

AXIATA GROUP BERHAD (“AXIATA” OR “COMPANY”) - PROPOSED ISSUANCE OF UP TO USD300.0 MILLION GUARANTEED NOTES (“PROPOSED ISSUANCE OF NOTES”) BY AXIATA SPV1 (LABUAN) LIMITED, A WHOLLY-OWNED SUBSIDIARY OF AXIATA

1. INTRODUCTION

The Company wishes to announce that the Board of Axiata has today approved the proposed issuance of up to USD300.0 million Guaranteed Notes (“**Notes**”) by Axiata SPV1 (Labuan) Limited (“**Axiata SPV1**” or “**Issuer**”), a wholly-owned subsidiary of Axiata.

2. DETAILS OF THE PROPOSED ISSUANCE OF NOTES

2.1 Brief Summary of the Proposed Issuance of Notes

The indicative salient terms of the Notes are set out in the Appendix. The Notes will be guaranteed by Axiata, which has been assigned a provisional corporate rating of Baa2 by Moody’s Investors Services Inc. and BBB by Standard and Poor Ratings Services. The Notes will be issued to investors to be identified via a book building process.

2.2 Rationale of the Proposed Issuance of Notes and Proposed Utilisation of Proceeds

The Proposed Issuance of Notes will allow Axiata to tap into new sources of funding, namely the international debt capital markets, thus providing Axiata and its subsidiaries (“**Axiata Group**”) greater financial agility for long term growth. Furthermore, the Proposed Issuance of Notes will enable Axiata to broaden its investor base and further enhance its profile on the international front.

The net proceeds from the Proposed Issuance of Notes after deducting expenses in relation thereto, will be used for the repayment of principal, accrued interest and other outstanding amounts on a SGD240 million term loan granted to SunShare Investments Limited (“**SunShare**”), a wholly-owned subsidiary of Axiata, and the remainder for general corporate purposes of the Axiata Group.

2.3 Details of the Issuer

The Issuer was incorporated in Labuan under the Labuan Companies Act, 1990 (“**LCA**”) on 1 December 2009. As of to-date, the Issuer has an authorised share capital of USD13,000.00 comprising 13,000 ordinary shares of USD1.00 each with an issued and paid-up share capital of USD1.00 comprising 1 ordinary share of USD1.00.

3. EFFECTS OF THE PROPOSED ISSUANCE OF NOTES

The Proposed Issuance of the Notes will not have effect on the issued and paid-up share capital and the shareholdings of the substantial shareholders of the Company.

The Proposed Issuance of the Notes will not have a material effect on the earnings, earnings per share, net assets and gearing of the Company.

The Notes will not be registered under the United States Securities Act of 1933 (as amended) (“**Securities Act**”) and will be offered outside the United States in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

4. APPROVALS OBTAINED / REQUIRED

- (i) Labuan Financial Services Authority ("**LFSA**") had on 7 January 2010 granted its approval for the issuance of the Notes and the requisite ministerial exemptions have been obtained through LFSA pursuant to Section 150 of the LCA;
- (ii) Bank Negara Malaysia ("**BNM**") has granted its approval on 8 December 2009 pursuant to the Exchange Control Notice 10 on Foreign Currency Credit Facilities and Ringgit Credit Facilities from Non-Residents for the Company to obtain an offshore credit facility in relation to the on-lending of the proceeds from the Notes to the Company; and
- (iii) Labuan International Financial Exchange Inc. ("**LFX**") had on 15 January 2010 granted its approval in principle in respect of the listing of the Notes.

Approvals from the LFX and/or The Stock Exchange of Hong Kong Limited ("**HKSE**") are required for the listing and quotation of the Notes on the relevant exchanges but the Proposed Issuance of the Notes is not conditional on these approvals being obtained.

Application to the HKSE has been made as at the date of this announcement.

No approval from the Securities Commission of Malaysia has been or will be obtained for the Proposed Issuance of Notes and the Notes will only be offered or issued to persons outside Malaysia.

5. INTEREST OF DIRECTORS', MAJOR SHAREHOLDERS' AND PERSONS CONNECTED TO THEM

None of the Directors and major shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Proposed Issuance of Notes.

6. DIRECTORS' STATEMENT

The Directors, having considered all aspects, are of the opinion that the Proposed Issuance of the Notes is in the best interest of the Company.

7. ADVISORS

Goldman Sachs International, Morgan Stanley & Co. International plc and CIMB Bank (L) Limited, have been appointed as the joint bookrunners and joint lead managers for the Proposed Issuance of Notes. Goldman Sachs International and Morgan Stanley & Co. International plc have been appointed as the joint global co-ordinators for the Proposed Issuance of Notes.

8. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Board of the Company expects the Proposed Issuance of Notes to be completed in the second quarter of 2010.

This announcement is dated 16 April 2010.

APPENDIX

INDICATIVE SALIENT TERMS OF THE NOTES

The indicative salient terms of the Notes are as follows:

Issuer	:	Axiata SPV1
Guarantor	:	The payment of principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed by Axiata Group Berhad (“ Guarantor ”) under a guarantee to be executed by the Guarantor.
The Issue	:	Issuance of up to USD300 million Guaranteed Notes
Issue size	:	Up to USD300 million. The actual amount to be issued shall be determined after the book building process for the Notes.
Issue price	:	To be determined after the bookbuilding process of the Notes.
Tenure	:	10 years from the date of issue of the Notes
Coupon rate and coupon payment dates	:	To be determined after the book building process for the Notes
Yield to maturity	:	To be determined after the book building process for the Notes
Redemption on maturity	:	Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes at their principal amount. -.
Ranking of the Notes	:	The Notes shall constitute direct, unconditional and unsecured obligations of the Issuer and will rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditor's rights.
Status of the Guarantee	:	The obligations of the Guarantor under the Guarantee will constitute direct, unconditional and unsecured obligations of the Guarantor and will rank pari passu with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditor's rights.
Security/Collateral	:	None
Rating	:	The Notes have been assigned a provisional rating of Baa2 by Moody's Investors Services Inc. and BBB- by Standard and Poor Ratings Services.
Mode of issue	:	The Notes shall be placed out on a book building basis on a best effort basis.
Listing status	:	The Notes shall be listed on the Labuan International Financial Exchange Inc and The Stock Exchange of Hong Kong Limited.
Other conditions	:	Other terms and conditions for a facility of this nature shall apply, including event of default, covenants, etc.
Governing law	:	English law