



(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 2006**

**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 2006 which should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 January 2006.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

|   | Note | INDIVIDUAL QUARTER |               | CUMULATIVE QUARTER |                  |                  |             |
|---|------|--------------------|---------------|--------------------|------------------|------------------|-------------|
|   |      | QUARTER ENDED      | QUARTER ENDED |                    | THREE MTHS ENDED | THREE MTHS ENDED |             |
|   |      | 30/04/2006         | 30/04/2005    | +<br>-<br>%        | 30/04/2006       | 30/04/2005       | +<br>-<br>% |
|   |      | RM'm               | RM'm          |                    | RM'm             | RM'm             |             |
| Revenue   | 8    | 523.0              | 473.2         | +11                | 523.0            | 473.2            | +11         |
| Cost of sales (excluding set-top box subsidies)                                 |      | (242.8)            | (225.0)       |                    | (242.8)          | (225.0)          |             |
| Gross profit (excluding set-top box subsidies)                                  |      | 280.2              | 248.2         |                    | 280.2            | 248.2            |             |
| Set-top box subsidies <sup>(1)</sup>  |      | (30.8)             | (63.4)        |                    | (30.8)           | (63.4)           |             |
| Gross profit  |      | 249.4              | 184.8         | +35                | 249.4            | 184.8            | +35         |
| Other operating income  |      | 2.6                | 1.9           |                    | 2.6              | 1.9              |             |
| Marketing and distribution costs  |      | (40.9)             | (37.3)        |                    | (40.9)           | (37.3)           |             |
| Administrative expenses   |      | (81.3)             | (77.1)        |                    | (81.3)           | (77.1)           |             |
| Profit from operations <sup>(2)</sup>   | 8    | 129.8              | 72.3          | +80                | 129.8            | 72.3             | +80         |
| Finance costs   |      | (7.1)              | (11.5)        |                    | (7.1)            | (11.5)           |             |
| Finance income  |      | 9.8                | 4.8           |                    | 9.8              | 4.8              |             |
| Share of post tax results from associates & overseas investments <sup>(3)</sup> |      | (14.3)             | (0.2)         |                    | (14.3)           | (0.2)            |             |
| Profit before taxation  |      | 118.2              | 65.4          | +81                | 118.2            | 65.4             | +81         |
| Taxation  | 15   | (29.6)             | (27.2)        |                    | (29.6)           | (27.2)           |             |
| Profit for the period   |      | 88.6               | 38.2          | +132               | 88.6             | 38.2             | +132        |
| Attributable to:  |      |                    |               |                    |                  |                  |             |
| Equity holders of the Company   |      | 90.5               | 39.8          | +127               | 90.5             | 39.8             | +127        |
| Minority interest   |      | (1.9)              | (1.6)         |                    | (1.9)            | (1.6)            |             |
|   |      | 88.6               | 38.2          |                    | 88.6             | 38.2             |             |



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FIRST QUARTER ENDED 30 APRIL 2006**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)**

|                     | Note | INDIVIDUAL QUARTER       |                          | CUMULATIVE QUARTER          |                             |
|---------------------|------|--------------------------|--------------------------|-----------------------------|-----------------------------|
|                     |      | QUARTER ENDED 30/04/2006 | QUARTER ENDED 30/04/2005 | THREE MTHS ENDED 30/04/2006 | THREE MTHS ENDED 30/04/2005 |
| Earnings per share: | 26   | Sen                      | Sen                      | Sen                         | Sen                         |
| - Basic             |      | <b>4.70</b>              | 2.07                     | <b>4.70</b>                 | 2.07                        |
| - Diluted*          |      | <b>4.68</b>              | 2.06                     | <b>4.68</b>                 | 2.06                        |

(\*) The diluted earnings per share is calculated based on the dilutive effects of 58,303,700 options under the 2003 Employee Share Option Scheme (“ESOS”) and 2003 Management Share Incentive Scheme (“MSIS”).

**Note**

- (1) Accruals amounting to RM19.9m in relation to the cost of set-top boxes were reversed in the current quarter as these accruals have now been determined to be no longer required following the receipt of external confirmation. As such, set-top box subsidies for the quarter is much reduced and will revert to levels consistent with market growth in subsequent quarters.
- (2) The profit from operations has been arrived at after charging:

|   | INDIVIDUAL QUARTER       |                          | CUMULATIVE QUARTER          |                             |
|---|--------------------------|--------------------------|-----------------------------|-----------------------------|
|   | QUARTER ENDED 30/04/2006 | QUARTER ENDED 30/04/2005 | THREE MTHS ENDED 30/04/2006 | THREE MTHS ENDED 30/04/2005 |
|   | RM'm                     | RM'm                     | RM'm                        | RM'm                        |
| Depreciation of property, plant and equipment     | <b>14.6</b>              | 15.3                     | <b>14.6</b>                 | 15.3                        |
| Amortisation of film library and programme rights | <b>30.4</b>              | 36.5                     | <b>30.4</b>                 | 36.5                        |
| Amortisation of other intangible assets           | <b>6.6</b>               | 3.9                      | <b>6.6</b>                  | 3.9                         |

- (3) Included in “share of post tax results from associates & overseas investments” is an amount of RM15.2m reflecting the current estimate of the Group’s share of start-up losses in PT Direct Vision (“PTDV”) (See note 18 (a)(2)) for the quarter, with the corresponding entry reflected in Receivables.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
 FOR THE FIRST QUARTER ENDED 30 APRIL 2006**

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

|  |      | AS AT<br>30/04/2006 | AS AT<br>31/01/2006 |
|--|------|---------------------|---------------------|
|  | Note | RM'm                | RM'm                |
| <b>NON-CURRENT ASSETS</b>                  |      |                     |                     |
| Property, plant and equipment              | 9    | 288.4               | 288.4               |
| Associates                                 |      | 161.2               | 166.1               |
| Deferred tax assets                        |      | 487.5               | 513.4               |
| Other financial assets (other investments) |      | 23.3                | 23.8                |
| Film library and programme rights          |      | 272.7               | 273.2               |
| Other intangible assets <sup>(1)</sup>     |      | 189.9               | 187.0               |
|  |      | <u>1,423.0</u>      | <u>1,451.9</u>      |
| <b>CURRENT ASSETS</b>                      |      |                     |                     |
| Inventories                                |      | 43.8                | 45.8                |
| Receivables and prepayments                |      | 516.2               | 481.8               |
| Other financial assets                     |      |                     |                     |
| - Derivative financial instruments         |      | 24.7                | 15.1                |
| Tax recoverable                            |      | 9.8                 | 8.5                 |
| Cash and cash equivalents                  |      | 952.0               | 848.1               |
|  |      | <u>1,546.5</u>      | <u>1,399.3</u>      |
| <b>CURRENT LIABILITIES</b>                 |      |                     |                     |
| Trade and other payables                   |      | 790.9               | 741.9               |
| Other financial liabilities                |      |                     |                     |
| - Borrowings (interest bearing)            | 19   | 35.1                | 34.4                |
| Current tax liabilities                    |      | 4.2                 | 1.3                 |
|  |      | <u>830.2</u>        | <u>777.6</u>        |
| <b>NET CURRENT ASSETS</b>                  |      | <u>716.3</u>        | <u>621.7</u>        |
| <b>NON-CURRENT LIABILITIES</b>             |      |                     |                     |
| Payables                                   |      | 226.6               | 248.3               |
| Deferred tax liabilities                   |      | 12.2                | 12.1                |
| Other financial liabilities                |      |                     |                     |
| - Borrowings (interest bearing)            | 19   | 17.9                | 26.5                |
|  |      | <u>256.7</u>        | <u>286.9</u>        |
| <b>NET ASSETS</b>                          |      | <u>1,882.6</u>      | <u>1,786.7</u>      |



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)**

|  | AS AT<br>30/04/2006 | AS AT<br>31/01/2006 |
|--|---------------------|---------------------|
| Note   | RM'm                | RM'm                |
| <b>CAPITAL AND RESERVES</b>                            |                     |                     |
| <b>Attributable to equity holders of the Company :</b> |                     |                     |
| Share capital  | 1,195.7             | 1,195.4             |
| Share premium  | 12.0                | 11.0                |
| Merger reserve   | 518.4               | 518.4               |
| Exchange reserve                                       | (15.6)              | (5.8)               |
| Hedging reserve  | 24.7                | 15.4                |
| Other reserve  | 46.7                | 40.6                |
| Retained earnings/(Accumulated losses)                 | 88.1                | (2.8)               |
|  | <b>1,870.0</b>      | 1,772.2             |
| <b>Minority interests</b>                              | <b>12.6</b>         | 14.5                |
| <b>Total equity</b>                                    | <b>1,882.6</b>      | 1,786.7             |
| <b>NET ASSETS PER SHARE (RM) <sup>(2)</sup></b>        | <b>0.98</b>         | 0.93                |

Notes:

- <sup>(1)</sup> Other intangible assets consist of software costs of RM128.9m (including broadcast facility at Cyberjaya of RM72.4m) (31/01/2006: RM118.5m), rights and licenses of RM43.6m (31/01/2006: RM47.4m), remastering costs of RM17.1m (31/01/2006: RM20.8m) and goodwill on consolidation of RM0.3m (31/01/2006: RM0.3m).
- <sup>(2)</sup> Net assets of the Group of RM1,882.6m (31/01/2006: RM1,786.7m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM1,686.6m (31/01/2006: RM1,655.8m).

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

| Three months ended<br>30/04/2006         | Attributable to equity holders of the Company       |               |               |                   |                  |                 |               |                            |         |                    |              |
|--|---|---------------|---------------|-------------------|------------------|-----------------|---------------|----------------------------|---------|--------------------|--------------|
|  | Issued and fully paid ordinary shares of £0.10 each |               |               | Non-distributable |                  |                 |               |                            |         |                    |              |
|  | Number of shares                                    | Nominal value | Share premium | Merger reserve    | Exchange reserve | Hedging reserve | Other reserve | Retained earnings/(losses) | Total   | Minority interests | Total Equity |
| Million                                  | RM' m   | RM' m         | RM' m         | RM' m             | RM' m            | RM' m           | RM' m         | RM' m                      | RM' m   | RM' m              | RM' m        |
| As at 1 February 2006                    | 1,927.3   | 1,195.4       | 11.0          | 518.4             | (5.8)            | 15.4            | 40.6          | (2.8)                      | 1,772.2 | 14.5               | 1,786.7      |
| Currency translation differences         | -   | -             | -             | -                 | (9.8)            | -               | -             | -                          | (9.8)   | -                  | (9.8)        |
| Fair value gain on hedging instrument    | -   | -             | -             | -                 | -                | 9.3             | -             | -                          | 9.3     | -                  | 9.3          |
| Net income recognised directly in equity | -   | -             | -             | -                 | (9.8)            | 9.3             | -             | -                          | (0.5)   | -                  | (0.5)        |
| Profit for the period                    | -   | -             | -             | -                 | -                | -               | -             | 90.5                       | 90.5    | (1.9)              | 88.6         |
| Total recognised income                  | -   | -             | -             | -                 | (9.8)            | 9.3             | -             | 90.5                       | 90.0    | (1.9)              | 88.1         |
| Share options :                          |   |               |               |                   |                  |                 |               |                            |         |                    |              |
| - Proceeds from shares issued            | 0.3   | 0.3           | 1.0           | -                 | -                | -               | -             | -                          | 1.3     | -                  | 1.3          |
| - Value of employee services             | -   | -             | -             | -                 | -                | -               | 6.5           | -                          | 6.5     | -                  | 6.5          |
| - Transfer upon exercise                 | -   | -             | -             | -                 | -                | -               | (0.4)         | 0.4                        | -       | -                  | -            |
|  | 0.3   | 0.3           | 1.0           | -                 | -                | -               | 6.1           | 0.4                        | 7.8     | -                  | 7.8          |
| As at 30 April 2006                      | 1,927.6   | 1,195.7       | 12.0          | 518.4             | (15.6)           | 24.7            | 46.7          | 88.1                       | 1,870.0 | 12.6               | 1,882.6      |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)**

| 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 |                |                  |                 |               |                            |         |       | Total   | Minority interests | Total Equity |
|   | Number of shares                                    | Nominal value | Share premium     | Merger reserve | Exchange reserve | Hedging reserve | Other reserve | Retained earnings/(losses) | RM' m   | RM' m |         |                    |              |
| Million                                     | RM' m   | RM' m         | RM' m             | RM' m          | RM' m            | RM' m           | RM' m         | RM' m                      | RM' m   | RM' m | RM' m   |                    |              |
| As at 1 February 2005                       |   |               |                   |                |                  |                 |               |                            |         |       |         |                    |              |
| - as previously reported                    | 1,922.4   | 1,192.2       | 2,118.9           | 518.4          | (1.1)            | (1.6)           | -             | (2,267.4)                  | 1,559.4 | -     | 1,559.4 |                    |              |
| - prior year adjustment                     | -   | -             | -                 | -              | -                | -               | 12.3          | (12.3)                     | -       | -     | -       |                    |              |
| - as restated                               | 1,922.4   | 1,192.2       | 2,118.9           | 518.4          | (1.1)            | (1.6)           | 12.3          | (2,279.7)                  | 1,559.4 | -     | 1,559.4 |                    |              |
| Currency translation differences            | -   | -             | -                 | -              | 1.2              | -               | -             | -                          | 1.2     | -     | 1.2     |                    |              |
| Fair value gain on hedging instrument       | -   | -             | -                 | -              | -                | 3.4             | -             | -                          | 3.4     | -     | 3.4     |                    |              |
| Net income recognised directly in equity    | -   | -             | -                 | -              | 1.2              | 3.4             | -             | -                          | 4.6     | -     | 4.6     |                    |              |
| Profit for the period                       | -   | -             | -                 | -              | -                | -               | -             | 39.8                       | 39.8    | (1.6) | 38.2    |                    |              |
| Total recognised income                     | -   | -             | -                 | -              | 1.2              | 3.4             | -             | 39.8                       | 44.4    | (1.6) | 42.8    |                    |              |
| Share options :                             |   |               |                   |                |                  |                 |               |                            |         |       |         |                    |              |
| - Proceeds from shares issued               | 0.6   | 0.4           | 1.7               | -              | -                | -               | -             | -                          | 2.1     | -     | 2.1     |                    |              |
| - Value of employee services                | -   | -             | -                 | -              | -                | -               | 13.4          | -                          | 13.4    | -     | 13.4    |                    |              |
| Dilution of equity interest in a subsidiary | -   | -             | -                 | -              | -                | -               | -             | -                          | -       | 15.4  | 15.4    |                    |              |
|   | 0.6   | 0.4           | 1.7               | -              | -                | -               | 13.4          | -                          | 15.5    | 15.4  | 30.9    |                    |              |
| As at 30 April 2005                         | 1,923.0   | 1,192.6       | 2,120.6           | 518.4          | 0.1              | 1.8             | 25.7          | (2,239.9)                  | 1,619.3 | 13.8  | 1,633.1 |                    |              |



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

|  | <b>CUMULATIVE QUARTER</b>                  |  |
|--|--|--|
|  | <b>THREE MTHS<br/>ENDED<br/>30/04/2006</b> | <b>THREE MTHS<br/>ENDED<br/>30/04/2005</b> |
|  | <b>RM'm</b>                                | <b>RM'm</b>                                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |  |  |
| Profit for the period  | <b>88.6</b>                                | 38.2                                       |
| Contra arrangements – revenue                                    | <b>(0.4)</b>                               | (0.7)                                      |
| Value of employee services – share options                       | <b>6.5</b>                                 | 13.4                                       |
| Interest income  | <b>(7.1)</b>                               | (6.1)                                      |
| Interest expense   | <b>5.6</b>                                 | 9.5  |
| Unrealised foreign exchange loss/(gain)                          | <b>(2.4)</b>                               | 1.4  |
| Taxation   | <b>29.6</b>                                | 27.2                                       |
| Property, plant and equipment                                    |  |  |
| - Depreciation   | <b>14.6</b>                                | 15.3                                       |
| - Gain on disposal   | <b>-</b>                                   | (0.1)                                      |
| Amortisation of film library and programme rights                | <b>30.4</b>                                | 36.5                                       |
| Other intangible assets  |  |  |
| - Amortisation   | <b>6.6</b>                                 | 3.9  |
| Share of post tax results from associates & overseas investments | <b>14.3</b>                                | 0.2  |
|  | <b>186.3</b>                               | 138.7                                      |
| Changes in working capital:                                      |  |  |
| Film library and programme rights                                | <b>(33.6)</b>                              | (22.3)                                     |
| Inventories  | <b>2.0</b>                                 | (4.7)                                      |
| Receivables and prepayments                                      | <b>(56.2)</b>                              | (16.9)                                     |
| Payables   | <b>39.5</b>                                | (15.9)                                     |
| Cash generated from operations                                   | <b>138.0</b>                               | 78.9                                       |
| Income tax paid  | <b>(2.1)</b>                               | (3.0)                                      |
| Interest received  | <b>6.3</b>                                 | 11.0                                       |
| Net cash flow from operating activities                          | <b>142.2</b>                               | 86.9                                       |



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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)**

|   | <b>CUMULATIVE QUARTER</b>                  |  |
|---|--|--|
|   | <b>THREE MTHS<br/>ENDED<br/>30/04/2006</b> | <b>THREE MTHS<br/>ENDED<br/>30/04/2005</b> |
|   | <b>RM'm</b>                                | <b>RM'm</b>                                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |  |  |
| Acquisition of a subsidiary, net of cash acquired               | -  | (27.9)                                     |
| Purchase of other investments                                   | (0.2)                                      | -  |
| Proceeds from disposal of property, plant and equipment         | -  | 0.1  |
| Acquisition of intangible assets                                | (7.8)                                      | (16.7)                                     |
| Purchase of property, plant and equipment                       | (21.0)                                     | (10.9)                                     |
| Net cash flow from investing activities                         | (29.0)                                     | (55.4)                                     |
| <i>Net cash flow from operating and investing activities*</i>   | <i>113.2</i>                               | <i>31.5</i>                                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |  |  |
| Interest paid   | (1.4)                                      | (3.6)                                      |
| Proceeds from borrowings  | -  | 4.0  |
| Issuance of shares pursuant to exercise of share options        | 1.3  | 2.1  |
| Repayment of finance lease liabilities                          | (7.8)                                      | (7.1)                                      |
| Repayment of borrowings   | -  | (3.3)                                      |
| Net cash flow from financing activities                         | (7.9)                                      | (7.9)                                      |
| Net effect of currency translation on cash and cash equivalents | (1.4)                                      | -  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                | <b>103.9</b>                               | <b>23.6</b>                                |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b> | <b>848.1</b>                               | <b>966.5</b>                               |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>       | <b>952.0</b>                               | <b>990.1</b>                               |

(\*) Represents free cash flow.





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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**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 audited statutory financial statements presented for the financial year ended 31 January 2006.

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 audited statutory financial statements for the financial year ended 31 January 2006.

**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 1<sup>st</sup> and 4<sup>th</sup> quarters. However, the impact of seasonality has been declining as a result of the diversification of subscriber base.

**4. UNUSUAL ITEMS**

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

**5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED**

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



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

**6. MOVEMENTS IN DEBT/EQUITY SECURITIES**

|  | <b>CURRENT QUARTER</b>  |                                       | <b>CUMULATIVE QUARTER</b> |                                       |
|--|-------------------------|---------------------------------------|---------------------------|---------------------------------------|
|  | <b>Number of shares</b> | <b>Proceeds from the shares issue</b> | <b>Number of shares</b>   | <b>Proceeds from the shares issue</b> |
|  | <b>'m</b>               | <b>RM'm</b>                           | <b>'m</b>                 | <b>RM'm</b>                           |
| Issuance of new ordinary shares pursuant to the exercise of share options under the ESOS | <b>0.3</b>              | <b>1.3</b>                            | <b>0.3</b>                | <b>1.3</b>                            |

Other than as disclosed above, there were 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 film 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.

Inter-segment revenue represents transfers 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.



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**8. SEGMENT RESULTS AND REPORTING (continued)**

|  | <b>INDIVIDUAL QUARTER</b>     |                               | <b>CUMULATIVE QUARTER</b>        |                                  |
|--|-------------------------------|-------------------------------|----------------------------------|----------------------------------|
|  | <b>QUARTER ENDED 30/04/06</b> | <b>QUARTER ENDED 30/04/05</b> | <b>THREE MTHS ENDED 30/04/06</b> | <b>THREE MTHS ENDED 30/04/05</b> |
|  | <b>RM'm</b>                   | <b>RM'm</b>                   | <b>RM'm</b>                      | <b>RM'm</b>                      |
| <b><u>Revenue</u></b>                                  |                               |                               |                                  |                                  |
| <b><u>Multi channel television</u></b>                 |                               |                               |                                  |                                  |
| External revenue                                       | <b>469.7</b>                  | 425.0                         | <b>469.7</b>                     | 425.0                            |
| Inter-segment revenue                                  | -                             | 0.7                           | -                                | 0.7                              |
| Multi channel television revenue                       | <b>469.7</b>                  | 425.7                         | <b>469.7</b>                     | 425.7                            |
| <b><u>Radio</u></b>                                    |                               |                               |                                  |                                  |
| External revenue                                       | <b>32.6</b>                   | 29.3                          | <b>32.6</b>                      | 29.3                             |
| Inter-segment revenue                                  | <b>0.6</b>                    | 0.7                           | <b>0.6</b>                       | 0.7                              |
| Radio revenue  | <b>33.2</b>                   | 30.0                          | <b>33.2</b>                      | 30.0                             |
| <b><u>Library licensing and distribution</u></b>       |                               |                               |                                  |                                  |
| External revenue                                       | <b>13.1</b>                   | 11.4                          | <b>13.1</b>                      | 11.4                             |
| Inter-segment revenue                                  | <b>3.0</b>                    | 2.4                           | <b>3.0</b>                       | 2.4                              |
| Library licensing and distribution revenue             | <b>16.1</b>                   | 13.8                          | <b>16.1</b>                      | 13.8                             |
| <b><u>Others</u></b>                                   |                               |                               |                                  |                                  |
| External revenue                                       | <b>7.6</b>                    | 7.5                           | <b>7.6</b>                       | 7.5                              |
| Inter-segment revenue                                  | <b>39.2</b>                   | 33.7                          | <b>39.2</b>                      | 33.7                             |
| Others revenue   | <b>46.8</b>                   | 41.2                          | <b>46.8</b>                      | 41.2                             |
| Total reportable segments                              | <b>565.8</b>                  | 510.7                         | <b>565.8</b>                     | 510.7                            |
| Eliminations   | <b>(42.8)</b>                 | (37.5)                        | <b>(42.8)</b>                    | (37.5)                           |
| Total group revenue                                    | <b>523.0</b>                  | 473.2                         | <b>523.0</b>                     | 473.2                            |
| <b><u>Profit/(loss) from operations by segment</u></b> |                               |                               |                                  |                                  |
| Multi channel television                               | <b>140.7</b>                  | 97.9                          | <b>140.7</b>                     | 97.9                             |
| Radio  | <b>9.5</b>                    | 8.5                           | <b>9.5</b>                       | 8.5                              |
| Library licensing and distribution                     | <b>(10.9)</b>                 | (19.2)                        | <b>(10.9)</b>                    | (19.2)                           |
| Others/eliminations                                    | <b>(9.5)</b>                  | (14.9)                        | <b>(9.5)</b>                     | (14.9)                           |
| Profit from operations                                 | <b>129.8</b>                  | 72.3                          | <b>129.8</b>                     | 72.3                             |



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**9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

There were no revaluations of property, plant and equipment during the current quarter. As at 30 April 2006, 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 20 June 2006.

**11. CHANGES IN THE COMPOSITION OF THE GROUP**

**A. Transfer of subsidiaries within the Group**

The following subsidiaries were transferred from ASTRO Overseas Limited (“AOL”) to ASTRO All Asia Entertainment Networks Limited (“AAAE”) on 31 March 2006:

- (1) Transfer of 4,250,002 shares of USD1 each representing 51% of the issued and paid-up share capital in Goal TV Asia Limited (formerly known as Goal TV International (Mauritius) Ltd) for a cash consideration of USD4,250,002; and
- (2) Transfer of the entire issued and paid-up share capital of 34,656 shares of USD31 each in Global Sports Entertainment S.à.r.l. for a cash consideration of USD1,074,336.

Both AOL and AAAE are wholly owned subsidiaries of ASTRO. The transfer is part of ASTRO group’s internal restructuring plan, gearing towards the consolidation of investments in international content development and aggregation of business.

**B. Incorporation of a new subsidiary**

ASTRO Overseas Limited has on 3 April 2006 incorporated a company known as All Asia Multimedia Networks FZ-LLC (“AAMN”) in the United Arab Emirates. AAMN is a limited liability company with an issued and paid-up share capital of Arab Emirates Dirham (“AED”) 50,000 divided into 50 shares of AED1,000 each.

The principal activity of AAMN is to engage in the business of developing and supplying multimedia products and services aimed at serving the multi-channel television, radio and mobile telephone platforms across Asia, the Middle East and Africa.

**C. Member’s voluntary winding up of a subsidiary**

Asia Company No. 1 Limited (“ACNL”), a wholly owned subsidiary of ASTRO, had on 7 December 2005 commenced a member’s voluntary winding up. Following the convening of the adjourned final general meeting of ACNL on 1 March 2006, it was dissolved pursuant to Section 213 of the Companies Act, 1981 of Bermuda. Note 18(a)(1) contains further details and changes in the composition of the Group.



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**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**(a) Contingent liabilities**

As at 30 April 2006, the Group has provided guarantees to third parties amounting to RM26.6m in respect of licence fees payable by third parties.

**(b) Contingent assets**

There were no significant contingent assets as at 30 April 2006.

**13. COMMITMENTS**

As at 30 April 2006, the Group has the following commitments:

|                                   | <b>Authorised and</b> |                               | <b>Total</b> |
|-----------------------------------|-----------------------|-------------------------------|--------------|
|                                   | <b>Contracted for</b> | <b>Not contracted<br/>for</b> |              |
|                                   | <b>RM'm</b>           | <b>RM'm</b>                   | <b>RM'm</b>  |
| Capital expenditure               | 28.2                  | 187.1                         | 215.3        |
| Investment in an associate        | 18.1                  | -                             | 18.1         |
| Film library and programme rights | 190.8                 | 102.5                         | 293.3        |
| Non-cancellable operating lease   | 22.4                  | -                             | 22.4         |
|                                   | <b>259.5</b>          | <b>289.6</b>                  | <b>549.1</b> |



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**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 UTSB  
Subsidiary of MAI Holdings Sdn Bhd  
A director of a subsidiary of the Company within the past 12 months is also a partner 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:

|   | <b>TRANSACTIONS FOR<br/>THE CUMULATIVE<br/>THREE MONTHS<br/>ENDED 30/04/06</b> | <b>AMOUNTS (*)<br/>DUE FROM/(TO)<br/>AS AT 30/04/06</b> |
|---|--|---|
|   | <b>RM'm</b>  | <b>RM'm</b>   |
| <b>(a) Sales of goods and services</b>                                |  |   |
| Multimedia and interactive sales to:                                  |  |   |
| Malaysian Mobile Services Sdn Bhd                                     | <b>1.3</b>   | <b>1.3</b>  |
| <b>(b) Purchases of goods and services</b>                            |  |   |
| Personnel, strategic and other consultancy and support services from: |  |   |
| UTSB Management Sdn Bhd   | <b>3.6</b>   | <b>(2.6)</b>  |
| Valuelabs   | <b>1.8</b>   | <b>(0.2)</b>  |
| Expenses related to finance lease:                                    |  |   |
| MEASAT Satellite Systems Sdn Bhd                                      | <b>3.4</b>   | <b>(3.4)</b>  |

(\*) Represents amounts outstanding on transactions entered into during the three months ended 30 April 2006.



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 REQUIREMENT UNDER PART A of APPENDIX 9B**

**15. TAXATION**

|              | <b>INDIVIDUAL QUARTER</b>     |                               | <b>CUMULATIVE QUARTER</b>        |                                  |
|--------------|-------------------------------|-------------------------------|----------------------------------|----------------------------------|
|              | <b>QUARTER ENDED 30/04/06</b> | <b>QUARTER ENDED 30/04/05</b> | <b>THREE MTHS ENDED 30/04/06</b> | <b>THREE MTHS ENDED 30/04/05</b> |
|              | <b>RM'm</b>                   | <b>RM'm</b>                   | <b>RM'm</b>                      | <b>RM'm</b>                      |
| Current tax  | <b>(3.7)</b>                  | (1.6)                         | <b>(3.7)</b>                     | (1.6)                            |
| Deferred tax | <b>(25.9)</b>                 | (25.6)                        | <b>(25.9)</b>                    | (25.6)                           |
|              | <b>(29.6)</b>                 | (27.2)                        | <b>(29.6)</b>                    | (27.2)                           |

The Group's effective tax rate for the period ended 30 April 2006 of 25% is based on an estimate of the tax charge for the year and is lower than the Malaysian statutory tax rate of 28% mainly due to the utilisation of unabsorbed Investment Tax Allowance ("ITA") in a subsidiary partially offset by losses in foreign subsidiaries and certain Malaysian subsidiaries which were not available for tax relief at Group level and the non-deductibility of certain operating expenses for tax purposes.

The full effect of the benefits of ITA is not recognised in the quarter in order to provide for tax on the basis of the likely tax rate for the full year as required under IFRS.

**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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**18. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

**(a) Status of corporate proposals 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 (i.e. ACNL and Radio Advertising and Programming Systems Sdn Bhd (“RAPS”)) 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.

ACNL had on 7 December 2005 commenced a member’s voluntary winding-up. Pursuant to a distribution in specie of surplus assets by the appointed liquidator, the wholly-owned subsidiaries of ACNL were transferred to its immediate holding company, ASTRO Overseas Limited on the following dates:

| <u>Subsidiary</u>                               | <u>Date</u>     |
|---|-----------------|
| ASTRO (Brunei) Sdn Bhd                          | 19 January 2006 |
| South Asia Radio Holdings Ltd                   | 26 January 2006 |
| ASTRO E.Com Ltd                                 | 26 January 2006 |
| ASTRO Entertainment Networks Ltd                | 26 January 2006 |
| Digital Software Exports Ltd                    | 26 January 2006 |
| All Asia Television and Radio Company (BVI) Ltd | 26 January 2006 |
| MEASAT Broadcast Network Systems (BVI) Ltd      | 26 January 2006 |
| ASTRO Broadcast Corporation (BVI) Ltd           | 26 January 2006 |
| ASTRO Radio Broadcast (BVI) Ltd                 | 26 January 2006 |
| ASTRO Multimedia International (BVI) Ltd        | 26 January 2006 |
| East Asia Entertainment (BVI) Ltd               | 26 January 2006 |
| Philippine Animation N.V                        | 26 January 2006 |
| ASTRO Multimedia Corporation N.V.               | 26 January 2006 |
| ASTRO Multimedia N.V.                           | 26 January 2006 |

Following the convening of the adjourned final general meeting of ACNL on 1 March 2006, it was dissolved pursuant to Section 213 of the Companies Act, 1981 of Bermuda.

RAPS had on 5 January 2006 commenced a member’s voluntary winding-up. As at 20 June 2006, the winding-up of RAPS has not been completed.





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**18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)**

**(a) Status of corporate proposals announced (continued)**

**(2) Proposed participation in 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 participation would have resulted in the Group holding a 51% effective interest in PT Direct Vision ("PTDV"), with an initial commitment of USD15.3 million and shareholder loan facilities of USD35 million.

On 26 August 2005, Komisi Penyiaran Indonesia, the Indonesian broadcasting regulator, issued a Decree requiring all broadcasters to submit applications and supporting materials for the purpose of applying for a Broadcast License under the Broadcasting Law, which limits foreign equity participation to 20%, by 28 December 2005.

Accordingly, the Group and its joint-venture partner are taking the required steps to restructure the shareholding of the joint venture and procure the necessary licenses.

Having submitted applications to regulatory authorities in December 2005, PTDV has since received written confirmation from these authorities that it can continue to operate under its existing licenses and approvals while the application for a new Broadcasting License is processed, in line with all other existing operators.

On 28 February 2006, PTDV launched a nationwide service under the *Astro* brand, pursuant to a Trademark License Agreement it entered into with MEASAT Broadcast Network Systems Sdn Bhd, the proprietor of the *Astro* trademark.

As at 30 April 2006, the Group has incurred total costs of RM96.1 million which include capital and operational expenditure and other services provided to PTDV. Such amounts have been included in Receivables and Fixed Assets (RM26 million) pending the finalization of the various agreements.

As at 20 June 2006, the Conditions Precedent Date and Closing Date (as defined in the SSA) have been extended to 14 July 2006 and 31 July 2006 respectively.

Other than as disclosed above, there were no incomplete corporate proposals as at 20 June 2006.

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

As at 20 June 2006, all the proceeds raised during the Initial Public Offering (amounting to RM2,029.9 million) have been utilised except for RM19.0 million which was proposed for payment of equity in an associate, TVB Publishing Holding Limited.



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**19. GROUP BORROWINGS AND DEBT SECURITIES**

The amount of Group borrowings and debt securities as at 30 April 2006 are as follows:

|  | <b>Short<br/>Term</b> | <b>Long<br/>Term</b> | <b>Total</b> |
|--|-----------------------|----------------------|--------------|
|  | <b>RM'm</b>           | <b>RM'm</b>          | <b>RM'm</b>  |
| <u>Secured</u>                         |                       |                      |              |
| Bank loan <sup>1</sup> – USD0.5m       | 1.8                   | -                    | 1.8          |
| Finance lease liabilities <sup>2</sup> | 33.3                  | 17.9                 | 51.2         |
|  | <b>35.1</b>           | <b>17.9</b>          | <b>53.0</b>  |

Notes:

- (1) A standby letter of credit has been provided as security.
- (2) The finance lease liabilities are effectively secured as the rights of the leased asset revert to the lessor in the event of default.
- (3) The amount outstanding from the Bank Pembangunan dan Infrastruktur Malaysia Berhad (“BPI”) Facilities of RM300 million was repaid on 16 January 2006, in advance of its repayment schedule.

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; and
- (iii) Agreement for the supply of daughter smartcards and the Mediaguard system licence agreement, both with the Societe Europeene de Controle D’aces; and Mediahighway licence agreement with Canal+.

On 13 March 2006, the Group issued a notice to cancel the BPI Facilities with immediate effect.

- (4) The Company entered into a USD300 million Guaranteed Term and Revolving Facilities Agreement dated 18 October 2004 (“Facilities Agreement”) arranged by Citibank Malaysia (L) Limited and DBS Bank Limited. The facilities were 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 Company’s debts and to finance general corporate purposes and working capital of the Company and its subsidiaries. RAPS provided a guarantee on 31 May 2005. Following the commencement of RAPS’ member’s voluntary winding-up, Airtime Management and Programming Sdn Bhd (“AMP”) had on 7 March 2006 became an additional guarantor and RAPS subsequently resigned as a guarantor in accordance with the terms set out in the Facilities Agreement.

**20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no outstanding off balance sheet financial instruments as at 20 June 2006.

**21. CHANGES IN MATERIAL LITIGATION**

There were no material litigation matters dealt with during the period or pending as at 20 June 2006.



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**22. REVIEW OF PERFORMANCE**

**(A) Performance of the current quarter (First Quarter 2007) against the preceding quarter (Fourth Quarter 2006)**

For the quarter ended 30 April 2006, Group revenue decreased by RM9.4m to RM523.0m, while EBITDA increased by RM45.2m primarily benefiting from the reversal of accruals amounting to RM19.9m in relation to the cost of set-top boxes which have now been determined to be no longer required following the receipt of external confirmation. Net profit was RM90.5m with an increase of RM2.2m over the preceding quarter.

|   | All amounts in RM million unless otherwise stated |                                 |                                |                                 |
|---|---|---------------------------------|--------------------------------|---------------------------------|
|   | FINANCIAL HIGHLIGHTS                              |                                 | KEY OPERATING INDICATORS       |                                 |
|   | FIRST<br>QUARTER<br>30/04/2006                    | FOURTH<br>QUARTER<br>31/01/2006 | FIRST<br>QUARTER<br>30/04/2006 | FOURTH<br>QUARTER<br>31/01/2006 |
| <b><u>Consolidated Performance</u></b>                |   |                                 |                                |                                 |
| Total Revenue   | 523.0   | 532.4                           |                                |                                 |
| Subscriber Acquisition Costs (SAC) <sup>2</sup>       | 50.1  | 100.3                           |                                |                                 |
| EBITDA <sup>3</sup>                                   | 151.0   | 105.8                           |                                |                                 |
| EBITDA Margin (%)                                     | 28.9  | 19.9                            |                                |                                 |
| Net Profit  | 90.5  | 88.3                            |                                |                                 |
| Free Cash Flow <sup>4</sup>                           | 113.2   | 96.7                            |                                |                                 |
| Net Increase/(Decrease) in Cash                       | 103.9   | (210.6)                         |                                |                                 |
| Capital expenditure <sup>5</sup>                      | 29.5  | 59.4                            |                                |                                 |
| <b>(i) <u>Multi channel TV(MC-TV)</u><sup>1</sup></b> |   |                                 |                                |                                 |
| Subscription revenue                                  | 432.5   | 429.6                           |                                |                                 |
| Advertising revenue                                   | 28.1  | 32.2                            |                                |                                 |
| Other revenue   | 9.1   | 6.7                             |                                |                                 |
| Total revenue   | 469.7   | 468.5                           |                                |                                 |
| SAC <sup>2</sup>                                      | 50.1  | 100.3                           |                                |                                 |
| EBITDA <sup>3</sup>                                   | 154.7   | 110.9                           |                                |                                 |
| EBITDA Margin (%)                                     | 32.9  | 23.7                            |                                |                                 |
| Capital expenditure <sup>5</sup>                      | 27.1  | 55.8                            |                                |                                 |
| Total subscriptions-net additions ('000)              |   |                                 | 45                             | 26                              |
| Total subscriptions-end of period ('000)              |   |                                 | 1,986                          | 1,941                           |
| Residential subscribers-net additions ('000)          |   |                                 | 39                             | 22                              |
| Residential subscribers-end of period ('000)          |   |                                 | 1,823                          | 1,784                           |



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**22. REVIEW OF PERFORMANCE (Continued)**

**(A) Performance of the current quarter (First Quarter 2007) against the preceding quarter (Fourth Quarter 2006) (continued)**

All amounts in RM million unless otherwise stated

|  | FINANCIAL HIGHLIGHTS           |                                 | KEY OPERATING INDICATORS       |                                 |
|--|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
|  | FIRST<br>QUARTER<br>30/04/2006 | FOURTH<br>QUARTER<br>31/01/2006 | FIRST<br>QUARTER<br>30/04/2006 | FOURTH<br>QUARTER<br>31/01/2006 |
| <b>(i) Multi channel TV(MC-TV)<sup>1</sup> (continued)</b>                   |                                |                                 |                                |                                 |
| ARPU – residential subscriber (RM)   |                                |                                 | 79                             | 79                              |
| MAT Churn (%)  |                                |                                 | 13.9                           | 13.4                            |
| SAC per set-top box sold (RM) <sup>8</sup>                                   |                                |                                 | 664                            | 729                             |
| Content cost (RM per subscriber per mth)                                     |                                |                                 | 24                             | 25                              |
| <b>(ii) Radio<sup>1</sup></b>  |                                |                                 |                                |                                 |
| Revenue  | 33.2                           | 38.0                            |                                |                                 |
| EBITDA <sup>3</sup>  | 12.2                           | 21.5                            |                                |                                 |
| EBITDA Margin (%)  | 36.7                           | 56.6                            |                                |                                 |
| Listeners ('000) <sup>6</sup>  |                                |                                 | 11,300                         | 11,227                          |
| Share of radio adex (%) <sup>7</sup>   |                                |                                 | 84                             | 76                              |
| <b>(iii) Library Licensing and Distribution<sup>1</sup></b>                  |                                |                                 |                                |                                 |
| Revenue  | 16.1                           | 18.9                            |                                |                                 |
| EBITDA <sup>3</sup>  | (10.5)                         | (17.9)                          |                                |                                 |
| EBITDA Margin (%)  | n/m                            | n/m                             |                                |                                 |
| Titles released for distribution   |                                |                                 | 28                             | 36                              |
| <b>(iv) Others<sup>1</sup></b>   |                                |                                 |                                |                                 |
| Magazines – average monthly circulation<br>(including ASTRO TV Guide) ('000) |                                |                                 | 1,876                          | 1,811                           |
| 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, in the multi-channel subscription television service, including sales and marketing related expenses and subsidised set-top box equipment costs. Accruals amounting to RM19.9m in relation to the cost of set-top boxes were reversed in the current quarter as these accruals have now been determined to be no longer required following the receipt of external confirmation.
3. Earnings before interest, taxation, depreciation and amortisation (EBITDA) represents profit/(loss) before net finance costs, taxation, impairment and depreciation of property, plant and equipment, amortisation of intangible assets such as software (but excluding amortisation of film library and programme rights which are expensed as part of cost of sales) and share of post tax results from associates & overseas investments.
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, 2006 and Sweep 2, 2005 performed by NMR in April 2006 and October 2005 respectively.
7. Based on NMR Adex Report.
8. SAC per box sold for Fourth Quarter 2006 was stated after adjusting for certain accruals in relation to the cost of set-top boxes.



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**22. REVIEW OF PERFORMANCE (continued)**

**(A) Performance of the current quarter (First Quarter 2007) against the preceding quarter (Fourth Quarter 2006)  
(continued)**

**Consolidated Performance**

**Turnover**

For the current quarter under review, Group consolidated revenues decreased RM9.4m or 1.8% to RM523.0m from RM532.4m in the preceding quarter, reflecting the seasonal nature of the Group's businesses.

**EBITDA**

Group EBITDA improved to RM151.0m from RM105.8m in the preceding quarter, primarily benefiting from the reversal of accruals amounting to RM19.9m in relation to the cost of set-top boxes which have now been determined to be no longer required following the receipt of external confirmation.

**Cash Flow**

There was an increase in cash of RM103.9m compared to a decrease of RM210.6m in the preceding quarter. The increase was mainly due to the repayment of RM300m Bank Pembangunan dan Infrastruktur Malaysia Berhad Facilities and advances to an associate (RM24.2m) in the preceding quarter.

Free cash flow generated was RM113.2m compared to RM96.7m in the preceding quarter, mainly due to preceding quarter's advances to an associate.

**Capital Expenditure**

Group capital expenditure of RM29.5m was lower by RM29.9m over the preceding quarter due to lower capital expenditure on the proposed participation in multi-channel digital satellite pay television and multimedia business in Indonesia.



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**22. REVIEW OF PERFORMANCE (continued)**

**(A) Performance of the current quarter (First Quarter 2007) against the preceding quarter (Fourth Quarter 2006) (continued)**

**Consolidated Performance (continued)**

**Net Profit**

Group net profit improved marginally to RM90.5m.

**Multi channel TV**

MC-TV segment achieved total revenue of RM469.7m, which was RM1.2m or 0.3% higher than the preceding quarter. The increase was from higher subscription revenue and set-top box sales, partially offset by lower airtime sales.

Residential subscriber net additions of 38,500 increased by 16,800 or 77.4% from 21,700 in the preceding quarter mainly due to lower churn, as shown below:

| Residential subscriber ('000) | First Quarter<br>2007 | Fourth Quarter<br>2006 | Variance |
|-------------------------------|-----------------------|------------------------|----------|
| Gross additions               | 98.4                  | 99.5                   | (1.1)    |
| Churn                         | (59.9)                | (77.8)                 | 17.9     |
| Net additions                 | 38.5                  | 21.7                   | 16.8     |

Absolute churn in the current quarter has improved by 17,900 to 59,900 subscribers from 77,800 subscribers in the preceding quarter due to the disconnection of 46,900 delinquent accounts in the preceding quarter caused by auto collection logic faults in the Customer Relationship Management System.

Although MAT churn of 13.9% was higher than the preceding quarter's 13.4%, annualised churn for the current quarter of 13.3% has improved from 17.6% in the preceding quarter as we progress resolution of issues associated with our Customer Relationship Management ("CRM") system.

ARPU decreased from RM79.2 in the preceding quarter to RM78.7 in the current quarter due to changes in subscriber mix resulting in higher take-ups of lower-priced packages by new subscribers.

SAC per box sold was RM664 representing a reduction of RM65 from RM729 in the preceding quarter mainly due to the reduction in contract price.



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**22. REVIEW OF PERFORMANCE (continued)**

**(A) Performance of the current quarter (First Quarter 2007) against the preceding quarter (Fourth Quarter 2006) (continued)**

**Radio**

Radio's revenue of RM33.2m was RM4.8m or 12.6% lower than RM38.0m in the preceding quarter mainly due to seasonally lower radio advertising revenue.

**Library Licensing and Distribution**

Revenue of RM16.1m for Library Licensing and Distribution was RM2.8m or 14.8% lower than RM18.9m in the preceding quarter. The decrease was due to lower licensing income from the sale of program blocks partially offset by increased distribution licensing income derived from Shaw titles.

**(B) Performance of the current quarter (First Quarter 2007) against the corresponding quarter of the preceding financial year (First Quarter 2006)**

Group revenue for First Quarter 2007 grew by RM49.8m or 10.5% to RM523.0m compared to First Quarter 2006. EBITDA increased by RM59.4m or 64.8% to RM151.0m. The improvement was due to revenue growth and the reversal of accruals amounting to RM19.9m in relation to the cost of set-top boxes which have now been determined to be no longer required following the receipt of external confirmation. EBITDA margin was 28.9%, compared to 19.4% in First Quarter 2006.

Group's net profit of RM90.5m registered an increase of RM50.7m or 127.4% against First Quarter 2006's net profit of RM39.8m mainly due to better EBITDA result and lower net finance costs partially offset by higher share of post tax results from associates & overseas investments.



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(B) Performance of the current quarter (First Quarter 2007) against the corresponding quarter of the preceding financial year (First Quarter 2006) (continued)

|   | All amounts in RM million unless otherwise stated |                                |                                |                                |
|---|---|--------------------------------|--------------------------------|--------------------------------|
|   | FINANCIAL HIGHLIGHTS                              |                                | KEY OPERATING INDICATORS       |                                |
|   | FIRST<br>QUARTER<br>30/04/2006                    | FIRST<br>QUARTER<br>30/04/2005 | FIRST<br>QUARTER<br>30/04/2006 | FIRST<br>QUARTER<br>30/04/2005 |
| <b><u>Consolidated Performance</u></b>                |   |                                |                                |                                |
| Total Revenue   | 523.0   | 473.2                          |                                |                                |
| Subscriber Acquisition Costs (SAC) <sup>2</sup>       | 50.1  | 84.4                           |                                |                                |
| EBITDA <sup>3</sup>                                   | 151.0   | 91.6                           |                                |                                |
| EBITDA Margin (%)                                     | 28.9  | 19.4                           |                                |                                |
| Net Profit  | 90.5  | 39.8                           |                                |                                |
| Free Cash Flow <sup>4</sup>                           | 113.2   | 31.5                           |                                |                                |
| Net Increase in Cash                                  | 103.9   | 23.6                           |                                |                                |
| Capital expenditure <sup>5</sup>                      | 29.5  | 27.4                           |                                |                                |
| <b>(i) <u>Multi channel TV(MC-TV)</u><sup>1</sup></b> |   |                                |                                |                                |
| Subscription revenue                                  | 432.5   | 390.9                          |                                |                                |
| Advertising revenue                                   | 28.1  | 26.8                           |                                |                                |
| Other revenue   | 9.1   | 8.0                            |                                |                                |
| Total revenue   | 469.7   | 425.7                          |                                |                                |
| SAC <sup>2</sup>                                      | 50.1  | 84.4                           |                                |                                |
| EBITDA <sup>3</sup>                                   | 154.7   | 112.3                          |                                |                                |
| EBITDA Margin (%)                                     | 32.9  | 26.4                           |                                |                                |
| Capital expenditure <sup>5</sup>                      | 27.1  | 23.4                           |                                |                                |
| Total subscriptions-net additions ('000)              |   |                                | 45                             | 65                             |
| Total subscriptions-end of period ('000)              |   |                                | 1,986                          | 1,763                          |
| Residential subscribers-net additions ('000)          |   |                                | 39                             | 63                             |
| Residential subscribers-end of period ('000)          |   |                                | 1,823                          | 1,629                          |
| ARPU – residential subscriber (RM)                    |   |                                | 79                             | 80                             |
| MAT Churn (%)   |   |                                | 13.9                           | 8.5                            |
| SAC per set-top box sold (RM)                         |   |                                | 664                            | 734                            |
| Content cost (RM per subscriber per mth)              |   |                                | 24                             | 26                             |





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**22. REVIEW OF PERFORMANCE (continued)**

**(B) Performance of the current quarter (First Quarter 2007) against the corresponding quarter of the preceding financial year (First Quarter 2006) (continued)**

|  | All amounts in RM million unless otherwise stated |                                |                                |                                |
|--|---|--------------------------------|--------------------------------|--------------------------------|
|  | FINANCIAL HIGHLIGHTS                              |                                | KEY OPERATING INDICATORS       |                                |
|  | FIRST<br>QUARTER<br>30/04/2006                    | FIRST<br>QUARTER<br>30/04/2005 | FIRST<br>QUARTER<br>30/04/2006 | FIRST<br>QUARTER<br>30/04/2005 |
| <b>(ii) <u>Radio</u><sup>1</sup></b>   |   |                                |                                |                                |
| Revenue  | 33.2  | 30.0                           |                                |                                |
| EBITDA <sup>3</sup>  | 12.2  | 9.2                            |                                |                                |
| EBITDA Margin (%)  | 36.7  | 30.7                           |                                |                                |
| Listeners ('000) <sup>6</sup>  |   |                                | 11,300                         | 10,407                         |
| Share of radio adex (%) <sup>7</sup>   |   |                                | 84                             | 79                             |
| <b>(iii) <u>Library Licensing and Distribution</u><sup>1</sup></b>           |   |                                |                                |                                |
| Revenue  | 16.1  | 13.8                           |                                |                                |
| EBITDA <sup>3</sup>  | (10.5)  | (18.6)                         |                                |                                |
| EBITDA Margin (%)  | n/m   | n/m                            |                                |                                |
| Titles released for distribution   |   |                                | 28                             | 39                             |
| <b>(iv) <u>Others</u><sup>1</sup></b>  |   |                                |                                |                                |
| Magazines – average monthly circulation<br>(including ASTRO TV Guide) ('000) |   |                                | 1,876                          | 1,665                          |
| Malaysian film production – theatrical release                               |   |                                | -                              | -                              |

**Note:**

- Represents segment performance before inter-segment eliminations.
- Subscriber acquisition cost is the cost incurred in activating new subscribers for the period under review, in the multi-channel subscription television service, including sales and marketing related expenses and subsidised set-top box equipment costs. Accruals amounting to RM19.9m in relation to the cost of set-top boxes were reversed in the current quarter as these accruals have now been determined to be no longer required following the receipt of external confirmation.
- Earnings before interest, taxation, depreciation and amortisation (EBITDA) represents profit/(loss) before net finance costs, taxation, impairment and depreciation of property, plant and equipment, amortisation of intangible assets such as software (but excluding amortisation of film library and programme rights which are expensed as part of cost of sales) and share of post tax results from associates & overseas investments.
- Free cash flow represents the net cash flows arising from operating and investing activities of the Group.
- Capital expenditure represents expenditure on acquiring property, plant and equipment, including capitalised software costs.
- Based on the Radio Listenership Survey Sweep 1, 2006 and Sweep 1, 2005 performed by NMR in April 2006 and April 2005 respectively.
- Based on NMR Adex Report.



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**22. REVIEW OF PERFORMANCE (continued)**

**(B) Performance of the current quarter (First Quarter 2007) against the corresponding quarter of the preceding financial year (First Quarter 2006) (continued)**

**Consolidated Performance**

**Turnover**

The Group recorded consolidated revenues of RM523.0m which was RM49.8m or 10.5% higher than RM473.2m recorded in First Quarter 2006. The increase was mainly driven by higher subscription revenue from MC-TV segment, which rose RM41.6m or 10.6% due to an enlarged subscriber base. In addition, advertising revenue increased by RM4.2m primarily from MC-TV and Radio segments, while Library Licensing and Distribution segment's revenue improved by RM2.3m to RM16.1m.

**EBITDA**

Group EBITDA of RM151.0m increased by RM59.4m or 64.8% from RM91.6m in First Quarter 2006. The improvement was due to revenue growth and the reversal of accruals amounting to RM19.9m in relation to the cost of set-top boxes which have now been determined to be no longer required following the receipt of external confirmation.

**Cash Flow**

The increase in cash of RM103.9m compared to an increase of RM23.6m in First Quarter 2006 was mainly due to higher free cash generated in the current quarter of RM113.2m which improved by RM81.7m compared to RM31.5m in First Quarter 2006. The increase in free cash was driven by improved EBITDA and lower investing activity cashflow in the current quarter compared to First Quarter 2006 when Radio Lebuhraya Sdn Bhd ("RLSB") was acquired for RM30.0m.

**Capital Expenditure**

Group capital expenditure totalled RM29.5m was higher than First Quarter 2006 by RM2.1m.

**Net Profit**

Group net profit of RM90.5m improved by RM50.7m over net profit of RM39.8m in First Quarter 2006. The improvement was attributable to better EBITDA results and lower net finance costs partially offset by higher share of post tax results from associates & overseas investments.



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**22. REVIEW OF PERFORMANCE (continued)**

**(B) Performance of the current quarter (First Quarter 2007) against the corresponding quarter of the preceding financial year (First Quarter 2006) (continued)**

**Multi channel TV**

MC-TV segment's total revenue of RM469.7m was RM44.0m or 10.3% higher than First Quarter 2006. The increase was driven by higher subscription and advertising revenues as a result of continuing growth in the business.

Residential subscriber net additions were 38,500, which decreased by 24,500 or 38.9% compared to 63,000 in First Quarter 2006. The reduction was mainly caused by a more stringent disconnection policy effected since the end of Second Quarter 2006 which had reduced the disconnection tolerance from 70 days to 45 days for all new subscriber accounts below 6 months old.

MAT churn increased from 8.5% to 13.9% as the First Quarter 2006 was positively impacted by improved reconnections following the new smartcard swap exercise completed in September 2004.

ARPU of RM79 was lower than First Quarter 2006 ARPU of RM80 due to lower basic subscription ARPU from changes in subscriber mix resulting in higher take-ups of lower-priced packages by new subscribers, partially offset by higher ARPU from late charges and reconnection fees.

SAC per box sold was RM664 representing a reduction of RM70 from RM734 in First Quarter 2006 mainly due to the reduction in contract price.

**Radio**

Radio's revenue of RM33.2m was RM3.2m or 10.7% higher than RM30.0m for First Quarter 2006. This improvement was solely driven by the increase in airtime rates across all stations.

**Library Licensing and Distribution**

Library Licensing and Distribution generated revenue of RM16.1m which was RM2.3m or 16.7% higher than RM13.8m in First Quarter 2006. This was principally due to higher licensing revenue from the Movie Channel business in existing and new territories and increased licensing income from distribution of other content.



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**23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2007**

There is continuing demand for the Group's products and services which is benefiting from the World Cup and other event based programmes. However, there is evidence that the increase in energy costs and interest rates are beginning to dampen consumer demand in Malaysia, and in the region.

Additional satellite transponder capacity is not expected for at least another six months, therefore restricting our ability to introduce new premium and pay services. However, as we continue to increase our penetration into the mass urban market, ARPU will reduce in the medium term.

Although CRM-related issues will continue to impact our operating results for the rest of the financial year, we expect the effect of these issues to be significantly reduced.

Group earnings will continue to reflect start up losses and other costs related to our involvement in the Indonesian operations.

Taking into account the above and barring any unforeseen circumstances, the Board expects the overall operating performance to be satisfactory for the financial year ending 31 January 2007.

**24. PROFIT FORECAST**

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

**25. DIVIDENDS**

No dividend has been declared or recommended for the current quarter ended 30 April 2006.



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**26. EARNINGS PER SHARE**

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

|  |      | INDIVIDUAL QUARTER           |                              | CUMULATIVE QUARTER              |                                 |
|--|------|------------------------------|------------------------------|---------------------------------|---------------------------------|
|  |      | QUARTER<br>ENDED<br>30/04/06 | QUARTER<br>ENDED<br>30/04/05 | THREE MTHS<br>ENDED<br>30/04/06 | THREE MTHS<br>ENDED<br>30/04/05 |
| <b>(1) Basic earnings per share</b>                  |      |                              |                              |                                 |                                 |
| Profit attributable to equity holders of the Company | RM'm | <b>90.5</b>                  | 39.8                         | <b>90.5</b>                     | 39.8                            |
| Weighted average number of ordinary shares           | 'm   | <b>1,927.5</b>               | 1,922.7                      | <b>1,927.5</b>                  | 1,922.7                         |
| Basic earnings per share                             | sen  | <b>4.70</b>                  | 2.07                         | <b>4.70</b>                     | 2.07                            |
| <b>(2) Diluted earnings per share</b>                |      |                              |                              |                                 |                                 |
| Profit attributable to equity holders of the Company | RM'm | <b>90.5</b>                  | 39.8                         | <b>90.5</b>                     | 39.8                            |
| Weighted average number of ordinary shares           | 'm   | <b>1,927.5</b>               | 1,922.7                      | <b>1,927.5</b>                  | 1,922.7                         |
| Adjusted for share options granted                   | 'm   | <b>4.0</b>                   | 11.0                         | <b>4.0</b>                      | 11.0                            |
| Adjusted weighted average number of ordinary shares  | 'm   | <b>1,931.5</b>               | 1,933.7                      | <b>1,931.5</b>                  | 1,933.7                         |
| Diluted earnings per share*                          | sen  | <b>4.68</b>                  | 2.06                         | <b>4.68</b>                     | 2.06                            |

(\* ) The diluted earnings per share is calculated based on the dilutive effects of 58,303,700 options under the ESOS and MSIS.

By order of the Board

Lakshmi Nadarajah (LS No. 9057)  
Company Secretary

20 June 2006

Kuala Lumpur