axiata

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 31 March 2012.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1ST QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
	RM '000	RM '000	RM '000	RM '000
		RESTATED		RESTATED
Operating revenue	**4,255,825**	3,940,382	**4,255,825**	3,940,382
Operating costs				
- depreciation, impairment and amortisation	**(769,537)**	(725,617)	**(769,537)**	(725,617)
- foreign exchange losses	**(66,921)**	(19,136)	**(66,921)**	(19,136)
- domestic interconnect and international outpayment	**(467,054)**	(407,568)	**(467,054)**	(407,568)
- marketing, advertising and promotion	**(385,163)**	(320,190)	**(385,163)**	(320,190)
- other operating costs	**(1,336,846)**	(1,247,489)	**(1,336,846)**	(1,247,489)
- staff costs	**(264,085)**	(234,168)	**(264,085)**	(234,168)
- other losses- net	**(1,896)**	(43,119)	**(1,896)**	(43,119)
Other operating income	**21,666**	7,455	**21,666**	7,455
Operating profit before finance cost	**985,989**	950,550	**985,989**	950,550
Finance income	**62,876**	47,723	**62,876**	47,723
Finance cost excluding net foreign exchange (losses)/gains on financing activities	**(161,585)**	(147,644)	**(161,585)**	(147,644)
Net foreign exchange (losses)/gains on financing activities	**(53,099)**	8,442	**(53,099)**	8,442
	(214,684)	(139,202)	**(214,684)**	(139,202)
Associates				
- share of results (net of tax)	**77,618**	55,561	**77,618**	55,561
- loss on dilution of equity interests	**(6,665)**	(12,422)	**(6,665)**	(12,422)
Profit before taxation	**905,134**	902,210	**905,134**	902,210
Taxation	**(260,188)**	(261,061)	**(260,188)**	(261,061)
Profit for the financial period	**644,946**	641,149	**644,946**	641,149
Other comprehensive expense				
- net investment hedge, net of tax	**(18,816)**	(35,184)	**(18,816)**	(35,184)
- actuarial losses	**(18,856)**	-	**(18,856)**	-
- currency translation differences	**(309,376)**	26,439	**(309,376)**	26,439
Total comprehensive income for the financial period	**297,898**	632,404	**297,898**	632,404
Profit for the financial period attributable to:				
- owners of the Company	**565,629**	548,365	**565,629**	548,365
- non-controlling interests	**79,317**	92,784	**79,317**	92,784
	644,946	641,149	**644,946**	641,149
Total comprehensive income for the financial period attributable to:				
- owners of the Company	**310,676**	520,425	**310,676**	520,425
- non-controlling interests	**(12,778)**	111,979	**(12,778)**	111,979
	297,898	632,404	**297,898**	632,404
Earnings per share (sen) (Note B,14)				
- basic	**7**	6	**7**	6
- diluted	**7**	6	**7**	6

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31/03/2012 RM '000	AS AT 31/12/2011 RM '000 Restated	AS AT 1/1/2011 RM '000 Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	8,477,604	8,466,182	8,445,154
Share premium	2,031,707	1,989,885	1,972,964
Other reserves	9,690,565	9,387,015	8,307,191
Total equity attributable to owners of the Company	20,199,876	19,843,082	18,725,309
Non-controlling interests	1,695,768	1,832,415	1,553,339
Total equity	21,895,644	21,675,497	20,278,648
NON-CURRENT LIABILITIES			
Borrowings	9,262,413	9,231,424	9,983,983
Derivative financial instruments	189,300	127,749	191,527
Deferred income	132,347	136,056	-
Other payables	236,544	125,054	-
Provision for liabilities	366,501	343,148	249,433
Deferred tax liabilities	1,372,831	1,380,054	1,333,863
Total non-current liabilities	11,559,936	11,343,485	11,758,806
	33,455,580	**33,018,982**	**32,037,454**
NON-CURRENT ASSETS			
Intangible assets	8,365,250	8,297,978	7,605,498
Property, plant and equipment	15,896,497	16,161,531	15,130,246
Investment properties	-	-	2,020
Associates	6,851,766	6,769,135	6,698,484
Available-for-sale financial assets	892	893	888
Derivative financial instruments	38,089	44,891	14,964
Long term receivables	88,314	108,858	111,313
Deferred tax assets	345,470	315,611	117,457
Total non-current assets	31,586,278	31,698,897	29,680,870
CURRENT ASSETS			
Inventories	395,211	341,837	85,056
Trade and other receivables	2,181,820	2,106,281	1,703,772
Financial assets at fair value through profit or loss	9	9	10
Tax recoverable	51,038	55,242	68,102
Deposit, cash and bank balances	7,497,436	6,616,788	6,277,382
Assets directly associated with non-current assets classified as held-for-sale	265,305	286,807	285,774
Total current assets	10,390,819	9,406,964	8,420,096
LESS : CURRENT LIABILITIES			
Trade and other payables	6,216,705	5,609,120	4,567,490
Borrowings	2,079,172	2,227,939	699,591
Derivative financial instruments	-	-	277,678
Current tax liabilities	54,285	62,382	274,100
Liabilities directly associated with non-current assets classified as held-for-sale	171,355	187,438	244,653
Total current liabilities	8,521,517	8,086,879	6,063,512
Net current assets	1,869,302	1,320,085	2,356,584
	33,455,580	**33,018,982**	**32,037,454**
Net assets per share attributable to owners of the Company (sen)	238	234	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 2011)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	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 reserve RM '000	Merger reserve RM '000	Hedging reserve RM '000	ESOS reserve RM '000	Unrecognised actuarial Reserve RM '000	Retained earnings RM '000	Total RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 January 2012 (as previously reported)	**8,466,182**	**1,989,885**	**(1,947,251)**	**16,598**	**346,774**	**(76,643)**	**96,838**	**-**	**10,396,129**	**19,288,512**	**1,832,355**	**21,120,867**
Effect of adoption of MFRS1 (Note A, 2.4)	-	-	1,813,994	-	-	-	-	-	(1,259,424)	554,570	60	554,630
At 1 January 2012 (as restated)	8,466,182	1,989,885	(133,257)	16,598	346,774	(76,643)	96,838	-	9,136,705	19,843,082	1,832,415	21,675,497
Comprehensive income:												
Profit for the financial period	-	-	-	-	-	-	-	-	565,629	565,629	79,317	644,946
Other comprehensive (expense)/income												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	(233,776)	-	-	-	-	-	-	(233,776)	(85,799)	(319,575)
- associates	-	-	10,199	-	-	-	-	-	-	10,199	-	10,199
	-	-	(223,577)	-	-	-	-	-	-	(223,577)	(85,799)	(309,376)
- Net investment hedge, net of tax	-	-	-	-	-	(18,816)	-	-	-	(18,816)	-	(18,816)
- Actuarial loss for the financial period	-	-	-	-	-	-	-	(12,560)	-	(12,560)	(6,296)	(18,856)
Total comprehensive (expense)/income	**-**	**-**	**(223,577)**	**-**	**-**	**(18,816)**	**-**	**(12,560)**	**565,629**	**310,676**	**(12,778)**	**297,898**
Transactions with owners												
- Issuance of Performance-Based ESOS Shares	11,422	41,822	-	-	-	-	(19,365)	-	-	33,879	-	33,879
- Dividends payable to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(123,869)	(123,869)
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	12,239	-	-	12,239	-	12,239
Total transactions with owners	11,422	41,822	-	-	-	-	(7,126)	-	-	46,118	(123,869)	(77,751)
At 31 March 2012	**8,477,604**	**2,031,707**	**(356,834)**	**16,598**	**346,774**	**(95,459)**	**89,712**	**(12,560)**	**9,702,334**	**20,199,876**	**1,695,768**	**21,895,644**

(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 2011)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2012

	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 fifferences RM '000	Capital contribution reserves RM '000	Merger reserves RM '000	Hedging reserves RM '000	ESOS reserves RM '000	Unrecognised actuarial Reserve RM '000	Retained earnings RM '000	Total RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 January 2011 (as previously reported)	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
Effect of adoption of MFRS1 (Note A, 2.4)	-	-	1,259,424	-	-	-	-	-	(1,259,424)	-	-	-
At 1 January 2011 (as restated)	8,445,154	1,972,964	-	16,598	346,774	(70,423)	45,904	-	7,968,338	18,725,309	1,553,339	20,278,648
Profit for the financial period	-	-	-	-	-	-	-	-	548,365	548,365	92,784	641,149
Other comprehensive income/(expense)												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	25,108	-	-	-	-	-	-	25,108	19,195	44,303
- associates	-	-	(17,864)	-	-	-	-	-	-	(17,864)	-	(17,864)
	-	-	7,244	-	-	-	-	-	-	7,244	19,195	26,439
- Net investment hedge, net of tax	-	-	-	-	-	(35,184)	-	-	-	(35,184)	-	(35,184)
Total comprehensive income/(expense)	**-**	**-**	**7,244**	**-**	**-**	**(35,184)**	-	-	**548,365**	**520,425**	**111,979**	**632,404**
Transactions with owners												
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	9,717	-	-	9,717	-	9,717
Total transactions with owners	-	-	-	-	-	-	9,717	-	-	9,717	-	9,717
At 31 March 2011	**8,445,154**	**1,972,964**	**7,244**	**16,598**	**346,774**	**(105,607)**	**55,621**	**-**	**8,516,703**	**19,255,451**	**1,665,318**	**20,920,769**

(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 2011)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED	
	31/03/2012	**31/03/2011**
	RM '000	**RM '000**
Receipts from customers	4,249,257	3,704,325
Payments to suppliers and employees	(2,111,948)	(1,813,007)
Payment of finance cost	(149,001)	(144,273)
Payment of income taxes (net of refunds)	(270,780)	(203,945)
CASH FLOWS FROM OPERATING ACTIVITIES	**1,717,528**	**1,543,100**
Disposal of property, plant and equipment	2,529	331
Purchase of property, plant and equipment	(946,405)	(660,002)
Novation of the put option of an associate	-	(334,308)
Purchase of available-for-sale financial asset	(50)	-
Investment in a subsidiary	(66,621)	-
Acquisition of an associate	(2,940)	-
Net repayment from employees	46	23
Interest received	62,813	47,664
CASH FLOWS USED IN INVESTING ACTIVITIES	**(950,628)**	**(946,292)**
Proceeds from issuance of Performance-Based ESOS shares	53,244	-
Proceeds from borrowings	458,944	132,133
Repayments of borrowings	(341,410)	(431,410)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**170,778**	**(299,277)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	937,678	297,531
NET DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	90,435	-
EFFECT OF EXCHANGE RATE CHANGES	(54,042)	(14,092)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**6,046,406**	**6,258,146**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**7,020,477**	**6,541,585**
Total deposits, cash and cash balances	7,497,436	6,556,509
Less :		
- Deposit pledged	(474,580)	(9,818)
- Bank overdraft	(2,379)	(5,106)
TOTAL CASH AND CASH EQUIVALENT AS AT THE END OF THE FINANCIAL PERIOD	**7,020,477**	**6,541,585**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

AXIATA GROUP BERHAD (242188-H)
(Incorporated in Malaysia)

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The unaudited financial statements for the financial period ended 31 March 2012 of the Group have been prepared in accordance with the new International Financial Reporting Standards compliant framework, Malaysian Financial Reporting Standards ("MFRS"), MFRS 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 2011 ("2011 Audited Financial Statements").

2. Accounting Policies

The unaudited consolidated financial statements have been prepared in accordance with MFRS. The Group adopted all MFRS and the adoption was carried out in accordance to MFRS 1 "First-time adoption of Malaysian Financial Reporting Standards", using 1 January 2011 as the Transition Date.

2.1 MFRS 1-Adoption transitional arrangements

MFRS 1 allows exemption from the application of certain MFRSs to assist companies with the transition process. The following optional exemption, contained within MFRS 1, have been utilised in the preparation of the Group's statements of financial position as at 1 January 2011.

a. Business combinations - The provision of MFRS 3 "Business Combinations" has been applied prospectively from the Transition date.

b. Currency translation differences – The cumulative currency translation differences for all foreign operations has been deemed to be zero at 1 January 2011.

2.2 Adoption of revised Standards, amendments to Standards and Interpretation Committee ("IC") Interpretations

Revised Standards, amendments to Standards and IC Interpretations that is applicable to the Group for the financial period beginning 1 January 2012 are as follow:

- Revised FRS 124/MFRS 124 "Related party disclosures"
- Amendment to MFRS 7 "Financial instruments: Disclosures on transfers of financial assets"
- Amendment to FRS 112/ MFRS 112 "Income taxes"
- IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"

The adoption of the revised standards, amendments to standards and IC Interpretations did not have any significant impact to the Group during the current quarter and financial period to date, except the disclosure requirements under MFRS 124, which is being assessed.

2. Accounting Policies (continued)

2.3 Early adoption of standard

A subsidiary has decided to early adopt the Amendment to MFRS 119 "Employee benefits", which is to be effective starting 1 January 2013.

Previously actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions have been recognised at the statement of financial position date only to the extent that the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the higher of 10% of the present value of the defined benefit obligation at this point in time (prior to the deduction of the plan assets) and 10% of the fair value of any plan assets at this point in time. In this case they have been amortised prospectively to profit or loss over the expected average remaining working life of the employees participating in the plan.

In accordance with the new standards, actuarial gains and losses are to be recognised in the Other Comprehensive Income in the financial period in which they occur. The subsidiary believes that fully recognising actuarial losses when they occur results in a better presentation of the financial position, since hidden reserves and liabilities are realised and the financial statements thus provide more relevant information.

The adoption of the new standard has no material impact to the result of the previous financial periods. The impact of the early adoption of the new Standards results in an increase and decrease of the liability and unrecognised actual reserve of the Group on the amount of the unrecognised actuarial losses by RM18.9 million during the current and financial period to date.

2. Accounting Policies (continued)

2.4 The results and impact of the changes described in Note 2.1 and 2.3 above are as follows:

	31 December 2011			31 March 2011			1 January 2011		
	As previously reported RM'000	Exemption under MFRS 1 2.1(b) RM'000	As restated RM'000	As previously stated RM'000	Exemption under MFRS 1 2.1(b) RM'000	As restated RM'000	As previously reported RM'000	Exemption under MFRS 1 2.1(b) RM'000	As restated RM'000
Retained earnings	(10,396,129)	1,259,424	(9,136,705)	(9,776,127)	1,259,424	(8,516,703)	(9,227,762)	1,259,424	(7,968,338)
Currency translation differences	1,947,251	(1,813,994)	133,257	1,318,233	(1,325,477)	(7,244)	1,259,424	(1,259,424)	-
Non-controlling interests	(1,832,355)	(60)	(1,832,415)						
		(554,630)			**(66,053)**			-	
Intangibles assets	8,327,153	(29,175)	8,297,978						
Associates	6,185,330	583,805	6,769,135						
		554,630							

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 current quarter and financial period to date has taken into account of the following:

(a) On 21 March 2012, the Group completed the acquisition of the entire ordinary shares of Suntel Limited ("Suntel") as disclosed in Part A, 12 (b) of this announcement; and

(b) During the current quarter and financial period to date, the Group recognised net foreign exchange losses of RM120.0 million mainly arising from the revaluation of USD borrowings and payables.

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 2012 other than as mentioned above and in Part A, 12 and Part B, 5 of this announcement.

5. Estimates

The preparation of unaudited interim financial statements requires management to make judgements, 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 quarter and financial period to date.

In preparing the unaudited interim 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 2011 Audited Financial Statements.

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

a) During the current quarter and financial period to date, the Company issued additional 11.4 million new ordinary shares of RM1 each at an exercise price of RM1.81, RM3.15 and RM3.45 respectively pursuant to the exercise of employee share option under Performance-Based Employee Share Option Scheme ("ESOS") and Restricted Share Plan ("Axiata Share Scheme").

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 2012	8,466,182	8,466,182	1,989,885	10,456,067
Issuance of Performance-Based ESOS Shares	11,422	11,422	22,457	33,879
Transfer of ESOS reserve upon exercise of Performance-Based ESOS Shares	-	-	19,365	19,365
At 31 March 2012	8,477,604	8,477,604	2,031,707	10,509,311

Aside from the above, there were no other significant issues, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2012.

7. Dividend paid

There is no dividend paid by the Company during the financial period to date.

8. Segmental Information

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

2012

All amounts are in RM'000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustment	Total
Operating Revenue	1,894,861	1,653,613	330,412	332,324	76,888	-	4,288,098
Inter-segment *	(2,541)	(13,072)	(72)	(9,275)	(1,300)	(6,013)	(32,273)
External operating revenue	1,892,320	1,640,541	330,340	323,049	75,588	(6,013)	4,255,825
Results:							
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	794,494	830,082	103,320	107,500	(32,719)	-	1,802,677
Interest income	31,839	12,308	851	3,277	25,982	(11,381)	62,876
Interest expense	(54,226)	(62,894)	(19,209)	(3,889)	(32,727)	11,360	(161,585)
Depreciation of:							
-Property, plant & equipment ("PPE")	(204,980)	(425,388)	(52,584)	(59,925)	(16,747)	39,736	(719,888)
Amortisation of intangible assets	(1,011)	(6,113)	(12,652)	(1,191)	(110)	-	(21,077)
Associates:							
-Share of results (net of tax)	2,449	-	-	19	75,150	-	77,618
-Loss on dilution of equity interests	-	-	-	-	-	(6,665)	(6,665)
Impairment of PPE, net of reversal	-	(3,756)	-	784	(25,470)	-	(28,442)
Other non cash income/(expenses)	18,697	(34,539)	3,362	(56,464)	(31,456)	20	(100,380)
Taxation	(116,591)	(84,795)	(18,808)	(4,022)	(25,211)	(10,761)	(260,188)
Segment profit/(loss) for the financial period	470,671	224,905	4,280	(13,911)	(63,308)	22,309	644,946

8. Segmental Information (continued)

2011 (Restated)

All amounts are in RM '000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation Adjustment	Total
Operating Revenue	1,732,416	1,533,092	301,474	301,435	81,782	-	3,950,199
Inter-segment *	(394)	-	-	-	-	(9,423)	(9,817)
External operating revenue	1,732,022	1,533,092	301,474	301,435	81,782	(9,423)	3,940,382
Results:							
EBITDA	782,938	823,815	94,790	97,708	(68,284)	-	1,730,967
Interest income	12,528	8,637	1,094	2,300	35,534	(12,370)	47,723
Interest expense	(54,227)	(73,290)	(4,736)	(3,340)	(24,264)	12,213	(147,644)
Depreciation of:							
-PPE	(160,335)	(416,063)	(49,884)	(65,577)	(15,083)	16,552	(690,390)
-Investment properties	(2)	-	-	-	-	-	(2)
Amortisation of intangible assets	(1,011)	(6,185)	(949)	(1,163)	-	-	(9,308)
Associates:							
-Share of results (net of tax)	1,955	-	-	-	53,606	-	55,561
-Loss on dilution of equity interests	-	-	-	-	-	(12,422)	(12,422)
Impairment of:							
-PPE, net of reversal	(17,016)	(8,069)	-	(832)	-	-	(25,917)
Other non cash income/(expenses)	6,082	25,227	(20,227)	2,735	(60,175)	-	(46,358)
Taxation	(143,202)	(96,119)	(17,772)	(1,294)	2,292	(4,966)	(261,061)
Segment profit/(loss)for the financial period	427,710	257,953	2,316	30,537	(76,374)	(993)	641,149

* 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.

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 RM1,018.6 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

(a) On 13 April 2012, PT XL Axiata Tbk ("XL"), a subsidiary of the Group, issued 7,710,279 ordinary shares in relation to the execution of Grant Date II (performance year 2011) of the XL's Long Term Incentive Program;

(b) On 9 April 2012, the Company offered a total of 56.5 million ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group; and

(c) On 13 May 2012, the High Court in Bangladesh passed judgment in favor of the regulator, Bangladesh Telecommunication Regulatory Commission ("BTRC"), where the High Court directed Robi Axiata Limited ("Robi") to pay its license renewal and spectrum fees to BTRC without deducting tax at source which amounted to approximately RM52.8 million (BDT1.4 billion) together with penalty on late payment of approximately RM2.1 million (BDT56.9 million). In addition, the High Court also directed Robi to pay 15% of the annual license fee, revenue sharing and spectrum fee, amounting to approximately RM20.8 million (BDT555.3 million) together with penalty on late payment of approximately RM2.0 million (BDT53.8 million). The impact of this adjusting event after financial period has been considered in the results of the Group for the current quarter and financial period to date.

Other than as disclosed in Part B, 10(f) of the announcement on the contingent liabilities of Robi, there was no other significant event after interim period that requires disclosure or adjustment as at 15 May 2012.

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 31 March 2012 except for the following:

(a) Entry by Celcom into Shareholders' Agreement with PLDT Global Corporation ("PGC") and PLDT Malaysia Sdn Bhd ("PLDT MY")

On 30 November 2011, Celcom entered into a Shareholders' Agreement ("SA") with PGC and PLDT MY for the purpose of collaborating in establishing mobile virtual network operator services in Malaysia. Under the terms of the SA, the issued and paid-up share capital of PLDT MY shall be RM6.0 million divided into 6.0 million PLDT MY Shares of which Celcom and PGC will subscribe in cash in the ratio of 49:51.

The acquisition of 49.00% equity interest in PLDT MY by Celcom was completed on 25 January 2012 and became an associate of the Group effectively.

(b) Acquisition by entire equity interest in Suntel

Dialog Broadband Networks (Private) Limited ("DBN"), a wholly owned subsidiary of Dialog Axiata PLC, on 14 December 2011 entered into a Sale and Purchase Agreement ("SPA") with the shareholders of Suntel for the acquisition of the entire ordinary shares of Suntel. The acquisition was completed on 21 March 2012. Effectively, Suntel became an 84.95% owned subsidiary of the Group.

Upon completion of the acquisition of Suntel, the operations of both DBN and Suntel will be consolidated into a "merged entity" providing advance fixed line and broadband services ("Proposed Merger"). The Proposed Merger is yet to be completed as at 15 May 2012.

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

During the 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 29.23% to 29.14% respectively following the issuance of new ordinary shares under M1's ESOS.

The dilution has no significant impact to the Group during the current quarter and 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 2011 Audited Financial Statements except for the following:

(a) Celcom vs DeTeAsia Holding GmbH

In line with Celcom withdrawn the Appeal with no order as to costs as disclosed in Part B, 10 (d) of this announcement, the potential inflow from the contingent asset is not realised.

The Board has considered all contingent liabilities as at 31 March 2012. Based on legal advice, no provision is required for the current quarter and financial period to date.

14. Capital Commitments

PPE	Group	
	As at 31/03/2012	**As at 31/03/2011**
	RM'000	**RM'000**
• Commitments in respect of expenditure approved and contracted for	**1,900,008**	1,419,326
• Commitments in respect of expenditure approved but not contracted for	**2,628,090**	1,381,727

AXIATA GROUP BERHAD (242188-H)
(Incorporated in Malaysia)

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 recorded solid revenue growth of 8.0% to RM4,255.8 million in the current quarter (“Q1’12”) from RM3,940.4 million recorded in the first quarter 2011 (“Q1’11”), on the back of higher revenue contribution from all key Operating Companies (“OpCo”), despite the strengthening of RM against OpCo local currencies. On a constant currency basis, revenue would have grown 10.4%. Operating costs of the Group increased by 11.0% to RM2,453.1 million in Q1’12 from RM2,209.4 million in Q1’11, mainly driven by Malaysia, Indonesia and Sri Lanka. The Group’s EBITDA grew 4.1% from prior year but margin dipped by 1.5 percentage points from higher costs mainly due to aggressive network roll-out cost in Indonesia to accommodate data growth. PAT in the period increased marginally by 0.6% to RM644.9 million, mainly from higher profit contribution in Malaysia, Bangladesh and other associate companies, off-set by foreign exchange losses incurred by Indonesia and Sri Lanka in Q1’12.

Malaysia gross revenue grew 9.4% in Q1’12 driven by higher prepaid and domestic roaming revenue in tandem with higher traffic minutes, which increased by 7.2% and 277.9% respectively. Malaysia broadband revenue also continues to show traction, registered growth of 15.2% driven by 8.1% increase in subscribers, recording 947,000 subscribers at end of current period. Malaysia operating costs grew 15.9% and saw the increase in interconnect cost arising from upsurge in voice traffic. Material cost also showed marked increase in Q1’12 for Malaysia, in line with higher sales of devices. EBITDA in the period showed marginal increase of 1.5% but PAT posted a strong growth of 10.0% to RM470.7 million, mainly with the help of the increase in other operating income.

Gross revenue of Indonesia grew 7.9% in tandem with the increase in subscriber base of 17.5% compared to Q1’11. Indonesia continued its strong momentum in the prepaid segment, with prepaid revenue registering growth of 11.9% driven by 61.2% increase in prepaid MOU. Revenue from data in Indonesia grew 72.5% in Q1’12, contributed to 15.0% of Indonesia’s total net revenue. As a result of high increase in operating costs of 16.1% arising mainly from network related cost and marketing cost, EBITDA showed only slight improvement of 0.8%. Strengthening of USD against IDR in Q1’12 has resulted in foreign exchange translation loss and has adversely affected PAT performance, resulting in 12.8% decrease quarter-on-quarter to RM224.9 million.

Bangladesh gross revenue grew 9.6% mainly from prepaid revenue, supported by 36.6% increase in prepaid revenue generating subscriber base, and interconnect revenue, which grew by 33.0%. Bangladesh operating costs increased by 9.9% mainly due to higher marketing and regulatory cost from higher revenue sharing payment, which recorded 44.0% and 55.0% increase respectively. Despite the cost increase, EBITDA in the period grew 9.0% and PAT improved this quarter by a significant 84.7% to RM4.3 million, mainly due to currency translation gain.

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

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

Sri Lanka gross revenue grew 10.2% mainly from higher prepaid revenue, which increased by 25.9% in tandem with the increase in prepaid net additions of 156.8%. Operating costs increased by 10.4% mainly from higher customer maintenance, regulatory and network related costs. EBITDA in the period grew 10.0% contributed by higher revenue and continuous aggressive cost management initiatives. However, due to the effect of strengthening USD against LKR in Q1'12 (USD appreciated averaging +7.3%), Sri Lanka registered loss after tax of RM13.9 million.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM75.6 million to total Group revenue, with Cambodia make up of 42.1% in the results from Others. Cambodia revenue grew 27.3%, with corresponding PAT growth in the quarter of 24.8%. Other associates contribution in share of profit increased to RM77.6 million mostly coming from India and Singapore. India registered higher revenue and EBITDA growth of 26.8% and 26.2% respectively while Singapore registered higher revenue growth of 1.9% driven by increase in service revenue. EBITDA and PAT however, decreased by 1.4% and 4.9% separately, mainly due to a higher acquisition costs in current quarter.

(b) Comparison with Preceding Quarter's Results

Group revenue decreased marginally by 0.2% to RM4,255.8 million recorded in Q1'12 from RM4,264.3 million in the fourth quarter 2011, mainly due to foreign exchange translation effect. RM continues to strengthen against local currencies of all OpCo affecting Group's translated revenue. At constant currency, the Group revenue would have registered growth of 3.0% with all major OpCo performing well. The Group operating costs increased marginally by 0.02% to RM2,453.1 million in Q1'12 mainly coming from Sri Lanka operations. As a result, Group EBITDA decreased slightly by 0.5% to RM1,802.7 million. PAT however, posted a growth of 2.9% to RM644.9 million in Q1'12, mainly coming from profit contribution from associate company in India, as opposed to loss contribution in prior quarter. Bangladesh PAT also return to positive compared to loss in Q4'11, off set by Sri Lanka loss contribution both were a result of foreign exchange fluctuations on USD.

Malaysia gross revenue grew 0.6% in Q1'12 mainly due to higher prepaid and broadband revenue, which increased by 2.1% and 7.3% respectively. Operating costs decreased by 0.7% compared to Q4'11, attributed to lower regulatory cost arising from lower USP provision and material cost which is in tandem with lower sales of devices. As a result, EBITDA increased by 2.3% and margin is at 41.9% in the current quarter. Malaysia depreciation, impairment and amortization decreased by 21.6% mainly resulted from accelerated depreciation of RM117.0 million in Q4'11, arising from its network modernisation plan. Malaysia PAT however decreased by 9.5% to RM470.7 million from RM519.9 million in Q4'11, mainly attributed to the tax credit enjoyed by Malaysia in prior quarter.

1. Review of Performance (continued)

(b) Comparison with Preceding Quarter's Results (continued)

Indonesia gross revenue decreased by 3.8%, mainly attributed to foreign exchange translation impact and lower tower and VAS revenue. On a constant currency basis, gross revenue would have grown marginally by 0.2%. Operating costs decreased by 7.4% mainly due to lower marketing and labour cost in Q1'12, comparatively higher labour cost in Q4'11 due to severance payment for staff redundancy as a result of its outsourcing initiative. Arising from the higher decrease in operating costs, EBITDA increased marginally by 0.1%. PAT however registered a drop of 0.9% to RM224.9 million, resulted mainly from one-off gain on disposal of assets of RM13.9 million taken up in Q4'11. Excluding the one-off gain, PAT would increase by 5.5%.

Bangladesh gross revenue decreased by 1.3%, mainly attributed to foreign exchange translation impact. On a constant currency basis, gross revenue would have grown by 9.2% on business operations. Arising from the decrease in revenue, EBITDA subsequently decreased by 5.0% compared to preceding quarter, with only a marginal increase in its operating costs. PAT as mentioned, post a positive RM4.3 million in Q1'12 compared to a loss of RM29.2 million, resulted mainly from translation gain of BDT against USD in current quarter on its USD borrowings, as BDT improves to strengthen.

Sri Lanka gross revenue decreased by 1.3%, attributed also to foreign exchange translation impact. On a constant currency basis, gross revenue would have grown by 7.8%. Operating costs increased by 9.4% driven by higher regulatory cost, mainly due to a regulatory refund recorded in Q4'11 and network related cost. As a result, EBITDA decreased by 18.2% in the current quarter. Sri Lanka registered loss after tax of RM13.9 million in Q1'12 compared to profit in the preceding quarter, mainly affected by foreign exchange losses as a result of strengthening USD against LKR (USD appreciated averaging +6.2%).

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM75.6 million to total Group revenue, with Cambodia share of 42.1% in the results from Others. Cambodia revenue decreased by 4.0% from last quarter, but PAT grew 9.9% due to lower operating costs especially on material and manpower. Share of profit from associates improved significantly recording a profit contribution as opposed to a loss in prior quarter mainly from India. Singapore revenue decreased by 17.2%, mainly affected by lower handset sales, with EBITDA and PAT grew 3.8% and 7.1% respectively.

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 ("EP") Statement

	Current and Cumulative Quarter	
	31/03/2012	**31/03/2011**
	RM'000	**RM'000**
EBIT*	**987,885**	993,669
Less: Adjusted Tax (25%)	**(246,971)**	(248,417)
NOPLAT	**740,914**	745,252
AIC	**14,768,382**	12,795,951
WACC	**7.42%**	10.15%
Economic Charge (AIC*WACC)	**273,953**	324,697
Economic Profit	**466,961**	420,555

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 factor contributing to higher EP during the current quarter and financial period to date is mainly due to lower WACC. 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.

<u>Note:</u>

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.

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

2. Headline Key Performance Indicators ("KPIs") for the financial year ending 31 December 2012

On 23 February 2012, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2012. The Group's 2012 Headline KPIs announced are as below:

Headline KPIs	2012 Headline KPIs (%)
Revenue Growth	5.3
EBITDA Growth	1.8
Return on Invested Capital ("ROIC")	11.3
Return on Capital Employed ("ROCE")	8.9

Going forward, the Group will maintain its prudent approach particularly in respect of operating and capital expenditure, in order to optimise its financial performance. Careful measures in execution of its business strategy remain a key focus in a challenging environment. Key risks which will be faced by operating companies include increasing competition and regulatory challenges.

The Group expects to face continued challenges for the financial period ending 31 December 2012 and will continue to take a long term view and adopt careful prudent measures in addressing the challenges to optimise its financial performance.

Based on year to date performance of the Group, and barring any unforeseen circumstances and adverse foreign currency fluctuations, the Board of Directors expect the Group's performance for the financial period ending 31 December 2012 would be on track 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 2012.

4. Taxation

The taxation charge for the Group comprises:

	Current and Cumulative Quarter	
	31/03/2012	**31/03/2011**
	RM'000	**RM'000**
Income Tax:		
Malaysia		
Current period	**(163,529)**	(111,293)
	(163,529)	(111,293)
Overseas		
Current period	**(97,285)**	(88,792)
Prior period	**-**	2,674
	(97,285)	(86,118)
Deferred Tax (net):		
Originating and reversal of temporary differences	**626**	(63,650)
Total Taxation	**(260,188)**	(261,061)

The current quarter and financial period to date effective tax rate for the Group is higher than the statutory tax rate mainly due to expenses not allowable for tax deduction and expiry of tax exempt status of certain subsidiaries of the Group.

5. Status of Corporate Proposals

(a) Disposal of 89.00% equity interest in Multinet Pakistan (Private) Limited ("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.

Multinet continues to be classified as Assets and Liabilities Directly Associated with Non-current Assets classified as Held for Sale during the current quarter and financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

(b) Disposal of 49.00% equity interest in Mobile Telecommunications Company of Esfahan ("MTCE")

On 18 May 2011, the Group entered into a SPA with Telecommunication Company of Esfahan ("TCE") on the disposal 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.

MTCE continues to be classified as "Non-Current Assets Held-for-Sale" during the current quarter and financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

As of 15 May 2012, other than the above, there is no other corporate proposal announced.

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

6. Group's Borrowings and Debt Securities

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

	2012		2011	
	Short Term Borrowings	Long Term Borrowings	Short Term Borrowings	Long Term Borrowings
	RM'000	RM'000	RM'000	RM'000
Secured	**558,150**	**419,305**	190,891	477,241
Unsecured	**1,521,022**	**8,843,108**	402,376	9,318,524
Total	**2,079,172**	**9,262,413**	593,267	9,795,765

(b) Foreign currency borrowings and debt securities in RM equivalent as at 31 March were as follows:

	2012	2011
Foreign Currency	**RM'000**	**RM'000**
USD	**3,721,508**	3,573,045
IDR	**2,891,754**	2,474,580
BDT	**429,466**	40,318
SLR	**56,675**	73,606
Total	**7,099,403**	6,161,549

7. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 31 March are set out as follow:

	2012		2011	
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:				
- > 3 years	**435,298**	**340**	525,972	(15,639)
Cross currency interest rate swaps:				
- 1 - 3 years	**403,649**	**20,993**	-	-
- > 3 years	**1,685,475**	**(157,166)**	1,663,860	(198,597)
Interest rate swaps contracts:				
- > 3 years	**544,229**	**(19,162)**	683,120	(18,094)
Convertible warrants in an associate:				
- > 3 years	**-**	**3,784**	-	3,784
Total		**(151,211)**		(228,546)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2011 Audited Financial Statements.

8. Fair value changes of financial liabilities

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

	Current and Cumulative Quarter	
	31/03/2012	31/03/2011
	RM'000	RM'000
Total net gains/(losses)	**3,303**	(40,015)

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

9. Realised and Unrealised Profits or Losses Disclosure

	As at 31/03/2012	As at 31/03/2011
	RM'000	RM'000
		Restated
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	**12,089,040**	11,009,625
- Unrealised	**(1,136,316)**	(1,370,993)
	10,952,724	9,638,632
Total retained profits from associated companies:		
- Realised	**620,593**	499,554
- Unrealised	**(55,774)**	-
	564,819	499,554
	11,517,543	10,138,186
Less: Consolidated adjustments	**(1,815,209)**	(1,621,483)
Total Consolidated Retained Profits	**9,702,334**	8,516,703

10. Material Litigation

The status of material litigation of the Group is as follows:

(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 hearing on 11 June 2012.

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.

(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 and the same was fixed for hearing on 13 February 2012 to 15 February 2012.

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 the same was fixed for hearing on 13 February 2012 to 15 February 2012.

On 14 February 2012, TSDTR had withdrawn both of his appeals aforementioned with costs.

10. Material Litigation (continued)

(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 Holding GmbH ("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 and the same is fixed for hearing on 25 June 2012.

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 appeals are fixed for hearing on 25 June 2012.

(d) Celcom vs DeTeAsia Holding GmbH

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

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

10. Material Litigation (continued)

(d) Celcom vs DeTeAsia Holding GmbH (continued)

On 17 November 2005, Celcom commenced proceedings in Malaysia seeking, amongst others, a declaration that the Award was contrary to the public policy of Malaysia and hence unenforceable in Malaysia. DeTeAsia has responded by serving a sealed copy of its application to set aside these proceedings on 28 April 2006. On 2 April 2010, DeTeAsia's application to set aside the issue and service of Celcom's Originating Summons was allowed by the High Court and Celcom had on 30 April 2010 appealed to the Court of Appeal against the said decision. The appeal will be reassessed once the grounds of judgment are made available by the Court.

Celcom withdrawn the Appeal with no order as to costs on 25 April 2012.

(e) 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.

TSDTR and BR filed an application to strike out the proceedings. On 6 February 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal and the same is fixed for hearing on 25 June 2012.

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 and the same is fixed for hearing on 25 June 2012.

10. Material Litigation (continued)

(f) Claim on Robi on National Board of Revenue of Bangladesh ("NBR")

The Large Tax Unit of the National Board of Revenue of Bangladesh, had issued a show cause letter dated 23rd February 2012 to Robi. The letter alleged that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi on the pretext that the issuance were for replacement purposes with regards to Robi's existing customers. The amount in question amounts to RM245.1 million (BDT6,549.9 million). The show cause letter accompanied a demand to pay the amount, if the response to the show cause letter is not satisfactory.

Robi subsequently filed a writ in the High Court of Bangladesh on 26th April 2012 to challenge NBR's claim. The writ was heard by the High Court on 2nd May 2012. At the hearing the High Court granted Robi a stay of NBR's claim for 2 months and ordered Robi to reply to NBR's show cause letter within 10 days.

On 7th May 2012, NBR filed an application for Leave to Appeal to the Appellate Division of the Supreme Court of Bangladesh challenging the stay order of the High Court. Chamber Judge of the High Court heard the appeal on 8th May 2012 and rejected NBR's appeal.

Robi is due to reply to the show cause letter, upon receipt of which NBR will adjudicate on Robi's reply and inform Robi of its decision.

11. 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

The Company and Huawei had on 23 November 2011 agreed to extend the duration of the MOU for a further period of 1 year with effect from 18 November 2011.

12. Other Disclosure Requirements under Appendix 9B of the Main LR

Other than those items disclosed in the statements of comprehensive income and notes in Part A of this announcement, there are no material impairment of receivables, inventories, gains/loss on disposal of investments, properties and assets during the current quarter and financial period to date.

13. Additional Disclosure Requirements

Pursuant to the letter of approval from the Securities Commission ("SC") dated 30 January 2008 in relation to, amongst others, the Telekom Malaysia 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 30 January 2012, CIMB Investment Bank Berhad had, on behalf of the Company, inter-alia, announced that the SC had, through its letter dated 25 January 2012, granted an extension of time of 2 years (i.e. up to 29 January 2014) for the Company to obtain the necessary approvals for the said Outdoor Structures.

The status of 49 Outdoor Structures (which are subject to the SC's condition above) as at 15 May 2012 is as follows:

(a) 1 Outdoor Structures have obtained local authorities approval;
(b) 19 Outdoor Structures are pending approval from local authorities;
(c) Initial applications for 23 Outdoor Structures have been declined. Celcom is in the midst of appealing to the relevant local authorities with respect to such applications; and
(d) 6 Outdoor Structures have been permanently dismantled.

14. Earnings Per Share ("EPS")

(a) Basic EPS

	Current and Cumulative Quarter	
	31/03/2012	31/03/2011
Profit attributable to owners of the Company (RM'000)	**565,629**	548,365
Adjusted weighted average number of shares ('000)	**8,469,829**	8,445,154
Basic EPS (sen)	**7**	6

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.

	Current and Cumulative Quarter	
	31/03/2012	31/03/2011
Profit attributable to owners of the Company (RM'000)	**565,629**	548,365
Adjusted weighted average number of shares ('000)	**8,469,829**	8,445,154
Adjustment for the Company's ESOS	**31,460**	53,880
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,501,289**	8,499,034
Diluted EPS (sen)	**7**	6

15. Qualification of Preceding Audited Financial Statements

The 2011 Audited Financial Statements were not subject to any qualification.

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

16. Dividend proposed

The Board of Directors recommended the payment of a final tax exempt dividend under the single tier system of 15 sen per share (2010: 10 sen) for approval by the shareholders at the forthcoming 20th Annual General Meeting ("AGM") of the Company to be held on 23 May 2012. If approved by the shareholders at the 20th AGM, the said dividend will be paid on 14 June 2012 to depositors whose names appear in the Register of Members/Record of Depositors as at 30 May 2012.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
22 May 2012