



2nd quarter FY14 results

11th September 2013

Go Beyond

Disclaimer

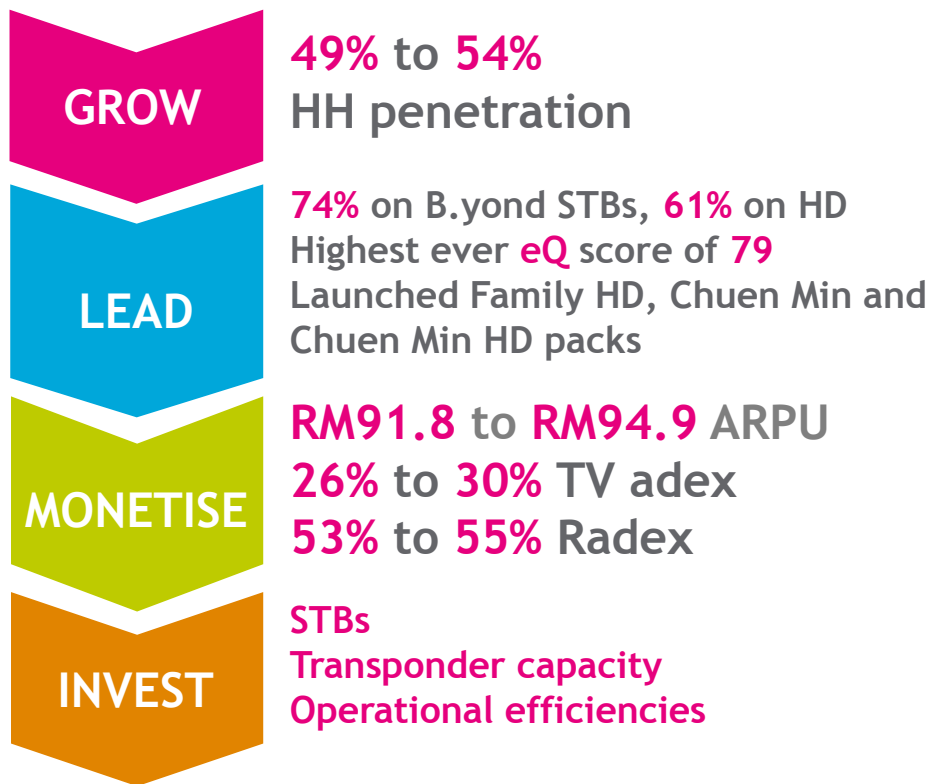
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Key highlights of H1'FY14 performance



Revenue +13%
RM2.06bn to RM2.31bn

EBITDA +12%
RM700mn to RM786mn

Adex +15%
RM235mn to RM270mn

FCF of RM469mn
221% of PAT

H1'FY14 snapshot – executing on growth strategy

Highlights	FY13	FY14	Growth
TV households (000s) ⁽¹⁾	6,657	6,842	3%
TV household penetration ⁽²⁾	49%	54%	5pp
TV household penetration (000s)	3,257	3,673	13%
<i>Pay TV households (000s)</i>	3,166	3,359	6%
<i>NJOI households (000s)</i>	91	314	245%
Pay TV gross adds (000s)	236	249	6%
MAT churn	8%	9%	1pp
Net adds (000s)	190	188	(1%)
<i>Pay TV households (000s)</i>	99	83	(16%)
<i>NJOI households (000s)</i>	91	105	15%
B.yond STB swapout (000s)	368	441	20%
ARPU (RM)	91.8	94.9	3%
Astro TV viewership share	42%	44%	2pp
Radio listenership (000s)	12,866	12,344	(4%)
Adex (RM mn)	235	270	15%
Revenue (RM mn)	2,055	2,314	13%
EBITDA (RM mn)	700	786	12%
EBITDA margin	34%	34%	-

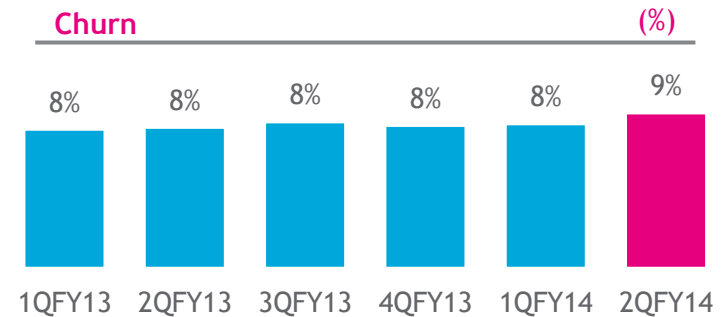
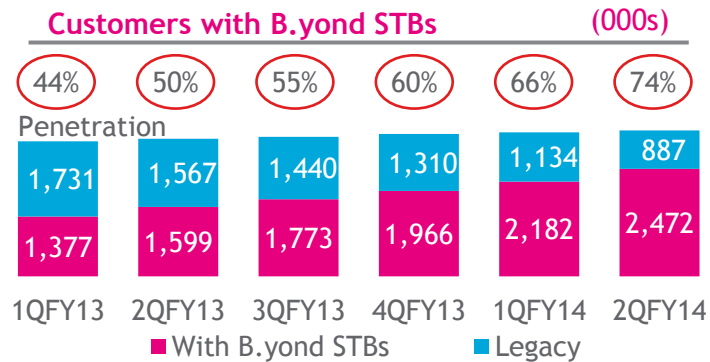
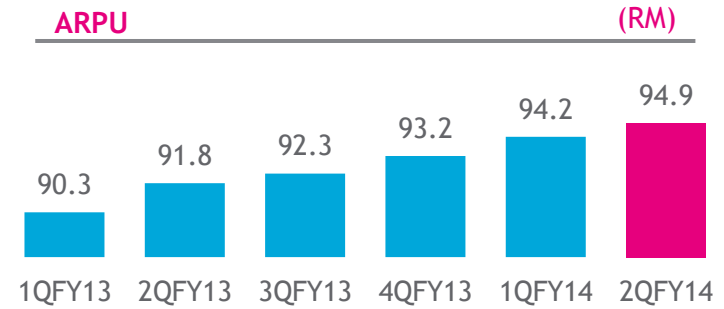
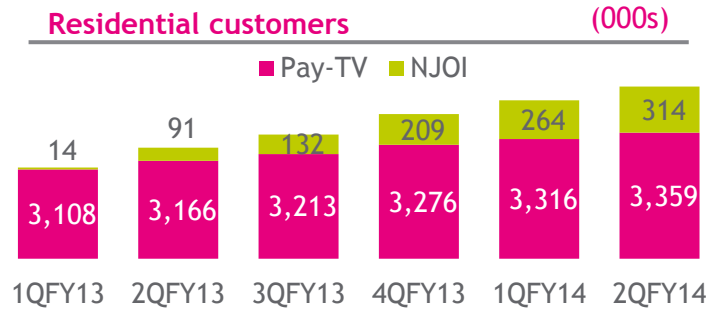
NB

(1) TV household data sourced from Value Partners Management Consulting, the Independent Market Research consultant to the company during the IPO

(2) Household penetration includes both residential pay-TV customers and NJOI customers

(3) Data presented are for the 6 months ended 31 July, with the exception of ARPU and churn which are 12-month moving averages

Customer and ARPU growth continues, with increased momentum on Astro B.yond STB swap

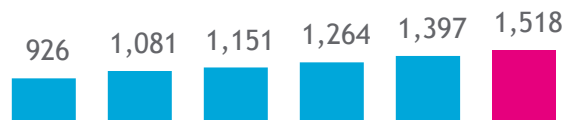


Upsell of value-added products and services highlights ongoing success of Astro B.yond swapout strategy

astro .yond HD (000s)

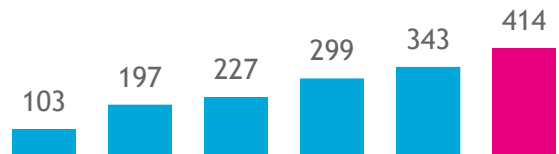
67% 68% 65% 64% 64% 61%

Penetration



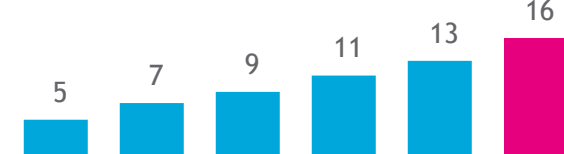
1QFY13 2QFY13 3QFY13 4QFY13 1QFY14 2QFY14

astro .yond PVR (000s)



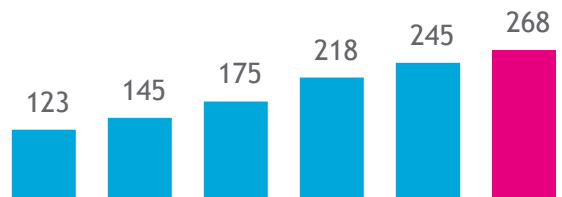
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astro .yond IPTV (000s)



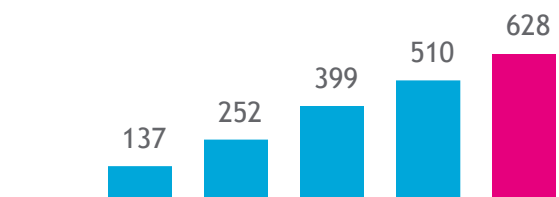
1QFY13 2QFY13 3QFY13 4QFY13 1QFY14 2QFY14

Multiroom (000s)



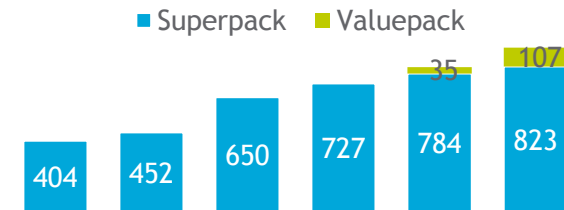
1QFY13 2QFY13 3QFY13 4QFY13 1QFY14 2QFY14

astro ON-THE-GO downloads (000s)



1QFY13 2QFY13 3QFY13 4QFY13 1QFY14

SUPERPACK & VALUEPACK (000s)



1QFY13 2QFY13 3QFY13 4QFY13 1QFY14 2QFY14

New channels and packages launched to provide greater choice, value and content experiences to customers

171

total channels

39

HD channels

67

Astro-branded channels

New entry-level packs

FAMILY HD

(RM49.95)

CHUEN MIN HD

(RM49.95)

CHUEN MIN

(RM37.95)

- +11 HD channels
- Leading with HD experience across all offerings

- +3 Chinese channels
- Improving vernacular experience at the entry-level

New channels



Included in Astro Select, our complimentary pack for Astro B.yond IPTV powered by Maxis customers with 10 HD channels and >700k VOD hours

Channel supply deal



- Commercial arrangement to supply Supersport HD, Supersport HD 2 and bouquet of NJOI channels to TM

Kilauan EMAS 3

Content 360° to further engage our viewers



Top program on Prima, with an average **700k viewership weekly**

KE 3 Final Concert is one of the most watched shows in Astro's history, with **1.28 mn** viewers on final

Received **350k votes** - **212% increase** compared to Season 2!

PRINT

Ads in top Malay titles to increase awareness & collaboration with magazine for monthly write-ups



TV



3rd season final overtook TV3's Bulletin Utama as the No. 1 primetime show

RADIO



Seamless integration with Sinar FM & THR GEGAR

KE Winners graced Mustika HD Birthday Bash, AOTG and Planet Gempak

ON GROUND



- Promoting through Astro Gempak
- Behind the scene before concert
- Update during LIVE concert

DIGITAL



KE tweets reached an average of **600k** unique Twitter individuals during TX

Trended on Twitter during Finale Concert!

OUT OF HOME

Billboards at key areas in KL, JB, Kuantan and Butterworth

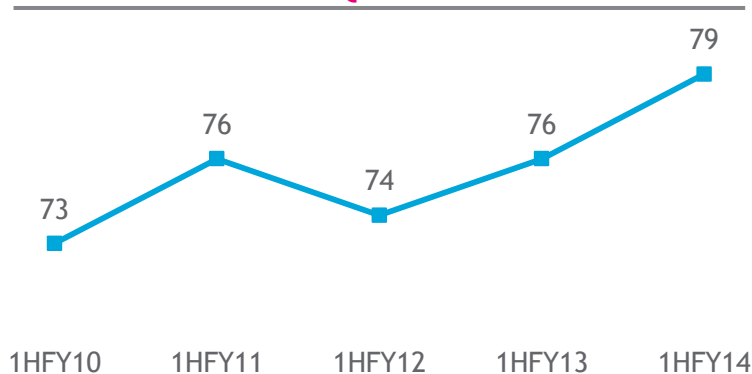


Enhancing customer experience remains a key focus - best ever score achieved in H1'FY14

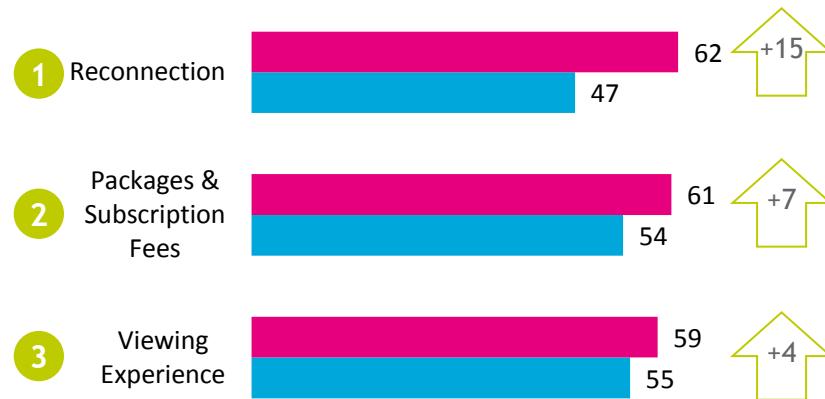


Astro uses the eQ system, a Nielsen product, to monitor customer experience at all steps along the customer journey and across all touch points

eQ score

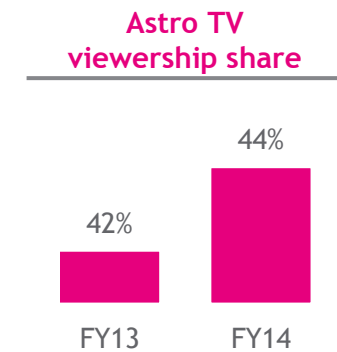
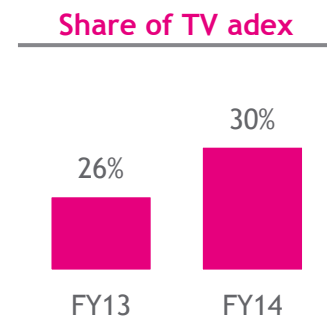
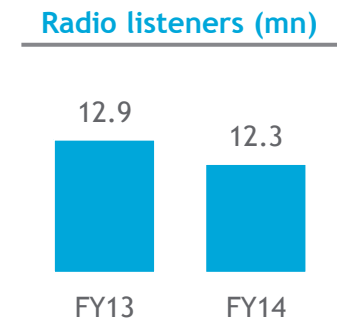
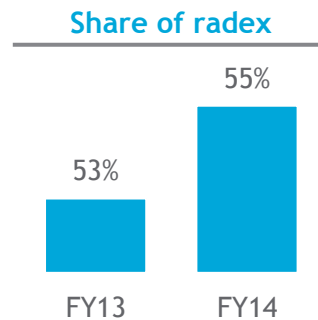
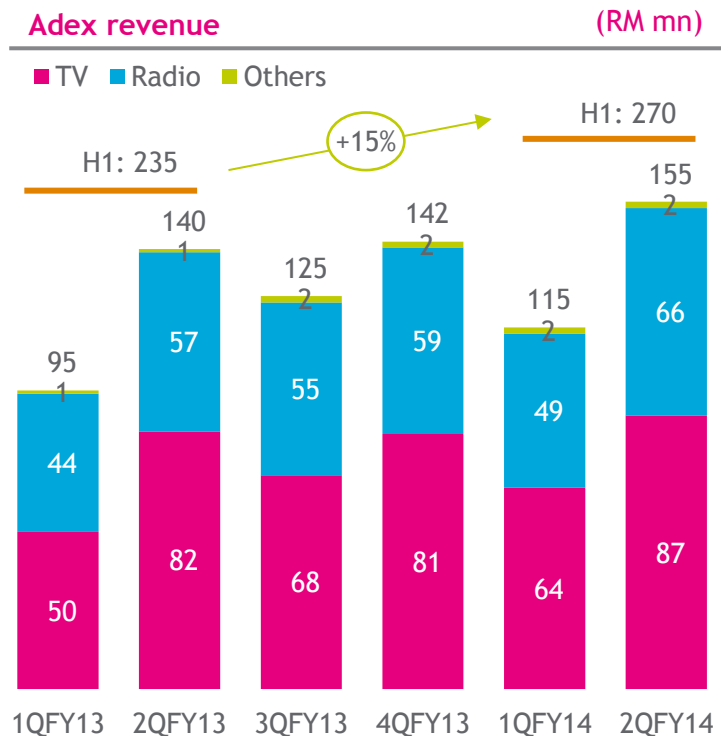


Percentage who rate us as exceeding expectations

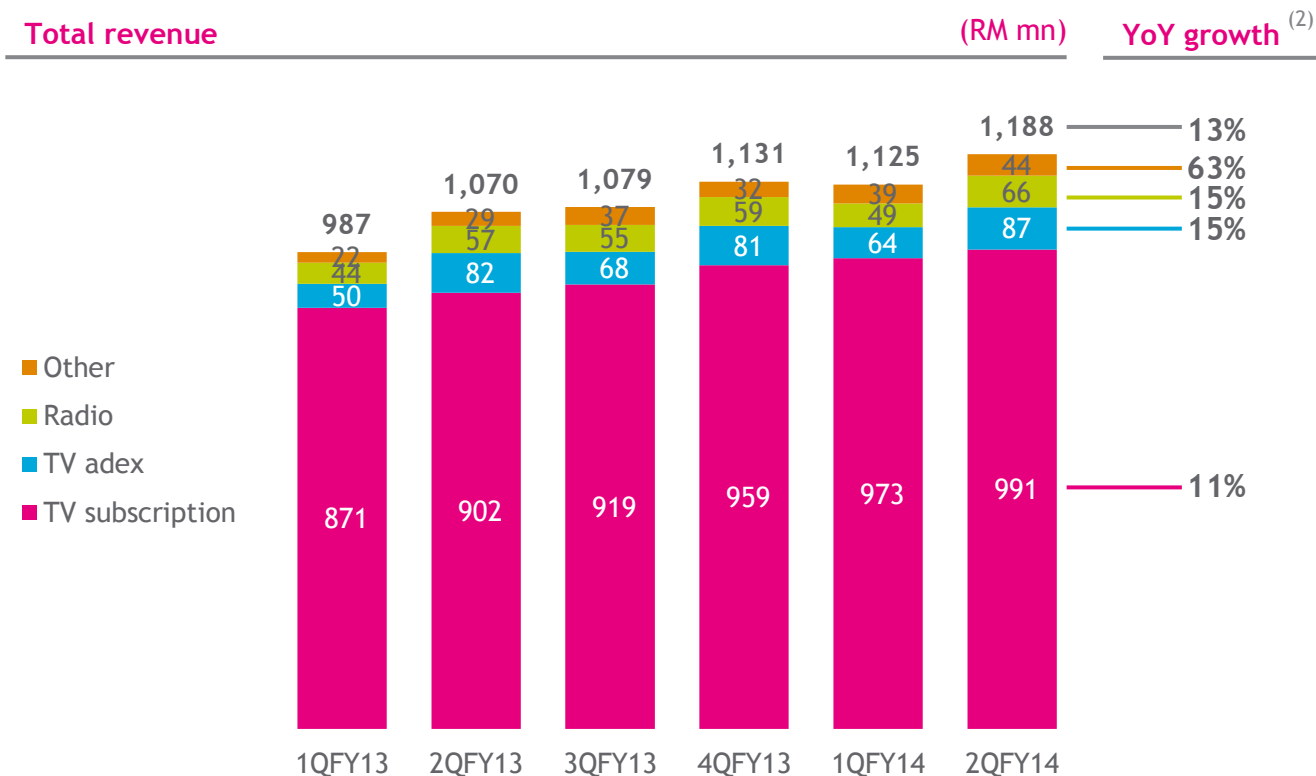


- 1 Customers value the greater convenience introduced through enhanced self-service capabilities
- 2 Value for money with our introduction of the Value Packs and the Chakravarthy Pack
- 3 Transmission interruption has reduced since deployment of B.yond STB conversion

Adex continues to outperform the industry



Increasing value proposition underpins double digit revenue growth

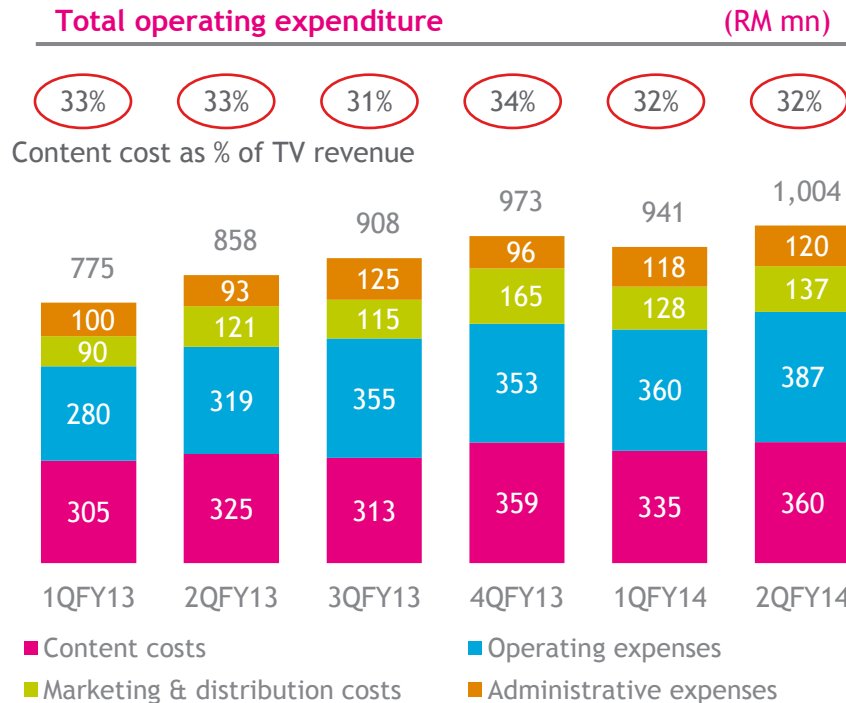


NB

(1) Other revenue includes programme sales and theatrical revenue.

(2) YoY refers to H1'FY14 vs. H1'FY13

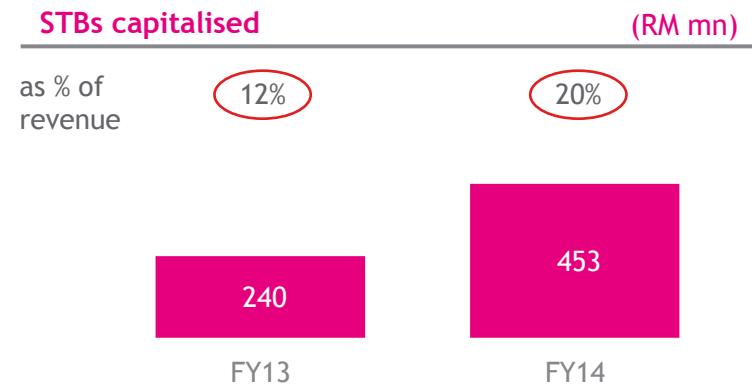
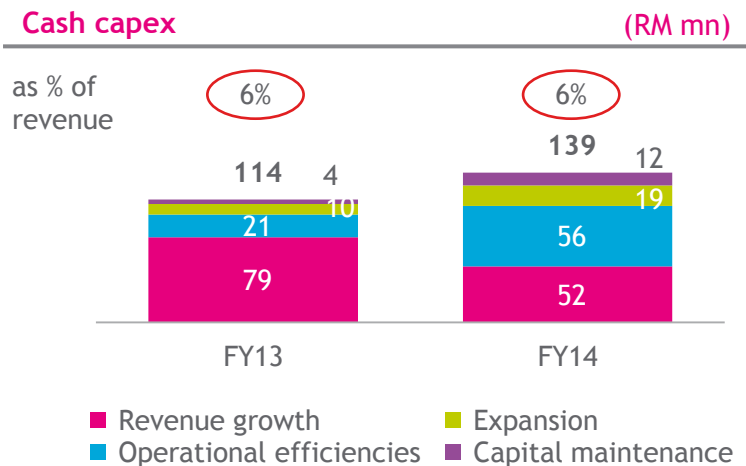
Operating expenses will peak in FY14 as we focus on reinvesting for growth



Continuous investment in content offerings to provide an enriching experience for our customers whilst managing content costs within 32 - 35% of TV revenue

Increase in operating expenses, particularly STB depreciation (c.RM110mn), as well as selling, installation, distribution and logistics costs driven by higher Astro B.yond STB conversions

Disciplined capex to drive growth; peaks in FY15

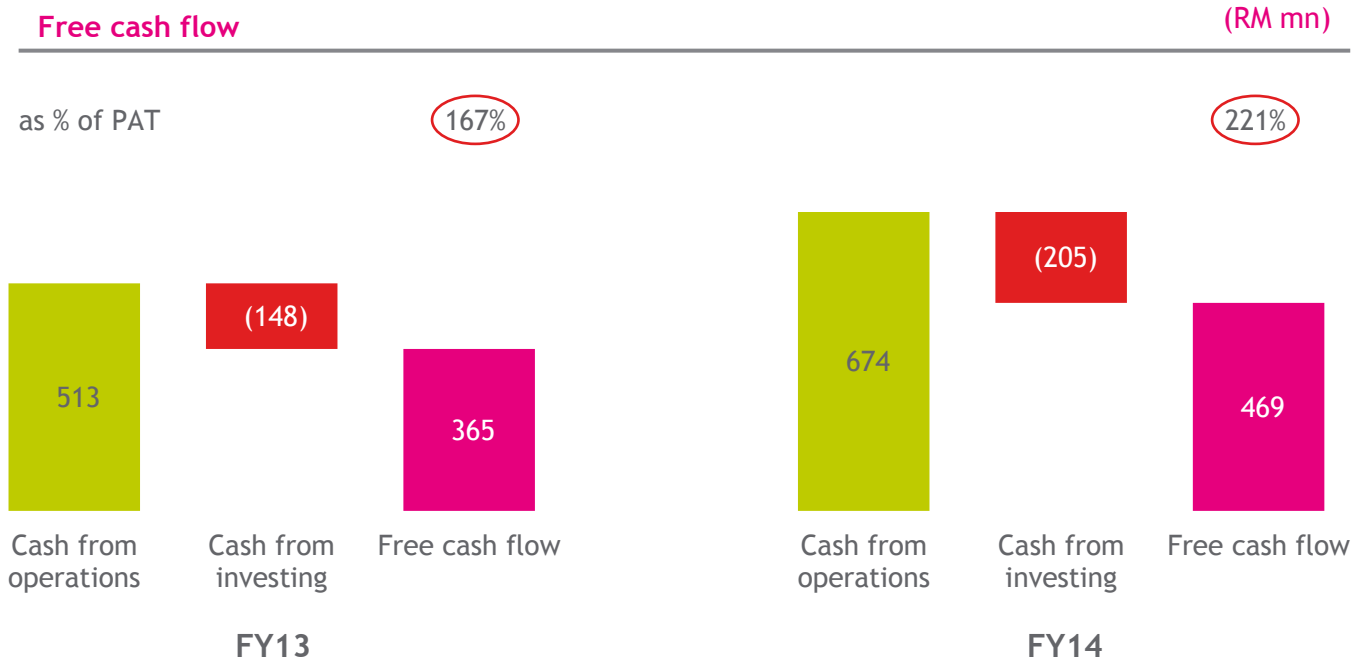


Key capex investments in FY14 include:

- Hardware for Astro Select on Astro B.yond IPTV
- Call center efficiency upgrade
- Product improvements
- CRM enhancements
- Building expansions

- STB capex will peak in FY14 as we target completing the Astro B.yond swap out
- STBs are owned by Astro, and are capitalised
- STBs are conservatively amortised over 3 years; note that actual useful life is typically greater than 5 years
- Discretionary 36 month bullet payment vendor financing is available for Astro for STB purchases
- RM1,235 mn of vendor financing recorded in payables, of which RM281 mn is current and RM954 mn is non-current

Consistently strong free cash generation exceeds PAT...



...enabling significant flexibility on capital management and adoption of progressive dividend policy

Quarterly dividend announcement

- Leveraging on invested capital, AMH will continue to be highly cash generative enabling the adoption of a progressive dividend policy
- AMH Board of Directors is pleased to declare a quarterly dividend of 2.0 sen per share
- Entitlement and payment dates: 30 September 2013 / 18 October 2013



Appendix

Go Beyond

PAT reconciliation

(RM mn)	FY13	FY14
EBITDA	700	786
<i>Margin %</i>	34%	34%
Depreciation and amortisation	(262)	(400)
EBIT	438	386
Finance income	37	33
Finance cost	(175)	(132)
Share of post tax results from investments	2	2
PBT	302	289
Tax expense	(83)	(77)
<i>Tax rate %</i>	27%	27%
PAT	219	212
<i>Margin %</i>	10.6%	9.2%

Increase in D&A due to increased cumulative STBs capitalised and depreciated

Reduction in finance cost due to lower net unrealised forex loss

Group balance sheet overview

(RM mn)	FY13	FY14
Non-current assets	3,716	4,145
Property, plant and equipment	1,740	2,099
Other non-current assets	1,976	2,046
Current assets	2,028	2,776
Receivables and prepayments	875	939
Cash and cash equivalents	1,027	1,771
Other current assets	126	66
	5,744	6,921

(RM mn)	FY13	FY14
Non-current liabilities	4,893	4,694
Payables	455	1,067
Borrowings	4,199	3,503
Other non-current liabilities	239	124
Current liabilities	1,948	1,671
Payables	1,751	1,421
Borrowings	36	204
Other current liabilities	161	46
Shareholders' equity	(1,097)	555
	5,744	6,921

Net debt / LTM EBITDA: 1.3x

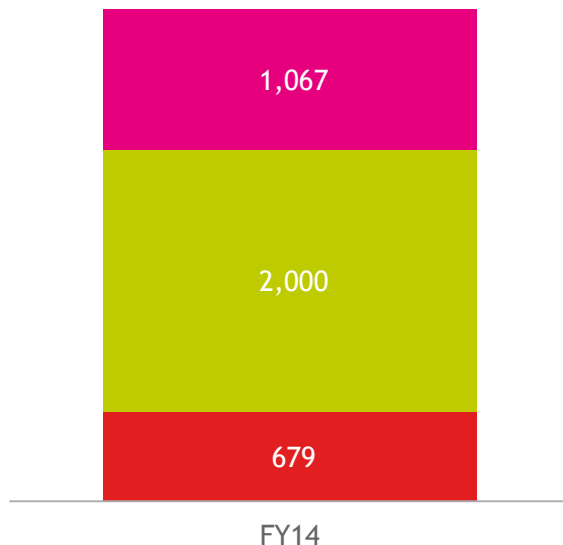
Debt profile

Total borrowings

(RM mn)

■ Finance lease ■ RM term loan ■ USD term loan

Total borrowings net of debt issuance costs of **3,707** RM39 mn



Details of borrowings

USD term loan

- US dollar term loan of US\$330mn swapped into Ringgit (RM1.0bn), fully drawn on 10 June 2011
- 10 year tenor, maturing on 8 June 2021
- Back ended amortisation schedule, with average life of 7 years
- Fully hedged at exchange rate of USD/RM3.0189
- All-in interest rate (post-hedging): 4.19% (as at 31 July 2013)

RM term loan

- Ringgit term loan of RM2.01bn, fully drawn on 10 June 2011. RM510mn of RM2.01 bn was prepaid on 19 November 2012, leaving balance of RM1.5 bn. Floating KLIBOR under this portion is hedged
- Additional RM500mn was drawn down on 18 May 2012 (additional RM500mn was still undrawn but left to voluntarily lapse on 16 November 2012). The floating KLIBOR under this portion is unhedged
- As at 31 July 2013, RM1.5 bn portion has all-in interest rate (post-hedging) of 5.4353%, while balance unhedged of RM500mn stood at 4.5380% (variable floating rate based on cost of funds)
- Balance outstanding of RM2.0bn has final maturity date of 19 May 2021
- Back ended amortisation schedule, with average life of 7 years

Finance lease (primarily satellite transponders)

- Finance lease related to lease of Ku-band transponders on MEASAT-3 and MEASAT-3A. Payment arrangement for the remaining contractual years have been redenominated into Ringgit at USD/RM 3.0445 w.e.f. 21 May 2013
- Effective interest rate: 6.2% and 12.5% p.a. for M3 and M3A, respectively
- Average life: 15 years