, Sumatera and other Southeast Asian countries. *Tabung Bencana* NSTP-Media Prima Somalia successfully collected RM1.27 million while *Tabung Bencana* NSTP-Media Prima Thailand collected RM75,365.

BERSAMAMU

TV3 proudly unveiled its steadfast CR themed signature programme, *Bersamamu*, in May 2005 which has since broadcast more than 300 episodes. This programme forms closer ties with communities and raises public awareness of the beauty of charity. TV3 highlights the difficulties faced by the underprivileged through this programme and encourages viewers to donate money and participate in related charity drives. TV3 has received an overwhelming response from the public since the first episode was broadcast. Thousands of viewers contacted us about their families in need of assistance or simply to recognise our social welfare efforts. The positive response encourages TV3 to extend its care to the less fortunate. We have also helped these families by contributing essential items and financial aid to reduce their burden. Inspiring stories of *Bersamamu* episodes featured in 2011, including *Kem Bersamamu Alam* and *Nasi Goreng Ibu*, can be found in our Sustainability Report 2011.

MALAYSIA HARI INI

The *"Jenayah"* segment serves as a Crime Watch or Crime Alert and is featured every Tuesday. It informs viewers on ways to avoid becoming victims of crime. Victims share their experiences on air and topics for discussion are chosen each week from national headlines stories. The *Guaman* segment invites a panel of experienced legal practitioners to answers legal queries and advise on a variety of issues raised by members of the audience. The *Kesihatan* segment provides information on particular diseases or illnesses and offers expert advice from medical specialists.

Feel Good Run

SINGGAH SAHUR 2011

***SINGGAH SAHUR* 2011**

Singgah Sahur is a 10-episode programme aired every weekend during the month of *Ramadhan* from 1 to 29 August 2011. The concept is *"Tangan yang memberi lebih mulia dari tangan yang menerima"* or "the hand that gives is more blessed than the hand that takes". This show assists those who are less fortunate in the spirit of *Ramadhan*. The *Singgah Sahur* crew invites Media Prima's Senior Management and TV3 personalities to visit the less fortunate communities throughout Malaysia, to observe their plight and enjoy a blessed meal with these individuals.

SEJUTA IMPIAN

Sejuta Impian is TV3's latest reality programme aimed at finding Malaysians from all over the country with compelling stories and different ideas. Since its debut on May 15th 2011, *Sejuta Impian* has broadcasted each Sunday at 7.30pm. The show ran for 20 weeks ending on the 2nd of October 2011 with an average of 1.5 million viewers per episode.

Fly FM & Fahrenheit 88 makes Christmas wishes come true

Listeners and the general public were invited to donate gifts to the children of four chosen homes: Sanctuary Care Centre, *Rumah Sayangan*, Precious Childrens Home and Rainbow Home. Mini cards were hung on the Fly FM Wishing Tree, indicating each child's name, age and gender during the event, which ran from 5 to 23 December 2011. Listeners were encouraged to select a card and attach it to a gift they had for the child. These children were also treated to lunch, goodie bags and a once in a lifetime opportunity to watch Kyle Patrick of The Click Five perform.

Honk for Japan on Fly FM Pagi Show

On 1 April 2011, the Fly FM's Pagi Show decided to help the victims of the natural disaster that hit Japan earlier in the year. The Pagi Show which broadcasts from Ampang Park from 6am to 10am featured Phat Fabes, Ben and Nadia collecting as many 'honks' from passing vehicles as possible. The Pagi Show donated RM10 to *Tabung Bencana* NSTP-Media Prima for every passing car that sounded its horn. A total of RM2,370 was collected.

Fly FM & Fahrenheit 88 makes Christmas wishes come true

WORKPLACE

Media Prima as an Employer of Choice

Media Prima continues to provide a workplace where its people have the opportunity to be the best they possibly can. We pride ourselves on being an employer of choice. The Company focuses on creating the right culture and providing development opportunities with fair processes. Media Prima continues to promote a workplace that delivers value for its stakeholders and rewards its people. Media Prima's hiring policy encourages the development of local talent.

Honk for Japan on Fly FM Pagi Show

Rewarding Our Employees

Benefits provided to our employees include:

- A Productivity Incentive Bonus
- Medical coverage, dental coverage, insurance coverage
- Leave benefits: annual leave, medical leave, pilgrimage leave, maternity and paternity leave, study leave
- Allowances: mileage claim allowance, transfer allowance, night shift allowance, call back allowance, subsistence allowance, lodging allowance, laundry allowance, inconvenience allowance and overseas clothing allowance
- Others: Aerial and Marine Allowance, Diving, Parachuting and Flying Machine Allowance, VIP Allowance, Acting Allowance, High Risk Allowance and an Able Body Allowance

Career and Talent Development

Media Prima has introduced a number of employee engagement activities at all company levels from the Board of Directors to pre-entry candidates. The activities are designed to enhance the skills of our employees and reflect our interest in internal professional development. The second training calendar was launched on 18 February 2011. A total of 508 courses were offered with 19,574 total training man-days with a total investment of RM5,131,469.

Occupational Safety and Health

Media Prima has established an Occupational Safety and Health (OSH) Committee for the effective management of safety and health issues. It is a forum for discussion and the development of new ideas for Safety and Health Programmes improvement. The OSH Committee meets on a quarterly

Corporate Responsibility (Cont'd)

basis but may convene whenever required such as when investigating an accident. The OSH Committee ensures full compliance with the Occupational Safety & Health Act 1994 (Act 514) Section 30 & 31 and Occupational Safety & Health (Safety & Health Committee) Regulations 1996. Our OSH training programmes are summarised below:

Training	Pax
OSHAS 18001 System Awareness 13 September	16
Safety & Health Committee 28 April	26
Niosh Tm Safety Passport 20 & 28 June	33
Fire Fighting & Rescue 28 June	29
Safety Begins With You (Engineering Team) 13 July	22
Safety Begins With You (Production Team) 13 July	13

MARKETPLACE

Responsible Marketing

Media Prima adheres to the national policy of responsible marketing set by the Lembaga Penapisan Filem. It does not accept sponsorships from tobacco or alcohol companies for any of its programmes or publications. Media Prima has not faced any convictions relating to its marketing or communications including advertising, promotion and sponsorship during 2011. The Company has no record of non-compliance within and outside Malaysia and has not sold any programme or air-time in any barred markets.

Widening Our Customer Platform - TONTON

Tonton, tonton.com.my, was launched in August 2010 and provides a world-class video viewing experience on an intelligent platform. This video portal provides a combined catch-up TV service that was previously on different TV portals. Tonton enabled Media Prima to deliver more content, user interactivity and personalisation to the market. It provides an even more compelling proposition to its users, advertisers and clients and positions Media Prima as a leader in the digital media space. Channels available at tonton are TV3, ntv7, 8TV, TV9, Tonton Korean, Tonton Exclusives, KRU TV, GUA TV, GUA Muzik, Fly TV, One TV, Hot TV, EMAS.

Tonton viewing statistics

Metric	KPI 2011	Actual Performance 2011	% of KPI Achieved
Page Views	60,000,000	73,868,078	123%
Visits	14,400,000	17,164,259	119%

Customer Satisfaction

Media Prima complies with the rules and regulations established by the General Consumers Code 2003. A Customer Complaint process and a Customer Satisfaction rating have been introduced to ensure high standards of programming are upheld and generate feedback for Media Prima's programming.

The Customer Satisfaction Rating System is managed by the Research Department in Media Prima and outsourced to Nielsen Audience Measurement methodologies. Media Prima tracks the response of the audience according to TV Networks. The number of viewers and the satisfaction rates are reported. Standard information is also collected across all major demographics.

Media Prima's complaints process is managed by the Brand Management Group which has been established under the General Consumers Code. Media Prima complies with the Malaysian Communications and Multimedia Commission (MCMC) policy on customer feedback. The Customer Complaint process addresses the expected timeline for resolving complaints. We ensure that 90% of all complaints are resolved within 15 days.

Sustainable Procurement

Media Prima shares its philosophies and business goals with its suppliers ensuring strong long-term partnerships. We promote our procurement activities based on our basic policies of fairness, compliance or ethics and social responsibility. Although Media Prima has no specific policy on local suppliers, more than 70% of its suppliers are local.

ENVIRONMENT

TV Network	• Gradual replacement of 2 KW and 1KW of studio lightings to energy saving LED studio lightings and cooled lights • A trial test run on the use of LED fluorescent lights versus standard conventional fluorescent lighting at the office area is ongoing. The tests have been very encouraging with the achievable saving of energy estimated at approximately 50%. However the purchase cost of the new LED fluorescent lights at the current moment is still very high. We will start purchasing LED fluorescent lights when the price is reduced to a level where the saving exceeds the cost of purchase.
NSTP	• NSTP has a centralised air-conditioning system which consumes between 5% and 10% less energy than conventional cooling systems • The air-conditioning system at NSTP is also fitted with inverters to monitor the motor output • For maximum efficiency, NSTP has installed small air compressors for use during low load periods. An air compressor reduces energy consumption to a minimum by avoiding completely unloaded power consumption.
Big Tree Outdoor	• Replacing normal fluorescent light to External Electrode Fluorescent Lamp (EEFL) of 5' x 3', 6' x 4', 4' x 8' light boxes. The EEFL differs from other fluorescent lamps, with its electrodes outside of the lamp. The lamp's light is produced by external electrodes producing an electric field inside the lamp which generates the plasma that lights the lamp. This new generation of lamps does not emit heat which increases the lifetime of the lamp. • Upgrading static lightboxes to Plasma LCD screens • Replacing normal usage of metal halide fittings to LED type • Reducing power usage by installing junction boxes at KLSR pillars
Radio Network	Fly FM, Hot FM and One FM supported the Earth Hour again this year when their stations were shut down from 8:30pm to 9:30pm on 26 March 2011. Listeners were also encouraged to support this good cause by announcing the initiative on-air.

OTHER ENVIRONMENTAL INITIATIVES

3R Initiatives at NSTP

NSTP reduces its environmental footprint by minimising the amount of waste produced throughout the business. All inks are collected, stored and labelled on the operations premises before being collected by licensed disposal contractors for safe disposal. Batteries and other electronic equipment are collected and NSTP's newsprint is recycled.

Recyclable Vinyl

BTO introduced BIOFlex Polyethylene recyclable vinyl for billboards in Malaysia which represents a large proportion of our visual environment. These have a limited life span and become landfill once they are disposed of. We converted expired billboard advertising campaigns into paper bags and mouse pads.

Illegal Tapings

We constantly trace and take action on the illegal tapings from our Distribution Board by conducting site inspections and referring to our electricity bills. This is part of the ongoing efforts by BTO to prevent the pilferage of electricity. Offenders are prosecuted and their contracts with BTO are terminated.

BIODIVERSITY AND CONSERVATION

PRIMEWORKS STUDIOS Tioman Island Clean-Up Day

50 children aged 10 to 12 years old participated in the 'Tioman Island Clean Up Day' from 2 to 6 December 2011. It was organised by Kids Scuba, Scuba Rangers and PADI Seal Team & Berjaya Hotels & Resorts. *Berita Adik TV9* was invited to participate in this three-day event on Tioman Island. The main objective was to protect and preserve the natural environment of Tioman Island. Endorsed by the Professional Association of Diving Instructors (PADI)'s Project AWARE, this marine camp aims to strengthen the conservation of underwater life and educate children on the importance of coral reefs to the ecosystems from an early age. The event features various educational and fun-filled activities including a dive clean-up, beach cleaning, conservation awareness talk, workshop and games.

Calendar of Events

Jan 9
TV3 hosted the *Anugerah Juara Lagu 2011*- the most prestigous local music awards

Jan 13
The Malaysia CEO of the Year 2010 event

Feb 24
Media Prima celebrated Chinese New Year 2011 at Sri Pentas

Feb 25
Q4 FY 2010 announcement at One World Hotel

Feb 26-27
Konsert 20 Tahun Harian Metro

Mar 26
Akademi Al-Quran 5 Final - A signature Islamic programme of TV9 which received encouraging response from 1.5 million national viewers

Apr 4
Anugerah Bintang Popular Berita Harian 2010 - annual appreciation for inspiring local stars

Apr 20
Media Prima held its 10th AGM at One World Hotel

May 6
YAB Dato' Seri Najib Tun Razak,the Prime Minister of Malaysia visited Hot FM Studio

May 7
Karnival GP Joran Berita Harian – His Royal Highness, the Sultan of Johor, Sultan Ibrahim Ibni Almarhum Sultan Iskandar officiated the Johor's edition of GP Joran

May 19
Media Update and Client Appreciation Night - Creative Outdoor Digital Environment ("CODE") – the Big Tree's digital media format

May 28 - 29
YAB Dato' Seri Najib Tun Razak, YB Dato' Sri Ismail Sabri bin Yaakob, YB Dato' Sri Ahmad Shabery bin Cheek, and Datuk Johan Jaaffar at the Karnival Jom Heboh special National Youth Day 2011 edition 2011

Calendar of Events (Cont'd)

Jun 1
The launching of EMAS in Sri Pentas

Jun 6
Showdown 2011 - Final - Second season of Malaysia's most distinguished dance show organized by 8TV

Jul 3
Feel Good Run - A long-distance running event to promote the "Feel Good" channel - ntv7

Jul 17
The Longest Superbike Convoy - Malaysia Book of Records' recognition to Media Prima for the longest superbike line

Jul 23
Deputy Prime Minister of Malaysia, Tan Sri Datuk Muhyiddin Mohd Yassin and the Winner in the Primary Category, Darren Leong Wei Jinfrom SK St Michael, Perak at the RHB-New Straits Times "Spell It Right" 2011 Grand Final

Aug 13
Singgah Sahur Team helping homeless people in Felda Ijok, Perak

Aug 15
Ramadhan bazaar visit by Deputy Prime Minister of Malaysia, Tan Sri Datuk Muhyiddin Mohd Yassin during *Semarak Ramadan Berita Harian* with AmIslamic

Aug 17
Former Prime Minister of Malaysia, Tun Dr. Mahathir Mohamad, launched *Tabung Bencana Somalia* NSTP-Media Prima in Putrajaya

Sep 11
Titipan Kasih Harian Metro - Sharing the moments with the "developmentally challenged"

Sep 14
Media Prima celebrated *Hari 1001 Raya* for the staff in Sri Pentas

Sep 20
Media Prima staff participated in Bursa Malaysia's KL Rat Race

Sep 23
YAB Dato' Seri Najib Tun Razak, the Prime Minister of Malaysia and Datin Paduka Seri Dr. Hajjah Rosmah Mansor graced the Media Prima Open House 2011

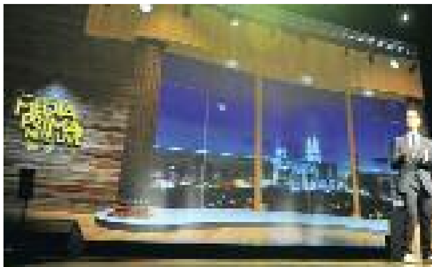
Calendar of Events (Cont'd)

Sep 27
Media Prima won the CIMA Awards in KL

Oct 8 - 9
Grand Final of *Karnival Futsal Harian Metro*

Oct 22
NSTP Retirement & 25 Years Long Service Award

Oct 24
The launch of People Connect 3.1 at Balai Berita – an internal portal for Media Prima staff



Oct 28
Ahmad Izham bin Omar, the COO of Media Prima TV Network hosted Media Prima Night Live 2011 – an annual grand screening of all MPTVN attractions

Nov 2
SEA Games celebration at Sri Pentas

Nov 3
TV3 hosted *Anugerah Skrin 2011* at PWTC

Nov 11
NST launched its new look in 3D

Nov 18
Karnival Gegaria Harian Metro 2011 - an epic battle between Harian Metro's hand wrestlers

Nov 20
Shout! Awards - An entertainment award show by 8TV created to celebrate the Malaysian entertainment scene award since year 2009

Nov 25
NST/Maybank Car of The Year Awards Night 2011

Dec 6
Health Awareness Day at Sri Pentas

Dec 7
Media Prima won accolades at the MSWG Index 2011 event

Dec 12
NST Young Writers Award

Awards & Recognition

Asiamoney Award

Best Overall for Corporate Governance

Media Prima Berhad

Asiamoney Award

Best for Disclosure and Transparency

Media Prima Berhad

Asiamoney Award

Best for Responsibilities of Management and the Board of Directors

Media Prima Berhad

Asiamoney Award

Best for Shareholder's Rights and Equitable Treatment

Media Prima Berhad

Asiamoney Award

Best for Investor Relations

Media Prima Berhad

Asia's Best Companies 2011

Award Ceremony (Finance Asia) 2011
2nd Rank in Best Mid-Capitalised Company in Malaysia
Media Prima Berhad

4th Malaysian Business – CIMA Enterprise Governance 2011 Award

Best Corporate Social Responsibity Award
Media Prima Berhad

National Annual Corporate Report Awards (NACRA) 2011

Best Corporate Social Responsibility Award (Platinum Award)
Media Prima Berhad

ASEAN Business Awards

Finalist Large Corporation for Corporate Social Responsibility
Media Prima Berhad

ASEAN Business Awards

Finalist Large Corporation for Growth
Media Prima Berhad

Awards & Recognition (Cont'd)

Awards	Category	Receiver
Asiamoney Award	Best Overall for Corporate Governance	Media Prima Berhad
	Best for Disclosure and Transparency	Media Prima Berhad
	Best for Responsibilities of Management and the Board of Directors	Media Prima Berhad
	Best for Investor Relations	Media Prima Berhad
	Best for Shareholder's Rights and Equitable Treatment	Media Prima Berhad
	Best for Investor Relations Officer	Tengku Adrinna Shahaz Media Prima Berhad
Anugerah Kewartawanan MICE 2011	Second Place	TV3 – Amanda Lopez
National Annual Corporate Report Awards (NACRA) 2011	Best Corporate Social Responsibility Award (Platinum Award)	Media Prima Berhad
Minority Shareholders Watchdog Group (MSWG) - Malaysian Corporate Governance Index 2011	Distinction Award	Media Prima Berhad
ASEAN Business Awards at the ASEAN Business and Investment Summit, Bali	Finalist Large Corporation for 2 categories: 1) Corporate Social Responsibility 2) Growth	Media Prima Berhad
ACCA Malaysia Sustainability Reporting Awards (MASRA) 2011	Shortlisted	Media Prima Berhad
4th Malaysian Business – CIMA Enterprise Governance 2011 Award	Winner of Best Corporate Social Responsibility Award	Media Prima Berhad
Asia's Best Companies 2011 Award Ceremony (Finance Asia) 2011	2nd Rank in Best Mid-Capitalised Company in Malaysia	Media Prima Berhad
Global Leadership Award 2011	Winner of Media & Entertainment Sector	Dato' Amrin Awaluddin, Group Managing Director Media Prima Berhad
BrandLaureate Awards 2010-2011	BrandLaureate Conglomerate Awards	Media Prima Berhad
Anugerah PROFIMA	Best Videography (Documentary): Jejak Rasul	Primeworks Studios
Malaysian Press Institute Petronas 2011	Best Video Documentary: Majalah 3	Primeworks Studios
Sabah Tourism Awards 2011	Best Tourism Documentary: 3 Hari 2 Malam	Primeworks Studios

Awards	Category	Receiver
Anugerah Skrin 2011	Penerbitan Teknikal Kreatif – Suntingan Terbaik: Majalah 3 *(Ulu Lubai, Sarawak)*	Primeworks Studios
	Penerbitan Teknikal Kreatif – Videografi Terbaik : Majalah 3 *(Ulu Lubai, Sarawak)*	TV3-Primeworks Studios
	Penerbitan Teknikal Kreatif – Penataan Bunyi Terbaik: Majalah 3 (Menanti Mekarnya Sakura -Tsunami Di Jepun).	TV3-Primeworks Studios
	Drama Rantaian Terbaik – *JUVANA*	TV3-Primeworks Studios
	Penerbitan Teknikal Kreatif – Pengarah Seni Terbaik: *Anugerah Juara Lagu 25*	TV3-Primeworks Studios
	Laporan Khas / Berita Terbaik	TV3-Primeworks Studios
	Buletin Utama: *Pengemis Terhormat*	TV3-Primeworks Studios
Putra Brand Awards 2010	Bronze Award	TV3
Anugerah Pingat Darjah Indera Mahkota Pahang (DIMP) Yang Membawa Gelaran “Dato’” sempena Ulangtahun Keputeraan Sultan Pahang	-	Karam Singh Walia
Anugerah Kewartawanan UMNO 2011	Best News Video	TV3 – Nik Suriani Megat Deraman
Anugerah Media Johor 2011	Best TV Journalism Award	TV3 – Ashar Ahmad / Idrus Rahmat
	Rancangan Muzik Terbaik : Shout Awards 2010	8TV-Primeworks Studios
	Rancangan Realiti Terbaik : Showdown 2011	8TV-Primeworks Studios
Anugerah Juara Lagu ke-25	1st Runner Up : Drama King (Black)	Primeworks Studios
	Best Performance: *Hanyut* (Faizal Tahir)	Primeworks Studios
Anugerah Planet Muzik 2011	Best Group (Jaclyn Victor & Shila Hamzah in *Tiga Suara*)	Primeworks Studios
Anugerah Industri Muzik 2011	Best Vocals in a group (Jaclyn Victor & Shila Hamzah in *Tiga Suara*)	Primeworks Studios
Advertising + Marketing Agency of the Year Awards 2011	Gold Award, Production Agency Of The Year	Primeworks Studios
Festival Filem Malaysia 24	Anugerah Khas Juri Filem Genre Mistik Terbaik : Janin	Primeworks Studios
	Pelakon Wanita Terbaik: Siti Shahriza (Eja) – Janin	Primeworks Studios

Awards & Recognition (Cont'd)

Awards	Category	Receiver
New York Festivals 2011	Silver World Medal, Original Music: Promotion Spot (1 Malaysia - Rasa Sayang)	Primeworks Studios
	Finalist Certificate, Art Direction: Promotion Spot (Free Palestine With Aizat)	Primeworks Studios
	Finalist Certificate, Direction: Promotion Spot (Golden Awards 2010)	Primeworks Studios
	Finalist Certificate, Direction: Promotion Spot (1 Malaysia - Rasa Sayang)	Primeworks Studios
Asia Rainbow TV Awards 2011	Best Drama Theme Song – Age Of Glory II (Yise Loo – Linger) – WINNER	ntv7
Ministry of Health Award 2011	Best TV News Special Report – By Amin Hayat bin Abdul Rahim – Won	TV9
A+M's TV Broadcaster of The Year 2010	Top (No 1) among Young Urban English Literate Viewers (Teenage Boys & Girls, Women Age 18-24, Female Fashion & Luxury Product Buyers & Frequent Travellers)	8TV
Asian Television Awards 2011(ATA)	Best Lifestyle Programme: Welcome To The Railworld (epi 7)	8TV
	Best Actor In A Supporting Role: Gary Yap Choon Kean (A Time To Embrace)	8TV
	Best Theme Song – A Time To Embrace Drama (sung by Henley Hii, titled `Guang Ying')	8TV
The New York International Television & Film Awards	World's Best Work – Promotion Spot, Art & Technique Promotion/ Open & IDs for Direction (Rasa Sayang)	8TV
	World's Best Work – Original Music (Rasa Sayang)	8TV
Asia Pacific Advertising Festival (AdFest) 2011	Grand Prix Award in the Poster Lotus category for the 'NST Perspectives-Riot' poster	NSTP
	Silver for its 'NST Perspectives – Exploitation' poster	NSTP
	Finalist Certificate for its 'NST Perspectives – Smuggling' poster	NSTP
Malaysian Press Institute Petronas Awards	Winner in the Best Columnist/Critics/Commentary Category	NSTP – Datuk Syed Nadzri Syed Harun
	Kajai Award	Berita Harian – Norfatimah Ahmad and Nor Fazlina Abdul Rahim
	Best Feature Category	NSTP – Azrul Affandi

Awards	Category	Receiver
10th Asia Media Awards	Bronze Award in “Best in Editorial Content-Breaking News” – Articles by Fadhal Ilahi Abdul Ghani	NSTP
The BrandLaureate 2010-2011	Best Brands in Media – Newspaper	NSTP
Kinabalu Shell Press Awards	- Anugerah Kewartawanan - Sagu hati Kategori Anugerah Penulisan Berita	Berita Harian – Hassan Omar
	- Anugerah Laporan Ekonomi dan Perniagaan - Anugerah Kewartawanan Alam Sekitar - Sagu hati Anugerah Kewartawanan	Berita Harian – Mohd Azrone Sarabatin
	- Sagu hati Laporan Ekonomi dan Perniagaan	NST – Roy Goh
	- Sagu hati bagi Anugerah Kewartawanan Alam Sekitar	NSTP – Datu Ruslan Sulai (Jurugambar)
Cannes Lions International Festival of Creativity	Outdoor Category – Press and Poster (NST)	McCann Erickson (Creative Agency)
National Film Development Corporation (Finas) Samad Idris Trophy	Second Place	NST – Faridul Anwar Farinordin
	Third place	NST (Sunday Times) – Sofea Chok Suat Ling
	Malay Writing Category	Berita Harian – Zainor Said Ratinawati Rasidi
Anugerah Media Kementerian Kesihatan for Malay Newspaper Category	Consolation for Best Health Reporter Award	Harian Metro – Norlaila Hamima Jamaluddin
	Best Health Photo Award	NSTP – Mohd Sairien Nafies (Photographer)
Sarawak Hornbill Tourism Award	The Outstanding contribution to the Tourism Industry-Media-Article Category	NSTP
Kenyalang Shell Press Awards	The News Reporting category	NSTP – Misiah Taid
	Main Journalism Award	TV3 Sarawak - Araffie Anak Igat/ Mohamad Taufik Latip
	Environmental Reporting	TV3 Sarawak - Araffie Anak Igat/ Mohamad Taufik Latip

Awards & Recognition (Cont'd)

Awards	Category	Receiver
4th Malaysia Effie Award	Bronze Medal – Advertisement *'Biar Betul'*	Harian Metro
Anugerah Media Petronas Datuk Bandar Dewan Bandaraya Kota Kinabalu (DBKK) 2011	3rd Prize	Harian Metro – Norasikin Daineh
Media Appreciation Night	Best Journalist Award	NSTP – Farrah Naz Karim
Digital Asia Media Awards 2011	*Anugerah Bintang Popular Berita Harian (ABPBH)* – Golden Award in the Cross Media Editorial Coverage category	NSTP
Johor 2011 Media Award	English Category	NSTP – Jasmine Shadiqe
	English Sports Category	NSTP – Rizal Abdullah
	Bahasa MalaysiaDevelopment article category	Berita Harian – Mohamed Farid Noh
Malaysia Tourism Award 2010/2011	Tourism Ministry's Creative Tourism Article award in the Best Local Writer (English) category	NSTP – Zalina Mohd Som
NEF-Awani ICT Awards 2010	Rakyat's Choice Award for Favourite Entertainment Portal – Tonton	Alt Media
Anugerah Bintang Popular Berita Harian 2010	Most Popular Radio Announcer (Male)	Radio Networks – Faizal Ismail
	Most Popular Radio Announcer (Female)	Radio Networks – Fara Fauzana
UDC Awards 2011	Best Radio Program	Radio Networks
Out-of-Home Media Company of the Year 2011	Ranked first amongst Malaysia's Top 10 Out-of-Home Firms	Big Tree Outdoor

Financial Statements

Directors' Report

The Directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of procurement services for its subsidiaries.

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, publishing, editorial services, sale of newspapers, provision of internet based on-line services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, property management services and other industry related services.

There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associates are set out in Note 27 and Note 28 to the financial statements respectively.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year from continuing operations	207,410	234,484
Net profit from subsidiaries held for sale	2,252	–
Net profit for the financial year	209,662	234,484

	Group RM'000
Attributable to:	
Owners of the Parent	207,650
Non-controlling interest	2,012
Net profit for the financial year	209,662

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2010 were as follows:

		RM'000
(1)	In respect of the financial year ended 31 December 2010, a final single tier dividend of 6.0 sen per ordinary share on 1,049,943,368 ordinary shares, paid on 13 July 2011	62,997
(2)	In respect of the financial year ended 31 December 2011, a first interim single tier dividend of 3.0 sen per share on 1,063,449,772 ordinary shares, paid on 14 October 2011	31,904

DIVIDENDS (cont'd)

		RM'000
(3)	In respect of the financial year ended 31 December 2011, a second interim single tier dividend of 3.0 sen per share on 1,067,702,708 ordinary shares, paid on 16 January 2012	32,031
(4)	In respect of the financial year ended 31 December 2011, a special single tier dividend of 5.0 sen per share on 1,067,702,708 ordinary shares, paid on 16 January 2012	53,385
		180,317

The Directors had on 23 February 2012 recommended the payment of a final single tier dividend of 5.0 sen per ordinary share, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

ISSUANCE OF SHARES

During the financial year, 61,455,208 new ordinary shares of RM1.00 each were issued by the Company comprising:

(a) 7,552,490 (2010: 416,013) ordinary shares of RM1.00 each pursuant to the exercise of the Company's warrants at exercise price of RM1.80 per warrant. The premium arising from the exercise of warrants of RM7,174,866 (2010: RM434,000) has been credited to the Share Premium reserve.

(b) 53,902,718 (2010: 8,804,081) ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM1.80, RM1.98 and RM2.10 (2010: RM1.46, RM1.55, RM1.80 and RM1.98) per option. The premium arising from the exercise of ESOS of RM65,774,033 (2010: RM9,254,000) has been credited to the Share Premium reserve.

(c) No new issuance (2010: 52,130,147) of ordinary shares of RM1.00 each pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad by the Company. The premium arising from the issuance of shares of RM Nil (2010: RM45,519,000) has been credited to the Share Premium reserve.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year, the Group entered into a divestment transaction as disclosed in Note 38(iv) and Note 38(v) of the financial statements.

During the year MPB has embarked on a group-wide internal corporate restructuring exercise to realign the Group's businesses into distinct business units as disclosed in Note 27.

Directors' Report (Cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS was approved by the shareholders on 15 April 2010 and became effective on 14 May 2010 for a period of five (5) years.

Details of the ESOS are set out in Note 12 to the financial statements.

DIRECTORS

The Directors who have held office during the period since the date of the last report are:

Datuk Johan Jaaffar (Chairman)
Dato' Amrin Awaluddin
Dato' Sri Ahmad Farid Ridzuan
Datuk Ahmad Abd Talib
Dato' Shahril Ridza Ridzuan
Tan Sri Lee Lam Thye
Tan Sri Dato' Seri Mohamed Jawhar
Dato' Abdul Kadir Mohd Deen
Dato' Gumuri Hussain
Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor

In accordance with Articles 100 and 101 of the Company's Articles of Association, Datuk Johan Jaaffar, Dato' Amrin Awaluddin, Datuk Ahmad Abd Talib and Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's ESOS (see Note 7 to the financial statements).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than Directors' remuneration and benefits-in-kind disclosed in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

REMUNERATION COMMITTEE

The Remuneration Committee concluded the annual review of the overall remuneration policy for Directors, the Group Managing Director and the Senior Management Officers where upon recommendations are made to the Board of Directors for approval. The members of the Remuneration Committee at the date of this Report comprise:

- Dato' Fateh Iskandar Tan Sri Dato' Mohamed Mansor (Chairman)
- Dato' Abdul Kadir Mohd Deen
- Tan Sri Lee Lam Thye
- Dato' Shahril Ridza Ridzuan

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, particulars of interests of Directors who held office as at the end of the financial year in shares and options over ordinary shares in the Company are as follows:

	Number of ordinary shares of RM1.00 each			
	As at 1.1.2011 '000	Additions '000	Disposals '000	As at 31.12.2011 '000
Dato' Amrin Awaluddin	289	300	(261)	328
Dato' Sri Ahmad Farid Ridzuan	440	300	(280)	460
Datuk Ahmad Abd Talib	–	160	(135)	25

	Number of options over ordinary shares of RM1.00 each			
	As at 1.1.2011 '000	Granted '000	Exercised '000	As at 31.12.2011 '000
Dato' Amrin Awaluddin	650	–	(300)	350
Dato' Sri Ahmad Farid Ridzuan	500	–	(300)	200
Datuk Ahmad Abd Talib	400	–	(160)	240

Other than as disclosed above, according to the Register of Directors' shareholdings, none of the other Directors in office at the end of the financial year held any interest in shares and options over ordinary shares in the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

Directors' Report (Cont'd)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (cont'd)

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in the Notes to the financial statements; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 February 2012.

DATUK JOHAN JAAFFAR
CHAIRMAN

DATO' AMRIN AWALUDDIN
GROUP MANAGING DIRECTOR

Statements of Comprehensive Income
for the financial year ended 31 December 2011

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Continuing operations					
Revenue	2	**1,622,133**	1,546,643	**332,037**	159,306
Other operating income		**16,390**	16,927	**740**	–
Finance income	4	**8,538**	4,348	**4,682**	2,328
Programmes, film rights and album production costs					
– Amortisation		**(179,183)**	(182,527)	**–**	–
– Write off		**(5,696)**	(400)	**–**	–
Newsprint and production cost		**(225,261)**	(221,108)	**–**	–
Other editorial charges		**(12,758)**	(19,898)	**–**	–
Other direct costs		**(99,374)**	(90,806)	**–**	–
Distribution expenses		**(34,536)**	(33,134)	**–**	–
Employee benefits costs	5	**(425,739)**	(421,345)	**(22,489)**	(19,682)
Advertising and promotion expenses		**(39,359)**	(32,280)	**(720)**	(520)
Transmission rental and expenses		**(32,440)**	(37,130)	**–**	–
Repairs and maintenance		**(29,258)**	(23,281)	**–**	(109)
Utilities		**(22,580)**	(22,195)	**(116)**	(98)
Professional and consultancy fees		**(15,959)**	(17,051)	**(1,117)**	(1,518)
Rental of premises		**(16,793)**	(13,730)	**–**	–
License fees		**(9,828)**	(9,556)	**–**	–
Property, plant and equipment					
– Depreciation		**(88,190)**	(86,825)	**(1,205)**	(1,238)
– Net impairment (charge)/reversal		**(2,168)**	1,188	**–**	–
– Write off		**(773)**	(75)	**–**	–
– Net (loss)/gain on disposal		**(1,786)**	5,322	**–**	–
Investment properties					
– Depreciation		**(2,208)**	(2,250)	**–**	–
– Impairment		**–**	(1,782)	**–**	–
– Net gain on disposal		**61**	346	**–**	–
(Impairment)/reversal of receivables					
– Trade and other receivables		**(10,363)**	(2,411)	**–**	–
Fair value gain on financial assets at fair value through profit or loss		**65**	362	**–**	–
Amortisation of acquired rights		**(4,272)**	(10,932)	**–**	–
Negative goodwill from acquisition of a subsidiary	38(i)	**–**	55,444	**–**	–
Other operating expenses		**(79,189)**	(80,152)	**(2,698)**	(2,683)
Profit from continuing operations	6	**309,474**	321,712	**309,114**	135,786
Finance cost	4	**(32,085)**	(32,597)	**(29,342)**	(29,106)
Share of results of an associate		**2,127**	6,196	**–**	–
Profit before taxation		**279,516**	295,311	**279,772**	106,680
Taxation	8	**(72,106)**	(44,693)	**(45,288)**	(20,319)
Net profit for the financial year from continuing operations		**207,410**	250,618	**234,484**	86,361

Statements of Comprehensive Income
for the financial year ended 31 December 2011 (Cont'd)

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
Discontinued operations/subsidiaries held for sale					
Profit/(losses) from subsidiaries held for sale	40(b)(i)	**1,528**	(1,592)	**–**	–
Gain on disposal of subsidiary held for sale		**724**	–	**–**	–
Net profit for the financial year		**209,662**	249,026	**234,484**	86,361
Other comprehensive income/(expense):					
Available-for-sale financial assets		**280**	119	**–**	–
Currency translation differences		**(628)**	2,370	**–**	–
Reclassification adjustment for gain included in profit or loss		**(1,994)**	–	**–**	–
Net other comprehensive (expense)/income for the financial year, net of tax		**(2,342)**	2,489	**–**	–
Total comprehensive income for the financial year		**207,320**	251,515	**234,484**	86,361
Profit attributable to:					
Owners of the Parent		**207,650**	242,294		
Non-controlling interests		**2,012**	6,732		
		209,662	249,026		
Total comprehensive income attributable to:					
– Owners of the Parent		**207,102**	244,979		
– Non-controlling interests		**218**	6,536		
Total comprehensive income for the financial year		**207,320**	251,515		

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in Note 8.

	Note	Group 2011 RM'000	Group 2010 RM'000
Basic earnings per share (sen) for:	9(a)		
– net profit from continuing operations		**19.57**	24.74
– net gain/(losses) from subsidiary held for sale		**0.21**	(0.16)
– net profit for the financial year		**19.78**	24.58
Diluted earnings per share (sen) for:	9(b)		
– net profit from continuing operations		**18.30**	22.84
– net gain/(losses) from subsidiary held for sale		**0.20**	(0.15)
– net profit for the financial year		**18.50**	22.69

The accounting policies on pages 136 to 156 and the notes on pages 157 to 227 form an integral part of these financial statements.

Statements of Financial Position
as at 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	25	**727,087**	728,748	**324**	1,466
Investment properties	26	**55,704**	57,850	**–**	–
Subsidiaries	27	**–**	–	**1,357,885**	1,324,403
Associates	28	**214,501**	212,374	**–**	–
Amounts due from subsidiaries	34	**–**	–	**394,741**	423,508
Prepaid transmission station rentals		**1,855**	1,882	**–**	–
Available-for-sale financial assets	31	**1,400**	1,120	**–**	–
Intangible assets	30	**370,455**	381,830	**–**	–
Deferred tax assets	24	**50,139**	56,491	**–**	–
		1,421,141	1,440,295	**1,752,950**	1,749,377
CURRENT ASSETS					
Inventories	32	**145,753**	108,515	**–**	–
Trade and other receivables	33	**379,800**	344,869	**541**	667
Amounts due from subsidiaries	34	**–**	–	**164,921**	92,253
Tax recoverable		**14,136**	3,773	**9,330**	5,960
Financial assets at fair value through profit or loss	29	**3,318**	3,253	**–**	–
Deposits, cash and bank balances	35	**450,096**	317,931	**247,566**	135,145
		993,103	778,341	**422,358**	234,025
Assets held for sale	40	**180**	16,482	**–**	–
		993,283	794,823	**422,358**	234,025
TOTAL ASSETS		**2,414,424**	2,235,118	**2,175,308**	1,983,402
NON-CURRENT LIABILITIES					
Bank guaranteed medium term notes	17(i)	**–**	99,226	**–**	99,226
Redeemable fixed rate bonds	17(ii)	**146,679**	145,008	**146,679**	145,008
Interest bearing bank borrowings - Term loans	19(a)	**187,000**	201,000	**187,000**	201,000
Hire-purchase and lease creditors	22	**8,309**	13,713	**–**	–
Trade and other payables	23	**409**	409	**–**	–
Deferred tax liabilities	24	**102,422**	87,844	**–**	–
		444,819	547,200	**333,679**	445,234

Statements of Financial Position
as at 31 December 2011 (Cont'd)

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CURRENT LIABILITIES					
Trade and other payables	23	**420,567**	310,975	**98,656**	13,420
Amounts due to subsidiaries	34	**–**	–	**29,020**	6,088
Amounts due to an associate	36	**2,005**	11,437	**–**	–
Bank guaranteed medium term notes	17(i)	**100,253**	70,031	**100,253**	70,031
Interest bearing bank borrowings:					
– Term loans	19(a)	**14,000**	14,000	**14,000**	14,000
– Banker's acceptance	19	**31,953**	–	**–**	–
– Revolving credit	19	**10,000**	–	**–**	–
Current tax liabilities		**8,422**	8,043	**–**	–
		587,200	414,486	**241,929**	103,539
Liabilities of subsidiaries held for sale	40	**–**	23,239	**–**	–
		587,200	437,725	**241,929**	103,539
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital	11	**1,068,151**	1,006,696	**1,068,151**	1,006,696
Share premium	13	**372,953**	300,004	**372,953**	300,004
Other reserves	14	**156,251**	180,513	**21,749**	45,463
(Accumulated losses)/retained earnings	16	**(233,517)**	(260,063)	**136,847**	82,466
		1,363,838	1,227,150	**1,599,700**	1,434,629
Non-controlling interest		**18,567**	23,043	**–**	–
		1,382,405	1,250,193	**1,599,700**	1,434,629
TOTAL LIABILITIES AND EQUITY		**2,414,424**	2,235,118	**2,175,308**	1,983,402
		Sen	**Sen**		
NET ASSETS PER SHARE*		**127.68**	121.90		

* Net assets per share is calculated by dividing the net assets (excluding portion allocated to non-controlling interest) of the Group by the number of ordinary shares in issue at the statement of financial position date.

The accounting policies on pages 136 to 156 and the notes on pages 157 to 227 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2011

		Attributable to owners of the Company						
			Non-distributable					
GROUP 2011	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Revaluation and other reserves RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2011		1,006,696	300,004	180,513	(260,063)	1,227,150	23,043	1,250,193
Profit and loss		–	–	–	207,650	207,650	2,012	209,662
Other comprehensive income:								
Available-for-sale financial assets		–	–	280	–	280	–	280
Exchange differences on translation of foreign operations		–	–	(628)	–	(628)	–	(628)
Reclassification adjustment for gain included in profit and loss		–	–	(200)	–	(200)	(1,794)	(1,994)
Total comprehensive income		–	–	(548)	207,650	207,102	218	207,320
Transaction with owners:								
Exercise of Employees Share Option Scheme ("ESOS")	11(b)	53,903	65,774	(22,306)	–	97,371	–	97,371
Cancellation of ESOS	12	–	–	(275)	214	(61)	–	(61)
Exercise of warrants	11(a)	7,552	7,175	(1,133)	–	13,594	–	13,594
Acquisition of further interest in subsidiaries		–	–	–	(1,001)	(1,001)	(1,722)	(2,723)
Final dividends paid for the financial year ended 31 December 2010	10	–	–	–	(62,997)	(62,997)	–	(62,997)
First interim dividends for the financial year ended 31 December 2011	10	–	–	–	(31,904)	(31,904)	–	(31,904)
Second interim dividends for the financial year ended 31 December 2011	10	–	–	–	(32,031)	(32,031)	–	(32,031)
Special dividends for the financial year ended 31 December 2011	10	–	–	–	(53,385)	(53,385)	–	(53,385)
Dividends paid to non-controlling interests		–	–	–	–	–	(2,972)	(2,972)
Total transaction with owners		61,455	72,949	(23,714)	(181,104)	(70,414)	(4,694)	(75,108)
At 31 December 2011		1,068,151	372,953	156,251	(233,517)	1,363,838	18,567	1,382,405

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2011 (Cont'd)

		Attributable to owners of the Company						
			Non-distributable					
GROUP 2010	**Note**	**Share capital RM'000**	**Share premium RM'000**	**Revaluation and other reserves RM'000**	**Accumulated losses RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2010		945,346	244,797	178,257	(409,588)	958,812	141,139	1,099,951
Profit and loss		–	–	–	242,294	242,294	6,732	249,026
Other comprehensive income:								
Available-for-sale financial assets		–	–	117	–	117	2	119
Exchange differences on translation of foreign operations		–	–	2,568	–	2,568	(198)	2,370
Reversal of revaluation reserve for disposed property		–	–	(924)	924	–	–	–
Total comprehensive income		–	–	1,761	243,218	244,979	6,536	251,515
Transaction with owners:								
Exercise of Employees Share Option Scheme ("ESOS")	11(b)	8,804	9,254	(2,770)	–	15,288	–	15,288
ESOS granted	12	–	–	33,997	–	33,997	–	33,997
Cancellation of ESOS	12	–	–	(1,142)	1,142	–	–	–
Exercise of warrants	11(a)	416	434	(102)	–	748	–	748
Acquisition of further interest in subsidiaries	11(c)	31,580	31,751	2,986	–	66,317	(122,981)	(56,664)
Shares and warrants not issued in previous year, now issued	11(c)	20,550	13,768	(34,318)	–	–	–	–
Warrants issued via issuance of redeemable bonds		–	–	1,844	–	1,844	–	1,844
Final dividends paid for the financial year ended 31 December 2009	10	–	–	–	(54,747)	(54,747)	–	(54,747)
Interim dividends paid for the financial year ended 31 December 2010	10	–	–	–	(40,088)	(40,088)	–	(40,088)
Dividends paid to non-controlling interests		–	–	–	–	–	(1,651)	(1,651)
Total transaction with owners		61,350	55,207	495	(93,693)	23,359	(124,632)	(101,273)
At 31 December 2010		1,006,696	300,004	180,513	(260,063)	1,227,150	23,043	1,250,193

Statement of Changes in Equity
for the financial year ended 31 December 2011

	Note	Share capital RM'000	Non-distributable Share premium RM'000	Non-distributable Other reserves RM'000	Distributable Retained earnings RM'000	Total equity RM'000
COMPANY						
2011						
At 1 January 2011		**1,006,696**	**300,004**	**45,463**	**82,466**	**1,434,629**
Total comprehensive income for the financial year		**–**	**–**	**–**	**234,484**	**234,484**
Transaction with owners:						
Exercise of ESOS	11(b)	**53,903**	**65,774**	**(22,306)**	**–**	**97,371**
Cancellation of ESOS	12	**–**	**–**	**(275)**	**214**	**(61)**
Exercise of warrants	11(a)	**7,552**	**7,175**	**(1,133)**	**–**	**13,594**
Final dividends paid for the financial year ended 31 December 2010	10	**–**	**–**	**–**	**(62,997)**	**(62,997)**
First interim dividends for the financial year ended 31 December 2011	10	**–**	**–**	**–**	**(31,904)**	**(31,904)**
Second interim dividends for the financial year ended 31 December 2011	10	**–**	**–**	**–**	**(32,031)**	**(32,031)**
Special dividends for the financial year ended 31 December 2011	10	**–**	**–**	**–**	**(53,385)**	**(53,385)**
Total transaction with owners		**61,455**	**72,949**	**(23,714)**	**(180,103)**	**(69,413)**
At 31 December 2011		**1,068,151**	**372,953**	**21,749**	**136,847**	**1,599,700**
COMPANY						
2010						
At 1 January 2010		945,346	244,797	44,968	89,798	1,324,909
Total comprehensive income for the financial year		–	–	–	86,361	86,361
Transaction with owners:						
Exercise of ESOS	11(b)	8,804	9,254	(2,770)	–	15,288
ESOS granted	12	–	–	33,997	–	33,997
Cancellation of ESOS	12	–	–	(1,142)	1,142	–
Exercise of warrants	11(a)	416	434	(102)	–	748
Acquisition of further interest in a subsidiary	11(c)	31,580	31,751	2,986	–	66,317
Shares and warrants not issued in previous year, now issued	11(c)	20,550	13,768	(34,318)	–	–
Warrants issued via issuance of redeemable bonds		–	–	1,844	–	1,844
Final dividends paid for the financial year ended 31 December 2009	10	–	–	–	(54,747)	(54,747)
Interim dividends paid for the financial year ended 31 December 2010	10	–	–	–	(40,088)	(40,088)
Total transaction with owners		61,350	55,207	495	(93,693)	23,359
At 31 December 2010		1,006,696	300,004	45,463	82,466	1,434,629

The accounting policies on pages 136 to 156 and the notes on pages 157 to 227 form an integral part of these financial statements.

Statements of Cash Flows
for the financial year ended 31 December 2011

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash flows generated from operations	39	**352,350**	435,421	**35,609**	(16,238)
Income tax paid (net of refund)		**(61,160)**	(51,556)	**2,529**	3,685
Net cash flow arising from operating activities:					
– Continuing operations		**291,190**	383,865	**38,138**	(12,553)
– Subsidiaries held for sale		**(16,357)**	1,881	**–**	–
Net cash flow from/(used in) operating activities		**274,833**	385,746	**38,138**	(12,553)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired:					
– The New Straits Times Press (Malaysia) Berhad ("NSTP")	38(i)	**–**	(27)	–	(27)
– Kurnia Outdoor Sdn Bhd and Jupiter Outdoor Network Sdn Bhd	38(ii)	**(2,723)**	(4,103)	**(2,723)**	(4,103)
– Max-Airplay Sdn Bhd	38(iii)	**–**	(2,800)	**–**	–
Proceeds from disposal of subsidiaries held for sale	38(iv)(v)	**7,608**	–	**–**	–
Property, plant and equipment					
– Additions		**(91,929)**	(70,708)	**(63)**	(27)
– Proceeds from disposals		**673**	15,506	**–**	–
Investment properties					
– Additions		**–**	(210)	**–**	–
– Proceeds from disposals		**416**	2,950	**–**	–
Interest received		**8,538**	4,348	**4,682**	2,328
Dividends received		**80**	103	**167,058**	163,383
Net cash flow (used in)/from investing activities arising from:					
– Continuing operations		**(77,337)**	(54,941)	**168,954**	161,554
– Subsidiaries held for sale		**(3)**	(909)	**–**	–
Net cash flow (used in)/from investing activities		**(77,340)**	(55,850)	**168,954**	161,554
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of:					
– Term loans		**(14,000)**	(14,000)	**(14,000)**	(14,000)
– Commercial paper		**–**	(30,000)	**–**	(30,000)
– Hire-purchase and lease creditors		**(7,383)**	(6,900)	**–**	–
– Bridging loan		**–**	(53,560)	**–**	(53,560)
– Revolving credit		**–**	(33,000)	**–**	–
– Bankers' acceptance		**(83,492)**	(132,402)	**–**	–
– Bank guaranteed medium-term notes		**(70,000)**	–	**(70,000)**	–

	Note	Group 2011 RM'000	Group 2010 RM'000	Company 2011 RM'000	Company 2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES (cont'd)					
Drawdown of:					
– Bankers acceptance		**115,445**	73,230	**–**	–
– Hire purchase and lease creditors		**–**	1,250	**–**	–
– Revolving credit		**10,000**	–	**–**	–
Proceeds from issuance of ordinary shares arising from:					
– Exercise of warrants		**13,594**	748	**13,594**	748
– Exercise of ESOS		**97,310**	15,288	**97,310**	15,288
Proceeds from issuance of redeemable bonds		**–**	143,734	**–**	143,734
Restricted bank balances		**(12,612)**	(2,968)	**(13,660)**	(2,426)
Interest paid		**(29,476)**	(27,872)	**(26,674)**	(19,628)
Dividends paid to shareholders of the Company	10	**(94,901)**	(94,835)	**(94,901)**	(94,835)
Dividends paid to non-controlling interests		**(2,972)**	(1,651)	**–**	–
Net cash flow (used in)/from financing activities arising from:					
– Continuing operations		**(78,487)**	(162,938)	**(108,331)**	(54,679)
– Subsidiaries held for sale		**(31)**	(107)	**–**	–
Net cash flow (used in)/from financing activities		**(78,518)**	(163,045)	**(108,331)**	(54,679)
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR		**118,975**	166,851	**98,761**	94,322
FOREIGN EXCHANGE DIFFERENCES ON OPENING BALANCES		**–**	165	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**305,942**	138,926	**129,894**	35,572
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	37	**424,917**	305,942	**228,655**	129,894

The accounting policies on pages 136 to 156 and the notes on pages 157 to 227 form an integral part of these financial statements.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011

Unless otherwise stated, the following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements.

A BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRS"), the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments, if any) at fair value through profit or loss.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and Company's financial statements, are disclosed in Note AB.

The financial statements have been approved for issuance in accordance with a resolution of the Board of Directors on 23 February 2012.

(a) Amendments, improvements to published standards and interpretations that are effective

The amendments and improvements to published standards and interpretations that are effective for the Group and Company's financial year beginning on or after 1 January 2011 are as follows:

No	Financial Reporting Standards/IC Interpretations	Effective dates
1	Revised FRS 1 "First-time Adoption of Financial Reporting Standards"	1 January 2011
2	Revised FRS 3 "Business Combinations"	1 January 2011
3	Revised FRS 127 "Consolidated and separate financial statements"	1 January 2011
4	Amendment to FRS 2 "Share-based payment: Group cash-settled share-based payment transactions"	1 January 2011
5	Amendments to FRS 7 "Financial Instruments: Disclosure – improving disclosures about financial instruments"	1 January 2011
6	Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards"	1 January 2011
7	Amendments to FRS 132 "Financial Instruments: Presentation – Classification of rights issue"	1 January 2011
8	IC Interpretation 4 "Determining whether an arrangement contains a lease"	1 January 2011

A BASIS OF PREPARATION (cont'd)

(a) Amendments, improvements to published standards and interpretations that are effective (cont'd)

No	Financial Reporting Standards/IC Interpretations	Effective dates
9	IC Interpretation 12 "Service concession arrangements"	1 July 2010
10	IC Interpretation 16 "Hedges of a net investment in a foreign operation"	1 July 2010
11	IC Interpretation 17 "Distribution of non-cash assets to owners "IC Interpretation 16 "Hedges of a net investment in a foreign operation"	1 July 2010
12	IC Interpretation 18 "Transfers of assets from customers"	1 January 2011
13	Improvements to FRSs (2010)	1 January 2011

The new accounting standards, amendments and improvements to published standards and interpretations have no material impact on the financial statements of the Group and Company.

(b) Standards early adopted by the Group

The Group and Company has not early adopted any new accounting standards, amendments and improvements to published standards and interpretations.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group but not yet effective

(i) Financial year beginning on/after 1 January 2012

In the next financial year, the Group will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). MFRS 1 "First-time adoption of MFRS" provides for certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters.

No	Financial Reporting Standards	Effective dates
1	MFRS 139 "Financial instruments: recognition and measurement"	1 January 2012
2	Revised MFRS 124 "Related party disclosures"	1 January 2012
3	Amendment to MFRS 1 "First time adoption on fixed dates and hyperinflation"	1 January 2012
4	Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"	1 January 2012
5	Amendment to MFRS 112 "Income taxes"	1 January 2012

(ii) Financial year beginning on/after 1 January 2013

No	Malaysian Financial Reporting Standards	Effective dates
1	MFRS 9 "Financial instruments - classification and measurement of financial assets and financial liabilities"	1 January 2013
2	MFRS 10 "Consolidated financial statements"	1 January 2013
3	MFRS 12 "Disclosures of interests in other entities"	1 January 2013
4	MFRS 13 "Fair value measurement"	1 January 2013
5	Amendment to MFRS 101 "Financial statement presentation"	1 July 2012
6	The revised MFRS 127 "Separate financial statements"	1 January 2013
7	The revised MFRS 128 "Investments in associates and joint ventures"	1 January 2013

The impact of the new accounting standards, amendments and improvements to published standards and interpretations on the financial statements of the Group and Company is not expected to be material.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

A BASIS OF PREPARATION (cont'd)

(d) Standards, amendments to published standards and interpretation to existing standards that are not yet effective and not relevant to the Group

No	Financial Reporting Standards/IC Interpretations	Effective dates
1	IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"	1 July 2011
2	Amendments to IC Interpretation 14 "FRS 119 - The limit on a defined benefit assets, minimum funding requirements and their interaction"	1 July 2011
3	MFRS 11 "Joint arrangements"	1 January 2013
4	MFRS 141 "Agriculture"	1 January 2012
5	IC Interpretation 15 "Agreements for construction of real estates"	1 January 2012
6	IC Interpretation 20 "Stripping costs in the production phase of a surface mine"	1 January 2013
7	Amendment to MFRS 119 "Employee benefits"	1 January 2013

B BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all those entities (including special purpose entities) over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated using the acquisition method of accounting except for certain business combinations which were accounted for using the merger basis of accounting as follows:

- subsidiaries that were consolidated prior to 1 April 2002 in accordance with Malaysian Accounting Standard 2 "Accounting for Acquisitions and Mergers", the generally accepted accounting principles prevailing at that time

- business combinations consolidated on/after 1 April 2002 but with agreement dates before 1 January 2006 that meet the conditions of a merger as set out in MASB 21 "Business Combinations"

- internal group reorganisations, as defined in MASB 21, consolidated on/after 1 April 2002 but with agreement dates before 1 January 2006 where:

  – the ultimate shareholders remain the same, and the rights of each such shareholder, relative to the others, are unchanged; and
  – the minorities' share of net assets of the Group is not altered by the transfer

- combinations involving entities or businesses under common control with agreement dates on/after 1 January 2006

The Group has taken advantage of the transitional provision provided by MASB 21, FRS 3 and FRS 3 (revised) to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective effective dates have not been restated to comply with these Standards.

Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

B BASIS OF CONSOLIDATION (cont'd)

(a) Subsidiaries (cont'd)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in profit or loss. Refer to accounting policy Note C on goodwill.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

Under the merger method of accounting, the results of the subsidiaries are presented as if the business combination had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the business combination is cancelled with the value of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged enterprises, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. This may indicate an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary is recognised in profit or loss attributable to the parent.

Change in accounting policy

The Group has changed its accounting policy on business combinations and accounting for non-controlling interest when it adopted the revised FRS 3 “Business Combinations” and FRS 127 "Consolidated and separate financial statements".

Previously, contingent consideration in a business combination was recognised when it is probable that payment will be made. Acquisition-related costs were included as part of the cost of business combination. Any non-controlling interest in the acquiree was measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group was accounted for as a revaluation.

The Group has applied the new policies prospectively to transactions occurring on or after 1 January 2011. As a consequence, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

Previously, the Group had stopped attributing losses to the non-controlling interest because the losses exceeded the carrying amount of the non-controlling interest. The Group has applied this policy prospectively. On the date of adoption of the new policy, the non-controlling interest reflects its previous carrying amount (that is, zero).

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

B BASIS OF CONSOLIDATION (cont'd)

(b) Associates

Associates are those corporations, partnerships or other entities in which the Group exercises significant influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses. The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates and unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

Dilution gains and losses in associates are recognised in the profit or loss.

For incremental interest in an associate, the date of acquisition is the purchase date at each stage and goodwill is calculated at each purchase date based on the fair value of assets and liabilities identified. There is no "step up to fair value" of net assets previously acquired and the share of profits and equity movements for the previously acquired stake is recorded directly through equity.

(c) Transactions with non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners to the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired is deducted from equity. For disposals to non-controlling interests, differences between any proceeds received and the relevant share of non-controlling interests are also recognised in equity.

<u>Change in accounting policy</u>

Previously, the Group applied a policy of treating transactions with non-controlling interest as transactions with parties external to the Group. Accordingly, disposals resulted in gains or losses and purchases resulted in the recognition of goodwill, being the difference between consideration paid and the relevant share of the carrying value of net assets of the subsidiary acquired. The Group has applied this policy prospectively to transactions occurring on or after 1 January 2011.

B BASIS OF CONSOLIDATION (cont'd)

(d) Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value is its fair value on initial recognition as a financial asset in accordance with FRS 139. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Changes in accounting policy

The Group has changed its accounting policy prospectively for transactions occurring on or after 1 January 2011 with non-controlling interests and transactions involving the loss of control, joint control or significant influence when it adopted the revised FRS 127 "Consolidated and Separate Financial Statements". The revisions to FRS 127 contained consequential amendments to FRS 128 "Investments in Associates" and FRS 131 "Interests in Joint Ventures".

Previously when the Group ceased to have control, joint control or significant influence over an entity, the carrying amount of the investment at the date control, joint control or significant influence ceased became its cost on initial measurement as a financial asset in accordance with FRS 139.

C GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'Intangible Assets'.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose identified according to the operating segment. See accounting policy Note I on impairment of non-financial assets.

Goodwill in respect of acquisitions prior to 2006 were written off to reserves.

D RESEARCH AND DEVELOPMENT

Research and development costs are charged to the profit or loss in the financial year in which they are incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent financial year. Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life not exceeding five years.

E INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

In the Company's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the profit or loss.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

F PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset. The Directors have applied the transitional provisions of International Accounting Standard ("IAS") 16 "Property, Plant and Equipment", which have been adopted by MASB, which allow properties previously revalued to continue to be stated at their valuation amounts less accumulated depreciation and impairment losses. Accordingly, certain leasehold land and buildings of the Group are stated at valuation amounts carried out in 1996, which have not been updated.

Freehold land is not depreciated as it has an infinite life. Depreciation on assets under construction commences when the assets are ready for their intended use.

Depreciation on the other property, plant and equipment is calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Buildings	20 – 50 years
Plant and machinery	4 – 25 years
Broadcasting and transmission equipment	10 years
Production equipment	5 – 10 years
Office equipment, furniture and fittings	3 – 10 years
Office renovations	3 – 10 years
Motor vehicles	5 years
Leasehold improvements	3 – 15 years
Structures	5 – 10 years

Leasehold land is amortised over the remaining period of the respective leases ranging from 40 and 96 years.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each financial position date.

At each financial position date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

G INVESTMENT PROPERTIES

Investment properties comprise principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on the straight line basis to allocate the cost to their residual values over their estimated useful lives.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Freehold land is not depreciated as it has an infinite life.

Depreciation on the other investment properties is calculated so as to write off the cost of the assets to their residual values on a straight line basis over the expected useful lives of 20 to 99 years.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised. The difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss in the financial year of the retirement or disposal.

H INTANGIBLE ASSETS

(a) Programmes and film rights

Programmes and film rights are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

The programmes and film rights are recognised after they are contracted for, after receipt of materials and after approvals are obtained from the censorship authority. Cost comprises contracted cost and direct expenditure. Amortisation is calculated so as to write off the relevant portion of the cost of programmes and film rights which fairly represents its relevant attached rights, to match against recognised revenue from these programmes and film rights.

The amortisation rates are as follows:

Purchases with full rights/limited rights (2 runs or more)

Features	**%**
Upon first transmission*	60
Upon second transmission*	40
Series	
Upon first transmission	100

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

H INTANGIBLE ASSETS (cont'd)

(a) Programmes and film rights (cont'd)

Purchases with limited rights (1 run) and in-house programmes

Upon first transmission*	100

* Where the material is in High Definition ("HD") format, the additional cost of acquisition or production associated with HD quality is not amortised until such time when such material can be transmitted or sold to broadcasters that transmits in HD quality.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

(b) Acquired concession rights and outdoor advertising rights

Acquired concession rights and outdoor advertising rights that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of concession rights and outdoor advertising rights over their respective concession lives. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Acquired concession rights and outdoor advertising rights that have an indefinite useful life are assessed for any indication of impairment on an annual basis or where an indication of impairment exist. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

(c) Acquired publishing rights and contracts

Acquired publishing rights and contracts that have a finite useful life are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of publishing rights and contracts over their respective tenure up to the expiry of such rights and/or contracts. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note I on impairment of non-financial assets.

Acquired publishing rights and contracts that have an indefinite useful life are assessed for any indication of impairment on an annual basis or where an indication of impairment exist. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note I on impairment of non-financial assets.

I IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example, goodwill or intangible assets, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

J NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

K TRADE RECEIVABLES

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Non-current trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses which are determinable based on accounting policy at Note AA(v) on impairment of financial assets.

Advanced billings are billings made to customers in advance of display rental, advertisement production works or events. Advanced billings collected are disclosed in the financial statements as deferred income. Advanced billings not collected are excluded from trade receivables until revenue is recognised.

L INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and applicable variable selling expenses.

Cost comprises direct labour, materials, sub-contract costs and related expenditure and is determined on a weighted average basis.

(i) Consumable spares and raw materials for newspaper printing

Consumable spares comprise spare parts for broadcasting and transmission equipment and are expensed upon utilisation. Raw materials for newspaper printing are also expensed on usage.

(ii) Albums

Albums comprise mainly costs of production and related production overheads and are expensed when sold.

M CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise cash on hand, bank balances, demand deposits and short term highly liquid investments with original maturities of three months or less and less bank overdrafts. Bank overdrafts are included within borrowings, classified as current liabilities.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

N LEASES

(i) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in payables. The interest element of the finance lease is charged to the statement of comprehensive income over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the estimated useful lives of the assets, in accordance with the annual rates stated in Note F above. Where there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its estimated useful life.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

(iii) Prepaid lease rentals

Prepaid lease rentals for transmission stations are charged to the profit or loss on a straight line basis over the respective period of the leases, ranging between 31 and 36 years.

O CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the net profit for the financial year except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction occurring, it affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

O CURRENT AND DEFERRED INCOME TAX (cont'd)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Tax benefit from reinvestment allowance is recognised when the tax credit is utilised and no deferred tax asset is recognised when the tax credit is receivable nor will it be recognised for remaining unutilised balance.

P EMPLOYEE BENEFITS

(i) Short-term employee benefits

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the net profit/(loss) for the financial year after certain adjustments. The Group recognises a provision where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Wages, salaries, sick leave, paid annual leave, bonuses and non-monetary employee benefits are accrued in the financial year in which the associated services are rendered by employees of the Group.

(ii) Post-employment benefits - defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to the employee service in the current and prior periods.

The Group's contributions to defined contribution plans, including the national defined contribution plan, the Employees' Provident Fund ("EPF"), are charged to the profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits which are due more than 12 months after the financial position date are discounted to present value.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

P EMPLOYEE BENEFITS (cont'd)

(iv) Share-based compensation

The Group operates an equity-settled, share-based compensation plan for its employees i.e. Employee Share Options Scheme ("ESOS").

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss as staff cost over the vesting period, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted:

– including any market performance conditions;
– excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and the remaining employee of the entity over a specified time period); and
– excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in the assumptions about the number of options that are expected to vest. At each balance financial position, the Group revises its estimates of the number of share options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

Recharges made by the Company in respect of options granted to subsidiaries are accounted for as amounts receivable from subsidiaries.

Q TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Non-current trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

R PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

S CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group and Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstance where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and Company. The Group and Company do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

T SHARE CAPITAL

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. However, in the case of interim dividends, it is recognised as liability upon approval by the Board of Directors of the Company.

U DEBT INSTRUMENTS

Debt instruments are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, debt instruments are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the debt instruments.

The debt instruments issued by the Group and the Company are Bank Guaranteed Medium Term Notes/Commercial Papers ("BGMTN/CP") and Redeemable Fixed Rate Bonds ("RFRB").

V WARRANTS RESERVE

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve which is non-distributable. Warrants reserve are transferred to the share premium reserve upon the exercise of warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

W BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

X INCOME RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of estimated returns, discounts, commissions, rebates and taxes and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Dividend income is recognised when the right to receive payment is established.

Revenue of the Company from the provision of procurement services to subsidiaries is recognised on an accrual basis.

Revenue of the subsidiaries is recognised upon the delivery of products and customer acceptance or performance of services, or upon telecast or publishing of advertisements, net of discounts, returns, sales commissions and sales rebates, if any. Revenue from display rental income, advertisement production works and events are recognised in accordance with the terms of the sales contract which is principally over the period of the contract, on an accrual basis. Accordingly, all amounts received in advance are disclosed in the financial statements as deferred income.

Interest income of the Group and Company is recognised on an accrual basis based on the prevailing interest rates for deposits at financial institutions.

Rental income is recognised on an accrual basis.

Y FOREIGN CURRENCIES

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the net profit for the financial year, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other comprehensive income'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the profit or loss, and other changes in carrying amount are recognised in 'other comprehensive income'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the net profit for the financial year, as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in 'other comprehensive income'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each financial position date presented are translated at the closing rate at the date;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

Z SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the senior management and the Board of Directors that makes strategic decisions.

AA FINANCIAL ASSETS

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. The assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

(c) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value, and transaction costs are expensed in profit or loss.

AA FINANCIAL ASSETS (cont'd)

(iii) Subsequent measurement – gains and losses

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the profit or loss in the period in which the changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for interest, dividend income and impairment losses (see accounting policy Note AA(v)) and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in net profit for the financial year, whereas exchange differences on non-monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available-for-sale financial assets are recognised separately in the profit or loss. Interest on available-for-sale debt securities calculated using the effective interest method is recognised in net profit for the financial year. Dividends income on available-for-sale equity instruments are recognised in net profit for the financial year when the Group's right to receive a payment is established.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Subsequent measurement - impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

AA FINANCIAL ASSETS (cont'd)

(v) Subsequent measurement - impairment of financial assets (cont'd)

(a) Assets carried at amortised cost (cont'd)

- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the net profit for the financial year. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written off against the related allowance account. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

(b) Assets classified as available-for-sale

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in net profit for the financial year, the impairment loss is reversed through the profit or loss.

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative losses that had been recognised directly in equity is removed from equity and recognised in net profit for the financial year. The amount of cumulative losses that is reclassified to net profit for the financial year is the difference between the acquisition cost and the current fair value, less any impairment losses on that financial asset previously recognised in net profit for the financial year. Impairment losses recognised in net profit for the financial year on equity instruments classified as available-for-sale are not reversed through profit or loss.

AA FINANCIAL ASSETS (cont'd)

(vi) De-recognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to net profit for the financial year.

AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(i) Assessment of impairment of non-financial assets (excluding goodwill)

The Group assesses impairment of the non-financial assets (excluding goodwill) whenever the events or changes in circumstances indicate that the carrying amount may not be recoverable (i.e. the carrying amount is more than the recoverable amount).

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use ('VIU'). The VIU is the net present value of the projected future cash flows derived from the cash generating units discounted at an appropriate discount rate. Projected future cash flows are estimates made based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Projected future cash flows are based on Group's judgement in terms of assessing future uncertain parameters such as estimated revenue growth, operating costs, margins, future inflationary figures, appropriate discount rates and other available information. These judgements are based on the historical track record and expectations of future events that are believed to be reasonable under the current circumstances.

(ii) Contingent liabilities

The Group has several material pending legal cases which are disclosed in Note 44 to the financial statements. The Directors, based on legal advice, have taken certain positions as to whether there will be any future liabilities arising from these legal proceedings.

Summary of Significant Accounting Policies
for the financial year ended 31 December 2011 (Cont'd)

AB CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(a) Critical accounting estimates and assumptions (cont'd)

(iii) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgements regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

(iv) Estimation of income taxes

Income taxes are estimated based on the rules governed under the Income Tax Act, 1967. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

(b) Critical judgements in applying the Group's accounting policies

There are no critical judgements made in applying the Group's accounting policies.

Notes to the Financial Statements
for the financial year ended 31 December 2011

1 GENERAL INFORMATION

The principal activities of the Company are investment holding and the provision of procurement services for its subsidiaries.

The principal activities of the Group consist of investment holding, commercial television and radio broadcasting, publishing, editorial services, sale of newspapers, provision of internet based on-line services, general media advertising, provision of advertising space and related production works, sale of programme rights, sale of videos, cable and laser rights, content production, property management services and other industry related services.

There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associates are set out in Note 27 and Note 28 to the financial statements respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office and principal place of business of the Company is as follows:

Sri Pentas
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan

2 REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Advertising revenue	**1,315,608**	1,237,961	**–**	–
Circulation revenue	**276,784**	290,691	**–**	–
Sale of programmes, videos, cable and laser rights, and media revenue	**25,418**	15,408	**–**	–
Fees from provision of production services and sponsorship	**4,323**	2,583	**–**	–
Fees from provision of procurement services	**–**	–	**7,167**	7,794
Dividends from subsidiaries	**–**	–	**324,870**	151,512
	1,622,133	1,546,643	**332,037**	159,306

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

3 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the senior management and the Board of Directors (chief operating decision-maker) that are used to make strategic decisions.

The chief operating decision-maker considers the business primarily from a product perspective as the activities of the Group is predominantly domestic based.

The reportable operating segments derive their revenue primarily from commercial television and radio broadcasting, media advertising, sale of programme rights, provision of outdoor advertising space and related production works and publishing and sale of newspapers.

Other services include on-line media and advertisement, talent management and music recording. The results of these operations are included in the 'corporate and others' column.

The chief operating decision-maker assesses the performance of the operating segments, before its respective tax charged or tax credits, based on a measure of Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA"). This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as writeback or provision for impairment of assets, negative goodwill and when items are a result of isolated, non-recurring events. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments and excludes depreciation and amortisation of property, plant and equipment given that these are sunk cost in nature. Since the chief operating decision-maker reviews EBITDA, the share of associates' profits and the results of discontinued operations are not included in the measure of EBITDA.

The chief operating decision-maker assesses the assets and liabilities of the operations on a Group basis whereby the TV network, Radio Network, Outdoor Media and Print Media makes up individual segments. Within each segment, the nature of products and services offered are similar i.e. either in television or radio broadcasting for the free-to-air (FTA), market outdoor print or media print works. Within each segment, a significant portion of the assets and operations are based on shared resources basis i.e. centralised Group treasury, procurement, corporate finance, engineering, information system and other support services. Consequently, no segmental analysis is done.

3 SEGMENT INFORMATION (cont'd)

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

2011	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	#Corporate and Others RM'000	Elimination RM'000	Continuing operations RM'000	Subsidiaries held for sale RM'000	Total RM'000
Revenue from external customers	690,302	58,773	143,775	699,541	29,742	–	1,622,133	–	1,622,133
Royalties	(3,466)	(287)	–	–	–	–	(3,753)	–	(3,753)
	686,836	58,486	143,775	699,541	29,742	–	1,618,380	–	1,618,380
Dividends from subsidiaries	–	–	–	–	324,870	(324,870)	–	–	–
Inter-segment revenue	6,050	–	4,054	1,995	17,453	(29,552)	–	–	–
	692,886	58,486	147,829	701,536	372,065	(354,422)	1,618,380	–	1,618,380
EBITDA	242,856	30,301	49,761	118,931	298,957	(334,494)	406,312	–	406,312
Depreciation and amortisation	(39,609)	(1,814)	(9,052)	(49,065)	(2,033)	6,903	(94,670)	–	(94,670)
Interest expense	(1,367)	–	–	(1,376)	(29,342)	–	(32,085)	–	(32,085)
Provision for impairment of assets	(2,168)	–	–	–	–	–	(2,168)	–	(2,168)
Income tax expense	(53,825)	(5,125)	(9,964)	(13,322)	(45,291)	55,421	(72,106)	–	(72,106)
Share of profit from associates	–	–	–	2,127	–	–	2,127	–	2,127
Gains from subsidiaries held for sale	–	–	–	–	–	–	–	2,252	2,252
Reportable segment profit after tax before allocation to non-controlling interest	145,887	23,362	30,745	57,295	222,291	(272,170)	207,410	2,252	209,662

These items are predominantly (more than 90%) relating to the Company for which, the financial information is disclosed separately on the face of the financial statements as well as the Notes to the financial statements.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

3 SEGMENT INFORMATION (cont'd)

2010	Television Network RM'000	Radio Network RM'000	Outdoor Media RM'000	Print Media RM'000	Corporate and Others RM'000	Elimination RM'000	Continuing operations RM'000	Subsidiaries held for sale RM'000	Total RM'000
Revenue from external customers	655,165	63,385	129,811	670,385	27,897	–	1,546,643	–	1,546,643
Royalties	(3,328)	(324)	–	–	–	–	(3,652)	–	(3,652)
	651,837	63,061	129,811	670,385	27,897	–	1,542,991	–	1,542,991
Dividends from subsidiaries	–	–	–	–	151,512	(151,512)	–	–	–
Inter-segment revenue	5,397	–	4,510	930	16,929	(27,766)	–	–	–
	657,234	63,061	134,321	671,315	196,338	(179,278)	1,542,991	–	1,542,991
EBITDA	220,144	32,155	49,564	119,833	117,321	(145,375)	393,642	–	393,642
Depreciation and amortisation	(36,425)	(1,921)	(9,095)	(47,099)	(2,883)	(2,584)	(100,007)	–	(100,007)
Interest expense	(1,629)	–	(10)	(1,852)	(29,106)	–	(32,597)	–	(32,597)
Negative goodwill	–	–	–	–	–	55,444	55,444	–	55,444
(Provision for)/write back of impairment of assets	(1,457)	–	1,035	–	–	–	(422)	–	(422)
ESOS charges	(14,304)	(849)	(1,465)	(15,575)	(1,804)	–	(33,997)	–	(33,997)
Other one-off income	–	–	1,674	5,378	–	–	7,052	–	7,052
Income tax expense	(20,764)	(6,662)	(9,529)	(13,240)	(22,682)	28,184	(44,693)	–	(44,693)
Share of profit from associates	–	–	–	6,196	–	–	6,196	–	6,196
Losses from subsidiaries held for sale	–	–	–	–	–	–	–	(1,592)	(1,592)
Reportable segment profit/(loss) after tax before allocation to non-controlling interest	145,565	22,723	32,174	53,641	60,846	(64,331)	250,618	(1,592)	249,026

Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the profit or loss.

4 FINANCE INCOME AND COST

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Finance income:				
– Interest income	(8,538)	(4,348)	(4,682)	(2,328)
	(8,538)	(4,348)	(4,682)	(2,328)
Finance cost:				
Interest expenses on				
– Bankers acceptance	862	–	–	–
– Revolving credit	514	1,852	–	–
– Bank Guaranteed Medium Term Notes	7,316	8,964	7,316	8,964
– Commercial papers	–	46	–	46
– Redeemable Fixed Rate Bonds	9,096	6,861	9,096	6,861
– Term loans and bridging loan	10,664	11,806	10,664	11,806
– Bank guarantee fee	2,266	1,429	2,266	1,429
– Hire purchase interest	1,367	1,478	–	–
– Overdraft	–	161	–	–
	32,085	32,597	29,342	29,106
Net finance cost	23,547	28,249	24,660	26,778

5 EMPLOYEE BENEFITS COSTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages, salaries and bonus	346,588	321,869	16,828	12,309
Defined contribution retirement plan	48,605	49,393	2,374	2,011
Termination benefits	87	5	–	–
Share based compensation	–	33,997	–	1,222
Other employee benefits	30,459	16,081	3,287	4,140
	425,739	421,345	22,489	19,682

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

6 PROFIT FROM CONTINUING OPERATIONS

Profit from continuing operations is stated after charging/(crediting):

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Royalties	3,753	3,652	–	–
Auditors' remuneration:				
– statutory audit	1,390	1,314	65	62
– audit related services	10	85	–	–
– other services	182	591	182	170
– tax services	334	406	22	44
Loss/(gain) on disposal of property, plant and equipment	1,786	(5,322)	–	–
Gain on disposal of investment properties	(61)	(346)	–	–
Rental income from equipment	(2,204)	(3,423)	–	–
Rental income from premises	(470)	(391)	–	–
Gross dividends from:				
– Quoted shares in Malaysia	(34)	(4)	–	–
– Property and unit trusts	(46)	(99)	–	–
Net exchange (gain)/loss:				
– Realised	(392)	(1,360)	69	9
– Unrealised	48	(50)	–	–
Write back of long outstanding accruals	(14,593)	(9,305)	–	–

7 DIRECTORS' REMUNERATION

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-executive Directors:				
– Fees	885	863	435	435
– Allowances	530	468	273	236
– Defined contribution retirement plan	64	60	32	30
– Other remuneration	472	98	379	52
Executive Directors:				
– Basic salaries and bonus	3,376	2,321	1,984	1,180
– Allowances	399	367	194	138
– Defined contribution retirement plan	635	493	369	243
– Share based compensation	–	636	–	431
	6,361	5,306	3,666	2,745
Estimated monetary value of benefits-in-kind	239	180	96	44

7 DIRECTORS' REMUNERATION (cont'd)

Executive Directors of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:

		Number of options over ordinary shares of RM1.00 each				
Grant date	**Expiry date**	**Exercise price RM/ share**	**At 1 January '000**	**Granted '000**	**Exercised '000**	**At 31 December '000**
Financial year ended 31 December 2011						
31 May 2010	13 May 2015	**1.80**	**1,550**	**–**	**(760)**	**790**
Financial year ended 31 December 2010						
11 January 2005	10 January 2010	1.55	450	–	(450)	–
31 May 2010	13 May 2015	1.80	–	1,550	–	1,550
			450	1,550	(450)	1,550

	Group and Company	
	2011 '000	**2010 '000**
Number of share options vested at statement of financial position date	**790**	1,550

8 TAXATION

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Current tax:				
– Malaysian tax	**51,176**	44,363	**45,288**	20,319
Deferred tax (Note 24)	**20,930**	330	**–**	–
	72,106	44,693	**45,288**	20,319

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

8 TAXATION (cont'd)

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Current tax:				
– Current financial year	**61,370**	51,279	**47,694**	27,518
– Over accrual in prior financial years	**(10,194)**	(6,916)	**(2,406)**	(7,199)
	51,176	44,363	**45,288**	20,319
Deferred tax:				
– Origination and reversal of temporary differences (Note 24)	20,930	330	**–**	–
	72,106	44,693	45,288	20,319

Income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated assessable profit for the financial year.

The explanation of the relationship between taxation and profit before taxation is as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Profit before taxation	**279,516**	295,311	**279,772**	106,680
Tax calculated at the Malaysian corporate income tax rate of 25% (2010: 25%)	**69,879**	73,828	**69,943**	26,670
Tax effects of:				
– expenses not deductible for tax purpose	**12,002**	16,671	**4,379**	4,370
– income not subject to tax	**(2,161)**	(16,832)	**(30,031)**	(7,532)
– temporary differences and unutilised tax losses not recognised	**7,300**	2,465	**3,403**	1,203
– over-recognition of previous year deferred tax liabilities	**(3,527)**	(2,332)	**–**	–
– utilisation of previously unrecognised temporary differences and unutilised tax losses	**(330)**	(19,803)	**–**	–
– share of results of an associate	**(532)**	(1,549)	**–**	–
– expenses eligible for further reduction	**(331)**	(328)	**–**	–
– over accruals in prior financial years	**(10,194)**	(6,916)	**(2,406)**	(7,199)
– utilisation of Group tax relief	**–**	–	**–**	2,807
– others	**–**	(511)	**–**	–
Taxation	**72,106**	44,693	**45,288**	20,319

Included in income tax expense of the Group are tax savings amounting to RM1,862,738 (2010: RM4,178,053) from utilisation of current tax losses.

There is no tax charge/credit relating to components of 'other comprehensive income'.

9 EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated by dividing the net profit for the financial year from continuing operations, net losses from subsidiary held for sale and net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

		Group	
		2011	**2010**
Net profit from continuing operations attributable to owners of the Parent	(RM'000)	**205,398**	243,886
Net gain/(losses) from subsidiaries held for sale attributable to owners of the Parent	(RM'000)	**2,252**	(1,592)
Net profit for the financial year attributable to owners of the Parent	(RM'000)	**207,650**	242,294
Weighted average number of ordinary shares in issue	('000)	**1,049,540**	985,817
Basic earnings per share for:			
Net profit from continuing operations attributable to owners of the Parent	(Sen)	**19.57**	24.74
Net gain/(losses) from subsidiaries held for sale attributable to owners of the Parent	(Sen)	**0.21**	(0.16)
Net profit for the financial year attributable to owners of the Parent	(Sen)	**19.78**	24.58

(b) Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

In respect of share options granted to employees or warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the annual average share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options or warrants. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options or warrants. The difference is added to the denominator as an issue of ordinary shares for no consideration. This calculation serves to determine the "bonus" element to the ordinary shares outstanding for the purpose of computing the dilution. No adjustment is made to net profit for the financial year for the share options and warrants calculation.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

9 EARNINGS PER SHARE (cont'd)

(b) Diluted earnings per share (cont'd)

		Group 2011	Group 2010
Weighted average number of ordinary shares in issue	('000)	**1,049,540**	985,817
Adjustments for:			
Warrants	('000)	**62,403**	69,500
ESOS	('000)	**10,165**	12,483
Weighted average number of ordinary shares for purposes of computing diluted earnings per share	('000)	**1,122,108**	1,067,800
Diluted earnings per share for:			
Net profit from continuing operations attributable to owners of the Parent	(Sen)	**18.30**	22.84
Net gain/(losses) from subsidiaries held for sale attributable to owners of the Parent	(Sen)	**0.20**	(0.15)
Net profit for the financial year attributable to owners of the Parent	(Sen)	**18.50**	22.69

10 DIVIDENDS

	Group and Company 2011 Gross dividend per share Sen	2011 Amount of net dividend RM'000	2010 Gross dividend per share Sen	2010 Amount of net dividend RM'000
Final single tier dividend for the previous financial year	**6.0**	***62,997**	5.6	54,747
First interim single tier dividend	**3.0**	***31,904**	4.0	40,088
Second interim single tier dividend	**3.0**	**32,031**	–	–
Special single tier dividend	**5.0**	**53,385**	–	–
	17.0	**180,317**	9.6	94,835

* Paid during the financial year totalling RM94,901,000

At the forthcoming Annual General Meeting of the Company, a final single tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 31 December 2011 will be proposed for shareholders' approval. This final dividend will be accrued as a liability in the financial year ending 31 December 2012 when approved by the shareholders.

11 SHARE CAPITAL

	Note	Group and Company 2011 RM'000	2010 RM'000
Ordinary shares of RM1.00 each:			
Authorised			
At 1 January/At 31 December		**2,000,000**	2,000,000
Issued and fully paid			
At 1 January		**1,006,696**	945,346
Issuance of shares arising from:			
– Exercise of warrants	(a)	**7,552**	416
– Exercise of ESOS	(b)	**53,903**	8,804
– Acquisition of interest in a subsidiary	(c)	**–**	52,130
At 31 December		**1,068,151**	1,006,696

During the financial year, the Company increased its issued and fully paid share capital from RM1,006,696,000 to RM1,068,151 by way of the issuance of:

(a) 7,552,490 (2010: 416,013) ordinary shares of RM1.00 each pursuant to the exercise of the Company's warrants at exercise price of RM1.80 per warrant. The premium arising from the exercise of warrants of RM7,174,866 (2010: RM434,000) has been credited to the Share Premium reserve.

(b) 53,902,718 (2010: 8,804,081) ordinary shares of RM1.00 each pursuant to the exercise of the Company's Employee Share Option Scheme ("ESOS") at exercise prices of RM1.80, RM1.98 and RM2.10 (2010: RM1.46, RM1.55,RM1.80 and RM1.98) per option. The premium arising from the exercise of ESOS of RM65,774,033 (2010: RM9,254,000) has been credited to the Share Premium reserve.

(c) No new issuance (2010: 52,130,147) of ordinary shares of RM1.00 each pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad by the Company. The premium arising from the issuance of shares of RM Nil (2010: RM45,519,000) has been credited to the Share Premium reserve.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

12 SHARE-BASED PAYMENTS

Employees' Share Option Scheme ("ESOS")

The Company's ESOS approved by the shareholders on 7 January 2005 which was effective on 11 January 2005 for a period of five (5) years, had expired on 10 January 2010. ("2005 MPB ESOS")

On 15 April 2010, the Company's shareholders approved a new ESOS which became effective on 14 May 2010 for a period of five (5) years, set to expire in 13 May 2015 ("2010 MPB ESOS").

The main features of the 2010 MPB ESOS are:

(i) The total number of ordinary shares to be issued by the Company under the ESOS as approved by the Securities Commission shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any one time during the existence of the ESOS.

(ii) The options granted may be exercised at any time within the option period whilst the Grantee is employed by a corporation in the Group.

(iii) The exercise price is at a discount of 10% from the weighted average market price of the shares for the five (5) market days immediately preceding the respective dates of offer of the options or the par value of the shares of the Company of RM1.00, whichever is higher.

(iv) Options granted under the ESOS carry no dividend or voting rights. Upon exercise of the options, shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(v) The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Set out below are details of options over ordinary shares of the Company granted under the ESOS:

			Number of options over ordinary shares of RM1.00 each				
Grant date	Expiry date	Exercise price RM/ share	At 1 January '000	Exercised '000	Cancelled/ Lapsed '000	At 31 December '000	Fair value of options RM'000
Financial year ended 31 December 2011							
16 December 2010	13 May 2015	2.10	480	(204)	(14)	262	168
18 November 2010	13 May 2015	1.98	2,307	(1,585)	(15)	707	361
31 May 2010	13 May 2015	1.80	71,270	(52,114)	(630)	18,526	7,595
			74,057	(53,903)	(659)	19,495	8,124

12 SHARE-BASED PAYMENTS (cont'd)

			Number of options over ordinary shares of RM1.00 each					
Grant date	Expiry date	Exercise price RM/ share	At 1 January '000	Granted '000	Exercised '000	Cancelled/ Lapsed '000	At 31 December '000	Fair value of options RM'000
Financial year ended 31 December 2010								
16 December 2010	13 May 2015	2.10	–	480	–	–	480	307
18 November 2010	13 May 2015	1.98	–	2,322	(15)	–	2,307	1,176
31 May 2010	13 May 2015	1.80	–	79,283	(6,738)	(1,275)	71,270	29,222
11 January 2005	10 January 2010	1.55	3,295	–	(1,498)	(1,797)	–	–
14 December 2005	10 January 2010	1.46	1,004	–	(553)	(451)	–	–
28 February 2007	10 January 2010	2.23	2,362	–	–	(2,362)	–	–
			6,661	82,085	(8,804)	(5,885)	74,057	30,705

	2011 '000	2010 '000
Number of options over ordinary shares vested, as at the end of the financial year	**19,495**	74,057

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

12 SHARE-BASED PAYMENTS (cont'd)

The fair value of the ESOS granted during the previous financial year in which FRS 2 were applied, were determined using the Trinomial Valuation model. The significant inputs in the model were as follows:

	2010 MPB Options 31 May 2010	2010 MPB Options 18 November 2010	2010 MPB Options 16 December 2010
Fair value per option (RM)	0.41	0.51	0.64
Exercise price	1.80	1.98	2.10
Option life (number of days to expiry from date of issuance)	1,808 days	1,637 days	1,609 days
Weighted average share price at grant date	2.07	2.33	2.60
Expected dividend yield	5.77%	5.77%	5.77%
Risk free interest rates (Yield of Malaysian Government Securities)	3.11%	3.11%	3.04%
Expected volatility	24.54%	22.35%	22.14%
MPB share historical volatility period:			
From	60 days to 9 July 2010	May 2010	May 2010
To		December 2010	December 2010

The amounts recognised in the previous financial year is as disclosed in Note 5 to the financial statements arising from the ESOS granted to employees (including Directors) of the Group and Company.

13 SHARE PREMIUM

	Note	Group and Company 2011 RM'000	Group and Company 2010 RM'000
At 1 January		**300,004**	244,797
Arising from:			
– Exercise of warrants	11(a)	**7,175**	434
– Exercise of ESOS	11(b)	**65,774**	9,254
– Acquisition of interest in a subsidiary	11(c)	**–**	45,519
At 31 December		**372,953**	300,004

14 OTHER RESERVES

Group	Revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Merger reserve (Note 15) RM'000	Warrants reserve RM'000	Share option reserve RM'000	Available-for-sale reserve RM'000	Other reserves RM'000	Total RM'000
2011								
At 1 January 2011	100,334	8,011	26,337	14,758	30,705	368	–	180,513
Cancellation of ESOS	–	–	–	–	(275)	–	–	(275)
Exercise of ESOS	–	–	–	–	(22,306)	–	–	(22,306)
Available-for-sale financial asset	–	–	–	–	–	280	–	280
Currency translation differences	–	(628)	–	–	–	–	–	(628)
Exercise of warrants	–	–	–	(1,133)	–	–	–	(1,133)
Reclassification adjustment for gain included in Profit or Loss	(1,291)	1,091	–	–	–	–	–	(200)
At 31 December 2011	99,043	8,474	26,337	13,625	8,124	648	–	156,251
2010								
At 1 January 2010	101,258	5,443	26,337	10,030	620	251	34,318	178,257
Cancellation of ESOS	–	–	–	–	(1,142)	–	–	(1,142)
Issuance of ESOS	–	–	–	–	33,997	–	–	33,997
Exercise of ESOS	–	–	–	–	(2,770)	–	–	(2,770)
Available-for-sale financial asset	–	–	–	–	–	117	–	117
Currency translation differences	–	2,568	–	–	–	–	–	2,568
Warrants issued via issuance of redeemable bonds	–	–	–	1,844	–	–	–	1,844
Shares and warrants issued on acquisition of further interest in a subsidiary	–	–	–	2,986	–	–	(34,318)	(31,332)
Exercise of warrants	–	–	–	(102)	–	–	–	(102)
Reversal of revaluation reserve for disposed property	(924)	–	–	–	–	–	–	(924)
At 31 December 2010	100,334	8,011	26,337	14,758	30,705	368	–	180,513

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

14 OTHER RESERVES (cont'd)

Company	Other reserves RM'000	Warrants reserve RM'000	Share option reserve RM'000	Total RM'000
2011				
At 1 January 2011	**–**	**14,758**	**30,705**	**45,463**
Cancellation of ESOS	**–**	**–**	**(275)**	**(275)**
Exercise of ESOS	**–**	**–**	**(22,306)**	**(22,306)**
Exercise of warrants	**–**	**(1,133)**	**–**	**(1,133)**
At 31 December 2011	**–**	**13,625**	**8,124**	**21,749**
2010				
At 1 January 2010	34,318	10,030	620	44,968
Cancellation of ESOS	–	–	(1,142)	(1,142)
Issuance of ESOS	–	–	33,997	33,997
Exercise of ESOS	–	–	(2,770)	(2,770)
Warrants issued via issuance of redeemable bonds	–	1,844	–	1,844
Shares and warrants Issued for acquisition of further interest in a subsidiary	(34,318)	2,986	–	(31,332)
Exercise of warrants	–	(102)	–	(102)
At 31 December 2010	–	14,758	30,705	45,463

15 MERGER RESERVE

The merger reserve represents the difference between the nominal value of shares issued as consideration for the acquisition on 28 May 2003 of a subsidiary, Sistem Televisyen Malaysia Berhad ("STMB"), which met the criteria for the use of the merger method of accounting under the provisions of FRS 122_{2004} "Business Combinations", and the nominal value of the shares of the subsidiary which was acquired.

	Group 2011 RM'000	Group 2010 RM'000
Nominal value of shares issued	**(263,375)**	(263,375)
Less:		
Nominal value of shares in the subsidiary	**289,712**	289,712
Merger reserve	**26,337**	26,337

16 (ACCUMULATED LOSSES)/RETAINED EARNINGS

Under the single-tier tax system which comes into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2011 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013, whichever is earlier, unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act, 2007.

The Company has no tax credit under Section 108 of the Income Tax Act, 1967 to frank the payment of net dividends out of its retained earnings as at 31 December 2011. Consequently, the Company can only pay single tier dividends out of its retained earnings as at 31 December 2011.

17 DEBT INSTRUMENTS

	Group and Company	
	2011 RM'000	**2010 RM'000**
Bank Guaranteed Medium Term Notes/Commercial Papers (Note (i))	**100,253**	169,257
Redeemable Fixed Rate Bonds (Note (ii))	**146,679**	145,008
	246,932	314,265

(i) Bank Guaranteed Medium Term Notes/Commercial Papers("BGMTN/CP")

	2011 RM'000	2010 RM'000
Current:		
4-year 4.15% BGMTN (unsecured)	**–**	70,031
5-year 4.27% BGMTN (unsecured)	**100,253**	–
	100,253	70,031
Non-current:		
5-year 4.27% BGMTN (unsecured)	**–**	99,226

The BGMTN/CP were constituted by separate Trust Deeds dated 23 August 2007 and 28 August 2007 respectively.

The principal terms of the BGMTN and CP are as follows:

(a) The face value of the BGMTN is RM170 million and the CP was RM30 million;

(b) The interest on the BGMTN of RM70 million and RM100 million are 4.15% and 4.27% per annum respectively, payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year of 365 days with the last payment of interest to be made on the maturity date of the BGMTNs;

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

17 DEBT INSTRUMENTS (cont'd)

The principal terms of the BGMTN and CP are as follows: (cont'd)

(c) The tenure of BGMTN of RM70 million and RM100 million are 4 years and 5 years from the date of issue respectively. The BGMTN of RM70 million was redeemed during the year;

(d) The maturity date of the BGMTN is less than twelve (12) months; and

(e) The BGMTN facility comes with a 12 months CP available until 2014 at a discount of 4.00% to 4.912%. As at the end of the current and previous financial year, there were no CP outstanding.

(ii) Redeemable Fixed Rate Bonds ("RFRB")

	Group and Company	
	2011 RM'000	**2010 RM'000**
5-year 4.95% RFRB	**146,679**	145,008

On 23 March 2010, the Company issued RM150,000,000 nominal 5-year, 4.95% coupon rate, 6.5% yield to maturity, RFRB with RM50,000,000 detachable warrants (Note 18). The RFRB is constituted by a Subscription Agreement dated 23 February 2010.

The fair value of the liability component, included in non-current borrowings, was calculated using a market interest rate for an equivalent bond with no warrants attached. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves representing fair value of the warrants (Note 18).

The principal terms of the RFRB are as follows:

(a) The face value of the RFRB is RM150 million;

(b) The coupon on the RFRB will accrue at 4.95% per annum based on the face value and shall be payable semi-annually in arrears, calculated on the basis of the actual number of days elapsed in a year;

(c) The tenure of the RFRB is five (5) years from the date of issue; and

(d) The bonds shall be redeemed at nominal value on the 5th anniversary of issuance date in cash which will be settled through the Real Time Electronic Transfer of Funds and Securities (RENTAS) system of Bank Negara Malaysia.

18 WARRANTS

Pursuant to the acquisition of The New Straits Times Press (Malaysia) Berhad ("NSTP") in 2009, warrants of the Company were offered for free as part of the purchase consideration to acquire the remaining NSTP ordinary shares not owned by the Company ("Consideration Warrant"). The Company had also issued Bonus Warrant to existing shareholders of the Company ("Bonus Warrant"). The Consideration and Bonus Warrants were constituted by a Deed Poll dated 17 December 2009.

The principal terms of the Consideration and Bonus Warrants (collectively known as "warrants") are as follows:

(a) The exercise price of the warrants is fixed at RM1.80 per warrant;

(b) The warrants may be exercised at any time on or before the maturity date, 31 December 2014, falling five (5) years from the date of issue of the first (1st) tranche of warrants which was on 31 December 2010. Unexercised warrants after the exercise period will thereafter lapse and cease to be valid;

(c) The warrants will rank pari passu without any preference or priority among themselves including in an event of liquidation; and

(d) The warrants are listed on Bursa Malaysia.

In 2010, the Company issued 50,000,000 warrants to investors as part of the issuance of RFRB (Note 17(ii)). The principal terms of the newly issued warrants are as disclosed above.

As at 31 December 2011, the Company had issued 48,240,412 warrants (2010: 48,240,412 warrants).

19 INTEREST BEARING BANK BORROWINGS

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current:					
Term loans (unsecured)	(a)	**14,000**	14,000	**14,000**	14,000
		14,000	14,000	**14,000**	14,000
Revolving credit (unsecured)		**10,000**	–	**–**	–
Banker's acceptance (unsecured)		**31,953**	–	**–**	–
		55,953	14,000	**14,000**	14,000
Non-current:					
Term loans (unsecured)	(a)	**187,000**	201,000	**187,000**	201,000
		187,000	201,000	**187,000**	201,000
		242,953	215,000	**201,000**	215,000

Available credit facilities of the Group as at 31 December 2011 amounts to RM300.7 million (2010: RM521.4 million). The above borrowings are denominated in Ringgit Malaysia.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

19 INTEREST BEARING BANK BORROWINGS (cont'd)

The weighted average effective interest rates applicable to the Group and the Company are as follows:

	Group		Company	
	2011 %	**2010 %**	**2011 %**	**2010 %**
For the financial year				
Term loans	**5.10**	5.10	**5.10**	5.10
Revolving credit	**3.85**	–	**–**	–
Bankers' acceptance	**3.42**	–	**–**	–
As at the financial year end				
Term loans	**5.10**	5.10	**5.10**	5.10
Revolving credit	**3.85**	–	**–**	–
Bankers' acceptance	**3.42**	–	**–**	–

(a) Term loans

The term loans are repayable as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Unsecured				
Current:				
Repayable within 12 months	**14,000**	14,000	**14,000**	14,000
Non-current:				
Repayable after 12 months:				
– between 2 and 5 years	**187,000**	201,000	**187,000**	201,000
	201,000	215,000	**201,000**	215,000

20 FINANCIAL INSTRUMENTS BY CATEGORY

Group	Loans and receivables RM'000	Assets designated at fair value through profit and loss RM'000	Assets designated as available-for-sale RM'000	Total RM'000
31 December 2011				
Financial Assets				
Trade and other receivables excluding prepayments	337,784	–	–	337,784
Deposit, cash and bank balances	450,096	–	–	450,096
Financial assets designated at fair value	–	3,318	–	3,318
Available-for-sale financial asset	–	–	1,400	1,400
Total	787,880	3,318	1,400	792,598

	Other financial liabilities at amortised cost RM'000	Total RM'000
31 December 2011		
Financial Liabilities		
Trade and other payables excluding statutory liabilities and dividend payable	268,652	268,652
Interest bearing bank borrowings:		
– Term loans	201,000	201,000
– Bankers' acceptance	31,953	31,953
– Revolving credit	10,000	10,000
Redeemable fixed rate bonds	146,679	146,679
Bank guaranteed medium term notes	100,253	100,253
Amounts due to associates	2,005	2,005
Total	760,542	760,542

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Group	Loans and receivables RM'000	Assets designated at fair value through profit and loss RM'000	Assets designated as available-for-sale RM'000	Total RM'000
31 December 2010				
Financial Assets				
Trade and other receivables excluding prepayments	322,848	–	–	322,848
Deposit, cash and bank balances	317,931	–	–	317,931
Financial assets designated at fair value	–	3,253	–	3,253
Available-for-sale financial asset	–	–	1,120	1,120
Financial assets of subsidiaries held for sale	8,101	–	–	8,101
Total	648,880	3,253	1,120	653,253

	Other financial liabilities at amortised cost RM'000	Total RM'000
31 December 2010		
Financial Liabilities		
Trade and other payables excluding statutory liabilities and dividend payable	285,238	285,238
Interest- bearing bank borrowings:		
– Term loans	215,000	215,000
Redeemable fixed rate bonds	145,008	145,008
Bank guaranteed medium term notes	169,257	169,257
Amounts due to associates	11,437	11,437
Financial liabilities of subsidiaries held for sale	23,239	23,239
Total	849,179	849,179

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Company	Loans and receivables RM'000	Total RM'000
31 December 2011		
Financial Assets		
Trade and other receivables excluding prepayments	264	264
Deposit, cash and bank balances	247,566	247,566
Amounts due from subsidiaries	164,921	164,921
Total	412,751	412,751

	Other financial liabilities at amortised cost RM'000	Total RM'000
31 December 2011		
Financial Liabilities		
Trade and other payables excluding statutory liabilities and dividend payable	11,567	11,567
Interest- bearing bank borrowings:		
– Term loans	201,000	201,000
Redeemable fixed rate bonds	146,679	146,679
Bank guaranteed medium term notes	100,253	100,253
Amounts due to subsidiaries	29,020	29,020
Total	488,519	488,519

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

20 FINANCIAL INSTRUMENTS BY CATEGORY (cont'd)

Company	Loans and receivables RM'000	Total RM'000
31 December 2010		
Financial Assets		
Trade and other receivables excluding prepayments	254	254
Deposit, cash, and bank balances	135,145	135,145
Amounts due from subsidiaries	92,253	92,253
Total	227,652	227,652

	Other financial liabilities at amortised cost RM'000	Total RM'000
31 December 2010		
Financial Liabilities		
Trade and other payables excluding statutory liabilities	12,450	12,450
Interest- bearing bank borrowings:		
– Term loans	215,000	215,000
Redeemable fixed rate bonds	145,008	145,008
Bank guaranteed medium term notes	169,257	169,257
Amounts due to subsidiaries	6,088	6,088
Total	547,803	547,803

21 CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2011 RM'000	2010 RM'000
Group		
Trade receivables		
Counterparties with external credit rating (RAM)		
A	–	8
AA	–	90
	–	98
Counterparties without external credit rating		
Group 1	6,103	3,034
Group 2	318,803	289,955
	324,906	292,989
Total unimpaired trade receivables	324,906	293,087

- Group 1 – new customers (less than 6 months).
- Group 2 – existing customers (more than 6 months) with no defaults in the past.

None of the financial assets that are fully performing has been renegotiated in the last year.

	2011 RM'000	2010 RM'000
Cash at bank and short-term bank deposits		
AAA/P1	263,212	157,396
AA3/P1	32,955	32,050
AA2/P1	15,152	1,051
AA	2,400	1,109
A2/P1	846	2,392
A1/P1	135,175	122,788
A	17	–
Unrated (petty cash)	339	1,145
	450,096	317,931

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

21 CREDIT QUALITY OF FINANCIAL ASSETS (cont'd)

	2011 RM'000	2010 RM'000
Company		
Cash at bank and short-term bank deposits		
AAA/P1	143,469	44,071
AA3/P1	6,273	6,100
AA2/P1	13,152	–
A1/P1	84,672	84,974
	247,566	135,145

22 HIRE-PURCHASE AND LEASE CREDITORS

This represents future instalments under hire-purchase and lease agreements, repayable as follows:

	Group	
	2011 RM'000	2010 RM'000
Finance lease liabilities:		
Minimum lease payments:		
– not later than 1 year	6,264	8,749
– later than 1 year and not later than 5 years	8,978	15,242
	15,242	23,991
Future finance charges on finance leases	(1,530)	(2,896)
Present value of finance lease liabilities	13,712	21,095
Present value of finance lease liabilities:		
– not later than 1 year	5,403	7,382
– later than 1 year and not later than 5 years	8,309	13,713
	13,712	21,095
Analysed as:		
Due within 1 year (Note 23)	5,403	7,382
Due after 1 year	8,309	13,713
	13,712	21,095

22 HIRE-PURCHASE AND LEASE CREDITORS (cont'd)

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessors in the event of default. The finance lease liabilities contain covenants which require a subsidiary to maintain minimum debt service ratio.

As at 31 December 2011, the weighted average effective interest rate applicable to the lease liabilities as at the financial year end is 3.98% (2010:3.98%) per annum and interest for the financial year is fixed at 3.70% (2010:3.70%) per annum for the Group. The entire balance is denominated in Ringgit Malaysia.

23 TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-current:				
Trade payables	409	409	–	–
Current:				
Trade payables	53,782	60,000	–	–
Programme rights payables	11,764	14,737	2,555	3,652
	65,546	74,737	2,555	3,652
Trade and other accruals	218,845	176,175	9,507	7,440
Other payables	33,708	42,903	1,178	2,328
Hire-purchase and lease creditors (Note 22)	5,403	7,382	–	–
Deferred income	5,087	6,145	–	–
Charity or donor funds	3,396	2,827	–	–
Dividends payable	88,582	806	85,416	–
	420,567	310,975	98,656	13,420
	420,976	311,384	98,656	13,420
The currency profile of trade payables and programme rights payables is as follows:				
Ringgit Malaysia	60,602	72,872	420	2,590
US Dollar	4,071	1,713	2,135	1,062
Others	873	152	–	–
	65,546	74,737	2,555	3,652

Credit terms of trade payables range from no credit to 90 days (2010: 90 days).

Advanced billings represent rental charges in advance based on the relevant rental contract and advance payments received from customers on contract that have yet to be completed.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

24 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group	
	2011 RM'000	**2010 RM'000**
Deferred tax assets		
– To be recovered after more than 12 months	**43,605**	52,006
– To be recovered within 12 months	**6,534**	4,485
	50,139	56,491
Deferred tax liabilities		
– To be recovered after more than 12 months	**(91,645)**	(74,565)
– To be recovered within 12 months	**(10,777)**	(13,279)
	(102,422)	(87,844)

The movement during the financial year relating to deferred tax is as follows:

	2011 RM'000	2010 RM'000
At 1 January	**(31,353)**	(31,434)
(Charged)/credited to profit or loss (Note 8)		
– Property, plant and equipment	**(16,715)**	(19,393)
– Intangible assets		
– Programme, film rights and royalties	**798**	(963)
– Acquired concession rights	**1,048**	2,770
– Allowances and provisions	**5,017**	(2,783)
– Hire purchase creditors	**(1,293)**	1,060
– Unused tax losses	**(6,163)**	16,374
– Unutilised capital allowances	**(3,504)**	2,461
– Advance billings	**(118)**	171
– Inventories	**–**	(27)
	(20,930)	(330)
Reclassification to assets held for sale	**–**	411
At 31 December	**(52,283)**	(31,353)

24 DEFERRED TAXATION (cont'd)

	Group 2011 RM'000	Group 2010 RM'000
Deferred tax assets (before offsetting)		
– Intangible assets	**4,977**	4,179
– Property, plant and equipment	**34,624**	37,418
– Allowances and provisions	**8,698**	3,681
– Hire purchase creditors	**3,981**	5,274
– Unused tax losses	**41,844**	48,007
– Deferred revenue	**2,557**	2,675
– Unutilised capital allowances	**17,319**	20,823
– Others	**8**	8
	114,008	122,065
Offsetting	**(63,869)**	(65,574)
Deferred tax assets (after offsetting)	**50,139**	56,491
Deferred tax liabilities (before offsetting)		
– Intangible assets	**(50,837)**	(51,885)
– Property, plant and equipment	**(115,454)**	(101,533)
	(166,291)	(153,418)
Offsetting	**63,869**	65,574
Deferred tax liabilities (after offsetting)	**(102,422)**	(87,844)

The amount of allowances, deductible temporary differences and unused tax losses (which have no expiry date) for which no deferred tax asset is recognised in the statement of financial position is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unused tax losses	**158,350**	143,880	**16,709**	3,130
Deductible temporary differences	**49,436**	36,029	**117**	83
Reinvestment allowances	**402,928**	402,928	**–**	–
	610,714	582,837	**16,826**	3,213
Deferred tax assets not recognised at 25% (2010: 25%)	**152,679**	145,709	**4,206**	803

The deductible temporary differences, unused tax losses and reinvestment allowances are available indefinitely for offset against future taxable profits of the Group and Company, subject to agreement with the Inland Revenue Board. These tax benefits will only be obtained if the Group and Company derive future assessable income of a nature and amount sufficient for the tax benefits to be utilised. Deferred tax assets have not been recognised in respect of the tax losses and deductible temporary differences of certain entities within the Group as these entities have a history of losses or are dormant.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

25 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM'000	Freehold land at cost RM'000	Building at cost RM'000	Plant and machinery at cost RM'000	Broadcasting and transmission equipment at cost RM'000	Production equipment at cost RM'000
Group						
2011						
Cost/valuation						
At 1.1.2011	14,942	79,635	304,824	691,517	565,103	1,294
Additions	–	–	–	1,666	38,403	64
Disposals	–	(2,135)	–	–	(248)	–
Write off	–	–	–	(1,839)	–	–
At 31.12.2011	14,942	77,500	304,824	691,344	603,258	1,358
Accumulated depreciation						
At 1.1.2011	2,577	–	97,197	402,769	405,716	1,066
Charge for the financial year	1,056	–	6,286	18,632	25,074	118
Disposals	–	–	–	–	(248)	–
Write off	–	–	–	(1,620)	–	–
At 31.12.2011	3,633	–	103,483	419,781	430,542	1,184
Accumulated impairment losses						
At 1.1.2011	–	3,265	49,867	42,985	36,407	–
Reversal of impairment	–	–	153	–	2,015	–
At 31.12.2011	–	3,265	50,020	42,985	38,422	–
Net book value						
At 31.12.2011	11,309	74,235	151,321	228,578	134,294	174

Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improvements at cost RM'000	Assets under construction at cost RM'000	Structures at cost RM'000	Total RM'000
262,705	27,382	20,229	30,808	13,711	103,341	2,115,491
31,745	2,101	1,062	–	11,264	5,624	91,929
(5)	–	(967)	–	–	(13)	(3,368)
(3,790)	(319)	–	–	–	(916)	(6,864)
290,655	29,164	20,324	30,808	24,975	108,036	2,197,188
198,267	21,966	14,419	28,869	–	76,106	1,248,952
23,857	3,699	2,048	–	–	7,420	88,190
(1)	–	(651)	–	–	(9)	(909)
(3,623)	(130)	–	–	–	(718)	(6,091)
218,500	25,535	15,816	28,869	–	82,799	1,330,142
3,975	–	910	–	–	382	137,791
–	–	–	–	–	–	2,168
3,975	–	910	–	–	382	139,959
68,180	3,629	3,598	1,939	24,975	24,855	727,087

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group 2010	Leasehold land RM'000	Freehold land at cost RM'000	Building at valuation RM'000	Building at cost RM'000	Plant and machinery at cost RM'000	Broadcasting and transmission equipment at cost RM'000	Production equipment at cost RM'000
Cost/valuation							
At 1.1.2010	21,695	89,754	5,957	309,573	687,998	561,131	1,294
Additions	–	–	–	110	5,266	25,364	–
Disposals	–	(10,119)	–	–	(1)	–	–
Write off	–	–	–	–	(14)	–	–
Reclassification to Investment Properties (Note 26)	–	–	–	(450)	–	–	–
Reclassification	–	–	–	–	–	–	–
Currency translation differences	(672)	–	(593)	(439)	(172)	(2,129)	–
Reclassification to assets held for sale	(6,081)	–	(5,364)	(3,970)	(1,560)	(19,263)	–
At 31.12.2010	14,942	79,635	–	304,824	691,517	565,103	1,294
Accumulated depreciation							
At 1.1.2010	2,115	–	2,014	91,855	384,168	403,252	936
Charge for the financial year	1,059	–	–	6,318	20,249	21,826	130
Disposals	–	–	–	–	–	–	–
Write off	–	–	–	–	(14)		–
Reclassification to Investment Properties (Note26)	–	–	–	(3)	–	–	–
Currency translation differences	(59)	–	(205)	(99)	(166)	(1,957)	–
Reclassification to assets held for sale	(538)	–	(1,809)	(874)	(1,468)	(17,405)	–
At 31.12.2010	2,577	–	–	97,197	402,769	405,716	1,066
Accumulated impairment losses							
At 1.1.2010	–	3,265	–	50,020	42,985	36,407	–
Reversal of impairment	–	–	–	(153)	–	–	–
At 31.12.2010	–	3,265	–	49,867	42,985	36,407	–
Net book value							
At 31.12.2010	12,365	76,370	–	157,760	245,763	122,980	228

Office equipment, furniture and fittings at cost RM'000	Office renovations at cost RM'000	Motor vehicles at cost RM'000	Leasehold improvements at cost RM'000	Assets under construction at cost RM'000	Structures at cost RM'000	Total RM'000
226,519	24,991	22,848	30,809	17,604	100,669	2,100,842
24,487	1,969	1,332	–	11,248	2,865	72,641
(59)	–	(5)	–	–	(44)	(10,228)
(9)	–	–	–	–	(149)	(172)
–	–	–	–	–	–	(450)
14,913	–	–	–	(14,913)	–	–
(316)	422	(393)	–	(23)	–	(4,315)
(2,830)	–	(3,553)	(1)	(205)	–	(42,827)
262,705	27,382	20,229	30,808	13,711	103,341	2,115,491
178,889	19,049	15,938	27,368	17	68,657	1,194,258
23,402	2,515	2,300	1,502	–	7,524	86,825
(40)	–	(4)	–	–	–	(44)
(8)	–	–	–	–	(75)	(97)
–	–	–	–	–	–	(3)
(363)	402	(387)	–	(2)	–	(2,836)
(3,613)	–	(3,428)	(1)	(15)	–	(29,151)
198,267	21,966	14,419	28,869	–	76,106	1,248,952
3,975	–	910	–	–	1,417	138,979
–	–	–	–	–	(1,035)	(1,188)
3,975	–	910	–	–	382	137,791
60,463	5,416	4,900	1,939	13,711	26,853	728,748

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Company	
	2011 RM'000	**2010 RM'000**
Office equipment, furniture & fittings		
Cost		
At 1 January	**3,582**	3,555
Additions	**63**	27
At 31 December	**3,645**	3,582
Accumulated depreciation		
At 1 January	**2,116**	878
Charge for the financial year	**1,205**	1,238
At 31 December	**3,321**	2,116
Net book value		
At 31 December	**324**	1,466

(a) The value of property, plant and equipment of the Group includes the following assets acquired under hire-purchase and finance lease agreements:

Group	**Cost RM'000**	**Accumulated depreciation RM'000**	**Net book value RM'000**
2011			
Broadcasting, transmission and production equipment	**29,992**	**(13,173)**	**16,819**
Office equipment and furniture and fittings	**10,008**	**(6,672)**	**3,336**
Motor vehicles	**504**	**(494)**	**10**
	40,504	**(20,339)**	**20,165**
2010			
Broadcasting, transmission and production equipment	29,992	(9,564)	20,428
Office equipment and furniture and fittings	10,008	(3,300)	6,708
Motor vehicles	504	(461)	43
	40,504	(13,325)	27,179

25 PROPERTY, PLANT AND EQUIPMENT (cont'd)

(b) Leasehold land

Long term leasehold land and buildings of a subsidiary were last revalued by the Directors on 20 September 1996 based on valuations carried out by professional valuers to reflect the market value for existing use. The book values of the leasehold land and buildings were adjusted to the revalued amounts and the resultant surpluses were credited to the revaluation reserve.

(c) Impairment assessment

Net book value of property, plant and equipment of a wholly owned subsidiary of RM16.37 million at 31 December 2011 was assessed for impairment. An impairment loss of RM2,015,000 was charged to profit or loss as their recoverable amount was lower than their carrying amount.

The recoverable amount was calculated based on value-in-use calculation determined by discounting the future cash flows to be generated from continuing use based on the following assumptions:

(i) Cash flows are derived based on the approved budgeted cash flows for 2012 and projections for a period of four (4) years, based on external data. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.

(ii) The key assumptions used are as follows:

	2011
Pre-tax discount rate	12.88%
Average annual 5 year revenue growth rate	9.10%
Average useful lives of assets	5 years

(iii) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.

(iv) Contribution margins are projected based on the industry trends, together with the trends observed within the subsidiary.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

26 INVESTMENT PROPERTIES

	Leasehold land at cost RM'000	Freehold land at cost RM'000	Buildings at cost RM'000	Cinema at cost RM'000	Total RM'000
Group					
Cost					
At 1 January 2011	12,536	9,831	61,774	2,382	86,523
Additions	–	–	417	–	417
Disposal	–	–	(465)	–	(465)
At 31 December 2011	12,536	9,831	61,726	2,382	86,475
Accumulated depreciation					
At 1 January 2011	3,180	–	9,090	699	12,969
Charge for the financial year	1,583	–	625	–	2,208
Disposal	–	–	(110)	–	(110)
At 31 December 2011	4,763	–	9,605	699	15,067
Accumulated impairment losses					
At 1 January 2011 / 31 December 2011	1,457	1,101	11,463	1,683	15,704
Net book value					
At 31 December 2011	6,316	8,730	40,658	–	55,704

26 INVESTMENT PROPERTIES (cont'd)

	Leasehold land at cost RM'000	Freehold land at cost RM'000	Buildings at cost RM'000	Cinema at cost RM'000	Total RM'000
Group					
Cost					
At 1 January 2010	12,536	9,831	64,184	2,382	88,933
Additions	–	–	210	–	210
Reclassification from property, plant, and equipment	–	–	450	–	450
Disposal	–	–	(3,070)	–	(3,070)
At 31 December 2010	12,536	9,831	61,774	2,382	86,523
Accumulated depreciation					
At 1 January 2010	1,056	–	9,427	699	11,182
Charge for the financial year	2,124	–	126	–	2,250
Reclassification from property, plant, and equipment	–	–	3	–	3
Disposal	–	–	(466)	–	(466)
At 31 December 2010	3,180	–	9,090	699	12,969
Accumulated impairment losses					
At 1 January 2010	1,132	535	10,572	1,683	13,922
Charge for the financial year	325	566	891	–	1,782
At 31 December 2010	1,457	1,101	11,463	1,683	15,704
Net book value					
At 31 December 2010	7,899	8,730	41,221	–	57,850

The above properties are not occupied by the Group and are used to earn rentals or for capital appreciation.

The Group did not recognise any impairment loss (2010: RM1,782,000) during the financial year.

The fair value of the properties was estimated at RM70.8 million (2010:RM63.5 million) based on valuations by independent professional valuers in 2011. Valuations were based on current prices in an active market.

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to RM444,891 (2010: RM448,924).

Direct operating expenses from investment properties that did not generate rental income of the Group during the financial year amounted to RM682,441 (2010: RM210,102).

The titles to freehold and leasehold properties included in the investment properties for the Group at net book value of RM14,250,000 (2010: RM14,487,000) are in the process of being transferred to the Group. Risks, rewards and effective titles to those properties have been passed to the Group upon unconditional completion of the acquisition of the properties. The Group has submitted the relevant documents to the authorities for transfer of legal titles to the Group and is awaiting the process and formalities of this transfer to be completed.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

27 SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Unquoted shares, at cost	1,139,385	1,324,403
Redeemable preference shares ("RPS") (Note 34)	218,500	–
	1,357,885	1,324,403

During the financial year, the Group embarked on a group-wide internal corporate restructuring exercise ("Group Internal Restructuring") to realign the Group's businesses into distinct business units. The Group Internal Restructuring will involve the reorganisation of various entities within the Group's existing business segments into six (6) principal business units. On 31 December 2011, the Group completed phase 1 of the restructuring exercise which resulted in the following transfer:

– the disposal of the Company's entire equity and non-equity interests in ntv7, TV9 and Merit Idea Sdn Bhd (which wholly-owns 8TV), to STMB (a subsidiary of the Company) for a total book value consideration of RM376.7 million; and

– the disposal of the Company's entire equity and non-equity interests in Perintis Layar Sdn Bhd (which wholly-owns FlyFM), to Synchrosound Studio Sdn Bhd (a subsidiary of the Company) for a total book value consideration of RM18 million.

The above restructuring exercise has no impact to the Group's and Company's results or cash outflows (Note 41).

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Interest in equity 2011 %	Interest in equity 2010 %
SistemTelevisyen Malaysia Berhad ("STMB")	Malaysia	Commercial television broadcasting	100	100
Ch-9 Media Sdn Bhd ("TV9")	Malaysia	Commercial television broadcasting	–	100
Natseven TV Sdn Bhd ("ntv7")	Malaysia	Commercial television broadcasting	–	100
Synchrosound Studio Sdn Bhd	Malaysia	Commercial radio broadcasting	100	100
One FM Radio Sdn Bhd	Malaysia	Commercial radio broadcasting	80	80
Big Tree Outdoor Sdn Bhd	Malaysia	Provision of advertising space and related services, investment holding and management services	100	100
UPD Sdn Bhd	Malaysia	Outdoor advertising	100	100
The Right Channel Sdn Bhd	Malaysia	Outdoor advertising	100	100

27 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2011 %	Interest in equity 2010 %
Kurnia Outdoor Sdn Bhd (Note 38 (ii))	Malaysia	Outdoor advertising	**95**	89
Jupiter Outdoor Network Sdn Bhd (Note 38 (ii))	Malaysia	Outdoor advertising	**95**	89
Merit Idea Sdn Bhd	Malaysia	Investment holding	**–**	100
Perintis Layar Sdn Bhd	Malaysia	Investment holding	**–**	100
Primeworks Studios Sdn Bhd	Malaysia	Production of motion picture films, acquiring ready made films from local producers and production houses and investment holding	**100**	100
Big Events Sdn Bhd	Malaysia	Events management	**100**	100
The Talent Unit Sdn Bhd	Malaysia	Talent management of artistes	**100**	100
Alternate Records Sdn Bhd	Malaysia	Album production and recording studio	**100**	100
Amity Valley Sdn Bhd	Malaysia	Investment holding	**100**	100
Esprit Assets Sdn Bhd	Malaysia	Property investments and provision of property management services	**100**	100
Animated & Production Techniques Sdn Bhd	Malaysia	Dormant	**100**	100
Media Prima Content Services Sdn Bhd (formerly known as mmStudios Sdn Bhd) ("MPCS")	Malaysia	Content procurement services	**100**	100
Able Communications Sdn Bhd	Malaysia	Dormant	**100**	100
Encorp Media Technology Sdn Bhd	Malaysia	Dormant	**100**	100
Star Crest Media Sdn Bhd	Malaysia	Dormant	**100**	100
Lazim Juta Sdn Bhd	Malaysia	Investment holding	**100**	100
The New Straits Times Press (Malaysia) Berhad ("NSTP") (Note 38(i))	Malaysia	Publishing and sale of newspaper and investment holding	**98.17**	98.17

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

27 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2011 %	Interest in equity 2010 %
Held by STMB				
Ch-9 Media Sdn Bhd ("TV9")	Malaysia	Commercial television broadcasting	**100**	–
Natseven TV Sdn Bhd ("ntv7")	Malaysia	Commercial television broadcasting	**100**	–
Merit Idea Sdn Bhd	Malaysia	Investment holding	**100**	–
Held by Synchrosound Studio Sdn Bhd				
Perintis Layar Sdn Bhd	Malaysia	Investment holding	**100**	–
Held by NSTP				
Berita Book Centre Sdn Bhd	Malaysia	Dormant	**100**	100
Berita Harian Sdn Berhad	Malaysia	Dormant	**100**	100
Business Times (Malaysia) Sdn Bhd	Malaysia	Dormant	**100**	100
Marican Sdn Berhad	Malaysia	Dormant	**92.5**	92.5
New Straits Times Sdn Berhad	Malaysia	Dormant	**100**	100
New Straits Times Technology Sdn Bhd	Malaysia	Dormant	**100**	100
NSTP e-Media Sdn Bhd	Malaysia	Internet based on-line services	**100**	100
Shin Min Publishing (Malaysia) Sdn Bhd	Malaysia	Dormant	**89.6**	89.6
The New Straits Times Properties Sdn Bhd	Malaysia	Property management services	**100**	100
Held by New Straits Times Technology Sdn Bhd				
Berita Information Systems Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Kurnia Outdoor Sdn Bhd				
Kurnia Outdoor Productions Sdn Bhd	Malaysia	Production of advertising display	**100**	100

27 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2011 %	2010 %
Held by Jupiter Outdoor Network Sdn Bhd				
Calcom Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	**99.99**	99.99
Lokasi Sejagat Sdn Bhd	Malaysia	Rental of unipole and 96 sheet	**100**	100
Wawasan Kilat Sdn Bhd*	Malaysia	Dormant	**100**	100
Skyten Marketing Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Merit Idea Sdn Bhd				
Metropolitan TV Sdn Bhd ("8TV")	Malaysia	Commercial television broadcasting	**100**	100
Held by Perintis Layar Sdn Bhd				
Max-Airplay Sdn Bhd ("FlyFM")(Note 38 (iii))	Malaysia	Commercial radio broadcasting	**100**	100
Held by Big Tree Outdoor Sdn Bhd				
Big Tree Productions Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	**100**	100
Uniteers Outdoor Advertising Sdn Bhd	Malaysia	Advertising contracting and agents, sale of advertising space	**100**	100
Gotcha Sdn Bhd	Malaysia	Undertaking outdoor advertising business and carrying out related production works	**100**	100
Eureka Outdoor Sdn Bhd	Malaysia	Dormant	**100**	100
Anchor Heights Sdn Bhd	Malaysia	Dormant	**100**	100
Uni-Talent Gateway Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Alternate Records Sdn Bhd				
Booty Studio Productions Sdn Bhd	Malaysia	Dormant	**60**	60

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

27 SUBSIDIARIES (cont'd)

Name of company	Country of incorporation	Principal activities	Interest in equity 2011 %	Interest in equity 2010 %
Held by Primeworks Studios Sdn Bhd				
Alt Media Sdn Bhd ("Alt Media")	Malaysia	New media businesses and related activities	**100**	100
Held by UPD Sdn Bhd				
Utusan Sinar Media Sdn Bhd	Malaysia	Dormant	**100**	100
Held by The Right Channel Sdn Bhd				
MMC-AD Sdn Bhd	Malaysia	Undertaking outdoor advertising business	**100**	100
Media Master Industries (M) Sdn Bhd	Malaysia	Dormant	**100**	100
Held by Amity Valley Sdn Bhd				
Gama Media International (BVI) Ltd	British Virgin Islands	Investment holding	**100**	100
Held by Gama Media International (BVI) Ltd				
Gama Film Company Limited ^ (Note 38(v))	Republic of Ghana	Film production, pre and post production, audio/video recording and duplication, video exhibition and distribution	**–**	70
TV3 Network Limited ^ (Note 38(iv))	Republic of Ghana	Media and communication businesses, managerial services and operation of free-to-air television service	**–**	90
Cableview Network Limited ^ (Note 38(v))	Republic of Ghana	Dormant	**–**	70
Gama Media Systems Limited ^ (Note 38(v))	Republic of Ghana	Dormant	**–**	70
Held by Lazim Juta Sdn Bhd				
Strategic Media Asset Mgmt Co. Ltd.	Labuan	Dormant	**100**	100

27 SUBSIDIARIES (cont'd)

^ Audited by a firm other than PricewaterhouseCoopers, Malaysia.
* Strike off application made to the Register of Companies on 30 December 2011 and is still pending.

The Company undertook an impairment test for its investments in MPCS and Alt Media. For the purpose of such test, receivables from these entities classified as quasi investments, are included as part of the carrying amount. No impairment losses were required for the carrying amounts of these investments assessed as at 31 December 2011 as their recoverable amount were in excess of their carrying amounts.

(a) Key assumptions

The recoverable amounts were calculated based on value-in-use ("VIU") determined by discounting the future cash flows to be generated from continuing use based on the following assumptions:

(i) Cash flows are derived based on the approved budgeted cash flows for 2012 and projections for a period of four (4) years, based on external data. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.

(ii) The key assumptions used are as follows:

Assumption	MPCS	Alt Media
Pre-tax discount rate	12.88%	12.88%
Average annual 5 year revenue growth rate	2.5%	9.10%

(iii) A terminal growth rate of 2.5% is applied in the VIU calculation

(iv) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.

(v) Contribution margins are projected based on the industry trends, together with the trends observed within the Group.

(vi) Maintenance costs and taxes at 25% is incorporated in the cash flows.

(b) Impact of possible change in key assumptions

Based on the sensitivity analysis performed for MPCS, if the estimated pre-tax discount rate applied to the discounted cash flows had been 2% higher than the management's estimate, the recoverable amount will approximate the carrying amount. No reasonable changes in the estimated revenue growth and terminal growth would cause the carrying amount of the investment in MPCS to exceed their recoverable amount.

Based on the sensitivity analysis performed for Alt Media, if the estimated pre-tax discount rate applied to the discounted cash flows had been 3% higher than the management's estimate, the recoverable amount will approximate the carrying amount. If the estimated revenue growth rate applied to the discounted cash flows had been 3% lower than the management's estimate, the recoverable amount will approximate the carrying amount.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

28 ASSOCIATES

	Group	
	2011 RM'000	**2010 RM'000**
Unquoted shares, at cost	**222,887**	222,887
Share of post acquisition results, net of dividends received	**(8,386)**	(10,513)
Total	**214,501**	212,374

The Group's share of revenue, profit, assets and liabilities of the associates are as follows:

	Group	
	2011 RM'000	**2010 RM'000**
Revenue	**114,449**	107,589
Net profit for the financial year	**2,127**	6,196
Non-current assets	**236,687**	248,379
Current assets	**25,202**	21,715
Current liabilities	**(36,095)**	(32,417)
Non-current liabilities	**(11,293)**	(25,303)
Share of net assets	**214,501**	212,374

Details of the associates, all of which are incorporated in Malaysia, are as follows:

Name of company	**Principal activities**	**Group effective interest in equity**	
		2011 %	**2010 %**
Sistem Network Nusantara Sdn Bhd	Dormant	**49.00**	49.00
Held by NSTP			
Asia Magazines Limited (Incorporated in Hong Kong)	Dormant	**26.41^**	26.41^
Business Day Co. Ltd (Incorporated in Thailand)	Dormant	**46.63^**	46.63^
Malaysian Newsprint Industries Sdn Bhd	Manufacture and sale of newsprint and related paper products	**21.00^**	21.00^
Laras Perkasa Sdn Bhd	Dormant	**29.45^**	29.45^

^ Effective interest via 98.17% interest in NSTP

28 ASSOCIATES (cont'd)

Impairment of investment in Malaysian Newsprint Industries Sdn Bhd

The carrying value of the Group's investment in Malaysian Newsprint Industries Sdn Bhd ("MNI") as at 31 December 2011 is RM215 million (2010: RM212 million). The Group undertook the test for impairment of its investment in MNI, based on a number of key assumptions as follows:

- The value in use is calculated using the budgeted cash flows of MNI for five years from 2012 to 2016 (2010: 2011 to 2015);
- A terminal value based on the cash flows for 2016 at Nil (2010: Nil) growth rate has been included at the end of 2016 in the cash flow projections;
- The forecast over these periods reflect the Group's expectation of revenue growth, operating costs and other cash outflow and margins based on past records and current assessment of expectation of market and industry growth; and
- The pre-tax discount rate used to calculate the value in use is 8.66% (2010: 9.18%).

The Group's review includes an impact assessment of changes in key assumptions. Sensitivity analysis show that no impairment loss is required for the carrying value of the investment in MNI assessed, including where realistic variations are applied to key assumptions.

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group	
	2011 RM'000	**2010 RM'000**
Shares in corporations, quoted in Malaysia	**86**	125
Units in property and unit trusts, quoted in Malaysia	**3,144**	3,040
	3,230	3,165
Shares in corporations, unquoted in Malaysia	**88**	88
	3,318	3,253

Changes in fair values of financial assets at fair value through profit or loss are recorded on the face of the profit or loss.

The fair value of all equity securities is based on their current bid prices in an active market.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

30 INTANGIBLE ASSETS

	Group					
	Programmes and film rights (definite life) RM'000	Goodwill (indefinite life) RM'000	Acquired concession rights and outdoor advertising rights (definite life) RM'000	Acquired concession rights and outdoor advertising rights (indefinite life) RM'000	Acquired publishing rights and contracts (indefinite life) RM'000	Total RM'000
At 1 January 2011	26,064	128,170	27,138	39,446	161,012	381,830
Additions	177,776	–	–	–	–	177,776
	203,840	128,170	27,138	39,446	161,012	559,606
Amortisation during the financial year	(179,183)	–	(4,272)	–	–	(183,455)
Write off during the financial year	(5,696)	–	–	–	–	(5,696)
At 31 December 2011	18,961	128,170	22,866	39,446	161,012	370,455

	Group						
	Programmes and film rights (definite life) RM'000	Goodwill (indefinite life) RM'000	Acquired concession rights and outdoor advertising rights (definite life) RM'000	Acquired concession rights and outdoor advertising rights (indefinite life) RM'000	Acquired publishing rights and contracts (definite life) RM'000	Acquired publishing rights and contracts (indefinite life) RM'000	Total RM'000
At 1 January 2010	39,288	125,260	32,480	39,446	5,590	161,012	403,076
Additions	172,810	–	–	–	–	–	172,810
Acquisition of further interest in subsidiaries	–	2,910	–	–	–	–	2,910
	212,098	128,170	32,480	39,446	5,590	161,012	578,796
Amortisation during the financial year	(182,527)	–	(5,342)	–	(5,590)	–	(193,459)
Write off during the financial year	(400)	–	–	–	–	–	(400)
Reclassification to assets held for sale	(3,107)	–	–	–	–	–	(3,107)
At 31 December 2010	26,064	128,170	27,138	39,446	–	161,012	381,830

30 INTANGIBLE ASSETS (cont'd)

Intangible assets with indefinite useful lives are tested for impairment on an annual basis. Included in intangible assets are acquired rights which have indefinite useful lives, totalling RM200.4 million (2010: RM200.4 million). These assets are deemed to have indefinite useful lives as they are renewable with minimum cost to the Group and there is no foreseeable limit to the period over which the assets are expected to generate net cash inflows for the Group. Based on the test performed as described below, the Directors concluded that the recoverable amount, calculated based on value-in-use, is higher than the carrying amount.

Impairment tests for intangible assets with indefinite useful life

The carrying amounts of intangible assets allocated to the Group's cash-generating units ("CGUs") are as follows:

	Group	
	2011 RM'000	2010 RM'000
NSTP Group	161,012	161,012
BTO Group	116,638	116,638
Kurnia Group	35,273	35,273
One FM	11,384	11,384
Others	4,321	4,321
	328,628	328,628

No impairment loss was required for the carrying amounts of the remaining goodwill assessed as at 31 December 2011 as their recoverable amounts were in excess of their carrying amounts.

The recoverable amounts of the CGUs are determined based on value-in-use calculations. Cash flows are derived based on the approved budgeted cash flows for 2012 and projections for a period of four (4) years, based on external data. The projections reflect management's expectation of revenue growth, operating costs and margins for the cash-generating unit based on current assessment of market share, expectations of market growth and industry growth.

The key assumptions used for the value-in-use calculations are as follows:

	NSTP Group %	BTO Group %	Kurnia Group %	One FM %
2011				
Average revenue growth	5.0	7.65	7.65	7.65
Pre-tax discount rate	11.55	12.88	12.88	12.88
Terminal growth rate	0.0	2.5	2.5	2.5
2010				
Average revenue growth	5.0	7.5	7.5	7.5
Pre-tax discount rate	12.0	16.0	16.0	16.0
Terminal growth rate	0.0	2.5	2.5	2.5

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

30 INTANGIBLE ASSETS (cont'd)

(i) A terminal growth rate of 0.0% to 2.5% (2010: 0.0% to 2.5%) is applied in the VIU calculation. The average revenue growth rate and terminal growth rate reflects long term growth forecast.

(ii) The growth in overhead costs are determined based on past performance and expected inflationary factors and is consistent with previous years.

(iii) Contribution margins are projected based on the industry trends, together with the trends observed within the Group.

(iv) Maintenance costs and taxes at 25% is incorporated in the cash flows.

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in the base case assumptions would cause the carrying amounts of the CGUs to exceed their recoverable amounts.

31 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group	
	2011 RM'000	**2010 RM'000**
At 1 January	**1,120**	1,001
Net gains transfer to equity	**280**	119
At 31 December	**1,400**	1,120

Available-for-sale financial assets comprise unquoted shares and are denominated in Ringgit Malaysia.

The fair values of unlisted securities are based on market value of the unlisted securities derived from arm's length transactions.

32 INVENTORIES

	Group	
	2011 RM'000	**2010 RM'000**
Raw materials	**145,268**	108,096
Publication stocks	**485**	419
	145,753	108,515

33 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade receivables	389,182	372,906	–	–
Less: Provision for impairment	(58,502)	(76,507)	–	–
	330,680	296,399	–	–
Less: Advanced billings	(5,774)	(3,312)	–	–
	324,906	293,087	–	–
Deposits	11,819	11,161	74	74
Prepayments	22,163	22,021	277	413
Other receivables	196,631	189,280	190	180
	230,613	222,462	541	667
Less: Provision for impairment of other receivables	(175,719)	(170,680)	–	–
	54,894	51,782	541	667
	379,800	344,869	541	667

All receivables are mostly due within 12 months from the end of the reporting period.

The fair values of trade and other receivables approximates the carrying value.

As of 31 December 2011, trade receivables that were past due but not impaired are as disclosed below. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group	
	2011 RM'000	2010 RM'000
Ageing 3 to 6 months	71,633	70,438
Ageing 7 to 12 months	21,129	13,628
Over 12 months	1,520	2,825
	94,282	86,891

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

33 TRADE AND OTHER RECEIVABLES (cont'd)

As of 31 December 2011, trade receivables of RM58,502,000 (2010: RM76,507,000) were impaired and provided for. The individually impaired receivables mainly relate to customers that defaulted in payment, which are in unexpectedly difficult financial position. It was assessed that an insignificant portion of the receivables is only expected to be recovered. The ageing of these receivables is as follows:

	Group	
	2011 RM'000	2010 RM'000
Ageing 3 to 6 months	4	–
Ageing 7 to 12 months	6,976	323
Over 12 months	51,522	76,184
	58,502	76,507

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2011 RM'000	2010 RM'000
RM	387,175	371,164
USD	846	324
SGD	916	1,406
Others	245	12
	389,182	372,906

Movements on the Group's provision for impairment of receivables are as follows:

	Group	
	2011 Trade receivables RM'000	2011 Other receivables RM'000
At 1 January	76,507	170,680
Impairment charge for the financial year	8,049	6,407
Unused amounts reversed	(163)	(3)
Receivables written off during the financial year as uncollectible	(22,070)	(1,259)
Recovery of bad debts	(3,821)	(106)
At 31 December	58,502	175,719

33 TRADE AND OTHER RECEIVABLES (cont'd)

	Group	
	2010 Trade receivables RM'000	2010 Other receivables RM'000
At 1 January	83,550	171,250
Impairment charge for the financial year	3,021	295
Unused amounts reversed	(425)	(480)
Receivables written off during the financial year as uncollectible	(9,639)	(385)
At 31 December	76,507	170,680

The creation and release of provision for impaired receivables have been included as a net amount in the profit and loss. Amounts charged as impairment are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group holds bank guarantees and deposits amounting to RM41.6 million (2010: RM41.6 million) as collateral to reduce its credit risk.

34 AMOUNTS DUE FROM/TO SUBSIDIARIES

	Company	
	2011 RM'000	2010 RM'000
Non-current:		
Amounts due from subsidiaries	**394,741**	423,508
Current:		
Amounts due from subsidiaries	**164,941**	95,410
Less: Provision for impairment	**(20)**	(3,157)
	164,921	92,253
Amounts due to subsidiaries	**29,020**	6,088

(a) The amounts due from subsidiaries are denominated in Ringgit Malaysia, unsecured and interest free for which the Company has no current or foreseeable intention to recall these advances. These balances are the Company's quasi investment in the respective subsidiaries and arose as a result of Internal Group Restructuring as disclosed in Note 27.

(b) The amounts due from subsidiaries are denominated in Ringgit Malaysia, unsecured and interest free. These balances are expected to be realisable within the next financial year.

(c) During the financial year, RM218.5 million of the amounts due from subsidiaries were converted into RPS as disclosed in Note 27.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

35 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	**105,030**	65,084	**21,864**	16,698
Deposits with licensed banks	**345,066**	252,847	**225,702**	118,447
Deposits, cash and bank balances (Note 37)	**450,096**	317,931	**247,566**	135,145

The deposits, cash and bank balances are denominated in Ringgit Malaysia.

During the financial year, the interest rates for the deposits ranged from 2.75% to 4.15% (2010: 1.85% to 2.95%) per annum for the Group and for the Company. As at 31 December 2011, the effective interest rates for the deposits ranged from 2.75% to 4.15% (2010: 1.85% to 2.95%) per annum for the Group and for the Company.

Fixed deposits with licensed financial institutions have a maturity period ranging between 30 days to 365 days (2010: 30 days to 365 days).

Bank balances are deposits held at call with banks and earn no interest.

36 AMOUNTS DUE TO/FROM AN ASSOCIATE

The amounts due to/from an associate is denominated in Ringgit Malaysia, unsecured, interest free and has no fixed terms of repayment.

37 CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits, cash and bank balances (Note 35)	**450,096**	317,931	**247,566**	135,145
Cash from subsidiary held for sale	**–**	578	**–**	–
Less:				
Restricted deposits:				
– Deposits with a licensed bank	**(21,783)**	(9,740)	**(18,911)**	(5,251)
– Bank balances and deposits held in respect of public donations	**(3,396)**	(2,827)	**–**	–
	424,917	305,942	**228,655**	129,894

37 CASH AND CASH EQUIVALENTS (cont'd)

Bank balances at the end of the financial year include the following deposits which are not available for use by the Group and the Company:

(a) Deposits with a licensed bank, amounting to RM2,351,967 (2010: RM3,069,717), which have been placed with the licensed bank for bank guarantee facilities extended to a subsidiary company. These are long term restricted cash up to 2014.

(b) Deposits with licensed bank of RM520,136 (2010: RM1,420,397) are pledged to the licensed bank as security for the overdraft and bank guarantee facilities granted to a subsidiary company.

(c) Deposits with licensed bank of RM4,537,052 (2010: RM4,499,602) which have been placed with the licensed bank for bond security. These are restricted cash up to 2015.

(d) Proceeds received from exercise of warrants amounting to RM14,374,174 (2010: RM751,088) have been placed under proceeds account in a licensed bank pursuant to the RFRB Deed Poll. These are restricted cash up to 2015.

(e) Bank balances and deposits held in respect of public donations are restricted from being used by the Group indefinitely other than for the purpose of distribution to designated recipients.

38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

A. ACQUISITION

<u>Previous Financial Year</u>

(i) The New Straits Times Press (Malaysia) Berhad ("NSTP")

In 2009, the Company had undertaken the following:

– a conditional take-over offer to acquire all the remaining NSTP Shares not already owned by the Company ("Offer Share"), at an offer price of RM2.40 per Offer Share, to be satisfied by the issuance of six (6) ordinary share of RM1.00 each in the Company ("MPB Share") at an issue price of RM2.00 each and one (1) free new warrant in MPB ("Consideration Warrant") for every five (5) Offer Shares accepted; ("Take Over Offer")

– Bonus Issue of up to 24,604,298 Bonus Warrants to the Company's existing shareholders on the basis of one (1) new warrant in the Company ("Bonus Warrant") for every thirty-five (35) MPB Shares held on the entitlement date.

The shareholding increased from 86.06% at 31 December 2009 to 98.17% at 31 December 2010 and remained at 98.17% as at 31 December 2011.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (cont'd)

A. ACQUISITION (cont'd)

Previous Financial Year (cont'd)

(i) The New Straits Times Press (Malaysia) Berhad ("NSTP") (cont'd)

The impact of the purchase of further interest in NSTP during the previous financial year is as follows:

	RM'000
Purchase consideration:	
– Fair value of shares	63,331
– Fair value of warrants	2,986
– Direct cost*	27
Total purchase consideration	66,344
Share of non-controlling interest	(121,788)
Negative goodwill	(55,444)

* The net balance above includes Reporting Accountant's fee of RM70,000.

Current Year

(ii) Kurnia Outdoor Sdn Bhd ("Kurnia") and Jupiter Outdoor Network Sdn Bhd ("Jupiter")

On 12 November 2009, the Company entered into share sale agreements with Asia Posters Sdn Bhd, Yew Wai Sung ("YWS") and Koh Swee Han ("KSH") to acquire, in total, potentially 1,000,000 and 57,500 ordinary shares of RM1.00 each in Kurnia and Jupiter representing 100% of the issued and paid-up share capital of Kurnia and Jupiter respectively.

The purchase of the ordinary shares of YWS and KSH in Kurnia and Jupiter is to be completed in four tranches with the first tranche being completed on 12 November 2009. The remaining three tranches representing 20% of the ownership interest in Kurnia and Jupiter was to be completed subsequent to 12 November 2009 over a period of three years subject to certain conditions to be met.

As at 31 December 2009, MPB had 80% interest in Kurnia and Jupiter.

On 19 April 2010, MPB acquired a further 9% stake, representing the second tranche of ownership, in Kurnia and Jupiter for the purchase consideration of RM4.1 million. As at 31 December 2010, MPB holds 89% equity interest in Kurnia and Jupiter.

38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (cont'd)

A. ACQUISITION (cont'd)

Current Year (cont'd)

(ii) Kurnia Outdoor Sdn Bhd ("Kurnia") and Jupiter Outdoor Network Sdn Bhd ("Jupiter") (cont'd)

The impact of the purchase of further interest in Kurnia and Jupiter in the previous financial year is as follows:

	2010 RM'000
Purchase consideration:	
– Cash paid	4,084
– Direct cost	19
Total purchase consideration	4,103
Share of non-controlling interest	(2,095)
Goodwill	2,008

On 10 May 2011, MPB acquired a further 6% stake representing the third tranche of ownership, in Kurnia and Jupiter for the purchase consideration of RM2.72 million. As at 31 December 2011, MPB holds 95% equity interest in Kurnia and Jupiter.

The impact of the purchase of further interest in Kurnia and Jupiter in the current financial year is as follows:

	2011 RM'000
Consideration paid to non-controlling interest, net of transaction cost	**2,723**
Carrying amount of non-controlling interest acquired	**(1,722)**
Difference recognised in retained earnings	**1,001**

(iii) Max-Airplay Sdn Bhd

MPB's wholly-owned subsidiary, Perintis Layar Sdn Bhd, had entered into a share sale agreement with Lambaian Maya Sdn Bhd to acquire the remaining 25% equity interest in Max-Airplay Sdn Bhd for RM2.8 million cash during the financial year ended 2010. As at 31 December 2010, MPB holds 100% equity interest in Max-Airplay Sdn Bhd.

The additional interest in Max-Airplay Sdn Bhd did not have significant financial impact to the Group for the financial year ended 2010.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

38 SIGNIFICANT ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES (cont'd)

B. DISPOSAL

(iv) TV3 Network Limited ("TV3N")

On 6 January 2011, a wholly-owned subsidiary, Gama Media International (BVI) Ltd ("GMI") had entered into a Sale and Purchase Agreement to divest its 90% equity interest in TV3 Network Limited to Media General Ghana Ltd.

The disposal was completed on 5 September 2011.

TV3N was previously classified as a subsidiary held for sale. The effect of the disposal on the Group's results is as disclosed in the financial statements.

The net cash flow on disposal is determined as follows:

	At date of disposal RM'000
Total proceeds from disposal:	
Cash consideration	8,196
Expenses directly attributable to the disposal	(489)
Net disposal proceeds	7,707
Cash and cash equivalents of the subsidiary disposed	–
Net cash flow on disposal	7,707

(v) Gama Film Company Limited ("GFC"), Cableview Network Limited ("CVN") and Gama Media Systems Limited ("GMS")

On 15 December 2011, a wholly-owned subsidiary, Gama Media International (BVI) Ltd ("GMI") divested its 70% equity interest in GFC to the Government of Ghana whilst CVN and GMS were divested on 16 December 2011 to Winmat Limited.

GFC was previously classified as a subsidiary held for sale. The effect of the disposal on the Group's results is as disclosed in the financial statements.

The net cash flow on disposal is determined as follows:

	At date of disposal RM'000
Total proceeds from disposal:	
Cash consideration	*
Expenses directly attributable to the disposal	(99)
Net expenses	(99)
Cash and cash equivalents of the subsidiary disposed	–
Net cash flow on disposal	(99)

* USD 1

39 CASH FLOWS GENERATED FROM OPERATIONS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Net profit for the financial year from:				
Continuing operations	207,410	250,618	234,484	86,361
Subsidiary acquired exclusively for sale	2,252	–	–	–
	209,662	250,618	234,484	86,361
Adjustments for:				
Programmes, film rights and album production cost				
– Amortisation	179,183	182,527	–	–
– Write off	5,696	400	–	–
Prepaid expenditure written off	27	284	–	–
Property, plant and equipment				
– Depreciation	88,190	86,825	1,205	1,238
– Net loss/(gain) on disposals	1,786	(5,322)	–	–
– Write off	773	75	–	–
– Charges/(reversal) for impairment losses	2,168	(1,188)	–	–
Investment properties				
– Depreciation	2,208	2,250	–	–
– Gain on disposal	(61)	(346)	–	–
– Impairment losses	–	1,782	–	–
Amortisation of acquired rights	4,272	10,932	–	–
Interest expenses	32,085	32,597	29,342	29,106
Fair value gain on financial assets at fair value through profit or loss	(65)	(362)	–	–
Net unrealised exchange loss/(gain)	48	(50)	–	–
Share of results of an associate	(2,127)	(6,196)	–	–
ESOS issuance	–	33,997	–	1,222
Dividend income	(80)	(103)	(324,870)	(151,512)
Interest income	(8,538)	(4,348)	(4,682)	(2,328)
Taxation	72,106	44,693	45,288	20,319
Impairment losses on trade and other receivables	10,363	2,411	–	–
Negative goodwill upon acquisition	–	(55,444)	–	–
Gain on disposal of subsidiary held for sale	(724)	–	–	–
	596,972	576,032	(19,233)	(15,594)
Changes in working capital:				
Inventories	(37,238)	14,316	–	–
Receivables	(45,706)	(28,500)	126	1,359
Payables	(152,246)	(132,111)	(181)	(12,821)
Subsidiaries	–	–	54,897	10,818
Associates	(9,432)	5,684	–	–
Cash flows generated from operations	352,350	435,421	35,609	(16,238)

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

40 ASSETS HELD FOR SALE

	Group	
	2011 RM'000	**2010 RM'000**
Assets		
Leasehold buildings (Note a)	**180**	180
Assets of subsidiaries held for sale (Note 38(iv) and (v))	**–**	16,302
	180	16,482
Liabilities		
Liabilities of subsidiaries held for sale (Note 38(iv) and (v))	**–**	23,239

(a) In the previous financial years, NSTP, a subsidiary company, entered into sale and purchase agreements for the proposed disposals of freehold land, leasehold buildings, prepaid leases and a subsidiary. These proposed disposals satisfied the criteria set out in FRS 5 - Non-Current Assets Held For Sale and Presentation of Discontinued Operations, and hence had been classified as "non-current assets held for sale". As at 31 December 2011, the proposed disposal is in the process of being transferred to the buyer and is awaiting the process and formalities of the transfer to be completed.

(b) On 14 January 2011, the Company announced its intention to dispose its 70% owned subsidiary in Ghana, Gama Film Company Limited. Consequently, under FRS 5 "Non-Current Assets Held for Sale and Presentation of Discontinued Operations" ("FRS 5"), the subsidiaries had been reclassified as assets held for sale in the previous financial year.

The financial impact of the reclassification under FRS 5 was as follows:

	2010 RM'000
(i) Profit and loss of subsidiaries reclassified as held for sale during the financial year	
– Revenue	21,704
– Other income	938
– Impairment loss due to re-measurement of the net assets to fair value less cost of sale	(4,739)
– Operating expenses	(19,573)
Loss before taxation	(1,670)
– Taxation	78
Loss after taxation	(1,592)
(ii) Cash flows of subsidiaries reclassified as held for sale during the financial year	
– Cash flow arising from operating activities	1,881
– Cash flow used in investing activities	(909)
– Cash flow used in financing activities	(107)

40 ASSETS HELD FOR SALE (cont'd)

	2010 RM'000
(iii) Assets of subsidiaries reclassified as held for sale during the financial year	
– Property, plant and equipment	7,287
– Intangibles	398
– Receivables	7,523
– Cash	578
– Other assets	516
	16,302
(iv) Liabilities of subsidiaries reclassified as held for sale during the financial year	
– Payables and accruals	23,239

The subsidiary held for sale was disposed during the financial year as disclosed in Note 38(iv) and (v).

41 SIGNIFICANT NON-CASH TRANSACTIONS

The significant non-cash transactions during the financial year were as follows:

	Group	
	2011 RM'000	2010 RM'000
Property, plant and equipment obtained through:		
– contra arrangements with customers	–	190
– hire-purchase/borrowing arrangements	–	1,743
Investment property obtained through:		
– contra arrangement with a customer	417	–
Acquisition of additional interest in NSTP via issuance of ordinary shares and warrants of the Company (Note 38 (i))	–	66,317

	Company	
	2011 RM'000	2010 RM'000
Disposal of interest in ntv7, TV9, Merit Idea Sdn Bhd and Perintis Layar Sdn Bhd via intercompany balances	394,741	–

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

42 RELATED PARTY TRANSACTIONS

(a) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

Key management personnel of the Company are the Executive Directors and the senior management of the Company.

Key management compensation was as follows:

	Group		Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Key management:				
– Fees	**885**	863	**435**	435
– Basic salaries, bonus and other remunerations	**9,591**	5,872	**3,160**	2,028
– Allowance	**1,610**	1,308	**593**	474
– Defined contribution retirement plan	**1,706**	1,043	**611**	431
– Share based compensation	**–**	1,496	**–**	677
	13,792	10,582	**4,799**	4,045
Estimated monetary value of benefits-in-kind	**393**	272	**130**	73

Included in the key management compensation is Directors' remuneration as disclosed in Note 7 to the financial statements.

Key management personnel of the Group and of the Company have been granted options under the ESOS on the same terms and conditions as those offered to other employees of the Group (see Note 12) as follows:

	Number of options over ordinary shares of RM1.00 each				
Grant date	**Expiry date**	**Exercise price RM/ share**	**At 1 January 2011 '000**	**Exercised '000**	**At 31 December 2011 '000**
Financial year ended 31 December 2011					
31 May 2010	13 May 2015	**1.80**	**3,847**	**(1,682)**	**2,165**
			3,847	**(1,682)**	**2,165**

42 RELATED PARTY TRANSACTIONS (cont'd)

(a) Key management compensation (cont'd)

Grant date	Expiry date	Exercise price RM/ share	At 1 January 2010 '000	Granted '000	Exercised '000	Lapsed '000	At 31 December 2010 '000
			Number of options over ordinary shares of RM1.00 each				
Financial year ended 31 December 2010							
31 May 2010	13 May 2015	1.80	–	3,947	(100)	–	3,847
11 January 2005	10 January 2010	1.55	820	–	(420)	(400)	–
14 December 2005	10 January 2010	1.46	400	–	(400)	–	–
			1,220	3,947	(920)	(400)	3,847

(b) Transactions between Group entities

Name of company	Relationship
The New Straits Times Press (Malaysia) Berhad ("NSTP")	A subsidiary of the Company
Sistem Televisyen Malaysia Berhad ("STMB")	A subsidiary of the Company
Metropolitan TV Sdn Bhd ("8TV")	A subsidiary of the Company
Natseven TV Sdn Bhd ("ntv7")	A subsidiary of the Company
Ch-9 Media Sdn Bhd	A subsidiary of the Company
Big Tree Outdoor Sdn Bhd	A subsidiary of the Company
UPD Sdn Bhd	A subsidiary of the Company
Synchrosound Studio Sdn Bhd	A subsidiary of the Company
Merit Idea Sdn Bhd	A subsidiary of the Company
Malaysian Newsprint Industries Sdn Bhd ("MNI")	An associate of the Group

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other related party transactions which were carried out on terms and conditions attainable in transactions with unrelated parties.

Purchases of goods and services

	Group	
	2011 RM'000	2010 RM'000
Purchase of newsprints from:		
– MNI	123,111	101,534

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

42 RELATED PARTY TRANSACTIONS (cont'd)

(b) Transactions between Group entities (cont'd)

Sales and purchase of goods and services:

	Company 2011 RM'000	Company 2010 RM'000
(i) Fees receivable in relation to provision of procurement services to:		
– STMB	**3,269**	3,553
– Metropolitan TV Sdn Bhd	**2,334**	2,463
– Natseven TV Sdn Bhd	**1,247**	1,066
– Ch-9 Media Sdn Bhd	**317**	673
(ii) Dividends received/receivable net of tax from:		
– STMB	**97,778**	40,000
– Big Tree Outdoor Sdn Bhd	**9,000**	12,700
– NSTP	**159,406**	50,484
– UPD Sdn Bhd	**3,000**	2,300
– Synchrosound Studio Sdn Bhd	**4,500**	9,000
– Merit Idea Sdn Bhd	**–**	6,100
(iii) Purchase of advertisement slots from NSTP	**1,995**	56
(iv) ESOS charged to subsidiaries as listed in Note 27	**–**	32,775

The Group entities have an arrangement whereby all sales and placement of advertisements between the Group entities are made in slots/space usually reserved for in-house advertisements and promotions. The fair values of these sales and placement of advertisements are not material in relation to the financial statements.

(c) Significant related party balances

Amounts due from/(to) subsidiaries

	Company 2011 RM'000	Company 2010 RM'000
ntv7	**2,698**	164,746
STMB	***374,624**	103,611
Media Prima Content Services Sdn Bhd	**(1,012)**	86,430
NSTP	**122,195**	58,800
Alt Media Sdn Bhd	**15,589**	28,305
Ch-9 Media Sdn Bhd	**390**	22,102
Perintis Layar Sdn Bhd	**243**	16,789
Kurnia Outdoor Sdn Bhd	**38**	7,517
Merit Idea Sdn Bhd	**38**	5,527
Big Tree Outdoor Sdn Bhd	**101**	(3,420)
Synchrosound Studio Sdn Bhd	***18,058**	3,982
8TV	**3,071**	2,936
Primeworks Studios Sdn Bhd	**1,860**	4,155
Gama Media International (BVI) Ltd	**(7,730)**	5

* These balances were mainly relating to the Corporate Restructuring as disclosed in Note 27.

42 RELATED PARTY TRANSACTIONS (cont'd)

(c) Significant related party balances (cont'd)

Amount due to an associate

	Group	
	2011 RM'000	2010 RM'000
MNI	2,005	11,437

43 COMMITMENTS

(a) Capital commitments

	Group	
	2011 RM'000	2010 RM'000
Capital commitments, approved but not contracted for		
– Property, plant and equipment	138,867	105,234
– Programmes and film rights	223,782	243,354
Capital commitments, approved and contracted for		
– Property, plant and equipment	25,235	28,371
	387,884	376,959
Share of an associate's capital commitments	336	520

(b) Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2011 RM'000	2010 RM'000
– Not later than 1 year	12,556	12,480
– Later than 1 year and not later than 5 years	46,852	47,800
– Later than 5 years	111,796	123,403
	171,204	183,683

The operating lease commitments relate to the rental of the Company's registered office and principal place of business and offices leased by subsidiary companies.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

44 CONTINGENT LIABILITIES

(a) Material litigation

The Media Prima Group is a defendant in 75 (2010: 76) legal suits with contingent liabilities amounting to approximately RM450.0 million (2010: RM889.5 million). Of the 75 legal suits, 68 suits are for alleged defamation (of which 53 are against NSTP), 4 are for alleged copyright and 3 are for alleged breaches of contracts.

In so far as the suits for the alleged copyright and breaches of contract are concerned, the Directors have been advised and are of the considered view that most are unsustainable against the Group.

In relation to the defamation suits against the Group, these have emanated exclusively from its extensive reporting of news and events. As the purveyor of news and information, the Group faces the threat of legal suits on a daily and an ongoing basis. The law does not restrict anyone from filing a suit against another regardless of motive, objective and amount. Even practising the highest standard of reporting and journalism will not avoid the risk of legal suits for the simple reason that people will sue if they perceive that they have been wronged. Hence, having regard to the array of legal defences available to a media company, simply having a legal suit filed against it does not necessarily nor automatically translate into a liability for the Group, whether contingent or otherwise. Furthermore, it is noted that regardless of amount claimed, the current trend of award for defamation suits once liability is determined by the Courts is between RM50,000 to RM300,000.

In addition, for the defamation suits against NSTP, it already has in place insurance coverage against damages, if any, awarded against it.

Based on the above and after taking appropriate legal advice, no provision has been made in the financial statements of the Group as at 31 December 2011 as the Directors are of the opinion that most of the claims have no sustainable merit. The Directors do not therefore expect the outcome of the legal suits against the Group to have a material impact on the financial position of the Group.

45 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including:

(a) Market risks

(i) foreign currency exchange risk – risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates

(ii) fair value interest rate risk – risk that the value of a financial instrument will fluctuate due to changes in market interest rates

(iii) cash flow interest rate risk – risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value

(iv) price risk – risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instrument traded in the market

45 FINANCIAL RISK MANAGEMENT (cont'd)

(b) credit risk – risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss

(c) liquidity risk (funding risk) – risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

(a) Market risks

(i) Foreign exchange risk

The Group operates nationally but some of its cost is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. The main costs with such exposure are programme rights and newsprint.

The Group monitors the foreign currency market closely to ensure optimal levels of inventories are purchased when prices are favourable to mitigate purchase requirement when prices are unfavourable.

The Group has an investment in foreign operation, whose net assets is exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operation is not significant to the Group's financial position.

If the Ringgit Malaysia ("RM") had weakened or strengthened by 10% and 20% against the foreign currencies for which the financial instruments are denominated in, with all other variables remain unchanged, post tax profit for the year would have been higher or lower by the following amounts:

	Foreign currency denominated financial instruments			Impact of changes in exchange rate to profit and loss (net of tax)			
				RM weaken by		RM strengthen by	
Foreign currency	Trade receivables as at 31 December 2011 (Note 33) RM'000	Trade payables as at 31 December 2011 (Note 23) RM'000	Currency translation rate as at 31 December 2011 RM	-20% RM'000	-10% RM'000	10% RM'000	20% RM'000
1USD	846	(4,071)	3.1685	(484)	(242)	242	484
1SGD	916	–	2.4470	137	69	(69)	(137)
1EUR	–	(873)	4.1180	(131)	(65)	65	131
1BND	243	–	2.4426	36	18	(18)	(36)
Others	2	–	*	*	*	*	*
	2,007	(4,944)		(442)	(220)	220	442

* No sensitivity analysis is done due to its insignificant impact to the Group.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

45 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risks (cont'd)

(i) Foreign exchange risk (cont'd)

	Foreign currency denominated financial instruments			Impact of changes in exchange rate to profit and loss (net of tax)			
				RM weaken by		RM strengthen by	
Foreign currency	Trade receivables as at 31 December 2010 (Note 33) RM'000	Trade payables as at 31 December 2010 (Note 23) RM'000	Currency translation rate as at 31 December 2010 RM	-20% RM'000	-10% RM'000	10% RM'000	20% RM'000
1USD	324	(1,713)	3.0789	(208)	(104)	104	208
1SGD	1,406	–	2.3843	211	105	(105)	(211)
Others	12	(152)	*	*	*	*	*
	1,742	(1,865)		3	1	(1)	(3)

* No sensitivity analysis is done due to its insignificant impact to the Group.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group classified on the consolidated statement of financial position as available-for-sale and fair value through profit and loss. The Group is not exposed to commodity price risk. No financial instruments or derivatives have been employed to hedge this risk as the risk is deemed to be insignificant.

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings and debt instruments. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group policy is to maintain appropriate level of borrowings in fixed rate instruments to ensure that some level of predictability in cash flows are preserved while ensuring that the Group maintains its cost of debt and gearing ratio at healthy levels within the limits of any covenants. During 2011 and 2010, the Group's borrowings at fixed rate were denominated in RM.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

45 FINANCIAL RISK MANAGEMENT (cont'd)

(a) Market risks (cont'd)

(iii) Cash flow and fair value interest rate risk (cont'd)

Based on frequent simulations performed, for which the Group assesses its interest rates risk exposure to be within tolerable limits, the impact on post tax profit of interest rates shift would be as disclosed below:

			Impact of changes to interest rates to profit and loss (net of tax)			
	Finance cost for the financial year ended 31 December 2011 (Note 4) RM'000	Interest rates for the financial year ended 31 December 2011 %	-0.50% RM'000	-0.25% RM'000	0.25% RM'000	0.50% RM'000
Revolving credit	(514)	3.85	50	25	(25)	(50)
BGMTN	(7,316)	4.27	643	321	(321)	(643)
Bankers' Acceptance	(862)	3.42	95	47	(47)	(95)
RFRB	(9,096)	6.50	525	262	(262)	(525)
Term loans	(10,664)	5.10	784	392	(392)	(784)
Bank guarantee	(2,266)	2.46	345	173	(173)	(345)
Hire purchase	(1,367)	3.98	129	64	(64)	(129)
	(32,085)		2,571	1,284	(1,284)	(2,571)

			Impact of changes to interest rates to profit and loss (net of tax)			
	Finance cost for the financial year ended 31 December 2010 (Note 4) RM'000	Interest rates for the financial year ended 31 December 2010 %	-0.50% RM'000	-0.25% RM'000	0.25% RM'000	0.50% RM'000
Revolving credit	(1,852)	2.80	248	124	(124)	(248)
BGMTN	(8,964)	4.22	796	398	(398)	(796)
CP	(46)	4.46	4	2	(2)	(4)
RFRB	(6,861)	6.50	396	198	(198)	(396)
Term loans and bridging loans	(11,806)	4.82	918	459	(459)	(918)
Bank guarantee	(1,429)	2.46	218	109	(109)	(218)
Hire purchase	(1,478)	3.98	139	70	(70)	(139)
Overdrafts	(161)	17.40	3	2	(2)	(3)
	(32,597)		2,722	1,362	(1,362)	(2,722)

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

45 FINANCIAL RISK MANAGEMENT (cont'd)

(b) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

The Group has no significant concentrations of credit risk except that the majority of its deposits are placed with major financial institutions in Malaysia.

The Group trades with a large number of customers who are nationally and internationally dispersed but within the commercial television, radio broadcasting, outdoor advertising, content production/provision and publishing/print industry. Due to these factors, the Group believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk is managed on a group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures on outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Customer's credit quality is assessed, taking into account its financial position, past experience and other factors if no external credit ratings available for the customers. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

The Group does not expect any losses from non-performance by these counterparties.

(c) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Treasury. Group Treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements – for example, currency restrictions.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group Treasury. Group Treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. The Group Treasury also considers the impact of discharging borrowings within the Group by relocating cash between subsidiaries whereby new borrowings are entered into whilst available cash is used to settle existing loans in a manner that reduces the Group's finance cost.

The table below analyses the Group's and Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statements of financial position date to the contractual maturity date. As the amounts included in the table are contractual undiscounted cash flows, these amount will not reconcile to the amounts disclosed on the statement of financial position for borrowings debt instruments and trade and other payables.

45 FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity risk (cont'd)

	Less than 3 months RM'000	Between 3 months and 1 year RM'000	Between 1 – 2 years RM'000	Between 2 – 5 years RM'000	Total RM'000
At 31 December 2011					
Group					
Trade and other payables	**415,164**	**–**	**409**	**–**	**415,573**
Term loans*	**2,563**	**21,391**	**190,179**	**–**	**214,133**
RFRB*	**3,713**	**3,713**	**7,425**	**161,138**	**175,989**
BGMTN*	**2,135**	**102,135**	**–**	**–**	**104,270**
Hire purchase	**1,673**	**4,590**	**4,936**	**4,043**	**15,242**
Bankers' acceptance	**31,953**	**–**	**–**	**–**	**31,953**
Revolving credit	**10,000**	**–**	**–**	**–**	**10,000**
	467,201	**131,829**	**202,949**	**165,181**	**967,160**
At 31 December 2010					
Group					
Trade and other payables	327,503	–	409	–	327,912
Term loans*	2,741	21,986	200,069	7,149	231,945
RFRB*	3,713	3,713	7,425	168,563	183,414
BGMTN*	3,588	73,588	104,269	–	181,445
Hire purchase	2,420	6,329	6,267	8,978	23,994
	339,965	105,616	318,439	184,690	948,710

* These also apply to the Company level liquidity profile. All other non-derivative financial liabilities of the Company are less than 3 months.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total equity. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position). Total equity is calculated as 'equity' as shown in the consolidated statement of financial position.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

45 FINANCIAL RISK MANAGEMENT (cont'd)

Capital risk management (cont'd)

During 2011, the Group's strategy, which was unchanged from 2010, was to maintain the gearing ratio within the limits allowed by covenants and an AAA (bg) credit rating.

The AAA (bg) credit rating has been maintained throughout 2010 and 2011. The gearing ratios at 31 December 2011 and 2010 were as follows:

	2011 RM'000	2010 RM'000
Debt instruments (Note 17)	**246,932**	314,265
Interest bearing bank borrowings (Note 19)	**242,953**	215,000
Hire purchase (Note 22)	**13,712**	21,095
Total debt	**503,597**	550,360
Total equity	**1,382,405**	1,250,193
Gearing ratio	**0.36**	0.44

The decrease in the gearing ratio during 2011 was partly due to the partial redemption of BGMTN during the financial year (Note 17) and the result of share capital issuance arising from the exercise of ESOS and warrants (Note 11).

46 FAIR VALUE

Fair value

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2011		2010	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Investments				
– Investment in quoted shares ^	**86**	**86**	125	125
– Investment in property and unit trusts^	**3,144**	**3,144**	3,040	3,040
– Investment in unquoted shares**	**1,488**	**1,488**	1,208	1,208
Bank guaranteed medium term notes (non-current)*	**–**	**–**	99,226	99,226
Term loans (unsecured) (non-current) *	**187,000**	**187,000**	201,000	201,000
Redeemable fixed rate bonds*	**146,679**	**146,679**	145,008	145,008

46 FAIR VALUE (cont'd)

Fair value (cont'd)

Company	2011 Carrying amount RM'000	2011 Fair value RM'000	2010 Carrying amount RM'000	2010 Fair value RM'000
Bank guaranteed medium term notes (non-current)*	–	–	99,226	99,226
Term loans (unsecured) (non-current) *	187,000	187,000	201,000	201,000
Redeemable fixed rate bonds*	146,679	146,679	145,008	145,008

* The fair value of these financial instruments has been estimated using future contractual cash flows discounted at current market interest rates available for similar financial instruments/loans.

^ The fair value of these items has been estimated using quoted market prices at financial position dates.

** The fair values of the unquoted shares are based on market value of the unlisted securities derived from arm's length transactions.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Comparative figures have not been presented for 31 December 2010 by virtue of paragraph 44G of FRS 7.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2011				
Financial assets				
Investment in quoted shares	86	–	–	86
Investment in property and unit trusts	3,144	–	–	3,144
Investment in unquoted shares	–	1,488	–	1,488
	3,230	1,488	–	4,718

47 SIGNIFICANT SUBSEQUENT EVENTS

There are no events subsequent to 31 December 2011 which require adjustment or disclosure in the financial statements.

Subsequent events affecting the prior year financial statements have been disclosed in Note 40 to the financial statements.

Notes to the Financial Statements
for the financial year ended 31 December 2011 (Cont'd)

48 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The following analysis of realised and unrealised retained profits/(accumulated losses) at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	2011 RM'000	2010 RM'000
Retained profit of MPB (Realised)	**136,847**	82,466
Total accumulated losses of subsidiaries		
– Realised	**(448,432)**	(173,945)
– Unrealised	**(50,327)**	(29,635)
	(498,759)	(203,580)
Total share of (accumulated losses)/retained profits from associated companies:		
– Realised	**(11,459)**	(12,921)
– Unrealised	**3,226**	2,600
	(8,233)	(10,321)
Total Group's accumulated losses (before consolidation adjustments)	**(370,145)**	(131,435)
Less: Consolidation adjustments	**136,628**	(128,628)
Total Group's accumulated losses as per consolidated accounts	**(233,517)**	(260,063)

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by the Bursa Malaysia Securities Berhad and should not be used for any other purpose.

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Datuk Johan Jaaffar and Dato' Amrin Awaluddin, two of the Directors of Media Prima Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 127 to 227 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act, 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The supplementary information set out in Note 48 to the financial statements have been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board of Directors in accordance with their resolution dated 23 February 2012.

DATUK JOHAN JAAFFAR
CHAIRMAN

DATO' AMRIN AWALUDDIN
GROUP MANAGING DIRECTOR

Statutory Declaration
Pursuant to Section 169(15) of the Companies Act, 1965

I, Mohamad Ariff bin Ibrahim, the Officer primarily responsible for the financial management of Media Prima Berhad, do solemnly and sincerely declare that the financial statements set out on pages 127 to 227 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MOHAMAD ARIFF BIN IBRAHIM
GROUP CHIEF FINANCIAL OFFICER

Subscribed and solemnly declared by the above named Mohamad Ariff bin Ibrahim, at Petaling Jaya, Malaysia on 23 February 2012, before me.

COMMISSIONER FOR OATHS

Independent Auditors' Report
To the members of Media Prima Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Media Prima Berhad on pages 127 to 227 which comprise the statements of financial position as at 31 December 2011 of the Group and of the Company, and the statements of comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 47.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 27 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 48 on page 228 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

THAYAPARAN A/L S. SANGARAPILLAI
(No. 2085/09/12 (J))
Chartered Accountant

Kuala Lumpur
23 February 2012

Analysis of Shareholdings
as at 29 February 2012

Authorised Capital	RM2,000,000,000
Issued and Paid Up Capital	RM1,070,382,324
Class of Shares	Ordinary Shares of RM1.00 each
No. of Shareholders	26,365
Voting Rights	One (1) vote per Ordinary Share

Distribution of Shareholdings
as at 29 February 2012

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	5,027	19.07	204,758	0.02
100 - 1,000	11,319	42.93	5,597,866	0.52
1,001 - 10,000	8,573	32.52	26,628,490	2.50
10,001 - 100,000	1,177	4.46	29,477,979	2.75
100,001 to less than 5% of issued shares	266	1.01	599,533,912	56.01
5% and above of issued shares	3	0.01	408,939,319	38.20
Total	**26,365**	**100.00**	**1,070,382,324**	**100.00**

Directors' Shareholdings
as at 29 February 2012

	Names	No. of Shares	%
1.	Datuk Johan bin Jaaffar	–	–
2.	Dato' Amrin bin Awaluddin	317,933	0.03
3.	Dato' Sri Ahmad Farid bin Ridzuan	460,000	0.04
4.	Dato' Shahril Ridza bin Ridzuan	–	–
5.	Tan Sri Lee Lam Thye	–	–
6.	Tan Sri Dato' Seri Mohamed Jawhar	–	–
7.	Dato' Abdul Kadir bin Mohd Deen	–	–
8.	Dato' Gumuri bin Hussain	–	–
9.	Datuk Ahmad bin Abd Talib, JP	25,000	0.002
10.	Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	–	–
	Total	**802,933**	**0.072**

Substantial Shareholders
as at 29 February 2012

	Names	No. of Shares	%
1.	Employees Provident Fund Board	197,623,378	18.46
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd (Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd)	123,024,270	11.49
3.	Amanah Raya Berhad	*123,024,270	*11.49
4.	Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad For Altima, Inc)	88,291,671	8.25
	Total	**408,939,319**	**38.20**

* Deemed interested by virtue of its 100% equity interest in Gabungan Kesturi Sdn Bhd

Thirty (30) Largest Shareholders
as at 29 February 2012

	Names	Shareholding	%
1.	Employees Provident Fund Board	197,623,378	18.46
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	123,024,270	11.49
3.	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	88,291,671	8.25
4.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Regular Saving Fund (N14011940100)	45,972,620	4.29
5.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 21B6 For The Oakmark International Small Cap Fund	25,827,700	2.41
6.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund HG22 For Smallcap World Fund, Inc.	25,155,000	2.35
7.	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.K.)	24,909,433	2.33
8.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	20,556,960	1.92
9.	HSBC Nominees (Asing) Sdn Bhd Exempt AN For J.P. Morgan Bank Luxembourg S.A.	18,828,500	1.76
10.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Estern Life Assurance (Malaysia) Berhad (PAR 1)	18,042,580	1.69
11.	Amanahraya Trustees Berhad Skim Amanah Saham Bumiputera	15,073,827	1.41
12.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For Eastspring Investments Berhad	13,847,260	1.29
13.	HSBC Nominees (Asing) Sdn Bhd BNY Brussels For Brooklawn House	13,311,757	1.24
14.	Valuecap Sdn Bhd	12,971,300	1.21
15.	Pertubuhan Keselamatan Sosial	12,878,300	1.20
16.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Arohi Emerging Asia Master Fund	12,264,620	1.15
17.	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.S.A)	12,263,700	1.15

Analysis of Shareholdings
as at 29 February 2012 (cont'd)

Thirty (30) Largest Shareholders (cont'd)
as at 29 February 2012

	Names	Shareholding	%
18.	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (Norges BK Lend)	11,923,400	1.11
19.	Amanahraya Trustees Berhad Public Growth Fund	11,635,600	1.09
20.	HSBC Nominees (Asing) Sdn Bhd Exempt AN For The Bank of New York Mellon (Mellon Acct)	11,222,600	1.05
21.	Amanahraya Trustees Berhad Public Equity Fund	10,620,800	0.99
22.	HSBC Nominees (Asing) Sdn Bhd Caceis Bank Paris For CG Nouvelle Asie	10,000,000	0.93
23.	Cartaban Nominees (Asing) Sdn Bhd RBC Dexia Investor Services Bank For Comgest Growth Gem Promising Companies (Comgest GR PLC)	9,250,000	0.86
24.	Amanahraya Trustees Berhad Public Sector Select Fund	8,703,900	0.81
25.	Amanahraya Trustees Berhad Public Smallcap Fund	8,314,880	0.78
26.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For Public Aggressive Growth Fund (N14011940110)	7,843,500	0.73
27.	Cartaban Nominees (Asing) Sdn Bhd BBH (Lux) SCA For Fidelity Funds Malaysia	7,712,800	0.72
28.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund NP9Q For Ontario Teachers' Pension Plan Board	7,613,700	0.71
29.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)	6,844,660	0.64
30.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WB2M For Bill And Melinda Gates Foundation Trust	6,487,442	0.61
	Total	799,016,158	74.65

Analysis of Warrant Holdings
as at 29 February 2012

Number of Oustanding Warrants	89,110,609
Exercise Price of Warrants	RM1.80
Exercise Period of Warrants	31 December 2009 to 31 December 2014
Voting Rights at Meetings of Warrant Holders	One (1) vote per Warrant

Distribution of Warrant Holdings
as at 29 February 2012

Size of Warrantholdings	No. of Warrant holders	% of Warrant holders	No. of Warrants	% of Issued Warrant Capital
Less than 100	20,976	81.92	487,534	0.55
100 - 1,000	3,699	14.45	1,163,650	1.30
1,001 - 10,000	687	2.68	2,228,769	2.50
10,001 - 100,000	191	0.75	5,923,952	6.65
100,001 to less than 5% of issued warrants	49	0.19	26,697,177	29.96
5% and above of issued warrants	2	0.01	52,609,527	59.04
Total	**25,604**	**100.00**	**89,110,609**	**100.00**

Directors' Warrant Holdings
as at 29 February 2012

	Names	Total Warrants	%
1.	Datuk Johan bin Jaaffar	–	–
2.	Dato' Amrin bin Awaluddin	5,400	0.01
3.	Dato' Sri Ahmad Farid bin Ridzuan	5,428	0.01
4.	Dato' Shahril Ridza bin Ridzuan	–	–
5.	Tan Sri Lee Lam Thye	–	–
6.	Tan Sri Dato' Seri Mohamed Jawhar	–	–
7.	Dato' Abdul Kadir bin Mohd Deen	–	–
8.	Dato' Gumuri bin Hussain	–	–
9.	Datuk Ahmad bin Abd Talib, JP	–	–
10.	Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor	–	–
	Total	**10,828**	**0.02**

Substantial Warrant Holders
as at 29 February 2012

	Names	Number of Warrants	%
1.	Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad For Altima, Inc)	27,509,927	30.87
2.	Alliancegroup Nominees (Asing) Sdn Bhd (Alliance Investment Management Berhad For Lagmuir Holdings Ltd)	25,099,600	28.17
	Total	**52,609,527**	**59.04**

Analysis of Warrant Holdings
as at 29 February 2012 (Cont'd)

Thirty (30) Largest Warrant Holders
as at 29 February 2012

No.	Names	Warrantholding	%
1.	Alliancegroup Nominees (Asing) Sdn Bhd Alliance Investment Management Berhad For Altima, Inc	27,509,927	30.87
2.	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Lagmuir Holdings Ltd	25,099,600	28.17
3.	Alliancegroup Nominees (Tempatan) Sdn Bhd Alliance Investment Management Berhad For Gabungan Kesturi Sdn Bhd	3,515,144	3.94
4.	Amanahraya Trustees Berhad For PB China Asean Equity Fund	2,364,600	2.65
5.	ECML Nominees (Tempatan) Sdn Bhd Account For Chye Ao Hsiang	1,890,600	2.12
6.	HDM Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd For The Gilpin Fund Limited	1,654,900	1.86
7.	Tan Lee Hwa	1,445,000	1.62
8.	Wui Mee Ling	1,395,600	1.57
9.	Toh Yew Keong	1,173,167	1.32
10.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For Eastspring Investments Berhad	1,108,477	1.24
11.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	844,205	0.95
12.	ECML Nominees (Tempatan) Sdn Bhd Account For Gan Eng Liong	818,100	0.92
13.	Alliancegroup Nominees (Tempatan) Sdn Bhd Account For Lee Cheng Chuan (8057815)	767,900	0.86
14.	Amanahraya Trustees Berhad Public Smallcap Fund	761,940	0.86
15.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheong Chen Yue (Margin)	648,100	0.73
16.	HSBC Nominees (Asing) Sdn Bhd Exempt AN For JPMorgan Chase Bank, National Association (U.K.)	594,103	0.67

Thirty (30) Largest Warrant Holders (cont'd)
as at 29 February 2012

No.	Names	Warrantholding	%
17.	Au Yong Mun Yue	540,000	0.61
18.	Dushyanthi Perera	540,000	0.61
19.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)	511,420	0.57
20.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Arohi Emerging Asia Master Fund	394,037	0.44
21.	Public Nominees (Tempatan) Sdn Bhd Account for Toh Dee Kong (E-JCL)	380,000	0.43
22.	Mayban Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Gim Leong	376,400	0.42
23.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad For CIMB-Principal Strategic Bond Fund (290077)	302,100	0.34
24.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN For OCBC Securities Private Limited (Client A/C-RES)	277,547	0.31
25.	Amanahraya Trustees Berhad PB Asia Equity Fund	271,000	0.30
26.	Affin Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Aik Lin (ONG1097M)	231,428	0.26
27.	Toh Yew Keong	230,000	0.26
28.	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account For Lim Boon Chen (CCTS)	223,700	0.25
29.	AIBB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheong Chen Yue	210,000	0.24
30.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)	208,081	0.23
Total		**76,287,076**	**85.61**

List of Top Ten Properties Held by the Group

Location	Type	Tenure	Date of Acquisition	Area	Description	Approximate Age of Buildings (Years)	Net Book Value (RM) 2011
No.16, Jln U8/88, Bukit Jelutong Ind.Park, 40000 Shah Alam, Selangor	Freehold	–	1995	141,691 sq. mts	Regional printing plant	11	94,250,111
9, Jalan Liku, Kuala Lumpur	Freehold	–	1986	6,900 sq. mts	Printing plant extension	25	43,786,966
Kawasan Perindustrian Ajil, Hulu Terengganu, Terengganu	Leasehold	60 years Expiry: 2057	1998	58,436 sq. mts	Regional printing plant	11	25,739,610
Lot PL02, Kawasan Zon Perdagangan Bebas, Senai, Johor	Leasehold	99 years Expiry: 2043	1997	62,560 sq. mts	Regional printing plant extension	14	21,038,597
Mukim 1, Kawasan Perusahaan Prai, Seberang Prai, Pulau Pinang	Leasehold	99 years Expiry: 2035	1998	8,100 sq. mts	Regional printing plant	11	17,078,862
Lot 33, Jln Sultan Mohamed 1, Jln Lebuh 1, Kaw. Perindustrian Bandar Sultan Sulaiman, Pelabuhan Klang Utara, Klang, Selangor	Leasehold	99 years Expiry: 2091	1991	12,746 sq. mts	Warehouse	19	10,113,698
31, Jalan Riong Off Jalan Bangsar, Kuala Lumpur	Freehold	–	1972	7,820 sq. mts	Head office and printing plant	39	8,197,753
Lot 159 & 160 Jalan Jurubina U1/18 Seksyen U1 Hicom Glenmarie Industrial Park 40150 Shah Alam, Selangor	Freehold	–	12-Nov-96	80,063 sq. ft	Commercial land	–	7,093,700
7, Wyndham Mews, London W1	Freehold	–	1979	–	Residential house	32	6,873,786
Lot No.323, 324 & 325, Jln Bangsar Utama 1, Bangsar Utama, 59000 Kuala Lumpur	Leasehold	99 years Expiry: 2085	1994	1,859 sq. mts	5-storey shop office	25	6,643,268

Group Directory

MEDIA PRIMA BERHAD
Sri Pentas,
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603-7726 6333
Fax : +603 7726 1367
E-mail : communications@mediaprima.com.my
Website : http://www.mediaprima.com.my

SISTEM TELEVISYEN MALAYSIA BERHAD
Sri Pentas,
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
(Mail box 11124, 50736 Kuala Lumpur)
Telephone : +603 7726 6333
Fax : +603 7727 8455
E-mail : enquiries@tv3.com.my
Website : http://www.tv3.com.my

CH-9 MEDIA SDN BHD
Sri Pentas, 2nd Floor, North Wing
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7952 7999
Fax : +603 7952 7819 / 7809
Website : http://www.tv9.com.my

NATSEVEN TV SDN BHD
Sri Pentas,
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7726 8777
Fax : +603 7728 0219
E-mail : feedback@ntv7.com.my
Website : http://www.ntv7.com.my

METROPOLITAN TV SDN BHD
Sri Pentas, 3rd Floor, South Wing
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7728 8282
Fax : +603 7726 8282
Website : http://www.8tv.com.my

SYNCHROSOUND STUDIO/ MAX-AIRPLAY/ONE FM
Sri Pentas, 2nd Floor, South Wing
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7710 5022
Fax : +603 7710 7098
Website : http://www.hotfm.com.my
http://www.flyfm.com.my
http://www.onefm.com.my

THE NEWS STRAITS TIMES PRESS (MALAYSIA) BERHAD
Balai Berita, 31 Jalan Riong
59100 Kuala Lumpur
Malaysia
Telephone : +603 2282 3322
Fax : +603 2282 5425
E-mail : general@nstp.com.my
Website : http://www.nstp.com.my

ALT MEDIA SDN BHD
Sri Pentas, 3rd Floor, North Wing
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7726 6333
Fax : +603 7710 3876
E-mail : contactus@gua.com.my
Website : http://www.gua.com.my

PRIMEWORKS STUDIOS SDN BHD
Sri Pentas, 1st Floor, North Wing
No. 3, Persiaran Bandar Utama
Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7726 6333
Fax : +603 7726 1333
Website : http://www.primeworks.com.my

BIG TREE OUTDOOR SDN BHD
Lot 1.06, 1st Floor, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7729 3889
Fax : +603 7729 3999
Website : http://www.bigtreeoutdoor.com

KURNIA OUTDOOR SDN BHD
Lot 1.06, 1st Floor, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling
Selangor Darul Ehsan
Malaysia
Telephone : +603 7727 1177
Fax : + 603 7729 3999
Website : http://www.kurniaoutdoor.com

Notes

Proxy Form

(Company No: 532975 A)
(Incorporated in Malaysia)

(Before completing this form, please see the notes below)

I/We ____
(Full Name in Capital Letters)

of ____
(Full Address)

being a member/members of MEDIA PRIMA BERHAD hereby appoint *The Chairman of the Meeting or ____________

____
(Full Name)

of ____
(Full Address)

or failing whom ____
(Full Name)

of ____
(Full Address)

as my/our proxy to attend and vote for me/us on my/our behalf at the Eleventh (11th) Annual General Meeting of the Company to be held on Thursday, 19 April 2012 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" on the Resolutions below on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

NO.	RESOLUTION	FOR	AGAINST
1.	To receive and adopt the Statutory Financial Statements for the financial year ended 31 December 2011		
	To re-elect the following Directors under Articles 100 and 101:		
2.	Datuk Johan bin Jaaffar		
3.	Dato' Amrin bin Awaluddin		
4.	Datuk Ahmad bin Abd Talib, JP		
5.	Dato' Fateh Iskandar bin Tan Sri Dato' Mohamed Mansor		
6.	To approve a final single-tier dividend of 5.0 sen per ordinary share for the financial year ended 31 December 2011		
7.	To approve the Directors' fees of RM435,000.00 for the financial year ended 31 December 2011		
8.	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
9.	**As Special Business:** **Ordinary Resolution** Proposed Renewal of Share Buy-Back Authority		

Dated this ____________ day of ____________ 2012

Number of shares held ____________________

____
Signature of Shareholder

* Delete if not applicable

NOTES :

1. Only depositors whose names appear in the Record of Depositors as at 10 April 2012 shall be regarded as members and be entitled to attend and vote at the Eleventh (11th) Annual General Meeting.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (or in the case of corporation, to appoint a representative) to attend and vote in his stead. A proxy need not be a member of the Company.
3 The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. In the case of a corporation, it shall be executed under its Common Seal or signed by its attorney duly authorised in writing or by an officer on behalf of the corporation.
4. The instrument appointing the proxy must be deposited with the Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Explanatory Notes on Special Business:

   a. **Resolution 9**
   Please refer to the Statement to Shareholders dated 27 March 2012 for further information.

STAMP

MEDIA PRIMA BERHAD

C/O REGISTRAR
SYMPHONY SHARE REGISTRARS SDN BHD
Level 6, Symphony House,
Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor, Malaysia

The many smiling faces throughout this year's Annual Report represent the wealth of talent within the all-in-one Media Prima family.

www.mediaprima.com.my

MEDIA PRIMA BERHAD 532975 A

Sri Pentas, No. 3 Persiaran Bandar Utama
Bandar Utama, 47800 Petaling
Selangor Darul Ehsan, Malaysia