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 June 2011.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	RM'000	RM'000	RM'000	RM'000
OPERATING REVENUE	**4,048,759**	3,854,069	**7,989,141**	7,666,754
OPERATING COSTS				
- depreciation, impairment and amortisation	**(739,709)**	(785,895)	**(1,465,326)**	(1,464,486)
- foreign exchange gains/(losses)	**39,852**	(28,169)	**20,716**	(74,636)
- other operating costs	**(1,223,160)**	(1,088,303)	**(2,470,649)**	(2,200,623)
- domestic interconnect and international outpayment	**(424,161)**	(377,321)	**(831,729)**	(797,366)
- marketing, advertising and promotion	**(376,448)**	(360,374)	**(696,638)**	(723,158)
- staff costs	**(262,319)**	(215,629)	**(496,487)**	(454,859)
- other (losses)/gains - net	**(15,527)**	15,932	**(58,646)**	(7,587)
OTHER OPERATING INCOME	**28,217**	55,093	**35,672**	374,683
OPERATING PROFIT BEFORE FINANCE COST	**1,075,504**	1,069,403	**2,026,054**	2,318,722
Finance income	**60,813**	41,156	**108,536**	59,656
Finance cost	**(160,615)**	(169,116)	**(308,259)**	(343,726)
Net foreign exchange (losses)/gains on financing activities	**(9,630)**	6,952	**(1,188)**	77,208
NET FINANCE COST	**(170,245)**	(162,164)	**(309,447)**	(266,518)
JOINTLY CONTROLLED ENTITY				
- share of results (net of tax)	**-**	-	**-**	(141,939)
- gain from merger exercise	**-**	-	**-**	173,199
ASSOCIATES				
- share of results (net of tax)	**48,108**	22,582	**103,669**	48,630
- loss on dilution of equity interest	**(3,452)**	-	**(15,874)**	(3,362)
PROFIT BEFORE TAXATION	**1,010,728**	970,977	**1,912,938**	2,188,388
TAXATION	**(245,681)**	(295,465)	**(506,742)**	(556,218)
PROFIT FOR THE FINANCIAL PERIOD	**765,047**	675,512	**1,406,196**	1,632,170
OTHER COMPREHENSIVE INCOME/(EXPENSE)				
- net investment hedge, net of tax	**(37,809)**	-	**(72,993)**	-
- currency translation differences	**70,972**	(287,781)	**31,359**	(455,477)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	**798,210**	**387,731**	**1,364,562**	**1,176,693**
PROFIT FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
- owners of the Company	**663,051**	576,818	**1,211,416**	1,498,293
- non-controlling interests	**101,996**	98,694	**194,780**	133,877
PROFIT FOR THE FINANCIAL PERIOD	**765,047**	**675,512**	**1,406,196**	**1,632,170**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
- owners of the Company	**679,975**	291,785	**1,134,347**	1,059,995
- non-controlling interests	**118,235**	95,946	**230,215**	116,698
	798,210	**387,731**	**1,364,562**	**1,176,693**
EARNINGS PER SHARE (sen) (Note B13)				
- basic	**8**	7	**14**	18
- diluted	**8**	7	**14**	18

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/06/2011 UNAUDITED RM'000	AS AT 31/12/2010 AUDITED RM'000
CAPITAL AND RESERVES		
Share capital	8,459,732	8,445,154
Share premium	1,984,772	1,972,964
Other reserves	8,628,789	8,307,191
Total equity attributable to owners of the Company	19,073,293	18,725,309
Non-controlling interests	1,680,773	1,553,339
Total equity	20,754,066	20,278,648
NON-CURRENT LIABILITIES		
Borrowings	9,487,228	9,983,983
Derivative financial instruments	280,457	191,527
Provision for liabilities	258,967	249,433
Deferred tax liabilities	1,394,024	1,333,863
Total non-current liabilities	11,420,676	11,758,806
	32,174,742	**32,037,454**
NON-CURRENT ASSETS		
Intangible assets	7,624,694	7,605,498
Property, plant and equipment	15,764,777	15,130,246
Investment properties	-	2,020
Associates	6,627,598	6,698,484
Available-for-sale financial assets	896	888
Derivative financial instruments	7,645	14,964
Long term receivables	95,936	111,313
Deferred tax assets	134,416	117,457
Total non-current assets	30,255,962	29,680,870
CURRENT ASSETS		
Inventories	186,543	85,056
Trade and other receivables	1,775,779	1,703,772
Financial assets at fair value through profit or loss	9	10
Tax recoverable	55,478	68,102
Cash and bank balances	6,433,948	6,277,382
Assets directly associated with non-current assets classified as held for sale	315,110	285,774
Total current assets	8,766,867	8,420,096
CURRENT LIABILITIES		
Trade and other payables	4,956,901	4,567,490
Borrowings	1,345,064	699,591
Derivative financial instruments	-	277,678
Current tax liabilities	258,743	274,100
Liabilities directly associated with non-current assets classified as held for sale	287,379	244,653
Total current liabilities	6,848,087	6,063,512
Net current assets	1,918,780	2,356,584
	32,174,742	**32,037,454**
Net assets per share attributable to owners of the Company (sen)	225	222

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

	Attributable to equity holders of the Company										
	Issued and fully paid ordinary shares of RM1 each										
	Share Capital RM '000	Share Premium RM '000 8628789	Currency Translation Differences RM '000	Capital Contribution Reserve RM '000	Merger Reserve RM '000	Hedging Reserve RM '000	ESOS Reserve RM '000	Retained Earnings RM '000	Total RM '000	Non-controlling Interests RM '000	Total Equity RM '000
At 1 January 2011	**8,445,154**	**1,972,964**	**(1,259,424)**	**16,598**	**346,774**	**(70,423)**	**45,904**	**9,227,762**	**18,725,309**	**1,553,339**	**20,278,648**
Profit for the financial period	-	-	-	-	-	-	-	1,211,416	1,211,416	194,780	1,406,196
Other comprehensive income											
- Currency translation differences arising during the financial period:											
- subsidiaries	-	-	75,640	-	-	-	-	-	75,640	35,435	111,075
- associates	-	-	(79,716)	-	-	-	-	-	(79,716)	-	(79,716)
	-	-	(4,076)	-	-	-	-	-	(4,076)	35,435	31,359
- Net investment hedge, net of tax	-	-	-	-	-	(72,993)	-	-	(72,993)	-	(72,993)
Total comprehensive income	**-**	**-**	**(4,076)**	**-**	**-**	**(72,993)**	**-**	**1,211,416**	**1,134,347**	**230,215**	**1,364,562**
Transactions with owners:											
- Issuance of new shares	14,578	11,808	-	-	-	-	-	-	26,386	-	26,386
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	6,433	6,433	9,527	15,960
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(112,308)	(112,308)
- Dividends paid to shareholders	-	-	-	-	-	-	-	(845,651)	(845,651)	-	(845,651)
- Employees' share option scheme											
- value of employees' services	-	-	-	-	-	-	26,469	-	26,469	-	26,469
Total transactions with owners	14,578	11,808	-	-	-	-	26,469	(839,218)	(786,363)	(102,781)	(889,144)
At 30 June 2011	**8,459,732**	**1,984,772**	**(1,263,500)**	**16,598**	**346,774**	**(143,416)**	**72,373**	**9,599,960**	**19,073,293**	**1,680,773**	**20,754,066**

(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 2010)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2010

	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	Hedging Reserves RM '000	ESOS Reserves RM '000	Retained Earnings RM '000	Total RM '000	Non-controlling Interests RM '000	Total Equity RM '000
At 1 January 2010 (as previously reported)	**8,445,154**	**1,972,964**	**(524,717)**	**16,598**	**346,774**	**-**	**11,179**	**7,916,133**	**18,184,085**	**696,363**	**18,880,448**
Efffect of adoption of FRS139	-	-	-	-	-	-	-	(458,750)	(458,750)	(3,664)	(462,414)
At 1 January 2010 (as restated)	8,445,154	1,972,964	(524,717)	16,598	346,774	-	11,179	7,457,383	17,725,335	692,699	18,418,034
Profit for the financial period	-	-	-	-	-	-	-	1,498,293	1,498,293	133,877	1,632,170
Other comprehensive income											
- Currency translation differences arising during the financial period:											
- subsidiaries	-	-	(43,123)	-	-	-	-	-	(43,123)	(17,179)	(60,302)
- jointly controlled entity	-	-	54,539	-	-	-	-	-	54,539	-	54,539
- associates	-	-	(449,714)	-	-	-	-	-	(449,714)	-	(449,714)
	-	-	(438,298)	-	-	-	-	-	(438,298)	(17,179)	(455,477)
Total comprehensive income	**-**	**-**	**(438,298)**	**-**	**-**	**-**	**-**	**1,498,293**	**1,059,995**	**116,698**	**1,176,693**
Transactions with owners:											
- Partial disposal of interest in a subsidiary	-	-	9,061	-	-	-	-	-	9,061	616,207	625,268
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(280)	(280)
- Employees' share option scheme											
- value of employees' services	-	-	-	-	-	-	17,221	-	17,221	-	17,221
Total transactions with owners	-	-	9,061	-	-	-	17,221	-	26,282	615,927	642,209
At 30 June 2010	**8,445,154**	**1,972,964**	**(953,954)**	**16,598**	**346,774**	**-**	**28,400**	**8,955,676**	**18,811,612**	**1,425,324**	**20,236,936**

(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 2010)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED 30/06/2011	ENDED 30/06/2010
	RM '000	RM '000
Receipts from customers	7,763,968	7,664,918
Payments to suppliers and employees	(4,116,955)	(4,008,115)
Payments of finance cost	(314,004)	(343,726)
Payments of income taxes (net of refunds)	(488,922)	(315,306)
CASH FLOWS FROM OPERATING ACTIVITIES	**2,844,087**	**2,997,771**
Disposal of property, plant and equipment	3,653	9,891
Purchase of property, plant and equipment	(1,609,447)	(1,151,416)
Disposal of investment properties	14,176	-
Novation of the put option of an associate	(334,308)	-
Partial disposal of a subsidiary	1,469	1,950,092
Additional investment in an associate	(316)	-
Net repayment from employees	68	136
Interest received	108,416	59,656
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	**(1,816,289)**	**868,359**
Proceeds from Bonds and Sukuk Issuance	-	955,650
Proceeds from issuance of Performace-based ESOS shares	26,386	-
Proceeds from borrowings	705,311	566,251
Repayments of borrowings	(707,835)	(2,673,865)
Dividends paid to non-controlling interests	(112,308)	(280)
Dividends received from associates	75,040	45,434
Dividends paid to shareholders	(845,651)	-
CASH FLOWS USED IN FINANCING ACTIVITIES	**(859,057)**	**(1,106,810)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	168,741	2,759,320
EFFECT OF EXCHANGE RATE CHANGES	(10,587)	(21,768)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**6,258,146**	**1,980,229**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**6,416,300**	**4,717,781**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The unaudited financial statements for the financial period ended 30 June 2011 of the Group have been prepared in accordance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting, Amendments to FRS 134, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010 ("2010 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2010 Audited Financial Statements except for the adoption of revised standards, amendments/improvements to existing standards and Interpretation Committee ("IC") Interpretations that are applicable to the Group for the financial period beginning 1 January 2011 as set out below.

(a) *Revised standards and amendments to existing standards*

Revised FRS 1	First-time Adoption of FRSs
Revised FRS 3	Business Combinations
Revised FRS 127	Consolidated and Separate Financial Statements
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to FRS 2 "Share-based Payment" and FRS 138 "Intangible Assets" being consequential amendments arising from FRS 3 (as revised in 2010)

Amendment to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" being consequential amendments arising from FRS 1 (revised 2010), FRS 127 (amended 2010) and IC Interpretation 17 issued in January 2010

Amendment to FRS 1 on Limited Exemption from Comparatives FRS 7 "Financial Instruments: Disclosures" for First-time Adopters

Amendment to FRS 2 on Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7 on Improving Disclosures about Financial Instruments

Amendments to FRS 132 "Financial Instruments: Presentation" on Classification of Rights Issues

IC Interpretation 9 "Reassessment of Embedded Derivatives"

2. Accounting Policies (continued)

(b) Improvements to FRSs (2010) which formed part of the MASB's improvement projects

Revised FRS 1	First-time Adoption of FRSs
Revised FRS 3	Business Combinations
FRS 101	Presentations of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 13	Customer Loyalty Programmes

The adoption of the revised standards, amendments/improvements to existing standards and IC Interpretations did not have any significant impact to the Group during the current quarter and financial period to date.

(c) IC Interpretations that are not applicable and not relevant to the Group as set out below:

IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

3. Seasonal or Cyclical Factors

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

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

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

On 14 February 2011, Axiata via Axiata Investments 1 (India) Limited ("AIL 1"), a wholly owned subsidiary of the Company, has novated all the rights and obligations under the Green Acre Agro Services Private Limited Put Option to Merrill Lynch International, a company incorporated under the laws of England and Wales, for approximately USD108.1 million.

5. Estimates

The preparation of unaudited interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current financial period.

In preparing the unaudited interim consolidated financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied to 2010 Audited Financial Statements.

6. Issues, Repurchases and Repayments of Debt and Equity Securities

a) During the current quarter, the Company issued additional 14,578,000 new ordinary shares of RM1 each at an exercise price of RM1.81 pursuant to the exercise of the Company's Performance-based Employee Share Option Scheme ("Performance-based ESOS") effective April 2010.

The detail movement of the issued and paid up capital and share premium reserve of the Company are as follow:

	Issued and fully paid up ordinary shares of RM1 each	Share capital	Share premium	Total
	'000	RM'000	RM'000	RM'000
At 1 January 2011	8,445,154	8,445,154	1,972,964	10,418,118
Issuance of shares for exercised ESOS	14,578	14,578	11,808	26,386
At 30 June 2011	8,459,732	8,459,732	1,984,772	10,444,504

6. Issues, Repurchases and Repayments of Debt and Equity Securities (continued)

b) During the financial period to date, PT XL Axiata Tbk ("XL") paid loan facilities as follows:

Date of Payment	Amount IDR'billion	Financial Institutions
27 January 2011	400.0	PT Bank Mandiri (Persero) Tbk
18 March 2011	250.0	The Bank of Tokyo – Mitsubishi UFJ Limited
24 March 2011	250.0	PT ANZ Panin Bank

(c) During the financial period to date, the Company has issued further grant of options over the shares of the Company under the Performance-based ESOS. Details of options granted by the Company under the Performance-based ESOS during the financial period to date are as follows:

Employees of	Grant Date	Number of Options Granted '000	Exercise Price RM
The Company			
Grant 3, 2011 • Initial allocation for grant in 2011	23 February 2011	8,439	5.07
Subsidiary			
Grant 3, 2011 • Initial allocation for grant in 2011	23 February 2011	55,804	5.07
Total		64,243	

Aside from the above, there were no other significant issues, repurchases and repayments of debt and equity securities during the financial period ended 30 June 2011.

7. Segmental Information

Segmental information for the financial period ended 30 June was as follows:

2011

All amounts are in RM'000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustment	Total
Operating Revenue	3,477,059	3,136,076	618,141	606,276	173,020	-	8,010,572
Inter-segment *	(689)	-	-	-	-	(20,742)	(21,431)
External operating revenue	3,476,370	3,136,076	618,141	606,276	173,020	(20,742)	7,989,141
Results:							
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,540,714	1,691,051	184,016	202,001	(124,144)	-	3,493,638
Interest income	34,271	17,932	2,645	4,577	73,234	(24,123)	108,536
Interest expense	(109,090)	(146,748)	(9,994)	(6,165)	(60,371)	24,109	(308,259)
Depreciation of:							
-Property, plant & equipment ("PPE")	(365,633)	(839,394)	(102,774)	(132,592)	(29,000)	33,104	(1,436,289)
-Investment properties	(1)	-	-	-	-	-	(1)
Amortisation of intangible assets	(2,022)	(12,551)	(1,870)	(2,583)	-	-	(19,026)
Associates:							
-Share of results (net of tax)	4,043	-	-	64	99,562	-	103,669
-Loss on dilution of equity interests	-	-	-	-	-	(15,874)	(15,874)
Impairment of PPE, net of reversal	1,418	(9,832)	-	(1,356)	-	-	(9,770)
Other non cash income/(expenses)	32,626	14,546	(40,520)	6,567	(16,919)	14	(3,686)
Taxation	(270,667)	(187,839)	(31,359)	(3,196)	(3,750)	(9,931)	(506,742)
Segment profit/(loss) for the financial period	865,659	527,165	144	67,317	(61,388)	7,299	1,406,196

7. Segmental Information (continued)

2010 (Restated)

All amounts are in RM '000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation Adjustment	Total
Operating Revenue	3,377,199	3,012,385	583,885	583,354	137,359	-	7,694,182
Inter-segment *	(2,922)	-	-	-	-	(24,506)	(27,428)
External operating revenue	3,374,277	3,012,385	583,885	583,354	137,359	(24,506)	7,666,754
Results:							
EBITDA	1,526,688	1,626,856	177,209	201,835	(41,840)	-	3,490,748
Interest income	14,472	11,538	4,735	1,052	33,450	(5,591)	59,656
Interest expense	(621)	(209,529)	(9,354)	(19,222)	(112,289)	7,289	(343,726)
Depreciation of:							
-PPE	(365,411)	(723,853)	(104,346)	(141,262)	(29,178)	33,104	(1,330,946)
-Investment properties	(3)	-	-	-	-	-	(3)
Amortisation of intangible assets	(2,022)	(7,124)	-	(2,240)	-	-	(11,386)
Jointly controlled entity:							
-Share of results (net of tax)	-	-	-	-	(141,939)	-	(141,939)
-Gain from merger exercise	-	-	-	-	-	173,199	173,199
Associates:							
-Share of results (net of tax)	2,703	-	-	-	45,927	-	48,630
-Loss on dilution of equity interest	-	-	-	-	-	(3,362)	(3,362)
Impairment of:							
-PPE, net of reversal	(5,406)	(9,283)	(490)	8,127	-	-	(7,052)
-Long term receivable	-	-	-	-	(66,083)	-	(66,083)
-Goodwill	-	-	-	-	-	(49,015)	(49,015)
Other non cash income/(expenses)	43,823	(37,287)	(1,973)	10,334	354,770	-	369,667
Taxation	(309,989)	(176,263)	(44,785)	(6,858)	(8,392)	(9,931)	(556,218)
Segment profit for the financial period	904,234	475,055	20,996	51,766	34,426	145,693	1,632,170

* 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. Dividend paid

On 22 June 2011, the Company paid a final tax exempt dividend under single tier system of 10 sen per ordinary share in respect of the financial year ended 31 December 2010 amounting to RM845.7 million.

9. Valuation of PPE

The Group does not adopt a revaluation policy on its PPE.

10. Acquisitions of PPE

During the financial period to date, the Group acquired additional PPE amounting to RM1,978.2 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

On 5 August 2011, Axiata Investments 2 (India) Limited, a wholly owned subsidiary of AIL 1 and the Company, acquired an additional 29,776,341 ordinary shares of Idea Cellular Limited ("Idea"), representing 0.90% of the issued and paid up share capital of Idea. As a result, the Group's effective equity interest in Idea increased from 19.08% to 19.98%.

As at 16 August 2011, save for the above and status update on corporate proposals mentioned in Part B, 7 of this announcement, there were no other significant events after interim period that requires disclosure or adjustment.

12. Effects of Changes in the Composition of the Group

There were no other changes in the composition of the Group for the financial period ended 30 June 2011 except for the following:

(a) Members' voluntary winding up of wholly-owned subsidiaries

On 26 October 2010, the Company announced on inter-alia, the commencement of members' voluntary winding-up of its wholly-owned subsidiaries held via Celcom namely, Alpine Resources Sdn Bhd ("Alpine Resources") and Technology Resources (Nominees) Sdn Bhd ("TR Nominees") pursuant to Section 254(1)(b) of the Companies Act, 1965 and the final Meetings for the members' voluntary winding-up of Alpine Resources and TR Nominees were duly held on 24 March 2011.

Pursuant to Section 272(5) of the Companies Act, 1965, Alpine Resources and TR Nominees had been dissolved with effect from 23 June 2011.

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

(b) Entry into shareholders' agreement by Dialog, a 84.79% subsidiary of the Group, and its wholly-owned subsidiary company Dialog Business Services (Private) Ltd ("DBS") with Firstsource Solutions Limited ("FSL")

On 21 January 2011, a wholly owned subsidiary of Dialog Axiata PLC ("Dialog") was incorporated under the name of DBS for the purpose of carrying out IT enabled services and DBS commenced operation since 1 April 2011.

On 3 May 2011, DBS entered into a Shareholders Agreement with FSL for the establishment of a Joint Venture for the provision of Information Technology and Enabled and Business Process Outsourcing Services in Sri Lankan and also to international market with the shareholding of 26.00% by DBS and 76.00% by FSL respectively. As a result, DBS was renamed as Firstsource Dialog Solution (Private) Limited and became an associate of Dialog effective on that date.

The divestment of DBS has no significant impact to the Group during the current quarter and financial period to date.

(c) Dilution on equity interest in M1 Limited ("M1")

During the current quarter and financial period to date, the Group's equity interest in M1, held through Axiata Investments Singapore Limited, a wholly owned subsidiary of the Company, decreased from 29.35% to 29.28% and 29.49% to 29.28% respectively following the issuance of new ordinary shares under M1's Employees' Share Option Scheme ("ESOS").

The dilution has no significant impact to the Group during the current quarter and financial period to date.

(d) Dilution on equity interest in XL

During the current quarter and financial period to date, the Group's equity interest in XL, decreased from 66.69% to 66.61% following the issuance of new ordinary shares under XL's Shares Based Compensation Scheme.

The dilution has no significant impact to the Group during the current quarter and financial period to date.

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

(e) Dilution on equity interest in Idea Cellular Limited ("Idea")

During the financial period to date, the Group's equity interest in Idea, held through AIL 1 and Axiata Investments 2 (India) Limited respectively, the wholly owned subsidiaries of the Group, decreased from 19.10% to 19.08% following the issuance of new ordinary shares under Idea's ESOS.

The dilution has no significant impact to the Group during the financial period to date.

13. Significant Changes in Contingent Assets or Contingent Liabilities

There has been no significant change in contingent assets or contingent liabilities from that disclosed in the 2010 Audited Financial Statements.

The Board has considered all contingent liabilities as at 30 June 2011. Based on legal advice, no provision is required for the current quarter and financial period to date.

14. Capital Commitments

PPE	Group	
	As at 30/06/2011	As at 30/06/2010
	RM'000	RM'000
• Commitments in respect of expenditure approved and contracted for	**1,489,377**	1,241,513
• Commitments in respect of expenditure approved but not contracted for	**1,856,091**	756,304

15. Update on Memorandum of Understanding ("MOU") pursuant to Paragraph 9.29, Chapter 9 of the Main LR

(a) Between the Company and Huawei Technologies Co. Ltd.

There has been no material update in relation to the MOU and no subsequent agreement has been entered arising from the MOU.

(b) Between Celcom and TM

Celcom and Telekom Malaysia Berhad ("TM") (collectively the "Parties") had on 31 May 2011 agreed to further extend the period in which the Parties will enter into Definitive Agreement(s) in the collaboration areas contemplated under the MOU from 31 May 2011 to 30 September 2011 or such other dates as agreed by the Parties.

15. Update on Memorandum of Understanding ("MOU") pursuant to Paragraph 9.29, Chapter 9 of the Main LR (continued)

(b) Between Celcom and TM (continued)

With regard collaboration areas envisaged under the MOU, Celcom Mobile Sdn Bhd, a wholly-owned subsidiary of the Company via Celcom, had on 3 June 2011 entered into a HSBB Service Agreement with TM for the supply, delivery, installation and commissioning of access services related to high speed broadband services ("HSBB Services") for Celcom Mobile's utilisation ("HSBB Agreement").

The HSBB Agreement is a frame agreement which sets out the general terms and conditions that govern the provision of HSBB Services which consists of HSBB (Access) Services, HSBB (Transmission) Services and/or HSBB (Connection) Services. The HSBB (Access) Services which is one of the collaboration areas contemplated under the MOU provides Celcom access to the last-mile and end user premises covered by the national HSBB Project; thus, enabling Celcom Mobile to increase its appeal of its HSBB services portfolio.

16. Additional Disclosure Requirements

Pursuant to the letter of approval from the Securities Commission ("SC") dated 30 January 2008 in relation to, amongst others, the TM Group's Demerger, the Company is required to obtain the relevant approvals for the transmission towers and rooftop sites ("Outdoor Structures") of Celcom within 2 years from the date of the SC's approval letter. In addition, the Company is also required to disclose in its quarterly announcement, the status of application of such Outdoor Structures to Bursa Securities until all approvals are obtained.

On 22 February 2010, CIMB Investment Bank Berhad had, on behalf of the Company, inter-alia, announced that the SC had, through its letter dated 12 February 2010, granted an extension of time of 2 years (i.e. up to 29 January 2012) for the Company to obtain the necessary approvals for the said Outdoor Structures.

The status of 104 Outdoor Structures (which are subject to the SC's condition above) as at 16 August 2011 is as follows:

(a) 9 Outdoor Structures have obtained local authorities approval;

(b) 48 Outdoor Structures are pending approval from local authorities; and

(c) Initial applications for 47 Outdoor Structures have been declined. Celcom 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

The Group revenue grew by 5.1% in the current quarter ("Q2'11") to RM4,048.8 million from RM3,854.1 million recorded in the second quarter 2010 ("Q2'10"), attributed to the higher revenue contribution from key Operating Companies ("OpCo"). Robi Axiata Limited ("Robi") revenue grew 21.9% mainly from higher prepaid and interconnect revenue which increased by 20.0% and 44.0% respectively. Dialog Axiata Group ("Dialog") revenue grew 8.8% mainly from higher interconnect and tower infrastructure revenue, which increased more than 100.0% and 47.4% respectively. Revenue of XL grew 7.0% in tandem with the increase in subscriber base of 13.6% compared to Q2'10, whilst Celcom revenue grew 3.4% driven by 27.3% increase in broadband subscribers and 10.0% increase in revenue generating base customers.

The strengthening of Ringgit (RM) against local currencies of OpCo had unfavourably affected the overall Group's translated revenue. At constant currency using Q2'10 exchange rate, the Group revenue would have registered a higher growth of 7.1%, quarter-on-quarter.

Operating costs of the Group increased by 12.0% to RM2,286.1 million in Q2'11 from RM2,041.6 million in Q2'10, mainly driven by Celcom, XL and Robi. Celcom recorded higher network related costs whilst XL recorded higher interconnect and VAS costs. Robi recorded higher marketing cost arising from higher spending on advertisement and promotions.

The Group depreciation, impairment and amortisation decreased by 5.9% to RM739.7 million in Q2'11 from RM785.9 million in Q2'10, mainly due to FRS impairment charge in Q2'10 arising from impairment assessment performed in previous year.

Net finance costs of the Group was lower in current quarter at RM99.8 million as compared to RM128.0 million in Q2'10 as a result of reduction of overall debt position at Group level.

For the current quarter, the Group recorded net foreign exchange gains of RM30.2 million as compared to foreign exchange losses of RM21.2 million in Q2'10, mainly arising from revaluation of USD borrowings and payables.

Profit contribution from associates in Q2'11 increased to RM48.1 million compared to profit of RM22.6 million in Q2'10 mainly from positive contribution from Idea compared to loss contribution in Q2'10.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

The Group profit after tax ("PAT") was RM765.0 million, increased by 13.3% from RM675.5 million reported in Q2'10. This was mainly driven by higher PAT contribution from XL, positive contribution from Idea and Multinet in Q2'11, lower depreciation, amortisation and FRS impairment charge as compared to Q2'10.

(b) Year on Year

For the first half of the financial year ("1H'11"), Group revenue improved by 4.2%, from RM7,666.8 million recorded in first half of 2010 ("1H'10") to RM7,989.1 million. The improved revenue performance was primarily attributed to higher contribution from Robi, Dialog, XL and Celcom. Robi revenue grew by 20.4% mainly due to increase in prepaid usage and 33.7% increase in prepaid revenue generating subscriber base. Dialog revenue grew 9.4% mainly from increase in interconnect and data revenue, both increased by more than 100%. XL's revenue growth was mainly resulted from increase in subscriber base and outgoing SMS by 13.6% and 54.6% respectively. Celcom revenue grew by 2.7% driven by postpaid and broadband revenue growth of 12.1% and 28.7% respectively.

Revenue of market leader in Sri Lanka, Dialog, grew by 10.0% contributed from higher prepaid, postpaid and interconnect revenue which increased by 2.7%, 8.4% and more than 100% respectively

The Group operating costs increased by 7.7% to RM4,495.5 million from RM4,176.0 million in 1H'10, mainly driven by Celcom, XL and Robi arising mainly from higher network related costs.

Other operating income of the Group decreased by 90.5% to RM35.7 million in 1H'11 from RM374.7 million in 1H'10, due to the one-off gain on disposal of shares in XL of RM337.9 million recorded in 1H'10.

The Group recorded lower net finance costs of RM199.7 million in 1H'11 as compared to RM284.1 million in 1H'10 as a result of reduction of overall debt position at Group level.

Average exchange rates in 1H'11 of countries and Group has remained relatively stable against USD and RM. The Group recorded net foreign exchange gains of RM19.5 million in 1H'11 as compared to gains of RM2.6 million in 1H'10.

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

1. Review of Performance (continued)

(b) Year on Year (continued)

Profit contribution from associates in 1H'11 increased to RM103.7 million compared to RM48.6 million in 1H'10 mainly from positive contribution from Idea compared to loss in 1H'10.

The Group profit after tax decreased to RM1,406.2 million in 1H'11 from RM1,632.2 million recorded in same period last year. This was mainly due to one-off gain on disposal of shares in XL in 1H'10, negated by improved PAT contribution from XL and Dialog and positive contribution from Idea. Excluding one-off gains in 1H'10, Group PAT would increase by 11.4%.

(c) Comparison with Preceding Quarter's Results

The Group revenue improved marginally by 2.8%, from RM3,940.4 million recorded in the first quarter 2011 ("Q1'11") to RM4,048.8 million in Q2'11. The growth was primarily attributed to higher revenue contribution from Robi, Celcom and XL. Robi revenue grew 8.0% from higher voice and data revenue, which increased by 7.2% and 21.1% respectively. Celcom revenue grew 1.8% driven by 1.7% and 6.2% growth in data and IDD respectively. Growth in XL revenue of 1.7% was driven by growth in blended RPM of 2.8%.

The Group operating costs increased by 3.5% to RM2,286.1 million in Q2'11 from RM2,209.4 million in Q1'11, mainly from Celcom, XL and Robi. Celcom major operating costs increased mainly due to higher interconnect cost from higher outgoing traffic and material costs from sales of iPhone and devices. XL major operating costs increased as a result of higher marketing cost whilst Robi major operating costs increased due to higher network cost and marketing cost from higher spending on advertisement and promotions.

Other operating income of the Group increased by more than 100% to RM28.2 million in Q2'11 from RM7.5 million in Q1'11 as a result of one-off gains from disposal of investment property.

The Group recorded foreign exchange gains of RM30.2 million in Q2'11 as compared to losses of RM10.7 million in Q1'11, mainly arising from revaluation of USD borrowings and payables.

The Group PAT increased by 19.3% to RM765.0 million in Q2'11 from RM641.2 million recorded in Q1'11. The higher PAT was mainly resulted from improved contributions from Celcom, XL and Dialog.

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 ("EP") Statement

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	**30/6/2010**	**30/6/2011**	**30/6/2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		**Restated**
EBIT*	**1,090,378**	1,138,192	**2,084,047**	2,103,482
Less: Adjusted Tax (25%)	**(272,595)**	(284,548)	**(521,012)**	(525,871)
NOPLAT	**817,783**	853,644	**1,563,035**	1,577,611
AIC	**13,108,718**	13,578,923	**13,108,718**	13,578,923
WACC	**8.61%**	9.34%	**8.61%**	9.34%
Economic Charge (AIC*WACC)	**282,165**	317,068	**564,330**	634,136
Economic Profit	**535,618**	536,576	**998,705**	943,475

The EP Statement is as prescribed under the Government Linked Companies Transformation Program and it is disclosed on a voluntary basis.

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 Group reported a lower WACC during the current quarter and financial period to date due to lower cost of equity resulted from lower market risk premium.

The factors contributing to the lower EP during the current quarter is mainly arising from higher expenses incurred by the Group as disclosed in Part B, 1 (a) of this announcement. The factor contributing to higher EP during the financial period to date is mainly due to lower AIC resulted from lower operating capital and lower WACC.

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 ("EP") Statement (continued)

Note:

EBIT = Earnings before Interest & Taxes, excluding derivative financial instruments gains/(losses), certain non operational and one-off items as well as foreign exchange differences on financing activities.

NOPLAT= Net Operating Profit/(Loss) after Tax

AIC = Average Invested Capital, consists of average operating capital, average net PPE and average net other operating assets.

WACC = Weighted Average Cost of Capital is calculated as weighted average cost of debts and equity taking into account the proportion of debt position and market capitalisation as at end of the period.

2. Headline Key Performance Indicators ("KPIs") for the financial year ending 31 December 2011

On 23 February 2011, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2011. The Group's 2011 Headline KPIs announced is as below:

Headline KPIs	**2011 Headline KPIs**
Revenue Growth (%)	10.0
EBITDA Growth (%)	10.3
Return on Invested Capital ("ROIC") without Associates (%)	16.5
ROIC with Associates (%)	12.6

The Group expects to face increasing challenges for the financial year ending 31 December 2011. This is mainly due to the unfavourable translation exchange impact arising from the strengthening of Ringgit Malaysia against regional currencies of its operating countries and slower than expected forecast market growth in the Group's major operating countries, Malaysia and Indonesia. Added to this, the Group will continue with its investment strategy in the business and network infrastructure of the operating companies to support the future growth in mobile data services.

Amidst these challenges, the Group will remain focused on its long term business strategy and adopts careful and prudent measures particularly in respect of operating and capital expenditure, in order to optimise its financial performance. Although the Board of Directors is expecting that Revenue and EBITDA growth to be challenging, barring any unforeseen circumstances, the Group's ROIC for the financial year ending 31 December 2011, is expected to be generally in line with the announced KPI.

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 June 2011.

4. Taxation

The taxation charge for the Group comprises:

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	30/6/2010	30/6/2011	30/6/2010
	RM'000	RM'000	RM'000	RM'000
Income Tax:				
Malaysia				
Current year	**(171,624)**	(176,809)	**(282,917)**	(296,479)
Prior year	**15,000**	488	**15,000**	-
	(156,624)	(176,321)	**(267,917)**	(296,479)
Overseas				
Current year	**(117,008)**	(79,207)	**(205,800)**	(144,816)
Prior year	**(14)**	13	**2,660**	17
	(117,022)	(79,194)	**(203,140)**	(144,799)
Deferred Tax (net):				
Originating and reversal of temporary differences	**27,965**	(39,950)	**(35,685)**	(114,940)
Total Taxation	**(245,681)**	(295,465)	**(506,742)**	(556,218)

The current quarter effective tax rate for the Group is lower than the statutory tax rate primarily due to temporary differences not recognised and lower expenses not allowable for tax deduction.

The financial period to date effective tax rate for the Group is higher than the statutory tax rate primarily due to higher expenses not allowable for tax deduction.

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 current quarter and financial period to date.

6. Purchase and Disposal of Quoted Securities

There was no purchase and disposal of quoted securities during the current quarter and financial period to date.

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

7. Status of Corporate Proposals

(a) Disposal of 89.00% equity interest in Multinet

On 19 July 2010, the Company announced the disposal of its entire shareholding in Multinet through its wholly-owned subsidiary, Axiata Investments (Labuan) Limited representing 89.00% of the total issued and paid-up share capital in Multinet. The completion of the sale is extended as the sale is subject to amongst others the fulfilment of conditions precedent for the sale.

As the Group is exempted from FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to complete the sale within one year from the date of reclassification, the assets and liabilities of Multinet are continued to be classified as Assets Held for Sale and Liability Directly Associated with Assets Held for Sale during the current quarter and financial period to date.

(b) Proposed Amendments to Bye- Laws of existing Performance-based ESOS of the Company to include a Restricted Share Plan ("RSP")

The Board of Directors of the Company had on 30 March 2011 approved the proposed amendments ("Proposed Amendment") to the Bye-Laws of existing Performance-based ESOS established on 16 April 2009 and has a scheme period of 8 years ("Existing ESOS") to include a RSP where the Company may issue new Axiata RSP Shares to eligible employees ("Axiata Share Scheme") without any consideration, in lieu of or in addition to the grant of ESOS options.

The Proposed Amendment was approved by the shareholders of the Company at the 19th Annual General Meeting held on 1 June 2011. The Axiata Share Scheme was subsequently made effective on 15 July 2011 following which the amended Existing ESOS had on even date, renamed as Performance-based ESOS and Share Scheme.

7. Status of Corporate Proposals (continued)

(c) Proposed authority for Axiata to purchase its own shares of up to 10% of its Issued and Paid-Up Share Capital ("Proposed Share Buy-Back") and proposed exemption under Paragraph 24 of Practice Note 9 of the Malaysia Code on Take Over and Mergers, 2010 ("Code") for Khazanah Nasional Berhad ("Khazanah") from the obligation to undertake a mandatory take-over offer of the remaining shares in Axiata not already owned by it, upon the purchase by the Company of its own shares pursuant to the Proposed Share Buy-Back ("Proposed Exemption")

On 11 April 2011, the Company announced of its intention to procure the approval from its shareholders, at the forthcoming 19th AGM, on the Proposed Share Buy-Back and the Proposed Exemption.

The Proposed Share Buy-Back and the Proposed Exemption (voted by way of a poll as prescribed under the Code) was subsequently approved by the shareholders of the Company (with the Proposed Exemption voted by way of a poll by non-interested shareholders as prescribed under the Code) at the 19th AGM.

The Proposed Exemption is subject to the approval of the Securities Commission of Malaysia of which was obtained vide their letter dated 17 June 2011.

(d) Entry into shareholders' agreement in relation to the implementation programme for entry point project entitled "Regional Network"

On 25 April 2011, the Company announced that Celcom had entered into a Shareholders Agreement with 23 other parties to form a consortium under the name of "Konsortium Rangkaian Serantau Sdn Bhd" (formerly known as My Regional Network Company Sdn Bhd) ("Consortium"). The Consortium is formed for the purpose of implementing one of the entry points project entitled "Regional Network" which has the purpose of adding bandwidth capacity for Malaysia at a lower cost in anticipation of increasing demand.

Celcom had, on 25 July 2011, completed the subscription of shares in KRSSB as stipulated under the Shareholders Agreement. To-date, Celcom's total shareholding in KRSSB comprises of 50,000 ordinary shares of RM1 each representing 4.7% equity interest therein.

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

7. Status of Corporate Proposals (continued)

(e) Disposal of 49.00% equity interest in MTCE

On 18 May 2011, the Group entered into a Sales and Purchase Agreement ("SPA") with Telecommunication Company of Esfahan ("TCE") on the disposal to TCE of its entire shareholding in MTCE representing 49.00% of the total issued and paid up share capital in MTCE. The completion of the sale is subject to the fulfillment of certain conditions and completion procedures in the SPA. In conjunction with the disposal of MTCE, the investment in MTCE was reclassified as "Non Current Asset Held For Sale" during the financial period to date.

As of 16 August 2011, other than the above, there is no other corporate proposal announced but not yet completed.

8. Group's Borrowings and Debt Securities

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

	2011		**2010 (Restated)**	
	Short Term Borrowings	**Long Term Borrowings**	**Short Term Borrowings**	**Long Term Borrowings**
	RM'000	**RM'000**	RM'000	RM'000
Secured	**223,534**	**476,102**	196,249	574,246
Unsecured	**1,121,530**	**9,011,126**	1,482,716	8,626,245
Total	**1,345,064**	**9,487,228**	1,678,965	9,200,491

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

	2011	**2010**
Foreign Currency	**RM'000**	**RM'000**
US Dollar	**3,765,125**	3,496,664
Indonesian Rupiah	**2,707,409**	3,252,782
Bangladesh Taka	**67,432**	54,073
Sri Lanka Rupee	**42,799**	540,936
Total	**6,582,765**	7,344,455

9. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 30 June are set out as follow:

	2011		2010	
Type of derivatives financial instruments	**Notional Value RM'000**	**Fair value Favourable/ (Unfavourable) RM'000**	**Notional Value RM'000**	**Fair value Favourable/ (Unfavourable) RM'000**
Forward foreign currency contracts:				
- < 1 year	**-**	**-**	57,149	(12,074)
- > 3 years	**527,328**	**(29,587)**	648,800	31
Cross currency swaps:				
- < 1 year	**-**	**-**	227,080	(25,317)
- 1 - 3 years	**177,722**	**2,578**	-	-
- > 3 years	**1,668,150**	**(226,564)**	811,000	(3,238)
Interest rate swaps contracts:				
- < 1 year	**-**	**-**	210,860	(1,802)
- > 3 years	**658,109**	**(23,022)**	860,312	(25,205)
Convertible warrants in an associate:				
- > 3 years	**-**	**3,783**	-	3,783
Put option of the investment in an associate :				
- < 1 year	**-**	**-**	-	(302,257)
Total		**(272,812)**		(366,079)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2010 Audited Financial Statements.

10. Fair value changes of financial liabilities

The Group recognised a total net (loss)/gains in the consolidated profit or loss arising from the fair value changes on the derivatives financial instruments liabilities are marked to market as at date of statement of financial position as follow:

	2nd Quarter Ended		**Financial Period Ended**	
	30/6/2011	30/6/2010	**30/6/2011**	30/6/2010
	RM'000	RM'000	**RM'000**	RM'000
Total net (loss)/gains	**(11,025)**	10,298	**(51,040)**	15,986

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

11. Realised and Unrealised Profits or Losses Disclosure

Pursuant to Bursa Malaysia directive dated 20th December 2010, a listed issuer is required to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of reporting period on a group basis into realised and unrealised profits or losses. As stated in the Directive, the Realised and Unrealised Profits or Losses Disclosure is applicable to quarterly reports and annual audited accounts for the financial period ending on or after 30th September 2010.

	As at 30/6/2011	As at 31/12/2010
	RM'000	**RM'000**
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	**11,299,382**	10,225,212
- Unrealised	**(1,622,723)**	(1,204,245)
	9,676,659	9,020,967
Total retained profits from associated companies:		
- Realised	**645,146**	557,351
	10,321,805	9,578,318
Less: Consolidated adjustments	**(721,845)**	(350,556)
Total Consolidated Retained Profits	**9,599,960**	9,227,762

12. Material Litigation

Save as disclosed below, there are no changes to the status of the material litigation of the Group. The notes set out below should be read together with the notes in this section for Q1 of 2011:

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

In 2005, Rego, a wholly-owned subsidiary of Celcom, commenced proceedings against Aras Capital and TSDTR for amounts due to Rego of RM261.8 million as at 30 November 2004 pursuant to an investment agreement with Aras Capital and an indemnity letter given by TSDTR. TSDTR filed its defence and instituted a counterclaim of RM100.0 million against Rego, Technologies Resources Industries Berhad ("TRI") and its directors to void and rescind the indemnity letter and claim damages. Rego, TRI and the directors filed their respective applications to strike out TSDTR's counterclaim, which were dismissed by the Court. The directors appealed and their appeal is fixed for mention on 16 June 2011.

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 Court has requested the parties to mediate and TSTDR has proposed a global settlement for all the cases involving TSTDR ("Mediation Proceeding").

The Parties have since agreed to mediate the pending disputes and the Court has fixed a mention on 29 September 2011 for TSDTR's solicitors to update the Court on the progress of the Mediation Proceeding.

b) Pengurusan Danaharta Nasional Berhad ("Danaharta") & 2 others vs TSDTR, TSDTR vs Danaharata & 23 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 for a breach of the Facility Agreement dated 13 July 1994 and related Settlement Agreement dated 8 October 2001 between TSDTR and Danaharta in relation to a loan granted to TSDTR by Danaharta. 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. Total sum of the claim is RM13,461.4 million.

On 28 August 2007, the Court dismissed Celcom/TRI's application to strike out the amended counterclaim with costs. On 12 November 2009, the Court allowed Celcom/TRI's appeal with costs. On 4 December 2009, TSDTR filed a notice of appeal to the Court of Appeal. No hearing dates have been fixed yet for the appeal.

12. Material Litigation (continued)

(b) Pengurusan Danaharta Nasional Berhad ("Danaharta") & 2 others vs TSDTR, TSDTR vs Danaharata & 23 Others (continued)

On February 2007, TSDTR's solicitors served an application to re-amend the Amended Defence and Amended Counterclaim to include 14 additional defendants. At first instance, the Court allowed TSDTR's application. Subsequently, Celcom/TRI appealed to the Judge in Chambers who later allowed the appeal with costs. On 4 December 2009, TSDTR filed a notice of appeal to the Court of Appeal and no hearing dates have been fixed yet for the appeal.

The Parties have since agreed to mediate the pending disputes. The Court has fixed 29 September 2011 for TSDTR's solicitors to update the Court on the progress of the Mediation Proceeding.

(c) Celcom & Another vs. TSDTR & 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) Bistaman Ramli ("BR"), (iii) DLKY, (iv) Axel Hass ("AH"), (v) Oliver Tim Axmann ("OTA"). In the Writ, Celcom and TRI also 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.

TSDTR and BR 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 yet for the appeal.

DeTeAsia, AH and OTA have filed their respective Memorandum of Conditional Appearance and application to strike out these proceedings. On 25 October 2010, the Court dismissed the said application respectively and on 28 October 2010 AH, OTA and DeTeAsia filed their respective appeals to Court of Appeal against the High Court decision.

The Court has fixed 29 September 2011 for TSDTR's solicitors to update the Court on the progress of the Mediation Proceeding.

12. Material Litigation (continued)

(d) Celcom & Another vs. TSDTR & 8 Others

In connection with the Award in DeTeAsia's favour in August 2005, Celcom and TRI instituted proceedings against 9 of its former directors alleging that they had breached their fiduciary duties in entering into a Subscription Agreement on its behalf on 25 June 1996 with Deutsche Telekom AG ("Subscription Agreement"), and the ARSA whilst they were directors of Celcom and TRI. In addition, Celcom and TRI have also made a claim against TSDTR for alleged unauthorised profits made by him in connection with the execution of the abovementioned agreements. Celcom and TRI are seeking an indemnity from the directors for the sums paid by Celcom to DeTeAsia in satisfaction of the Award against it, return of the alleged unauthorised profits by TSDTR amounting to RM446.0 million, all monies received by the directors arising out of such breaches, losses and damages in connection with the entry of Celcom and TRI into the Subscription Agreement and the ARSA.

The German directors have respectively applied to set aside these proceedings on the basis that the issues had been litigated and decided on their merits based on the Award. The said applications were respectively dismissed by the Court on 30 June 2010. The German directors filed their respective notices of appeal to the Court of Appeal. No hearing dates have yet to be fixed by the Court of Appeal for the directors appeals.

The matter is presently fixed for mention on 29 September 2011 pending the ongoing Mediation Proceeding.

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

13. Earnings Per Share ("EPS")

(a) Basic EPS

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	30/6/2010	**30/6/2011**	30/6/2010
Profit attributable to owners of the Company (RM'000)	**663,051**	576,818	**1,211,416**	1,498,293
Adjusted weighted average number of shares ('000)	**8,452,090**	8,445,154	**8,448,642**	8,445,154
Basic EPS (sen)	**8**	7	**14**	18

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 current quarter and financial period to date.

(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.

	2nd Quarter Ended		Financial Period Ended	
	30/6/2011	30/6/2010	**30/6/2011**	30/6/2010
Profit attributable to owners of the Company (RM'000)	**663,051**	576,818	**1,211,416**	1,498,293
Adjusted weighted average number of shares ('000)	**8,452,090**	8,445,154	**8,448,642**	8,445,154
Adjustment for the Company's ESOS	**41,492**	22,363	**43,504**	34,630
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,493,582**	8,467,517	**8,492,146**	8,479,784
Diluted EPS (sen)	**8**	7	**14**	18

14. Qualification of Preceding Audited Financial Statements

The 2010 Audited Financial Statements were not subject to any qualification.

15. Dividends

The Board of Directors has declared an interim tax exempt dividend under single tier system of 4 sen per ordinary share of RM1 each of the Company for the financial year ending 31 December 2011 (30 June 2010: Nil).

Pursuant to Paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the interim dividend will be paid no later than three (3) months from the date of declaration.

The Book Closure Date will be announced by the Company at a later date.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
23 August 2011