AXIATA GROUP BERHAD (242188-H)

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 2014.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	4th Quarter Ended		Financial Year Ended	
	31/12/2014	**31/12/2013**	**31/12/2014**	**31/12/2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating revenue	**4,813,422**	4,512,261	**18,711,777**	18,370,841
Operating costs				
- depreciation, impairment and amortisation	**(996,410)**	(876,032)	**(3,671,618)**	(3,435,330)
- foreign exchange gains/(losses)	**99,561**	8,134	**(76,317)**	8,182
- domestic interconnect and international outpayment	**(622,932)**	(612,541)	**(2,470,796)**	(2,580,197)
- marketing, advertising and promotion	**(380,412)**	(343,497)	**(1,448,773)**	(1,476,660)
- other operating costs	**(1,713,713)**	(1,529,637)	**(6,470,915)**	(5,815,918)
- staff costs	**(328,963)**	(316,726)	**(1,322,718)**	(1,226,943)
- other gains/(losses) - net	**12,067**	54,141	**(41,753)**	203,648
Other operating income	**86,442**	24,215	**252,657**	47,881
Operating profit before finance cost	**969,062**	920,318	**3,461,544**	4,095,504
Finance income	**48,297**	44,790	**197,994**	261,296
Finance cost excluding net foreign exchange losses on financing activities	**(180,111)**	(196,016)	**(746,459)**	(720,729)
Net foreign exchange losses on financing activities	**(76,836)**	(114,216)	**(137,560)**	(358,118)
	(256,947)	(310,232)	**(884,019)**	(1,078,847)
Joint ventures				
- share of results (net of tax)	**(6,949)**	997	**(24,992)**	5,329
Associates				
- share of results (net of tax)	**86,986**	72,726	**407,213**	270,823
- loss on dilution of equity interests	**-**	(2,033)	**(43,284)**	(21,066)
Profit before taxation	**840,449**	726,566	**3,114,456**	3,533,039
Taxation	**(226,730)**	(140,239)	**(770,043)**	(794,462)
Profit for the financial period/year	**613,719**	586,327	**2,344,413**	2,738,577
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss:				
- actuarial (losses)/gains on defined benefits plan, net of tax	**(9,041)**	(3,728)	**(12,347)**	5,593
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**442,693**	(43,883)	**455,035**	(491,600)
- Cash flow hedge, net of tax	**(1,131)**	-	**(986)**	-
- Net investment hedge, net of tax	**(11,522)**	(16,400)	**21,588**	(35,280)
Other comprehensive income/(expense) for the financial period, net of tax	**420,999**	(64,011)	**463,290**	(521,287)
Total comprehensive income for the financial period/year	**1,034,718**	522,316	**2,807,703**	2,217,290
Profit/(Loss) for the financial period/year attributable to:				
- owners of the company	**594,932**	575,632	**2,348,665**	2,550,021
- non-controlling interests	**18,787**	10,695	**(4,252)**	188,556
	613,719	586,327	**2,344,413**	2,738,577
Total comprehensive income/(expense) for the financial period/year attributable to:				
- owners of the company	**941,361**	556,345	**2,724,321**	2,242,481
- non-controlling interests	**93,357**	(34,029)	**83,382**	(25,191)
	1,034,718	522,316	**2,807,703**	2,217,290
Earnings Per Share (sen) (Part B, Note 13)				
- basic	**6.9**	6.7	**27.4**	29.9
- diluted	**6.9**	6.7	**27.2**	29.7

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
	AS AT	
	31/12/2014	31/12/2013
	RM'000	RM'000
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	8,582,017	8,540,663
Share premium	2,398,794	2,223,076
Reserves	9,763,721	8,857,846
Total equity attributable to owners of the Company	20,744,532	19,621,585
Non-controlling interests	1,813,255	1,757,486
Total equity	22,557,787	21,379,071
NON-CURRENT LIABILITIES		
Borrowings	11,944,694	11,752,387
Derivative financial instruments	22,676	109,384
Deferred income	254,304	271,585
Other payables	1,793,891	72,119
Provision for liabilities	295,005	293,102
Deferred tax liabilities	1,700,087	1,578,687
Total non-current liabilities	16,010,657	14,077,264
	38,568,444	**35,456,335**
NON-CURRENT ASSETS		
Intangible assets	12,815,706	9,548,554
Property, plant and equipment	19,933,487	17,106,708
Joint ventures	52,977	56,215
Associates	7,504,007	6,999,122
Available-for-sale financial assets	1,118	141
Derivative financial instruments	133,910	207,157
Long term receivables	94,638	97,533
Deferred tax assets	275,225	241,955
Total non-current assets	40,811,068	34,257,385
CURRENT ASSETS		
Inventories	79,533	62,805
Trade and other receivables	3,062,390	2,679,905
Derivatives financial instruments	33,855	31,403
Financial assets at fair value through profit or loss	14	8
Tax recoverable	25,007	32,822
Deposits, cash and bank balances	5,115,570	6,432,918
Total current assets	8,316,369	9,239,861
LESS: CURRENT LIABILITIES		
Trade and other payables	8,374,621	6,108,805
Borrowings	1,948,641	1,683,988
Derivative financial instruments	3,551	-
Current tax liabilities	232,180	248,118
Total current liabilities	10,558,993	8,040,911
Net current (liabilities)/assets	(2,242,624)	1,198,950
	38,568,444	**35,456,335**
Net assets per share attributable to owners of the Company (sen)	**242**	**230**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

		Attributable to equity holders of the Company											
	Note	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	Actuarial reserve RM'000	ESOS^ and RSA* reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2014		8,540,663	2,223,076	(830,517)	16,598	346,774	(152,277)	(790)	155,298	9,322,760	19,621,585	1,757,486	21,379,071
Profit for the financial year		-	-	-	-	-	-	-	-	2,348,665	2,348,665	(4,252)	2,344,413
Other comprehensive income/(expense):													
-Currency translation differences arising during the financial year:													
-subsidiaries		-	-	361,212	-	-	-	-	-	-	361,212	90,994	452,206
-associates		-	-	2,829	-	-	-	-	-	-	2,829	-	2,829
		-	-	364,041	-	-	-	-	-	-	364,041	90,994	455,035
-Net cash flow hedge, net of tax		-	-	-	-	-	(829)	-	-	-	(829)	(157)	(986)
-Net investment hedge, net of tax		-	-	-	-	-	21,588	-	-	-	21,588	-	21,588
-Actuarial loss for the financial year, net of tax		-	-	-	-	-	-	(9,144)	-	-	(9,144)	(3,203)	(12,347)
Total comprehensive income/(expense)		**-**	**-**	**364,041**	**-**	**-**	**20,759**	**(9,144)**	**-**	**2,348,665**	**2,724,321**	**83,382**	**2,807,703**
Transactions with owners:													
-Issuance of new ordinary shares		41,354	105,529	-	-	-	-	-	-	-	146,883	-	146,883
-Share issue expenses		-	(91)	-	-	-	-	-	-	-	(91)	-	(91)
-Investment in a subsidiary		-	-	-	-	-	-	-	-	-	-	1,992	1,992
-Dilution of equity interests in subsidiaries	A,12(b),(h)	-	-	-	-	-	-	-	-	27,297	27,297	38,298	65,595
-Treasury shares of a subsidiary	A,12(c)	-	-	-	-	-	-	-	-	170,452	170,452	183,963	354,415
-Share buy-back by a subsidiary	A,12(c)	-	-	-	-	-	-	-	-	(152,530)	(152,530)	(187,206)	(339,736)
-Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(64,660)	(64,660)
-Dividends paid to shareholders	A,7	-	-	-	-	-	-	-	-	(1,884,995)	(1,884,995)	-	(1,884,995)
-Axiata Share Scheme:													
-value of employees' services		-	-	-	-	-	-	-	91,610	-	91,610	-	91,610
-transferred from ESOS and RSA reserve upon exercise/vest		-	70,280	-	-	-	-	-	(70,280)	-	-	-	-
Total transaction with owners		41,354	175,718	-	-	-	-	-	21,330	(1,839,776)	(1,601,374)	(27,613)	(1,628,987)
At 31 December 2014		**8,582,017**	**2,398,794**	**(466,476)**	**16,598**	**346,774**	**(131,518)**	**(9,934)**	**176,628**	**9,831,649**	**20,744,532**	**1,813,255**	**22,557,787**

Issued and fully paid-up ordinary shares of RM1 each
^ Employees Share Option Scheme ("ESOS")
* Restricted Share Awards ("RSA")

(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 2013)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

	Attributable to equity holders of the Company											
	Share capital	**Share premium**	**Currency translation differences**	**Capital contribution reserve**	**Merger reserve**	**Hedging reserve**	**Actuarial reserve**	**ESOS and RSA reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2013	8,508,209	2,094,125	(554,660)	16,598	346,774	(116,997)	(4,387)	111,044	9,699,802	20,100,508	1,906,714	22,007,222
Profit for the financial year	-	-	-	-	-	-	-	-	2,550,021	2,550,021	188,556	2,738,577
Other comprehensive (expense)/income												
-Currency translation differences arising during the financial year:												
-subsidiaries	-	-	(302,286)	-	-	-	-	-	-	(302,286)	(215,743)	(518,029)
-associates	-	-	26,429	-	-	-	-	-	-	26,429	-	26,429
	-	-	(275,857)	-	-	-	-	-	-	(275,857)	(215,743)	(491,600)
-Net investment hedge, net of tax	-	-	-	-	-	(35,280)	-	-	-	(35,280)	-	(35,280)
-Actuarial gain for the financial year, net of tax	-	-	-	-	-	-	3,597	-	-	3,597	1,996	5,593
Total comprehensive (expense)/income	**-**	**-**	**(275,857)**	**-**	**-**	**(35,280)**	**3,597**	**-**	**2,550,021**	**2,242,481**	**(25,191)**	**2,217,290**
Transaction with owners:												
-Issuance of new ordinary shares	32,454	92,782	-	-	-	-	-	-	-	125,236	-	125,236
-Share issue expense	-	(255)	-	-	-	-	-	-	-	(255)	-	(255)
-Acquisition of a subsidiary	-	-	-	-	-	-	-	-	682	682	52,610	53,292
-Additional investment in a subsidiary	-	-	-	-	-	-	-	-	51,786	51,786	(51,786)	-
-Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	6,194	6,194	8,141	14,335
-Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(133,002)	(133,002)
-Dividends paid to shareholders	-	-	-	-	-	-	-	-	(2,985,725)	(2,985,725)	-	(2,985,725)
-Axiata Share Scheme:												
-value of employees' services	-	-	-	-	-	-	-	80,678	-	80,678	-	80,678
-transferred from ESOS and RSA reserve upon exercise	-	36,424	-	-	-	-	-	(36,424)	-	-	-	-
Total transactions with owners	32,454	128,951	-	-	-	-	-	44,254	(2,927,063)	(2,721,404)	(124,037)	(2,845,441)
At 31 December 2013	**8,540,663**	**2,223,076**	**(830,517)**	**16,598**	**346,774**	**(152,277)**	**(790)**	**155,298**	**9,322,760**	**19,621,585**	**1,757,486**	**21,379,071**

(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 2013)

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE FINANCIAL YEAR ENDED	
	31/12/2014 RM'000	31/12/2013 RM'000
Receipt from customers	18,835,637	17,665,841
Payment to suppliers and employees	(11,606,378)	(10,802,642)
Payment of finance costs	(736,157)	(817,594)
Payment of zakat	(898)	(8,500)
Payment of income taxes (net of refunds)	(908,290)	(388,862)
CASH FLOWS FROM OPERATING ACTIVITIES	**5,583,914**	**5,648,243**
Net proceeds from disposal of property, plant and equipment	115,483	46,595
Purchase of property, plant & equipment	(3,748,348)	(4,116,997)
Acquisition of intangible assets	(254,360)	(877,590)
Investments in subsidiaries (net of cash acquired)	6,400	(402,007)
Investments in deposits maturing more than three (3) months	219,047	(334,311)
Payment made in related to the acquisition of a subsidiary	(2,836,552)	-
Other investment	(1,068)	-
Additional investment in associates	(455,283)	(1,655)
Acquisition of a joint venture	(20,000)	(59,326)
Net proceed from disposal of an associate	262,802	-
Dividends received from associates	166,708	117,005
Net advances to employees	(179)	(190)
Interest received	197,994	261,193
CASH FLOWS USED IN INVESTING ACTIVITIES	**(6,347,356)**	**(5,367,283)**
Proceeds from issuance of shares under Axiata Share Scheme	146,883	125,236
Share issue expense	(91)	(255)
Proceeds from borrowings	2,613,836	3,052,971
Repayments of borrowings	(2,133,311)	(2,192,888)
Repayment of Sukuk	(509,306)	-
Repayment of finance lease creditor	(103,254)	-
Share buy-back by a subsidiary	(339,736)	-
Treasury shares resold by subsidiaries	404,282	-
Net proceed from sale and lease back assets	1,473,834	-
Dividends paid to non-controlling interests	(64,660)	(133,002)
Dividends paid to shareholders	(1,884,995)	(2,985,725)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(396,518)**	**(2,133,663)**
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,159,960)	(1,852,703)
NET INCREASE IN RESTRICTED CASH AND CASH EQUIVALENT	(9,608)	(62,667)
EFFECT OF EXCHANGE GAINS ON CASH AND CASH EQUIVALENTS	26,014	30,357
CASH OF A SUBSIDIARY PREVIOUSLY HELD AS NON-CURRENT ASSETS HELD-FOR-SALE	-	1,342
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	6,010,793	7,894,464
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**4,867,239**	**6,010,793**

AXIATA GROUP BERHAD (242188-H)

AUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)		
	FOR THE FINANCIAL YEAR ENDED	
	31/12/2014	31/12/2013
	RM'000	RM'000
Total deposits, cash and bank balances	5,115,570	6,432,918
Less:		
- Deposit pledged	(12,689)	(5,845)
- Deposit in Escrow account	(13,496)	-
- Deposit on investment in a subsidiary	(52,478)	(63,210)
- Deposits maturing more than three (3) months	(115,264)	(334,311)
- Bank overdrafts	(54,404)	(18,759)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**4,867,239**	**6,010,793**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013)

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The audited financial statements for the financial year ended 31 December 2014 of the Group have been prepared in accordance with the 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 2013 ("2013 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the audited interim financial statements are consistent with those used in the preparation of the 2013 Audited Financial Statements except for the adoption of new standards and amendments/improvements to existing standards that are applicable to the Group for the financial period beginning 1 January 2014 as set out below.

- Amendments to MFRS 10 "Consolidated Financial Statements", MFRS 12 "Disclosure of Interests in Other Entities" and MFRS 127 "Consolidated and Separate Financial Statements" on Investment Entities

- Amendments to MFRS 132 "Financial Instruments: Presentation" on offsetting Financial Assets and Financial Liabilities

- IC Interpretation 21 on Levies

The adoption of the amendments to published standards and IC Interpretation to existing standards did not have any significant impact to the Group during the current quarter and financial year.

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 26 February 2014, PT XL Axiata Tbk ("XL") repurchased its issued and paid-up ordinary shares of 231,114,140 (treasury shares) at a buy back price of IDR5,280 per ordinary share from its former shareholders who disapproved the Merger Plan of XL and Axis Telekom Indonesia ("Axis") as disclosed in Part A, 12(c) of this announcement for a net consideration of RM339.7 million which was subsequently paid by XL on 21 April 2014. As a result, the Group's effective equity interest in XL increased from 66.48% to 68.34%.

In conjunction with the share buy-back by XL as mentioned above, the Group reduced RM152.5 million and RM187.2 million of the consolidated retained earnings and non-controlling interests respectively during the financial year to date.

Subsequently on 30 September 2014, XL resold the entire treasury shares in open market for a total net consideration of RM404.3 million as disclosed in Part A, 12(c) of this announcement. Accordingly, the Group's effective equity interest in XL decreased from 68.34% to 66.48%. The Group increased RM170.4 million and RM184.0 million of the consolidated retained earnings and non-controlling interests respectively during the financial year to date.

(b) On 19 March 2014, XL assumed Axis's borrowings of approximately RM2,836.6 million (USD865.0 million) and completed the acquisition of Axis as disclosed in Part A, 12(c) of this announcement for a total cash consideration of RM343 (USD100).

During the financial year to date, a total goodwill of RM1,715.5 million (IDR6,105.1 billion) [subject to finalisation of Purchase Price Allocation exercise within twelve (12) months from the date of acquisition of Axis] was recognised in conjunction with the above acquisition.

(c) On 24 July 2014, the Group subscribed additional ordinary shares in an associate, Idea Cellular Limited ("Idea") for a total consideration of RM395.0 million as disclosed in Part A, 12(e) of this announcement.

(d) On 30 July 2014, the Company disposed of its investment in an associate, Samart i-Mobile Public Company Limited ("SAMART i-Mobile") as disclosed in Part A, 12(d) of this announcement for a total net consideration of RM262.8 million and a gain on disposal amounting to RM116.7 million was recognised during the financial year to date.

(e) On 23 December 2014, XL completed the disposal of 3,500 of its telecommunication towers to PT Solusi Tunas Pratama Tbk ("STP") for a total gross consideration of RM1,573.6 million (IDR5.6 trillion). The transaction above involved a sale and lease back of 3,312 tower assets from STP and a total net gain of RM1,285.3 million (IDR4.6 trillion) is amortised over a ten (10) year leased period.

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

The Group's performance for the current quarter and financial year to date has taken into account of the following: (continued)

(f) During the current quarter and financial year to date, the Group recognised net foreign exchange gains of RM22.7 million and net foreign exchange losses of RM213.9 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 year ended 31 December 2014.

5. Estimates

The preparation of interim 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 audited 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 the 2013 Audited Financial Statements.

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

(a) During the financial year to date, the Company issued new ordinary shares under the Axiata Share Scheme as below:

- 32,654,598 new ordinary shares of RM1 each at an exercise price of either RM1.81, RM3.15, RM3.45 or RM5.07 pursuant to employee share option exercised under Performance-Based Employee Share Option Scheme; and
- 8,699,400 new ordinary shares of RM1 each vested under Restricted Share Awards at an issuance price from RM3.14 to RM5.67 being the fair value of the RSA issued.

(b) On 26 March 2014 and 28 August 2014, the Company offered 31,774,800 and 1,691,700 ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group respectively.

(c) On 28 April 2014, the Group early redeemed a USD250.0 million borrowing amounting to RM800.7 million which is due to mature on 28 April 2015; and

(d) On 18 September 2014, the Group fully settled its CNY denominated 1.0 billion Sukuk pursuant to the Multi-Currency Sukuk Programme amounting to RM509.3 million.

Aside from the above, there were no other significant unusual issues, repurchases and repayments of debt and equity securities during the financial year ended 31 December 2014.

7. Dividends paid

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

Date of payment	Description	Per ordinary share	Total
		Sen	RM'000
19 June 2014	Final tax exempt dividend under single tier in respect of financial year ended 31 December 2013	14	686,063
27 August 2014	Interim tax exempt dividend under single tier in respect of financial year ended 31 December 2014	8	1,198,932
		22	1,884,995

8. Segmental Information

For the financial year ended 31 December 2014

	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	7,729,348	6,475,565	2,084,662	1,686,177	878,318	-	18,854,070
Inter-segment*	(7,624)	(23,733)	(106)	(24,209)	(12,780)	(73,841)	(142,293)
External operating revenue	7,721,724	6,451,832	2,084,556	1,661,968	865,538	(73,841)	18,711,777
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	3,116,573	2,468,101	778,989	523,551	114,353	(2,992)	6,998,575
Interest income	109,057	55,509	16,952	5,098	138,847	(127,469)	197,994
Interest expense	(198,761)	(456,290)	(23,243)	(19,954)	(178,240)	130,029	(746,459)
Depreciation of property, plant & equipment ("PPE")	(667,926)	(1,843,129)	(321,717)	(308,481)	(185,516)	37,614	(3,289,155)
Amortisation of intangible assets	(52,052)	(170,994)	(101,831)	(25,605)	(4,626)	(11,752)	(366,860)
Joint ventures:							
- share of results (net of tax)	3,075	(28,067)	-	-	-	-	(24,992)
Associates:							
- share of results (net of tax)	9,260	-	-	(2,697)	400,650	-	407,213
- loss on dilution of equity interests	-	-	-	-	-	(43,284)	(43,284)
Impairment of PPE, net of reversal	(2,451)	(23,650)	2,297	30,437	-	-	6,633
Other non-cash income/(expenses)	1,025,303	(300,147)	4,497	(11,886)	268,285	(1,011,261)	(25,209)
Taxation	(601,288)	49,479	(170,503)	(30,773)	(79,655)	62,697	(770,043)
Segment profit/(loss) for the financial year	2,740,790	(249,188)	185,441	159,690	474,098	(966,418)	2,344,413

8. Segmental Information (continued)

For the financial year ended 31 December 2013

	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	8,018,256	6,443,313	1,822,587	1,543,578	676,243	-	18,503,977
Inter-segment*	(7,263)	(34,477)	(490)	(27,308)	(24,259)	(39,339)	(133,136)
External operating revenue	8,010,993	6,408,836	1,822,097	1,516,270	651,984	(39,339)	18,370,841
EBITDA	3,452,035	2,712,361	633,769	484,439	(8,403)	(3,078)	7,271,123
Interest income	107,532	32,866	42,107	2,758	140,897	(64,864)	261,296
Interest expense	(214,489)	(371,567)	(25,283)	(16,688)	(155,042)	62,340	(720,729)
Depreciation of PPE	(733,129)	(1,801,946)	(251,993)	(280,309)	(80,379)	51,528	(3,096,228)
Amortisation of intangible assets	(125,508)	(34,878)	(73,656)	(19,294)	(4,750)	(7,705)	(265,791)
Joint venture:							
- share of results (net of tax)	(1,938)	7,267	-	-	-	-	5,329
Associates:							
- share of results (net of tax)	5,681	-	-	(720)	265,862	-	270,823
- loss on dilution of equity interests	-	-	-	-	-	(21,066)	(21,066)
Impairment of PPE, net of reversal	(4,094)	(8,151)	(6,040)	6,551	-	-	(11,734)
Other non-cash income/(expenses)	15,927	(118,081)	17,303	(22,172)	(55,487)	2,526	(159,984)
Taxation	(419,526)	(108,181)	(186,743)	(27,384)	(45,408)	(7,220)	(794,462)
Segment profit for the financial year	2,082,491	309,690	149,464	127,181	57,290	12,461	2,738,577

* 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 negotiated and agreed between the parties.

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 RM4,016.8 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

(a) Acquisition of Adknowledge Asia Pacific Pte Ltd ("AAP")

On 3 December 2014, Axiata Digital Advertising Sdn Bhd ("ADA") entered into a Subscription and Shareholders' Agreement with Adknowledge International, Inc and AAP for the acquisition of 80.0% equity interest in AAP for a total cash consideration of USD9.0 million or approximately RM32.0 million. The acquisition was completed on 19 January 2015.

(b) Introduction of new taxes and levies in Sri Lanka

Interim budget was presented by the Government of Sri Lanka ("GoSL") on 29 January 2015 and passed by the Parliament of Sri Lanka on 07 February 2015. The GoSL is yet to enact appropriate legislation bringing the interim budget proposals into force. Accordingly, the financial results of the Group for the financial year ended 31 December 2014 excluded impacts from the interim budget, since certainty with respect to applicability and/or quantum of impact is yet to be ascertained.

(c) Incorporation of Axiata SPV4 Sdn Bhd ("Axiata SPV4")

On 30 January 2015, the Company incorporated Axiata SPV4, a private company limited by shares, under the Companies Act, 1965 with an authorised share capital of RM0.4 million divided into 400,000 ordinary shares of which it's issued and paid-up share capital is RM2. The nature of business to be carried by Axiata SPV4 is as an investment holding company.

Other than the above and those disclosed in Part B, Note 5 of this announcement, there was no other significant event after interim period that requires disclosure and/or adjustment as at 18 February 2015.

12. Effects of Changes in the Composition of the Group

(a) Incorporation of ADS

On 30 January 2014, the Company announced the incorporation of ADS, a private company limited by shares, under the Companies Act, 1965 which was incorporated on 29 January 2014.

ADS was incorporated with an authorised share capital of RM0.4 million divided into 400,000 ordinary shares of which its issued and paid-up share capital is RM2. The nature of business to be carried by ADS is an investment holding company.

The incorporation of ADS has no significant impact to the Group during the financial year to date.

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

(b) Dilution of equity interest in Glasswool Holdings Limited ("Glasswool")

On 13 December 2013, Axiata Investments (Cambodia) Limited, a wholly-owned subsidiary of the Company entered into a Co-operation Agreement with Glasswool Holdings Limited ("Glasswool") and Southern Coast Ventures Inc. ("SCV").

In accordance with the Co-operation Agreement, Glasswool shall issue to SCV the following additional ordinary shares in Glasswool subject to no material adverse event as defined in the Co-operation Agreement having occurred prior to the First, Second and Third anniversary from 19 February 2013 as below:

i) 58 Ordinary Shares following the First Completion Date;
ii) 60 Ordinary Shares following the Second Completion Date; and
iii) 64 Ordinary Shares following the Third Completion Date.

On 3 March 2014, Glasswool issued 58 ordinary shares to SCV resulting in the Group's equity interest in Glasswool decreasing from 90.00% to 87.46%.

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

(c) Acquisition of Axis by XL and Treasury shares transactions

On 26 September 2013, XL entered into a conditional sale and purchase agreement ("SPA") with Saudi Telecom Company ("STC") and Teleglobal Investments B.V. ("Teleglobal"), a wholly-owned owned subsidiary of STC, to purchase (or procure the purchase of) 95.00% shares in Axis. The value of transaction was USD865.0 million whereby USD100.0 would be used for the payment of 95.00% of Axis shares to Teleglobal and the remaining amount of USD864,999,900 was for the payment Axis's indebtness.

Subsequently, XL received the following approvals:

- On 28 November 2013, Minister of Communication & Information approved the proposed acquisition of Axis ("Proposed Acquisition") followed by merger of XL and Axis ("Merger Plan") with some requirements should be fulfilled;

- On 20 December 2013, the Board of Commissioners and Directors of XL approved the proposed Merger Plan;

- On 4 February 2014, Otoritas Jasa Keuangan of Indonesia approved the Merger Plan;

- The majority shareholders of XL approved the Proposed Acquisition and Merger Plan via the Extraordinary General Meeting held on 5 February 2014. Shareholders of XL who disapproved the Merger Plan required XL to buy back its ordinary shares ("treasury shares"); and

- On 18 February 2014, the Commission for the Supervision of Business Competition (Komisi Pengawas Persaingan Usaha) issued the Favourable Opinion in respect of the Proposed Acquisition.

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

(c) Acquisition of Axis by XL and Treasury shares transactions (continued)

The Proposed Acquisition was completed on 19 March 2014. Upon the completion of the Proposed Acquisition, Axis was further merged into XL as a single entity. The merger between XL and Axis was completed on 8 April 2014.

The treasury shares were subsequently resold to the opened market on 30 September 2014.

The impact on the acquisition of Axis and the treasury shares transaction to the Group are disclosed in Part A, Note 4(a) and (b) of this announcement.

(d) Disposal of SAMART i-Mobile

On 2 July 2014, the Company entered into an agreement with Samart Corporation Public Company Limited to dispose of its entire shareholding in SAMART i-Mobile representing 24.08% of the total issued and paid-up share capital of SAMART i-Mobile for a total gross consideration of BHT2,874.7 million or RM286.8 million. The disposal was completed on 30 July 2014.

The impact of the disposal is disclosed in Part A, Note 4(d) of this announcement.

(e) Changes in equity interest of Idea

From 1 January 2014 to 10 June 2014, the Group's equity interest in Idea decreased from 19.90% to 19.89% following the issuance of new ordinary shares under Idea's ESOS.

On 11 June 2014, Idea issued 223,880,597 ordinary shares under the Qualified Institutions Placement exercise. On 24 July 2014, Idea further issued 51,838,540 ordinary shares with a par value of INR10 each at an exercise price of INR144.68 per ordinary share to Axiata Investments 2 (India) Limited, a wholly-owned subsidiary of the Group under Preferential Issuance. As a result, the Group's effective equity interest in Idea was further diluted from 19.89% to 19.80%.

From 25 July 2014 until 31 December 2014, the Group's equity interest in Idea further diluted from 19.80% to 19.79% following the issuance of new ordinary shares under Idea's ESOS.

(f) Additional equity interest in Digital Commerce Lanka (Pvt) Ltd ("Digital")

On 26 August 2014, Dialog further increased its equity interest in Digital from 26.00% to 42.48%. The additional acquisition has no significant financial impact to the Group during the financial year to date.

(g) Acquisition of equity interest in Celcom Planet Sdn Bhd ("Celcom Planet")

On 17 October 2014, Celcom through its wholly-owned subsidiary, Celcom Intelligence Sdn Bhd and SK Planet Global Holdings Pte Ltd ("SK Planet") incorporated a joint venture entity with a shareholding ratio of 51 (SK Planet): 49 (Celcom), namely Celcom Planet for the purpose of pursuing e-Commerce opportunities in Malaysia. Effectively, Celcom Planet became an associate of the Group.

The incorporation has no significant impact to the Group during the current quarter and financial year to date.

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

(h) Dilution of equity interest in Dialog

In line with the expiry of ESOS scheme of Dialog on 25 October 2014, a total 158.6 million ordinary shares were partially exercised by the employee of Dialog and the remaining were sold to market. Accordingly, the Group's equity interest in Dialog decreased from 84.97% to 83.32%.

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

(i) Incorporation of Digital Holdings Lanka (Private) Limited ("DHL")

On 24 November 2014, Dialog incorporated DHL, a private company limited by shares, under the Companies Act, No.7 of 2007 in Sri Lanka with a stated capital of LKR10. The nature of business to be carried by DHL is as an investment holding company.

The incorporation of DHL has no significant impact to the Group during the financial year to date.

(j) Incorporation of Axiata Digital Advertising Sdn Bhd ("ADA")

On 27 November 2014, the Group incorporated ADA, a private company limited by shares, under the Companies Act, 1965 with an authorised share capital of RM0.4 million divided into 400,000 ordinary shares of which its issued and paid-up share capital is RM2. The nature of business to be carried by ADS is as an investment holding company.

The incorporation of ADA has no significant impact to the Group during the financial year to date.

(k) Acquisition of equity interest in Merchantrade Asia Sdn Bhd ("Merchantrade")

On 20 November 2013, Celcom entered into a Shareholders' Agreement ("SA") and Share Subscription Agreement ("SSA") with Merchantrade and The Persons Described In Schedule 2 of both SA and SSA, namely Ramasamy a/l K. Veeran, Ravindraa a/l Vamathevan, Ursine Holdings Sdn Bhd, Sumitomo Corporation and Sumitomo Corporation Asia & Oceania Pte Ltd (formerly known as Sumitomo Corporation Asia Pte Ltd to boost the existing MVNO business and leverage on Merchantrade's remittance business. Under the terms of the SSA, Celcom to subscribe 20% equity interest in Merchantrade via subscription of new ordinary shares to be issued by Merchantrade with the required investment of RM20.0 million.

The acquisition of 20% equity interest in Merchantrade was completed on 8 December 2014. Effectively, Merchantrade became a joint venture of the Group. The acquisition has no significant impact to the Group during the current quarter and financial year to date.

(l) Incorporation of edotco Investments (Labuan) Limited ("e.co Labuan")

On 15 December 2014, the Company completed the incorporation of e.co Labuan, a private company limited by shares, under the Labuan Companies Act, 1990. e.co Labuan was incorporated with issued and paid-up share capital of USD1,000 divided into 1,000 ordinary shares of USD1 each. The nature of business to be carried out by e.co Labuan is an investment holding company.

The incorporation of e.co Labuan has no significant impact to the Group during the financial year to date.

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

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

During the 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 28.74% to 28.50% respectively following the issuance of new ordinary shares under M1's ESOS.

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

There were no other changes in the composition of the Group for the financial year ended 31 December 2014.

13. Significant Changes in Contingent Assets or Contingent Liabilities

(a) There has been no significant change in contingent assets or contingent liabilities from that disclosed in the 2013 Audited Financial Statements.

(b) There has been no significant change in contingent liabilities of an associate from that disclosed in the 2013 Audited Financial Statements except for the following:

i. Dispute on Legality of 3G Intra Circle Roaming Agreement*

An associate had entered into roaming arrangements with other operators to provide 3G services in service areas where it did not win 3G spectrum. The Department of Telecommunications ("DoT") had sent notices to stop the 3G services in these service areas and also imposed penalty for providing 3G services in select service areas under roaming arrangements.

On 29 April 2014, the Telecom Disputes Settlement and Appellant Tribunal quashed the penalty of RM165.2 million (INR3.0 billion) imposed by DoT and restored the 3G Intra Circle roaming services. Resultantly, this is no longer a contingent liability of the associate of the Group as at the financial year end.

* *Included in contingent liabilities on other taxes, custom duties and demands under adjudication, appeal or disputes of contingent liabilities of an associate as disclosed in the 2013 Audited Financial Statements.*

ii. Revenue share license fee assessment

During the financial year, the Department of Telecommunications ("DoT") has raised a demand notice to Idea for further payment of license fee in respect of years of assessment ("YA") 2007-2008 amounting to RM82.6 million (INR1.5 billion).

In the same financial year, the associate received a demand cum Show cause notice for YA2009 to 2012 amounting to RM770.7 million (INR14.0 billion). The associate has responded to DoT and challenged these demand cum Show cause and stay has been granted by the High Court.

14. Capital Commitments

	Group	
	As at 31/12/2014	As at 31/12/2013
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	1,517,756	1,669,688
Commitments in respect of expenditure approved but not contracted for	706,185	2,109,050

15. Financial Instruments At Fair Value Measurements

The Group's financial instruments that were measured at fair value as at financial year end 31 December 2014 were as follow:

- Derivative financial instruments (assets and liabilities); and
- Trading securities

The Group measured the financial instruments based on:

- Level 1 (traded in active markets): Quoted market prices
- Level 2 (not traded in active markets): Valuation techniques such as quoted market prices or dealer quotes for similar instruments, present value of the estimated future cash flows based on observable market curves and forward exchange rates at reporting date with the resulting value discounted back to present value

The Group's derivative financial instruments as at 31 December 2014 were grouped as below:

Derivatives Financial Instruments	2014			2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Financial assets at fair value through profit or loss						
-Trading security	14	-	14	8	-	8
-Non-hedging derivatives	-	167,765	167,765	-	223,972	223,972
-Derivatives used for hedging	-	-	-	-	14,588	14,588
Liabilities						
-Non-hedging derivatives	-	(12,501)	(12,501)	-	(14,127)	(14,127)
-Derivatives used for hedging	-	(13,726)	(13,726)	-	(95,257)	(95,257)
Total	**14**	**141,538**	**141,552**	8	129,176	129,184

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

1. Review of Performance

(a) Quarter-on-Quarter

Group revenue increased by 6.7% to RM4,813.4 million in the current quarter ("Q4'14") from RM4,512.3 million recorded in the fourth quarter of 2013 ("Q4'13") on the back of higher revenue contribution from all key Operating Companies ("OpCos") except Malaysia. At constant currency revenue of the Group would have registered lower growth of 5.2%. Operating costs of the Group increased by 8.7% to RM3,046.0 million in Q4'14 from RM2,802.4 million in Q4'13, mainly due to impact of Axis consolidation in Indonesia and higher operating costs in Bangladesh in line with higher revenue. Group EBITDA increased by 3.4% quarter-on-quarter but margin dipped by 1.2 percentage points to 36.7%. Profit After Tax ("PAT") in the period increased by 4.7% to RM613.7 million with higher profits recorded by our Bangladesh, Sri Lanka and Cambodia operations as well as our associate company in India. Profit from Malaysia operations decreased due to lower EBITDA and higher taxation whilst Indonesia registered lower profits mainly due to Axis consolidation, which is partly off-set by a gain of RM71.4 million from disposal of XL towers in Q4'14.

Malaysia's gross revenue declined by 3.1% in Q4'14 driven by decline in voice and SMS revenue by 8.6% and 27.4% respectively. Data segment partly compensated the revenue decline with growth of 34.4%, contributing 25.2% to total revenue. In Q4'14, operating costs grew marginally by 0.2% mainly from higher network related costs and content provider charges. Group EBITDA in the period consequently decreased by 7.6%. PAT declined by 23.7% to RM393.0 million due to lower EBITDA and higher taxation in the current quarter relative to Q4'13 which recorded certain tax incentives.

Gross revenue of Indonesia increased by 9.3% due to consolidation of results of Axis in Indonesia and also strong performance at XL. At constant currency, Indonesia revenue would have registered lower growth of 8.9%. Operating costs increased by 14.4% owing also to integration of Axis in Indonesia driven by higher revenue. Despite the cost increase, EBITDA in the period grew 2.4%. PAT in the period however declined 92.1% to RM2.0 million mainly due to higher depreciation and amortisation charges driven by Axis consolidation and lower unrealised gain in the current quarter. Decline in PAT is off-set partly by a gain of RM71.4 million from disposal of XL towers in Q4'14.

Bangladesh posted revenue growth of 26.5% or 20.6% at constant currency. Data and voice revenue increased by 115.7% and 5.3% respectively. In Q4'14, operating costs increased by 14.6% due to higher material and network related costs. EBITDA consequently increased by 59.2% and margin grew 6.9 percentage points to 33.6%. PAT in the period increased to RM40.0 million mainly flowing from the higher EBITDA off-set partly by higher depreciation and amortisation charges arising from growth driven capital expenditure investments.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

Sri Lanka's gross revenue grew 11.3% or 6.0% at constant currency on the back of 5.2% increase in mobile revenue. Operating costs increased by 6.8% or 1.7% at constant currency due to higher customer related costs and marketing costs consistent with increased revenue. Accordingly, EBITDA in the period grew 22.3%. PAT in the period registered growth of 38.4% to RM38.1 million mainly due to higher EBITDA in Q4'14, off-set partly by foreign exchange losses recorded in the current quarter as compared to foreign exchange gains in Q4'13.

Cambodia recorded a strong gross revenue growth for the quarter, resulting in higher EBITDA and PAT contribution to the Group.

Contribution in share of profit from associates and joint ventures increased from RM71.7 million in Q4'13 to RM80.0 million in Q4'14 primarily due to excellent performance by Idea in India.

(b) Year-on-Year

For the financial year ended December 2014 ("FY2014"), the Group revenue grew 1.9% to RM18,711.8 million against RM18,370.8 million recorded last year. At constant currency, Group revenue would have registered higher growth of 4.4% driven by Indonesia, Bangladesh, Cambodia and Sri Lanka operations. Operating costs of the Group increased by 5.5% to RM11,713.2 million mainly due to Axis integration in Indonesia. As a result, Group EBITDA declined by 3.7% to RM6,998.6 million and EBITDA margin declined by 2.2 percentage points to 37.4%. At constant currency, EBITDA would have declined by 1.2%. PAT decreased by 14.4% to RM2,344.4 million due to lower contribution from Malaysia and Indonesia. Malaysia's PAT was mainly affected by lower EBITDA whilst Indonesia recorded losses after tax mainly due to Axis consolidation and fluctuation of foreign exchange and unrealised loss, partly off-set by a gain of RM71.4 million from disposal of XL towers in Q4'14. However, higher profits were recorded by Cambodia, Bangladesh and Sri Lanka operations as well as our associate companies in India and Singapore. In addition, the Group also registered a one-off gain of RM116.7 million from disposal of our 24% stake in SAMART i-Mobile in Thailand in the third quarter.

Malaysia's gross revenue decreased by 3.6% during the year mainly due to decline in voice and SMS revenue by 5.3% and 27.8% respectively. Revenue from sales of devices was also lower by 31.8% during the year. Data revenue however continued to show an uptrend, registering growth of 24.1% year-on-year and contributing 22.0% to total revenue. Operating costs during the year increased by 1.0% from higher content provider charges and network related costs. As a result, EBITDA decreased by 9.7% to RM3,116.6 million while PAT declined 16.8% to RM1,732.1 million arising from lower EBITDA and higher taxation in FY2014 due to tax incentives utilised in the prior year.

1. Review of Performance (continued)

(b) Year-on-Year (continued)

Gross revenue of Indonesia increased marginally by 0.5% from prior year, mainly due to translation impact of a weaker IDR against RM in the current year. At constant currency, Indonesia revenue would have registered growth of 10.3% due to strong performance by XL in addition to consolidation of Axis results in Indonesia in line with higher revenue. Operating costs increased by 7.4% or 17.9% at constant currency due to consolidation of results of Axis. As a result, EBITDA decreased by 9.0% in the current year but remained stable at constant currency. Indonesia recorded loss after tax of RM249.2 million mainly due to lower EBITDA, higher depreciation and amortisation charges and higher net finance costs driven by Axis acquisition. Additionally, there was adverse movement in foreign exchange and unrealised loss in the current year versus prior year. The loss after tax in Indonesia is however partly off-set by a gain of RM71.4 million from disposal of XL towers in Q4'14.

Bangladesh's gross revenue registered double-digit growth of 14.4% or 9.4% at constant currency due to increase in data and voice revenue by 120.1% and 1.5% respectively. EBITDA in the current year grew 22.9% with margin of 37.4%, 2.6 percentage points higher compared to last year. PAT increased by 24.1% to RM185.4 million impacted by higher EBITDA but off-set by higher depreciation and amortisation charges arising from growth driven capital expenditure investments.

Sri Lanka's gross revenue grew 9.2% or 6.3% at constant currency due to increase in mobile and television segments revenue by 6.9% and 30.6% respectively. Operating costs increased by 9.8% or 6.8% at constant currency primarily due to higher customer related costs, overheads and network related costs. Consequently EBITDA in the financial year grew 8.1%. PAT increased by 19.8% to RM152.4 million mainly from higher EBITDA but partly off-set by higher depreciation and amortisation charges during the year.

Gross revenue of Cambodia registered higher growth in the current year which resulted in higher EBITDA and PAT contribution to the Group.

Contribution in share of profit from associates and joint ventures increased to RM338.9 million from RM255.1 million in prior year mainly due to excellent performance by Idea.

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result

Group revenue increased by 3.4% to RM4,813.4 million due to increase in revenue of all key OpCos. At constant currency, Group revenue would have registered a lower revenue growth of 1.7%. During the quarter, Group operating costs increased by 3.2% to RM3,046.0 million mainly due to higher operating costs in Bangladesh and in line with higher revenue. Accordingly, Group EBITDA increased by 4.0% versus preceding quarter and margin registered marginal increase of 0.2 percentage points to 36.7%. Group PAT increased by 1.0% to RM613.7 million mainly due to Indonesia from higher EBITDA and gain of RM71.4 million from disposal of XL towers in Q4'14. In contrast, a one-off gain of RM116.7 million from disposal of SIM was recorded in Q3'14.

Malaysia's gross revenue increased by 1.2% in Q4'14 mainly from increase in data revenue and sale of devices by 13.1% and 27.4% respectively, partly off-set by 2.0% decrease in voice revenue. Meanwhile, operating costs decreased by 1.8% mainly due to lower interconnect costs and marketing costs. As a result, EBITDA increased by 6.1% versus the preceding quarter. PAT however decreased by 4.1% to RM393.0 million, mainly due to higher depreciation and amortisation charges and higher taxation recorded.

Gross revenue of Indonesia increased by 0.9% in Q4'14 mainly due to translation impact of a stronger IDR against RM in the current quarter. At constant currency, Indonesia revenue would decrease by 0.6% from lower SMS and interconnect revenue. During the quarter, operating costs decreased by 5.7% or 7.1% at constant currency mainly due to accelerated integration of Axis. EBITDA consequently increased by 12.7% or 11.0% at constant currency, with margin of 39.9%, an increase of 4.2 percentage points. Indonesia recorded PAT of RM2.0 million in the period as compared to losses after tax of RM128.4 million in the preceding quarter. This was mainly due to higher EBITDA and gain of RM71.4 million from disposal of XL towers in Q4'14.

Bangladesh's gross revenue posted an increase of 15.3% or 9.7% at constant currency as data revenue increased by 36.3%. Operating costs increased by 25.6% owing to higher material costs, network related costs, marketing costs and manpower costs. EBITDA subsequently decreased by 0.8% or 6.1% at constant currency with margin decrease of 5.4 percentage points. PAT decreased by 25.7% to RM40.0 million mainly due to higher depreciation and amortisation charges arising from growth driven capital expenditure investments and foreign exchange losses in Q4'14 as compared to gains in the preceding quarter. This is partly off-set by lower taxation recorded in Q4'14 arising from higher utilisation of tax allowance on 2G license amortisation in the current quarter.

1. Review of Performance (continued)

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

Sri Lanka's gross revenue increased by 6.3% or 1.5% at constant currency mainly contributed by growth in television and mobile revenue of 12.7% and 1.1% respectively. Operating costs increased by 7.0% or 2.1% at constant currency mainly due to higher customer related costs and marketing costs. EBITDA in the period grew 4.8% but remained stable at constant currency, with margin decreasing slightly by 0.4 percentage points. PAT in the quarter decreased marginally by 0.8% to RM38.1 million mainly due to higher foreign exchange losses in the quarter.

Cambodia's gross revenue recorded higher growth in Q4'14 versus preceding quarter, resulting in higher EBITDA contribution to the Group. PAT however declined during the quarter mainly due to higher taxation and depreciation recorded in Q4'14.

Contribution in share of profit from associates and joint ventures increased from RM70.2 million in Q3'14 to RM80.0 million in Q4'14. This was due to loss from dilution of equity interest in Idea and M1 in Q3'14 arising from issuance of new ordinary shares for ESOS.

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

(d) Economic Profit ("EP") Statement

	4th Quarter Ended		Financial Year Ended	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
	RM'000	RM'000	**RM'000**	RM'000
EBIT	956,995	866,177	3,503,296	3,891,856
Less: Adjusted Tax (25%)	(239,249)	(216,544)	(875,824)	(972,964)
NOPLAT	717,746	649,633	2,627,472	2,918,892
AIC	15,639,526	15,422,589	15,639,526	15,422,589
WACC	6.65%	8.54%	6.65%	8.54%
Economic Charge^ (AIC*WACC)	260,007	329,272	1,040,028	1,317,089
Economic Profit	457,739	320,361	1,587,444	1,601,803

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 shareholders' 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 year to date due to lower cost of equity as a result of lower market risk premium.

The factors contributing to higher EP during the current quarter and lower EP during the financial year to date are mainly contributed by the EBIT 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 the financial year end.

^ Economic charge included the invested capital of Axis on the date of acquisition on 19 March 2014 and borrowings of the Group related to acquisition of Axis.

2. Headline Key Performance Indicators ("KPIs") for the financial year ended 31 December 2014

On 20 February 2014, the Group announced its Headline KPIs guidance for the financial year ended 31 December 2014. The Group's 2014 Headline KPIs announced were as below:

Headline KPIs	FY2014 Headline KPIs* (%)	FY2014 Achievement at Constant Currency
Revenue Growth	10.1	4.4
EBITDA Growth	1.8	(1.2)
Return on Invested Capital ("ROIC")	9.3	8.9
Return on Capital Employed ("ROCE")	7.8	7.5

* *The above Headline KPIs were based on 2013 average forex rates for the respective currencies. However, based on January 2014 average forex rates these Headlines KPIs were estimated to be Revenue 6.9%, EBITDA (1.0)%, ROIC 9.0% and ROCE 7.5%.*

FY2014 was a challenging year for the Group primarily due to the delay of one quarter in Axis acquisition in Indonesia, coupled with challenges faced in the Malaysia operations arising from the IT transformation programme. As a result, at constant currency, the Group fell short of its FY2014 KPI targets. Revenue growth was 4.4% whilst EBITDA growth was negative 1.2%. ROIC and ROCE was 8.9% and 7.5% respectively.

In addition to the above, the Group was adversely impacted by forex translation of IDR results to RM during the financial year.

In FY2015, the Group will continue to face challenges and remains cautious in executing its business strategies. Amongst the key risks facing operating companies include political risks, intense competition, foreign currency fluctuations and regulatory challenges. Moving forward, the Group is focused on data leadership and enhancing data profitability by focusing on pricing, smart investment, capacity utilisation and other cost saving initiatives including forex mitigation strategies.

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

The Group has not provided any forecast profit or profit guarantee in a public document for the financial year ended 31 December 2014.

4. Taxation

The taxation charge for the Group comprises:

	4th Quarter Ended		Financial Year Ended	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
	RM'000	RM'000	**RM'000**	RM'000
Income tax:				
Malaysia				
Current year	(187,281)	(130,657)	(670,290)	(478,484)
Prior years	(4,178)	29,690	(8,317)	147,619
	(191,459)	(100,967)	(678,607)	(330,865)
Overseas				
Current year	(21,752)	(17,125)	(184,943)	(298,968)
Prior years	-	(12,777)	-	(11,183)
	(21,752)	(29,902)	(184,943)	(310,151)
Deferred tax (net):				
Originating and reversal of temporary differences	(12,621)	(870)	94,405	(144,946)
Total taxation	(225,832)	(131,739)	(769,145)	(785,962)
Zakat	(898)	(8,500)	(898)	(8,500)
Total taxation and zakat	(226,730)	(140,239)	(770,043)	(794,462)

The Group's current quarter's effective tax rate is higher than the statutory tax rate mainly due to higher non-deductible expense incurred during the current quarter.

The Group's financial year to date's effective tax rate is lower than the statutory tax rate mainly due to higher non-taxable income incurred during the financial year.

5. Status of Corporate Proposals

(a) Acquisition of Edotco Pakistan (Private) Limited ("e.co PK")

Axiata Investments (Labuan) Limited, a wholly-owned subsidiary of Axiata, had on 19 December 2014 entered into a Sale and Purchase Agreement ("SPA") with Arif Hussain and Joozer Jiwakhan for the acquisition of the entire issued share capital of e.co PK at a cash consideration of PKR3,100 (equivalent to RM107) ("Acquisition-e.co PK"). The completion of Acquisition-e.co PK is subject to satisfaction of all conditions precedent.

The parties to the SPA had on 4 February 2015 agreed to extend the period to satisfy all conditions precedent of the SPA from 31 January 2015 to 31 May 2015.

Save for the above, all other terms of the SPA shall remain and continue in full force and effect.

As of 18 February 2015, 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:

	2014		2013	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	128,413	290,515	203,490	279,846
Unsecured	1,820,228	11,654,179	1,480,498	11,472,541
Total	**1,948,641**	**11,944,694**	1,683,988	11,752,387

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

Foreign Currencies	**2014**	2013
	RM'000	RM'000
USD	5,935,004	4,446,286
IDR	2,839,199	3,346,512
CNY	-	547,244
BDT	14,115	22,058
SLR	53,256	10,399
PKR	25,789	28,095
Total	**8,867,363**	8,400,594

7. Outstanding derivatives

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

Type of derivatives financial instruments	2014 Notional Value	2014 Fair Value Favourable/ (Unfavourable)	2013 Notional Value	2013 Fair Value Favourable/ (Unfavourable)
	RM'000	RM'000	RM'000	RM'000
Forward foreign currency contracts:				
- < 1 year	168,692	33,033	-	-
- 1 - 3 years	-	-	254,575	64,702
Cross currency interest rate swaps:				
- < 1 year	-	-	543,500	31,403
- 1 - 3 years	346,352	78,531	1,186,020	97,645
- > 3 years	1,224,475	29,451	1,153,075	(54,231)
Interest rate swaps contracts:				
- < 1 year	168,692	(2,729)	-	-
- 1 - 3 years	664,715	(7,709)	647,161	(14,127)
- > 3 years	422,152	(1,734)	-	-
Call spread contracts:				
- > 3 years	1,049,550	4,353	-	-
Convertible warrants in an associate:				
- > 3 years		8,342	-	3,784
Total		**141,538**		129,176

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2013 Audited Financial Statements.

8. Fair value changes of financial liabilities

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

	4th Quarter Ended		Financial Year Ended	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
	RM'000	RM'000	RM'000	RM'000
Total net losses	(19,169)	(15,194)	(31,416)	(17,812)

9. Realised and Unrealised Profits or Losses Disclosure

	As at	
	31/12/2014	31/12/2013
	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	11,504,017	10,138,985
- Unrealised	(1,470,594)	(1,256,195)
	10,033,423	8,882,790
Total retained profits/(accumulated losses) from associated companies:		
- Realised	1,437,757	1,136,282
- Unrealised	(182,708)	(180,891)
	1,255,049	955,391
Total (accumulated losses)/retained profits from joint ventures:		
- Realised	(21,239)	3,752
	11,267,233	9,841,933
Less : Consolidation adjustments	(1,435,584)	(519,173)
Total Consolidated Retained Profits	9,831,649	9,322,760

10. Material Litigation

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

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

In 2005, Celcom Trading, a wholly-owned subsidiary of Celcom, commenced proceedings against Aras Capital and TSDTR for amounts due to Celcom Trading 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 Celcom Trading, Celcom Resources Berhad (formerly known as Technology Resources Industries Berhad) ("Celcom Resources") and its directors to void and rescind the indemnity letter and claim damages. Celcom Trading, Celcom Resources 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 Court allowed the parties' application to amend the pleadings on 13 May 2013. The matter was partly heard on 3 to 6 November 2014. On 26 January 2015, the court has adjourned the matter to 13, 14, 15 and 17 April 2015 for continued trial.

10. Material Litigation (continued)

(b) Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) ("Celcom") & Another vs TSDTR & 6 Others

On 24 October 2008, Celcom and Celcom Resources filed a Writ of Summons and Statement of Claim against the former directors of Celcom/Celcom Resources, 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 of Summons, Celcom and Celcom Resources 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 Celcom Resources are seeking damages for conspiracy against the Defendants.

Celcom and Celcom Resources claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and Celcom Resources 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 Amended and Restated Supplemental Agreement ("ARSA") dated 4 April 2002 with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in Celcom Resources 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 at the hearing fixed on 27 June 2013, the Court of Appeal heard the parties' submissions and reserved its decision to a date to be fixed. Meanwhile, this matter has been fixed for further case management in the High Court on 18 February 2014 pending outcome of the appeals.

On 11 March 2014, the Appeals were dismissed with costs and the Court of Appeal ordered that the proceedings in the High Court be stayed pending disposal of the Defendants' applications for leave to appeal to the Federal Court.

On 8 and 9 April 2014 an application for leave to appeal to the Federal Court was filed by TSDTR, BR and German Directors respectively. The application for leave to appeal has now been fixed for hearing on 27 May 2015.

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 Celcom Resources 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 Celcom Resources. In addition, Celcom and Celcom Resources 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 Celcom Resources 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 Celcom Resources 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 at the hearing fixed on 27 June 2013, the Court of Appeal heard the parties' submissions and reserved its decision to a date to be fixed. Meanwhile, this matter has been fixed for further case management in the High Court on 18 February 2014 pending outcome of the appeals.

On 11 March 2014, the Appeals were dismissed with costs and the Court of Appeal ordered that the proceedings in the High Court be stayed pending disposal of the Defendants' applications for leave to appeal to the Federal Court.

On 8 and 9 April 2014 an application for leave to appeal to the Federal Court was filed by TSDTR, BR and German Directors respectively. The application for leave to appeal has now been fixed for hearing on 27 May 2015.

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

Celcom and MY E.G Services Berhad had, on 2 September 2013, entered into a MOU to jointly explore possible business opportunities and collaboration in the areas of e-Government services delivery and joint go-to-market for specific target market segments.

This MOU, which is valid for a period of one (1) year, forms the basis of the Parties collaboration until such time definitive agreements(s) are entered. The MOU may be further extended by the Parties unless earlier terminated or upon execution of the definitive agreement(s).

The parties are currently in the exploratory stage on the areas of collaboration between the Parties and had, on 3 September 2014, agreed to extend the MOU further for another period of one (1) year.

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.

13. Earnings Per Share ("EPS")

(a) Basic EPS

	4th Quarter Ended		Financial Year Ended	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
Profit attributable to owners of the Company (RM'000)	594,932	575,632	2,348,665	2,550,021
Adjusted weighted average number of shares ('000)	8,579,389	8,539,114	8,563,235	8,527,631
Basic EPS (sen)	**6.9**	6.7	**27.4**	29.9

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.

13. Earnings Per Share ("EPS") (continued)

(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	
	31/12/2014	31/12/2013	**31/12/2014**	31/12/2013
Profit attributable to owners of the Company (RM'000)	594,932	575,632	2,348,665	2,550,021
Adjusted weighted average number of shares ('000)	8,579,389	8,539,114	8,563,235	8,527,631
Adjusted for the Company's ESOS and RSA	78,411	73,140	63,756	55,325
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	8,657,800	8,612,254	8,626,991	8,582,956
Diluted EPS (sen)	**6.9**	6.7	**27.2**	29.7

14. Qualification of Preceding Audited Financial Statements

The 2013 Audited Financial Statements were not subject to any qualification.

15. Dividend Proposed

The Board of Directors have recommended tax exempt dividends under single tier system a final dividend of 14 sen (2013: 14 sen) per ordinary share of RM1 each of the Company in respect of financial year ended 31 December 2014. 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 2014 is 22 sen (2013: 22 sen).

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
25 February 2015