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2nd quarter FY15 results

19th September 2014

Go Beyond

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Key highlights of 1H'FY15 performance

GROW

3.7mn to 4.2mn customers
54% to 60% HH penetration
44% to 47% viewership

LEAD

2014 FIFA World Cup drives no. of viewers to new record high
Highest share of listenership since 2005

MONETISE

RM94.9 to RM98.0 ARPU
55% to 56% Radex share
31% to 33% TV Adex share

INVEST

Operational efficiencies
Transponder capacity
Content and IPs / VOD portfolio

Revenue +12%
RM2.31bn → RM2.60bn

EBITDA +15%
RM786mn → RM903mn

Adex +7%
RM270mn → RM290mn

PAT +25%
RM212mn → RM266mn

FCF of RM624mn
235% of PAT

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1H' FY15 snapshot – growth strategy continues

Highlights	FY14	FY15	Growth
TV households (000s)(1)	6,842	6,932	1%
TV household penetration(2)	54%	60%	6pp
TV household penetration (000s)	3,673	4,164	13%
Pay TV households (000s)	*3,359*	*3,486*	*4%*
NJOI households (000s)	*314*	*678*	*116%*
Pay TV gross adds (000s)	249	216	(13%)
MAT churn	8.5%	9.9%	1.4pp
Net adds (000s)	188	281	49%
Pay TV households (000s)	*83*	*45*	*(45%)*
NJOI households (000s)	*105*	*236*	*125%*
B.yond STB penetration	74%	88%	14pp
ARPU (RM)	94.9	98.0	3.3%
Astro TV viewership share	44%	47%	3pp
Radio listenership (000s)	12,344	12,645	2%
Adex (RM mn)	270	290	7%
Revenue (RM mn)	2,314	2,603	12%
EBITDA (RM mn)	785.5	903.4	15%
EBITDA margin	34%	35%	1pp
PAT (RM mn)	212	266	25%
FCF (RM mn)	539	624	16%

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

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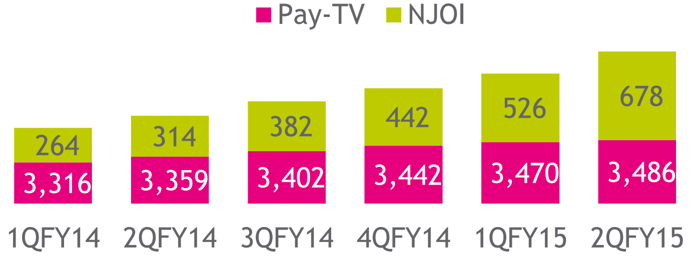
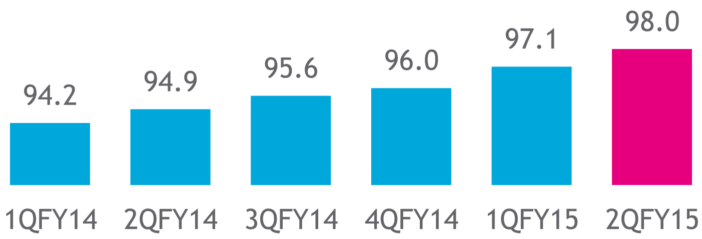
Key customer metrics continue to be on track

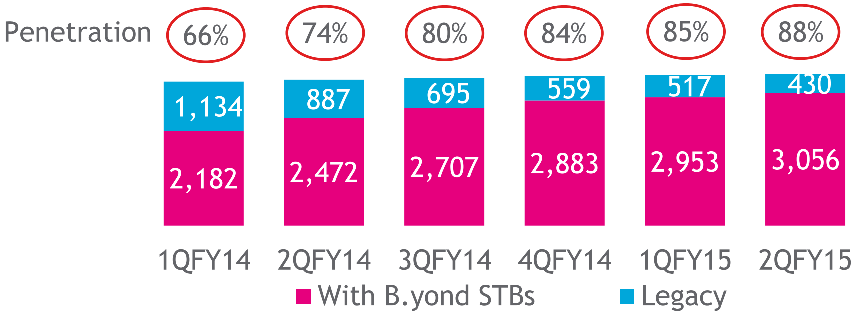
Residential customers (000s)



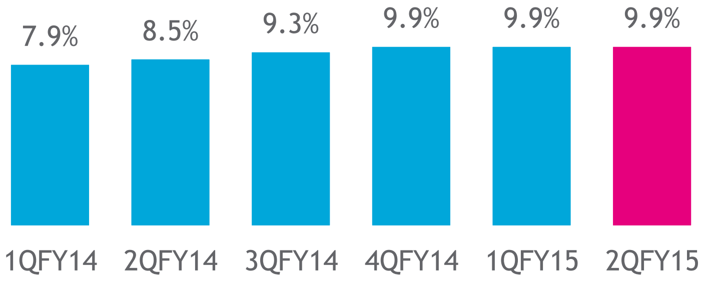
ARPU (RM)



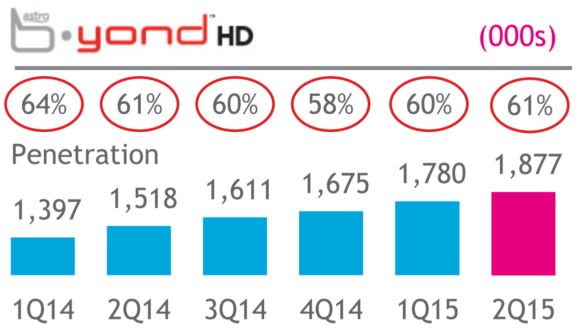
Customers with B.yond STBs (000s)

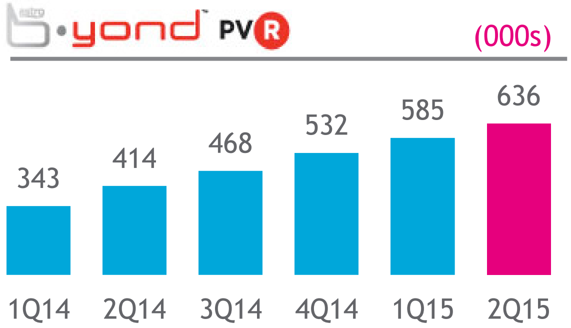


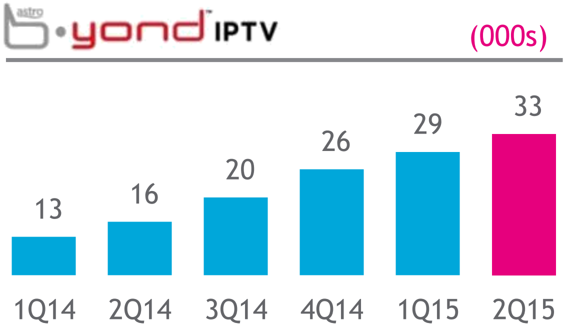
Churn (%)

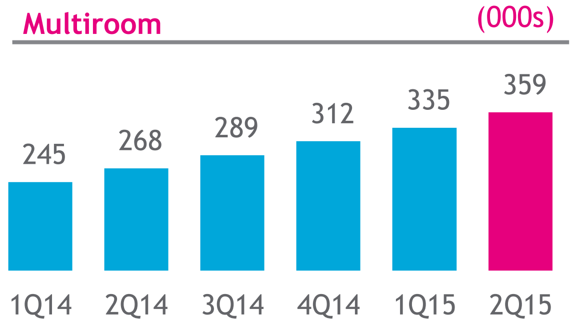


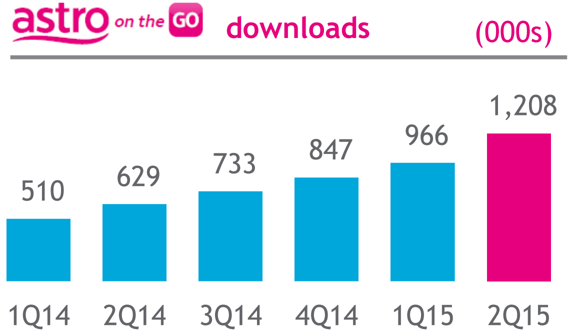
Upsell of value-added products and services highlights success of reinvestment strategy

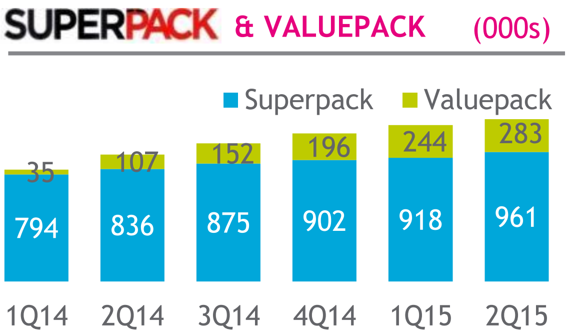












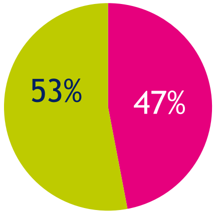
Local content continues to drive share of viewership

172
total channels

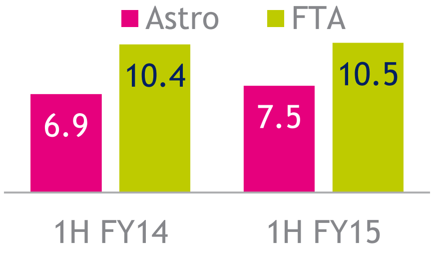
40
HD channels

69
Astro-branded channels

Viewership Share



Avg. Daily Viewers (mn)



Hari Hari Hari Raya
A star-studded fun game show with a Raya theme

Romantic Raya
Celebrities couple shares about their marriage life and Raya celebration

Classic Golden Melody
Chinese highest rated silver hair singing competition, a key entertainment show for AEC

Ceria Pop Star S2
Final of kids singing competition reached1.1 million viewers

Evening Edition
Top Mandarin news programme propels AEC channel share to second highest in its category

Kannadi S4
A documentary focusing on the daily lives of families within the Indian community.

Hafiz & Friends
1st concert in collaboration with Hard Rock Café, tickets sold out

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2014 FIFA World Cup, the Best World Cup Ever

FIFA WORLD CUP Brasil | astro

OFFICIAL BROADCASTER

Subs with Sports Package
(Complimentary viewing for World Cup)
>1.6mil

+

Football Pass RM100
(One time purchase for all World Cup matches)
>100K

2014 FIFA World Cup: Engagement on all platforms

astro GO — FIFA World Cup

astro Ola Bola — Football Predictor

astro GO — On-The-Go

~400K New App downloads

astro GO — On-The-Go

60K new registrations

stadium astro FANTASY

30K registered users

35K engaged users

New HD channel offering Bollywood movies launched

Target Audience

Malays, Hindi Speaking Indians, Bollywood movie buffs

CH251

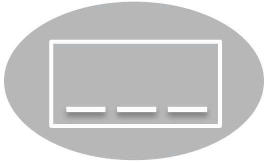
Launched on **1 Sept 2014**

A **Bollywood Movie Channel** in **HD**

RM5

Per Month as **A-la-carte** channel

4 movies per month, showcasing the latest Hindi movies which are **3-5 months** from India theatrical release



Dual subtitles

Bahasa Malaysia & English

Added new studio deal with NBC Universal

astro best

NBCUniversal

Walt Disney PICTURES

SONY PICTURES

LIONSGATE

Astro Best now has output deals with 4 major studios

80% of the top 20 titles are from the major studios

Record shows Astro Best get good purchase result for titles released by major studios

NBC Universal has strong franchises and titles

NBC Universal releases at least 12 titles yearly

Listen, Read & Play
Expansion of product offerings continuing

astro GO listen

Over 500 podcast programs and >100 digital radio stations including exclusive to Astro stations such as:

Arena Radio
A new home for sports that covers live commentary, discussions and updates on local and international sporting events.

Ola Bola Radio
Bringing listeners a collection of world cup songs from around the globe.

Astro Warna Radio
Malaysia's first pure comedy radio station.

astro GO read

READ proposition further strengthened with 8 Astro e-magazines and 12 premium titles

astro GO play

Apokalips X
First Astro action game based on an Astro SHAW produced movie.

Happy Dragon 100,000 Whys
#1 Rank in Kids Category
#1 Rank in Education Category

Ola Bola Football Predictor
#5 Rank in Simulation Category
Top 10 Rank in Sports Category
"Best use of integrated media" award at the Loyalty and Engagement Awards 2014.

Addition of 11 Learning Games
Kids learning games of various genres (Story, Math, Art etc) on with Astro's Kids platform.

Astro is the exclusive TV production services provider at the world-class Pinewood Iskandar Malaysia Studios

PINEWOOD
ISKANDAR MALAYSIA STUDIOS

+

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PIMS offers:

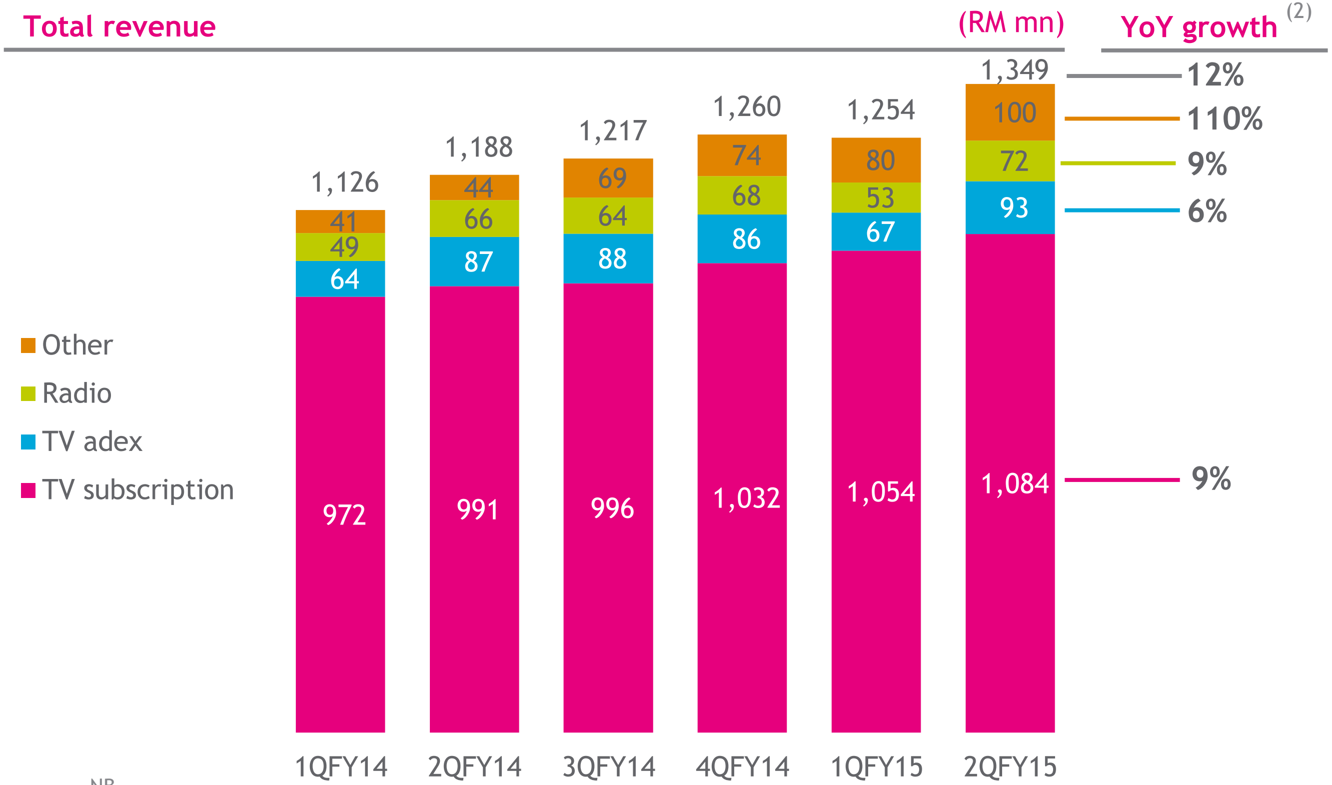
- 100,000 sq ft of film stages
- 24,000 sq ft of TV studios
- Full range of post production services
- Workshop and production office space
- Backlots for outdoor filming with 30 acres of forest area
- Interior and exterior water filming tanks

- APSB will be the exclusive provider of equipment and services for production of TV content
- APSB will produce a minimum of 4,500 hours of content per annum in the first 2 years and 3,000 hours from 3rd year onwards

Facilities at PIMS:

This strategic collaboration allows Astro to build and strengthen key relationships with local, regional and international content partners with the aim of producing world-class content

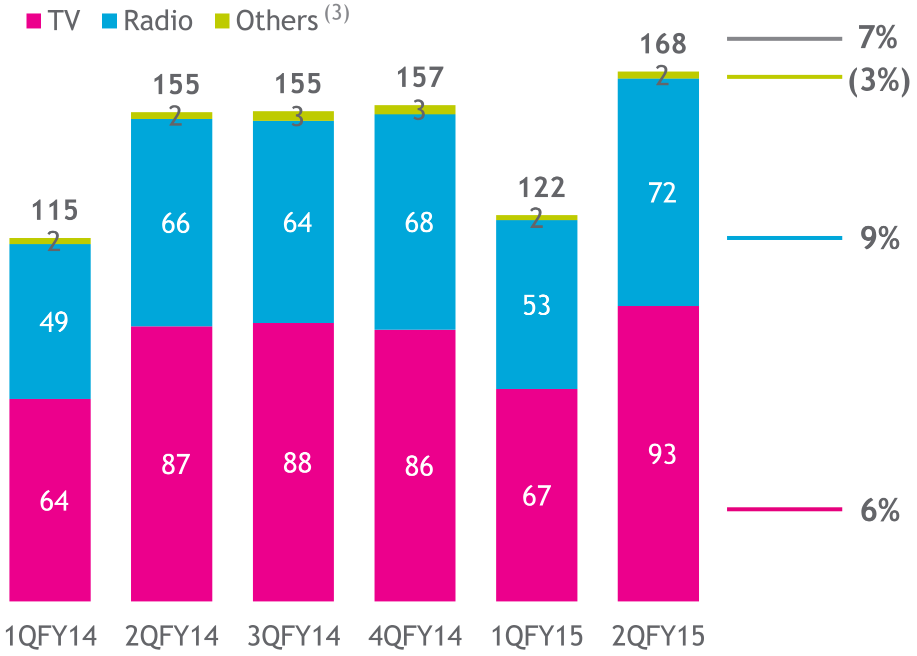
Double digit revenue growth with strong value proposition across all segments



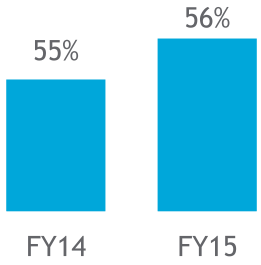
NB
(1) Other revenue includes licensing income, publications adex, programme sales, NJOI revenue and theatrical revenue
(2) YoY refers to 1HFY15 vs.1HFY14

Advertising income in line with overall market sentiments, growth in TV viewership and radex continues

Advertising income (RM mn) | YoY growth [2]

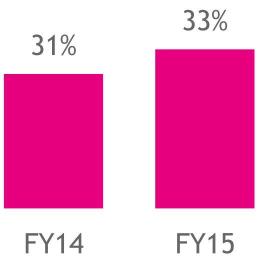


Share of Radex

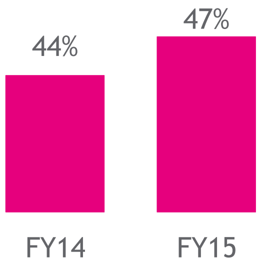


Radio listeners (mn)

Share of TV adex



Astro TV viewership share



NB
(1) Listenership and viewership shares, as well as share of Radex are sourced from Nielsen. Radio listenership is based on survey conducted by Nielsen dated 4 June 2014. Share of TV adex is based on GroupM's estimates.
(2) YoY refers to 1HFY15 vs.1HFY14
(3) Others refers to publication advertising income

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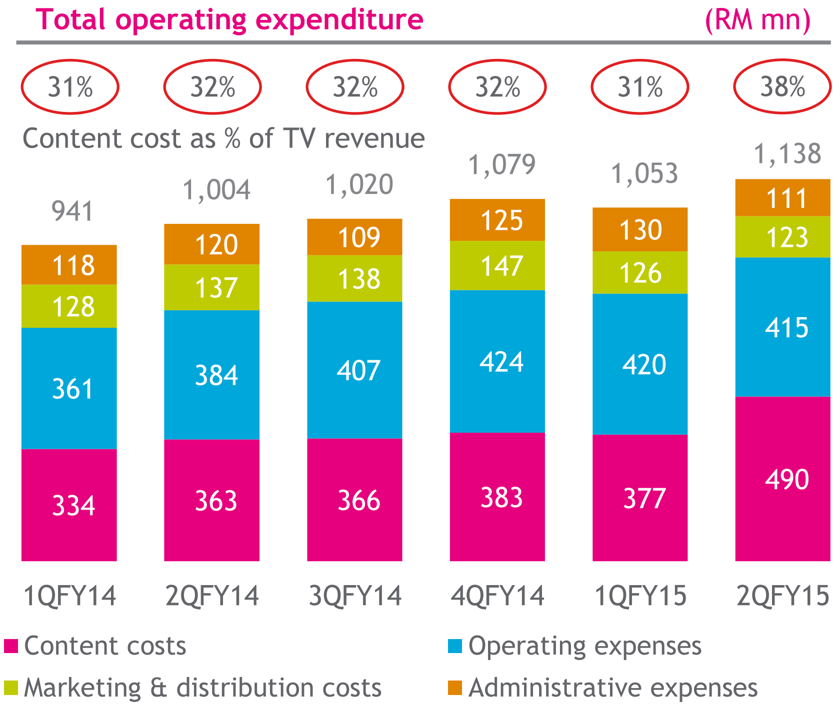
Cost management a key focus to optimise profit growth



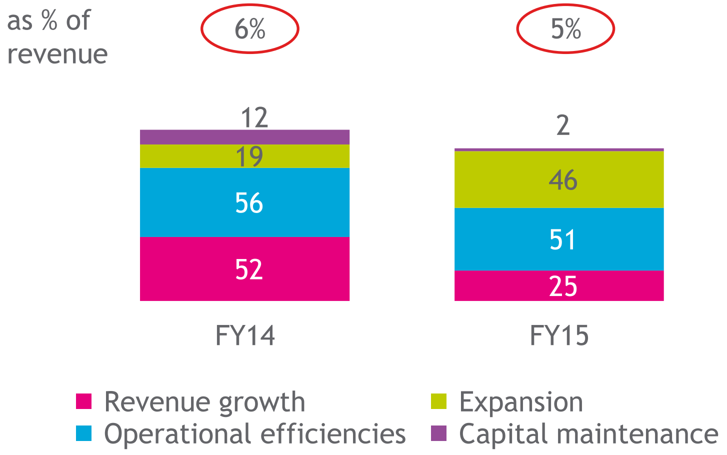
Higher content cost is predominantly due to impact of FIFA World Cup

Focused cost control resulted in lower marketing and distribution costs (logistics and sales commission), operating expenses (installation costs) and administrative expenses (staff related & maintenance costs) as a percentage of revenue.

NB
(1) Operating expenses include STB installation and smartcard costs, depreciation and amortisation, as well as maintenance costs
(2) Content costs and operating expenses are jointly disclosed as cost of sales in our financial statements

Astro B.yond reinvestment cycle completed; capex peaks in FY15 due to investment on transponder capacity

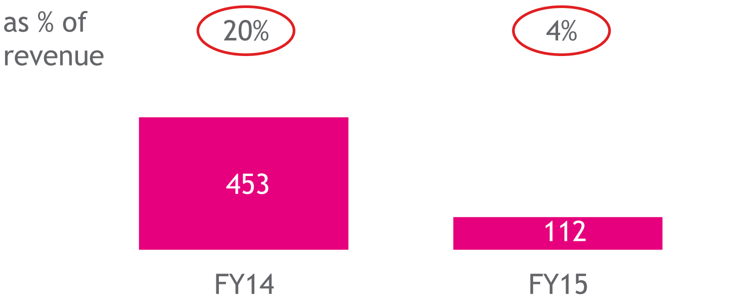
Cash capex (RM mn)



Key capex investments in 1H FY15 include:

- Improvement in CRM systems
- Investment in broadcast infrastructure

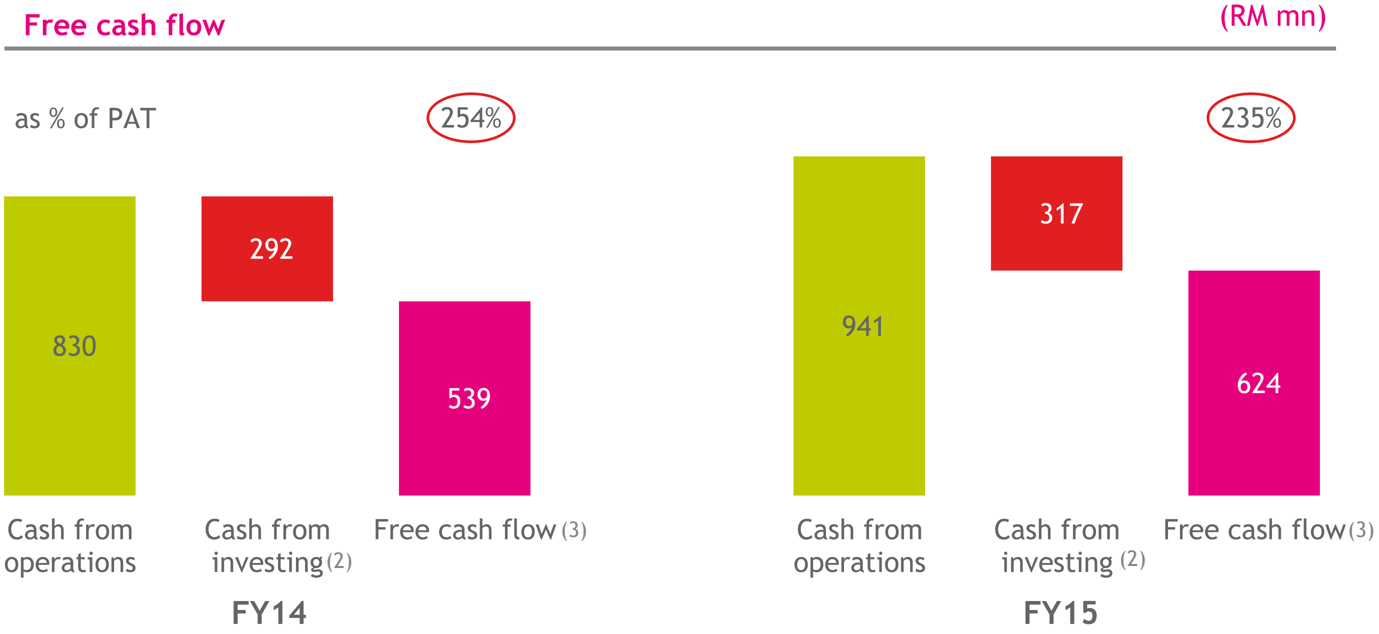
Capitalised capex (RM mn)



- Capitalised capex is significantly lower in 1HFY15 in line with completion of the Astro B.yond swapout exercise
- STBs/ODUs are owned by Astro, and are capitalised
- STBs/ODUs 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/ODU purchases
- RM921mn of vendor financing recorded in payables, of which RM245mn is current and RM676mn is non-current

NB
(1) Data presented are for the six months ended 31July

Consistently strong free cash generation exceeds PAT



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

NB
(1) Data presented are for the six months ended 31July
(2) Excludes investments, disposals and maturities of unit trust and money market funds
(3) Repayments of vendor financing have been reclassified from cash from investing to cash from financing to be consistent with Bursa disclosure. Payments in H1FY14 were RM70mn. In H1FY15, payments of RM580mn were made (RM547mn was voluntary early repayment)

Quarterly dividend announcement

- Leveraging on invested capital, AMH continues to be highly cash generative enabling the adoption of a progressive dividend policy
- Board of Directors of AMH is pleased to declare a quarterly dividend of 2.25 sen per share for 2QFY15
  - This represents a 12.5% increase from quarterly dividends of 2 sen in 2QFY14
- Quarterly dividend entitlement and payment dates: 7 October 2014 /20 October 2014

Appendix

Go Beyond

PAT reconciliation

(RM mn)	FY14	FY15
EBITDA	**785**	**903**
Margin %	*33.9%*	*34.7%*
Depreciation and amortisation[1]	(399)	(455)
EBIT	**386**	**448**
Finance income	33	38
Finance cost	(132)	(127)
Share of post tax results from investments	2	6
PBT	**289**	**364**
Tax expense	(77)	(99)
Tax rate %	*27%*	*27%*
PAT	**212**	**266**
Margin %	*9.2%*	*10.2%*

NB
(1) Depreciation and amortisation excludes the amortisation of film library and programme rights (RM164mn in 1HFY14 and RM152mn in 1HFY15) which is expensed as part of content costs (cost of sales)

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Group balance sheet overview

(RM mn)	FY14	FY15
Non-current assets	**4,145**	**4,260**
Property, plant and equipment	2,099	1,957
Other non-current assets	2,046	2,303
Current assets	**2,776**	**2,002**
Receivables and prepayments	939	746
Cash and investments in unit trusts	1,771	1,231[(2)]
Other current assets	66	25
	6,921	**6,262**

(RM mn)	FY14	FY15
Non-current liabilities	**4,694**	**3,925**
Payables	1,067	676
Borrowings	3,503	3,148
Other non-current liabilities	124	101
Current liabilities	**1,671**	**1,738**
Payables	1,421	1,276
Borrowings	204	380
Other current liabilities	46	82
Shareholders' equity	**555**	**599**
	6,921	**6,262**

Net debt / LTM EBITDA: 1.3x

NB
(1) Data presented are as at 31 July.
(2) Includes RM44.5mn of investments in unit trust and money market funds

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Debt profile

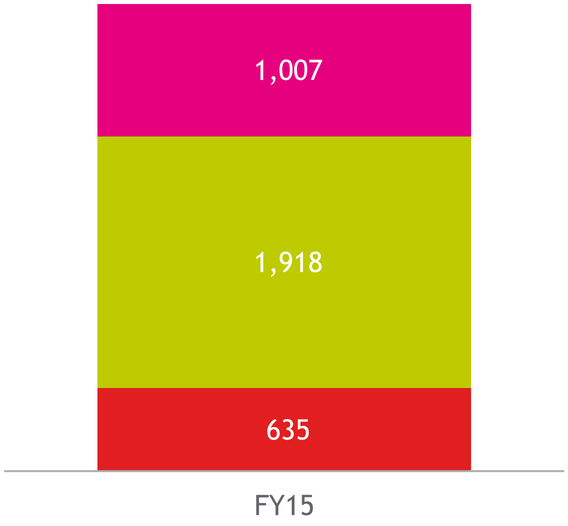
Total borrowings

(RM mn)

■ Finance lease ■ RM term loan ■ USD term loan

Total borrowings is net of debt issuance costs (RM32mn)

RM3,528mn



Details of borrowings

USD term loan

- As at 31 July 2014, outstanding US dollar term loan stood at US$313.5mn. The second principal repayment amounting to USD8.25mn (RM24.9mn) was paid on 9 June 2014
- Fully hedged via cross currency interest rate swap at an exchange rate of USD/RM3.0189 and an all-in interest rate of 4.19% p.a.
- Back ended amortisation schedule, with average life of 7 years and has final maturity date of 8 June 2021
- Next principal repayment amounting to USD16.5mn (RM49.8mn) is scheduled to be paid on 8 December 2014.

RM term loan

- As at 31 July 2014, total outstanding RM term loan stood at RM1,900mn. The second principal repayment amounting to RM50mn was paid on 19 May 2014.
- All-in interest rate (post-hedging) for the hedged portion of RM1,425.0mn is 5.4454% while balance unhedged of RM475.0mn stood at 4.7300% (variable floating rate based on cost of funds)
- Back ended amortisation schedule, with average life of 7 years and has final maturity date of 19 May 2021
- Next principal repayment totaling RM100 mn is scheduled to be paid on 19 November 2014

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

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