



# 3<sup>rd</sup> quarter results

5<sup>th</sup> December 2012

**Go Beyond**

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# Q3 snapshot – continuing to execute on strong growth momentum

Highlights	FY12	FY13	Growth
TV households (000s) <sup>(1)</sup>	6,525	6,701	3%
TV household penetration <sup>(2)</sup>	46%	50%	4pp
TV household penetration (000s)	3,014	3,345	11%
<i>Pay TV households (000s)</i>	<i>3,014</i>	<i>3,213</i>	<i>7%</i>
<i>NJOI households (000s)</i>	<i>N/A</i>	<i>132</i>	<i>N/A</i>
Net adds (000s)	82	278	239%
<i>Pay TV households (000s)</i>	<i>82</i>	<i>146</i>	<i>78%</i>
<i>NJOI households (000s)</i>	<i>N/A</i>	<i>132</i>	<i>N/A</i>
MAT ARPU (RM)	87.4	92.3	6%
Astro TV viewership share	39%	42%	3pp
Radio listenership (000s)	11,652	12,340	6%
Adex (RM mn)	308	360	17%
Revenue (RM mn)	2,811	3,133	11%
EBITDA (RM mn)	1,088	1,042	(4%)
EBITDA margin	39%	33%	(5pp) <sup>(3)</sup>

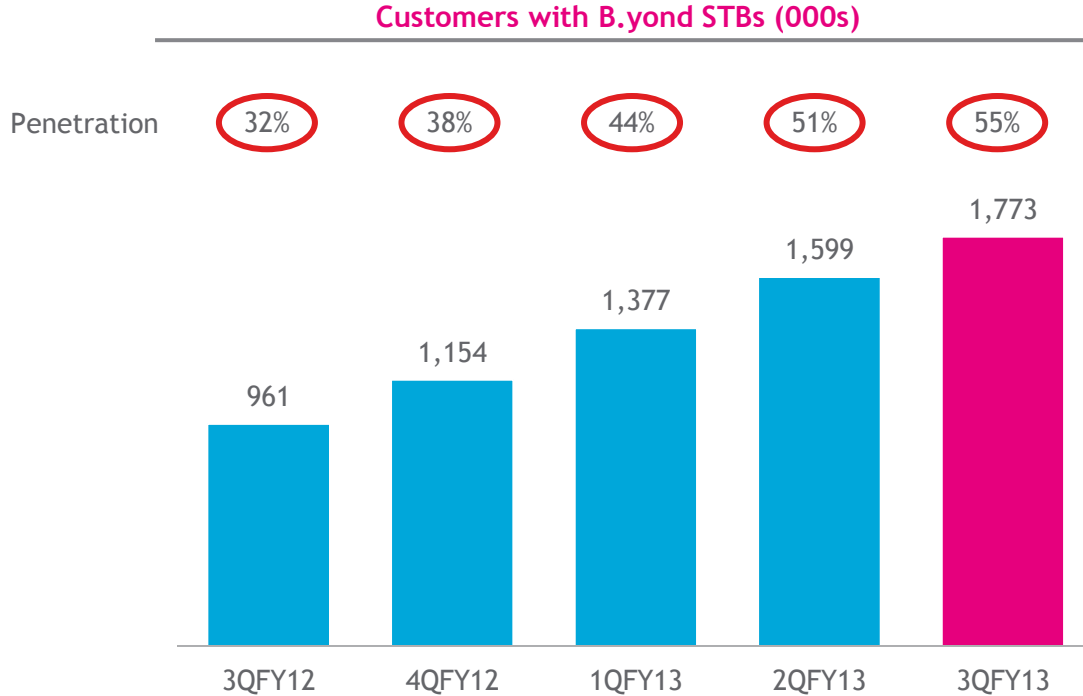
NB Data presented are for the nine months ended 31 October, with the exception of ARPU and Churn which are 12-month moving averages

(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) Decline in margins predominantly due to Astro B.yond STB swap out strategy, as well as significant increase in gross adds and multiroom take-up. Content costs also marginally higher due to Euro 2012 and Olympics

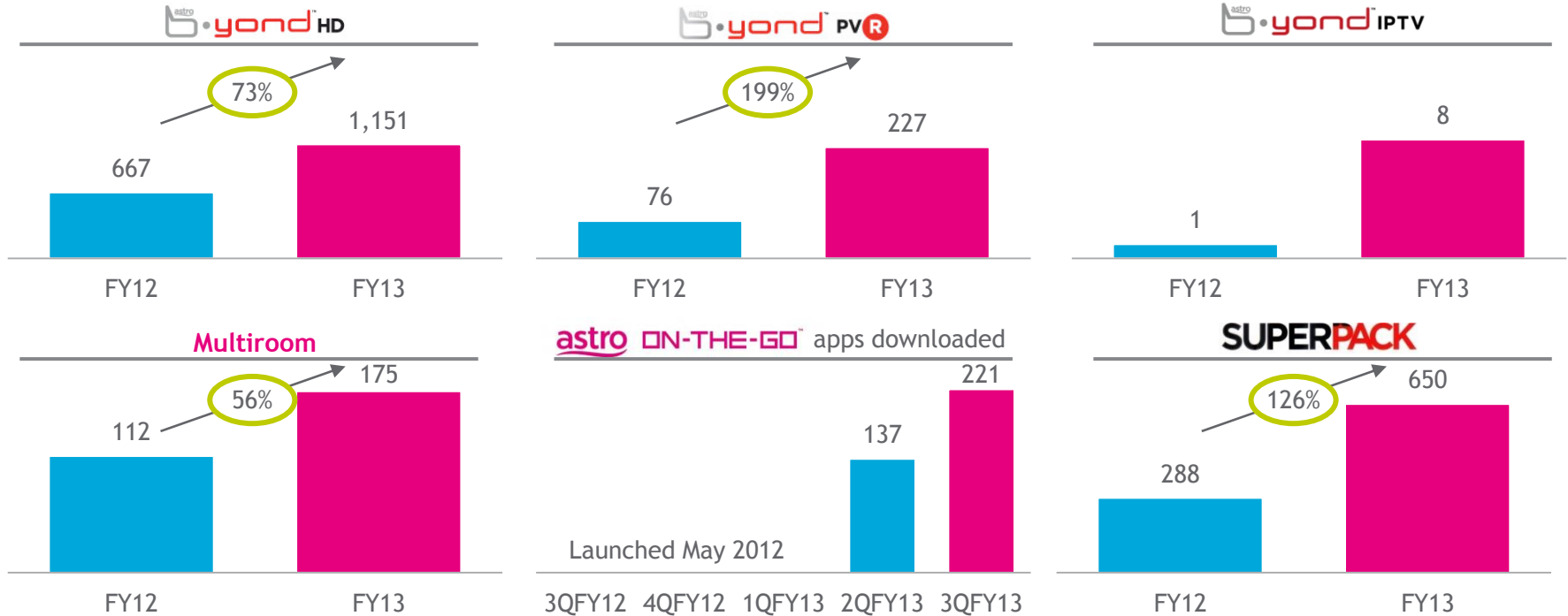
# Astro is reinvesting in its customers through the B.yond swap-out



- Tribrid—DTH, IPTV and OTT
- MPEG-4 HD & 3D
- PVR
- Push and pull VOD
- Industry-leading NDS CAS



# ...thus, enabling take-up of more products and services...



...capturing a greater share of the consumer's wallet

# Growth underpinned by innovating in content...

## Channels

- 8 new channels, 5 HD in Q3
- 27 HD channels currently, target to launch more by end-FY13

sky NEWS HD



astro best

Life Inspired

KBS WORLD HD



## IPs

- Key IPs e.g. Maharaja Lawak series pushed Mustika to having 1.0 mn subscribers, from 0.7 mn in 3QFY12. More IPs now above 1 mn viewership mark
- Oh My English! presents content 360 opportunities and 7.7 mn views on YouTube

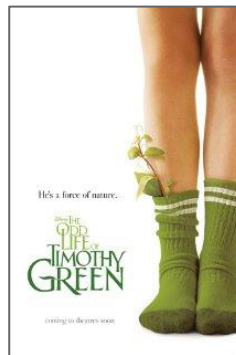
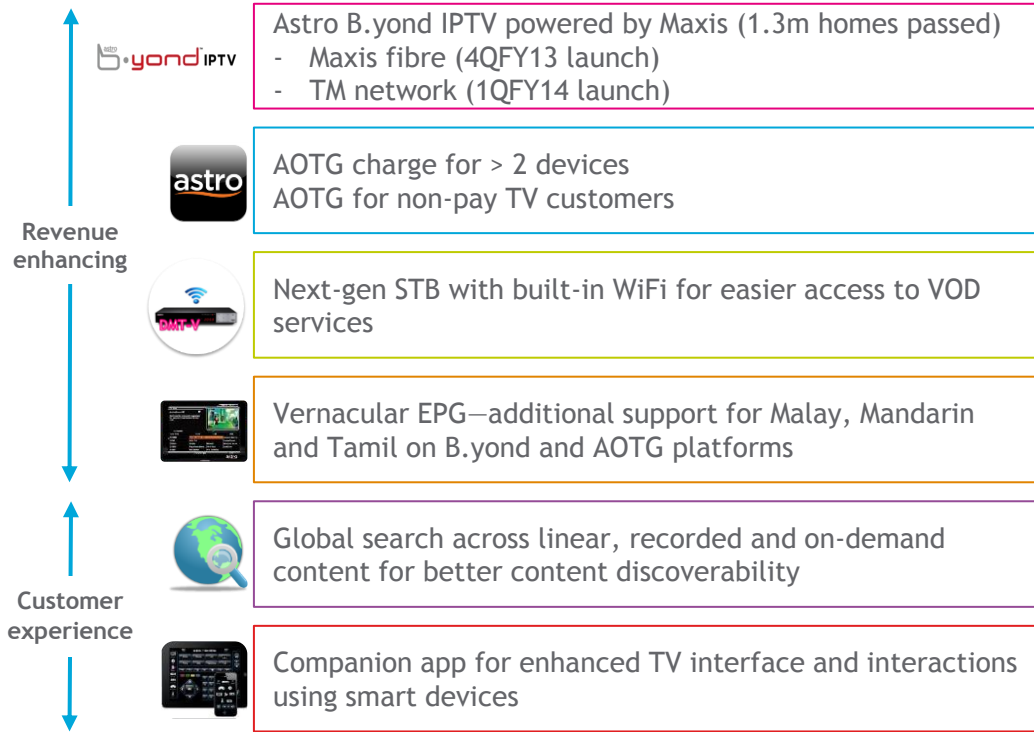


## On demand

- Launched Astro Best in Aug'12 with 2 studios to offer top-rated Hollywood titles. Close to 240k buys in 2 months
- Close to 5 mn buys for Astro First and Astro Best to date
- 76% of Astro First purchasers are repeat customers
- Approximately 500 hours of TVOD

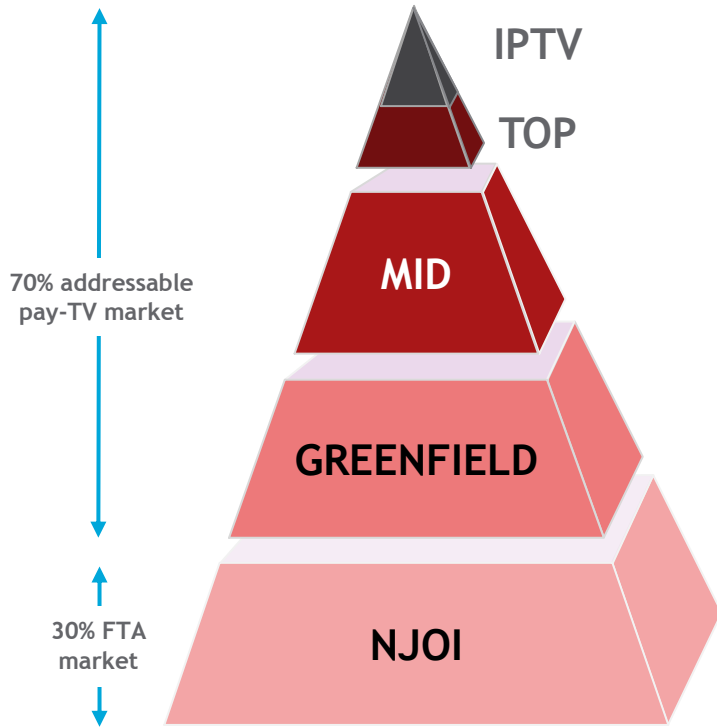
BPL secured for 2013/2014 to 2015/2016 seasons

# ...with great things to come



**Key focus on enhancing revenues and customer experience**

# A segmented customer strategy...



Retain & grow

Move up value chain

Targeted acquisition to drive market share

Grow discretionary wallet

## Segment proposition

Premium segment product proposition:

- IPTV bundle
- HD/PVR bundling - Super Pack
- Multi-room / Multi-screen
- Digital home solution

Drive ARPU growth through:

- HD and PVR services take-up
- Segment-driven up-selling
- VOD offering

Proactive and reactive retention & churn strategy

- Localized acquisition marketing
- Astro On-The-Go

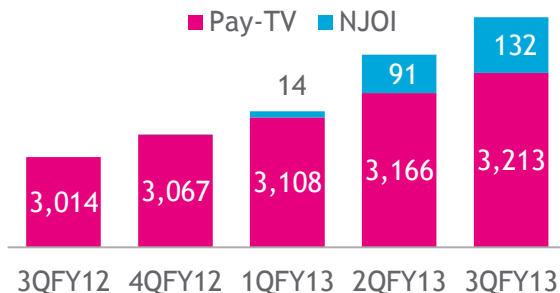
- NJOI - no subscription; only 1-time STB and installation costs borne by customer
- Prepaid offering

...enabled by sophisticated CRM and customer analytic capabilities

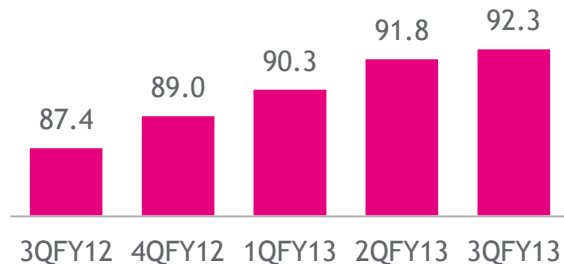


# ...leading to best-in-class customer metrics

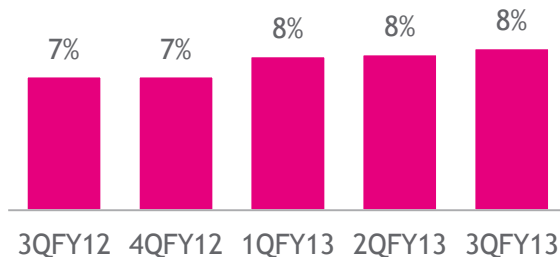
Residential customers (000s)



MAT ARPU (RM)



MAT churn



## More Malaysians can NJOI

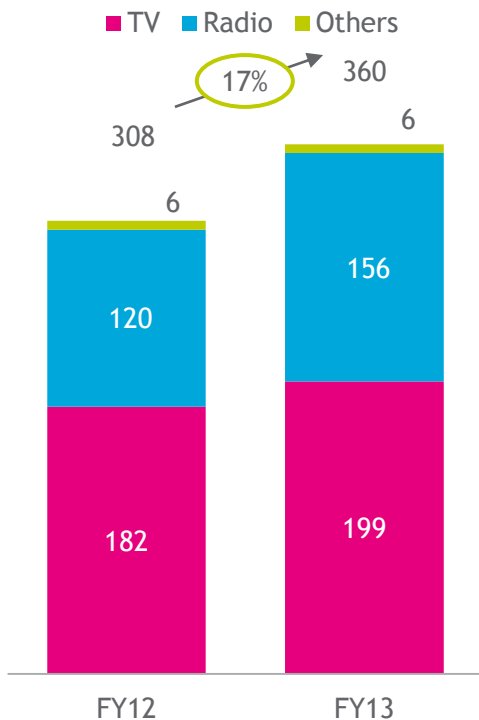
- Minimal cost model—NJOI customers purchase own STBs and install them
- Engages churners, and provides easy path to return to Astro service
- Adding FTA channels—TV3 and TV9 in 4QFY13



- Prepaid packages already available—RM20 each for 15 days
- Additional sports and movies offerings to be launched

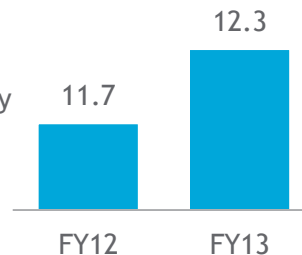
# Pursuing adex with mass, niche and premium strategies

## Adex revenue (RM mn)



- Launch of Melody FM
- #1 station across all 4 major languages
- Pursuing duopoly strategy
- 53% share of Radex

## Radio listeners (mn)



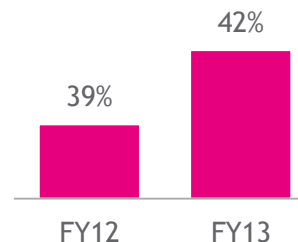
**Astro Radio No.1 again**  
12.34 million listeners\* weekly.  
Click on station logo for details.

- No.1 Radio Station in Malaysia
- No.1 Radio Station for listeners aged 30 and above
- No.1 Radio Station in the East Coast
- No.1 Chinese Radio Station
- No.1 English Radio Station
- No.1 Tamil Radio Station



- Leverage multi-channel TV targeting advantage
- NJOI to increase mass reach
- Astro TV adex revenue grew 9%, more than double overall TV adex growth of 4%, leading to 26% share of TV Adex

## Astro TV viewership share



Get more bang for your buck with **I Love Deals!**

Choose your package:

- I Love Oriental
- I Love Women
- I Love Action
- I Love Explorers
- I Love Sports
- I Love Kids

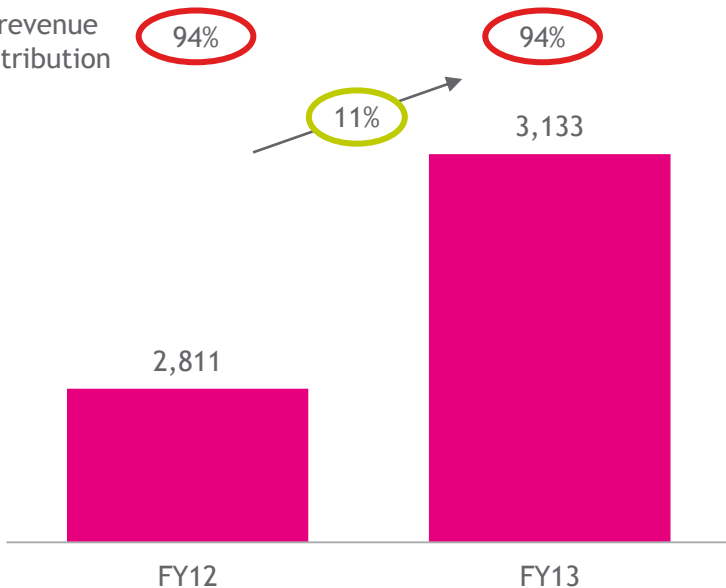
Make the most today. Call us at 03-9543 6688

This offer is valid for NEW bookings made for broadcast period between 1st Oct to 31 November 2012

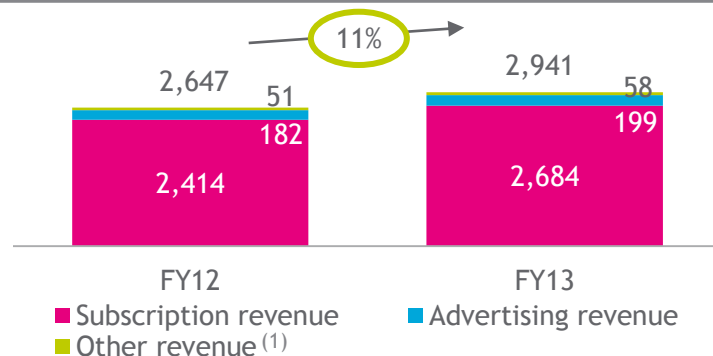
# Operational excellence has driven topline acceleration

Total revenue (RM mn)

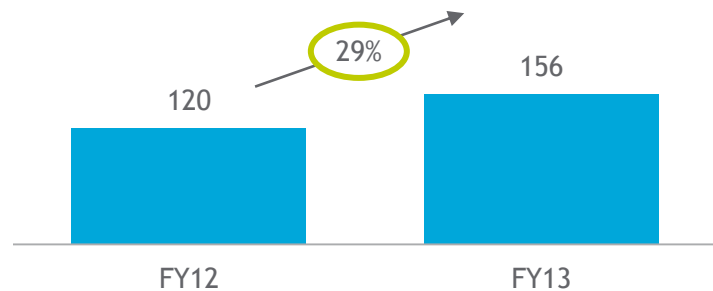
TV revenue contribution



TV revenue breakdown (RM mn)



Radio revenue (RM mn)



NB Data presented are for the nine months ended 31 October.

(1) Other TV revenue mainly comprises programme sales and theatrical revenue.

# Costs focused on growing the business

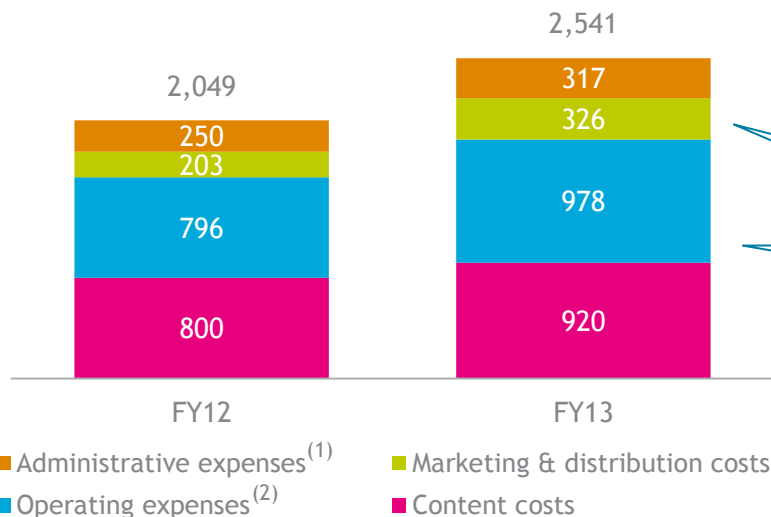
Total operating expenditure (RM mn)

Content cost as % of TV revenue

30%

31%

Continuous investment in content offerings with additional HD and SD channels; additionally impact of Euro 2012 and Olympics sporting year; content costs managed within expectation at 32%-35% of TV revenue



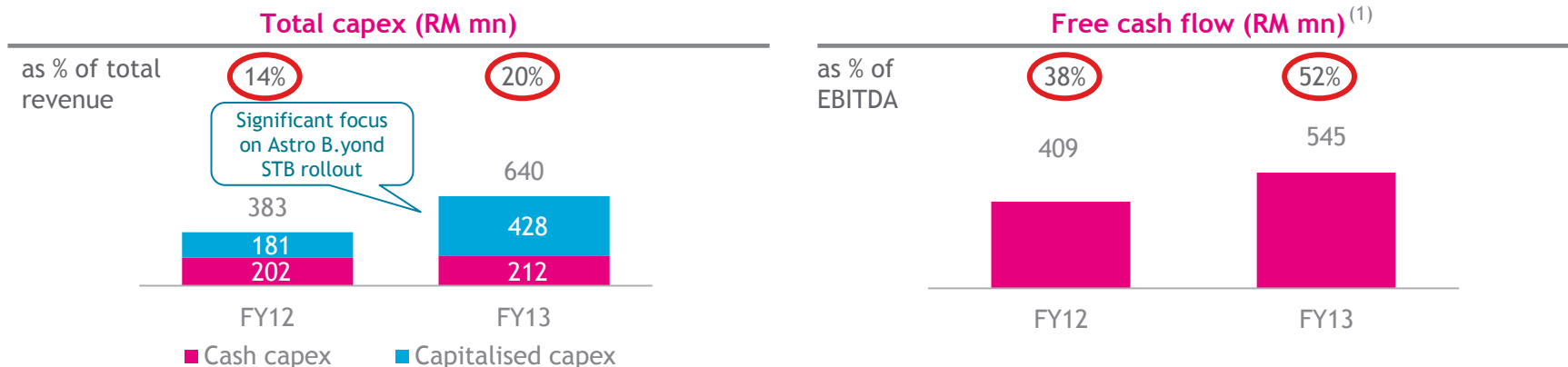
Strong conversion to B.yond STB as well as higher gross and multiroom additions resulted in higher installation, marketing and distribution costs, as well as STB depreciation

NB Data presented are for the nine months ended 31 October.

(1) Includes listing expenses

(2) Operating expenses include STB and smartcard costs, depreciation and amortization, as well as maintenance costs

# Strong cashflows with disciplined growth capex investments



## Accounting and cash flow considerations

<b>Set-top Boxes</b>	<ul style="list-style-type: none"> <li>Robust conversion to B.yond STB with 55% penetration rate as of 3QFY13               <ul style="list-style-type: none"> <li>Expect majority of subscriber base to be using Astro B.yond STB by end-FY14</li> </ul> </li> <li>Free-view STB (NJOI) sold are expensed (box sold at cost / marginal subsidies)</li> </ul>
<b>Vendor Financing</b>	<ul style="list-style-type: none"> <li>Discretionary 36 month vendor financing is available for Astro for STB purchases               <ul style="list-style-type: none"> <li>Total vendor financing facilities stood at RM560mn as at 31 October 2012, at interest rate of 1.2%-4.6% p.a.</li> </ul> </li> </ul>

**Target minimum dividend payout of 75% of net income**

# Dividend announcement

- AMH Board of Directors are very pleased to declare a maiden quarterly dividend of 1.5 sen per share
- Entitlement date: 21 December 2012
- Payment date: 11 January 2013



# *Appendix*

**Go Beyond**

# Net income reconciliation

(RM mn)	FY12	FY13
<b>EBITDA</b>	<b>1,088</b>	<b>1,042</b>
D&A	(305)	(424)
<b>EBIT</b>	<b>783</b>	<b>618</b>
Finance income	13	46
Finance cost	(138)	(208)
Share of post tax results from investments	(1)	4
<b>PBT</b>	<b>657</b>	<b>460</b>
Tax expense	(182)	(124)
<i>Tax rate %</i>	28%	27%
<b>Net income</b>	<b>475</b>	<b>336</b>
<i>Margin %</i>	<b>16.8%</b>	<b>10.7%</b>

Lower EBITDA mainly due to increase in installation, marketing and distribution costs to convert subscribers to B.yond STB and promote higher take up of new products and services

Higher depreciation & amortization primarily due to depreciation of Astro B.yond STB

Increase in finance costs due to full year impact of increasing leverage



# Group balance sheet overview

	(RM mn)
<b>Non-current assets</b>	<b>3,874</b>
Property, plant and equipment	1,829
Other non-current assets	2,045
<b>Current assets</b>	<b>2,955</b>
Receivables and prepayments	760
Cash and cash equivalents	2,177
Other current assets	18
	<b>6,829</b>

	(RM mn)
<b>Non-current liabilities</b>	<b>4,444</b>
Payables	602
Borrowings	3,629
Other non-current liabilities	213
<b>Current liabilities</b>	<b>1,931</b>
Payables	1,303
Borrowings	557
Other current liabilities	71
<b>Shareholders' equity</b>	<b>454</b>
	<b>6,829</b>

**Net debt / LTM EBITDA: 1.5x, post net primary issuance of c.RM1.37bn**

# Debt profile

Total Borrowings (RM mn)

■ Finance lease ■ RM term loan ■ USD term loan

4,186



FY13

NB Data presented are at 31 October 2012.

## 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 amortization schedule, with average life of 7 years
- Fully hedged
- All-in interest rate (post hedging): 4.19% (as of 31 October 2012)

### RM term loan

- Ringgit term loan of RM2.01bn, fully drawn on 10 June 2011
- Additional RM500mn was drawn down on 18 May 2012 (additional RM500mn was still undrawn but left to voluntarily lapse on 16 November 2012)
- RM2.01bn portion is fully hedged; RM500mn portion is unhedged
- As of 31 October 2012, RM2.01bn portion has all-in interest rate (post hedging) of 5.31%, while balance unhedged of RM500mn stood at 5% (variable floating rate based on cost of funds)
- On 19 November 2012, RM510mn of the RM2.01bn portion was prepaid and the short-tenured swap of 2 years was unwound at a mark to market loss of RM1.79mn
- Balance outstanding of RM2.0bn has final maturity date of 19 May 2021
- Back ended amortization schedule, with average life of 7 years

### Finance lease (satellite transponders)

- Finance lease related to lease of Ku-band transponders on MEASAT-3 and MEASAT-3A
- Effective interest rate: 6.2% and 12.5% p.a. for M3 and M3A, respectively
- Average life: 15 years
- On 11 May 2012, MBNS entered into an agreement for the supply of the aggregate space segment capacity on 18 transponders on MEASAT-3B