AXIATA GROUP BERHAD (242188-H)

The Board of Directors of Axiata Group Berhad is pleased to announce the following unaudited results of the Group for the financial period ended 31 March 2016.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1st Quarter Ended		Financial Period Ended	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	RM'000	RM'000	RM'000	RM'000
		Restated*		Restated*
Operating revenue	**5,008,841**	4,750,720	**5,008,841**	4,750,720
Operating costs				
- depreciation, impairment and amortisation	**(1,165,058)**	(983,750)	**(1,165,058)**	(983,750)
- foreign exchange (losses)/gains	**(266,580)**	40,213	**(266,580)**	40,213
- domestic interconnect and international outpayment	**(496,832)**	(585,830)	**(496,832)**	(585,830)
- marketing, advertising and promotion	**(409,963)**	(322,624)	**(409,963)**	(322,624)
- other operating costs	**(1,840,575)**	(1,769,795)	**(1,840,575)**	(1,769,795)
- staff costs	**(386,089)**	(331,282)	**(386,089)**	(331,282)
- other (losses)/gains - net	**(44,139)**	33,531	**(44,139)**	33,531
Other operating income - net	**24,322**	41,514	**24,322**	41,514
Operating profit before finance cost	**423,927**	872,697	**423,927**	872,697
Finance income	**51,350**	59,877	**51,350**	59,877
Finance cost excluding net foreign exchange gains/(losses) on financing activities	**(255,516)**	(178,582)	**(255,516)**	(178,582)
Net foreign exchange gains/(losses) on financing activities	**264,881**	(198,285)	**264,881**	(198,285)
	9,365	**(376,867)**	**9,365**	(376,867)
Joint ventures				
- share of results (net of tax)	**(22,414)**	217	**(22,414)**	217
Associates				
- share of results (net of tax)	**91,600**	143,290	**91,600**	143,290
- loss on dilution of equity interests	**(1,732)**	(9,253)	**(1,732)**	(9,253)
Profit before taxation	**552,096**	689,961	**552,096**	689,961
Taxation	**(150,896)**	(153,840)	**(150,896)**	(153,840)
Profit for the financial period	**401,200**	536,121	**401,200**	536,121
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- actuarial losses on defined benefits plan, net of tax	**-**	(2,518)	**-**	(2,518)
Items that may be reclassified subsequently to profit or loss:				
- available-for-sale ("AFS") reserve	**(2,450)**	-	**(2,450)**	-
- currency translation differences	**(1,001,623)**	394,631	**(1,001,623)**	394,631
- cash flow hedge	**(1,460)**	(1,125)	**(1,460)**	(1,125)
- net investment hedge	**14,001**	1,039	**14,001**	1,039
Other comprehensive income for the financial period, net of tax	**(991,532)**	392,027	**(991,532)**	392,027
Total comprehensive income for the financial period	**(590,332)**	928,148	**(590,332)**	928,148
Profit/(Loss) for the financial period attributable to:				
- owners of the Company	**368,256**	584,839	**368,256**	584,839
- non-controlling interests	**32,944**	(48,718)	**32,944**	(48,718)
	401,200	536,121	**401,200**	536,121
Total comprehensive income for the financial period attributable to:				
- owners of the Company	**(494,864)**	940,424	**(494,864)**	940,424
- non-controlling interests	**(95,468)**	(12,276)	**(95,468)**	(12,276)
	(590,332)	928,148	**(590,332)**	928,148
Earnings Per Share (sen) (Part B, Note 13)				
- basic	**4.2**	6.8	**4.2**	6.8
- diluted	**4.2**	6.8	**4.2**	6.8

* Domestic interconnect and international outpayment and other operating costs have been reclassified to conform to current presentation.

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015)

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT	
	31/3/2016	**31/12/2015**
	RM'000	**RM'000**
	Unaudited	**Audited**
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	8,822,475	8,816,858
Share premium	3,505,914	3,485,891
Reserves	10,723,014	11,222,520
Total equity attributable to owners of the Company	23,051,403	23,525,269
Non-controlling interests	2,126,227	2,199,075
Total equity	25,177,630	25,724,344
NON-CURRENT LIABILITIES		
Borrowings	15,860,832	14,044,656
Derivative financial instruments	1,413	743
Deferred income	259,962	223,414
Other payables	1,337,704	1,408,497
Provision for liabilities	391,655	417,574
Deferred tax liabilities	1,696,780	1,809,316
Total non-current liabilities	19,548,346	17,904,200
	44,725,976	**43,628,544**
NON-CURRENT ASSETS		
Intangible assets	13,730,506	14,206,485
Property, plant and equipment	21,741,936	23,133,644
Joint ventures	116,653	102,974
Associates	8,115,422	8,208,486
Available-for-sale financial assets	28,712	31,286
Derivatives financial instruments	135,385	229,231
Long term receivables	72,793	101,203
Deferred tax assets	235,345	248,156
Total non-current assets	44,176,752	46,261,465
CURRENT ASSETS		
Inventories	217,531	155,125
Trade and other receivables	3,608,941	3,954,716
Derivatives financial instruments	-	113,251
Financial assets at fair value through profit or loss	27	28
Tax recoverable	153,625	122,994
Deposits, cash and bank balances	10,878,587	5,510,692
Assets directly associated with non-current assets classified as held-for-sale	140,969	-
Total current assets	14,999,680	9,856,806
LESS: CURRENT LIABILITIES		
Trade and other payables	8,549,502	9,642,781
Borrowings	5,431,125	2,347,730
Derivatives financial instruments	185,714	173,112
Current tax liabilities	271,518	326,104
Liabilities directly associated with non-current assets classified as held-for-sale	12,597	-
Total current liabilities	14,450,456	12,489,727
Net current assets/(liabilities)	549,224	(2,632,921)
	44,725,976	**43,628,544**
Net assets per share attributable to owners of the Company (sen)	261	267

(The above consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

		Attributable to equity holders of the Company													
		Share capital#	Share premium	Currency translation differences	Capital contribution reserve	Merger reserve	Hedging reserve	Actuarial reserve	AFS reserve	ESOS^ and RSA* reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	Note	RM'000	RM'000	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 January 2016		8,816,858	3,485,891	931,111	16,598	346,774	(255,992)	(92)	3,367	130,229	(172,753)	10,223,278	23,525,269	2,199,075	25,724,344
Profit for the financial period		-	-	-	-	-	-	-	-	-	-	368,256	368,256	32,944	401,200
Other comprehensive income:									-		-				
- Currency translation differences arising during the financial period:									-		-				
- subsidiaries		-	-	(650,771)	-	-	-	-	-	-	-	-	(650,771)	(128,168)	(778,939)
- associates		-	-	(219,519)	-	-	-	-	-	-	-	-	(219,519)	-	(219,519)
- joint ventures		-	-	(3,165)	-	-	-	-	-	-	-	-	(3,165)	-	(3,165)
		-	-	(873,455)	-	-	-	-	-	-	-	-	(873,455)	(128,168)	(1,001,623)
- Net cash flow hedge		-	-	-	-	-	(1,216)	-	-	-		-	(1,216)	(244)	(1,460)
- Net investment hedge		-	-	-	-	-	14,001	-	-	-	-	-	14,001	-	14,001
- Revaluation of AFS		-	-	-	-	-	-	-	(2,450)	-	-	-	(2,450)	-	(2,450)
Total comprehensive income		**-**	**-**	**(873,455)**	**-**	**-**	**12,785**	**-**	**(2,450)**	**-**	**-**	**368,256**	**(494,864)**	**(95,468)**	**(590,332)**
Transactions with owners:															
- Issuance of new ordinary shares		797	2,460	-	-	-	-	-	-	-	-	-	3,257	-	3,257
- Share issue expenses		-	(29)	-	-	-	-	-	-	-	-	-	(29)	-	(29)
- Dilution of equity interest in a subsidiary	A,12(a)	-	-	-	-	-	-	-	-	-	-	(4,052)	(4,052)	26,346	22,294
- Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-		-	-	-	(3,726)	(3,726)
- Axiata Share Scheme:															
- value of employees' services		-	-	-	-	-	-	-	-	21,822	-	-	21,822	-	21,822
- transferred from ESOS and RSA reserve upon exercise/vest		4,820	17,592	-	-	-	-	-	-	(22,412)	-	-	-	-	-
Total transactions with owners		5,617	20,023	-	-	-	-	-	-	(590)	-	(4,052)	20,998	22,620	43,618
At 31 March 2016		**8,822,475**	**3,505,914**	**57,656**	**16,598**	**346,774**	**(243,207)**	**(92)**	**917**	**129,639**	**(172,753)**	**10,587,482**	**23,051,403**	**2,126,227**	**25,177,630**

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 2015)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016 (CONTINUED)

	Attributable to equity holders of the Company											
	Share capital	Share premium	Currency translation differences	Capital contribution reserve	Merger reserve	Hedging reserve	ESOS and RSA reserve	Actuarial 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 2015	8,582,017	2,398,794	(466,194)	16,598	346,774	(131,518)	176,628	(9,934)	9,847,684	20,760,849	1,821,483	22,582,332
Profit for the financial period	-	-	-	-	-	-	-	-	584,839	584,839	(48,718)	536,121
Other comprehensive income:												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	211,998	-	-	-	-	-	-	211,998	37,474	249,472
- associates	-	-	145,159	-	-	-	-	-	-	145,159	-	145,159
	-	-	357,157	-	-	-	-	-	-	357,157	37,474	394,631
- Net investment hedge	-	-	-	-	-	1,039				1,039	-	1,039
- Actuarial loss on defined benefits plan, net of tax	-	-	-	-	-	-	-	(1,674)	-	(1,674)	(844)	(2,518)
- Net cash flow hedge	-	-	-	-	-	(937)	-	-	-	(937)	(188)	(1,125)
Total comprehensive income	-	-	357,157	-	-	102	-	(1,674)	584,839	940,424	(12,276)	928,148
Transactions with owners:												
- Issuance of new ordinary shares	10,445	8,650	-	-	-	-	-	-	-	19,095	-	19,095
- Dilution of equity interests in subsidiaries	-	-	-	-	-	-	-	-	637	637	17,023	17,660
- Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	3,852	3,852
- Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(5,146)	(5,146)
- Axiata Share Scheme:												
- value of employees' services	-	-	-	-	-	-	23,968	-	-	23,968	-	23,968
- transferred from ESOS and RSA reserve upon exercise/vest	-	32,536	-	-	-	-	(32,536)	-	-	-	-	-
Total transactions with owners	10,445	41,186	-	-	-	-	(8,568)	-	637	43,700	15,729	59,429
At 31 March 2015	**8,592,462**	**2,439,980**	**(109,037)**	**16,598**	**346,774**	**(131,416)**	**168,060**	**(11,608)**	**10,433,160**	**21,744,973**	**1,824,936**	**23,569,909**

(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 2015)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS	FOR THE FINANCIAL PERIOD ENDED	
	31/3/2016	31/3/2015
	RM'000	RM'000
Receipt from customers	5,068,016	4,579,865
Payment to suppliers	(3,744,832)	(2,787,745)
Payment of finance cost	(236,104)	(100,808)
Payment of income taxes	(187,968)	(138,364)
CASH FLOWS FROM OPERATING ACTIVITIES	**899,112**	**1,552,948**
Proceeds from disposal of PPE	1,392	15,333
Purchase of PPE	(1,001,895)	(923,404)
Purchase of other intangible asset	(37,366)	(27,402)
Capital injection in a joint venture	(42,433)	(43,178)
Investment in deposits maturing more than three (3) months	609,325	115,264
Acquisition of a subsidiary	-	176
Additional investment in associates	(36,839)	-
Settlement of deferred purchase consideration of an investment in a subsidiary	(54,794)	-
Repayment from employees	106	186
Interest received	47,417	59,877
CASH FLOWS USED IN INVESTING ACTIVITIES	**(515,087)**	**(803,148)**
Proceed from issuance of shares under Axiata Share Scheme	3,257	19,095
Share issuance expense	(29)	-
Proceed from borrowings	4,552,246	81,131
Proceed from Sukuk	1,989,687	-
Repayment of borrowings	(667,689)	(206,230)
Dividend paid to non-controlling interests	(3,726)	(5,146)
Repayments of finance lease creditors	(105,666)	(20)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**5,768,080**	**(111,170)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	6,152,105	638,630
NET DECREASE IN RESTRICTED CASH AND CASH EQUIVALENTS	68,483	9,679
EFFECT OF EXCHANGE (LOSSES)/GAINS ON CASH AND CASH EQUIVALENTS	(131,631)	51,891
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	4,560,665	4,867,239
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**10,649,622**	**5,567,439**
Total deposits, cash and bank balances	10,878,587	5,654,401
Less:		
- Deposit pledged and in Escrow Accounts	(37,860)	(13,319)
- Deposit on investment in subsidiaries	(67,729)	(55,665)
- Deposit maturing more than three (3) months	(76,725)	-
- Bank overdraft	(46,651)	(17,978)
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	10,649,622	5,567,439

The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2015

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

1. Basis of Preparation

The unaudited interim financial statements for the financial period ended 31 March 2016 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 2015 ("2015 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2015 Audited Financial Statements except for the adoption of amendments to existing standards that are applicable to the Group for the financial period beginning 1 January 2016 as set out below.

- MFRS 14 "Regulatory Deferral Accounts"
- Amendments to MFRS 10 "Consolidated Financial Statements" on Investment Entities" Applying the Consolidation Exception
- Amendments to MFRS 11 "Joint Arrangements" on Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 12 "Disclosure of Interests in Other Entities" on Investment Entities: Applying the Consolidation Exception
- Amendments to MFRS 101 "Presentation of Financial Statements" on Disclosure Initiative"
- Amendments to MFRS 128 "Investments in Associates and Joint Ventures" on Investment Entities: Applying the Consolidation Exception

Annual Improvements 2012-2014 Cycle

- Amendments to MFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"
- Amendment to MFRS 7 "Financial Instruments: Disclosures"
- Amendment to MFRS 119 "Employee Benefits"
- Amendment to MFRS 134 "Interim Financial Reporting"

The adoption of the amendments to existing standards did not have any significant impact to the Group during the current quarter and financial period to date.

3. Seasonal or Cyclical Factors

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

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

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

(a) On 28 March 2016, PT XL Axiata Tbk ("XL") entered into an Asset Purchase Agreement and Master Tower Lease Agreement with PT Profesional Telekomunikasi Indonesia ("Protelindo") for the sale of 2,500 tower and lease back of specific 2,432 of its tower spaces for a period of ten (10) years, effective from the tower closing date of the tower sale. Resultantly, XL classified the assets and liabilities related to the towers as "Non-current assets classified as held-for-sale" and "Liabilities directly associated with non-current assets classified as held-for-sale" during the current quarter and financial period to date.

The transaction above is subject to consents from certain parties and fulfillment of certain conditions. XL and Protelindo shall fulfill certain terms and conditions for a period of six (6) months from the completion date.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 31 March 2016.

5. Estimates

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

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

In preparing the unaudited interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied to 2015 Audited Financial Statements.

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

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

- 796,600 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
- 4,820,000 new ordinary shares of RM1 each vested under Restricted Share Awards at an issuance price from RM4.30 to RM5.05 being the fair value of the RSA issued.

(b) Axiata SPV2 Berhad ("SPV2"), a wholly-owned subsidiary of the Company, had on 24 March 2016 successfully priced its USD500.0 million denominated Sukuk under its multi-currency Sukuk programme which was established on 17 July 2012. The Sukuk, which was issued at par, carries a coupon rate of 4.357% per annum (payable semi-annually in arrears) and has tenure of ten (10) years from the date of issuance.

Subsequently, on 25 March 2016, the Sukuk was listed and quoted on Bursa Malaysia (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited.

(c) On 31 March 2016, the Company drawdown a total of USD910.0 million loan equivalent to RM3,587.2 million from Bank of Tokyo Mitsubishi. The loan has tenure of twelve (12) months from the date of the Facility Agreement and carries a contractual interest rate of LIBOR + applicable interest margin payable at the option of the Company either on one (1), two (2) or three (3) months basis.

Aside from the above, there were no other significant unusual issues, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2016.

7. Dividend paid

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

8. Segmental Information

For the financial period ended 31 March 2016

	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	1,663,185	1,741,034	632,110	613,666	507,584	-	5,157,579
Inter-segment*	(4,491)	(7,216)	(24)	(9,450)	(1,715)	(125,842)	(148,738)
External operating revenue	1,658,694	1,733,818	632,086	604,216	505,869	(125,842)	5,008,841
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	616,817	708,018	212,579	203,590	134,328	50	1,875,382
Interest income	22,651	259	1,526	1,125	58,012	(32,223)	51,350
Interest expense	(45,840)	(157,697)	(7,830)	(5,226)	(68,956)	30,033	(255,516)
Depreciation of property, plant & equipment ("PPE")	(188,005)	(583,481)	(144,107)	(101,752)	(55,628)	(4,893)	(1,077,866)
Amortisation of intangible assets	(15,462)	(22,593)	(31,793)	(7,511)	(6,946)	(1,965)	(86,270)
Joint ventures:							
- share of results (net of tax)	(612)	(18,509)	-	-	(3,293)	-	(22,414)
Associates:							
- share of results (net of tax) #	(9,362)	-	-	9	100,953	-	91,600
- loss on dilution of equity interests	-	-	-	-	-	(1,732)	(1,732)
Impairment of PPE, net of reversal	-	308	59	2,712	1,153	-	4,232
Other non-cash income/(expense)	12,704	147,598	(2,701)	(4,915)	(181,549)	2,193	(26,670)
Taxation	(98,106)	(22,392)	(6,531)	(10,679)	(14,446)	1,258	(150,896)
Segment profit/(loss) for the financial period	294,785	51,511	21,202	77,353	(36,372)	(7,279)	401,200

"Others" mainly contributed by Idea Cellular Limited (RM65.0 million) and M1 Limited (RM36.2 million).

8. Segmental Information (continued)

For the financial period ended 31 March 2015

	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	1,919,378	1,551,137	565,581	473,331	374,189	-	4,883,616
Inter-segment*	(1,895)	(4,010)	(37)	(5,549)	(5)	(121,400)	(132,896)
External operating revenue	1,917,483	1,547,127	565,544	467,782	374,184	(121,400)	4,750,720
EBITDA	712,815	576,795	206,668	163,274	95,403	(13,766)	1,741,189
Interest income	27,874	30,413	1,521	3,081	24,348	(27,360)	59,877
Interest expense	(48,681)	(118,006)	(6,173)	(4,810)	(33,332)	32,420	(178,582)
Depreciation of PPE	(177,820)	(516,985)	(91,341)	(86,147)	(59,837)	13,744	(918,386)
Amortisation of intangible assets	(7,585)	(12,060)	(28,006)	(6,911)	(1,233)	(2,828)	(58,623)
Joint ventures:							
- share of results (net of tax)	3,666	(3,449)	-	-	-	-	217
Associates:							
- share of results (net of tax) #	3,775	-	-	(304)	139,819	-	143,290
- loss on dilution of equity interests	-	-	-	-	-	(9,253)	(9,253)
Impairment of PPE, net of reversal	-	(10,041)	1,282	3,084	-	-	(5,675)
Other non-cash (expenses)/income	(2,599)	(233,651)	12,746	(8,063)	152,536	(5,062)	(84,093)
Taxation	(133,385)	71,617	(53,569)	(9,081)	(25,488)	(3,934)	(153,840)
Segment profit/(loss) for the financial period	378,060	(215,367)	43,128	54,123	292,216	(16,039)	536,121

"Others" mainly contributed by Idea Cellular Limited (RM97.4) and M1 Limited (RM42.4 million).

* Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

9. Valuation of PPE

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

10. Acquisitions of PPE

During the financial period to date, the Group acquired additional PPE amounting to RM1,061.1 million mainly for its telecommunication network equipment and capital work in progress. Additions during the financial period included non-cash assets exchange transaction undertaken by a subsidiary of the Group amounting to RM8.0 million.

11. Events after the Interim Period

(a) Dilution of equity interest in XL

On 6 April 2016, XL issued 8,986,668 ordinary shares at par value of IDR100 each without Pre-emptive Rights to its eligible employees. Accordingly, the Group's effective equity interest in XL diluted from 66.43% to 66.36%.

(b) Acquisition of Reynolds Holdings Limited ("Reynolds")

On 21 December 2015, Axiata Investments (UK) Limited [("AIL UK)"], a wholly-owned subsidiary of the Company entered into a Sale and Purchase Agreement and other ancillary agreements for the acquisition of the entire issued and paid-up capital of Reynolds in turn holds 800,000 shares representing 80.00% of the equity interest in Ncell Private Limited ("Ncell").

On 11 April 2016, the Group completed the acquisition on Reynolds. Effectively, Reynolds and Ncell became subsidiaries of the Group.

(c) Incorporation of VM Digital (Thailand) Co., Ltd. ("VM Digital")

Axiata Digital Services Sdn Bhd ("ADS"), a wholly-owned subsidiary of the Company, had on 3 May 2016 completed the incorporation of VM Digital (Registration No. 0105559069905), a private company limited by shares, in Thailand, under the Thailand Civil and Commercial Code.

VM Digital was incorporated with a registered share capital of THB1.0 million. The nature of business to be carried by VM Digital is to operate telecommunications and all types of communications businesses.

(d) Deposit of advance tax by Ncell on behalf of former owner

Ncell confirmed on 8 May 2016 that it had responded positively to the directive of the Large Tax Payers Office to calculate and made a deposit of 15.0% of the gain of TeliaSonera Norway Nepal Holdings AS ("Telia Norway") arising from the sale of shares of Reynolds by Telia Norway and its related companies to AIL (UK).

11. Events after the Interim Period (continued)

(e) Entry by XL into a Deed of Establishment with PT Indosat Tbk

XL, a subsidiary of the Company, had on 9 May entered into a Deed of Establishment ("Deed") with PT Indosat Tbk ("Indosat Ooreedoo") for the establishment of a joint venture; PT One Indonesia Synergy Tbk ("JVCo").

Under the terms of the Deed, XL has subscribed 1,251 ordinary shares of IDR1.0 million totaling IDR1,251.0 million representing 50.0% of the total issued and paid-up share capital of the JVCo with the remaining held by Indosat Ooreedoo.

The purpose of the joint venture is among others to anticipate that the joint venture company will provide consultancy services in future network collaboration. The transaction parties are in the process of jointly exploring the possibility of entering into such collaboration.

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 or adjustment as at 18 May 2016.

12. Effects of Changes in the Composition of the Group

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

On 22 February 2016, Glasswool issued 64 ordinary shares to Southern Coast Ventures Inc. resulting in the Group's equity interest in Glasswool and its wholly-owned subsidiary, Smart Axiata Co. Ltd decreased from 95.28% to 92.48%. As a result, the Group recorded a decrease in consolidated retained earnings of RM4.1 million and an increase in non-controlling interests amounting to RM26.4 million during the current quarter and financial period to date.

(b) Incorporation of AD Video Sdn Bhd ("ADV")

ADS, had on 25 February 2016 completed the incorporation of ADV, a private company limited by shares, under the Companies Act, 1965.

ADV was incorporated with an authorised share capital of RM400,000 divided into 400,000 ordinary shares of RM1 each. The issued and paid-up share capital of ADV is RM4 and its intended principal activity is to establish, maintain and operate an internet-based multimedia services.

The above incorporation did not have any significant impact to the Group during the current quarter and financial period to date.

(c) Incorporation of WSO2.Telco (Private) Limited ("WSO2.Telco SL")

WSO2.Telco Inc., a subsidiary of ADS, had on 17 March 2016 completed the incorporation of WSO2.Telco SL, a private company limited by shares, in Sri Lanka, under the Companies Act No.7 of 2007.

WSO2.Telco SL was incorporated with share capital of SLR10 divided into 1 ordinary share at value of SLR10 each. The nature of business to be carried by WSO2.Telco SL is to develop and provide support services for software technologies, products and solutions.

The above incorporation did not have any significant impact to the Group during the current quarter and financial period to date.

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

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

Axiata Investments (Labuan) Limited, a wholly-owned subsidiary of the Company, had on 19 December 2014 entered into a 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 or RM118. The acquisition was completed on 24 March 2016 and effectively, e.co PK became a wholly-owned subsidiary of the Group.

The acquisition of e.co PK did not have any significant impact to the Group during the current quarter and financial period to date.

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

During the current quarter and financial period to date, the Group's equity interest in M1, held through Axiata Investments (Singapore) Limited, a wholly-owned subsidiary of the Company, increased from 28.32 to 28.55% mainly due to M1 repurchased its issued and paid-up ordinary shares of 7.5 million (treasury shares) by way of market acquisition.

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

There were no other changes in the composition of the Group for the financial period ended 31 March 2016.

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 2015 Audited Financial Statements; and

(b) There has been no significant change in contingent liabilities of an associate from that disclosed in the 2015 Audited Financial Statements.

14. Capital Commitments

	Group	
	As at 31/3/2016	**As at 31/3/2015**
	RM'000	RM'000
Commitments in respect of expenditure approved and contracted for	1,594,079	1,000,473
Commitments in respect of expenditure approved but not contracted for	2,979,701	2,692,191

15. Financial Instruments At Fair Value Measurements

The Group's financial instruments that were measured at fair value as at reporting date 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
- Level 3: Unobservable inputs

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

Derivatives Financial Instruments	**2016**				2015			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**	RM'000	RM'000	RM'000	RM'000
Assets								
Financial assets at fair value through profit or loss:								
-Trading security	27	-	-	27	15	-	-	15
Financial assets at AFS:								
-Equity securities	-	-	28,712	28,712	-	-	1,162	1,162
Non-hedging derivatives	-	122,651	-	122,651	-	184,947	-	184,947
Derivatives used for hedging	-	12,734	-	12,734	-	55,977	-	55,977
Liabilities								
Non-hedging derivatives	-	(185,032)	-	(185,032)	-	(10,414)	-	(10,414)
Derivatives used for hedging	-	(2,095)	-	(2,095)	-	(2,940)	-	(2,940)
Total	**27**	**(51,742)**	**28,712**	**(23,003)**	15	227,570	1,162	228,747

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 5.4% to RM5,008.8 million in the current quarter ("Q1'16") from RM4,750.7 million recorded in the first quarter of 2015 ("Q1'15") due to higher revenues in Indonesia, Sri Lanka, Bangladesh and Cambodia and weaker Malaysian Ringgit. At constant currency, Group revenue registered a decrease of 1.1%. Operating costs of the Group increased by 4.1% to RM3,133.5 million from RM3,009.5 million in Q1'15 which is broadly in line with increase in revenue. At constant currency, Group operating costs registered a decrease of 2.3%. As a result, Group EBITDA increased by 7.7% and margin increased by 0.7 percentage points to 37.4%. Profit After Tax ("PAT") in the period decreased by 25.2% to RM401.2 million. Despite higher EBITDA, the Group recorded, higher depreciation and amortisation charges, higher net finance costs and lower share of profit from associates. However, higher profits were recorded by Indonesia, Sri Lanka and Cambodia operations whereas our operations in Celcom and Robi registered lower profits mainly due to seasonality and heightened price competition in their respective markets.

Malaysia's gross revenue decreased by 13.3% in Q1'16 mainly due to decrease in voice and SMS revenue by 16.4% and 36.4% respectively, as well as lower sales of devices. Operating costs decreased by 13.3% mainly due to lower content provider charges, material costs and interconnect costs which is partially offset by higher network related costs. EBITDA in the period consequently decreased by 13.5% but margin remained at 37.1%. PAT declined by 22.0% to RM294.8 million mainly due to lower EBITDA and higher share of losses from associates, combined with higher depreciation and amortisation charges.

Gross revenue of Indonesia increased by 12.2% or 2.5% at constant currency mainly driven by data and voice revenue of 23.2% and 7.3% respectively while SMS and interconnect and roaming revenue decreased by 17.6% and 25.1% respectively. Operating costs increased by 6.0% but decreased by 3.2% at constant currency mainly due to one-off staff costs and sales and marketing expenses but partially offset by lower interconnection and other direct costs. EBITDA consequently increased by 22.8% and margin increased by 3.5 percentage points to 40.7%. PAT increased by 123.9% mainly due to higher foreign exchange gains which is partially offset by higher depreciation and amortisation charges driven by expanded network infrastructure, higher net finance costs and taxes. Additionally, as part of the proactive Balance Sheet Management initiatives to reduce forex exposure and volatility, XL repaid or refinanced all unhedged external USD debt. Thus all outstanding external USD debt is fully hedged until maturity.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

Bangladesh posted gross revenue growth of 11.8% but decreased 2.7% at constant currency. This is mainly driven by increase in data and SMS revenue of 19.1% and 20.2% respectively, but offset by a decrease in voice revenue of 8.2% due to heightened competition. In Q1'16, operating costs increased by 16.9% or 1.8% at constant currency mainly due to higher network costs arising from new sites and higher manpower costs, which is partially offset by lower bad debts expenses. EBITDA increased by 2.9% to RM212.6 million but margin decreased by 2.9 percentage points to 33.6%. PAT in the period decreased by 50.8% to RM21.2 million mainly due to higher depreciation and amortisation charges arising from data driven capital expenditure investments and accelerated depreciation from asset swap.

Sri Lanka gross revenue grew 29.6% or 22.1% at constant currency driven by growth across the board. Data, SMS and voice revenue grew by 60.3%, 60.5% and 12.2% respectively which contributed to a growth in Mobile business of 18.6%. In addition, revenue from global and fixed line segment increased by 58.0% and 25.9% respectively. Operating costs increased by 32.3% or 24.5% at constant currency in line with higher revenue. Consequently, EBITDA grew 24.7% but margin decreased by 1.3 percentage points to 33.2%. PAT increased by 42.9% to RM77.3 million mainly due to higher EBITDA which is partly offset by higher depreciation and amortisation charges.

Cambodia recorded strong growth of 26.2% or 8.6% at constant currency in revenue for the quarter resulting in higher EBITDA growth of 28.2% or 10.4% at constant currency. PAT grew by 51.2% to RM72.3 million.

Associates and joint ventures contribution in share of profit decreased by 49.8% to RM67.5 million mainly due to decrease in share of profits from indirectly held associates in Malaysia and Indonesia by RM17.4 million and RM15.1 million respectively, as well as a decrease in our share of profits from directly held associate in India by RM32.4 million.

(b) Comparison with Preceding Quarter's Result

Group revenue decreased by 6.6% to RM5,008.8 million in Q1'16 from RM5,360.4 million recorded in Q4'15 mainly due to lower contribution from Malaysia, Indonesia, and Bangladesh. At constant currency, Group revenue decreased by 5.6%. During the quarter, operating costs decreased by 7.7% to RM3,133.5 million or 6.8% at constant currency mainly arising from lower operating costs in Malaysia, Indonesia and Bangladesh. Group EBITDA decreased by 4.5% but margin increased by 0.8 percentage points to 37.4%. PAT decreased by 22.1% to RM401.2 million mainly due to lower EBITDA and recorded foreign exchange losses against gains in previous quarter. This is partially offset by lower taxes and higher share of profits from associates in Malaysia and Indonesia.

1. Review of Performance (continued)

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

Malaysia's gross revenue registered a decrease of 8.5% in Q1'16 mainly due to a decrease in voice and content/VAS revenue by 5.4% and 28.8% respectively, as well as lower sales of devices. Meanwhile, operating costs decreased by 9.8% mainly due to lower material costs as a result of lower sales of devices, lower content provider charges and lower interconnect costs. As a result, EBITDA decreased by 6.2% but margin increased by 0.9 percentage points to 37.1%. PAT increased by 15.5% to RM294.8 million mainly due to lower EBITDA being offset by lower depreciation and amortisation charges, lower taxes and lower share of losses from associates.

Gross revenue of Indonesia decreased by 5.1% or 4.8% at constant currency in Q1'16 mainly due to lower voice, SMS and interconnect and roaming revenue which decreased by 8.5%, 8.8% and 12.2% respectively. During the quarter, operating costs decreased by 7.3% or 7.0% at constant currency mainly due to lower interconnect and direct cost as well as infrastructure expenses. Consequently, EBITDA decreased by 1.6% but margin increased by 1.5 percentage points to 40.7%. PAT in the quarter decreased by 62.1% to RM51.5 million mainly due to lower foreign exchange gains which is partly offset by lower taxes.

Bangladesh gross revenue decreased by 16.0% or 14.1% at constant currency mainly due to lower revenue from sales of devices, co-branded and prepaid connection fees. Operating costs in the quarter decreased by 13.4% or 11.5% at constant currency owing mainly to lower material costs due to lower sales of devices. EBITDA decreased by 20.7% and margin decreased by 2.0 percentage points to 33.6%. PAT decreased by 61.4% to RM21.2 million due to lower EBITDA and higher depreciation and amortisation charges, which is partly offset by lower taxes.

Sri Lanka's gross revenue increased by 1.9% or 5.9% at constant currency. This is driven by Mobile business growth of 2.4% as a result of higher voice and data revenue growth of 2.3% and 8.6% respectively, as well as growth in global revenue by 48.4%. Operating costs decreased by 4.8% or 1.2% at constant currency mainly as a result of lower manpower costs driven by one off charges in Q4'15, lower overhead costs and lower marketing costs, which is partly offset by higher regulatory costs. EBITDA increased by 19.0% and margin increased by 4.8 percentage points to 33.2%. PAT increased by more than 100% to profit after tax of RM77.4 million from loss after tax of RM30.1 million in Q4'15, mainly due to lower taxes in Q1'16 from recognition of one off levies and taxes of RM58.8 million in Q4'15, higher EBITDA, lower depreciation and amortisation charges as well as lower foreign exchange losses.

Cambodia recorded growth of 2.6% or 4.7% at constant currency in revenue against preceding quarter. EBITDA increased by 6.3% or 8.5% at constant currency. Subsequently, PAT increased by 27.7% to RM72.3 million.

Associates and joint ventures contribution in share of profit increased by 40.1% to RM67.5million from RM48.1million in Q4'15 mainly due to higher contribution from indirectly held associates in Malaysia and Indonesia by RM38.6 million and RM2.9 million; slightly offset by a decrease in contribution from directly held associate in India.

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

(c) Economic Profit ("EP") Statement

	Current and Cumulative Quarter	
	31/3/2016	31/3/2015
	RM'000	RM'000 Restated [#]
EBIT*	468,065	839,167
Less: Adjusted Tax 24% (2015: 25%)	(112,336)	(209,792)
NOPLAT	355,729	629,375
AIC	20,799,128	17,037,329
WACC ^	7.79%	7.78%
Economic Charge (AIC*WACC)	405,063	331,376
Economic Profit	(49,334)	297,999

[#] *Restatement on AIC*
^ *WACC is normalised by excluding the borrowings of the Group related to acquisition of Ncell*

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 is mainly arising from lower NOPLAT in line with the results as disclosed in Part B, 1(a) of this announcement. High AIC incurred during the current quarter and financial period to date in line with high CAPEX investment.

Note:

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

NOPLAT= Net Operating Profit/(Loss) After Tax

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

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

2. Headline Key Performance Indicators ("KPIs") for the financial year ending 31 December 2016

On 17 February 2016, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2016. The Group's 2016 Headline KPIs announced were as below:

	Headline KPIs (based on Bloomberg* estimate in mid Oct' 15 for 2016 forex) (%)	*Headline KPIs (based on constant currency**) (%)*
Revenue Growth	**12.2**	*9.8*
EBITDA Growth	**16.0**	*13.7*
Return on Invested Capital	**6.8**	*6.6*
Return on Capital Employed	**6.1**	*6.0*

* 1USD = RM4.2
** 1USD = RM3.9

Based on performance of the Group to date, barring any unforeseen circumstances, competitive pressures and adverse foreign currency fluctuations, the Board of Directors expect the Group's performance for the first half of financial period ending 31 December 2016 to remain challenging. This is primarily due to the challenges faced by the Malaysia operations arising from heighten competition. However, coupled with completion of the acquisition of Ncell in Nepal ahead of schedule, we may see improved performance in the second half of financial period ending 31 December 2016.

The Group will continue to face challenges and remains cautious in executing its business strategies including the integration of Ncell. Amongst the key risks facing operating companies include regulatory challenges (e.g. pricing and fee structure uncertainties as a result of spectrum reallocation in Malaysia etc.), political risks, intense competition and foreign currency fluctuations. Moving forward, the Group will continue to focus on its long-term transformation strategy which includes new approach to current business, venturing into new businesses adjacent to current business, selectively acquiring new assets and managing existing business via data leadership and enhancing data profitability by focusing on pricing, smart investments, network 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 profit forecast or profit guarantee in a public document in respect of the financial period ended 31 March 2016.

4. Taxation

The taxation charge for the Group comprises:

	Current and Cumulative Quarter	
	31/3/2016	31/3/2015
	RM'000	RM'000
Income tax:		
Malaysia		
Current year	86,277	154,671
Overseas		
Current year	50,592	77,986
Deferred tax (net):		
Originating and reversal of temporary differences	14,027	(78,817)
Total taxation	**150,896**	**153,840**

The current quarter and financial period to date's effective tax rate of the Group is higher than the statutory tax rate mainly arising from higher non-deductible expenses incurred.

5. Status of Corporate Proposals

(a) Proposed amalgamation of Robi Axiata Limited ("Robi") and Airtel Bangladesh Limited

Robi, had on 28 January 2016 entered into an agreement with, inter-alia, Bharti Airtel Holdings (Singapore) Pte. Ltd. ("Bharti Singapore") for the amalgamation of Airtel Bangladesh with Robi ("Agreement") on the terms set in the Agreement and Companies Act, 1994 of Bangladesh ("Companies Act") ("Proposed Merger"). The Proposed Merger shall be satisfied fully via issuance of new ordinary shares of BDT10 each in Robi ("Robi Share") by Robi to Bharti Singapore for shareholding of up to 25.00% plus 1 Robi Share on a fully diluted basis of the combined entity of Robi and Airtel Bangladesh ("Consideration"). Pursuant to the Proposed Merger, Robi shall be the surviving corporation, and hereafter referred to as "MergeCo". At 100.00%, the Implied Enterprise Value on cash free debt-free basis of the MergeCo is in the range between USD1.9 billion to USD2.2 billion.

As consideration for the Proposed Merger, Robi shall issue and allot to Bharti Singapore such number of Robi Shares not exceeding 1,178,535,001 as the Consideration. The actual number of Robi Shares will be determined as at the Effective Date and shall not exceed such number of shares representing the Consideration (being the enlarged of share capital of the MergeCo); and the Consideration shall be issued and credited as fully paid and free from encumbrances with all rights, privileges, restrictions and conditions based on the shareholders' agreement to be entered into between the existing shareholders of Robi; namely; the Company, AIL and NTT Docomo, Inc, Neasden Assets Limited, Ephraim Assets Limited, Calamint Investments Limited, Thurso Investments Limited with Bharti and Bharti Singapore ("New Shareholders' Agreement").

5. Status of Corporate Proposals (continued)

(a) Proposed amalgamation of Robi Axiata Limited ("Robi") and Airtel Bangladesh Limited (continued)

The agreement is conditional upon regulatory approvals which include, inter-alia, the following unless otherwise waived by the parties to the Agreement on or before the closing:

(i) Receipt of recommendation from Bangladesh Telecommunications Regulatory Commission ("BTRC") for the Proposed Merger pursuant to the Bangladesh Telecommunication Act;
(ii) Receipt of approval or confirmation of no objection to the Proposed Merger from the Government of Bangladesh;
(iii) Receipt of all relevant approvals and issue of all related licenses or authorisations from BTRC and issue to Robi of the Order of Merged Licenses;
(iv) Execution of the Shareholders' Agreement;
(v) Approval of the High Court of Bangladesh ("High Court");
(vi) Approval by Bangladesh Securities and Exchange Commission of the issue of the Consideration; and
(vii) Completion of the Merger Filing with Registrar of Joint Stock Companies and Firms of Bangladesh ("RJSC").

Robi and Airtel Bangladesh shall implement the Proposed Merger by way of the Scheme of Amalgamation in accordance with the Companies Act and jointly obtaining the approval of the High Court of Bangladesh for amalgamation of both companies pursuant to the terms of the Agreement and Scheme of Amalgamation.

BTRC has recommended approving the proposed merger between Robi and Airtel. The Bangladesh Government is considering the proposal and recommendation sent by BTRC.

Upon completion of the Proposed Merger, it is expected that the Group, Bharti and NTT Parties will own 68.69%, 25.00% and 6.31% respectively in the MergeCo.

5. Status of Corporate Proposals (continued)

(b) Capital Increases with Pre-emptive Rights by XL

On 1 February 2016, XL announced its intention to embark on a rights issue with the net proceeds from the rights issue to be used to repay XL's USD 500 million shareholder's loan.

The capital raising has been structured as a rights issue in order to allow existing shareholders of XL to participate in the future growth of the Company. To demonstrate its continued commitment as major shareholder of XL, the Group has expressed its intention to fully subscribe for its pro rata rights entitlement under the rights issue. Any remaining shares not subscribed for other shareholders in the rights issue are expected to be fully underwritten.

The rights issue was approved by XL's shareholders through an extraordinary general meeting of shareholders held on 10 March 2016, as well as obtaining an effective letter from the Financial Service Authority ("Otoritas Jasa Keuangan/OJK") with respect a registration statement to be submitted by XL. On 4 May 2016, OJK approved the right issue through issuance of Effective Letter.

Each holder of 100 shares is entitled to 25 rights ("Rights"). Holders of the Rights can exercise their Rights to purchase one (1) ordinary share of XL ("Rights Shares") at the rights offering price of IDR3,150 per Rights Share, or choose to trade their Rights on or outside the IDX during the period from 20 May 2016 until 26 May 2016, inclusive.

The capital raising is anticipated to be completed by first half of 2016.

(c) Dividend Reinvestment Scheme ("DRS") on the final dividend in respect of the financial year ended 31 December 2015

On 17 February 2016, the Board of Directors of the Company had proposed that the shareholders be given an option to elect to reinvest the whole or part of the proposed final dividend in respect of the financial year ended 31 December 2015 of 12 sen per ordinary share of RM1 each of the Company into new Shares in accordance with DRS which to be approved by the shareholders at the Company's coming Annual General Meeting ("AGM") to be held on 25 May 2016. An application to Bursa Securities for the listing of and quotation for the new shares to be issued pursuant to the DRS in respect of the Proposed Final Dividend was submitted on 28 April 2015 and the approval was obtained on 3 May 2016. The approval of Bursa Securities is subject to certain conditions to be complied.

5. Status of Corporate Proposals (continued)

(d) Proposed establishment of a long term incentive plan (‘LTPI”) for the eligible employees and executive directors of the Company and its subsidiaries

On 18 March 2016, the Company proposed to establish a long term incentive plan involving the issue of ordinary shares of RM1 each of the Company to the employees and executive directors of the Company and its subsidiaries (other than subsidiaries which are dormant). The total number of the Company’s shares which may be made available under the Proposed LTIP involving the new issuance of the Company’s shares shall not at any point in aggregate exceed 7% of the issued and paid-up share capital of Axiata (excluding treasury shares, if any) over the duration of the Proposed LTIP.

The proposed LTPI is subject to the approval of shareholders of the Company at the forthcoming annual general meeting. An application to Bursa Securities was submitted on 30 March 2016 and the approval was obtained on 6 April 2016. The approval of Bursa Securities is subject to certain conditions to be complied.

As of 18 May 2016, 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 March were as follows:

	2016		2015	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	156,417	689,439	197,634	316,622
Unsecured	5,274,708	15,171,393	2,120,133	11,555,139
Total	**5,431,125**	**15,860,832**	2,317,767	11,871,761

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

Foreign Currencies	**2016**	2015
	RM'000	RM'000
USD	11,764,165	6,237,736
IDR	4,191,561	2,858,888
BDT	506,015	67,576
SLT	298,232	16,882
PKR	44,063	22,764
Total	**16,804,036**	9,203,846

7. Outstanding derivatives

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

Type of derivatives financial instruments	2016 Notional Value	2016 Fair Value Favourable/ (Unfavourable)	2015 Notional Value	2015 Fair Value Favourable/ (Unfavourable)
	RM'000	RM'000	RM'000	RM'000
Forward foreign currency contracts:				
- < 1 year	-	-	178,938	22,974
Cross currency interest rate swaps:				
- < 1 year	-	-	367,389	87,412
- 1 - 3 years	197,100	57,557	-	-
- > 3 years	1,182,600	12,734	1,298,850	108,097
Interest rate swaps contracts:				
- < 1 year	133,187	(682)	178,938	(1,609)
- 1 - 3 years	275,887	(1,413)	705,090	(8,805)
- > 3 years	-	-	447,794	(2,940)
Call spread contracts:				
- 1 - 3 years	1,182,600	56,751	1,113,300	14,098
Convertible warrants in an associate:				
- > 3 years	19,251	8,343	19,251	8,343
Put option liability over shares held by NCI				
- < 1 year	185,032	(185,032)	-	-
Total		**(51,742)**		227,570

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2015 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 instruments which are marked to market as at date of statement of financial position are as follow:

	Current and Cumulative Quarter	
	31/3/2016	31/3/2015
	RM'000	RM'000
Total net losses	(28,708)	(6,892)

9. Realised and Unrealised Profits or Losses Disclosure

	As at	
	3/31/2016	3/31/2015
	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	11,743,242	12,103,616
-Unrealised	(1,260,847)	(1,629,219)
	10,482,395	10,474,397
Total retained profits/(accumulated losses) from associated companies:		
-Realised	2,171,702	1,464,654
-Unrealised	(354,636)	(209,605)
	1,817,066	1,255,049
Total accumulated losses from joint ventures:		
-Realised	(82,240)	(21,022)
	(82,240)	(21,022)
Less : Consolidation adjustments	(1,629,739)	(1,275,264)
Total Consolidated Retained Profits	10,587,482	10,433,160

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 ("Celcom Resources") and its directors to void and rescind the indemnity letter and claim for damages.

Celcom Trading, Celcom Resources and the directors filed their respective applications to strike out TSDTR's counterclaim and such applications were dismissed by the Court. The directors appealed and the same was dismissed on 16 October 2012.

Subsequent to that, the Court allowed the parties' application to amend the pleadings on 13 May 2013. The matter was partially heard on 3 to 6 November 2014 and was thereafter adjourned for continued trial on 13, 14, 15 and 17 April 2015. The trial proceeded on 13 April 2015 and thereafter adjourned to 26 June 2015 for continued trial. Celcom had closed its case on 28 September 2015 and TSDTR commenced his case on the same date. The hearing continued until 30 September 2015 and thereafter adjourned to 23 October 2015 for further continued hearing. The trial proceeded on 23 October 2015 whereby TSDTR had completed his evidence. During the case management on 5 November 2015, the Court fixed 27 and 28 January 2016 for continued hearing. On 28 January 2016, the Court fixed 30 March 2016 for parties to submit their respective submissions.

On 30 March 2016, the Court heard submissions from all parties and fixed the matter for clarification or decision on 26 April 2016 which was subsequently adjourned to 26 May 2016.

(b) Celcom Axiata Group Berhad (formerly known as Celcom Malaysia Berhad) & 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 and 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").

10. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

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

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. The Court of Appeal had on 11 March 2014 dismissed with costs appeals filed by TSDTR, BR, AH, OTA and DeTeAsia. The Court of Appeal also 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, AH, OTA and DeTeAsia respectively. The hearing of their application for leave to appeal to the Federal Court has now been fixed on 31 March 2016. Upon hearing the submission from all parties, the Federal Court dismissed the application for leave to appeal by TSDTR, BR, AH, OTA and DeTeAsia respectively on 31 March 2016 with costs. Since the Defendants had exhausted all avenues to appeal, the proceedings in the High Court shall resume.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

Celcom and Celcom Resources claim in the High Court is fixed for trial on 17 to 28 October 2016. Parties are directed to close the pleadings by the next case management fixed on 23 May 2016.

10. Material Litigation (continued)

The status of material litigation of the Group is as follows: (continued)

(c) Celcom & Another vs TSDTR & 8 Others

Pursuant to an award granted by the arbitral tribunal to DeTeAsia's on 2 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. The Court of Appeal had on 11 March 2014 dismissed with costs the appeals filed by (i) TSDTR and BR against the decision of the High Court dated 6 February 2009; and (ii) the German directors against the decision of the High Court dated 30 June 2010. The Court of Appeal also ordered that the proceedings in the High Court be stayed pending the 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 hearing of their application for leave to appeal has now been fixed on 31 March 2016. Upon hearing the submission from all parties, the Federal Court dismissed the application for leave to appeal by TSDTR, BR, AH, OTA and DeTeAsia respectively on 31 March 2016 with costs. Since the Defendants had exhausted all avenues to appeal, the proceedings in the High Court shall resume.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

Celcom and Celcom Resources claim in the High Court is fixed for trial on 17 to 28 October 2016. Parties are directed to close the pleadings by the next case management fixed on 23 May 2016.

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 MOU has been terminated with immediate effect on 9 May 2016 with mutual agreement from both parties as the said MOU has transited to a business arrangement, such as the appointment of MYEG on 22 January 2016 as Celcom's Direct Channel Partner to promote, market and distribute products and services to end users. As such, the MOU would therefore no longer subsist.

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

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

13. Earnings Per Share ("EPS")

(a) Basic EPS

	Current and Cumulative Quarter	
	31/3/2016	**31/3/2015**
Profit attributable to owners of the Company (RM'000)	368,256	584,839
Adjusted weighted average number of shares ('000)	8,817,777	8,586,117
Basic EPS (sen)	**4.2**	6.8

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 period 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.

	Current and Cumulative Quarter	
	31/3/2016	**31/3/2015**
Profit attributable to owners of the Company (RM'000)	368,256	584,839
Adjusted weighted average number of shares ('000)	8,817,777	8,586,117
Adjusted for the Company ESOS/RSA	39,489	56,631
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	8,857,266	8,642,748
Diluted EPS (sen)	**4.2**	6.8

14. Qualification of Preceding Audited Financial Statements

The 2015 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 12 sen (2014: 14 sen) per ordinary share of RM1 each of the Company ("Share") in respect of financial year ended 31 December 2015 ("Proposed Final Dividend") which is subject to the approval by the shareholders at the forthcoming Annual General Meeting. Full year dividend declared for the financial year ended 2015 is 20 sen (2014: 22 sen).

By Order of the Board

Suryani Hussein (LS0009277)
Group Company Secretary

Kuala Lumpur
25 May 2016