

DiGi.COM BERHAD
Company no. 425190-X
(Incorporated in Malaysia)

29 October 2003

KUALA LUMPUR STOCK EXCHANGE
 9th Floor Exchange Square
 Bukit Kewangan
 50200 Kuala Lumpur

DiGi.COM BERHAD
INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2003

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 1 JUL 2003 TO 30 SEP 2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 1 JUL 2002 TO 30 SEP 2002 RM'000	CURRENT YEAR TO-DATE 1 JAN 2003 TO 30 SEP 2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 1 JAN 2002 TO 30 SEP 2002 RM'000
Revenue	434,198	322,434	1,227,203	919,840
Operating expenses	(267,238)	(213,496)	(742,251)	(596,995)
Depreciation and amortisation	(108,576)	(85,299)	(317,731)	(171,176)
Other operating income	502	734	1,471	3,911
Profit from operations	58,886	24,373	168,692	155,580
Finance costs	(17,801)	(14,812)	(53,910)	(46,812)
Interest income	1,926	976	5,323	2,838
Profit before taxation	43,011	10,537	120,105	111,606
Taxation	(9,811)	(4,600)	(33,946)	(33,600)
Profit after taxation	33,200	5,937	86,159	78,006
Minority interest	-	-	-	-
Net Profit for the period	33,200	5,937	86,159	78,006
Earnings per share (sen)				
- Basic	4.4	0.8	11.5	10.4
- Diluted	NA	NA	NA	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 8)

Note : NA denotes "Not Applicable"

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2003

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 30 SEPTEMBER 2003	AT 31 DECEMBER 2002 (AUDITED)
	RM'000	RM'000
Property, plant and equipment	2,452,857	2,494,506
Intangible asset	44,008	46,963
Deferred expenditure	41,198	43,265
Current assets		
Inventories	10,535	11,101
Trade and other receivables	172,540	167,010
Cash and cash equivalents	281,707	245,672
	<u>464,782</u>	<u>423,783</u>
Current liabilities		
Trade and other payables	499,559	664,606
Deferred revenue	132,100	104,443
Borrowings	174,630	106,138
	<u>806,289</u>	<u>875,187</u>
Net current liabilities	<u>(341,507)</u>	<u>(451,404)</u>
	<u>2,196,556</u>	<u>2,133,330</u>
Financed By :		
Capital and Reserves		
Share capital	750,000	750,000
Reserves	653,774	567,615
Shareholders' funds	<u>1,403,774</u>	<u>1,317,615</u>
Long term liabilities		
Borrowings	748,110	805,441
Deferred tax liability	41,829	7,900
Retirement benefits	2,843	2,374
	<u>2,196,556</u>	<u>2,133,330</u>
Net Tangible Assets Per Share (RM)	<u>1.76</u>	<u>1.64</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 8)

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2003

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2003

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2003	750,000	352,651	214,964	1,317,615
Net profit for the period	-	-	86,159	86,159
At 30 September 2003	<u>750,000</u>	<u>352,651</u>	<u>301,123</u>	<u>1,403,774</u>
At 1 January 2002	750,000	352,651	114,094	1,216,745
Net profit for the period	-	-	78,006	78,006
At 30 September 2002	<u>750,000</u>	<u>352,651</u>	<u>192,100</u>	<u>1,294,751</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 8)

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2003

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	9 MONTHS ENDED 30 SEPTEMBER 2003 RM'000	9 MONTHS ENDED 30 SEPTEMBER 2002 RM'000
Cash flows from operating activities		
Profit before taxation	120,105	111,606
Adjustments for non-cash flow:		
Non-cash items	319,579	171,023
Finance costs	53,910	46,812
Interest income	(5,323)	(2,838)
Operating profit before working capital changes	488,271	326,603
Changes in working capital:		
Net change in current assets	(7,853)	(33,200)
Net change in current liabilities	(119,053)	141,823
Cash generated from operations	361,365	435,226
Finance costs	(67,835)	(50,952)
Tax paid	(17)	-
Net cash generated by operating activities	293,513	384,274
Cash flows from investing activities		
Acquisition of property, plant and equipment	(274,406)	(431,056)
Interest income	5,619	2,838
Proceed from disposal of property, plant and equipment	148	742
Net cash used in investing activities	(268,639)	(427,476)
Cash flows from financing activities		
Proceeds from bank borrowings	90,231	90,497
Repayment of bank borrowings	(79,070)	(49,400)
Net cash generated by financing activities	11,161	41,097
Net increase/(decrease) in cash and cash equivalents	36,035	(2,105)
Cash and cash equivalents at beginning of year	245,672	157,663
Cash and cash equivalents at end of period	281,707	155,558

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 8)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 SEPTEMBER 2003**

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2002.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2002 except for the adoption of a new applicable approved accounting standard, MASB 29 Employee Benefits. The adoption of this new accounting standard does not have any material impact on the financial statements.

A2. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by any seasonal and cyclical factors.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter and financial year-to-date ended 30 September 2003.

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim period of current financial year or in prior financial years that have a material effect in the current quarter and financial year-to-date ended 30 September 2003.

A5. Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date ended 30 September 2003.

A6. Dividend Paid

No dividend has been paid for the current quarter and financial year-to-date ended 30 September 2003.

A7. Segment Information

Segment information is presented in respect of the Group's business segment. The segment revenue and segment result by business segment for the financial year-to-date ended 30 September 2003 were as follows:

	Mobile RM'000	International RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	1,049,912	168,358	8,933	-	1,227,203
Inter-segment *			4,354	(4,354)	-
Total Revenue	<u>1,049,912</u>	<u>168,358</u>	<u>13,287</u>	<u>(4,354)</u>	<u>1,227,203</u>
Segment Result	188,194	13,466	(10,249)	-	191,411
Unallocated expenses					(22,719)
Profit from operations					<u>168,692</u>

* Inter-segment pricing carried out in the Group are based on an arms-length basis.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 SEPTEMBER 2003**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A8. Property, Plant and Equipment

Significant acquisition of the items of property, plant and equipment for the current quarter and financial year-to-date ended 30 September 2003 is as follows:

Items of property, plant and equipment	Current quarter ended 30 September 2003 RM'000	Current financial year-to-date ended 30 September 2003 RM'000
Telecommunications network: Acquisition - At Cost	102,576	224,439

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

A9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter ended 30 September 2003 up to the date of this report.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date ended 30 September 2003 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2002.

A12. Capital Commitments

	Group 30 September 2003 RM'000
Property, plant and equipment:	
Authorised and contracted for	255,000
	<u> </u>
Authorised but not contracted for	203,000
	<u> </u>

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 SEPTEMBER 2003**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A13. Related Party Transactions

The related party transactions of the Group have been entered into in the normal course of business and have been established under the terms that are no less favorable than those arranged with independent third parties. Other than those inter-company transactions, listed below are those significant transactions and balances with related parties of the Group during the current nine months period:

	Transactions for the nine months ended 30 September 2003 RM'000	Balance due from/(to) at 30 September 2003 RM'000
<i>With the intermediate holding company</i>		
<i>- Telenor Mobile Communications AS</i>		
Professional and personnel services rendered	4,218	(368)
	<u>4,218</u>	<u>(368)</u>
<i>With fellow subsidiary companies</i>		
<i>- Telenor Global Services AS</i>		
Sales of interconnection services on international traffic	1,860	176
Purchase of interconnection services on international traffic	962	-
	<u>1,860</u>	<u>176</u>
<i>- Telenor Consult AS</i>		
Personnel services costs	1,441	(1,441)
	<u>1,441</u>	<u>(1,441)</u>
<i>With companies in which a Director of the company, Tan Sri Dato' Seri Vincent Tan Chee Yioun is deemed to have an interest</i>		
Berjaya General Insurance Bhd.		
Insurance premiums paid/payable	6,118	(57)
Berjaya Registration Services Sdn. Bhd.		
Printing and mailing services rendered	2,405	(528)
Convenience Shopping Sdn. Bhd.		
Sales of prepaid cards and reload coupons	11,140	1,628
Cosway (M) Sdn. Bhd.		
Sales of prepaid cards and reload coupons	5,157	1,069
MOL AccessPortal Bhd.		
Sales of prepaid cards and soft pins	2,490	138
Pentagon Engineering Sdn. Bhd.		
Construction of transmission towers and sites	2,183	(1,081)
	<u>2,183</u>	<u>(1,081)</u>

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 SEPTEMBER 2003**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A14. Comparatives

The following comparatives have been reclassified to conform with the current quarter's and financial year-to-date's presentation:

Condensed Consolidated Income Statements	Preceding year corresponding quarter 1 July 2002 to 30 September 2002	
	As restated RM'000	As previously reported RM'000
Operating expenses	213,496	214,341
Finance Costs	14,812	13,967

	Preceding year corresponding period 1 January 2002 to 30 September 2002	
	As restated RM'000	As previously reported RM'000
Operating expenses	596,995	597,930
Finance Costs	46,812	45,877

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1. Review of the Performance of the Company and its Principal Subsidiaries

The Group achieved profit before taxation of RM120.1 million for the nine months ended 30 September 2003, representing an improvement of 7.6% over the RM111.6 million recorded in the previous corresponding period. Higher profit before taxation was largely attributed to the 33.4% increase in revenue to RM1,227.2 million from RM919.8 million recorded previously.

Consequently, the Group registered a 10.5% increase in profit after taxation to RM86.2 million from the RM78.0 million recorded in the previous corresponding period while earnings per share improved to 11.5 sen as compared with 10.4 sen previously.

Higher revenue was mainly contributed by the mobile segment, spurred by the strong growth in its mobile customer base to 2.06 million and contribution from its international segment. The higher revenue was partially offset by higher operating expenses (in particular, direct costs and sales and marketing expenses) as well as higher depreciation and amortisation expense arising mainly from the increase in depreciation rates for the affected classes of property, plant and equipment effective since 1 July 2002 in the last financial year.

For the current quarter under review, profit before taxation increased to RM43.0 million from RM10.5 million recorded in the previous corresponding quarter. This was mainly attributed to the 34.7% increase in revenue to RM434.2 million compared with RM322.4 million recorded previously while earnings before interest, tax, depreciation and amortisation margin improved to 38.6% from 34.0%. After deducting a tax charge of RM9.8 million, the Group achieved profit after taxation of RM33.2 million as compared with RM5.9 million registered previously.

B2. Explanatory Comments on Any Material Change in the Profit Before Taxation for the Quarter Reported on as Compared with the Immediate Preceding Quarter

Profit before taxation for the current quarter increased by 28.3% to RM43.0 million from RM33.5 million registered in the preceding quarter. This was mainly contributed by the 9.0% increase in revenue to RM434.2 million from RM398.5 recorded in the preceding quarter while partially offset by higher operating expenses (in particular, direct cost and sales and marketing expenses) as well as higher depreciation and amortisation.

B3. Prospects For The Remaining Quarter Up To 31 December 2003

The Group will continue to focus on increasing its customer base and the revenue by leveraging on its improved network quality, capacity and coverage and delivering value added services. Barring any unforeseen circumstances, the Directors expect the results of the Group for the remaining quarter up to 31 December 2003 to be good.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

**B4. Explanatory Notes for Variance of Actual Profit from Forecast Profit/ Profit
Guarantee**

Not applicable.

B5. Taxation

The taxation charge for the current quarter and financial year-to-date ended 30 September 2003 is made up as follows:

	Current quarter ended 30 September 2003 RM'000	Current financial year-to-date ended 30 September 2003 RM'000
Current tax expense		
- current	-	-
- prior year underprovision	17	17
	17	17
Deferred tax expense		
- current	13,294	37,429
- prior year overprovision	(3,500)	(3,500)
	9,794	33,929
Total	9,811	33,946

There was no current tax expense for the current quarter and financial year-to-date ended 30 September 2003 as the taxable income was absorbed by brought forward capital allowances.

The effective tax rate for the current quarter and financial year-to-date ended 30 September 2003 of 30.9% and 31.2% respectively were higher than the statutory tax rate of 28.0% as certain expenses and provisions were not deductible for tax purposes.

B6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There were no profits/(losses) on sale of investments and properties included in the results for the current quarter and financial year-to-date ended 30 September 2003.

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year-to-date ended 30 September 2003. There was no investment in quoted shares as at 30 September 2003.

B8. Status of Corporate Proposals

There was no corporate proposal announced but not completed in the interval from the date of the last quarterly report and the date of this announcement.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

B9. Group Borrowings

Details of Group Borrowings are as follows:

Borrowings	30 September 2003 RM'000
<u>Secured</u>	
Short term : Denominated in Ringgit Malaysia	125,230
Short term : Denominated in US Dollar	49,400
	174,630
<u>Secured</u>	
Long term : Denominated in Ringgit Malaysia	674,010
Long term : Denominated in US Dollar	74,100
	748,110
Total	922,740

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11. Material Litigation

There was no pending material litigation as at the date of this report.

B12. Dividends

No interim dividend has been recommended for the current quarter ended 30 September 2003.

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date ended 30 September 2003 has been calculated based on the net profit attributable to ordinary shareholders of RM33,200,000 and RM86,159,000 respectively and the weighted average number of ordinary shares outstanding during the quarter and financial year-to-date of 750,000,000.

Diluted Earnings Per Share

Not applicable.

c.c Securities Commission