



(Incorporated in England and Wales – No. 4841085)
(Registered as a foreign company in Malaysia – No. 994178-M)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 31 JULY 2008**

ANNOUNCEMENT

The Board of Directors of ASTRO ALL ASIA NETWORKS plc (“ASTRO” or “the Company”) is pleased to announce the following unaudited consolidated results for the second quarter ended 31 July 2008 which should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 January 2008.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		+/-	CUMULATIVE QUARTER		+/-
		QUARTER ENDED	QUARTER ENDED		SIX MTHS ENDED	SIX MTHS ENDED	
		31/07/2008	31/07/2007		31/07/2008	31/07/2007	
		RM'm	RM'm	%	RM'm	RM'm	%
Revenue	8	742.5	629.2	+18	1,452.4	1,212.2	+20
Cost of sales (excluding set-top box subsidies)		(339.2)	(304.7)		(690.0)	(595.0)	
Gross profit (excluding set-top box subsidies)		403.3	324.5		762.4	617.2	
Set-top box subsidies		(77.0)	(45.5)		(138.1)	(93.6)	
Gross profit		326.3	279.0	+17	624.3	523.6	+19
Other operating income		8.9	2.7		14.5	5.4	
Marketing and distribution costs		(72.1)	(61.2)		(147.8)	(117.5)	
Administrative expenses		(121.5)	(96.2)		(224.6)	(192.2)	
		141.6	124.3	+14	266.4	219.3	+21
Provision of costs relating to commitments made and impairment of assets in relation to PTDV operations	18	(231.1)	-		(231.1)	-	
Costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia	18	(77.7)	-		(145.7)	-	
Write-off of assets and balances arising from the investment in PTDV		-	(92.4)		-	(92.4)	
(Loss)/profit from operations ⁽¹⁾	8	(167.2)	31.9	-624	(110.4)	126.9	-187
Finance costs (net)		(33.0)	(7.4)		(37.0)	(0.3)	
Share of post tax results from investments accounted for using the equity method		(18.2)	(47.9)		(32.3)	(88.2)	
(Loss)/profit before taxation		(218.4)	(23.4)	-833	(179.7)	38.4	-568
Taxation	15	(29.2)	(34.3)		(71.1)	(65.9)	
Loss for the period		(247.6)	(57.7)	-329	(250.8)	(27.5)	-812
Attributable to:							
Equity holders of the Company		(247.3)	(54.2)	-356	(249.9)	(22.3)	-1021
Minority interests		(0.3)	(3.5)		(0.9)	(5.2)	
		(247.6)	(57.7)		(250.8)	(27.5)	



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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/07/2008	QUARTER ENDED 31/07/2007	SIX MTHS ENDED 31/07/2008	SIX MTHS ENDED 31/07/2007
Loss per share:	26	Sen	Sen	Sen	Sen
- Basic		(12.79)	(2.80)	(12.92)	(1.15)
- Diluted		*	*	*	*

(*) Not applicable as the options under the ESOS and MSIS would decrease the loss per share for the period.

Notes

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/2008	QUARTER ENDED 31/07/2007	SIX MTHS ENDED 31/07/2008	SIX MTHS ENDED 31/07/2007
	RM'm	RM'm	RM'm	RM'm
Depreciation of property, plant & equipment	25.9	22.8	51.4	44.8
Amortisation of film library & programme rights	68.7	40.8	133.8	74.4
Amortisation of other intangible assets	9.2	8.1	19.4	15.7
Impairment of property, plant & equipment	16.7	-	17.7	-
Impairment of film library & programme rights	54.9	40.6	55.2	41.2
Write-down of inventories	35.8	-	35.9	-



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

		AS AT 31/07/2008	AS AT 31/01/2008
	Note	RM'm	RM'm
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,023.9	1,025.3
Interest in investments accounted for using the equity method		536.6	387.7
Deferred tax assets		189.3	256.0
Financial asset (other investments)		3.0	3.0
Film library and programme rights		258.9	315.6
Other intangible assets ⁽¹⁾		157.6	137.1
		<u>2,169.3</u>	<u>2,124.7</u>
CURRENT ASSETS			
Inventories		112.4	39.6
Receivables and prepayments		548.0	462.0
Derivative financial instruments		4.3	-
Tax recoverable		2.0	1.8
Cash and cash equivalents		1,082.1	986.8
		<u>1,748.8</u>	<u>1,490.2</u>
CURRENT LIABILITIES			
Payables		1,211.3	1,022.9
Derivative financial instruments		-	0.1
Borrowings	19	29.0	21.6
Current tax liabilities		5.0	4.0
		<u>1,245.3</u>	<u>1,048.6</u>
NET CURRENT ASSETS		<u>503.5</u>	<u>441.6</u>
NON-CURRENT LIABILITIES			
Payables		270.8	170.2
Deferred tax liabilities		10.7	10.7
Borrowings	19	1,130.3	765.0
		<u>1,411.8</u>	<u>945.9</u>
		<u>1,261.0</u>	<u>1,620.4</u>



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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	AS AT 31/07/2008	AS AT 31/01/2008
Note	RM'm	RM'm
CAPITAL AND RESERVES		
Attributable to equity holders of the Company :		
Share capital	1,200.0	1,200.0
Share premium	31.6	31.6
Merger reserve	518.4	518.4
Exchange reserve	(60.3)	(71.8)
Hedging reserve	4.3	(0.1)
Other reserve	90.6	83.1
Accumulated losses	(524.0)	(142.1)
	1,260.6	1,619.1
Minority interests	0.4	1.3
Total equity	1,261.0	1,620.4
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM) ⁽²⁾	0.65	0.84

Notes:

- ⁽¹⁾ Other intangible assets consist of software costs of RM140.4m (including broadcast facility at Cyberjaya of RM31.7m) (31/01/2008: RM114.7m), rights and licenses of RM16.9m (31/01/2008: RM22.1m) and goodwill on consolidation of RM0.3m (31/01/2008: RM0.3m).
- ⁽²⁾ Net assets attributable to equity holders of the Company of RM1,260.6m (31/01/2008: RM1,619.1m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM2,187.2m (31/01/2008: RM2,049.1m).



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

Six months ended 31/07/2008	Attributable to equity holders of the Company												
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable								Total	Minority interests	Total Equity
	Number of shares	Nominal value	Share premium	Merger reserve	Exchange reserve	Hedging reserve	Other reserve	Accumulated losses					
Million	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m		
As at 1 February 2008	1,934.0	1,200.0	31.6	518.4	(71.8)	(0.1)	83.1	(142.1)	1,619.1	1.3	1,620.4		
Currency translation differences	-	-	-	-	11.5	-	-	-	11.5	-	11.5		
Cash flow hedge:													
- Fair value gain on hedging instrument	-	-	-	-	-	4.0	-	-	4.0	-	4.0		
- Transfer to income statement	-	-	-	-	-	0.4	-	-	0.4	-	0.4		
Net income recognised directly in equity	-	-	-	-	11.5	4.4	-	-	15.9	-	15.9		
Loss for the period	-	-	-	-	-	-	-	(249.9)	(249.9)	(0.9)	(250.8)		
Total recognised income and expenses	-	-	-	-	11.5	4.4	-	(249.9)	(234.0)	(0.9)	(234.9)		
Share options:													
- Proceeds from shares issued	-	-	-	-	-	-	-	-	-	-	-		
- Value of employee services	-	-	-	-	-	-	7.5	-	7.5	-	7.5		
Dividends	-	-	-	-	-	-	-	(132.0)	(132.0)	-	(132.0)		
As at 31 July 2008	1,934.0	1,200.0	31.6	518.4	(60.3)	4.3	90.6	(524.0)	1,260.6	0.4	1,261.0		



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Six months ended 31/07/2007	Attributable to equity holders of the Company										
	Issued and fully paid ordinary shares of £0.10 each			Non-distributable							
	Number of shares	Nominal value	Share premium	Merger reserve	Exchange reserve	Hedging reserve	Other reserve	Retained earnings/ (losses)	Total	Minority interests	Total Equity
Million	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m
As at 1 February 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	-	-	-	-	-	(2.9)	-	-	(2.9)	-	(2.9)
- Transfer to income statement	-	-	-	-	-	(8.9)	-	-	(8.9)	-	(8.9)
Net losses recognised directly in equity	-	-	-	-	(5.0)	(11.8)	-	-	(16.8)	-	(16.8)
Loss for the period	-	-	-	-	-	-	-	(22.3)	(22.3)	(5.2)	(27.5)
Total recognised income and expenses	-	-	-	-	(5.0)	(11.8)	-	(22.3)	(39.1)	(5.2)	(44.3)
Share options:											
- Proceeds from shares issued	1.3	0.8	4.0	-	-	-	-	-	4.8	-	4.8
- Value of employee services	-	-	-	-	-	-	11.3	-	11.3	-	11.3
- Transfer upon exercise	-	-	-	-	-	-	(1.0)	1.0	-	-	-
Dividends	-	-	-	-	-	-	-	(96.7)	(96.7)	-	(96.7)
As at 31 July 2007	1.3	0.8	4.0	-	-	-	10.3	(95.7)	(80.6)	-	(80.6)
	1,934.0	1,200.0	31.6	518.4	(35.7)	0.2	69.1	(61.5)	1,722.1	0.4	1,722.5



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	SIX MTHS ENDED 31/07/2008	SIX MTHS ENDED 31/07/2007
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(250.8)	(27.5)
Contra arrangements – revenue	(1.7)	(1.1)
Value of employee services – share options	7.5	11.3
Interest income	(18.7)	(20.0)
Interest expense	36.8	21.3
Loss/(gain) from derivative financial instruments	0.4	(9.0)
Unrealised foreign exchange loss	20.6	1.4
Taxation	71.1	65.9
Property, plant and equipment		
- Depreciation	51.4	44.8
- Impairment	1.3	-
- Loss/(gain) on disposal	0.1	(0.6)
Film library and programme rights		
- Amortisation	133.8	74.4
- Impairment	0.5	4.7
Other intangible assets		
- Amortisation	19.4	15.7
Write-down of inventories	0.4	-
Provision of costs relating to commitments made and impairment of assets in relation to PTDV operations	231.1	-
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	32.3	88.2
	335.5	361.9
Changes in working capital:		
Film library and programme rights	(130.5)	(114.0)
Inventories	(108.8)	12.7
Receivables and prepayments	(99.7)	(77.4)
Payables	120.9	74.9
Cash generated from operations	117.4	258.1
Income tax paid	(3.7)	(3.9)
Interest received	17.6	17.6
Net cash flow from operating activities	131.3	271.8



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	CUMULATIVE QUARTER	
	SIX MTHS ENDED 31/07/2008	SIX MTHS ENDED 31/07/2007
	RM'm	RM'm
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in cumulative redeemable convertible preference shares	-	(3.0)
Purchase of investments accounted for using the equity method	(178.3)	(102.5)
Capital repayment from a jointly controlled entity	2.9	-
Repayment of advance from associate	-	2.1
Proceeds from disposal of property, plant and equipment	0.1	0.7
Acquisition of intangibles	(39.8)	(15.8)
Purchase of property, plant and equipment	(55.8)	(61.4)
Net cash flow from investing activities	(270.9)	(179.9)
<i>Net cash flow from operating and investing activities*</i>	(139.6)	91.9
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(93.3)	(38.7)
Interest paid	(33.6)	(15.5)
Drawdown of borrowings	381.2	1.7
Proceeds from realisation of interest rate swap contract	-	10.6
Issuance of shares pursuant to exercise of share options	-	4.8
Repayment of finance lease liabilities	(9.0)	(17.6)
Repayment of borrowings	(11.0)	(2.5)
Net cash flow from financing activities	234.3	(57.2)
Net effect of currency translation on cash and cash equivalents	0.6	0.3
NET INCREASE IN CASH AND CASH EQUIVALENTS	95.3	35.0
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	986.8	1,075.7
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,082.1	1,110.7

(*) Represents free cash flow.



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
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PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

1. BASIS OF PREPARATION

The quarterly report has been prepared in accordance with the reporting requirements as set out in Financial Reporting Standards (“FRS”) No. 134 – “Interim Financial Reporting” and paragraph 9.22 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 January 2008.

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 2008.

The adoption of the following Interpretation did not affect the Group’s results or financial position for the period:

- IFRIC 11 – Group and Treasury Share Transactions

The Group’s share of losses in Sun Direct TV Private Limited (“Sun Direct TV”) was based on Sun Direct TV’s unaudited management accounts for the six months ended 31 July 2008.

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

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows during the quarter under review, except as disclosed in Note 18.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

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



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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
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PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

6. MOVEMENTS IN DEBT/EQUITY SECURITIES

During the period, pursuant to the exercise of share options under the ESOS, 3,000 new ordinary shares were issued for a cash consideration of RM10,950.

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 payments were made:

	Total RM'm
Third interim dividend of 3.0 sen per share consisting of gross dividend of 2.7 sen per share less 25% Malaysian income tax and tax exempt dividend of 0.3 sen per share in respect of the financial year ended 31 January 2008, paid on 24 April 2008	45.0
First interim tax exempt dividend of 2.5 sen per share in respect of the financial year ending 31 January 2009, paid on 31 July 2008	48.3
	<u>93.3</u>

Subsequent to the end of the financial period, a final tax exempt dividend of 2.0 sen per share amounting to RM38.7m in respect of the financial year ended 31 January 2008 was paid on 29 August 2008.

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 library of Chinese film entertainment and the aggregation and distribution of the library and related content.
- Television programming – creation, aggregation and distribution of television programming.
- Others – a magazine publishing business; interactive content business for the mobile telephony platform; Malaysian film production business; talent management; creation of animation content; ownership of buildings; Group's regional investments in media businesses and investment holding companies.

Inter-segment revenue represents transfers between segments and is eliminated on consolidation. These transfers are accounted for in the segments at estimated competitive market prices that would be charged to unaffiliated customers for similar goods and services.



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

8. SEGMENT RESULTS AND REPORTING (continued)

A new segment, namely television programming, has been designated as a reportable segment during the period. The changes in the identification of the reportable segments did not affect the Group's results or financial position for the period. The comparatives in respect of segment reporting, however have been restated.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/08	QUARTER ENDED 31/07/07	SIX MTHS ENDED 31/07/08	SIX MTHS ENDED 31/07/07
	RM'm	RM'm	RM'm	RM'm
Revenue				
<u>Malaysian multi channel television</u>				
External revenue	666.9	563.7	1,310.9	1,091.1
Inter-segment revenue	(0.7)	2.3	(1.1)	2.3
Malaysian multi channel television revenue	666.2	566.0	1,309.8	1,093.4
<u>Radio</u>				
External revenue	46.4	41.1	85.8	76.7
Inter-segment revenue	0.2	0.6	0.3	1.6
Radio revenue	46.6	41.7	86.1	78.3
<u>Library licensing and distribution</u>				
External revenue	10.7	12.1	20.6	22.2
Inter-segment revenue	7.5	6.0	14.5	11.9
Library licensing and distribution revenue	18.2	18.1	35.1	34.1
<u>Television programming</u>				
External revenue	2.3	1.3	3.4	2.7
Inter-segment revenue	57.0	38.3	117.5	66.4
Television programming revenue	59.3	39.6	120.9	69.1
<u>Others</u>				
External revenue	16.2	11.0	31.7	19.5
Inter-segment revenue	78.7	95.2	194.2	175.0
Others revenue	94.9	106.2	225.9	194.5
Total reportable segments	885.2	771.6	1,777.8	1,469.4
Eliminations	(142.7)	(142.4)	(325.4)	(257.2)
Total group revenue	742.5	629.2	1,452.4	1,212.2



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

8. SEGMENT RESULTS AND REPORTING (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/08	QUARTER ENDED 31/07/07	SIX MTHS ENDED 31/07/08	SIX MTHS ENDED 31/07/07
	RM'm	RM'm	RM'm	RM'm
<u>Profit/(loss) from operations by segment</u>				
Malaysian multi channel television	144.3	138.6	288.3	246.6
Radio	21.0	16.2	31.0	27.7
Library licensing and distribution	(11.7)	(4.7)	(22.4)	(11.7)
Television programming	(4.6)	(11.6)	(10.8)	(19.9)
Others/eliminations	(7.4)	(14.2)	(19.7)	(23.4)
	141.6	124.3	266.4	219.3
Provision of costs relating to commitments made and impairment of assets in relation to PTDV operations	(231.1)	-	(231.1)	-
Costs to provide services to PTDV and expenses incurred in developing a DTH business proposal in Indonesia	(77.7)	-	(145.7)	-
Write-off of assets and balances arising from the investment in PTDV	-	(92.4)	-	(92.4)
(Loss)/profit from operations	(167.2)	31.9	(110.4)	126.9

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the quarter. As at 31 July 2008, 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 during the period from the end of the quarter under review to 11 September 2008, except as disclosed in Note 18.



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11. CHANGES IN THE COMPOSITION OF THE GROUP

Investment in jointly controlled entities

(i) Sun Direct TV Private Limited

On 31 July 2008, South Asia Entertainment Holdings Ltd (“SAEHL”) subscribed for 10,970,211 new shares in Sun Direct TV Private Limited (“Sun Direct TV”) for a cash consideration of INR872.9m. As the new shares were subscribed proportionately with other shareholders in Sun Direct TV, SAEHL remains a shareholder with 20% interest in Sun Direct TV.

(ii) Mogae Digital Private Limited

On 24 July 2008, Digital Software Exports Limited (“DSEL”), a wholly-owned subsidiary of ASTRO, had made payment of INR0.98m towards the subscription for 98,000 new shares of INR10 each representing 49% equity interest in Mogae Digital Private Limited (“Mogae”), and the shares were issued and allotted on 1 August 2008. DSEL also subscribed for 4,185,000 Class A Cumulative Convertible Preference Shares of INR10 each in Mogae for a cash consideration of INR41.85m.

Mogae is a private limited company incorporated in India and intends to develop, operate and maintain an internal portal – “Screenagerz.com” – with a large mobile outreach.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

As at 31 July 2008, the Group has provided guarantees to third parties amounting to RM53.1m, of which RM51.6m was in respect of loan facility secured by a jointly controlled entity and RM1.5m in respect of licence fees in subsidiaries.

(b) Contingent assets

There were no significant contingent assets as at 31 July 2008.

13. COMMITMENTS

As at 31 July 2008, the Group has the following commitments:

	Authorised and		Total
	Contracted for	Not contracted for	
	RM'm	RM'm	RM'm
Capital expenditure	47.5	296.5	344.0
Investment in an associate	16.2	-	16.2
Investment in joint ventures	186.3	-	186.3
Film library and programme rights	120.9	114.2	235.1
Non-cancellable operating lease	22.4	-	22.4
Non-cancellable finance lease	237.5	-	237.5
	630.8	410.7	1,041.5



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14. SIGNIFICANT RELATED PARTY DISCLOSURES

The Group has entered into a variety of related party transactions with companies directly or indirectly controlled by or associated with Usaha Tegas Sdn Bhd (“UTSB”) as well as companies or entities directly or indirectly controlled by or associated with Ananda Krishnan Tatparanandam or in which he is deemed to have an interest, both of whom are deemed substantial shareholders of the Company. UTSB is ultimately controlled by the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes.

Maxis Communications Berhad is an associate of UTSB. MAI Holdings Sdn Bhd is ultimately controlled by Ananda Krishnan Tatparanandam.

<u>Related parties</u>	<u>Relationship</u>
Kristal-Astro Sdn Bhd	Associate of the Company
AETN All Asia Networks Pte Ltd	Jointly controlled entity of the Company
Maxis Broadband Sdn Bhd	Subsidiary of Maxis Communications Berhad
Maxis Mobile Services Sdn Bhd (formerly known as 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 SIX MONTHS ENDED 31/07/08	AMOUNTS DUE FROM AS AT 31/07/08
	RM’m	RM’m
(a) Sales of goods and services		
Kristal-Astro Sdn Bhd (Sales of programme rights, technical support and other services)	8.6	10.8
AETN All Asia Networks Pte Ltd (Playout channel service fee and subtitling services)	2.0	8.0
Maxis Broadband Sdn Bhd (Multimedia and interactive sales and other services)	0.6	0.8
Maxis Mobile Services Sdn Bhd (Multimedia and interactive sales and other services)	2.8	3.2



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14. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	TRANSACTIONS FOR THE CUMULATIVE SIX MONTHS ENDED 31/07/08	AMOUNTS DUE TO AS AT 31/07/08
	RM'm	RM'm
(b) Purchases of goods and services		
AETN All Asia Networks Pte Ltd (Turnaround channel transmission rights)	7.6	5.9
Maxis Broadband Sdn Bhd (Telecommunication services and other charges)	3.7	3.1
UTSB Management Sdn Bhd (Personnel, strategic, consultancy and support services)	7.3	30.4
SRG Asia Pacific Sdn Bhd (Interaction call center services and other charges)	1.5	1.9
MEASAT Satellite Systems Sdn Bhd (Expenses and payment related to finance lease, rental and other charges)	43.6	3.6
Yes TV (Personnel, strategic, consultancy and support services)	1.5	0.5



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15. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/07/08	QUARTER ENDED 31/07/07	SIX MTHS ENDED 31/07/08	SIX MTHS ENDED 31/07/07
	RM'm	RM'm	RM'm	RM'm
Current tax	1.6	1.7	4.4	3.6
Deferred tax	27.6	32.6	66.7	62.3
	29.2	34.3	71.1	65.9

The estimated effective tax rate was higher than the Malaysian statutory tax rate due to:-

- losses in foreign subsidiaries, associates & overseas investments and certain Malaysian subsidiaries which were not available for tax relief at Group level; and
- non-deductibility of certain operating expenses for tax purposes.

Reconciliation of the estimated income tax expense applicable to loss before taxation at the Malaysian statutory rate to estimated income tax expense at the effective tax rate of the Group is as follows:

	QUARTER ENDED 31/07/08	SIX MTHS ENDED 31/07/08
	RM'm	RM'm
Loss before taxation	(218.4)	(179.7)
Tax at Malaysian statutory tax rate of 25%	54.6	44.9
Tax effect of:		
Losses in foreign subsidiaries not available for tax relief at Group level	(65.9)	(87.8)
Share of post tax results from investments accounted for using the equity method	(4.6)	(8.1)
Others (including expenses not deductible for tax purposes and income not subject to tax)	(13.3)	(20.1)
Taxation charge	(29.2)	(71.1)

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 six months ended 31 July 2008.

17. QUOTED SECURITIES

There were no quoted securities acquired or disposed during the quarter and six months ended 31 July 2008.



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18. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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 ("PTAPM"), a subsidiary of PT First Media Tbk ("PTFM") (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"). (PTAPM and PTFM are collectively referred to as "Lippo")

On 26 August 2005, the Indonesian Government issued regulations requiring all broadcasters, including those holding multimedia licences such as PTDV, to apply for Izin Penyelenggaraan Penyiaran (Broadcast Licence) under the Broadcast Law which limits foreign equity participation to 20%. As a consequence, the parties entered into further discussions to restructure the Indonesian Venture to comply with the requirements of the Broadcast Law.

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

However, in June 2006, Lippo indefinitely postponed the finalization of the revised joint venture agreement and the commercial services agreements citing as the reason a matter totally unrelated to the Indonesian Venture. As at 31 July 2006, the total amount that the Group had invested in the Indonesian Venture was approximately RM157m.

Nonetheless, the Group continued in good faith to support PTDV in its operations in the reasonable expectation that agreements would be concluded with Lippo within a short period. However, even though the unrelated matter appeared to have been resolved by April 2007, Lippo did not take any steps to conclude and execute any of the agreements relating to the Indonesian Venture.

On 1 May 2007, the Group had advised Lippo that unexpected delays in procuring the requisite licences including meeting the conditions thereunder and concluding the agreements relating to the Indonesian Venture have led to an increase in the funding that was required to roll out the satellite pay-TV platform as envisaged by the parties. On 9 May 2007, the Group received a letter from Lippo which stated that the SSA had ceased to have any effect and all draft agreements on the Indonesian Venture negotiated up to that date have "become irrelevant and/or have become superseded by events". At this time the permanent Broadcast Licence, the procurement of which was a Lippo obligation, remained outstanding.

Consequently, the Directors had decided that the Group would no longer equity account for its investment in PTDV with effect from 31 July 2007 at which time the Group's investments in the Indonesian Venture amounted to approximately RM334m. The Directors had also elected for the Group to continue providing services at a cost of approximately RM20m a month for as long as negotiations continued towards an acceptable solution.

As it has become clear that Lippo is not interested in concluding the Indonesian Venture, the Group decided to no longer support the development and operations of the multi-channel digital satellite pay-TV business by PTDV and terminate the provision of all support and services and withdraw the use of its trademark.



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18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

Participation in multi-channel digital satellite pay television and multimedia business in Indonesia (continued)

On 18 August 2008, the Group issued termination notices to PTDV, PTAPM and PTFM with respect to all support and services being provided to PTDV, giving notice of the cessation of such support and services. Simultaneously, notice was given that the trademark licence agreement entered into by PTDV with MBNS would not be renewed on its expiry on 31 August 2008.

However, pursuant to a request by PTDV, the Group has as a gesture of goodwill and in good faith agreed to continue providing support and services and has granted an extension of the trademark licence agreement for a further period of thirty days expiring on 30 September 2008 to enable PTDV to make alternative arrangements to mitigate the impact on its customers. As a result of these developments in relation to the Indonesian Venture, during the quarter the Group has provided RM231.1m for costs relating to commitments previously made (RM124.6m) in respect of, and the impairment of assets (RM106.5m) used in the provision of services to PTDV. These provisions cover costs to provide services to PTDV until 30 September 2008 and all other costs resulting from the decision to terminate the provision of services to PTDV thereafter, of which the Group is currently aware.

During the quarter, the Group also expensed RM77.7m (six months ended 31 July 2008: RM145.7m) in respect of costs to provide services to PTDV and other expenses incurred in developing a DTH business proposal in Indonesia.

As disclosed in our Bursa Announcements to date, up to 31 July 2008, the total amount ASTRO has incurred in respect of the Indonesian Venture is RM845.2m.



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19. GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 31 July 2008 are as follows:

	<u>Short Term</u> RM'm	<u>Long Term</u> RM'm	<u>Total</u> RM'm
<u>Unsecured</u>			
USD Facilities ⁽¹⁾ – USD145.6m*	-	465.7	465.7
<u>Secured</u>			
Syndicated term and revolving facilities ⁽²⁾ – USD30.1m*	-	96.3	96.3
Bank loan ⁽³⁾ – INR47.5m	3.6	-	3.6
Finance lease liabilities ⁽⁴⁾	25.4	568.3	593.7
	<u>29.0</u>	<u>1,130.3</u>	<u>1,159.3</u>

* Including accrued interests

Notes:

- (1) On 18 April 2007, Tranche A (USD150m) of the Company's USD300m Guaranteed Term and Revolving Facilities secured on 18 October 2004 ("USD Facilities") lapsed. On 14 December 2007, the facility documentation was amended and the guarantees provided by MEASAT Broadcast Network Systems Sdn Bhd and Airtime Management and Programming Sdn Bhd were released. With the amendment, availability of the balance USD Facilities is subject to annual extension up to the final maturity dates of 18 October 2009 (USD100m) and 18 October 2010 (USD45m).
- (2) The Company's wholly-owned subsidiary, ASTRO Global Ventures (L) Ltd had on 7 March 2008 entered into a syndicated term and revolving facilities ("Facilities") agreement arranged by Citibank Malaysia (L) Limited and DBS Bank Ltd.

The Facilities comprise commitments in US Dollars which are guaranteed by the Company and a proposed Ringgit term loan facility to be obtained by the Company, aggregating up to a sum of USD300m. The Facilities have a tenure of 5 years from the date of the relevant facility agreement and can be utilised to meet the Group's funding requirements and general working capital.

- (3) Standby letters of credit have been provided as security for the bank loan.
- (4) Finance lease liabilities include the lease of transponders on the Malaysia East Asia Satellite 3 from MEASAT Satellite Systems Sdn Bhd, a related party. 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.



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20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 11 September 2008. 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 11 September 2008.



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22. REVIEW OF PERFORMANCE

(A) Performance of the current quarter (Second Quarter 2009) against the preceding quarter (First Quarter 2009)

For the current quarter ended 31 July 2008, Group revenue increased to RM742.5m, while EBITDA increased to RM177.0m. However, net loss was higher to RM247.3m from RM2.6m in the preceding quarter, primarily due to the provision of costs relating to commitments made and impairment of assets in relation to PTDV operations amounting to RM231.1m in current quarter.

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SECOND QUARTER 31/07/2008	FIRST QUARTER 30/04/2008	SECOND QUARTER 31/07/2008	FIRST QUARTER 30/04/2008
<u>Consolidated Performance</u>				
Total Revenue	742.5	709.9		
Customer Acquisition Costs (CAC) ²	121.3	102.6		
EBITDA ³	177.0	161.5		
EBITDA Margin (%)	23.8	22.7		
Net Loss	(247.3)	(2.6)		
Free Cash Flow ⁴	(63.0)	(76.6)		
Net (Decrease)/Increase in Cash	(35.0)	130.3		
Capital expenditure ⁵	56.0	51.5		
<u>(i) Malaysian Multi channel TV(MC-TV)¹</u>				
Subscription revenue	610.1	600.1		
Advertising revenue	47.6	38.5		
Other revenue	8.5	5.0		
Total revenue	666.2	643.6		
CAC ²	121.3	102.6		
EBITDA ³	171.4	171.3		
EBITDA Margin (%)	25.7	26.6		
Capital expenditure ⁵	48.8	36.6		



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22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (Second Quarter 2009) against the preceding quarter (First Quarter 2009) (continued)

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SECOND QUARTER 31/07/2008	FIRST QUARTER 30/04/2008	SECOND QUARTER 31/07/2008	FIRST QUARTER 30/04/2008
(i) Malaysian Multi channel TV(MC-TV)¹				
(continued)				
Total subscriptions-net additions ('000)			104	102
Total subscriptions-end of period ('000)			2,688	2,584
Residential customers-net additions ('000)			101	96
Residential customers-end of period ('000)			2,469	2,368
ARPU – residential customer (RM)			83	85
MAT Churn (%)			8.7	9.8
CAC per set-top box sold (RM)			741	715
Content cost (RM per customer per mth)			32	32
(ii) Radio¹				
Revenue	46.6	39.5		
EBITDA ³	23.2	13.7		
EBITDA Margin (%)	49.8	34.7		
Listeners ('000) ⁶			10,408	10,408
Share of radio adex (%) ⁷			66	65
(iii) Library Licensing and Distribution¹				
Revenue	18.2	16.9		
EBITDA ³	(11.5)	(10.5)		
EBITDA Margin (%)	n/m	n/m		



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22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (Second Quarter 2009) against the preceding quarter (First Quarter 2009) (continued)

All amounts in RM million unless otherwise stated			
FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
SECOND QUARTER 31/07/2008	FIRST QUARTER 30/04/2008	SECOND QUARTER 31/07/2008	FIRST QUARTER 30/04/2008

(iv) Television Programming¹

Revenue	59.3	61.6
EBITDA ³	(3.8)	(4.0)
EBITDA Margin (%)	n/m	n/m
Channel share – Malaysia (%) ⁸	35.4	38.9

(v) Others

Magazines – average monthly circulation (including ASTRO TV Guide) ('000)	421	1,052
Malaysian film production – theatrical release	1	-

Note:

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM(0.7m) [Q2FY09], RM(0.4m) [Q1FY09]; Radio – RM0.2m [Q2FY09], RM0.1m [Q1FY09]; Library Licensing and Distribution – RM7.5m [Q2FY09], RM7.0m [Q1FY09]; Television Programming – RM57.0m [Q2FY09], RM60.5m [Q1FY09]).
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, provision of costs relating to commitments made and impairment of assets in relation to PTDV operations.
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, 2008 performed by NMR in April 2008.
7. Based on NMR Adex Report.
8. Based on data generated by the AGB Nielsen Media Research Television Audience Measurement service for the quarter.



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22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (Second Quarter 2009) against the preceding quarter (First Quarter 2009) (continued)

Consolidated Performance

Turnover

Group revenue increased by RM32.6m or 4.6% to RM742.5m. This was mainly driven by higher airtime sales from MC-TV and Radio as well as increase in MC-TV subscription revenue from continued growth in customer base.

EBITDA

Group EBITDA increased by RM15.5m to RM177.0m, primarily due to higher revenue by RM32.6m and lower other operating costs; partially offset by higher CAC by RM18.7m due to higher activation of subscribers resulting in higher subsidies and marketing costs, and higher content costs by RM16.2m due to sports related channels.

Cash Flow

Negative free cash of RM63.0m for the current quarter was mainly due to investments in jointly controlled entities in India.

Net decrease in cash was RM35.0m compared to an increase of RM130.3m preceding quarter, as a result of the negative free cash of RM63.0m and dividend payments of RM48.3m during the current quarter; partially offset by debt drawn down of RM97.9m (USD30m) under the syndicated term and revolving facilities.

Capital Expenditure

Group capital expenditure for the current quarter of RM56.0m, which was higher by RM4.5m compared to preceding quarter of RM51.5m, primarily due to higher capital expenditure incurred for the upgrade of All Asia Broadcast Centre facility.

Net Loss

The Group recorded a net loss of RM247.3m compared to RM2.6m preceding quarter, primarily due to the provision of costs relating to commitments made and impairment of assets in relation to PTDV operations amounting to RM231.1m in current quarter. Further details on PTDV are disclosed in Note 18.



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22. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter (Second Quarter 2009) against the preceding quarter (First Quarter 2009) (continued)

Malaysian Multi channel TV

MC-TV achieved revenue of RM666.2m, which was RM22.6m or 3.5% higher than preceding quarter, primarily from higher subscription revenue and airtime sales.

Residential customers registered gross additions of 159,800 customers in the current quarter from continued demand for Astro’s services. Absolute churn was 58,600 customers in the current quarter, while MAT churn improved to 8.7% from 9.8% in preceding quarter. As a result, residential customers increased by 101,200 net additions to 2,469,100 customers.

Residential customer ('000)	Second Quarter 2009	First Quarter 2009	Variance
Gross additions	159.8	141.7	18.1
Churn	(58.6)	(46.0)	(12.6)
Net additions	101.2	95.7	5.5

ARPU of RM83 was lower than First Quarter 2009 ARPU of RM85 due to lower subscription revenue, as higher take-ups of lower-priced packages by new customers mostly from semi-urban and more rural markets.

CAC per box sold increased by RM26 to RM741 mainly due to higher subsidy, partially offset by lower marketing/sales costs per unit.

Radio

Airtime sales from Radio of RM46.6m was RM7.1m or 18.0% higher than preceding quarter.

Library Licensing and Distribution

Revenue of RM18.2m for Library Licensing and Distribution increased marginally from RM16.9m mainly from higher channel licensing revenue.

Television Programming

Revenue of RM59.3m, which was RM2.3m or 3.7% lower than preceding quarter, primarily due to lower channel licensing income.



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2008 (First Half 2009) against the corresponding six months ended 31 July 2007 (First Half 2008)

Group revenue grew by RM240.2m or 19.8% to RM1,452.4m, while EBITDA increased by RM58.7m or 21.0% to RM338.5m. The Group recorded a net loss of RM249.9m, which was RM227.6m higher compared to RM22.3m in corresponding period last year, primarily due to the provision of costs relating to commitments made and impairment of assets in relation to PTDV operations amounting to RM231.1m in First Half 2009.

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	SIX MTHS ENDED 31/07/2008	SIX MTHS ENDED 31/07/2007	SIX MTHS ENDED 31/07/2008	SIX MTHS ENDED 31/07/2007
<u>Consolidated Performance</u>				
Total Revenue	1,452.4	1,212.2		
Customer Acquisition Costs (CAC) ²	223.9	154.1		
EBITDA ³	338.5	279.8		
EBITDA Margin (%)	23.3	23.1		
Net Loss	(249.9)	(22.3)		
Free Cash Flow ⁴	(139.6)	91.9		
Net Increase in Cash	95.3	35.0		
Capital expenditure ⁵	107.5	83.1		
<u>(i) Malaysian Multi channel TV(MC-TV)¹</u>				
Subscription revenue	1,210.2	1,005.5		
Advertising revenue	86.1	71.7		
Other revenue	13.5	16.2		
Total revenue	1,309.8	1,093.4		
CAC ²	223.9	154.1		
EBITDA ³	342.7	293.6		
EBITDA Margin (%)	26.2	26.9		
Capital expenditure ⁵	85.4	54.5		



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 FOR THE SECOND QUARTER ENDED 31 JULY 2008

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

22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2008 (First Half 2009) against the corresponding six months ended 31 July 2007 (First Half 2008) (continued)

All amounts in RM million unless otherwise stated

FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
SIX MTHS ENDED	SIX MTHS ENDED	SIX MTHS ENDED	SIX MTHS ENDED
31/07/2008	31/07/2007	31/07/2008	31/07/2007

(i) Malaysian Multi channel TV(MC-TV)¹
(continued)

Total subscriptions-net additions ('000)		206	107
Total subscriptions-end of period ('000)		2,688	2,308
Residential customers-net additions ('000)		197	93
Residential customers-end of period ('000)		2,469	2,109
ARPU – residential customer (RM)		84	79
MAT Churn (%)		8.7	9.8
CAC per set-top box sold (RM)		729	678
Content cost (RM per customer per mth)		31	28

(ii) Radio¹

Revenue	86.1	78.3		
EBITDA ³	36.9	32.0		
EBITDA Margin (%)	42.9	40.9		
Listeners ('000) ⁶			10,408	10,309
Share of radio adex (%) ⁷			65	68

(iii) Library Licensing and Distribution¹

Revenue	35.1	34.1		
EBITDA ³	(22.0)	(11.1)		
EBITDA Margin (%)	n/m	n/m		



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2008 (First Half 2009) against the corresponding six months ended 31 July 2007 (First Half 2008) (continued)

All amounts in RM million unless otherwise stated

FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
SIX MTHS ENDED	SIX MTHS ENDED	SIX MTHS ENDED	SIX MTHS ENDED
31/07/2008	31/07/2007	31/07/2008	31/07/2007

(iv) Television Programming¹

Revenue	120.9	69.1
EBITDA ³	(7.8)	(15.3)
EBITDA Margin (%)	n/m	n/m
Channel share – Malaysia (%) ⁸	36.3	27.5

(v) Others

Magazines – average monthly circulation (including ASTRO TV Guide) ('000)	737	2,163
Malaysian film production – theatrical release	1	3

Note:

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM(1.1m) [H1FY09], RM2.3m [H1FY08]; Radio – RM0.3m [H1FY09], RM1.6m [H1FY08]; Library Licensing and Distribution – RM14.5m [H1FY09], RM11.9m [H1FY08]; Television Programming – RM117.5m [H1FY09], RM66.4m [H1FY08]).
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, provision of costs relating to commitments made and impairment of assets in relation to PTDV operations.
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, 2008 and Sweep 1, 2007 performed by NMR in April 2008 and April 2007 respectively.
7. Based on NMR Adex Report.
8. Based on data generated by the AGB Nielsen Media Research Television Audience Measurement service for the period.



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2008 (First Half 2009) against the corresponding six months ended 31 July 2007 (First Half 2008) (continued)

Consolidated Performance

Turnover

Group consolidated revenue of RM1,452.4m was higher by RM240.2m or 19.8% compared to First Half 2008, mainly driven by RM204.7m higher MC-TV subscription revenue arising from an enlarged customer base and improved ARPU as well as higher airtime sales from MC-TV and Radio.

EBITDA

Group EBITDA of RM338.5m increased by RM58.7m or 21.0%, primarily from revenue growth; partially offset by higher content costs from the introduction of 19 new channels starting from May 2007, increased content costs in sport related channels, and higher CAC mainly due to higher subsidies and marketing costs.

Cash Flow

Negative free cash of RM139.6m in First Half 2009 was mainly due to investments in jointly controlled entities in India and capital expenditure; partially offset by operating cash flows generated.

Net increase in cash was RM95.3m compared to RM35.0m in First Half 2008, as a result of total debt drawn down of RM370.2m (USD115.1m) under the USD Facilities and syndicated term and revolving facilities; partially offset by the negative free cash of RM139.6m and dividend payments of RM93.3m in First Half 2009.

Capital Expenditure

Group capital expenditure of RM107.5m was higher by RM24.4m or 29.4%, primarily due to upgrading of IT systems.

Net Loss

The Group recorded a net loss of RM249.9m, which was RM227.6m higher compared to RM22.3m in corresponding period last year, primarily due to the provision of costs relating to commitments made and impairment of assets in relation to PTDV operations amounting to RM231.1m in First Half 2009. Further details on PTDV are disclosed in Note 18.



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current six months ended 31 July 2008 (First Half 2009) against the corresponding six months ended 31 July 2007 (First Half 2008) (continued)

Malaysian Multi channel TV

MC-TV revenue of RM1,309.8m was higher by RM216.4m or 19.8%, driven by higher subscription revenue as a result of an expanded customer base and improved ARPU.

Residential customers net additions of 196,900 increased by 103,500 customers or 110.8%.

MAT churn was 8.7% compared to 9.8% in corresponding period last year.

ARPU of RM84 improved from RM79 for corresponding period last year due to higher basic subscription ARPU, as a result of re-pricing exercises in addition to strong content offerings.

CAC per box sold of RM729 increased by RM51 due to higher subsidy and marketing/sales costs per unit.

Radio

Radio revenue of RM86.1m was higher by RM7.8m or 10.0%, primarily due to revision in rate card and repackaging exercise in March 2008.

Library Licensing and Distribution

Library Licensing and Distribution revenue of RM35.1m increased marginally by RM1.0m or 2.9%, mainly due to higher channel licensing revenue.

Television Programming

Television Programming revenue of RM120.9m was higher by RM51.8m or 75.0%, mainly driven by growth in customer base and introduction of 2 new Astro-branded channels in September 2007.



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23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2009

The Group continued to make good progress in its domestic business in the quarter ended 31 July 2008 as its Malaysian pay-TV business once again achieved record-high quarterly gross and net subscriber additions, driven by sustained marketing efforts and demand for local, premium and event-driven programming.

Overall, the Malaysian operations of the Group are on track for a strong year though earnings over the remainder of the year may still be affected by the impact of the global economic environment and the recent cost of living increases in the domestic market.

As set out in Note 18, the Group has issued termination notices to PTDV for all support and services provided to it although in response to a request from PTDV, the Group will continue supplying these services until 30 September 2008. As a result of these developments, during the quarter the Group has provided RM231.1m in respect of the Indonesian Venture. These provisions included costs to provide services to PTDV until 30 September 2008 and all other costs, of which the Group is currently aware.

Our direct-to-home TV joint-venture business in India, Sun Direct TV, is benefiting from robust demand for high-quality services and has signed on over 1 million subscribers since its launch. Consistent with the Group's accounting policies, the Group expects to account for its share of Sun Direct TV's losses of up to INR7,470m (RM575m), representing the cost of its 20% equity stake, over the next 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 2009.

24. PROFIT FORECAST

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

25. DIVIDENDS

The Company continues to pursue a progressive dividend policy that seeks to achieve a balance between long-term capital growth and immediate cash returns.

Further to the first interim tax exempt dividend of 2.5 sen per share paid on 31 July 2008, the Board of Directors is pleased to declare a second interim tax exempt dividend of 2.5 sen per share ("Second Interim Dividend") in respect of the financial year ending 31 January 2009 (First Half 2008: 2.0 sen per share). The Second Interim Dividend will be paid on 23 October 2008 to depositors whose names appear in the Record of Depositors at the close of business on 30 September 2008.

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 30 September 2008 in respect of transfers; and
- (b) shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.



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26. LOSS PER SHARE

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/07/08	QUARTER ENDED 31/07/07	SIX MTHS ENDED 31/07/08	SIX MTHS ENDED 31/07/07
Basic and diluted loss per share					
Loss attributable to equity holders of the Company	RM'm	(247.3)	(54.2)	(249.9)	(22.3)
Weighted average number of ordinary shares	'm	1,934.0	1,933.9	1,934.0	1,933.5
Basic loss per share	sen	(12.79)	(2.80)	(12.92)	(1.15)
Diluted loss per share	sen	*	*	*	*

(*) Not applicable as the options under the ESOS and MSIS would decrease the loss per share for the period.

By order of the Board

Lakshmi Nadarajah (LS No. 9057)
 Company Secretary

11 September 2008

Kuala Lumpur