

Astro asks court to enforce verdict against Lippo Group

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Malaysia's largest cable television operator Astro All Asia Networks Plc. will soon file an appeal at the Central Jakarta District Court to enforce the Singapore International Arbitration Center's verdict against the Lippo Group.

In this verdict, Astro was awarded US\$230 million in its protracted dispute with the Lippo Group over a pay TV partnership in Indonesia, which collapsed over 18 months ago.

"The verdict is final and legally binding, and all parties involved in the case must respect the arbitration verdict. Lippo has to pay \$230 million," Astro lawyer Todung Mulya Lubis said Tuesday in a Jakarta press conference.

"We will file an appeal to execute the verdict with the Central Jakarta District Court in time, soon," he added. The Central Jakarta District Court is appointed to execute arbitration center verdicts in Indonesia as laid down in the 1981 New York Convention on International arbitration awards, which was also signed by Indonesia.

Todung said the Astro legal team was making preparations for the appeal. Lippo and Astro had agreed in March, 2005 to establish a partnership to operate pay TV in Indonesia using Lippo's unit PT Direct Vision which had a multimedia broadcast license. Under the agreement, Astro would be allowed to have a 51 percent stake in the company, which was wholly owned by PT Ayunda Prima Mitra, a Lippo Group subsidiary through PT First Media.

But until now Astro never managed to take up its equity stake in Direct Vision as initially promised by the Lippo Group, according to Prawidha Murti, another Astro lawyer. Astro then decided to terminate its contract with Direct Vision over allegations that the latter failed to pay around \$245 million for services it had received from Astro.

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Prawidha said the \$230 million now owing was compensation for support and services the Astro Group had provided to Direct Vision for use in its pay TV operations in Indonesia. "Apart from the \$230 million, Astro also won Rp 6 billion (\$648,000) in restitutions to cover its legal costs," she said. She also said the Verdict automatically annulled any other legal decisions taken outside the scope of the arbitration center.

Ayunda Prima Mitra had filed a \$1.6 billion lawsuit against Astro in September, 2008 with the South Jakarta District Court. Direct Vision senior president for corporate affairs Halim Mahfudz could not be reached to comment on the matter.