**(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 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 third quarter ended 31 October 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 31/10/2007** | QUARTER ENDED 31/10/2006 | +/- | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 | +/- |
| | | **RM'm** | RM'm | % | **RM'm** | RM'm | % |
| Revenue | 8 | **679.5** | 553.8 | +23 | **1,891.7** | 1,645.9 | +15 |
| Cost of sales (excluding set-top box subsidies) | | **(345.6)** | (276.7) | | **(940.6)** | (801.7) | |
| Gross profit (excluding set-top box subsidies) | | **333.9** | 277.1 | | **951.1** | 844.2 | |
| Set-top box subsidies | | **(57.2)** | (37.3) | | **(150.8)** | (128.7) | |
| Gross profit | | **276.7** | 239.8 | +15 | **800.3** | 715.5 | +12 |
| Other operating income | | **3.9** | 3.0 | | **9.3** | 8.7 | |
| Marketing and distribution costs | | **(54.6)** | (44.9) | | **(172.1)** | (129.1) | |
| Administrative expenses | | **(96.5)** | (77.9) | | **(288.7)** | (240.3) | |
| Profit from operations (1) | | **129.5** | 120.0 | +8 | **348.8** | 354.8 | -2 |
| Costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia | | **(60.6)** | - | | **(60.6)** | - | |
| Write-off of assets and balances arising from the investment in PTDV (2) | | **-** | - | | **(92.4)** | - | |
| Profit from operations | 8 | **68.9** | 120.0 | -43 | **195.8** | 354.8 | -45 |
| Finance costs | | **(11.8)** | (7.1) | | **(45.5)** | (25.0) | |
| Finance income | | **25.0** | 10.7 | | **58.4** | 36.8 | |
| Share of post tax results from investments accounted for using the equity method (3) | | **(1.3)** | (26.4) | | **(89.5)** | (54.3) | |
| Profit before taxation | | **80.8** | 97.2 | -17 | **119.2** | 312.3 | -62 |
| Taxation | 15 | **(46.1)** | (31.4) | | **(112.0)** | (87.0) | |
| Profit for the period | | **34.7** | 65.8 | -47 | **7.2** | 225.3 | -97 |
| Attributable to: | | | | | | | |
| Equity holders of the Company | | **34.1** | 68.0 | -50 | **11.8** | 231.5 | -95 |
| Minority interests | | **0.6** | (2.2) | | **(4.6)** | (6.2) | |
| | | **34.7** | 65.8 | | **7.2** | 225.3 | |

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

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | | **QUARTER ENDED 31/10/2007** | QUARTER ENDED 31/10/2006 | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 |
| Earnings per share: | 26 | **Sen** | Sen | **Sen** | Sen |
| - Basic | | **1.76** | 3.53 | **0.61** | 12.01 |
| - Diluted* | | ** | 3.52 | **0.60** | 11.98 |

(*) The diluted earnings per share is calculated based on the dilutive effects of 78,749,927 options under the 2003 Employee Share Option Scheme ("ESOS") and 2003 Management Share Incentive Scheme ("MSIS").

(**) Not applicable for the quarter ended 31 October 2007 as the options under the ESOS and MSIS were anti-dilutive when the exercise prices of the options exceed the average market price of ordinary shares during the quarter.

**Notes**

(1) The profit from operations before costs to provide services to PT Direct Vision ("PTDV") and expenses incurred in developing a Direct-To-Home ("DTH") business proposal in Indonesia/write-offs arising from the investment in PTDV has been arrived at after charging:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/10/2007** | QUARTER ENDED 31/10/2006 | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| Depreciation of property, plant & equipment | **25.8** | 18.9 | **70.6** | 49.1 |
| Amortisation of film library & programme rights | **54.7** | 29.7 | **129.1** | 99.5 |
| Amortisation of other intangible assets | **8.3** | 7.5 | **24.0** | 20.1 |
| Impairment of film library & programme rights | **-** | - | **4.7** | 2.4 |

(2) Reclassified from Cost of sales (RM68.9m) and Administrative expenses (RM23.5m) to reflect the change in circumstances disclosed in Note 18 (a)(2).

(3) Included in the nine months ended 31 October 2007 "share of post tax results from investments accounted for using the equity method" is an amount of RM83.6m (current quarter: nil) for the Group's estimated share of post tax losses arising in PTDV (See Note 18 (a)(2)).

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## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

| | Note | AS AT 31/10/2007 RM'm | AS AT 31/01/2007 RM'm |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 9 | **739.7** | 312.8 |
| Investments accounted for using the equity method | | **52.4** | 39.6 |
| Long term advances, receivables and commitments in equity accounted investments | | **27.1** | 162.9 |
| Deferred tax assets | | **292.0** | 395.7 |
| Film library and programme rights | | **323.2** | 322.2 |
| Other intangible assets [(1)] | | **130.4** | 135.3 |
| Other financial assets (other investments) | | **3.0** | - |
| | | **1,567.8** | 1,368.5 |
| **CURRENT ASSETS** | | | |
| Inventories | | **41.2** | 53.0 |
| Receivables and prepayments | | **460.9** | 516.8 |
| Other financial assets | | | |
| - Derivative financial instruments | | **-** | 12.0 |
| Tax recoverable | | **0.7** | 0.4 |
| Cash and cash equivalents | | **1,068.4** | 1,075.7 |
| | | **1,571.2** | 1,657.9 |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | | **847.4** | 932.1 |
| Other financial liabilities | | | |
| - Derivative financial instruments | | **0.2** | - |
| - Borrowings (interest bearing) | 19 | **25.6** | 28.3 |
| Current tax liabilities | | **6.1** | 1.6 |
| | | **879.3** | 962.0 |
| **NET CURRENT ASSETS** | | **691.9** | 695.9 |
| **NON-CURRENT LIABILITIES** | | | |
| Payables | | **173.1** | 205.2 |
| Deferred tax liabilities | | **11.2** | 11.8 |
| Other financial liabilities | | | |
| - Borrowings (interest bearing) | 19 | **357.2** | - |
| | | **541.5** | 217.0 |
| | | **1,718.2** | 1,847.4 |

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)**

| | Note | **AS AT 31/10/2007** | AS AT 31/01/2007 |
|---|---|---|---|
| | | **RM'm** | RM'm |
| **CAPITAL AND RESERVES** | | | |
| **Attributable to equity holders of the Company :** | | | |
| Share capital | | **1200.0** | 1,199.2 |
| Share premium | | **31.6** | 27.6 |
| Merger reserve | | **518.4** | 518.4 |
| Exchange reserve | | **(42.6)** | (30.7) |
| Hedging reserve | | **(0.2)** | 12.0 |
| Other reserve | | **74.7** | 58.8 |
| Retained earnings/(accumulated losses) | | **(66.1)** | 56.5 |
| | | **1,715.8** | 1,841.8 |
| **Minority interests** | | **2.4** | 5.6 |
| **Total equity** | | **1,718.2** | 1,847.4 |
| **NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)** [(2)] | | **0.89** | 0.95 |

Notes:

[(1)] Other intangible assets consist of software costs of RM107.2m (including broadcast facility at Cyberjaya of RM36.1m) (31/01/2007: RM105.7m), rights and licenses of RM22.9m (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 RM1,715.8m (31/01/2007: RM1,841.8m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM1,984.9m (31/01/2007: RM1,834.1m).

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## 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 | | | | | | | | |
| Nine months ended 31/10/2007 | 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 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 | - | - | - | - | (11.9) | - | - | - | (11.9) | - | (11.9) |
| Cash flow hedge: - Fair value loss on hedging instrument | - | - | - | - | - | (3.3) | - | - | (3.3) | - | (3.3) |
| - Transferred to profit or loss for the period | - | - | - | - | - | (8.9) | - | - | (8.9) | - | (8.9) |
| Net losses recognised directly in equity | - | - | - | - | (11.9) | (12.2) | - | - | (24.1) | - | (24.1) |
| Profit for the period | - | - | - | - | - | - | - | 11.8 | 11.8 | (4.6) | 7.2 |
| Total recognised losses | - | - | - | - | (11.9) | (12.2) | - | 11.8 | (12.3) | (4.6) | (16.9) |
| Share options: - Proceeds from shares issued | 1.3 | 0.8 | 4.0 | - | - | - | - | - | 4.8 | - | 4.8 |
| - Value of employee services | - | - | - | - | - | - | 16.9 | - | 16.9 | - | 16.9 |
| - Transfer upon exercise | - | - | - | - | - | - | (1.0) | 1.0 | - | - | - |
| Dilution of equity interest in a subsidiary | - | - | - | - | - | - | - | - | - | 1.4 | 1.4 |
| Dividends | - | - | - | - | - | - | - | (135.4) | (135.4) | - | (135.4) |
| | 1.3 | 0.8 | 4.0 | - | - | - | 15.9 | (134.4) | (113.7) | 1.4 | (112.3) |
| As at 31 October 2007 | 1,934.0 | 1,200.0 | 31.6 | 518.4 | (42.6) | (0.2) | 74.7 | (66.1) | 1,715.8 | 2.4 | 1,718.2 |

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## 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 | | | | | | | | |
| Nine months ended 31/10/2006 | 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 | - | - | - | - | (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 losses 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 |
| Dividends | - | - | - | - | - | - | - | (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 CASH FLOW STATEMENT

| | CUMULATIVE QUARTER | |
|---|---|---|
| | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 |
| | **RM'm** | RM'm |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit for the period | **7.2** | 225.3 |
| Contra arrangements – revenue | **(1.7)** | (1.1) |
| Value of employee services – share options | **16.9** | 14.7 |
| Interest income | **(30.3)** | (25.1) |
| Interest expense | **31.9** | 17.5 |
| Gain from derivative financial instruments | **(9.7)** | (11.5) |
| Unrealised foreign exchange loss/(gain) | **(9.2)** | (0.1) |
| Taxation | **112.0** | 87.0 |
| Property, plant and equipment | | |
| - Depreciation | **70.6** | 49.1 |
| - Gain on disposal | **(0.8)** | (0.3) |
| Film library and programme rights | | |
| - Amortisation | **129.1** | 99.5 |
| - Impairment | **4.7** | 2.4 |
| Other intangible assets | | |
| - Amortisation | **24.0** | 20.1 |
| Dilution of interest in a subsidiary | **(0.3)** | (0.5) |
| Write-off of assets and balances arising from the investment in PTDV | **92.4** | - |
| Share of post tax results from investments accounted for using the equity method | **89.5** | 54.3 |
| | **526.3** | 531.3 |
| Changes in working capital: | | |
| Film library and programme rights | **(185.1)** | (129.1) |
| Inventories | **11.8** | (13.5) |
| Receivables and prepayments | **(76.2)** | (84.9) |
| Payables | **77.6** | 128.7 |
| Cash generated from operations | **354.4** | 432.5 |
| Income tax (paid)/refunded | **(4.4)** | 2.3 |
| Interest received | **28.6** | 20.5 |
| Net cash flow from operating activities | **378.6** | 455.3 |

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## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

| | CUMULATIVE QUARTER | |
|---|---|---|
| | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 |
| | **RM'm** | RM'm |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of other investments | **(3.0)** | (11.4) |
| Investment in an associate | **(7.0)** | (14.5) |
| Investment in jointly controlled entities | **(86.5)** | (5.1) |
| Repayment of advance from associate | **2.1** | - |
| Proceeds from disposal of associates | **0.5** | - |
| Proceeds from shares issued to minority interests | **1.3** | 0.8 |
| Proceeds from disposal of property, plant and equipment | **1.0** | 0.6 |
| Acquisition of software | **(19.7)** | (18.5) |
| Purchase of property, plant and equipment | **(107.2)** | (80.1) |
| Net cash flow from investing activities | **(218.5)** | (128.2) |
| ***Net cash flow from operating and investing activities**** | ***160.1*** | *327.1* |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Dividends paid | **(135.4)** | (106.0) |
| Interest paid | **(30.4)** | (11.1) |
| Borrowings drawdown | **31.7** | - |
| Gain from interest rate swap contract | **11.4** | 11.3 |
| Issuance of shares pursuant to exercise of share options | **4.8** | 3.8 |
| Repayment of finance lease liabilities | **(29.4)** | (24.1) |
| Repayment of borrowings | **(19.1)** | - |
| Net cash flow from financing activities | **(166.4)** | (126.1) |
| Net effect of currency translation on cash and cash equivalents | **(1.0)** | (1.1) |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | **(7.3)** | 199.9 |
| **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** | **1,068.4** | 1,048.0 |

**(*)** 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 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 period:

- 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 operations of the Group were not significantly affected by seasonality and cyclical factors during the quarter under review.

### 4. UNUSUAL ITEMS

During the current quarter, the Group has incurred RM60.6m in respect of costs to provide service to PTDV and expenses in developing a DTH business proposal in Indonesia as disclosed in Note 18(a)(2).

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

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

## 6. MOVEMENTS IN DEBT/EQUITY SECURITIES

| | CURRENT QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Number of shares | Proceeds from the shares issue | Number of shares | Proceeds from the shares issue |
| | ’m | RM’m | ’m | RM’m |
| Issuance of new ordinary shares pursuant to the exercise of share options under the ESOS | - | - | 1.3 | 4.8 |

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 period, the following dividend payment was made:

| | Total RM’m |
|---|---|
| Second tax exempt dividend of 2.0 sen per share in respect of the financial year ended 31 January 2007, paid on 27 April 2007 | 38.7 |
| Final tax exempt dividend of 3.0 sen per share in respect of the financial year ended 31 January 2007, paid on 30 August 2007 | 58.0 |
| Interim tax exempt dividend of 2.0 sen per share in respect of the financial year ending 31 January 2008, paid on 11 October 2007 | 38.7 |
| | 135.4 |

## 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 31/10/07** | QUARTER ENDED 31/10/06 | **NINE MTHS ENDED 31/10/07** | NINE MTHS ENDED 31/10/06 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| **Revenue** | | | | |
| Malaysian multi channel television | | | | |
| External revenue | **609.2** | 498.3 | **1,700.3** | 1,473.7 |
| Inter-segment revenue | **(1.9)** | 0.1 | **0.4** | 0.2 |
| Malaysian multi channel television revenue | **607.3** | 498.4 | **1,700.7** | 1,473.9 |
| Radio | | | | |
| External revenue | **44.7** | 38.2 | **121.6** | 107.1 |
| Inter-segment revenue | **0.6** | 0.9 | **2.2** | 2.6 |
| Radio revenue | **45.3** | 39.1 | **123.8** | 109.7 |
| Library licensing and distribution | | | | |
| External revenue | **13.7** | 10.2 | **35.9** | 36.7 |
| Inter-segment revenue | **9.6** | 5.6 | **21.5** | 12.4 |
| Library licensing and distribution revenue | **23.3** | 15.8 | **57.4** | 49.1 |
| Others | | | | |
| External revenue | **11.9** | 7.1 | **33.9** | 28.4 |
| Inter-segment revenue | **133.4** | 81.6 | **374.8** | 228.1 |
| Others revenue | **145.3** | 88.7 | **408.7** | 256.5 |
| Total reportable segments | **821.2** | 642.0 | **2,290.6** | 1,889.2 |
| Eliminations | **(141.7)** | (88.2) | **(398.9)** | (243.3) |
| Total group revenue | **679.5** | 553.8 | **1,891.7** | 1,645.9 |
| **Profit/(loss) from operations by segment** | | | | |
| Malaysian multi channel television | **136.6** | 127.8 | **383.2** | 387.2 |
| Radio | **15.4** | 16.0 | **42.9** | 40.4 |
| Library licensing and distribution | **(4.8)** | (11.0) | **(16.5)** | (32.2) |
| Others/eliminations | **(17.7)** | (12.8) | **(60.8)** | (40.6) |
| Profit from operations (See note (1) on page 2) | **129.5** | 120.0 | **348.8** | 354.8 |
| Costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia | **(60.6)** | - | **(60.6)** | |
| Write-off of assets and balances arising from the investment in PTDV | **-** | - | **(92.4)** | - |
| Profit from operations | **68.9** | 120.0 | **195.8** | 354.8 |

## 9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the current quarter. As at 31 October 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 7 December 2007, except as disclosed in Note 18 (a).

## 11. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Incorporation of new subsidiaries

(i) All Asia Radio Technologies Media and Sales Sdn Bhd

All Asia Radio Technologies Limited, a wholly-owned subsidiary of ASTRO, has on 30 August 2007 incorporated a company known as All Asia Radio Technologies Media and Sales Sdn Bhd ("AARTMS"). AARTMS is a private limited company incorporated in Malaysia with a paid-up share capital of RM250,000 divided into 250,000 ordinary shares of RM1 each. The principal activities of AARTMS are airtime sales marketing and trading, media training and media research.

(ii) Astro Global Ventures (L) Ltd

ASTRO has on 24 October 2007 incorporated a company known as ASTRO Global Ventures (L) Ltd ("AGV"). AGV is a company limited by shares incorporated in the Federal Territory of Labuan with a paid-up share capital of USD1 comprising 1 ordinary share of USD1 each. AGV has been incorporated with the intention of undertaking corporate exercises.

(b) Dilution of equity interest in a subsidiary

On 23 August 2007, Nusantara Seni Karya Sdn Bhd ("NSK") alloted 3,250,000 ordinary shares of RM1 each, of which 1,535,000 shares were issued to ASTRO Entertainment Sdn Bhd, a wholly-owned subsidiary of ASTRO, and 1,715,000 shares were issued to PT Tripar Multivision Plus. Following the change, ASTRO's equity interest in NSK was diluted from 100% to 51%.

(c) Disposal of associates

On 29 August 2007, the Group disposed of its 29% equity interest in each of Deccan Digital Networks (Hyd) Private Limited ("DNP"), A.V. Digital Networks (Hyd) Private Limited ("ANP") and Metro Digital Networks (Hyd) Private Limited ("MNP"). The redeemable preference shares ("RPS") of RM120,771,000 issued by DNP, ANP and MNP to a third party were also disposed by the third party on 29 August 2007. With the disposal of the RPS by the third party, all options relating to the RPS were also terminated and all standby letters of credit issued by the Group in respect of its subsidiary's obligations under the RPS options had also lapsed on 31 August 2007. Consequently, the Group's liability of RM120,771,000 representing its exposure under this arrangement were accordingly extinguished.

## 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### (a) Contingent liabilities

As at 31 October 2007, the Group has provided guarantees to third parties amounting to RM2.6m in respect of licence fees in subsidiaries.

### (b) Contingent assets

There were no significant contingent assets as at 31 October 2007.

## 13. COMMITMENTS

As at 31 October 2007, the Group has the following commitments:

| | Authorised and | | |
|---|---|---|---|
| | **Contracted for** | **Not contracted for** | **Total** |
| | **RM'm** | **RM'm** | **RM'm** |
| Capital expenditure | **124.8** | **152.9** | **277.7** |
| Investment in an associate | **16.7** | **-** | **16.7** |
| Investment in a proposed joint venture | **635.7** | **-** | **635.7** |
| Film library and programme rights | **127.4** | **40.7** | **168.1** |
| Non-cancellable operating lease | **22.7** | **-** | **22.7** |
| Non-cancellable finance lease | **651.2** | **-** | **651.2** |
| | **1,578.5** | **193.6** | **1,772.1** |

## 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 Sdn Bhd | 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 Television (Hong Kong) Limited ("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 NINE MONTHS ENDED 31/10/07** | **AMOUNTS DUE FROM AS AT 31/10/07** |
|---|---|---|
| | **RM'm** | **RM'm** |
| **(a) Sales of goods and services** | | |
| Malaysian Mobile Services Sdn Bhd (Multimedia and interactive sales and other services) | **9.7** | **6.3** |
| Maxis Broadband Sdn Bhd (Multimedia and interactive sales and other services) | **2.2** | **2.1** |
| Kristal-Astro Sdn Bhd (Set-top box sales, sales of program rights, technical support and other services) | **3.5** | **1.8** |

## 14. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

| | TRANSACTIONS FOR THE CUMULATIVE NINE MONTHS ENDED 31/10/07 | AMOUNTS DUE TO AS AT 31/10/07 |
|---|---|---|
| | RM'm | RM'm |
| **(b) Purchases of goods and services** | | |
| UTSB Management Sdn Bhd (Personnel, strategic, consultancy and support services) | **11.3** | **19.3** |
| Yes TV (Personnel, strategic, consultancy and support services) | **4.9** | **-** |
| Maxis Broadband Sdn Bhd (Telecommunication services and other charges) | **8.6** | **1.9** |
| SRG Asia Pacific Sdn Bhd (Interaction call center services) | **13.8** | **5.3** |
| MEASAT Satellite Systems Sdn Bhd* ("MSS") (Expenses and payment related to finance lease, rental and other charges) | **58.6** | **7.0** |

(*) 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 (3).

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
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**PART B – EXPLANATORY NOTES IN COMPLIANCE WITH BURSA MALAYSIA REQUIREMENT UNDER PART A of APPENDIX 9B**

## 15. TAXATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/10/07** | QUARTER ENDED 31/10/06 | **NINE MTHS ENDED 31/10/07** | NINE MTHS ENDED 31/10/06 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| Current tax | **5.1** | 2.1 | **8.7** | 9.1 |
| Deferred tax | **41.0** | 29.3 | **103.3** | 77.9 |
| | **46.1** | 31.4 | **112.0** | 87.0 |

The Group's effective tax rates for the current quarter and nine months ended 31 October 2007 of 57.1% and 52.9% respectively (excluding the write-off of assets and balances arising from the investment in PTDV in Second Quarter 2008) are based on an estimate of the tax charge for the year and were 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 2009, from 26% to 25%; and
iii) 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 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 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.

Following the Final Meeting held on 30 July 2007, RAPS was dissolved by way of a members' voluntary winding-up on 2 November 2007, representing the expiration of three months from the filing of Form 69 (Return by Liquidator relating to the Final Meeting) with the Companies Commission of Malaysia and Director-General of Insolvency pursuant to Section 272(5) of the Companies Act, 1965.

## 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 First Media Tbk (formerly known as '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 ("Indonesian Venture").

On 26 August 2005, Komisi Penyiaran Indonesia, the Indonesian broadcasting regulator, issued a decree limiting foreign equity participation to 20% and requiring all broadcasters to submit applications for a broadcasting licence under new Broadcasting laws. As a consequence, the parties entered into further discussions to restructure the Indonesian Venture and the SSA was allowed to lapse on 31 July 2006.

The service was launched by PTDV on 28 February 2006 under a trademark licence agreement with MEASAT Broadcast Network Systems Sdn Bhd.

As previously reported, due to inconclusive negotiations between the parties to the proposed Indonesian Venture, the Board of Directors had, on 13 September 2007, decided that the Group will no longer equity account for the joint venture in its financial statements and accordingly, during the quarter, the Group expensed RM60.6m in respect of costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia.

The parties involved in the proposed joint venture are currently continuing discussions to seek a mutually acceptable solution to matters relating to PTDV.

The Board had, on 13 September 2007, elected for the Group to continue providing services until negotiations are concluded. In the event that no agreement is reached, the Group expects to account for settlement costs relating to commitments already made which are estimated at RM200.0m.

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

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

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

On 5 April 2007, ASTRO 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, agreed to invest up to INR7,470m (approximately RM636m) 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 TV.

On 25 June 2007, ASTRO’s shareholders approved ASTRO’s equity participation of INR7,470m (approximately RM636m) 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.

Sun Direct TV has now secured all necessary permits to commence operations. A trial service has been launched and is on track for a full service launch by end 2007. The Group intends to invest in a 20% equity interest in Sun Direct TV and expects to complete this acquisition in the near-term. While the venture is expected to incur start-up losses, which is typical of such businesses, there is potential for substantial value creation in the medium to long term. Consistent with the Group’s accounting policies, the Group expects to account for its share of Sun Direct TV losses of up to INR7,470m (approximately RM636m), representing its 20% equity stake, over a period of 5 years.

Other than as disclosed above, there were no incomplete corporate proposals as at 7 December 2007.

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

As at 7 December 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 31 October 2007 are as follows:

| | Short Term | Long Term | Total |
|---|---|---|---|
| | RM'm | RM'm | RM'm |
| Secured | | | |
| Bank loan[(1)] – INR170m | 14.5 | - | 14.5 |
| Finance lease liabilities[(2) (3)] | 11.1 | 357.2 | 368.3 |
| | 25.6 | 357.2 | 382.8 |

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) 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 nature of the lease term. The proposed utilisation of transponder capacity on the MEASAT-3 satellite was approved by ASTRO's shareholders at an extraordinary meeting on 26 July 2007.

(4) The Company's USD300m Guaranteed Term and Revolving Facilities secured on 18 October 2004 ("the USD Facilities") comprise Tranche A (USD150m), Tranche B (USD75m) and Tranche C (USD75m) and are guaranteed by MEASAT Broadcast Network Systems Sdn Bhd and Airtime Management and Programming Sdn Bhd. Tranche A of the USD Facilities lapsed on 18 April 2007 and a balance of USD150m remains available for reimbursing debt settlement and/or financing general corporate purposes and working capital of the Company and its subsidiaries.

## 20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 7 December 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 7 December 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 (Third Quarter 2008) against the preceding quarter (Second Quarter 2008)

For the quarter ended 31 October 2007, Group revenue increased to RM679.5m, while EBITDA increased to RM163.6m. Net profit was RM34.1m compared to a net loss of RM54.2m last quarter, primarily due to last quarter's share of PTDV losses of RM43.3m and write-off of assets and balances arising from the investment in PTDV of RM92.4m, partially offset by this quarter's costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia of RM60.6m.

**All amounts in RM million unless otherwise stated**

| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
|---|---|---|---|---|
| | **THIRD QUARTER 31/10/2007** | SECOND QUARTER 31/07/2007 | **THIRD QUARTER 31/10/2007** | SECOND QUARTER 31/07/2007 |
| **Consolidated Performance** | | | | |
| Total Revenue | **679.5** | 629.2 | | |
| Customer Acquisition Costs (CAC)[2] | **91.4** | 80.3 | | |
| EBITDA[3] | **163.6** | 155.2 | | |
| EBITDA Margin (%) | **24.1** | 24.7 | | |
| Net Profit/ (Loss) | **34.1** | (54.2) | | |
| Free Cash Flow[4] | **68.2** | 13.8 | | |
| Net (decrease)/increase in Cash | **(42.3)** | (0.3) | | |
| Capital expenditure[5] | **45.8** | 71.3 | | |
| **(i) Malaysian Multi channel TV(MC-TV)[1]** | | | | |
| Subscription revenue | **560.9** | 523.0 | | |
| Advertising revenue | **40.1** | 36.3 | | |
| Other revenue | **6.3** | 6.7 | | |
| Total revenue | **607.3** | 566.0 | | |
| CAC[2] | **91.4** | 80.3 | | |
| EBITDA[3] | **174.8** | 162.6 | | |
| EBITDA Margin (%) | **28.8** | 28.7 | | |
| Capital expenditure[5] | **36.9** | 48.1 | | |
| Total subscriptions-net additions ('000) | | | **96** | 34 |
| Total subscriptions-end of period ('000) | | | **2,404** | 2,308 |
| Residential customers-net additions ('000) | | | **94** | 28 |
| Residential customers-end of period ('000) | | | **2,203** | 2,109 |

## 22. REVIEW OF PERFORMANCE (continued)

### (A) Performance of the current quarter (Third Quarter 2008) against the preceding quarter (Second Quarter 2008) (continued)

All amounts in RM million unless otherwise stated

| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
|---|---|---|---|---|
| | **THIRD QUARTER 31/10/2007** | SECOND QUARTER 31/07/2007 | **THIRD QUARTER 31/10/2007** | SECOND QUARTER 31/07/2007 |
| **(i) Malaysian Multi channel TV(MC-TV)[1] (continued)** | | | | |
| ARPU – residential customer (RM) | | | **86** | 82 |
| MAT Churn (%) | | | **9.9** | 9.8 |
| CAC per set-top box sold (RM) | | | **676** | 718 |
| Content cost (RM per customer per mth) | | | **30** | 29 |
| **(ii) Radio[1]** | | | | |
| Revenue | **45.3** | 41.8 | | |
| EBITDA[3] | **17.7** | 18.4 | | |
| EBITDA Margin (%) | **39.1** | 44.0 | | |
| Listeners ('000)[6] | | | **10,616** | 10,309 |
| Share of radio adex (%)[7] | | | **66** | 67 |
| **(iii) Library Licensing and Distribution[1]** | | | | |
| Revenue | **23.3** | 18.1 | | |
| EBITDA[3] | **(4.4)** | (4.4) | | |
| EBITDA Margin (%) | **n/m** | n/m | | |
| Titles released for distribution | | | **27** | 17 |
| **(iv) Others** | | | | |
| Magazines – average monthly circulation (including ASTRO TV Guide) ('000) | | | **2,174** | 2,223 |
| Malaysian film production – theatrical release | | | **-** | 1 |

Note :

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM(1.9m) [Q3FY08], RM2.3m [Q2FY08]; Radio – RM0.6m [Q3FY08], RM0.6m [Q2FY08]; Library Licensing and Distribution – RM9.6m [Q3FY08], RM5.9m [Q2FY08]).
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, share of post tax results from investments accounted for using the equity method, write-off of assets and balances arising from the investment in PTDV, costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia.
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, 2007 Sweep 1, 2007 performed by NMR in September 2007 and April 2007 respectively.
7. Based on NMR Adex Report.

## 22. REVIEW OF PERFORMANCE (continued)

### (A) Performance of the current quarter (Third Quarter 2008) against the preceding quarter (Second Quarter 2008) (continued)

<u>**Consolidated Performance**</u>

**Turnover**

Group revenue increased by RM50.3m or 8.0% to RM679.5m. This was mainly driven by higher MC-TV subscription revenue of RM37.9m from continued growth in customer base and improvement in ARPU. Airtime sales from Radio and revenue from Library Licensing and Distribution have also improved.

**EBITDA**

Group EBITDA of RM163.6m increased slightly from RM155.2m last quarter, primarily due to revenue increase, partially offset by increases in content costs for sports related channels, increase in CAC and other operating costs.

**Cash Flow**

Free cash flow generated was RM68.2m compared to RM13.8m last quarter, mainly due to lower capital expenditure and regional investment during the quarter.

Net decrease in cash was RM42.3m compared to a decrease of RM0.3m last quarter, as a result of dividends paid in the quarter offsetting higher free cash generated.

**Capital Expenditure**

Group capital expenditure for the current quarter was RM45.8m compared to last quarter's spending of RM71.3m.

**Net Profit**

The Group recorded a net profit of RM34.1m compared to a net loss of RM54.2m last quarter, primarily due to last quarter's share of PTDV losses of RM43.3m and write-off of assets and balances arising from the investment in PTDV of RM92.4m, partially offset by this quarter's costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia of RM60.6m.

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

**(A) Performance of the current quarter (Third Quarter 2008) against the preceding quarter (Second Quarter 2008) (continued)**

**Malaysian Multi channel TV**

MC-TV achieved revenue of RM607.3m, which was RM41.3m or 7.3% higher than last quarter, primarily from higher subscription revenue.

Residential customers registered gross additions of 126,800 in the current quarter from continued demand for Astro's services. Absolute churn of 32,800 customers in the current quarter was lower than last quarter's 76,400 customers. The improvements in gross additions and churn translated into net additions of 94,000 customers in the current quarter against last quarter's 28,000 customers.

| Residential customer ('000) | Third Quarter 2008 | Second Quarter 2008 | Variance |
|---|---|---|---|
| Gross additions | 126.8 | 104.4 | 22.4 |
| Churn | (32.8) | (76.4) | 43.6 |
| Net additions | 94.0 | 28.0 | 66.0 |

MAT churn increased marginally from 9.8% to 9.9%.

ARPU has improved to RM86 compared to last quarter's ARPU of RM82 mainly due to higher basic subscription ARPU.

CAC per box sold of RM676 improved by RM42 from RM718 last quarter mainly due to lower marketing/sales costs per unit, partially offset by higher subsidy.

**Radio**

Radio revenue of RM45.3m was RM3.5m or 8.4% higher than last quarter mainly due to higher advertising revenue.

**Library Licensing and Distribution**

Revenue of RM23.3m for Library Licensing and Distribution was RM5.2m or 28.7% higher than last quarter. The increase in revenue was mainly due to higher revenue from Shaw titles and television content distribution.

**(B) Performance of the current nine months ended 31 October 2007 (YTD October 2007) against the corresponding nine months ended 31 October 2006 (YTD October 2006)**

Group revenue of RM1,891.7m grew by RM245.8m or 14.9%, while EBITDA of RM443.4m was higher by RM19.4m compared to YTD October 2006. Group net profit of RM11.8m was lower than YTD October 2006 net profit of RM231.5m, primarily due to the Group's share of higher post tax losses from PTDV of RM27.0m, the write-off of assets and balances arising from the investment in PTDV of RM92.4m, costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia of RM60.6m and higher taxation of RM25.0m.

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**(B) Performance of the current nine months ended 31 October 2007 (YTD October 2007) against the corresponding nine months ended 31 October 2006 (YTD October 2006) (continued)**

**All amounts in RM million unless otherwise stated**

| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
|---|---|---|---|---|
| | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 |
| **Consolidated Performance** | | | | |
| Total Revenue | **1,891.7** | 1,645.9 | | |
| Customer Acquisition Costs (CAC)[2] | **245.5** | 196.6 | | |
| EBITDA[3] | **443.4** | 424.0 | | |
| EBITDA Margin (%) | **23.4** | 25.8 | | |
| Net Profit | **11.8** | 231.5 | | |
| Free Cash Flow[4] | **160.1** | 327.1 | | |
| Net (decrease)/increase in Cash | **(7.3)** | 199.9 | | |
| Capital expenditure[5] | **128.9** | 98.8 | | |
| **(i) Malaysian Multi channel TV(MC-TV)[1]** | | | | |
| Subscription revenue | **1,566.4** | 1,335.8 | | |
| Advertising revenue | **111.8** | 108.7 | | |
| Other revenue | **22.5** | 29.4 | | |
| Total revenue | **1,700.7** | 1,473.9 | | |
| CAC[2] | **245.5** | 196.6 | | |
| EBITDA[3] | **468.4** | 436.2 | | |
| EBITDA Margin (%) | **27.5** | 29.6 | | |
| Capital expenditure[5] | **91.4** | 65.8 | | |
| Total subscriptions-net additions ('000) | | | **203** | 208 |
| Total subscriptions-end of period ('000) | | | **2,404** | 2,149 |
| Residential customers-net additions ('000) | | | **187** | 186 |
| Residential customers-end of period ('000) | | | **2,203** | 1,970 |
| ARPU – residential customer (RM) | | | **81** | 78 |
| MAT Churn (%) | | | **9.9** | 10.6 |
| CAC per set-top box sold (RM) | | | **677** | 652 |
| Content cost (RM per customer per mth) | | | **28** | 25 |

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

## 22. REVIEW OF PERFORMANCE (continued)

**(B) Performance of the current nine months ended 31 October 2007 (YTD October 2007) against the corresponding nine months ended 31 October 2006 (YTD October 2006) (continued)**

| | All amounts in RM million unless otherwise stated | | | |
|---|---|---|---|---|
| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
| | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 | **NINE MTHS ENDED 31/10/2007** | NINE MTHS ENDED 31/10/2006 |
| **(ii) Radio[1]** | | | | |
| Revenue | **123.8** | 109.7 | | |
| EBITDA[3] | **49.6** | 47.3 | | |
| EBITDA Margin (%) | **40.1** | 43.1 | | |
| Listeners ('000)[6] | | | **10,616** | 10,934 |
| Share of radio adex (%)[7] | | | **67** | 80 |
| **(iii) Library Licensing and Distribution[1]** | | | | |
| Revenue | **57.4** | 49.1 | | |
| EBITDA[3] | **(15.5)** | (31.0) | | |
| EBITDA Margin (%) | **n/m** | n/m | | |
| Titles released for distribution | | | **79** | 72 |
| **(iv) Others** | | | | |
| Magazines – average monthly circulation (including ASTRO TV Guide) ('000) | | | **2,167** | 1,950 |
| Malaysian film production – theatrical release | | | **3** | 1 |

Note :
1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM0.4m [YTD Oct 07], RM0.2m [YTD Oct 06]; Radio – RM2.2m [YTD Oct 07], RM2.6m [YTD Oct 06]; Library Licensing and Distribution – RM21.5m [YTD Oct 07], RM12.4m [YTD Oct 06]).
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, share of post tax results from investments accounted for using the equity method, write-off of assets and balances arising from the investment in PTDV, costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia.
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, 2007 and Sweep 2, 2006 performed by NMR in September 2007 and September 2006 respectively.
7. Based on NMR Adex Report.

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

**(B) Performance of the current nine months ended 31 October 2007 (YTD October 2007) against the corresponding nine months ended 31 October 2006 (YTD October 2006) (continued)**

**Consolidated Performance**

**Turnover**

Group consolidated revenue of RM1,891.7m was higher by RM245.8m or 14.9% against the corresponding period last year. The increase was mainly due to higher subscription revenue in MC-TV, from an enlarged customer base and improved ARPU.

**EBITDA**

Group EBITDA of RM443.4m was higher by RM19.4m compared to the corresponding period last year, primarily due to revenue increase, offset by increases in content costs from the introduction of new channels, CAC due to higher marketing costs and subsidies and other operating costs.

**Cash Flow**

Free cash flow generated was RM160.1m compared to RM327.1m for YTD October 2006, mainly due to higher investments, capital expenditure and operating expenses.

The net decrease in cash was RM7.3m compared to an increase of RM199.9m for YTD October 2006, as a result of lower free cash generated.

**Capital Expenditure**

Group capital expenditure was RM128.9m, primarily from expansion activities in MC-TV, renovation costs in other segments and capital expenditure incurred for PTDV.

**Net Profit**

The Group recorded a net profit of RM11.8m compared to a net profit of RM231.5m in the corresponding period last year, primarily due to the Group's share of higher post tax losses from PTDV of RM27.0m, the write-off of assets and balances arising from the investment in PTDV of RM92.4m, costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia of RM60.6m and higher taxation of RM25.0m.

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

**(B) Performance of the current nine months ended 31 October 2007 (YTD October 2007) against the corresponding nine months ended 31 October 2006 (YTD October 2006) (continued)**

**Malaysian Multi channel TV**

MC-TV revenue of RM1,700.7m was RM226.8m or 15.4% higher than YTD October 2006. The increase was from higher subscription income as a result of continued growth in the business.

Residential customer net additions was slightly higher at 186,800.

MAT churn of 9.9% improved from 10.6% for YTD October 2006

ARPU of RM81 improved from RM78 for YTD October 2006 due to higher basic subscription ARPU, as a result of the re-pricing exercises and higher interactive services revenue.

CAC per box sold of RM677 increased by RM25 compared to YTD October 2006. The increase was due to higher marketing/sales costs per unit partially offset by lower subsidy.

**Radio**

Radio's revenue of RM123.8m was RM14.1m or 12.9% higher than the corresponding period last year. This improvement was mainly from improved advertising revenue.

**Library Licensing and Distribution**

Library Licensing and Distribution revenue of RM57.4m was higher by RM8.3m or 16.9% compared to the corresponding period last year, mainly from Celestial Movies and WaTV Channels and TV content distribution, partially offset by lower revenue from Shaw titles distribution.

## 23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2008

The strong performance of the Malaysian TV business continues with record net additions of customers and further ARPU growth in the third quarter. The robust customer growth was supported by strong activations of new customers as well as retention of existing customers, with churn well within our target range, due to the continuing channel expansion and compelling content. As a result of the strong revenue growth, EBITDA margin for the TV segment was sustained despite the expected increase in content costs arising from our content development initiatives to deepen customer penetration, in particular the broader mass urban market which continues to offer tremendous opportunity. The Radio operations benefited from further growth in market demand for radio advertising according to the latest Nielsen Media Survey Sweep in September 2007 which also confirmed our leadership position for commercial radio.

Beyond Malaysia, the Group remains sanguine on prospects for its Indonesia joint-venture. Demand for the Astro-branded service, which operates under a trademark license arrangement from MEASAT Broadcast Network Systems Sdn Bhd, continues to grow. As set out in Note 18, the Group, however, is no longer accounting for start-up losses in its financial statements. As of the end of 2QFY 2008, the Group has provided in total RM333 million, as share of operating losses and for deferred costs and assets relating to the Indonesian JV. As previously stated, the Group expects to incur certain costs over the remainder of the year ending 31 January 2008 as it continues to explore options for restructuring the proposed venture and seek a mutually acceptable solution to effectively continue operations of the Indonesian Venture. In the event that no agreement is reached, the Group expects to account for settlement costs relating to commitments already made which are estimated at RM200.0m.

India continues to offer immense growth opportunities for its emerging satellite pay-TV service market as demonstrated by the success of new incumbents. Sun Direct TV has now secured all necessary permits to commence operations. A trial service has been launched and is on track for a full service launch by end 2007. The Group intends to invest in a 20% equity interest in Sun Direct TV and expects to complete this acquisition in the near-term. While the venture is expected to incur start-up losses, which is typical of such businesses, there is potential for substantial value creation in the medium to long term. Consistent with the Group's accounting policies, the Group expects to account for its share of Sun Direct TV losses of up to INR7,470m (approximately RM636m), representing its 20% equity stake, over a period of 5 years.

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

## 24. PROFIT FORECAST

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

## 25. DIVIDENDS

Further to the first interim tax exempt dividend of 2.0 sen per share paid in October 2007, the Board of Directors is pleased to declare a second interim tax exempt dividend ("Second Interim Dividend") of 3.0 sen per share in respect of the financial year ending 31 January 2008 (YTD October 2006: 2.0 sen per share). As at 31 October 2007, the Company has sufficient distributable reserves to pay dividends. The Second Interim Dividend will be paid on 14 January 2008 to depositors who are registered in the Record of Depositors at the close of business on 28 December 2007.

A depositor will qualify for entitlement to the Second Interim Dividend only in respect of:

(a) shares transferred to the depositor's securities account before 4.00 p.m. on 28 December 2007 in respect of transfers;
(b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

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 THIRD QUARTER ENDED 31 OCTOBER 2007**

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

## 26. EARNINGS PER SHARE

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

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | | **QUARTER ENDED 31/10/07** | QUARTER ENDED 31/10/06 | **NINE MTHS ENDED 31/10/07** | NINE MTHS ENDED 31/10/06 |
| **(1) Basic earnings per share** | | | | | |
| Profit attributable to equity holders of the Company | RM'm | **34.1** | 68.0 | **11.8** | 231.5 |
| Weighted average number of ordinary shares | 'm | **1,934.0** | 1,928.1 | **1,933.7** | 1,927.8 |
| Basic earnings per share | sen | **1.76** | 3.53 | **0.61** | 12.01 |
| **(2) Diluted earnings per share** | | | | | |
| Profit attributable to equity holders of the Company | RM'm | **34.1** | 68.0 | **11.8** | 231.5 |
| Weighted average number of ordinary shares | 'm | **1,934.0** | 1,928.1 | **1,933.7** | 1,927.8 |
| Adjusted for share options granted | 'm | **-** | 5.2 | **2.9** | 4.0 |
| Adjusted weighted average number of ordinary shares | 'm | **1,934.0** | 1,933.3 | **1,936.6** | 1,931.8 |
| Diluted earnings per share* | sen | ** | 3.52 | **0.60** | 11.98 |

(*) The diluted earnings per share is calculated based on the dilutive effects of 78,749,927 options under the ESOS and MSIS.

(**) Not applicable for the quarter ended 31 October 2007 as the options under the ESOS and MSIS were anti-dilutive when the exercise prices of the options exceed the average market price of ordinary shares during the quarter.

By order of the Board

Lakshmi Nadarajah (LS No. 9057)
Company Secretary

7 December 2007

Kuala Lumpur