



**NEWS RELEASE
FOR IMMEDIATE RELEASE**

CELCOM ISSUES RM4.2 BILLION SUKUK TO STREAMLINE AND SYNERGISE BUSINESS OPERATIONS

KUALA LUMPUR, 18 AUGUST 2010 – Celcom Axiata Berhad (*formerly known as Celcom (Malaysia) Berhad*) (“**Celcom**”), a wholly-owned subsidiary of Axiata Group Berhad (“**Axiata**”), has successfully placed out RM4.2 billion nominal value unrated Sukuk under a private offering to Employees Provident Fund Board (“**EPF**”), CIMB Islamic Bank Berhad and Malayan Banking Berhad (“**Sukuk Issuance**”).

The Sukuk Issuance, with tenures ranging from five to ten years, will be issued by Celcom’s wholly-owned subsidiary, Celcom Transmission (M) Sdn Bhd (“**CTX**”). This is part of an internal exercise to streamline Celcom’s business functions and to establish a network-centric entity whereby Celcom’s telecommunication network business will be transferred to CTX.

Under this Sukuk Issuance, EPF will subscribe RM3.4 billion while the balance of RM800 million will be taken up equally by both banks. CIMB Investment Bank Berhad and Maybank Investment Bank Berhad are the Joint Principal Advisers, Joint Lead Arrangers and Joint Lead Managers for the Sukuk Issuance.

This internal exercise is a component of Axiata’s group-wide initiative to transform its regional back-end operations to drive efficiencies, enhance cost savings and create value. This is expected to be accomplished through, amongst others, greater infrastructure sharing, establishment of shared services, joint technology/procurement initiatives, improved capital expenditure management process and leveraging on best practices. As this exercise is undertaken entirely within Celcom, its customers and business partners will not be affected.

In the signing ceremony today, Celcom's Chief Executive Officer and Director of CTX, Dato' Sri Shazalli Ramly said, "On top of being a substantial shareholder of our holding company, we are extremely pleased and grateful for EPF's direct support of Celcom's growth and prospects. With their continued vote of confidence as well as that of our banks, we are well-poised to continue our business expansion and drive the national mobile and broadband agenda in our quest to better serve our customers and the general public."

Other attendees of the signing ceremony were EPF's Chief Executive Officer, Tan Sri Azlan Zainol; CIMB's Group Chief Executive, Dato' Sri Nazir Razak and Maybank's President & Chief Executive Officer, Dato' Sri Abdul Wahid Omar.

Moving forward, CTX will not be tasked only with the day-to-day operations and management of the network business, but also to unlock its value and close technology-related gaps with tactical and strategic initiatives. A key example would be for CTX to drive efforts with respect to the recent Memorandum of Understanding with DiGi and Telenor on network collaboration.

Dato' Sri Shazalli further added, "Learning from best practices of international markets, we continuously look for opportunities to improve cost and operational efficiencies. Aside from having a differentiated sales and marketing strategy, we need to be equally focused and innovative on our network capabilities to drive financial performance. We believe this internal exercise to streamline Celcom's business operations would be a critical step in achieving such an objective".

- end -

About Celcom Axiata Berhad

Celcom Axiata Berhad (formerly known as *Celcom (Malaysia) Berhad*) is now the country's most experienced and premier mobile cellular telecommunications company with 10.4 million customers. It currently has the widest network coverage covering 98% of the populated areas in the country. It was the first to launch 3G services in Malaysia and has the widest 2G, 3G and 3.5G coverage in the country. Celcom was also awarded the *Mobile Service Provider of the Year*, *Broadband Service Provider of the Year* and the much coveted *Service Provider of the Year* at the 2010 Frost & Sullivan Malaysia Telecoms Awards.

Celcom offers international roaming service in 156 countries and over 414 networks worldwide, and is an Axiata Company. For more information on Celcom, log on to <http://www.celcom.com.my>

For further enquiries, please contact:

Celcom Axiata Berhad (*formerly known as Celcom (Malaysia) Berhad*)

Media Relations

Corporate Communications

Rohizan Ismail & Tan Yin Yin

Tel: +6013 344 9690 / +019 333 2515