



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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 OCTOBER 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 third quarter ended 31 October 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	+/-	NINE MTHS ENDED	NINE MTHS ENDED	+/-
		31/10/2008	31/10/2007		31/10/2008	31/10/2007	
		RM'm	RM'm	%	RM'm	RM'm	%
Revenue	8	744.5	679.5	+10	2,196.9	1,891.7	+16
Cost of sales (excluding set-top box subsidies)		(376.8)	(345.6)		(1,066.8)	(940.6)	
Gross profit (excluding set-top box subsidies)		367.7	333.9		1,130.1	951.1	
Set-top box subsidies		(69.7)	(57.2)		(207.8)	(150.8)	
Gross profit		298.0	276.7	+8	922.3	800.3	+15
Other operating income		5.7	3.9		20.2	9.3	
Marketing and distribution costs		(73.6)	(54.6)		(221.4)	(172.1)	
Administrative expenses ⁽¹⁾		(109.4)	(96.5)		(334.0)	(288.7)	
		120.7	129.5	-7	387.1	348.8	+11
Amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development	18	(264.4)	(60.6)		(641.2)	(153.0)	
(Loss)/profit from operations ⁽²⁾	8	(143.7)	68.9	-309	(254.1)	195.8	-230
Finance (costs)/income (net)		(55.0)	13.2		(92.0)	12.9	
Share of post tax results from investments accounted for using the equity method		(13.7)	(1.3)		(46.0)	(89.5)	
(Loss)/profit before taxation		(212.4)	80.8	-363	(392.1)	119.2	-429
Taxation	15	(38.4)	(46.1)		(109.5)	(112.0)	
(Loss)/profit for the period		(250.8)	34.7	-823	(501.6)	7.2	-7067
Attributable to:							
Equity holders of the Company		(250.4)	34.1	-834	(500.3)	11.8	-4340
Minority interests		(0.4)	0.6		(1.3)	(4.6)	
		(250.8)	34.7		(501.6)	7.2	



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UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/10/2008	QUARTER ENDED 31/10/2007	NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007
(Loss)/earnings per share:	26	Sen	Sen	Sen	Sen
- Basic		(12.95)	1.76	(25.87)	0.61
- Diluted		*	**	*	0.60

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

(**) Not applicable 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 period.

Notes

⁽¹⁾ The increase in administrative expenses in the current quarter and nine months ended 31 October 2008 is due to:

	Quarter RM'm	Nine Months RM'm
Administrative expenses for quarter/nine months ended 31/10/2007	96.5	288.7
- increase in impairment of receivables	4.7	15.1
- increase in depreciation and amortisation of fixed assets	3.0	8.3
- increase in overheads	5.2	21.9
Administrative expenses for quarter/nine months ended 31/10/2008	109.4	334.0

⁽²⁾ The (loss)/profit from operations has been arrived at after charging:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/10/2008 RM'm	QUARTER ENDED 31/10/2007 RM'm	NINE MTHS ENDED 31/10/2008 RM'm	NINE MTHS ENDED 31/10/2007 RM'm
Depreciation of property, plant & equipment	23.4	25.8	74.8	70.6
Amortisation of film library & programme rights	82.2	59.4	216.0	133.8
Amortisation of other intangible assets	9.8	8.3	29.2	24.0
Impairment of property, plant & equipment	21.0	-	38.7	-
Impairment of film library & programme rights	6.7	-	61.9	41.2



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QUARTERLY REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED BALANCE SHEET

		AS AT 31/10/2008	AS AT 31/01/2008
	Note	RM'm Unaudited	RM'm Audited
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,010.2	1,025.3
Interest in investments accounted for using the equity method		524.5	387.7
Deferred tax assets		171.0	256.0
Financial asset (other investments)		3.0	3.0
Film library and programme rights		272.6	315.6
Other intangible assets ⁽¹⁾		162.8	137.1
		<u>2,144.1</u>	<u>2,124.7</u>
CURRENT ASSETS			
Inventories		36.8	39.6
Receivables and prepayments		621.5	462.0
Derivative financial instruments		4.7	-
Tax recoverable		2.5	1.8
Cash and cash equivalents		1,127.5	986.8
		<u>1,793.0</u>	<u>1,490.2</u>
CURRENT LIABILITIES			
Payables		1,162.7	1,022.9
Derivative financial instruments		5.1	0.1
Borrowings	19	17.4	21.6
Current tax liabilities		6.2	4.0
		<u>1,191.4</u>	<u>1,048.6</u>
NET CURRENT ASSETS		<u>601.6</u>	441.6
NON-CURRENT LIABILITIES			
Payables		322.7	170.2
Deferred tax liabilities		10.7	10.7
Borrowings	19	1,480.8	765.0
		<u>1,814.2</u>	<u>945.9</u>
		<u>931.5</u>	<u>1,620.4</u>



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CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	AS AT 31/10/2008	AS AT 31/01/2008
Note	RM'm Unaudited	RM'm Audited
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	(89.8)	(71.8)
Hedging reserve	(0.4)	(0.1)
Other reserve	94.4	83.1
Accumulated losses	(822.7)	(142.1)
	<u>931.5</u>	<u>1,619.1</u>
Minority interests	-	1.3
Total equity	<u>931.5</u>	<u>1,620.4</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM) ⁽²⁾	0.48	0.84

Notes:

- ⁽¹⁾ Other intangible assets consist of software costs of RM147.0m (including broadcast facility at Cyberjaya of RM30.3m) (31/01/2008: RM114.7m), rights and licenses of RM15.5m (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 RM931.5m (31/01/2008: RM1,619.1m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM2,256.9m (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

Nine months ended 31/10/2008	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	-	-	-	-	(18.0)	-	-	-	(18.0)	-	(18.0)		
Cash flow hedge:													
- Fair value gain on hedging instrument	-	-	-	-	-	1.4	-	-	1.4	-	1.4		
- Transfer to income statement	-	-	-	-	-	(1.7)	-	-	(1.7)	-	(1.7)		
Net losses recognised directly in equity	-	-	-	-	(18.0)	(0.3)	-	-	(18.3)	-	(18.3)		
Loss for the period	-	-	-	-	-	-	-	(500.3)	(500.3)	(1.3)	(501.6)		
Total recognised income and expenses	-	-	-	-	(18.0)	(0.3)	-	(500.3)	(518.6)	(1.3)	(519.9)		
Share options:													
- Proceeds from shares issued	-	-	-	-	-	-	-	-	-	-	-		
- Value of employee services	-	-	-	-	-	-	11.3	-	11.3	-	11.3		
Dividends	-	-	-	-	-	-	-	(180.3)	(180.3)	-	(180.3)		
As at 31 October 2008	1,934.0	1,200.0	31.6	518.4	(89.8)	(0.4)	94.4	(822.7)	931.5	-	931.5		



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

Nine months ended 31/10/2007	Attributable to equity holders of the Company												
	Issued and fully paid ordinary shares of £0.10 each		Non-distributable								Total	Minority interests	Total Equity
	Number of shares	Nominal value	Share premium	Merger reserve	Exchange reserve	Hedging reserve	Other reserve	Retained earnings/ (losses)	RM' m	RM' m			
Million	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m		
As at 1 February 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)		
- Transfer to income statement	-	-	-	-	-	(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 income and expenses	-	-	-	-	(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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS
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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	CUMULATIVE QUARTER	
	NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007
	RM'm	RM'm
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the period	(501.6)	7.2
Contra arrangements – revenue	(2.8)	(1.7)
Value of employee services – share options	11.3	16.9
Interest income	(27.7)	(30.3)
Interest expense	60.1	31.9
Gain from derivative financial instruments	(1.7)	(9.7)
Unrealised foreign exchange loss/(gain)	63.3	(9.2)
Taxation	109.5	112.0
Property, plant and equipment		
- Depreciation	74.8	70.6
- Impairment	1.3	-
- Loss/(gain) on disposal	0.1	(0.8)
Film library and programme rights		
- Amortisation	166.8	124.4
- Impairment	3.0	4.7
Other intangible assets		
- Amortisation	29.2	24.0
Dilution of interest in a subsidiary	-	(0.3)
Write-down of inventories	0.7	-
Amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development	641.2	153.0
Share of post tax results from investments accounted for using the equity method	46.0	89.5
	673.5	582.2
Changes in working capital:		
Film library and programme rights	(213.5)	(185.1)
Inventories	(111.0)	11.8
Receivables and prepayments	(180.3)	(96.2)
Payables	(39.3)	41.7
Cash generated from operations	129.4	354.4
Income tax paid	(9.5)	(4.4)
Interest received	27.3	28.6
Net cash flow from operating activities	147.2	378.6



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UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

	CUMULATIVE QUARTER	
	NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007
	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	(217.1)	(93.5)
Capital repayment from a jointly controlled entity	2.9	-
Repayment of advance from associate	-	2.1
Proceeds from disposal of associates	-	0.5
Proceeds from shares issued to minority interests	-	1.3
Proceeds from disposal of property, plant and equipment	0.1	1.0
Acquisition of intangibles	(57.7)	(19.7)
Purchase of property, plant and equipment	(85.8)	(107.2)
Net cash flow from investing activities	(357.6)	(218.5)
<i>Net cash flow from operating and investing activities*</i>	(210.4)	160.1
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(180.3)	(135.4)
Interest paid	(61.5)	(30.4)
Drawdown of borrowings	626.1	31.7
Proceeds from realisation of interest rate swap contract	1.7	11.4
Issuance of shares pursuant to exercise of share options	-	4.8
Repayment of finance lease liabilities	(24.9)	(29.4)
Repayment of borrowings	(13.8)	(19.1)
Net cash flow from financing activities	347.3	(166.4)
Net effect of currency translation on cash and cash equivalents	3.8	(1.0)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	140.7	(7.3)
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	1,127.5	1,068.4

(*) 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 nine months ended 31 October 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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PART A – EXPLANATORY NOTES IN COMPLIANCE WITH FRS 134, PARAGRAPH 16

6. MOVEMENTS IN DEBT/EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year-to-date, 31 October 2008 other than 3,000 new ordinary shares were issued for a cash consideration of RM10,950 pursuant to the exercise of share options under the ESOS.

7. DIVIDENDS PAID

The following dividend payments were made during the financial year to-date:

	Total RM'm
In respect of the financial year ended 31 January 2008:	
- 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, paid on 24 April 2008	45.0
- Final tax exempt dividend of 2.0 sen per share, paid on 29 August 2008	38.7
In respect of the financial year ending 31 January 2009:	
- First interim tax exempt dividend of 2.5 sen per share, paid on 31 July 2008	48.3
- Second interim tax exempt dividend of 2.5 sen per share, paid on 23 October 2008	48.3
	<u>180.3</u>

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 31/10/08 RM'm	QUARTER ENDED 31/10/07 RM'm	NINE MTHS ENDED 31/10/08 RM'm	NINE MTHS ENDED 31/10/07 RM'm
Revenue				
<u>Malaysian multi channel television</u>				
External revenue	662.9	609.1	1,973.8	1,700.2
Inter-segment revenue	(0.9)	(1.8)	(2.0)	0.5
Malaysian multi channel television revenue	662.0	607.3	1,971.8	1,700.7
<u>Radio</u>				
External revenue	48.8	45.0	134.6	121.7
Inter-segment revenue	0.7	0.6	1.0	2.2
Radio revenue	49.5	45.6	135.6	123.9
<u>Library licensing and distribution</u>				
External revenue	17.7	13.7	38.3	35.9
Inter-segment revenue	7.6	9.6	22.1	21.5
Library licensing and distribution revenue	25.3	23.3	60.4	57.4
<u>Television programming</u>				
External revenue	4.2	3.6	7.6	6.3
Inter-segment revenue	45.0	51.2	162.5	117.6
Television programming revenue	49.2	54.8	170.1	123.9
<u>Others</u>				
External revenue	10.9	8.1	42.6	27.6
Inter-segment revenue	80.7	84.4	274.9	259.4
Others revenue	91.6	92.5	317.5	287.0
Total reportable segments	877.6	823.5	2,655.4	2,292.9
Eliminations	(133.1)	(144.0)	(458.5)	(401.2)
Total group revenue	744.5	679.5	2,196.9	1,891.7



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

8. SEGMENT RESULTS AND REPORTING (continued)

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>QUARTER ENDED 31/10/08</u>	<u>QUARTER ENDED 31/10/07</u>	<u>NINE MTHS ENDED 31/10/08</u>	<u>NINE MTHS ENDED 31/10/07</u>
	RM'm	RM'm	RM'm	RM'm
<u>(Loss)/profit from operations by segment</u>				
Malaysian multi channel television	151.1	148.5	439.4	395.1
Radio	19.9	15.8	50.9	43.5
Library licensing and distribution	(3.7)	(4.8)	(26.1)	(16.5)
Television programming	(33.4)	(15.5)	(44.2)	(35.4)
Others/eliminations	(13.2)	(14.5)	(32.9)	(37.9)
	120.7	129.5	387.1	348.8
Amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development	(264.4)	(60.6)	(641.2)	(153.0)
(Loss)/profit from operations	(143.7)	68.9	(254.1)	195.8

9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the quarter. As at 31 October 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 15 December 2008, except as disclosed in Note 21.



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11. CHANGES IN THE COMPOSITION OF THE GROUP

(a) Acquisition of a wholly-owned subsidiary

On 23 September 2008, ASTRO All Asia Entertainment Networks Limited acquired 1 share of HKD10.00 each in Media Networks Limited, a private company incorporated in Hong Kong, for a cash consideration of HKD10.00. The principal activities of Media Networks Limited will be investment holding and the provision of consultancy and support services.

(b) Investments in jointly controlled entities

(i) Mogae Digital Private Limited

On 1 August 2008, Digital Software Exports Limited (“DSEL”) subscribed for 98,000 new shares representing 49% equity interest in Mogae Digital Private Limited (“Mogae”) for a cash consideration of INR0.98m. DSEL also subscribed for 4,185,000 Class A Cumulative Convertible Preference Shares (“CCPS”) and 4,273,490 Class B CCPS in Mogae for cash considerations of INR41.85m and INR42.73m respectively.

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

(ii) EnetSys Web Solutions Private Limited

On 21 August 2008, DSEL subscribed for 88,900 new shares representing 44.45% equity interest in EnetSys Web Solutions Private Limited (“EnetSys”) for a cash consideration of INR0.89m. DSEL also subscribed for 17,051,000 Class A CCPS in EnetSys for a cash consideration of INR170.51m.

EnetSys is a private limited company incorporated in India and intends to develop, operate and provide Juniors E-learning, an Internet based coursework learning programme.

(iii) Sun Direct TV Private Limited

On 30 September 2008, South Asia Entertainment Holdings Ltd (“SAEHL”) subscribed for 3,645,256 new shares in Sun Direct TV Private Limited (“Sun Direct TV”) for a cash consideration of INR290.1m. 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.



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12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

As at 31 October 2008, the Group has provided guarantees to third parties amounting to RM49.3m, of which RM47.9m was in respect of loan facility secured by a jointly controlled entity and RM1.4m in respect of licence fees in subsidiaries.

(b) Contingent assets

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

13. COMMITMENTS

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

	Authorised and		Total
	Contracted for	Not contracted for	
	RM'm	RM'm	RM'm
Capital expenditure	65.7	240.4	306.1
Investment in an associate	17.7	-	17.7
Investment in a joint venture	142.2	-	142.2
Film library and programme rights	78.2	59.5	137.7
Non-cancellable operating lease	22.2	-	22.2
Non-cancellable finance lease	258.6	-	258.6
	584.6	299.9	884.5



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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 NINE MONTHS ENDED 31/10/08	AMOUNTS DUE FROM AS AT 31/10/08
	RM’m	RM’m
(a) Sales of goods and services		
Kristal-Astro Sdn Bhd (Sales of programme rights, technical support and other services)	10.1	7.1
AETN All Asia Networks Pte Ltd (Playout channel service fee and subtitling services)	3.7	9.8
Maxis Broadband Sdn Bhd (Multimedia and interactive sales and other services)	1.6	0.2
Maxis Mobile Services Sdn Bhd (Multimedia and interactive sales and other services)	5.8	3.4



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14. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	TRANSACTIONS FOR THE CUMULATIVE NINE MONTHS ENDED 31/10/08	AMOUNTS DUE TO AS AT 31/10/08
	RM'm	RM'm
(b) Purchases of goods and services		
AETN All Asia Networks Pte Ltd (Turnaround channel transmission rights)	10.3	5.5
Maxis Broadband Sdn Bhd (Telecommunication services and other charges)	6.7	4.5
UTSB Management Sdn Bhd (Personnel, strategic, consultancy and support services)	11.5	27.3
SRG Asia Pacific Sdn Bhd (Interaction call center services and other charges)	1.1	1.2
MEASAT Satellite Systems Sdn Bhd (Expenses and payment related to finance lease, rental and other charges)	64.0	10.0
Yes TV (Personnel, strategic, consultancy and support services)	2.2	0.8



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15. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/10/08	QUARTER ENDED 31/10/07	NINE MTHS ENDED 31/10/08	NINE MTHS ENDED 31/10/07
	RM'm	RM'm	RM'm	RM'm
Current tax	20.2	5.1	24.6	8.7
Deferred tax	18.2	41.0	84.9	103.3
	38.4	46.1	109.5	112.0

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 31/10/08	NINE MTHS ENDED 31/10/08
	RM'm	RM'm
Loss before taxation	(212.4)	(392.1)
Tax at Malaysian statutory tax rate of 25%	53.1	98.0
Tax effect of:		
Losses in foreign subsidiaries not available for tax relief at Group level	(58.8)	(146.6)
Share of post tax results from investments accounted for using the equity method	(3.4)	(11.5)
Others (including expenses not deductible for tax purposes and income not subject to tax)	(29.3)	(49.4)
Taxation charge	(38.4)	(109.5)

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 nine months ended 31 October 2008.

17. QUOTED SECURITIES

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



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18. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

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

A dispute arose concerning the SSA, and the parties failed to complete the Indonesian Venture. Accordingly, the Group decided to terminate all support and services and to withdraw the use of the Astro trademark.

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 and then again, to 19 October 2008.

As no payments have been received from PTDV, the Board decided to cease all support and services and to terminate the trademark licence agreement effective 0001 hours on 20 October 2008.

On 6 October 2008, the Group filed a Notice of Arbitration at the Singapore International Arbitration Centre to commence arbitration proceedings naming as respondents PTAPM, PTFM and PTDV. The Group is seeking certain declaratory and injunctive relief and also seeks monetary compensation in relation to the parties' failure to conclude the joint venture.

The Board has further considered the carrying value of certain assets and commitments previously associated with the Indonesian venture, following the cessation of services to PTDV and their recoverability in the context of the current economic conditions and ongoing litigation. Consequently, the Board has decided to make further provisions in respect of certain broadcast equipment and intellectual property rights of RM264.4m in Quarter 3 FY2009.

The cumulative amount provided for the cessation of the DTH business proposal in Indonesia including the previous expenses incurred in its development since inception is RM1,109.6m. As set out above and in Note 21, various legal actions have now commenced in respect of developments in Indonesia, the costs associated with which will be accounted for as incurred.



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18. STATUS OF CORPORATE PROPOSALS ANNOUNCED (continued)

(2) Proposed joint venture to develop, procure, aggregate, market and distribute content for fixed and mobile platforms

The Company, through its wholly-owned subsidiary, ASTRO Overseas Limited (“AOL”), had on 27 October 2008, entered into a conditional shareholders agreement (“SHA”) with Saudi Telecommunication Company (“STC”) and Saudi Research and Marketing Group (“SRMG”) in relation to the establishment of a joint venture entity in the Middle East to develop, produce, procure, aggregate, market, distribute and sell media content and content related intellectual property rights for the purposes of distribution or broadcasting on fixed and mobile platforms (including but not limited to mobile TV, IPTV and any other digital platform) (“JVC”). JVC is intended to serve the primary market of STC in the Kingdom of Saudi Arabia, and may potentially be extended to other countries in the Middle East and North African region and South Africa.

The proposed joint venture is to be jointly held through an investment company to be incorporated in Bahrain as a closed Joint Stock Company (“InvestCo”), whose sole object will be to hold 100% equity interest in JVC. Immediately following the incorporation of InvestCo, InvestCo shall establish the JVC.

As at 15 December 2008, the proposed joint venture is subject to and pending fulfillment of conditions precedent.



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19. GROUP BORROWINGS AND DEBT SECURITIES

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

	<u>Current</u>	<u>Non-current</u>	<u>Total</u>
	RM'm	RM'm	RM'm
<u>Unsecured</u>			
USD Facilities ⁽¹⁾ – USD144.8m*	-	510.0	510.0
<u>Secured</u>			
Syndicated term and revolving facilities ⁽²⁾ – USD100.7m*	-	358.0	358.0
Bank loan ⁽³⁾ – INR49.0m	3.5	-	3.5
Finance lease liabilities ⁽⁴⁾	13.9	612.8	626.7
	<u>17.4</u>	<u>1,480.8</u>	<u>1,498.2</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.

20. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 15 December 2008. The Group adopts IAS 39 – 'Financial Instruments: Recognition and Measurement' which requires all financial instruments to be recognised in the financial statements.



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21. CHANGES IN MATERIAL LITIGATION

Save as disclosed below, neither the Company nor its subsidiary companies has been or are involved in any material litigation, claims or arbitration either as plaintiff or defendant.

(1) ASTRO All Asia Networks plc and/or its group of companies as plaintiff(s)

Pursuant to the Subscription and Shareholders Agreement dated 11 March 2005 (“SSA”) entered into between certain Astro affiliates (“Astro”) and PT Ayunda Prima Mitra (“PT APM”), PT First Media Tbk (“PT FM”) and PTDV, any dispute arising out of or in relation to the Indonesian Venture shall be resolved by way of arbitration commenced by any party to the SSA through the Singapore International Arbitration Centre (“SIAC”). The arbitration proceedings, including the making of an award, shall take place at the SIAC and the award of the arbitrators shall be final and binding upon the parties.

On 6 October 2008, the Company issued a notice of arbitration (“Notice”) on PT APM, PTFM and PTDV (collectively, “Respondents”) notifying the Respondents of the commencement of arbitration proceedings on certain disputes in relation to the Indonesian Venture. Astro is claiming for injunctive and declaratory relief, damages and for the recovery of all monies due to Astro for the provision of services and/or amount expended or paid to PT DV, together with interest.

The SIAC is in the process of confirming the appointment of the arbitrators.

(2) ASTRO All Asia Networks plc and/or its group of companies as defendant(s)

In mid-2007, ESPN Star Sports (ESS) entered into an arrangement with All Asia Multimedia Networks FZ-LLC (AAMN), a wholly-owned subsidiary of the Company, for the management of the right to broadcast Barclays’ Premier League (“BPL Content”) in the territory of Indonesia. Pursuant to this arrangement, AAMN had directed ESS to provide the BPL Content for Season 2007/2008 to PTDV.

In response to complaints by several parties, the Komisi Pengawas Persaingan Usaha (KPPU), an Indonesian regulatory body, commenced an inquiry to determine whether PTDV, Astro, ESS and AAMN had violated laws prohibiting monopolistic practices and unfair business competition. Following the inquiry, the KPPU ruled that ESS and AAMN were in breach of anti-monopoly laws, and ordered that the agreement between ESS and AAMN for the management and placement of the BPL Content rights in Indonesia be cancelled, or for AAMN to amend its agreement with ESS so as to comply with a competitive process among the Indonesian TV operators. AAMN was also ordered to maintain and protect the interest of pay TV consumers in Indonesia by maintaining cordial business relations with PTDV and not to stop or deactivate its service to the subscribers until legal settlement is made in connection with the ownership status of PTDV.

On 8 October 2008, AAMN filed an appeal with the Central Jakarta District Court against the findings of the KPPU.

On 2 December 2008, the Central Jakarta District Court dismissed the appeal by AAMN against the KPPU ruling of 29 August 2008. AAMN has on 15 December 2008 filed a Notice of Appeal to request the Supreme Court of Indonesia to review the decision of the Central Jakarta District Court.



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 REQUIREMENT UNDER PART A of APPENDIX 9B**

22. REVIEW OF PERFORMANCE

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

For the current quarter, Group revenue increased to RM744.5m from RM742.5m, whilst EBITDA decreased to RM154.1m from RM177.0m in preceding quarter. Net loss was RM250.4m (Q2FY09: RM247.3m loss) due to lower EBITDA by RM22.9m and higher finance costs of RM22.0m; offset by lower amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development of RM264.4m (Q2FY09: RM308.8m).

	All amounts in RM million unless otherwise stated			
	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	THIRD QUARTER 31/10/2008	SECOND QUARTER 31/07/2008	THIRD QUARTER 31/10/2008	SECOND QUARTER 31/07/2008
<u>Consolidated Performance</u>				
Total Revenue	744.5	742.5		
Customer Acquisition Costs (CAC) ²	108.6	121.3		
EBITDA ³	154.1	177.0		
EBITDA Margin (%)	20.7	23.8		
Net Loss	(250.4)	(247.3)		
Free Cash Flow ⁴	(70.8)	(63.0)		
Net (Decrease)/Increase in Cash	45.4	(35.0)		
Capital expenditure ⁵	48.7	56.0		
<u>(i) Malaysian Multi channel TV(MC-TV)¹</u>				
Subscription revenue	618.6	610.1		
Advertising revenue	39.1	47.6		
Other revenue	4.3	8.5		
Total revenue	662.0	666.2		
CAC ²	108.6	121.3		
EBITDA ³	176.6	171.4		
EBITDA Margin (%)	26.7	25.7		
Capital expenditure ⁵	45.3	48.8		



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22. REVIEW OF PERFORMANCE (continued)

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

All amounts in RM million unless otherwise stated			
FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
THIRD QUARTER 31/10/2008	SECOND QUARTER 31/07/2008	THIRD QUARTER 31/10/2008	SECOND QUARTER 31/07/2008
(i) Malaysian Multi channel TV(MC-TV)¹			
(continued)			
Total subscriptions-net additions ('000)		100	104
Total subscriptions-end of period ('000)		2,788	2,688
Residential customers-net additions ('000)		96	101
Residential customers-end of period ('000)		2,565	2,469
ARPU – residential customer (RM)		81	83
MAT Churn (%)		9.8	8.7
CAC per set-top box sold (RM)		653	741
Content cost (RM per customer per mth)		30	32
(ii) Radio¹			
Revenue	49.5		46.6
EBITDA ³	22.3		23.2
EBITDA Margin (%)	45.1		49.8
Listeners ('000) ⁶		11,005	10,408
Share of radio adex (%) ⁷		62	66
(iii) Library Licensing and Distribution¹			
Revenue	25.3		18.2
EBITDA ³	(3.5)		(11.5)
EBITDA Margin (%)	n/m		n/m



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22. REVIEW OF PERFORMANCE (continued)

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

All amounts in RM million unless otherwise stated			
FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
THIRD QUARTER 31/10/2008	SECOND QUARTER 31/07/2008	THIRD QUARTER 31/10/2008	SECOND QUARTER 31/07/2008

(iv) Television Programming¹

Revenue	49.2	59.3
EBITDA ³	(30.4)	(3.8)
EBITDA Margin (%)	n/m	n/m
Channel share – Malaysia (%) ⁸	33.8	35.4

(v) Others

Magazines – average monthly circulation (including ASTRO TV Guide) ('000)	415	421
Malaysian film production – theatrical release	1	1

Note:

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM(0.9m) [Q3FY09], RM(0.7m) [Q2FY09]; Radio – RM0.7m [Q3FY09], RM0.2m [Q2FY09]; Library Licensing and Distribution – RM7.6m [Q3FY09], RM7.5m [Q2FY09]; Television Programming – RM45.0m [Q3FY09], RM57.0m [Q2FY09]).
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, amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development.
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, 2008 and Sweep 1, 2008 performed by NMR in August 2008 and April 2008 respectively.
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 (Third Quarter 2009) against the preceding quarter (Second Quarter 2009) (continued)

Consolidated Performance

Turnover

Group revenue recorded a marginal increase by RM2.0m or 0.3% to RM744.5m from RM742.5m in preceding quarter. This was mainly driven by increase in MC-TV subscription revenue vis-à-vis continued growth in customer base and higher licensing revenue from Library Licensing and Distribution; partially offset by lower airtime sales from MC-TV.

EBITDA

Group EBITDA decreased by RM22.9m to RM154.1m, primarily due to higher content costs and other operating costs; partially offset by higher revenue of RM2.0m and lower CAC of RM12.7m due to lower subsidies and marketing costs.

Cash Flow

The Group recorded negative free cash of RM70.8m for the current quarter due to our investments in jointly controlled entities in India and capital expenditure.

Nevertheless, the Group recorded net increase in cash of RM45.4m compared to a deficit of RM35.0m in preceding quarter. This was contributed by debt drawdown of RM241.1m (USD71.0m) under the syndicated term and revolving facilities during the current quarter; partially offset by the negative free cash of RM70.8m and dividend payments of RM87.0m.

Capital Expenditure

Group capital expenditure amounted to RM48.7m in the current quarter, which was lower by RM7.3m or 13% compared to preceding quarter of RM56.0m which included upgrading of IT systems and set top box development.

Net Loss

Group net loss was slightly higher by RM3.1m to RM250.4m in the current quarter from RM247.3m in the preceding quarter. This was primarily due to lower EBITDA by RM22.9m and higher finance costs by RM22.0m; offset by lower amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development of RM264.4m (Q2FY09: RM308.8m).



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22. REVIEW OF PERFORMANCE (continued)

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

Malaysian Multi channel TV

MC-TV recorded a marginal decrease in revenue by RM4.2m or 0.6% to RM662.0m from RM666.2m in preceding quarter. This was primarily due to lower airtime sales.

Residential customers registered gross additions of 163,500 whilst absolute churn was 67,400 customers in the current quarter. MAT churn increased to 9.8% from 8.7% in the preceding quarter. As a result, MC-TV recorded net additions of 96,100 to 2.565m customers during the current quarter.

Residential customer ('000)	Third Quarter 2009	Second Quarter 2009	Variance
Gross additions	163.5	159.8	3.7
Churn	(67.4)	(58.6)	(8.8)
Net additions	96.1	101.2	(5.1)

ARPU was RM81 in current quarter compared to RM83 in preceding quarter. The lower ARPU was mainly due to higher take-ups of lower-priced packages by new customers mostly from semi-urban and rural markets.

CAC per box sold decreased by RM88 to RM653 from RM741 in preceding quarter. This was mainly due to lower subsidy and marketing costs per unit.

Radio

Airtime sales were higher by RM2.9m or 6.2% to RM49.5m in current quarter as compared to RM46.6m in preceding quarter.

Library Licensing and Distribution

Revenue increased by RM7.1m or 39.0% to RM25.3m mainly due to higher channel licensing revenue.

Television Programming

Revenue decreased by RM10.1m or 17.0% to RM49.2m from RM59.3m in preceding quarter. This was mainly due to lower channel licensing income.



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current nine months ended 31 October 2008 (YTD October 2008) against the corresponding nine months ended 31 October 2007 (YTD October 2007)

Group revenue grew by RM305.2m or 16.1% to RM2,196.9m, while EBITDA increased by RM49.2m or 11.1% to RM492.6m. However, the Group recorded a net loss of RM500.3m compared to a net profit of RM11.8m in corresponding period last year, primarily due to higher amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development of RM641.2m (YTD October 2007: RM153.0m). In addition, the Group incurred finance cost of RM92.0m against finance income earned of RM12.9m in corresponding period last year; partially offset by higher EBITDA.

All amounts in RM million unless otherwise stated

	FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
	NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007	NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007
<u>Consolidated Performance</u>				
Total Revenue	2,196.9	1,891.7		
Customer Acquisition Costs (CAC) ²	332.5	245.5		
EBITDA ³	492.6	443.4		
EBITDA Margin (%)	22.4	23.4		
Net (Loss)/ Profit	(500.3)	11.8		
Free Cash Flow ⁴	(210.4)	160.1		
Net Increase/ (decrease) in Cash	140.7	(7.3)		
Capital expenditure ⁵	156.2	128.9		
<u>(i) Malaysian Multi channel TV(MC-TV)¹</u>				
Subscription revenue	1,828.8	1,566.4		
Advertising revenue	125.2	111.8		
Other revenue	17.8	22.5		
Total revenue	1,971.8	1,700.7		
CAC ²	332.5	245.5		
EBITDA ³	519.3	468.4		
EBITDA Margin (%)	26.3	27.5		
Capital expenditure ⁵	130.7	91.4		



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current nine months ended 31 October 2008 (YTD October 2008) against the corresponding nine months ended 31 October 2007 (YTD October 2007) (continued)

All amounts in RM million unless otherwise stated

FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
NINE MTHS ENDED	NINE MTHS ENDED	NINE MTHS ENDED	NINE MTHS ENDED
31/10/2008	31/10/2007	31/10/2008	31/10/2007

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

Total subscriptions-net additions ('000)		306	203
Total subscriptions-end of period ('000)		2,788	2,404
Residential customers-net additions ('000)		293	187
Residential customers-end of period ('000)		2,565	2,203
ARPU – residential customer (RM)		82	81
MAT Churn (%)		9.8	9.9
CAC per set-top box sold (RM)		702	677
Content cost (RM per customer per mth)		31	28

(ii) Radio¹

Revenue	135.6	123.9	
EBITDA ³	59.2	50.1	
EBITDA Margin (%)	43.7	40.4	
Listeners ('000) ⁶			11,005
Share of radio adex (%) ⁷			64

(iii) Library Licensing and Distribution¹

Revenue	60.4	57.4
EBITDA ³	(25.5)	(15.5)
EBITDA Margin (%)	n/m	n/m



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current nine months ended 31 October 2008 (YTD October 2008) against the corresponding nine months ended 31 October 2007 (YTD October 2007) (continued)

All amounts in RM million unless otherwise stated

FINANCIAL HIGHLIGHTS		KEY OPERATING INDICATORS	
NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007	NINE MTHS ENDED 31/10/2008	NINE MTHS ENDED 31/10/2007

(iv) Television Programming¹

Revenue	170.1	123.9
EBITDA ³	(38.2)	(31.3)
EBITDA Margin (%)	n/m	n/m
Channel share – Malaysia (%) ⁸	35.4	25.9

(v) Others

Magazines – average monthly circulation (including ASTRO TV Guide) ('000)	630	2,167
Malaysian film production – theatrical release	2	3

Note:

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM(2.0)m [YTD Oct 08], RM0.5m [YTD Oct 07]; Radio – RM1.0m [YTD Oct 08], RM2.2m [YTD Oct 07]; Library Licensing and Distribution – RM22.1m [YTD Oct 08], RM21.5m [YTD Oct 07]; Television Programming – RM162.5m [YTD Oct 08], RM117.6m [YTD Oct 07]).
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, amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development.
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, 2008 and Sweep 2, 2007 performed by NMR in August 2008 and September 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 nine months ended 31 October 2008 (YTD October 2008) against the corresponding nine months ended 31 October 2007 (YTD October 2007) (continued)

Consolidated Performance

Turnover

For nine-month ended 31 October 2008, the Group revenue rose by RM305.2m or 16.1% to RM2,196.9m from RM1,891.7m in corresponding period last year. The increase was mainly contributed by higher subscription revenue in MC-TV (RM262.4m) and advertising revenue in MC-TV and Radio segments (RM28.3m).

EBITDA

Group EBITDA was RM492.6m increased by RM49.2m or 11.1%, primarily due to revenue growth; partially offset by higher content costs from the introduction of 8 new channels starting from September/October 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 RM210.4m for the current period was mainly due to investments in jointly controlled entities in India and capital expenditure; partially offset by positive operating cash flows.

Nevertheless, the Group recorded net increase in cash of RM140.7m in current period compared to a net decrease in cash of RM7.3m in corresponding period last year. This was due to debt drawdown of RM611.3m (USD186.1m) under the USD Facilities and syndicated term and revolving facilities; partially offset by the negative free cash of RM210.4m and dividend payments of RM180.3m.

Capital Expenditure

Group capital expenditure was higher by RM27.3m or 21.2% to RM156.2m from RM128.9m in corresponding period last year. This was primarily due to higher capital expenditure incurred for the upgrade of All Asia Broadcast Centre facility and IT systems.

Net Loss

The Group recorded a net loss of RM500.3m compared to a net profit of RM11.8m in corresponding period last year. This was primarily due to higher amounts related to costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development of RM641.2m (YTD October 07: RM153.0m). In addition, the Group incurred finance cost of RM92.0m against finance income generated of RM12.9m in corresponding period last year; partially offset by higher EBITDA.



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22. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current nine months ended 31 October 2008 (YTD October 2008) against the corresponding nine months ended 31 October 2007 (YTD October 2007) (continued)

Malaysian Multi channel TV

MC-TV revenue increased by RM271.1m or 15.9% to RM1,971.8m which was driven by customer growth and improved ARPU.

Residential customers net additions was 293,000 in the current period. Total residential customer was 2.565m as at 31 October 2008 compared with 2.203m in the same time last year.

MAT churn was relatively stable at 9.8% compared to 9.9% in corresponding period last year.

ARPU of RM82 improved marginally from RM81 in corresponding period last year.

CAC per box was higher by RM25 to RM702 from RM677 in corresponding period last year. This was due to higher subsidy during the current period.

Radio

Radio revenue of RM135.6m was higher by RM11.7m or 9.4%, primarily due to continued good economy in the first half of the year, coupled with rate card revision in March 2008 and attractive tactical sales packages.

Library Licensing and Distribution

Library Licensing and Distribution revenue of RM60.4m increased by RM3.0m or 5.2%, mainly due to higher channel licensing revenue.

Television Programming

Television Programming revenue of RM170.1m was higher by RM46.2m or 37.3%, mainly driven by growth in customer base.



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23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2009

The Malaysian businesses achieved encouraging growth in the quarter to 31 October 2008 with record-high quarterly gross subscriber additions in the pay-TV operations as it continued to target under-penetrated markets and benefit from its programming investments.

These businesses are expected to continue to grow in the rest of the year although the current economic uncertainties may dampen consumer demand. To minimize any impact on the Group's future earnings, cost management measures have been implemented across the Group to sustain margins.

As set out in Note 18, the Group has made further provisions for costs of cessation of the DTH business proposal in Indonesia and previous expenses incurred in its development. However, the Group will continue to incur costs in respect of ongoing litigation which is set out in Note 21. The Group is also evaluating its Indonesian content production and distribution activities and may have to account for further restructuring charges currently estimated at RM75m.

Our direct-to-home TV joint-venture business in India, Sun Direct TV, continued to sustain its growth, having achieved a subscriber base in excess of 1.8 million, significantly ahead of plan. Consistent with the Group's accounting policies, the Group will account for its anticipated share of Sun Direct TV's losses of up to INR7,470m (RM575m), representing the cost of its 20% equity stake, over the next five 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.



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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.

The Board of Directors is pleased to declare a third interim tax exempt dividend of 2.5 sen per share (“Third Interim Dividend”) in respect of the financial year ending 31 January 2009. As a result, the total interim dividends approved in respect of the financial year ending 31 January 2009 were 7.5 sen per share (YTD October 2007: 5.0 sen per share).

The Third Interim Dividend will be paid on 21 January 2009 to depositors whose names appear in the Record of Depositors at the close of business on 5 January 2009.

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

- a. shares transferred to the depositor’s securities account before 4.00 p.m. on 5 January 2009 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)/EARNINGS PER SHARE

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/10/08	QUARTER ENDED 31/10/07	NINE MTHS ENDED 31/10/08	NINE MTHS ENDED 31/10/07
(1) Basic (loss)/earnings per share					
(Loss)/profit attributable to equity holders of the Company	RM'm	(250.4)	34.1	(500.3)	11.8
Weighted average number of ordinary shares	'm	1,934.0	1,934.0	1,934.0	1,933.7
Basic (loss)/earnings per share	sen	(12.95)	1.76	(25.87)	0.61
(2) Diluted earnings per share					
(Loss)/profit attributable to equity holders of the Company	RM'm	(250.4)	34.1	(500.3)	11.8
Weighted average number of ordinary shares	'm	1,934.0	1,934.0	1,934.0	1,933.7
Adjusted for share options granted	'm	0.1	-	0.9	2.9
Adjusted weighted average number of ordinary shares	'm	1,934.1	1,934.0	1,934.9	1,936.6
Diluted earnings per share	sen	*	**	*	0.60

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

(**) Not applicable 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 period.

By order of the Board

Lakshmi Nadarajah (LS No. 9057)
Company Secretary

15 December 2008

Kuala Lumpur