axiata

AXIATA GROUP BERHAD (242188-H)

(Incorporated in Malaysia)

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 2011.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1ST QUARTER ENDED		FINANCIAL PERIOD ENDED	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	RM '000	RM '000	RM '000	RM '000
OPERATING REVENUE	**3,940,382**	3,812,685	**3,940,382**	3,812,685
OPERATING COSTS				
- depreciation, impairment and amortisation	**(725,617)**	(678,591)	**(725,617)**	(678,591)
- foreign exchange losses	**(19,136)**	(46,467)	**(19,136)**	(46,467)
- other operating costs	**(1,247,489)**	(1,112,320)	**(1,247,489)**	(1,112,320)
- domestic interconnect and international outpayment	**(407,568)**	(420,045)	**(407,568)**	(420,045)
- marketing, advertising and promotion	**(320,190)**	(362,784)	**(320,190)**	(362,784)
- staff costs	**(234,168)**	(239,230)	**(234,168)**	(239,230)
- other losses - net	**(43,119)**	(23,519)	**(43,119)**	(23,519)
OTHER OPERATING INCOME	**7,455**	319,590	**7,455**	319,590
OPERATING PROFIT BEFORE FINANCE COST	**950,550**	1,249,319	**950,550**	1,249,319
Finance income	**47,723**	18,500	**47,723**	18,500
Finance cost	**(147,644)**	(174,610)	**(147,644)**	(174,610)
Net foreign exchange gains on financing activities	**8,442**	70,256	**8,442**	70,256
NET FINANCE COST	**(139,202)**	(104,354)	**(139,202)**	(104,354)
JOINTLY CONTROLLED ENTITY				
- share of results (net of tax)	**-**	(141,939)	**-**	(141,939)
- gain from merger exercise	**-**	173,199	**-**	173,199
ASSOCIATES				
- share of results (net of tax)	**55,561**	26,048	**55,561**	26,048
- loss on dilution of equity interests	**(12,422)**	(3,362)	**(12,422)**	(3,362)
PROFIT BEFORE TAXATION	**902,210**	1,217,411	**902,210**	1,217,411
TAXATION	**(261,061)**	(260,753)	**(261,061)**	(260,753)
PROFIT FOR THE FINANCIAL PERIOD	**641,149**	956,658	**641,149**	956,658
OTHER COMPREHENSIVE EXPENSE				
- net investment hedge, net of tax	**(35,184)**	-	**(35,184)**	-
- currency translation differences	**(39,613)**	(167,695)	**(39,613)**	(167,695)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD	**566,352**	**788,963**	**566,352**	**788,963**
PROFIT FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
- owners of the Company	**548,365**	921,475	**548,365**	921,475
- non-controlling interests	**92,784**	35,183	**92,784**	35,183
PROFIT FOR THE FINANCIAL PERIOD	**641,149**	**956,658**	**641,149**	**956,658**
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:				
- owners of the Company	**454,372**	768,211	**454,372**	768,211
- non-controlling interests	**111,980**	20,752	**111,980**	20,752
	566,352	**788,963**	**566,352**	**788,963**
EARNINGS PER SHARE (sen) (Note B13)				
- basic	**6**	11	**6**	11
- diluted	**6**	11	**6**	11

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 31/03/2011 UNAUDITED RM '000	AS AT 31/12/2010 AUDITED RM '000
CAPITAL AND RESERVES		
Share capital	8,445,154	8,445,154
Share premium	1,972,964	1,972,964
Other reserves	8,771,280	8,307,191
Total equity attributable to owners of the Company	19,189,398	18,725,309
Non-controlling interests	1,665,319	1,553,339
Total equity	20,854,717	20,278,648
NON-CURRENT LIABILITIES		
Borrowings	9,795,765	9,983,983
Derivative financial instruments	240,590	191,527
Provision for liabilities	248,909	249,433
Deferred tax liabilities	1,385,561	1,333,863
Total non-current liabilities	11,670,825	11,758,806
	32,525,542	**32,037,454**
NON-CURRENT ASSETS		
Intangible assets	7,613,121	7,605,498
Property, plant and equipment	15,265,414	15,130,246
Investment properties	-	2,020
Associates	6,626,427	6,698,484
Available-for-sale financial assets	893	888
Derivative financial instruments	12,044	14,964
Long term receivables	92,252	111,313
Deferred tax assets	112,470	117,457
Total non-current assets	29,722,621	29,680,870
CURRENT ASSETS		
Inventories	72,656	85,056
Trade and other receivables	1,955,093	1,703,772
Financial assets at fair value through profit or loss	10	10
Tax recoverable	55,118	68,102
Cash and bank balances	6,556,509	6,277,382
Assets directly associated with non-current assets classified as held for sale	288,087	285,774
Total current assets	8,927,473	8,420,096
CURRENT LIABILITIES		
Trade and other payables	4,987,979	4,567,490
Borrowings	593,267	699,591
Derivative financial instruments	-	277,678
Current tax liabilities	268,190	274,100
Liabilities directly associated with non-current assets classified as held for sale	275,116	244,653
Total current liabilities	6,124,552	6,063,512
Net current assets	2,802,921	2,356,584
	32,525,542	**32,037,454**
Net assets per share attributable to owners of the Company (sen)	227	222

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2011

	Attributable to equity holders of the Company										
	Issued and fully paid ordinary shares of RM1 each										
	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	ESOS Reserve RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interests RM '000	Total Equity RM '000
At 1 January 2011	**8,445,154**	**1,972,964**	**(1,259,424)**	**16,598**	**346,774**	**(70,423)**	**45,904**	**9,227,762**	**18,725,309**	**1,553,339**	**20,278,648**
Profit for the financial period	-	-	-	-	-	-	-	548,365	548,365	92,784	641,149
Other comprehensive income											
- Currency translation differences arising during the financial period:											
- subsidiaries	-	-	51,705	-	-	-	-	-	51,705	19,196	70,901
- associates	-	-	(110,514)	-	-	-	-	-	(110,514)	-	(110,514)
	-	-	(58,809)	-	-	-	-	-	(58,809)	19,196	(39,613)
- Net investment hedge, net of tax	-	-	-	-	-	(35,184)	-	-	(35,184)	-	(35,184)
Total comprehensive income	**-**	**-**	**(58,809)**	**-**	**-**	**(35,184)**	**-**	**548,365**	**454,372**	**111,980**	**566,352**
Transactions with owners											
- Employees' share option scheme											
- value of employees' services	-	-	-	-	-	-	9,717	-	9,717	-	9,717
Total transactions with owners	-	-	-	-	-	-	9,717	-	9,717	-	9,717
At 31 March 2011	**8,445,154**	**1,972,964**	**(1,318,233)**	**16,598**	**346,774**	**(105,607)**	**55,621**	**9,776,127**	**19,189,398**	**1,665,319**	**20,854,717**

(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 2010)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2010

	Attributable to equity holders of the Company										
	Issued and fully paid ordinary shares of RM1 each										
	Share Capital RM '000	Share Premium RM '000	Currency Translation Differences RM '000	Capital Contribution Reserves RM '000	Merger Reserves RM '000	Hedging Reserves RM '000	ESOS Reserves RM '000	Retained Profits RM '000	Total RM '000	Non-controlling Interests RM '000	Total Equity RM '000
At 1 January 2010 (as previously reported)	**8,445,154**	**1,972,964**	**(524,717)**	**16,598**	**346,774**	**-**	**11,179**	**7,916,133**	**18,184,085**	**696,363**	**18,880,448**
Efffect of adoption of FRS139	-	-	-	-	-	-	-	(458,750)	(458,750)	(3,664)	(462,414)
At 1 January 2010 (as restated)	8,445,154	1,972,964	(524,717)	16,598	346,774	-	11,179	7,457,383	17,725,335	692,699	18,418,034
Profit for the financial period	-	-	-	-	-	-	-	921,475	921,475	35,183	956,658
Other comprehensive income											
- Currency translation differences arising during the financial period :											
- subsidiaries	-	-	(26,642)	-	-	-	-	-	(26,642)	(14,431)	(41,073)
- jointly controlled entity	-	-	54,539	-	-	-	-	-	54,539	-	54,539
- associates	-	-	(181,161)	-	-	-	-	-	(181,161)	-	(181,161)
	-	-	(153,264)	-	-	-	-	-	(153,264)	(14,431)	(167,695)
Total comprehensive income	**-**	**-**	**(153,264)**	**-**	**-**	**-**	-	**921,475**	**768,211**	**20,752**	**788,963**
Transactions with owners											
- Partial disposal of interest in a subsidiary	-	-	8,224	-	-	-	-	-	8,224	559,858	568,082
- Employees' share option scheme											
- value of employees' services	-	-	-	-	-	-	6,819	-	6,819	-	6,819
Total transactions with owners	-	-	8,224	-	-	-	6,819	-	15,043	559,858	574,901
At 31 March 2010	**8,445,154**	**1,972,964**	**(669,757)**	**16,598**	**346,774**	**-**	**17,998**	**8,378,858**	**18,508,589**	**1,273,309**	**19,781,898**

(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 2010)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED 31/03/2011 RM '000	ENDED 31/03/2010 RM '000
Receipts from customers	3,704,325	3,726,082
Payments to suppliers and employees	(1,813,007)	(2,055,916)
Payment of finance cost	(144,273)	(139,709)
Payment of income taxes (net of refunds)	(203,945)	(148,546)
CASH FLOWS FROM OPERATING ACTIVITIES	**1,543,100**	**1,381,911**
Disposal of property, plant and equipment	331	531
Purchase of property, plant and equipment	(660,002)	(392,043)
Novation of the put option of an associate	(334,308)	-
Net repayment from employees	23	61
Interest received	47,664	18,500
CASH FLOWS USED IN INVESTING ACTIVITIES	**(946,292)**	**(372,951)**
Proceeds from borrowings	132,133	450,470
Repayments of borrowings	(431,410)	(608,430)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(299,277)**	**(157,960)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	297,531	851,000
EFFECT OF EXCHANGE RATE CHANGES	(14,092)	(16,935)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**6,258,146**	**1,980,229**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**6,541,585**	**2,814,294**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010)

AXIATA GROUP BERHAD (242188-H)
(Incorporated in Malaysia)

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The unaudited financial statements for the financial period ended 31 March 2011 of the Group have been prepared in accordance with Financial Reporting Standards ("FRS") 134 Interim Financial Reporting, Amendments to FRS 134, 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 2010 ("2010 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 2010 Audited Financial Statements except for the adoption of revised standards, amendments/improvements to existing standards and Interpretation Committee ("IC") Interpretations that are applicable to the Group for the financial period beginning 1 January 2011 as set out below.

(a) Revised standards and amendments to existing standards

Revised FRS 1	First-time Adoption of FRSs
Revised FRS 3	Business Combinations
Revised FRS 127	Consolidated and Separate Financial Statements
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

Amendments to FRS 2 "Share-based Payment" and FRS 138 "Intangible Assets" being consequential amendments arising from FRS 3 (as revised in 2010)

Amendment to FRS 5 "Non-current Assets Held for Sale and Discontinued Operations" being consequential amendments arising from FRS 1 (revised 2010), FRS 127 (amended 2010) and IC Interpretation 17 issued in January 2010

Amendment to FRS 1 on Limited Exemption from Comparatives FRS 7 "Financial Instruments: Disclosures" for First-time Adopters

Amendment to FRS 2 on Group Cash-settled Share-based Payment Transactions

Amendments to FRS 7 on Improving Disclosures about Financial Instruments

Amendments to FRS 132 "Financial Instruments: Presentation" on Classification of Rights Issues

IC Interpretation 9 "Reassessment of Embedded Derivatives"

2. Accounting Policies (continued)

(b) Improvements to FRSs (2010) which formed part of the MASB's improvement projects

Revised FRS 1	First-time Adoption of FRSs
Revised FRS 3	Business Combinations
FRS 101	Presentations of Financial Statements
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Presentation
FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 13	Customer Loyalty Programmes

The adoption of the revised standards, amendments/improvements to existing standards and IC Interpretations did not have any significant impact to the Group during the current quarter and financial period to date.

IC Interpretations that are not applicable and not relevant to the Group as set out below:

IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

3. Seasonal or Cyclical Factors

The operations of the Group were not 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:

On 14 February 2011, Axiata via Axiata Investments 1 (India) Limited ("AIL1"), a wholly owned subsidiary of the Company, has novated all the rights and obligations under the Green Acre Agro Services Private Limited Put Option to Merrill Lynch International, a company incorporated under the laws of England and Wales, for approximately USD108.1 million.

5. Estimates

The preparation of unaudited interim financial statements requires management to make judgments, 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.

In preparing the unaudited interim consolidated 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 2010 Audited Financial Statements.

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

During the current quarter and financial period to date, PT XL Axiata Tbk ("XL") paid loan facilities as follows:

Date of Payment	Amount	Financial Institutions
27 January 2011	IDR400.0 billion	PT Bank Mandiri (Persero) Tbk
18 March 2011	IDR250.0 billion	The Bank of Tokyo – Mitsubishi UFJ Limited
24 March 2011	IDR250.0 billion	PT ANZ Panin Bank

Aside from the above, there were no other significant issues, repurchases and repayments of debt and equity securities during the financial period ended 31 March 2011.

7. Segmental Information

Segmental information for the financial period ended 31 March was as follows:

2011

All amounts are in RM'000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Consolidation adjustment**	**Total**
Operating Revenue	1,732,416	1,533,092	301,474	301,435	81,782	-	**3,950,199**
Inter-segment *	(394)	-	-	-	-	(9,423)	**(9,817)**
External operating revenue	1,732,022	1,533,092	301,474	301,435	81,782	(9,423)	**3,940,382**
Results:							
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	782,938	823,815	94,790	97,708	(68,284)	-	**1,730,967**
Interest income	12,528	8,637	1,094	2,300	35,534	(12,370)	**47,723**
Interest expense	(54,227)	(73,290)	(4,736)	(3,340)	(24,264)	12,213	**(147,644)**
Depreciation of:							
-Property, plant & equipment ("PPE")	(160,335)	(416,063)	(49,884)	(65,577)	(15,083)	16,552	**(690,390)**
-Investment properties	(2)	-	-	-	-	-	**(2)**
Amortisation of intangible assets	(1,011)	(6,185)	(949)	(1,163)	-	-	**(9,308)**
Associates:							
-Share of results (net of tax)	1,955	-	-	-	53,606	-	**55,561**
-Loss on dilution of equity interests	-	-	-	-	-	(12,422)	**(12,422)**
Impairment of PPE, net of reversal	(17,016)	(8,069)	-	(832)	-	-	**(25,917)**
Other non cash income/(expenses)	6,082	25,227	(20,227)	2,735	(60,175)	-	**(46,358)**
Taxation	(143,202)	(96,119)	(17,772)	(1,294)	2,292	(4,966)	**(261,061)**
Segment profit/(loss) for the financial period	**427,710**	**257,953**	**2,316**	**30,537**	**(76,374)**	**(993)**	**641,149**

7. **Segmental Information (continued)**

2010 (Restated)

All amounts are in RM '000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation Adjustment	Total
Operating Revenue	1,681,464	1,490,626	290,335	293,952	67,235	-	**3,823,612**
Inter-segment *	(1,440)	-	-	-	-	(9,487)	**(10,927)**
External operating revenue	1,680,024	1,490,626	290,335	293,952	67,235	(9,487)	**3,812,685**
Results:							
EBITDA	734,443	795,269	75,688	96,246	14,955	(38,295)	**1,678,306**
Interest income	4,898	4,892	2,334	383	6,305	(312)	**18,500**
Interest expense	(251)	(108,930)	(5,036)	(10,169)	(51,046)	822	**(174,610)**
Depreciation of:							
-PPE	(184,931)	(364,816)	(52,638)	(72,798)	(14,635)	16,552	**(673,266)**
-Investment properties	(1)	-	-	-	-	-	**(1)**
Amortisation of intangible assets	(1,011)	(3,592)	-	(1,137)	-	-	**(5,740)**
Jointly controlled entity:							
-Share of results (net of tax)	-	-	-	-	(141,939)	-	**(141,939)**
-Gain from merger exercise	-	-	-	-	-	173,199	**173,199**
Associates:							
-Share of results (net of tax)	1,610	-	-	-	24,438	-	**26,048**
-Loss on dilution of equity interest	-	-	-	-	-	(3,362)	**(3,362)**
Impairment of PPE, net of reversal	75	(5,201)	-	5,542	-	-	**416**
Other non cash income/(expenses)	28,452	(20,905)	535	3,592	308,186	-	**319,860**
Taxation	(150,328)	(80,357)	(17,240)	(3,526)	(4,336)	(4,966)	**(260,753)**
Segment profit for the period	**432,956**	**216,360**	**3,643**	**18,133**	**141,928**	**143,638**	**956,658**

* 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.

8. Dividend paid

No dividend has been paid during the financial period ended 31 March 2011.

9. Valuation of PPE

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

10. Acquisitions / (Disposal) of PPE

During the current quarter and financial period to date, the Group acquired additional PPE amounting to RM799.3 million mainly contributed by telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

As at 24 May 2011, save for the above and status update on corporate proposals mentioned in Part B, 7 of this announcement, there were no other significant events after interim period that requires disclosure.

In conjunction with the disposal of the Mobile Telecommunications Company of Esfahan ("MTCE"), an associate of the Group as disclosed in Part B, 7 (g), the investment in MTCE is now reclassified as "Non Current Asset Held For Sale". No other adjustment is required to the unaudited interim financial statement for the financial period to date.

12. Effects of Changes in the Composition of the Group

There were no other changes in the composition of the Group for the financial period ended 31 March 2011 except for the following:

(a) Formation of Dialog Business Services (Private) Ltd ("DBS")

On 21 January 2011, a wholly owned subsidiary of Dialog Axiata PLC ("Dialog") was incorporated under the name of DBS for the purpose of carrying out IT enabled services.

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

(b) 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, decreased from 29.49% to 29.35% following the issuance of shares under M1's Employees' Share Option Scheme ("ESOS").

The dilution has no 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)

(c) Dilution on equity interest in Idea Cellular Limited ("Idea")

During the current quarter and financial period to date, the Group's equity interest in Idea, held through AIL1 and Axiata Investments 2 (India) Limited respectively, the wholly owned subsidiaries of the Group, decreased from 19.10% to 19.08% following the issuance of shares under Idea's ESOS.

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

13. Significant Changes in Contingent Assets or Contingent Liabilities

There has been no change in contingent assets or contingent liabilities from that disclosed in the 2010 Audited Financial Statements.

The Board has considered all contingent liabilities as at 31 March 2011. Based on legal advice, no provision is required for the current quarter and financial period to date.

14. Capital Commitments

	Group	
PPE	**2011 RM'000**	2010 RM'000
• Commitments in respect of expenditure approved and contracted for	**1,419,326**	1,193,274
• Commitments in respect of expenditure approved but not contracted for	**1,381,727**	724,773

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

(a) Between the Company and Huawei Technologies Co. Ltd.

There has been no material update in relation to the MOU and no subsequent agreement has been entered arising from the MOU.

(b) Between Celcom and TM

Celcom and TM (collectively the "Parties") had on 21 April entered into a Supplemental Agreement to the MOU ("Supplemental Agreement") to vary the provision of the MOU in which the Parties will enter into Definitive Agreement(s) in the collaboration areas contemplated under the MOU. Under the Supplemental Agreement, the period in which the Parties will endeavor to enter into Definitive Agreement(s), which is 2 months from the date of the MOU, has now been extended to 31 May 2011 or such other dates as agreed by the Parties.

16. Additional Disclosure Requirements

Pursuant to the letter of approval from the Securities Commission ("SC") dated 30 January 2008 in relation to, amongst others, the Telekom Malaysia Berhad ("TM") Group's Demerger, the Company is required to obtain the relevant approvals for the transmission towers and rooftop sites ("Outdoor Structures") of Celcom Malaysia Berhad ("Celcom") within 2 years from the date of the SC's approval letter. In addition, the Company is also required to disclose in its quarterly announcement, the status of application of such Outdoor Structures to Bursa Securities until all approvals are obtained.

On 22 February 2010, CIMB Investment Bank Berhad had, on behalf of the Company, inter-alia, announced that the SC had, through its letter dated 12 February 2010, granted an extension of time of 2 years (i.e. up to 29 January 2012) for the Company to obtain the necessary approvals for the said Outdoor Structures.

The status of 104 Outdoor Structures (which are subject to the SC's condition above) as at 24 May 2011 is as follows:

(a) 5 Outdoor Structures have obtained local authorities approval;

(b) 52 Outdoor Structures are pending approval from local authorities; and

(c) Initial applications for 47 Outdoor Structures have been declined. Celcom is in the midst of appealing to the relevant local authorities with respect to such applications.

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

1. Review of Performance

(a) Quarter-on-Quarter

Group revenue grew by 3.3% in the current quarter to RM3,940.4 million from RM3,812.7 million recorded in the first quarter 2010 ("Q1'10"). The strong growth was resulted from continuous improvement in key operating companies ("OpCo"). Celcom revenue grew 1.9% driven by 37.7% increase in broadband subscribers and 7.9% increase in revenue generating base customers offset marginally by decrease in interconnection revenue from reduction in termination rates. Revenue of XL grew 8.7%, in tandem with the increase in subscriber base of 19.6% compared to Q1'10. Robi Axiata Limited ("Robi") revenue grew 19.0% mainly from higher prepaid and interconnect revenue, which increased by 17.7% and 41.7% respectively. Revenue of market leader in Sri Lanka, Dialog, grew by 10.0% mainly from higher prepaid, postpaid and interconnect revenue which increased by 2.7%, 8.4% and more than 100.0% respectively.

The fluctuation of RM against local currencies of OpCo had unfavourably affected the overall Group's translated revenue. At constant currency using Q1'10 exchange rate, the Group revenue would have registered a higher growth of 7.8%, quarter-on-quarter.

Major OpCo operating costs of the Group increased by 3.5% to RM2,209.4 million in Q1'11 from RM2,134.4 million in Q1'10, mainly driven by XL and Celcom. XL recorded higher VAS cost and interconnect cost in line with higher revenue whilst Celcom recorded higher leased circuit charges and VAS costs in line with upsurge in broadband revenue.

The Group other operating income decreased by 97.7% to RM7.5 million in Q1'11 from RM319.6 million in Q1'10, mainly arising from one-off gain on disposal of shares in XL of RM307.5 million recorded in Q1'10.

Depreciation, impairment and amortisation in the financial period under review increased by RM47.0 million to RM725.6 million mainly from XL due to the higher assets base from its network expansion during the current quarter as compared to Q1'10.

As a result of repayment of debt and reduction of overall debt position of the Group level and higher finance income recorded, the Group recorded lower net finance costs of RM99.9 million for the financial period under review as compared to RM156.1 million in the corresponding financial period.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

The Group recorded foreign exchange losses of RM10.7 million in the current quarter as compared to gains of RM23.8 million in Q1'10 mainly due to the translation losses of USD borrowings and payables in Bangladesh as a result of the weakening of BDT against USD in Q1'11.

The Group recorded a lower profit after tax ("PAT") of RM641.1 million in Q1'11 as compared to RM956.7 million recorded in the corresponding financial period mainly due to one-off gain recorded in Q1'10 from the disposal of shares in XL.

(b) Comparison with Preceeding Quarter's Results

Group revenue decreased marginally by 1.9%, from RM4,016.7 million recorded in the fourth quarter 2010 ("Q4'10") to RM3,940.4 million in Q1'11. The decrease is mainly attributed to lower revenue contribution from XL as a result of lower subscribers with event for the current quarter and reduction in minutes of usage due to price competition.

RM exchange rate has generally strengthened against local currencies of key OpCo in Q1'11. The fluctuation of RM against local currencies had unfavourably affected the overall Group's translated revenue. At constant currency using Q4'10 exchange rate, the Group revenue would have registered a lower decrease of 0.7% as compared to preceding quarter.

Major OpCo operating costs of the Group decreased by 3.4% to RM2,209.4 million in Q1'11 from RM2,286.9 million in Q4'10 mainly from Celcom and XL. Other operating costs of Celcom decreased in Q1'11 was mainly due to lower provision of USP regulatory cost and manpower cost. In line with the lower revenue in the quarter, other operating costs of XL, mainly interconnect and marketing costs, had registered a lower trend in the current quarter.

As a result of the impairment charge recorded in Q4'10, depreciation, impairment and amortisation in current quarter under review was significantly lower by RM1,070.9 million as compared to preceding quarter.

The Group recorded a lower other operating income for the current quarter under review of RM7.5 million from RM45.4 million in Q4'10. The decrease was mainly resulted from net gain on disposal of an associate of RM17.0 million recorded in Q4'10.

1. Review of Performance (continued)

(b) Comparison with Preceeding Quarter's Results (continued)

In Q1'11, the Group recorded foreign exchange losses of RM10.7 million as compared to gains of RM37.4 million recorded in the preceding quarter, mainly arising from the translation losses of USD borrowings and payables in Bangladesh as a result of the weakening of BDT against USD in the current quarter.

The Group PAT returned to positive in Q1'11, grew by 345.9% to RM641.1 million. The loss after tax of RM260.8 million recorded in Q4'10 was mainly due to the recording of one-off impairment adjustment charge on the carrying value of the investment in an associate.

(c) Economic Profit ("EP") Statement

	Current and Cumulative Quarter	
	31/3/2011	31/3/2010
	RM'000	RM'000
		Restated
EBIT*	**993,669**	965,290
Less: Adjusted Tax (25%)	(248,417)	(241,322)
NOPLAT	**745,252**	723,968
AIC	12,795,951	14,526,647
WACC	10.15%	9.15%
Economic Charge (AIC*WACC)	**324,697**	332,297
Economic Profit	**420,555**	391,671

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 Group reported a higher WACC during the current quarter and financial period to date due to early repayment of debt and higher market price which cause higher proportion of cost of equity.

The factors contributing to the higher EP in the current quarter and financial period to date is mainly due to higher EBIT arising from better performance achieved by the Group as disclosed in Part B, 1 (a) of this announcement.

1. Review of Performance (continued)

(c) Economic Profit ("EP") Statement (continued)

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 2011

On 23 February 2011, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2011. The Group's 2011 Headline KPIs announced is as below:

Headline KPIs	**2011 Headline KPIs**
Revenue Growth (%)	10.0
EBITDA Growth (%)	10.3
Return on Invested Capital ("ROIC") without Associates (%)	16.5
ROIC with Associates (%)	12.6

The Group expects to face continued challenges for the financial period ending 31 December 2011 and will continue to take a long term view and adopt careful prudent measures in addressing the challenges to optimise its financial performance. Barring any unforeseen circumstances, the Board of Directors expects the Group's performance for the financial period ending 31 December 2011 would be generally in line with the announced KPIs.

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 2011.

4. Taxation

The taxation charge for the Group comprises:

	Current and Cumulative Quarter	
	31/3/2011	**31/3/2010**
	RM'000	**RM'000**
Income Tax:		
Malaysia		
Current year	**(111,293)**	(119,670)
Prior year	**-**	(488)
	(111,293)	(120,158)
Overseas		
Current year	**(88,792)**	(65,609)
Prior year	**2,674**	4
	(86,118)	(65,605)
Deferred Tax (net):		
Originating and reversal of temporary differences	**(63,650)**	(74,990)
Total Taxation	**(261,061)**	(260,753)

The current quarter and financial period to date effective tax rate of the Group is higher than the statutory tax rate primarily due to higher expenses not allowable for tax deduction.

5. Profit on Sale of Unquoted Investments and/or Properties

There were no material sales of unquoted investments or disposal of properties which significantly affected the results of the Group during the current quarter and financial period to date.

6. Purchase and Disposal of Quoted Securities

There was no purchase and disposal of quoted securities during the current quarter and financial period to date.

7. Status of Corporate Proposals

(a) Disposal of 89.0% equity interest in Multinet

On 19 July 2010, the Company announced the disposal of its entire shareholding in Multinet through its wholly-owned subsidiary, Axiata Investments (Labuan) Limited [formerly known as TM International (L) Limited] representing 89.0% of the total issued and paid-up share capital in Multinet. The completion of the sale is subject to amongst others the fulfilment of regulatory procedures and appropriate approval from regulators.

(b) Members' voluntary winding up of wholly-owned subsidiaries

On 26 October 2010, the Company announced on inter-alia, the commencement of its wholly-owned subsidiaries held via Celcom namely, Alpine Resources Sdn Bhd and Technology Resources (Norminees) Sdn Bhd pursuant to Section 254(1)(b) of the Companies Act,1965 and final Meetings for the members' voluntary winding-up of Alpine Resources and TR Nominees were duly held on 24 March 2011.

Pursuant to Section 272(5) of the Companies Act 1965, Alpine Resources and TR Nominees would be dissolved with effect from 23 June 2011.

(c) Proposed Amendments to Bye- Laws of existing Performance-based ESOS of the Company to include a Restricted Share Plan ("RSP")

The Board of Directors of the Company had on 30 March 2011 approved the proposed amendments to the Bye-Laws of existing Performance-based ESOS to include:

- A RSP where the Company may issue new ordinary shares of the Company under the Company Share Scheme ("Axiata RSP Shares") without any consideration to the eligible employees, in lieu of or in addition to the grants of Options, at a future date. The Company may grant Options, Axiata RSP Shares or a combination of both under the Company Share Scheme;

- The amended existing ESOS upon completion of the proposed amendment shall be renamed as "Performance-based Employee Share Option and Share Scheme";

- Dato' Sri Jamaludin Ibrahim, Axiata's Managing Director/President & Group Chief Executive Office is allowed to participate under the Company Share Scheme and be eligible for grants of up to 1,198,300 shares of the Company.

The Proposed Amendment and Proposed Grant are subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting ("AGM").

7. Status of Corporate Proposals (continued)

(d) Proposed shares buyback by the Company up to 10% of its issued and paid-up share capital and Proposed Exemption under Paragraph 24 of Practice Note 9 of the Malaysia Code on Take Over and Mergers, 2010 ("Code") for Khazanah Nasional Berhad ("Khazanah")

On 11 April 2011, the Company announced the proposal to seek from its shareholders, at its forthcoming AGM, the authority to purchase its own shares of up to 10% of its issued and paid-up share capital at any time during the Authority Period and exemption from the obligation to undertake a mandatory takeover offer on the remaining shares of the Company not ready owned by Khazanah upon the proposed shares buy back.

(e) Entry into shareholders' agreement in relation to the implementation programme for entry point project entitled "Regional Network"

On 25 April 2011, the Company announced that Celcom had entered into a Shareholders Agreement with 23 other parties to form a consortium under the name of "Konsortium Rangkaian Serantau Sdn Bhd" (formerly known as My Regional Network Company Sdn Bhd) ("Consortium"). The Consortium is formed for the purpose of implementing one of the entry points project entitled "Regional Network" which has the purpose of adding bandwidth capacity for Malaysia at a lower cost in anticipation of increasing demand.

As of the date of to-date, Celcom has yet to subscribe to the shares in the consortium.

(f) Entry into shareholders' agreement by Dialog, a 84.79% subsidiary of the Group, and its wholly-owned subsidiary company DBS with Firstsource Solutions Limited ("FSL")

On 4 May 2011, the Company announced that Dialog had entered into a Shareholders Agreement with FSL for the establishment of a joint venture for the provision of Information Technology Enabled and Business Process Outsourcing services in Sri Lanka and also to the international trade. Under the Shareholders' Agreement, the initial shareholding percentage of both FSL and Dialog in DBS (eventually known as 'Firstsource-Dialog Solutions') shall be 74% and 26% respectively.

As of to-date, the Parties to the Shareholders' Agreement have yet to subscribe to the shares in DBS based on their respective shareholdings.

7. Status of Corporate Proposals (continued)

(g) Disposal of 49.0% equity interest in MTCE

On 18 May 2011, the Group entered into a Sales and Purchase Agreement ("SPA") with Telecommunication Company of Esfahan ("TCE") on the disposal to TCE of its entire shareholding in MTCE representing 49.0% of the total issued and paid up share capital in MTCE. The completion of the sale is subject to the fulfillment of certain conditions and completion procedures in the SPA.

As of 24 May 2011, other than the above, there is no other corporate proposal announced but not yet completed.

8. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 31 March were as follows:

	2011		2010 (Restated)	
	Short Term Borrowings RM'000	**Long Term Borrowings RM'000**	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Secured	190,891	477,241	174,163	753,713
Unsecured	402,376	9,318,524	2,110,135	8,947,767
Total	**593,267**	**9,795,765**	**2,284,298**	**9,701,480**

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

	2011	**2010**
Foreign Currency	**RM'000**	**RM'000**
US Dollar	3,573,045	2,858,171
Indonesian Rupiah	2,474,580	3,576,577
Bangladesh Taka	40,318	54,607
Pakistani Rupee	-	93,192
Sri Lanka Rupee	73,606	617,764
Singapore Dollar	-	553,042
Total	**6,161,549**	**7,753,353**

9. Outstanding derivatives

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

	2011		2010	
Type of derivatives financial instruments	**Notional Value RM'000**	**Fair value Favourable/ (Unfavourable) RM'000**	**Notional Value RM'000**	**Fair value Favourable/ (Unfavourable) RM'000**
Forward foreign currency contracts:				
-< 1 year	-	-	86,430	(20,739)
-> 3 years	525,972	(15,639)	652,300	(7,783)
Cross currency swaps:				
-< 1 year	-	-	358,765	(29,816)
-> 3 years	1,663,860	(198,597)	-	-
Interest rate swaps contracts:				
-< 1 year	-	-	626,948	(11,338)
-> 3 years	683,120	(18,094)	893,743	(12,624)
Convertible warrants in an associate:				
-> 3 years	-	3,784	-	3,784
Put option on the investment in an associate :				
-< 1 year	-	-	-	(301,930)
Total		**(228,546)**		**(380,446)**

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2010 Audited Financial Statements.

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

10. Fair value changes of financial liabilities

The Group recognised a total net (loss)/gains 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 as follow:

	Current and Cumulative Quarter	
	31/3/2011	31/3/2010
	RM'000	RM'000
Total net (loss)/gains	(40,015)	5,689

11. Realised and Unrealised Profits or Losses Disclosure

Pursuant to Bursa Malaysia directive dated 20th December 2010, a listed issuer is required to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of reporting period on a group basis into realised and unrealised profits or losses. As stated in the Directive, the Realised and Unrealised Profits or Losses Disclosure is applicable to quarterly reports and annual audited accounts for the financial period ending on or after 30th September 2010. The comparative figures are not required in the first financial year of complying with this disclosure.

	As at 31 March 2011 RM'000	As at 31 December 2010 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	11,009,625	10,225,212
-Unrealised	(1,370,993)	(1,204,245)
	9,638,632	9,020,967
Total retained profits from associated companies:		
-Realised	499,554	557,351
	10,138,186	9,578,318
Less: Consolidated adjustments	(362,059)	(350,556)
Total Consolidated Retained Profits	9,776,127	9,227,762

12. Material Litigation

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

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

In 2005, Rego, a wholly-owned subsidiary of Celcom, commenced proceedings against Aras Capital and TSDTR for amounts due to Rego 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 Rego, Technologies Resources Industries Berhad ("TRI") and its directors to void and rescind the indemnity letter and claim damages. Rego, TRI and the directors filed their respective applications to strike out TSDTR's counterclaim, which were dismissed by the Court. The directors appealed and their appeal is fixed for mention on 16 June 2011.

The trial dates which were fixed for hearing on 5, 6, 8 and 9 October 2009 have been vacated pending the disposal of the directors' appeal.

The Court has requested the parties to mediate and TSTDR has proposed a global settlement for all the cases involving TSTDR ("Mediation Proceeding").

The Parties have since agreed to mediate the pending disputes and the Court has fixed a mention on 16 June 2011 for TSDTR's solicitors to update the Court on the progress of the Mediation Proceeding.

(b) Pengurusan Danaharta Nasional Berhad ("Danaharta") & 2 others vs TSDTR, TSDTR vs Danaharata & 23 Others

In June 2006, Celcom and TRI were served with a Defence and Counterclaim by TSDTR in connection with proceedings initiated against him by Danaharta and two others for a breach of the Facility Agreement dated 13 July 1994 and related Settlement Agreement dated 8 October 2001 between TSDTR and Danaharta in relation to a loan granted to TSDTR by Danaharta. Celcom, TRI and the other 22 defendants were joined in these proceedings via the counterclaim. Subsequently in July 2006, TSDTR filed and served an Amended Defence and Amended Counterclaim on Celcom/TRI's solicitors. Total sum of the claim is RM13,461.4 million.

On 28 August 2007, the Court dismissed Celcom/TRI's application to strike out the amended counterclaim with costs. On 12 November 2009, the Court allowed Celcom/TRI's appeal with costs. On 4 December 2009, TSDTR filed a notice of appeal to the Court of Appeal. No hearing dates have been fixed yet for the appeal.

12. Material Litigation (continued)

(b) Pengurusan Danaharta Nasional Berhad ("Danaharta") & 2 others vs TSDTR, TSDTR vs Danaharata & 23 Others (continued)

On February 2007, TSDTR's solicitors served an application to re-amend the Amended Defence and Amended Counterclaim to include 14 additional defendants. At first instance, the Court allowed TSDTR's application. Subsequently, Celcom/TRI appealed to the Judge in Chambers who later allowed the appeal with costs. On 4 December 2009, TSDTR filed a notice of appeal to the Court of Appeal and no hearing dates have been fixed yet for the appeal.

The Parties have since agreed to mediate the pending disputes. The Court has fixed 16 June 2011 for TSDTR's solicitors to update the Court on the progress of the Mediation Proceeding.

(c) Celcom & Another vs. TSDTR & 6 Others

On 24 October 2008, Celcom and TRI filed a Writ of Summons and Statement of Claim against the former directors of Celcom/TRI, namely (i) TSDTR, (ii) Bistaman Ramli ("BR"), (iii) DLKY, (iv) Axel Hass ("AH"), (v) Oliver Tim Axmann ("OTA"). In the Writ, Celcom and TRI also named DeTeAsia and Beringin Murni Sdn Bhd ("BM") as co-defendants (collectively with the former directors referred to as "Defendants"). Celcom and TRI are seeking damages for conspiracy against the Defendants.

Celcom and TRI claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and TRI 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 ARSA with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in TRI 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 but no hearing date has been fixed yet for the appeal.

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 Court has fixed 16 June 2011 for TSDTR's solicitors to update the Court on the progress of the Mediation Proceeding.

12. Material Litigation (continued)

(d) Celcom vs DeTeAsia Holding GmbH

In 2003, DeTeAsia Holding GmbH ("DeTeAsia") initiated arbitration proceedings against Celcom for monetary damages caused by Celcom's alleged breach of the Amended and Restated Supplemental Agreement between Celcom, DeTeAsia, Technology Resources Industries Berhad ("TRI") and TR International Limited ("TRIL") dated 4 April 2002 ("ARSA"). On 2 August 2005, the arbitral tribunal found in DeTeAsia's favour and ordered Celcom to pay the full amount of its principal claim of USD177.2 million together with interest at 8% from 16 October 2002 until full settlement and costs ("Award"). On 27 January 2006, Celcom satisfied the Award in full (which amounted to USD232 million (RM871.7 million based on the then prevailing exchange rate) without prejudice to proceedings that Celcom was contemplating to commence in Malaysia.

On 17 November 2005, Celcom commenced proceedings in Malaysia seeking, amongst others, a declaration that the Award was contrary to the public policy of Malaysia and hence unenforceable in Malaysia. DeTeAsia has responded by serving a sealed copy of its application to set aside these proceedings on 28 April 2006. On 2 April 2010, DeTeAsia's application to set aside the issue and service of Celcom's Originating Summons was allowed by the High Court and Celcom has on 30 April 2010 appealed to the Court of Appeal against the said decision. The appeal will be reassessed once the grounds of judgment are made available by the Court. No hearing date has been fixed yet.

(e) Celcom & Another vs. TSDTR & 8 Others

In connection with the Award in DeTeAsia's favour in August 2005, Celcom and TRI 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 TRI. In addition, Celcom and TRI 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 TRI 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 TRI into the Subscription Agreement and the ARSA.

12. Material Litigation (continued)

(e) Celcom & Another vs. TSDTR & 8 Others (continued)

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. No hearing dates have yet to be fixed by the Court of Appeal for the directors appeals.

The matter is presently fixed for mention on 16 June 2011 pending the ongoing Mediation Proceeding.

13. Earnings Per Share ("EPS")

(a) Basic EPS

	Current and Cumulative Quarter	
	Current Quarter 31/3/2011	Preceding Corresponding Quarter 31/3/2010
Profit attributable to owners of the Company (RM'000)	**548,365**	921,475
Adjusted weighted average number of shares ('000)	**8,445,154**	8,445,154
Basic EPS (sen)	**6**	11

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.

(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	
	Current Quarter 31/3/2011	Preceding Corresponding Quarter 31/3/2010
Profit attributable to owners of the Company (RM'000)	**548,365**	921,475
Adjusted weighted average number of shares ('000)	**8,445,154**	8,445,154
Adjustment for the Company's ESOS	**53,880**	39,425
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,499,034**	8,484,579
Diluted EPS (sen)	**6**	11

14. Qualification of Preceding Audited Financial Statements

The 2010 Audited Financial Statements were not subject to any qualification.

15. Dividend proposed

The Board of Directors recommended the payment of a final tax exempt dividend under single the tier system of 10 sen per share (2009: Nil) for approval by the shareholders at the forthcoming AGM of the Company.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
31 May 2011