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 2012.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2012	30/6/2011	30/6/2012	30/6/2011
	RM '000	RM '000	RM '000	RM '000
		RESTATED		RESTATED
Operating revenue	**4,424,512**	4,048,759	**8,680,337**	7,989,141
Operating costs				
- depreciation, impairment and amortisation	**(811,808)**	(739,709)	**(1,581,345)**	(1,465,326)
- foreign exchange (losses)/gains	**(21,358)**	39,852	**(88,279)**	20,716
- domestic interconnect and international outpayment	**(540,580)**	(424,161)	**(1,007,634)**	(831,729)
- marketing, advertising and promotion	**(363,041)**	(376,448)	**(748,204)**	(696,638)
- other operating costs	**(1,325,080)**	(1,223,160)	**(2,661,926)**	(2,470,649)
- staff costs	**(271,761)**	(262,319)	**(535,846)**	(496,487)
- other gains/(losses) - net	**20,264**	(15,527)	**18,368**	(58,646)
Other operating income	**25,563**	28,217	**47,229**	35,672
Operating profit before finance cost	**1,136,711**	1,075,504	**2,122,700**	2,026,054
Finance income	**63,709**	60,813	**126,585**	108,536
Finance cost excluding net foreign exchange losses on financing activities	**(164,836)**	(160,615)	**(326,421)**	(308,259)
Net foreign exchange losses on financing activities	**(33,298)**	(9,630)	**(86,397)**	(1,188)
	(198,134)	(170,245)	**(412,818)**	(309,447)
Associates				
- share of results (net of tax)	**14,903**	48,108	**92,521**	103,669
- loss on dilution of equity interests	**(5,405)**	(3,452)	**(12,070)**	(15,874)
Profit before taxation	**1,011,784**	1,010,728	**1,916,918**	1,912,938
Taxation	**(243,173)**	(245,681)	**(503,361)**	(506,742)
Profit for the financial period	**768,611**	765,047	**1,413,557**	1,406,196
Other comprehensive expense				
- net investment hedge, net of tax	**(22,288)**	(37,809)	**(41,104)**	(72,993)
- actuarial losses	**10,201**	-	**(8,655)**	-
- currency translation differences	**(5,685)**	32,331	**(315,061)**	58,770
Total comprehensive income for the financial period	**750,839**	759,569	**1,048,737**	1,391,973
Profit for the financial period attributable to:				
- owners of the Company	**666,638**	663,051	**1,232,267**	1,211,416
- non-controlling interests	**101,973**	101,996	**181,290**	194,780
	768,611	765,047	**1,413,557**	1,406,196
Total comprehensive income for the financial period attributable to:				
- owners of the Company	**628,759**	641,333	**939,435**	1,161,758
- non-controlling interests	**122,080**	118,236	**109,302**	230,215
	750,839	759,569	**1,048,737**	1,391,973
Earnings per share (sen) (Note B,14)				
- basic	**8**	8	**14**	14
- diluted	**8**	8	**14**	14

(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 30/06/2012 RM '000	AS AT 31/12/2011 RM '000 Restated	AS AT 01/01/2011 RM '000 Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	8,498,477	8,466,182	8,445,154
Share premium	2,074,784	1,989,885	1,972,964
Other reserves	9,049,643	9,387,015	8,307,191
Total equity attributable to owners of the Company	19,622,904	19,843,082	18,725,309
Non-controlling interests	1,816,973	1,832,415	1,553,339
Total equity	21,439,877	21,675,497	20,278,648
NON-CURRENT LIABILITIES			
Borrowings	10,092,043	9,231,424	9,983,983
Derivative financial instruments	149,166	127,749	191,527
Deferred income	128,711	136,056	-
Other payables	229,438	125,054	-
Provision for liabilities	266,081	343,148	249,433
Deferred tax liabilities	1,442,433	1,380,054	1,333,863
Total non-current liabilities	12,307,872	11,343,485	11,758,806
	33,747,749	**33,018,982**	**32,037,454**
NON-CURRENT ASSETS			
Intangible assets	8,368,509	8,297,978	7,605,498
Property, plant and equipment	16,286,819	16,161,531	15,130,246
Investment properties	-	-	2,020
Associates	6,763,800	6,769,135	6,698,484
Available-for-sale financial assets	889	893	888
Derivative financial instruments	45,093	44,891	14,964
Long term receivables	95,997	108,858	111,313
Deferred tax assets	292,417	315,611	117,457
Total non-current assets	31,853,524	31,698,897	29,680,870
CURRENT ASSETS			
Inventories	514,359	341,837	85,056
Trade and other receivables	2,027,902	2,106,281	1,703,772
Derivatives financial instruments	8,280	-	-
Financial assets at fair value through profit or loss	8	9	10
Tax recoverable	148,782	55,242	68,102
Deposit, cash and bank balances	6,480,224	6,616,788	6,277,382
Assets directly associated with non-current assets classified as held-for-sale	270,220	286,807	285,774
Total current assets	9,449,775	9,406,964	8,420,096
LESS : CURRENT LIABILITIES			
Trade and other payables	5,624,130	5,609,120	4,567,490
Borrowings	1,714,073	2,227,939	699,591
Derivative financial instruments	-	-	277,678
Current tax liabilities	48,000	62,382	274,100
Liabilities directly associated with non-current assets classified as held-for-sale	169,347	187,438	244,653
Total current liabilities	7,555,550	8,086,879	6,063,512
Net current assets	1,894,225	1,320,085	2,356,584
	33,747,749	**33,018,982**	**32,037,454**
Net assets per share attributable to owners of the Company (sen)	231	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 30 JUNE 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
Profit for the financial period	-	-	-	-	-	-	-	-	1,232,267	1,232,267	181,290	1,413,557
Other comprehensive expense												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	(210,337)	-	-	-	-	-	-	(210,337)	(69,103)	(279,440)
- associates	-	-	(35,621)	-	-	-	-	-	-	(35,621)	-	(35,621)
	-	-	(245,958)	-	-	-	-	-	-	(245,958)	(69,103)	(315,061)
- Net investment hedge, net of tax	-	-	-	-	-	(41,104)	-	-	-	(41,104)	-	(41,104)
- Actuarial loss for the financial period	-	-	-	-	-	-	-	(5,770)	-	(5,770)	(2,885)	(8,655)
Total comprehensive (expense)/income	**-**	**-**	**(245,958)**	**-**	**-**	**(41,104)**	**-**	**(5,770)**	**1,232,267**	**939,435**	**109,302**	**1,048,737**
Transactions with owners												
- Issuance of Performance-Based ESOS Shares	32,295	84,899	-	-	-	-	(36,274)	-	-	80,920	-	80,920
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	9	4,087	4,096	7,315	11,411
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(132,059)	(132,059)
- Dividends paid to shareholders	-	-	-	-	-	-	-	-	(1,273,698)	(1,273,698)	-	(1,273,698)
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	29,069	-	-	29,069	-	29,069
Total transactions with owners	32,295	84,899	-	-	-	-	(7,205)	9	(1,269,611)	(1,159,613)	(124,744)	(1,284,357)
At 30 June 2012	**8,498,477**	**2,074,784**	**(379,215)**	**16,598**	**346,774**	**(117,747)**	**89,633**	**(5,761)**	**9,099,361**	**19,622,904**	**1,816,973**	**21,439,877**

(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 30 JUNE 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	-	-	-	-	-	-	-	-	1,211,416	1,211,416	194,780	1,406,196
Other comprehensive income/(expense)												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	36,190	-	-	-	-	-	-	36,190	35,435	71,625
- associates	-	-	(12,855)	-	-	-	-	-	-	(12,855)	-	(12,855)
	-	-	23,335	-	-	-	-	-	-	23,335	35,435	58,770
- Net investment hedge, net of tax	-	-	-	-	-	(72,993)	-	-	-	(72,993)	-	(72,993)
Total comprehensive income/(expense)	**-**	**-**	**23,335**	**-**	**-**	**(72,993)**	-	-	**1,211,416**	**1,161,758**	**230,215**	**1,391,973**
Transactions with owners												
- Issuance of Performance-Based ESOS Shares	14,578	11,808	-	-	-	-	-	-	-	26,386	-	26,386
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	6,433	6,433	9,587	16,020
- 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)	(102,721)	(889,084)
At 30 June 2011	**8,459,732**	**1,984,772**	**23,335**	**16,598**	**346,774**	**(143,416)**	**72,373**	**-**	**8,340,536**	**19,100,704**	**1,680,833**	**20,781,537**

(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	
	30/06/2012	30/06/2011
	RM '000	RM '000
Receipts from customers	8,710,851	7,763,968
Payments to suppliers and employees	(5,744,357)	(4,116,955)
Payment of finance cost	(336,528)	(314,004)
Payment of income taxes (net of refunds)	(508,317)	(488,922)
CASH FLOWS FROM OPERATING ACTIVITIES	**2,121,649**	**2,844,087**
Disposal of property, plant and equipment	6,314	3,653
Purchase of property, plant and equipment	(1,560,258)	(1,609,447)
Disposal of investment properties	-	14,176
Novation of the put option of an associate	-	(334,308)
Partial disposal of a subsidiary	-	1,469
Investment in a subsidiary	(66,621)	-
Additional investments in an associate	-	(316)
Acquisition of an associate	(2,940)	-
Net repayment from employees	39	68
Interest received	126,570	108,416
CASH FLOWS USED IN INVESTING ACTIVITIES	**(1,496,896)**	**(1,816,289)**
Proceeds from issuance of Performance-Based ESOS shares	117,194	26,386
Proceeds from borrowings	1,518,346	705,311
Repayments of borrowings	(1,014,388)	(707,835)
Dividends paid to non-controlling interests	(132,059)	(112,308)
Dividends received from associates	53,519	75,040
Dividends paid to shareholders	(1,273,698)	(845,651)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(731,086)**	**(859,057)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(106,333)	168,741
NET DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	77,253	-
EFFECT OF EXCHANGE RATE CHANGES	(27,192)	(10,587)
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	**5,990,134**	**6,416,300**
Total deposits, cash and cash balances	6,480,224	6,433,948
Less :		
- Deposit pledged	(487,762)	(9,349)
- Bank overdraft	(2,328)	(8,299)
TOTAL CASH AND CASH EQUIVALENT AS AT THE END OF THE FINANCIAL PERIOD	**5,990,134**	**6,416,300**

(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 30 June 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, 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 financial period to date, except disclosure requirements under MFRS 124. The application of this standard is in the process of being assessed and discussed with other government linked entities to ensure comparability and consistency of the information disclosed.

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 RM8.7 million during the financial period to date.

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

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

2. Accounting Policies (continued)

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

	31 December 2011			30 June 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)	(9,599,960)	1,259,424	(8,340,536)	(9,227,762)	1,259,424	(7,968,338)
Currency translation differences	1,947,251	(1,813,994)	133,257	1,263,500	(1,286,825)	(23,335)	1,259,424	(1,259,424)	-
Non-controlling interests	(1,832,355)	(60)	(1,832,415)	(1,680,773)	(60)	(1,680,833)			
		(554,630)			**(27,461)**			-	
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 for a total consideration of RM97.0 million or SLR4,057.9 million in which RM70.7 million or SLR2,959.5 million was paid during the financial period to date; and

(b) During the current quarter and financial period to date, the Group recognised net foreign exchange losses of RM54.7 million and RM174.7 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 30 June 2012.

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 20.9 million and 32.3 million new ordinary shares of RM1 each respectively at an exercise price of RM1.81, RM3.15, RM3.45 and RM5.07 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
Issuance of Performance-Based ESOS Shares	20,873	20,873	26,168	47,041
Transfer of ESOS reserve upon exercise of Performance-Based ESOS Shares	-	-	16,909	16,909
At 30 June 2012	8,498,477	8,498,477	2,074,784	10,573,261

b) On 9 April 2012, the Company offered a total of 30.6 million ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group.

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

(c) During the current quarter and financial period to date, PT XL Axiata Tbk ("XL"), a subsidiary of the Group drawdown the borrowings facilities as follow:

Date of drawdown	Amounts drawdown IDR billion	Financial institutions
27 & 29 March 2012	1,100	PT Bank Central Asia Tbk ("BCA")
2 May 2012	1,000	The Bank of Tokyo – Mitsubishi UFJ Limited
2 May 2012	500	BCA
23 May 2012	500	BCA
15 June 2012	900	BCA
	4,000	

(d) On 26 April 2012, XL fully settled its matured Excelcom II bonds amounting to IDR1.5 trillion.

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 2012.

7. Dividend paid

On 14 June 2012, the Company paid a final tax exempt dividend under single tier system of 15 sen per ordinary share in respect of the financial year ended 31 December 2011 amounting to RM1,273.7 million.

8. Segmental Information

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

2012

All amounts are in RM'000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustment	Total
Operating Revenue	3,796,112	3,427,473	696,263	671,990	154,375	-	8,746,213
Inter-segment *	(4,970)	(27,909)	(110)	(15,300)	(1,260)	(16,327)	(65,876)
External operating revenue	3,791,142	3,399,564	696,153	656,690	153,115	(16,327)	8,680,337
Results:							
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,622,339	1,712,360	224,853	219,701	(52,526)	-	3,726,727
Interest income	68,177	19,812	3,605	4,973	56,466	(26,448)	126,585
Interest expense	(109,084)	(126,205)	(40,705)	(8,627)	(68,114)	26,314	(326,421)
Depreciation of:							
-Property, plant & equipment ("PPE")	(423,116)	(859,631)	(108,083)	(124,817)	(33,475)	57,492	(1,491,630)
Amortisation of intangible assets	(2,022)	(12,190)	(25,669)	(2,569)	(211)	-	(42,661)
Associates:							
-Share of results (net of tax)	4,496	-	-	41	87,984	-	92,521
-Loss on dilution of equity interests	-	-	-	-	-	(12,070)	(12,070)
Impairment of PPE, net of reversal	10	(4,291)	-	3,425	(46,010)	-	(46,866)
Other non cash income/(expenses)	35,412	(61,751)	212	(77,072)	(6,202)	134	(109,267)
Taxation	(238,661)	(172,771)	(42,120)	(8,118)	(25,964)	(15,727)	(503,361)
Segment profit/(loss) for the financial period	957,551	495,333	12,093	6,937	(88,052)	29,695	1,413,557

8. Segmental Information (continued)

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:							
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:							
-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

* 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 RM2,253.3 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

(a) Establishment of Multi-Currency Sukuk Programme (“Sukuk Programme”)

The Company, had on 17 July 2012 through its wholly owned subsidiary, Axiata SPV2 Berhad (“Axiata SPV2”) (“Trustee”), established a Sukuk Programme involving the issuance of up to USD1.5 billion (or its equivalent in other currencies).

The Sukuk Programme, subsequently approved by the Securities Commission of Malaysia (“SC”) on 18th July 2012, inter-alia, allows airtime vouchers, representing an entitlement to a specified number of airtime minutes on the mobile telecommunications network of subsidiaries of the Company for on-net calls ("Airtime Vouchers"), to be included as a trust asset. The Sukuk Programme is based on the Shariah principle of Wakala and provides the flexibility of using Airtime Vouchers, Shariah compliant shares, and lease assets, as well as Murabaha receivables arising from the sale of commodities as the underlying assets.

The Sukuk Programme does not have a fixed tenure. However, each of the series of Sukuk issued under the Sukuk Programme (“Series”) will have such maturities as may be agreed between the Trustee and the relevant dealer subject to such minimum or maximum maturities as may be allowed or required from time to time by relevant central bank or any laws or regulations.

The Sukuk issued under the Sukuk Programme will be listed on Bursa Securities (under the Exempt Regime) and Singapore Exchange Securities Trading Limited or such other or further stock exchange(s) as may be agreed between the Issuer and the relevant dealer in relation to each Series.

11. Events after the Interim Period (continued)

(b) Establishment of RM5.0 billion Sukuk Murabahah

Celcom Transmission (M) Sdn Bhd, a wholly owned subsidiary of Celcom Axiata Berhad ("Celcom") had on 13 August 2012 established a Sukuk Murabahah programme of up to RM5.0 billion in nominal value. The Sukuk programme which has a tenure of 15 years from the date of first issue of the Sukuk Murabahah provided that the first issue of the Sukuk Murabahah shall not be later than 2 years from the date of SC's approval for the Sukuk programme of 3 August 2012. On 14 August 2012, RM3.0 billion of the Sukuk was successfully priced via a bookbuilding process with the remaining privately allocated to strategic investors. Proceeds from the Sukuk issuance will be utilised primarily for the refinancing of CTX's existing debt as well as to finance the company's capital expenditure and working capital requirements.

(c) VAT Assessment on Robi Axiata Limited ("Robi") SIM Card Sales

By a judgment dated 24 August 2006, the Divisional Bench of the High Court Division declared that the imposition of tax on SIM card sales was illegal and without lawful authority. Robi ceased making payments to the National Board of Revenue on the basis of the said Order. However, with effect from 27 March 2007, Robi resumed payment of the VAT on SIM Card sales due to a Stay Order issued by the Appellate Division of the Supreme Court on the Order passed by the High Court on 24 August 2006.

On 2 August 2012, Appellate Division pronounced appeal was allowed. As a result, Government served the demand on 6 August 2012 for an amount of RM69.4 million (BDT1.8 billion).The impact of this event has been considered in the results of the Group for the current quarter and financial period to date.

Other than the events after the interim period as mentioned in Part A, 12(e) of this announcement, there was no other significant event after interim period that requires disclosure or adjustment as at 23 August 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 30 June 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 company of the Group.

(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.

Following the completion of the amalgamation of Suntel with DBN effective from 15 May 2012, the shares of Suntel were cancelled with no new shares issued/swapped and Suntel continue to operate as DBN.

(c) Incorporation of Axiata SPV2

The Company had on 4 June 2012 completed the incorporation of Axiata SPV2, a public company limited by shares, under the Companies Act, 1965. Axiata SPV2 was incorporated with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which RM2 has been issued and paid-up.

(d) Incorporation of Axiata Towers (Cambodia) Company Limited ("ATC")

Hello Axiata Company Limited, a wholly owned subsidiary of the Company, had on 7 June 2012 completed the incorporation of ATC, a private company limited by shares following the issuance by the Ministry of Commerce, Cambodia of the Certificate of Incorporation on 7 June 2012.

ATC was incorporated with an authorised share capital of Khmer Riel ("KHR") 16.0 million (equivalent to USD4,000) subdivided into 1,000 ordinary shares of KHR16,000 each, which has been fully issued and paid-up. The business objective of ATC is to undertake activities and operations related to telecommunication infrastructure.

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

(e) Acquisition of 51% equity interest in Digital Milestone Sdn Bhd ("DMSB")

Celcom had, on 23 July 2012, completed the acquisition of 255,000 ordinary shares of RM1 each representing 51% of the equity interest in DMSB.

The acquisition of DMSB Shares by Celcom is in accordance with the Teaming Agreement entered by Celcom dated 3 July 2012 in which Celcom and Media Broadcast GmbH will establish a joint-venture entity and jointly act in relation to pre-bid activities and formulation of bid for the development, supply, commissioning, marketing and operation of digital television transmission infrastructure in Malaysia via a common infrastructure provider for the digital terrestrial transmission services to be rolled-out under Malaysia's National Digitisation Project .

(f) Dilution on equity interest in Idea Cellular Limited ("Idea')

During the current quarter and financial period to date, the Group's equity interest in Idea, decreased from 19.96% to 19.95% following the issuance of new ordinary shares under Idea's ESOS.

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

(g) 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% following the issuance of new ordinary shares under M1's ESOS.

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

(h) Dilution on equity interest in XL

During the current quarter and financial period to date, the Group's equity interest in XL, decreased from 66.61% to 66.55% 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.

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 on 25 April 2012, the potential inflow from the contingent asset is not realised.

Other than as disclosed in Part B, 10(d) of the announcement on the contingent liabilities of Robi, there was no other significant changes in contingent assets or contingent liabilities.

14. Capital Commitments

PPE	Group	
	As at 30/06/2012	As at 30/06/2011
	RM'000	RM'000
• Commitments in respect of expenditure approved and contracted for	**1,740,916**	1,489,377
• Commitments in respect of expenditure approved but not contracted for	**1,758,470**	1,856,091

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 9.3% to RM4,424.5 million in the current quarter ("Q2'12") from RM4,048.8 million recorded in the second quarter 2011 ("Q2'11"), on the back of higher revenue contribution from all key Operating Companies ("OpCo"). At constant currency, the Group revenue would have registered higher growth of 13.3%. Operating costs of the Group increased by 9.4% to RM2,500.5 million in Q2'12 from RM2,286.1 million in Q2'11, mainly driven by Malaysia, Indonesia and Sri Lanka. The Group's EBITDA grew 9.2% from Q2'11 with margin remained flat at 43.5% mainly as a result of aggressive network roll-out cost in Indonesia to accommodate data growth. Profit after tax ("PAT") in the period increased marginally by 0.5% to RM768.6 million, mainly from higher contribution in Malaysia, off-set by foreign exchange losses incurred by Indonesia and Sri Lanka in Q2'12 and lower net contribution from associate companies.

Malaysia gross revenue grew 9.0% in Q2'12 driven by higher prepaid and domestic roaming revenue in tandem with higher traffic minutes, which increased by 4.4% and 213.5% respectively. Malaysia broadband revenue continues to show traction, registered growth of 20.8% driven by 10.4% increase in subscribers, with 994,000 subscribers at end of current period. Sales of devices grew by 118.2% to RM36.0 million. Malaysia operating costs grew 8.8% with marked increase in material cost in line with higher sales of devices, and interconnect cost arising from upsurge in voice traffic. EBITDA in the period grew 9.2% and PAT posted a strong growth of 11.2% to RM486.9 million, mainly attributed to higher revenue and the tax credit recognised in the current quarter.

Gross revenue of Indonesia grew 10.7% with continued strong momentum in the prepaid segment, registering growth of 15.7% driven by 44.0% increase in prepaid MOU. Revenue from data in Indonesia grew 66.6% in Q2'12, contributed to 15.6% of Indonesia's total net revenue as opposed to 10.9% data revenue share in the same quarter last year. EBITDA in the period showed marginal increase of 1.7% and margin dipped by 4.4 percentage points as a result of high increase in operating costs by 21.2% arising mainly from network related cost to accommodate data growth. Further strengthening of USD against IDR in current quarter has resulted in foreign exchange translation loss and this has adversely affected PAT performance, resulting in minimal growth of 0.5% to RM270.4 million.

Bangladesh gross revenue grew 15.5% mainly from prepaid revenue, supported by 35.4% increase in prepaid revenue generating subscriber base and 16.1% increase in interconnect revenue. Bangladesh operating costs increased by 7.4% mainly due to higher regulatory cost from higher revenue sharing payment and interconnect cost arising from higher off-net outgoing calls. With careful costs management measures, EBITDA in the period grew a strong 36.2% to RM121.5 million and PAT improved significantly by more than 100% to RM7.8 million from a loss position of RM2.2 million in Q2'11, mainly attributed to lower currency translation loss in Q2'12.

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 11.4% mainly from higher prepaid revenue, which increased by 20.3% in tandem with the increase in prepaid net additions of 142.0%. Operating costs increased by 13.4% mainly from higher customer maintenance, regulatory, network related cost and also due to cost from the integration of a newly acquired entity by Sri Lanka operation in Q2'12. Despite the cost increase, EBITDA in the period grew 7.6% contributed by higher revenue and continuous stringent cost management initiatives. PAT however, registered lower to RM20.8 million due to the translation loss caused by the strengthening USD against SLR in Q2'12.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM77.5 million to total Group revenue, with Cambodia making 41.9% contribution in the results from Others. Cambodia revenue decreased marginally by 0.9%, but PAT grew 23.9% mainly due to lower operating costs especially on marketing and interconnect cost. Other associates contribution in share of profit decreased to RM14.9 million, mainly due to India consolidation adjustments and decrease in performance in Singapore operations. India standalone performance actually performed better with EBITDA and PAT grew double digit of 19.2% and 32.0% respectively, but its profit contribution to the Group was impacted due to GAAP adjustments at Group level. On a quarter-on-quarter view, Singapore PAT dropped 17.7% from a year ago.

(b) Year-on-Year

For the first half of the financial year ("1H'12"), Group revenue increased by 8.7% to RM8,680.3 million, as compared to RM7,989.1 million recorded in first half of 2011 ("1H'11"), attributed to higher contribution from all OpCo. At constant currency, the Group revenue would have registered higher growth of 11.9%. Operating costs of the Group increased by 10.2% to RM4,953.6 million in 1H'12 from RM4,495.5 million in 1H'11 mainly driven by Malaysia, Indonesia and Sri Lanka. The Group's EBITDA grew 6.7% year-on-year but margin dipped by 0.8 percentage points mainly due to aggressive network roll-out cost in Indonesia. PAT in the period increased marginally by 0.5% to RM1,413.6 million, mainly from higher contribution in Malaysia and Bangladesh, off-set by foreign exchange losses incurred by the operations in Indonesia and Sri Lanka during 1H'12 and lower net contribution from associate companies.

Malaysia gross revenue grew 9.2% in 1H'12 driven by higher prepaid, broadband and domestic roaming revenue, which increased by 5.8%, 18.0% and 241.5% respectively. Malaysia broadband revenue continues its positive momentum, contributing 11.5% of total revenue, driven by 10.4% increase in subscribers as a result of the higher take up of customers from bundled packages. Malaysia operating costs increased by 12.3% with major increase from interconnect, material and manpower cost. Consequently, EBITDA grew 5.3%. PAT in 1H'12 posted a strong growth of 10.6% to RM957.6 million, mainly from improved EBITDA contribution, lower net finance cost and taxation, attributed to the tax credit recognised in 1H'12.

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)

Gross revenue of Indonesia grew 9.3% in tandem with the increase in subscriber base of 16.0% compared to 1H'11. Prepaid revenue continued to gain traction, registering growth of 13.8%, on the back of 52.7% increase in prepaid minutes of use. Revenue from data in Indonesia grew 69.3% in 1H'12, contributed to 15.3% of Indonesia's total net revenue. Operating costs increased by 18.7% mainly from network related cost. As a result, EBITDA grew 1.3% in 1H'12 and margin dipped by 3.9 percentage points. Strengthening of USD against IDR in 1H'12 has resulted in foreign exchange translation loss and has adversely affected PAT performance, resulting in 6.0% decrease year-on-year to RM495.3 million.

Bangladesh gross revenue grew 12.6% mainly from prepaid, interconnect and postpaid revenue, which increased by 25.5%, 24.0% and 44.1% respectively, while operating costs increased by 8.6% mainly from higher regulatory, interconnect and network related cost. With revenue increased higher than its costs, EBITDA in the period grew a strong 22.2% and PAT improved significantly by more than 100% to RM12.1 million, partly due to lower foreign exchange translation loss recorded in 1H'12.

Sri Lanka gross revenue grew double digit year-on-year of 10.8% mainly from the revenue contribution from the consolidation of a newly acquired business and higher prepaid revenue, which increased by 22.6% in tandem with the increase in prepaid net additions of 78.0%. Operating costs increased by 11.9% mainly from higher customer maintenance, manpower and network related cost, and the integration of a new acquisition by Sri Lanka operation in 1H'12. EBITDA in the period grew a strong 8.8% contributed by higher revenue and continuous aggressive cost management initiatives, in particularly the overhead cost. However, due to the translation loss caused by the strengthening of USD against SLR in 1H'12, Sri Lanka posted a lower PAT of RM6.9 million in the period.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM153.1 million to total Group revenue, with Cambodia contributing 42.0% in the results from Others. Cambodia revenue increased by 11.3% and PAT grew 24.4% mainly due to lower operating costs recorded. Other associates contribution in share of profit decreased to RM92.5 million. India standalone performance registered higher EBITDA and PAT, with growth of 22.5% and 4.7% respectively, but its profit contribution to the Group was impacted due to GAAP adjustments at Group level. Singapore standalone performance registered lower revenue growth of 1.6%. EBITDA and PAT decreased by 5.0% and 11.5% respectively, mainly due to higher handset subsidies in 1H'12.

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

1. **Review of Performance (continued)**

(c) Comparison with Preceding Quarter's Results

Group revenue increased by 4.0% to RM4,424.5 million recorded in Q2'12 from RM4,255.8 million in the first quarter 2012 ("Q1'12"), mainly due to higher revenue contribution from Indonesia and Bangladesh. At constant currency, the Group revenue would have registered higher growth of 4.5%. The Group operating costs increased by 1.9% to RM2,500.5 million in Q2'12 mainly coming from Indonesia operations. As a result, Group EBITDA posted a strong increase of 6.7% to RM1,924.1 million and margin evidently increased by 1.1 percentage points. PAT posted double-digit growth of 19.2% to RM768.6 million in Q2'12 from higher contribution from all OpCo, with Sri Lanka returning to positive PAT compared to loss in Q1'12, with relative strengthening of SLR against USD as compared to prior quarter.

Malaysia gross revenue grew marginally by 0.3% in Q2'12 mainly due to higher sales of devices and outbound roaming revenue. Country achieved a continuous positive momentum from broadband segment, registering 5% growth in Q2'12, contributed to 11.7% of Malaysia's total net revenue. Operating costs decreased by 2.5% compared to Q1'12, attributed to lower bad debt provision and regulatory cost, arising from lower USP provision. As a result, EBITDA grew 4.2% and margin is at 43.5% in the current quarter. Malaysia PAT increased by 3.4% to RM486.9 million from RM470.7 million in Q1'12.

Indonesia gross revenue grew 7.3%, mainly attributed to higher interconnect and prepaid revenue, which increased by 87.2% and 4.6% respectively. Revenue from data in Indonesia grew 12.2% in Q2'12, contributed to 15.6% of Indonesia's total net revenue. Operating costs increased by 8.3% mainly due to higher network related cost. Despite the higher cost increase, EBITDA in the current quarter grew 6.3% and PAT posted a strong double-digit growth of 20.2% to RM270.4 million, offset slightly by higher foreign exchange translation losses arising from strengthening of USD against IDR in Q2'12.

Bangladesh performance continue to grow, with gross revenue grew 10.7% mainly due to prepaid revenue, supported by 6.4% increase in prepaid revenue generating subscriber base and postpaid revenue, which grew 23.8% arising from new postpaid packages and offerings launched during Q2'12. Bangladesh operating costs increased by 7.6% mainly due to higher manpower cost from salary realignment and regulatory cost from higher revenue sharing payment. EBITDA grew 17.6% compared to preceding quarter and PAT increased by a significant 82.6% to RM7.8 million, from higher EBITDA contribution while translation impact was minimal as exchange rate against USD remained relatively stable in the current quarter.

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

1. Review of Performance (continued)

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

Sri Lanka gross revenue grew 2.2% mainly coming from fixed line revenue, which increased by more than 100% arising from revenue integration of a newly acquired entity by Sri Lanka operation into the Group in Q2'12. On a constant currency basis, gross revenue would have grown higher by 9.5%. Operating costs increased by 1.2% driven by higher network related, regulatory and manpower cost, mainly due to cost integration of the new acquisition in Q2'12. EBITDA grew 4.4% in the current quarter. Sri Lanka registered PAT of RM20.8 million in Q2'12 compared to loss in the preceding quarter, mainly attributed to lower foreign exchange losses as a result of strengthening of SLR against USD in Q2'12 compared to Q1'12.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM77.5 million to total Group revenue in Q2'12. Cambodia which contributed 41.9% of revenue in the results from Others, saw its revenue grew 2.1%, while EBITDA and PAT grew 26.0% and 14.0% respectively, mainly due to lower operating costs especially on manpower and marketing expenses. Other associates contribution in share of profit decreased though, to RM14.9 million mainly due to lower contribution from India and Singapore. India revenue and EBITDA grew 2.5% and 5.8% respectively, but PAT decreased by 2.1% mainly due to higher net interest and financing cost. Singapore revenue decreased by 11.5% mainly from lower handset sales, and EBITDA and PAT decreased by 5.7% and 12.6% respectively.

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	2nd Quarter Ended		Financial Period Ended	
	30/06/2012	**30/06/2011**	**30/06/2012**	**30/06/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
EBIT*	**1,116,447**	1,090,378	**2,104,332**	2,084,047
Less: Adjusted Tax (25%)	**(279,112)**	(272,595)	**(526,083)**	(521,012)
NOPLAT	**837,335**	817,783	**1,578,249**	1,563,035
AIC	**15,291,392**	13,108,718	**15,291,392**	13,108,718
WACC	**7.12%**	8.61%	**7.12%**	8.61%
Economic Charge (AIC*WACC)	**272,187**	282,165	**544,374**	564,330
Economic Profit	**565,148**	535,618	**1,033,875**	998,705

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 factor contributing to higher EP during the current quarter and financial period to date is mainly contributed by higher EBIT arising from better performance achieved by the Group as disclosed in Part B, 1(a) and (b) of this announcement.

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 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

The Group continues to adopt a prudent approach particularly in respect of operating and capital expenditure, in order to optimise its financial performance going forward. Careful execution of its business strategy remains a key focus in a challenging environment. Amongst the key risks facing 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 period 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 comfortably in line with the announced KPIs.

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

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial period ended 30 June 2012.

4. Taxation

The taxation charge for the Group comprises:

	2nd Quarter Ended		Financial Period Ended	
	30/06/2012	**30/06/2011**	**30/06/2012**	**30/06/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income Tax:				
Malaysia	**(65,112)**	(171,624)	**(228,641)**	(282,917)
Current period	**-**	15,000	**-**	15,000
	(65,112)	(156,624)	**(228,641)**	(265,917)
Overseas				
Current period	**(68,291)**	(117,008)	**(165,576)**	(205,800)
Prior period	**103**	(14)	**103**	2,660
	(68,188)	(117,022)	**(165,473)**	(203,140)
Deferred Tax (net):				
Originating and reversal of temporary differences	**(109,873)**	27,965	**(109,247)**	(35,685)
Total Taxation	**(243,173)**	(245,681)	**(503,361)**	(506,742)

The current quarter's effective tax rate of the Group is lower than statutory tax rate in line with lower expenses not allowable for tax deduction incurred.

The financial period to date's 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 financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

5. Status of Corporate Proposals (continued)

(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 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 financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

As of 23 August 2012, other than the above, there is no other corporate proposal announced but not completed.

6. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 30 June 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	**575,210**	**419,096**	223,534	476,102
Unsecured	**1,138,863**	**9,672,947**	1,121,530	9,011,126
Total	**1,714,073**	**10,092,043**	1,345,064	9,487,228

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

	2012	**2011**
Foreign Currency	**RM'000**	**RM'000**
USD	**3,727,421**	3,765,125
IDR	**3,402,902**	2,707,409
BDT	**443,704**	67,432
SLR	**2,328**	42,799
Total	**7,576,355**	6,582,765

7. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 30 June 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	**451,392**	**12,569**	527,328	(29,587)
Cross currency interest rate swaps:				
- < 1 year	**139,655**	**8,280**	-	-
- 1 - 3 years	**278,917**	**20,316**	177,722	2,578
- > 3 years	**1,747,790**	**(122,086)**	1,668,150	(226,564)
Interest rate swaps contracts:				
- > 3 years	**564,350**	**(18,656)**	658,109	(23,022)
Convertible warrants in an associate:				
- > 3 years	**-**	**3,784**	-	3,783
Total		**(95,793)**		(272,812)

(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:

	2nd Quarter Ended		Financial Period Ended	
	30/06/2012	30/06/2011	**30/06/2012**	30/06/2011
	RM'000	RM'000	**RM'000**	RM'000
Total net gains/(losses)	**5,316**	(11,025)	**8,619**	(51,040)

9. Realised and Unrealised Profits or Losses Disclosure

	As at 30/06/2012	As at 30/06/2011
	RM'000	RM'000
		Restated
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	**11,586,395**	11,299,382
- Unrealised	**(1,232,976)**	(1,622,723)
	10,353,419	9,676,659
Total retained profits from associated companies:		
- Realised	**642,690**	645,146
- Unrealised	**(68,372)**	-
	574,318	645,146
	10,927,737	10,321,805
Less: Consolidated adjustments	**(1,828,376)**	(1,981,269)
Total Consolidated Retained Profits	**9,099,361**	8,340,536

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 was heard on 26 July 2012. The Court has fixed the appeal for part heard/decision on 8 October 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.

10. Material Litigation (continued)

(b) 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. The appeal was heard on 25 June 2012 and fixed for continued hearing on 14 August 2012. The decision was reserved pending the hearing of the DeTeAsia, AH and OTA appeals on 28 November 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 were heard on 25 June 2012 and 14 August 2012 and fixed for continued hearing on 28 November 2012.

(c) 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.

10. Material Litigation (continued)

(c) Celcom & Another vs TSDTR & 8 Others (continued)

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. The appeal was heard on 25 June 2012 and fixed for continued hearing on 14 August 2012. The decision was reserved pending the hearing of the German directors' appeals on 28 November 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. The appeals were heard on 25 June 2012 and 14 August 2012 and fixed for continued hearing on 28 November 2012.

(d) Claim on Robi by 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 23 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 RM252.4 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 26 April 2012 to challenge NBR's claim. The writ was heard by the High Court on 2 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 7 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 8 May 2012 and rejected NBR's appeal.

Robi has replied to NBR's show cause letter on 10 May 2012 and is now awaiting NBR to adjudicate on Robi's reply and to inform Robi of its decision. The High Court granted a further extension of the stay order previously granted to Robi for another period of 1 month pursuant to the application submitted by Robi on 21 June 2012. The stay order was further extended until 22 October 2012.

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

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

The Company and Huawei Technologies Co Ltd 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 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 23 August 2012 is as follows:

(a) 3 Outdoor Structures have obtained local authorities approval;
(b) 17 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.

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

14. Earnings Per Share ("EPS")

(a) Basic EPS

	2nd Quarter Ended		Financial Period Ended	
	30/06/2012	30/06/2011	**30/06/2012**	30/06/2011
Profit attributable to owners of the Company (RM'000)	**666,638**	663,051	**1,232,267**	1,211,416
Adjusted weighted average number of shares ('000)	**8,509,016**	8,452,090	**8,512,663**	8,448,642
Basic EPS (sen)	**8**	8	**14**	14

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	
	30/06/2012	30/06/2011	**30/06/2012**	30/06/2011
Profit attributable to owners of the Company (RM'000)	**666,638**	663,051	**1,232,267**	1,211,416
Adjusted weighted average number of shares ('000)	***8,509,016***	*8,452,090*	***8,512,663***	*8,448,642*
Adjustment for the Company's ESOS	***28,451***	*41,492*	***23,989***	*43,504*
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,537,467**	8,493,582	**8,536,652**	8,492,146
Diluted EPS (sen)	**8**	8	**14**	14

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

15. Qualification of Preceding Audited Financial Statements

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

16. Dividends

The Board of Directors has declared an interim tax exempt dividend under single tier system of 8 sen per ordinary share of RM1 each of the Company for the financial year ending 31 December 2012 (30 June 2011: 4 sen).

Pursuant to Paragraph 8.26 of the Main LR of Bursa Securities, the interim dividend will be paid no later than 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
30 August 2012