

DiGi.Com Berhad (425190-x)
Annual Report
Laporan Tahunan



In the Annual Report 2007, we focused on relating activities that bring value to our stakeholders, and to the community at large, through engagement, conservation and transparency. DiGi continuously strives to achieve the true spirit of corporate responsibility; finding new ways of Doing Great while Doing Good.

In our effort towards reducing environmental impact, we have aggressively reduced the number of printed copies, and focused on creating an online version. All printed copies of the report are made using acid free recycled paper. Please help us save the environment and read your report online.



Design Rationale



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CORPORATE PROFILE

DiGi.Com Berhad

DiGi.Com Bhd ("DiGi") is listed on Bursa Malaysia Securities Berhad with a paid-up capital of RM75 million and a market capitalisation of approximately RM17 billion, as at 24 March 2008.

Its wholly-owned subsidiary, DiGi Telecommunications Sdn Bhd commenced operations in May 1995 when it launched its fully digital GSM1800 services, the first digital mobile communications service in Malaysia. This is in line with its objective of being a wholly integrated and innovative telecommunications service provider.

Industry leader

In the last two years, DiGi generated total revenue in excess of RM4 billion from 6.4 million customers. DiGi is a leading mobile communications company providing a comprehensive range of affordable, convenient and easy-to-use wireless services to simplify and enrich the lives of its customers.

DiGi creates value for customers by selecting the most appropriate cutting-edge technology so that they benefit from products and services that give them choice, convenience and control.

Industry pioneer

DiGi pioneered the prepaid concept for the Malaysian market and is today well-regarded as the most innovative mobile communications company.

DiGi continues to make its mark in providing customers a comprehensive range of value-driven, simple and high quality mobile voice and data products and services.

DiGi's High Speed Mobile Network, based on Enhanced Data Rates for GSM Evolution (EDGE) technology, was the first in Malaysia, enabling high quality and fast data transfer speeds to support multimedia services beyond voice.

DiGi's presence as a strong leader in prepaid services resulted in a number of firsts that have set industry benchmarks for creativity and innovation. These customised and flexible services are offered under the DiGi Prepaid brand name.

DiGi's postpaid services under DiGi Postpaid and DiGi Business deliver high quality voice as well as value-added mobile content and data services to both individual and corporate customers.



*DiGi
telecommunications*



DIGI IN 2007

Q1

It was truly a fresh start for us in the New Year! D'House, our up-to-the-minute office building was officially opened on 24 January, marking a whole new way of working and living together as a family under one roof. It brought to life and united us with the values of simplicity, transparency, openness and creativity that are the hallmarks of the DiGi brand.

Encouraged and rejuvenated by our new workspace, we surged ahead with exciting ideas and plans. On 26 March, we rolled out Fu-Yoh!, a rollicking, funky and completely innovative prepaid plan targeting youth. "Fu-Yoh," an expression often used by young Malaysians to denote the "wow" factor, describes the revolutionary aspects of the plan.



Fu-yoh! the "wow" factor

Q2

Moving along into the second quarter, it was curtains up on two innovative platforms.

We grew our list of "firsts" in April. Working together with the established Citigroup Global Transaction Services, we launched Malaysia's first global mobile remittance service on 12 April. This offering once again demonstrated our ability to recognise and respond to the increasingly global needs of our customers.



Following on its heels was another simple, fresh yet innovative programme designed to fan Malaysians' creativity. Launched on 11 June, "Apostrophe" offered non-conventional, cool programmes that challenge and stretch the boundaries of creative expression.

Q3

Back to business and the DiGi flair for edgy products, we pushed out DiGi Postpaid 1 Plan on 10 July. Heralding in lowest call rates to individuals and businesses, we once again redefined the postpaid landscape and upped the ante for competition and better deals for customers.



By mid August, we were already joining the party to celebrate the country's 50th year of independence by observing generosity and reverence for that number. 50 cars and 50 motorcycles were handed out as prizes to lucky customers in a national day competition.

Q4

2007 ended on a high note, marked by a flurry of exciting products and services, the production of a documentary with a unique perspective, the forging of dynamic partnerships and the rise of a creative new mobile service.



D'podCast, another "first" for DiGi and Malaysia, offering mobile podcasting services, was launched on 23 October, bringing a new dimension of on-demand mobile streaming services. A week later, "Tiada Sempadan" (No Borders) hit the TV9 screen. Jointly produced by DiGi and TV9, this documentary focused on the lives of immigrant workers in Malaysia and how mobile technology has made it possible for them to communicate, and connect with their loved ones while abroad.



Mobile IM

On 13 November, DiGi and Maxis joined forces to offer a "first" for Asia. Called Mobile Instant Messaging, it's a service that allows users to chat between mobile devices and across both operators' networks.

The very next day, 14 November, marked an alliance with Time dotCom. This joint foray draws together service and infrastructural resources to provide for the efficient functioning of the 3G spectrum.

14 November was also the day that DiGi won three PM's CSR Awards for Workplace Practices, Culture & Heritage and Best Overall Programme.

4 December was a Happy Day when four DiGi staff announced the launch of a new service ("Happy") was announced, which complemented DiGi's current marketing streams. Happy is a no-frills prepaid service that only offers SMS and voice services at very special rates.



And just before the advent of the year-end festivities and holidays, one more "first" made it into the year's calendar. D'Chat, the first of its kind service in Malaysia, which allows DiGi customers to chat real-time and online with a DiGi Customer Service Representative at our service centres, made its debut on 17 December.

Such immediacy and attention afforded through this service once again, cemented the desire to create a wholly satisfying experience for each DiGi customer.

CORPORATE RESPONSIBILITY

Doing Great while Doing Good

In terms of corporate responsibility (CR), DiGi had a great year in 2007. Thanks to the numerous CR-related initiatives conducted internally and externally with the cooperation of various departments, DiGi has received due recognition from both the government and industry.

DiGi was awarded three **Prime Minister's CSR Awards** for our CR initiatives, emerging as winners in the categories of Workplace Practices; Culture & Heritage; and Best Overall Organisation in CSR.



To cap our growing recognition, we were also awarded the Merit Awards in the Innovation and Overall categories respectively, at the **Malaysian Business CSR Awards**. In recognition of our efforts to be more inclusive, our headquarters located in Shah Alam, D'House, was recognised for being the **most disabled-friendly office complex** by the Ministry of Women, Family and Community Development.

CR is tightly integrated with our philosophy of **Doing Great while Doing Good**. It has helped us to continuously push the envelope on our DiGi values of being "Committed, Open-minded and Respectful," in order to encompass all our touch-points with various stakeholders. Reflecting

on 2007, our CR efforts can best be described as being part of three main areas that cut across our key stakeholders, i.e. DiGizens (internal stakeholders); Suppliers/Business Partners, Customers and Community.



Driving Integrity & Empowerment

Continued emphasis was placed on driving integrity & empowerment, starting with internal initiatives. It is part of our efforts to create a working environment that inspires creativity and challenges the norm. There have been many initiatives in place to build a positive work environment where employees can enjoy a work-life balance. This has made DiGi a preferred workplace for many professionals in Malaysia.

• Developing People

Over 30,000 hours were invested in training employees for the year 2007, including specific **CR-related workshops**. These were Intellectual Property Training; Integrity! programme that covered anti-corruption/code of ethics and values; and Radio Frequency Awareness workshops.

It is also important for us to push the boundaries and inspire our employees to think in unconventional ways. Through the **"DiGi Meets"** programme, employees are invited to interact with interesting personalities. In 2007, we had seven such sessions when we met up with

personalities like world-renowned Malaysian artist, Dato' Ibrahim Hussein and classical dancer and choreographer, Ramli Ibrahim, who shared their perspectives about their work.

Having a flat organisation with an equal benefits system has encouraged the invisible walls of hierarchy to fall. **Employee feedback** platforms like the annual Internal Value Creation (IVC) survey, focus group discussions, townhall meetings and the intranet are utilised to encourage two-way communications. Customer Service agents are also acknowledged for jobs well done through the Customer Service Week.

• Promoting Work-life Balance

A work-life balance is highly encouraged in DiGi. New mothers can enjoy an optional two months of maternity leave on half-pay beyond the mandatory 60 days. In 2007, 36 out of 64 new mothers took advantage of the extended maternity leave.



"I would recommend my friends to work in DiGi ... it's a relaxed & enjoyable workplace with superior benefits, even for a contract staff like me who can enjoy a maternity allowance of RM2000 as well as 20 days' annual leave."

Yurnita Mohd Roffi, Contract Staff, HRD

On a case-by-case basis, we have customised work schedules to meet specific or unusual family commitments, by providing part-time or other flexible work arrangements. Besides giving staff the time to attend to personal commitments, we also support nursing



"DiGi has also worked out an arrangement for me to work part-time when I was thinking of resigning due to family commitments. This arrangement has helped me to take care of my family as well as be productive at work."

Audrey Chan, Technology

mothers by providing a comfortable and well-equipped nursing room in D'House.



• Engaging Employees

DiGi is constantly looking for meaningful ways to engage and excite its employees. Employee engagement activities were organised to re-energise employees and raise their competitive spirit to excel in whatever they do.

The start of 2007 literally brought music to DiGizens' ears when the management gave away iPods as Welcome Back gifts to every employee on the first Monday of 2007. There were informal social gatherings like the regular D'Chillz sessions for employees to hang-out; a Family Day with the employees' children brightening the emergency stairwell with their artwork; and a year-end party that saw the office parking lot transformed into an extreme sports arena.

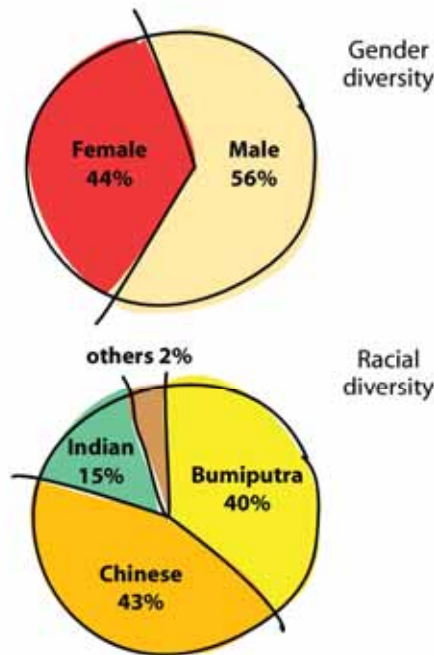


"5-star spa at D'House"

Another unexpected programme was D'Spa. In appreciation of the hard work and achievement of our employees, a 5-star spa was set up at D'House for three weeks. DiGizens were pampered with aromatherapy and shiatsu massages, reflexology and nail spa while special talks on health and lifestyle management were held.

• **Embracing Diversity**

As an equal opportunity employer, DiGi aims to create an environment free of discrimination, be it race, religion, gender, nationality, marital status, ancestry, socio-economic status or physical disabilities. This is enshrined in our Code of Conduct which is observed at all levels in the company.



2,052 employees as at 31 December 2007

The disabled community in particular was recognised as a source of talent and an alternate workforce for our Customer Service department. In time, through our **Open Mind, Open Hearts** programme, we hope to provide a springboard for the disabled to enter into the regular workforce as a contributing member of society.

Minimising Our Environmental Footprint

As a responsible corporate citizen, DiGi is committed to look into ways of minimising carbon emissions in efforts to reduce environmental impact. However, it must be noted that we are in the early stages of this endeavour. The headquarters of DiGi, D'House, was officially launched on 24 January 2007. Its **building design**

incorporated the use of glass, chrome and steel to promote transparency and teamwork. All our regional offices were also renovated to reflect the same look and feel as D'House. Thanks to a Building Maintenance Automation System that effectively manages consumption of electricity at D'House and other cost-saving measures, the total consumption at all DiGi offices and DiGi centres have been reduced by 1.6 GWh for the year 2007 – enough energy to power Iceland for a month!

We actively encourage and promote a **paper-less office** environment through online processes (i-Supplier, e-Dealer, e-Payslip) and mobile printing. In 2007, paper purchased was reduced by 2,000 reams, compared to the previous year.

E-billing was introduced in July 2007 to help our customers reduce their carbon footprint. As of the end of 2007, about 8% of DiGi subscribers have registered for e-billing.

We are also exploring and implementing energy-efficient initiatives across our **mobile network**. These include incorporating operational and design best practices through infrastructure sharing, and improving indoor-outdoor site ratio, among others. To date, the electricity consumption per site has been reduced by 9% in 2007.

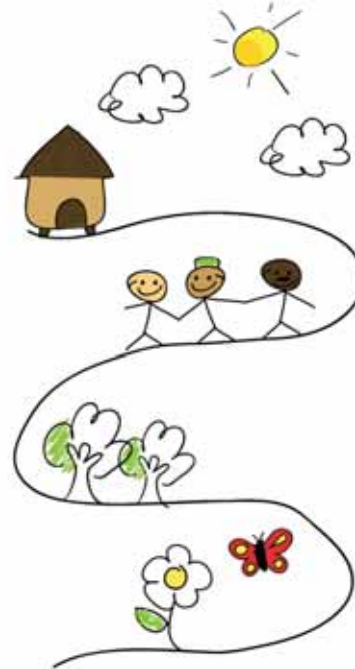
Items Tracked	2006	2007	Change
Paper purchased	5,200 reams	3,200 reams	-2,000 reams
Styrofoam cups purchased	420,000	0	-420,000
Electricity consumption for DiGi offices and DiGi centres*	13.1 GWh	11.5 GWh	1.6 GWh
No. of sites	3,750	4,357	+14%
Total electricity consumption	84.76 GWh	89.39 GWh	+5%
Electricity consumption per site*	22,602 GWh	20,516 GWh	-9%

*Based on International Energy Agency Monthly Electricity Statistics Nov 2007 Report by country

COMMUNITY ENGAGEMENT

DiGi continues to engage with various communities in meaningful ways across different levels of society. In 2007, our flagship community programme, **DiGi's Amazing Malaysians** entered its third year, and saw the announcement of five projects in these locations – Semporna in Sabah; Jelebu in Negeri Sembilan; Langkawi in Kedah; Melaka and Kuala Lumpur – involving more than 300 students and over 100 volunteers from DiGi.

- **The Culture Seeker of Sabah:** The introduction and education of Bajau children to traditional dance, music and pottery that are in danger of dying out.
- **The Rhythm Master of Negeri Sembilan:** A project focused on educating children in the age old dance cum theatre form of the Randai that was introduced by the Minangkabau in the 15th century.
- **The Kristang Poet of Melaka:** A cultural heritage project around the revival of the Portuguese Eurasian community's culture and language.
- **The Jungle-Wallah of Langkawi:** An environmental project, where children were exposed to and trained in methods that help maintain the delicate eco-balance of Langkawi.
- **The Treasure Keeper of Kuala Lumpur:** Postponed to 2008, it was eventually launched on 23 February 2008 to showcase the hidden heritage of Brickfields.



We also participated in various community programmes to inspire creativity, innovation and most importantly, unconventional thinking in Malaysians. In line with this, we launched several new programmes in 2007 including the **DiGi Business Attitude (D'BA)** programme and **Apostrophe**. Other noteworthy projects include sponsoring children to a sleepover at the National Museum (**Night at the Museum**), and organising the **DiGiLand Carnival** for underprivileged children. DiGi continues to support many charitable institutions and worthy causes through donations or contributions of cash and in kind; wherever it was practical, our staff participated in the sponsored events.

Outlook for 2008

The next phase of our community programmes has already started in 2008. It is our intention to continue inspiring our employees to be different, daring & dynamic in all they do. We hope to continuously push the envelope on CR thinking within DiGi and to instill a deep sense of responsibility amongst our employees towards the environment as well as to our key stakeholders.

At the end of the day, it all boils down to Doing Great while Doing Good!

CORPORATE INFORMATION

Board of Directors

Arve Johansen

Chairman

Tan Sri Leo Moggie

Dato' Ab. Halim Bin Mohyiddin

Christian Storm

Director and Alternate Director to Arve Johansen

Ragnar Holmen Korsaeath

Audit Committee

Dato' Ab. Halim Bin Mohyiddin

Chairman/Independent Non-Executive Director

Tan Sri Leo Moggie

Senior Independent Non-Executive Director

Christian Storm

Non-Independent Non-Executive Director

Nomination Committee

Christian Storm

Chairman/Non-Independent Non-Executive Director

Tan Sri Leo Moggie

Senior Independent Non-Executive Director

Dato' Ab. Halim Bin Mohyiddin

Independent Non-Executive Director

Remuneration Committee

Arve Johansen

Chairman/Non-Independent Non-Executive Director

Christian Storm

Non-Independent Non-Executive Director

Ragnar Holmen Korsaeath

Non-Independent Non-Executive Director

Secretaries

Hee Chew Yun LS 6249

Tai Yit Chan MAICSA No. 7009143

Liew Irene MAICSA No. 7022609

Domicile and Country of Incorporation

Malaysia

Registered Office

Lot 6.05, Level 6, KPMG Tower,

8 First Avenue, Bandar Utama,

47800 Petaling Jaya,

Selangor Darul Ehsan

T 03-7720 1188

F 03-7720 1111

Share Registrars

PFA Registration Services Sdn Bhd

Level 13, Uptown 1, No.1, Jalan SS21/58,

Damansara Uptown, 47400 Petaling Jaya,

Selangor Darul Ehsan

T 03-7718 6000

F 03-7722 2311

Auditors

Messrs Ernst & Young

Chartered Accountants

Level 23A, Menara Milenium,

Jalan Damanlela, Pusat Bandar Damansara,

50490 Kuala Lumpur

T 03-7495 8000

F 03-2095 5332

Stock Exchange Listing

Main Board of Bursa Malaysia Securities Berhad

Stock Short Name

DiGi (6947)

Principal Bankers

AmMerchant Bank Berhad

CIMB Bank Berhad

Maybank Berhad

OCBC Bank (Malaysia) Berhad

Standard Chartered Bank Malaysia Berhad



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting (AGM) of DiGi.Com Berhad (the Company) will be held at Diamond Ballroom, Ground Floor, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Thursday, 24 April 2008 at 10.00 a.m. for the following purposes:

Agenda

As Ordinary Business

- 1) To receive and adopt the audited financial statements of the Company for the financial year ended 31 December 2007 and the Directors' and Auditors' Reports thereon. **Ordinary Resolution 1**

- 2) To declare a final dividend comprising 4.75 sen per ordinary share of RM0.10 each less 26% income tax and single-tier exempt dividend of 54.5 sen per ordinary share of RM0.10 each for the financial year ended 31 December 2007. **Ordinary Resolution 2**

- 3) To re-elect the following Directors retiring under Article 98(A) of the Articles of Association of the Company:
 - (i) Arve Johansen **Ordinary Resolution 3**
 - (ii) Dato' Ab. Halim Bin Mohyiddin **Ordinary Resolution 4**

- 4) To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and, if thought fit, pass the following ordinary resolution:

- 5) Proposed Renewal of Existing Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature to be entered with Telenor ASA ("Telenor") and Persons Connected with Telenor

"That, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and its subsidiaries, to enter into recurrent related party transactions of a revenue or trading nature with Telenor and persons connected with Telenor as specified in Section 2.3 of the Circular to Shareholders dated 2 April 2008, which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such approval shall continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company following the general meeting at which this Ordinary Resolution shall be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority conferred by this resolution is renewed;

(ii) the expiration of the period within which the next annual general meeting after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders at a general meeting;

whichever is earlier;

and that in making the disclosure of the aggregate value of the recurrent related party transactions conducted pursuant to the proposed shareholders' approval in the Company's annual reports, the Company shall provide a breakdown of the aggregate value of recurrent related party transactions made during the financial year, amongst others, based on:

(i) the type of the recurrent related party transactions made; and

(ii) the name of the related parties involved in each type of the recurrent related party transactions made and their relationship with the Company

and further that authority be and is hereby given to the Directors of the Company and its subsidiaries to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions as authorised by this Ordinary Resolution."

Ordinary Resolution 6

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this Eleventh AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 54(1)(b) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 17 April 2008. Only a depositor whose name appears on the Record of Depositors as at 17 April 2008 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

By Order of the Board

HEE CHEW YUN (LS 6249)

TAI YIT CHAN (MAICSA 7009143)

LIEW IRENE (MAICSA 7022609)

Company Secretaries

Selangor Darul Ehsan

2 April 2008

NOTES:

(A) Appointment of proxy

- (i) A member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy may but need not be a member of the Company.
- (ii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account.
- (iii) A power of attorney or certified copy thereof or the instrument appointing a proxy, shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and in the case of a corporation, either under seal or under hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy or the power of attorney or a certified copy thereof must be deposited at the Company's Share Registrars Office at Level 13, Uptown 1, No.1 Jalan SS21/58, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

(B) Special business

Resolution 6 proposed, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions in accordance with paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Statement Accompanying Notice of Annual General Meeting pursuant to Paragraph 8.28(2) of the Bursa Malaysia Securities Berhad Listing Requirements

1. The particulars of Directors who stand for re-election are set out in the relevant pages of the Annual Report as follows:-

	Name of Director	Directors' Profiles	Directors' Shareholdings
1	Arve Johansen	Page 16	Page 102
2	Dato' Ab. Halim bin Mohyiddin	Page 17	Page 102

There were four Board Meetings held during the financial year ended 31 December 2007. The details of Directors' attendance at Board Meetings are set out on Page 40 of the Annual Report.

2. Place, date and hour of the Eleventh Annual General Meeting of the Company

The Eleventh Annual General Meeting of the Company will be held at Diamond Ballroom, Ground Floor, Mandarin Oriental Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur on Thursday, 24 April 2008 at 10.00 a.m.

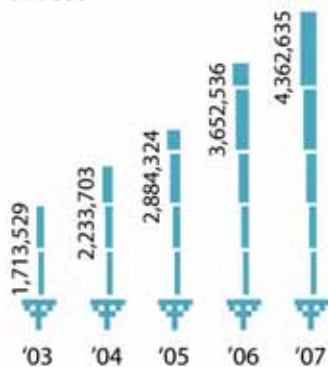
GROUP FINANCIAL SUMMARY

	Year ended 31 December 2007	Year ended 31 December 2006	Year ended 31 December 2005	Year ended 31 December 2004	Year ended 31 December 2003
	RM '000	RM '000	RM '000	RM '000	RM '000
Revenue	4,362,635	3,652,536	2,884,324	2,233,703	1,713,529
Profit before tax	1,445,314	1,087,139	661,550	446,843	201,536
Profit after tax	1,062,595	805,653	470,955	317,355	142,223
Total assets	3,877,491	4,123,031	4,278,651	3,610,366	3,289,414
Shareholders' equity	1,577,645	1,752,401	2,248,148	1,777,193	1,459,838
Non-current liabilities	573,791	685,105	681,548	660,069	750,035
Profit after tax as % of revenue	24.4%	22.1%	16.3%	14.2%	8.3%
Earnings per share (sen)	141.7	107.4	62.8	42.3	19.0
Net assets per share (RM)	2.10	2.34	3.00	2.37	1.95

Note: The above group financial summary has been prepared to conform with the current year's presentation of the financial statements.

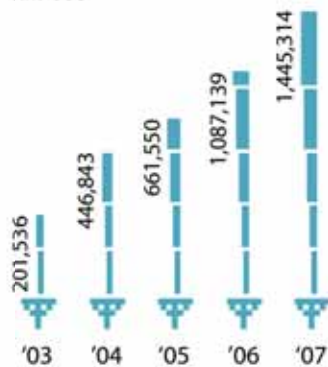
Revenue

RM '000



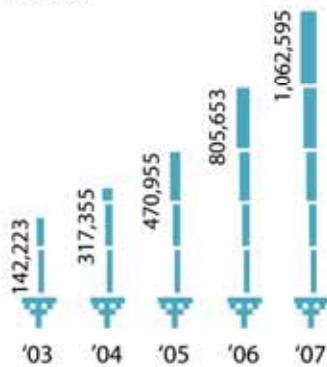
Profit before tax

RM '000



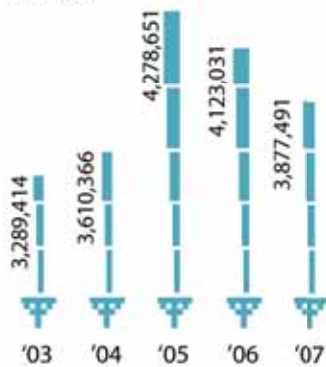
Profit after tax

RM '000



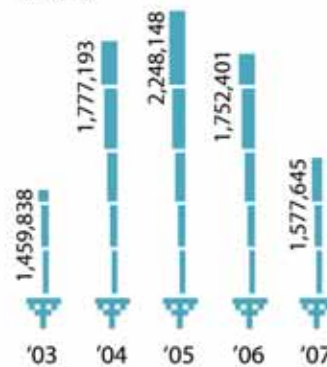
Total assets

RM '000



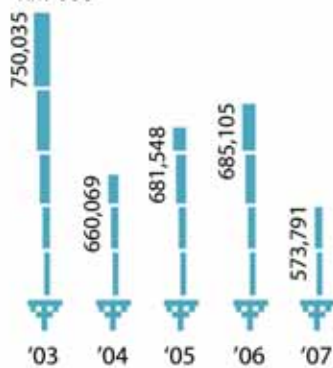
Shareholders' equity

RM '000



Non-current liabilities

RM '000



Net assets per share

RM



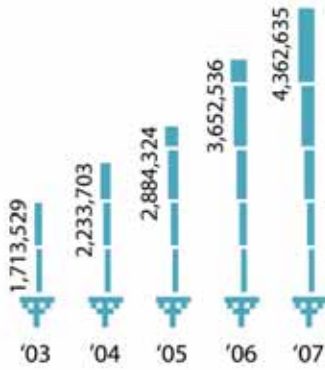
RINGKASAN KEWANGAN KUMPULAN

	Tahun berakhir 31 Disember 2007	Tahun berakhir 31 Disember 2006	Tahun berakhir 31 Disember 2005	Tahun berakhir 31 Disember 2004	Tahun berakhir 31 Disember 2003
	RM '000	RM '000	RM '000	RM '000	RM '000
Hasil	4,362,635	3,652,536	2,884,324	2,233,703	1,713,529
Keuntungan sebelum cukai	1,445,314	1,087,139	661,550	446,843	201,536
Keuntungan selepas cukai	1,062,595	805,653	470,955	317,355	142,223
Jumlah aset	3,877,491	4,123,031	4,278,651	3,610,366	3,289,414
Dana pemegang saham	1,577,645	1,752,401	2,248,148	1,777,193	1,459,838
Tanggungan jangka panjang	573,791	685,105	681,548	660,069	750,035
Keuntungan selepas cukai sebagai % hasil	24.4%	22.1%	16.3%	14.2%	8.3%
Pendapatan sesaham (sen)	141.7	107.4	62.8	42.3	19.0
Aset bersih sesaham (RM)	2.10	2.34	3.00	2.37	1.95

Nota: Ringkasan kewangan kumpulan di atas telah disediakan mengikut pembentangan baru penyata kewangan bagi tahun semasa.

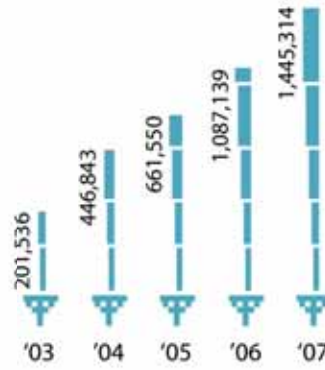
Hasil

RM '000



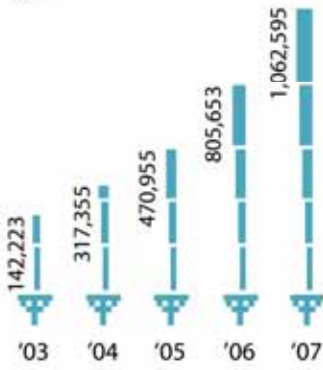
Keuntungan sebelum cukai

RM '000



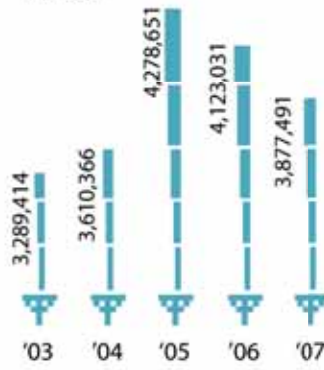
Keuntungan selepas cukai

RM '000



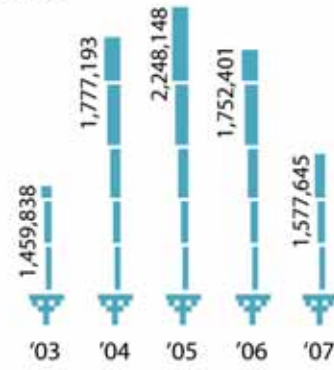
Jumlah aset

RM '000



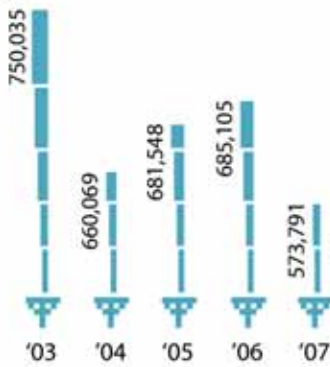
Dana pemegang saham

RM '000



Tanggungjawab jangka panjang

RM '000



Aset bersih sesaham

RM



DIRECTORS' PROFILE

1. Arve Johansen Chairman

(Non-Independent Non-Executive Director and Chairman of the Remuneration Committee)

58 years of age, Norwegian

He was appointed to the Board as Deputy Chairman on 20 January 2000 and was subsequently appointed as the Chairman of the Board on 12 January 2005. He holds a Master of Science in Electrical Engineering (Telecommunications) from the Norwegian Institute of Technology in Trondheim, Norway and has taken part in a programme for Management Development at the Harvard Business School in Boston, USA.

He is the Head of Telenor in Asia. He has served as Senior Executive Vice President of Telenor since 1999 and as Chief Executive Officer (CEO) of Telenor Mobile Communications AS since January 2000. He joined Telenor in 1989 and has held a number of positions, including President and CEO of Telenor International AS. Prior to this, he was Executive Vice President of Elektrisk Bureau Telecom (Ericsson of Norway), and a Research Engineer at the Norwegian Institute of Technology (ELAB).

Currently, he is the Chairman and Director of several companies in USA, Pakistan, Bangladesh, Russia, Thailand and Norway as well as a board member of the GSM Association. He also sits on the Boards of Telenor Asia Pte Ltd and DiGi Telecommunications Sdn Bhd.

2. Tan Sri Leo Moggie

(Senior Independent Non-Executive Director, member of the Audit Committee and Nomination Committee)

66 years of age, Malaysian

He was appointed to the Board on 10 May 2005. He was elected as a Member of Parliament and Member of the Sarawak Legislative Assembly in 1974. He served as a Cabinet Minister in the State Government of Sarawak from 1976 to 1978. He is the Chairman of Tenaga Nasional Berhad and Sabah Electricity Sdn Bhd. from 12 April 2004 as well as an independent non-executive member on the Board of the New Straits Times Press (Malaysia) Bhd from 27 February 2008, after having served as a Federal Minister for about 26 years from 1978 till 2004.

He was conferred the Honorary Doctorate of Laws by Otago University in 2000, and the Honorary Doctorate of Science by Multimedia University Malaysia in 2003. He was appointed the Pro-Chancellor of Universiti Tenaga Nasional (UNITEN) on 8 February 2005. He is also the Chairman of University Tenaga Nasional (UNITEN) and also an adjunct Professor at the Faculty of Communications and Modern Languages in University Utara Malaysia from March 2005 to March 2008.

3. **Dato' Ab. Halim Bin Mohyiddin**

(Independent Non-Executive Director, Chairman of the Audit Committee and member of the Nomination Committee)

62 years of age, Malaysian

He was appointed to the Board on 23 November 2001. He holds a Bachelor of Economics in Accounting from University of Malaya and a Master in Business Administration from University of Alberta, Canada.

He was a lecturer at Universiti Kebangsaan Malaysia from 1973 to 1978. He joined Messrs Peat Marwick Mitchell (now known as KPMG) in 1977 and was admitted as a Partner in 1985. Prior to his retirement on 1 October 2001, he was the Partner in charge of the Assurance and Financial Advisory Services Divisions.

He is currently the President of the Malaysian Institute of Certified Public Accountants (MICPA) and the Chairman of the Education and Training Committee of the Institute. He is also a council member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Malaysian Institute of Taxation. He served as a member of the Education Committee of the International Federation of Accountants (IFAC) from 2001 to 2005.

He also sits on the Boards of HeiTech Padu Berhad, Utusan Melayu (Malaysia) Berhad, MCM Technologies Berhad, Kumpulan Perangas Selangor Berhad, Idris Hydraulic (Malaysia) Bhd, Amway (Malaysia) Holdings Berhad, Idaman Unggul Berhad, KNM Group Berhad, Bank Pembangunan Malaysia Berhad Group, BI Credit & Leasing Berhad, ECM Libra Avenue Berhad and AMDB Berhad.

4. **Christian Storm**

(Non-Independent Non-Executive Director, Chairman of the Nomination Committee, and member of the Audit Committee and Remuneration Committee)

52 years of age, Norwegian

He was appointed as a Director of the Company on 10 November 2004 and as the Alternate Director to Arve Johansen on 23 February 2005. He holds a Master Degree in Business Administration from University of Wisconsin, Madison, USA and a Bachelor of Science (Hons) Degree from University of Leeds, UK. He has served as an officer in Telenor ASA since 2001 in the Corporate Treasury department at the corporate headquarters in Oslo, Norway. In 2004, he assumed the position of Managing Director of Telenor Asia Pte Ltd in Singapore.

On 1 September 2006, he was appointed as Director, Corporate Development in Telenor Asia (ROH) Ltd in Bangkok, Thailand and has since continued to serve in that capacity. He sits on the Board of Thai Telco Holdings Ltd in Thailand. He is also both a Director as well as an Alternate Director in DiGi Telecommunications Sdn Bhd.

5. Ragnar Holmen Korsæth

(Non-Independent Non-Executive Director and member of the Remuneration Committee)

42 years of age, Norwegian

He was appointed to the Board on 10 November 2004. He holds a Master of Science in Finance from the Norwegian School of Business Administration and is a Certified Financial Analyst (CFA).

He is the Executive Vice President and Head of Global Coordination in Telenor's Group Management. He served as Chief Financial Officer in Telenor International Mobile and Telenor Mobile from 1999 to 2004, and as Chief Operating Officer in Telenor International Mobile 2004-2006.

He is a member of the Board of Directors in Total Access Communication Public Company Limited (Thailand), and Telenor Pakistan Plc (Pakistan). He is also a Director of DiGi Telecommunications Sdn Bhd.

Save as disclosed, none of the Directors have any:

1. Family relationships with any Director and/or major shareholders of the Company;
2. Conflict of interest with the Company; and
3. Conviction for offences within the past 10 years other than traffic offences.

The details of attendance of each Director at Board Meetings are set out on page 40 of the Annual Report.



CHAIRMAN'S STATEMENT



Arve Johansen

Chairman / Pengerusi

Dear Shareholders,

I am pleased to report that 2007 was a great year for DiGi despite the challenges of a maturing subscriber market and vigorous competition. DiGi held its own to cultivate a culture of doing business in a responsible manner, which championed, amongst others, values of transparency, integrity and empowerment.

Financial performance achieved an all time high with revenue of RM4.36 billion, to record a profit after tax (PAT) of RM1.06 billion, up 32% from 2006. The 19% revenue increase is attributed to the quality of our services and the positive customer experiences that DiGi is working hard to provide. This strong growth stems from higher usage driven by innovative and attractive offerings, and an enlarged subscriber base of 6.4 million.

This excellent performance earned DiGi the distinction of being awarded "Wireless Service Provider of the Year (Asia Pacific)" by Frost & Sullivan while the Wall Street Journal Asia recognised us as the company most admired for innovation in Malaysia.

Pemegang Saham Yang Disanjung,

Dengan sukacita saya ingin memaklumkan bahawa 2007 merupakan tahun paling cemerlang bagi DiGi walaupun cabaran getir dihadapi dengan keadaan pasaran pelanggan yang hampir matang serta saingan sengit daripada syarikat lain. Namun begitu, DiGi terus memupuk budaya niaga dengan penuh tanggungjawab, di samping menerapkan nilai ketelusan, integriti dan daya penguasaan.

Prestasi kewangan dapat dicapai di tahap tertinggi dengan pendapatan RM4.36 bilion dengan catatan keuntungan selepas cukai (PAT) sebanyak RM1.06 bilion, meningkat 32% berbanding 2006. Peningkatan pendapatan sebanyak 19% itu telah disumbang oleh kualiti perkhidmatan dan pengalaman positif pelanggan hasil kerja keras DiGi selama ini. Pertumbuhan menggalakkan itu dicapai daripada penggunaan meluas disebabkan tawaran menarik dan inovatif serta pertumbuhan asas pelanggan yang meningkat kepada 6.4 juta orang.

Prestasi cemerlang itu membolehkan DiGi menerima anugerah "Penyedia Perkhidmatan Tanpa Wayar Terbaik (Asia Pasifik)" daripada Frost & Sullivan, sementara Wall Street Journal Asia mengiktiraf kami sebagai syarikat yang paling dikagumi dari segi inovasinya di Malaysia.



The Board is pleased at the solid financial performance of the Company in a year filled with challenges and opportunities; in terms of improving our operational excellence as well as enhancing a positive work culture in a dynamic marketplace.

Rewarding Your Commitment to Us

The Board of Directors recommends a final dividend of 4.75 sen per ordinary share less 26% income tax, and 54.5 sen single-tier exempt dividend per ordinary share for the financial year ended 31 December 2007, subject to shareholders' approval at the Annual General Meeting.

The payout ratio of 75% is in line with the company's long-term recurring dividend payout policy of a minimum of 50% of net earnings.

Continuous Business Focus and Strategy Alignment

In 2006, we aligned our business strategy closely to four key areas – leveraging on our existing market; creating smart and innovative products; brand building; and creating a unique customer experience. In 2007, our strategy was to further unify and intensify these efforts under the corporate responsibility umbrella, which drives integrity and empowerment across the company. This meant increasing quality engagement with key stakeholders including the government, customers, employees and communities. We articulated this approach in four ways:

- Conducting business in a responsible way;
- Ensuring affordable, smart, simple products and services;
- Nurturing a great workplace; and
- Working for our customers and our communities.

Ahli Lembaga amat berbesar hati dengan prestasi kukuh kewangan syarikat ini pada tahun yang penuh dengan cabaran dan peluang; terutamanya dari segi meningkatkan kecemerlangan operasi dan meningkatkan budaya kerja positif di pasaran yang dinamik.

Penghargaan terhadap Komitmen Anda kepada Kami

Ahli Lembaga Pengarah mencadangkan pemberian dividen akhir sebanyak 4.75 sen bagi setiap saham biasa kurang 26% cukai pendapatan, dan 54.5 sen dividen dari sistem "single-tier" yang dikecualikan daripada cukai untuk setiap saham biasa bagi tahun kewangan yang berakhir pada 31 Disember 2007, bergantung kepada persetujuan para pemegang saham dalam Mesyuarat Agung Tahunan.

Nisbah bayaran 75% itu adalah sejajar dengan polisi berulang pembayaran dividen jangka panjang syarikat pada kadar minimum sebanyak 50% daripada pendapatan bersih.

Fokus Perniagaan Berterusan dan Penjajaran Strategi

Pada 2006, kami membentuk strategi perniagaan sekitar empat bidang utama iaitu memperkukuhkan pasaran sedia ada; mencipta produk pintar dan inovatif; membina jenama; dan mencipta pengalaman pelanggan yang unik. Pada 2007, strategi kami adalah untuk terus menyatukan dan meningkatkan usaha di bawah payung tanggungjawab korporat yang menggalakkan nilai integriti dan daya penguasaan di dalam syarikat. Itu bermakna, kami telah memperkukuhkan hubungan dengan beberapa pemegang kepentingan termasuk kerajaan, pelanggan, kakitangan dan masyarakat. Kami melaksanakan pendekatan ini menggunakan empat kaedah:

- Mengendalikan perniagaan dengan cara yang lebih bertanggungjawab;
- Memastikan produk dan perkhidmatan yang mampu dimiliki, pintar dan mudah;
- Mewujudkan persekitaran pekerjaan yang hebat; dan
- Bekerja untuk pelanggan dan masyarakat.

The dynamic growth of revenue and subscriber base in 2007 was the direct result of the Company's dedication to this vision. In the process, we also sealed the birth of that creative and self-driven culture, which characterises DiGi today.

Conducting Business in a Responsible Way

The Company pursued a relentless path towards transparency and accountability in all aspects of the business. A special unit was tasked to enable the internalisation of the values and principles of corporate responsibility throughout the Company. 2007 saw the results and culmination of various initiatives that DiGi began both internally and externally years before, by defining its responsibilities in action and effect on its stakeholders.

DiGi's top priorities are to drive the values of integrity and empowerment amongst its stakeholders at the workplace and marketplace. At the workplace, DiGi focuses on improving employee relations to trigger and spur innovation, and promote a more sustainable future. One of the simplest means to do so is by creating a work environment that nurtures those elements, which is essentially what DiGi is continuously striving to sustain.

Environmentally friendly practices are part of daily life in DiGi. Messages on reuse, recycle and reduce are posted in key areas of the DiGi office. The practice of recycling mobile phones, batteries, accessories and separation of waste prior to disposal is encouraged. D'House (DiGi's headquarters) has an automated building system that ensures the efficient usage of the air conditioning and light systems.



Pertumbuhan asas pelanggan dan pendapatan yang dinamik pada 2007 adalah hasil secara langsung dedikasi syarikat ke arah wawasan berkenaan. Dalam proses itu, kami juga mewujudkan budaya kerja yang datangnya dari diri sendiri dan daya kreatif, yang menjadi ciri DiGi pada hari ini.

Mengendalikan Perniagaan dengan Pendekatan yang Lebih Bertanggungjawab

Syarikat telah berusaha keras ke arah ketelusan dan pertanggungjawaban di kesemua aspek perniagaan. Satu unit khas telah ditugaskan bagi membolehkan internalisasi nilai dan prinsip tanggungjawab korporat di keseluruhan syarikat. 2007 melihat kepada hasil dan kemuncak pelbagai inisiatif yang mana DiGi memulakannya di peringkat dalaman, mahupun luaran sejak bertahun sebelum ini dengan menilai semula pelaksanaan tanggungjawab dan kesannya kepada pemegang kepentingan.

Keutamaan DiGi adalah untuk memacu nilai-nilai integriti dan daya penguasaan di kalangan pemegang kepentingan sama ada di tempat kerja mahupun pasaran. Di tempat kerja, DiGi menumpukan kepada meningkatkan hubungan kakitangan bagi mencetus serta mendorong inovasi, sambil mempromosikan masa depan yang kukuh. Satu perkara paling mudah untuk melaksanakannya ialah mewujudkan persekitaran kerja yang boleh membina elemen-elemen itu, dan inilah yang diperjuangkan oleh DiGi untuk terus bertahan.

Amalan mesra persekitaran adalah sebahagian daripada gaya hidup di DiGi. Maklumat serta saranan mengenai guna semula, kitar semula dan penjimatan amat ditekankan di kawasan-kawasan utama dalam pejabat DiGi. Amalan kitar semula telefon bimbit, bateri, aksesori dan pengasingan bahan buangan amat digalakkan. D'House (ibu pejabat DiGi) pula memiliki sistem bangunan automatik yang memastikan kecekapan penggunaan ke atas sistem pendingin hawa dan lampu.



"hiring and retention of good people are now key factors in a company's progress".

Sustainability is advocated by our management, and has become a key factor in our processes and activities. On the international level, the Telenor Group was rated No.1 for Mobile Communications category of Dow Jones Sustainability Indexes 2007.

Going beyond D'House, DiGi actively promotes good practices in the building and maintenance of its telco towers. The Company is a member of the telco industry-led RF Emissions Committee, which provides inputs on standards relating to RF emissions. We also provide height training for field workers and contractors. Solar-powered aviation lights are utilised on our telco towers.

Nurturing a Great Workplace

Recognising and treating people as a company's greatest asset is probably DiGi's most powerful advantage. We recognise that a business can only be as good as the people who are in it. This is particularly challenging as the industry is growing at such a rapid pace and the talent pool is shrinking. Hiring and retention of good people are now key factors in a company's progress.

In 2007, D'House brought to life all the ambitions of the Company to nurture a great workplace for its people. What started as a novelty became a way of life for the people who inhabit it. The building has become a community and DiGi employees became DiGizens.

Daya tahan amat digalakkan oleh pihak pengurusan dan menjadi faktor utama dalam semua proses dan aktiviti. Di peringkat antarabangsa, Kumpulan Telenor telah dianugerahkan sebagai syarikat No.1 dalam kategori Komunikasi Mudah Alih, Indeks Daya Tahan Dow Jones 2007.

Di luar D'House pula, secara aktifnya DiGi menggalakkan amalan terbaik dalam membina dan menyelenggara menara-menara telekomunikasi. Syarikat adalah satu daripada ahli dalam Jawatankuasa Penyebaran RF yang diterajui industri telekomunikasi, yang mana ia menyediakan input mengenai standard berkaitan penyebaran RF. Kami juga menyediakan latihan ketinggian kepada kakitangan yang bekerja di luar dan para kontraktor. Menara telekomunikasi kami pula menggunakan lampu-lampu yang dikuasai oleh tenaga solar.

Mewujudkan Tempat Kerja yang Terbaik

Menghargai dan melayani kakitangan sebagai aset terbesar syarikat kemungkinan menjadi kelebihan paling utuh di DiGi. Kami dapati bahawa perniagaan hanya boleh menjadi cemerlang jika pekerja-pekerjanya juga cemerlang. Terutamanya dalam keadaan cabaran industri yang terus berkembang pesat sekarang ini sedangkan orang berkecukupan semakin berkurang. Mencari dan mengekalkan pekerja terbaik adalah faktor utama untuk memastikan kejayaan sesebuah syarikat.

Pada 2007, D'House merealisasikan semua matlamat syarikat untuk mewujudkan persekitaran pekerjaan yang terbaik untuk kakitangannya. Apa yang dulunya dianggap unik, kini menjadi sebahagian dari cara hidup semua kakitangan yang berada di dalamnya. Bangunan ini sudah menjadi komuniti dan kakitangan DiGi telah menjadi "DiGizens" (rakyat DiGi).

Of course, the evolution of such powerful work culture extends far beyond a physical structure. In place are human resource policies that have been written based on true respect for DiGizens. From November 2007, after modifications to the building, we have also begun providing work opportunities to the physically challenged.

Fairness, transparency and respect are the marks of DiGi's internal culture and these values, embodied in its policies and relationship with its employees, have also made the Company an employer of choice.

Working with Our Customers, Our Communities

DiGi is committed to playing a significant role in contributing to the quality of life of its customers and the community. In 2007, this commitment has been expressed in many ways; some of which received acknowledgement from the government for their contribution to society.

One of these was DiGi's Amazing Malaysians, which embarked on its third successive year. In that time, it recognised the achievements of some of the most notable custodians and practitioners of Malaysian heritage in educating young Malaysians on the value of perpetuating these traditions in a new society.

DiGi's contribution to the well-being of society continues in its daily business practices. Supporting the government's call to bridge the digital divide to more remote areas, DiGi increased its subscriber base in rural areas by being the first telco to offer USP (Universal Service Provider) service via mobile phones to these users.

The thread of corporate responsibility runs through DiGi as a company, and this is demonstrated in the way we have worked our values in many aspects of our business. For this reason, we were awarded the Prime Minister's CSR Award in 2007 in 3 categories, including the overall main award.

Sudah tentu evolusi terhadap budaya kerja yang bertenaga telah melangkaui struktur fizikal. Kami mewujudkan polisi sumber manusia untuk menghormati setiap kakitangan. Bermula November 2007, selepas membuat pembaharuan kepada bangunan ini, kami juga mula membuka peluang pekerjaan kepada Orang-orang Kurang Upaya (OKU).

Keadilan, telus dan hormat adalah tanda kepada budaya dalaman DiGi dan nilai itu diterapkan ke dalam polisi syarikat serta hubungannya dengan kakitangan, sekaligus menjadikan DiGi sebagai majikan pilihan.

Bekerja dengan Pelanggan dan Komuniti Kami

DiGi amat komited untuk memainkan peranan penting dalam usahanya menyumbang kepada kualiti hidup lebih bermakna kepada pelanggan dan masyarakat Malaysia keseluruhannya. Pada 2007, komitmen itu telah dapat dipenuhi menerusi pelbagai pendekatan; sebahagian daripadanya mendapat penghormatan tinggi dari kerajaan kerana sumbangannya kepada masyarakat.

Satu daripadanya ialah DiGi's Amazing Malaysians, yang memasuki tahun ketiganya. Dalam tempoh itu, program ini telah mengiktirafkan beberapa penyimpan dan pengamal warisan Malaysia yang ternama di samping mendidik remaja kita mengenai peri pentingnya memulihara tradisi itu di dalam masyarakat baru.

Sumbangan DiGi kepada masyarakat terus menjadi amalan perniagaan harian kami. Sokongan terhadap saranan kerajaan supaya merapatkan jurang digital di kawasan pedalaman telah berjaya meningkatkan jumlah asas pelanggan di kawasan luar bandar apabila DiGi menjadi syarikat telekomunikasi yang pertama menawarkan perkhidmatan USP (Penyedia Perkhidmatan Universal) menerusi telefon bimbit kepada pengguna di kawasan ini.

Aliran tanggungjawab korporat itu terus bergerak di dalam DiGi sebagai syarikat, dan ia dibuktikan menerusi pendekatan pelaksanaan nilai-nilai pekerjaan di dalam banyak aspek perniagaan. Sehubungan dengan itu, DiGi telah menerima Anugerah CSR Perdana Menteri 2007 dalam 3 kategori termasuk anugerah utama keseluruhan.

Alliance with Time dotCom Berhad

On 14 November 2007, a strategic alliance was announced between DiGi and Time dotCom Berhad ("TdC") via the execution of a Heads of Agreement. Subsequently, both parties announced that they have entered into a Definitive Agreement on 25 January 2008, which formalises the proposals set out earlier.



3G Spectrum and Joint Business Planning

The two key components of the proposals set out in the Definitive Agreement are the transfer of 3G spectrum to DiGi with all the rights and benefits in the spectrum for a consideration of 27.5 million new DiGi shares and the proposed Joint Business Planning between the parties.

We believe that the 3G spectrum will enhance the competitiveness of DiGi in the medium to long term. This acquisition will allow DiGi to address our long-term spectrum constraint and to improve efficiency and capacity. It will enable DiGi to provide broadband and a range of other advanced and innovative services.

Restructure of Shareholding

TdC also entered into a Memorandum of Understanding with Telenor to participate in the placement of DiGi shares carried out by way of a book-building process. TdC acquired 50.25 million shares representing 6.7% equity interest in DiGi of the total 76,524,600 shares allocated in the placement exercise.

Telenor's overall stake in DiGi will be reduced from 61% to 49% once DiGi issues 27.5 million new shares to TdC as consideration for the 3G spectrum transfer. TdC will then have a 10% stake in DiGi and be allocated a board seat in DiGi.

Perikatan dengan Time dotCom Berhad

Pada 14 November 2007, satu pakatan strategik telah diumumkan di antara DiGi dengan Time dotCom Berhad ("TdC") menerusi pelaksanaan satu Perjanjian Utama pada hari yang sama. Selepas itu, kedua-dua syarikat mengumumkan bahawa mereka telah memasuki ke dalam satu Perjanjian Definitif pada 25 Januari 2008 yang mengesahkan set cadangan yang dikeluarkan sebelum itu.

Spektrum 3G dan Rancangan Perniagaan Bersama

Dua komponen utama kertas cadangan yang dikeluarkan di dalam Perjanjian Definitif itu ialah penyerahan spektrum 3G kepada DiGi dengan semua hak dan faedah di dalam spektrum untuk pertimbangan menerusi 27.5 juta saham baru DiGi serta cadangan Rancangan Perniagaan Bersama di antara kedua-dua pihak.

Kami percaya spektrum 3G itu akan meningkatkan daya saing DiGi dalam tempoh sederhana dan jangka panjang. Pengambilalihan spektrum itu akan membenarkan DiGi mengatasi desakan spektrum jangka panjang serta menambahbaik kecekapan dan kapasiti. Ia membolehkan DiGi menyediakan jalur lebar serta pelbagai perkhidmatan termaju dan inovatif.

Penstrukturan Semula Pegangan Saham

TdC juga menandatangani Memorandum Persefahaman dengan Telenor untuk turut serta dalam peletakan saham-saham DiGi yang dimiliki Telenor menerusi proses binaan bida. TdC mengambilalih 50.25 juta saham mewakili 6.7% dana ekuiti di dalam DiGi untuk menjadikan jumlahnya 76,524,600 saham yang diperuntukan dalam peletakan itu.

Keseluruhan saham Telenor di dalam DiGi akan dikurangkan dari 61% kepada 49% apabila DiGi menerbitkan 27.5 juta saham baru kepada TdC sebagai pertimbangan untuk memindahkan spektrum 3Gnya. TdC akan memiliki 10% saham di dalam DiGi dan akan diberikan satu kerusi ahli lembaga pengarah DiGi.

Farewell and Welcome

The Board of Directors and I would like to extend our gratitude to Morten Lundal for his significant contribution to DiGi's success. We wish him our very best as he embarks on his next adventure.

At the same time, we welcome his successor Johan Denneilind and look forward to a continued strong working relationship and growth in the Company.

Appreciation

On behalf of the Board of Directors, I would like to sincerely thank all staff, customers and partners, who have so ably and wholeheartedly supported us that 2007 became yet another resoundingly successful year.

To the Ministry of Energy, Water and Communications and the Malaysian Communications and Multimedia Commission, I would like to record our appreciation for their guidance and support.

I also wish to extend warm thanks to all our shareholders for their constant commitment to us. For that, we assure you of our own desire to fulfill our responsibility towards you, and offer you full accountability and transparency in all financial matters in regard to the Company. We look forward to your continued support in 2008.

Arve Johansen

Chairman

25 March 2008

Selamat Tinggal dan Selamat Datang

Saya dan semua Ahli Lembaga Pengarah ingin mengucapkan setinggi-tinggi penghargaan kepada Morten Lundal di atas sumbangan signifikannya terhadap kejayaan DiGi. Kami mengucapkan selamat berjaya dalam apa jua bidang yang akan diceburi pada masa depan.

Pada masa yang sama, kami mengalu-alukan kedatangan Johan Denneilind dan berharap untuk terus menjalin hubungan kerja yang lebih erat dan berkembang bersama-sama Syarikat.

Penghargaan

Bagi pihak Ahli Lembaga Pengarah, saya ingin mengucapkan jutaan terima kasih kepada semua kakitangan, pelanggan dan rakan niaga yang begitu komited menyokong kami sehingga mampu menjadikan 2007 sebagai tahun cemerlang.

Tidak ketinggalan kami ingin merakamkan setinggi-tinggi penghargaan kepada Kementerian Tenaga, Air dan Komunikasi serta Suruhanjaya Komunikasi dan Multimedia Malaysia yang tidak pernah jemu memberikan panduan dan sokongan padu kepada kami.

Tidak lupa, saya ingin mengucapkan terima kasih kepada semua pemegang saham di atas komitmen berterusan mereka kepada kami. Untuk itu, kami akan memastikan terus memikul tanggungjawab yang diamanahkan dan akan telus dalam apa juga bentuk maklumat kewangan syarikat. Kami mengharapkan kesinambungan sokongan anda pada 2008 ini.

Arve Johansen

Pengerusi

25 Mac 2008

CEO'S STATEMENT



"DiGi gained a reputation of being a good place to work while our profits rose dramatically, up 32% from the previous year."

Morten Lundal

Chief Executive Officer / Ketua Pegawai Eksekutif

A Year of Being Engaged

For DiGi, 2007 is a year when possibility became reality. Marrying strategy and innovation with simplicity, the company turned in an after-tax profit which surpassed RM1 billion for the first time since its inception.

In the process, DiGi proved its readiness to take on not only the competition but also to ride the wave of change moving into 2008 and beyond.

Morten Lundal, CEO, talks about why and how 2007 will prove to be pivotal to increasing the stakes for long-term success in an increasingly competitive market.

Setahun Yang Terjalin

Bagi DiGi, 2007 adalah tahun bagi semua kemungkinan menjadi kenyataan. Dengan menggabungkan strategi dan inovasi dengan kemudahan, syarikat berjaya memperoleh keuntungan selepas cukai melebihi RM1 bilion buat pertama kalinya sejak ia ditubuhkan.

Dengan itu, DiGi telah membuktikan kesediaannya bukan saja untuk bersaing, malah untuk terus memacu gelombang perubahan pada tahun 2008 serta tahun-tahun yang mendatang.

Ketua Pegawai Eksekutif, Morten Lundal, akan berkongsi mengenai kenapa dan bagaimana 2007 telah menjadi paksi utuh kepada kejayaan jangka panjang dalam keadaan pasaran yang semakin kompetitif ini.

Q1. What kind of year was 2007?

It was a good DiGi year.

We worked on being engaged with our employees, customers, the community, the government and partners. It was a year of activities of reaching out and opening doors to become a more open company to all our stakeholders.

This emphasis on engagement worked well, as productivity and morale were boosted amongst staff and DiGi gained a reputation of being a good place to work while our profits rose dramatically, up 32% from the previous year.

S1. Tahun 2007 bagi DiGi?

It adalah tahun yang cemerlang bagi DiGi.

Kami berusaha untuk menjalin hubungan lebih erat dengan kakitangan, pelanggan, masyarakat, kerajaan dan rakan niaga. Ia merupakan tahun yang penuh dengan aktiviti bagi mencapai impian untuk menjadi syarikat yang lebih terbuka kepada semua pemegang kepentingan.

Ia menekankan kepada cara terbaik untuk kami bekerja, sebagaimana produktiviti dan semangat telah ditingkatkan di kalangan kakitangan. DiGi telah mencapai reputasinya sebagai tempat yang baik untuk bekerja. Sementara keuntungan pula berjaya ditingkatkan secara mendadak sebanyak 32% berbanding tahun sebelumnya.

Q2. What were the unique challenges that the company confronted?

At end 2006, we faced the prospect of a reduced subscriber growth market, increasing consumer demand for better products and services and shifting regulatory ground. The situation needed innovative solutions and competent management, so the unique challenge was for us to dig deeper and drive for smarter and simpler ideas and then, working really hard to make it happen.

At the same time, we were also settling into our new premises, D'House, which enhanced the positive energy of our employees as they work in this fresh and interesting environment.

S2. Apakah cabaran-cabaran unik yang dihadapi oleh syarikat?

Pada penghujung 2006, kami menghadapi prospek penguncupan dalam pertumbuhan pasaran pelanggan, begitu juga peningkatan permintaan pengguna terhadap produk dan perkhidmatan yang lebih baik, serta perubahan dalam pelbagai peraturan asas kawalselia. Situasi sebegini memerlukan penyelesaian inovatif dan pengurusan yang cekap, maka cabaran unik bagi kami adalah untuk terus berusaha dan mendapatkan idea yang lebih bijak dan mudah di samping berusaha keras bagi menjadikannya kenyataan.

Pada masa yang sama, kami juga berpindah ke bangunan baru, D'House, yang mana ia telah memberi nafas baru serta tenaga yang lebih positif kepada kakitangan untuk bekerja dengan lebih tekun di dalam persekitaran yang segar dan menarik.



Q3. How did DiGi deal with the issue of reduced subscriber growth market?

This was an industry-wide scenario and not just a DiGi issue. The implication was that when faced with a shrinking pie, we needed to be smarter to ensure that we not only keep, but somehow continue to grow our share of the market.

So, I am pleased to report that, despite an overall reduction in the overall growth of the industry, DiGi continued to gain momentum as we recorded a 21% increase in subscriber base; ringing up a total of 6.4 million subscribers in 2007 - a direct result of our innovative products and services, and the excellent customer experience we worked hard to provide.

Q4. What were the innovative products and services that contributed to DiGi's strong showing?

We had several products that were simple, smart and timely.

From Q4 2006, we rode on the back of a hugely successful "One Low Flat Rate" plan that redefined the prepaid landscape and led DiGi to gain the no. 2 position in Prepaid. We continued to promote "One Low Flat Rate" in the first quarter of 2007, which reinforced our leadership position.

Fu-yoh!, our exciting prepaid plan targeting youth, was launched to appeal to this vibrant segment. Postpaid 1 Plan also roped businesses in with the most cost effective call rates for individuals and the business community.

DiGi Prepaid
FU-YOH!™

S3. Bagaimana DiGi menangani isu penguncupan pertumbuhan pasaran pelanggan?

Ini merupakan senario dalam keseluruhan industri dan tidak hanya dilalui oleh DiGi. Implikasinya dapat dirasakan apabila berlakunya penguncupan itu, namun kami perlulah menjadi lebih bijak bukan sahaja untuk memastikan DiGi akan terus utuh, malah terus mengembangkan penguasaan pasaran.

Dengan itu, sukacita dimaklumkan bahawa walaupun berlaku penguncupan pertumbuhan di keseluruhan industri, namun DiGi terus memperkukuhkan momentum hingga berjaya mencatatkan pertumbuhan pelanggan kepada 21%, sekaligus menjadikan keseluruhan jumlah pelanggan DiGi mencapai 6.4 juta orang pada 2007. Ini adalah satu petunjuk nyata hasil daripada pelbagai tawaran produk dan perkhidmatan inovatif, serta kecemerlangan pengalaman yang dirasakan oleh pelanggan berkat kerja keras kami

S4. Apakah produk dan perkhidmatan inovatif yang telah menyumbang kepada pengukuhan DiGi?

Kami memiliki beberapa produk yang amat mudah, bijak dan yang disalurkan tepat pada masanya.

Dari suku tahun keempat 2006, kami bersandar di sebalik kejayaan besar pelan "Satu Kadar Rata Rendah" yang menilai semula landskap perkhidmatan prabayar hingga membolehkan DiGi mencapai kedudukan no.2 di pasaran segmen berkalian. Kami terus mempromosikan "Satu Kadar Rata Rendah" itu pada suku tahun pertama 2007 dan berjaya memperkukuhkan keterajuan DiGi di pasaran.

Fu-Yoh! satu lagi pelan prabayar menarik yang disasarkan kepada para remaja telah dilancarkan untuk mengambil kesempatan ke atas segmen yang vibrate itu. Pelan Pasca Bayar 1 pula turut memainkan peranan di kalangan pengguna perniagaan dengan kadar panggilan paling kos efektif untuk panggilan kepada individu atau masyarakat perniagaan.



An independent no-frills new service called "Happy" targeted new segments through strategic online distribution, barebones advertising and one price plan.

Our fresh innovative approach, embodied in the "Yellow Coverage Fellow" campaign gained recognition from the market, bringing the DiGi brand closer to becoming a household name.

We continued to pursue simple, innovative solutions, which worked for our customers. m-Remittance, Mobile Instant Messaging and the first-to-launch D'podCast were key differentiators for DiGi. Other service enhancements include WAP portal, Online Customer Services, Caller Tunes, MobileTV, BubbleTalk and Voice Mail System (VMS).

Also notable were design upgrades for the short messaging, multimedia, WAP Gateway and Caller Tunes platforms. A feasibility study team was set up with cross-divisional experts from Technology, Marketing and Finance to assess product concepts, and ensure complete and accurate technical solutions, customer experience and financial impact analysis before embarking on new products.

Q5. In what ways did DiGi improve the customer experience?

Our intention is for every customer to have a positive and satisfying experience at every point of interaction with DiGi. This passion to create a consistently excellent experience resulted in the introduction of ECE (Excellent Customer Experience) in 2007.

Satu perkhidmatan bebas 'no-frills' yang dikenali sebagai "Happy" diperkenalkan, dan ia disasarkan kepada segmen baru menerusi pengedaran online strategik, bebas iklan dan satu pelan harga.

Pendekatan inovatif segar kami yang diserapkan ke dalam kempen "Yellow Coverage Fellow" telahpun dikenalpasti sebagai inisiatif yang menjadikan jenama DiGi sebutan orang ramai.

Kami terus mencari sesuatu yang ringkas serta penyelesaian inovatif yang amat berguna untuk pelanggan. Pengiriman wang mudah alih (m-Remittance), Pesanan Segera Mudah Alih dan D'podCast, yang pertama kali dilancarkan, menjadi antara faktor pembeza kepada DiGi. Dalam pada itu, lain-lain perkhidmatan yang telah dimajukan termasuk gerbang WAP, Perkhidmatan Pelanggan Online, Nada Dering Pemanggil, MobileTV, BubbleTalk dan Sistem Mel Suara (VMS).

Kami juga meningkatkan keupayaan reka bentuk untuk pesanan ringkas, multimedia, gerbang WAP dan platform nada dering pemanggil. Pasukan kajian keupayaan yang terdiri daripada tenaga pakar dalam pelbagai bidang termasuk rumusan teknikal, pemasaran dan kewangan telah diwujudkan untuk membantu dalam penyediaan konsep produk bagi memastikan ia menepati pelbagai kehendak teknikal, pengalaman pengguna dan analisis impak kewangan sebelum sebarang produk baru diperkenalkan.

S5. Apakah pendekatan yang diambil oleh DiGi untuk menambahkan pengalaman pelanggan?

Hasrat kami ialah ingin melihat semua pelanggan memperoleh pengalaman positif dan memuaskan di semua peringkat interaksi dengan DiGi. Keghairahan untuk mencipta satu pengalaman yang cemerlang secara konsisten itu berjaya diwujudkan menerusi Pengalaman Pelanggan Unggul (ECE) pada 2007.

ECE expresses the belief that each and every customer experience with DiGi is critical to the overall customer experience; from a phone call, face to face contact to a DiGi television commercial. Each contact informs and shapes a customer's perception and relationship with the DiGi brand. A positive experience builds loyalty while a negative experience may result in a customer walking away.

ECE also recognizes that customers are becoming increasingly sophisticated and demanding; often expecting quick and smart solutions – precisely the same level of responsiveness we ourselves are aiming to deliver.

Q6. How do you translate ECE into practical terms?

ECE forms the backbone of our attitude to the customer and becomes the guiding principle in shaping a positive experience at every contact point, spanning across all divisions in the company, and the guiding factor for all service improvement and excellence seeking projects. In 2007, ECE became the cornerstone of our work and strongly defined our position as first choice for subscribers.

Q7. What about other "traditional" contact points such as customer service and contact centres?

We're constantly channelling our energies to improve service levels. In 2007, we focused on several layers: staffing, improving access and providing value-added services to customers.



"we're constantly channelling our energies to improve service levels".

ECE mencerminkan kepercayaan bahawa setiap pelanggan dan semua pengalaman mereka dengan DiGi dari panggilan telefon, hubungan bersemuka hinggalah kepada iklan DiGi di televisyen adalah sangat penting. Setiap satu hubungan akan membentuk persepsi mereka dengan jenama DiGi. Pengalaman positif akan membina kesetiaan sementara pengalaman negatif akan menyebabkan seseorang pelanggan itu meninggalkan kami.

ECE juga dapat mengenalpasti pelanggan yang semakin canggih dan lebih agresif; yang sentiasa mengharapkan penyelesaian yang bijak dan pantas – sejajar dengan tahap tindakbalas yang ingin kami berikan.

S6. Bagaimanakah anda menterjemahkan ECE ke dalam terma yang praktikal?

ECE membentuk tulang belakang sikap kami terhadap pelanggan dan menjadi panduan kepada prinsip penyediaan pengalaman positif di setiap sudut, merentasi semua bahagian di syarikat ini, dan menjadi panduan kepada usaha penambahbaikan semua perkhidmatan serta rancangan kecemerlangan. Pada 2007, ECE menjadi pemangkin kepada cara kerja kami dan meletakkan kedudukan kami sebagai pilihan pertama pelanggan.

S7. Bagaimana pula dengan lain-lain bentuk hubungan pelanggan "tradisional" seperti perkhidmatan pelanggan dan pusat panggilan?

Kami terus menyalurkan tenaga untuk memperbaiki tahap perkhidmatan. Pada 2007, kami menumpukan kepada beberapa peringkat iaitu kakitangan, menambahbaikan capaian dan menyediakan perkhidmatan nilai ditambah kepada pelanggan.