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SGX-ST Release

ASIAN PAY TELEVISION TRUST (APTT)

APTT ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2016

MACQUARIE

Key highlights

- Revenue for the quarter of $77.8 million[1]
- EBITDA for the quarter of $46.0 million
- Distribution of 1.625 cents per unit declared for the quarter ended 31 March 2016
- Reaffirmed distribution guidance of 6.5 to 7.0 cents per unit for the year ending 31 December 2016[2]

Singapore – 10 May 2016: Asian Pay Television Trust ("APTT"[3]) reported total revenue of $77.8 million and EBITDA of $46.0 million for the quarter ended 31 March 2016. Total revenue for the quarter ended 31 March 2016 was 5.4% lower than the prior corresponding period ("pcp").

Operational performance

Operational highlights for TBC[4] for the quarter ended 31 March 2016 are as follows:

- **Basic cable TV:** Revenue of $61.7 million was down 6.2% on pcp. This comprised subscription revenue of $50.9 million (31 March 2015: $52.4 million) and non-subscription revenue of $10.8 million (31 March 2015: $13.4 million). TBC's c.759,000 Basic cable TV subscribers paid an ARPU of Taiwan dollars ("NT$") 528 per month in the first quarter to access over 100 cable TV channels. Basic cable TV subscribers increased by c.1,000 and ARPU was lower compared to the previous quarter ended 31 December 2015 (Subscribers: c.758,000; ARPU: NT$537 per month). The lower ARPU was due to the reduction of TBC's regulated Basic cable TV rates by NT$10 to NT$15 per month in three of its five franchise areas. Non-subscription revenue generated from the leasing of television channels to third parties, sale of advertising airtime and fees for the installation of set-top boxes was lower than pcp.
- **Premium digital cable TV:** Revenue of $3.7 million was down 0.8% on pcp. This was generated predominantly from TBC's c.149,000 Premium digital cable TV subscribers paying an ARPU of NT$173 per month in the first quarter for Premium digital cable TV packages and bundled DVR services. Premium digital cable TV subscribers increased by c.4,000 and ARPU was lower compared to the previous quarter ended 31 December 2015 (Subscribers: c.145,000; ARPU: NT$177 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.
- **Broadband:** Revenue of $12.5 million was down 2.9% on pcp. This was generated predominantly from TBC's c.195,000 Broadband subscribers paying an ARPU of NT$493 per month in the first quarter for high speed Broadband services. Broadband subscribers increased by c.2,000 and ARPU was lower compared to the previous quarter ended 31 December 2015 (Subscribers: c.193,000 and ARPU: NT$502 per month). The lower ARPU was due to promotions and discounted bundled packages that were offered to generate new subscriptions and to retain existing subscribers.

[1] All figures, unless otherwise stated, are presented in Singapore dollars ("$").
[2] Subject to no material changes in planning assumptions including for asset performance and refinancing.
[3] APTT refers to APTT and its subsidiaries taken as a whole.
[4] TBC refers to Taiwan Broadband Communications group.

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

Restrictions apply in relation to PRC Nationals holding APTT units. Please refer to the APTT website (www.aptt.com.sg) and the APTT Prospectus dated 16 May 2013 for further information.

- **Greater Taichung expansion:** TBC's core network has been expanded to cover the majority of the greater Taichung region and this has enabled the requisite regulatory licenses to operate in the new coverage areas to be secured. Consequently, TBC started marketing Broadband services in the new expansion area in the fourth quarter of 2014. However, full commercial operations have been delayed as a result of the delay in securing content rights to deliver cable TV services in the greater Taichung region. TBC is working actively with the content providers to secure the necessary content rights in 2016. The network expansion into greater Taichung is anticipated to be completed in 2016.
- **Capital expenditure:** Total capital expenditure of $20.4 million was 4.3% lower than pcp. The higher total capital expenditure last year was primarily due to higher expenditure related to the network expansion into greater Taichung.

Outlook

The focus in 2016 remains on driving growth in cash flows through up-selling and cross-selling of services across TBC's subscriber base and progressing the network and operational expansion in the greater Taichung region.

Whilst growth in subscriber numbers is anticipated across TBC's service offerings, total revenue for 2016 is anticipated to be influenced by a number of factors. These factors include the continued weakness in the Taiwanese economy, marginally lower Basic cable TV rates in three of TBC's five franchise areas and the non-recurrence of revenue generated in 2015 as a result of one-off items including higher advertising airtime sales generated in the lead-up to the Presidential and Legislative Yuan election. In addition, operating expenses are expected to be higher due to increases in staff and programming costs as more basic channel providers complete their content upgrade to high definition format. Consequently, TBC's overall EBITDA is expected to be marginally lower for full year 2016 compared to pcp.

Distributions

The Board of directors of the Trustee-Manager (the "Board") has declared an ordinary distribution of 1.625 cents per unit for the quarter ended 31 March 2016. The books closure date will be on 17 June 2016 and the distribution will be paid on 24 June 2016.

APTT's distribution policy is to distribute 100 percent of Distributable Free Cash Flows to APTT unitholders. The Board is pleased to reaffirm distribution guidance for the year ending 31 December 2016. The distribution for the year ending 31 December 2016 is expected to be between 6.5 and 7.0 cents per unit. It is anticipated that the distribution will be paid in instalments of 1.625 cents per unit for the first, second and third quarters of 2016 and at least 1.625 cents per unit for the fourth and final quarter ending 31 December 2016. The distribution guidance is subject to no material changes in planning assumptions including for asset performance and refinancing.

Key financial highlights

	Quarter ended 31 March 2016 $'000	Quarter ended 31 March 2015 $'000	Variance[5] %
Revenue			
Basic cable TV	61,703	65,757	(6.2)
Premium digital cable TV	3,650	3,680	(0.8)
Broadband	12,479	12,855	(2.9)
Total revenue	**77,832**	**82,292**	**(5.4)**
Total operating expenses	**(31,818)**	**(33,629)**	**5.4**
EBITDA	**46,014**	**48,663**	**(5.4)**
EBITDA margin	59.1%	59.1%	

[5] A positive variance is favourable to the Group and a negative variance is unfavourable to the Group.

Proposed sale of the Trustee-Manager

On 25 January 2016, Macquarie APTT Management Pte. Limited, as trustee manager of APTT (the "Trustee-Manager"), announced that it has been informed by its sole shareholder, Macquarie Group Holdings (Singapore) Pte. Limited ("Macquarie Singapore") that it has entered into a sale and purchase agreement with Dynami Vision Pte. Ltd (the "Purchaser") whereby Macquarie Singapore will divest its entire interest in the Trustee-Manager to the Purchaser (the "Proposed Transaction"). The completion of the Proposed Transaction is subject to approvals from relevant Taiwanese regulatory bodies and lenders to APTT's sole investment, TBC. For more details refer to APTT's website or the SGX website.

The Trustee-Manager will make further announcements via SGXNet as and when it is made aware of material developments.

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