(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

ANNOUNCEMENT

The Board of Directors of ASTRO ALL ASIA NETWORKS plc ("ASTRO" or "the Company") is pleased to announce the following unaudited consolidated results for the first quarter ended 30 April 2004 which should be read in conjunction with the non-statutory IFRS financial information and the audited statutory financial statements presented for the financial year ended 31 January 2004. (Note : Information on the Company and subsidiaries ("the Group") relating to Quarter Ended 30 April 2003 has been presented on a proforma basis for purposes of comparison.)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/2004 Actual	QUARTER ENDED 30/04/2003 Proforma	**THREE MTHS ENDED 30/04/2004 Actual**	THREE MTHS ENDED 30/04/2003 Proforma
		RM'm	RM'm	**RM'm**	RM'm
Revenue	8	**391.1**	310.4	**391.1**	310.4
Cost of sales		**(261.8)**	(227.7)	**(261.8)**	(227.7)
Gross profit		**129.3**	82.7	**129.3**	82.7
Other operating income					
- Gain on dispute settlement		**-**	10.1	**-**	10.1
- Other income		**1.0**	1.6	**1.0**	1.6
Marketing and distribution costs		**(30.4)**	(26.7)	**(30.4)**	(26.7)
Administrative expenses		**(44.2)**	(40.2)	**(44.2)**	(40.2)
Profit from operations	8	**55.7**	27.5	**55.7**	27.5
Finance costs (net)		**(15.5)**	(39.4)	**(15.5)**	(39.4)
<u>Results from investment in associates :</u>					
- Share of results before tax		**-**	0.1	**-**	0.1
- Amortisation of goodwill		**(1.0)**	(0.6)	**(1.0)**	(0.6)
Losses from investment in associates		**(1.0)**	(0.5)	**(1.0)**	(0.5)
Profit/(loss) from ordinary activities before taxation [(1)]		**39.2**	(12.4)	**39.2**	(12.4)
Taxation	15	**(19.5)**	(1.1)	**(19.5)**	(1.1)
Profit/(loss) from ordinary activities after taxation		**19.7**	(13.5)	**19.7**	(13.5)
Minority interest		**-**	-	**-**	-
Net profit/(loss)		**19.7**	(13.5)	**19.7**	(13.5)

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/2004 Actual	QUARTER ENDED 30/04/2003 Proforma	**THREE MTHS ENDED 30/04/2004 Actual**	THREE MTHS ENDED 30/04/2003 Proforma
Earnings/(loss) per share:	26	**Sen**	Sen	**Sen**	Sen
- Basic		**1.03**	(1.14)	**1.03**	(1.14)
- Diluted*		**1.02**	**	**1.02**	**

(*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 28,199,800 ordinary shares under the Employee Share Option Scheme ("ESOS").

(**) There is no diluted loss per share for the period ended 30 April 2003 as there is no dilutive potential ordinary shares.

Note

(1) The profit/(loss) from ordinary activities before taxation has been arrived at after charging:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/2004 Actual	QUARTER ENDED 30/04/2003 Proforma	**THREE MTHS ENDED 30/04/2004 Actual**	THREE MTHS ENDED 30/04/2003 Proforma
	RM'm	RM'm	**RM'm**	RM'm
Depreciation of property, plant and equipment	**19.5**	26.8	**19.5**	26.8
Amortisation of film library and programme rights	**25.2**	13.5	**25.2**	13.5
Amortisation of other intangible assets – software costs	**1.2**	1.6	**1.2**	1.6
Impairment of other intangible assets – software costs	**0.4**	-	**0.4**	-

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 30/04/2004 Actual RM'm	AS AT 31/01/2004 Actual RM'm
NON-CURRENT ASSETS			
Property, plant and equipment	9	**326.9**	339.0
Associates [(1)]		**21.6**	22.6
Deferred tax assets		**588.2**	602.8
Film library and programme rights		**280.7**	280.4
Other intangible assets [(2)]		**56.6**	58.1
		1,274.0	1,302.9
CURRENT ASSETS			
Inventories		**30.0**	36.7
Receivables and prepayments		**276.1**	270.4
Tax recoverable		**7.5**	7.5
Deposits, cash and bank balances		**1,749.7**	1,740.3
		2,063.3	2,054.9
CURRENT LIABILITIES			
Borrowings (interest bearing)	19	**663.9**	281.4
Payables		**632.8**	668.7
Provision for liabilities and charges		**0.6**	5.0
Tax liabilities		**1.4**	1.4
		1,298.7	956.5
NET CURRENT ASSETS		**764.6**	1,098.4
NON-CURRENT LIABILITIES			
Borrowings (interest bearing)	19	**563.2**	949.4
Payables		**39.7**	39.7
Deferred tax liabilities		**22.2**	17.6
		625.1	1,006.7
NET ASSETS		**1,413.5**	1,394.6
CAPITAL AND RESERVES			
Share capital		**1,189.5**	1,189.5
Share premium		**2,108.1**	2,108.1
Merger reserves		**518.4**	518.4
Exchange reserves		**0.6**	1.4
Accumulated losses		**(2,403.1)**	(2,422.8)
		1,413.5	1,394.6
NET TANGIBLE ASSETS PER SHARE (RM)[(3)]		**0.55**	0.54

Notes:
(1) Associates include goodwill on acquisition of an associate with net book value of RM16.7 m (31/01/2004: RM17.7m).
(2) Other intangible assets include software costs, management rights, prepayments and goodwill on consolidation with net book value of RM12.0m, RM2.8m, RM41.4m and RM0.4m (31/01/2004: RM10.6m, RM2.8m, RM44.3m and RM0.4m) respectively.
(3) Net tangible assets represent net assets less other intangible assets, film library and programme rights and goodwill included in investment in associates. Net assets of the Group of RM1,414m (31/01/2004: RM1,395m) are stated after deducting total set-top box and receiving equipment subsidies to-date of RM1,192m (31/01/2004: RM1,129m).

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 30/04/2004 Actual	**Issued and fully paid ordinary shares of £0.10 each**		**Non-distributable**				
	Number of shares	**Nominal value**	**Share premium**	**Merger reserves**	**Exchange reserves**	**Accumulated losses**	**Total**
	Million	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
As at 1 February 2004	**1,918.7**	**1,189.5**	**2,108.1**	**518.4**	**1.4**	**(2,422.8)**	**1,394.6**
Foreign exchange differences	-	-	-	-	**(0.8)**	-	**(0.8)**
Net profit for the period	-	-	-	-	-	**19.7**	**19.7**
Balance as at 30/04/2004	**1,918.7**	**1,189.5**	**2,108.1**	**518.4**	**0.6**	**(2,403.1)**	**1,413.5**

Three months ended 30/04/2003 Proforma	Issued and fully paid ordinary shares of £0.10 each		Non-distributable				
	Number of shares	Nominal Value	RCPS (equity component)	Merger reserves	Exchange reserves	Accumulated losses	Total
	Million	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
As at 1 February 2003 as if the Company was incorporated on 1 February 2003	1,185.5	724.4	17.2	518.4	(0.1)	(2,445.1)	(1,185.2)
Net loss for the period	-	-	-	-	-	(13.5)	(13.5)
Balance as at 30/04/2003	1,185.5	724.4	17.2	518.4	(0.1)	(2,458.6)	(1,198.7)

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	THREE MTHS ENDED 30/04/2004 Actual	THREE MTHS ENDED 30/04/2003 Proforma
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss)	**19.7**	(13.5)
Contra arrangements – revenue	**(1.5)**	(1.2)
Amortisation of film library and programme rights	**25.2**	13.5
Amortisation of other intangible assets – software costs	**1.2**	1.6
Depreciation of property, plant and equipment	**19.5**	26.8
Gain on disposal of property, plant and equipment	**(0.1)**	(0.1)
Loss on disposal of other intangible assets – software costs	**-**	0.1
Impairment of other intangible assets – software costs	**0.4**	-
Interest income	**(11.0)**	(1.7)
Interest expense	**21.2**	26.4
Accretion of RCPS yield	**-**	10.2
Taxation	**19.5**	1.1
Losses from investment in associates	**1.0**	0.5
Unrealised foreign exchange (gain)/loss	**(0.4)**	0.3
	94.7	64.0
Changes in working capital:		
Film library and programme rights	**(25.0)**	(31.6)
Inventories	**6.7**	5.6
Receivables and prepayments	**(3.1)**	4.5
Payables	**(34.5)**	(2.2)
Provision for liabilities and charges	**(4.4)**	(15.1)
	34.4	25.2
Income tax paid	**(0.3)**	(0.1)
Interest received	**9.8**	1.3
Net cash flow from operating activities	**43.9**	26.4

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	CUMULATIVE QUARTER	
	THREE MTHS ENDED 30/04/2004 Actual	THREE MTHS ENDED 30/04/2003 Proforma
	RM'm	RM'm
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in associates	**-**	(9.4)
Purchase of property, plant and equipment	**(6.9)**	(8.7)
Acquisition of intangibles	**(3.0)**	(0.4)
Proceeds from disposal of property, plant and equipment	**0.1**	0.4
Net cash flow from investing activities	**(9.8)**	(18.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(8.9)**	(6.4)
Receipts of corporate advances	**-**	10.6
Repayment of finance lease liabilities	**(6.5)**	(5.8)
Repayment of borrowings	**(9.3)**	(9.0)
Net cash flow from financing activities	**(24.7)**	(10.6)
Net effect of currency translation on cash and cash equivalents	**-**	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**9.4**	(2.3)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,740.3**	238.8
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,749.7**	236.5

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16

1. BASIS OF PREPARATION

The quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Accounting Standards Board ("MASB") Standard No. 26 – "Interim Financial Reporting" and paragraph 9.22 of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements and should be read in conjunction with the non-statutory IFRS financial information and the audited statutory financial statements presented for the financial year ended 31 January 2004.

The accounting policies used by the Group in the quarterly report comply with the principles of the International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The quarterly report has been prepared based on the accounting policies and methods of computation consistent with those adopted in the preparation of the non-statutory IFRS financial information which was presented in conjunction with the audited statutory financial statements for the financial year ended 31 January 2004. The non-statutory IFRS financial information has been presented for consistency and comparability of financial information presented previously in the prospectus dated 1 October 2003 and previous quarterly reports.

As ASTRO was incorporated under the United Kingdom Companies Act, 1985, ASTRO is required to prepare and present audited financial statements in accordance with the United Kingdom Companies Act, 1985 and applicable accounting standards in the United Kingdom ("UK GAAP"). Accordingly, the audited statutory financial statements for the financial year ended 31 January 2004 have been prepared under UK GAAP.

On 20 September 2003, as part of the restructuring under the listing exercise, ASTRO acquired the entire share capital of AAAN (Bermuda) Limited (formerly known as ASTRO ALL ASIA NETWORKS Limited). The business combination of ASTRO and AAAN (Bermuda) Limited is accounted for using the principle of uniting of interests (merger accounting). As such, certain comparatives for the consolidated financial results of ASTRO and its subsidiaries ("the Group") which includes the period prior to the incorporation of ASTRO, have been presented on proforma basis for illustrative purposes to show the financial results of the Group as if the Group had been in existence throughout the entire period commencing 1 February 2003.

A reconciliation to amounts prepared in accordance with the Malaysian Generally Accepted Accounting Practice and UK GAAP is disclosed in Note 27.

2. QUALIFICATION OF PRECEDING ANNUAL AUDITED STATUTORY FINANCIAL STATEMENTS

There was no qualification to the preceding annual audited statutory financial statements.

3. SEASONAL / CYCLICAL FACTORS

Traditionally the timing of the festive seasons will affect the subscriber growth and revenue of the Group. Quarter 4 included the benefits of 3 festival periods. The results of Quarter 1 and their comparison to Quarter 4 have therefore been impacted by these seasonal factors.

4. UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows during the quarter under review.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no significant changes in estimates of amounts reported in the prior interim period of the preceding financial year.

6. MOVEMENTS IN DEBT/EQUITY SECURITIES

There have been no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the quarter under review.

7. DIVIDENDS PAID

There were no dividends paid during the current quarter.

8. SEGMENT RESULTS AND REPORTING

The Group is organised in the following business segments:

- Multi channel television – provides multi channel Direct-to-Home subscription television and related interactive television services.
- Radio – provides radio broadcasting services.
- Celestial – the ownership of a library of Chinese filmed entertainment and the aggregation and distribution of the library and related content.
- Others – a magazine publishing business; interactive content business for the mobile telephony platform; Malaysian film production business; talent management; creation of animation content; ownership of buildings and investment holding companies.

Inter-segment revenue represents transfer between segments and is eliminated on consolidation. These transfers are accounted for in the segments at estimated competitive market prices that would be charged to unaffiliated customers for similar goods and services.

8. SEGMENT RESULTS AND REPORTING (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/04 Actual	QUARTER ENDED 30/04/03 Proforma	**THREE MTHS ENDED 30/04/04 Actual**	THREE MTHS ENDED 30/04/03 Proforma
	RM'm	RM'm	**RM'm**	RM'm
Revenue				
Multi channel television				
External revenue	**350.9**	281.5	**350.9**	281.5
Inter-segment revenue	**0.1**	-	**0.1**	-
Multi channel television revenue	**351.0**	281.5	**351.0**	281.5
Radio				
External revenue	**26.7**	20.1	**26.7**	20.1
Inter-segment revenue	**0.6**	0.9	**0.6**	0.9
Radio revenue	**27.3**	21.0	**27.3**	21.0
Celestial				
External revenue	**7.1**	5.4	**7.1**	5.4
Inter-segment revenue	**2.4**	0.7	**2.4**	0.7
Celestial revenue	**9.5**	6.1	**9.5**	6.1
Others				
External revenue	**6.4**	3.4	**6.4**	3.4
Inter-segment revenue	**23.5**	8.3	**23.5**	8.3
Other revenue	**29.9**	11.7	**29.9**	11.7
Total reportable segments	**417.7**	320.3	**417.7**	320.3
Eliminations	**(26.6)**	(9.9)	**(26.6)**	(9.9)
Total group revenue	**391.1**	310.4	**391.1**	310.4
Profit from operations by segment				
Multi channel television	**68.1**	38.6	**68.1**	38.6
Radio	**9.5**	6.8	**9.5**	6.8
Celestial	**(16.3)**	(13.8)	**(16.3)**	(13.8)
Others	**0.1**	1.5	**0.1**	1.5
Inter-segment eliminations	**(5.7)**	(5.6)	**(5.7)**	(5.6)
Profit from operations	**55.7**	27.5	**55.7**	27.5

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current quarter. As at 30 April 2004, all property, plant and equipment were stated at cost less accumulated depreciation.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

(a) Option to subscribe for up to 25% of the enlarged issued and paid-up capital of Advanced Wireless Technologies Sdn Bhd ("AWT"), a wholly-owned subsidiary of Maxis Communications Berhad

On 25 May 2004, MBNS Multimedia Technologies Sdn Bhd ("MMT"), a wholly-owned subsidiary of the Group, exercised an option to subscribe at par for 25% of the enlarged issued and paid-up capital of AWT ("Option"). The completion of the Option is subject to certain terms and conditions and on completion, MMT will subscribe for 833,334 ordinary shares of RM1.00 each in AWT for a total subscription price of RM833,334 in cash which will result in AWT becoming an associate to the Group. Following the completion of the Option, MMT is required to contribute RM25 million as its share of equity capitalisation of UMTS (Malaysia) Sdn Bhd ("UMTS"), a wholly-owned subsidiary of AWT. UMTS was awarded the third generation digital wireless communications systems ("3G") Spectrum Assignment for 15 years commencing from 2 April 2003 by the Malaysian Communications and Multimedia Commission ("MCMC") and has a RM100 million capitalisation requirement by MCMC. As at 18 June 2004, the Option has not been completed.

(b) Distribution and co-production deal in China

On 28 May 2004, ASTRO and Celestial Pictures Limited, a wholly-owned subsidiary of the Group, entered into various arrangements with China's State Administration for Radio, Film and Television ("SARFT"), the highest authority in the People's Republic of China responsible for the management and regulation of the broadcasting industry, and its related media organisations to spearhead collaborative ventures in the development of content for distribution to global markets. These include landing agreements with China International Television Corporation ("CITVC"), a subsidiary of China Central Television ("CCTV") and a state-owned corporation overseen by SARFT, for broadcasting CCTV channels over ASTRO's multi-channel television service in Malaysia and Brunei; and launching Celestial Movies Channel in upscale hotels and other apartment compounds throughout China to precede distribution over cable networks. In addition, a memorandum of understanding was signed between ASTRO and China Film Group Corporation, a commercial arm of SARFT, for the joint global distribution of pooled content assets including production of new film and television contents.

(c) Repayment of a foreign export credit agency structured trade ("ECA") facility

The total outstanding ECA facility of USD15.8 million as at 30 April 2004 equivalent to RM60.0 million was fully settled on 7 June 2004.

10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD (continued)

(d) Repayment of private debt securities ("PDS") facility

A total of RM593.42 million under the PDS facility comprising :

(i) Medium Term Notes

RM220 million medium term notes ("MTN") had been settled on its maturity date of 14 June 2004; and

(ii) Bonds

MEASAT Broadcast Network Systems Sdn Bhd ("MBNS"), a wholly owned subsidiary of ASTRO, proposed the early redemption of RM350 million of Bonds together with a RM23.42 million premium payable for this early redemption. The bondholders accepted the proposal at an extraordinary general meeting held on 8 June 2004 which was then approved by the Securities Commission on the same date, and paid on 15 June 2004.

The repayment of the ECA and PDS facilities (see Note 10 (c) and 10 (d) above) and the Group's plans for the refinancing of the USD term loan are anticipated to result in a reduction in the average cost of borrowings.

Other than as disclosed above, there were no material subsequent events as at 18 June 2004.

11. CHANGES IN THE COMPOSITION OF THE GROUP

Acquisition of a subsidiary

Acquisition of Global Entertainment and Management Systems (BVI) Limited ("GEMS")

On 6 April 2004, Celestial Pictures Limited subscribed for 1 ordinary share of USD1.00 each representing the entire issued and paid-up share capital of GEMS, a company incorporated in the British Virgin Islands, for a cash consideration of USD1.00. As a result, GEMS became a wholly-owned subsidiary of the Group.

Other than as disclosed above, there have been no other significant changes in the composition of the Group in the current quarter.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

As at 30 April 2004, the Group has provided guarantees to third parties amounting to RM1.2m in respect of licence fees payables by third parties.

(b) Contingent assets

There were no contingent assets as at 30 April 2004.

13. COMMITMENTS

As at 30 April 2004, the Group has the following known commitments:

	As at 30/04/04
	RM'm
Authorised and contracted for	91.4
Authorised but not contracted for	217.4
	308.8

Analysed as follows:	Authorised and		
	Contracted for	Not contracted for	Total
	RM'm	RM'm	RM'm
Property, plant and equipment	13.3	111.8	125.1
Investment in an associate	18.9	-	18.9
Film library and programme rights	58.9	105.6	164.5
Non-cancellable operating lease	0.3	-	0.3
	91.4	217.4	308.8

In addition to the commitments disclosed above, the Group currently has a 30-year agreement to lease the land underlying the All Asia Broadcast Centre which commenced in 1995.

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MASB STANDARD 26, PARAGRAPH 16

14. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group has entered into a variety of related party transactions with companies directly or indirectly controlled by or associated with Usaha Tegas Sdn. Bhd. ('UTSB') as well as companies or entities directly or indirectly controlled by or associated with Ananda Krishnan Tatparanandam or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company. UTSB is ultimately controlled by the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes.

The principal company associated with UTSB is Maxis Communications Berhad. MAI Holdings Sdn Bhd is ultimately controlled by Ananda Krishnan Tatparanandam.

Related parties	**Relationship**
Maxis Mobile Sdn Bhd	Subsidiary of Maxis Communications Berhad
Maxis Broadband Sdn Bhd	Subsidiary of Maxis Communications Berhad
UTSB Management Sdn Bhd	Subsidiary of Usaha Tegas Sdn Bhd
All Asia Radio Technologies Sdn Bhd	Associate of Usaha Tegas Sdn Bhd
Binariang Satellite Systems Sdn Bhd	Subsidiary of MAI Holdings Sdn Bhd

In addition to significant related party transactions disclosed elsewhere in this report, the following significant transactions were carried out with the following related parties:

	TRANSACTIONS FOR THE CUMULATIVE THREE MTHS ENDED 30/04/04 Actual RM'm	AMOUNTS (*) DUE FROM/(TO) AS AT 30/04/04 Actual RM'm
(a) Sales of goods and services		
Multimedia and interactive sales to:		
Maxis Mobile Sdn Bhd	**1.1**	**1.1**
(b) Purchases of goods and services		
Personnel and strategic consultancy services from:		
UTSB Management Sdn Bhd	**2.2**	**(2.2)**
Marketing, Programming and advertising services from:		
All Asia Radio Technologies Sdn Bhd	**2.4**	**(2.4)**
Telecommunication services from:		
Maxis Broadband Sdn Bhd	**1.9**	**(1.9)**
Payments related to finance lease:		
Binariang Satellite Systems Sdn Bhd	**4.8**	**(4.8)**

Note: (*) Represents amounts outstanding on transactions entered into during the three months ended 30 April 2004.

PART B – EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA REQUIREMENT UNDER PART A of APPENDIX 9B

15. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/04 Actual	QUARTER ENDED 30/04/03 Proforma	**THREE MTHS ENDED 30/04/04 Actual**	THREE MTHS ENDED 30/04/03 Proforma
	RM'm	RM'm	**RM'm**	RM'm
Current tax	**0.3**	0.1	**0.3**	0.1
Deferred tax	**19.2**	1.0	**19.2**	1.0
	19.5	1.1	**19.5**	1.1

The Group's effective tax rate for the period ended 30 April 2004 is higher at 49.7% mainly due to losses in certain subsidiaries not available for relief at Group level and non-deductibility of certain items for tax purposes.

16. PROFIT/(LOSS) ON SALES OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties during the quarter.

17. QUOTED SECURITIES

There were no quoted securities acquired or disposed during the quarter.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED

(a) Status of corporate proposal announced during the quarter

Other than as disclosed in Note 10(a), there were no incomplete corporate proposals as at 18 June 2004.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

(b) Status of utilisation of proceeds raised from the Initial Public Offering

The status of the utilisation of the proceeds as at 18 June 2004 from the Initial Public Offering ("IPO") is as follows:

	Proposed utilisation of IPO proceeds (*)	Utilised to date	Amounts outstanding
	RM'm	**RM'm**	**RM'm**
Repayment of a private debt securities facility (**)	**632.4**	**(632.4)**	**-**
Repayment of a foreign export credit agency structured trade facility	**77.1**	**(77.1)**	**-**
Repayment of bearer promissory notes (***)	**74.4**	**(74.4)**	**-**
Part repayment of a syndicated term loan facility	**551.0**	**(551.0)**	**-**
Payment for equity in associate, TVBPH	**19.0**	**-**	**19.0**
Listing expenses	**110.4**	**(102.1)**	**8.3**
Working capital / general corporate purposes (**)	**565.6**	**(54.3)**	**511.3**
	2,029.9	**(1,491.3)**	**538.6**

Note:

(*) Estimated utilisation as set out in ASTRO's prospectus dated 1 October 2003 adjusted for the final retail price of RM3.65 per share (being 90% of the final institution price of RM4.06 per share which was fixed on 11 October 2003).

(**) Following the full repayment of the private debt securities facility (see Note 10(d)), the balance of RM29.4 million remaining on the proposed utilisation of the IPO proceeds for the repayment of private debt securities facility has been transferred for working capital / general corporate purposes.

(***) On 29 October 2003, the bearer promissory notes were redeemed via the issuance of bearer bills of exchange by the Company. The bearer bills of exchange were repaid on 14 November 2003 from the IPO proceeds.

19. GROUP BORROWINGS AND DEBTS SECURITIES

The amounts of Group borrowings and debt securities as at 30 April 2004 are as follows:

	Short Term	Long Term	Total
	RM'm	RM'm	RM'm
Secured			
Private debt securities ("PDS")[1]	577.6	-	577.6
Foreign structured trade finance ("ECA")[1] - USD15.5m	58.8	-	58.8
BPI Facilities[1]	-	45.7	45.7
USD term loan[2] – USD114.8m	-	436.1	436.1
Finance lease liabilities[3]	27.5	81.4	108.9
	663.9	563.2	1,227.1

Notes:

(1) All assets of MBNS and MEASAT Digicast Sdn Bhd ("Digicast"), subsidiaries of ASTRO, are pledged as security on a pari passu basis to the PDS, ECA (USD15.5m) and BPI Facilities.

The rights, title, interest and benefits of MBNS for the following are also assigned to the PDS, ECA (USD15.5m) and BPI Facilities:

(i) All Asia Broadcast Centre leased land.
(ii) Malaysia East Asia Satellite 1 ("M1") transponder lease agreement with Binariang Satellite Systems Sdn Bhd ("BSS"), the transponder insurance and the broadcasters all risks policy.
(iii) Agreement for the supply of daughter smartcards and the Mediaguard system licence agreement, both with the Societe Europeene de Controle D'acces; and Mediahighway licence agreement with Canal+.

(2) Certain assets of the Company are pledged as security for the USD term loan (USD114.8m). The USD term loan (USD114.8m) is also secured by the following:

(i) Corporate guarantees, debentures, assignment of bank accounts, legal and equitable share mortgages created by the Company and/or various subsidiaries of the Company.
(ii) As part of the security agreement and in accordance with the undertaking by MBNS, MBNS will become a guarantor and together with Digicast will create pari passu ranking of securities currently provided to the guarantors of the PDS and lenders of the ECA (USD15.5m) and BPI Facilities (as referred to in Note (1)), subject to fulfilment of certain conditions.

(3) The finance lease liabilities are effectively secured as the rights of the leased asset revert to the lessor in the event of default.

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no outstanding off-balance sheet financial instruments as at 18 June 2004.

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

PART B – EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA REQUIREMENT UNDER PART A of APPENDIX 9B

21. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the period or pending as at 18 June 2004.

22. REVIEW OF PERFORMANCE

(A) Performance of current quarter (First Quarter 2005) against the corresponding quarter of previous financial year (First Quarter 2004)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2004 Actual	FIRST QUARTER 30/04/2003 Proforma	**FIRST QUARTER 30/04/2004 Actual**	FIRST QUARTER 30/04/2003 Proforma
Consolidated Performance				
Total Revenue	**391.1**	310.4		
Subscriber Acquisition Costs (SAC)[2]	**83.7**	72.4		
EBITDA[3]	**76.9**	55.8		
EBITDA Margin (%)	**19.7**	18.0		
Profit/(Loss) after taxation	**19.7**	(13.5)		
Free Cash Flow[4]	**34.1**	8.3		
Net Increase/(Decrease) in Cash	**9.4**	(2.3)		
Capital expenditure[5]	**10.4**	9.2		
(i) Multi channel TV(MC-TV)[1]				
Subscription revenue	**316.5**	251.3		
Advertising revenue	**21.1**	16.7		
Other revenue	**13.4**	13.5		
Total revenue	**351.0**	281.5		
SAC[2]	**83.7**	72.4		
EBITDA[3]	**85.5**	63.6		
EBITDA Margin (%)	**24.4**	22.6		
Capital expenditure[5]	**5.8**	8.6		
Total subscriptions-net additions ('000)			**58**	53
Total subscriptions-end of period ('000)			**1,451**	1,123
Residential subscribers-net additions ('000)			**56**	49
Residential subscribers-end of period ('000)			**1,339**	1,033

22. REVIEW OF PERFORMANCE (Continued)

(A) Performance of current quarter (First Quarter 2005) against the corresponding quarter of previous financial year (First Quarter 2004) (continued)

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2004 Actual	FIRST QUARTER 30/04/2003 Proforma	**FIRST QUARTER 30/04/2004 Actual**	FIRST QUARTER 30/04/2003 Proforma
(i) Multi channel TV(MC-TV)[1] (continued)				
ARPU – residential subscriber (RM)			**79**	81
Churn (%)			**9.2**	6.9
SAC per set-top box sold (RM)			**763**	986
Content cost (RM per subscriber per mth)			**25**	28
(ii) Radio[1]				
Revenue	**27.3**	21.0		
EBITDA[3]	**10.0**	7.1		
EBITDA Margin (%)	**36.6**	33.8		
Listeners ('000)[6]			**8,861**	8,196
Share of radio adex (%)[7]			**74**	69
(iii) Celestial[1]				
Revenue	**9.5**	6.1		
EBITDA[3]	**(15.7)**	(13.3)		
EBITDA Margin (%)	**(165.3)**	(218.0)		
Titles released for distribution			**35**	26
(iv) Others[1]				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			**1,385**	1,116
Malaysian film production – theatrical release			**1**	1

Note :
1. Represents segment performance before inter-segment eliminations.
2. Subscriber acquisition cost is the average cost incurred in signing up a subscriber to the DTH multi-channel subscription service, including sales and marketing expenses and any subsidy offered on the set-top box and receiving equipment.
3. Earnings before interest, taxation, depreciation and amortisation (EBITDA) represents profit/(loss) from ordinary activities before net finance costs, taxation, impairment and depreciation of property, plant and equipment, amortisation of intangible assets such as software (but excluding amortisation of film library and programme rights which are expensed as part of cost of sales) and gain/(loss) from investment in associates.
4. Free cash flow represents the net cash flows arising from operating and investing activities of the Group.
5. Capital expenditure includes capitalised software costs.
6. Based on the Radio Listenership Survey Sweep 1, 2004 and Sweep 1, 2003 performed by NMR in April 2004 and April 2003 respectively.
7. Based on NMR Adex Report.

22. REVIEW OF PERFORMANCE (continued)

(A) Performance of current quarter (First Quarter 2005) against the corresponding quarter of previous financial year (First Quarter 2004) (continued)

Consolidated Performance

Turnover

For the 1st quarter ended 30 April 2004 (1st quarter 2005), the Group recorded consolidated revenues of RM391.1m which was RM80.7m or 26.0% higher than RM310.4m recorded in the 1st quarter ended 30 April 2003 (1st quarter 2004). The increase was mainly driven by higher subscription revenue from MC-TV segment which rose RM65.2m or 25.9% from 1st quarter 2004 due to enlarged subscriber base. Advertising revenue also increased as a result of more robust industry-wide advertising expenditure with 1st quarter 2005 being RM10.7m up on 1st quarter 2004 (Radio RM6.3m or 30.0%; MC-TV RM4.4m or 26.3%). Celestial revenue also improved to RM9.5m, an increase of RM3.4m from RM6.1m in 1st quarter 2004.

EBITDA

Group EBITDA for 1st quarter 2005 was RM76.9m, an improvement of RM21.1m or 37.8% compared to RM55.8m for 1st quarter 2004. EBITDA margin for 1st quarter 2005 of 19.7% was 1.7 percentage point higher than EBITDA margin of 18.0% in 1st quarter 2004. The growth in MC-TV EBITDA of RM21.9m was mainly contributed by higher subscription and advertising revenues, partially offset by volume related increases in subscriber related costs such as subscriber acquisition and programming costs as well as overhead costs. EBITDA for Radio segment improved by RM2.9m due to advertising revenue. Celestial EBITDA decreased by RM2.4m mainly due to higher amortisation costs of programme library.

Free Cash Flow

Free cash flow generated in 1st quarter 2005 was RM34.1m compared to RM8.3m in 1st quarter 2004. The increase was mainly due to higher cash flow generated from operating activities and reduction in investing activities.

Net Cash Flow

There was a net increase in cash of RM9.4m in 1st quarter 2005 compared to a net decrease of RM2.3m in 1st quarter 2004. The change in net cash flow of RM11.7m was due to the improvement in free cash flow (see note above) net of the higher cash outflow for financing activities for 1st quarter 2005.

Capital Expenditure

Group capital expenditure for the 1st quarter 2005 totalled RM10.4m, of which RM5.8m was for MC-TV requirements.

Multi channel TV

MC-TV segment achieved total revenue of RM351.0m in 1st quarter 2005, which was RM69.5m or 24.7% higher than 1st quarter 2004, mainly contributed by higher subscription and advertising revenue.

Residential subscriber net additions were 56K in 1st quarter 2005, an increase of 7K or 14.3% compared to 49K in 1st quarter 2004. The increase was mainly due to more aggressive marketing campaign and lower set-top box prices in the current quarter.

22. REVIEW OF PERFORMANCE (continued)

(A) Performance of current quarter (First Quarter 2005) against the corresponding quarter of previous financial year (First Quarter 2004) (continued)

Multi channel TV (continued)

MAT churn increased to 9.2% for 1st quarter 2005 from 6.9% for 1st quarter 2004. MC-TV experienced accelerated level of churn in the last 6 months due to the current use of unauthorised means of receiving the MC-TV transmission signal.

ARPU declined from RM81 in 1st quarter 2004 to RM79 in 1st quarter 2005 due to accelerated growth in our subscriber numbers in the mass urban market. The recently announced price increase will, to some extent, mitigate this reduction in ARPU.

SAC per box sold declined by RM223 or 22.6%, from RM986 in 1st quarter 2004 to RM763 in 1st quarter 2005 mainly due to lower set-top box costs and selling expenses, partially offset by decreased set-top box retail selling prices.

Radio

Radio's revenue of RM27.3m in 1st quarter 2005 was RM6.3m or 30.0% higher than RM21.0m in 1st quarter 2004. This improvement was mainly due to the attainment of higher share of the increased radio expenditure by AMP radio stations from 69% in 1st quarter 2004 to 74% in 1st quarter 2005.

Celestial

Celestial generated revenue of RM9.5m in 1st quarter 2005 which was RM3.4m or 55.7% higher than RM6.1m in 1st quarter 2004 principally due to higher licensing income.

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

PART B – EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA REQUIREMENT UNDER PART A of APPENDIX 9B

22. REVIEW OF PERFORMANCE (continued)

B) Performance of current quarter (First Quarter 2005) against preceding quarter (Fourth Quarter 2004)

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2004 Actual	FOURTH QUARTER 31/01/2004 Proforma	**FIRST QUARTER 30/04/2004 Actual**	FOURTH QUARTER 31/01/2004 Proforma
Consolidated Performance				
Total Revenue	**391.1**	396.4		
Subscriber Acquisition Costs (SAC)[2]	**83.7**	93.3		
EBITDA[3]	**76.9**	76.6		
EBITDA Margin (%)	**19.7**	19.3		
Profit after taxation	**19.7**	38.1		
Free Cash Flow[4]	**34.1**	81.6		
Net Increase/(Decrease) in Cash	**9.4**	(711.0)		
Capital expenditure[5]	**10.4**	14.3		
(i) Multi channel TV(MC-TV)[1]				
Subscription revenue	**316.5**	299.8		
Advertising revenue	**21.1**	29.0		
Other revenue	**13.4**	18.2		
Total revenue	**351.0**	347.0		
SAC[2]	**83.7**	93.3		
EBITDA[3]	**85.5**	72.5		
EBITDA Margin (%)	**24.4**	20.9		
Capital expenditure[5]	**5.8**	10.1		
Total subscriptions-net additions ('000)			**58**	97
Total subscriptions-end of period ('000)			**1,451**	1,393
Residential subscribers-net additions ('000)			**56**	92
Residential subscribers-end of period ('000)			**1,339**	1,283

ASTRO ALL ASIA NETWORKS plc

(Incorporated in England and Wales under the United Kingdom Companies Act 1985 – No. 4841085)
(Registered as a foreign company in Malaysia under the Companies Act 1965 – No. 994178-M)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2004

PART B – EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA REQUIREMENT UNDER PART A of APPENDIX 9B

22. REVIEW OF PERFORMANCE (continued)

B) Performance of current quarter (First Quarter 2005) against preceding quarter (Fourth Quarter 2004) (continued)

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2004 Actual	FOURTH QUARTER 31/01/2004 Proforma	**FIRST QUARTER 30/04/2004 Actual**	FOURTH QUARTER 31/01/2004 Proforma
(i) Multi channel TV(MC-TV)[1] (continued)				
ARPU – residential subscriber (RM)			**79**	80
Churn (%)			**9.2**	7.9
SAC per set-top box sold (RM)			**763**	779
Content cost (RM per subscriber per mth)			**25**	26
(ii) Radio[1]				
Revenue	**27.3**	32.0		
EBITDA[3]	**10.0**	16.3		
EBITDA Margin (%)	**36.6**	50.9		
Listeners ('000)[6]			**8,861**	8,740
Share of radio adex (%)[7]			**74**	75
(iii) Celestial[1]				
Revenue	**9.5**	14.4		
EBITDA[3]	**(15.7)**	(12.3)		
EBITDA Margin (%)	**(165.3)**	(85.4)		
Titles released for distribution			**35**	42
(iv) Others[1]				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			**1,385**	1,375
Malaysian film production – theatrical release			**1**	1

Note :

1. Represents segment performance before inter-segment eliminations.
2. Subscriber acquisition cost is the average cost incurred in signing up a subscriber to the DTH multi-channel subscription service, including sales and marketing expenses and any subsidy offered on the set-top box and receiving equipment.
3. Earnings before interest, taxation, depreciation and amortisation (EBITDA) represents profit/(loss) from ordinary activities before net finance costs, taxation, impairment and depreciation of property, plant and equipment, amortisation of intangible assets such as software (but excluding amortisation of film library and programme rights which are expensed as part of cost of sales) and gain/(loss) from investment in associates.
4. Free cash flow represents the net cash flows arising from operating and investing activities of the Group.
5. Capital expenditure includes capitalised software costs.
6. Based on the Radio Listenership Survey Sweep 1, 2004 and Sweep 2, 2003 performed by NMR in April 2004 and October 2003 respectively.
7. Based on NMR Adex Report

22. REVIEW OF PERFORMANCE (continued)

B) Performance of current quarter (First Quarter 2005) against preceding quarter (Fourth Quarter 2004) (continued)

Consolidated Performance

Turnover

For the 1st quarter ended 30 April 2004 (1st quarter 2005), the Group recorded consolidated revenues of RM391.1m which was RM5.3m or 1.3% lower than the RM396.4m recorded in the 4th quarter ended 31 January 2004 (4th quarter 2004). The decline was mainly driven by normal seasonal trends in advertising revenue with 1st quarter being RM12.0 m down on 4th quarter (mainly MC-TV and Radio). Subscription revenue from MC-TV segment was up RM16.7m in this quarter while Celestial distribution revenue was down RM4.9m from the festive season peak of RM14.4m in 4th quarter.

EBITDA

Group EBITDA for 1st quarter 2005 was RM76.9m, an improvement of RM0.3m or 0.4% compared to RM76.6m for 4th quarter 2004. EBITDA margin for 1st quarter 2005 of 19.7% was 0.4 percentage point higher than EBITDA margin of 19.3% in 4th quarter 2004. The growth in MC-TV EBITDA of RM13.0m was mainly contributed by subscription revenue and savings on subscriber acquisition costs, partially offset by a decrease in advertising revenue and higher overheads. EBITDA for Radio segment and Celestial decreased by RM6.3m and RM3.4m respectively mainly due to lower radio advertising revenue and film distribution revenue reflecting the impact of seasonality on these businesses.

Free Cash Flow

Free cash flow generated in 1st quarter 2005 was RM34.1m compared to RM81.6m in 4th quarter 2004. The decline was mainly due to changes in working capital.

Net Cash Flow

There was a net increase in cash of RM9.4m in 1st quarter 2005 compared to a net decrease of RM711.0m in 4th quarter 2004. The decrease in net cash flow in 4th quarter 2004 resulted from the utilisation of IPO proceeds to settle part of the USD term loan of RM551m (USD145m) and the repayment of commercial papers under the PDS facility of RM145m.

Capital Expenditure

Group capital expenditure for the 1st quarter 2005 totalled RM10.4m, of which RM5.8m was for MC-TV requirements.

Multi channel TV

MC-TV segment achieved total revenue of RM351.0m in 1st quarter 2005, which was RM4.0m or 1.2% higher than 4th quarter 2004. The increase was due to subscription revenue being higher by RM16.7m and was partially offset by the decrease in advertising revenue of RM7.9m driven by normal seasonal trends.

Residential subscriber net additions were 56K in 1st quarter 2005, a decrease of 36K or 39.1% compared to 92K in 4th quarter 2004. This is the normal seasonal trend as 4th quarter 2004 is the highest of the year due to festive season sales.

22. REVIEW OF PERFORMANCE (continued)

B) Performance of current quarter (First Quarter 2005) against preceding quarter (Fourth Quarter 2004) (continued)

Multi channel TV (continued)

MAT churn increased to 9.2% for 1st quarter 2005 from 7.9% for 4th quarter 2004. MC-TV experienced an accelerated level of churn in the last 6 months due to an increase in the unauthorised reception of the MC-TV transmission signal by clone smartcards and set-top boxes. Current levels of churn are expected to continue through the 3rd quarter 2005 when measures will be implemented to remove the opportunity of unauthorised access of the transmission by clone smartcards and set-top boxes. In the interim, the Group will continue to work with the authorities in identifying and prosecuting those who distribute or use these illegal devices. The Group anticipates a significant improvement by year end.

ARPU declined from RM80 in 4th quarter 2004 to RM79 in 1st quarter 2005 due to the capacity restriction in offering increased premium and pay per view services to the growing mass urban market. The recently announced price increase will, to some extent, mitigate this reduction in ARPU.

SAC per box sold declined by RM16 or 2.1%, from RM779 in 4th quarter 2004 to RM763 in 1st quarter 2005 mainly due to lower set-top box prices and selling costs.

Radio

Radio's revenue of RM27.3m in 1st quarter 2005 was RM4.7m or 14.7% lower than RM32.0 in 4th quarter 2004. This decrease was mainly the impact of the higher seasonal sales experienced in 4th quarter 2004 during the year end festive season.

Celestial

Celestial generated revenue of RM9.5m in 1st quarter 2005 which was RM4.9m or 34.0% lower than RM14.4m in 4th quarter 2004 principally due to lower distribution licensing revenue.

23. CURRENT YEAR PROSPECTS

Underlying demand for the Group's products and services has remained strong during the quarter under review, despite the increased level of churn and the reduction in ARPU currently being experienced. On this basis and barring any unforeseen circumstances, it is anticipated that the Group's overall performance will be satisfactory for the financial year ending 31 January 2005.

24. PROFIT FORECAST

Not applicable as the Group did not submit any profit forecast.

25. DIVIDENDS

No dividends have been declared or recommended for the current quarter ended 30 April 2004.

26. EARNINGS/(LOSS) PER SHARE

The basic and diluted earnings/(loss) per share for the reporting period are computed as follows:

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/04 Actual	QUARTER ENDED 30/04/03 Proforma	**THREE MTHS ENDED 30/04/04 Actual**	THREE MTHS ENDED 30/04/03 Proforma
(1) Basic earnings/(loss) per share					
Net profit/(loss)	RM'm	**19.7**	(13.5)	**19.7**	(13.5)
Weighted average number of ordinary shares	'm	**1,918.7**	1,185.5	**1,918.7**	1,185.5
Basic earnings/(loss) per share	sen	**1.03**	(1.14)	**1.03**	(1.14)
(2) Diluted earnings/(loss) per share					
Net profit/(loss)	RM'm	**19.7**	(13.5)	**19.7**	(13.5)
Weighted average number of ordinary shares	'm	**1,918.7**	1,185.5	**1,918.7**	1,185.5
Adjusted for share options granted	'm	**6.7**	-	**6.7**	-
Adjusted weighted average number of ordinary shares	'm	**1,925.4**	1,185.5	**1,925.4**	1,185.5
Diluted earnings/(loss) per share*	sen	**1.02**	**	**1.02**	**

The Company, pursuant to the Employee Share Option Scheme ("ESOS") and Management Share Incentive Scheme ("MSIS"), has the authority to grant options to its employees up to a maximum of 10% of its issued and paid-up ordinary share capital of 1,918,758,461 ordinary shares of £0.10 each as at 30 April 2004.

Notes:

(*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 28,199,800 ordinary shares under the ESOS.

(**) There is no diluted loss per share for the period ended 30 April 2003 as there is no dilutive potential ordinary shares.

PART C – EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA REQUIREMENT UNDER PARAGRAPH 9.22(2)(d)

27. RECONCILIATION WITH THE MALAYSIAN GENERALLY ACCEPTED ACCOUNTING PRACTICE AND UK GAAP (UNAUDITED)

As mentioned under Note 1, the accounting policies adopted by the Group in presenting this quarterly report comply with the principles of IFRS adopted by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The reconciliation of the consolidated results and net assets of the Group to those that would be reported in accordance with applicable approved accounting standards in Malaysia ('MAAS') and UK GAAP is set out below.

INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/04 Actual	QUARTER ENDED 30/04/03 Proforma	**THREE MTHS ENDED 30/04/04 Actual**	THREE MTHS ENDED 30/04/03 Proforma
		RM'm	RM'm	**RM'm**	RM'm
IFRS consolidated net profit/(loss)		**19.7**	(13.5)	**19.7**	(13.5)
Elimination of pre-acquisition net losses of subsidiaries acquired	(a)	**-**	15.0	**-**	15.0
Amortisation of goodwill	(b)	**(6.5)**	(4.6)	**(6.5)**	(4.6)
MAAS consolidated net profit/(loss)		**13.2**	(3.1)	**13.2**	(3.1)
Equity compensation benefits	(d)	**(1.6)**	-	**(1.6)**	-
Share of profit/(loss) in associates	(e)	**0.5**	(0.7)	**0.5**	(0.7)
UK GAAP consolidated net profit/(loss)		**12.1**	(3.8)	**12.1**	(3.8)

BALANCE SHEETS

	Note	**AS AT 30/04/04 Actual**	AS AT 31/01/04 Actual
		RM'm	RM'm
IFRS consolidated net assets		**1,413.5**	1,394.6
Goodwill arising from the acquisition of subsidiaries	(a)	**343.2**	343.2
Amortisation of goodwill arising from the acquisition of subsidiaries	(b)	**(82.9)**	(76.4)
MAAS consolidated net assets		**1,673.8**	1,661.4
Share of net liabilities in associates	(e)	**(3.3)**	(3.7)
UK GAAP consolidated net assets		**1,670.5**	1,657.7

The differences in accounting policies of the Group under IFRS, MAAS and UK GAAP do not have an impact on the net movement in cash and cash equivalents of the Group for the three months ended 30 April 2004.

27. RECONCILIATION WITH THE MALAYSIAN GENERALLY ACCEPTED ACCOUNTING PRACTICE AND UK GAAP (UNAUDITED) (continued)

Notes:

(a) The Group acquired the entire issued and paid-up share capital of Radio Advertising and Programming Systems Sdn Bhd ('RAPS') on 27 March 2000 and Celestial Pictures Limited ('CPL') and Philippine Animation N.V. ('PANV') on 20 August 2003. As IFRS does not specify the accounting for business combinations of enterprises under common control, the Group has elected to apply the principles of uniting of interests (merger accounting) in the consolidation of the consolidated financial statements of RAPS, CPL and PANV under IFRS. Under the principles of uniting of interests, there is no goodwill arising on consolidation. However, as the acquisition of RAPS, CPL and PANV did not meet certain requirements under MAAS and UK GAAP for merger accounting, these business combinations were accounted for using acquisition accounting. Under acquisition accounting, goodwill arises on the difference between the cost of acquisition and the fair value of the attributable net assets of the subsidiaries acquired (see note (c) below). Accordingly, the consolidated income statement and net assets of the Group are adjusted to reflect the effects of the business combination (using acquisition accounting) of RAPS, CPL and PANV.

(b) Goodwill arising on consolidation using acquisition accounting under MAAS and UK GAAP for acquisition of subsidiaries is amortised over their estimated useful lives, during which the future economic benefits of the goodwill are expected to flow to the Group. There is no goodwill arising on consolidation using the principles of uniting of interests (merger accounting) for business combinations under IFRS.

(c) The fair values of the assets and liabilities at the date of acquisition have been based on a preliminary assessment made by management, which will be reviewed up to 31 January 2005. If applicable, the fair values as at date of acquisition will be adjusted based on an updated assessment of the conditions at the date of acquisition.

(d) Under UK GAAP, the cost of equity compensation benefits must be recognised in the profit and loss account. MAAS and IFRS do not currently require accounting for equity compensation benefits.

(e) Under UK GAAP, post-acquisition losses of associates are recognised in the profit and loss account based on the Group's share of interest in the associates. Where the interest in an associate is in a net liabilities position, the amount recorded is shown as other provisions. Under MAAS and IFRS, recognition of further post-acquisition losses is discontinued when the Group's share of losses exceeds the carrying amount of investment in the associates, unless the Group has incurred obligations to satisfy obligations of the associate that the Group has guaranteed or otherwise committed.

By order of the Board

Rohana Rozhan (MIA No.11722)
Company Secretary

18 June 2004

Kuala Lumpur