AXIATA GROUP BERHAD (242188-H)

(Incorporated in Malaysia)

The Board of Directors of Axiata Group Berhad is pleased to announce the following audited results of the Group for the financial year ended 31 December 2012.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4TH QUARTER ENDED		FINANCIAL YEAR ENDED	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM '000	RM '000	RM '000	RM '000
	AUDITED	RESTATED	AUDITED	RESTATED
Operating revenue	**4,448,808**	4,250,300	**17,651,617**	16,290,420
Operating costs				
- depreciation, impairment and amortisation	**(971,352)**	(951,311)	**(3,339,563)**	(3,199,901)
- foreign exchange losses	**(21,598)**	(64,734)	**(136,184)**	(53,223)
- domestic interconnect and international outpayment	**(567,114)**	(410,556)	**(2,284,257)**	(1,675,450)
- marketing, advertising and promotion	**(317,841)**	(363,626)	**(1,439,743)**	(1,473,796)
- other operating costs	**(1,388,719)**	(1,335,939)	**(5,363,165)**	(4,885,073)
- staff costs	**(325,834)**	(275,591)	**(1,139,955)**	(1,078,951)
- other gains/(losses) - net	**4,657**	4,028	**30,155**	(5,008)
Other operating income	**31,870**	36,652	**94,044**	80,989
Operating profit before finance cost	**892,877**	889,223	**4,072,949**	4,000,007
Finance income	**70,040**	60,733	**262,345**	235,781
Finance cost excluding net foreign exchange gains/(losses) on financing activities	**(168,229)**	(160,365)	**(717,799)**	(638,102)
Net foreign exchange gains/(losses) on financing activities	**16,141**	(93,627)	**(66,214)**	(138,724)
	(152,088)	(253,992)	**(784,013)**	(776,826)
Jointly controlled entities				
- share of results (net of tax)	**(1,577)**	-	**(1,577)**	-
Associates				
- share of results (net of tax)	**74,202**	4,382	**234,950**	137,745
- loss on dilution of equity interests	**(10,790)**	-	**(22,860)**	(20,108)
Profit before taxation	**872,664**	700,346	**3,761,794**	3,576,599
Taxation and zakat	**(215,058)**	(73,433)	**(882,217)**	(864,349)
Profit for the financial period/year	**657,606**	626,913	**2,879,577**	2,712,250
Other comprehensive (expense)/income				
- net investment hedge, net of tax	**(20,066)**	37,334	**(40,354)**	(6,220)
- actuarial losses, net of tax	**(753)**	-	**(6,592)**	-
- currency translation differences	**(5,820)**	(317,317)	**(586,456)**	(118,083)
Total comprehensive income for the financial period/year	**630,967**	346,930	**2,246,175**	2,587,947
Profit for the financial period attributable to:				
- owners of the Company	**571,100**	544,586	**2,513,285**	2,345,628
- non-controlling interests	**86,506**	82,327	**366,292**	366,622
	657,606	626,913	**2,879,577**	2,712,250
Total comprehensive income for the financial period/year attributable to:				
- owners of the Company	**549,107**	330,990	**2,047,141**	2,206,151
- non-controlling interests	**81,860**	15,940	**199,034**	381,796
	630,967	346,930	**2,246,175**	2,587,947
Earnings per share (sen) (Note B,14)				
- basic	**6.7**	6.4	**29.6**	27.8
- diluted	**6.7**	6.4	**29.5**	27.6

(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)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31/12/2012 RM '000 Audited	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	8,508,209	8,466,182	8,445,154
Share premium	2,094,125	1,989,885	1,972,964
Reserves	9,498,174	9,387,015	8,307,191
Total equity attributable to owners of the Company	20,100,508	19,843,082	18,725,309
Non-controlling interests	1,906,714	1,832,415	1,553,339
Total equity	22,007,222	21,675,497	20,278,648
NON-CURRENT LIABILITIES			
Borrowings	10,765,691	9,231,424	9,983,983
Derivative financial instruments	194,181	127,749	191,527
Deferred income	247,188	136,056	-
Other payable	68,417	177,946	52,471
Provision for liabilities	338,948	343,148	249,433
Deferred tax liabilities	1,418,265	1,380,054	1,333,863
Total non-current liabilities	13,032,690	11,396,377	11,811,277
	35,039,912	**33,071,874**	**32,089,925**
NON-CURRENT ASSETS			
Intangible assets	8,392,514	8,297,978	7,605,498
Property, plant and equipment	16,585,314	16,161,531	15,130,246
Investment properties	-	-	2,020
Jointly controlled entities	1,618	-	-
Associates	6,838,467	6,769,135	6,698,484
Available-for-sale financial asset	892	893	888
Derivative financial instruments	33,621	44,891	14,964
Long term receivables	98,750	108,858	111,313
Deferred tax assets	263,842	315,611	117,457
Total non-current assets	32,215,018	31,698,897	29,680,870
CURRENT ASSETS			
Inventories	381,499	341,837	85,056
Trade and other receivables	2,112,098	2,106,281	1,703,772
Derivative financial instruments	22,087	-	-
Financial assets at fair value through profit or loss	8	9	10
Tax recoverable	40,839	55,242	68,102
Deposits, cash and bank balances	7,906,204	6,616,788	6,277,382
Assets directly associated with non-current assets classified as held-for-sale	252,848	286,807	285,774
Total current assets	10,715,583	9,406,964	8,420,096
LESS : CURRENT LIABILITIES			
Trade and other payables	5,730,997	5,556,228	4,515,019
Borrowings	1,892,371	2,227,939	699,591
Derivative financial instruments	-	-	277,678
Current tax liabilities	115,045	62,382	274,100
Liabilities directly associated with non-current assets classified as held-for-sale	152,276	187,438	244,653
Total current liabilities	7,890,689	8,033,987	6,011,041
Net current assets	2,824,894	1,372,977	2,409,055
	35,039,912	**33,071,874**	**32,089,925**
Net assets per share attributable to owners of the Company (sen)	236	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)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 and RSA reserve RM '000	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 year	-	-	-	-	-	-	-	-	2,513,285	2,513,285	366,292	2,879,577
Other comprehensive expense												
- Currency translation differences arising during the financial year:												
- subsidiaries	-	-	(370,861)	-	-	-	-	-	-	(370,861)	(165,053)	(535,914)
- associates	-	-	(50,542)	-	-	-	-	-	-	(50,542)	-	(50,542)
	-	-	(421,403)	-	-	-	-	-	-	(421,403)	(165,053)	(586,456)
- Net investment hedge, net of tax	-	-	-	-	-	(40,354)	-	-	-	(40,354)	-	(40,354)
- Actuarial loss for the financial year, net of tax	-	-	-	-	-	-	-	(4,387)	-	(4,387)	(2,205)	(6,592)
Total comprehensive (expense)/income	**-**	**-**	**(421,403)**	**-**	**-**	**(40,354)**	**-**	**(4,387)**	**2,513,285**	**2,047,141**	**199,034**	**2,246,175**
Transactions with owners												
- Issuance of new shares	42,027	59,609	-	-	-	-	-	-	-	101,636	-	101,636
- Share issue expense	-	(341)	-	-	-	-	-		-	(341)	-	(341)
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	4,087	4,087	7,324	11,411
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(132,059)	(132,059)
- Dividends paid to shareholders	-	-	-	-	-	-	-	-	(1,954,275)	(1,954,275)	-	(1,954,275)
- Employee share option scheme												
- value of employees' services	-	-	-	-	-	-	59,178	-	-	59,178	-	59,178
- transferred from ESOS reserve upon exercise	-	44,972	-	-	-	-	(44,972)	-	-	-	-	-
Total transactions with owners	42,027	104,240	-	-	-	-	14,206	-	(1,950,188)	(1,789,715)	(124,735)	(1,914,450)
At 31 December 2012	**8,508,209**	**2,094,125**	**(554,660)**	**16,598**	**346,774**	**(116,997)**	**111,044**	**(4,387)**	**9,699,802**	**20,100,508**	**1,906,714**	**22,007,222**

(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)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 and RSA reserve RM '000	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 year	-	-	-	-	-	-	-	-	2,345,628	2,345,628	366,622	2,712,250
Other comprehensive income/(expense)												
- Currency translation differences arising during the financial year:												
- subsidiaries	-	-	(1,970)	-	-	-	-	-	-	(1,970)	15,174	13,204
- associates	-	-	(131,287)	-	-	-	-	-	-	(131,287)	-	(131,287)
	-	-	(133,257)	-	-	-	-	-	-	(133,257)	15,174	(118,083)
- Net investment hedge, net of tax	-	-	-	-	-	(6,220)	-	-	-	(6,220)	-	(6,220)
Total comprehensive income/(expense)	**-**	**-**	**(133,257)**	**-**	**-**	**(6,220)**	-	-	**2,345,628**	**2,206,151**	**381,796**	**2,587,947**
Transactions with owners												
- Issuance of new shares	21,028	17,033	-	-	-	-	-	-	-	38,061	-	38,061
- Share issue expense	-	(112)	-	-	-	-	-	-	-	(112)	-	(112)
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	6,432	6,432	9,588	16,020
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(112,308)	(112,308)
- Dividends paid to shareholders	-	-	-	-	-	-	-	-	(1,184,230)	(1,184,230)	-	(1,184,230)
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	51,471	-	-	51,471	-	51,471
- lapsed ESOS	-	-	-	-	-	-	(537)	-	537	-	-	-
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	21,028	16,921	-	-	-	-	50,934	-	(1,177,261)	(1,088,378)	(102,720)	(1,191,098)
At 31 December 2011 (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**

(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)

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL YEAR ENDED	
	31/12/2012	31/12/2011
	RM '000	RM '000
Receipts from customers	17,637,956	15,986,440
Payments to suppliers and employees	(9,357,687)	(8,380,194)
Payment of finance cost	(774,241)	(635,449)
Payment of zakat	(500)	(845)
Payment of income taxes (net of refunds)	(668,547)	(1,184,704)
CASH FLOWS FROM OPERATING ACTIVITIES	**6,836,981**	**5,785,248**
Disposal of property, plant and equipment	46,305	134,523
Purchase of property, plant and equipment & capex inventories	(5,125,756)	(4,280,063)
Disposal of investment properties	-	14,176
Novation of the put option of an associate	-	(334,308)
Partial disposal of a subsidiary	-	1,452
Purchase of other intangible assets	(336,323)	(378,127)
Investment in a subsidiary	(80,380)	-
Additional investments in an associate	-	(205,766)
Acquisition of an associate	(3,728)	-
Acquisition of jointly controlled entities	(3,195)	
Net repayment from employees	117	188
Interest received	262,574	235,524
CASH FLOWS USED IN INVESTING ACTIVITIES	**(5,240,386)**	**(4,812,401)**
Proceeds from issuance of Performance-Based ESOS shares	101,636	38,061
Share issue expense	(341)	(112)
Proceeds from borrowings	2,473,087	2,646,226
Proceeds from Sukuk issuance	5,481,800	-
Repayments of borrowings	(2,104,496)	(2,145,444)
Early repayment of existing Sukuk	(4,200,000)	-
Dividends paid to non-controlling interests	(132,059)	(112,308)
Dividends received from associates	97,087	117,217
Dividends paid to shareholders	(1,954,275)	(1,184,230)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(237,561)**	**(640,590)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,359,034	332,257
NET DECREASE/(INCREASE) IN RESTRICTED CASH AND CASH EQUIVALENT	558,627	(551,971)
EFFECT OF EXCHANGE RATE CHANGES	(69,603)	7,974
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	**6,046,406**	**6,258,146**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	**7,894,464**	**6,046,406**
Total deposits, cash and cash balances	7,906,204	6,616,788
Less :		
- Deposit pledged	(6,388)	(565,015)
- Bank overdraft	(5,352)	(5,367)
TOTAL CASH AND CASH EQUIVALENT AS AT THE END OF THE FINANCIAL YEAR	**7,894,464**	**6,046,406**

(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)

PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The audited financial statements for the financial year ended 31 December 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 audited 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”

2. Accounting Policies (continued)

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

The adoption of the revised standards, amendments to standards and IC Interpretations did not have any significant impact to the Group during the financial year to date, except disclosure requirements under MFRS 124.

The Government of Malaysia and bodies controlled or jointly controlled by the Government of Malaysia are related parties of the Group. The Group enters into transactions with many of these bodies, which includes but is not limited to:

- receiving telecommunications services, including interconnection revenue/charges
- purchasing of goods, including use of public utilities and amenities, and
- placing of bank deposits

The Group has established its procurement policies and approval processes for purchases of products and services, which do not depend on whether the counterparties are government-related entities or not.

The Group provides telecommunications services as part of its ordinary operations.The Group has collectively, but not individually significant transactions with Government-related entities. These telecommunication services are carried out on commercial terms that are consistently applied to all customers.

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.

2. Accounting Policies (continued)

2.3 Early adoption of standard (continued)

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 to the financial year to date is as below:

Audited consolidated statement of financial position as at 31 December 2012	RM'000
Other payables	8,790
Deferred tax assets	(2,198)
Total	**6,592**
Actuarial reserve, net of tax	4,387
Non-controlling interests	2,205
Total	**6,592**

2.4 Reclassification

a) The Group comparatives of the following components have been reclassified to conform with current financial year presentation as it relates to cellular revenue from value added services is to be presented as net instead of gross of the amount related to the charges of these services, and presentation of Subscriber Acquisition Costs as amortisation of intangible assets instead of operating expenditure.

Consolidated Statement of Comprehensive Income			
	As previously reported RM'000	Reclassification RM'000	As restated RM'000
			4th Quarter Ended 31/12/2011
• Operating revenue	4,264,289	(13,989)	4,250,300
• Other operating costs	(1,349,928)	13,989	(1,335,939)
			Financial Year Ended 31/12/2011
• Operating revenue	16,447,937	(157,517)	16,290,420
• Other operating costs	(5,042,590)	157,517	(4,885,073)
• Depreciation, impairment and amortisation	(3,147,063)	(52,838)	(3,199,901)
• Marketing, advertising and promotion	(1,526,634)	52,838	(1,473,796)

2. Accounting Policies (continued)

2.4 Reclassification (continued)

b) The Group had made reclassification on defined benefit plans from current to non-current for a better presentation in the financial statements. Comparative was restated accordingly as per follows.

Consolidated Statement of Financial Position as at 31/12/2011			
	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Non-current liability			
Other payable	125,054	52,892	177,946
Current liability			
Trade and other payable	5,609,120	(52,892)	5,556,228
Consolidated Statement of Financial Position as at 01/01/2011			
Non-current liability			
Other payable	-	52,471	52,471
Current liability			
Trade and other payable	4,567,490	(52,471)	4,515,019

2. Accounting Policies (continued)

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

Consolidated Statements of Comprehensive Income

	4th Quarter 2011			For the financial year ended 2011		
	As previously reported RM'000	Exemption under MFRS 1 RM'000	As Restated RM'000	As previously reported RM'000	Exemption under MFRS 1 RM'000	As Restated RM'000
Other comprehensive expense:						
- Currency translation differences	(706,050)	388,733	(317,317)	(672,653)	554,570	(118,083)
		===========			=========	
		388,733			554,570	
		===========			=========	

Consolidated Statements of Financial Position

	As at 31 December 2011			As at 1 January 2011		
	As previously reported RM'000	Exemption under MFRS 1 RM'000	As Restated RM'000	As previously reported RM'000	Exemption under MFRS1 RM'000	As Restated RM'000
Retained earnings	10,396,129	(1,259,424)	9,136,705	9,227,762	(1,259,424)	7,968,338
Currency translation differences	(1,947,251)	1,813,994	(133,257)	(1,259,424)	1,259,424	-
Non-controlling interests	1,832,355	60	1,832,415	-	-	-
		===========			=========	
		554,630			-	
		===========			=========	
Intangible 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 year 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;

(b) During the current quarter and financial year to date, the Group recognised net foreign exchange losses of RM5.5 million and RM202.4 million respectively mainly arising from the revaluation of USD borrowings and payables; and

(c) During the current quarter and financial year to date, the Group recognised a total net impairment of RM106.5 million and RM148.5 million respectively mainly arising from variance on assets verification exercise.

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 year ended 31 December 2012.

5. Estimates

The preparation of audited 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 year 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 year to date, the Company issued additional 2.7 million and 42.0 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
Transferred from ESOS reserve upon exercised	-	-	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
Transferred from ESOS reserve upon exercised	-	-	16,909	16,909
At 30 June 2012	8,498,477	8,498,477	2,074,784	10,573,261
Issuance of Performance-Based ESOS Shares	7,074	7,074	7,706	14,780
Transferred from ESOS reserve upon exercised	-	-	4,474	4,474
At 30 September 2012	8,505,551	8,505,551	2,086,964	10,592,515
Issuance of Performance-Based ESOS Shares	2,658	2,658	3,278	5,936
Transferred from ESOS reserve upon exercised	-	-	4,224	4,224
Share issue expense	-	-	(341)	(341)
At 31 December 2012	8,508,209	8,508,209	2,094,125	10,602,334

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

b) During the current quarter and financial year to the date, the Company offered the ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group as follow:

Date of offers	Number of ordinary shares offered* '000
9 April 2012	30,576
17 August 2012	806
10 December 2012	495
Total	**31,877**

* *Include the multiplier effects offered to senior management upon fulfilment of certain performance conditions.*

c) During the current quarter and financial year 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
6 & 29 August 2012	2,500	PT Bank Mandiri (Persero) Tbk
	6,500	

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

(e) The Company, had on 17 July 2012 through its wholly owned subsidiary, Axiata SPV2 Berhad ("Axiata SPV2") ("Trustee"), established a Multi-Currency Sukuk Programme involving the issuance of up to USD1.5 billion (or its equivalent in other currencies based on Islamic Principle).

On 11 September 2012, Axiata SPV2 successfully priced the inaugural issuance of Renminbi ("CNY") denominated 1.0 billion Sukuk pursuant to the Sukuk Programme. The Sukuk, which was issued at par, carries a coupon rate of 3.75% per annum (payable semi-annually in arrears) and has tenure of two (2) years from the date of issuance.

Subsequently, on 19 September 2012, the Sukuk was listed and quoted on Bursa Malaysia (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited.

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

(f) Celcom Transmission (M) Sdn Bhd ("CTX"), a wholly owned subsidiary of Celcom Axiata Berhad ("Celcom"), had on 14 August 2012 established a Sukuk Murabahah Programme of up to RM5.0 billion in nominal value. RM3.0 billion of the Sukuk was successfully priced via a book building process with the remaining RM2.0 billion privately allocated to strategic investors.

On 30 August 2012, the above proceeds from the Sukuk issuance was utilised to fully redeem its existing unrated Sukuk of RM4.2 billion. The remaining amount was utilised to meet its capital expenditure and working capital requirements.

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

7. Dividends

(a) The Company declared and paid the dividends during the financial year as below:

		Dividends	
	Date of payment	**Per ordinary share sen**	**Total RM'000**
In respect of financial year ended 31 December 2011: -a final tax exempt dividend under single tier system	14 June 2012	15	1,273,698
In respect of financial year ended 31 December 2012: -an interim tax exempt dividend under single tier system	31 October 2012	8	680,577
		23	1,954,275

8. Segmental Information

Segmental information for the financial year ended 31 December was as follows:

2012

All amounts are in RM'000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Adjustments	Total
Operating revenue	7,692,866	6,920,036	1,469,777	1,366,707	318,409	-	17,767,795
Inter-segment*	(8,381)	(45,884)	(311)	(28,327)	(1,237)	(32,038)	(116,178)
	7,684,485	6,874,152	1,469,466	1,338,380	317,172	(32,038)	17,651,617
Earnings before interest, tax, depreciation and amortisation ('EBITDA")	3,360,237	3,315,155	455,842	437,434	(144,239)	68	7,424,497
Interest income	144,647	42,553	10,574	7,447	108,766	(51,642)	262,345
Interest expense	(247,016)	(287,208)	(70,234)	(15,870)	(147,340)	49,869	(717,799)
Depreciation of property, plant and equipment ("PPE")	(838,778)	(1,737,418)	(218,674)	(255,511)	(32,111)	66,209	(3,016,283)
Amortisation of intangible assets	(84,251)	(23,873)	(53,914)	(5,636)	(444)	-	(168,118)
Jointly controlled entities:							
-Share of results (net of tax)	(1,577)	-	-	-	-	-	(1,577)
Associates:							
-Share of results (net of tax)	6,995	-	-	(207)	228,162	-	234,950
-Loss on dilution of equity interests	-	-	-	-	-	(22,860)	(22,860)
Impairment of PPE, net of reversal	(86,990)	-	-	(15,556)	(45,975)	-	(148,521)
Other non-cash income/(expenses)	64,086	(69,339)	37,697	(55,379)	(63,673)	1,768	(84,840)
Taxation	(442,753)	(325,696)	(111,611)	47,711	(30,005)	(19,863)	(882,217)
Segment profit/(loss) for the financial year	1,874,600	914,174	49,680	144,433	(126,859)	23,549	2,879,577

8. Segmental Information (continued)

2011 (Restated)

All amounts are in RM'000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Adjustments	Total
Operating revenue	7,182,493	6,354,530	1,270,331	1,263,886	345,045	-	16,416,285
Inter-segment*	(8,371)	(46,930)	-	(11,351)	(15,213)	(44,000)	(125,865)
	7,174,122	6,307,600	1,270,331	1,252,535	329,832	(44,000)	16,290,420
EBITDA	3,137,215	3,325,990	395,621	451,216	(110,988)	(21,904)	7,177,150
Interest income	95,070	40,773	5,774	11,737	131,659	(49,232)	235,781
Interest expense	(220,054)	(288,375)	(33,611)	(10,095)	(135,031)	49,064	(638,102)
Depreciation of PPE	(839,992)	(1,684,362)	(236,684)	(275,898)	(63,115)	11,027	(3,089,024)
Depreciation of investment properties	(1)	-	-	-	-	-	(1)
Amortisation of intangible assets	(56,881)	(25,175)	(12,512)	(7,095)	-	-	(101,663)
Associates:							
-Share of results (net of tax)	7,605	-	-	268	129,872	-	137,745
-Loss on dilution of equity interests	-	-	-	-	-	(20,108)	(20,108)
Impairment of PPE, net of reversal	6,934	(13,584)	-	(948)	-	-	(7,598)
Other non-cash income/(expenses)	58,108	(14,601)	(121,361)	(12,486)	(27,410)	169	(117,581)
Taxation	(420,844)	(357,729)	(31,458)	(12,556)	(41,205)	(557)	(864,349)
Segment profit/(loss) for the financial year	1,767,160	982,937	(34,231)	144,143	(116,218)	(31,541)	2,712,250

* 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 year to date, the Group acquired additional PPE amounting to RM4,606.2 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

(a) 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.

MTCE continued to be classified as "Non-Current Assets Held-for-Sale" as at 31 December 2012. The disposal was completed on 2 January 2013.

Other than the above, there was no other significant event after interim period that requires disclosure and/or adjustment as at 14 February 2013.

12. Effects of Changes in the Composition of the Group

There were no other changes in the composition of the Group for the financial year ended 31 December 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, a wholly owned subsidiary of the Company, 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 a jointly controlled entity of the Group.

(b) Acquisition of 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.

During the financial year to date, Axiata SPV2 issued CNY1.0 billion Sukuk as disclosed in Part A, 6(e) of this announcement.

(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 nature of business to be carried by 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. Effectively, DMSB became a jointly controlled entity of the Group.

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) Incorporation of Celcom Childcare Sdn Bhd ("CCSB")

Celcom, a wholly-owned subsidiary company of the Company, had on 29 August 2012 completed the incorporation of CCSB, a private company limited by shares, under the Companies Act, 1965.

CCSB was incorporated with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which RM25,000 has been issued and paid-up. The nature of business to be carried by CCSB is the provision of childcare services and other related activities.

(g) Incorporation of Bangladesh Infrastructure Company Limited ("BICL")

Robi Axiata Limited ("Robi"), a 70.0% owned subsidiary of the Company held via Axiata Investments (Labuan) Limited ("AIL"), had on 4 October 2012 incorporated a new subsidiary, BICL a public company limited by shares, under the Companies Act, 1994 of the Republic of Bangladesh. BICL was incorporated with an authorised share capital of BDT300 million represented by 30 million ordinary shares of BDT10 each, of which it's issued and paid-up capital is BDT100 million. The nature of business to be carried by BICL is to undertake activities and operations related to telecommunication infrastructure.

(h) Incorporation of Axiata SPV3 Sdn Bhd ("Axiata SPV3")

The Company had on 31 October 2012 completed the incorporation of Axiata SPV3, a private company limited by shares, under the Companies Act, 1965. Axiata SPV3 was incorporated with an authorised share capital of RM100,000 divided into 100,000 ordinary shares of RM1 each of which its issued and paid-up share capital is RM2. The nature of business to be carried by Axiata SPV3 is as an investment holding company.

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

(i) Incorporation of Axiata Investments (Cambodia) Limited ("AIC")

The Company had on 7 December 2012 completed the incorporation of AIC, a private company limited by shares, under the Labuan Companies Act, 1990. AIC was incorporated with an authorised share capital of USD100,000 divided into 100,000 ordinary shares of USD1 each of which its issued and paid-up share capital is USD2. The nature of business to be carried by AIC is as an investment holding company as disclosed in Part B, Note 5 (b) of this announcement.

(j) Acquisition of 26.00% equity interest in Digital Commerce Lanka (Pvt) Ltd ("Digital")

On 9 December 2012, Dialog, a 84.97% owned subsidiary of the Group entered into an Investment Agreement ("IA") for the acquisition of 26.0% equity interest in Digital for a purchase consideration of USD1.6 million. Effectively, Digital became an associate of the Group.

Alongside with the IA, Dialog has also entered into a shareholders' agreement with the shareholders of Digital to provide opportunities to increase its equity interest in Digital by Dialog in the future.

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

During the current quarter and financial year to date, the Group's equity interest in Idea, decreased from 19.95% to 19.93% and 19.96% to 19.93% respectively 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 year to date.

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

During the current quarter and financial year to date, the Group's equity interest in M1, held through Axiata Investments (Singapore) Limited, a wholly owned subsidiary of the Company, decreased from 29.14% to 29.06% and 29.23% to 29.06% 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 year to date.

(m) Dilution on equity interest in XL

During the financial year 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 financial year 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.

(b) VAT Assessment on 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. In March 2007, National Board of Revenue ("NBR") filed an appeal against the decision of the High Court. Appellate Division stayed the order of the High Court and granted leave to the NBR on the Order passed by the High Court on 24 August 2006. As a result, Robi resumed payment of the VAT on SIM Card sales with effect from 27 March 2007. On 2 August 2012, Appellate Division pronounced the judgment and allowed the appeal with certain observation. As a result, on 6th of August 2012, Government served the Demand Note based on a lawyer's certificate, as written judgment of the Appellate Division is yet to be published. Robi filed a Writ challenging the Demand Note. High Court refused to hear the Writ Petition, as written judgment of the Appellate Division was not available. As a result, Robi filed an appeal with the Appellate Division. Appellate Division granted leave to appeal, however, requested Robi to deposit 50% of the demand amount, which will be adjusted or set-off with any other regulatory payment to NBR, if Robi is successful in their appeal. Robi paid RM34.5 million (BDT900.0 million) to NBR accordingly, however, fully provided the amount of RM69.0 million (BDT1.8 billion) during the financial year to date.

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

14. Capital Commitments

PPE	Group	
	As at 31/12/2012	**As at 31/12/2011**
	RM'000	**RM'000**
• Commitments in respect of expenditure approved and contracted for	**2,169,117**	1,747,978
• Commitments in respect of expenditure approved but not contracted for	**966,511**	909,877

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 continued to deliver continuous revenue growth of 4.7% to RM4,448.8 million in the current quarter ("Q4'12") from RM4,250.3 million recorded last year of the same quarter ("Q4'11"), evidently by higher revenue contribution from all key Operating Companies ("OpCo") except Indonesia, which was affected by the strengthening of RM against IDR. Group registered double-digit growth of 11.4% with constant currency. Operating costs of the Group increased by 9.0% to RM2,599.5 million in Q4'12 from RM2,385.7 million in Q4'11, mainly driven by Indonesia and Sri Lanka. As a result, Group EBITDA decreased marginally by 0.8% quarter-on-quarter, with margin at 41.6%, a decline of 2.3 percentage points. At constant currency, Group EBITDA would increase by 5.5%. PAT business contribution in the period regained the growth momentum, increased by 4.9% to RM657.6 million, mainly due to lower foreign exchange losses in Q4'12 of RM5.5 million in comparison with foreign exchange losses of RM158.4 million suffered in Q4'11, along with positive contribution from associate in India in Q4'12 as compared to negative contribution in Q4'11.

Malaysia gross revenue grew 4.4% in Q4'12 driven by higher broadband and postpaid revenue, which increased by 24.4% and 4.8% respectively. Broadband revenue continues to show an uptrend driven by its growing broadband subscribers' base. Malaysia operating costs grew 1.3% mainly from manpower and material costs, arising from higher staff costs and cost of sales on devices, off-set by one-off reclassification of bundled device cost to amortisation cost. Consequently, EBITDA in the period grew 8.3%. PAT posted a decrease of 16.5% to RM434.2 million versus prior quarter, mainly due to one-off tax credit adjustment recorded in Q4'11. Normalised this, PAT would have shown positive and a strong growth of 11.6% quarter-on-quarter.

Revenue from Indonesia decreased by 1.6% mainly due to unfavourable translated revenue arising from 9.7% weakening of IDR against RM in the current quarter. At constant currency in RM terms, Indonesia revenue would have registered growth of 8.9% quarter-on-quarter. Key actions taken to stabilize price optimisation and changes in industry dynamics have improved Indonesia's results, increasing blended ARPU and RPM by 7.8% and 52.9% respectively. Data and SMS grew 27.5% and 1.3% from prior year quarter, with increasing emphasis on mobile data adoption and bundling packages aimed at smartphone users. Operating costs increased by 5.2% mainly from higher interconnect costs arising from SMS interconnect fee regulation along with aggressive network costs to accommodate data growth. EBITDA in the period declined 8.7%. At constant currency, EBITDA would increase by 1.3%. Margin in Indonesia had taken a steep dip to 45.1% from 48.7% as a result of declining revenue growth with increasing cost on data, and impact of SMS interconnect regulation along with higher network costs. As a result and translation, PAT registered a decrease of 21.3% in RM terms to RM178.6 million from RM227.0 million in prior quarter.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

Sri Lanka revenue grew 4.3% mainly from integration of a newly acquired entity since second quarter and from higher global revenue, of 63.5% growth in termination revenue, in line with increased in international postpaid termination minutes. Mobile revenue grew 10.7% in tandem with higher RGB subscribers' growth of 11.2% to 5.52 million from 4.97 million in Q4'11. Sri Lanka operating costs increased by 21.9% mainly from higher regulatory, customer maintenance, network related cost and also due to cost from the newly integrated entity. Higher costs versus its revenue increased have impacted Sri Lanka's EBITDA which dropped 23.3% to RM100.7 million. Margin in Q4'12 was at 28.7% losing 10.3 percentage points from 39.0%. Sri Lanka registered lower PAT of RM21.6 million, a drop of 45.2% from RM39.3 million recorded in prior quarter.

Bangladesh posted a strong revenue growth of 15.4% mainly from prepaid revenue which grew 24.4%, supported by 28.2% increase in prepaid RGB subscribers and 16.8% growth in interconnect revenue for the period. Operating costs increased by 2.0% with higher overheads, network related and regulatory costs recorded in Q4'12. In Q4'12, BDT strengthened against major foreign currencies resulted in Bangladesh recorded foreign exchange gains of RM34.9 million as opposed to foreign exchange losses of RM70.1 million in prior quarter. PAT benefited from this gain and turned positive at RM62.4 million in Q4'12 as opposed to loss of RM29.2 million in Q4'11.

Other segment consist of minor subsidiaries and contribution from associates and jointly controlled entities, has a revenue contribution of RM80.6 million to total Group revenue in Q4'12. Cambodia revenue decreased marginally by 0.3%, at constant currency, revenue would have increased by 2.7%. Cambodia loss after tax decreased significantly by 75.7% mainly due to lower material and marketing costs and also depreciation. Associates contribution in share of profit increased to RM74.2 million, mainly due to higher share of profit contribution from India in Q4'12 as compared to negative contribution in Q4'11.

1. Review of Performance (continued)

(b) Year-on-Year

For the financial year ended 31 December 2012 ("FY2012"), Group revenue continued with a strong growth at 8.4% to RM17,651.6 million against RM16,290.4 million recorded last year, with all OpCo registering growth year-on-year. At constant currency revenue would have posted a double-digit growth at 12.8%. Operating costs of the Group increased by 12.2% to RM10,227.1 million year-on-year from RM9,113.3 million driven by Malaysia, Indonesia and Bangladesh. Whilst EBITDA maintained annual growth of 3.4%, Group EBITDA margin experienced a dip of 2.0 percentage points to 42.1% mainly due to the one-off prior years SIM tax charge in Bangladesh, along with newly introduced regulation on SMS in Indonesia and its aggressive data investment costs. Excluding one-offs in Bangladesh and SMS interconnect in Indonesia, Group margin would have been 42.5%. PAT during the year increased by 6.2% to RM2,879.6 million mainly from higher contribution in Malaysia, Bangladesh and associate in India, off-set by the one-off event incurred by the operations in Bangladesh and lower contribution from Indonesia.

Malaysia revenue grew 7.1% during the year mostly driven by higher broadband and prepaid revenue, which increased by 20.5% and 4.2% respectively. Malaysia total data revenue continues to gain traction, contributing 11.4% of total revenue and grew 13.0% year-on-year. During the year, Malaysia operating costs grew in tandem with revenue at 7.1%, with major increase from manpower, material and interconnect cost. Consequently EBITDA also grew 7.1% while PAT posted a growth of 6.1% to RM1,874.6 million for the year, flowing through from the strong EBITDA recorded.

Revenue from Indonesia grew 8.9% to RM6,920.0 million from RM6,354.5 million last year with most segments showing positive traction, especially data and SMS which grew 50.5% and 15.7% respectively, with robust data growth driven by increased adoption of data and supported by investment in data infrastructure. Strengthening of RM by 5.2% had adversely impacted Indonesia translated result. At constant currency, Indonesia would have posted 14.8% growth. Indonesia operating costs during the year increased by 19.0% mainly from aggressive network implementation cost, imposition of SMS interconnect costs since Q2 2012 and higher cost relating to increase in Blackberry subscribers. As a result, EBITDA has decreased marginally by 0.3% but margin dipped by 4.4 percentage points to 47.9%, reflecting the higher operating costs as well as changes in revenue mix from voice and SMS to data. Further strengthening of USD against IDR in the current year resulted in significant foreign exchange translation losses of RM102.9 million and has adversely affected PAT which registered a decrease of 7.0% to RM914.2 million from RM982.9 million a year ago.

1. Review of Performance (continued)

(b) Year-on-Year (continued)

Sri Lanka revenue grew 8.1% with growth across all segments in particular from Mobile and its Global segments. Appreciation of RM had affected Sri Lanka's translated revenue performance, at constant currency, Sri Lanka posted a strong double digit growth of 23.4%. Mobile and Global revenue segment showed a continuous positive traction, with fixed line revenue contributes consistently to Sri Lanka total revenue which reflect the consolidation of the newly acquired fixed line entity. Mobile revenue grew 14.8% driven by growth in voice and data revenue on the back of 11.2% increase in RGB. Operating costs increased by 14.3% mainly from higher regulatory, network and customer maintenance cost and from the impact of new business acquisition by Sri Lanka operation. EBITDA had suffered mainly due to translated result, decreased by 3.1%. At constant currency, EBITDA would have registered a growth of 10.7%. PAT in the year recorded modest growth of 0.2% to RM144.4 million, benefited from a one-off reversal of deferred tax liability but off-set by foreign exchange losses during the year of RM58.8 million.

Bangladesh revenue registered an excellent double digit growth of 15.7% mainly from prepaid, interconnect and postpaid revenue which increased by 26.2%, 18.4% and 64.9% respectively. Growth in revenue is mainly due to both acquisition campaign and customer retention, resulting in increase in RGB by 28.5%. During the year, operating costs increased by 15.9% mainly from higher regulatory, network related and interconnect cost. Inclusive in direct costs is one-off prior years SIM tax of RM68.6 million. Despite one-off SIM tax impact, Bangladesh EBITDA continues to generate growth of 15.2%, with margin recorded at 31.0%. Excluding the SIM tax impact EBITDA would have grown 32.6% and margin would have been 35.7%. PAT posted a significant growth of 245.1% to RM49.7 million, from loss of RM34.2 million a year ago, mainly due to higher EBITDA and foreign exchange gains in FY2012 as compared to exchanges losses in FY2011 mainly from lower revaluation of USD borrowings and payables.

Other segment consist of minor subsidiaries and contribution from associates and jointly controlled entities, has a revenue contribution of RM285.1 million to total Group revenue, with Cambodia contributing 45.2% in the results from Others. Cambodia revenue increased by 7.9% and loss after tax decreased by 31.8% mainly due to higher revenue from prepaid and lower operating costs recorded. Associates contribution in share of profit increased to RM235.0 million. India consolidated performance registered higher EBITDA and PAT, with growth of 16.0% and 45.1% respectively. Singapore standalone performance registered revenue growth of 1.1%. EBITDA and PAT decreased by 3.4% and 10.7% respectively.

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Results

Group revenue decreased by 2.0% to RM4,448.8 million recorded in current quarter ("Q4'12") from RM4,539.0 million in the third quarter 2012 ("Q3'12"), with most OpCo registered slight increase and off-set by revenue decrease from Indonesia from a preceding quarter view. At constant currency, the Group revenue would have registered lower decrease of 0.6%. During the quarter, the Group operating costs decreased by 3.4% to RM2,599.5 million mainly coming from Indonesia and Bangladesh operations. Group EBITDA increased slightly by 0.04% to RM1,849.3 million for the quarter mainly from higher contributions from Malaysia and Bangladesh, offset by lower Indonesia and Sri Lanka contributions. As a result, margin increased slightly by 0.9 percentage points to 41.6% in Q4'12. PAT for the current quarter decreased by 18.7% to RM657.6 million as compared to RM808.4 million in preceding quarter as a result of higher depreciation, amortization and impairment in Q4'12 and one-off benefit from Sri Lanka cumulative deferred tax liability in Q3'12. Normalised this, PAT would have dropped lower at 12.6%. PATAMI decreased by 19.6% to RM571.1 million in Q4'12.

Malaysia revenue grew 1.9% in Q4'12 mainly from postpaid and others revenue. Postpaid revenue increased by 6.1% as a result of festivity while others revenue increased 54.5% mainly from higher transmission revenue and sales of devices. Apart from that, Malaysia broadband revenue continues to show traction improving 4.2% quarter-on-quarter and contributes 12.6% to Malaysia total revenue. During the quarter, operating costs decreased by 2.0% as compared to Q3'12, mainly due to lower interconnect cost and one-off reclassification of bundled device cost to amortisation cost. Consequently, EBITDA from Malaysia operations registered an increase of 7.0% with higher margin at 45.7% compared to 43.5% in the preceding quarter. However, Malaysia PAT decreased by 10.1% to RM434.2 million in Q4'12, mainly due to higher depreciation, amortisation and impairment arising mainly from amortisation of subscribers acquisition cost.

Indonesia revenue declined 8.4%, mainly attributed to lower voice and SMS revenue growth, with total ARPU and RPM showing a decrease of 3.1% and 4.3% respectively quarter-on-quarter, though compensated by positive growth in data revenue of 2.5%, reflecting the changes in Indonesia revenue mix from voice and SMS to data. Data remains the key engine of growth as the adoption of data continues to be strong amongst Indonesia users. At constant currency, Indonesia revenue would register lower decrease of 5.2%. Operating costs meanwhile decreased by 6.6% from lower network and overhead costs. Higher decline in revenue versus costs impacted Indonesia's EBITDA growth, decreased by 10.4% versus previous quarter. PAT consequently declined 25.7% to RM178.6 million against RM240.3 million in the preceding quarter.

1. Review of Performance (continued)

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

Sri Lanka revenue grew 2.2% contributed mainly from its global segment, growing double-digit 10.8% which was resulted from the increase in transit and international termination revenue, which achieved growth in its international transit and postpaid termination minutes. Mobile segment recorded 2.0% growth this quarter, translating to a 59.9% contribution of total Sri Lanka's revenue. Sri Lanka's tele-infrastructure and television segment showed positive improvement, growing by 2.0% and 5.2% respectively quarter-on-quarter. Operating costs increased by 10.6% mainly from higher customer maintenance, marketing and overheads costs. EBITDA in the current quarter decreased by 13.9% and PAT decreased significantly by 81.4% to RM21.6 million in Q4'12 from lower EBITDA and higher PAT in prior quarter due to one-off benefit from the reversal of cumulative deferred tax liability of RM56.2 million recorded in Q3'12.

Bangladesh reported a slight decline in revenue growth of 0.3% quarter-on-quarter mainly due to translation impact as RM appreciates against BDT. At constant currency, Bangladesh revenue would register 1.1% growth with higher revenue mainly coming from interconnect. Revenue stream shows improvement in all segments especially voice, other VAS and SMS. For the quarter, Bangladesh operating costs decreased by 26.2% mainly due to SIM tax one-off costs RM68.6 million in Q3'12 and lower Q4'12 interconnect cost. As a result, EBITDA increased significantly by 107.4% with margin at 40.4%, increasing 21.0 percentage points quarter-on-quarter. The positive impact from EBITDA together with foreign exchange gains of RM34.9 million recorded in Q4'12 as compared to losses in Q3'12, improved Bangladesh PAT by 351.3% to RM62.4 million for current quarter versus loss of RM24.8 million in prior quarter.

Other segment consist of minor subsidiaries and contribution from associates and jointly controlled entities, has a revenue contribution of RM80.6 million to total Group revenue in Q4'12, with Cambodia contributing 41.0% in the results from Others. Cambodia revenue increased by 3.9% in the quarter and loss after tax decreased by 68.9% mainly due to improved performance at EBITDA level. Associates contribution in share of profit increased to RM74.2 million mainly due to higher contribution from India from higher GAAP adjustment. India consolidated PAT however decreased by 4.7% from higher net interest and financing cost in current quarter.

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

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	4th Quarter Ended		Financial Year Ended	
	31/12/2012	**31/12/2011**	**31/12/2012**	**31/12/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
EBIT*	**888,220**	924,156	**4,042,794**	4,043,323
Less: Adjusted Tax (25%)	**(222,055)**	(231,039)	**(1,010,699)**	(1,010,831)
NOPLAT	**666,165**	693,117	**3,032,096**	3,032,492
AIC	**14,612,145**	13,750,808	**14,612,145**	13,750,808
WACC	**7.39%**	7.50%	**7.39%**	7.50%
Economic Charge (AIC*WACC)	**269,959**	257,828	**1,079,838**	1,031,311
Economic Profit	**396,206**	435,289	**1,952,258**	2,001,181

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 lower EP during the current quarter and financial year to date is mainly contributed by a higher Economic Charge ("EC"). Higher EC incurred was in line with higher capital investment by the Group with lower WACC due to lower cost of equity resulted from lower market risk premium.

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 ended 31 December 2012

On 23 February 2012, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2012. Based on financial year ended 31 December 2012 Group's performance, the Board of Directors is pleased to announce that the Group's full year actual KPIs achievements are as follows:

Headline KPIs	2012 Headline KPIs	2012 Achievement
Revenue Growth	5.3	7.3
EBITDA Growth	1.8	3.0
Return on Invested Capital ("ROIC")	11.3	11.9
Return on Capital Employed ("ROCE")	8.9	9.4

The Group exceeded all KPI targets for the financial year ended 31 December 2012.

Despite challenging operating environment and currency fluctuations, the Group's operating companies delivered strong results with improvements in Revenue, EBITDA and profitability.

The Group expects to face continued challenges for the financial year ending 31 December 2013 and will continue to take a long term view and adopt careful prudent measures in addressing the challenges to optimise its financial performance.

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.

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 year ended 31 December 2012.

4. Taxation and zakat

The taxation and zakat charge for the Group comprises:

	4th Quarter Ended		Financial Year Ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	RM'000	RM'000	RM'000	RM'000
Income Tax:				
Malaysia				
Current year	**(190,398)**	(38,222)	**(524,596)**	(530,974)
Prior year	**61,998**	17,625	**91,344**	(61,348)
	(128,400)	(20,597)	**(433,252)**	(592,322)
Overseas				
Current year	**(43,252)**	(45,650)	**(278,297)**	(345,748)
Prior year	**-**	(2,624)	**103**	2,370
	(43,252)	(48,274)	**(278,194)**	(343,378)
Deferred Tax (net):				
Originating and reversal of temporary differences	**(34,906)**	(3,717)	**(162,271)**	72,196
Total taxation	**(206,558)**	(72,588)	**(873,717)**	(863,504)
Zakat	**(8,500)**	(845)	**(8,500)**	(845)
Total taxation and zakat	**(215,058)**	(73,433)	**(882,217)**	(864,349)

The current quarter's of the Group is almost equal to statutory tax rate.

The financial year to date's effective tax rate of the Group is lower than statutory tax rate mainly due to the utilisation of investment tax credit and one-off net deferred tax liabilities write back by 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, AIL 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 continued to be classified as Assets and Liabilities Directly Associated with Non-current Assets classified as Held for Sale during the financial year to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

5. Status of Corporate Proposals (continued)

(b) Acquisition by AIC of Glasswool Holdings Limited

On 13 December 2012, the Company and its wholly-owned subsidiary, AIC have entered into a Sale and Purchase Agreement ("SPA") with Timeturns Holdings Limited ("Timeturns") for the acquisition of the entire ordinary shares in issue ("Purchased Shares") of Glasswool Holdings Limited, ("Glasswool"), which will be the owner of the entire ordinary shares in issue of Latelz Co. Ltd. ("Latelz") in Cambodia ("Acquisition of Latelz") upon completion of the Acquisition of Latelz.

The transaction will involve AIC acquiring Glasswool, which will be the sole owner of Latelz upon completion of the transaction. The Group is currently in the process of merging the operations of Hello and Latelz as one combined entity ("Merged Entity"). The acquisition will be settled via a cash consideration of approximately USD155 million (subject to adjustments for the actual net debt and working capital positions as of the date of completion) as well as a 10.0% stake in the combined entity, with AIC ending up with a 90.0% stake in the Merged Entity. The 10.0% stake will be held by the remaining partner.

The Acquisition of Latelz shall be subject to various completion items which shall include but not limited to customary regulatory approvals of similar nature from Ministry of Posts and Telecommunications Cambodia, Council for the Development of Cambodia and Ministry of Commerce, amongst others. The Group is targeting the completion by February 2013, upon satisfying all the completion items

As of 14 February 2013, 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 31 December 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	**191,468**	**373,388**	627,946	444,390
Unsecured	**1,700,903**	**10,392,303**	1,599,993	8,787,034
Total	**1,892,371**	**10,765,691**	2,227,939	9,231,424

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

	2012	**2011**
Foreign Currency	**RM'000**	**RM'000**
USD	**3,453,919**	4,068,234
IDR	**3,649,993**	2,650,944
CNY	**492,323**	-
BDT	**26,557**	458,409
SLR	**5,352**	39,617
Total	**7,628,144**	7,217,204

7. Outstanding derivatives

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

Type of derivatives financial instruments	2012 Notional Value RM'000	2012 Fair value Favourable/ (Unfavourable) RM'000	2011 Notional Value RM'000	2011 Fair value Favourable/ (Unfavourable) RM'000
Forward foreign currency contracts:				
- 1 - 3 years	**354,856**	**17,423**	-	-
- > 3 years	**-**	**-**	489,677	4,828
Cross currency interest rate swaps:				
- < 1 year	**223,988**	**22,087**	-	-
- 1 - 3 years	**1,252,075**	**8,687**	510,048	22,151
- > 3 years	**918,450**	**(175,476)**	1,742,675	(90,861)
Interest rate swaps contracts:				
- 1 - 3 years	**442,862**	**(14,977)**	-	-
- > 3 years	**-**	**-**	611,120	(22,759)
Convertible warrants in an associate:				
- > 3 years	**-**	**3,783**	-	3,783
Total		**(138,473)**		(82,858)

(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:

	4th Quarter Ended		Financial Year Ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
	RM'000	RM'000	**RM'000**	RM'000
Total net gains/(losses)	**1,374**	(315)	**15,469**	(34,552)

9. Realised and Unrealised Profits or Losses Disclosure

	As at 31/12/2012	As at 31/12/2011
	RM'000	RM'000
		Restated
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	**10,975,875**	10,742,468
- Unrealised	**(1,211,185)**	(1,404,088)
	9,764,690	9,338,380
Total retained profits from jointly controlled entities:		
- Realised	**(1,577)**	-
	(1,577)	-
Total retained profits from associated companies:		
- Realised	**799,449**	799,480
- Unrealised	**(93,492)**	(124,493)
	705,957	674,987
	10,469,070	10,013,367
Less: Consolidated adjustments	**(769,268)**	(876,662)
Total Consolidated Retained Profits	**9,699,802**	9,136,705

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 the same was dismissed on 16 October 2012.The matter is now fixed for case management on 18 February 2013.

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) Dato' Lim Kheng Yew ("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 14 August 2012. The Court of Appeal fixed the appeal for continued hearing 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.

Subsequently, the Court of Appeal vacated both appeals and the same are now fixed for mention on 27 February 2013.

10. Material Litigation (continued)

(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.

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 on 14 August 2012. The Court of Appeal fixed the appeal for continued hearing 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. The Court of Appeal then fixed 28 November 2012 for continued hearing.

Subsequently, the Court of Appeal vacated both appeals and the same are now fixed for mention on 27 February 2013.

(d) Claim on Robi by 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 RM245.2 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.

10. Material Litigation (continued)

(d) Claim on Robi by NBR (continued)

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 has been further extended for 6 months. The National Board of Revenue has subsequently filed a further appeal against the stay order. The matter is listed for hearing pending the hearing date to be set by the court.The next hearing for the case proper will take place on 21 April 2013.

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 one (1) year with effect from 18 November 2011. The MOU has lapsed on 18 November 2012.

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 year to date.

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

13. Additional Disclosure Requirements

Pursuant to the letter of approval from Securities Commission Malaysia 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 two (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 two (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 14 February 2013 is as follows:

(a) 3 Outdoor Structures have obtained local authorities approval;
(b) 9 Outdoor Structures are pending approval from local authorities;
(c) Initial applications for 28 Outdoor Structures have been declined. Celcom is in the midst of appealing to the relevant local authorities with respect to such applications; and
(d) 9 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

	4th Quarter Ended		Financial Year Ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
Profit attributable to owners of the Company (RM'000)	**571,100**	544,586	**2,513,285**	2,345,628
Adjusted weighted average number of shares ('000)	**8,507,412**	8,445,559	**8,492,277**	8,451,437
Basic EPS (sen)	**6.7**	6.5	**29.6**	27.8

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 year 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.

	4th Quarter Ended		Financial Year Ended	
	31/12/2012	31/12/2011	**31/12/2012**	31/12/2011
Profit attributable to owners of the Company (RM'000)	**571,100**	544,586	**2,513,285**	2,345,628
Adjusted weighted average number of shares ('000)	***8,507,412***	*8,445,559*	***8,492,277***	*8,451,437*
Adjustment for the Company's ESOS	***52,653***	*36,216*	***41,032***	*35,910*
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,560,065**	8,481,775	**8,533,309**	8,487,347
Diluted EPS (sen)	**6.7**	6.4	**29.5**	27.6

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. Dividend Proposed

The Board of Directors have recommended tax exempt dividends under single tier system a final dividend of 15 sen (2011: 15 sen) and a special dividend of 12 sen (2011: Nil) per ordinary share of RM1 each of the Company in respect of financial year ended 31 December 2012. The proposed dividends are subject to approval by the shareholders at the forthcoming Annual General Meeting. Full year dividend declared for the financial year ended 2012 is 35 sen (2011: 19 sen).

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
21 February 2013