



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 2005

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 2005 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 2005.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED	QUARTER ENDED	THREE MTHS ENDED	THREE MTHS ENDED
		30/04/2005	30/04/2004	30/04/2005	30/04/2004
		RM'm	RM'm	RM'm	RM'm
Revenue	8	473.2	391.1	473.2	391.1
Cost of sales		(288.4)	(261.8)	(288.4)	(261.8)
Gross profit		184.8	129.3	184.8	129.3
Other operating income		1.9	1.0	1.9	1.0
Marketing and distribution costs		(37.3)	(30.4)	(37.3)	(30.4)
Administrative expenses ⁽¹⁾		(77.1)	(44.2)	(77.1)	(44.2)
Profit from operations ⁽²⁾	8	72.3	55.7	72.3	55.7
Finance costs (net)		(6.7)	(15.5)	(6.7)	(15.5)
Loss from investment in associates		(0.2)	(1.0)	(0.2)	(1.0)
Profit from ordinary activities before taxation		65.4	39.2	65.4	39.2
Taxation	15	(27.2)	(19.5)	(27.2)	(19.5)
Profit for the period		38.2	19.7	38.2	19.7
Loss attributable to minority interest		1.6	-	1.6	-
Profit attributable to equity holders of the Company		39.8	19.7	39.8	19.7



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/2005	QUARTER ENDED 30/04/2004	THREE MTHS ENDED 30/04/2005	THREE MTHS ENDED 30/04/2004
Earnings per share:	26	Sen	Sen	Sen	Sen
- Basic		2.07	1.03	2.07	1.03
- Diluted*		2.06	1.02	2.06	1.02

(*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 67,495,200 ordinary shares under the 2003 Employee Share Option Scheme (“ESOS”) and 2003 Management Share Incentive Scheme (“MSIS”).

Note

- (1) The increase in administrative expenses is due to an increase in staff related costs of RM21m, which includes a charge of RM13.4m taken for the adoption of new International Financial Reporting Standards (“IFRS”) accounting standards as disclosed in Note 1, an increase in bad debt provision of RM3.5m, and general and administrative costs increases of some RM8m arising from the growth in the business.
- (2) The profit from operations has been arrived at after charging:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/2005	QUARTER ENDED 30/04/2004	THREE MTHS ENDED 30/04/2005	THREE MTHS ENDED 30/04/2004
	RM'm	RM'm	RM'm	RM'm
Depreciation of property, plant and equipment	15.3	19.5	15.3	19.5
Amortisation of film library and programme rights	36.5	25.2	36.5	25.2
Amortisation of other intangible assets	3.9	1.2	3.9	1.2
Impairment of other intangible assets	-	0.4	-	0.4



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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 30/04/2005 RM'm	AS AT 31/01/2005 RM'm
NON-CURRENT ASSETS			
Property, plant and equipment	9	285.1	282.7
Associates ⁽¹⁾		19.6	19.8
Deferred tax assets		523.7	548.4
Film library and programme rights		283.1	274.4
Other intangible assets ⁽²⁾		149.9	95.6
		<u>1,261.4</u>	<u>1,220.9</u>
CURRENT ASSETS			
Inventories		43.7	39.0
Receivables and prepayments		433.1	414.2
Tax recoverable		11.0	9.4
Deposits, cash and bank balances		990.1	966.5
		<u>1,477.9</u>	<u>1,429.1</u>
CURRENT LIABILITIES			
Borrowings (interest bearing)	19	32.5	30.8
Payables		478.0	534.7
Tax liabilities		1.0	0.8
		<u>511.5</u>	<u>566.3</u>
NET CURRENT ASSETS		<u>966.4</u>	<u>862.8</u>
NON-CURRENT LIABILITIES			
Borrowings (interest bearing)	19	352.6	354.9
Payables		224.6	153.5
Deferred tax liabilities		17.5	15.9
		<u>594.7</u>	<u>524.3</u>
NET ASSETS		<u>1,633.1</u>	<u>1,559.4</u>



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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	AS AT 30/04/2005	AS AT 31/01/2005
Note	RM'm	RM'm
CAPITAL AND RESERVES		
Attributable to equity holders of the Company :		
Share capital	1,192.6	1,192.2
Share premium	2,120.6	2,118.9
Merger reserves	518.4	518.4
Exchange reserves	0.1	(1.1)
Hedging reserves	1.8	(1.6)
Other reserves	13.4	-
Accumulated losses	<u>(2,227.6)</u>	<u>(2,267.4)</u>
	1,619.3	1,559.4
Minority interest	13.8	-
	<u>1,633.1</u>	<u>1,559.4</u>
NET TANGIBLE ASSETS PER SHARE (RM)⁽³⁾	0.62	0.61

Notes:

- ⁽¹⁾ Associates include goodwill on acquisition of associates with net book value of RM13.8m (31/01/2005: RM13.8m).
- ⁽²⁾ Other intangible assets consist of software costs, rights and licenses, prepayments and goodwill on consolidation with net book value of RM75.0m, RM45.2m, RM29.4m and RM0.3m (31/01/2005: RM61.3m, RM2.2m, RM31.8m and RM0.3m) 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 RM1,633.1m (31/01/2005: RM1,559.4m) are stated after deducting total set-top box and receiving equipment subsidies cumulative to-date of RM1,428.8m (31/01/2005: RM1,365.4m).



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 30/04/2005	Attributable to equity holders of the Company									
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable					Accumulated losses	Minority interest	Total
	Number of shares	Nominal value	Share premium	Merger reserves	Exchange reserves	Hedging reserves	Other reserves			
Million	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	
As at 1 February 2005	1,922.4	1,192.2	2,118.9	518.4	(1.1)	(1.6)	-	(2,267.4)	-	1,559.4
Foreign exchange differences	-	-	-	-	1.2	-	-	-	-	1.2
Fair value gain on hedging instrument	-	-	-	-	-	3.4	-	-	-	3.4
Net income recognised directly in equity	-	-	-	-	1.2	3.4	-	-	-	4.6
Profit/(loss) for the period	-	-	-	-	-	-	-	39.8	(1.6)	38.2
Total recognised income	-	-	-	-	1.2	3.4	-	39.8	(1.6)	42.8
Share options : - Proceeds from shares issue pursuant to ESOS	0.6	0.4	1.7	-	-	-	-	-	-	2.1
- Value of employee services	-	-	-	-	-	-	-	13.4	-	13.4
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	15.4	15.4
	0.6	0.4	1.7	-	-	-	-	13.4	15.4	30.9
As at 30 April 2005	1,923.0	1,192.6	2,120.6	518.4	0.1	1.8	13.4	(2,227.6)	13.8	1,633.1



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Three months ended 30/04/2004	Attributable to equity holders of the Company						
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable			Accumulated losses	Total
	Number of shares	Nominal value	Share premium	Merger reserves	Exchange reserves		
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
Net income recognised directly in equity :							
Foreign exchange differences	-	-	-	-	(0.8)	-	(0.8)
Profit for the period	-	-	-	-	-	19.7	19.7
Total recognised income	-	-	-	-	(0.8)	19.7	18.9
As at 30 April 2004	1,918.7	1,189.5	2,108.1	518.4	0.6	(2,403.1)	1,413.5



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	THREE MTHS ENDED 30/04/2005	THREE MTHS ENDED 30/04/2004
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	38.2	19.7
Contra arrangements – revenue	(0.7)	(1.5)
Amortisation of film library and programme rights	36.5	25.2
Other intangible assets		
- Amortisation	3.9	1.2
- Impairment	-	0.4
Property, plant and equipment		
- Depreciation	15.3	19.5
- Gain on disposal	(0.1)	(0.1)
Interest income	(6.1)	(11.0)
Interest expense	9.5	21.2
Value of employee services – share options	13.4	-
Taxation	27.2	19.5
Loss from investment in associates	0.2	1.0
Unrealised foreign exchange loss/(gain)	1.4	(0.4)
	138.7	94.7
Changes in working capital:		
Film library and programme rights	(22.3)	(25.0)
Inventories	(4.7)	6.7
Receivables and prepayments	(16.9)	(3.1)
Payables	(15.9)	(34.5)
Provision for liabilities and charges	-	(4.4)
	78.9	34.4
Income tax paid	(3.0)	(0.3)
Interest received	11.0	9.8
	86.9	43.9
Net cash flow from operating activities	86.9	43.9



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	CUMULATIVE QUARTER	
	THREE MTHS ENDED 30/04/2005	THREE MTHS ENDED 30/04/2004
	RM'm	RM'm
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	(27.9)	-
Purchase of property, plant and equipment	(10.9)	(6.9)
Acquisition of intangible assets	(16.7)	(3.0)
Proceeds from disposal of property, plant and equipment	0.1	0.1
Net cash flow from investing activities	(55.4)	(9.8)
<i>Net cash flow from operating and investing activities*</i>	<i>31.5</i>	<i>34.1</i>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3.6)	(8.9)
Proceeds from borrowings	4.0	-
Issuance of shares pursuant to ESOS	2.1	-
Repayment of finance lease liabilities	(7.1)	(6.5)
Repayment of borrowings	(3.3)	(9.3)
Net cash flow from financing activities	(7.9)	(24.7)
Net effect of currency translation on cash and cash equivalents	-	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	23.6	9.4
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	966.5	1,740.3
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	990.1	1,749.7

(*) Represents free cash flow.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

1. BASIS OF PREPARATION

The quarterly report has been prepared in accordance with the reporting requirements as set out in Financial Reporting Standards (“FRS”) No. 134 – “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 2005.

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 presentation, 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 2005 except for the adoption of new and revised IFRS during the quarter. 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.

The adoption of new and revised IFRS did not result in change in the Group’s accounting policies except for the following:

<u>Standards adopted</u>	<u>Up to 31 January 2005</u>	<u>Effective from 1 February 2005</u>	<u>Impact on quarter ended 30/04/2005</u>
IFRS 2 – Share-based Payments	- There was no charge on the share options granted to employees.	- Cost of share options is charged to the income statement.	Prior year charge: RM 8.1m Quarter 1 charge: <u>RM 5.3m</u> Total: <u>RM13.4m</u>
IFRS 3 – Business Combinations	- Goodwill was amortised through income statement on a straight-line basis over its estimated useful life. - Goodwill was assessed for an indication of impairment at each balance sheet date.	- Amortisation of goodwill is ceased. Accumulated amortisation as at 31 January 2005 is eliminated with a corresponding decrease in the cost of goodwill. - Goodwill is tested annually for impairment, as well as when there are indications of impairment.	N/A N/A

ASTRO is incorporated in the United Kingdom and is therefore 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 2005 have been prepared under UK GAAP. Commencing from the financial year ending 31 January 2006, the Company adopts IFRS for the preparation of its consolidated financial statements as permitted under a new regulation in the United Kingdom – the Companies Act 1985 (International Accounting Standards and Other Accounting Amendments) Regulations 2004.

The recent amendment to the Malaysian Financial Reporting Act, 1997 (Bill: Financial Reporting (Amendment) Act 2004 – D.R. 27/2004) allows the Company to use acceptable foreign Generally Accepted Accounting Practice (“GAAP”), including IFRS, with effect from 1 January 2005. In view of the change in this legislation, a reconciliation to amounts presented in accordance with Malaysian GAAP is not presented.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

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

The principal periods which are significantly affected by seasonality and cyclical factors for the Group are the 1st and 4th quarters.

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 year.

6. MOVEMENTS IN DEBT/EQUITY SECURITIES

	CURRENT QUARTER		CUMULATIVE QUARTER	
	Number of shares	Proceeds from the shares issue	Number of shares	Proceeds from the shares issue
	'm	RM'm	'm	RM'm
Issuance of new ordinary shares pursuant to the exercise of share options under the ESOS	0.6	2.1	0.6	2.1

Other than as disclosed above, there are no issuance, cancellation, repurchase, 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.
- Library licensing and distribution – the ownership of a Chinese filmed entertainment library 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; television content distribution; ownership of buildings and investment holding companies.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

8. SEGMENT RESULTS AND REPORTING (continued)

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.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/05	QUARTER ENDED 30/04/04	THREE MTHS ENDED 30/04/05	THREE MTHS ENDED 30/04/04
	RM'm	RM'm	RM'm	RM'm
<u>Revenue</u>				
<u>Multi channel television</u>				
External revenue	425.0	350.9	425.0	350.9
Inter-segment revenue	0.7	0.1	0.7	0.1
Multi channel television revenue	425.7	351.0	425.7	351.0
<u>Radio</u>				
External revenue	29.3	26.7	29.3	26.7
Inter-segment revenue	0.7	0.6	0.7	0.6
Radio revenue	30.0	27.3	30.0	27.3
<u>Library licensing and distribution</u>				
External revenue	11.4	7.1	11.4	7.1
Inter-segment revenue	2.4	2.4	2.4	2.4
Library licensing and distribution revenue	13.8	9.5	13.8	9.5
<u>Others</u>				
External revenue	7.5	6.4	7.5	6.4
Inter-segment revenue	33.7	23.5	33.7	23.5
Others revenue	41.2	29.9	41.2	29.9
Total reportable segments	510.7	417.7	510.7	417.7
Eliminations	(37.5)	(26.6)	(37.5)	(26.6)
Total group revenue	473.2	391.1	473.2	391.1
<u>Profit from operations by segment :</u>				
Multi channel television	97.9	68.1	97.9	68.1
Radio	8.5	9.5	8.5	9.5
Library licensing and distribution	(19.2)	(16.3)	(19.2)	(16.3)
Others	(9.5)	0.1	(9.5)	0.1
Inter-segment eliminations	(5.4)	(5.7)	(5.4)	(5.7)
Profit from operations	72.3	55.7	72.3	55.7



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PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current quarter. As at 30 April 2005, all property, plant and equipment were stated at cost less accumulated depreciation.

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

There were no material subsequent events as at 10 June 2005.

11. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Acquisition of subsidiaries

(1) ASTRO Multimedia Corporation N.V. (“AMCNV”) and ASTRO Multimedia N.V. (“AMNV”)

On 10 March 2005, ASTRO, through its wholly-owned subsidiary, ASTRO Overseas Limited acquired 6,000 shares of USD1.00 each representing the entire issued and paid-up share capital of AMCNV and AMNV, both companies incorporated in the Netherlands Antilles for a cash consideration of USD6,000 each.

(2) Radio Lebuhraya Sdn Bhd (‘RLSB’)

On 20 April 2005, the Group completed the acquisition of the entire issued and paid up share capital of RLSB from Anaza Sdn Bhd for a total consideration of RM30 million. The principal activity of RLSB is that of a radio broadcasting station.

(b) Dilution of equity interest in a subsidiary, All Asia Television Broadcast Ltd (“AATB”)

On 29 April 2005, AATB issued 8,333,333 ordinary shares at par value of USD1.00 each, of which 4,250,000 shares were subscribed by ASTRO through its wholly-owned subsidiary, AAAN (Bermuda) Limited for a total cash consideration of USD4.25 million and 4,083,333 shares were issued to Yes Television (Hong Kong) Limited for non cash consideration representing the valuation of the business acquired. As a result, ASTRO’s equity interest in AATB was diluted from 100% to 51%.

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

As at 30 April 2005, the Group has provided guarantees to third parties amounting to RM1.7m in respect of licence fees payable by third parties.

(b) Contingent assets

There were no significant contingent assets as at 30 April 2005.

13. COMMITMENTS

As at 30 April 2005, the Group has the following commitments:

	Authorised and		Total
	Contracted for	Not contracted for	
	RM'm	RM'm	RM'm
Capital expenditure	41.8	127.4	169.2
Investment in and advances to associates	43.0	-	43.0
Film library and programme rights	40.5	163.0	203.5
Non-cancellable operating lease	30.2	-	30.2
	<u>155.5</u>	<u>290.4</u>	<u>445.9</u>



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, 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

Maxis Broadband Sdn Bhd
Malaysian Mobile Services Sdn Bhd
UTSB Management Sdn Bhd
MEASAT Satellite Systems Sdn Bhd
Valuelabs

Relationship

Subsidiary of Maxis Communications Berhad
Subsidiary of Maxis Communications Berhad
Subsidiary of Usaha Tegas Sdn Bhd
Subsidiary of MAI Holdings Sdn Bhd
Director of a subsidiary of the Company is also a director and shareholder of Valuelabs.

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 30/04/05	AMOUNTS ^(*) DUE FROM/(TO) AS AT 30/04/05
	RM'm	RM'm
(a) Sales of goods and services		
Multimedia and interactive sales to:		
Malaysian Mobile Services Sdn Bhd	1.6	1.6
(b) Purchases of goods and services		
Personnel, strategic and other consultancy and support services from:		
UTSB Management Sdn Bhd	2.4	(2.4)
Valuelabs	1.9	(0.6)
Telecommunication services from:		
Maxis Broadband Sdn Bhd	1.7	(1.7)
Expenses related to finance lease:		
MEASAT Satellite Systems Sdn Bhd	4.1	(4.1)

(*) Represents amounts outstanding on transactions entered into during the three months ended 30 April 2005.



ASTRO ALL ASIA NETWORKS plc

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(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 2005

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

15. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/05	QUARTER ENDED 30/04/04	THREE MTHS ENDED 30/04/05	THREE MTHS ENDED 30/04/04
	RM'm	RM'm	RM'm	RM'm
Current tax	1.6	0.3	1.6	0.3
Deferred tax	25.6	19.2	25.6	19.2
	27.2	19.5	27.2	19.5

The Group's effective tax rate for the period ended 30 April 2005 of 42% is higher than the Malaysian statutory tax rate of 28%, due principally to losses in foreign subsidiaries and certain Malaysian subsidiaries not available for relief at Group level and non-deductibility of certain operating expenses 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.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED

(a) Status of corporate proposal announced

(1) Internal Group Restructuring

The Company announced, on 3 December 2004 and 31 January 2005, an internal restructuring of its subsidiaries (“Internal Group Restructuring”) in order to create a leaner and more efficient group structure. The completion of the Internal Group Restructuring will result in the removal of intermediary holding companies that are no longer required and achieve efficiencies in operational and financial reporting. In addition, the new structure provides the Group with flexibility for acquiring new businesses and efficient payment of dividends.

The Internal Group Restructuring includes the following transactions:

- (i) The Company acquired MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”) and all its subsidiaries except MEASAT Digicast Sdn Bhd on 26 January 2005.
- (ii) The Company acquired Radio Advertising and Programming Systems Sdn Bhd (“RAPS”) and all its subsidiaries on 26 January 2005.
- (iii) The Company subscribed for redeemable preference shares in two of its subsidiaries, MBNS and Airtime Management and Programming Sdn Bhd on 31 January 2005.
- (iv) RAPS will be voluntarily wound up.
- (v) ASTRO Overseas Limited (“AOL”) will be voluntarily wound up.
- (vi) AAAN (Bermuda) Limited will be renamed as AOL.

As at 10 June 2005, the Company has not completed the transactions in steps (iv), (v) and (vi) above.

(2) Proposed acquisition of multi-channel digital satellite pay television and multimedia business in Indonesia

On 11 March 2005, the Group together with PT Ayunda Prima Mitra, a subsidiary of PT Broadband Multimedia Tbk, have agreed to participate in PT Direct Vision, to provide multi-channel digital satellite pay television and multimedia services in Indonesia. The proposed acquisition will result in the Group holding a 51% effective interest in PT Direct Vision. The Group’s initial commitment comprises equity capital of RM58.1 million (USD15.3 million) and shareholder loan facilities of RM133 million (USD35 million).

Other than as disclosed above, there were no incomplete corporate proposals as at 10 June 2005.



ASTRO ALL ASIA NETWORKS plc

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

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 10 June 2005 from the Initial Public Offering (“IPO”) is as follows:

	Proposed utilisation of IPO proceeds ⁽¹⁾	Utilised to date	Amounts outstanding
	RM'm	RM'm	RM'm
Repayment of a private debt securities facility ⁽²⁾	632.4	(632.4)	-
Repayment of a foreign export credit agency structured trade facility	77.1	(77.1)	-
Repayment of bearer promissory notes ⁽³⁾	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 ⁽⁴⁾	107.7	(107.7)	-
Working capital / general corporate purposes	568.3	(469.8)	98.5
	2,029.9	(1,912.4)	117.5

Note:

- (1) 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).
- (2) Following the full repayment of the private debt securities facility, 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 in this analysis to working capital / general corporate purposes.
- (3) 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.
- (4) The Company has made full settlement of the listing expenses. Accordingly, the remaining balance of RM2.7 million on the proposed utilisation of the IPO proceeds for listing expenses has been transferred in this analysis to working capital / general corporate purposes.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

19. GROUP BORROWINGS AND DEBT SECURITIES

The amounts of Group borrowings and debt securities as at 30 April 2005 are as follows:

	<u>Short Term</u> RM'm	<u>Long Term</u> RM'm	<u>Total</u> RM'm
<u>Secured</u>			
Bank loan ¹ – INR23.0m	2.0	-	2.0
BPI Facilities ²	-	301.5	301.5
Finance lease liabilities ³	30.5	51.1	81.6
	<u>32.5</u>	<u>352.6</u>	<u>385.1</u>

Notes:

- (1) A standby letter of credit has been provided as security for the bank loan.
- (2) All assets of MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”) and MEASAT Digicast Sdn Bhd (“Digicast”), subsidiaries of ASTRO, are pledged as security to the BPI Facilities.

The rights, title, interest and benefits of MBNS for the following are also assigned to the BPI Facilities:

- (i) All Asia Broadcast Centre leased land.
 - (ii) Malaysia East Asia Satellite 1 (“M1”) transponder lease agreement with MEASAT Satellite Systems Sdn Bhd, 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+.
- (3) The finance lease liabilities are effectively secured as the rights of the leased asset revert to the lessor in the event of default.
 - (4) The Company entered into a USD300 million Guaranteed Term and Revolving Facilities Agreement dated 18 October 2004 arranged by Citibank Malaysia (L) Limited and DBS Bank Limited. The facilities shall be guaranteed by MBNS and RAPS and comprise Tranche A (USD150 million), Tranche B (USD75 million) and Tranche C (USD75 million), which will be used to refinance, prepay or reimburse the Company’s debts and to finance the general corporate purposes and working capital of the Company and its subsidiaries. As at 30 April 2005, the Company has not drawn on the facilities. On 31 May 2005, the guarantee of RAPS has been provided.

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no outstanding off balance sheet financial instruments as at 10 June 2005.

21. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the period or pending as at 10 June 2005.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE

(A) Performance of the current quarter (First Quarter 2006) against the preceding quarter (Fourth Quarter 2005)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2005	FOURTH QUARTER 31/01/2005	FIRST QUARTER 30/04/2005	FOURTH QUARTER 31/01/2005
<u>Consolidated Performance</u>				
Total Revenue	473.2	461.0		
Subscriber Acquisition Costs (SAC) ²	84.4	75.7		
EBITDA ³	91.6	111.0		
EBITDA Margin (%)	19.4	24.1		
Profit attributable to equity holders of the Company	39.8	72.5		
Free Cash Flow ⁴	31.5	28.2		
Net Increase in Cash	23.6	13.3		
Capital expenditure ⁵	27.4	20.7		
(i) <u>Multi channel TV(MC-TV)</u>¹				
Subscription revenue	390.9	369.8		
Advertising revenue	26.8	29.3		
Other revenue	8.0	8.6		
Total revenue	425.7	407.7		
SAC ²	84.4	75.7		
EBITDA ³	112.3	117.4		
EBITDA Margin (%)	26.4	28.8		
Capital expenditure ⁵	23.4	17.8		
Total subscriptions-net additions ('000)			65	103
Total subscriptions-end of period ('000)			1,763	1,698
Residential subscribers-net additions ('000)			63	95
Residential subscribers-end of period ('000)			1,629	1,566



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (First Quarter 2006) against the preceding quarter (Fourth Quarter 2005) (continued)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2005	FOURTH QUARTER 31/01/2005	FIRST QUARTER 30/04/2005	FOURTH QUARTER 31/01/2005
(i) Multi channel TV(MC-TV)¹ (continued)				
ARPU – residential subscriber (RM)			80	79
Churn (%)			8.5	9.0
SAC per set-top box sold (RM)			734	789
Content cost (RM per subscriber per mth)			26	26
(ii) Radio¹				
Revenue	30.0	34.3		
EBITDA ³	9.2	16.8		
EBITDA Margin (%)	30.7	49.0		
Listeners ('000) ⁶			10,407	8,994
Share of radio adex (%) ⁷			79	76
(iii) Library Licensing and Distribution¹				
Revenue	13.8	15.5		
EBITDA ³	(18.6)	(21.0)		
EBITDA Margin (%)	n/m	n/m		
Titles released for distribution			39	32
(iv) Others¹				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			1,665	1,576
Malaysian film production – theatrical release			-	1

Note:

1. Represents segment performance before inter-segment eliminations.
2. Subscriber acquisition cost is the cost incurred in activating new subscribers for the period under review, to the DTH multi-channel subscription service, including sales and marketing expenses and set-top box and receiving equipment costs.
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), gain/(loss) from investment in associates, and gain/(loss) from Internal Group Restructuring.
4. Free cash flow represents the net cash flows arising from operating and investing activities of the Group.
5. Capital expenditure represents expenditure on acquiring property, plant and equipment, including capitalised software costs.
6. Based on the Radio Listenership Survey Sweep 1, 2005 and Sweep 2, 2004 performed by NMR in April 2005 and October 2004 respectively.
7. Based on NMR Adex Report.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (First Quarter 2006) against the preceding quarter (Fourth Quarter 2005) (continued)

Consolidated Performance

Turnover

For the current quarter, the Group recorded consolidated revenues of RM473.2m which was RM12.2m or 2.6% higher than RM461.0m in the preceding quarter. The increase was primarily driven by higher subscription revenue from MC-TV segment of RM21.1m due to continued growth in subscriber base. Group advertising revenue of RM57.4m was lower than the preceding quarter by RM7.5m due to seasonal factors.

EBITDA

The Group EBITDA decreased to RM91.6m in the current quarter from RM111.0m in the preceding quarter. This RM19.4m or 17.5% decline came primarily from the charges taken due to adoption of new IFRS accounting standards of RM13.4m as seen in Note 1, and an increase in total subscriber acquisition costs of RM8.7m, of which RM10m relates to a lump sum credit received in the preceding quarter.

The decrease in EBITDA caused the margin to decline from 24.1% in preceding quarter to 19.4% in the current quarter.

Free Cash Flow

Free cash flow generated was RM31.5m compared to RM28.2m in the preceding quarter. The increase was due to a drop in working capital, partially offset by higher capital expenditure and acquisition of new business.

Net Cash Flow

There was a net increase in cash of RM23.6m compared to a net increase of RM13.3m in the preceding quarter. The increase was attributed to higher free cash flow generated and savings in financing costs.

Capital Expenditure

Group capital expenditure for the current quarter totalled RM27.4m due to the commencement of Cyberjaya back up Broadcast facility project.

Multi channel TV

MC-TV segment achieved total revenue of RM425.7m, which was RM18.0m or 4.4% higher than the preceding quarter due to the continued increase in subscriber numbers and an increase in ARPU.

Residential subscriber net additions of 63,000 decreased by 32,100 or 33.8% from 95,100 in the preceding quarter which is in line with our normal seasonal trends with Q4 being our biggest sales period. The First Quarter 2006 result however represented the highest Q1 level of gross and net additions in the company's history.

MAT churn improved from 9.0% in the preceding quarter to 8.5% in the current quarter as the segment continues to benefit from the smartcard swap carried out in Q3 FY2005.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

**(A) Performance of the current quarter (First Quarter 2006) against the preceding quarter (Fourth Quarter 2005)
(continued)**

Multi channel TV (continued)

ARPU increased from RM79.2 in the preceding quarter to RM80.4 due to the resumption of charging late payment and reconnection fees in mid March.

SAC's per box reduced from RM789 in the preceding quarter to RM734 per box in the current quarter due to lower dish and marketing/sales costs.

Radio

Radio's revenue of RM30.0m was RM4.3m or 12.5% lower than RM34.3m in the preceding quarter as a result of seasonally lower advertising revenue.

Library Licensing and Distribution

Library Licensing and Distribution's revenue of RM13.8m was RM1.7m or 11.0% lower than RM15.5m in the preceding quarter. Higher distribution revenue was being recognised in the preceding quarter based on the timing of films accepted by the Film Distributors.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2006) against the corresponding quarter of the preceding financial year (First Quarter 2005)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2005	FIRST QUARTER 30/04/2004	FIRST QUARTER 30/04/2005	FIRST QUARTER 30/04/2004
<u>Consolidated Performance</u>				
Total Revenue	473.2	391.1		
Subscriber Acquisition Costs (SAC) ²	84.4	83.7		
EBITDA ³	91.6	76.9		
EBITDA Margin (%)	19.4	19.7		
Profit attributable to equity holders of the Company	39.8	19.7		
Free Cash Flow ⁴	31.5	34.1		
Net Increase in Cash	23.6	9.4		
Capital expenditure ⁵	27.4	10.4		
(i) <u>Multi channel TV(MC-TV)</u>¹				
Subscription revenue	390.9	316.5		
Advertising revenue	26.8	21.1		
Other revenue	8.0	13.4		
Total revenue	425.7	351.0		
SAC ²	84.4	83.7		
EBITDA ³	112.3	85.5		
EBITDA Margin (%)	26.4	24.4		
Capital expenditure ⁵	23.4	5.8		
Total subscriptions-net additions ('000)			65	58
Total subscriptions-end of period ('000)			1,763	1,451
Residential subscribers-net additions ('000)			63	56
Residential subscribers-end of period ('000)			1,629	1,339
ARPU – residential subscriber (RM)			80	79
Churn (%)			8.5	9.2
SAC per set-top box sold (RM)			734	763
Content cost (RM per subscriber per mth)			26	25



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2006) against the corresponding quarter of the preceding financial year (First Quarter 2005) (continued)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2005	FIRST QUARTER 30/04/2004	FIRST QUARTER 30/04/2005	FIRST QUARTER 30/04/2004
(ii) Radio¹				
Revenue	30.0	27.3		
EBITDA ³	9.2	10.0		
EBITDA Margin (%)	30.7	36.6		
Listeners ('000) ⁶			10,407	8,861
Share of radio adex (%) ⁷			79	74
(iii) Library Licensing and Distribution¹				
Revenue	13.8	9.5		
EBITDA ³	(18.6)	(15.7)		
EBITDA Margin (%)	n/m	(165.3)		
Titles released for distribution			39	35
(iv) Others¹				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			1,665	1,385
Malaysian film production – theatrical release			-	1

Note:

1. Represents segment performance before inter-segment eliminations.
2. Subscriber acquisition cost is the cost incurred in activating new subscribers for the period under review, to the DTH multi-channel subscription service, including sales and marketing expenses and set-top box and receiving equipment costs.
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), gain/(loss) from investment in associates, and gain/(loss) from Internal Group Restructuring.
4. Free cash flow represents the net cash flows arising from operating and investing activities of the Group.
5. Capital expenditure represents expenditure on acquiring property, plant and equipment, including capitalised software costs.
6. Based on the Radio Listenership Survey Sweep 1, 2005 and Sweep 1, 2004 performed by NMR in April 2005 and April 2004 respectively.
7. Based on NMR Adex Report.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2006) against the corresponding quarter of the preceding financial year (First Quarter 2005) (continued)

Consolidated Performance

Turnover

The Group recorded consolidated revenues of RM473.2m which was RM82.1m or 21.0% higher than RM391.1m recorded in First Quarter 2005. The increase was mainly driven by higher subscription revenue from MC-TV segment which rose RM74.4m or 23.5% due to the enlarged subscriber base. Advertising revenue increased by RM9.8m primarily contributed by MC-TV and Radio segments. Library Licensing and Distribution revenue also improved to RM13.8m, an increase of RM4.3m from RM9.5m in First Quarter 2005.

EBITDA

Group EBITDA of RM91.6m increased by RM14.7m or 19.1% from RM76.9m in First Quarter 2005. The improvement was principally attributable to MC-TV segment achieving higher subscription and advertising revenue, partially offset by increased programming, broadcast and overhead costs.

Free Cash Flow

Free cash flow generated was RM31.5m compared to RM34.1m in First Quarter 2005. The decrease was due to higher EBITDA results being offset by increases in capital expenditure and acquisition of new business.

Net Cash Flow

There was a net increase in cash of RM23.6m, compared to a net increase of RM9.4m in First Quarter 2005. The improvement in net cash inflow was mainly due to savings in finance costs as the Group rationalised its financial position which resulted in the reduction of total debt from RM1,227.1m as at First Quarter 2005 to RM385.1m as at the end of the current quarter.

Capital Expenditure

Group capital expenditure totalled RM27.4m in the current quarter, of which RM23.4m was for MC-TV requirements. The increase of RM17.6m at MC-TV segment was due to the commencement of the Cyberjaya back up broadcast facility project.

Multi channel TV

MC-TV segment achieved total revenue of RM425.7m, which was RM74.7m or 21.3% higher than First Quarter 2005. The increase was driven by higher subscription and advertising revenues as a result of continuing subscriber growth.

Residential subscriber net additions were 63,000, which increased by 7,200 or 12.9% compared to 55,800 achieved in First Quarter 2005.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2006) against the corresponding quarter of the preceding financial year (First Quarter 2005) (continued)

Multi channel TV (continued)

MAT churn decreased to 8.5% in the current quarter from 9.2% in First Quarter 2005, as a result of the improved reconnections following the new smartcard swap exercise completed in September 2004.

ARPU improved from RM79 in First Quarter 2005 to RM80 in the current quarter driven by higher basic subscription revenue benefited from the RM5 price increase in May 2004, partly offset by lower ARPU from late payment and reconnection fees due to the initial limitation of the new billing system which was resolved in mid-March.

SAC per box sold declined by RM29 or 3.8%, from RM763 in First Quarter 2005 to RM734 in the current quarter as a result of lower set-top box equipment costs and marketing/sales expenses.

Radio

Radio's revenue of RM30.0m was RM2.7m or 9.9% higher than RM27.3m achieved in First Quarter 2005. This improvement was mainly driven by increased advertising revenue sourced from a higher number of radio stations.

EBITDA for Radio segment of RM9.2m was RM0.8m or 8.0% lower than the RM10.0m EBITDA for First Quarter 2005 resulting from increased overhead expenses associated with starting up the new stations.

Library Licensing and Distribution

Library Licensing and Distribution generated revenue of RM13.8m which was RM4.3m or 45.3% higher than First Quarter 2005 as both the movie channel and film distribution businesses underwent encouraging expansion in new markets regions.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2005

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

23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2006 (FY2006)

There has been continuing demand for the Group's products and services during the period under review, with all segments performing as anticipated. However, there are a number of issues that will impact the results for FY2006. These are:

- i) The cost of share-based payments amounting to RM48m (of which prior year charges account for RM8.1m) arising on the adoption of new IFRS accounting standards.
- ii) Certain costs, estimated at RM30m, which will be incurred in respect of the planned expansion of the Malaysian multi channel television services, which has been delayed.
- iii) Start up losses relating to certain programming and content joint ventures, estimated at RM20m.

In addition, the Group's share of losses for FY2006 for the Indonesian DTH joint venture is estimated at RM100m, as previously announced on 11 March 2005.

Having regard to the above and barring any unforeseen circumstances, it is anticipated that the Group's overall performance will be satisfactory for the financial year ending 31 January 2006.

24. PROFIT FORECAST

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

25. DIVIDENDS

No dividend have been declared or recommended for the current quarter ended 30 April 2005.



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 2005

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

26. EARNINGS PER SHARE

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/05	QUARTER ENDED 30/04/04	THREE MTHS ENDED 30/04/05	THREE MTHS ENDED 30/04/04
(1) Basic earnings per share					
Profit attributable to equity holders of the Company	RM'm	39.8	19.7	39.8	19.7
Weighted average number of ordinary shares	'm	1,922.7	1,918.7	1,922.7	1,918.7
Basic earnings per share	sen	2.07	1.03	2.07	1.03
(2) Diluted earnings per share					
Profit attributable to equity holders of the Company	RM'm	39.8	19.7	39.8	19.7
Weighted average number of ordinary shares	'm	1,922.7	1,918.7	1,922.7	1,918.7
Adjusted for share options granted	'm	11.0	6.7	11.0	6.7
Adjusted weighted average number of ordinary shares	'm	1,933.7	1,925.4	1,933.7	1,925.4
Diluted earnings per share*	sen	2.06	1.02	2.06	1.02

(*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 67,495,200 ordinary shares under the ESOS and MSIS.

By order of the Board

Rohana Rozhan (MIA No.11722)
Company Secretary

10 June 2005

Kuala Lumpur