ASTRO ALL ASIA NETWORKS plc

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2007

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 2007 which should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 January 2007.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		QUARTER ENDED 30/04/2007	QUARTER ENDED 30/04/2006	+/-	**THREE MTHS ENDED 30/04/2007**	THREE MTHS ENDED 30/04/2006	+/-
		RM'm	RM'm	%	**RM'm**	RM'm	%
Revenue	8	**583.0**	523.0	+11	**583.0**	523.0	+11
Cost of sales (excluding set-top box subsidies)		**(290.3)**	(242.8)		**(290.3)**	(242.8)	
Gross profit (excluding set-top box subsidies)		**292.7**	280.2		**292.7**	280.2	
Set-top box subsidies		**(48.1)**	(30.8)		**(48.1)**	(30.8)	
Gross profit		**244.6**	249.4	-2	**244.6**	249.4	-2
Other operating income		**2.7**	2.6		**2.7**	2.6	
Marketing and distribution costs		**(56.3)**	(40.9)		**(56.3)**	(40.9)	
Administrative expenses		**(96.0)**	(81.3)		**(96.0)**	(81.3)	
Profit from operations [(1)]	8	**95.0**	129.8	-27	**95.0**	129.8	-27
Finance costs		**(21.8)**	(7.1)		**(21.8)**	(7.1)	
Finance income		**28.9**	9.8		**28.9**	9.8	
Share of post tax results from investments accounted for using the equity method [(2)]		**(40.3)**	(14.3)		**(40.3)**	(14.3)	
Profit before taxation		**61.8**	118.2	-48	**61.8**	118.2	-48
Taxation	15	**(31.6)**	(29.6)		**(31.6)**	(29.6)	
Profit for the period		**30.2**	88.6	-66	**30.2**	88.6	-66
Attributable to:							
Equity holders of the Company		**31.9**	90.5	-65	**31.9**	90.5	-65
Minority interests		**(1.7)**	(1.9)		**(1.7)**	(1.9)	
		30.2	88.6		**30.2**	88.6	

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FOR THE FIRST QUARTER ENDED 30 APRIL 2007

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/2007	QUARTER ENDED 30/04/2006	**THREE MTHS ENDED 30/04/2007**	THREE MTHS ENDED 30/04/2006
Earnings per share:	26	**Sen**	Sen	**Sen**	Sen
- Basic		**1.65**	4.70	**1.65**	4.70
- Diluted*		**1.64**	4.68	**1.64**	4.68

(*) The diluted earnings per share is calculated based on the dilutive effects of 83,119,690 options under the 2003 Employee Share Option Scheme ("ESOS") and 2003 Management Share Incentive Scheme ("MSIS").

Notes

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/2007	QUARTER ENDED 30/04/2006	**THREE MTHS ENDED 30/04/2007**	THREE MTHS ENDED 30/04/2006
	RM'm	RM'm	**RM'm**	RM'm
Depreciation of property, plant & equipment	**22.0**	14.6	**22.0**	14.6
Amortisation of film library & programme rights	**33.6**	30.4	**33.6**	30.4
Amortisation of other intangible assets	**7.6**	6.6	**7.6**	6.6
Impairment of film library & programme	**0.6**	-	**0.6**	-

(2) Included in "share of post tax results from investments accounted for using the equity method" is an amount of RM40.3m for the Group's estimated share of post tax losses for the quarter arising in PT Direct Vision ("PTDV") (See note 18 (a)(2)).

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 APRIL 2007

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**AS AT 30/04/2007 RM'm**	AS AT 31/01/2007 RM'm
NON-CURRENT ASSETS			
Property, plant and equipment	9	**626.0**	312.8
Investments accounted for using the equity method		**46.7**	39.6
Long term advances, receivables and commitments in equity accounted investments		**172.9**	162.9
Deferred tax assets		**366.3**	395.7
Film library and programme rights		**324.7**	322.2
Other intangible assets (1)		**130.7**	135.3
		1,667.3	1,368.5
CURRENT ASSETS			
Inventories		**36.4**	53.0
Receivables and prepayments		**538.2**	516.8
Other financial assets			
- Derivative financial instruments		**-**	12.0
Tax recoverable		**1.4**	0.4
Cash and cash equivalents		**1,111.0**	1,075.7
		1,687.0	1,657.9
CURRENT LIABILITIES			
Trade and other payables		**979.5**	932.1
Other financial liabilities			
- Derivative financial instruments		**0.4**	-
- Borrowings (interest bearing)	19	**26.3**	28.3
Current tax liabilities		**2.0**	1.6
		1,008.2	962.0
NET CURRENT ASSETS		**678.8**	695.9
NON-CURRENT LIABILITIES			
Payables		**191.7**	205.2
Deferred tax liabilities		**11.8**	11.8
Other financial liabilities			
- Borrowings (interest bearing)	19	**309.9**	-
		513.4	217.0
		1,832.7	1,847.4

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 APRIL 2007

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	Note	**AS AT 30/04/2007**	AS AT 31/01/2007
		RM'm	RM'm
CAPITAL AND RESERVES			
Attributable to equity holders of the Company :			
Share capital		**1,199.8**	1,199.2
Share premium		**30.5**	27.6
Merger reserve		**518.4**	518.4
Exchange reserve		**(35.7)**	(30.7)
Hedging reserve		**(0.4)**	12.0
Other reserve		**66.0**	58.8
Retained earnings		**50.2**	56.5
		1,828.8	1,841.8
Minority interests		**3.9**	5.6
Total equity		**1,832.7**	1,847.4
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM) [2]		**0.95**	0.95

Notes:

[1] Other intangible assets consist of software costs of RM103.3m (including broadcast facility at Cyberjaya of RM39.0m) (31/01/2007: RM105.7m), rights and licenses of RM27.1m (31/01/2007: RM29.3m) and goodwill on consolidation of RM0.3m (31/01/2007: RM0.3m).

[2] Net assets attributable to equity holders of the Company of RM1,828.8m (31/01/2007: RM1,841.8m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM1,882.2m (31/01/2007: RM1,834.1m).

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2007

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable								
Three months ended 30/04/2007	Number of shares	Nominal value	Share premium	Merger reserve	Exchange reserve	Hedging reserve	Other reserve	Retained earnings	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
As at 1 February 2007	1,932.7	1,199.2	27.6	518.4	(30.7)	12.0	58.8	56.5	1,841.8	5.6	1,847.4
Currency translation differences	-	-	-	-	(5.0)	-	-	-	(5.0)	-	(5.0)
Cash flow hedge:											
- Fair value loss on hedging instrument	-	-	-	-	-	(3.5)	-	-	(3.5)	-	(3.5)
- Transferred to profit or loss for the year	-	-	-	-	-	(8.9)	-	-	(8.9)	-	(8.9)
Net income recognised directly in equity	-	-	-	-	(5.0)	(12.4)	-	-	(17.4)	-	(17.4)
Profit for the period	-	-	-	-	-	-	-	31.9	31.9	(1.7)	30.2
Total recognised income	-	-	-	-	(5.0)	(12.4)	-	31.9	14.5	(1.7)	12.8
Share options:											
- Proceeds from shares issued	0.9	0.6	2.9	-	-	-	-	-	3.5	-	3.5
- Value of employee services	-	-	-	-	-	-	7.7	-	7.7	-	7.7
- Transfer upon exercise	-	-	-	-	-	-	(0.5)	0.5	-	-	-
Dividends	-	-	-	-	-	-	-	(38.7)	(38.7)	-	(38.7)
	0.9	0.6	2.9	-	-	-	7.2	(38.2)	(27.5)	-	(27.5)
As at 30 April 2007	1,933.6	1,199.8	30.5	518.4	(35.7)	(0.4)	66.0	50.2	1,828.8	3.9	1,832.7

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2007

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Attributable to equity holders of the Company										
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable								
Three months ended 30/04/2006	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
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)
Cash flow hedge:											
- 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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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 APRIL 2007

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	THREE MTHS ENDED 30/04/2007	THREE MTHS ENDED 30/04/2006
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**30.2**	88.6
Contra arrangements – revenue	**(0.5)**	(0.4)
Value of employee services – share options	**7.7**	6.5
Interest income	**(9.9)**	(7.1)
Interest expense	**10.8**	5.6
Gain from derivative financial instruments	**(8.9)**	-
Unrealised foreign exchange gain	**(6.4)**	(2.4)
Taxation	**31.6**	29.6
Property, plant and equipment		
- Depreciation	**22.0**	14.6
- Gain on disposal	**(0.1)**	-
Film library and programme rights		
- Amortisation	**33.6**	30.4
- Impairment	**0.6**	-
Other intangible assets		
- Amortisation	**7.6**	6.6
Share of post tax results from investments accounted for using the equity method	**40.3**	14.3
	158.6	186.3
Changes in working capital:		
Film library and programme rights	**(37.8)**	(33.6)
Inventories	**16.6**	2.0
Receivables and prepayments	**(33.4)**	(56.2)
Payables	**24.2**	39.5
Cash generated from operations	**128.2**	138.0
Income tax paid	**(2.7)**	(2.1)
Interest received	**9.0**	6.3
Net cash flow from operating activities	**134.5**	142.2

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	CUMULATIVE QUARTER	
	THREE MTHS ENDED 30/04/2007	THREE MTHS ENDED 30/04/2006
	RM'm	RM'm
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other investments	**-**	(0.2)
Investment in an associate	**(7.0)**	-
Investment in a jointly controlled entity	**(37.8)**	-
Proceeds from disposal of property, plant and equipment	**0.1**	-
Acquisition of software	**(3.2)**	(7.8)
Purchase of property, plant and equipment	**(8.5)**	(21.0)
Net cash flow from investing activities	**(56.4)**	(29.0)
Net cash flow from operating and investing activities*	***78.1***	*113.2*
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**(38.7)**	-
Interest paid	**(6.9)**	(1.4)
Proceeds from borrowings	**1.7**	-
Gain from interest rate swap contract	**8.9**	-
Issuance of shares pursuant to exercise of share options	**3.5**	1.3
Repayment of finance lease liabilities	**(8.6)**	(7.8)
Repayment of borrowings	**(1.9)**	-
Net cash flow from financing activities	**(42.0)**	(7.9)
Net effect of currency translation on cash and cash equivalents	**(0.8)**	(1.4)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**35.3**	103.9
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**1,075.7**	848.1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1,111.0**	952.0

(*) Represents free cash flow.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 APRIL 2007

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 2007.

The accounting policies used by the Group in the quarterly report comply with the principles of the International Financial Reporting Standards ("IFRSs") adopted by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") 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 2007.

The adoption of the following new IFRS and Amendment did not affect the Group's results or financial position for the quarter:

- IFRS 7 – Financial Instruments: Disclosures, and their related amendment to IAS 1 on capital disclosures

2. QUALIFICATION OF PRECEDING ANNUAL AUDITED STATUTORY FINANCIAL STATEMENTS

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

3. SEASONAL / CYCLICAL FACTORS

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

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QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 APRIL 2007

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

6. MOVEMENTS IN DEBT/EQUITY SECURITIES

	CURRENT QUARTER		CUMULATIVE QUARTER	
	Number of shares	Proceeds from the shares issue	Number of shares	Proceeds from the shares issue
	’m	RM’m	’m	RM’m
Issuance of new ordinary shares pursuant to the exercise of share options under the ESOS	**0.9**	**3.5**	**0.9**	**3.5**

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 dividend was paid:

	Total RM’m
A second tax exempt dividend of 2.0 sen per share in respect of financial year ended 31 January 2007, paid on 27 April 2007	**38.7**

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.

8. SEGMENT RESULTS AND REPORTING (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/07	QUARTER ENDED 30/04/06	**THREE MTHS ENDED 30/04/07**	THREE MTHS ENDED 30/04/06
	RM'm	RM'm	**RM'm**	RM'm
Revenue				
Malaysian multi channel television				
External revenue	**527.4**	469.7	**527.4**	469.7
Inter-segment revenue	**-**	-	**-**	-
Malaysian multi channel television revenue	**527.4**	469.7	**527.4**	469.7
Radio				
External revenue	**35.7**	32.6	**35.7**	32.6
Inter-segment revenue	**1.0**	0.6	**1.0**	0.6
Radio revenue	**36.7**	33.2	**36.7**	33.2
Library licensing and distribution				
External revenue	**10.0**	13.1	**10.0**	13.1
Inter-segment revenue	**6.0**	3.0	**6.0**	3.0
Library licensing and distribution revenue	**16.0**	16.1	**16.0**	16.1
Others				
External revenue	**9.9**	7.6	**9.9**	7.6
Inter-segment revenue	**107.2**	39.2	**107.2**	39.2
Others revenue	**117.1**	46.8	**117.1**	46.8
Total reportable segments	**697.2**	565.8	**697.2**	565.8
Eliminations	**(114.2)**	(42.8)	**(114.2)**	(42.8)
Total group revenue	**583.0**	523.0	**583.0**	523.0
Profit/(loss) from operations by segment				
Malaysian multi channel television	**108.0**	140.7	**108.0**	140.7
Radio	**11.3**	9.5	**11.3**	9.5
Library licensing and distribution	**(7.0)**	(10.9)	**(7.0)**	(10.9)
Others/eliminations	**(17.3)**	(9.5)	**(17.3)**	(9.5)
Profit from operations	**95.0**	129.8	**95.0**	129.8

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current quarter. As at 30 April 2007, 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 27 June 2007, except as disclosed in Note 18 (a)(3).

11. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Incorporation of a new subsidiary

ASTRO All Asia Entertainment Networks Limited, a wholly-owned subsidiary of ASTRO has on 8 March 2007 incorporated a company known as South Asia Creative Assets Ltd ("SACAL"). SACAL is a Global Business Category 1 private limited company incorporated in Mauritius, with a paid-up share capital of USD1 comprising 1 share at a par value of USD1. SACAL is intended to be an investment holding company.

(b) Movements in subsidiaries

On 19 April 2007, ASTRO announced an internal reorganisation plan which will involve the transfer of shares in three of its wholly-owned subsidiaries, as set out below ("Reorganisation"):

(i) The entire equity interests held by ASTRO in ASTRO Productions Sdn Bhd ("APSB") and Maestro Talent and Management Sdn Bhd ("Maestro") to ASTRO Entertainment Sdn Bhd ("AESB"); and
(ii) The entire equity interest held by APSB in Nusantara Seni Karya Sdn Bhd (formerly known as ASTRO Icon Sdn Bhd) ("NSK") to AESB.

APSB and Maestro are wholly-owned subsidiaries of ASTRO, while NSK is a wholly-owned subsidiary of APSB. AESB is wholly-owned by ASTRO All Asia Entertainment Networks Ltd, which is in turn wholly-owned by ASTRO Overseas Limited ("AOL"). AOL is a wholly-owned subsidiary of ASTRO.

The Reorganisation is part of ASTRO Group's internal restructuring plan, which is undertaken for the purpose of consolidating business activities related to television content under a single entity namely AESB, and to facilitate management direction and accountability in growing the Group's content business.

The Reorganisation was completed on 13 June 2007.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

As at 30 April 2007, the Group has provided guarantees to third parties amounting to RM27.8m (RM25.3m in respect of working capital facilities secured by associates and RM2.5m in respect of licence fees in subsidiaries).

(b) Contingent assets

There were no significant contingent assets as at 30 April 2007.

13. COMMITMENTS

As at 30 April 2007, the Group has the following commitments:

	Authorised and		
	Contracted for	**Not contracted for**	**Total**
	RM'm	**RM'm**	**RM'm**
Capital expenditure	**71.6**	**331.8**	**403.4**
Investment in an associate	**16.9**	**-**	**16.9**
Film library and programme rights	**176.6**	**76.9**	**253.5**
Non-cancellable operating lease	**22.9**	**-**	**22.9**
	288.0	**408.7**	**696.7**

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	**Relationship**
Kristal-Astro	Associate of the Company
Maxis Broadband Sdn Bhd	Subsidiary of Maxis Communications Berhad
Malaysian Mobile Services Sdn Bhd	Subsidiary of Maxis Communications Berhad
UTSB Management Sdn Bhd	Subsidiary of UTSB
SRG Asia Pacific Sdn Bhd	Subsidiary of UTSB
MEASAT Satellite Systems Sdn Bhd	Subsidiary of MAI Holdings Sdn Bhd
Yes TV	Yes TV is a substantial shareholder of two subsidiaries in the Group. Two of Yes TV's directors are also directors in these subsidiaries

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

	TRANSACTIONS FOR THE CUMULATIVE THREE MONTHS ENDED 30/04/07	**AMOUNTS DUE FROM AS AT 30/04/07**
	RM'm	**RM'm**
(a) Sales of goods and services		
Malaysian Mobile Services Sdn Bhd (Multimedia and interactive sales and other services)	**2.8**	**9.3**
Maxis Broadband Sdn Bhd (Multimedia and interactive sales and other services)	**0.8**	**1.7**
Kristal-Astro (Set-top box sales, sales of program rights, technical support and other services)	**1.1**	**1.2**

14. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	TRANSACTIONS FOR THE CUMULATIVE THREE MONTHS ENDED 30/04/07	AMOUNTS DUE TO AS AT 30/04/07
	RM'm	**RM'm**
(b) Purchases of goods and services		
UTSB Management Sdn Bhd (Personnel, strategic, consultancy and support services)	**3.6**	**3.0**
Yes TV (Personnel, strategic, consultancy and support services)	**1.6**	**-**
Maxis Broadband Sdn Bhd (Telecommunication services and other charges)	**3.0**	**2.6**
SRG Asia Pacific Sdn Bhd (Interaction call center services)	**5.4**	**6.5**
MEASAT Satellite Systems Sdn Bhd* ("MSS") (Expenses and payment related to finance lease, rental and other charges)	**14.2**	**1.9**

(*) During the quarter, the Group has capitalised finance lease liabilities from the lease of MEASAT-3 satellite transponders from MSS in accordance with 'IAS 17 – Leases' as disclosed in Note 19 (4).

15. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/04/07	QUARTER ENDED 30/04/06	**THREE MTHS ENDED 30/04/07**	THREE MTHS ENDED 30/04/06
	RM'm	RM'm	**RM'm**	RM'm
Current tax	**1.9**	3.7	**1.9**	3.7
Deferred tax	**29.7**	25.9	**29.7**	25.9
	31.6	29.6	**31.6**	29.6

The Group's effective tax rate for the period ended 30 April 2007 of 51.1% was 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; and
ii) non-deductibility of certain operating expenses for tax purposes.

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

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

17. QUOTED SECURITIES

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

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 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 to 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.

On 5 January 2006, RAPS commenced a member's voluntary winding-up. As at 27 June 2007, RAPS's liquidator has obtained clearances from all relevant statutory bodies and is arranging for the final winding-up meeting.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

(a) Status of corporate proposals announced (continued)

(2) 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 ("PTDV"), to provide multi-channel digital satellite pay television and multimedia services in Indonesia.

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 venture and to procure the necessary licenses.

PTDV has 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.

At 30 April 2007, the Group has invested a total of RM270.9m in the business of PTDV.

As of 27 June 2007, the parties are in continuing discussions to complete the restructuring of the venture to replace the SSA which has been allowed to lapse on 31 July 2006.

The Group has considered the facts and circumstances governing the operation of the business of PTDV and have determined that it is appropriate to record the investment as a joint venture.

In accordance with the Group's accounting policies, joint ventures are accounted for using the equity method. The total long term investment in PTDV as at 30 April 2007 amounted to RM205.7m.

The Group has recorded its estimated share of PTDV's post tax losses by reference to its interest in the PTDV joint venture, which includes an anticipated equity investment of 20% and other amounts to be contributed. The Group has recorded RM40.3m as its estimated share of post tax losses for the quarter ended 30 April 2007.

18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

(a) Status of corporate proposals announced (continued)

(3) Participation in multi-channel digital satellite pay television India

ASTRO has on 5 April 2007 agreed to participate in a proposed joint venture for the provision of Direct-to-Home digital satellite broadcast ("DTH") pay-television services in India, with Kalanithi Maran and Kavery Kalanithi, collectively referred to as the "Maran Group".

Under the proposed joint venture, South Asia Entertainment Holdings Limited, a wholly-owned subsidiary of the Group, will invest up to USD166m (approximately RM581m) by subscribing for new equity shares representing 20% of the enlarged capital of Sun Direct TV Private Limited ("Sun Direct TV"), a company incorporated in India with a licence to provide DTH pay-television services in India. The Maran Group will hold the remaining 80% interest in Sun Direct.

On 25 June 2007, ASTRO's shareholders approved ASTRO's equity participation of USD166m (approximately RM581m) in the proposed joint venture for the provision of DTH pay-television services in India.

In accordance with the Group's accounting policies, joint ventures are accounted for using the equity method. The Group expects to account for its share of Sun Direct TV's losses, including start-up and market entry costs, up to USD166m (approximately RM581m) in respect of its equity participation, over a period of 5 years.

Other than as disclosed above, there were no incomplete corporate proposals as at 27 June 2007.

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

As at 27 June 2007, 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 subscription of equity in an associate, TVB Publishing Holding Limited, which has not yet been called.

19. GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 30 April 2007 are as follows:

	Short Term	Long Term	Total
	RM'm	RM'm	RM'm
Secured			
Bank loan[(1)] – USD0.5m	1.7	-	1.7
Finance lease liabilities[(2)(4)]	24.6	309.9	334.5
	26.3	309.9	336.2

Notes:

(1) A standby letter of credit has been provided as security.

(2) The finance lease liabilities are effectively secured on the basis that the rights of the leased asset revert to the lessor in the event of default.

(3) 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), are guaranteed by MEASAT Broadcast Network Systems Sdn Bhd and Airtime Management and Programming Sdn Bhd and can be used to reimburse debt settlement and/or to finance general corporate purposes and working capital of the Company and its subsidiaries. Tranche A of the USD Facilities lapsed on 18 April 2007.

(4) Finance lease liabilities include the rental of transponders under MEASAT-3 satellite which was capitalised in accordance with 'IAS 17 – Leases' due to the non-cancellable lease term where ASTRO has a legally binding option to enter into a long term lease arrangement which is subject to shareholders' approval. Correspondingly, a finance lease asset has been recognised in 'Property, plant and equipment'.

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 27 June 2007. 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 27 June 2007.

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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 (First Quarter 2008) against the preceding quarter (Fourth Quarter 2007)

For the quarter ended 30 April 2007, Group revenue increased to RM583.0m, while EBITDA increased to RM124.6m. Net profit was RM31.9m with an increase of RM103.0m over the preceding quarter, primarily due to an improved EBITDA this quarter and the Group accounting for its operating losses of RM100.7m for PTDV in the preceding quarter.

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2007	FOURTH QUARTER 31/01/2007	**FIRST QUARTER 30/04/2007**	FOURTH QUARTER 31/01/2007
Consolidated Performance				
Total Revenue	**583.0**	578.4		
Customer Acquisition Costs (CAC)[2]	**73.8**	77.3		
EBITDA[3]	**124.6**	103.5		
EBITDA Margin (%)	**21.4**	17.9		
Net Profit/(Loss)	**31.9**	(71.1)		
Free Cash Flow[4]	**78.1**	26.8		
Net Increase in Cash	**35.3**	27.7		
Capital expenditure[5]	**11.8**	23.1		
(i) Malaysian Multi channel TV(MC-TV)[1]				
Subscription revenue	**482.5**	464.6		
Advertising revenue	**35.4**	32.5		
Other revenue	**9.5**	7.3		
Total revenue	**527.4**	504.4		
CAC[2]	**73.8**	77.3		
EBITDA[3]	**131.0**	116.3		
EBITDA Margin (%)	**24.8**	23.1		
Capital expenditure[5]	**6.4**	19.9		
Total subscriptions-net additions ('000)			**73**	52
Total subscriptions-end of period ('000)			**2,274**	2,201
Residential customers-net additions ('000)			**65**	46
Residential customers-end of period ('000)			**2,081**	2,016

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22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (First Quarter 2008) against the preceding quarter (Fourth Quarter 2007) (continued)

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2007	FOURTH QUARTER 31/01/2007	**FIRST QUARTER 30/04/2007**	FOURTH QUARTER 31/01/2007
(i) Malaysian Multi channel TV(MC-TV)[1] (continued)				
ARPU – residential customer (RM)			**77**	77
MAT Churn (%)			**7.8**	8.8
CAC per set-top box sold (RM)			**639**	710
Content cost (RM per customer per mth)			**27**	26
(ii) Radio[1]				
Revenue	**36.7**	41.3		
EBITDA[3]	**13.5**	19.7		
EBITDA Margin (%)	**36.8**	47.7		
Listeners ('000)[6]			**10,309**	10,934
Share of radio adex (%)[7]			**68**	70
(iii) Library Licensing and Distribution[1]				
Revenue	**16.0**	26.2		
EBITDA[3]	**(6.7)**	(7.2)		
EBITDA Margin (%)	n/m	n/m		
Titles released for distribution			**35**	14
(iv) Others				
Magazines – average monthly circulation (including ASTRO TV Guide) ('000)			**2,103**	2,035
Malaysian film production – theatrical release			**2**	1

Note :
1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – Nil [Q1FY08], RM0.8m [Q4 FY07] ; Radio – RM1.0m [Q1FY08], RM0.9m [Q4FY07]; Library Licensing and Distribution – RM6.0m [Q1FY08], RM6.2m [Q4FY07]).
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), impairment of investments and share of post tax results from investments accounted for using the equity method.
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, 2007 and Sweep 2, 2006 performed by NMR in April 2007 and September 2006 respectively.
7. Based on NMR Adex Report.

22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (First Quarter 2008) against the preceding quarter (Fourth Quarter 2007) (continued)

Consolidated Performance

Turnover

For the current quarter under review, Group revenue increased by RM4.6m to RM583.0m from RM578.4m in the preceding quarter. This was mainly driven by higher subscription revenue from MC-TV, partially offset by lower revenue from Radio and Library Licensing and Distribution segments.

EBITDA

Group EBITDA increased to RM124.6m from RM103.5m in the preceding quarter, mainly due to increased subscription revenue from MC-TV segment.

Cash Flow

Free cash flow generated was RM78.1m compared to RM26.8m in the preceding quarter, as a result of higher operating cash flows in MC-TV in this quarter and lower free cash generated in the preceding quarter due to prepayment of satellite transponder lease.

Net increase in cash of RM35.3m compared to an increase of RM27.7m in the preceding quarter was mainly due to higher free cash and partially offset by a second interim dividend payment during this quarter.

Capital Expenditure

Group capital expenditure for the current quarter was RM11.8m compared to preceding quarter of RM23.1m.

Net Profit/(Loss)

Group net profit was RM31.9m compared to a net loss of RM71.1m in the preceding quarter, mainly due to better EBITDA results, lower taxation and Group’s share of lower post tax results from investments. The net loss of RM71.1m in the preceding quarter was primarily due to the Group accounting for its estimated losses of RM100.7m for PTDV, a start up venture in Indonesia. The Group’s share of post tax results from PTDV in the quarter was RM40.3m.

22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (First Quarter 2008) against the preceding quarter (Fourth Quarter 2007) (continued)

Malaysian Multi channel TV

MC-TV achieved total revenue of RM527.4m, which was RM23.0m or 4.6% higher than the preceding quarter, primarily due to higher subscription revenue and air time sales.

Residential customers increased by 65,400 to 2,081,000, while net additions was higher by 19,500 compared to the previous quarter as a result of higher gross additions and lower churn.

Residential customer ('000)	First Quarter 2008	Fourth Quarter 2007	Variance
Gross additions	111.4	94.1	17.3
Churn	(46.0)	(48.2)	2.2
Net additions	65.4	45.9	19.5

Absolute churn in the current quarter has reduced by 2,200 customers to 46,000 customers from 48,200 customers in the preceding quarter, while MAT churn has improved to 7.8% from 8.8% in the last quarter.

ARPU was RM77, maintained at the same level with the preceding quarter.

CAC per box sold of RM639 represented a reduction of RM71 from RM710 in the preceding quarter mainly due to lower subsidies and lower marketing/sales costs per unit.

Radio

Radio revenue of RM36.7m was RM4.6m or 11.1% lower than RM41.3m in the preceding quarter mainly due to lower advertising revenue.

Library Licensing and Distribution

Revenue of RM16.0m for Library Licensing and Distribution was RM10.2m or 38.9% lower than RM26.2m in the preceding quarter. The shortfall in revenue was mainly due to lower licensing revenue from Shaw titles and lower income from TV programme distribution.

(B) Performance of the current quarter (First Quarter 2008) against the corresponding quarter of the preceding financial year (First Quarter 2007)

Group revenue for First Quarter 2008 grew by RM60.0m or 11.5% to RM583.0m from RM523.0m in First Quarter 2007. However, group EBITDA decreased by RM26.4m or 17.5% to RM124.6m. Net profit was down by RM58.6m from RM90.5m in First Quarter 2007 to RM31.9m in the current quarter, primarily due to share of higher post tax losses from PTDV.

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(B) Performance of the current quarter (First Quarter 2008) against the corresponding quarter of the preceding financial year (First Quarter 2007) (continued)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2007	FIRST QUARTER 30/04/2006	**FIRST QUARTER 30/04/2007**	FIRST QUARTER 30/04/2006
Consolidated Performance				
Total Revenue	**583.0**	523.0		
Customer Acquisition Costs (CAC)[2]	**73.8**	50.1		
EBITDA[3]	**124.6**	151.0		
EBITDA Margin (%)	**21.4**	28.9		
Net Profit	**31.9**	90.5		
Free Cash Flow[4]	**78.1**	113.2		
Net Increase in Cash	**35.3**	103.9		
Capital expenditure[5]	**11.8**	29.5		
(i) Malaysian Multi channel TV(MC-TV)[1]				
Subscription revenue	**482.5**	432.5		
Advertising revenue	**35.4**	28.1		
Other revenue	**9.5**	9.1		
Total revenue	**527.4**	469.7		
CAC[2]	**73.8**	50.1		
EBITDA[3]	**131.0**	154.7		
EBITDA Margin (%)	**24.8**	32.9		
Capital expenditure[5]	**6.4**	27.1		
Total subscriptions-net additions ('000)			**73**	45
Total subscriptions-end of period ('000)			**2,274**	1,986
Residential customers-net additions ('000)			**65**	39
Residential customers-end of period ('000)			**2,081**	1,823
ARPU – residential customer (RM)			**77**	79
MAT Churn (%)			**7.8**	13.9
CAC per set-top box sold (RM)			**639**	664
Content cost (RM per customer per mth)			**27**	24

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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2008) against the corresponding quarter of the preceding financial year (First Quarter 2007) (continued)

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	FIRST QUARTER 30/04/2007	FIRST QUARTER 30/04/2006	**FIRST QUARTER 30/04/2007**	FIRST QUARTER 30/04/2006
(ii) Radio[1]				
Revenue	**36.7**	33.2		
EBITDA[3]	**13.5**	12.2		
EBITDA Margin (%)	**36.8**	36.7		
Listeners ('000)[6]			**10,309**	11,300
Share of radio adex (%)[7]			**68**	84
(iii) Library Licensing and Distribution[1]				
Revenue	**16.0**	16.1		
EBITDA[3]	**(6.7)**	(10.5)		
EBITDA Margin (%)	**n/m**	n/m		
Titles released for distribution			**35**	28
(iv) Others				
Magazines – average monthly circulation (including ASTRO TV Guide) ('000)			**2,103**	1,876
Malaysian film production – theatrical release			**2**	-

Note :
1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – Nil [Q1FY08], Nil [Q1FY07]; Radio – RM1.0m [Q1FY08], RM0.6m [Q1FY07]; Library Licensing and Distribution – RM6.0m [Q1FY08], RM3.0m [Q1FY07]).
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. Accruals amounting to RM19.9m in relation to the cost of set-top boxes were reversed in the corresponding quarter last year as these accruals had 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), impairment of investments and share of post tax results from investments accounted for using the equity method.
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, 2007 and Sweep 1, 2006 performed by NMR in April 2007 and April 2006 respectively.
7. Based on NMR Adex Report.

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2008) against the corresponding quarter of the preceding financial year (First Quarter 2007) (continued)

<u>Consolidated Performance</u>

Turnover

The Group consolidated revenue of RM583.0m which was RM60.0m or 11.5% higher than RM523.0m in First Quarter 2007. The increase was mainly driven by higher subscription revenue from MC-TV, which rose RM50.0m or 11.6%, primarily due to an enlarged customer base. In addition, advertising revenue from MC-TV and Radio increased by RM7.3m and RM3.5m respectively.

EBITDA

Group EBITDA of RM124.6m decreased by RM26.4m or 17.5% from RM151.0m in First Quarter 2007 due to higher content costs as a result of new channels introduction, higher customer acquisition costs from customer growth, higher marketing costs due to increase in marketing activities and higher administrative expenses due to increase in staff related costs. This was partially set-off by the increase in subscription and advertising revenues. In addition, there was a reversal of RM19.9m accruals of cost of set top boxes in the corresponding quarter last year.

Cash Flow

Free cash flow generated was RM78.1m compared to RM113.2m in First Quarter 2007, mainly due to lower EBITDA in this quarter.

The net increase in cash of RM35.3m compared to an increase of RM103.9m for First Quarter 2007 was mainly due to lower free cash generated coupled with dividend payment to shareholders in the current quarter.

Capital Expenditure

Group capital expenditure totalled RM11.8m against First Quarter 2007 of RM29.5m.

Net Profit

Group net profit decreased to RM31.9m compared to corresponding quarter last year of RM90.5m. The decrease of RM58.6m was primarily due to share of higher post tax losses from PTDV.

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current quarter (First Quarter 2008) against the corresponding quarter of the preceding financial year (First Quarter 2007) (continued)

Malaysian Multi channel TV

MC-TV total revenue of RM527.4m was RM57.7m or 12.3% higher than First Quarter 2007. The increase was driven by higher subscription and advertising revenue as a result of continuing growth in the business.

Residential customer net additions were 65,400 which increased by 26,900 or 69.9% compared to 38,500 for First Quarter 2007.

MAT churn reduced to 7.8% during the current quarter as compared to 13.9% in First Quarter 2007. The higher MAT churn for corresponding quarter last year was due to the auto collection logic faults on our Customer Relationship Management (“CRM”) system.

ARPU of RM77 was lower than First Quarter 2007 ARPU of RM79 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 RM639 decreased by RM25 from RM664 in First Quarter 2007. The savings was due to lower subsidy partially offset by higher marketing/sales cost per unit.

Radio

Radio’s revenue of RM36.7m was RM3.5m or 10.5% higher than RM33.2m for First Quarter 2007. This improvement was driven by higher radio advertising revenue.

Library Licensing and Distribution

Library Licensing and Distribution generated revenue of RM16.0m which was marginally lower than RM16.1m for First Quarter 2007.

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

23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2008

The Malaysian TV operations experienced robust subscriber growth in the first quarter. Starting with the launch of eleven new channels since May 2007, service expansion will continue through the rest of the year as we introduce greater flexibility and customer choices through new products, enhanced channel line-ups and purchasing options for our customers. As previously advised, we expect to incur additional costs for new programming and channel development through the rest of the year, ahead of associated subscriber and revenue growth, and consequently, expect compression of EBITDA margin of circa 3-4% for the current financial year.

Beyond Malaysia, the business of PT Direct Vision continues to develop under existing licensing arrangements. The proposed investment in PT Direct Vision in Indonesia remains pending finalisation of the joint venture arrangements. The landing rights in Indonesia were granted for MEASAT 1, MEASAT 2 and MEASAT 3 satellites on 5 June 2007, and an application for a broadcast license that would provide PT Direct Vision with the necessary authority to operate under the new broadcast regulations was re-submitted on 11 June 2007. This process was required of all existing broadcasters. The trend in losses for PT Direct Vision is expected to continue for the rest of the financial year.

The proposed USD166m (approximately RM581m) investment for a 20% equity stake in Sun Direct TV was approved by shareholders at an Extraordinary General Meeting on 25 June 2007. The joint-venture, which is expected to commence direct-to-home digital satellite broadcast service in India in the latter part of 2007, will allow us to participate in the fast-growing but largely under-served digital pay-TV market in the vast Indian media and entertainment sectors. As this is a start-up venture, the business is expected to incur losses. In accordance with the Group's accounting policies, joint ventures are accounted for using the equity method. The Group expects to account for its share of Sun Direct TV's losses, including start-up and market entry costs, up to USD166m (approximately RM581m) in respect of its equity participation, over a period of 5 years.

The Indonesian and Indian ventures are expected to be earnings dilutive for the first five to six years of operations which is typical of similar start-ups, and indeed may result in an overall loss to the group depending on the timing of the launch of the Indian venture. However, these investments are anticipated to create long term shareholder value by diversifying and scaling our businesses. We expect these ventures to be funded through internally generated funds and borrowings, without impacting our ability to pay dividends.

Other than the foregoing, the Board of Directors is currently not aware of any other matters that might be expected to have a material impact on the expected operating performance, cash flows and financial position for the financial year ending 31 January 2008.

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 2007.

26. EARNINGS PER SHARE

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/04/07	QUARTER ENDED 30/04/06	**THREE MTHS ENDED 30/04/07**	THREE MTHS ENDED 30/04/06
(1) Basic earnings per share					
Profit attributable to equity holders of the Company	RM'm	**31.9**	90.5	**31.9**	90.5
Weighted average number of ordinary shares	'm	**1,933.1**	1,927.5	**1,933.1**	1,927.5
Basic earnings per share	sen	**1.65**	4.70	**1.65**	4.70
(2) Diluted earnings per share					
Profit attributable to equity holders of the Company	RM'm	**31.9**	90.5	**31.9**	90.5
Weighted average number of ordinary shares	'm	**1,933.1**	1,927.5	**1,933.1**	1,927.5
Adjusted for share options granted	'm	**11.5**	4.0	**11.5**	4.0
Adjusted weighted average number of ordinary shares	'm	**1,944.6**	1,931.5	**1,944.6**	1,931.5
Diluted earnings per share*	sen	**1.64**	4.68	**1.64**	4.68

(*) The diluted earnings per share is calculated based on the dilutive effects of 83,119,690 options under the ESOS and MSIS.

By order of the Board

Lakshmi Nadarajah (LS No. 9057)
Company Secretary

27 June 2007

Kuala Lumpur