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 30 September 2012.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3RD QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM '000	RM '000	RM '000	RM '000
		RESTATED		RESTATED
Operating revenue	**4,548,015**	4,194,507	**13,228,352**	12,183,648
Operating costs				
- depreciation, impairment and amortisation	**(786,866)**	(783,264)	**(2,368,211)**	(2,248,590)
- foreign exchange (losses)/gains	**(26,307)**	(9,205)	**(114,586)**	11,511
- domestic interconnect and international outpayment	**(709,509)**	(433,165)	**(1,717,143)**	(1,264,894)
- marketing, advertising and promotion	**(373,698)**	(413,532)	**(1,121,902)**	(1,110,170)
- other operating costs	**(1,338,063)**	(1,222,013)	**(3,999,989)**	(3,692,662)
- staff costs	**(278,275)**	(306,873)	**(814,121)**	(803,360)
- other gains/(losses) - net	**7,130**	49,610	**25,498**	(9,036)
Other operating income	**14,945**	8,665	**62,174**	44,337
Operating profit before finance cost	**1,057,372**	1,084,730	**3,180,072**	3,110,784
Finance income	**65,720**	66,512	**192,305**	175,048
Finance cost excluding net foreign exchange gains/(losses) on financing activities	**(223,149)**	(169,478)	**(549,570)**	(477,737)
Net foreign exchange gains/(losses) on financing activities	**4,042**	(43,909)	**(82,355)**	(45,097)
	(219,107)	(213,387)	**(631,925)**	(522,834)
Associates				
- share of results (net of tax)	**68,227**	29,694	**160,748**	133,363
- loss on dilution of equity interests	**-**	(4,234)	**(12,070)**	(20,108)
Profit before taxation	**972,212**	963,315	**2,889,130**	2,876,253
Taxation	**(163,798)**	(284,174)	**(667,159)**	(790,916)
Profit for the financial period	**808,414**	679,141	**2,221,971**	2,085,337
Other comprehensive income/(expense)				
- net investment hedge, net of tax	**20,816**	29,439	**(20,288)**	(43,554)
- actuarial gains/(losses)	**2,816**	-	**(5,839)**	-
- currency translation differences	**(265,575)**	140,464	**(580,636)**	199,234
Total comprehensive income for the financial period	**566,471**	849,044	**1,615,208**	2,241,017
Profit for the financial period attributable to:				
- owners of the Company	**709,918**	589,626	**1,942,185**	1,801,042
- non-controlling interests	**98,496**	89,515	**279,786**	284,295
	808,414	679,141	**2,221,971**	2,085,337
Total comprehensive income for the financial period attributable to:				
- owners of the Company	**558,599**	713,403	**1,498,034**	1,875,161
- non-controlling interests	**7,872**	135,641	**117,174**	365,856
	566,471	849,044	**1,615,208**	2,241,017
Earnings per share (sen) (Note B,14)				
- basic	**8**	7	**23**	21
- diluted	**8**	7	**23**	21

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT 30/09/2012 RM '000	AS AT 31/12/2011 RM '000 Restated	AS AT 01/01/2011 RM '000 Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY			
Share capital	8,505,551	8,466,182	8,445,154
Share premium	2,086,964	1,989,885	1,972,964
Other reserves	8,939,625	9,387,015	8,307,191
Total equity attributable to owners of the Company	19,532,140	19,843,082	18,725,309
Non-controlling interests	1,824,845	1,832,415	1,553,339
Total equity	21,356,985	21,675,497	20,278,648
NON-CURRENT LIABILITIES			
Borrowings	11,268,671	9,231,424	9,983,983
Derivative financial instruments	177,345	127,749	191,527
Deferred income	165,277	136,056	-
Other payables	65,974	125,054	-
Provision for liabilities	274,154	343,148	249,433
Deferred tax liabilities	1,376,780	1,380,054	1,333,863
Total non-current liabilities	13,328,201	11,343,485	11,758,806
	34,685,186	**33,018,982**	**32,037,454**
NON-CURRENT ASSETS			
Intangible assets	8,327,131	8,297,978	7,605,498
Property, plant and equipment	16,114,682	16,161,531	15,130,246
Investment properties	-	-	2,020
Associates	6,810,874	6,769,135	6,698,484
Available-for-sale financial assets	1,142	893	888
Derivative financial instruments	25,900	44,891	14,964
Long term receivables	95,301	108,858	111,313
Deferred tax assets	243,966	315,611	117,457
Total non-current assets	31,618,996	31,698,897	29,680,870
CURRENT ASSETS			
Inventories	458,216	341,837	85,056
Trade and other receivables	2,109,158	2,106,281	1,703,772
Derivative financial instruments	26,540	-	-
Financial assets at fair value through profit or loss	9	9	10
Tax recoverable	115,323	55,242	68,102
Deposits, cash and bank balances	8,621,848	6,616,788	6,277,382
Assets directly associated with non-current assets classified as held-for-sale	261,727	286,807	285,774
Total current assets	11,592,821	9,406,964	8,420,096
LESS : CURRENT LIABILITIES			
Trade and other payables	5,489,197	5,609,120	4,567,490
Borrowings	2,145,336	2,227,939	699,591
Derivative financial instruments	-	-	277,678
Current tax liabilities	47,722	62,382	274,100
Dividend payable	680,444	-	-
Liabilities directly associated with non-current assets classified as held-for-sale	163,932	187,438	244,653
Total current liabilities	8,526,631	8,086,879	6,063,512
Net current assets	3,066,190	1,320,085	2,356,584
	34,685,186	**33,018,982**	**32,037,454**
Net assets per share attributable to owners of the Company (sen)	230	234	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 2011)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

	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	Unrecognised actuarial reserve RM '000	Retained earnings RM '000	Total RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 January 2012 (as previously reported)	**8,466,182**	**1,989,885**	**(1,947,251)**	**16,598**	**346,774**	**(76,643)**	**96,838**	**-**	**10,396,129**	**19,288,512**	**1,832,355**	**21,120,867**
Effect of adoption of MFRS1 (Note A, 2.4)	-	-	1,813,994	-	-	-	-	-	(1,259,424)	554,570	60	554,630
At 1 January 2012 (as restated)	8,466,182	1,989,885	(133,257)	16,598	346,774	(76,643)	96,838	-	9,136,705	19,843,082	1,832,415	21,675,497
Profit for the financial period	-	-	-	-	-	-	-	-	1,942,185	1,942,185	279,786	2,221,971
Other comprehensive expense												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	(406,979)	-	-	-	-	-	-	(406,979)	(160,668)	(567,647)
- associates	-	-	(12,989)	-	-	-	-	-	-	(12,989)	-	(12,989)
	-	-	(419,968)	-	-	-	-	-	-	(419,968)	(160,668)	(580,636)
- Net investment hedge, net of tax	-	-	-	-	-	(20,288)	-	-	-	(20,288)	-	(20,288)
- Actuarial loss for the financial period	-	-	-	-	-	-	-	(3,895)	-	(3,895)	(1,944)	(5,839)
Total comprehensive (expense)/income	**-**	**-**	**(419,968)**	**-**	**-**	**(20,288)**	**-**	**(3,895)**	**1,942,185**	**1,498,034**	**117,174**	**1,615,208**
Transactions with owners												
- Issuance of Performance-Based ESOS Shares	39,369	97,079	-	-	-	-	(40,748)	-	-	95,700	-	95,700
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	9	4,087	4,096	7,315	11,411
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(132,059)	(132,059)
- Dividends paid/payable to shareholders	-	-	-	-	-	-	-	-	(1,954,142)	(1,954,142)	-	(1,954,142)
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	45,370	-	-	45,370	-	45,370
Total transactions with owners	39,369	97,079	-	-	-	-	4,622	9	(1,950,055)	(1,808,976)	(124,744)	(1,933,720)
At 30 September 2012	**8,505,551**	**2,086,964**	**(553,225)**	**16,598**	**346,774**	**(96,931)**	**101,460**	**(3,886)**	**9,128,835**	**19,532,140**	**1,824,845**	**21,356,985**

(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 2011)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2012

	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 fifferences RM '000	Capital contribution reserves RM '000	Merger reserves RM '000	Hedging reserves RM '000	ESOS reserves RM '000	Unrecognised actuarial reserve RM '000	Retained earnings RM '000	Total RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 January 2011 (as previously reported)	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
Effect of adoption of MFRS1 (Note A, 2.4)	-	-	1,259,424	-	-	-	-	-	(1,259,424)	-	-	-
At 1 January 2011 (as restated)	8,445,154	1,972,964	-	16,598	346,774	(70,423)	45,904	-	7,968,338	18,725,309	1,553,339	20,278,648
Profit for the financial period	-	-	-	-	-	-	-	-	1,801,042	1,801,042	284,295	2,085,337
Other comprehensive income/(expense)												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	164,314	-	-	-	-	-	-	164,314	81,561	245,875
- associates	-	-	(46,641)	-	-	-	-	-	-	(46,641)	-	(46,641)
	-	-	117,673	-	-	-	-	-	-	117,673	81,561	199,234
- Net investment hedge, net of tax	-	-	-	-	-	(43,554)	-	-	-	(43,554)	-	(43,554)
Total comprehensive income/(expense)	**-**	**-**	**117,673**	**-**	**-**	**(43,554)**	-	-	**1,801,042**	**1,875,161**	**365,856**	**2,241,017**
Transactions with owners												
- Issuance of Performance-Based ESOS Shares	18,905	15,215	-	-	-	-	-	-	-	34,120	-	34,120
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	6,433	6,433	9,587	16,020
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(112,308)	(112,308)
- Dividends paid/payable to shareholders	-	-	-	-	-	-	-	-	(1,184,214)	(1,184,214)	-	(1,184,214)
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	41,053	-	-	41,053	-	41,053
Total transactions with owners	18,905	15,215	-	-	-	-	41,053	-	(1,177,781)	(1,102,608)	(102,721)	(1,205,329)
At 30 September 2011	**8,464,059**	**1,988,179**	**117,673**	**16,598**	**346,774**	**(113,977)**	**86,957**	**-**	**8,591,599**	**19,497,862**	**1,816,474**	**21,314,336**

(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 2011)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED	
	30/09/2012	**30/09/2011**
	RM '000	**RM '000**
Receipts from customers	13,197,020	11,820,045
Payments to suppliers and employees	(7,219,568)	(5,864,709)
Payment of finance cost	(590,272)	(482,813)
Payment of income taxes (net of refunds)	(615,079)	(825,467)
CASH FLOWS FROM OPERATING ACTIVITIES	**4,772,101**	**4,647,056**
Disposal of property, plant and equipment	7,819	31,936
Purchase of property, plant and equipment & capex inventories	(3,720,701)	(2,777,921)
Disposal of investment properties	-	14,176
Novation of the put option of an associate	-	(334,308)
Partial disposal of a subsidiary	-	1,600
Purchase of other intangible assets	(268,315)	-
Investment in a subsidiary	(80,418)	-
Additional investments in an associate	-	(205,787)
Acquisition of an associate	(2,940)	-
Net repayment from employees	69	49
Interest received	192,221	174,851
CASH FLOWS USED IN INVESTING ACTIVITIES	**(3,872,265)**	**(3,095,404)**
Proceeds from issuance of Performance-Based ESOS shares	95,700	34,218
Share issue expense	-	(98)
Proceeds from borrowings	7,834,552	1,188,170
Repayments of borrowings	(5,443,130)	(1,440,227)
Dividends paid to non-controlling interests	(132,059)	(112,308)
Dividends received from associates	97,129	118,209
Dividends paid to shareholders	(1,273,698)	(845,651)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**1,178,494**	**(1,057,687)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,078,330	493,965
NET INCREASE IN RESTRICTED CASH AND CASH EQUIVALENT	92,550	-
EFFECT OF EXCHANGE RATE CHANGES	(69,791)	29,316
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**6,046,406**	**6,258,146**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**8,147,495**	**6,781,427**
Total deposits, cash and cash balances	8,621,848	6,794,430
Less :		
- Deposit pledged	(472,465)	(13,003)
- Bank overdraft	(1,888)	-
TOTAL CASH AND CASH EQUIVALENT AS AT THE END OF THE FINANCIAL PERIOD	**8,147,495**	**6,781,427**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2011)

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 30 September 2012 of the Group have been prepared in accordance with the new 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 2011 (“2011 Audited Financial Statements”).

2. Accounting Policies

The unaudited consolidated financial statements have been prepared in accordance with MFRS. The Group adopted all MFRS and the adoption was carried out in accordance to MFRS 1 “First-time adoption of Malaysian Financial Reporting Standards”, using 1 January 2011 as the Transition Date.

2.1 MFRS 1 - Adoption transitional arrangements

MFRS 1 allows exemption from the application of certain MFRSs to assist companies with the transition process. The following optional exemption, contained within MFRS 1, have been utilised in the preparation of the Group’s statements of financial position as at 1 January 2011.

a. Business combinations - The provision of MFRS 3 “Business Combinations” has been applied prospectively from the transition date.

b. Currency translation differences – The cumulative currency translation differences for all foreign operations has been deemed to be zero at 1 January 2011.

2.2 Adoption of revised Standards, amendments to Standards and Interpretation Committee (“IC”) Interpretations

Revised Standards, amendments to Standards and IC Interpretations that is applicable to the Group for the financial period beginning 1 January 2012 are as follow:

- Revised FRS 124/MFRS 124 “Related party disclosures”
- Amendment to MFRS 7 “Financial instruments: Disclosures on transfers of financial assets”
- Amendment to FRS 112/ MFRS 112 “Income taxes”
- IC Interpretation 19 "Extinguishing financial liabilities with equity instruments”

The adoption of the revised standards, amendments to standards and IC Interpretations did not have any significant impact to the Group during the financial period to date, except disclosure requirements under MFRS 124. The application of this standard is in the process of being assessed and discussed with other government linked entities to ensure comparability and consistency of the information disclosed.

2. Accounting Policies (continued)

2.3 Early adoption of standard

A subsidiary has decided to early adopt the Amendment to MFRS 119 “Employee benefits”, which is to be effective starting 1 January 2013.

Previously actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions have been recognised at the statement of financial position date only to the extent that the net cumulative unrecognised actuarial gains and losses at the end of the previous reporting period exceed the higher of 10% of the present value of the defined benefit obligation at this point in time (prior to the deduction of the plan assets) and 10% of the fair value of any plan assets at this point in time. In this case they have been amortised prospectively to profit or loss over the expected average remaining working life of the employees participating in the plan.

In accordance with the new standards, actuarial gains and losses are to be recognised in the Other Comprehensive Income in the financial period in which they occur. The subsidiary believes that fully recognising actuarial losses when they occur results in a better presentation of the financial position, since hidden reserves and liabilities are realised and the financial statements thus provide more relevant information.

The adoption of the new standard has no material impact to the result of the previous financial periods. The impact of the early adoption of the new Standards to the financial period to date is as below:

Unaudited consolidated statement of financial position as at 30 September 2012	**Increase/(Decrease) RM’000**
Other payables	5,839
Total	**5,839**
Unrecognised actuarial reserve	(3,886)
Non-controlling interests	(1,953)
Total	**(5,839)**

2. Accounting Policies (continued)

2.4 The results and impact of the changes described in Note 2.1 above are as follows:

	31 December 2011			30 September 2011			1 January 2011		
	As previously reported RM'000	Exemption under MFRS 1 2.1 RM'000	As restated RM'000	As previously stated RM'000	Exemption under MFRS 1 2.1 RM'000	As restated RM'000	As previously reported RM'000	Exemption under MFRS 1 2.1 RM'000	As restated RM'000
Retained earnings	(10,396,129)	1,259,424	(9,136,705)	(9,851,023)	1,259,424	(8,591,599)	(9,227,762)	1,259,424	(7,968,338)
Currency translation differences	1,947,251	(1,813,994)	133,257	1,307,588	(1,425,261)	(117,673)	1,259,424	(1,259,424)	-
Non-controlling interests	(1,832,355)	(60)	(1,832,415)	(1,816,414)	(60)	(1,816,474)			
		(554,630)			**(165,897)**			-	
Intangibles assets	8,327,153	(29,175)	8,297,978						
Associates	6,185,330	583,805	6,769,135						
		554,630							

PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134

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 21 March 2012, the Group completed the acquisition of the entire ordinary shares of Suntel Limited ("Suntel") as disclosed in Part A, 12 (b) of this announcement for a total consideration of RM97.0 million or SLR4,057.9 million; and

(b) During the current quarter and financial period to date, the Group recognised net foreign exchange losses of RM22.3 million and RM196.9 million mainly arising from the revaluation of USD borrowings and payables.

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 30 September 2012.

5. Estimates

The preparation of unaudited interim 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 2011 Audited Financial Statements.

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

a) During the current quarter and financial period to date, the Company issued additional 7.1 million and 39.4 million new ordinary shares of RM1 each respectively at an exercise price of RM1.81, RM3.15, RM3.45 and RM5.07 pursuant to the exercise of employee share option under Performance-Based Employee Share Option Scheme ("ESOS") and Restricted Share Plan ("Axiata Share Scheme").

The detail movement of the issued and paid-up capital and share premium reserve of the Company are as follow:

	Issued and fully paid-up ordinary shares of RM1 each	Share capital	Share premium	Total
	'000	RM'000	RM'000	RM'000
At 1 January 2012	8,466,182	8,466,182	1,989,885	10,456,067
Issuance of Performance-Based ESOS Shares	11,422	11,422	22,457	33,879
Transfer of ESOS reserve upon exercise of Performance-Based ESOS Shares	-	-	19,365	19,365
At 31 March 2012	8,477,604	8,477,604	2,031,707	10,509,311
Issuance of Performance-Based ESOS Shares	20,873	20,873	26,168	47,041
Transfer of ESOS reserve upon exercise of Performance-Based ESOS Shares	-	-	16,909	16,909
At 30 June 2012	8,498,477	8,498,477	2,074,784	10,573,261
Issuance of Performance-Based ESOS Shares	7,074	7,074	7,706	14,780
Transfer of ESOS reserve upon exercise of Performance-Based ESOS Shares	-	-	4,474	4,474
At 30 September 2012	8,505,551	8,505,551	2,086,964	10,592,515

6. Issues, Repurchases and Repayments of Debt and Equity Securities (continued)

b) During the current quarter and financial period to the date, the Company offered the ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group as follow:

Date of offers	Number of ordinary shares offered '000
9 April 2012	30,576
17 August 2012	806
Total	**31,382**

c) During the current quarter and financial period to date, PT XL Axiata Tbk ("XL"), a subsidiary of the Group drawdown the borrowings facilities as follow:

Date of drawdown	Amounts drawdown IDR billion	Financial institutions
27 & 29 March 2012	1,100	PT Bank Central Asia Tbk ("BCA")
2 May 2012	1,000	The Bank of Tokyo – Mitsubishi UFJ Limited
2 May 2012	500	BCA
23 May 2012	500	BCA
15 June 2012	900	BCA
6 & 29 August 2012	2,500	PT Bank Mandiri (Persero) Tbk
	6,500	

(d) On 26 April 2012, XL fully settled its matured Excelcom II bonds amounting to IDR1.5 trillion.

(e) The Company, had on 17 July 2012 through its wholly owned subsidiary, Axiata SPV2 Berhad ("Axiata SPV2") ("Trustee"), established a Multi-Currency Sukuk Programme involving the issuance of up to USD1.5 billion (or its equivalent in other currencies based on Islamic Principle).

On 11 September 2012, Axiata SPV2 successfully priced the inaugural issuance of Renminbi ("CNY") denominated 1.0 billion Sukuk pursuant to the Sukuk Programme. The Sukuk, which was issued at par, carries a coupon rate of 3.75% per annum (payable semi-annually in arrears) and has tenure of two (2) years from the date of issuance.

Subsequently, on 19 September 2012, the Sukuk was listed and quoted on Bursa Malaysia (under the Exempt Regime) and on the Singapore Exchange Securities Trading Limited.

6. Issues, Repurchases and Repayments of Debt and Equity Securities (continued)

(f) Celcom Transmission (M) Sdn Bhd ("CTX"), a wholly owned subsidiary of Celcom Axiata Berhad ("Celcom"), had on 14 August 2012 established a Sukuk Murabahah Programme of up to RM5.0 billion in nominal value. RM3.0 billion of the Sukuk was successfully priced via a book building process with the remaining RM2.0 billion privately allocated to strategic investors.

On 30 August 2012, the above proceeds from the Sukuk issuance was utilised to fully redeem its existing unrated Sukuk of RM4.2 billion. The remaining amount was utilised to meet its capital expenditure and working capital requirements.

Aside from the above, there were no other significant issues, repurchases and repayments of debt and equity securities during the financial period ended 30 September 2012.

7. Dividends

(a) The Company paid the dividend during the current financial period as below:

		Dividends	
	Date of payment	Per ordinary share sen	Total RM'000
In respect of financial year ended 31 December 2011: -a final tax exempt dividend under single tier system	14 June 2012	15	1,273,698

(b) On 30 August 2012, the Board of Directors declared an interim tax exempt dividend under single tier system of 8 sen per ordinary share of RM1 each of the Company for the financial year ending 31 December 2012. The Company has accrued a total of RM680.4 million during current quarter and financial period to date based on issued and paid-up capital of the Company as at 30 September 2012. The dividends were subsequently paid by the Company on 31 October 2012 to its shareholders.

8. Segmental Information

Segmental information for the financial period ended 30 September was as follows:

2012

All amounts are in RM'000	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Adjustments	Total
Operating revenue	5,726,186	5,267,767	1,083,545	1,015,506	228,002	-	13,321,006
Inter-segment*	(6,851)	(39,804)	(142)	(22,358)	(1,244)	(22,255)	(92,654)
	5,719,335	5,227,963	1,083,403	993,148	226,758	(22,255)	13,228,352
Earnings before interest, tax, depreciation and amortisation ('EBITDA")	2,462,021	2,557,776	299,997	336,730	(81,076)	(251)	5,575,197
Interest income	110,161	32,550	7,199	5,952	76,174	(39,731)	192,305
Interest expense	(198,456)	(205,609)	(61,271)	(12,284)	(110,066)	38,116	(549,570)
Depreciation of property, plant and equipment ("PPE")	(638,798)	(1,300,111)	(162,811)	(189,365)	(50,068)	86,641	(2,254,512)
Amortisation of intangible assets	(3,033)	(18,122)	(39,980)	(4,146)	(309)	-	(65,590)
Associates:							
-Share of results (net of tax)	5,419	-	-	27	155,302	-	160,748
-Loss on dilution of equity interests	-	-	-	-	-	(12,070)	(12,070)
Impairment of PPE, net of reversal	10	-	-	4,015	(46,010)	-	(41,985)
Other non-cash income/(expenses)	52,752	(73,524)	386	(65,657)	(30,965)	1,615	(115,393)
Taxation	(349,630)	(257,373)	(56,268)	47,599	(26,233)	(25,254)	(667,159)
Segment profit/(loss) for the financial period	1,440,446	735,587	(12,748)	122,871	(113,251)	49,066	2,221,971

8. Segmental Information (continued)

2011

All amounts are in RM'000	**Malaysia**	**Indonesia**	**Bangladesh**	**Sri Lanka**	**Others**	**Adjustments**	**Total**
Operating revenue	5,298,360	4,793,574	935,631	927,049	259,776	-	12,214,390
Inter-segment*	(972)	-	-	-	-	(29,770)	(30,742)
	5,297,388	4,793,574	935,631	927,049	259,776	(29,770)	12,183,648
EBITDA	2,308,003	2,496,621	286,853	319,868	(83,783)	(15,000)	5,312,562
Interest income	63,470	29,628	3,702	7,177	107,906	(36,835)	175,048
Interest expense	(164,526)	(223,102)	(16,317)	(8,706)	(101,766)	36,680	(477,737)
Depreciation of PPE	(572,795)	(1,259,448)	(178,090)	(200,747)	(45,581)	49,657	(2,207,004)
Depreciation of investment properties	(2)	-	-	-	-	-	(2)
Amortisation of intangible assets	(3,033)	(18,827)	(2,771)	(5,736)	-	-	(30,367)
Associates:							
-Share of results (net of tax)	5,710	-	-	183	127,470	-	133,363
-Loss on dilution of equity interests	-	-	-	-	-	(20,108)	(20,108)
Impairment of PPE, net of reversal	1,418	(10,404)	-	(448)	-	-	(9,434)
Other non-cash income/(expenses)	35,324	11,681	(52,791)	2,937	2,626	155	(68)
Taxation	(426,378)	(270,231)	(45,621)	(9,717)	(27,822)	(11,147)	(790,916)
Segment profit/(loss) for the financial period	1,247,191	755,918	(5,035)	104,811	(20,950)	3,402	2,085,337

* 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 RM3,258.2 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

(a) Incorporation of Bangladesh Infrastructure Company Limited ("BICL")

Robi Axiata Limited, a 70% owned subsidiary of the Company held via Axiata Investments (Labuan) Limited ("AIL"), had on 4 October 2012 incorporated a new subsidiary, BICL a public company limited by shares, under the Companies Act, 1994 of the Republic of Bangladesh. BICL was incorporated with an authorised share capital of BDT300.0 million represented by 30.0 million ordinary shares of BDT10 each, of which its issued and paid-up capital is BDT100.0 million. The business objective of BICL is to undertake activities and operations related to telecommunication infrastructure.

(b) Incorporation of Axiata SPV3 Sdn Bhd ("Axiata SPV3")

The Company had on 31 October 2012 completed the incorporation of Axiata SPV3, a private company limited by shares, under the Companies Act, 1965. Axiata SPV3 was incorporated with an authorised share capital of RM100,000.0 divided into 100,000 ordinary shares of RM1 each of which its issued and paid-up share capital is RM2. The nature of business to be carried by Axiata SPV3 is as an investment holding company.

Other than the above and the event after the interim period as mentioned in Part A, 7(b) of this announcement, there was no other significant event after interim period that requires disclosure and/or adjustment as at 22 November 2012.

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 30 September 2012 except for the following:

(a) Entry by Celcom into Shareholders' Agreement with PLDT Global Corporation ("PGC") and PLDT Malaysia Sdn Bhd ("PLDT MY")

On 30 November 2011, Celcom entered into a Shareholders' Agreement ("SA") with PGC and PLDT MY for the purpose of collaborating in establishing mobile virtual network operator services in Malaysia. Under the terms of the SA, the issued and paid-up share capital of PLDT MY shall be RM6.0 million divided into 6.0 million PLDT MY Shares of which Celcom and PGC will subscribe in cash in the ratio of 49:51.

The acquisition of 49.00% equity interest in PLDT MY by Celcom was completed on 25 January 2012 and became an associate company of the Group.

(b) Acquisition of entire equity interest in Suntel

Dialog Broadband Networks (Private) Limited ("DBN"), a wholly owned subsidiary of Dialog Axiata PLC, on 14 December 2011 entered into a Sale and Purchase Agreement ("SPA") with the shareholders of Suntel for the acquisition of the entire ordinary shares of Suntel. The acquisition was completed on 21 March 2012. Effectively, Suntel became an 84.95% owned subsidiary of the Group.

Following the completion of the amalgamation of Suntel with DBN effective from 15 May 2012, the shares of Suntel were cancelled with no new shares issued/swapped and Suntel continue to operate as DBN.

(c) Incorporation of Axiata SPV2

The Company had on 4 June 2012 completed the incorporation of Axiata SPV2, a public company limited by shares, under the Companies Act, 1965. Axiata SPV2 was incorporated with an authorised share capital of RM100,000.0 divided into 100,000 ordinary shares of RM1 each of which RM2 has been issued and paid-up.

During the current quarter and financial period to date, Axiata SPV2 issued CNY1.0 billion Sukuk as disclosed in Part A, 6(e) of this announcement.

(d) Incorporation of Axiata Towers (Cambodia) Company Limited ("ATC")

Hello Axiata Company Limited, a wholly owned subsidiary of the Company, had on 7 June 2012 completed the incorporation of ATC, a private company limited by shares following the issuance by the Ministry of Commerce, Cambodia of the Certificate of Incorporation on 7 June 2012.

ATC was incorporated with an authorised share capital of Khmer Riel ("KHR") 16.0 million (equivalent to USD4,000.0) subdivided into 1,000 ordinary shares of KHR16,000.0 each, which has been fully issued and paid-up. The business objective of ATC is to undertake activities and operations related to telecommunication infrastructure.

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

(e) Acquisition of 51% equity interest in Digital Milestone Sdn Bhd ("DMSB")

Celcom had, on 23 July 2012, completed the acquisition of 255,000 ordinary shares of RM1 each representing 51% of the equity interest in DMSB. Effectively, DMSB became a subsidiary of the Group.

The acquisition of DMSB Shares by Celcom is in accordance with the Teaming Agreement entered by Celcom dated 3 July 2012 in which Celcom and Media Broadcast GmbH will establish a joint-venture entity and jointly act in relation to pre-bid activities and formulation of bid for the development, supply, commissioning, marketing and operation of digital television transmission infrastructure in Malaysia via a common infrastructure provider for the digital terrestrial transmission services to be rolled-out under Malaysia's National Digitisation Project .

(f) Incorporation of Celcom Childcare Sdn Bhd ("CCSB")

Celcom, a wholly-owned subsidiary company of the Company, had on 29 August 2012 completed the incorporation of CCSB, a private company limited by shares, under the Companies Act, 1965.

CCSB was incorporated with an authorised share capital of RM100,000.0 divided into 100,000 ordinary shares of RM1 each of which RM25,000.0 has been issued and paid-up. The intended principal activity of CCSB is the provision of childcare services and other related activities.

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

During the financial period to date, the Group's equity interest in Idea, decreased from 19.96% to 19.95% following the issuance of new ordinary shares under Idea's ESOS.

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

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

During the 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 29.23% to 29.14% following the issuance of new ordinary shares under M1's ESOS.

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

(i) Dilution on equity interest in XL

During the financial period to date, the Group's equity interest in XL, decreased from 66.61% to 66.55% following the issuance of new ordinary shares under XL's Shares Based Compensation Scheme.

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 significant change in contingent assets or contingent liabilities from that disclosed in the 2011 Audited Financial Statements except for the following:

(a) Celcom vs DeTeAsia Holding GmbH

In line with Celcom withdrawn the Appeal with no order as to costs on 25 April 2012, the potential inflow from the contingent asset is not realised.

(b) VAT Assessment on Robi Axiata Limited ("Robi") SIM Card Sales

By a judgment dated 24 August 2006, the Divisional Bench of the High Court Division declared that the imposition of tax on SIM card sales was illegal and without lawful authority. Robi ceased making payments to the National Board of Revenue on the basis of the said Order. In March 2007, National Board of Revenue ("NBR") filed an appeal against the decision of the High Court. Appellate Division stayed the order of the High Court and granted leave to the NBR on the Order passed by the High Court on 24 August 2006. As a result, Robi resumed payment of the VAT on SIM Card sales with effect from 27 March 2007. On 2 August 2012, Appellate Division pronounced the judgment and allowed the appeal with certain observation. As a result, on 6th of August 2012, Government served the Demand Note based on a lawyer's certificate, as written judgment of the Appellate Division is yet to be published. Robi filed a Writ challenging the Demand Note. High Court refused to hear the Writ Petition, as written judgment of the Appellate Division was not available. As a result, Robi filed an appeal with the Appellate Division. Appellate Division granted leave to appeal, however, requested Robi to deposit 50% of the demand amount, which will be adjusted or set-off with any other regulatory payment to NBR, if Robi is successful in their appeal. Robi paid RM33.7 million (BDT900.0 million) to NBR accordingly, however, fully provided the amount of RM68.6 million (BDT1.8 billion) during the current quarter and financial period to date.

Other than as disclosed in Part B, 10(d) of the announcement on the material litigation, there was no other significant changes in contingent assets or contingent liabilities.

14. Capital Commitments

PPE	Group	
	As at 30/09/2012	As at 30/09/2011
	RM'000	RM'000
• Commitments in respect of expenditure approved and contracted for	**1,324,169**	1,676,469
• Commitments in respect of expenditure approved but not contracted for	**2,506,950**	1,856,091

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

The Group continued to deliver strong revenue growth of 8.4% to RM4,548.0 million in the current quarter (“Q3’12”) from RM4,194.5 million recorded in the same quarter last year (“Q3’11”), on the back of consistent higher revenue contribution from all key Operating Companies (“OpCo”). At constant currency, the Group revenue would have registered higher growth of 12.8%. Operating costs of the Group increased by 13.6% to RM2,699.5 million in Q3’12 from RM2,375.6 million in Q3’11, mainly driven by Indonesia and Bangladesh. The Group’s EBITDA grew lower against the revenue growth at 1.6% with margin declined 2.8 points, at 40.6% mainly due to the increase in costs as a result of one-offs in Bangladesh, along with higher Indonesia aggressive data investment costs and new imposition of interconnect fees regulation in late second quarter current year. PAT in the period regained the growth momentum, increased by 19.0% to RM808.4 million, mainly from higher contribution in Malaysia and Sri Lanka due to one-off tax benefits recorded in both countries. PATAMI increased 20.4% to RM709.9 million from RM589.6 million mainly coming from the above mentioned higher contribution from Malaysia and Sri Lanka correspondingly.

Malaysia gross revenue grew 6.0% in Q3’12 driven by higher prepaid and domestic roaming revenue in tandem with higher traffic minutes, which increased by 3.9% and 105.0% respectively. Malaysia broadband revenue continues to show traction, registered growth of 21.2% driven by its growing broadband subscribers base marking one million customers in current quarter and higher take-ups on its bundled packages. Malaysia operating costs grew 3.5% from interconnect cost arising from upsurge in traffic. EBITDA in the period grew 9.4% and PAT posted a strong growth of 26.6% to RM482.9 million versus RM381.5 million in prior year, mainly due to improved business contribution and lower tax recorded in current quarter as a result of its tax credit amounting to RM43.0 million.

Revenue from Indonesia grew double digit 11.0% due to increase in blended MOU of 10.2% and outgoing minutes 10.4% respectively. Data and SMS grew 47.6% and 23.1% from prior year quarter. Mitigation of the declining voice trend continued to show encouraging results with revenue growth of 3.0%. Cost increased 16.8% due to its aggressive network costs to accommodate data growth along with newly introduced regulation on SMS interconnect costs. EBITDA grew at 4.9% with margin dipping from 48.6% to 45.9% due to the impact of higher network costs and particularly the SMS interconnect fees introduction where the contribution of SMS interconnect revenue versus the costs introduced further erodes the margin contribution on the segment, hence impacting the total margin. PAT registered an increase of 5.0% with lower foreign exchange losses this quarter with depreciation of USD against local currencies.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

Sri Lanka revenue grew 7.1% mainly from higher prepaid revenue and revenue contribution from the integration of a newly acquired entity since second quarter. Mobile revenue subscribers increased 8.3% from 6.99 million to 7.57 million in current quarter, with RGB increased 12.4% and MOU increased 5.5% resulting in higher ARPU contributing to the increase in total revenue. Operating costs increased by 11.6% mainly from higher customer maintenance, network related cost and also due to cost from the newly integrated entity. Faster costs increased versus its revenue increase coming mainly from the higher increased in network costs related to electricity and regulatory costs, impacted Sri Lanka's EBITDA which drop slightly by 0.7%, and margin landed at 34.1% losing 2.6 percentage points from 36.7%. PAT however, registered a positive growth as a result of lower tax expense arising from one-off reversal in Q3'12 of cumulative deferred tax liability no longer required.

Bangladesh posted a strong revenue growth of 22.0% mainly from prepaid revenue and postpaid revenue which grew 29.7% and 101.6% respectively. Bangladesh operating costs increased by 45.4% mainly due to one-off charge of its prior years SIM tax amounting to RM68.6 million. EBITDA impacted by this one-off, reduced 26.9% from RM102.8 million to RM75.1 million and margin stood at 19.4%; losing 13.0 percentage points. Normalised for this one-off impact EBITDA would have been positive growth 39.8% with margin 37.1%. As a result, PAT posted a loss at RM24.8 million in Q3'12 along with high interest costs due to increase in borrowings for its 2G spectrum license renewal.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM73.6 million to total Group revenue in Q3'12. Cambodia revenue increased by 10.5%, but PAT drop by 4.9% due to increase in depreciation, foreign exchange and also interest costs. Other associates contribution in share of profit increased to RM68.2 million, mainly due to higher share of profit in India offset with Singapore lower contribution. India PAT grew 126.8% with Singapore PAT recorded a drop of 19.5% quarter-on-quarter.

1. Review of Performance (continued)

(b) Year-on-Year

For the nine (9) months period ended 30 September 2012, Group revenue continued to consistently maintain its growth at 8.6% to RM13,228.4 million against RM12,183.6 million recorded last year. At constant currency revenue would have posted a double-digit growth at 12.2% year-on-year. Operating costs of the Group increased by 11.4% to RM7,653.2 year-on-year from RM6,871.1 million driven by Malaysia, Indonesia, and Bangladesh. The Group's EBITDA grew 4.9% but margin dipped by 1.5 percentage points mainly due to the one-off in Bangladesh, along with higher Indonesia aggressive data investment costs. PAT during the 9 months period increased by 6.6% to RM2,222.0 million, mainly from higher contribution in Malaysia and Sri Lanka, off-set by the one-off events incurred by the operations in Bangladesh and lower contribution from Indonesia. PATAMI registered a positive growth of 7.8% benefiting from tax credits Malaysia and Sri Lanka, but partially off-set by foreign exchange losses from Indonesia and Sri Lanka respectively.

Malaysia revenue grew 8.1% during the period mostly driven by higher prepaid and broadband revenue, which increased by 5.1% and 19.1% respectively. Malaysia total data revenue continues its positive momentum, contributing 35.1% of total revenue, and Malaysia continuous growth were further strengthened by its increase in total subscribers base in particular broadband subscribers which crossed the one million mark. Malaysia operating costs increased by 9.2% with major increase from interconnect, material and manpower cost. EBITDA consequently grew 6.7%. PAT posted a strong growth of 15.5% to RM1,440.4 million, flowing through from strong EBITDA and also attributed to the tax credit recognised so far during the year amounting to RM100.0 million.

Revenue from Indonesia grew 9.9% to RM5,267.8 million from RM4,793.6 million last year with all segments showing positive traction. Strengthening of RM had adversely impacted XL translated result, at constant currency XL would have posted 14.2% growth. Data subscribers represents 60% of Indonesia's subscribers and data revenue contribution increased from 14% to 19% a year ago. Voice and SMS consistently contributing to Indonesia's operation with each segment showed growth of 7.3% and 21.1% respectively. Operating costs increased by 18.0% mainly from the imposition of SMS interconnect costs and also aggressive network implementation cost. As a result, EBITDA grew 2.4% but margin dipped by 3.5 percentage points mainly due to the recent imposition of SMS interconnect fees regulation in late second quarter of current year whilst revenue from this segment helped on its revenue growth, but costs associated to this contribution diluted the EBITDA margin. Higher network costs particularly on rental, increased 60.0% year-on-year was the main reason for margin erosion. Further strengthening of USD against IDR in the current year, resulted in significant foreign exchange translation loss of RM95.7 million and has adversely affected PAT growth, a decrease of 2.7% to RM735.6 million from RM755.9 million year-on-year.

1. Review of Performance (continued)

(b) Year-on-Year (continued)

Sri Lanka revenue grew 9.5% led by growth across all segments mainly from Mobile and its Global segments. Mobile and Global revenue segment showed a continuous positive traction, with Fixed line revenue contributes consistently to Sri Lanka total revenue mainly due to the consolidation in their fixed line segment. Appreciation of RM had affected Sri Lanka's translated revenue performance, in local currency, Sri Lanka posted a strong double digit growth of 23.3%. Mobile revenue grew by 16.0% driven by growth in voice revenue on the back of increase in RGB by 2.3%. MOU increased 6.9% year-on-year resulting ARPU improving 9.7% supporting its revenue growth. Sri Lanka Global segment registered a strong growth of 26.7% driven by the increased in international termination revenue with higher international postpaid minutes by 9.0% aided by growth in transit revenue and minutes. Operating costs increased by 11.8% mainly from higher network and customer maintenance, VAS related cost and the impact of new business acquisition by Sri Lanka operation. EBITDA in the period grew 5.3% as a result of continuous aggressive cost management initiatives. PAT registered a positive growth of 17.2% to RM122.9 million benefiting from its reversal of deferred tax liability, partly offset by foreign exchange losses, amounting to RM67.0 million.

Bangladesh revenue registered a strong double digit growth of 15.8% mainly from prepaid, interconnect and postpaid revenue, which increased by 26.9%, 19.0% and 64.2% respectively. Mobile voice still contributed more than 93% of total mobile revenue. Growth in revenue is mainly due to both acquisition campaign and retention establishment both resulted in increase in RGB by 35.5%. Operating costs increased by 20.8% mainly from higher regulatory, interconnect and network related cost. Inclusive in direct costs is one-off prior years SIM tax of RM68.6 million where 50% has been deposited in current quarter with regulator pending appeal, and the remaining being accrued. EBITDA for the nine months continue to generate growth of 4.6%, but margin is impacted by 3.0 percentage point recording at 27.7%. Excluding the SIM tax impact EBITDA margin would have been 34.0%. PAT eroded to a loss of RM12.7 million, decrease 153.2% year-on-year on the back of the lower EBITDA and higher net finance costs as a result of higher borrowings in 2012 to finance Bangladesh 2G spectrum renewal fee.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM226.8 million to total Group revenue, with Cambodia contributing 42.4% in the results from Others. Cambodia revenue increased by 11.0% and PAT grew 17.0% mainly due to lower operating costs and foreign exchange losses recorded. Other associates contribution in share of profit increased to RM160.7 million. India consolidated performance registered higher EBITDA and PAT, with growth of 19.6% and 67.5% respectively. Singapore standalone performance registered marginal revenue growth of 0.2%. EBITDA and PAT decreased by 7.3% and 14.1% respectively.

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

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Results

Group revenue increased by 2.8% to RM4,548.0 million recorded in current quarter ("Q3'12") from RM4,424.5 million in the second quarter 2012 ("Q2'12"), with major revenue increase from Malaysia, Indonesia and Bangladesh. At constant currency, the Group revenue would have registered higher growth of 3.8%. The Group operating costs increased by 8.0% to RM2,699.5 million in Q3'12 mainly coming from Indonesia and Bangladesh operations. Group EBITDA declined 3.9% to RM1,848.5 million due to the one-off in Bangladesh, and resulted a lower margin at 40.6%, drop 2.9 percentage points from 43.5% prior quarter. PAT however still posted a healthy growth at 5.2% with lower foreign exchange losses in current quarter RM22.3 million compared to RM54.7 million loss preceding quarter. Malaysia and Sri Lanka tax credit contributed positively to PAT which eventually translated into a 6.5% PATAMI growth recording at RM709.9 million from RM666.6 million last quarter.

Malaysia revenue grew 1.5% in Q3'12 mainly from prepaid and broadband 3.0% and 6.3% respectively. Prepaid revenue increased by 3.0% as a result of festivity and this segment contributed 47.5% of total revenue. Quarter-on-quarter total subscribers base was up by 3.0%, with broadband subscribers crossing one million mark during the quarter and broadband revenue contributes 12.3% to Malaysia total revenue. Operating costs increased by 1.6% compared to Q2'12, mainly from higher direct costs coming from its regulatory and manpower costs. EBITDA of Malaysia operations registered a growth of 1.4% with margin maintained at 43.5%. PAT marginally drop by 0.8% mainly from the increase in net finance cost due to early redemption of its existing Sukuk, partly compensated by the tax credit and reversal of over provision of prior tax expense recognised in Q3'12.

Indonesia revenue grew 3.7%, mainly attributed to higher interconnect, SMS and voice revenue which increased by 35.5%, 9.3% and 1.2% respectively with voice remain to contribute 37.9% of Indonesia's total revenue. Data grew only 2.2% quarter-on-quarter while YTD growth showed a healthy 61%. Operating costs increased by 11.6% mainly due to recently imposition of SMS interconnect regulation and current aggressive data investment costs, thus impacting EBITDA growth, lowering by 4.2% versus previous quarter. Margin is further diluted from 49.7% to 45.9% mainly coming from the imposition of SMS interconnect regulation, of which with the segments revenue versus costs had diluted the EBITDA margin. PAT subsequently declined by 11.2% to RM240.3 million against RM270.4 million in prior quarter, impacted by EBITDA and margin contraction quarter-on-quarter.

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

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Results (continued)

Sri Lanka revenue grew 1.1% contributed mainly from its global segment which was positively impacted by the increase in international termination revenue followed by the growth from its mobile segment. Appreciation of RM had affected Sri Lanka's translated revenue performance, at local currency Sri Lanka would have posted a higher growth of 2.8%. Mobile segment recorded 1.1% growth this quarter, translating to a 60.6% contribution of total Sri Lanka's revenue. Sri Lanka's global segment grew double digit by 11.2%. Operating costs decreased by 0.4% mainly from reduced marketing costs, but partly offset by higher network costs resulted by increase in transponder expenses, maintenance costs and higher electricity and license fees. EBITDA grew 4.3% in the current quarter at RM117.0 million against RM112.2 million last quarter. Sri Lanka registered outstanding PAT of RM115.9 million in Q3'12 compared to a lower RM20.8 million in Q2'12, mainly attributed to its reversal of one-off cumulative deferred tax liability of RM57.3 million in tax expense reduction.

Bangladesh continued its consistent revenue growth with 5.9% mainly from its prepaid revenue as a result of higher usage from higher subscriber activations, postpaid revenue increase 35.5% and increase in its roaming inbound revenue. Postpaid and prepaid usage increased with higher RGB growth of 4.9% as a result of festive season and new postpaid package introduced in the market. Subscribers base increased from 19.2 million to 20.8 million, an 8.3% growth from last quarter. Bangladesh operating costs increased by 27.8% mainly due to SIM tax one off costs RM68.6 million. As a result, EBITDA declined significantly by 38.2% with PAT subsequently impacted, a decrease of more than 100% from positive RM7.8 million in prior quarter to a loss of RM24.8 million in Q3'12.

Other segment consist of minor subsidiaries and profit contribution from associates, has a revenue contribution of RM73.6 million to total Group revenue in Q3'12. Cambodia which contributed 43.2% of revenue in the results from Others, had its revenue dropped by 2.1%, while EBITDA improved at 4.1% with strict costs management but PAT contracted slightly by 0.7%, mainly due to foreign exchange loss. Other associates contribution in share of profit increased though, to RM68.2 million mainly due to higher contribution from India. India bottom line PAT increased 2.5% in current quarter and further contributed by the positive GAAP adjustment at Group level. Singapore revenue increased by 9.6%, but EBITDA and PAT declined by 3.4% and 6.0% respectively.

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	3rd Quarter Ended		Financial Period Ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
EBIT*	**1,050,242**	1,035,120	**3,154,574**	3,119,167
Less: Adjusted Tax (25%)	**(262,561)**	(258,780)	**(788,644)**	(779,792)
NOPLAT	**787,681**	776,340	**2,365,930**	2,339,375
AIC	**14,403,212**	13,248,880	**14,403,212**	13,248,880
WACC	**7.12%**	7.73%	**7.12%**	7.73%
Economic Charge (AIC*WACC)	**256,377**	256,035	**769,132**	768,104
Economic Profit	**531,304**	520,305	**1,596,798**	1,571,271

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 lower WACC during the current quarter and financial period to date due to lower cost of equity resulted from lower market risk premium.

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

<u>Note:</u>

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 2012

On 23 February 2012, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2012. The Group's 2012 Headline KPIs announced are as below:

Headline KPIs	2012 Headline KPIs (%)
Revenue Growth	5.3
EBITDA Growth	1.8
Return on Invested Capital ("ROIC")	11.3
Return on Capital Employed ("ROCE")	8.9

The Group continues to adopt a prudent approach particularly in respect of operating and capital expenditure, in order to optimise its financial performance going forward. The Group is expected to spend additional capital expenditure for the financial period ending 31 December 2012 in response to acceleration in data growth in Indonesia. Careful execution of its business strategy remains a key focus in a challenging environment. Amongst the key risks facing operating companies include increasing competition and regulatory challenges.

The Group expects to face continued challenges for the financial period ending 31 December 2012 and will continue to take a long term view and adopt careful prudent measures in addressing the challenges to optimise its financial performance.

Based on period to date performance of the Group, and barring any unforeseen circumstances and adverse foreign currency fluctuations, the Board of Directors expect the Group's performance for the financial period ending 31 December 2012 would be 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 30 September 2012.

4. Taxation

The taxation charge for the Group comprises:

	3rd Quarter Ended		Financial Period Ended	
	30/09/2012	30/09/2011	30/09/2012	30/09/2011
	RM'000	RM'000	RM'000	RM'000
Income Tax:				
Malaysia				
Current period	**(105,556)**	(209,835)	**(334,197)**	(492,752)
Prior period	**29,346**	(93,973)	**29,346**	(78,973)
	(76,210)	(303,808)	**(304,851)**	(571,725)
Overseas				
Current period	**(69,470)**	(94,298)	**(235,046)**	(300,098)
Prior period	**-**	2,334	**103**	4,994
	(69,470)	(91,964)	**(234,943)**	(295,104)
Deferred Tax (net):				
Originating and reversal of temporary differences	**(18,118)**	111,598	**(127,365)**	75,913
Total Taxation	**(163,798)**	(284,174)	**(667,159)**	(790,916)

The current quarter's and financial period to date's effective tax rate of the Group is lower than statutory tax rate mainly due to the utilisation of investment tax credit and one-off net deferred tax liabilities write back by certain subsidiaries of the Group.

5. Status of Corporate Proposals

(a) Disposal of 89.00% equity interest in Multinet Pakistan (Private) Limited ("Multinet")

On 19 July 2010, the Company announced the disposal of its entire shareholding in Multinet through its wholly-owned subsidiary, AIL representing 89.00% of the total issued and paid-up share capital in Multinet. The completion of the sale is extended as the sale is subject to amongst others the fulfilment of conditions precedent for the sale.

Multinet continued to be classified as Assets and Liabilities Directly Associated with Non-current Assets classified as Held for Sale during the financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

5. Status of Corporate Proposals (continued)

(b) Disposal of 49.00% equity interest in Mobile Telecommunications Company of Esfahan ("MTCE")

On 18 May 2011, the Group entered into a SPA with Telecommunication Company of Esfahan on the disposal of its entire shareholding in MTCE representing 49.00% 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.

MTCE continued to be classified as "Non-Current Assets Held-for-Sale" during the financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

As of 22 November 2012, 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 30 September were as follows:

	2012		2011	
	Short Term Borrowings	**Long Term Borrowings**	**Short Term Borrowings**	**Long Term Borrowings**
	RM'000	**RM'000**	RM'000	RM'000
Secured	**575,924**	**462,751**	204,446	547,466
Unsecured	**1,569,412**	**10,805,920**	1,353,332	8,688,714
Total	**2,145,336**	**11,268,671**	1,557,778	9,236,180

(b) Foreign currency borrowings and debt securities in RM equivalent as at 30 September were as follows:

	2012	**2011**
Foreign Currency	**RM'000**	**RM'000**
USD	**3,544,920**	4,319,639
IDR	**3,964,673**	2,149,712
CNY	**482,472**	-
BDT	**382,657**	46,166
SLR	**1,888**	35,305
Total	**8,376,610**	6,550,822

7. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 30 September are set out as follow:

Type of derivatives financial instruments	2012		2011	
	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 - 3 years	**354,508**	**17,319**	491,176	13,089
Cross currency interest rate swaps:				
- < 1 year	**268,572**	**26,540**	-	-
- 1 - 3 years	**486,700**	**947**	558,167	13,037
- > 3 years	**1,682,175**	**(157,027)**	1,748,010	(132,150)
Interest rate swaps contracts:				
- 1 - 3 years	**280,442**	**(9,873)**	-	-
- > 3 years	**188,984**	**(6,594)**	641,045	(25,827)
Convertible warrants in an associate:				
- > 3 years	**-**	**3,783**	-	3,783
Total		**(124,905)**		(128,068)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2011 Audited Financial Statements.

8. Fair value changes of financial liabilities

The Group recognised a total net gains/(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:

	3rd Quarter Ended		Financial Period Ended	
	30/09/2012	30/09/2011	**30/09/2012**	30/09/2011
	RM'000	RM'000	**RM'000**	RM'000
Total net gains/(losses)	**5,476**	16,803	**14,095**	(34,237)

9. Realised and Unrealised Profits or Losses Disclosure

	As at 30/09/2012	As at 30/09/2011
	RM'000	RM'000
		Restated
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	**11,671,798**	11,188,552
- Unrealised	**(1,223,191)**	(1,268,330)
	10,448,607	9,920,222
Total retained profits from associated companies:		
- Realised	**720,586**	665,186
- Unrealised	**(78,041)**	-
	642,545	665,186
	11,091,152	10,585,408
Less: Consolidated adjustments	**(1,962,317)**	(1,993,809)
Total Consolidated Retained Profits	**9,128,835**	8,591,599

10. Material Litigation

The status of 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 was heard on 26 July 2012. The Court had on 16 October 2012 dismissed the directors' appeal. The matter will be set for case management in preparation for trial.

10. Material Litigation (continued)

(b) 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 Holding GmbH ("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. The appeal was heard on 25 June 2012 and fixed for continued hearing on 14 August 2012. The decision was reserved pending the hearing of the DeTeAsia, AH and OTA appeals 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.

(c) 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.

10. Material Litigation (continued)

(c) Celcom & Another vs TSDTR & 8 Others (continued)

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 fixed for continued hearing on 14 August 2012. The decision was reserved pending the hearing of the German directors' appeals 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 and fixed for continued hearing on 28 November 2012.

(d) Claim on Robi by National Board of Revenue of Bangladesh ("NBR")

The Large Tax Unit of the National Board of Revenue of Bangladesh, had issued a show cause letter dated 23 February 2012 to Robi. The letter alleged that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi on the pretext that the issuance were for replacement purposes with regards to Robi's existing customers. The amount in question amounts to RM245.2 million (BDT6,549.9 million). The show cause letter accompanied a demand to pay the amount, if the response to the show cause letter is not satisfactory.

Robi subsequently filed a writ in the High Court of Bangladesh on 26 April 2012 to challenge NBR's claim. The writ was heard by the High Court on 2 May 2012. At the hearing the High Court granted Robi a stay of NBR's claim for 2 months and ordered Robi to reply to NBR's show cause letter within 10 days.

On 7 May 2012, NBR filed an application for Leave to Appeal to the Appellate Division of the Supreme Court of Bangladesh challenging the stay order of the High Court. Chamber Judge of the High Court heard the appeal on 8 May 2012 and rejected NBR's appeal.

Robi has replied to NBR's show cause letter on 10 May 2012 and is now awaiting NBR to adjudicate on Robi's reply and to inform Robi of its decision. The High Court granted a further extension of the stay order previously granted to Robi for another period of 1 month pursuant to the application submitted by Robi on 21 June 2012. The stay order has been further extended for 6 months. The next hearing will take place on 21 April 2013.

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

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

The Company and Huawei Technologies Co Ltd had on 23 November 2011 agreed to extend the duration of the MOU for a further period of one (1) year with effect from 18 November 2011. The MOU has lapsed on 18 November 2012.

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. Additional Disclosure Requirements

Pursuant to the letter of approval from Securities Commission Malaysia dated 30 January 2008 in relation to, amongst others, the Telekom Malaysia Group's Demerger, the Company is required to obtain the relevant approvals for the transmission towers and rooftop sites ("Outdoor Structures") of Celcom within two (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 30 January 2012, CIMB Investment Bank Berhad had, on behalf of the Company, inter-alia, announced that the SC had, through its letter dated 25 January 2012, granted an extension of time of two (2) years (i.e. up to 29 January 2014) for the Company to obtain the necessary approvals for the said Outdoor Structures.

The status of 49 Outdoor Structures (which are subject to the SC's condition above) as at 22 November 2012 is as follows:

(a) 3 Outdoor Structures have obtained local authorities approval;
(b) 10 Outdoor Structures are pending approval from local authorities;
(c) Initial applications for 29 Outdoor Structures have been declined. Celcom is in the midst of appealing to the relevant local authorities with respect to such applications; and
(d) 7 Outdoor Structures have been permanently dismantled.

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

14. Earnings Per Share ("EPS")

(a) Basic EPS

	3rd Quarter Ended		Financial Period Ended	
	30/09/2012	30/09/2011	**30/09/2012**	30/09/2011
Profit attributable to owners of the Company (RM'000)	**709,918**	589,626	**1,942,185**	1,801,042
Adjusted weighted average number of shares ('000)	**8,503,327**	8,448,237	**8,487,195**	8,453,418
Basic EPS (sen)	**8**	7	**23**	21

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.

	3rd Quarter Ended		Financial Period Ended	
	30/09/2012	30/09/2011	**30/09/2012**	30/09/2011
Profit attributable to owners of the Company (RM'000)	**709,918**	589,626	**1,942,185**	1,801,042
Adjusted weighted average number of shares ('000)	***8,503,327***	*8,448,237*	***8,487,195***	*8,453,418*
Adjustment for the Company's ESOS	***64,790***	*47,557*	***38,898***	*39,268*
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	**8,568,117**	8,495,794	**8,526,093**	8,492,686
Diluted EPS (sen)	**8**	7	**23**	21

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

15. Qualification of Preceding Audited Financial Statements

The 2011 Audited Financial Statements were not subject to any qualification.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
29 November 2012