ASTRO MALAYSIA HOLDINGS BERHAD

(932533-V) (Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FINANCIAL PERIOD ENDED 31 JULY 2013

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2013

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2013

The Board of Directors of Astro Malaysia Holdings Berhad ("AMH" or "the Company") is pleased to announce the following unaudited condensed consolidated financial statements for the second quarter ended 31 July 2013 which should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012		PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012	
		RM'm	RM'm	%	RM'm	RM'm	%
Revenue		1,188.3	1,068.9	+11	2,314.1	2,054.9	+13
Cost of sales		(746.5)	(644.4)		(1,441.8)	(1,229.4)	
Gross profit		441.8	424.5	+4	872.3	825.5	+6
Other operating income		9.7	9.2		17.1	16.2	
Marketing and distribution costs		(137.2)	(120.6)		(265.1)	(210.8)	
Administrative expenses		(120.1)	(92.8)		(237.9)	(192.9)	
Profit from operations		194.2	220.3	-12	386.4	438.0	-12
Finance income		24.1	13.9		33.1	36.8	
Finance costs		(88.0)	(105.4)		(132.1)	(174.6)	
Share of post-tax results from investments accounted for using the equity method		1.3	1.1		2.0	1.6	
Profit before tax	17	131.6	129.9	+1	289.4	301.8	-4
Tax expense	18	(33.0)	(34.8)		(77.0)	(83.3)	
Profit for the period		98.6	95.1	+4	212.4	218.5	-3
Attributable to:							
Equity holders of the Company		98.9	94.4	+5	213.0	216.8	-2
Non-controlling interests		(0.3)	0.7		(0.6)	1.7	
		98.6	95.1	+4	212.4	218.5	-3
Earnings per share attributable to equity holders of the Company (RM):							
- Basic	26	0.019	944.0		0.041	2,168.0	
- Diluted	26	0.019	n/a		0.041	n/a	

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		**CUMULATIVE QUARTER**	
	QUARTER ENDED 31/7/2013	**QUARTER ENDED 31/7/2012**	**PERIOD ENDED 31/7/2013**	**PERIOD ENDED 31/7/2012**
	RM'm	**RM'm**	**RM'm**	**RM'm**
Profit for the period	98.6	95.1	212.4	218.5
Other comprehensive income/(loss):				
Items that will be reclassified subsequently to profit or loss:				
- Net change in cash flow hedge	78.8	(58.3)	54.8	(38.1)
Foreign currency translation	-	-	-	0.0*
Other comprehensive income/(loss), net of tax	78.8	(58.3)	54.8	(38.1)
Total comprehensive income for the period	177.4	36.8	267.2	180.4
Attributable to:				
Equity holders of the Company	177.7	36.1	267.8	178.7
Non-controlling interests	(0.3)	0.7	(0.6)	1.7
	177.4	36.8	267.2	180.4

***** Denotes RM54,000

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/7/2013 Unaudited RM'm	AS AT 31/1/2013 Audited RM'm
Non-current assets			
Property, plant and equipment		2,099.4	1,915.8
Investments in associates		40.5	46.2
Investments in joint ventures		16.0	8.9
Other investment		5.8	5.8
Prepayments		47.8	136.2
Deferred tax assets		19.3	21.3
Derivative financial instruments	21	60.7	-
Intangible assets		1,855.5	1,857.1
		4,145.0	3,991.3
Current assets			
Inventories		25.0	23.6
Receivables and prepayments		938.8	890.2
Derivative financial instruments	21	35.8	3.5
Tax recoverable		4.7	1.4
Cash and cash equivalents		1,771.3	1,607.8
		2,775.6	2,526.5
Total assets		6,920.6	6,517.8
Current liabilities			
Payables	22	1,420.7	1,416.7
Derivative financial instruments	21	0.9	1.0
Borrowings	20	204.0	125.2
Tax liabilities		45.7	32.7
		1,671.3	1,575.6
Net current assets		1,104.3	950.9

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	Note	AS AT 31/7/2013 Unaudited RM'm	AS AT 31/1/2013 Audited RM'm
Non-current liabilities			
Payables	22	1,066.5	706.4
Derivative financial instruments	21	16.6	37.8
Borrowings	20	3,502.6	3,556.4
Deferred tax liabilities		108.3	125.5
		4,694.0	4,426.1
Total liabilities		6,365.3	6,001.7
Net assets		555.3	516.1
Capital and reserves attributable to equity holders of the Company			
Share capital		519.8	519.8
Share premium		6,165.4	6,165.4
Exchange reserve		0.0$	0.0$
Capital redemption reserve		0.0@	0.0@
Capital reorganisation reserve		(5,470.2)	(5,470.2)
Hedging reserve		0.7	(54.1)
Share scheme reserve		9.9	4.0
Accumulated losses		(674.0)	(653.1)
		551.6	511.8
Non-controlling interests		3.7	4.3
Total equity		555.3	516.1

$ Denotes RM27,000
@ Denotes RM677.50

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)
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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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	Attributable to equity holders of the Company										
Period ended 31/7/2013	Share capital	Share premium	Exchange reserve	Capital redemption reserve	Capital reorganisation reserve	Hedging reserve	Share scheme reserve	Accumulated losses	Total	Non-controlling interests	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/2/2013	519.8	6,165.4	0.0$	0.0@	(5,470.2)	(54.1)	4.0	(653.1)	511.8	4.3	516.1
Profit for the period	-	-	-	-	-	-	-	213.0	213.0	(0.6)	212.4
Other comprehensive income for the period	-	-	-	-	-	54.8	-	-	54.8	-	54.8
Total comprehensive income/(loss) for the period	-	-	-	-	-	54.8	-	213.0	267.8	(0.6)	267.2
Ordinary shares dividends	-	-	-	-	-	-	-	(233.9)	(233.9)	-	(233.9)
Share-based payment transaction	-	-	-	-	-	-	5.9	-	5.9	-	5.9
Transactions with owners	-	-	-	-	-	-	5.9	(233.9)	(228.0)	-	(228.0)
At 31/7/2013	519.8	6,165.4	0.0$	0.0@	(5,470.2)	0.7	9.9	(674.0)	551.6	3.7	555.3

$ Denotes RM27,000
@ Denotes RM677.50

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (continued)

	Attributable to equity holder of the Company										
Period ended 31/7/2012	Share capital	Share premium	Redeemable preference shares	Exchange reserve	Capital redemption reserve	Capital reorganisation reserve	Hedging reserve	Accumulated losses	Total	Non-controlling interests	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
At 1/2/2012	0.1	6,798.1	0.0[^]	(0.0)[$]	0.0[#]	(5,470.2)	(114.9)	(730.2)	482.9	8.6	491.5
Profit for the period	-	-	-	-	-	-	-	216.8	216.8	1.7	218.5
Other comprehensive income/(loss) for the period	-	-	-	0.0[@]	-	-	(38.1)	-	(38.1)	-	(38.1)
Total comprehensive income/(loss) for the period	-	-	-	0.0[@]	-	-	(38.1)	216.8	178.7	1.7	180.4
Redemption of RPS	-	(1,500.0)	(0.0)[+]	-	0.0[+]	-	-	(0.0)[+]	(1,500.0)	-	(1,500.0)
Ordinary shares dividends	-	-	-	-	-	-	-	(269.0)	(269.0)	-	(269.0)
Changes in ownership holdings in a subsidiary[&]	-	-	-	-	-	-	-	6.1	6,1	(6.1)	-
Transactions with owners	-	(1,500.0)	(0.0)[+]	-	0.0[+]	-	-	(262.9)	(1,762.9)	(6.1)	(1,769.0)
At 31/7/2012	0.1	5,298.1	0.0[%]	0.0[$]	0.0[*]	(5,470.2)	(153.0)	(776.3)	(1,101.3)	4.2	(1,097.1)

^ Denotes RM670
# Denotes RM7.50
+ Denotes RM150
% Denotes RM520
* Denotes RM157.50
$ Denotes RM27,000
@ Denotes RM54,000
& On 15 June 2012, the shares of Perfect Excellence Waves Sdn. Bhd. ("PEW") were transferred to a subsidiary of the Company.

ASTRO MALAYSIA HOLDINGS BERHAD (932533-V)
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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 31 JULY 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012*
CASH FLOWS FROM OPERATING ACTIVITIES	**RM'm**	**RM'm**
Profit before tax	289.4	301.8
Adjustments for:		
Non-cash items^	613.0	495.8
Lease interest expense	25.1	27.0
Interest expense	76.7	82.8
Interest income	(26.7)	(29.4)
Operating cash flows before changes in working capital	977.5	878.0
Changes in working capital	(256.0)	(289.8)
Cash flows from operations	721.5	588.2
Income tax paid	(81.4)	(82.3)
Interest received	28.8	7.2
Dividend received – unit trust	4.7	0.1
Net cash flows from operating activities	673.6	513.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment and intangible	-	0.2
Payment of set-top boxes	(69.7)	(48.1)
Purchase of property, plant and equipment and intangibles	(136.8)	(128.8)
Proceeds from sale of financial assets	-	10.0
Interest received	5.8	18.3
Repayment of long-term advances to associate	4.2	-
Investment in joint venture	(8.0)	-
Net cash flows used in investing activities	(204.5)	(148.4)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(181.9)	(188.6)
Interest paid	(74.5)	(71.5)
Proceeds from borrowings	-	492.0
Payment of finance lease liabilities	(49.2)	(48.2)
Net cash flows (used in)/from financing activities	(305.6)	183.7
NET INCREASE IN CASH AND CASH EQUIVALENTS	163.5	548.5
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	-	0.1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,607.8	478.2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD@	1,771.3	1,026.8

^ Non-cash items mainly represent amortisation of intangible assets and depreciation of property, plant and equipment as disclosed in Note 17.

* The comparative balances on the statements of cash flows have been restated to conform to current period presentation and classification, which more accurately reflects the nature of the relevant transactions.

@ Included in cash and cash equivalent is investment in unit trust cash and money market funds of RM565.7m as at 31 July 2013 (31 July 2012: Nil).

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)

Material Non-Cash Transaction

During the financial period ended 31 July 2013, the Group acquired property, plant and equipment by means of vendor financing of RM452.6m (31 July 2012: RM240.2m). The Group had repaid RM69.7m (31 July 2012: RM48.1m) in relation to vendor financing for property, plant and equipment capitalised in prior financial years.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1 BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31 January 2013.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 January 2013.

The adoption of the following MFRSs and Amendments to MFRSs that came into effect on 1 February 2013 did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- MFRS 10 Consolidated Financial Statements (effective from 1 January 2013)
- MFRS 11 Joint Arrangements (effective from 1 January 2013)
- MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)
- MFRS 13 Fair Value Measurement (effective from 1 January 2013)
- MFRS 119 Employee Benefits (effective from 1 January 2013)
- MFRS 127 Separate Financial Statements (effective from 1 January 2013)
- MFRS 128 Investments in Associates and Joint Ventures (effective from 1 January 2013)
- Amendments to MFRS 7 Financial Instruments: Disclosures (effective from 1 January 2013)
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (effective from 1 July 2012)
- Annual Improvements to MFRS 2009 – 2011 Cycle (effective from 1 January 2013)
- Amendments to MFRS 10, 11 and 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective from 1 January 2013)
- Amendments to MFRS 134 Interim Financial Reporting (effective from 1 January 2013)

MFRSs and Amendments to MFRSs that is applicable to the Group but not yet effective

The Group has not early adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) as these are effective for the financial periods beginning on or after 1 February 2014:

- MFRS 9 Financial Instruments (effective from 1 January 2015)
- Amendments to MFRS 10, 11 and 127 Investment Entities (effective from 1 January 2014)
- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)

2 SEASONAL/CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonal and cyclical factors.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

3 UNUSUAL ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group in the six-months ended 31 July 2013.

4 MATERIAL CHANGES IN ESTIMATES

There was no material changes in estimates of amounts reported in prior financial year that have a material effect in the six-months ended 31 July 2013.

5 DEBT AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities by the Group during the six-months ended 31 July 2013.

6 DIVIDENDS PAID

During the financial period ended 31 July 2013, the following dividend payments were made:

(i) second interim single-tier dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 January 2013, amounting to RM77,974,500 was paid on 18 April 2013; and

(ii) first interim single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 January 2014, amounting to RM103,966,000 was paid on 15 July 2013.

Refer to Note 25 for dividends declared during the financial period ended 31 July 2013.

7 SEGMENT RESULTS AND REPORTING

For management purposes, the Group is organised into business units based on their services, and has two key reportable segments based on operating segments as follows:

(i) The television segment is a provider of television services including television content, creation, aggregation and distribution;
(ii) The radio segment is a provider of radio broadcasting services; and
(iii) The other non-reportable segments comprise operations related to magazine publication and distribution and multimedia interactive services.

The corporate function relates to treasury and management services and is not an operating segment. The corporate function is presented as part of the reconciliation to the consolidated total.

Transactions between segments are carried out on mutually agreed basis. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Segment profit, which is profit before tax, is used to measure performance as management believes that such information is the most relevant in evaluating the results. Income taxes are managed on a group basis and are not allocated to operating segments.

Prices between operating segments are on mutually agreed basis in a manner similar to transactions with third parties.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

7 SEGMENT RESULTS AND REPORTING (continued)

Segment assets

The total of segment assets is measured based on all assets (including goodwill and excluding deferred tax asset) of a segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities (excluding tax liabilities) of a segment.

Period ended 31/7/2013	Television	Radio	Others	Corporate Function	Elimination	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
External revenue	2,182.0	114.8	10.3	7.0	-	2,314.1
Interest income	10.0	1.3	1.2	70.1	(55.9)	26.7
Interest expense	(98.2)	-	(1.8)	(57.7)	55.9	(101.8)
Depreciation and amortisation	(577.5)	(2.0)	(0.2)	(2.1)	18.8	(563.0)
Share of post-tax results from investments accounted for using the equity method	(1.0)	-	3.0	-	-	2.0
Segment profit/(loss) – Profit/(loss) before tax	234.4	62.0	3.6	(13.6)	3.0	289.4
As at 31/7/2013						
Segment assets	5,124.6	1,394.2	85.9	1,109.8	(813.2)	6,901.3
Segment liabilities	3,413.9	315.1	85.9	3,157.5	(761.1)	6,211.3

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

7 SEGMENT RESULTS AND REPORTING (continued)

Period ended 31/7/2012	**Television**	**Radio**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
External revenue	1,928.9	100.0	17.7	8.3	-	2,054.9
Interest income	15.0	1.4	0.3	67.8	(55.1)	29.4
Interest expense	(89.9)	(0.7)	(3.4)	(70.9)	55.1	(109.8)
Depreciation and amortization	(421.1)	(2.2)	(2.2)	(2.2)	-	(427.7)
Share of post-tax results from investments accounted for using the equity method	(1.0)	-	2.6	-	-	1.6
Segment profit/(loss) – Profit/(loss) before tax	285.1	44.3	(5.6)	(23.9)	1.9	301.8
As at 31/1/2013						
Segment assets	4,897.8	1,745.5	92.3	1,259.6	(1,498.7)	6,496.5
Segment liabilities	3,110.1	661.3	109.7	3,070.9	(1,108.5)	5,843.5

Quarter ended 31/7/2013	**Television**	**Radio**	**Others**	**Corporate Function**	**Elimination**	**Total**
	RM'm	**RM'm**	**RM'm**	**RM'm**	**RM'm**	**RM'm**
External revenue	1,116.0	65.6	2.8	3.9	-	1,188.3
Interest income	5.0	0.7	1.2	34.6	(26.9)	14.6
Interest expense	(49.8)	-	(0.6)	(29.0)	26.9	(52.5)
Depreciation and amortization	(305.6)	(1.0)	(0.1)	(1.0)	9.2	(298.5)
Share of post-tax results from investments accounted for using the equity method	(0.4)	-	1.7	-	-	1.3
Segment profit/(loss) – Profit/(loss) before tax	91.4	40.9	3.7	(4.6)	0.2	131.6

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

7 SEGMENT RESULTS AND REPORTING (continued)

Quarter ended 31/7/2012	Television RM'm	Radio RM'm	Others RM'm	Corporate Function RM'm	Elimination RM'm	Total RM'm
External revenue	999.0	56.5	8.7	4.7	-	1,068.9
Interest income	8.7	0.7	0.1	27.3	(29.7)	7.1
Interest expense	(45.1)	(0.3)	(1.7)	(37.3)	29.7	(54.7)
Depreciation and amortization	(229.9)	(1.1)	(1.1)	(1.0)	-	(233.1)
Share of post-tax results from investments accounted for using the equity method	(0.2)	-	1.3	-	-	1.1
Segment profit/(loss) – Profit/(loss) before tax	127.2	28.3	(2.7)	(24.3)	1.4	129.9

8 CHANGES IN THE COMPOSITION OF THE GROUP

(i) On 13 February 2013, the Group acquired two subsidiaries, Astro Retail Ventures Sdn. Bhd. ("ARV") and Astro Sports Marketing Sdn. Bhd. ("ASM") (formerly known as Astro Nostalgia Sdn. Bhd.), with an issued share capital of RM100,000 and RM2 respectively.

(ii) On 21 May 2013, Astro Sports Marketing Sdn Bhd (formerly known as Astro Nostalgia Sdn Bhd) ("ASM"), a wholly-owned subsidiary of Astro Entertainment Sdn. Bhd.("AESB"), acquired 2,000,000 ordinary shares in the share capital of Asia Sports Ventures Pte Ltd ("ASV") amounting SGD2,000,000 representing 50% of the total issued share capital of ASV. AESB is a wholly-owned subsidiary of the Company.

On 31 May 2013, ASM subscribed for 1,000,000 Redeemable Convertible Preference Shares in ASV amounting to SGD1,000,000.

Save for the above, there were no other changes in the composition of the Group during the six-months ended 31 July 2013.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

9 INDEMNITY, GUARANTEES AND CONTINGENT ASSETS

a. Indemnity and guarantees

Details of the indemnity and guarantees of the Group as at 31 July 2013, for which no provision has been made in the interim financial statements, are as set out below:

	Group	
	31/7/2013	31/1/2013
	RM'm	RM'm
Indemnity given to financial institutions in respect of bank guarantees issued (unsecured):		
- Programme rights vendors[1]	228.5	217.4
- Others[2]	15.0	15.0
Other indemnities:		
- Guarantee to programme rights vendor provided by AMH[1]	107.7	102.4
- Indemnity to Maxis Berhad ("Maxis") pursuant to shareholders' obligations in respect of Advanced Wireless Technologies Sdn. Bhd.	6.3	6.3
	357.5	341.1

Notes:

[1] Included as part of the programming commitments for programme rights as set out in Note 10.

[2] Consist of bank guarantees issued mainly to Royal Malaysian Customs, utility companies, the Health Ministry and Perbadanan Kemajuan Filem Nasional Malaysia.

b. Contingent assets

There were no significant contingent assets as at 31 July 2013 (31 January 2013: Nil).

10 COMMITMENTS

The Group has the following commitments not provided for in the interim financial statements as at the end of the financial period:

	31/7/2013			31/1/2013		
	Approved and contracted for	Approved and not contracted for	Total	Approved and contracted for	Approved and not contracted for	Total
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Property, plant and equipment*	2,494.9	871.3	3,366.2	1,816.4	469.6	2,286.0
Software	7.9	61.5	69.4	9.7	27.4	37.1
Film library and programme rights	1,444.0	308.7	1,752.7	1,492.0	451.4	1,943.4
	3,946.8	1,241.5	5,188.3	3,318.1	948.4	4,266.5

***** included in approved and contracted for is the supply of transponder capacity with MEASAT International (South Asia) Ltd. and MEASAT Satellite Systems Sdn. Bhd. ("MSS") both related parties, on MEASAT-3B and MEASAT-3C satellites, of RM1,674.4m and RM537.9m respectively. MSS is a subsidiary of a company in which Ananda Krishnan Tatparanandam ("TAK") has a 99% direct equity interest.

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

11 SIGNIFICANT RELATED PARTY DISCLOSURES

During the financial period, the Group has entered into the following related party transactions with parties whose relationships are set out below.

Usaha Tegas Sdn. Bhd. ("UTSB") and Khazanah Nasional Berhad ("KNB") are parties related to the Company, by virtue of having joint control over Astro Networks (Malaysia) Sdn. Bhd. ("ANM") via Astro Holdings Sdn. Bhd. (the Company's ultimate holding company) ("AHSB"), pursuant to a shareholders' agreement in relation to AHSB. ANM is the immediate holding company of the Company.

The ultimate holding company of UTSB is PanOcean Management Limited ("PanOcean"). PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company through UTSB's deemed interest in AHSB and ANM, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

TAK also has a deemed interest in the shares of the Company via entities which are the direct shareholders of AHSB and held by companies ultimately controlled by TAK.

In addition to related party disclosures mentioned elsewhere in the quarterly report, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on agreed terms with the related parties.

Related Parties	**Relationship**
Maxis Mobile Services Sdn. Bhd.	Subsidiary of a joint venture of UTSB
Maxis Broadband Sdn. Bhd.	Subsidiary of a joint venture of UTSB
ASTRO Overseas Limited	Subsidiary of a joint venture of UTSB
UTSB Management Sdn. Bhd.	Subsidiary of UTSB
Endemol Malaysia Entertainment Group Sdn. Bhd.	Joint venture of a joint venture of UTSB
Kristal-Astro Sdn. Bhd.	Associate of a joint venture of UTSB
Celestial Movie Channel Limited	Associate of a joint venture of UTSB
Sun TV Network Limited	Joint venture partner of a joint venture of UTSB
MEASAT International (South Asia) Ltd.	Subsidiary of a company in which TAK has a 99% direct equity interest

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transaction for the period ended 31/7/2013 RM'm	Transaction for the period ended 31/7/2012 RM'm	Balances due from/(to) as at 31/7/2013 RM'm	Balances due from/(to) as at 31/1/2013 RM'm	Commitments as at 31/7/2013 RM'm	Commitments as at 31/1/2013 RM'm
(i) Sales of goods and services						
- Maxis Mobile Services Sdn. Bhd. (Multimedia, interactive and airtime)	5.5	8.6	4.1	5.9	-	-
- Kristal-Astro Sdn. Bhd. (Programme services and right sales, technical support and smartcard rental)	8.2	7.9	2.4	8.0	-	-
- ASTRO Overseas Limited (Management fees)	7.1	6.3	19.9	15.3	-	-
(ii) Purchases of goods and services						
- UTSB Management Sdn. Bhd. (Personnel, strategic and other consultancy and support services)	8.9	9.4	(2.2)	(5.1)	-	-
- Maxis Broadband Sdn. Bhd. (Telecommunication services)	22.5	14.6	(16.6)	(9.0)	-	-
- MEASAT International (South Asia) Ltd. (Deposit paid on transponder lease)	29.8	-	60.3	30.5	1,674.4	1,652.2
- Sun TV Network Limited (Programme broadcast rights)	16.1	11.7	(8.6)	(15.0)	-	-
- Celestial Movie Channel Limited (Programme broadcast rights	7.6	6.8	(1.4)	(2.4)	-	-
- Endemol Malaysia Entertainment Group Sdn. Bhd. (Programming rights)	4.4	-	(0.3)	-	35.6	40.0
(iii) Key management personnel compensation						
- Salaries, bonus and allowances and other staff related costs	23.3	21.2				
- Share-based payments compensations	1.9	-				
- Directors fees	0.8	0.9				
- Defined contribution plans	3.0	2.7				

11 SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

(iv) Government-related entities

Khazanah Nasional Berhad ("KNB") is a major shareholder of the Group with 29.3% indirect equity interest in AHSB via its subsidiary, Pantai Cahaya Bulan Ventures Sdn. Bhd. and is a related party of the Group. KNB is a wholly-owned entity of MOF Inc. which in turn is owned by the Ministry of Finance. KNB and entities directly controlled by KNB are collectively referred to as government-related entities to the Group.

All the transactions entered into by the Group with the government-related entities are conducted in the ordinary course of the Group's business on negotiated terms or terms comparable to those with other entities that are not government-related.

The Group has transactions that are collectively, but not individually significant with other government-related entities in respect of public utilities. For the financial period ended 31 July 2013, management estimates that the aggregate amounts of the Group significant transactions with government-related entities are at 2.0% of its total administrative expenses.

12 FAIR VALUE MEASUREMENTS

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group as at 31 July 2013 approximated their fair values except as set out below:

	Carrying amount	Fair value
	RM'm	RM'm
Borrowings:		
Finance lease liabilities	679.3	800.6

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)

12 FAIR VALUE MEASUREMENTS (continued)

(b) Fair value hierarchy

As at 31 July 2013, the Group held the following financial instruments measured at fair value. The Group uses the following hierarchy for determining and disclosing fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly (ie. from prices) or indirectly (ie. derived from prices).
Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

(Assets)/Liabilities measured at fair value:

As at 31 July 2013	Carrying amount RM'm	Level 1 RM'm	Level 2 RM'm	Level 3 RM'm
Forward foreign currency exchange contracts – cash flow hedges	(32.6)	-	(32.6)	-
Interest rate swaps	17.5	-	17.5	-
Cross-currency interest rate swaps	(63.9)	-	(63.9)	-

The valuation technique used to derive the Level 2 fair value is as disclosed in Note 21.

During the financial period, there were no transfer between Level 1 and Level 2 fair value measurement, and no transfer into and out of Level 3 fair value measurement.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS

13 ANALYSIS OF PERFORMANCE

(a) Performance of the current quarter (Second Quarter FY14) against the corresponding quarter (Second Quarter FY13):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012
Consolidated Performance				
Total revenue	1,188.3	1,068.9		
EBITDA[1]	404.6	358.4		
EBITDA margin (%)	34.0	33.5		
Profit before tax	131.6	129.9		
Net profit	98.6	95.1		
Net increase in cash	56.7	547.8		
(i) Television				
Subscription revenue	991.2	901.9		
Advertising revenue	87.0	81.7		
Other revenue	37.8	15.4		
Total revenue	1,116.0	999.0		
EBITDA	372.3	351.1		
EBITDA margin (%)	33.4	35.1		
Profit before tax	91.4	127.2		
Total residential subscribers-end of period ('000)			3,672.8	3,256.2
Pay-TV residential subscribers-end of period ('000)			3,358.8	3,165.6
Pay-TV residential subscribers-net additions ('000)			43.0	57.4
Non-subscription customers-end of period ('000)			314.0	90.6
Non-subscription customers-net additions ('000)			49.9	76.2
Pay-TV residential ARPU[2] (RM)			94.9	91.8
MAT Churn[3] (%)			8.5	7.7

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(a) Performance of the current quarter (Second Quarter FY14) against the corresponding quarter (Second Quarter FY13) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012
(ii) Radio				
Revenue	65.6	56.5		
EBITDA[1]	40.8	25.0		
EBITDA margin (%)	62.2	44.2		
Profit before tax	40.9	28.3		
Listeners ('000)[4]			12,344	12,866
Share of Radex[5] (%)			54.6	52.6

Notes:

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
2. Average Revenue Per User ("ARPU") is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from active residential subscribers over the last twelve months with average number of active residential subscribers over the same period.
3. MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average active residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
4. Based on the Radio Listenership Survey by Nielsen dated 22 October 2012 (Quarter 2 FY13: 2 May 2012).
5. Based on Advertising expenses ("Adex") from Nielsen Media Report dated 16 August 2013 (Quarter 2 FY13: 14 August 2012). Radex is radio advertising expenditure.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(a) Performance of the current quarter (Second Quarter FY14) against the corresponding quarter (Second Quarter FY13) (continued):

Consolidated Performance

Revenue

The Group's revenue for the current quarter of RM1,188.3m was higher by RM119.4m or 11.2% against corresponding quarter of RM1,068.9m. This was mainly due to the increase in subscription revenue and advertising revenue of RM89.3m and RM12.4m respectively.

The increase in subscription revenue is attributed to both an increase in ARPU for Pay-TV residential subscribers of RM3.10 (from RM91.80 to RM94.90) and an increase in number of Pay-TV residential subscribers by 193,200 from 3,165,600 to 3,358,800.

Radio's revenue for the current quarter of RM65.6m was higher by RM9.1m compared with corresponding quarter of RM56.5m. The higher revenue performance was driven by the continuous strong listenership ratings and the festive seasons.

EBITDA

Group EBITDA increased by RM46.2m or 12.9% against corresponding quarter mainly due to the increase in Group revenue, as highlighted above, and partly offset by higher costs in relation to customer acquisition, selling and distribution amounting to RM13.6m, and higher content costs of RM35.4m.

Net Profit

Net profit increased by RM3.5m or 3.7% compared with the corresponding quarter. The increase in net profit is mainly due to increase in Group EBITDA of RM46.2m and lower finance cost by RM17.4m, which was offset by an increase in depreciation of set-top boxes of RM58.5m and increase in amortisation of software of RM11.0m.

Cash Flow

Increase in cash and cash equivalents of RM56.7m during the quarter is mainly due to higher operating cash flows of RM348.4m. This was offset by the payment of dividend of RM103.9m, the acquisition of property, plant and equipment of RM108.4m and payment of interest of RM60.0m.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(a) Performance of the current quarter (Second Quarter FY14) against the corresponding quarter (Second Quarter FY13) (continued):

Television

Television registered an increase in total revenue of RM117.0m (or 11.7%) compared with corresponding quarter, which was mainly attributable to the increase in subscription, advertising and other revenue of RM89.3m, RM5.3m and RM22.4m respectively.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM3.10 (from RM91.80 to RM94.90) and a higher number of Pay-TV residential subscribers by 193,200 from 3,165,600 to 3,358,800.

The increase in other revenue was due to an increase in licensing income and sales of decoders.

Television EBITDA increased by RM21.2m or 6.0% against corresponding quarter mainly due to the increase in revenue as highlighted above, and partly offset by higher marketing and distribution costs in relation to customer acquisition and higher content costs.

Radio

Radio’s revenue for the current quarter of RM65.6m was higher by RM9.1m compared with corresponding quarter of RM56.5m. The higher revenue performance was driven by the continuous strong listenership ratings and the festive seasons.

The favourable revenue contributed to higher EBITDA of RM40.8m, an increase of RM15.8m or 63.2% compared with the corresponding quarter.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Second Quarter FY14) against the preceding quarter (First Quarter FY14):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 30/4/2013	QUARTER ENDED 31/7/2013	QUARTER ENDED 30/4/2013
Consolidated Performance				
Total revenue	1,188.3	1,125.8		
EBITDA[1]	404.6	380.9		
EBITDA margin (%)	34.0	33.8		
Profit before tax	131.6	157.8		
Net profit	98.6	113.8		
Net increase in cash	56.7	106.8		
(i) Television				
Subscription revenue	991.2	971.6		
Advertising revenue	87.0	64.3		
Other revenue	37.8	30.1		
Total revenue	1,116.0	1,066.0		
EBITDA	372.3	372.0		
EBITDA margin (%)	33.4	34.9		
Profit before tax	91.4	143.0		
Total residential subscribers-end of period ('000)			3,672.8	3,579.9
Pay-TV residential subscribers-end of period ('000)			3,358.8	3,315.8
Pay-TV residential subscribers-net additions ('000)			43.0	40.3
Non-subscription customers-end of period ('000)			314.0	264.1
Non-subscription customers-net additions ('000)			49.9	55.1
Pay-TV residential ARPU[2](RM)			94.9	94.2
MAT Churn[3](%)			8.5	7.9

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Second Quarter FY14) against the preceding quarter (First Quarter FY14) (continued):

All amounts in RM'm unless otherwise stated

	Financial Highlights		Key Operating Indicators	
	QUARTER ENDED 31/7/2013	**QUARTER ENDED 30/4/2013**	**QUARTER ENDED 31/7/2013**	**QUARTER ENDED 30/4/2013**
(ii) Radio				
Revenue	65.6	49.2		
EBITDA[1]	40.8	20.9		
EBITDA margin (%)	62.2	42.5		
Profit before tax	40.9	21.1		
Listeners ('000)[4]			12,344	12,344
Share of Radex[5] (%)			54.6	52.5

Notes:

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
2. Average Revenue Per User ("ARPU") is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from active residential subscribers over the last twelve months with average number of active residential subscribers over the same period.
3. MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average active residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
4. Based on the Radio Listenership Survey by Nielsen dated 22 October 2012 (Quarter 1 FY14: 22 October 2012).
5. Based on Advertising expenses ("Adex") from Nielsen Media Report dated 16 August 2013 (Quarter 1 FY14: 14 May 2013). Radex is radio advertising expenditure.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Second Quarter FY14) against the preceding quarter (First Quarter FY14) (continued):

<u>Consolidated Performance</u>

Revenue

The Group's revenue for the current quarter of RM1,188.3m was higher by RM62.5m or 5.6% against preceding quarter of RM1,125.8m. This was mainly due to an increase in subscription and advertising revenue of RM19.6m and RM37.4m respectively.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM0.70 (from RM94.20 to RM94.90) and higher Pay-TV residential subscribers by 43,000 from 3,315,800 to 3,358,800.

Airtime sales for the current quarter of RM141.1m was higher by RM37.4m compared with the preceding quarter of RM103.7m primarily due to the Hari Raya festival.

EBITDA

EBITDA increased by RM23.7m or 6.2% against the preceding quarter mainly due to the increase in Group revenue, as highlighted above, and offset by higher marketing and distribution costs and higher content costs.

Net Profit

Net profit decreased by RM15.2m or 13.4% to RM98.6m during the quarter. The decrease is mainly due to higher depreciation of RM17.0m and higher net finance costs of RM28.9m. The decrease was offset by the increase in EBITDA of RM23.7m and lower tax expenses of RM11.0m.

Cash Flow

Increase in cash and cash equivalents of RM56.7m during the quarter is mainly due to higher operating cash flows of RM348.4m. This was offset by the payment of dividend of RM103.9m, the acquisition of property, plant and equipment of RM108.4m and payment of interest of RM60.0m.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(b) Performance of the current quarter (Second Quarter FY14) against the preceding quarter (First Quarter FY14) (continued):

Television

Television registered an increase in total revenue in the current quarter of RM50.0m or 4.7%, which was attributable by the increase in subscription and advertising revenue of RM19.6m and RM22.7m respectively.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM0.70 (from RM94.20 to RM94.90) and higher Pay-TV residential subscribers by 43,000 from 3,315,800 to 3,358,800. The increase in advertising revenue was primarily due to the Hari Raya festival.

Television EBITDA increased marginally by RM0.3m mainly due to the increased in revenue as described above. The increase was offset by higher marketing and distribution costs and higher content costs.

Radio

Radio’s revenue for the current quarter of RM65.6m was higher by RM16.4m compared with the preceding quarter of RM49.2m. Radio’s revenue increased due to the Hari Raya festival.

The favourable revenue contributed to a higher EBITDA of RM40.8m, an increase of RM19.9m or 95.2% compared with the preceding quarter.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current period (YTD July 2013) against the corresponding period (YTD July 2012):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	PERIOD ENDED 31/7/2013	**PERIOD ENDED 31/7/2012**	**PERIOD ENDED 31/7/2013**	**PERIOD ENDED 31/7/2012**
Consolidated Performance				
Total revenue	2,314.1	2,054.9		
EBITDA[1]	785.5	700.1		
EBITDA margin (%)	33.9	34.1		
Profit before tax	289.4	301.8		
Net profit	212.4	218.5		
Net increase in cash	163.5	548.6		
(i) Television				
Subscription revenue	1,962.7	1,772.3		
Advertising revenue	151.3	131.3		
Other revenue	68.0	25.3		
Total revenue	2,182.0	1,928.9		
EBITDA	744.3	679.6		
EBITDA margin (%)	34.1	35.2		
Profit before tax	234.4	285.1		
Total residential subscribers-end of period ('000)			3,672.8	3,256.2
Pay-TV residential subscribers-end of period ('000)			3,358.8	3,165.6
Pay-TV residential subscribers-net additions ('000)			83.3	98.7
Non-subscription customers-end of period ('000)			314.0	90.6
Non-subscription customers-net additions ('000)			105.0	90.3
Pay-TV residential ARPU[2] (RM)			94.9	91.8
MAT Churn[3] (%)			8.5	7.7

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

13 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current period (YTD July 2013) against the corresponding period (YTD July 2012) (continued):

	All amounts in RM'm unless otherwise stated			
	Financial Highlights		**Key Operating Indicators**	
	PERIOD ENDED 31/7/2013	**PERIOD ENDED 31/7/2012**	**PERIOD ENDED 31/7/2013**	**PERIOD ENDED 31/7/2012**
(ii) Radio				
Revenue	114.8	100.0		
EBITDA[1]	61.6	41.3		
EBITDA margin (%)	53.7	41.3		
Profit before tax	62.0	44.3		
Listeners ('000)[4]			12,344	12,866
Share of Radex[5] (%)			54.6	52.6

Notes:

1. Earnings before interest, tax, depreciation and amortisation ("EBITDA") represent profit/(loss) before net finance costs, tax, impairment, write-off and depreciation of property, plant and equipment and amortisation of intangible assets such as software (but excluding amortisation of film library and program rights which are expensed as part of cost of sales), impairment of investments and share of post-tax results from investments accounted for using the equity method.
2. Average Revenue Per User ("ARPU") is the monthly average revenue per residential subscriber. ARPU is calculated by dividing the total subscription revenue derived from active residential subscribers over the last twelve months with average number of active residential subscribers over the same period.
3. MAT (moving annual total) Churn is computed by dividing the sum of Churn over the last twelve months with the average active residential customer base over the same period. Churn is the number of subscribers over a given period whose subscriptions have been terminated either voluntarily or involuntarily (as a result of non-payment), net of reconnections within a given period.
4. Based on the Radio Listenership Survey by Nielsen dated 22 October 2012 (YTD July 2012: 2 May 2012).
5. Based on Advertising expenses ("Adex") from Nielsen Media Report dated 16 August 2013 (YTD July 2012: 14 August 2012). Radex is radio advertising expenditure.

13 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current period (YTD July 2013) against the corresponding period (YTD July 2012) (continued):

Consolidated Performance

Revenue

The Group's revenue for the current period of RM2,314.1m was higher by RM259.2m or 12.6% against corresponding period of RM2,054.9m. This was mainly due to an increase in subscription and advertising revenue of RM190.4m and RM32.0m respectively.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM3.10 (from RM91.80 to RM94.90) and higher Pay-TV residential subscribers by 193,200 from 3,165,600 to 3,358,800.

The increase in airtime sales for the current period of RM244.7m was higher by RM32.0m compared with the corresponding period of RM212.7m. The higher revenue performance was driven by the continuous strong listenership ratings and improved sales tactical campaign, as well as taking advantage of the festivals and events.

EBITDA

EBITDA increased by RM85.4m or 12.2% against the corresponding period mainly due to the increase in Group revenue, as highlighted above. The increase was offset by higher content costs of RM65.1m and higher costs in relation to customer acquisition, selling and distribution amounting to RM30.8m.

Net Profit

Net profit decreased by RM6.1m or 2.8% to RM212.4m during the period. The decrease is mainly due to an increase in depreciation of set-top boxes and amortisation of software of RM109.9m and RM17.9m respectively. The decrease was offset by increase in EBITDA of RM85.4m and lower net finance costs of RM38.8m which resulted in lower tax expenses of RM6.3m.

Cash Flow

Increase in cash and cash equivalents of RM163.5m during the period is mainly due higher operating cash flows of RM673.6m. This was offset by the payment of dividend of RM181.9m, the acquisition of property, plant and equipment of RM206.5m and payment of interest of RM100.0m.

13 ANALYSIS OF PERFORMANCE (continued)

(c) Performance of the current period (YTD July 2013) against the corresponding period (YTD July 2012) (continued):

Television

Television registered an increase in total revenue in the current period of RM253.1m or 13.1%, which was mainly attributable to an increase in subscription, advertising and other revenue of RM190.4m, RM20.0m and RM42.7m respectively.

The increase in subscription revenue was due to higher ARPU for Pay-TV residential subscribers of RM3.10 (from RM91.80 to RM94.90) and an increase in number of Pay-TV residential subscribers by 193,200 from 3,165,600 to 3,358,800.

The increase in advertising revenue was due to festivals and events. Other revenue recorded an increase primarily due to higher licensing income, sales of decoders and sales of programme rights.

Television EBITDA increased by RM64.7m or 9.5% mainly due to an increase in revenue as highlighted above, and partly offset by higher installation, marketing and distribution costs in relation to customer acquisition and higher content costs.

Radio

Radio’s revenue for the current period of RM114.8m was higher by RM14.8m compared with the corresponding period of RM100.0m. Radio's higher revenue performance was driven by the continuous strong listenership ratings and improved sales tactical campaign, as well as taking advantage of the festivals and events.

The favourable revenue contributed to a higher EBITDA of RM61.6m, an increase of RM20.3m or 49.2% compared with the corresponding period.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

14 PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 JANUARY 2014

The Group continues to execute strongly on its key strategy of growing its customer base and reach, in tandem with ARPU; by providing better content and product choices, value and customer experience. Our targeted customer acquisition strategy for pay-TV subscribers continues to be successful, whilst our prepaid offering, NJOI is successfully addressing a new market. Our new value added products and services such as Value Packs which was launched in May 2013 is driving strong customer take up. In addition, we expect our strategic partnerships with Maxis and TIME.com to provide the Group access to the widest HSBB fibre coverage in Malaysia.

In line with the Group's strategy to be the major creator, producer, aggregator and distributor of content in Malaysia, an agreement was entered into with TM NET Sdn Bhd (a wholly owned subsidiary of Telekom Malaysia Berhad) (TM) for the carriage of Astro SuperSport HD and Astro SuperSport 2 HD on its IPTV service effective 1st August 2013.

The adex performance continues to outperform the industry's growth rate, underpinned by its increasing reach and relevance to advertisers given strong TV viewership and radio listenership. Combined with the availability of new platforms across TV, Radio and Digital media, the Group expects its comprehensive marketing solutions to generate adex growth for the industry.

Consistent with the previous financial year, the Astro B.yond conversion and targeted customer acquisitions will impact our profit margins in the current year but are expected to normalise thereafter. The Group continues to have high visibility on its operating expenses, including content costs, with the significant majority of our key content contracts secured.

On the basis of the above, the Board believes that the Group will continue to be cash generative; and given its financial strength, it will be able to both invest in its growth strategy, and pursue its progressive dividend policy.
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15 PROFIT FORECAST OR PROFIT GUARANTEE

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

16 QUALIFICATION OF PRECEDING AUDITED ANNUAL FINANCIAL STATEMENTS

There was no qualification to the preceding audited annual financial statements for the financial year ended 31 January 2013.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

17 PROFIT BEFORE TAX

The following items have been charged/(credited) in arriving at the profit before tax:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012
	RM'm	RM'm	RM'm	RM'm
Amortisation of intangible assets	119.2	115.2	221.5	205.3
Depreciation of property, plant and equipment	179.3	117.9	341.5	222.4
Impairment of receivables	7.1	9.0	25.1	27.5
Finance income:				
- Interest income	9.9	7.1	22.0	29.4
- Unit trust	4.7	-	4.7	-
- Realised foreign exchange gains	9.5	6.8	6.4	7.4
	24.1	13.9	33.1	36.8
Finance costs:				
- Bank borrowings	27.0	34.2	53.5	65.1
- Finance lease liabilities	12.6	12.3	25.4	27.2
- Vendor financing	10.3	4.1	17.8	7.2
- Unrealised foreign exchange losses	26.2	43.3	13.4	44.3
- Fair value loss on derivative recycled to income statement	9.3	7.4	16.9	20.5
- Others	2.6	4.1	5.1	10.3
	88.0	105.4	132.1	174.6

Other than as presented in the income statement and as disclosed above, there were no gain/loss on disposal of quoted and unquoted investments or properties, impairment of assets or any other exceptional items for the current quarter.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

18 TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012
	RM'm	RM'm	RM'm	RM'm
Current tax	40.2	49.7	92.2	103.9
Deferred tax	(7.2)	(14.9)	(15.2)	(20.6)
	33.0	34.8	77.0	83.3

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012
	RM'm	RM'm	RM'm	RM'm
Profit before taxation	131.6	129.9	289.4	301.8
Tax at Malaysian corporate tax rate of 25%	32.9	32.5	72.4	75.5
Tax effect of:				
Unrecognised deferred tax asset	0.9	4.6	1.5	4.6
Others (including expenses not deductible for tax purposes and income not subject to tax)	(0.8)	(2.3)	3.1	3.2
Taxation charge	33.0	34.8	77.0	83.3

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

19 STATUS OF CORPORATE PROPOSALS ANNOUNCED

Utilisation of IPO proceeds

On 19 October 2012, the entire issued and paid-up share capital of the Company was listed on the Main Market of Bursa Malaysia Securities Berhad.

As at 11 September 2013, the gross proceeds of RM1,422.9m from the Public Issue were utilised in the following manner:

	Proposed Utilisation Amount	Actual Utilisation Amount	Intended Timeframe for	Balance	
	RM'm	RM'm		RM'm	%
Repayment of bank borrowings	500.0	500.0	Within 12 months	-	-
Capital expenditure	750.0	65.9	Within 36 months	684.1	91
Working capital	112.9	29.2	Within 24 months	83.7	74
Estimated fees and expenses for the IPO and listing	60.0	48.8	Within 3 months	11.2*	19
	1,422.9	643.9		779.0	55

* Excess of the amounts allocated will be utilised for meeting general working capital requirements as disclosed in the Prospectus in relation to the IPO dated 21 September 2012.

20 GROUP BORROWINGS AND DEBT SECURITIES

The amount of Group borrowings and debt securities as at 31 July 2013 are as follows:

	Current	Non-current	Total
	RM'm	RM'm	RM'm
Secured:			
Finance lease			
- Lease of transponders[(a)]	45.8	621.3	667.1
Unsecured:			
Term loans			
- RM Term Loan	100.0	1,900.0	2,000.0
- USD Term Loan – USD330 million	53.3	1,013.4	1,066.7
	153.3	2,913.4	3,066.7
Less: Debt issuance costs	-	(39.4)	(39.4)
Term loans, net of debt issuance costs	153.3	2,874.0	3,027.3
Finance lease			
- Lease of equipment and software[(b)]	4.9	7.3	12.2
	158.2	2,881.3	3,039.5
	204.0	3,502.6	3,706.6

20 GROUP BORROWINGS AND DEBT SECURITIES (continued)

The Group borrowings and debt securities were denominated in the following currencies:

	Total
	RM'm
Ringgit Malaysia	2,649.9
United States Dollars ("USD")	1,056.7
	3,706.6

Note:

(a) Lease of transponders on the MEASAT 3 satellite and MEASAT 3A satellite from the lessor, MEASAT Satellite Systems Sdn. Bhd.("MSS"), a related party. The finance lease liabilities are effectively secured as the rights of the leased asset will revert to the lessor in the event of default.

(b) HP lease for servers' hardware, software and testing environment hardware.

21 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 July 2013 are set out below:

Types of derivatives	**Contract/ Notional Amount**	**Fair Value Liabilities/ (Assets)**
	RM'm	**RM'm**
Forward foreign currency exchange contracts ("FX Contracts")		
- Less than 1 year	719.2	(32.6)
- 1 to 3 years	-	-
- More than 3 years	-	-
	719.2	(32.6)
Interest rate swaps ("IRS")		
- Less than 1 year	75.0	0.9
- 1 to 3 years	300.0	3.5
- More than 3 years	1,125.0	13.1
	1,500.0	17.5
Cross-currency interest rate swaps ("CCIRS")		
- Less than 1 year	53.3	(3.2)
- 1 to 3 years	213.4	(12.8)
- More than 3 years	800.0	(47.9)
	1,066.7	(63.9)

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Disclosure of derivatives (continued)

There have been no changes since the end of the previous financial year ended 31 January 2013 in respect of the following:

(i) the market risk and credit risk associated with the derivatives as these are used for hedging purposes;
(ii) the cash requirements of the derivatives;
(iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
(iv) the related accounting policies.

(b) Disclosure of gains/(losses) arising from fair value

The Group determines the fair values of the derivative financial instruments relating to the FX Contracts using valuation techniques which utilise data from recognised financial information sources. Assumptions are based on market conditions existing at each balance sheet date. The fair values are calculated at the present value of the estimated future cash flow using an appropriate market based yield curve. As for IRS and CCIRS, the fair values were obtained from the counterparty banks.

As at 31 July 2013, the Group recognised net total derivative financial assets of RM79.0m, an increase of RM114.3m from the previous financial year ended 31 January 2013, on re-measuring the fair values of the derivative financial instruments. The corresponding increase has been included in equity in the hedging reserve. For the current period, RM59.5m of the hedging reserve was transferred to the income statement to offset the unrealised loss of RM59.5m which resulted from the weakening of RM against USD. This resulted in an increase on the credit balance in the hedging reserve as at 31 July 2013 by RM54.8m to RM0.7m compared with the financial year ended 31 January 2013.

Forward foreign currency exchange contracts

Forward foreign currency exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currencies of the Group. The forward foreign currency exchange contracts have maturities of less than one year after the balance sheet date. The notional principal amounts of the outstanding forward foreign currency exchange contracts at 31 July 2013 were RM719.2m (31 January 2013: RM261.5m).

Interest rate swaps

Interest rate swaps are used to achieve an appropriate interest rate exposure within the Group. The Company entered into interest rate swaps with notional principal amounts of RM1,500.0m (31 January 2013: RM1,500.0m) to hedge the cash flow risk in relation to the floating interest rate of a bank loan, as disclosed in Note 20. The interest rate swaps were entered up to 10 years and had an average fixed swap rate of 4.15% (31 January 2013: 4.15%).

Cross-currency interest rate swaps

To mitigate financial risks arising from adverse fluctuations in interest and exchange rates, the Company entered into cross-currency interest rate swaps with notional principal amounts of USD330.0m. The cross-currency interest rate swaps were entered up to a period of 10 years and had an average fixed swap rate and exchange rate of 4.19% (inclusive of interest margin of 1%) (31 January 2013: 4.19% (inclusive of interest margin of 1%)) and USD/RM3.0189 (31 January 2013: USD/RM3.0189) respectively.

22 PAYABLES

Included in payables are credit terms granted by vendors that generally range from 0 to 90 days (31 January 2013: 0 to 90 days). Vendors of set-top boxes and outdoor units have granted an extended payment terms of 24 and 36 months ("vendor financing") on Usance Letter of Credit Payable at Sight ("ULCP") and Promissory Notes ("PN") basis to the Group.

The effective interest rates at the end of the financial period ranged between 1.4% and 4.6% (31 January 2013: 1.4% and 4.6%) per annum.

As at 31 July 2013, the vendor financing included in payables is RM1,234.6m (31 January 2013: RM831.7m), comprising current portion of RM179.8m (31 January 2013: RM194.3m) and non-current portion of RM1,054.8m (31 January 2013: RM637.4m).

23 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS/(ACCUMULATED LOSSES)

The following analysis is prepared in accordance with Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad.

The breakdown of (accumulated losses)/retained profits of the Group as at the balance sheet date, into realised and unrealised (losses)/profits, pursuant to the directive, is as follows:

Group	**As at 31/7/2013**	**As at 31/1/2013**
	RM'm	**RM'm**
Total (accumulated losses)/retained profits of the Company and its subsidiaries:		
- Realised	(153.0)	(213.1)
- Unrealised[N1]	35.5	120.1
	(117.5)	(93.0)
Total retained profits from associates and joint ventures:		
- Realised	12.1	10.1
- Unrealised	-	-
	(105.4)	(82.9)
Less: Consolidation adjustment	(568.6)	(570.2)
Total accumulated losses as per consolidated balance sheets	(674.0)	(653.1)

N1 The unrealised retained profits/(accumulated losses) are mainly deferred tax provision and translation gains or losses of monetary items denominated in a currency other than the functional currency.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

23 DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS/(ACCUMULATED LOSSES) (continued)

The breakdown of retained profits of the Company as at the balance sheet date, into realised and unrealised profits, pursuant to the directive, is as follows:

Company	**As at 31/7/2013**	**As at 31/1/2013**
	RM'm	**RM'm**
Total retained profits of the Company:		
- Realised	292.5	433.6
- Unrealised	-	-
	292.5	433.6

24 CHANGES IN MATERIAL LITIGATION

There have been no significant developments in material litigations since the last balance sheet included in the annual audited financial statements up to the date of this announcement, except for the following:-

(i) Claim by AV Asia Sdn. Bhd.

With regard to AV Asia's appeal to the Federal Court in respect of the interlocutory injunction, the hearing was brought forward to 29 August 2013. On 29 August 2013, the Federal Court had dismissed AV Asia's appeal with costs.

(ii) Application For Enforcement of The SIAC Awards In Indonesia

With regard to the application for enforcement of the SIAC Awards at the Supreme Court in Indonesia by the AOL Companies, AAAN, AAMN, and MBNS ("Claimants"), the Supreme Court has dismissed the Claimants' appeal.

As previously reported, an arbitral tribunal of the SIAC had in 2010 ruled in favour of the Claimants, and granted them an award amounting to approximately USD303 million plus interest. The SIAC Awards remain unpaid by PT FM, PT DV and PT APM, and judgment has been entered in the terms of the Awards to date in four jurisdictions – Singapore, Malaysia, Hong Kong and the United Kingdom.

The Claimants followed on with the enforcement of the SIAC Awards in a fifth jurisdiction – Indonesia – in December 2011. However, on 11 September 2012, the Central Jakarta District Court ("CJDC") rejected the Claimants' application, a decision which renders all the SIAC Awards unenforceable in Indonesia. The Claimants then filed an appeal on 25 October 2012 at the Supreme Court of Indonesia.

MBNS has been informed that the Supreme Court of Indonesia has dismissed its appeal against the CJDC's decision, inter alia, on grounds that the SIAC Awards are:

(a) contrary to public order;
(b) amount to interference with Indonesian judicial process; and
(c) violate the principles of the State and legal sovereignty of Indonesia.

Accordingly, the SIAC Awards remain unenforceable in Indonesia. The decisions by the CJDC and the Supreme Court of Indonesia effectively render Indonesia the only one out of five jurisdictions relevant to the case not to have the allowed the enforcement of the SIAC Awards.

24 CHANGES IN MATERIAL LITIGATION (continued)

(ii) Application For Enforcement of The SIAC Awards in Indonesia (continued)

The Company views the two Indonesian court judgments as being inconsistent with the judgments that have been entered in the terms of the SIAC Awards in the four other relevant jurisdictions, and to the United Nations Convention on Recognition and Enforcement of Foreign Arbitral Awards which all five relevant jurisdictions, including Indonesia, are party to.

On the advice of its counsel, the Company is of the view that there are strong grounds to pursue legal recourse to challenge the decision of the Supreme Court of Indonesia not to enforce the SIAC Awards.

(iii) Civil Suit in Indonesia by PTDV

With regard to PTDV's claim on the alleged unlawful act or tort, MBNS along with other defendants, had filed an application challenging the jurisdiction of the South Jakarta District Court ("SJDC") to hear the case.

The challenge was made on the legal basis that the subject matter of this civil suit must be determined by way of arbitration under the Singapore International Arbitration Centre ("SIAC") rules as prescribed under the Subscription and Shareholders' Agreement dated 11 March 2005. This had already been heard and determined by way of the SIAC arbitration and awards in favour of MBNS and other Astro entities on this very issue.

Judgment has been entered in the terms of the SIAC Awards in Singapore, Malaysia, Hong Kong and England.

SJDC has on 28 August 2013 rejected MBNS' challenge and decided that it has jurisdiction over the dispute. This ruling is only in relation to the challenge to jurisdiction and the SJDC will proceed to hear the merits of the case in full.

MBNS is of the view that the decision of the SJDC is inconsistent with the awards and inconsistent with the judgments entered on the basis of the awards in Singapore, Malaysia, Hong Kong and England, and will take all necessary measures to challenge the said decision.

MBNS has filed an appeal against the SJDC's decision on 9 September 2013.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)

25 DIVIDENDS

(a) The Board of Directors has declared a second interim single-tier dividend of 2.0 sen per ordinary share in respect of the financial year ending 31 January 2014 amounting to RM103,966,000, to be paid on 18 October 2013. The entitlement date for the dividend payment is 30 September 2013.

A depositor shall qualify for entitlement to the dividend only in respect of:

(i) shares transferred to the depositor's securities account before 4.00 pm on 30 September 2013 in respect of transfers; and

(ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

(b) The shareholders' had approved at the Annual General Meeting a final single-tier dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 January 2013 amounting to RM51,983,000. The final dividend was paid on 2 August 2013.

(c) The total dividends for the six-months ended 31 July 2013 in respect of the financial year ending 31 January 2014 is 4.0 sen per share, based on 5,198,300,000 ordinary shares (31 July 2012: RM2,738.25 per share, based on 98,238 ordinary shares).

26 EARNINGS PER SHARE

The calculation of basic earnings per ordinary share at 31 July 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

The calculation of diluted earnings per ordinary shares at 31 July 2013 was based on profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share as at 31 July 2013:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012
Profit attributable to the equity holders of the Company (RM'm)	98.9	94.4	213.0	216.8
(i) Basic EPS				
Weighted average number of issued ordinary shares ('m)	5,198.3	0.1	5,198.3	0.1
Basic earnings per share (RM)	0.019	944.0	0.041	2,168.0

26 EARNINGS PER SHARE (continued)

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share as at 31 July 2013:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/7/2013	QUARTER ENDED 31/7/2012	PERIOD ENDED 31/7/2013	PERIOD ENDED 31/7/2012
(ii) Diluted EPS				
Weighted average number of issued Ordinary shares ('m)	5,198.3	n/a[1]	5,198.3	n/a[1]
Effect of dilution:				
Grant of share awards under the management share scheme ('m)	4.7	n/a[1]	4.7	n/a[1]
	5,203.0	n/a[1]	5,203.0	n/a[1]
Diluted earnings per share (RM)	0.019	n/a[1]	0.041	n/a[1]

[1]n/a denotes "Not Applicable" as there were no dilutive ordinary shares.

27 MATERIAL EVENTS SUBSEQUENT TO END OF THE FINANCIAL PERIOD

On 1 August 2013, the Company offered shares awards of up to 8,624,000 new ordinary shares of RM0.10 each under the Management Share Scheme ("MSS") to eligible executive and eligible employees of the Company. Details of the MSS were also set out in Section 15.4 of the Prospectus dated 21 September 2012.

The above total number of shares offered under the shares awards includes 1,111,000 shares granted to Dato' Rohana Rozhan, the Executive Director/Chief Executive Officer of the Company, which shall vest on 1 August 2016, subject to meeting the stipulated performance targets.

Other than the above, there were no material subsequent events during the period from the end of the quarter review to 11 September 2013.

BY ORDER OF THE BOARD

LIEW WEI YEE SHARON
(License No. LS0007908)

Company Secretary
11 September 2013