



(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 THIRD QUARTER ENDED 31 OCTOBER 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 third quarter ended 31 October 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 |     | NINE MTHS ENDED    | NINE MTHS ENDED |     |
|  |      | 31/10/2006         | 31/10/2005    | +   | 31/10/2006         | 31/10/2005      | +   |
|  |      | RM'm               | RM'm          | %   | RM'm               | RM'm            | %   |
| Revenue  | 8    | 553.8              | 507.5         | +9  | 1,645.9            | 1,480.1         | +11 |
| Cost of sales (excluding set-top box subsidies)                                    |      | (276.7)            | (252.8)       |     | (801.7)            | (716.8)         |     |
| Gross profit (excluding set-top box subsidies)                                     |      | 277.1              | 254.7         |     | 844.2              | 763.3           |     |
| Set-top box subsidies  |      | (37.3)             | (68.5)        |     | (128.7)            | (209.5)         |     |
| Gross profit   |      | 239.8              | 186.2         | +29 | 715.5              | 553.8           | +29 |
| Other operating income   |      | 3.0                | 1.9           |     | 8.7                | 5.6             |     |
| Marketing and distribution costs   |      | (44.9)             | (46.5)        |     | (129.1)            | (129.3)         |     |
| Administrative expenses  |      | (77.9)             | (78.4)        |     | (240.3)            | (242.8)         |     |
| Profit from operations <sup>(1)</sup>  | 8    | 120.0              | 63.2          | +90 | 354.8              | 187.3           | +89 |
| Finance costs  |      | (7.1)              | (12.5)        |     | (25.0)             | (35.9)          |     |
| Finance income   |      | 10.7               | 6.1           |     | 36.8               | 21.4            |     |
| Share of post tax results from associates & overseas investments <sup>(2)(3)</sup> |      | (26.4)             | 2.5           |     | (54.3)             | 3.9             |     |
| Profit before taxation   |      | 97.2               | 59.3          | +64 | 312.3              | 176.7           | +77 |
| Taxation   | 15   | (31.4)             | (4.8)         |     | (87.0)             | (42.0)          |     |
| Profit for the period  |      | 65.8               | 54.5          | +21 | 225.3              | 134.7           | +67 |
| Attributable to:   |      |                    |               |     |                    |                 |     |
| Equity holders of the Company  |      | 68.0               | 56.5          | +20 | 231.5              | 140.3           | +65 |
| Minority interest  |      | (2.2)              | (2.0)         |     | (6.2)              | (5.6)           |     |
|  |      | 65.8               | 54.5          |     | 225.3              | 134.7           |     |



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)**

|                     | Note | INDIVIDUAL QUARTER       |                          | CUMULATIVE QUARTER         |                            |
|---------------------|------|--------------------------|--------------------------|----------------------------|----------------------------|
|                     |      | QUARTER ENDED 31/10/2006 | QUARTER ENDED 31/10/2005 | NINE MTHS ENDED 31/10/2006 | NINE MTHS ENDED 31/10/2005 |
| Earnings per share: | 26   | Sen                      | Sen                      | Sen                        | Sen                        |
| - Basic             |      | <b>3.53</b>              | 2.94                     | <b>12.01</b>               | 7.30                       |
| - Diluted*          |      | <b>3.52</b>              | 2.92                     | <b>11.98</b>               | 7.24                       |

(\* ) The diluted earnings per share is calculated based on the dilutive effects of 60,068,250 options under the 2003 Employee Share Option Scheme (“ESOS”) and 2003 Management Share Incentive Scheme (“MSIS”).

**Note**

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

|   | INDIVIDUAL QUARTER       |                          | CUMULATIVE QUARTER         |                            |
|---|--------------------------|--------------------------|----------------------------|----------------------------|
|   | QUARTER ENDED 31/10/2006 | QUARTER ENDED 31/10/2005 | NINE MTHS ENDED 31/10/2006 | NINE MTHS ENDED 31/10/2005 |
|   | RM'm                     | RM'm                     | RM'm                       | RM'm                       |
| Depreciation of property, plant and equipment     | <b>18.9</b>              | 14.1                     | <b>49.1</b>                | 44.3                       |
| Amortisation of film library and programme rights | <b>29.7</b>              | 46.6                     | <b>99.5</b>                | 116.2                      |
| Amortisation of other intangible assets           | <b>7.5</b>               | 5.9                      | <b>20.1</b>                | 14.9                       |
| Impairment of film library and programme rights   | -                        | -                        | <b>2.4</b>                 | -                          |

(2) Included in “share of post tax results from associates & overseas investments” is an amount of RM28.5m (nine months ended 31 October 2006 : RM56.6m) reflecting the current estimate of the Group’s share of start-up losses for the current quarter in PT Direct Vision (“PTDV”) under IAS 31 – ‘Interests in Joint Ventures’ on an equity accounting basis (See note 18 (a)(2)).

(3) In accordance with IAS 28 – ‘Investments in Associates’, the Group has not recognised losses amounting to RM60.4m arising in associates and joint ventures.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS  
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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET**

|  |      | AS AT<br>31/10/2006 | AS AT<br>31/01/2006 |
|--|------|---------------------|---------------------|
|  | Note | RM'm                | RM'm                |
| <b>NON-CURRENT ASSETS</b>              |      |                     |                     |
| Property, plant and equipment          | 9    | 324.7               | 288.4               |
| Associates                             |      | 178.2               | 166.1               |
| Jointly controlled entity              |      | 5.1                 | -                   |
| Deferred tax assets                    |      | 435.8               | 513.4               |
| Other financial assets                 |      | 34.4                | 23.8                |
| Film library and programme rights      |      | 290.7               | 273.2               |
| Other intangible assets <sup>(1)</sup> |      | 144.3               | 187.0               |
|  |      | <u>1,413.2</u>      | <u>1,451.9</u>      |
| <b>CURRENT ASSETS</b>                  |      |                     |                     |
| Inventories                            |      | 59.3                | 45.8                |
| Receivables and prepayments            |      | 533.8               | 481.8               |
| Other financial assets                 |      |                     |                     |
| - Derivative financial instruments     |      | 11.0                | 15.1                |
| Tax recoverable                        |      | 0.1                 | 8.5                 |
| Cash and cash equivalents              |      | 1,048.0             | 848.1               |
|  |      | <u>1,652.2</u>      | <u>1,399.3</u>      |
| <b>CURRENT LIABILITIES</b>             |      |                     |                     |
| Trade and other payables               |      | 915.1               | 741.9               |
| Other financial liabilities            |      |                     |                     |
| - Borrowings (interest bearing)        | 19   | 36.8                | 34.4                |
| Current tax liabilities                |      | 4.4                 | 1.3                 |
|  |      | <u>956.3</u>        | <u>777.6</u>        |
| <b>NET CURRENT ASSETS</b>              |      | <u>695.9</u>        | <u>621.7</u>        |
| <b>NON-CURRENT LIABILITIES</b>         |      |                     |                     |
| Payables                               |      | 187.4               | 248.3               |
| Deferred tax liabilities               |      | 12.5                | 12.1                |
| Other financial liabilities            |      |                     |                     |
| - Borrowings (interest bearing)        | 19   | -                   | 26.5                |
|  |      | <u>199.9</u>        | <u>286.9</u>        |
| <b>NET ASSETS</b>                      |      | <u>1,909.2</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>31/10/2006 | 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   | 1,196.1             | 1,195.4             |
| Share premium   | 14.1                | 11.0                |
| Merger reserve  | 518.4               | 518.4               |
| Exchange reserve  | (16.9)              | (5.8)               |
| Hedging reserve   | 11.0                | 15.4                |
| Other reserve   | 54.5                | 40.6                |
| Retained earnings/(accumulated losses)  | 123.5               | (2.8)               |
|   | <b>1,900.7</b>      | <b>1,772.2</b>      |
| <b>Minority interests</b>   | <b>8.5</b>          | <b>14.5</b>         |
| <b>Total equity</b>   | <b>1,909.2</b>      | <b>1,786.7</b>      |
| <b>NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS<br/>OF THE COMPANY (RM) <sup>(2)</sup></b> | <b>0.99</b>         | <b>0.92</b>         |

Notes:

- <sup>(1)</sup> Other intangible assets consist of software costs of RM92.9m (including broadcast facility at Cyberjaya of RM39.0m) (31/01/2006: RM118.5m), rights and licenses of RM38.6m (31/01/2006: RM47.4m), remastering costs of RM12.5m (31/01/2006: RM20.8m) and goodwill on consolidation of RM0.3m (31/01/2006: RM0.3m).
- <sup>(2)</sup> Net assets attributable to equity holders of the Company of RM1,900.7m (31/01/2006: RM1,772.2m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM1,784.5m (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

| Nine months ended 31/10/2006                   | Attributable to equity holders of the Company       |               |                   |                |                  |                 |               |                             |         |                    |              |
|--|---|---------------|-------------------|----------------|------------------|-----------------|---------------|-----------------------------|---------|--------------------|--------------|
|  | Issued and fully paid ordinary shares of £0.10 each |               | Non-distributable |                |                  |                 |               | Retained earnings/ (losses) | Total   | Minority interests | Total Equity |
|  | Number of shares                                    | Nominal value | Share premium     | Merger reserve | Exchange reserve | Hedging reserve | Other reserve |                             |         |                    |              |
| Million  | 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               | -   | -             | -                 | -              | (11.1)           | -               | -             | -                           | (11.1)  | -                  | (11.1)       |
| Cash flow hedge:                               |   |               |                   |                |                  |                 |               |                             |         |                    |              |
| - Fair value gain on hedging instrument        | -   | -             | -                 | -              | -                | 3.9             | -             | -                           | 3.9     | -                  | 3.9          |
| - Transferred to profit or loss for the period | -   | -             | -                 | -              | -                | (8.3)           | -             | -                           | (8.3)   | -                  | (8.3)        |
| Net income recognised directly in equity       | -   | -             | -                 | -              | (11.1)           | (4.4)           | -             | -                           | (15.5)  | -                  | (15.5)       |
| Profit for the period                          | -   | -             | -                 | -              | -                | -               | -             | 231.5                       | 231.5   | (6.2)              | 225.3        |
| Total recognised income                        | -   | -             | -                 | -              | (11.1)           | (4.4)           | -             | 231.5                       | 216.0   | (6.2)              | 209.8        |
| Share options:                                 |   |               |                   |                |                  |                 |               |                             |         |                    |              |
| - Proceeds from shares issued                  | 1.0   | 0.7           | 3.1               | -              | -                | -               | -             | -                           | 3.8     | -                  | 3.8          |
| - Value of employee services                   | -   | -             | -                 | -              | -                | -               | 14.7          | -                           | 14.7    | -                  | 14.7         |
| - Transfer upon exercise                       | -   | -             | -                 | -              | -                | -               | (0.8)         | 0.8                         | -       | -                  | -            |
| Dilution of equity interest in a subsidiary    | -   | -             | -                 | -              | -                | -               | -             | -                           | -       | 0.2                | 0.2          |
| Dividend                                       | -   | -             | -                 | -              | -                | -               | -             | (106.0)                     | (106.0) | -                  | (106.0)      |
|  | 1.0   | 0.7           | 3.1               | -              | -                | -               | 13.9          | (105.2)                     | (87.5)  | 0.2                | (87.3)       |
| As at 31 October 2006                          | 1,928.3   | 1,196.1       | 14.1              | 518.4          | (16.9)           | 11.0            | 54.5          | 123.5                       | 1,900.7 | 8.5                | 1,909.2      |

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

| Nine months ended 31/10/2005                | 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) |         |       |         |                    |              |
| 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            | -   | -             | -                 | -              | (1.7)            | -               | -             | -                          | (1.7)   | -     | (1.7)   |                    |              |
| Cash flow hedge:                            |   |               |                   |                |                  |                 |               |                            |         |       |         |                    |              |
| - Fair value gain on hedging instrument     | -   | -             | -                 | -              | -                | 17.7            | -             | -                          | 17.7    | -     | 17.7    |                    |              |
| Net income recognised directly in equity    | -   | -             | -                 | -              | (1.7)            | 17.7            | -             | -                          | 16.0    | -     | 16.0    |                    |              |
| Profit for the period                       | -   | -             | -                 | -              | -                | -               | -             | 140.3                      | 140.3   | (5.6) | 134.7   |                    |              |
| Total recognised income                     | -   | -             | -                 | -              | (1.7)            | 17.7            | -             | 140.3                      | 156.3   | (5.6) | 150.7   |                    |              |
| Share options:                              |   |               |                   |                |                  |                 |               |                            |         |       |         |                    |              |
| - Proceeds from shares issued               | 1.6   | 1.1           | 4.8               | -              | -                | -               | -             | -                          | 5.9     | -     | 5.9     |                    |              |
| - Value of employee services                | -   | -             | -                 | -              | -                | -               | 37.8          | -                          | 37.8    | -     | 37.8    |                    |              |
| - Transfer upon exercise                    | -   | -             | -                 | -              | -                | -               | (0.3)         | 0.3                        | -       | -     | -       |                    |              |
| Dilution of equity interest in a subsidiary | -   | -             | -                 | -              | -                | -               | -             | -                          | -       | 15.4  | 15.4    |                    |              |
| Acquisition of a subsidiary                 | -   | -             | -                 | -              | -                | -               | -             | -                          | -       | 6.3   | 6.3     |                    |              |
| Dividends                                   | -   | -             | -                 | -              | -                | -               | -             | (76.9)                     | (76.9)  | -     | (76.9)  |                    |              |
| Transfer of share premium upon cancellation | -   | -             | (2,122.6)         | -              | -                | -               | -             | 2,122.6                    | -       | -     | -       |                    |              |
|   | 1.6   | 1.1           | (2,117.8)         | -              | -                | -               | 37.5          | 2,046.0                    | (33.2)  | 21.7  | (11.5)  |                    |              |
| As at 31 October 2005                       | 1,924.0   | 1,193.3       | 1.1               | 518.4          | (2.8)            | 16.1            | 49.8          | (93.4)                     | 1,682.5 | 16.1  | 1,698.6 |                    |              |



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

|  | <b>CUMULATIVE QUARTER</b>                 |   |
|--|---|---|
|  | <b>NINE MTHS<br/>ENDED<br/>31/10/2006</b> | <b>NINE MTHS<br/>ENDED<br/>31/10/2005</b> |
|  | <b>RM'm</b>                               | <b>RM'm</b>                               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |   |   |
| Profit for the period  | 225.3                                     | 134.7                                     |
| Contra arrangements – revenue                                    | (1.1)                                     | (2.7)                                     |
| Value of employee services – share options                       | 14.7                                      | 37.8                                      |
| Interest income  | (25.1)                                    | (19.8)                                    |
| Interest expense   | 17.5                                      | 29.9                                      |
| Gain from interest rate swap contract                            | (11.5)                                    | -   |
| Unrealised foreign exchange gain                                 | (0.1)                                     | (1.4)                                     |
| Taxation   | 87.0                                      | 42.0                                      |
| Property, plant and equipment                                    |   |   |
| - Depreciation   | 49.1                                      | 44.3                                      |
| - Gain on disposal   | (0.3)                                     | (0.2)                                     |
| Film library and programme rights                                |   |   |
| - Amortisation   | 99.5                                      | 116.2                                     |
| - Impairment   | 2.4                                       | -   |
| Other intangible assets  |   |   |
| - Amortisation   | 20.1                                      | 14.9                                      |
| Dilution of interest in a subsidiary                             | (0.5)                                     | -   |
| Share of post tax results from associates & overseas investments | 54.3                                      | (3.9)                                     |
|  | <b>531.3</b>                              | <b>391.8</b>                              |
| Changes in working capital:                                      |   |   |
| Film library and programme rights                                | (129.1)                                   | (87.6)                                    |
| Inventories  | (13.5)                                    | (16.1)                                    |
| Receivables and prepayments                                      | (84.9)                                    | (56.1)                                    |
| Payables   | 128.7                                     | 78.3                                      |
| Cash generated from operations                                   | <b>432.5</b>                              | <b>310.3</b>                              |
| Income tax refunded/(paid)                                       | 2.3                                       | (5.1)                                     |
| Interest received  | 20.5                                      | 18.8                                      |
| Net cash flow from operating activities                          | <b>455.3</b>                              | <b>324.0</b>                              |



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

|   | <b>CUMULATIVE QUARTER</b>                 |   |
|---|---|---|
|   | <b>NINE MTHS<br/>ENDED<br/>31/10/2006</b> | <b>NINE MTHS<br/>ENDED<br/>31/10/2005</b> |
|   | <b>RM'm</b>                               | <b>RM'm</b>                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |   |   |
| Acquisition of a subsidiary, net of cash acquired               | -   | (26.3)                                    |
| Investment in an associate                                      | <b>(14.5)</b>                             | -   |
| Purchase of other financial assets                              | <b>(11.4)</b>                             | (24.2)                                    |
| Investment in a jointly controlled entity                       | <b>(5.1)</b>                              | -   |
| Proceeds from disposal of an associate                          | -   | 1.4                                       |
| Proceeds from shares issued to minority interests               | <b>0.8</b>                                | -   |
| Proceeds from disposal of property, plant and equipment         | <b>0.6</b>                                | 0.5                                       |
| Acquisition of intangible assets                                | <b>(18.5)</b>                             | (45.3)                                    |
| Purchase of property, plant and equipment                       | <b>(80.1)</b>                             | (26.8)                                    |
| Net cash flow from investing activities                         | <b>(128.2)</b>                            | (120.7)                                   |
| <i>Net cash flow from operating and investing activities*</i>   | <b>327.1</b>                              | 203.3                                     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |   |   |
| Dividends paid  | <b>(106.0)</b>                            | (76.9)                                    |
| Interest paid   | <b>(11.1)</b>                             | (18.8)                                    |
| Proceeds from borrowings  | -   | 8.0                                       |
| Gain from interest rate swap contract                           | <b>11.3</b>                               | -   |
| Issuance of shares pursuant to exercise of share options        | <b>3.8</b>                                | 5.9                                       |
| Repayment of finance lease liabilities                          | <b>(24.1)</b>                             | (21.9)                                    |
| Repayment of borrowings   | -   | (7.2)                                     |
| Net cash flow from financing activities                         | <b>(126.1)</b>                            | (110.9)                                   |
| Net effect of currency translation on cash and cash equivalents | <b>(1.1)</b>                              | (0.1)                                     |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                | <b>199.9</b>                              | 92.3                                      |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b> | <b>848.1</b>                              | 966.5                                     |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>       | <b>1,048.0</b>                            | 1,058.8                                   |

(\*) Represents free cash flow.





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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 customer 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 current financial year or in the prior financial year.



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**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>1.2</b>                            | <b>1.0</b>                | <b>3.8</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**

During the current quarter, the following dividends were paid:

|  |              |
|--|--------------|
| A final tax-exempt dividend of 3.5 sen per share in respect of financial year ended 31 January 2006, paid on 25 August 2006      | <b>67.5</b>  |
| An interim tax-exempt dividend of 2.0 sen per share in respect of financial year ending 31 January 2007, paid on 19 October 2006 | <b>38.5</b>  |
|  | <b>106.0</b> |

**8. SEGMENT RESULTS AND REPORTING**

The Group is organised in the following business segments:

- Malaysian Multi channel television – provides multi channel Direct-to-Home subscription television and related interactive television services in Malaysia.
- 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)

|  | INDIVIDUAL QUARTER     |                        | CUMULATIVE QUARTER       |                          |
|--|------------------------|------------------------|--------------------------|--------------------------|
|  | QUARTER ENDED 31/10/06 | QUARTER ENDED 31/10/05 | NINE MTHS ENDED 31/10/06 | NINE MTHS ENDED 31/10/05 |
|  | RM'm                   | RM'm                   | RM'm                     | RM'm                     |
| <b><u>Revenue</u></b>                                  |                        |                        |                          |                          |
| <u>Malaysian Multi channel television</u>              |                        |                        |                          |                          |
| External revenue                                       | 498.3                  | 448.7                  | 1,473.7                  | 1,317.5                  |
| Inter-segment revenue                                  | 0.1                    | 0.1                    | 0.2                      | 1.0                      |
| Multi channel television revenue                       | 498.4                  | 448.8                  | 1,473.9                  | 1,318.5                  |
| <u>Radio</u>   |                        |                        |                          |                          |
| External revenue                                       | 38.2                   | 38.2                   | 107.1                    | 102.9                    |
| Inter-segment revenue                                  | 0.9                    | 0.9                    | 2.6                      | 2.4                      |
| Radio revenue  | 39.1                   | 39.1                   | 109.7                    | 105.3                    |
| <u>Library licensing and distribution</u>              |                        |                        |                          |                          |
| External revenue                                       | 10.2                   | 8.9                    | 36.7                     | 33.6                     |
| Inter-segment revenue                                  | 5.6                    | 2.6                    | 12.4                     | 7.6                      |
| Library licensing and distribution revenue             | 15.8                   | 11.5                   | 49.1                     | 41.2                     |
| <u>Others</u>  |                        |                        |                          |                          |
| External revenue                                       | 7.1                    | 11.7                   | 28.4                     | 26.1                     |
| Inter-segment revenue                                  | 81.6                   | 64.9                   | 228.1                    | 186.3                    |
| Others revenue   | 88.7                   | 76.6                   | 256.5                    | 212.4                    |
| Total reportable segments                              | 642.0                  | 576.0                  | 1,889.2                  | 1,677.4                  |
| Eliminations   | (88.2)                 | (68.5)                 | (243.3)                  | (197.3)                  |
| Total group revenue                                    | 553.8                  | 507.5                  | 1,645.9                  | 1,480.1                  |
| <b><u>Profit/(loss) from operations by segment</u></b> |                        |                        |                          |                          |
| Malaysian Multi channel television                     | 127.8                  | 82.8                   | 387.2                    | 237.2                    |
| Radio  | 16.0                   | 13.2                   | 40.4                     | 33.9                     |
| Library licensing and distribution                     | (11.0)                 | (21.4)                 | (32.2)                   | (56.1)                   |
| Others/eliminations                                    | (12.8)                 | (11.4)                 | (40.6)                   | (27.7)                   |
| Profit from operations                                 | 120.0                  | 63.2                   | 354.8                    | 187.3                    |



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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 31 October 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 8 December 2006.

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

Acquisition of wholly-owned subsidiaries

- (1) Nusantara Radio Holdings Limited (“Nusantara Radio”)  
On 2 August 2006, All Asia Radio Technologies Limited acquired 1 share of HK\$1.00 each in Nusantara Radio, a private limited company incorporated in Hong Kong, for a cash consideration of HK\$1.00. The intended principal activity of Nusantara Radio is investment holding.
- (2) ASTRO Entertainment Sdn Bhd (“ASTRO Entertainment”)  
On 2 August 2006, ASTRO All Asia Entertainment Networks Limited acquired 2 shares of RM1.00 each in ASTRO Entertainment, a private limited company incorporated in Malaysia, for a cash consideration of RM2.00. The intended principal activities of ASTRO Entertainment are the creation, aggregation and distribution of content.
- (3) Nusantara Seni Karya Sdn Bhd (“Nusantara Seni Karya”)  
On 13 October 2006, ASTRO Productions Sdn Bhd acquired 2 shares of RM1.00 each in Nusantara Seni Karya, a private limited company incorporated in Malaysia, for a cash consideration of RM2.00. The intended principal activities of Nusantara Seni Karya are the production and distribution of specialised content.
- (4) Nusantara Films Sdn Bhd (“Nusantara Films”)  
On 13 October 2006, ASTRO Shaw Sdn Bhd acquired 2 shares of RM1.00 each in Nusantara Films, a private limited company incorporated in Malaysia, for a cash consideration of RM2.00. The intended principal activities of Nusantara Films are the production, acquisition, commissioning and distribution of films.
- (5) South Asia Entertainment Holdings Ltd (“SAEHL”)  
On 27 October 2006, ASTRO Overseas Limited acquired 1 share of USD1.00 each in SAEHL, a Global Business Category 1 private limited company incorporated in Mauritius, for a cash consideration of USD1.00. SAEHL is intended to be an investment holding company.
- (6) South Asia Multimedia Technologies Ltd (“SAMTL”)  
On 27 October 2006, All Asia Radio Technologies Limited acquired 1 share of USD1.00 each in SAMTL, a Global Business Category 1 private limited company incorporated in Mauritius, for a cash consideration of USD1.00. SAMTL is intended to be an investment holding company.



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**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

**(a) Contingent liabilities**

As at 31 October 2006, the Group has provided guarantees to third parties amounting to RM35.8m in respect of licence fees payable by third parties.

**(b) Contingent assets**

There were no significant contingent assets as at 31 October 2006.

**13. COMMITMENTS**

As at 31 October 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               | 28.5                  | 120.4                         | 148.9        |
| Investment in an associate        | 18.1                  | -                             | 18.1         |
| Film library and programme rights | 152.8                 | 40.9                          | 193.7        |
| Non-cancellable operating lease   | 22.2                  | -                             | 22.2         |
|                                   | <b>221.6</b>          | <b>161.3</b>                  | <b>382.9</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.

Maxis Communications Berhad is an associate of UTSB. 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  
SRG Asia Pacific Sdn Bhd  
MEASAT Satellite Systems Sdn Bhd  
Valuelabs

**Relationship**

Subsidiary of Maxis Communications Berhad  
Subsidiary of Maxis Communications Berhad  
Subsidiary of UTSB  
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/>NINE MTHS<br/>ENDED 31/10/06</b> | <b>AMOUNTS (*)<br/>DUE FROM/(TO)<br/>AS AT 31/10/06</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                                     | 8.2   | 5.4   |
| Maxis Broadband Sdn Bhd   | 2.1   | 1.7   |
| <b>(b) Purchases of goods and services</b>                            |   |   |
| Personnel, strategic and other consultancy and support services from: |   |   |
| UTSB Management Sdn Bhd   | 10.9  | (10.9)  |
| Valuelabs   | 5.9   | (0.9)   |
| Telecommunication services from:                                      |   |   |
| Maxis Broadband Sdn Bhd   | 5.9   | (2.6)   |
| Interaction call center services from:                                |   |   |
| SRG Asia Pacific Sdn Bhd  | 8.0   | (6.7)   |
| Expenses related to finance lease:                                    |   |   |
| MEASAT Satellite Systems Sdn Bhd                                      | 10.5  | (3.2)   |

(\*) Represents amounts outstanding on transactions entered into during the nine months ended 31 October 2006.



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

**15. TAXATION**

|              | <b>INDIVIDUAL QUARTER</b>     |                               | <b>CUMULATIVE QUARTER</b>       |                                 |
|--------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
|              | <b>QUARTER ENDED 31/10/06</b> | <b>QUARTER ENDED 31/10/05</b> | <b>NINE MTHS ENDED 31/10/06</b> | <b>NINE MTHS ENDED 31/10/05</b> |
|              | <b>RM'm</b>                   | <b>RM'm</b>                   | <b>RM'm</b>                     | <b>RM'm</b>                     |
| Current tax  | (2.1)                         | (1.6)                         | (9.1)                           | (5.8)                           |
| Deferred tax | (29.3)                        | (3.2)                         | (77.9)                          | (36.2)                          |
|              | <b>(31.4)</b>                 | <b>(4.8)</b>                  | <b>(87.0)</b>                   | <b>(42.0)</b>                   |

The Group's effective tax rates for the current quarter and nine months ended 31 October 2006 of 32.3% and 27.9% respectively are based on an estimate of the tax charge for the year and are higher than the Malaysian statutory tax rate mainly due to:-

- i) losses in foreign subsidiaries, associates & overseas investments and certain Malaysian subsidiaries which were not available for tax relief at Group level;
- ii) adjustment to deferred tax assets/liabilities due to the change in Malaysian statutory tax rate for 2007, from 28% to 27%;
- iii) non-deductibility of certain operating expenses for tax purposes; partially offset by,
- iv) the utilisation of unabsorbed Investment Tax Allowance ("ITA") in a subsidiary.

The full effect of the benefits of ITA is not recognised in the current quarter and nine months ended 31 October 2006 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 and year-to-date.

**17. QUOTED SECURITIES**

There were no quoted securities acquired or disposed during the quarter and year-to-date.

**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 Radio Advertising and Programming Systems Sdn Bhd ("RAPS") that is 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.



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

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

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

RAPS had on 5 January 2006 commenced a member's voluntary winding-up. As at 8 December 2006, the winding-up of RAPS has not been completed.

**(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 USD15.3m and shareholder loan facilities of USD35m.

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 of 8 December 2006, the parties are in the final stages of completing the restructured transactional documentation which will be in compliance with Indonesian broadcast regulations to replace the SSA which has been allowed to lapse on 31 July 2006.





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REQUIREMENT UNDER PART A of APPENDIX 9B**

**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 (continued)**

As at 31 October 2006, the Group has incurred costs of RM191.1m in respect of the business of PTDV, which include capital and operational expenditure and other services provided to PTDV. Such amounts have been included in Receivables and Fixed Assets pending the finalization of various agreements.

Having regard to the status of the corporate proposal and pending the completion of the final agreements, in accordance with IAS 31 – ‘Interests in Joint Ventures’, the Group has accounted for RM56.6m being its share of the start up losses of PTDV on an equity accounting basis up to the amount of the proposed long term investment as envisaged in the draft agreements. The exact financial impact of the investment and the related accounting will be determined after the agreements are finalised.

Other than as disclosed above, there were no incomplete corporate proposals as at 8 December 2006.

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

As at 8 December 2006, all the proceeds raised during the Initial Public Offering (amounting to RM2,029.9m) have been utilised except for RM19.0m which was proposed to be for payment for equity in an associate, TVB Publishing Holding Limited, which has not yet been called.



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REQUIREMENT UNDER PART A of APPENDIX 9B**

**19. GROUP BORROWINGS AND DEBT SECURITIES**

The amount of Group borrowings and debt securities as at 31 October 2006 are as follows:

|  | <u>Short<br/>Term</u><br>RM'm | <u>Long<br/>Term</u><br>RM'm | <u>Total</u><br>RM'm |
|--|-------------------------------|------------------------------|----------------------|
| <u>Secured</u>                         |                               |                              |                      |
| Bank loan <sup>1</sup> – USD0.5m       | 1.9                           | -                            | 1.9                  |
| Finance lease liabilities <sup>2</sup> | 34.9                          | -                            | 34.9                 |
|  | <u>36.8</u>                   | <u>-</u>                     | <u>36.8</u>          |

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) All the assets of MEASAT Broadcast Network Systems Sdn Bhd (“MBNS”) and MEASAT Digicast Sdn Bhd (“Digicast”), subsidiaries of ASTRO, were pledged as security under Bank Pembangunan Malaysia Berhad (“BPI”) Facilities (“the BPI Facilities”).

The rights, titles, interests and benefits of MBNS of the following were 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+.

Further to MBNS’ and Digicast’s release from all liabilities and obligations under the relevant facility agreement and security documents, the securities have been fully discharged as of 2 November 2006.

- (4) The Company has obtained a USD300m Guaranteed Term and Revolving Facilities on 18 October 2004 (“the USD Facilities”) arranged by Citibank Malaysia (L) Limited and DBS Bank Limited. The USD Facilities which comprise Tranche A (USD150m), Tranche B (USD75m) and Tranche C (USD75m), will be guaranteed by MBNS and Airtime Management and Programming Sdn Bhd (“AMP”) and used to reimburse debt settlement and/or to finance general corporate purposes and working capital of the Company and its subsidiaries. AMP and MBNS have on 7 March 2006 and 13 October 2006, respectively, provided guarantees in favour of the lenders under the USD Facilities.

**20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments as at 8 December 2006. The Group adopts IAS 39 – ‘Financial Instruments: Recognition and Measurement’ which requires all financial instruments to be recognised in the financial statements.

**21. CHANGES IN MATERIAL LITIGATION**

There were no material litigation matters dealt with during the period or pending as at 8 December 2006.



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**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 (Third Quarter 2007) against the preceding quarter (Second Quarter 2007)**

For the quarter ended 31 October 2006, Group revenue decreased to RM553.8m, while EBITDA increased to RM146.4m. Net profit decreased to RM68.0m.

|   | All amounts in RM million unless otherwise stated |                                 |                                |                                 |
|---|---|---------------------------------|--------------------------------|---------------------------------|
|   | FINANCIAL HIGHLIGHTS                              |                                 | KEY OPERATING INDICATORS       |                                 |
|   | THIRD<br>QUARTER<br>31/10/2006                    | SECOND<br>QUARTER<br>31/07/2006 | THIRD<br>QUARTER<br>31/10/2006 | SECOND<br>QUARTER<br>31/07/2006 |
| <b><u>Consolidated Performance</u></b>                          |   |                                 |                                |                                 |
| Total Revenue   | 553.8   | 569.1                           |                                |                                 |
| Customer Acquisition Costs (CAC) <sup>2</sup>                   | 61.2  | 85.3                            |                                |                                 |
| EBITDA <sup>3</sup>   | 146.4   | 126.6                           |                                |                                 |
| EBITDA Margin (%)   | 26.4  | 22.2                            |                                |                                 |
| Net Profit  | 68.0  | 73.0                            |                                |                                 |
| Free Cash Flow <sup>4</sup>                                     | 164.5   | 49.4                            |                                |                                 |
| Net Increase in Cash  | 46.0  | 50.0                            |                                |                                 |
| Capital expenditure <sup>5</sup>                                | 15.6  | 53.7                            |                                |                                 |
| <b>(i) <u>Malaysian Multi channel TV(MC-TV)</u><sup>1</sup></b> |   |                                 |                                |                                 |
| Subscription revenue  | 449.9   | 453.4                           |                                |                                 |
| Advertising revenue   | 37.1  | 43.5                            |                                |                                 |
| Other revenue   | 11.4  | 8.9                             |                                |                                 |
| Total revenue   | 498.4   | 505.8                           |                                |                                 |
| CAC <sup>2</sup>  | 61.2  | 85.3                            |                                |                                 |
| EBITDA <sup>3</sup>   | 148.9   | 132.6                           |                                |                                 |
| EBITDA Margin (%)   | 29.9  | 26.2                            |                                |                                 |
| Capital expenditure <sup>5</sup>                                | 9.5   | 29.2                            |                                |                                 |
| Total subscriptions-net additions ('000)                        |   |                                 | 62                             | 101                             |
| Total subscriptions-end of period ('000)                        |   |                                 | 2,149                          | 2,087                           |
| Residential customers-net additions ('000)                      |   |                                 | 56                             | 91                              |
| Residential customers-end of period ('000)                      |   |                                 | 1,970                          | 1,914                           |



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

**(A) Performance of the current quarter (Third Quarter 2007) against the preceding quarter (Second Quarter 2007)  
(continued)**

All amounts in RM million unless otherwise stated

|   | FINANCIAL HIGHLIGHTS           |                                 | KEY OPERATING INDICATORS       |                                 |
|---|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
|   | THIRD<br>QUARTER<br>31/10/2006 | SECOND<br>QUARTER<br>31/07/2006 | THIRD<br>QUARTER<br>31/10/2006 | SECOND<br>QUARTER<br>31/07/2006 |
| <b>(i) <u>Malaysian Multi channel TV(MC-TV)<sup>1</sup></u><br/>(continued)</b> |                                |                                 |                                |                                 |
| ARPU – residential customer (RM)  |                                |                                 | <b>78</b>                      | 79                              |
| MAT Churn (%)   |                                |                                 | <b>10.6</b>                    | 11.9                            |
| CAC per set-top box sold (RM)   |                                |                                 | <b>683</b>                     | 617                             |
| Content cost (RM per customer per mth)  |                                |                                 | <b>25</b>                      | 27                              |
| <b>(ii) <u>Radio<sup>1</sup></u></b>  |                                |                                 |                                |                                 |
| Revenue   | <b>39.1</b>                    | 37.4                            |                                |                                 |
| EBITDA <sup>3</sup>   | <b>18.0</b>                    | 17.1                            |                                |                                 |
| EBITDA Margin (%)   | <b>46.0</b>                    | 45.7                            |                                |                                 |
| Listeners ('000) <sup>6</sup>   |                                |                                 | <b>10,934</b>                  | 11,300                          |
| Share of radio adex (%) <sup>7</sup>  |                                |                                 | <b>83</b>                      | 81                              |
| <b>(iii) <u>Library Licensing and Distribution<sup>1</sup></u></b>              |                                |                                 |                                |                                 |
| Revenue   | <b>15.8</b>                    | 17.2                            |                                |                                 |
| EBITDA <sup>3</sup>   | <b>(10.6)</b>                  | (9.9)                           |                                |                                 |
| EBITDA Margin (%)   | <b>n/m</b>                     | n/m                             |                                |                                 |
| Titles released for distribution  |                                |                                 | <b>23</b>                      | 21                              |
| <b>(iv) <u>Others</u></b>   |                                |                                 |                                |                                 |
| Magazines – average monthly circulation<br>(including ASTRO TV Guide) ('000)    |                                |                                 | <b>2,018</b>                   | 1,949                           |
| Malaysian film production – theatrical release                                  |                                |                                 | <b>-</b>                       | 1                               |

**Note:**

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MCTV – RM0.1m [Q3FY07], RM0.1m [Q2FY07]; Radio – RM0.9m [Q3FY07], RM1.1m [Q2FY07]; Library Licensing – RM5.6m [Q3FY07], RM3.8m [Q2FY07]).
2. Customer acquisition cost for the period under review, is the cost incurred in activating new customers in the multi-channel subscription television service, including sales and marketing related expenses and subsidised set-top box equipment costs.
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 2, 2006 and Sweep 1, 2006 performed by NMR in September 2006 and April 2006 respectively.
7. Based on NMR Adex Report.



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

**(A) Performance of the current quarter (Third Quarter 2007) against the preceding quarter (Second Quarter 2007) (continued)**

**Consolidated Performance**

**Turnover**

For the current quarter under review, Group revenue decreased by RM15.3m or 2.7% to RM553.8m from RM569.1m in the preceding quarter, due to lower revenue from MC-TV and Library Licensing and Distribution, partially offset by higher advertising revenue from Radio. Revenue in MC-TV was lower primarily due to lower air time sales and an adjustment of RM10.0m in subscription revenue as we resolve issues associated with our Customer Relationship Management (“CRM”) system.

**EBITDA**

Group EBITDA increased to RM146.4m from RM126.6m in the preceding quarter, largely due to lower customer acquisition and content costs in MC-TV, partially offset by lower consolidated revenue.

**Cash Flow**

Free cash flow generated was RM164.5m compared to RM49.4m in the preceding quarter, as a result of higher operating cash flows and lower capital expenditure, partially offset by an increase in investing activities.

Net increase in cash of RM46.0m compared to an increase of RM50.0m in the preceding quarter was slightly lower, mainly due to dividends paid in the quarter offsetting higher free cash generated.

**Capital Expenditure**

Group capital expenditure was RM15.6m mainly from expenditure on the broadcast facility at Cyberjaya and other equipment.

**Net Profit**

Group net profit decreased to RM68.0m from RM73.0m, mainly due to higher share of post tax results from associates & overseas investments.



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

**(A) Performance of the current quarter (Third Quarter 2007) against the preceding quarter (Second Quarter 2007) (continued)**

**Malaysian Multi channel TV**

MC-TV achieved total revenue of RM498.4m, which was RM7.4m or 1.5% lower than the preceding quarter, primarily due to lower air time sales and an adjustment of RM10.0m in subscription revenue as we resolve issues associated with our Customer Relationship Management (“CRM”) system.

While end of period residential customers increased by 56,500 to 1,970,000, net additions were lower than the 91,200 in the previous quarter due to the unusually high take-up in that quarter from interest in the FIFA World Cup and Akademi Fantasia 4. Third quarter net additions were the result of targeted marketing focused on the Deepavali and Hari Raya festive celebrations and more stringent customer verification procedures that continue to have a positive impact on churn.

| Residential customer ('000) | Third Quarter<br>2007 | Second<br>Quarter 2007 | Variance |
|-----------------------------|-----------------------|------------------------|----------|
| Gross additions             | 82.7                  | 123.1                  | (40.4)   |
| Churn                       | (26.2)                | (31.9)                 | 5.7      |
| Net additions               | 56.5                  | 91.2                   | (34.7)   |

MAT churn improved to 10.6% from 11.9% in the preceding quarter.

ARPU was RM77.7 compared to RM78.6 in the preceding quarter resulting from lower subscription revenue.

CAC per box sold of RM683 increased by RM66 from RM617 in the preceding quarter mainly due to higher sales and marketing costs.

**Radio**

Radio revenue of RM39.1m was RM1.7m or 4.5% higher than RM37.4m in the preceding quarter mainly due to higher radio advertising revenue.

**Library Licensing and Distribution**

Revenue of RM15.8m for Library Licensing and Distribution was RM1.4m or 8.1% lower than RM17.2m in the preceding quarter. The decrease was due to lower revenue from Shaw titles and sale of program blocks, partially offset by higher channel licensing income.

**(B) Performance of the current nine months ended 31 October 2006 (YTD October 2006) against the corresponding nine months ended 31 October 2005 (YTD October 2005)**

Group revenue for YTD October 2006 increased to RM1,645.9m while EBITDA increased to RM424.0m. Group net profit also increased to RM231.5m.



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(B) Performance of the current nine months ended 31 October 2006 (YTD October 2006) against the corresponding nine months ended 31 October 2005 (YTD October 2005) (continued)

|   | All amounts in RM million unless otherwise stated |                                  |                                  |                                  |
|---|---|----------------------------------|----------------------------------|----------------------------------|
|   | FINANCIAL HIGHLIGHTS                              |                                  | KEY OPERATING INDICATORS         |                                  |
|   | NINE MTHS<br>ENDED<br>31/10/2006                  | NINE MTHS<br>ENDED<br>31/10/2005 | NINE MTHS<br>ENDED<br>31/10/2006 | NINE MTHS<br>ENDED<br>31/10/2005 |
| <b><u>Consolidated Performance</u></b>                          |   |                                  |                                  |                                  |
| Total Revenue   | 1,645.9   | 1,480.1                          |                                  |                                  |
| Customer Acquisition Costs (CAC) <sup>2</sup>                   | 196.6   | 284.0                            |                                  |                                  |
| EBITDA <sup>3</sup>   | 424.0   | 246.5                            |                                  |                                  |
| EBITDA Margin (%)   | 25.8  | 16.7                             |                                  |                                  |
| Net Profit  | 231.5   | 140.3                            |                                  |                                  |
| Free Cash Flow <sup>4</sup>                                     | 327.1   | 203.3                            |                                  |                                  |
| Net Increase in Cash  | 199.9   | 92.3                             |                                  |                                  |
| Capital expenditure <sup>5</sup>                                | 98.8  | 68.7                             |                                  |                                  |
| <b>(i) <u>Malaysian Multi channel TV(MC-TV)</u><sup>1</sup></b> |   |                                  |                                  |                                  |
| Subscription revenue  | 1,335.8   | 1,211.6                          |                                  |                                  |
| Advertising revenue   | 108.7   | 81.6                             |                                  |                                  |
| Other revenue   | 29.4  | 25.3                             |                                  |                                  |
| Total revenue   | <u>1,473.9</u>                                    | <u>1,318.5</u>                   |                                  |                                  |
| CAC <sup>2</sup>  | 196.6   | 284.0                            |                                  |                                  |
| EBITDA <sup>3</sup>   | 436.2   | 278.3                            |                                  |                                  |
| EBITDA Margin (%)   | 29.6  | 21.1                             |                                  |                                  |
| Capital expenditure <sup>5</sup>                                | 65.8  | 59.6                             |                                  |                                  |
| Total subscriptions-net additions ('000)                        |   |                                  | 208                              | 217                              |
| Total subscriptions-end of period ('000)                        |   |                                  | 2,149                            | 1,915                            |
| Residential customers-net additions ('000)                      |   |                                  | 186                              | 197                              |
| Residential customers-end of period ('000)                      |   |                                  | 1,970                            | 1,763                            |
| ARPU – residential customer (RM)                                |   |                                  | 78                               | 79                               |
| MAT Churn (%)   |   |                                  | 10.6                             | 10.6                             |
| CAC per set-top box sold (RM)                                   |   |                                  | 652                              | 755                              |
| Content cost (RM per customer per mth)                          |   |                                  | 25                               | 26                               |



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REQUIREMENT UNDER PART A of APPENDIX 9B**

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

**(B) Performance of the current nine months ended 31 October 2006 (YTD October 2006) against the corresponding nine months ended 31 October 2005 (YTD October 2005) (continued)**

|  | All amounts in RM million unless otherwise stated |                                  |                                  |                                  |
|--|---|----------------------------------|----------------------------------|----------------------------------|
|  | FINANCIAL HIGHLIGHTS                              |                                  | KEY OPERATING INDICATORS         |                                  |
|  | NINE MTHS<br>ENDED<br>31/10/2006                  | NINE MTHS<br>ENDED<br>31/10/2005 | NINE MTHS<br>ENDED<br>31/10/2006 | NINE MTHS<br>ENDED<br>31/10/2005 |
| <b>(ii) <u>Radio</u><sup>1</sup></b>   |   |                                  |                                  |                                  |
| Revenue  | 109.7   | 105.3                            |                                  |                                  |
| EBITDA <sup>3</sup>  | 47.3  | 39.0                             |                                  |                                  |
| EBITDA Margin (%)  | 43.1  | 37.0                             |                                  |                                  |
| Listeners ('000) <sup>6</sup>  |   |                                  | 10,934                           | 11,227                           |
| Share of radio adex (%) <sup>7</sup>   |   |                                  | 80                               | 80                               |
| <b>(iii) <u>Library Licensing and Distribution</u><sup>1</sup></b>           |   |                                  |                                  |                                  |
| Revenue  | 49.1  | 41.2                             |                                  |                                  |
| EBITDA <sup>3</sup>  | (31.0)  | (54.7)                           |                                  |                                  |
| EBITDA Margin (%)  | n/m   | n/m                              |                                  |                                  |
| Titles released for distribution   |   |                                  | 72                               | 92                               |
| <b>(iv) <u>Others</u></b>  |   |                                  |                                  |                                  |
| Magazines – average monthly circulation<br>(including ASTRO TV Guide) ('000) |   |                                  | 1,950                            | 1,744                            |
| Malaysian film production – theatrical release                               |   |                                  | 1                                | 1                                |

**Note:**

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MCTV – RM0.2m [YTD Oct 06], RM1.0m [YTD Oct 05]; Radio – RM2.6m [YTD Oct 06], RM2.4m [YTD Oct 05]; Library Licensing – RM12.4m [YTD Oct 06], RM7.6m [YTD Oct 05]).
2. Customer acquisition cost for the period under review is the cost incurred in activating new customers in the multi-channel subscription television service, including sales and marketing related expenses and subsidised set-top box equipment costs.
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 2, 2006 and Sweep 2, 2005 performed by NMR in September 2006 and October 2005 respectively.
7. Based on NMR Adex Report.





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

**(B) Performance of the current nine months ended 31 October 2006 (YTD October 2006) against the corresponding nine months ended 31 October 2005 (YTD October 2005) (continued)**

**Consolidated Performance**

**Turnover**

The Group recorded consolidated revenue of RM1,645.9m which was RM165.8m or 11.2% higher than RM1,480.1m recorded for YTD October 2005. The increase was mainly driven by higher subscription revenue from MC-TV, which rose RM124.2m or 10.3% primarily due to an enlarged customer base. Advertising revenue from MC-TV and Radio also increased by RM31.5m, while Library Licensing and Distribution revenue improved by RM7.9m to RM49.1m.

**EBITDA**

Group EBITDA of RM424.0m increased by RM177.5m or 72.0% from RM246.5m for YTD October 2005. The improvement was due to revenue growth and lower customer acquisition costs in MC-TV, partially offset by higher content costs in MC-TV and overheads.

**Cash Flow**

Free cash flow generated was RM327.1m compared to RM203.3m for YTD October 2005, mainly due to higher operating profits, partially offset by higher capital expenditure and other investing activities.

The net increase in cash of RM199.9m compared to an increase of RM92.3m for YTD October 2005 was mainly due to higher free cash generated.

**Capital Expenditure**

Group capital expenditure totalled RM98.8m mainly from capital expenditure incurred for PTDV, the broadcast facility at Cyberjaya and other equipment.

**Net Profit**

Group net profit of RM231.5m improved by RM91.2m over net profit of RM140.3m for YTD October 2005. The increase was attributable to improved EBITDA, higher finance income, lower finance costs, partially offset by higher tax expense and share of post tax results from associates & overseas investments.



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

**(B) Performance of the current nine months ended 31 October 2006 (YTD October 2006) against the corresponding nine months ended 31 October 2005 (YTD October 2005) (continued)**

**Malaysian Multi channel TV**

MC-TV total revenue of RM1,473.9m was RM155.4m or 11.8% higher than YTD October 2005. The increase was driven by higher subscription and advertising revenue as a result of continuing growth in the business.

Residential customer net additions were 186,200 which decreased by 10,500 or 5.3% compared to 196,700 for YTD October 2005.

MAT churn remains unchanged at 10.6%.

ARPU of RM77.9 was lower than YTD October 2005 ARPU of RM79.1 due to lower subscription revenue from changes in customer mix resulting in higher take-ups of lower-priced packages by new customers, offset by higher interactive services income.

CAC per box sold of RM652 decreased by RM103 from RM755 for YTD October 2005 mainly due to the reduction in set-top box contract price.

**Radio**

Radio's revenue of RM109.7m was RM4.4m or 4.2% higher than RM105.3m for YTD October 2005. This improvement was driven by higher radio advertising revenue.

**Library Licensing and Distribution**

Library Licensing and Distribution generated revenue of RM49.1m which was RM7.9m or 19.2% higher than RM41.2m for YTD October 2005. The increase was principally due to higher channel licensing revenue and other film content distribution revenue, partially offset by lower distribution licensing income from Shaw titles.



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

The planned launch of M3 next week will enable us to substantially expand our products and services, providing more choice and flexibility in catering to our customers viewing needs. These services are planned for launch in mid-2007.

To support the enhanced services, we expect to incur additional costs and capital expenditure as we secure programming, create new channels and refresh our infrastructure, including system enhancements to our Customer Relationship Management and Billing system. Whilst we are encouraged by the stability of the CRM that has been achieved on past issues, we have, in the upgrading process, encountered issues in the 4<sup>th</sup> Quarter which have somewhat impacted our service levels. We expect these issues may arise from time to time as we continue to enhance our systems and infrastructure in order to launch our expanded services. We have taken the necessary measures to mitigate the adverse impact of such occurrences, as and when they arise.

In Indonesia, we await formal authorisation of satellite landing rights in order to finalise the shareholder and related transactional documentation relating to our proposed investment in PT Direct Vision, which is expected to incur further start-up losses. However, we do not anticipate accounting for further losses beyond our proposed investment in the venture unless the transaction completes on substantially different terms than currently envisaged or there is otherwise a substantial change in the nature of the proposed venture.

Barring unforeseen circumstances and subject to the aforesaid, the Board of Directors expects the operating and financial performance for the financial year ending 31 January 2007 to be generally in line with expectations.

**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 31 October 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>31/10/06 | QUARTER<br>ENDED<br>31/10/05 | NINE MTHS<br>ENDED<br>31/10/06 | NINE MTHS<br>ENDED<br>31/10/05 |
| <b>(1) Basic earnings per share</b>                     |      |                              |                              |                                |                                |
| Profit attributable to equity holders<br>of the Company | RM'm | <b>68.0</b>                  | 56.5                         | <b>231.5</b>                   | 140.3                          |
| Weighted average number of<br>ordinary shares           | 'm   | <b>1,928.1</b>               | 1,923.6                      | <b>1,927.8</b>                 | 1,923.1                        |
| Basic earnings per share                                | sen  | <b>3.53</b>                  | 2.94                         | <b>12.01</b>                   | 7.30                           |
| <b>(2) Diluted earnings per share</b>                   |      |                              |                              |                                |                                |
| Profit attributable to equity holders<br>of the Company | RM'm | <b>68.0</b>                  | 56.5                         | <b>231.5</b>                   | 140.3                          |
| Weighted average number of<br>ordinary shares           | 'm   | <b>1,928.1</b>               | 1,923.6                      | <b>1,927.8</b>                 | 1,923.1                        |
| Adjusted for share options granted                      | 'm   | <b>5.2</b>                   | 12.1                         | <b>4.0</b>                     | 14.1                           |
| Adjusted weighted average<br>number of ordinary shares  | 'm   | <b>1,933.3</b>               | 1,935.7                      | <b>1,931.8</b>                 | 1,937.2                        |
| Diluted earnings per share*                             | sen  | <b>3.52</b>                  | 2.92                         | <b>11.98</b>                   | 7.24                           |

(\*) The diluted earnings per share is calculated based on the dilutive effects of 60,068,250 options under the ESOS and MSIS.

By order of the Board

Lakshmi Nadarajah (LS No. 9057)  
Company Secretary

8 December 2006

Kuala Lumpur