AXIATA GROUP BERHAD (242188-H)

(Incorporated in Malaysia)

The Board of Directors of Axiata Group Berhad is pleased to announce the following unaudited results of the Group for the financial period ended 30 September 2009.

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/9/2009	30/9/2008	30/9/2009	30/9/2008
	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)	(UNAUDITED)
	RM '000	RM '000	RM '000	RM '000
OPERATING REVENUE	**3,380,922**	3,278,024	**9,411,273**	8,929,563
OPERATING COSTS				
- depreciation, impairment and amortisation	**(657,562)**	(635,473)	**(2,062,924)**	(1,650,405)
- foreign exchange gains	**44,776**	13,150	**212,419**	11,209
- other operating costs	**(2,071,511)**	(2,028,016)	**(5,813,456)**	(5,346,129)
OTHER OPERATING INCOME	**70,613**	46,456	**362,308**	135,110
OPERATING PROFIT BEFORE FINANCE COST	**767,238**	674,141	**2,109,620**	2,079,348
Finance income	**22,233**	22,994	**85,111**	59,124
Finance cost	**(190,788)**	(298,381)	**(715,879)**	(592,789)
Foreign exchange gains/ (losses)	**139,955**	(17,515)	**288,140**	15,347
NET FINANCE COST/(INCOME)	**(28,600)**	(292,902)	**(342,628)**	(518,318)
JOINTLY CONTROLLED ENTITIES				
- share of results (net of tax)	**(20,780)**	(50,273)	**(41,970)**	(47,293)
ASSOCIATES				
- share of results (net of tax)	**50,869**	29,387	**113,537**	60,479
PROFIT BEFORE TAXATION	**768,727**	360,353	**1,838,559**	1,574,216
TAXATION	**(236,920)**	(117,439)	**(685,001)**	(489,628)
PROFIT FOR THE PERIOD	**531,807**	242,914	**1,153,558**	1,084,588
ATTRIBUTABLE TO:				
- equity holders of the Company	**503,667**	243,896	**1,094,399**	1,013,233
- minority interests	**28,140**	(982)	**59,159**	71,355
PROFIT FOR THE PERIOD	**531,807**	242,914	**1,153,558**	1,084,588
EARNINGS PER SHARE (sen) (Note B11)				
- basic	**6**	4	**15**	19
- diluted	**6**	-	**15**	-

(The above Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2009

	AS AT 30/9/2009 UNAUDITED	AS AT 31/12/2008 (AUDITED)
	RM '000	RM '000
SHARE CAPITAL	8,445,154	3,753,402
SHARE PREMIUM	1,972,964	1,494,954
OTHER RESERVES	7,112,061	5,968,367
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	17,530,179	11,216,723
MINORITY INTERESTS	570,686	480,790
TOTAL EQUITY	18,100,865	11,697,513
Borrowings	12,540,155	10,546,052
Provision for liabilities	141,069	120,706
Deferred tax liabilities	1,151,651	777,263
DEFERRED AND LONG TERM LIABILITIES	13,832,875	11,444,021
	31,933,740	**23,141,534**
INTANGIBLE ASSETS	8,482,566	8,326,345
PROPERTY, PLANT AND EQUIPMENT	16,078,814	14,959,670
INVESTMENT PROPERTY	2,029	2,036
PREPAID LEASE PAYMENTS	356,855	328,352
JOINTLY CONTROLLED ENTITY	1,004,944	1,013,202
ASSOCIATES	7,082,127	1,589,905
INVESTMENTS	180,566	5,914,428
LONG TERM RECEIVABLES	129,511	358
DEFERRED TAX ASSETS	177,190	141,188
Inventories	41,126	77,263
Trade and other receivables	1,555,170	1,539,878
Marketable securities	7	6
Tax recoverable	105,495	129,035
Cash and bank balances	2,943,945	3,330,731
CURRENT ASSETS	4,645,743	5,076,913
Trade and other payables	4,482,490	4,538,473
Borrowings	1,499,936	5,413,299
Amounts due to former holding company	-	4,063,613
Current tax liabilities	224,179	195,478
CURRENT LIABILITIES	6,206,605	14,210,863
NET CURRENT LIABILITIES	(1,560,862)	(9,133,950)
	31,933,740	**23,141,534**
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	208	299

(The above Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

	Attributable to equity holders of the Company								
	Issued and fully paid ordinary shares of RM1 each								
	Share Capital RM '000	Share Premium RM '000	Currency Translation Differences RM '000	Capital Contribution Reserves RM '000	Merger Reserves RM '000	ESOS Reserves RM '000	Retained Profits RM '000	Minority Interests RM '000	Total Equity RM '000
At 1 January 2009	**3,753,402**	**1,494,954**	**(658,456)**	**16,598**	**346,774**	**-**	**6,263,451**	**480,790**	**11,697,513**
Currency translation differences arising during the financial period :									
- subsidiaries	-	-	299,515	-	-	-	-	30,937	330,452
- jointly controlled entities	-	-	33,712	-	-	-	-	-	33,712
- associates	-	-	(291,195)	-	-	-	-	-	(291,195)
Net gain not recognised in the Income Statement	-	-	42,032	-	-	-	-	30,937	72,969
Profit for the financial period	-	-	-	-	-	-	1,094,399	59,159	1,153,558
Total recognised income for the financial period	**-**	**-**	**42,032**	**-**	**-**	-	**1,094,399**	**90,096**	**1,226,527**
Rights issue during the financial period	4,691,752	563,010	-	-	-	-	-	-	5,254,762
Rights issue expenses set off against share premium reserves	-	(85,000)	-	-	-	-	-	-	(85,000)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(200)	(200)
ESOS - value of employee services	-	-	-	-	-	7,263	-	-	7,263
At 30 September 2009	**8,445,154**	**1,972,964**	**(616,424)**	**16,598**	**346,774**	**7,263**	**7,357,850**	**570,686**	**18,100,865**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008

	Attributable to equity holders of the Company								
	Issued and fully paid ordinary shares of RM1 each								
	Share Capital RM '000	Share Premium RM '000	Currency Translation Differences RM '000	Capital Contribution Reserves RM '000	Merger Reserves RM '000	ESOS Reserves RM '000	Retained Profits RM '000	Minority Interests RM '000	Total Equity RM '000
At 1 January 2008 (as previously reported)	35,693	58,329	(312,800)	824	(20,885)	-	4,015,324	670,998	4,447,483
- Effect of merger method of accounting	3,541,700	259,300	-	8,289	367,659	-	1,750,144	4,750	5,931,842
At 1 January 2008 (as restated)	**3,577,393**	**317,629**	**(312,800)**	**9,113**	**346,774**	**-**	**5,765,468**	**675,748**	**10,379,325**
Currency translation differences arising during the financial period :									
- subsidiaries	-	-	117,047	-	-	-	-	7,294	124,341
- jointly controlled entities	-	-	(114,834)	-	-	-	-	-	(114,834)
- associates	-	-	(8,669)	-	-	-	-	-	(8,669)
Net loss not recognised in the Income Statement	-	-	(6,456)	-	-	-	-	7,294	838
Profit for the financial period	-	-	-	-	-	-	1,013,233	71,355	1,084,588
Total recognised (expense)/income for the financial period	**-**	**-**	**(6,456)**	**-**	**-**	**-**	**1,013,233**	**78,649**	**1,085,426**
Acquisition of subsidiaries	176,009	1,205,630	-	-	-	-	-	(207,829)	1,173,810
Demerger expenses set off against share premium reserves	-	(14,740)	-	-	-	-	-	-	(14,740)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(29,548)	(29,548)
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	303	303
ESOS - value of employee services	-	-	-	(9,113)	-	-	-	-	(9,113)
At 30 September 2008	**3,753,402**	**1,508,519**	**(319,256)**	**-**	**346,774**	**-**	**6,778,701**	**517,323**	**12,585,463**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009

	FOR THE FINANCIAL PERIOD ENDED 30/9/2009 (UNAUDITED) RM '000	ENDED 30/9/2008 (UNAUDITED) RM '000
Receipts from customers	9,226,239	8,704,284
Payments to suppliers and employees	(4,781,148)	(6,261,467)
Payment of finance cost	(634,398)	(527,258)
Payment of income taxes (net of refunds)	(350,131)	(281,483)
CASH FLOWS FROM OPERATING ACTIVITIES	**3,460,562**	**1,634,076**
Disposal of property, plant and equipment	8,370	48,529
Purchase of property, plant and equipment	(2,873,139)	(3,714,600)
Purchase of long term investments	-	(5,905,585)
Purchase of other intangible assets	-	(40,100)
Additional investment in a subsidiary company	(12,550)	-
Additional investment in associated companies	(3,675)	-
Loans to employees	135	(132)
Interest received	85,111	59,124
CASH FLOWS USED IN INVESTING ACTIVITIES	**(2,795,748)**	**(9,552,764)**
Proceeds from Rights Issue	5,254,762	-
Proceeds from ESOS share issuance	-	303
Proceeds from borrowings	5,859,385	12,140,423
Repayments of borrowings	(8,080,730)	(2,985,455)
Dividends paid to minority interests	(200)	(29,549)
Dividends received from associates	90,057	-
Rights issue expenses	(85,000)	-
Net repayment to former holding company	(4,063,613)	-
CASH FLOWS (USED)/FROM FINANCING ACTIVITIES	**(1,025,339)**	**9,125,722**
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(360,525)	1,207,034
EFFECT OF EXCHANGE RATE CHANGES	46,843	15,902
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**3,236,757**	**1,889,543**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**2,923,075**	**3,112,479**

(The above Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

(a) The unaudited interim financial statements for the financial period ended 30 September 2009 of the Group have been prepared in accordance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008 ("2008 Audited Financial Statements"). The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2008 Audited Financial Statements.

(b) The principal closing rates [units of Malaysian Ringgit ("RM") per foreign currency] used in translating significant balances are as follows:

Foreign Currency	Exchange Rate At 30 September 2009	Exchange Rate At 31 December 2008	Exchange Rate At 30 September 2008
US Dollar ("USD")	3.46100	3.45250	3.44495
Sri Lanka Rupee ("SLR")	0.03014	0.03055	0.03187
Bangladesh Taka ("BDT")	0.05025	0.05001	0.05033
Indonesian Rupiah ("IDR")	0.00036	0.00032	0.00037
Pakistani Rupee ("PKR")	0.04161	0.04363	0.04423
Singapore Dollar ("SGD")	2.45618	2.41012	2.40286
Thai Baht ("THB")	0.10350	0.09927	0.10192
Iran Riyal ("IRR")	0.00035	0.00035	0.00036
Indian Rupee ("INR")	0.07250	0.07101	0.07361

2. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's performance for the current quarter and financial period to-date has taken into account of the following:

(a) During the current quarter and financial period to-date, the Group recognised net foreign exchange gains of RM184.7 million and RM500.6 million respectively mainly arising from the revaluation of USD borrowings and payables;

(b) During the financial period to-date, PT Excelcomindo Pratama Tbk Group ("XL") recorded RM123.7 million post-tax gain, arising from the derecognition of its dark fibre optic lines as a result of finance lease arrangements;

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows (continued)

(c) During the financial period to-date, Dialog Telekom PLC Group ("Dialog") recorded a provision of RM11.0 million for its voluntary retirement scheme;

(d) During the current quarter and financial period to-date, Celcom (Malaysia) Berhad ("Celcom") Group had revised replacement plans for its Packet Core ("PaCo") equipment. As a result of the change, the net book value of PaCo equipment was depreciated over the revised estimated useful life up to 31 March 2010. The revision to the useful life resulted in a lower depreciation charge of RM6.0 million and RM18.0 million respectively; and

(e) During the quarter and financial period to-date, Dialog recognised an accelerated depreciation charge of RM10.1 million and RM206.3 million respectively arising from network modernisation plan.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2009 other than as mentioned above and in Part A, 9 and Part B, 7 of this announcement.

4. Material Changes in Estimates

Other than as disclosed in Part A, 3 (d) and (e) of this announcement, there were no material changes in estimates reported in the current financial quarter under review.

5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

(a) On 31 March 2009, Axiata Group Berhad ("Axiata or Company") paid an amount of RM2,000.0 million of the RM4,025.0 million debt owed to its former holding company, Telekom Malaysia Berhad ("TM"). Subsequently, on 24 April 2009, the Company paid the remaining RM2,025.0 million in line with the specified timeline stipulated in the Demerger Agreement. The balance of RM38.6 million amount due to TM was fully paid on 14 May 2009.

(b) On 28 August 2009 and 28 September 2009, the Company paid an amount of USD110.0 million and USD140.0 million respectively, being repayment of debt to the Bank of Tokyo Mitsubishi.

(c) On 6 May 2009, the Company issued a total of 4,691,752,475 ordinary shares of RM1 each at the issue price of RM1.12 per ordinary share under the renounceable rights issue ("Rights Issue") of the Company to raise gross proceeds of approximately RM5,254.8 million. In conjunction with the above, the issued and paid-up capital of the Company increased from RM 3,753.4 million to RM 8,445.2 million.

As at 23 November 2009, the status of the proposed utilisation of proceeds raised under the Rights Issue which was completed following the listing of and quotation of the Rights Shares on the Main Board of Bursa Securities *(now known as "Main Market")* on 11 May 2009, are as set out below:

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities (continued)

Purpose	Proposed utilisation	Actual utilisation	Intended timeframe for utilisation	Deviation		Explanation/ Status
	RM mil	RM mil		RM mil	%	
Repayment of identified borrowings and/or bridging loans taken to repay such borrowings	5,150.0	5,129.8	Q2'09	20.2	0.4	The identified borrowings have been fully repaid. The remaining portion of RM20.2 million was reclassified as working capital
Payment of expenses relating to the Rights Issue	85.0	85.0	Q2'09	-	-	Expenses relating to the Rights Issue have been fully settled
Working capital	19.8	-	As and when required	19.8	-	The proceeds allocated for working capital will be used as and when required
Total	**5,254.8**	**5,214.8**		**40.0**	**0.8**	

Aside from the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 September 2009.

6. Dividends Paid

No dividends have been paid during the financial period ended 30 September 2009.

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

7. Segmental Information

Segmental information for the financial period ended 30 September is as follows:

By Geographical Segment

2009

All amounts are in RM '000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Total**
Operating Revenue						
Total operating revenue	4,600,043	3,104,946	718,534	822,106	178,877	**9,424,506**
Inter-segment *	(6,741)	-	-	-	(6,492)	**(13,233)**
External operating revenue	4,593,302	3,104,946	718,534	822,106	172,385	**9,411,273**
Results						
Segment results	1,466,994	550,644	69,685	(255,659)	(84,352)	**1,747,312**
Other operating income						**362,308**
Operating profit before finance cost						**2,109,620**
Finance income						**85,111**
Finance cost						**(715,879)**
Foreign exchange gains						**288,140**
Jointly controlled entities						
- share of results (net of tax)					(41,970)	**(41,970)**
Associates						
- share of results (net of tax)					113,537	**113,537**
Profit before taxation						**1,838,559**
Taxation						**(685,001)**
Profit for the financial period						**1,153,558**

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

7. Segmental Information (continued)

2008

All amounts are in RM '000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Total
Operating Revenue						
Total operating revenue	4,113,249	3,289,021	537,663	880,085	131,844	8,951,862
Inter-segment *	(24,581)	-	-	-	2,282	(22,299)
External operating revenue	4,088,668	3,289,021	537,663	880,085	134,126	8,929,563
Results						
Segment results	1,227,292	541,627	26,041	70,634	78,644	1,944,238
Other operating income						135,110
Operating profit before finance cost						2,079,348
Finance income						59,124
Finance cost						(592,789)
Foreign exchange gains						15,347
Jointly controlled entities						
- share of results (net of tax)					(47,293)	(47,293)
Associates						
- share of results (net of tax)					60,479	60,479
Profit before taxation						1,574,216
Taxation						(489,628)
Profit for the financial period						1,084,588

* Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

8. Valuation of Property, Plant and Equipment

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements. The Group does not adopt a revaluation policy on its property, plant and equipment.

9. Material Events Subsequent to the End of the Quarter

(a) On 1 October 2009, XL entered into a forward foreign currency contract with Standard Chartered Bank to hedge the payment of a long term loan in USD.

Type of contracts	Notional amount (USD 'million)	Strike Rate	Premium	Maturity
Deliverable	25.0	USD1 = IDR9,630	5.21%	14 July 2015

Based on the contract commencing on 5 October 2009, XL would swap gradually an amount of USD2.5 million every six (6) months starting 14 January 2011 which will be paid semi-annually.

(b) On 12 October 2009, XL entered into a syndicated credit agreement with PT Bank Negara Indonesia Tbk ("Persero") and PT Bank CIMB Niaga Tbk with Persero acting as the facility agent amounting to IDR1,600 billion. The loan agreement will mature in 5 annual instalments commencing on 11 October 2010. Based on the agreement, XL agreed to pay a floating rate of interest on a quarterly basis at floating rate of three month's JIBOR plus a 3.75% margin per annum.

(c) On 26 October and 28 October 2009, XL paid loan facility from Standard Chartered and HSBC Bank amounted to USD50.0 million and USD25.0 million respectively.

(d) The shareholders of XL, an 83.79% subsidiary of the Company via its wholly-owned subsidiary, Indocel Holding Sdn Bhd ("Indocel"), had at the Extraordinary General Meeting ("EGM") of Shareholders held on 16 November 2009, inter-alia, approved the Proposed Rights Issue of approximately USD300.0 million (in equivalent amount in IDR) ("XL Rights Issue") by way of issuance by XL of 1,418 million new ordinary shares of IDR100 each ("Ordinary Shares") on the basis of 1 Rights Share for every 5 existing Ordinary Shares at an issue price of IDR2,000 per share.

Indocel will undertake to subscribe its full entitlement under the XL Rights Issue. In ensuring that the XL Rights Issue is successful and to meet the regulatory requirements in Indonesia, Indocel has also entered into a Standby Buyer Agreement with XL in which Indocel undertakes to subscribe to all the unsubscribed shares under the XL Rights Issue ("Unsubscribed Rights Shares").

The subscription by Indocel of its entitlement and the Unsubscribed Rights Shares does not require the approval of Axiata's shareholders. The said exercise is expected to be completed by December 2009.

As at 23 November 2009, save for the above and status update on corporate proposals mentioned in Part B, 7 of this announcement, there were no other material events subsequent to the balance sheet date that requires disclosure or adjustments to the unaudited interim financial statements to-date.

10. Effects of Changes in the Composition of the Group

There were no other changes in the composition of the Group for the financial period to-date except for the following:

(a) Tune Talk Sdn Bhd ("Tune Talk")

Celcom, a wholly-owned subsidiary of the Company, had, on 23 December 2008, entered into a Subscription Agreement and Shareholders' Agreement with Tune Ventures Sdn Bhd, Tune Strategic Investments Limited, 6 individuals and Tune Talk, in relation to Celcom's investment in Tune Talk.

Pursuant to the Subscription Agreement, Celcom subscribed for 2,625,000 ordinary shares of RM1 each, representing 38.17% of the enlarged issued and paid-up share capital of Tune Talk, for a cash consideration of RM2.625 million. The investment in Tune Talk was completed on 16 February 2009.

On 30 July 2009, Celcom has subscribed to a further 1,050,000 new ordinary shares of RM1 each in Tune Talk for a total cash consideration of RM1.05 million ("Additional Share Subscription in Tune Talk"). Pursuant to the Additional Share Subscription in Tune Talk, Celcom's shareholding in Tune Talk increased from 2,625,000 ordinary shares of RM1 each to 3,675,000 ordinary shares of RM1 each representing 42.78% of the enlarged issued and paid-up share capital of Tune Talk.

The investment in Tune Talk has no significant impact on the Group for the financial period to-date.

(b) C-Mobile Sdn Bhd ("C-Mobile")

On 19 February 2009, CT Paging Sdn Bhd ("CT Paging"), a wholly-owned subsidiary of Celcom, entered into a Shares Sale Agreement with I-Mobile International Co Ltd ("I-Mobile") for the acquisition of I-Mobile's entire 51% equity interest in C-Mobile for a total purchase consideration of RM2.55 million ("Acquisition of I-Mobile's interest in C-Mobile"). The acquisition of I-Mobile's interest in C-Mobile is in line with its strategic objective to align and rationalise its various trade touch-points. The acquisition of I-Mobile's interest in C-Mobile was completed on 2 March 2009. As a result, C-Mobile, a 49% associate company, became a wholly-owned subsidiary of CT Paging.

On 24 March 2009, CT Paging subscribed to a further 10,000,000 new ordinary shares of RM1 each in C-Mobile for a total cash consideration of RM10.0 million ("Additional Share Subscription in C-Mobile"). Pursuant to the Additional Share Subscription in C-Mobile, the issued and paid-up share capital of C-Mobile increased from 5,000,000 ordinary shares of RM1 each to 15,000,000 ordinary shares of RM1 each.

The acquisition has no significant impact to the Group for the financial period to-date.

10. Effects of Changes in the Composition of the Group (continued)

(c) Idea Cellular Limited ("Idea")

The shareholders of Idea had, at an EGM held on 25 June 2009, approved the amendments of Idea's Articles of Association to incorporate 'special rights' accorded to the Company so long as the Company holds at least 10% of the issued share capital of Idea ("Amending Articles"). The provisions of the Amending Articles are as outlined in the Subscribers Agreement dated 25 June 2008 between the Company and its wholly-owned subsidiary, TMI Mauritius Ltd ("TMI Mauritius") and Idea in relation to the subscription by TMI Mauritius of approximately 14.99% of the enlarged issued and paid-up share capital of Idea ("Base Shareholding Level"), <u>which amongst others includes:</u>

(i) Axiata's rights upon further issue of ordinary shares ("Idea Shares") by Idea

Any offer of Idea Shares or any other convertible securities into Idea Shares or right to call for the issue of Idea Shares which will cause for dilution in shareholding of Axiata's interest is to be offered to Axiata or its nominees as to maintain the Base Shareholding Level on a full diluted basis or at a rate agreed at any time.

(ii) Axiata's Directors

Axiata will have the right to:

- nominate to, and/or remove or replace from, the Board, one Director ("Nominee Director"); and
- nominate and / or remove or replace the Nominee Director as a member of the Audit Committee of the Company ("Audit Committee Nominee").

(iii) Proceedings of the Audit Committee

Idea will cause full details of all transfer or obligations or any other material transactions or arrangements between Idea and any of its affiliates regardless of whether or not a price is charged to be disclosed to the Audit Committee at least once every quarter ("Related Party Transactions"). If the Audit Committee raises any concern in relation to such Related Party Transactions, Idea will act in accordance with the recommendation of the Audit Committee.

Based on the above, the Board have reassessed the status of the Proposed Merger between Spice Communications Limited ("Spice") and Idea (as detailed in Part B, 7 (b)) and of the view that the process to achieve 20.11% stake in the merged Idea is procedural in nature and merely to satisfy formality requirements where the possibility of non-achievement of the same is remote. In view of the above, the Board has resolved that the Company is deemed to be able to exercise significant influence over the operational and financial policies of Idea notwithstanding the current stake at the Base Shareholding Level and thus, Idea have been equity accounted with effect from 25 June 2009.

11. Changes in Contingent Liabilities since the Last Annual Balance Sheet Date

On 23 March 2009, the Company issued a corporate guarantee to Oversea-Chinese Banking Corporation Limited, Labuan Branch ("OCBC") in consideration of OCBC granting and making available to Dialog a 6-years term loan facility of up to a maximum aggregate principal amount of USD100.0 million with the option to request from OCBC for an additional loan facility not exceeding the maximum aggregate principal amount of USD50.0 million.

Save for the above, there were no material changes in contingent liabilities (other than material litigation disclosed in Part B, 10 of this announcement) since the latest audited financial statements of the Group for the financial year ended 31 December 2008.

12. Capital Commitments

	Group	
	30/09/2009	30/09/2008
Property, plant and equipment	**RM '000**	RM '000
Commitments in respect of expenditure approved and contracted for	**890,314**	760,838
Commitments in respect of expenditure approved but not contracted for	**690,103**	1,211,699

13. Additional Disclosure Requirements

Pursuant to the letter of approval from Securities Commission ("SC") dated 30 January 2008 in relation to the TM Group's Demerger, the Company is required to disclose in its quarterly announcement, the status of application of the Celcom Group physical structures for both transmission towers and rooftop sites ("Outdoor Structures") to Bursa Securities until all approvals are obtained.

The status of the application of Outdoor Structures owned by Celcom Group as at 23 November 2009 is as follows:

(a) 111 Outdoor Structures are pending approval from local authorities; and

(b) Initial applications for 58 outdoor structures have been declined. Celcom Group is in the midst of appealing to the relevant local authorities with respect to such applications.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

(a) Quarter-on-Quarter

Overall, the Group's performance improved quarter-on-quarter driven by higher subscriber base in all its operating companies ("Opcos"). Group's revenue for the current quarter of RM3,380.9 million grew by 3.1% from RM3,278.0 million recorded in the third quarter 2008 ("Q3'08") attributed to the higher contribution from Celcom and Axiata (Bangladesh) Limited ("AxB"). Celcom and XL continue to be the main contributors of the Group for the quarter.

In local currency, XL recorded a positive quarter-on-quarter revenue growth. However in RM translated result, XL's revenue in the current quarter is lower compared to Q3'08 due to the depreciation of IDR against RM.

In local currency, Dialog and Telekom Malaysia International (Cambodia) Company Limited ("TMIC") recorded lower revenue growth in current quarter compared to Q3'08. TMIC's business operation continues to be challenging with nine operators in the market with intense competition and heavy price cuts from the new entrants.

The strengthening of RM in current quarter against domestic currencies of operating companies had unfavourably affected the Group's translated revenue. At constant currency using Q3'08 exchange rate, current quarter revenue would have registered a higher growth of 5.6%.

Quarter-on-quarter, Group's other operating cost increased by 2.1% to RM2,071.5 million, mainly driven by Celcom and AxB. Celcom's other operating cost increased mainly due to higher interconnection cost, marketing and product promotion activities costs related to the festive celebration in the current quarter. Increased in Universal Service Provision charges also impacted Celcom's other operating costs. AxB's other operating cost increased quarter-on-quarter mainly resulting from higher subscriber acquisition costs in line with revenue growth.

The Group recorded lower net finance costs of RM168.6 million in current quarter compared to RM275.4 million in Q3'08 as a result of repayment of debt and reduction of overall debt position in current quarter. Current quarter contributions from associates and joint venture amounted to RM30.1 million, mainly from the profit contribution from Idea which was accounted for as associate starting from current quarter.

The Group's profit after tax ("PAT") of RM531.8 million in current quarter, was 118.9% higher as compared to RM242.9 million recorded in same period last year. The higher PAT in current quarter was driven by improved contribution from Celcom, XL and AxB, and favourable pre-tax foreign exchange gain.

1. Review of Performance (continued)

(b) Year-on-Year

For the 9 months ended 30 September 2009, the Group's revenue improved by 5.4%, from RM8,929.6 million recorded for the financial period ended 30 September 2008 to RM9,411.3 million. The improved revenue performance was primarily attributed to higher contribution from Celcom and AxB with sustain increasing trend in subscriber base for both Opco and broadband contribution for Celcom. XL and Celcom remain as the major contributors towards the Group's revenue.

The Group recorded a 168.2% increase in other operating income for the period under review from RM135.1 million to RM362.3 million. The increase was mainly driven by XL's one-off gain of RM150.8 million arising from derecognition of its dark fibre optic lines as a result of a finance lease arrangement during first half of 2009.

The Group's other operating cost increased by 8.7% to RM5,813.5 million for the period under review mainly driven by Celcom and AxB. The increase in Celcom's other operating cost was mainly due to increase in marketing and promotion activities, higher outgoing traffic and 3G network expansion. Higher other operating cost in AxB was due to increase in subscriber acquisition costs in line with the increase in new subscriber base over the 9 months period.

The Group recorded higher net finance costs of RM630.8 million in the period under review as compared to RM533.7 million in the corresponding period last year a result of an increase in its debt position arising mainly from external borrowings by XL. Profit contribution from associates and joint ventures improved to RM71.6 million in the period under review mainly from share of profit from MobileOne Ltd and Idea, which was accounted for as associate starting from current quarter.

The Group's PAT was RM1,153.6 million, 6.4% higher against PAT of RM1,084.6 million reported in the corresponding period last year driven by improved contributions from Celcom, XL and AxB, and favourable pre-tax foreign exchange gain mainly from XL as a result of weakening of USD against IDR.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue of RM3,380.9 million, a 6.9% growth from RM3,163.5 million revenue achieved in second quarter 2009 ("Q2'09"). Amidst the continuous intense competition, all Opcos except TMIC showed positive revenue growth in local currencies driven by increase in subscriber base.

The fluctuation of RM against local currencies had favourably affected the overall Group's translated revenue. At constant currency, the Group's revenue growth in current quarter would have slipped by 1.4 percentage points to 5.5%.

The Group's other operating cost increased by 7.9% driven by Celcom, XL and AxB. Celcom's other operating cost was mainly resulted from higher interconnection cost. Higher marketing and product promotion activities costs related to the festive celebration in the current quarter also contributed to the increase of other operating costs in Celcom and XL. The increase in other operating cost from AxB was mainly resulted from higher subscriber acquisition cost in current quarter as compared to preceding quarter which is in line with the increase in new subscribers quarter-to-quarter.

The Group's pre-tax foreign exchange gain has reduced from RM532.1 million in Q2'09 to RM184.7 million in current quarter as a result of relative stable USD exchange rate against local currency of key Opcos.

The Group recorded PAT of RM531.8 million in current quarter, a decrease from RM571.9 million posted in Q2'09 arising mainly from lower pre-tax foreign exchange gain, negative contribution from AxB due to higher subscriber acquisition cost, negated by a lower depreciation charge in Dialog in current quarter.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

(d) Economic Profit Statement

	3RD QUARTER ENDED		**FINANCIAL PERIOD ENDED**	
	30/09/2009 RM '000	30/09/2008 **RM '000**	**30/09/2009 RM '000**	30/09/2008 **RM '000**
EBIT*	**797,327**	653,255	**2,181,187**	2,092,534
Less: Adjusted Tax (25%) / 2008: (26%)	199,332	169,846	545,297	544,059
NOPLAT**	**597,995**	483,409	**1,635,890**	1,548,475
AIC***	4,338,303	3,681,090	13,014,909	11,043,270
WACC****	7.48%	7.77%	7.80%	7.77%
Economic Charge (AIC*WACC)	**324,505**	286,021	**1,015,163**	858,062
Economic Profit	**273,490**	197,388	**620,727**	690,413

*	EBIT	= Earnings before Interest & Taxes
**	NOPLAT	= Net Operating Profit/Loss after Tax
***	AIC	= Average Invested Capital
****	WACC	= Weighted Average Cost of Capital

Economic Profit ("EP") is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of the Group vis-à-vis its financial accounting reports, i.e. it explains how much return a business generates over its cost of capital. This can be measured from the difference of NOPLAT and Economic Charge.

The factors contributing to the higher EP in the current quarter and lower EP in financial period to-date is mainly due to higher NOPLAT and higher AIC, partially offsetted by lower WACC.

2. Prospect for the Remaining Quarter Up To 31 December 2009

2009 has seen an improvement in overall Group performance in almost all areas and in all major countries. This was due to our diligent execution of strategies across all operating companies. This has been further aided by the steady rebound seen in regional economies the Group operates in. However key risks continued to be faced by our operating companies include increasing competition and regulatory challenges. In light of this, a prudent approach focusing on cost management and operational improvements will continue to be the key focus for the remainder of the year as we see execution benefits of such a strategy amidst an uncertain environment.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

2. Prospect for the Remaining Quarter Up To 31 December 2009 (continued)

On 27 April 2009, the Group announced its Headline Key Performance Indicators ("KPI") guidance for the financial year ending 31 December 2009. Based on Year-To-Date September 2009 Group's performance, the Board of Directors expects that Group's KPI on revenue and EBITDA growth will be above the earlier guidance for the financial year ending 31 December 2009 while Group KPI for ROE is expected to be significantly above the earlier guidance.

This guidance is subject to the standard accounting impairment test of goodwill and other intangible assets when events or changes in circumstances indicate the carrying value may not be recoverable, fluctuations of foreign exchange rates or other external factors that could materially affect the financial statements of the Group in the remaining quarter.

3. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial period ended 30 September 2009.

4. Taxation

The taxation charge for the Group comprises:

	3RD QUARTER ENDED		**FINANCIAL PERIOD ENDED**	
	30/09/2009	30/09/2008	**30/09/2009**	30/09/2008
	RM '000	RM '000	**RM '000**	RM '000
<u>Malaysia</u>				
Income Tax:				
Current year	**(152,141)**	(123,563)	**(373,513)**	(364,064)
Prior year	-	-	**(24)**	-
	(152,141)	(123,563)	**(373,537)**	(364,064)
<u>Overseas</u>				
Income Tax:				
Current year	**(1,484)**	(11,084)	**(3,827)**	(81,751)
Prior year	-	628	**3**	562
	(1,484)	(10,456)	**(3,824)**	(81,189)
<u>Deferred tax (net):</u>				
Current year	**(83,295)**	16,580	**(307,640)**	(44,375)
Total Taxation	**(236,920)**	**(117,439)**	**(685,001)**	(489,628)

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

4. Taxation (continued)

The current quarter and financial period to-date effective tax rate of the Group was higher than the statutory tax rate mainly due to higher profits incurred by the subsidiaries, expenses not allowable for tax deduction, the different taxation rates of other countries, tax loss of subsidiaries not subject to deferred tax provision due to tax exemption status and origination of deferred tax liabilities.

5. Profit on Sale of Unquoted Investments and/or Properties

There were no material sales of unquoted investments or disposal of properties which significantly affected the results of the Group during the financial period.

6. Purchase and Disposal of Quoted Securities

There were no purchase and disposal of quoted securities during the financial period.

7. Status of Corporate Proposals

(a) Proposed Issuance of up to 10% of the Issued and Paid-Up Share Capital of the Company

On 10 December 2007, the Board of TM proposed, amongst others, to obtain a shareholders' mandate ("Shareholders' Mandate") for the issuance of up to 10% of the issued and paid-up share capital of the Company ("Proposed Issue"). In connection with the above, the SC had, vide its letter dated 30 January 2008, given its approval for, amongst others, the Proposed Issue. The shareholders of TM had at the EGM held on 6 March 2008 approved, amongst others, the Shareholders' Mandate on the Proposed Issue and the issuance by the Company to Employees Provident Fund Board of up to 30% of the number of shares available under the Shareholders' Mandate.

As the approval of the SC on the Proposed Issue had expired on 29 July 2008, an application was made to the SC on 14 July 2008 for an extension of time up to 29 January 2009 for the Company to undertake the Proposed Issue. SC had, vide its letter dated 28 July 2008, approved the extension of time on the Proposed Issue.

7. Status of Corporate Proposals (continued)

(a) Proposed Issuance of up to 10% of the Issued and Paid-Up Share Capital of the Company (continued)

Further to the above, an application was submitted to SC on 15 January 2009 to extend further the period for the Company to implement the Proposed Issue. SC had vide its letter dated 22 January 2009 approved the extension of time of up 29 July 2009 for the Company to implement the Proposed Issue. The approval by the SC for the Proposed Issue had already lapsed and is no longer in force. In view of the amendments to the Capital Markets and Services Act 2007 effective 3 August 2009, the approval of the SC is no longer required for equity offering exercises such as the Proposed Issue.

(b) Proposed Merger between Spice and Idea

On 25 June 2008, the Company, inter-alia, announced the Proposed Merger of Spice into Idea in accordance with a scheme of arrangement under Sections 391 to 394 of the Companies Act, 1965 of India ("Proposed Merger").

Following the completion on 13 August 2008 of the subscription by TMI Mauritius Ltd, a wholly-owned subsidiary of the Company, of 464,734,670 new ordinary shares of Rs.10 each in Idea, the Group holds 14.99% of the enlarged issued and paid-up share capital of Idea. Upon the completion of the Proposed Merger, the Group will have an equity interest of approximately 19.0% in the merged Idea, on a fully diluted basis. In addition, the Group will have a call option to further increase the Group's stake in Idea to approximately 20.11%.

The Proposed Merger is conditional upon, amongst others, the obtaining of the necessary approvals from:

(i) the High Courts of Delhi and the High Courts of Gujarat;
(ii) the shareholders and creditors of each of Idea and Spice as required under the Indian Companies Act 1956; and
(iii) the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") and the Departments of Telecommunications ("DOT").

In relation to the approvals from the BSE and the NSE, Spice and Idea had on 7 May 2009 and 8 May 2009, received no objection letters from the BSE and the NSE respectively in relation to the filings of the Proposed Merger with the respective High Courts.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

7. Status of Corporate Proposals (continued)

(b) Proposed Merger between Spice and Idea (continued)

Following from that, the shareholders and creditors of Idea and Spice had on 4 September 2009 and 11 September 2009 respectively approved the Proposed Merger. The necessary filings have been made to the respective High Courts.

However, approvals are pending from the DOT and the requisite orders of the respective High Courts.

As of 23 November 2009, the Proposed Merged has yet to be completed. However, as disclosed in Part A, 10(c) the Board had resolved to equity account Idea with effect from 25 June 2009.

(c) Performance-Based Employee Share Option Scheme ("ESOS") for Eligible Employees and Executive Directors of the Group

On 10 February 2009, the Company, inter-alia, announced the Proposed Performance-Based ESOS for eligible employees and Executive Directors of the Group ("Proposed Option Scheme"). The Proposed Option Scheme was approved by the Shareholders of the Company at an EGM held on 24 March 2009.

The Company had on 16 April 2009 implemented the Proposed Option Scheme by offering to eligible staff. As of 23 November 2009, all eligible staff accepted the Proposed Option Scheme.

(d) Members' Voluntary Winding-Up of TR Components Sdn Bhd ("TR Components")

On 16 April 2009, the Company announced on inter-alia, the commencement of members' voluntary winding-up of its wholly-owned subsidiary held via Celcom namely, TR Components pursuant to Section 254(1)(b) of the Companies Act, 1965 ("Winding-Up of TR Components").

The Final Meeting in relation to the Winding-Up of TR Components was held on 21 July 2009. Pursuant to Section 272(5) of the Companies Act 1965, TR Components had been dissolved with effect from 20 October 2009.

7. Status of Corporate Proposals (continued)

(e) Members' Voluntary Winding Up of TR International Limited ("TRIL")

On 31 July 2009, the Company announced the commencement of members' voluntary winding-up of its wholly-owned subsidiary held via Celcom namely, TR International Limited pursuant to Section 228 of the Hong Kong Companies Ordinance ("Winding-Up of TRIL") and appointment of the liquidators on even date.

Further to the announcement above, the Company had on 3 November 2009 announced on the convening of the Final Meeting in relation to the Winding Up of TRIL on even date.

Pursuant to Section 239 of the Hong Kong Companies Ordinance, TRIL would be dissolved with effect from 4 February 2010.

Save as disclosed above, there is no other major corporate proposal announced and not completed as at the latest practicable date.

8. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 30 September are as follows:

	30/09/2009		30/09/2008	
	Short Term Borrowings RM '000	**Long Term Borrowings RM '000**	Short Term Borrowings RM '000	Long Term Borrowings RM '000
Secured	233,833	1,867,341	292,785	1,605,722
Unsecured	1,266,103	10,672,814	7,929,390	5,098,379
Subtotal	**1,499,936**	**12,540,155**	**8,222,175**	**6,704,101**
Interest Bearing Amount due to TM - Unsecured	-	-	4,025,000	-
Total	**1,499,936**	**12,540,155**	**12,247,175**	**6,704,101**

(b) Foreign currency borrowings and debt securities in RM equivalent as at 30 September are as follows:

Foreign Currency	**2009 RM '000**	**2008 RM '000**
US Dollar	5,082,596	3,885,220
Indonesian Rupiah	3,363,459	3,566,437
Bangladesh Taka	63,181	394,133
Pakistani Rupee	99,864	106,147
Sri Lanka Rupee	599,902	465,825
Singapore Dollar	577,392	548,784
Total	**9,786,394**	**8,966,546**

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments

The details and the financial effects of the hedging derivatives that the Group has entered into are described in Note 35 to the audited financial statements of the Group for the year ended 31 December 2008. The additional off balance sheet financial instruments and material updates since the last financial year up to 30 September 2009 is as follows:

(a) Interest Rate Swap (IRS)

1. On 9 February 2009, XL entered into an interest rate swap contract with a financial institution to hedge the payment of the semi annual interest of a long term loan in USD where the principal is installed every six months. Based on the contracts commencing on 11 February 2009, XL will pay fixed interest as follows:

Notional Amount	Fixed Interest Rate	Interest Exchange Period
USD 183,385,293	2.575%	15 January 2010
USD 168,103,185	2.575%	15 July 2010
USD 152,821,077	2.575%	15 January 2011
USD 137,538,969	2.575%	15 July 2011
USD 122,256,862	2.575%	15 January 2012
USD 106,974,754	2.575%	15 July 2012
USD 91,692,647	2.575%	15 January 2013
USD 76,410,539	2.575%	15 July 2013
USD 61,128,431	2.575%	15 January 2014
USD 45,846,323	2.575%	15 July 2014
USD 30,564,215	2.575%	15 January 2015
USD 15,282,108	2.575%	15 July 2015

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments (continued)

(a) Interest Rate Swap (IRS) (continued)

2. On 6 April 2009, XL entered into an interest rate swap contract with a financial institution to hedge the payment of the semi-annual interest of a long term loan in USD where the principal is installed every six months. Based on the contracts commencing on 6 April 2009, XL will pay fixed interest as follows:

Notional Amount	Fixed Interest Rate	Interest Exchange Period
USD 114,752,122	2.323%	2 October 2009
USD 105,925,035	2.323%	1 April 2010
USD 97,097,949	2.323%	1 October 2010
USD 88,270,863	2.323%	1 April 2011
USD 79,443,777	2.323%	1 October 2011
USD 70,616,690	2.323%	1 April 2012
USD 61,789,604	2.323%	1 October 2012
USD 52,962,518	2.323%	1 April 2013
USD 44,135,431	2.323%	1 October 2013
USD 35,308,345	2.323%	1 April 2014
USD 26,481,258	2.323%	1 October 2014
USD 17,654,173	2.323%	1 April 2015
USD 8,827,086	2.323%	1 October 2015

(b) Forward Foreign Currency Contracts

Details of the forward foreign currency contracts as at 30 September 2009 are as follows:

1.

Type of contracts	Notional amount (USD 'million)	Strike Rate	Premium	Maturity
Deliverable	25.0	USD1 = IDR9,670	5.26%	14 July 2015
Deliverable	25.0	USD1 = IDR9,725	5.23%	14 July 2015
Total	**50.0**			

The Premium will be paid semi-annually. There will be USD2.5 million Notional exchanges every six month starting from 14 January 2011.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments (continued)

(b) Forward Foreign Currency Contracts (continued)

2.

Type of contracts	Note	Notional amount (USD 'million)	Strike rate (full amount)
Deliverable	(i)	87.5	USD1= IDR9,000
Non Deliverable	(i)	37.5	USD1= IDR9,000
Deliverable	(ii)	15.3	USD1= IDR11,505
Deliverable	(iii)	15.3	USD1= IDR12,129
Total		**155.6**	

Below are details of the forward foreign currency contracts:

(i) Forward Foreign Currency Contracts – Due in 2013

	Bank	Notional amount (USD 'million)	Strike rate	Settlement
a)	JPMorgan Securities (S.E.A.) Limited	25.0	USD1 = IDR9,000	NDF
b)	Standard Chartered Bank	25.0	USD1 = IDR9,000	Deliverable
c)	Standard Chartered Bank	25.0	USD1 = IDR9,000	Deliverable
d)	Standard Chartered Bank	25.0	USD1 = IDR9,000	Deliverable
e)	JP Morgan Chase Bank	12.5	USD1 = IDR9,000	Deliverable
f)	JPMorgan Securities (S.E.A.) Limited	12.5	USD1 = IDR9,000	NDF
	Total	**125.0**		

The Premium on the forward foreign currency contracts will be paid semi-annually. The hedging instruments above are deliverable and non deliverable (NDF) types. The total transaction for deliverable is USD87.5 million (4 items) and USD37.5 million (2 items) for NDF.

On the deliverable contract; XL would swap, at the final exchange date (termination date) in 2013, a total of IDR787.5 billion for USD87.5 million.

On the non deliverable contract; XL would swap, at the final exchange date (termination date) in 2013:

- If settlement rate at expire time is less than IDR9,000, XL would pay the banks USD37.5 million x (IDR9,000 – settlement rate)
- If settlement rate at expire time is more than IDR9,000, the banks would pay XL USD37.5 million x (settlement rate - IDR9,000)

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments (continued)

(b) Forward Foreign Currency Contracts (continued)

(i) Forward Foreign Currency Contracts – Due in 2013

- If settlement rate at expire time is equal to IDR9,000, no exchange payments between the banks and XL.

(ii) Forward Foreign Currency Contracts – Due in 2009

	Bank	Notional amount (USD 'million)	Strike rate	Settlement
a)	The Royal Bank of Scotland	15.3	USD1 = IDR11,505	Deliverable

(iii) Forward Foreign Currency Contracts – Due in 2010

	Bank	Notional amount (USD 'million)	Strike rate	Settlement
a)	Standard Chartered Bank	15.3	USD1 = IDR12,129	Deliverable

3.

Type of contracts	Note	Notional amount (USD 'million)	Strike rate (full amount)
Deliverable	(i)	4.0	USD 1= IDR 11,848
Deliverable	(i)	2.8	USD 1= IDR 11,850
Deliverable	(i)	2.0	USD 1= IDR 11,839
Deliverable	(ii)	2.0	USD 1= IDR 12,417
Deliverable	(ii)	2.8	USD 1= IDR 12,265
Deliverable	(ii)	2.0	USD 1= IDR 12,260
Deliverable	(ii)	2.0	USD 1= IDR 12,150
Total		**17.6**	

Below are the details of the forward foreign currency contracts:

(i) Forward Foreign Currency Contracts – Due in 2009

	Bank	Notional amount (USD 'million)	Strike rate	Settlement
i)	DBS Indonesia	4.0	USD 1=IDR 11,848	Deliverable
ii)	JP Morgan Indonesia	2.8	USD 1=IDR 11,850	Deliverable
iii)	The Royal Bank of Scotland	2.0	USD 1=IDR 11,839	Deliverable
	Total	**8.8**		

The above foreign currency contracts in 3(i) matured on 2 October 2009.

9. Off Balance Sheet Financial Instruments (continued)

(ii) Forward Foreign Currency Contracts – Due in 2010

	Bank	Notional amount (USD 'million)	Strike rate	Settlement
i)	DBS Indonesia	2.0	USD 1=IDR 12,417	Deliverable
ii)	The Royal Bank of Scotland	2.8	USD 1=IDR 12,265	Deliverable
iii)	DBS Indonesia	2.0	USD 1=IDR 12,260	Deliverable
iv)	DBS Indonesia	2.0	USD 1=IDR 12,150	Deliverable
	Total	**8.8**		

There are no premiums for the forward foreign currency contract, that due in 2009 and 2010.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group.

(c) Cross Currency Swap

(i) On 10 September 2009, XL entered into a Cross Currency Interest Rate Swap ("CCIRS") contract with a financial institution. Based on the contract commencing on 14 September 2009, XL would swap, at the final exchange date (termination date) on 30 August 2010, a total of IDR198.6 billion for USD20.0 million. XL will make monthly payment in every 30th of the month in IDR up to termination date, at the amount of USD20.0 million times fixed interest rate of 10.59% per annum with strike rate of IDR9,930 per USD, and will receive payment in USD amounted to USD 20.0 million times floating rate of interest at monthly intervals of one month' LIBOR plus 1.0%.

(ii) On 10 September 2009, XL entered into a CCIRS contract with a financial institution. Based on the contract commencing on 14 September 2009, XL would swap, at the final exchange date (termination date) on 3 September 2010, a total of IDR99.3 billion for USD10.0 million. XL will make monthly payment on every 6th of the month in IDR up to termination date, at the amount of USD10.0 million times fixed interest rate of 10.59% per annum with strike rate of IDR9,930 per USD, and will receive payment in USD amounted to USD10.0 million times floating rate of interest at monthly intervals of one month' LIBOR plus 1.0%.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

9. Off Balance Sheet Financial Instruments (continued)

(c) Cross Currency Swap (continued)

(iii) On 9 September 2009, XL entered into a CCIRS contract with a financial institution. Based on the contract commencing on 15 September 2009, XL would swap, at the final exchange date (termination date) on 17 December 2010, a total of IDR198.8 billion for USD20.0 million. XL will make monthly payment in IDR every 16th of the month up to termination date, at the amount of USD20.0 million times fixed interest rate of 10.98% per annum with strike rate of IDR9,940 per USD, and will receive payment in USD amounted to USD20.0 million times floating rate of interest at monthly intervals of one month' LIBOR plus 1.75%.

(iv) On 9 September 2009, XL entered into a CCIRS contract with a financial institution. Based on the contract commencing on 15 September 2009, XL would swap, at the final exchange date (termination date) on 17 December 2010, a total of IDR99.35 billion for USD 10.0 million. XL will make monthly payment in IDR every 16th of the month up to termination date, at the amount of USD10.0 million times fixed interest rate of 10.98% per annum with strike rate of IDR9,935 per USD, and will receive payment in USD amounted to USD10.0 million times floating rate of interest at monthly intervals of one month' LIBOR plus 1.75%.

(v) On 10 September 2009, XL entered into a CCIRS contract with a financial institution. Based on the contract commencing on 15 September 2009, XL would swap, at the final exchange date (termination date) on 17 December 2010, a total of IDR99.25 billion for USD10.0 million. XL will make monthly payment in IDR every 16th of the month up to termination date, at the amount of USD10.0 million times fixed interest rate of 10.98% per annum with strike rate of IDR9,925 per USD, and will receive payment in USD amounted to USD10.0 million times floating rate of interest at monthly intervals of one month' LIBOR plus 1.75%.

(vi) <u>Underlying Liability</u>

RM2,400.0 million Term Loan Facility

On 4 August 2008, the Company obtained term loan facility of RM2,400.0 million with a financial institution. The loan will be based on a floating rate of interest at quarterly interval of 3 months COF plus 0.23% margin per annum. As at 31 December 2008, RM1,728.7 million have been swapped for USD currency. As at 31 March 2009, the facility has been extended for three years to mature on 6 May 2012. From 6 May 2009, the loan is based on a floating rate of interest at 1, 2, 3, 6 and 12 months' Cost of Fund plus 0.75%. As at 30 September 2009, the amount outstanding is RM2,400.0 million.

9. Off Balance Sheet Financial Instruments (continued)

(c) Cross Currency Swap (continued)

Hedging Instrument

On 19 November 2009, the Company re-entered into a cross-currency swap ("CRS") contract with a financial institution. Based on the contract, the Company would swap, at the final exchange date (termination date) on 21 December 2009, a total of RM1,642.4 million for USD500.0 million. The Company will make monthly payment in USD at the amount of USD500.0 million times floating rate of interest and will receive payment in RM amounting to RM1,642.4 million times floating rate of interest.

On 23 November 2009, the Company re-entered into CRS contract with a financial institution. Based on the contract, the Company would swap, at the final exchange date (termination date) on 23 December 2009, a total of RM86.3 million for USD26.0 million. The Company will make monthly payment in USD at the amount of USD26.0 million times floating rate of interest and will receive payment in RM amounting to RM86.3 million times floating rate of interest.

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation

Save as disclosed below, there are no changes to the status of the material litigation of Axiata Group. The notes set out below shall be read together with the notes under Property, Plant and Equipment and Contingent Liabilities in the 2008 Audited Financial Statements.

(a) Technology Resources Industries Berhad ("TRI") vs Tan Sri Dato' Tajudin Ramli ("TSDTR"), Bistamam Ramli ("BR") and Dato' Lim Kheng Yew ("DLKY")

TRI filed a claim against TSDTR, BR and DLKY ("Defendants"), being former directors of TRI for the recovery of a total sum RM55.8 million which was paid to the Defendants as compensation for loss of office and incentive payment and also the return of two (2) luxury vehicles which were transferred to the first two Defendants.

On 18 September 2006, TRI was served with a copy of the 1st and 2nd Defendants' Defence and Counterclaim. This matter is fixed for hearing on 5 to 7 April and 12 to 14 April 2010. This matter is also fixed for case management on 20 January 2010.

The Directors have been advised that TRI has good prospect of success in respect of the claim.

(b) Rego Multi-Trades Sdn Bhd ("Rego") vs Aras Capital Sdn Bhd ("Aras Capital") and TSDTR

In 2005, Rego, a wholly-owned subsidiary of Celcom commenced proceedings against Aras Capital and TSDTR for amounts due to Rego pursuant to an investment agreement with Aras Capital and an indemnity letter given by TSDTR. The sum claimed in the proceedings is RM261.8 million as at 30 November 2004 together with interests and costs. TSDTR filed its defense and instituted a counterclaim against Rego, TRI and its directors to void and rescind the indemnity letter and also claim damages. Subsequently, Rego, TRI and its directors filed their respective applications to strike-out TSDTR's counterclaim which were later dismissed by the Senior Assistant Registrar ("SAR"). Rego, TRI and its directors then filed their respective appeals to the Judge in Chambers

Rego and TRI withdrew their respective appeals. The directors' appeal which was initially fixed for hearing on 6 July 2009 has been adjourned to 13 January 2010. The trial dates which were fixed for hearing on 5, 6, 8 and 9 October 2009 have been vacated pending the disposal of the directors' appeal.

The Directors, based on legal advice received, are of the view that it has good prospects of succeeding on the claim and successfully defending the counterclaim if the same were to proceed to trial.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(c) Celcom vs DeTeAsia Holding GmbH ("DeTeAsia")

In 2003, DeTeAsia initiated arbitration proceedings against Celcom for monetary damages caused by Celcom's alleged breach of the Amended and Restated Supplemental Agreement between Celcom, DeTeAsia, TRI and TR International Limited dated 4 April 2002 ("ARSA"). On 2 August 2005, the arbitral tribunal found in DeTeAsia's favour and ordered Celcom to pay the full amount of its principal claim of USD177.2 million together with interest at 8% from 16 October 2002 until full settlement and costs ("Award"). On 27 January 2006, Celcom satisfied the Award in full (which amounted to USD232 million (RM871.7 million based on the then prevailing exchange rate)) without prejudice to proceedings that Celcom was contemplating to commence in Malaysia.

On 17 November 2005, Celcom commenced proceedings in Malaysia seeking, amongst others, a declaration that the Award was contrary to the public policy of Malaysia and hence unenforceable in Malaysia. DeTeAsia responded by filing an application to set aside this proceeding. DeTeAsia's application was fixed for hearing on 3 and 13 November 2009. The Court then gave directions for the parties to file written submissions and vacated the hearing dates on 18 and 19 November 2009. The matter is now fixed for decision/clarification on 23 December 2009. Celcom's action will be heard by the Court after DeTeAsia's response has been disposed off.

Celcom's application to strike out the affidavit of Graham Dunning QC was allowed on 23 November 2007. DeTeAsia filed an appeal to the Judge in Chambers. The Court on 7 May 2009 in part allowed DeTeAsia's appeal to the Judge in Chambers against the SAR's decision in allowing Celcom's application to strike out the affidavit of Graham Dunning QC after DeTeAsia redacted those portions of affidavit which Celcom took objection to. This is consistent with the Court's earlier decision in allowing Celcom's objection to some portions of the affidavit which referred to Malaysian law.

Based on legal advice received, are of the opinion that Celcom has an even chance of success in obtaining the declaratory relief that is sought

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(d) MCAT GEN Sdn Bhd ("MCAT") vs Celcom

In November 2005, MCAT commenced 2 proceedings against Celcom, in particular, for (i) libel based on certain alleged press releases made by Celcom which appeared in the New Straits Times, Utusan Malaysia, Harian Metro and Berita Harian ("Local Newspapers") ("1st Suit"); and (ii) breach of contract on an alleged Resellers Agreement between Celcom and MCAT ("2nd Suit"). Subsequently in December 2005, MCAT's directors filed a claim against Celcom for libel based on certain alleged press releases which appeared in the Local Newspapers ("3rd Suit").

(i) 1st Suit

In the 1st Suit, MCAT is seeking, amongst other remedies, damages for libel in the sum of RM1 billion, an injunction restraining Celcom from further publishing any similar allegedly defamatory words, a public apology, interests and costs. Celcom filed a defence on the grounds that there was no concluded contract between the parties and, that its statements were published by third parties and, in any event, not defamatory of MCAT. It also instituted a counterclaim against MCAT for passing off its products and services as those of Celcom's, implying a trade association with Celcom when no such association exists and for misrepresenting itself as a reseller of its products and services, and filed an application to strike out MCAT's claim.

Celcom filed an application to strike out the claims which were dismissed by the High Court. Celcom filed an appeal to the Court of Appeal against the Court's decision to dismiss its application to strike out MCAT's claim. No dates have been fixed yet.

The 1st Suit has been consolidated with the 3rd Suit by the Court.

On 31 July 2009, the Court directed that the full trial of the matter which was previously fixed on 27 & 28 August 2009, 28, 29 & 30 September 2009 and 1 & 2 October 2009 be vacated pending the determination of the 2nd Suit. The Court fixed this matter for case management on 11 December 2009.

10. Material Litigation (continued)

(d) MCAT GEN Sdn Bhd ("MCAT") vs Celcom (continued)

(ii) 2nd Suit

In respect of the 2nd Suit, MCAT is seeking, amongst other remedies, specific performance of the Reseller Agreement, damages in the sum of RM765.1 million and damages in lieu or in addition to specific performance. Celcom's position is that it did not enter into the Reseller Agreement and there is no agreement between the parties. In 2006, MCAT unsuccessfully applied for an injunction to restrain Celcom from entering into a similar agreement with any other party that would be detrimental to MCAT's alleged rights under the Reseller Agreement and from disclosing any confidential information to third parties

The Court granted Celcom's application for security for costs and MCAT has paid an aggregate of RM250,000 into the Court. Celcom's application to strike out parts of MCAT's claim was however dismissed by the Court. The trial commenced in June 2007 and continued in May 2008, February 2009, March 2009, July 2009, August 2009 and November 2009.

The last hearing session was fixed for 4 days i.e. 2 to 5 November 2009. On 2 November 2009, Celcom continued and completed its cross examination on MCAT's witness. On 3 November 2009, after re-examination of its witness, MCAT informed the Court that they were closing their case and will not be calling any other witnesses. The Court fixed continued hearing on 13, 14 & 15 April 2010, 23, 24 & 25 June 2010 and 11, 12 & 13 August 2010 for Celcom to call its witnesses.

(iii)3rd Suit

In respect of the 3rd Suit, MCAT's directors are seeking, amongst other remedies, an aggregate amount of RM1.01 billion in damages, aggravated and exemplary damages, a retraction of the allegedly defamatory statements and an injunction restraining Celcom from further publishing any similar allegedly defamatory words. Celcom filed its defence and striking out application on the same grounds as its defence in the 1st Suit. It also filed a counterclaim against Mohd Razi bin Adam for a breach of his employment contract with Celcom and his fiduciary duties as an employee of Celcom prior to his joining MCAT as its chief executive officer. Celcom also applied for an injunction to restrain him from disclosing confidential information acquired by him as an employee of Celcom.

10. Material Litigation (continued)

(d) MCAT GEN Sdn Bhd ("MCAT") vs Celcom (continued)

Celcom filed an application to strike out the claims which were dismissed by the High Court. Celcom filed an appeal to the Court of Appeal against the Court's decision to dismiss its striking out application. No hearing date has been fixed yet. The proceedings will be heard only after the 1st Suit has been disposed off. The matter is fixed for case management on 11 December 2009.

The Directors, based on legal advice received, are of the view that the crystallisation of liability from the 3 cases above is remote.

(e) Pengurusan Danaharta Nasional Berhad ("Danaharta") and 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI and 22 Others

In June 2006, Celcom and TRI were served with a Defence and Counterclaim by TSDTR in connection with proceedings initiated against him by Danaharta and two others. Celcom, TRI and the other 22 defendants were joined in these proceedings via the counterclaim. Subsequently, in July 2006 TSDTR filed and served an Amended Defence and Amended Counterclaim on Celcom/TRI's solicitors.

TSDTR is seeking from Celcom, TRI and 9 others jointly and/or severally, amongst others, the following relief:

- **(i)** the sum of RM6.246 million (TRI shares at RM24 per share);
- **(ii)** general damages to be assessed;
- **(iii)** aggravated and exemplary damages to be assessed;
- **(iv)** damages for conspiracy to be assessed;
- **(v)** an account of all sums paid under the Facility Agreement and to Danaharta and its subsidiaries by TSDTR and received by Danaharta arising from the sale of the TRI shares and the Naluri Corporation Berhad shares;
- **(vi)** an assessment of all sums due to be repaid by Danaharta to TSDTR as a result of overpayment by TSDTR to Danaharta;
- **(vii)** an Order that Danaharta forthwith pays all sums adjudged to be paid to TSDTR under prayer (vi);
- **(viii)** an Account of all dividends and/or payments received by TM arising out of or in relation to the TRI (now Celcom) Shares;
- **(ix)** an Order that TM forthwith pays all sum adjudged to be paid to TSDTR under prayer (viii); and
- **(x)** damages for breach of contract against Danaharta to be assessed

10. Material Litigation (continued)

(e) Pengurusan Danaharta Nasional Berhad ("Danaharta") and 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI and 22 Others (continued)

In addition, TSDTR is also seeking, *inter alia*, from all the 24 Defendants the following relief:

(i) the sum of RM7.214 million;
(ii) damages for conspiracy to be assessed;
(iii) a declaration that the Vesting Certificates are illegal and ultra vires that the Danaharta Act and/or unconstitutional against the provisions of the Federal Constitution and/or against Public Policy and void;
(iv) a declaration that the Settlement Agreement is illegal and ultra vires the Danaharta Act and/or the Federal Constitution and is void and unenforceable pursuant to Section 24 of the Contracts Act 1950 inter alia as being against Public Policy;
(v) a declaration that all acts and deeds carried out and all agreements executed by Danaharta is illegal and unenforceable;
(vi) an order that all contracts, agreements, transfers, conveyances, dealings, acts or deeds whatsoever carried out and executed by Danaharta hereby declared as null and void and set aside;
(vii) all necessary and fit orders and directions as may be required to give full effect to the aforesaid declarations and orders;
(viii) damages to be assessed;
(ix) aggravated and exemplary damages to be assessed;
(x) interest at the rate of 8% per annum on all sums adjudged to be paid by the respective Defendants to the counterclaim to TSDTR from the date such loss and damage was incurred to the date of full payment; and
(xi) costs.

The Court dismissed Celcom/TRI's application to strike out the Amended Counterclaim. Celcom/TRI appealed to Judge in Chambers and the appeal was vacated pending the disposal of all applications to adduce further evidence filed by TSDTR. The application to adduce further evidence was dismissed with costs on 13 October 2009. On 12 November 2009, the Court allowed Celcom/TRI's appeal to the Judge in Chambers against the Court's decision in dismissing Celcom/TRI's application to strike out the Amended Counterclaim (Enclosure 281).

TSDTR has successfully applied to re-amend the Amended Counterclaim to include 14 additional defendants, 11 of whom are present or former directors/officers of the Telekom Malaysia Berhad ("TM") and Celcom/TRI. Celcom/TRI had on the same day filed an appeal to the Judge in Chambers and on 12 November 2009, the Court allowed Celcom/TRI's appeal to the Judge in Chambers against the Court's decision in allowing TSDTR's application to re-amend the Amended Defence and Amended Counterclaim to include 14 additional defendants (Enclosure 340).

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(e) Pengurusan Danaharta Nasional Berhad ("Danaharta") and 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI and 22 Others (continued)

The Court awarded RM45,000 and RM15,000 as costs to Enclosure 281 and Enclosure 340 respectively.

The present and former officers of Celcom/TRI (36th to 38th defendants in the re-amended counterclaim) filed an application to strike out the counterclaim against them. In light of the Court's decision on Enclosure 340, there is no longer a need for the Court to deal with the present and former officers of Celcom/TRI's application to strike out the counterclaim against them.

The Directors, based on legal advice received, are of the view that the crystallisation of liability from the above is remote.

(f) Mohd Shuaib Ishak ("MSI") vs Celcom and 13 Others

In November 2007, MSI filed a legal suit against Celcom seeking from Celcom and 13 others (including the former and existing directors of TM and Celcom) jointly and/or severally, inter alia, the following:

(i) a Declaration that the Sale and Purchase Agreement dated 28 October 2002 ("SPA") between Celcom and TM (or Telekom Enterprise Sdn Bhd ("TESB")) for the acquisition by Celcom of the shares in TM Cellular Sdn Bhd (*now known as Celcom Mobile Sdn Bhd*) ("Celcom Mobile"), and all matters undertaken thereunder including but not limited to the issuance of shares by Celcom are illegal and void and of no effect;

(ii) a Declaration that all purchases of shares in Celcom made by TESB and/or TM and/or parties acting in concert with them with effect from and including the date of the Notice of the Mandatory Offer dated 3 April 2003 issued by Commerce International Merchant Bankers Berhad *(now known as CIMB)* are illegal and void and of no effect;

(iii) all necessary and fit orders and directions as may be required to give effect to the aforesaid Declarations as the Court deemed fit including but not limited to directions for the rescission of all transfers of shares of Celcom made after the Notice of Mandatory Offer for shares in Celcom dated 3 April 2003;

(iv) that TM by itself, its servants and agents be restrained from giving effect to or executing any of the proposals relating to the proposed demerger of the mobile and fixed-line businesses of the TM Group; and

(v) various damages to be assessed.

10. Material Litigation (continued)

(f) Mohd Shuaib Ishak ("MSI") vs Celcom and 13 Others (continued)

In December 2007, Celcom and its directors filed their respective applications to strike out the suit and the hearing dates for the striking out applications are fixed for hearing on 15 December 2009.

The Directors are of the view that the claims made by MSI are not sustainable and accordingly will take steps to strike out the action

(g) MSI vs Celcom

In February 2008, MSI commenced proceedings seeking leave to bring a derivative action in Celcom's name under Section 181A (1) of the Companies Act 1965 ("Statutory Derivative Action").

The Statutory Derivative Action is against, inter alia, the former and existing directors of Celcom and TM for failing to obtain the consent of DeTeAsia pursuant to the ARSA prior to entering into the SPA with TM for the acquisition by Celcom of the shares in Celcom Mobile.

MSI alleged that the directors are liable for damages calculated by reference to the difference between the Buy Out Offer price of RM7 per Celcom's share under the ARSA and the price of RM2.75 per Celcom's share under the Mandatory General Offer undertaken by TM through TESB in respect of Celcom. In July 2008, the Court allowed the proceedings and Celcom's solicitors had on the same day filed an appeal to the Court of Appeal. On 23 March 2009, Celcom's appeal was heard and on 27 March 2009, the Court of Appeal allowed Celcom's appeal with costs.

Following the Court of Appeal's decision to allow Celcom's appeal, MSI had on 24 April 2009 filed a notice of motion (leave to appeal to Federal Court). The notice of motion was fixed for hearing on 2 November 2009. However, the date was subsequently vacated on application of one of Celcom's solicitors, whose father passed away on that day. The notice of motion is now fixed for hearing on 19 January 2010.

The Directors are of the view that the claims made by MSI are not sustainable and accordingly will take steps to strike out the action.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

10. Material Litigation (continued)

(h) Celcom & Another vs Tan Sri Dato' Tajudin Ramli and 6 Others

On 24 October 2008, Celcom and TRI filed a Writ of Summons and Statement of Claim against the former directors of Celcom/TRI, namely (i) TSDTR, (ii) BR, (iii) DLKY, (iv) AH, (v) OTA. In the Writ, Celcom and TRI named DeTeAsia and Beringin Murni Sdn Bhd ("BM") as co-defendants (collectively with the former directors referred to as "Defendants"). Celcom and TRI are seeking damages for conspiracy against the Defendants.

Celcom and TRI claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and TRI by causing and/or committing them to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("Supplemental Agreement") and the ARSA with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in TRI in favour of TSDTR and BR.

The Writ of Summons has been extracted from the Court and service effected on all the Defendants.

TSDTR and BR had on 24 December 2008 filed an application to strike out the Writ of Summons. On 17 July 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal but no hearing date has been fixed.

One of the German directors (AH) filed an application to strike out these proceedings and the same is fixed for mention on 25 November 2009.

The other German director (OTA), DeTeAsia and DLKY filed their respective Memorandum of Conditional Appearance and will be filing similar application as per AH.

11. Earnings Per Share ("EPS")

(a) Basic EPS

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/09/2009	30/09/2008	**30/09/2009**	30/09/2008
Basic EPS				
Profit attributable to equity holders of the Company (RM '000)	**503,667**	243,896	**1,094,399**	1,013,233
Weighted average number of ordinary shares, as previously reported ('000)	-	3,753,402	-	3,675,176
Basic EPS, as previously reported (sen)	-	6	-	28
Adjusted weighted average number of shares including effects of Rights Issue ('000)	**8,445,154**	5,425,206	**7,402,742**	5,339,057
Basic EPS, including effects of Rights Issue (sen)	**6**	4	**15**	19

Basic EPS of the Group was calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the period.

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	3RD QUARTER ENDED	FINANCIAL PERIOD ENDED
	30/09/2009	**30/09/2009**
Diluted EPS		
Profit attributable to equity holders of the Company (RM '000)	**503,667**	**1,094,399**
Adjusted weighted average number of shares including effects of Rights Issue ('000)	**8,445,154**	**7,402,742**
Adjustment for the Company's ESOS	**13,017**	**23,706**
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,458,171**	**7,426,448**
Diluted EPS (sen)	**6**	**15**

Diluted EPS was not presented for 3rd quarter and financial period ended 30 September 2008 since there were no dilutive potential ordinary shares.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

12. Qualification of Preceding Audited Financial Statements

The 2008 Audited Financial Statements were not subject to any material qualification.

13. Dividends

No interim dividend was recommended for the financial period ended 30 September 2009.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
30 November 2009