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 SECOND QUARTER ENDED 31 JULY 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 second quarter ended 31 July 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

		INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	Note	**QUARTER ENDED 31/07/2005**	QUARTER ENDED 31/07/2004	**SIX MTHS ENDED 31/07/2005**	SIX MTHS ENDED 31/07/2004
		RM'm	RM'm	**RM'm**	RM'm
Revenue	8	**499.4**	423.5	**972.6**	814.5
Cost of sales (excluding set-top box subsidies)		**(239.0)**	(182.6)	**(463.9)**	(381.5)
Gross profit (excluding set-top box subsidies)		**260.4**	240.9	**508.7**	433.0
Set-top box subsidies (1)		**(77.6)**	(51.7)	**(141.1)**	(114.6)
Gross profit		**182.8**	189.2	**367.6**	318.4
Other operating income		**1.8**	1.6	**3.7**	2.6
Marketing and distribution costs		**(45.5)**	(32.7)	**(82.8)**	(63.0)
Administrative expenses (2)		**(87.3)**	(64.3)	**(164.4)**	(108.4)
Profit from operations (3)	8	**51.8**	93.8	**124.1**	149.6
Finance costs (net)		**(1.4)**	(38.2)	**(8.1)**	(53.7)
Profit/(loss) from investment in associates		**1.6**	(0.8)	**1.4**	(1.9)
Profit from ordinary activities before taxation		**52.0**	54.8	**117.4**	94.0
Taxation	15	**(10.0)**	(21.4)	**(37.2)**	(40.9)
Profit for the period		**42.0**	33.4	**80.2**	53.1
Loss attributable to minority interests		**2.0**	-	**3.6**	-
Profit attributable to equity holders of the Company		**44.0**	33.4	**83.8**	53.1

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2005

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	**QUARTER ENDED 31/07/2005**	QUARTER ENDED 31/07/2004	**SIX MTHS ENDED 31/07/2005**	SIX MTHS ENDED 31/07/2004
Earnings per share:	26	**Sen**	Sen	**Sen**	Sen
- Basic		**2.29**	1.74	**4.36**	2.77
- Diluted*		**2.28**	1.74	**4.33**	2.76

(*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 68,247,200 ordinary shares under the 2003 Employee Share Option Scheme ("ESOS") and 2003 Management Share Incentive Scheme ("MSIS").

Note

(1) The increase in set-top box subsidies in the quarter is driven mainly by the increase in subscriber gross additions of 41K in the MC-TV business segment. This increase in subscriber growth has led to an increase in total set-top box subsidies of RM25.9m.

(2) The increase in administrative expenses in the current quarter is due to a charge of RM12.3m taken for the adoption of new International Financial Reporting Standards ("IFRS") as disclosed in Note 1 on page 9, and an increase in doubtful debt provision of RM15m due to implementation of new Customer Relationship Management System that caused us to suspend our normal collection processes. This suspension saw a portion of the debt from disconnected subscribers age to a point where a full 100% provision has been taken in accordance with our standard policy. On a YTD basis these increases have been RM25.7m for the IFRS changes and RM18.1m for the increase in bad debt provision.

(3) The profit from operations has been arrived at after charging:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/2005	QUARTER ENDED 31/07/2004	**SIX MTHS ENDED 31/07/2005**	SIX MTHS ENDED 31/07/2004
	RM'm	RM'm	**RM'm**	RM'm
Depreciation of property, plant and equipment	**15.0**	19.4	**30.3**	38.9
Amortisation of film library and programme rights	**33.1**	33.5	**69.6**	58.7
Amortisation of other intangible assets	**5.1**	1.1	**9.0**	2.2
Impairment of property, plant and equipment	**-**	0.8	-	0.8
Impairment of other intangible assets	**-**	-	**-**	0.4

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2005

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**AS AT 31/07/2005 RM'm**	AS AT 31/01/2005 RM'm
NON-CURRENT ASSETS			
Property, plant and equipment	9	**274.8**	282.7
Associates [1]		**19.7**	19.8
Deferred tax assets		**517.5**	548.4
Film library and programme rights		**279.8**	274.4
Other intangible assets [2]		**157.3**	95.6
		1,249.1	1,220.9
CURRENT ASSETS			
Inventories		**27.1**	39.0
Receivables and prepayments		**460.6**	414.2
Tax recoverable		**10.7**	9.4
Deposits, cash and bank balances		**1,052.8**	966.5
		1,551.2	1,429.1
CURRENT LIABILITIES			
Borrowings (interest bearing)	19	**33.0**	30.8
Payables		**540.8**	534.7
Tax liabilities		**2.1**	0.8
		575.9	566.3
NET CURRENT ASSETS		**975.3**	862.8
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**18.7**	15.9
Borrowings (interest bearing)	19	**339.9**	354.9
Payables		**226.3**	153.5
		584.9	524.3
NET ASSETS		**1,639.5**	1,559.4

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2005

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	Note	**AS AT 31/07/2005 RM'm**	AS AT 31/01/2005 RM'm
CAPITAL AND RESERVES			
Attributable to equity holders of the Company :			
Share capital		**1,192.8**	1,192.2
Share premium		**2,121.8**	2,118.9
Merger reserves		**518.4**	518.4
Exchange reserves		**(4.6)**	(1.1)
Hedging reserves		**5.4**	(1.6)
Other reserves		**25.6**	-
Accumulated losses		**(2,231.7)**	(2,267.4)
		1,627.7	1,559.4
Minority interests		**11.8**	-
		1,639.5	1,559.4
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 RM88.0m, RM42.3m, RM26.7m 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 RM1,639.5m (31/01/2005: RM1,559.4m) are stated after the writing off of total set-top box and receiving equipment subsidies cumulative to-date of RM1,506.5m (31/01/2005: RM1,365.4m).

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2005

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable							
Six months ended 31/07/2005	**Number of shares**	**Nominal value**	**Share premium**	**Merger reserves**	**Exchange reserves**	**Hedging reserves**	**Other reserves**	**Accumulated losses**	**Minority interests**	**Total**
	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	-	-	-	-	**(3.5)**	-	-	-	-	**(3.5)**
Fair value gain on hedging instrument	-	-	-	-	-	**7.0**	-	-	-	**7.0**
Net income recognised directly in equity	-	-	-	-	**(3.5)**	**7.0**	-	-	-	**3.5**
Profit/(loss) for the period	-	-	-	-	-	-	-	**83.8**	**(3.6)**	**80.2**
Total recognised income	-	-	-	-	**(3.5)**	**7.0**	-	**83.8**	**(3.6)**	**83.7**
Share options : - Proceeds from shares issue pursuant to ESOS	**0.9**	**0.6**	**2.8**	-	-	-	-	-	-	**3.4**
- Value of employee services	-	-	**0.1**	-	-	-	**25.6**	-	-	**25.7**
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	**15.4**	**15.4**
Dividend relating to FYE 31.01.2005	-	-	-	-	-	-	-	**(48.1)**	-	**(48.1)**
	0.9	**0.6**	**2.9**	-	-	-	**25.6**	**(48.1)**	**15.4**	**(3.6)**
As at 31 July 2005	**1,923.3**	**1,192.8**	**2,121.8**	**518.4**	**(4.6)**	**5.4**	**25.6**	**(2,231.7)**	**11.8**	**1,639.5**

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2005

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company						
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable				
Six months ended 31/07/2004	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
Net income recognised directly in equity : Foreign exchange differences	-	-	-	-	(1.1)	-	(1.1)
Profit for the period	-	-	-	-	-	53.1	53.1
Total recognised income	-	-	-	-	(1.1)	53.1	52.0
As at 31 July 2004	1,918.7	1,189.5	2,108.1	518.4	0.3	(2,369.7)	1,446.6

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2005

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	SIX MTHS ENDED 31/07/2005	SIX MTHS ENDED 31/07/2004
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**80.2**	53.1
Contra arrangements – revenue	**(2.1)**	(2.8)
Amortisation of film library and programme rights	**69.6**	58.7
Other intangible assets		
- Amortisation	**9.0**	2.2
- Impairment	**-**	0.4
Property, plant and equipment		
- Depreciation	**30.3**	38.9
- Impairment	**-**	0.8
- Gain on disposal	**(0.2)**	(0.2)
Interest income	**(12.6)**	(19.9)
Interest expense	**19.4**	39.8
Interest on early redemption of Bonds	**-**	23.4
Value of employee services – share options	**25.7**	-
Taxation	**37.2**	40.9
(Gain)/loss from investment in associates	**(1.4)**	1.9
Unrealised foreign exchange (gain)/loss	**(2.3)**	0.1
	252.8	237.3
Changes in working capital:		
Film library and programme rights	**(52.3)**	(50.8)
Inventories	**11.9**	(8.6)
Receivables and prepayments	**(34.9)**	(8.1)
Payables	**0.4**	(36.7)
Provision for liabilities and charges	**-**	(5.0)
	177.9	128.1
Income tax paid	**(4.2)**	(0.4)
Interest received	**11.8**	20.3
Net cash flow from operating activities	**185.5**	148.0

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	CUMULATIVE QUARTER	
	SIX MTHS ENDED 31/07/2005	SIX MTHS ENDED 31/07/2004
	RM'm	RM'm
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary, net of cash acquired	**(26.3)**	-
Purchase of property, plant and equipment	**(16.6)**	(19.9)
Acquisition of intangible assets	**(31.7)**	(16.6)
Proceeds from disposal of property, plant and equipment	**0.4**	0.3
Proceeds from disposal of an associate	**1.4**	-
Net cash flow from investing activities	**(72.8)**	(36.2)
Net cash flow from operating and investing activities*	***112.7***	*111.8*
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(16.6)**	(33.8)
Interest paid on early redemption of Bonds	**-**	(23.4)
Proceeds from borrowings	**6.0**	0.4
Issuance of shares pursuant to ESOS	**3.4**	-
Repayment of finance lease liabilities	**(14.4)**	(13.1)
Repayment of borrowings	**(5.2)**	(640.3)
Net cash flow from financing activities	**(26.8)**	(710.2)
Net effect of currency translation on cash and cash equivalents	**0.4**	0.1
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**86.3**	(598.3)
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	**1,052.8**	1,142.0

(*) Represents free cash flow.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 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 period. 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:

Standards adopted	Up to 31 January 2005	Effective from 1 February 2005	Impact on cumulative quarter ended 31/07/2005
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: RM 5.3m Quarter 2 charge: RM12.3m [(1)] Total: RM25.7m
IFRS 3 – Business Combinations	- Goodwill was amortised through income statement on a straight-line basis over its estimated useful life.	- Amortisation of goodwill is ceased. Accumulated amortisation as at 31 January 2005 is eliminated with a corresponding decrease in the cost of goodwill.	N/A
	- Goodwill was assessed for an indication of impairment at each balance sheet date.	- Goodwill is tested annually for impairment, as well as when there are indications of impairment.	N/A

Note

(1) The higher charge in quarter 2 is due to a grant of share options dated 1 April 2005.

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.

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 current financial year or in the prior financial 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	**0.3**	**1.3**	**0.9**	**3.4**

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

Subsequent to the quarter under review, a first and final tax exempt dividend of 2.5 sen per share amounting to RM48.1 million in respect of the financial year ended 31 January 2005, was paid on 26 August 2005.

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.

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 31/07/05	QUARTER ENDED 31/07/04	**SIX MTHS ENDED 31/07/05**	SIX MTHS ENDED 31/07/04
	RM'm	RM'm	**RM'm**	RM'm
Revenue				
Multi channel television				
External revenue	**443.8**	377.0	**868.8**	727.8
Inter-segment revenue	**0.2**	-	**0.9**	0.1
Multi channel television revenue	**444.0**	377.0	**869.7**	727.9
Radio				
External revenue	**35.4**	29.9	**64.7**	56.7
Inter-segment revenue	**0.8**	0.9	**1.5**	1.5
Radio revenue	**36.2**	30.8	**66.2**	58.2
Library licensing and distribution				
External revenue	**13.3**	11.9	**24.7**	19.0
Inter-segment revenue	**2.6**	2.0	**5.0**	4.4
Library licensing and distribution revenue	**15.9**	13.9	**29.7**	23.4
Others				
External revenue	**6.9**	4.7	**14.4**	11.0
Inter-segment revenue	**87.7**	23.2	**121.4**	46.7
Others revenue	**94.6**	27.9	**135.8**	57.7
Total reportable segments	**590.7**	449.6	**1,101.4**	867.2
Eliminations	**(91.3)**	(26.1)	**(128.8)**	(52.7)
Total group revenue	**499.4**	423.5	**972.6**	814.5

8. SEGMENT RESULTS AND REPORTING (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/05	QUARTER ENDED 31/07/04	**SIX MTHS ENDED 31/07/05**	SIX MTHS ENDED 31/07/04
	RM'm	RM'm	**RM'm**	RM'm
Profit from operations by segment :				
Multi channel television	**56.5**	102.6	**154.4**	170.6
Radio	**12.2**	12.9	**20.7**	22.4
Library licensing and distribution	**(15.5)**	(14.4)	**(34.7)**	(30.7)
Others/eliminations	**(1.4)**	(7.3)	**(16.3)**	(12.7)
Profit from operations	**51.8**	93.8	**124.1**	149.6

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current quarter. As at 31 July 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 8 September 2005 other than as disclosed in Note 18(a)(3) and Note 18(a)(4).

11. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Acquisition of subsidiaries

(1) ASTRO Nusantara International B.V. ("ANIBV") and ASTRO Nusantara Holdings B.V. ("ANHBV")

On 1 June 2005, ASTRO Overseas Limited ("AOL"), a wholly-owned subsidiary of the Company, incorporated two companies in Netherlands, known as ANIBV and ANHBV. ANIBV and ANHBV both have authorised share capital of EUR90,000 divided into 90,000 ordinary shares of EUR1.00 each, of which 18,000 ordinary shares of EUR1.00 each have been issued and paid-up, respectively.

(2) All Asia Interactive Technologies (BVI) Ltd. ("AAIT")

On 11 July 2005, AOL acquired 1 share of USD1.00 each representing the entire issued and paid-up share capital of AAIT, a company incorporated in the British Virgin Islands for a cash consideration of USD1 only.

11. CHANGES IN THE COMPOSITION OF THE GROUP (continued)

(b) Disposal of an associate

On 22 June 2005, All Asia Television and Radio Company (BVI) Ltd, a wholly-owned subsidiary of the Company, disposed 1,035,714 shares of NTD10 each, which represent its 35.7% shareholding in Hsin-Chi Broadcast Co., Ltd for a total consideration of NTD11.8 million (RM1.4 million).

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 31 July 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 31 July 2005.

13. COMMITMENTS

As at 31 July 2005, the Group has the following commitments:

	Authorised and Contracted for	Authorised and Not contracted for	Total
	RM'm	**RM'm**	**RM'm**
Capital expenditure	**24.7**	**130.9**	**155.6**
Investment in and advances to associates	**43.1**	**-**	**43.1**
Film library and programme rights	**39.1**	**92.2**	**131.3**
Non-cancellable operating lease	**30.6**	**-**	**30.6**
	137.5	**223.1**	**360.6**

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 Broadband Sdn Bhd	Subsidiary of Maxis Communications Berhad
Malaysian Mobile Services Sdn Bhd	Subsidiary of Maxis Communications Berhad
UTSB Management Sdn Bhd	Subsidiary of Usaha Tegas Sdn Bhd
MEASAT Satellite Systems Sdn Bhd	Subsidiary of MAI Holdings Sdn Bhd
Valuelabs	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 SIX MTHS ENDED 31/07/05	AMOUNTS (*) DUE FROM/(TO) AS AT 31/07/05
	RM'm	RM'm
(a) Sales of goods and services		
Multimedia and interactive sales to:		
Malaysian Mobile Services Sdn Bhd	**3.0**	**3.0**
(b) Purchases of goods and services		
Personnel, strategic and other consultancy and support services from:		
UTSB Management Sdn Bhd	**9.1**	**(7.9)**
Valuelabs	**3.7**	**(0.6)**
Telecommunication services from:		
Maxis Broadband Sdn Bhd	**3.3**	**(3.3)**
Expenses related to finance lease:		
MEASAT Satellite Systems Sdn Bhd	**8.1**	**(8.1)**

(*) Represents amounts outstanding on transactions entered into during the six months ended 31 July 2005.

15. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/05	QUARTER ENDED 31/07/04	**SIX MTHS ENDED 31/07/05**	SIX MTHS ENDED 31/07/04
	RM'm	RM'm	**RM'm**	RM'm
Current tax	**2.6**	1.6	**4.2**	1.8
Deferred tax	**7.4**	19.8	**33.0**	39.1
	10.0	21.4	**37.2**	40.9

The Group's effective tax rate for the current quarter of 19% is lower than the Malaysian statutory tax rate of 28% mainly due to the utilisation of unabsorbed Investment Tax Allowance (ITA). As no deferred tax asset was set up in respect of the ITA previously, the utilisation of ITA now does not give rise to a deferred tax asset charge. We have ITA of RM397.2m available, which will continue to be utilised in the future.

The Group's effective tax rate for the 6 months ended 31 July 2005 of 32% is higher than the Malaysian statutory tax rate of 28% due to losses in foreign subsidiaries and certain Malaysian subsidiaries not available for relief at Group level and the non-deductibility of certain operating expenses for tax purposes offset by the utilisation of unabsorbed Investment Tax Allowance in a subsidiary.

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

(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.

As at 8 September 2005, the Company has not completed the following transactions:

(i) Radio Advertising and Programming Systems Sdn Bhd will be voluntarily wound up.
(ii) Asia Company No. 1 Limited (formerly know as ASTRO Overseas Limited) will be voluntarily wound up.

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

Pursuant to the Subscription and Shareholders' Agreement dated 11 March 2005 ("SSA"), the Group together with PT Ayunda Prima Mitra, a subsidiary of PT Broadband Multimedia Tbk, 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 USD15.3 million and shareholder loan facilities of USD35 million.

As at 8 September 2005, the Conditions Precedent Date and Closing Date (as defined in the SSA) have been extended to 15 October 2005 and 31 October 2005 respectively.

(3) Share premium cancellation

On 13 June 2005, the Company announced the proposed cancellation of share premium account ("Proposed Cancellation") which involves the cancellation of the sum standing to the credit of the share premium account as at the hearing date of the petition seeking confirmation of the Proposed Cancellation ("Petition") by the High Court of Justice in England and Wales (the "Court"). The special resolution for the Proposed Cancellation was duly passed by the shareholders of the Company on 20 July 2005.

On 24 August 2005, the hearing date of the Petition, the Court granted the Order confirming the Proposed Cancellation and accordingly, the amount of RM2.12 billion standing to the credit of the share premium account at the close of business on 24 August 2005 was transferred to the Company's distributable reserve.

The Company provided an undertaking to the Court not to make any distributions until the amount owing to non-consenting creditors and other liabilities amounting to RM26.85 million as at 31 August 2005 are settled or consented to the Proposed Cancellation.

The Proposed Cancellation took effect on 31 August 2005 when the Order was registered at the Registrar of Companies of England and Wales.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

(a) Status of corporate proposal announced (continued)

(4) Goal TV Limited ("GTV")

The Company had on 12 August 2005 announced that the Group paid a sum of USD0.75 million in cash to GTV on 11 August 2005 pursuant to a conditional agreement to subscribe for shares in GTV ("Shareholders' Agreement") entered into between the Company's subsidiary AAIT, GTV and Yes Television (Hong Kong) Limited ("Yes TV") on 28 July 2005. Pursuant to the Shareholders' Agreement, AAIT or its affiliates shall subscribe for 5,000,000 shares ("Share Subscription") and Yes TV 1,666,664 shares representing 75% and 25% respectively of the enlarged issued and paid up share capital of GTV. The remaining USD4.25 million shall be paid upon completion. As at 8 September 2005, the Share Subscription has not been completed.

Other than as disclosed above, there were no incomplete corporate proposals as at 8 September 2005.

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

The status of the utilisation of the proceeds as at 8 September 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	(518.8)	49.5
	2,029.9	(1,961.4)	68.5

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.

19. GROUP BORROWINGS AND DEBT SECURITIES

The amounts of Group borrowings and debt securities as at 31 July 2005 are as follows:

	Short Term	Long Term	Total
	RM'm	RM'm	RM'm
Secured			
Bank loan[1] – INR23.0m	2.0	-	2.0
BPI Facilities[2]	-	296.8	296.8
Finance lease liabilities[3]	31.0	43.1	74.1
	33.0	339.9	372.9

Notes:

(1) A standby letter of credit has been provided as security for the bank loan.

(2) All the assets of MEASAT Broadcast Network Systems Sdn Bhd ("MBNS") and MEASAT Digicast Sdn Bhd ("Digicast"), subsidiaries of ASTRO, are pledged as security for the BPI Facilities.

The rights, titles, interests and benefits of MBNS of the following are also assigned for 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 policies.
(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. On 31 May 2005, the guarantee of RAPS has been provided. As at 31 July 2005, the Company has not drawn on the facilities.

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no outstanding off balance sheet financial instruments as at 8 September 2005.

21. CHANGES IN MATERIAL LITIGATION

There were no material litigation matters dealt with during the period or pending as at 8 September 2005.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 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 (Second Quarter 2006) against the preceding quarter (First Quarter 2006)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SECOND QUARTER 31/07/2005	FIRST QUARTER 30/04/2005	**SECOND QUARTER 31/07/2005**	FIRST QUARTER 30/04/2005
Consolidated Performance				
Total Revenue	**499.4**	473.2		
Subscriber Acquisition Costs (SAC)[2]	**106.9**	84.4		
EBITDA[3]	**72.0**	91.6		
EBITDA Margin (%)	**14.4**	19.4		
Net Profit	**44.0**	39.8		
Free Cash Flow[4]	**81.2**	31.5		
Net Increase in Cash	**62.7**	23.6		
Capital expenditure[5]	**20.8**	27.4		
(i) Multi channel TV(MC-TV)[1]				
Subscription revenue	**407.5**	390.9		
Advertising revenue	**27.3**	26.8		
Other revenue	**9.2**	8.0		
Total revenue	**444.0**	425.7		
SAC[2]	**106.9**	84.4		
EBITDA[3]	**70.4**	112.3		
EBITDA Margin (%)	**15.9**	26.4		
Capital expenditure[5]	**18.5**	23.4		
Total subscriptions-net additions ('000)			**77**	65
Total subscriptions-end of period ('000)			**1,840**	1,763
Residential subscribers-net additions ('000)			**67**	63
Residential subscribers-end of period ('000)			**1,696**	1,629

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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 (Second Quarter 2006) against the preceding quarter (First Quarter 2006) (continued)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SECOND QUARTER 31/07/2005	FIRST QUARTER 30/04/2005	**SECOND QUARTER 31/07/2005**	FIRST QUARTER 30/04/2005
(i) Multi channel TV(MC-TV)[1] (continued)				
ARPU – residential subscriber (RM)			**80**	80
Churn (%)			**9.4**	8.5
SAC per set-top box sold (RM)			**786**	734
Content cost (RM per subscriber per mth)			**25**	26
(ii) Radio[1]				
Revenue	**36.2**	30.0		
EBITDA[3]	**13.2**	9.2		
EBITDA Margin (%)	**36.5**	30.7		
Listeners ('000)[6]			**10,407**	10,407
Share of radio adex (%)[7]			**82**	79
(iii) Library Licensing and Distribution[1]				
Revenue	**15.9**	13.8		
EBITDA[3]	**(15.0)**	(18.6)		
EBITDA Margin (%)	**n/m**	n/m		
Titles released for distribution			**29**	39
(iv) Others[1]				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			**1,740**	1,665
Malaysian film production – theatrical release			**nil**	nil

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 performed by NMR in April 2005.
7. Based on NMR Adex Report.

22. REVIEW OF PERFORMANCE (continued)

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

Consolidated Performance

Turnover

For the current quarter, the Group recorded consolidated revenues of RM499.4m which was RM26.2m or 5.5% higher than RM473.2m in the preceding quarter. The increase was driven by higher subscription revenue from MC-TV segment of RM16.6m due to continued growth in subscriber base. Group advertising revenue of RM63.8m was higher than the preceding quarter by RM6.4m mainly contributed by increased Radio airtime sales (RM6.1m or 20.8%). Library Licensing and Distribution revenue also increased by RM2.1m in comparison to RM13.8m in the preceding quarter.

EBITDA

The Group EBITDA decreased to RM72.0m in the current quarter from RM91.6m in the preceding quarter. This RM19.6m or 21.4% decline was due to 2 primary reasons:

(a) an increase in subscriber acquisition costs of RM22.5m associated with an increase in gross additions of 20K in the quarter. The total SAC increase was made up of set-top box costs related to the additional new subscribers and a seasonal increase in marketing costs relating to program and acquisition initiatives;

(b) we also increased our provision for doubtful debt by RM13 million due to aging of disconnected subscriber debt directly attributable to the implementation of our new Customer Relationship Management system. Since the implementation of the system we have not been able to run our normal collection processes such as demand letters, use of 3rd party collection agencies and legal action. As these accounts are now well overdue and these subscribers have been disconnected, we have increased our provision in line with our standard provision policies.

Free Cash Flow

Free cash flow generated was RM81.2m compared to RM31.5m in the preceding quarter. The increase was mainly due to lower working capital coupled with decreased capital expenditure and acquisition of new business, which compensated the unfavourable EBITDA results.

Net Cash Flow

There was a net increase in cash of RM62.7m compared to a net cash increase of RM23.6m in the preceding quarter. The growth was attributed to higher free cash flow generated, partially offset by half yearly interest payment.

Capital Expenditure

Group capital expenditure for the current quarter totalled RM20.8m, compared to RM27.4m in the preceding quarter.

22. REVIEW OF PERFORMANCE (continued)

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

<u>Multi channel TV</u>

MC-TV segment achieved total revenue of RM444.0m, which was RM18.3m or 4.3% higher than the preceding quarter. The increase was mainly attributable to higher subscription revenue of RM16.6m driven by enlarged subscriber base.

Residential subscriber net additions of 67,200 increased by 4,200 or 6.7% from 63,000 in the preceding quarter. The improvement was due to continuing growth in gross additions partially offset by higher subscriber churn, as follows:

Residential subscriber ('000)	Second Quarter 2006	First Quarter 2006	Variance
Gross additions	127.5	107.7	19.8
Churn	(60.3)	(44.7)	(15.6)
Net additions	67.2	63.0	4.2

MAT churn increased to 9.4% in the current quarter compared to 8.5% in the preceding quarter due to more stringent disconnection period for new subscriber accounts as mentioned previously. With this new policy commencing in early July we have an one off impact to churn of 0.7% for the quarter as we reduced the disconnection tolerance from 70 days to 45 days for all accounts less than 6 months old, which number more than 250,000.

ARPU decreased marginally from RM80.4 in the preceding quarter to RM79.6 in the current quarter due to decreased basic revenue mainly from growth in Malay language segment which contributed lower ARPU, partly offset by higher interactive revenue driven by the popular reality show, Akademi Fantasia 3, and increased late payment and reconnection revenue with the resumption of the billing capability of the said fees in mid-March 2005.

SAC's per box increased from RM734 in the preceding quarter to RM786 per box in the current quarter. This increase was due to lower box revenue coupled with higher marketing and sales costs.

<u>Radio</u>

Radio's revenue of RM36.2m was RM6.2m or 20.7% higher than RM30.0m in the preceding quarter mainly driven by higher airtime sales across all radio stations from an increase in advertising rates effective March 2005, as well as additional revenue stream from a newly acquired station, THR.fm, towards the end of the preceding quarter.

<u>Library Licensing and Distribution</u>

Library Licensing and Distribution's revenue of RM15.9m was RM2.1m or 15.2% higher than RM13.8m in the preceding quarter driven by higher program blocks and content licensing income from the Movie Channel business.

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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 six months ended 31 July 2005 (First Half 2006) against the corresponding six months ended 31 July 2004 (First Half 2005)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SIX MTHS ENDED 31/07/2005	SIX MTHS ENDED 31/07/2004	**SIX MTHS ENDED 31/07/2005**	SIX MTHS ENDED 31/07/2004
Consolidated Performance				
Total Revenue	**972.6**	814.5		
Subscriber Acquisition Costs (SAC)[2]	**191.3**	154.9		
EBITDA[3]	**163.6**	192.0		
EBITDA Margin (%)	**16.8**	23.6		
Net Profit	**83.8**	53.1		
Free Cash Flow[4]	**112.7**	111.8		
Net Increase / (Decrease) in Cash	**86.3**	(598.3)		
Capital expenditure[5]	**48.2**	36.4		
(i) Multi channel TV(MC-TV)[1]				
Subscription revenue	**798.5**	650.7		
Advertising revenue	**54.1**	47.0		
Other revenue	**17.1**	30.2		
Total revenue	**869.7**	727.9		
SAC[2]	**191.3**	154.9		
EBITDA[3]	**182.7**	205.6		
EBITDA Margin (%)	**21.0**	28.2		
Capital expenditure[5]	**41.9**	30.1		
Total subscriptions-net additions ('000)			**142**	112
Total subscriptions-end of period ('000)			**1,840**	1,505
Residential subscribers-net additions ('000)			**130**	103
Residential subscribers-end of period ('000)			**1,696**	1,386
ARPU – residential subscriber (RM)			**80**	80
Churn (%)			**9.4**	9.6
SAC per set-top box sold (RM)			**762**	754
Content cost (RM per subscriber per mth)			**25**	25

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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 six months ended 31 July 2005 (First Half 2006) against the corresponding six months ended 31 July 2004 (First Half 2005) (continued)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SIX MTHS ENDED 31/07/2005	SIX MTHS ENDED 31/07/2004	**SIX MTHS ENDED 31/07/2005**	SIX MTHS ENDED 31/07/2004
(ii) Radio[1]				
Revenue	**66.2**	58.2		
EBITDA[3]	**22.4**	23.4		
EBITDA Margin (%)	**33.8**	40.2		
Listeners ('000)[6]			**10,407**	8,861
Share of radio adex (%)[7]			**80**	74
(iii) Library Licensing and Distribution[1]				
Revenue	**29.7**	23.4		
EBITDA[3]	**(33.6)**	(29.5)		
EBITDA Margin (%)	**n/m**	n/m		
Titles released for distribution			**68**	54
(iv) Others[1]				
Magazines – average monthly circulation (includes ASTRO TV Guide) ('000)			**1,702**	1,415
Malaysian film production – theatrical release			**nil**	2

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.

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2005 (First Half 2006) against the corresponding six months ended 31 July 2004 (First Half 2005) (continued)

<u>Consolidated Performance</u>

Turnover

The Group recorded consolidated revenues of RM972.6m which was RM158.1m or 19.4% higher than RM814.5m recorded in first half 2005. The increase was mainly driven by higher subscription revenue from MC-TV segment which rose RM147.8m or 22.7% due to enlarged subscriber base. Advertising revenue increased by RM17.8m primarily contributed by MC-TV and Radio segments. Library Licensing and Distribution revenue also improved to RM29.7m, an increase of RM6.3m from RM23.4m in first half 2005.

EBITDA

Group EBITDA of RM163.6m decreased by RM28.4m or 14.8% from RM192.0m in First Half 2005. EBITDA was principally impacted by an increase in total SAC's of RM36.4m directly attributable to the positive growth in gross additions in the period of 47K; the ESOS/MSIS share option charges of RM25.7m for the half year; and an increase in the provision for subscriber debt of RM18.1m. Without these three principal cost increases, underlying EBITDA margin has increased from 23.6% in First Half 2005 to 25.1% in First Half 2006.

Free Cash Flow

Free cash flow generated was RM112.7m compared to RM111.8m in First Half 2005. This marginal increase was due to higher cash inflow from operating activities as driven by lower working capital, nevertheless being offset by increases in capital expenditure and acquisition of management rights in new content business.

Net Cash Flow

There was a net increase in cash of RM86.3m, compared to a net decrease of RM598.3m in First Half 2005, as the Group utilised the IPO proceeds for the repayment of bonds and medium term notes under the PDS facility of RM570m and ECA facility of RM60m.

Capital Expenditure

Group capital expenditure totalled RM48.2m in First Half 2006, of which RM41.9m was for MC-TV requirements, and represented a RM11.8m higher spent over last year.

<u>Multi channel TV</u>

MC-TV segment achieved total revenue of RM869.7m, which was RM141.8m or 19.5% higher than First Half 2005. The increase was driven by higher subscription and advertising revenues as a result of continuing growth in the business.

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2005 (First Half 2006) against the corresponding six months ended 31 July 2004 (First Half 2005) (continued)

Multi channel TV (continued)

In the first half we have continued to undertake the implementation of a new Customer Relationship Management system that has impacted our operational and financial performance. Quarter 1 revenues were impacted by our inability to bill late charges and reconnection fees amounting to RM3 million. In addition we have had to suspend debt collection procedures for the half resulting in a deterioration of the ageing profile of our debtors. We have increased provision for doubtful debts by RM18m to RM29m in accordance with normal provision policy. Debt collection activities have now resumed and we expect to see doubtful debt provisions back to normal levels for the second half of the year.

Residential subscriber net additions were 130,200, which increased substantially by 27,200 or 26.4% compared to 103,000 achieved in First Half 2005. This was driven by growth in the mass urban market following the smartcard swap exercise completed in September 2004 coupled with aggressive marketing initiatives involving free set-top boxes and installation promotions.

MAT churn decreased marginally to 9.4% in First Half 2006 from 9.6% in First Half 2005.

ARPU for First Half 2006 remained the same as First Half 2005 at RM80.

SAC per box sold for First Half 2006 was RM762, an increase of RM8 from RM754 in First Half 2005. This was a result of decreased set-top box retail selling prices, partially offset by lower set-top box costs and marketing/sales expenses.

Radio

Radio's revenue of RM66.2m was RM8.0m or 13.7% higher than RM58.2m achieved in First Half 2005. This improvement was mainly driven by increased advertising revenue driven by increases in airtime rate and additional revenue streams from newly acquired radio station.

Library Licensing and Distribution

Library Licensing and Distribution generated revenue of RM29.7m which was RM6.3m or 26.9% higher than First Half 2005 mainly contributed by program blocks sales and higher content licensing revenue driven by expansion in existing and new territories.

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 strong demand for the Group's products and services during the period under review, with all segments performing within expectations.

Following on from the first half result, we expect to see our full year results impacted by:

i) The cost of share-based payments amounting to RM49m (of which prior year charges account for RM8.1m) arising on the adoption of new IFRS accounting standards.
ii) Increase in total subscriber acquisition costs if the currently experienced subscriber growth levels continue.
iii) Certain costs, estimated at RM30m, which will be incurred in respect of the planned expansion of the Malaysian multi channel television services.
iv) An estimated RM20m in start up losses relating to programming and content joint ventures.

Our participation in the Indonesian DTH Joint Venture is now expected to take effect later this year. Accordingly, it is not anticipated that start up costs will materially impact Group results for the current financial year.

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

The Board of Directors is pleased to declare an interim (tax-exempt) dividend of 1.5 sen per ordinary share (FY2005: Nil) in respect of the financial year ending 31 January 2006. The dividend will be paid on a date yet to be determined.

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 SECOND QUARTER ENDED 31 JULY 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 31/07/05	QUARTER ENDED 31/07/04	**SIX MTHS ENDED 31/07/05**	SIX MTHS ENDED 31/07/04
(1) Basic earnings per share					
Profit attributable to equity holders of the Company	RM'm	**44.0**	33.4	**83.8**	53.1
Weighted average number of ordinary shares	'm	**1,923.1**	1,918.7	**1,922.9**	1,918.7
Basic earnings per share	sen	**2.29**	1.74	**4.36**	2.77
(2) Diluted earnings per share					
Profit attributable to equity holders of the Company	RM'm	**44.0**	33.4	**83.8**	53.1
Weighted average number of ordinary shares	'm	**1,923.1**	1,918.7	**1,922.9**	1,918.7
Adjusted for share options granted	'm	**10.9**	6.0	**12.2**	6.3
Adjusted weighted average number of ordinary shares	'm	**1,934.0**	1,924.7	**1,935.1**	1,925.0
Diluted earnings per share*	sen	**2.28**	1.74	**4.33**	2.76

(*) The diluted earnings per share is calculated based on the dilutive effects of options granted over 68,247,200 ordinary shares under the ESOS and MSIS.

By order of the Board

Rohana Rozhan (MIA No.11722)
Company Secretary

8 September 2005

Kuala Lumpur