

**AXIATA GROUP BERHAD (“AXIATA”)
ALLOTMENT IDEA SHARES UNDER QUALIFIED INSTITUTIONAL PLACEMENT (“QIP”)**

We refer to our announcement on 13 February 2018 on the Preferential Issuance of Idea Shares. Unless otherwise stated, the definitions used herein shall have the same meanings as set out in the above announcement.

Following further notification by Idea on the allotment of 424,242,424 Idea Shares at an issue price of INR82.50 per Idea Share aggregating to INR35.0 billion to eligible qualified institutional buyers in the QIP (“**Issuance of Idea Shares under QIP**”) to the NSE dated 23 February 2018, Axiata wishes to announce further dilution of Axiata Group’s shareholding in Idea from 18.10% to 16.34%. The purpose of this announcement is to provide the estimated financial impact resulting from the abovementioned dilution due to non-participation by Axiata Group on the QIP.

The dilution of Axiata Group shareholding is expected to result with an estimated additional loss on dilution of equity interest in Idea (non-cash) of RM 240.7 million for FYE2018 as shown below:-

	RM’ million
Share of Proceeds received for Issuance of Idea Shares under QIP (16.34% x RM2,107.1 million ¹)	344.2
<u>Less:</u>	
Carrying value of the deemed disposed interest in Idea ((1.76%/18.10%) x RM6,008.0 million ²)	(584.9)
Estimated loss on dilution of equity interest in Idea	(240.7)

Notes:

⁽¹⁾ 424,242,424 Idea Shares x INR82.50 using exchange rate of INR1: MYR 0.060203 as at 23 February 2018

⁽²⁾ Calculated based on carrying value of investment in Idea as at 31 December 2017 (Audited), post the Preferential Issuance of Idea Shares announced on 13 February 2018

The estimated loss on dilution from the Issuance of Idea Shares under QIP is expected to have a material impact on EPS of Axiata Group for FYE2018.

For illustrative purpose, the effects of the Issuance of Idea Shares under QIP and aggregated with Preferential Issuance of Idea Shares on the pro-forma PATAMI and EPS of Axiata Group, assuming both capital raising exercise were completed as at following date (audited financials as at 31 December 2017), are set out below:-

	Financial Year Ended 31 December 2017 (Audited)	After Issuance of Idea Shares under QIP	After Preferential Issuance of Idea Shares & Issuance of Idea Shares under QIP
	RM’000	RM’000	RM’000
PATAMI ⁽¹⁾	909,480	668,779	517,277
EPS (sen) ⁽²⁾			
- Basic	10.1	7.4	5.8
- Diluted	10.1	7.4	5.7

Notes:

⁽¹⁾ Includes impact of estimated loss on dilution in relation to the Issuance of Idea Shares under QIP and aggregated with Preferential Issuance of Idea Shares of RM240.7 million and RM392.2 million respectively

⁽²⁾ Calculated using the weighted average number of shares in issue by Axiata as at 31 December 2017

This announcement is dated 23 February 2018.