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SGX-ST Release

ASIAN PAY TELEVISION TRUST (APTT)

APTT ANNOUNCES FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED 30 JUNE 2016

MACQUARIE

Key highlights

- Revenue for the quarter of $78.2 million[1]
- EBITDA for the quarter of $46.7 million
- Distribution of 1.625 cents per unit declared for the quarter ended 30 June 2016
- Reaffirmed distribution guidance of 6.5 to 7.0 cents per unit for the year ending 31 December 2016[2]

Singapore – 12 August 2016: Asian Pay Television Trust ("APTT"[3]) reported total revenue of $78.2 million and EBITDA of $46.7 million for the quarter ended 30 June 2016. Total revenue was $156.0 million and EBITDA was $92.7 million for the half-year ended 30 June 2016. Total revenue for the quarter and half-year ended 30 June 2016 was 5.4% lower than the prior corresponding period ("pcp"). Foreign exchange contributed to 3.7% of the negative variance for the quarter ended 30 June 2016 compared to pcp and 2.5% of the negative variance for the half-year ended 30 June 2016 compared to pcp.

Operational performance

Operational highlights for TBC[4] for the quarter ended 30 June 2016 are as follows:

- **Basic cable TV:** Revenue of $62.3 million was down 5.4% on pcp. This comprised subscription revenue of $50.6 million and non-subscription revenue of $11.7 million. TBC's c.760,000 Basic cable TV subscribers paid an ARPU of Taiwan dollars ("NT$") 530 per month in the second quarter to access over 100 cable TV channels. Subscription revenue was lower than pcp because of marginally lower Basic cable TV rates in three of TBC's 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 due to lower channel leasing and advertising airtime sales.
- **Premium digital cable TV[5]:** Revenue of $3.6 million was down 4.2% on pcp. This was generated predominantly from TBC's c.176,000 Premium digital cable TV subscribers paying an ARPU of NT$159 per month in the second quarter for Premium digital cable TV packages, bundled DVR or DVR-only services. Premium digital cable TV subscribers increased by c.4,000 and ARPU was lower compared to the previous quarter ended 31 March 2016 (Subscribers: c.172,000; ARPU: NT$162 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.

[5] Premium digital cable TV subscribers and ARPU have been updated to reflect the number of subscribers contributing incremental subscription revenue for additional video content and/or DTV-related services, such as DVR. This can result in more than one subscription, i.e. revenue generating unit ("RGU"), per home. The 2016 March quarter figures for Premium digital cable TV subscribers and ARPU have been restated to conform to the new presentation.

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.

- **Broadband:** Revenue of $12.3 million was down 6.0% on pcp. This was generated predominantly from TBC's c.197,000 Broadband subscribers paying an ARPU of NT$484 per month in the second quarter for high speed Broadband services. Broadband subscribers increased by c.2,000 and ARPU was lower compared to the previous quarter ended 31 March 2016 (Subscribers: c.195,000 and ARPU: NT$493 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.
- **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, however the eventual timing may be influenced by when content rights can be secured.
- **Capital expenditure:** Total capital expenditure of $16.1 million was 16.5% lower than pcp. Total capital expenditure was lower because of lower capital expenditure related to the network expansion into greater Taichung compared to pcp. This lower expenditure offset the higher Premium digital cable TV and other capital expenditure being incurred during the quarter when compared to pcp.

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. Consequently, TBC's overall EBITDA is expected to be marginally lower for full year 2016 compared to pcp.

As announced on 11 July 2016, APTT has secured a new multicurrency term loan facility in an aggregate amount of $125 million and a multicurrency revolving loan facility in an aggregate amount of $125 million (the "New Facilities") for the partial refinancing of existing borrowings and for general corporate purposes. The New Facilities will enable TBC to fund the necessary capital expenditure to digitise all of TBC's franchise areas. TBC expects to spend approximately $100 to $110 million over 2016 and 2017 to complete the digitisation process as a result of cable law amendments that became effective on 8 January 2016. This expenditure includes the cost to acquire digital set-top boxes, installation related expenditure and digital head-end upgrades to support TBC's digitisation program.

The New Facilities diversify APTT's funding sources and demonstrate the confidence of the banks in APTT's business. APTT intends to refinance the balance of TBC's existing borrowings in the second half of 2016, with the goal of reducing annual borrowing costs and satisfying borrowing needs through to 2019.

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 30 June 2016. The books closure date will be on 16 September 2016 and the distribution will be paid on 23 September 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 30 June 2016 $'000	Quarter ended 30 June 2015 $'000	Variance[6] %	Half-year ended 30 June 2016 $'000	Half-year ended 30 June 2015 $'000	Variance[6] %
Revenue						
Basic cable TV	62,257	65,786	(5.4)	123,960	131,543	(5.8)
Premium digital cable TV	3,647	3,808	(4.2)	7,297	7,488	(2.6)
Broadband	12,304	13,086	(6.0)	24,783	25,941	(4.5)
Total revenue	**78,208**	**82,680**	**(5.4)**	**156,040**	**164,972**	**(5.4)**
Total operating expenses	**(31,493)**	**(32,254)**	**2.4**	**(63,311)**	**(65,883)**	**3.9**
EBITDA	**46,715**	**50,426**	**(7.4)**	**92,729**	**99,089**	**(6.4)**
EBITDA margin	59.7%	61.0%		59.4%	60.1%	

[6] 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. 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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