
Creation of An Integrated Media Group

Analyst Presentation



16 October 2009

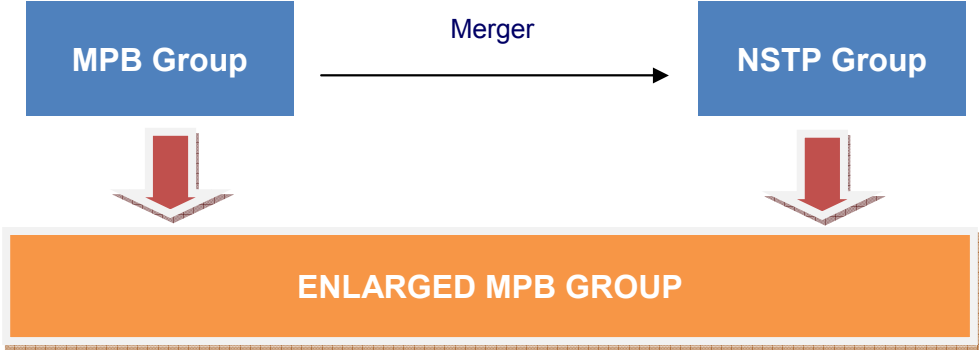
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2. **Details of the Transaction**
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Questions & Answer Sessions

1. What is the Transaction About?

Creating INTEGRATED MEDIA GROUP



TV

LARGEST reach in terms of TV viewership

NEWSPAPER

#2nd LARGEST reach in terms of newspaper circulation in Peninsular Malaysia

RADIO

#2nd LARGEST reach in terms of combined radio channel listeners' numbers

OUTDOOR

One of the LARGEST share of advertising revenue in the outdoor media industry

NEW MEDIA

Media avenue reaching out to INTERNET based viewerships

<----- Boasts the Widest Multimedia Distribution Offering on a Single Integrated Platform ----->

What is the Transaction about?

Consolidation of Interest in NSTP to Create a Media Powerhouse



NSTP is currently 43% owned by MPB but is neither a subsidiary nor a separate and independent company. This Transaction will allow MPB to **consolidate NSTP's financials**



The consolidation of MPB and NSTP aims to **align both companies interest** and resolute in facing the increasing challenging media industry landscape



Creation of **a fully integrated** media company with presence across all media platform







Greater financial scale to compete effectively against other media players in an increasingly challenging market environment



Reaping synergies through integration and strengthening of operations whilst maintaining **editorial independence** for each product

Consolidation between Two Leading Entities in the Broadcast FTA and Newspaper Segment

-  Conditional take-over offer (“Offer”) of NSTP by MPB
-  Offer is subject to achieving 51% acceptance
-  Exchange ratio is 1:1
-  Exchange price of RM 2.00 per share
-  MPB has no intention to maintain the listing of NSTP once the Offer achieved 90% of acceptance⁽¹⁾
-  MPB to issue RM 150 mn bonds with warrants.
-  Up to 25mn warrants shall be offered free to each of MPB and NSTP shareholders
-  NSTP will continue to have a separate board with independent members and a separate editorial staff
-  Unparalleled market reach across all media platforms

Note (1) : excluding voting shares currently held by MPB

2. *Details of the Transaction*

The Transaction

The transaction will involve the following steps – aimed at maximizing benefits for all parties involved

1

Conditional Offer

- MPB shares will be exchanged for NSTP minority shareholders' shares through a conditional Take-Over Offer ("Offer")
- Up to 25mn warrants shall be allocated free to NSTP shareholders who accepts the Offer on the basis of 1 free warrant for every 5 existing NSTP shares held as part consideration of the Offer
- Up to 25mn warrants shall be allocated free to MPB shareholders on the basis of 1 free warrant for every 35 existing MPB shares held, subject to the Offer becoming unconditional

2

Issuance of Bonds with Warrants

- RM 150 mn nominal value of bonds will be issued to support general funding and expansion needs of Enlarged MPB
- The bonds shall be issued with detachable warrants (Bonds + Detachable Warrants) in order to secure funding at competitive cost
- The proposed Bonds + Detachable Warrants shall be issued on a bought deal basis

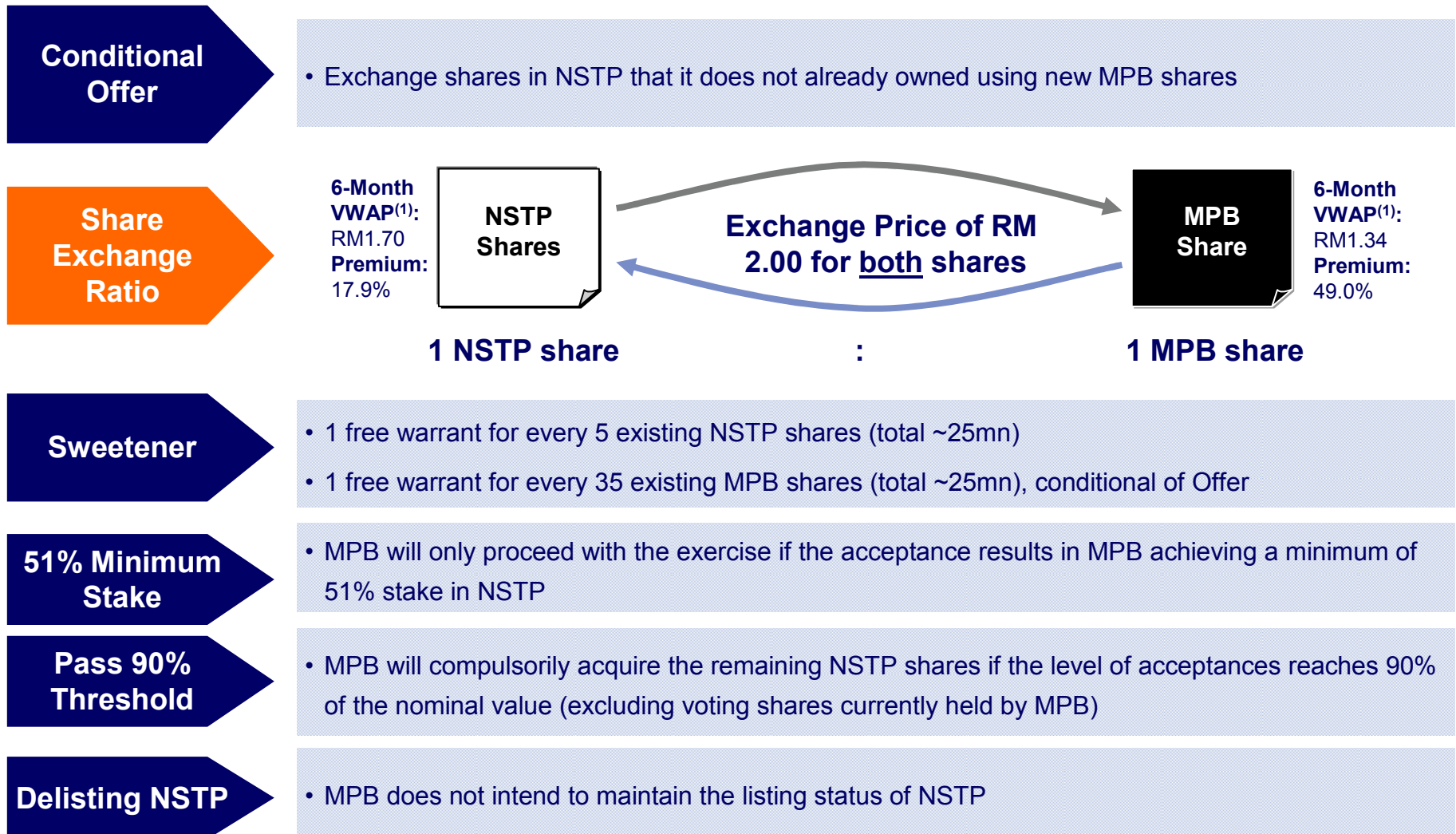
3

ESOS Consideration

- Enlarged MPB may consider implementing a new ESOS scheme to replace the expiring, existing scheme to incentivise Enlarged MPB employees
- Terms of the new ESOS scheme shall be determined and announced at an appropriate date, upon approval by the Enlarged MPB Board

1 Conditional Take-Over Offer (“Offer”)

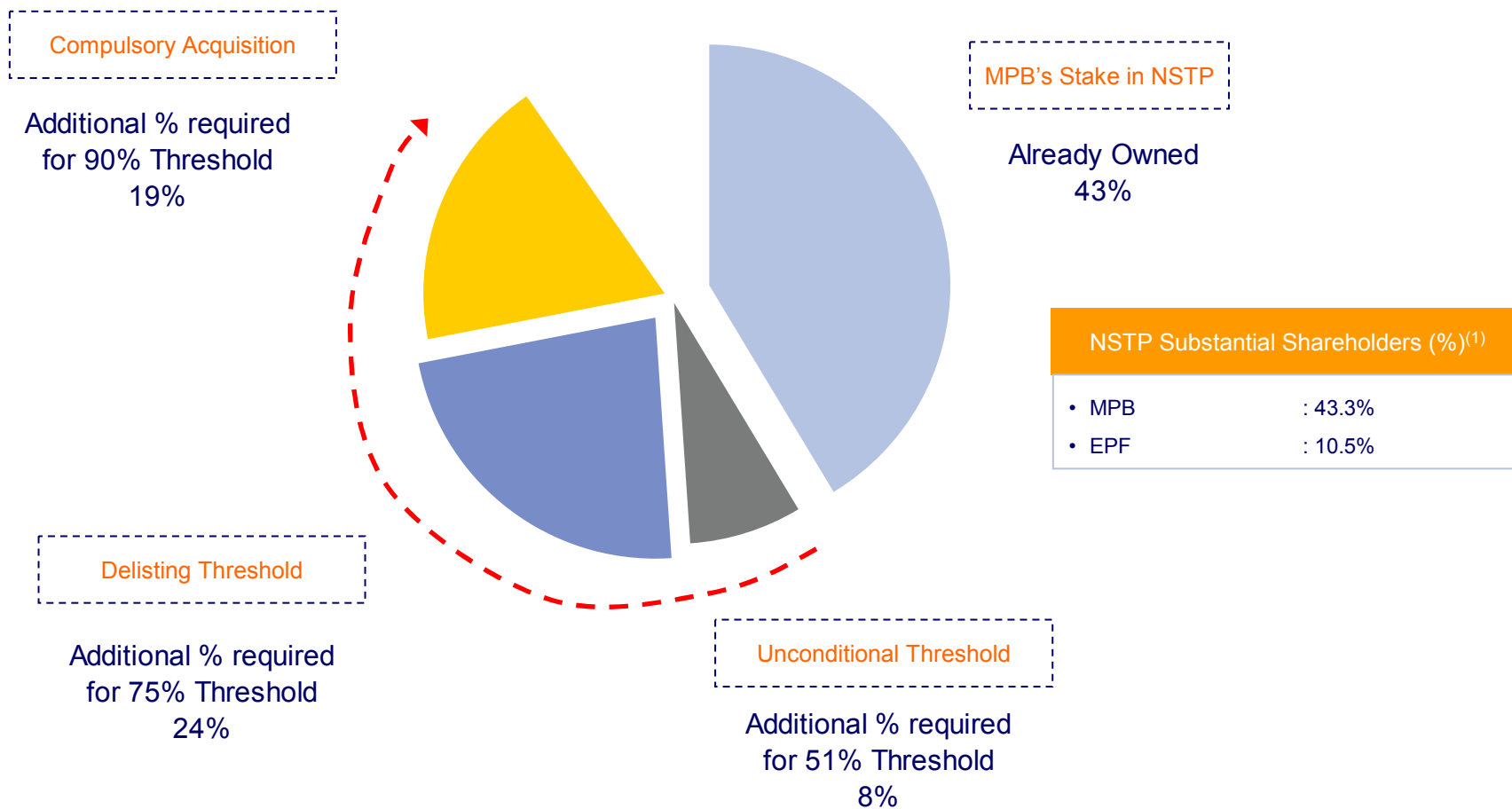
NSTP will be delisted and merged into MPB through a conditional Take Over Offer



Note
(1) Based on closing price for 6 months up to 5 October 2009

1 Conditional Offer (cont'd)

How much shares is required in order to [a] cross the 51% Unconditional [b] 75% Delisting and [c] 90% Compulsory Acquisition Threshold

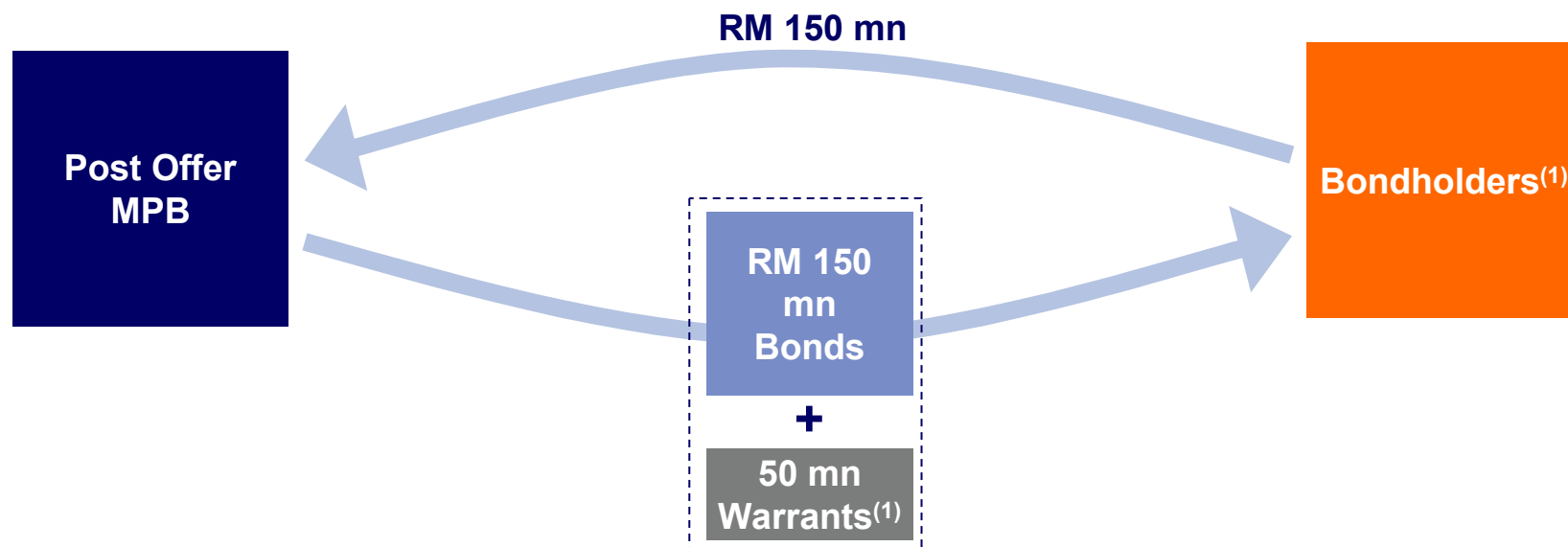


Note (1) : NSTP shareholding as at 30 September 2009

② Issuance of Bonds with Warrants

Bonds and warrants will be issued to bolster the capital of the Enlarged MPB at a lower cost

MPB shall raise RM 150 mn via a bond issuance attached with 50 mn of warrants, conditional of Offer



**Up to 50mn
Warrants
Sweetener**

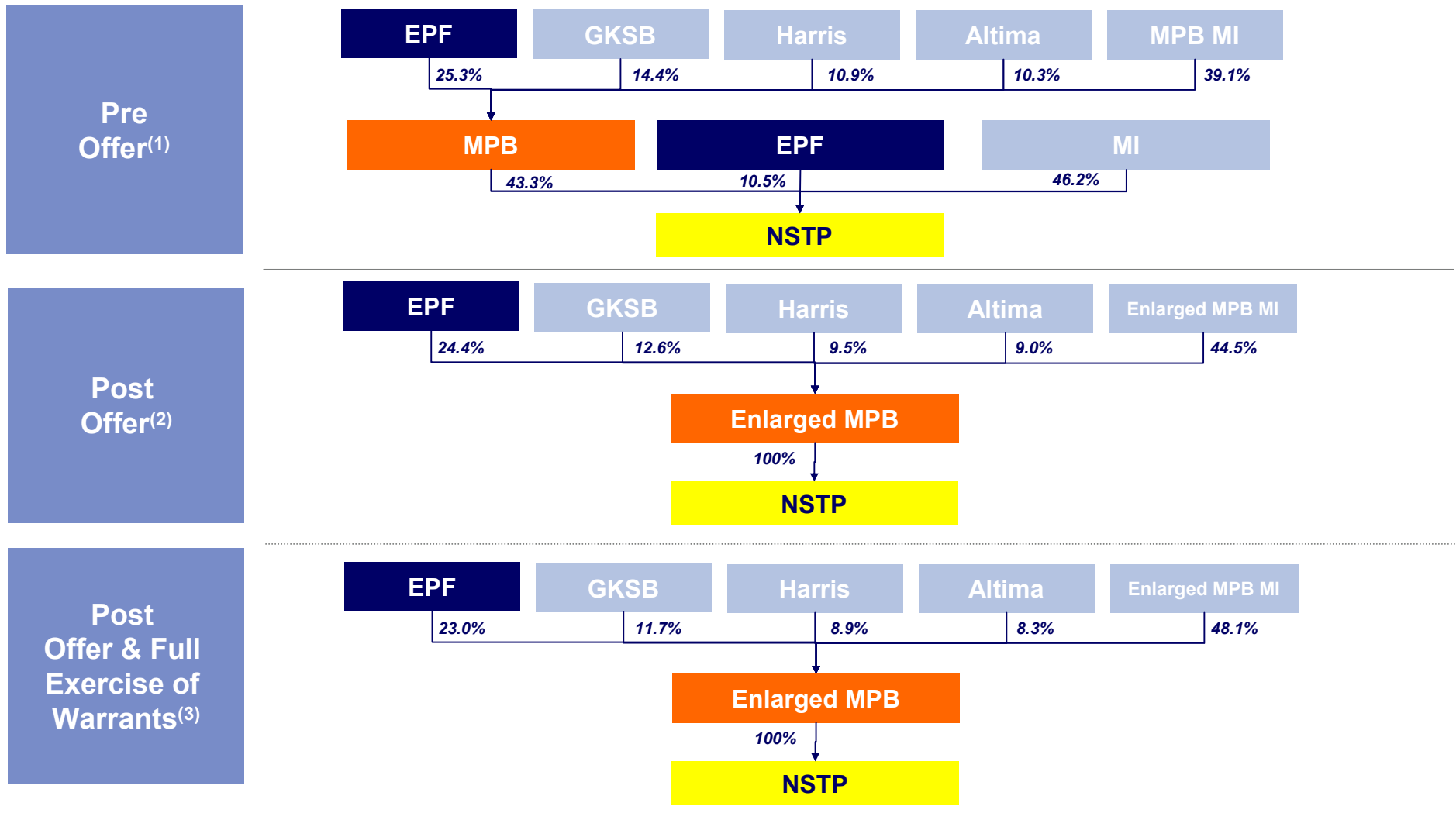
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Note:

⁽¹⁾ The Offer Price and Exercise Price shall be determined later after all relevant approvals have been received and as agreed between MPB and the Placement Agent. The exercise price shall be subject to adjustments under the terms and conditions to be set out in the Deed Poll

Effects on Shareholding

Corporate Structure Pre & Post Transaction



Note: (1) Shareholding structure as at 30 September 2009

(2) Assuming MPB receives 100% acceptance of the Offer and assuming none of the 7,339,400 MPB ESOS Options outstanding is exercised

(3) Assuming the full exercise of 99,242,751 MPB Warrants

Pro-forma Financials

The Enlarged MPB Group will have more than RM1bn of revenue

Figures are based on FY08 numbers	MPB (RMmn)	NSTP (RMmn)	Enlarged MPB		Accretion
			Post Offer ⁽³⁾ (RMmn)	Post Offer + Warrants ⁽⁵⁾ (RMmn)	
PROFITABILITY					
Revenue	781	576	1,357	1,357	Potentially higher numbers if we include synergies
EBITDA	205	92	297	297	
Overheads	354	159	513	513	
NPAT	118 ⁽¹⁾	47	145 ⁽²⁾	140 ⁽²⁾	
EPS (RM)	0.14	0.22	0.15	0.13	
LEVERAGE					
Net Debt / EBITDA	1.61x	0.25x	1.19x	0.57x	Leverage levels improve significantly
Net Debt	331	23	354 ⁽⁴⁾	169 ⁽⁴⁾	

Note:

(1) MPB's FY2008 NPAT adjusted of RM118mn is based on NPAT after MI of RM72.4 + exceptional losses of RM45.3mn

(2) NPAT excludes negative goodwill of RM281mn.

(3) Post Offer : Assume no conversion of warrants and MPB's existing ESOS not exercised

(4) Based on draft proforma accountant's letter as at 15 October 2009

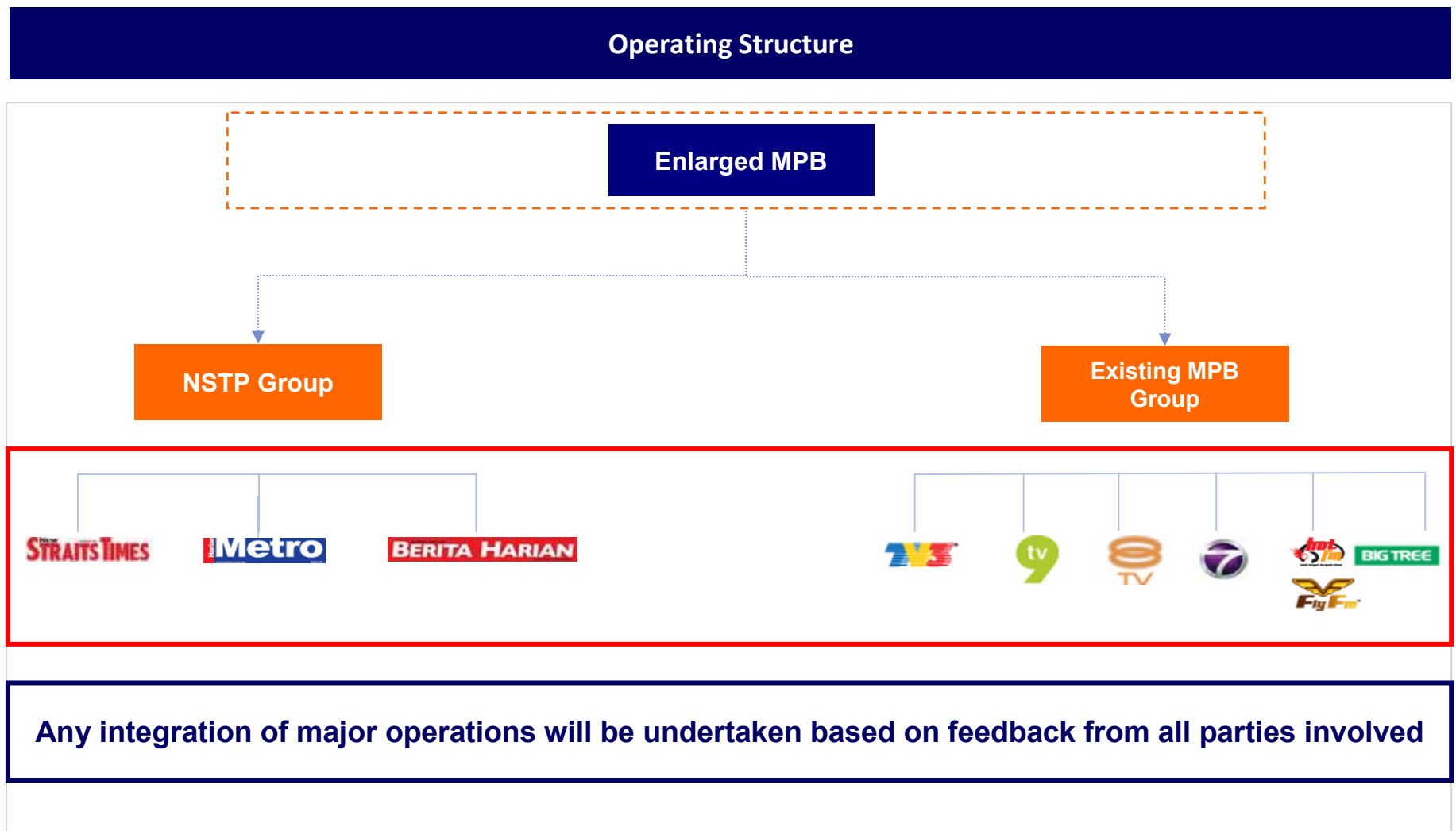
(5) Post Offer + Warrants : Assume full conversion of warrants and exercise of MPB's existing ESOS

General note : Assume no inter-co between both MPB and NSTP and above numbers are subjected to changes, revisions pursuant to the final proforma accountants letter's figures

3. *Governance Structure*

Operational Structure

The merger allows the integration of backroom functions while maintaining separate BOD, editorial and mgmt teams



Governance

Oversight structure

NSTP Board to be Maintained

- Separate Boards will be maintained similar to the way subsidiaries are organized under MPB
- It is envisaged that all the independent board members in NSTP be retained

Editorial Team is to be Maintained

- There shall be no changes to NSTP's senior editorial management team
- The new structure further builds on the recent decision to streamline MPB and NSTP editorial matters under a single person
- The Offer shall not have any substantial effect on the editorial operations or personnel of NSTP

Integrated Sales Initiative

- The Offer will allow a closer working alliance between the marketing and sales team of both MPB and NSTP, ensuring a united front in pursuing sales initiatives

Oversight of Synergies Realised

- The management team of NSTP will continue to report to NSTP's board which comprises representative from MPB, as per current reporting structure
- However, oversight by MPB management over NSTP will be improved to ensure synergies are realised and culture and performance are aligned

4. *Basis for Shares Exchange Ratio*

Basis for Shares Exchange Ratio

The 1:1 shares exchange ratio is derived from market driven valuation benchmarks

Driven by the Market

- The share exchange ratio of 1:1 is derived based on market price driven benchmarks prior to the announcement that NSTP might be taken private

Fair Reference

- Market driven benchmarks provide a fair reference point as it incorporates general investors' sentiment on a company's prospects and its risk profile

Benchmarks Considered

1

Past 1-year historical average price for both MPB and NSTP

2

Volume Weighted Average Price ("VWAP") for past 1, 3, 6, 9 and 12 months for both MPB and NSTP

3

Average analysts' consensus target prices for both MPB and NSTP

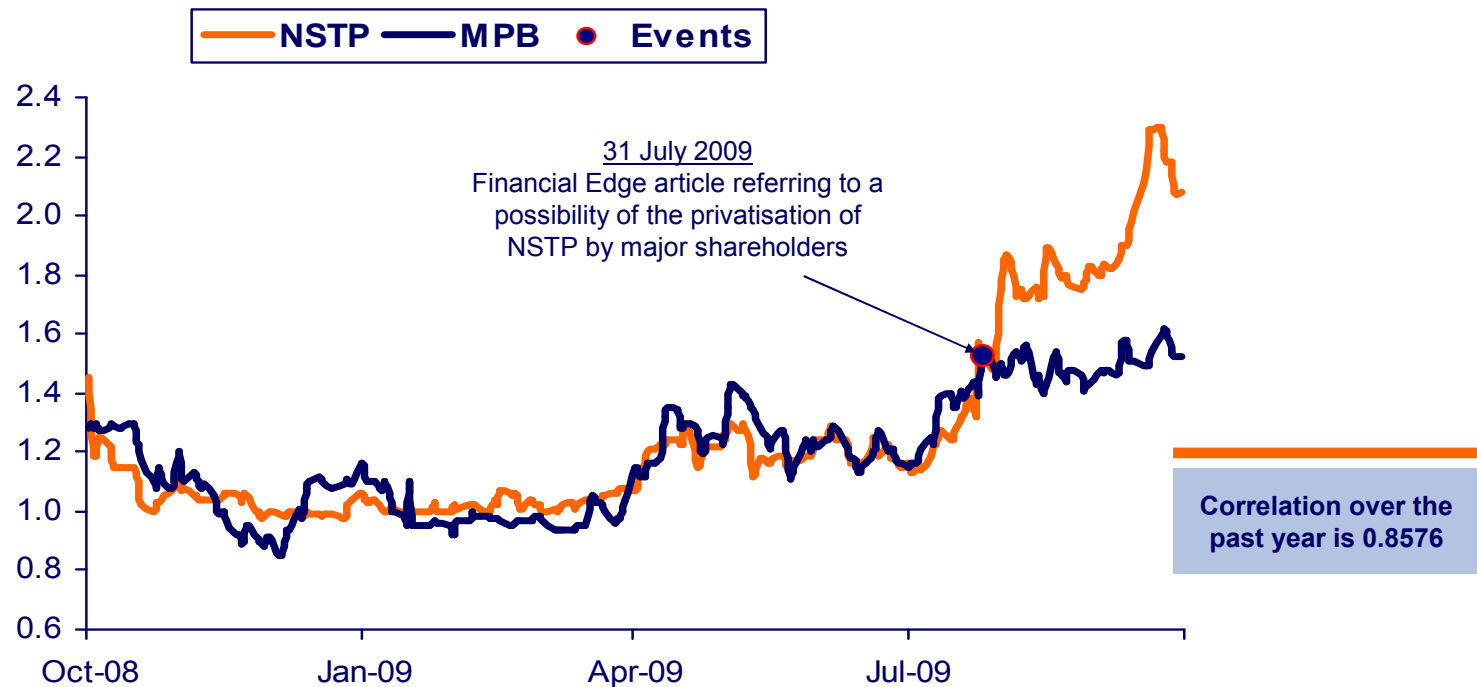
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Average trading comparables based on Price / Earnings multiple for selected regional newspaper publishing companies and television broadcasters

1 Past 1 year Historical Price

Prior to the announcement to clarify market rumours, MPB's and NSTP's past 1 year share price closely tracks one another

MPB vs. NSTP's share price



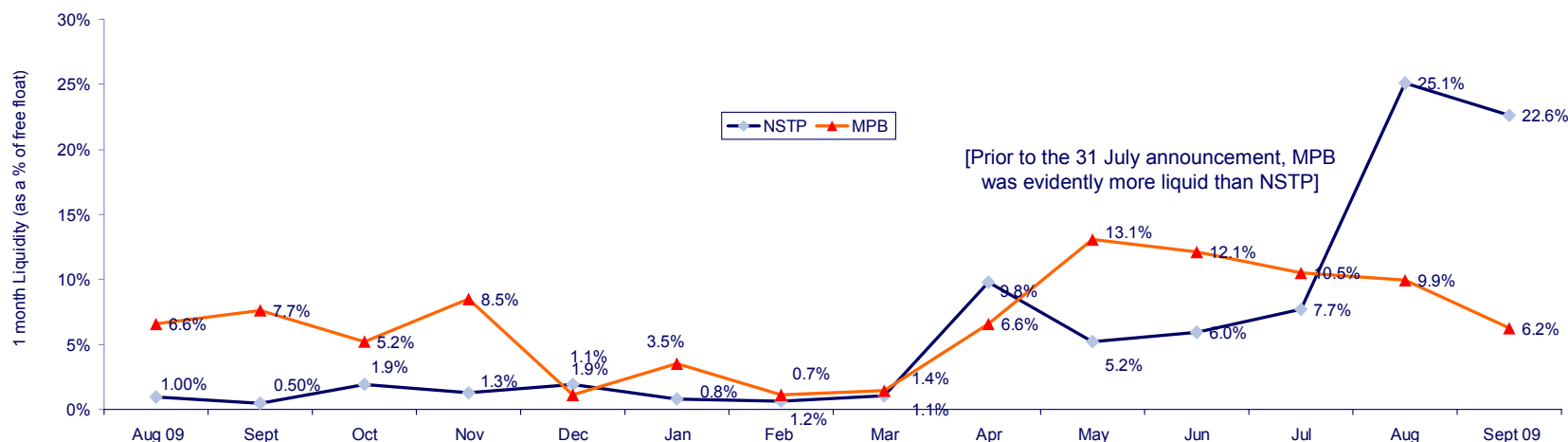
Prior to the announcement, the historical share price trend for both companies tracks each other closely, hence a 1:1 share exchange ratio is fair

1 Past 1 year Historical Price – Shares Liquidity

Prior to the announcement, MPB shares are close to 7x more liquid in terms of volume traded which would appeal to the institutional shareholders

MPB			NSTP		
Key Market Statistics			Key Market Statistics		
1-Year Liquidity	31 Jul08 – 31 Jul09	06 Oct08 – 5 Oct09	1-Year Liquidity	31 Jul08 – 31 Jul09	06 Oct08 – 5 Oct09
Free float (38.85%)(1)	331.69mn	331.69 mn	Free float (46.18%)(1)	100.3mn	100.3 m
Volume traded over period	257.5mn	265.6 mn	Volume traded over period	37.9mn	87.5 mn
Average monthly volume	21.5mn	22.1 mn	Average monthly volume	3.2mn	7.3 mn
<i>as a % of free float</i>	6.5%	6.7%	<i>as a % of free float</i>	3.1%	7.3%

MPB vs. NSTP Past 1 Year Liquidity (as a % of Free Float)

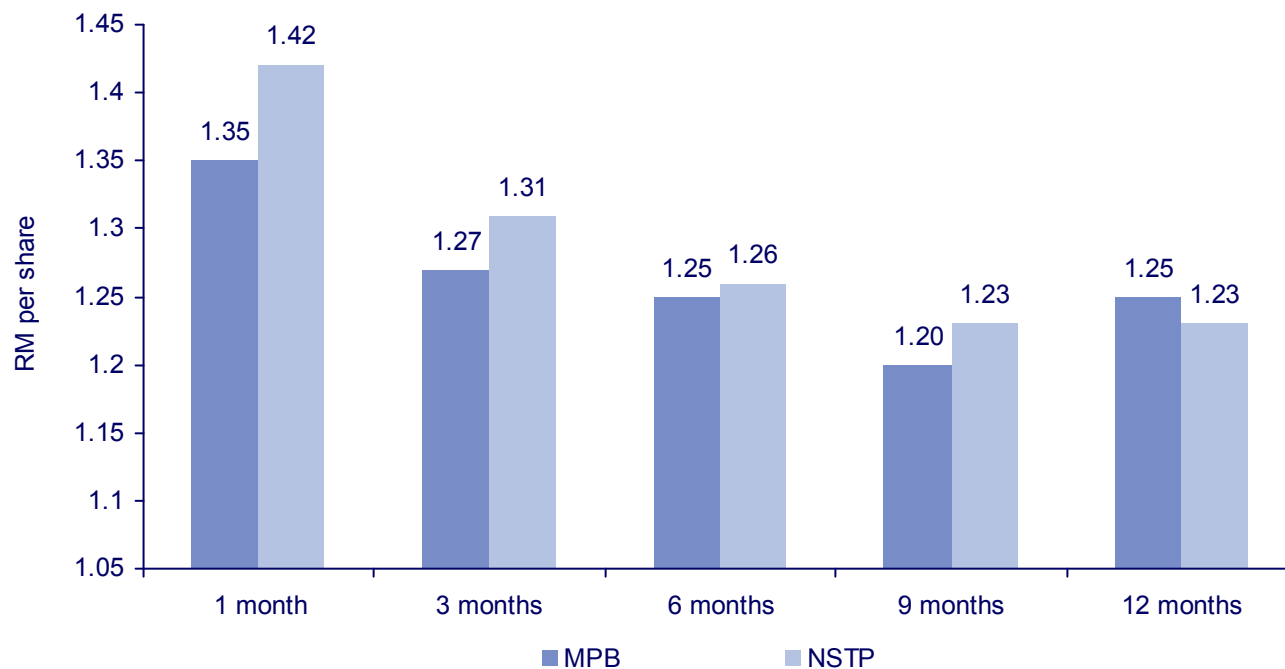


Source: Company Information, Bloomberg
 (1) Includes stake of all major shareholders as at 30 September 2009

② MPB's and NSTP's VWAP

Based on the historical share prices prior to the announcement of the possibility of privatisation, the exchange ratio is fair and reasonable

MPB vs. NSTP's share price (VWAP Analysis)



A 1:1 share exchange ratio is fair and reasonable to NSTP shareholders

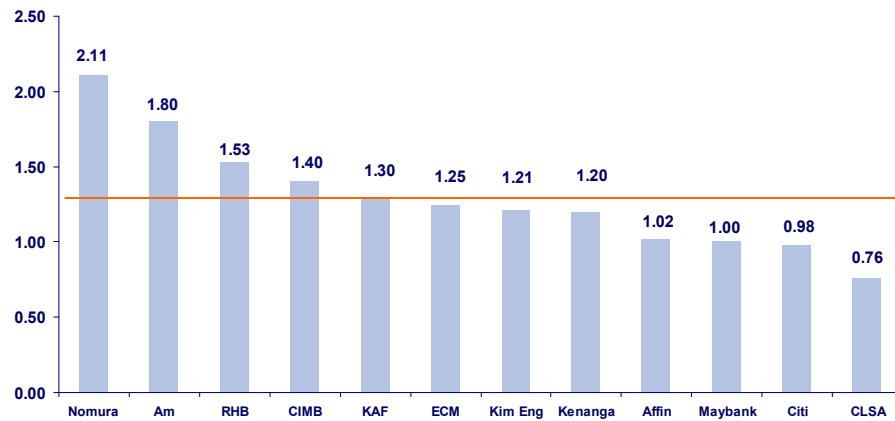
Source: Bloomberg as from 31 July 2008 to 31 July 2009, based on volume traded and closing price of MPB and NSTP shares on Bursa Malaysia

③ Analysts' Target Prices

MPB's average analyst consensus target price approximates NSTP's before 31 July 2009

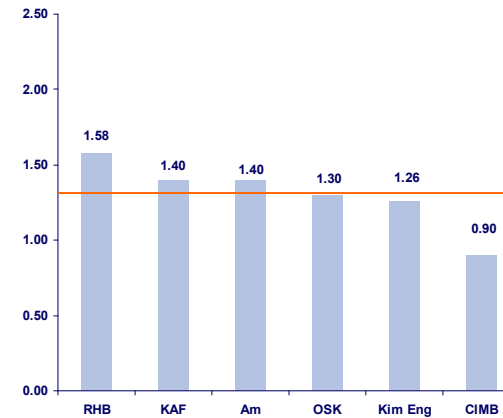
MPB

Average Price : RM1.30



NSTP

Average Price : RM1.31



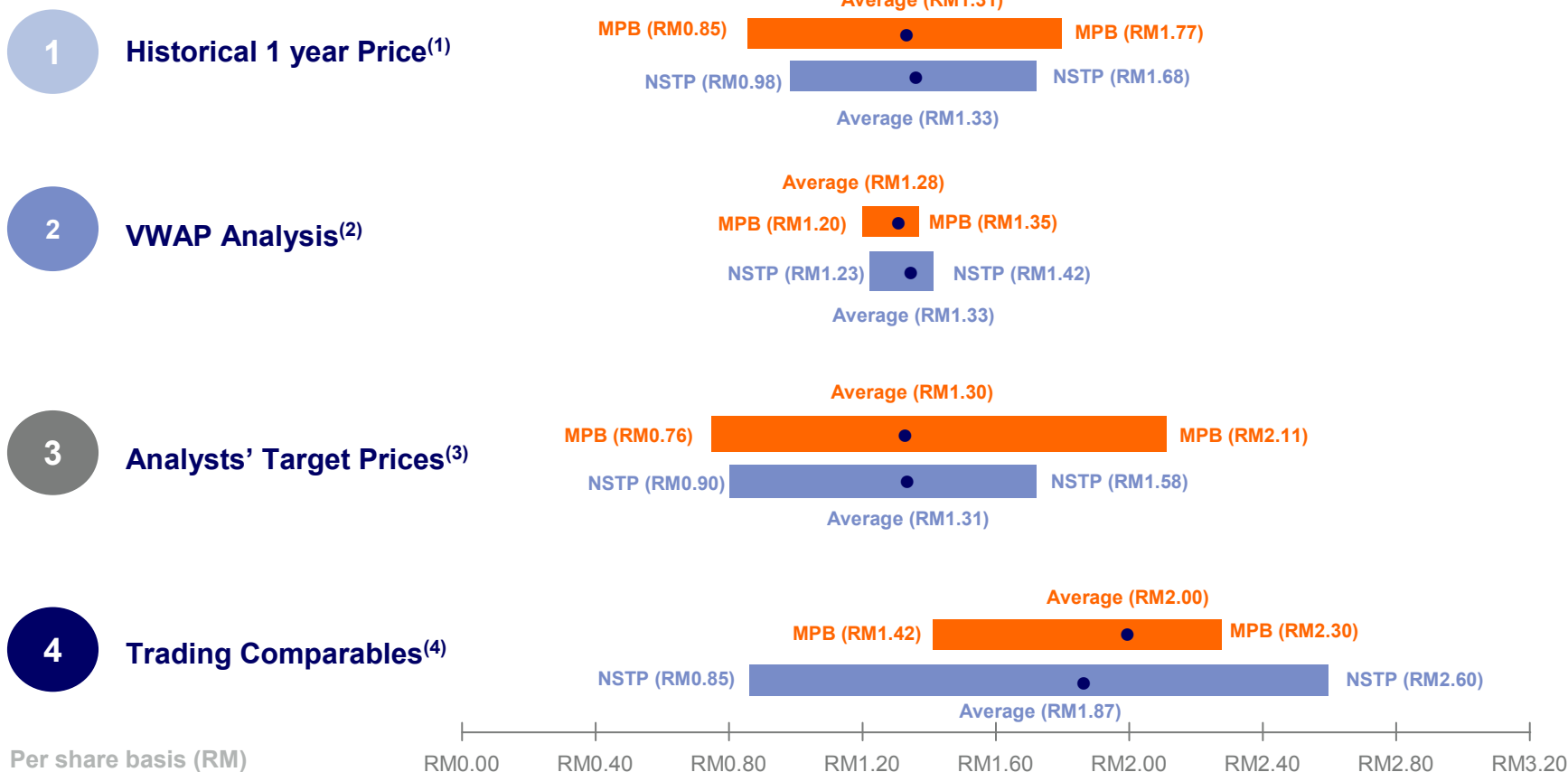
Analysts' target prices for both companies are quite similar, hence a 1:1 exchange ratio is fair and reasonable

Source: Bloomberg as at 24 July 2009 based on analyst consensus for the past 12 months

4 Summary : Implied Valuation Range

Based on valuation metrics prescribed below, a 1:1 exchange ratio is fair to NSTP and MPB's shareholders

Snapshot of various valuation benchmarks demonstrates a 1:1 share exchange ratio is fair









Note:
 (1) Based on 31 July 2008 to 31 July 2009 1-year historical price based on Bloomberg
 (2) Based on 1,3,6,9 and 12 mths VWAP from 31 July 2008 to 31 July 2009 based on closing price of MPB and NSTP
 (3) Based on consensus estimates from Bloomberg as at 24 July 2009
 (4) Based on trading PE of regional comps for FY08, FY09F and FY2010F. Average price is derived from the implied average price for FY08 to FY2010F

5. *Transaction Rationale*

① Creation of a “Truly Integrated” Media Group

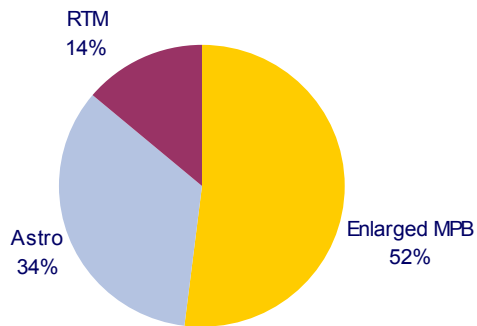
Enlarged MPB will be one of Malaysia’s largest integrated media group offering advertisers full and complete multi-media channels to reach out to prospective customers

	TV	Newspaper	Radio	New Media	Outdoor
	✓	✓	✓	✓	✓
		✓		✓	
		✓	✓	✓	
	✓		✓	✓	
		✓		✓	
		✓		✓	

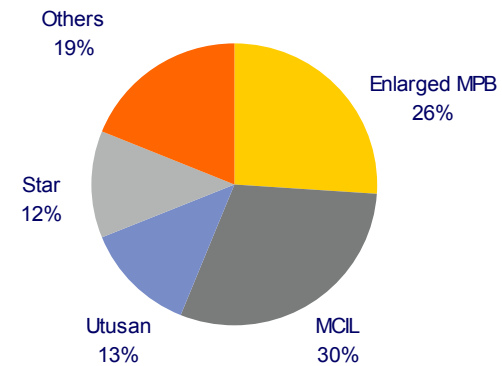
Source: Website, Annual Report, in relation to operating companies

② One of Malaysia's Largest Integrated Media Group by Market Reach

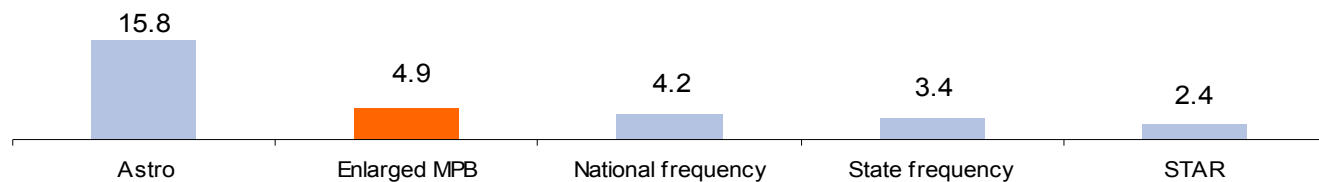
TV Viewership⁽¹⁾



Newspaper Circulation⁽²⁾



Radio Listeners⁽³⁾ (in mn)



Note:

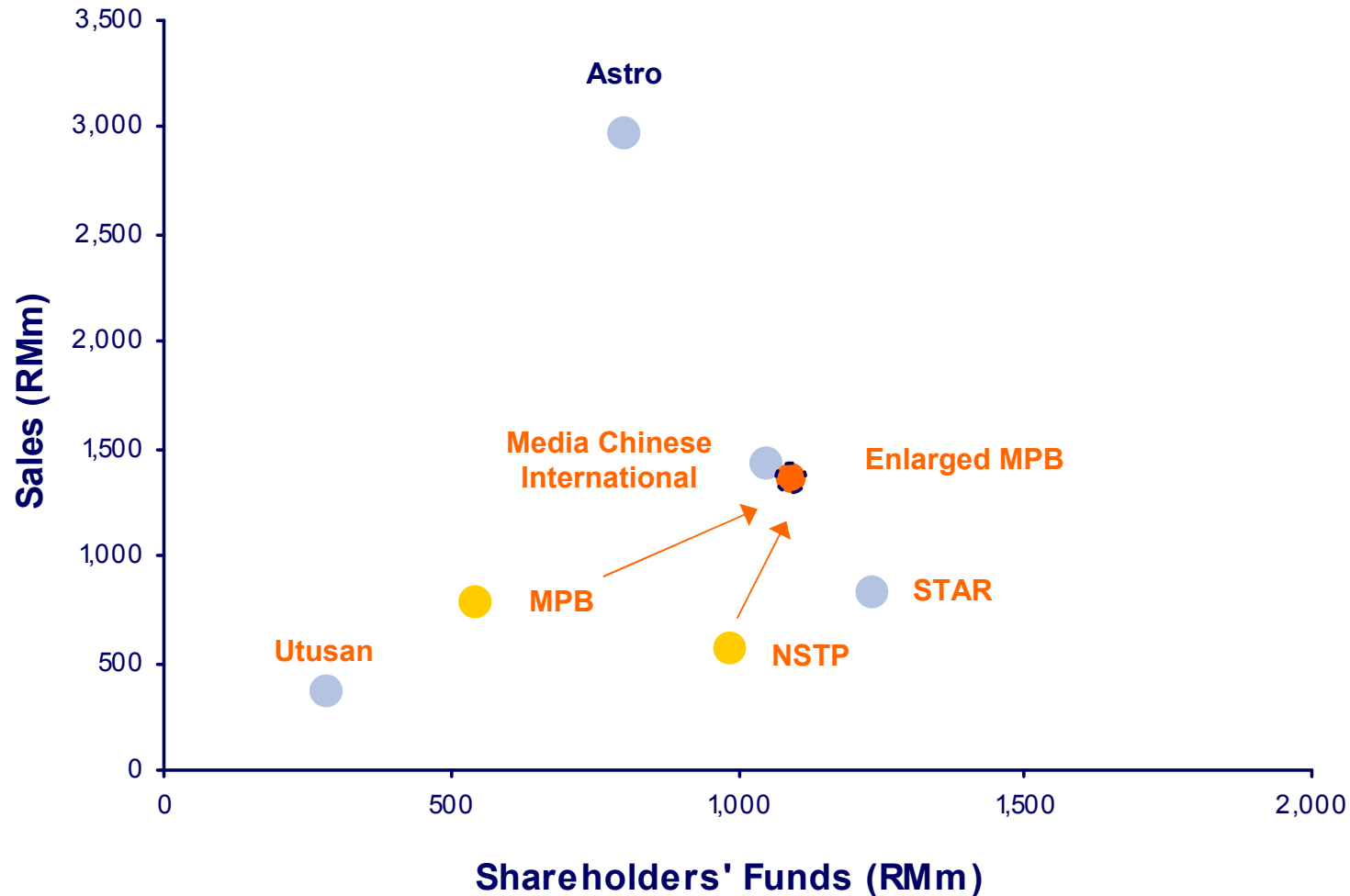
(1) AGB Nielsen Media Research based on average viewership per month of viewers four (4) years old and above from January 2009 to June 2009

(2) Audit Bureau of Circulations Malaysia based on daily newspaper circulation by company (Peninsular Malaysia) from July 07 to June 08

(3) Based on S1 2009 average weekly reach audience as per Nielsen Radio Audience Measurement

③ “Leapfrog” in Size

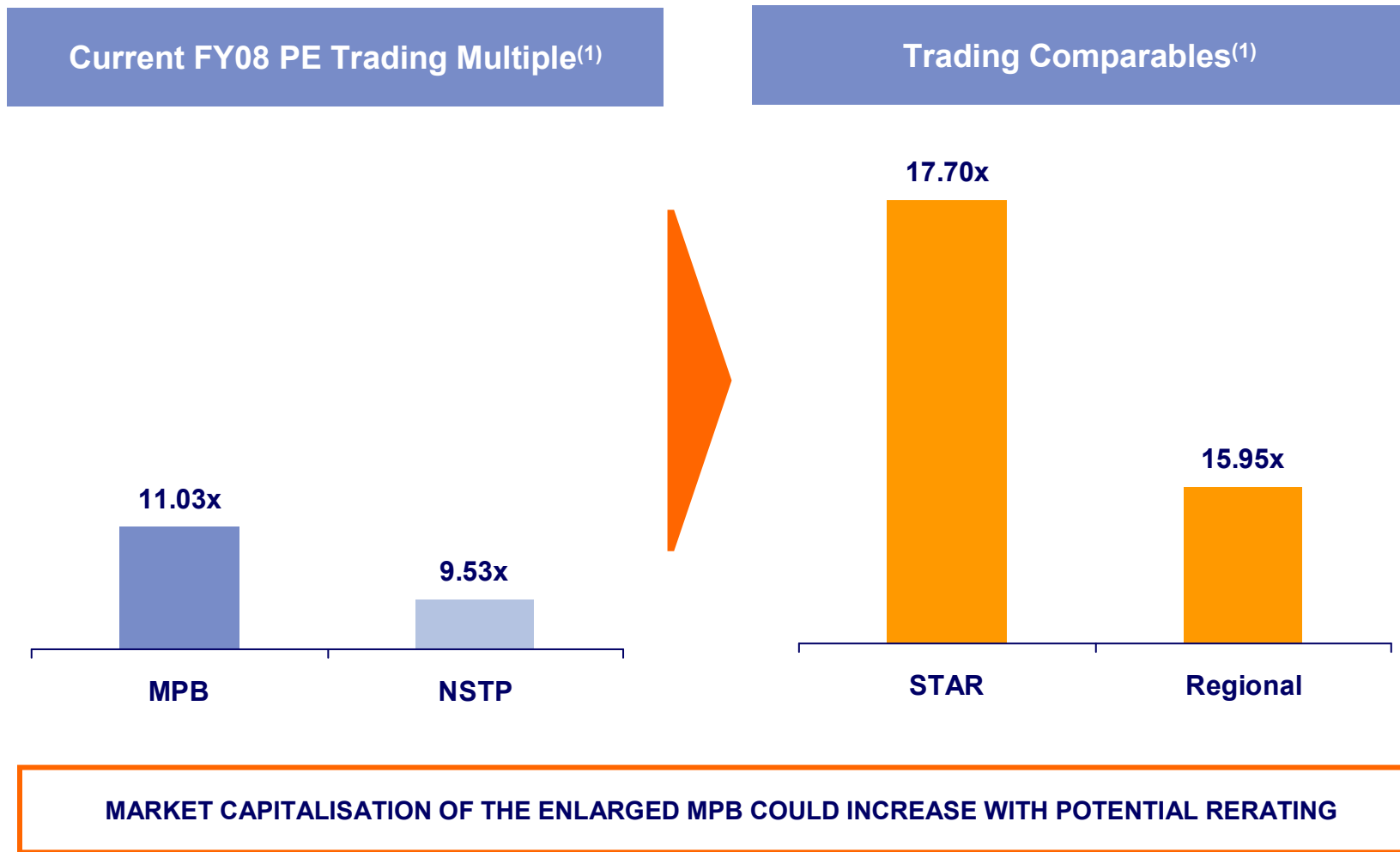
The Enlarged MPB Group will emerge as one of the largest media groups in Malaysia in terms of sales and shareholders' funds



Source: Based on FY2008 financials, save for information on MCIL and Astro which are both based on the annual report for FY2009. The Enlarged MPB is based on sales of RM1,357mn and SH Funds of RM1,097mn, on the assumption of 100% acceptance of the proposed Offer and assuming all the ESOS Options are exercised

④ Value Creation - Potential Re-rating

There is a strong catalyst for the re-rating of Enlarged MPB closer to regional or STAR Publication trading levels

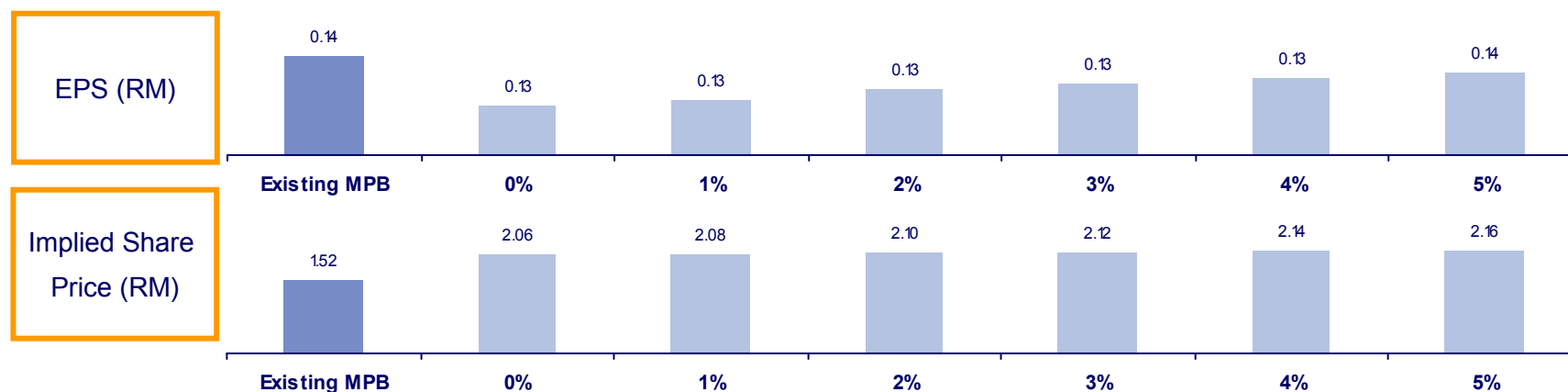


Note: (1) As at 5 October 2009, source: Bloomberg

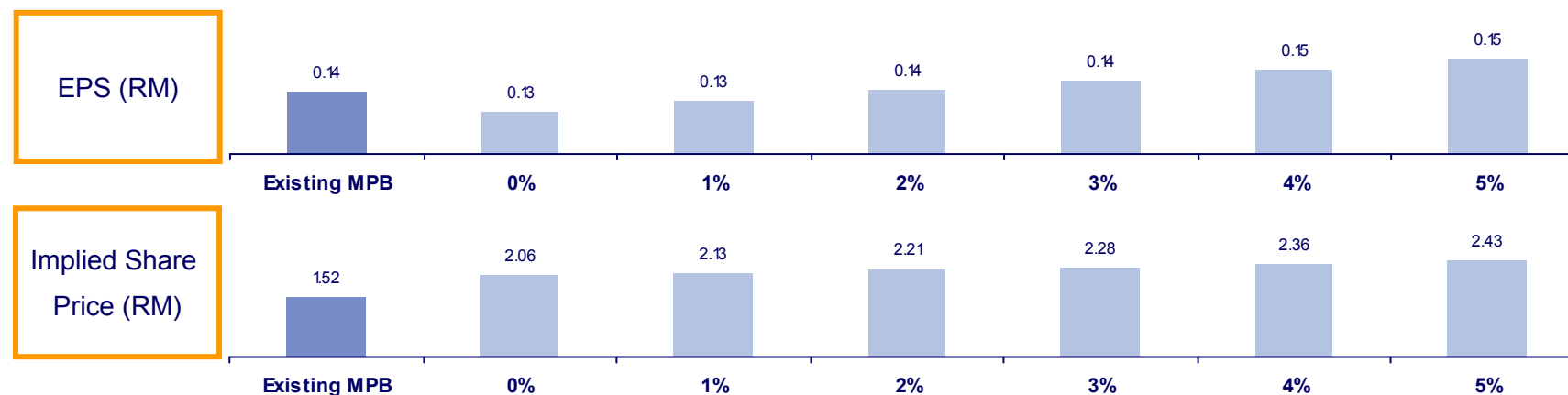
5 Value Creation – assume synergies (cont'd)

Sensitivity analysis, assuming synergies

Revenue Synergies – Sensitivity⁽¹⁾



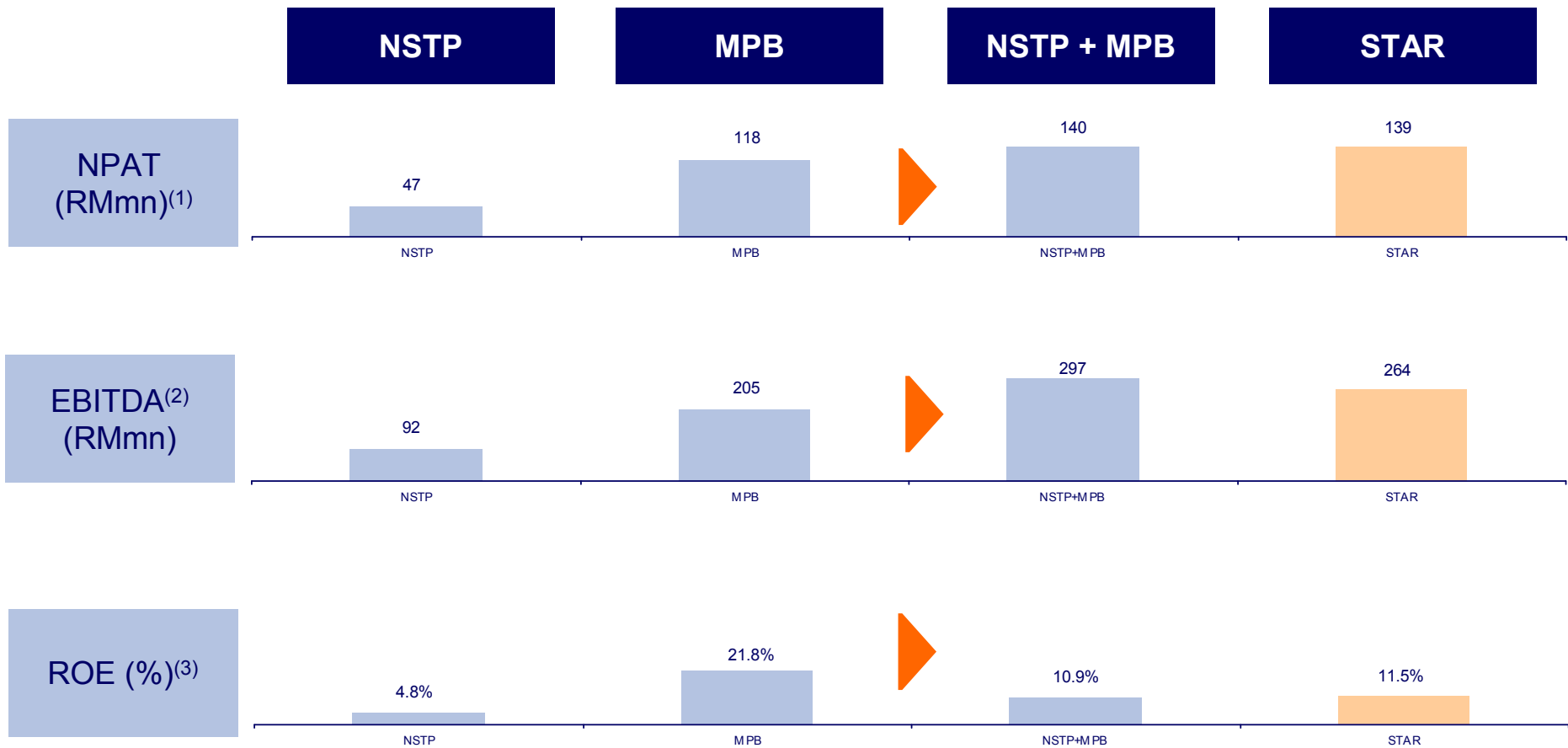
Cost Synergies – Sensitivity⁽²⁾



Note (1): Assume Enlarged MPB shall trade at regional PE of 15.95x, based on scenario with full conversion of warrants and ESOS and assuming NPAT margin remains at 10.30%
 Note (2): Assume Enlarged MPB shall trade at regional PE of 15.95x, based on scenario with full conversion of warrants and ESOS and assuming any cost savings will flow directly to the bottom-line

⑥ Positioning the Enlarged MPB

The financials of the Enlarged MPB could potentially rival competitors



Note:

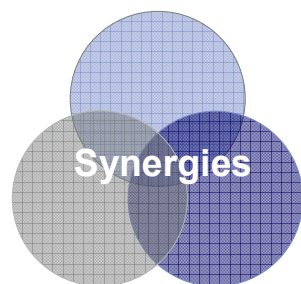
(1) Based on F2008. MPB's FY2008 exclude exceptional losses. The Enlarged MPB's NPAT exclude negative goodwill. Star's NPAT is based on FY2008

(2) Based on FY2008. Star's EBITDA is sourced from Bloomberg for FY2008

(3) ROE is based on NPAT / SH Funds. Enlarged MPB shareholders' funds assuming 100% acceptance and full warrants and ESOS conversion scenario

7 Other Considerations

Compelling rationale for all MPB's stakeholders



- MPB has lacked ultimate control over NSTP to implement strategies and realise value of ownership in pursuit of MPB's strategies, despite its substantial stake
- With NSTP fully housed under MPB, MPB will be able to formulate group wide strategies which can be implemented effectively
- Through this exercise, cost synergies can be realised by merging marketing and back office functions of both entities such as Finance, Legal, HR hence increasing productivity and efficiency



**Funding
for
Growth**

- As a high growth company, MPB continues to require additional funding to finance its expansion activities
- NSTP on the other hand is a stable cash generating business with virtually zero debt and EBITDA of approximately RM90m. Lack of opportunity in the sector meant that cash is not efficiently utilised to increase shareholders' return
- The consolidation of NSTP would improve MPB's balance sheet to fund future growth of its current businesses which should generate superior returns relative to dividends

7 Other Considerations (cont'd)

Compelling rationale for all MPB's stakeholders



- With a controlling ownership in NSTP, MPB can have better control and oversight over operations of NSTP
- Independence of NSTP can still be ensured through separate and independent editorial, management and Board similar to the way that all subsidiary companies under MPB currently are operating
- Further, there are plans to have phased integration of best practices from both companies such as merit and performance based reward system, introduction of initiatives such as talent development programme, KPI based bonus system, process automation which will potentially boost performance

6. *Conclusion*

Consolidation of Strengths

“POOLING OF RESOURCES & STRENGTHS” of two leading media companies

OUR PROPOSAL

Action

- Conditional Offer on a share swap basis to allow participation in the Enlarged MPB – NOT AN EXIT Offer for shareholders
- Issuance of bonds with warrants to support Enlarged MPB strategies
- New ESOS plan being considered as an incentive to all employees

Rationale

- Creation of the largest integrated media conglomerate offering the widest media distribution platform
- Unlock synergies and efficiencies within the operations of both companies through sharing of best practices
- Align objectives and mission statement of both companies in order to better compete in an increasingly challenging media landscape

RESULTS IN

Participate in the Prospects of the Enlarged MPB being a Truly Integrated & Leading Media Group

Q & A