ASTRO ALL ASIA NETWORKS plc

**(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 2009

**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 2009 which should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 January 2009.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

| | Note | **INDIVIDUAL QUARTER** | | | **CUMULATIVE QUARTER** | | |
|---|---|---|---|---|---|---|---|
| | | **QUARTER ENDED 31/07/2009** | QUARTER ENDED 31/07/2008 | +/- | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 | +/- |
| | | **RM'm** | RM'm | % | **RM'm** | RM'm | % |
| Revenue | 8 | **763.7** | 742.5 | +3% | **1,515.6** | 1,452.4 | +4% |
| Cost of sales (excluding set-top box subsidies) | | **(392.1)** | (339.2) | | **(785.5)** | (690.0) | |
| Gross profit (excluding set-top box subsidies) | | **371.6** | 403.3 | | **730.1** | 762.4 | |
| Set-top box subsidies | | **(82.2)** | (77.0) | | **(151.1)** | (138.1) | |
| Gross profit | | **289.4** | 326.3 | -11% | **579.0** | 624.3 | -7% |
| Other operating income | | **6.5** | 8.9 | | **12.3** | 14.5 | |
| Marketing and distribution costs | | **(66.5)** | (70.9) | | **(137.4)** | (146.4) | |
| Administrative expenses | | **(96.2)** | (121.5) | | **(202.7)** | (224.6) | |
| Other operating expenses [(1)] | | **(2.4)** | (1.2) | | **(3.9)** | (1.4) | |
| | | **130.8** | 141.6 | -8% | **247.3** | 266.4 | -7% |
| Amounts related to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development[(2)] | | **(6.8)** | (308.8) | | **(11.1)** | (376.8) | |
| Profit/(loss) from operations [(3)] | 8 | **124.0** | (167.2) | +174% | **236.2** | (110.4) | +314% |
| Finance costs (net) | | **(30.1)** | (33.0) | | **(47.0)** | (37.0) | |
| Share of post tax results from investments accounted for using the equity method | | **(28.5)** | (18.2) | | **(54.0)** | (32.3) | |
| Profit/(loss) before taxation | | **65.4** | (218.4) | +130% | **135.2** | (179.7) | +175% |
| Taxation | 15 | **(37.6)** | (29.2) | | **(72.9)** | (71.1) | |
| Profit/(loss) for the period | | **27.8** | (247.6) | +111% | **62.3** | (250.8) | +125% |
| Attributable to: | | | | | | | |
| Equity holders of the Company | | **27.8** | (247.3) | +111% | **62.3** | (249.9) | +125% |
| Minority interests | | **-** | (0.3) | | **-** | (0.9) | |
| | | **27.8** | (247.6) | | **62.3** | (250.8) | |

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS (continued)

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | Note | **QUARTER ENDED 31/07/2009** | QUARTER ENDED 31/07/2008 | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 |
| Earning/(loss) per share: | 26 | **Sen** | Sen | **Sen** | Sen |
| - Basic | | **1.44** | (12.79) | **3.22** | (12.92) |
| - Diluted | | **1.43** | * | **3.22** | * |

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

**Notes**

(1) Other operating expenses in the current quarter and period ended 31 July 2009 consist of the following Corporate Responsibility (CR) programme costs:

| | Quarter Ended RM'm | Period Ended RM'm |
|---|---|---|
| - Education based initiatives such as Kampus Astro and Astro scholarship awards | 1.6 | 3.1 |
| - Community/performing arts/environment based initiatives | 0.8 | 0.8 |
| | 2.4 | 3.9 |

(2) The cost incurred for the current quarter and period ended 31 July 2009 principally represents professional fees associated with ongoing material litigation.

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/07/2009** | QUARTER ENDED 31/07/2008 | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| Depreciation of property, plant & equipment | **32.8** | 25.9 | **60.6** | 51.4 |
| Amortisation of film library & programme rights | **56.5** | 68.7 | **119.1** | 133.8 |
| Amortisation of other intangible assets | **11.2** | 9.2 | **21.8** | 19.4 |
| Impairment of property, plant & equipment | **-** | 16.7 | **-** | 17.7 |
| Write-off of other intangible assets | **-** | - | **6.5** | - |
| Impairment of film library & programme rights | **2.8** | 54.9 | **5.0** | 55.2 |

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**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/07/2009** | QUARTER ENDED 31/07/2008 | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| **Profit / (loss) for the period** | **27.8** | (247.6) | **62.3** | (250.8) |
| **Other comprehensive income:** | | | | |
| Currency translation differences | **14.1** | 21.7 | **7.5** | 11.5 |
| Cash flow hedges: | | | | |
| - Net fair value (loss)/gain | **1.5** | 4.1 | **(6.4)** | 4.0 |
| - Reclassification adjustments for loss on realisation of forward foreign exchange rate contract included in profit or loss | **4.0** | 0.2 | **2.7** | 0.4 |
| - Reclassification adjustments for loss on realisation of interest rate swap included in profit or loss | **2.7** | - | **4.3** | - |
| **Other comprehensive income for the period (*)** | **22.3** | 26.0 | **8.1** | 15.9 |
| **Total comprehensive income/(loss) for the period** | **50.1** | (221.6) | **70.4** | (234.9) |
| **Total comprehensive income/(loss) attributable to:** | | | | |
| - Equity holders of the Company | **50.1** | (221.3) | **70.4** | (234.0) |
| - Minority interest | **-** | (0.3) | **-** | (0.9) |
| | **50.1** | (221.6) | **70.4** | (234.9) |

(*) There is no income tax relating to components of other comprehensive income.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

## CONDENSED CONSOLIDATED BALANCE SHEET

| | Note | **AS AT 31/07/2009 RM'm Unaudited** | AS AT 31/01/2009 RM'm Audited |
|---|---|---|---|
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 9 | **1,338.3** | 992.2 |
| Interest in investments accounted for using the equity method | | **624.0** | 526.8 |
| Deferred tax assets | | **64.6** | 129.8 |
| Financial assets | | **23.0** | 3.0 |
| Film library and programme rights | | **268.4** | 276.9 |
| Other intangible assets (1) | | **184.2** | 163.7 |
| | | **2,502.5** | 2,092.4 |
| **CURRENT ASSETS** | | | |
| Inventories | | **34.7** | 39.1 |
| Receivables and prepayments | | **703.4** | 679.5 |
| Derivative financial instruments | | **-** | 2.4 |
| Tax recoverable | | **4.5** | 2.5 |
| Financial assets | | **25.0** | - |
| Cash and cash equivalents | | **912.1** | 1,058.1 |
| | | **1,679.7** | 1,781.6 |
| **CURRENT LIABILITIES** | | | |
| Payables | | **1,085.9** | 1,218.0 |
| Derivative financial instruments | | **20.6** | 23.6 |
| Borrowings | 19 | **540.6** | 393.7 |
| Current tax liabilities | | **1.0** | 3.2 |
| | | **1,648.1** | 1,638.5 |
| **NET CURRENT ASSETS** | | **31.6** | 143.1 |
| **NON-CURRENT LIABILITIES** | | | |
| Payables | | **365.9** | 286.2 |
| Deferred tax liabilities | | **12.5** | 12.5 |
| Borrowings | 19 | **1,377.4** | 1,137.3 |
| | | **1,755.8** | 1,436.0 |
| | | **778.3** | 799.5 |

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**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

## CONDENSED CONSOLIDATED BALANCE SHEET (continued)

| | Note | AS AT 31/07/2009 RM'm Unaudited | AS AT 31/01/2009 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 | | **(118.8)** | (126.3) |
| Hedging reserve | | **(20.6)** | (21.2) |
| Other reserve | | **102.1** | 97.0 |
| Accumulated losses | | **(934.4)** | (900.0) |
| | | **778.3** | 799.5 |
| **Minority interests** | | **-** | - |
| **Total equity** | | **778.3** | 799.5 |
| **NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)** [2] | | **0.40** | 0.41 |

Notes:

(1) Other intangible assets consist of software costs of RM174.3m (including broadcast facility at Cyberjaya of RM25.4m) (31/01/2009: RM149.7m), rights and licenses of RM9.6m (31/01/2009: RM13.7m) and goodwill on consolidation of RM0.3m (31/01/2009: RM0.3m).

(2) Net assets attributable to equity holders of the Company of RM778.3m (31/01/2009: RM799.5m) are stated after the writing off of total subsidised set-top box equipment costs cumulative to-date of RM2,475.1m (31/01/2009: RM2,324.0m).

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## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 31 JULY 2009

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued and fully paid ordinary shares of £0.10 each | | Non-distributable | | | | | | | | |
| Period ended 31/07/2009 | Number of shares | Nominal value | Share premium | Merger reserve | Exchange reserve | Hedging reserve | Other reserve | Accumu-lated losses | Total | Minority interests | Total Equity |
| | Million | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m |
| As at 1 February 2009 | 1,934.0 | 1,200.0 | 31.6 | 518.4 | (126.3) | (21.2) | 97.0 | (900.0) | 799.5 | - | 799.5 |
| Total comprehensive income for the period | - | - | - | - | 7.5 | 0.6 | - | 62.3 | 70.4 | - | 70.4 |
| Share options: | | | | | | | | | | | |
| - Proceeds from shares issued * | - | - | - | - | - | - | - | - | - | - | - |
| - Value of employee services | - | - | - | - | - | - | 5.1 | - | 5.1 | - | 5.1 |
| Dividends | - | - | - | - | - | - | - | (96.7) | (96.7) | - | (96.7) |
| | - | - | - | - | - | - | 5.1 | (96.7) | (91.6) | - | (91.6) |
| As at 31 July 2009 | 1,934.0 | 1,200.0 | 31.6 | 518.4 | (118.8) | (20.6) | 102.1 | (934.4) | 778.3 | - | 778.3 |

* As disclosed in Note 6.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

| | Attributable to equity holders of the Company | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Issued and fully paid ordinary shares of £0.10 each | | Non-distributable | | | | | | | | |
| Period ended 31/07/2008 | Number of shares | Nominal value | Share premium | Merger reserve | Exchange reserve | Hedging reserve | Other reserve | Accumu-lated losses | Total | Minority interests | Total Equity |
| | Million | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m | RM' m |
| As at 1 February 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 |
| Total comprehensive income for the period | - | - | - | - | 11.5 | 4.4 | - | (249.9) | (234.0) | (0.9) | (234.9) |
| Share options: - Value of employee services | - | - | - | - | - | - | 7.5 | - | 7.5 | - | 7.5 |
| Dividends | - | - | - | - | - | - | - | (132.0) | (132.0) | - | (132.0) |
| | - | - | - | - | - | - | 7.5 | (132.0) | (124.5) | - | (124.5) |
| 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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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

| | CUMULATIVE QUARTER | |
|---|---|---|
| | **PERIOD ENDED 31/07/2009** | PERIOD ENDED 31/07/2008 |
| | **RM'm** | RM'm |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profit/(loss) for the period | **62.3** | (250.8) |
| Contra arrangements – revenue | **(4.8)** | (1.7) |
| Value of employee services – share options | **5.1** | 7.5 |
| Interest income | **(12.4)** | (18.7) |
| Interest expense | **38.2** | 36.8 |
| Loss on realisation of interest rate swap contract | **4.3** | - |
| Loss on realisation of forward foreign exchange rate contract | **2.7** | 0.4 |
| Unrealised foreign exchange (gain)/ loss | **(7.4)** | 20.6 |
| Taxation | **72.9** | 71.1 |
| Property, plant and equipment | | |
| - Depreciation | **60.6** | 51.4 |
| - Impairment | **-** | 1.3 |
| - (Gain)/loss on disposal | **(0.5)** | 0.1 |
| Film library and programme rights | | |
| - Amortisation | **119.1** | 105.2 |
| - Impairment | **5.0** | 0.5 |
| Other intangible assets | | |
| - Amortisation | **21.8** | 19.4 |
| - Write off | **6.5** | - |
| Write down of inventories | **-** | 0.4 |
| Amounts related to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development | **11.1** | 376.8 |
| Share of post tax results from investments accounted for using the equity method | **54.0** | 32.3 |
| | **438.5** | 452.6 |
| Changes in working capital: | | |
| Film library and programme rights | **(138.7)** | (130.5) |
| Inventories | **4.4** | (108.8) |
| Receivables and prepayments | **(53.5)** | (99.7) |
| Payables | **(106.0)** | 3.8 |
| Cash generated from operations | **144.7** | 117.4 |
| Income tax paid | **(9.3)** | (3.7) |
| Interest received | **8.6** | 17.6 |
| Net cash flow from operating activities | **144.0** | 131.3 |

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## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT (continued)

| | CUMULATIVE QUARTER | |
|---|---|---|
| | **PERIOD ENDED 31/07/2009** | PERIOD ENDED 31/07/2008 |
| | **RM'm** | RM'm |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of investments accounted for using the equity method | **(142.9)** | (178.3) |
| Capital repayment from a jointly controlled entity | **-** | 2.9 |
| Purchase of financial assets | **(45.0)** | - |
| Proceeds from disposal of property, plant and equipment | **0.6** | 0.1 |
| Purchase of intangibles | **(43.4)** | (39.8) |
| Purchase of property, plant and equipment | **(39.8)** | (55.8) |
| Net cash flow used in investing activities | **(270.5)** | (270.9) |
| ***Net cash flow used in operating and investing activities**** | ***(126.5)*** | *(139.6)* |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Dividends paid | **(48.4)** | (93.3) |
| Interest paid | **(18.8)** | (33.6) |
| Drawdown of borrowings | **88.3** | 381.2 |
| Payments from realisation of interest rate swap contract | **(4.3)** | - |
| Repayment of finance lease liabilities | **(0.6)** | (9.0) |
| Repayment of borrowings | **(35.6)** | (11.0) |
| Net cash flow (used in) / from financing activities | **(19.4)** | 234.3 |
| Net effect of currency translation on cash and cash equivalents | **(0.1)** | 0.6 |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | **(146.0)** | 95.3 |
| **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD** | **1,058.1** | 986.8 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **912.1** | 1,082.1 |

**(*)** Represents free cash flow.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

## 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 2009.

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 2009 except for the adoption of new Standards and amendments described below:

- IAS 1 (revised), 'Presentation of Financial Statements'
  The revised Standard has introduced a number of terminology changes (including revised titles for the condensed financial statements) and has resulted in a number of changes in presentation and disclosure. However, the adoption of the revised Standard did not affect the Group's results or financial position for the period.

- IFRS 8, 'Operating Segments'
  Adoption of this Standard did not have any effect on the financial position or results of the Group. The Group determined that the operating segments were the same as the business segments previously identified under IAS 14 Segment Reporting. Additional disclosures about each of these segments are shown in Note 8, including comparative information.

- Improvements to IFRSs
  The adoption of the amendments included in Improvement to IFRSs resulted in changes in accounting policies but did not have any impact on the financial position or results of the Group.

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 financial period ended 31 July 2009.

### 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 except as indicated in Note 22.

### 4. UNUSUAL ITEMS

There were no significant unusual items affecting the assets, liabilities, equity, net income or cash flows during the financial year to date.

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

## 5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no significant changes in estimates that have had any material effect on the financial year to date results.

## 6. MOVEMENTS IN DEBT/EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial period under review other than 5,300 new ordinary shares were issued for a cash consideration of RM16,589 pursuant to the exercise of share options under the ESOS.

## 7. DIVIDENDS PAID

During the period, the following dividend payments were made:

| | **Total RM'm** |
|---|---|
| First interim tax exempt dividend of 2.5 sen per share in respect of the financial year ending 31 January 2010, paid on 24 July 2009 | **48.4** |

Subsequent to the end of the financial period, a final tax exempt dividend of 2.5 sen per share amounting to RM48.3m in respect of the financial year ended 31 January 2009 was paid on 25 August 2009.

## 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.

## 8. SEGMENT RESULTS AND REPORTING (continued)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/07/09** | QUARTER ENDED 31/07/08 | **SIX MTHS ENDED 31/07/09** | SIX MTHS ENDED 31/07/08 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| **Revenue** | | | | |
| Malaysian multi channel television | | | | |
| External revenue | **700.9** | 666.9 | **1,390.1** | 1,310.9 |
| Inter-segment revenue | **-** | (0.7) | **(0.3)** | (1.1) |
| Malaysian multi channel television revenue | **700.9** | 666.2 | **1,389.8** | 1,309.8 |
| Radio | | | | |
| External revenue | **47.1** | 46.4 | **85.7** | 85.8 |
| Inter-segment revenue | **0.6** | 0.2 | **1.1** | 0.3 |
| Radio revenue | **47.7** | 46.6 | **86.8** | 86.1 |
| Library licensing and distribution | | | | |
| External revenue | **8.2** | 10.7 | **17.5** | 20.6 |
| Inter-segment revenue | **6.1** | 7.5 | **12.3** | 14.5 |
| Library licensing and distribution revenue | **14.3** | 18.2 | **29.8** | 35.1 |
| Television programming | | | | |
| External revenue | **3.8** | 2.3 | **6.8** | 3.4 |
| Inter-segment revenue | **56.1** | 57.0 | **108.5** | 117.5 |
| Television programming revenue | **59.9** | 59.3 | **115.3** | 120.9 |
| Others | | | | |
| External revenue | **3.7** | 16.2 | **15.5** | 31.7 |
| Inter-segment revenue | **116.6** | 78.7 | **141.8** | 194.2 |
| Others revenue | **120.3** | 94.9 | **157.3** | 225.9 |
| Total reportable segments | **943.1** | 885.2 | **1,779.0** | 1,777.8 |
| Eliminations | **(179.4)** | (142.7) | **(263.4)** | (325.4) |
| Total group revenue | **763.7** | 742.5 | **1,515.6** | 1,452.4 |

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

## 8. SEGMENT RESULTS AND REPORTING (continued)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/07/09** | QUARTER ENDED 31/07/08 | **SIX MTHS ENDED 31/07/09** | SIX MTHS ENDED 31/07/08 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| **Profit/(loss) from operations by segment** | | | | |
| Malaysian multi channel television | **151.4** | 144.3 | **285.6** | 288.3 |
| Radio | **20.3** | 21.0 | **32.0** | 31.0 |
| Library licensing and distribution | **(8.5)** | (11.7) | **(21.6)** | (22.4) |
| Television programming | **(2.0)** | (4.6) | **(3.8)** | (10.8) |
| Others/eliminations | **(30.4)** | (7.4) | **(44.9)** | (19.7) |
| | **130.8** | 141.6 | **247.3** | 266.4 |
| Amounts related to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development | **(6.8)** | (308.8) | **(11.1)** | (376.8) |
| Profit/(loss) from operations | **124.0** | (167.2) | **236.2** | (110.4) |
| Finance cost (net) | **(30.1)** | (33.0) | **(47.0)** | (37.0) |
| Share of post tax results from investment accounted for using the equity method | **(28.5)** | (18.2) | **(54.0)** | (32.3) |
| Profit/(loss) before taxation | **65.4** | (218.4) | **135.2** | (179.7) |
| **Total assets** | | | | |
| Malaysian multi channel television | | | **1,935.4** | 1,425.6 |
| Radio | | | **100.5** | 103.7 |
| Library licensing and distribution | | | **222.7** | 225.7 |
| Television programming | | | **184.4** | 228.0 |
| Others | | | **252.1** | 221.7 |
| | | | **2,695.1** | 2,204.7 |
| Interest in investments accounted for using the equity method | | | **624.0** | 536.6 |
| Unallocated assets | | | **863.1** | 1,176.8 |
| Total assets | | | **4,182.2** | 3,918.1 |

## 9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment during the financial year to date. As at 31 July 2009, 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 quarter under review to 10 September 2009, other than as disclosed in Note 11 A, Note 19(1) and Note 21(2).

## 11. CHANGES IN THE COMPOSITION OF THE GROUP

Investments in jointly controlled entities

A. South Asia FM Ltd (SAFL)

South Asia Multimedia Technologies Ltd (SAMT), a wholly-owned subsidiary of ASTRO has increased its stake in SAFL from 6.98% to 20% in the following manner:-

i. Subscription of 1,922,854 new SAFL equity shares at par at a total subscription price of INR19,228,540 on 22 June 2009;
ii. Subscription of 19,389,198 new SAFL equity shares at par at a total subscription price of INR193,891,980 on 23 July 2009;
iii. Acquisition of 13,836,296 existing SAFL equity shares from AH Multisoft Private Ltd at par at a total purchase price of INR138,362,960 on 23 July 2009; and
iv. Subscription of 43,900,136 Compulsorily Convertible Preference Shares (CCPS) of INR10 each in SAFL at a subscription price of INR439,001,360 on 3 August 2009.

B. Max Flexi Services Private Limited

On 31 July 2009, South Asia Software Technologies Ltd, a wholly-owned subsidiary of ASTRO, subscribed for additional 35,928,785 Cumulative Convertible Preference Shares of INR10 each in Max Flexi Services Private Limited for a total consideration of INR359,287,850.

## 12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### (a) Contingent liabilities

As at 31 July 2009, the Group has provided guarantees to third parties amounting to RM101.5m, of which RM100m was in respect of loan facility secured by a jointly controlled entity and RM1.5m in respect of licence fees in subsidiary.

### (b) Contingent assets

There were no significant contingent assets as at 31 July 2009.

## 13. COMMITMENTS

As at 31 July 2009, the Group has the following commitments:

| | Authorised and | | |
|---|---|---|---|
| | **Contracted for** | **Not contracted for** | **Total** |
| | **RM'm** | **RM'm** | **RM'm** |
| Capital expenditure | **62.1** | **342.7** | **404.8** |
| Investment in an associate | **17.7** | **-** | **17.7** |
| Investment in joint ventures | **138.9** | **-** | **138.9** |
| Film library and programme rights | **68.4** | **141.1** | **209.5** |
| Non-cancellable operating lease | **30.1** | **-** | **30.1** |
| | **317.2** | **483.8** | **801.0** |

## 14. SIGNIFICANT RELATED PARTY DISCLOSURES

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

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

| **Related parties** | **Relationship** |
|---|---|
| Kristal-Astro Sdn Bhd | Associate of the Company |
| 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 | 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 31/07/09** | **AMOUNTS DUE FROM AS AT 31/07/09** |
|---|---|---|
| | **RM'm** | **RM'm** |
| **(a) Sales of goods and services** | | |
| Kristal-Astro Sdn Bhd (Sales of programme rights, technical support and other services) | **12.4** | **10.3** |
| AETN All Asia Networks Pte Ltd (Playout channel service fee and subtitling services) | **2.8** | **7.1** |
| Maxis Broadband Sdn Bhd (Multimedia and interactive sales and other services) | **1.2** | **0.8** |
| Maxis Mobile Services Sdn Bhd (Multimedia and interactive sales and other services) | **2.2** | **4.8** |

## 14. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

| | TRANSACTIONS FOR THE CUMULATIVE SIX MONTHS ENDED 31/07/09 | AMOUNTS DUE TO AS AT 31/07/09 |
|---|---|---|
| | RM'm | RM'm |
| **(b) Purchases of goods and services** | | |
| AETN All Asia Networks Pte Ltd (Turnaround channel transmission rights) | **4.1** | **0.2** |
| Maxis Broadband Sdn Bhd (Telecommunication services and other charges) | **1.3** | **2.4** |
| UTSB Management Sdn Bhd (Personnel, strategic, consultancy and support services) | **7.4** | **31.4** |
| SRG Asia Pacific Sdn Bhd (Interaction call center services and other charges) | **2.3** | **2.3** |
| MEASAT Satellite Systems Sdn Bhd (Expenses and payment related to finance lease, rental and other charges) | **25.0** | **2.3** |
| Yes TV (Personnel, strategic, consultancy and support services) | **1.5** | **-** |

## 15. TAXATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | **QUARTER ENDED 31/07/09** | QUARTER ENDED 31/07/08 | **SIX MTHS ENDED 31/07/09** | SIX MTHS ENDED 31/07/08 |
| | **RM'm** | RM'm | **RM'm** | RM'm |
| Current tax | **3.6** | 1.6 | **7.7** | 4.4 |
| Deferred tax | **34.0** | 27.6 | **65.2** | 66.7 |
| | **37.6** | 29.2 | **72.9** | 71.1 |

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

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

Reconciliation of the estimated income tax expense applicable to profit 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 31/07/09** | **SIX MTHS ENDED 31/07/09** |
|---|---|---|
| | **RM'm** | **RM'm** |
| Profit before taxation | 65.4 | 135.2 |
| Tax at Malaysian statutory tax rate of 25% | 16.3 | 33.8 |
| Tax effect of: | | |
| Losses in foreign subsidiaries not available for tax relief at Group level | 9.4 | 15.2 |
| Share of post tax results from investments accounted for using the equity method | 7.1 | 13.5 |
| Others (including expenses not deductible for tax purposes and income not subject to tax) | 4.8 | 10.4 |
| Taxation charge | 37.6 | 72.9 |

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

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

## 17. QUOTED SECURITIES

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

## 18. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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 held through an investment company incorporated in Bahrain as a closed Joint Stock Company ("InvestCo"), whose sole object is to hold 100% equity interest in JVC.

Closing of the SHA was completed on 6 July 2009.

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

## 19. GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 31 July 2009 are as follows:

| | Current | Non-current | Total |
|---|---|---|---|
| | RM'm | RM'm | RM'm |
| Unsecured | | | |
| USD Facilities(1) – USD144.8m* | 511.2 | - | 511.2 |
| Secured | | | |
| Syndicated term and revolving facilities(2) – USD115.6m* | - | 409.6 | 409.6 |
| Bank loan(3) – INR59.9m | 4.4 | - | 4.4 |
| Finance lease liabilities(4) | 25.0 | 967.8 | 992.8 |
| | 540.6 | 1,377.4 | 1,918.0 |

* 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 agreement 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, continuity of any amounts drawn under the USD Facilities up to the final maturity dates of 18 October 2009 (USD100m) and 18 October 2010 (any other remaining amount) is subject to annual extension on 18 October 2008 and 18 October 2009. The Company had on 17 August 2009 submitted a notice in accordance with provisions in the facility agreement, to repay the full amount outstanding at the end of the current interest period on 16 October 2009.

(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 ("USD") 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 and can be utilised to meet the Group's funding requirements and general working capital. The Facilities have a tenure of 5 years from the date of the relevant facility agreement. In this regard, USD amounts committed to-date will mature on 7 March 2013.

(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 MEASAT-3 satellite and MEASAT-3a satellite 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 the reporting date.

## 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)

(i) SIAC Proceedings

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 PT Direct Vision ("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")whose award shall be final and binding upon the parties.

On 6 October 2008, Astro issued a notice of arbitration under the SIAC rules to PT APM, PT FM and PTDV claiming injunctive and declaratory relief, damages and the recovery of all monies due to Astro for the provision of services and/or amount expended or paid to PTDV, together with interest.

On 12 May 2009, Astro received an award on preliminary matters ("Award") from the arbitral tribunal which decided in Astro's favour and ordered that PT APM immediately discontinue its suit at the South Jakarta District Court ("PT APM Claim") against the Company, MEASAT Broadcast Network Systems Sdn Bhd ("MBNS"), All Asia Multimedia Networks FZ-LLC ("AAMN") and Ralph Marshall (the Company's Deputy Chairman/Group Chief Executive Officer). Astro has petitioned the Central Jakarta District Court for an order to execute the Award.

(2) ASTRO ALL ASIA NETWORKS plc and/or its group of companies as defendant(s)

(i) Ruling of the Komisi Pengawas Persaingan (KPPU)

In response to complaints by several parties, the KPPU, an Indonesian regulatory body, ruled on 29 August 2008 ("KPPU Ruling") that AAMN, a wholly-owned subsidiary of the Company, was in breach of competition laws in Indonesia and ordered, among other things, AAMN to maintain and protect the interest of pay-TV consumers in Indonesia 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 but the appeal was dismissed on 2 December 2008.

On 23 December 2008, AAMN filed an appeal to request the Supreme Court of Indonesia to review the decision of the Central Jakarta District Court. On 24 July 2009 the Company announced that the Supreme Court of Indonesia had made a press statement upholding the decision of the Central Jakarta District Court to dismiss AAMN's appeal. Formal notification of the Supreme Court is awaited.

**21. CHANGES IN MATERIAL LITIGATION (continued)**

(ii) Sky Vision Objection

PT MNC Sky Vision ("Sky Vision"), the operator of the Indovision pay-TV service in Indonesia, has filed an objection against the KPPU Ruling (naming the KPPU as Petitionee and the Company, AAMN and 2 others as Co-Petitionees) arguing that, among other things, the KPPU Ruling releasing all reported parties from the charge under Indonesian Competition Law was wrongly decided. It also challenged the KPPU Ruling not to grant Sky Vision's request for compensation, and is seeking the cancellation of the agreement related to the transfer of BPL content for the period 2007-2010 and compensation in an amount of Rp.1,299,986,368,000.

Without prejudice to all questions of service and jurisdiction, the Company was represented by counsel at various preliminary hearings at the West Jakarta District Court. The matter is now scheduled for hearing on 6 October 2009.

(iii) PT APM Claim

PT APM has filed a claim by way of a civil suit in the South Jakarta District Court ("Court") naming as defendants, the Company, MBNS, AAMN and ten (10) others.

PT APM is alleging that the Company, MBNS and AAMN along with the other defendants, have acted unlawfully and is seeking, among other reliefs, to compel a completion of an alleged 'oral' joint venture agreement in PTDV and to prohibit the Company from ceasing the provision of services to PTDV and/or entering into any cooperation with another party relating to subscriber pay-TV in Indonesia, and an award of damages.

Without prejudice to all questions of service and jurisdiction, the Company, MBNS and AAMN attended the Court prescribed mediation sessions which has since been stopped and the case returned to the panel of District Court judges.

On 13 May 2009 the Court rejected Astro's challenge that PT APM's claim falls within the scope of a binding arbitration agreement set out in the SSA and held that it has jurisdiction to hear the dispute. Astro had accordingly filed a Notice of Appeal on 22 May 2009 against the decision of the Court to reject Astro's demurrer. This appeal is pending the hearing of the main proceedings which has been postponed to 17 September 2009.

(iv) South Jakarta Class Action

Subscribers of PTDV have filed a class action civil suit at the South Jakarta District Court ("South Jakarta Class Action") against the Company, MBNS and AAMN over the terminated PTDV broadcast services. The subscribers are seeking, among others, an injunction to compel the Astro companies to continue their services and support to PTDV and damages for loss of subscription fees paid in advance, installation fees and losses due to having switched over to PTDV from other TV operators.

## 21. CHANGES IN MATERIAL LITIGATION (continued)

(iv) South Jakarta Class Action (continued)

Without prejudice to all questions of service and jurisdiction, the Company and MBNS were represented by counsel at various preliminary hearings which have now been adjourned pending the scheduling of court prescribed mediation sessions.

(v) Surabaya Class Action

Subscribers of PTDV have filed a class action civil suit at the Surabaya District Court (”Surabaya Class Action”) against the Company, MBNS and AAMN over the terminated PTDV broadcast services. The subscribers' claims are similar to those of the South Jakarta Class Action.

On 4 August 2009, the Surabaya District Court delivered an interlocutory decision dismissing the claim with administrative costs. The Company has been advised that the subscribers are at liberty to appeal the decision or to file a new suit.

(vi) Medan Class Action

Subscribers of PTDV filed a class action at the Medan District Court ("Medan Class Action") against the Company, MBNS and AAMN over the terminated PTDV broadcast services. The subscribers' claims are also similar to those of the South Jakarta Class Action.

Without prejudice to all questions of service and jurisdiction, the Company and MBNS were represented by counsel at various preliminary hearings. The next hearing is fixed for 28 October 2009.

ASTRO ALL ASIA NETWORKS plc

**(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 2009**

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

## 22. REVIEW OF PERFORMANCE

**(A) Performance of the current quarter (Second Quarter 2010) against the preceding quarter (First Quarter 2010)**

For the current quarter, Group revenue increased to RM763.7m from RM751.9m, whilst EBITDA increased to RM174.8m from RM161.4m in preceding quarter. The Group recorded a lower net profit of RM27.8m compared to RM34.5m in preceding quarter primarily due to higher finance costs by RM13.2m and higher cost in relation to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development (2QFY10: RM6.8m, 1QFY10: RM4.3m); partially offset by higher EBITDA by RM13.4m.

| | All amounts in RM million unless otherwise stated | | | |
|---|---|---|---|---|
| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
| | SECOND QUARTER 31/07/2009 | FIRST QUARTER 30/04/2009 | SECOND QUARTER 31/07/2009 | FIRST QUARTER 30/04/2009 |
| **Consolidated Performance** | | | | |
| Total Revenue | **763.7** | 751.9 | | |
| Customer Acquisition Costs (CAC)[2] | **116.2** | 110.8 | | |
| EBITDA[3] | **174.8** | 161.4 | | |
| EBITDA Margin (%) | **22.9** | 21.5 | | |
| Net Profit | **27.8** | 34.5 | | |
| Free Cash Flow[4] | **(229.5)** | 103.0 | | |
| Net Increase /(Decrease) in Cash | **(241.7)** | 95.7 | | |
| Capital expenditure[5] | **50.4** | 35.8 | | |
| **(i) Malaysian Multi channel TV(MC-TV)[1]** | | | | |
| Subscription revenue | **656.8** | 652.4 | | |
| Advertising revenue | **37.5** | 29.5 | | |
| Other revenue | **6.6** | 7.0 | | |
| Total revenue | **700.9** | 688.9 | | |
| CAC[2] | **116.2** | 110.8 | | |
| EBITDA[3] | **185.9** | 170.4 | | |
| EBITDA Margin (%) | **26.5** | 24.7 | | |
| Capital expenditure[5] | **37.2** | 26.8 | | |

ASTRO ALL ASIA NETWORKS plc

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

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

## 22. REVIEW OF PERFORMANCE (continued)

**(A) Performance of the current quarter (Second Quarter 2010) against the preceding quarter (First Quarter 2010) (continued)**

All amounts in RM million unless otherwise stated

| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
|---|---|---|---|---|
| | SECOND QUARTER 31/07/2009 | FIRST QUARTER 30/04/2009 | SECOND QUARTER 31/07/2009 | FIRST QUARTER 30/04/2009 |
| **(i) Malaysian Multi channel TV(MC-TV)[1] (continued)** | | | | |
| Total subscriptions-net additions ('000) | | | **59** | 84 |
| Total subscriptions-end of period ('000) | | | **3,012** | 2,953 |
| Residential customers-net additions ('000) | | | **53** | 82 |
| Residential customers-end of period ('000) | | | **2,781** | 2,728 |
| ARPU – residential customer (RM) | | | **78** | 80 |
| MAT Churn (%) | | | **11.9** | 10.6 |
| CAC per set-top box sold (RM) | | | **683** | 684 |
| Content cost (RM per customer per mth) | | | **31** | 32 |
| **(ii) Radio[1]** | | | | |
| Revenue | **47.7** | 39.1 | | |
| EBITDA[3] | **22.6** | 13.9 | | |
| EBITDA Margin (%) | **47.4** | 35.5 | | |
| Listeners ('000)[6] | | | **11,162** | 11,162 |
| Share of radio adex (%)[7] | | | **59** | 62 |
| **(iii) Library Licensing and Distribution[1]** | | | | |
| Revenue | **14.3** | 15.5 | | |
| EBITDA[3] | **(8.3)** | (12.9) | | |
| EBITDA Margin (%) | **n/m** | n/m | | |

ASTRO ALL ASIA NETWORKS plc

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**
**FOR THE SECOND QUARTER ENDED 31 JULY 2009**

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

## 22. REVIEW OF PERFORMANCE (continued)

**(A) Performance of the current quarter (Second Quarter 2010) against the preceding quarter (First Quarter 2010) (continued)**

| | All amounts in RM million unless otherwise stated | | | |
|---|---|---|---|---|
| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
| | SECOND QUARTER 31/07/2009 | FIRST QUARTER 30/04/2009 | SECOND QUARTER 31/07/2009 | FIRST QUARTER 30/04/2009 |
| **(iv) Television Programming[1]** | | | | |
| Revenue | **59.9** | 55.4 | | |
| EBITDA[3] | **0.4** | 0.4 | | |
| EBITDA Margin (%) | **0.7** | 0.7 | | |
| Channel share – Malaysia (%)[8] | **33.1** | 37.2 | | |
| **(v) Others** | | | | |
| Magazines – average monthly circulation (including ASTRO TV Guide) ('000) | | | **423** | 412 |
| Malaysian film production – theatrical release | | | **3** | - |

Note :

1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – Nil [Q2FY10], RM(0.3m) [Q1FY10]; Radio – RM0.6m [Q2FY10], RM0.5m [Q1FY10]; Library Licensing and Distribution – RM6.1m [Q2FY10], RM6.2m [Q1FY10]; Television Programming – RM56.1m [Q2FY10], RM52.4m [Q1FY10]).
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, write-off and depreciation of property, plant and equipment, impairment, write-off and 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 expenses previously 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 1, 2009 performed by NMR in March 2009.
7. Based on NMR Adex Report.
8. Based on data generated by the AGB Nielsen Media Research Television Audience Measurement service for the quarter.

## 22. REVIEW OF PERFORMANCE (continued)

### (A) Performance of the current quarter (Second Quarter 2010) against the preceding quarter (First Quarter 2010) (continued)

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

**Turnover**

Group revenue of RM763.7m was higher by RM11.8m or 1.6% against the preceding quarter of RM751.9m. This was mainly driven by higher airtime sales from both MC-TV and Radio segments.

**EBITDA**

Group EBITDA of RM174.8m was RM13.4m or 8.3% higher than RM161.4m in preceding quarter, primarily due to higher revenue.

**Cash Flow**

Cash registered a net decrease of RM241.7m for the current quarter ended as compared to an increase of RM95.7m in preceding quarter, primarily due to investment in joint venture entities in India and Middle East (RM143m), security deposit for transponders on M3a satellite (RM68m) and first interim dividend payment for financial year 2010 (RM48m).

**Capital Expenditure**

Group capital expenditure of RM50.4m was higher by RM14.6m or 40.8% compared to preceding quarter of RM35.8m, mainly due to higher capital expenditure incurred for broadcast equipment and facilities.

**Net Profit**

The Group recorded a lower net profit of RM27.8m compared to RM34.5m in preceding quarter. This was primarily due to higher finance costs by RM13.2m and higher cost in relation to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development (2QFY10: RM6.8m, 1QFY10: RM4.3m); partially offset by higher EBITDA by RM13.4m.

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

**(A) Performance of the current quarter (Second Quarter 2010) against the preceding quarter (First Quarter 2010) (continued)**

**Malaysian Multi channel TV**

MC-TV recorded an increase in revenue by RM12.0m or 1.7% to RM700.9m from RM688.9m in preceding quarter. This was primarily due to higher airtime sales and subscription revenue.

Residential customers registered gross additions of 153,600 whilst absolute churn was 100,600 customers in the current quarter. As a result, MC-TV recorded net additions of 53,000 to 2.781m customers at the end of current quarter from 2.728m in preceding quarter. MAT churn increased to 11.9% from 10.6% in the preceding quarter.

| Residential customer ('000) | Second Quarter 2010 | First Quarter 2010 | Variance |
|---|---|---|---|
| Gross additions | 153.6 | 161.9 | (8.3) |
| Churn | (100.6) | (79.7) | (20.9) |
| Net additions | 53.0 | 82.2 | (29.2) |

ARPU of RM78 in the current quarter was lower as compared RM80 in preceding quarter.

CAC per box sold decreased marginally to RM683 from RM684 in preceding quarter.

**Radio**

Airtime sales increased by RM8.6m or 22.0% to RM47.7m as compared to RM39.1m in preceding quarter.

**Library Licensing and Distribution**

Revenue decreased by RM1.2m or 7.7% to RM14.3m from RM15.5m in preceding quarter, as a result of lower channel licensing income.

**Television Programming**

Revenue increased by RM4.5m or 8.1% to RM59.9m from RM55.4m in preceding quarter, mainly due to higher program sales and advertising income.

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

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**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 2009 (First Half 2010) against the corresponding six months ended 31 July 2008 (First Half 2009)**

Group revenue grew by RM63.2m or 4.4% to RM1,515.6m, whilst EBITDA decreased to RM336.2m from RM338.5m in corresponding period last year. The Group achieved significant improvement in its performance with a net profit of RM62.3m as compared to a net loss of RM249.9m in corresponding period last year. This was largely due to lower cost in relation to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development recorded in the current period (First Half 2010: RM11.1m, First Half 2009: RM376.8m).

| | All amounts in RM million unless otherwise stated | | | |
|---|---|---|---|---|
| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
| | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 |
| **Consolidated Performance** | | | | |
| Total Revenue | **1,515.6** | 1,452.4 | | |
| Customer Acquisition Costs (CAC)[2] | **227.0** | 223.9 | | |
| EBITDA[3] | **336.2** | 338.5 | | |
| EBITDA Margin (%) | **22.2** | 23.3 | | |
| Net Profit/ (Loss) | **62.3** | (249.9) | | |
| Free Cash Flow[4] | **(126.5)** | (139.6) | | |
| Net (decrease)/increase in Cash | **(146.0)** | 95.3 | | |
| Capital expenditure[5] | **86.2** | 107.5 | | |
| **(i) Malaysian Multi channel TV(MC-TV)[1]** | | | | |
| Subscription revenue | **1,309.2** | 1,210.2 | | |
| Advertising revenue | **67.0** | 86.1 | | |
| Other revenue | **13.6** | 13.5 | | |
| Total revenue | **1,389.8** | 1,309.8 | | |
| CAC[2] | **227.0** | 223.9 | | |
| EBITDA[3] | **356.3** | 342.7 | | |
| EBITDA Margin (%) | **25.6** | 26.2 | | |
| Capital expenditure[5] | **64.0** | 85.4 | | |

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

**(B) Performance of the current six months ended 31 July 2009 (First Half 2010) against the corresponding six months ended 31 July 2008 (First Half 2009) (continued)**

| | All amounts in RM million unless otherwise stated | | | |
|---|---|---|---|---|
| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
| | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 |
| **(i) Malaysian Multi channel TV(MC-TV)[1] (continued)** | | | | |
| Total subscriptions-net additions ('000) | | | **143** | 206 |
| Total subscriptions-end of period ('000) | | | **3,012** | 2,688 |
| Residential customers-net additions ('000) | | | **135** | 197 |
| Residential customers-end of period ('000) | | | **2,781** | 2,469 |
| ARPU – residential customer (RM) | | | **79** | 84 |
| MAT Churn (%) | | | **11.9** | 8.7 |
| CAC per set-top box sold (RM) | | | **684** | 729 |
| Content cost (RM per customer per mth) | | | **30** | 31 |
| **(ii) Radio[1]** | | | | |
| Revenue | **86.8** | 86.1 | | |
| EBITDA[3] | **36.5** | 36.9 | | |
| EBITDA Margin (%) | **42.1** | 42.9 | | |
| Listeners ('000)[6] | | | **11,162** | 10,408 |
| Share of radio adex (%)[7] | | | **60** | 65 |
| **(iii) Library Licensing and Distribution[1]** | | | | |
| Revenue | **29.8** | 35.1 | | |
| EBITDA[3] | **(21.2)** | (22.0) | | |
| EBITDA Margin (%) | **n/m** | n/m | | |

## 22. REVIEW OF PERFORMANCE (continued)

**(B) Performance of the current six months ended 31 July 2009 (First Half 2010) against the corresponding six months ended 31 July 2008 (First Half 2009) (continued)**

| | All amounts in RM million unless otherwise stated | | | |
|---|---|---|---|---|
| | FINANCIAL HIGHLIGHTS | | KEY OPERATING INDICATORS | |
| | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 | **SIX MTHS ENDED 31/07/2009** | SIX MTHS ENDED 31/07/2008 |
| **(iv) Television Programming[1]** | | | | |
| Revenue | **115.3** | 120.9 | | |
| EBITDA[3] | **0.8** | (7.8) | | |
| EBITDA Margin (%) | **0.7** | n/m | | |
| Channel share – Malaysia (%)[8] | **35.1** | 36.3 | | |
| **(v) Others** | | | | |
| Magazines – average monthly circulation (including ASTRO TV Guide) ('000) | | | **417** | 737 |
| Malaysian film production – theatrical release | | | **3** | 1 |

Note :
1. Represents segment performance before inter-segment eliminations. (Inter-segment revenue – MC-TV – RM(0.3m) [H1FY10], RM(1.1m) [H1FY09]; Radio – RM1.1m [H1FY10], RM0.3m [H1FY09]; Library Licensing and Distribution – RM12.3m [H1FY10], RM14.5m [H1FY09]; Television Programming – RM108.5m [H1FY10], RM117.5m [H1FY09]).
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, write-off and depreciation of property, plant and equipment, impairment, write-off and 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 expenses previously 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 1, 2009 and Sweep 1, 2008 performed by NMR in March 2009 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 period.

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

**(B) Performance of the current six months ended 31 July 2009 (First Half 2010) against the corresponding six months ended 31 July 2008 (First Half 2009) (continued)**

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

**Turnover**

Group revenue rose by RM63.2m or 4.4% to RM1,515.6m from RM1,452.4m in corresponding period last year. This was primarily due to higher MC-TV subscription revenue driven by continued growth in customer base.

**EBITDA**

Group EBITDA of RM336.2m was RM2.3m lower than RM338.5m in corresponding period last year. This was primarily due to higher content costs; which was partially offset by revenue growth and better operating costs management.

**Cash Flow**

Current period recorded a net decrease in cash of RM146.0m as compared to a net increase in cash of RM95.3m in corresponding period last year, primarily due to lower net borrowings drawdown by RM318.0m under the USD facilities and Syndicated Term and Revolving Facilities.

**Capital Expenditure**

Group capital expenditure of RM86.2m was lower by RM21.3m or 19.8% from RM107.5m in corresponding period last year, primarily due lower capital expenditure incurred for broadcast equipment in the current period.

**Net Profit/(Loss)**

The group achieved significant improvement in its performance with a net profit of RM62.3m as compared to a net loss of RM249.9m in corresponding period last year. This was largely due to lower cost in relation to costs of cessation of the DTH business proposal in Indonesia and expenses previously incurred in its development recorded in the current period (First Half 2010: RM11.1m, First Half 2009: RM376.8m).

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

**(B) Performance of the current six months ended 31 July 2009 (First Half 2010) against the corresponding six months ended 31 July 2008 (First Half 2009) (continued)**

**Malaysian Multi channel TV**

MC-TV revenue of RM1,389.8m, grew by RM80.0m or 6.1% compared to RM1,309.8m in corresponding period last year, mainly driven by growth in customer base.

Residential customers cumulative net additions were 312,000 bringing total residential customers to 2.781m at the end of the current period compared with 2.469m in corresponding period last year.

MAT churn increased to 11.9% from 8.7% in corresponding period last year.

ARPU decreased to RM79 compared to RM84 in corresponding period last year.

CAC per box was lower by RM45 to RM684 from RM729 in corresponding period last year. This was mainly due to lower marketing and distribution costs per unit.

**Radio**

Radio revenue of RM86.8m was higher by RM0.7m or 0.8% compared to RM86.1m in corresponding period last year.

**Library Licensing and Distribution**

Library Licensing and Distribution revenue of RM29.8m was lower by RM5.3m or 15.1% against RM35.1m in corresponding period last year, mainly due to lower channel licensing income.

**Television Programming**

Television Programming revenue of RM115.3m was lower by RM5.6m or 4.6% against RM120.9m in corresponding period last year, mainly due to lower channel licensing income.

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

## 23. PROSPECTS RELATING TO FINANCIAL YEAR ENDING 31 JANUARY 2010

The Group reported higher revenue and earnings for the second quarter of the current financial year on the back of steady demand for its pay-TV service in Malaysia and higher revenue contributed by the Malaysian radio businesses despite challenging market conditions and higher levels of churn. The directors expect these conditions to continue for the remainder of the year.

In the current year, Astro has decided to accelerate approximately RM200m investment in new technologies (including RM100m in capital items) especially broadcast of High Definition television to retain its market leadership. The effect of this will significantly impact costs, and consequently, margins for the remainder of the year due to no significant revenue generated during the early phase of the launch of these new services. The benefit of these new services will be realized in later years.

The Group's direct-to-home TV joint venture business in India, Sun Direct TV, continued to report strong subscriber growth with 300,000 new customers activated for the quarter ended 31 July 2009, bringing the total to 3.5 million customers. Consistent with the Group's accounting policies, the Group will account for its anticipated share of Sun Direct TV's losses of up to approximately INR7,110m (RM510m), over five years.

As set out in Note 21, various legal actions have commenced in respect of developments in Indonesia and the Group is required to account for costs associated with these actions as they are incurred.

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 2010.

## 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.

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 2010. The Second Interim Dividend will be paid on 23 October 2009 to depositors whose names appear in the Record of Depositors at the close of business on 1 October 2009.

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 1 October 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. EARNINGS/(LOSS) PER SHARE

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

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | | **QUARTER ENDED 31/07/09** | QUARTER ENDED 31/07/08 | **SIX MTHS ENDED 31/07/09** | SIX MTHS ENDED 31/07/08 |
| **(1) Basic earnings/(loss) per share** | | | | | |
| Profit/(loss) attributable to equity holders of the Company | RM'm | **27.8** | (247.3) | **62.3** | (249.9) |
| Weighted average number of ordinary shares | 'm | **1,934.0** | 1,934.0 | **1,934.0** | 1,934.0 |
| Basic earnings / (loss) per share | sen | **1.44** | (12.79) | **3.22** | (12.92) |
| **(2) Diluted earnings per share** | | | | | |
| Profit/(loss) attributable to equity holders of the Company | RM'm | **27.8** | | **62.3** | |
| Weighted average number of ordinary shares | 'm | **1,934.0** | | **1,934.0** | |
| Adjusted for share options granted | 'm | **9.1** | | **3.0** | |
| Adjusted weighted average number of ordinary shares | 'm | **1,943.1** | | **1,937.0** | |
| Diluted earnings per share | sen | **1.43** | * | **3.22** | * |

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

By order of the Board

Sharon Liew Wei Yee (LS No. 7908)
Company Secretary

10 September 2009
Kuala Lumpur