AXIATA GROUP BERHAD (242188-H)

(formerly known as TM International Berhad)

(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 31 March 2009.

UNAUDITED INTERIM CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER (UNAUDITED)	PRECEDING YEAR CORRESPONDING QUARTER (RESTATED)	CURRENT YEAR TO DATE (UNAUDITED)	PRECEDING YEAR CORRESPONDING PERIOD (RESTATED)
	RM '000	RM '000	RM '000	RM '000
OPERATING REVENUE	**2,866,827**	2,721,927	**2,866,827**	2,721,927
OPERATING COSTS				
- depreciation, impairment and amortisation	**(584,989)**	(477,028)	**(584,989)**	(477,028)
- foreign exchange gains	**33,463**	2,349	**33,463**	2,349
- other operating costs	**(1,821,968)**	(1,604,269)	**(1,821,968)**	(1,604,269)
OTHER OPERATING INCOME	**171,506**	25,260	**171,506**	25,260
OPERATING PROFIT BEFORE FINANCE COST	**664,839**	668,239	**664,839**	668,239
Finance income	**33,813**	12,084	**33,813**	12,084
Finance cost	**(264,491)**	(97,800)	**(264,491)**	(97,800)
Foreign exchange (losses)/gains	**(249,710)**	40,068	**(249,710)**	40,068
NET FINANCE COST	**(480,388)**	(45,648)	**(480,388)**	(45,648)
JOINTLY CONTROLLED ENTITIES				
- share of results (net of tax)	**(27,942)**	8,242	**(27,942)**	8,242
ASSOCIATES				
- share of results (net of tax)	**34,702**	7,649	**34,702**	7,649
PROFIT BEFORE TAXATION	**191,211**	638,482	**191,211**	638,482
TAXATION	**(141,371)**	(188,287)	**(141,371)**	(188,287)
PROFIT FOR THE FINANCIAL PERIOD	**49,840**	450,195	**49,840**	450,195
ATTRIBUTABLE TO:				
- equity holders of the Company	**63,895**	402,699	**63,895**	402,699
- minority interests	**(14,055)**	47,496	**(14,055)**	47,496
PROFIT FOR THE FINANCIAL PERIOD	**49,840**	450,195	**49,840**	450,195
EARNINGS PER SHARE (sen) (Part B, Note 11)				
- basic	**2**	11	**2**	11

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

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2009

	AS AT 31/3/2009 UNAUDITED	AS AT 31/12/2008 (AUDITED)
	RM '000	RM '000
SHARE CAPITAL	3,753,402	3,753,402
SHARE PREMIUM	1,494,954	1,494,954
OTHER RESERVES	6,109,565	5,968,367
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	11,357,921	11,216,723
MINORITY INTERESTS	481,087	480,790
TOTAL EQUITY	11,839,008	11,697,513
Borrowings	17,601,089	10,546,052
Provision for liabilities	127,836	120,706
Deferred tax liabilities	825,713	777,263
DEFERRED AND LONG TERM LIABILITIES	18,554,638	11,444,021
	30,393,646	**23,141,534**
INTANGIBLE ASSETS	8,333,384	8,326,345
PROPERTY, PLANT AND EQUIPMENT	15,519,625	14,959,670
INVESTMENT PROPERTY	2,033	2,036
PREPAID LEASE PAYMENTS	330,393	328,352
JOINTLY CONTROLLED ENTITIES	1,001,732	1,013,202
ASSOCIATES	1,621,384	1,589,905
INVESTMENTS	5,916,421	5,914,428
LONG TERM RECEIVABLES	339	358
DEFERRED TAX ASSETS	148,141	141,188
TOTAL LONG TERM ASSETS	32,873,452	32,275,484
Inventories	72,368	77,263
Trade and other receivables	1,651,616	1,539,878
Marketable securities	6	6
Tax recoverable	126,923	129,035
Cash and bank balances	3,927,055	3,330,731
CURRENT ASSETS	5,777,968	5,076,913
Trade and other payables	4,582,294	4,538,473
Borrowings	1,408,550	5,413,299
Amounts due to former holding company	2,063,613	4,063,613
Current tax liabilities	203,317	195,478
CURRENT LIABILITIES	8,257,774	14,210,863
NET CURRENT LIABILITIES	(2,479,806)	(9,133,950)
	30,393,646	**23,141,534**
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	303	299

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

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 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 RM '000	Merger Reserve 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	-	-	57,712	-	-	-	14,352	72,064
- jointly controlled entities	-	-	16,468	-	-	-	-	16,468
- associates	-	-	3,123	-	-	-	-	3,123
Net profit not recognised in the Income Statement	-	-	77,303	-	-	-	14,352	91,655
Profit/(Loss) for the financial period	-	-	-	-	-	63,895	(14,055)	49,840
Total recognised income for the financial period	**-**	**-**	**77,303**	**-**	**-**	**63,895**	**297**	**141,495**
At 31 March 2009	**3,753,402**	**1,494,954**	**(581,153)**	**16,598**	**346,774**	**6,327,346**	**481,087**	**11,839,008**

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

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2008 (RESTATED)

	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 RM '000	Merger Reserve 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	-	-	(52,663)	-	-	-	(13,582)	(66,245)
- jointly controlled entities	-	-	(45,429)	-	-	-	-	(45,429)
- associates	-	-	(8,912)	-	-	-	-	(8,912)
Net loss not recognised in the Income Statement	-	-	(107,004)	-	-	-	(13,582)	(120,586)
Profit for the financial period	-	-	-	-	-	402,699	47,496	450,195
Total recognised (expense)/income for the financial period	**-**	**-**	**(107,004)**	**-**	**-**	**402,699**	**33,914**	**329,609**
Dilution of equity interest in a subsidiary	-	-	-	-	-	-	139	139
- value of employee services	-	-	-	438	-	-	-	438
- options granted by a subsidiary	-	-	-	-	-	-	-	-
At 31 March 2008 (as restated)	**3,577,393**	**317,629**	**(419,804)**	**9,551**	**346,774**	**6,168,167**	**709,801**	**10,709,511**

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

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2009

	FOR THE FINANCIAL PERIOD ENDED 31/3/2009 (UNAUDITED) RM '000	ENDED 31/3/2008 (RESTATED) RM '000
Receipts from customers	2,694,483	2,594,094
Payments to suppliers and employees	(1,460,631)	(1,108,199)
Payment of finance cost	(224,875)	(139,937)
Payment of income taxes (net of refunds)	(107,009)	(107,389)
CASH FLOWS FROM OPERATING ACTIVITIES	**901,968**	**1,238,569**
Disposal of property, plant and equipment	1,705	19,432
Purchase of property, plant and equipment	(1,061,485)	(1,609,682)
Additional investment in an associated companies	(15,175)	-
Loans to employees	(47)	42
Interest received	33,813	14,172
CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,041,189)**	**(1,576,036)**
Proceeds from ESOS share issuance	-	132
Proceeds from borrowings	3,215,705	1,960,555
Repayments of borrowings	(468,045)	(1,392,859)
Net repayment to former holding company	(2,000,000)	(5,571)
CASH FLOWS FROM FINANCING ACTIVITIES	**747,660**	**562,257**
NET INCREASE IN CASH AND CASH EQUIVALENTS	608,439	224,790
EFFECT OF EXCHANGE RATE CHANGES	6,615	(11,721)
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	**3,851,811**	**2,102,612**

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

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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 31 March 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 Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and should be read in conjunction with the Group's audited financial statements for the 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 per foreign currency) used in translating significant balances are as follows:

Foreign Currency	**Exchange Rate At 31 Mar 2009**	**Exchange Rate At 31 Dec 2008**	**Exchange Rate At 31 Mar 2008**
US Dollar	3.64550	3.45250	3.19700
Sri Lanka Rupee	0.03148	0.03055	0.02967
Bangladesh Taka	0.05293	0.05001	0.04664
Indonesian Rupiah	0.00032	0.00032	0.00035
Pakistani Rupee	0.04533	0.04363	0.05107
Singapore Dollar	2.39442	2.41012	2.32273
Thai Baht	0.10272	0.09927	0.10195
Iran Riyal	0.00032	0.00035	0.00035
Indian Rupee	0.07209	0.07101	0.07910

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

(a) During the current quarter and financial period to date, the Group recognised net foreign exchange losses of RM216.2 million, mainly arising from the revaluation of USD borrowings.

(b) During the current quarter and financial period to date, PT Excelcomindo Pratama Tbk ("XL") recorded an after tax gain of RM84.6 million arising from a derecognition of its dark fibre optic lines as a result of a finance lease arrangement.

(c) During the current quarter and financial period to date, Dialog Group recorded a provision of RM8.8 million for its voluntary retirement scheme.

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

(d) During the current quarter, Celcom (Malaysia) Berhad ("Celcom") 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 December 2009. The revision to the useful life resulted in a lower depreciation charge of RM 23.4 million in the current quarter.

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 31 March 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) of this announcement, there were no material changes in estimates reported in the prior interim period or prior financial year.

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

On 31 March 2009, the 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.

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 31 March 2009.

6. Dividends Paid

No dividends have been paid during the financial period ended 31 March 2009.

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

7. Segmental Information

Segmental information for the financial period ended 31 March is as follows:

<u>By Geographical Segment</u>

2009

All amounts are in RM '000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Total**
Operating Revenue						
Total operating revenue	1,461,120	855,157	231,559	271,529	51,685	**2,871,050**
Inter-segment *	(2,113)	-	-	-	(2,110)	**(4,223)**
External operating revenue	1,459,007	855,157	231,559	271,529	49,575	**2,866,827**
Results						
Segment results	453,570	35,077	23,022	(28,856)	10,520	**493,333**
Other operating income						**171,506**
Operating profit before finance cost						**664,839**
Finance income						**33,813**
Finance cost						**(264,491)**
Foreign exchange loss						**(249,710)**
Jointly controlled entities - share of results (net of tax)					(27,942)	**(27,942)**
Associates - share of results (net of tax)					34,702	**34,702**
Profit before taxation						**191,211**
Taxation						**(141,371)**
Profit for the financial period						**49,840**

7. Segmental Information (continued)

2008 (Restated)

All amounts are in RM '000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Total**
Operating Revenue						
Total operating revenue	1,334,901	908,237	170,084	270,973	43,837	2,728,032
Inter-segment *	(9,000)	-	-	-	2,895	(6,105)
External operating revenue	1,325,901	908,237	170,084	270,973	46,732	2,721,927
Results						
Segment results	398,208	198,996	24,227	9,142	12,406	642,979
Other operating income						25,260
Operating profit before finance cost						668,239
Finance income						12,084
Finance cost						(97,800)
Foreign exchange gain						40,068
Jointly controlled entities						
- share of results (net of tax)					8,242	8,242
Associates						
- share of results (net of tax)					7,649	7,649
Profit before taxation						638,482
Taxation						(188,287)
Profit for the financial period						450,195

* 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) Rights Issue – Utilisation of proceeds

As at 12 May 2009, the status of the proposed utilisation of proceeds raised under the renounceable rights issue ("Rights Issue") of 4,691,752,475 new ordinary shares of RM1.00 each in the Company ("Rights Shares"), which was completed following the listing of and quotation for the Rights Shares on the Main Board of Bursa Securities on 11 May 2009, are as set out below:

Purpose	Proposed utilisation RM mil	Actual utilisation RM mil	Intended timeframe for utilisation	Deviation RM mil	Deviation %	Explanation/ Status
Repayment of identified borrowings and/or bridging loans taken to repay such borrowings	5,150.0	-	Q2'09	5,150.0	-	The identified borrowings will be repaid by Q2'09
Payment of expenses relating to the Rights Issue	85.0	54.8	Q2'09	30.2	35	Partially used. The remaining portion will be used by Q2'09, any excess of which will be reclassified for working capital purposes
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**	**54.8**		**5,200.0**	**35**	

(b) Repayment of Amount Due To Former Holding Company

On 24 April 2009, the Company had fully repaid the balance of interest bearing debt to its former holding company, TM amounting RM2,025.0 million, in line with the terms of the Demerger Agreement.

Also refer to Part A, 5 of this announcement for the repayment of debt.

9. Material Events Subsequent to the End of the Quarter (continued)

(c) Subsequent to 31 March 2009, additional off balance sheet financial instruments undertaken by XL are as follows:

(a) Interest Rate Swap

i) Underlying Liability
Interest payment of Long - Term Loan in USD

Hedging Instrument

On 2 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	2.3225%	2 October 2009
USD 105,925,035	2.3225%	1 April 2010
USD 97,097,949	2.3225%	1 October 2010
USD 88,270,863	2.3225%	1 April 2011
USD 79,443,777	2.3225%	1 October 2011
USD 70,616,690	2.3225%	1 April 2012
USD 61,789,604	2.3225%	1 October 2012
USD 52,962,518	2.3225%	1 April 2013
USD 44,135,431	2.3225%	1 October 2013
USD 35,308,345	2.3225%	1 April 2014
USD 26,481,258	2.3225%	1 October 2014
USD 17,654,173	2.3225%	1 April 2015
USD 8,827,086	2.3225%	1 October 2015

(b) Forward Foreign Currency Contracts

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**	

9. Material Events Subsequent to the End of the Quarter (continued)

(b) Forward Foreign Currency Contracts (continued)

Below are the details of the forward foreign currency contracts:

i) Forward Foreign Currency Contracts – Due in 2009

	Bank	Notional amount	Strike rate	Settlement
a)	DBS Indonesia	USD 4,000,000	USD 1=IDR 11,848	Deliverable
b)	JP Morgan Indonesia	USD 2,800,000	USD 1=IDR 11,850	Deliverable
c)	The Royal Bank of Scotland	USD 2,000,000	USD 1=IDR 11,839	Deliverable

ii) Forward Foreign Currency Contracts – Due in 2010

	Bank	Notional amount	Strike rate	Settlement
a)	DBS Indonesia	USD 2,000,000	USD 1=IDR 12,417	Deliverable
b)	The Royal Bank of Scotland	USD 2,800,000	USD 1=IDR 12,265	Deliverable
c)	DBS Indonesia	USD 2,000,000	USD 1=IDR 12,260	Deliverable
d)	DBS Indonesia	USD 2,000,000	USD 1=IDR 12,150	Deliverable

There are no premiums for the forward foreign currency contracts that are 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.

As at 12 May 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 current quarter ended 31 March 2009 except for the following:

(a) Tune Talk Sdn Bhd

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, six (6) individuals and Tune Talk Sdn Bhd ("Tune Talk"), in relation to Celcom's investment in Tune Talk.

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

(a) Tune Talk Sdn Bhd (continued)

Pursuant to the Subscription Agreement, Celcom subscribed for 2,625,000 ordinary shares of RM1.00 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.

The investment in Tune Talk did not have any significant impact to the Group for the current quarter.

(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 Sdn Bhd ("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.

The acquisition did not have any significant impact to the Group for the current quarter.

On 24 March 2009, CT Paging subscribed to a further 10,000,0000 new ordinary shares of RM1.00 each in C-Mobile for a total cash consideration of RM10.0 million ("Share Subscription"). Pursuant to the Share Subscription, the issued and paid-up share capital of C-Mobile increased from 5,000,000 ordinary shares of RM1.00 each to 15,000,000 ordinary shares of RM1.00 each.

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

(a) The Company

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 Telekom PLC ("Dialog") a 6 year term loan facility of up to a maximum aggregate principal amount of USD100 million with the option to request from OCBC for an additional loan facility not exceeding the maximum aggregate principal amount of USD50 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.

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

12. Capital Commitments

	Group	
	31/3/2009	31/3/2008
Property, plant and equipment	**RM '000**	RM '000 (Restated)
Commitments in respect of expenditure approved and contracted for	**1,513,311**	1,907,139
Commitments in respect of expenditure approved but not contracted for	**1,240,736**	1,576,296

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 12 May 2009 is as follows:

(a) 151 Outdoor Structures are pending approval from local authorities; and

(b) initial applications for 46 outdoor structures have been declined. The Celcom Group is in the midst of appealing to the relevant local authorities with respect to such applications.

14. Comparatives

The comparative figures in the unaudited interim consolidated financial statements have been adjusted to reflect the predecessor method of merger accounting for Celcom Group and SunShare Investments Ltd following the completion of the internal restructuring exercise on 25 April 2008.

The Consolidated Financial Statements showing the effect of the aforementioned merger accounting are as follows:

(a) Consolidated Income Statements for the financial period ended 31 March 2008

Group	**As previously reported**	**Effect of merger accounting**	**As restated**
	RM'000	**RM'000**	**RM'000**
Operating revenue	1,396,025	1,325,902	2,721,927
Operating costs			
- depreciation, impairment and amortisation	(293,661)	(183,367)	(477,028)
- foreign exchange gains	2,349	-	2,349
- other operating costs	(859,943)	(744,326)	(1,604,269)
Other operating income	12,060	13,200	25,260
Operating profit before finance cost	256,830	411,409	668,239
- Finance income	5,448	6,636	12,084
- Finance cost	(93,499)	(4,301)	(97,800)
- Foreign exchange gains	40,068	-	40,068
Net finance cost	(47,983)	2,335	(45,648)
Jointly controlled entities			
- share of results (net of tax)	(85)	8,327	8,242
Associates			
- share of results (net of tax)	6,912	737	7,649
Profit before taxation	215,674	422,808	638,482
Taxation	(70,432)	(117,855)	(188,287)
Profit for the financial period	145,242	304,953	450,195
Attributable to:			
- equity holders of the Company	98,507	304,192	402,699
- minority interests	46,735	761	47,496
Profit for the financial period	145,242	304,953	450,195

14. Comparatives (continued)

(b) Consolidated Balance Sheet as at 31 March 2008

Group	As previously reported	Effect of merger accounting	As restated
	RM'000	RM'000	RM'000
Share capital	35,693	3,541,700	3,577,393
Share premium	58,329	259,300	317,629
Other reserves	3,674,402	2,430,286	6,104,688
Total capital and reserves attributable to equity holders of the Company	3,768,424	6,231,286	9,999,710
Minority interests	704,290	5,511	709,801
Total equity	4,472,714	6,236,797	10,709,511
Borrowings	3,968,047	-	3,968,047
Amount due to former holding company	3,069,947	955,053	4,025,000
Deferred tax liabilities	451,773	463,407	915,180
Provision for liabilities	6,724	85,421	92,145
Deferred and long term liabilities	7,496,491	1,503,881	9,000,372
	11,969,205	7,740,678	19,709,883
Intangible assets	3,379,408	4,031,256	7,410,664
Property, plant and equipment	9,137,787	3,738,603	12,876,390
Investment properties	-	2,042	2,042
Prepaid lease payments	300,143	24,758	324,901
Jointly controlled entities	832,041	141,203	973,244
Associates	243,715	6,172	249,887
Long term receivables	318	-	318
Deferred tax assets	152,128	(41)	152,087
Total long term assets	14,045,540	7,943,993	21,989,533

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14. Comparatives (continued)

(b) Consolidated Balance Sheet as at 31 March 2008 (continued)

Group	**As previously reported**	**Effect of merger accounting**	**As restated**
	RM'000	**RM'000**	**RM'000**
Inventories	63,217	14,189	77,406
Trade and other receivables	922,482	556,909	1,479,391
Amount due from holding company	15,103	(15,103)	-
Amount due from related companies	8,529	(8,529)	-
Tax recoverable	-	404	404
Cash and bank balances	482,200	1,704,760	2,186,960
Current assets	1,491,531	2,252,630	3,744,161
Trade and other payables	2,190,289	2,190,203	4,380,492
Borrowings	1,336,536	200,000	1,536,536
Amount due to related companies	1,469	(1,469)	-
Current tax liabilities	39,572	67,211	106,783
Current liabilities	3,567,866	2,455,945	6,023,811
Net current liabilities	(2,076,335)	(203,315)	(2,279,650)
	11,969,205	7,740,678	19,709,883

14. Comparatives (continued)

(c) Consolidated Cash Flow Statement for the financial period ended 31 March 2008

Group	As previously reported	Effect of merger accounting	As restated
	RM'000	RM'000	RM'000
Receipts from customers	1,266,394	1,327,700	2,594,094
Payments to suppliers and employees	(428,869)	(679,330)	(1,108,199)
Payment of finance costs	(139,474)	(463)	(139,937)
Payment of income taxes (net of tax refund)	(5,551)	(101,838)	(107,389)
Cash flows from operating activities	692,500	546,069	1,238,569
Disposal of property, plant and equipment	4,689	14,743	19,432
Purchase of property, plant and equipment	(1,455,371)	(154,311)	(1,609,682)
Interest received	3,938	10,234	14,172
Loans to employees	42	-	42
Cash flows used in investing activities	(1,446,702)	(129,334)	(1,576,036)
Proceeds from ESOS share issuance	132	-	132
Proceeds from borrowings	1,960,555	-	1,960,555
Repayments of borrowings	(1,392,859)	-	(1,392,859)
Net repayment to former holding company	(5,571)	-	(5,571)
Cash flows from financing activities	562,257	-	562,257
Net increase in cash and cash equivalents	(191,945)	416,735	224,790
Effect of exchange rate changes	(11,721)	-	(11,721)
Cash and cash equivalents at beginning of financial period	601,518	1,288,025	1,889,543
Cash and cash equivalents at end of financial period	397,852	1,704,760	2,102,612

14. Comparatives (continued)

(d) Cash and Bank Balances as at 31 March 2008

Group	As previously reported	Effect of merger accounting	As restated
	RM'000	RM'000	RM'000
Cash and bank balances	482,200	1,704,760	2,186,960
Less:			
Deposits pledged	(71,213)	-	(71,213)
Bank overdraft	(13,135)	-	(13,135)
	(84,348)	-	(84,348)
Total cash and cash equivalent	397,852	1,704,760	2,102,612

(e) Consolidated Statement of Changes In Equity for the financial period ended 31 March 2008

Group	As previously reported	Effect of merger accounting	As restated
	RM'000	RM'000	RM'000
Share capital	35,693	3,541,700	3,577,393
Share premium	58,329	259,300	317,629
Currency translation differences	(419,804)	-	(419,804)
Capital contribution	1,262	8,289	9,551
Merger reserve	(20,885)	367,659	346,774
Retained profits	4,113,829	2,054,338	6,168,167
Minority interests	704,290	5,511	709,801
	4,472,714	6,236,797	10,709,511

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

Group revenue for the current quarter ("Q1'09") of RM2,866.8 million grew by 5.3% from RM2,721.9 million recorded in the first quarter 2008 ("Q1'08") attributed to the higher contribution from Celcom and TM International (Bangladesh) Limited ("TMIB").

For XL, despite a 6.0% quarter-on-quarter revenue growth in local currency, depreciation of Indonesian Rupiah ("IDR") against Ringgit Malaysia ("RM") from Q1'08 to Q1'09 of approximately 11.2% had resulted to a lower RM translated contribution, as compared to Q1'08.

Dialog and Telekom Malaysia International (Cambodia) Company Limited ("TMIC") recorded a quarter-on-quarter revenue decline of 5.4% and 9.7% respectively, as competition in both markets intensifies, especially on price. Dialog's move to revise tariff downward in Q4'08 in order to improve competitiveness, continued to adversely affect its revenue in Q1'09. While in Cambodia, market is increasingly competitive with 8 mobile operators and all operators are on aggressive marketing campaigns to win subscribers including giving away free SIM cards and free minutes.

The fluctuation of RM against local currencies had unfavourably affected the Group's translated revenue in Q1'09. At constant currency, current quarter revenue would have registered a higher growth of 7.7% quarter on quarter.

The Group's profit after tax of RM49.8 million in Q1'09, was 88.9% lower as compared to RM450.2 million recorded in Q1'08. The profit decline was mainly due to the foreign exchange loss of RM216.2 million in Q1'09, as opposed to RM42.4 million foreign exchange gains reported in Q1'08. The drop was also attributed to the higher finance cost in the current quarter by RM166.7 million predominantly arising from the amount owing to TM and loans for the Idea Cellular Limited ("Idea") acquisition amounting to RM112.4 million. Normalising these factors, Group's profit after tax is RM345 million, which is 18.3% lower quarter on quarter.

The Group's overall performance of current year quarter was also affected by the negative contribution from Dialog and higher share of loss from jointly controlled entity.

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

1. Review of Performance (continued)

(b) Comparison with Preceding Quarter's Results

For the current quarter under review, the Group recorded revenue of RM2,866.8 million, an 18.6% growth over RM2,418.1 million revenue achieved in fourth quarter 2008 ("Q4'08"). Revenue recorded in Q4'08 was lower mainly attributed to the adverse exchange rate impact on RM translated results for the quarter.

Performance of subsidiaries in Q1'09 continues to be affected by external factors such as stiff competition, pressure to reduce tariffs, lower Average Revenue Per User ("ARPU") generating subscribers, plus direct and indirect impact from the global economic downturn. Amidst this situation, TMIB however, managed to record an impressive growth of 11.3%, through its subscribers' acquisition and aggressive campaigns to encourage usage, reactivation and retention.

Despite recording lower revenue in IDR, XL's contribution towards the Group revenue had increased from 16.9% in Q4'08 to 29.8% in Q1'09, resulted from the favorable movement of IDR against RM. Celcom remains as the major revenue contributor for the Group with a contribution of 51.0% in Q1'09, reduced from 60.5% in Q4'08. The fluctuation of RM against local currencies had favorably affected the Group's translated revenue. For the quarter, at constant currency, Group Q1'09 revenue would have registered a marginal decline of 0.3% over revenue recorded in Q4'08.

The Group recorded profit after tax of RM49.8 million in Q1'09, a significant improvement from loss after tax of RM613.5 million posted in Q4'08. Apart from the adverse exchange rate impact on revenue in Q4'08, the better Group performance in Q1'09 was mainly attributed to the lower foreign exchange losses in the current quarter of RM216.2 million as compared to foreign exchange loss of RM472.3 million recorded in Q4'08. The exchange loss which was mainly derived from XL and the Company, resulted from the strengthening of USD against IDR, RM and other local currencies.

The current quarter under review also saw XL recorded higher other operating income resulting from a one-off gain of RM103.3 million arising from derecognition of its dark fibre optic lines as a result of a finance lease arrangement.

Lower loss contribution from Dialog and jointly controlled entity in Q1'09 as compared to Q4'08 had also led to the improvement of the Group's overall results in the current quarter.

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

1. Review of Performance (continued)

(c) Economic Profit Statement

	Individual and Cumulative Quarter	
	Current Year Quarter 31/03/2009 RM '000	Preceding Year Corresponding Quarter 31/03/2008 RM '000
EBIT*	**671,599**	684,130
Less: Adjusted Tax (25%) / 2008: (26%)	167,900	177,874
NOPLAT**	**503,699**	506,256
AIC***	3,139,496	2,455,694
WACC****	6.35%	8.50%
Economic Charge (AIC*WACC)	**199,358**	208,734
Economic Profit (RM Thousand)	**304,341**	297,522

*	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 Charges.

The Company's first quarter 2009 and cumulative quarter to date EP increased by RM6.8 million to profit of RM304.3 million (2.3%) as compared to the Q1'08 and cumulative quarter to date EP of RM297.5 million.

The factors contributing to the higher EP in the current quarter and financial year is mainly due to lower Economic Charge resulting from lower WACC.

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

2. Prospects for the Remaining Quarters Up To 31 December 2009

The macro backdrop for 2009 is one of weakening economies and uncertainty thus the Group will adopt a prudent approach focusing on cost management whilst continue to lay the foundation towards achieving our long term aspiration of becoming a regional champion. The Group will continue to have a strong focus on continued operational efficiencies at the major subsidiaries whilst preserving the momentum of sequential improvements.

On 27 April 2009, the Group announced its Headline Key Performance Indicators ("KPIs") for the financial year ending 31 December 2009. Barring any unforeseen circumstances, the Board of Directors expects the Group's performance for the financial year ending 31 December 2009 would be in line with the announced KPIs.

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 31 March 2009.

4. Taxation

The taxation charge for the Group comprises:

	Individual and Cumulative Quarter	
	Current year quarter 31/03/2009	Preceding year corresponding quarter 31/03/2008
	RM '000	RM '000 Restated
Malaysia		
Income Tax:		
Current year	**(112,268)**	(108,110)
Prior year	**(24)**	-
	(112,292)	(108,110)
Overseas		
Income Tax:		
Current year	**(1,494)**	(24,559)
Prior year	**4**	(72)
	(1,490)	(24,631)
Deferred tax (net):		
Current year	**(27,589)**	(55,546)
Total Taxation	**(141,371)**	(188,287)

4. Taxation (continued)

The current quarter effective tax rate of the Group is higher than the statutory tax rate mainly due to expenses not allowable for tax deduction and the different taxation rates of other countries.

The high effective tax rate for the quarter is primarily due to non-deductibility of certain expenses at company level comprising finance costs and foreign exchange translation losses which has a net tax impact of RM45 million as well as the tax effect of non-deductibility of expenses at subsidiaries totalling RM49 million.

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 Securities Commission of Malaysia ("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 Extraordinary General Meeting ("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.

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.

7. Status of Corporate Proposals (continued)

(b) Proposed Merger between Spice Communications Limited ("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, representing approximately 14.99% of the enlarged issued and paid-up share capital of Idea after the subscription, for a total cash consideration of Rs.72,944.8 million (approximately RM5,536.5 million) or Rs.156.96 (approximately RM11.91) per Idea's Shares. Upon the completion of the Proposed Merger, the Group will have an equity interest of approximately 19% 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%.

As of 12 May 2009, the Proposed Merger has yet to be completed.

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

On 10 February 2009, the Company, inter-alia, announced the Proposed Performance-Based Employee Share Option Scheme 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 the eligible staff. As of 12 May 2009, the acceptance of this Proposed Option Scheme has yet to be concluded.

7. Status of Corporate Proposals (continued)

d) Proposed Change of Name to Axiata Group Berhad from TM International Berhad

On 26 February 2009, the Company announced on the proposed change of the Company's name to "Axiata Group Berhad". The proposal for the change of name was approved by the shareholders of the Company at an EGM held on 24 March 2009. Following the issuance of the Certificate of Incorporation on change of name by Companies Commission of Malaysia pursuant to Section 23 of the Companies Act, 1965 on 31 March 2009, the name of the Company was effectively changed to "Axiata Group Berhad".

e) Proposed Renounceable Rights Issue of 4,691,752,475 New Ordinary Shares of RM1.00 each in the Company ("Axiata Shares")

On 26 February 2009, the Company, inter-alia, announced to undertake a renounceable rights issue ("Proposed Rights Issue") of new Axiata Shares ("Rights Shares") to raise gross proceeds of approximately RM5,250 million.

In connection with the Proposed Rights Issue, Khazanah Nasional Berhad ("Khazanah") had sought an exemption from the obligation to carry out a mandatory take-over offer on the remaining Axiata Shares not held by Khazanah after the Rights Issue ("Proposed Exemption"), to allow Khazanah to support the Proposed Rights Issue. In respect of the Proposed Rights Issue, Khazanah has provided with a written undertaking to subscribe in full or procure the subscription in full of its legal entitlement under the Proposed Rights Issue and further provided an undertaking to support an additional take-up of up to 20% of the Rights Shares to be issued under the Proposed Rights Issue.

The Proposed Rights Issue and the Proposed Exemption were subject to approvals being obtained from the following:

i) The SC for the Rights Issue, Proposed Exemption and the listing of and quotation for up to 5,250 million Rights Shares on the Main Board of Bursa Securities

SC had vide their letter dated 23 March 2009 approved the Proposed Rights Issue subject to the condition that Commerce International Merchant Bankers Berhad ("CIMB") and the Company will fully comply with the relevant requirements under the SC's Guidelines on the Offering of Equity and Equity-Linked Securities pertaining to the implementation of the Proposed Rights Issue.

7. Status of Corporate Proposals (continued)

e) Proposed Renounceable Rights Issue of 4,691,752,475 New Ordinary Shares of RM1.00 each in the Company ("Axiata Shares") (continued)

SC had vide their letter dated 26 March 2009 approved the Proposed Exemption subject to Khazanah disclosing to the SC all dealings in securities of the Company by Khazanah in the 12-month period from the date of granting of the SC's approval for the Proposed Exemption.

ii) The Company's shareholders for the Proposed Rights Issue and Proposed Exemption at an EGM

The shareholders of the Company had at an EGM held on 24 March 2009 approved the Proposed Rights Issue and Proposed Exemption.

iii) Bursa Securities for the listing of and quotation for up to 5,250 million Rights Shares on the Main Board of Bursa Securities

On 24 March 2009, CIMB announced that the issue price of the Rights Shares has been fixed at RM1.12 per Rights Share with an entitlement basis of 5 Rights Shares for every 4 existing Axiata Shares. Accordingly, the Proposed Rights Issue will raise gross proceeds of approximately RM5,254.8 million and involve the issuance of approximately 4,691.8 million Rights Shares. The issue price of RM1.12 per Rights Share represents a discount of 50.9% to the 5-day volume-weighted average market price up to 23 March 2009 of RM2.28 ("5-day VWAMP") and 31.7% to the theoretical ex-rights price of Axiata Shares of RM1.64 (based on the 5-day VWAMP).

Approval-in-principle from Bursa Securities for the listing and quotation for, amongst others, the Rights Shares was obtained on 27 March 2009. On the same date, CIMB announced on behalf of the Company that the entitlement date for the Rights Issue has been fixed on 10 April 2009.

At the close of acceptance, application and payment for the Rights Shares on 29 April 2009 ("Closing Date"), the total valid acceptances and excess applications received for the Proposed Rights Issue was 4,954,377,800 representing a subscription level of 105.6% of the number of Rights Shares available under the Rights Issue.

In line with the Board's intention as stated in the Abridged Prospectus dated 13 April 2009 in relation to the Proposed Rights Issue, 34,383,241 excess Rights Shares were allotted pursuant to the excess application on the following basis:

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

7. Status of Corporate Proposals (continued)

e) Proposed Renounceable Rights Issue of 4,691,752,475 New Ordinary Shares of RM1.00 each in the Company ("Axiata Shares") (continued)

iii) Bursa Securities for the listing of and quotation for up to 5,250 million Rights Shares on the Main Board of Bursa Securities (continued)

- Firstly to minimise the incidence of odd lots; and
- Secondly on a pro-rata basis to Entitled Shareholders and/or their renouncee(s) (if applicable) who have applied for the excess Rights Shares, based on the quantum of their respective excess application, with adjustments which minimise the incidence of odd lots.

The Proposed Rights Issue was completed following the listing of and quotation for 4,691,752,475 Rights Shares on the Main Board of Bursa Securities on 11 May 2009.

Following the completion of the Proposed Rights Issue, the issued and paid-up share capital of the Company now stands at RM8,445,154,455.

Details on utilisation of proceeds are highlighted in Part A, 9 (a) of this announcement.

f) Members' Voluntary Winding-Up of TR Components Sdn Bhd

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

The Winding-Up of TR Components is expected to be completed by September 2009 or about 6 months from the date of appointment of the Liquidators.

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

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

8. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 31 March are as follows:

	2009		2008	
	Short Term Borrowings RM '000	**Long Term Borrowings RM '000**	Short Term Borrowings RM '000 (Restated)	Long Term Borrowings RM '000 (Restated)
Secured	174,217	1,933,709	384,929	718,190
Unsecured	1,234,333	15,667,380	1,151,607	3,249,857
Subtotal	**1,408,550**	**17,601,089**	**1,536,536**	**3,968,047**
Interest Bearing Amount Due to TM - Unsecured	2,025,000	-	-	4,025,000
Total	**3,433,550**	**17,601,089**	**1,536,536**	**7,993,047**

(b) Foreign currency borrowings and debt securities in Ringgit Malaysia equivalent as at 31 March are as follows:

Foreign Currency	**2009 RM '000**	**2008 RM '000**
US Dollar	6,859,802	2,658,451
Indonesian Rupiah	2,989,204	1,876,965
Bangladesh Taka	106,413	383,058
Pakistani Rupee	108,792	122,568
Sri Lanka Rupee	779,675	263,541
Singapore Dollar	556,988	-
Total	**11,400,874**	**5,304,583**

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 31 March 2009 is as follows:

(a) Interest Rate Swap (IRS)

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 198,667,400	2.575%	15 July 2009
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

(b) Forward Foreign Currency Contracts

Details of the forward foreign currency contracts as at 31 March 2009 are as follows:

Type of contracts	Note	Notional amount (USD 'million)	Strike rate (full amount)
Deliverable	i)	87.5	USD 1= IDR 9,000
Non Deliverable	i)	37.5	USD 1= IDR 9,000
Deliverable	ii)	15.3	USD 1= IDR 11,505
Deliverable	iii)	15.3	USD 1= IDR 12,129
Total		**155.6**	

9. Off Balance Sheet Financial Instruments (continued)

(b) Forward Foreign Currency Contracts (continued)

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	25,000,000	USD 1 = IDR 9,000	NDF
b)	Standard Chartered Bank	25,000,000	USD 1 = IDR 9,000	Deliverable
c)	Standard Chartered Bank	25,000,000	USD 1 = IDR 9,000	Deliverable
d)	Standard Chartered Bank	25,000,000	USD 1 = IDR 9,000	Deliverable
e)	JP Morgan Chase Bank	12,500,000	USD 1 = IDR 9,000	Deliverable
f)	JPMorgan Securities (S.E.A.) Limited	12,500,000	USD 1 = IDR 9,000	NDF
	Total	**125,000,000**		

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 USD 87.5 million (4 items) and USD 37.5 million (2 items) for non deliverable ("NDF").

On the deliverable contract; XL would swap, at the final exchange date (termination date) in 2013, a total of IDR 787.5 billion for USD 87.5 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 IDR 9,000, XL would pay the banks USD 37.5 million x (IDR 9,000 – settlement rate)
- If settlement rate at expire time is more than IDR 9,000, the banks would pay XL USD 37.5 million x (settlement rate - IDR 9,000)
- If settlement rate at expire time is equal to IDR 9,000, no exchange payments between the banks and XL.

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)

ii) Forward Foreign Currency Contracts – Due in 2009

	Bank	**Notional amount (USD 'million)**	**Strike rate**	**Settlement**
a)	The Royal Bank of Scotland	15,300,000	USD 1 = IDR 11,505	Deliverable

iii) Forward Foreign Currency Contracts – Due in 2010

	Bank	**Notional amount (USD 'million)**	**Strike rate**	**Settlement**
a)	Standard Chartered Bank	15,300,000	USD 1 = IDR 12,129	Deliverable

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.

9. Off Balance Sheet Financial Instruments (continued)

(c) Cross Currency Swap

i) <u>Underlying Liability</u>

RM 2,400 million Term Loan Facility

On 4 August 2008, the Company obtained term loan facility of RM2,400 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. The loan will mature on 7 August 2009. 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.

<u>Hedging Instrument</u>

On 10 December 2008, the Company 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 12 January 2009, a total of RM1,642.4 million for USD500 million. The Company will make monthly payment in USD at the amount of USD500 million times floating rate of interest and will receive payment in RM amounting to RM1,642.4 million times fixed interest rates.

On 15 December 2008, the Company entered into CRS contract with a financial institution. Based on the contract, the Company would swap, at the final exchange date (termination date) on 15 January 2009, a total of RM86.3 million for USD26 million. The Company will make monthly payment in USD at the amount of USD26 million times floating rate of interest and will receive payment in RM amounting to RM86.3 million times fixed interest rates.

There are no other material changes since the latest audited financial statements of the Group for the financial year ended 31 December 2008 on cross currency swap.

10. Material Litigation

I. There is no change in status of the material litigation case as disclosed under Property, Plant and Equipment in the audited financial statement of the Group for the year ended 31 December 2008.

II. Below are the updates of material litigation pertaining to Celcom as disclosed in the audited financial statements of the Group for the year ended 31 December 2008. Save as disclosed below, there is no change in status of each of the material litigation as disclosed in the audited financial statements of Axiata Group for the year ended 31 December 2008.

(a) Rego Multi-Trades Sdn Bhd ("Rego") vs Aras Capital Sdn Bhd ("Aras Capital") and Tan Sri Dato' Tajudin Ramli ("TSDTR")

In 2005, Rego Multi-Trades Sdn Bhd ("Rego"), a wholly-owned subsidiary of Celcom commenced proceedings against Aras Capital Sdn Bhd ("Aras Capital") and Tan Sri Dato' Tajudin Ramli ("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 RM261.9 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 Registrar. 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 is fixed for hearing on 6 July 2009. The matter is fixed for full trial on 5, 6, 8 and 9 October 2009.

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.

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

In November 2005, MCAT GEN Sdn Bhd ("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") ("First Suit"); and (ii) breach of contract on an alleged Reseller Agreement between Celcom and MCAT ("Second 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 ("Third Suit").

10. Material Litigation (continued)

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

(i) Contractual claim ("Second Suit")

In respect of the Second 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 RM 0.25 million 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 and March 2009. The trial is fixed for continued trial on 29 and 30 July 2009, 3 to 6 August 2009 and 2 to 5 November 2009.

(ii) Directors' Libel Claim ("Third Suit")

In respect of the Third Suit, the 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 First 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.

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 First Suit has been disposed off. The matter is fixed for case management on 1 September 2009.

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

10. Material Litigation (continued)

(c) 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 Pengurusan Danaharta Nasional Berhad ("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 RM6,246.5 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.

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

(i) the sum of RM7,214.9 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 S.24 of the Contracts Act 1950 inter alia as being against Public Policy;

10. Material Litigation (continued)

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

(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; and
(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;
(xi) costs

The Court dismissed Celcom/TRI's application to strike out the Amended Counterclaim. Celcom/TRI appealed to Judge in Chambers and has been vacated pending the disposal of all applications to adduce further evidence filed by TSDTR. The application to adduce further evidence is fixed for hearing before the Judge on 17 June 2009. Once disposed, the Court will fix the hearing date of Celcom/TRI's appeal.

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 TM Group and Celcom/TRI. Celcom/TRI had on the same day filed an appeal to the Judge in Chambers and the matter is fixed for hearing on 18 December 2009.

The present and former officers of Celcom/TRI (36^{th} to 38^{th} defendants in the re-amended counterclaim) have filed an application to strike out the counterclaim against them. It is fixed for mention on 16 June 2009, pending exchange of affidavits.

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

10. Material Litigation (continued)

(d) TRI vs 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 14, 15, 16, 23, 24 & 25 September 2009. This matter is also fixed for case management on 24 June 2009.

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

(e) 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)

(e) 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 mention on 25 May 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.

(f) MSI vs former/existing diretors of Celcom and TM

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 Holding GmbH pursuant to the Amended and Restated Supplemental Agreement ("ARSA") dated 4 April 2002 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 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 is fixed for case management before the Registrar of the Federal Court on 11 May 2009. The Registrar then fixed the notice of motion for hearing on 2 November 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.

11. Earnings Per Share ("EPS")

	Individual and Cumulative Quarter	
Basic earnings per share	**Current year quarter 31/03/2009**	Preceding year corresponding quarter 31/03/2008 (Restated)
Profit attributable to equity holders of the Company (RM '000)	**63,895**	402,699
Weighted average number of ordinary shares (RM '000)	**3,753,402**	3,577,393
Basic earnings per share (sen)	**2**	11

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.

Diluted earnings per share is not presented in the financial statements since there are no dilutive potential ordinary shares.

12. Qualification of Preceding Audited Financial Statements

The audited financial statements for the financial year ended 31 December 2008 were not subject to any material qualification.

13. Dividends

No interim dividend was recommended for the financial period ended 31 March 2009.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
19 May 2009