DiGi.COM BERHAD

Company no. 425190-X
(Incorporated in Malaysia)

Date: **14 February 2007**

Subject: **INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DEC 2006 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2005 RM'000	CURRENT YEAR TO-DATE 31 DEC 2006 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 DEC 2005 RM'000
Revenue	**966,769**	**827,676**	**3,652,536**	**2,884,324**
Other income	8,491	322	13,479	2,028
Depreciation and amortisation	(184,487)	(145,331)	(627,811)	(583,455)
Other expenses	(499,472)	(467,239)	(1,971,305)	(1,627,066)
Finance costs	(4,461)	(3,738)	(15,845)	(32,440)
Interest income	7,115	6,944	36,085	18,159
Profit before taxation	**293,955**	**218,634**	**1,087,139**	**661,550**
Taxation	(54,400)	(62,025)	(281,486)	(190,595)
Profit for the period	**239,555**	**156,609**	**805,653**	**470,955**
Attributable to:				
Equity holders of the parent Company	**239,555**	**156,609**	**805,653**	**470,955**
Earnings per share (sen)				
- Basic	31.9	20.9	107.4	62.8
- 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 9)

Note : NA denotes "Not Applicable"

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 31 DECEMBER 2006 RM'000	AT 31 DECEMBER 2005 RM'000 (Restated)
Non-Current assets		
Property, plant and equipment	2,680,246	2,671,494
Prepaid lease payments	12,717	12,940
Intangible assets	254,019	141,766
Deferred expenditure	468	528
	2,947,450	2,826,728
Current assets		
Inventories	8,189	8,197
Trade and other receivables	250,959	214,432
Cash and cash equivalents	869,549	1,182,962
	1,128,697	1,405,591
TOTAL ASSETS	4,076,147	4,232,319
Capital and Reserves		
Share capital	75,000	750,000
Reserves	1,677,401	1,498,148
Total equity – attributable to equity holders of parent Company	1,752,401	2,248,148
Non-Current liabilities		
Borrowings	300,000	300,000
Deferred tax liabilities	371,707	371,518
Provision for liabilities	13,398	10,030
	685,105	681,548
Current liabilities		
Trade and other payables	1,248,444	1,007,281
Provision for liabilities	75,619	73,309
Deferred revenue	244,769	220,772
Current tax payable	69,809	1,261
	1,638,641	1,302,623
Total liabilities	2,323,746	1,984,171
TOTAL EQUITY AND LIABILITIES	4,076,147	4,232,319
Net Assets Per Share (RM)	2.34	3.00

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	---------- Attributable to equity holders of the parent Company----------			
		Non-Distributable	***Distributable***	
	Share Capital RM'000	**Share Premium RM'000**	**Retained Profits RM'000**	**Total RM'000**
At 1 January 2006	750,000	352,651	1,145,497	2,248,148
Profit for the year representing total recognised income and expense for the year	-	-	805,653	805,653
Capital and share premium reduction				
- RM0.75 per ordinary share	(562,500)	-	-	(562,500)
- RM0.60 per ordinary share	(112,500)	(337,500)	-	(450,000)
Dividend for the financial year ended 31 December 2006				
- interim dividend	-	-	(288,900)	(288,900)
At 31 December 2006	75,000	15,151	1,662,250	1,752,401
At 1 January 2005	750,000	352,651	674,542	1,777,193
Profit for the year representing total recognised income and expense for the year	-	-	470,955	470,955
At 31 December 2005	750,000	352,651	1,145,497	2,248,148

(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 9)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	YEAR ENDED 31 DECEMBER 2006 RM'000	YEAR ENDED 31 DECEMBER 2005 RM'000
Cash flows from operating activities		
Profit before taxation	1,087,139	661,550
Adjustments for :		
Non-cash items	810,744	746,938
Finance costs	15,845	32,440
Interest income	(36,085)	(18,159)
Operating profit before working capital changes	1,877,643	1,422,769
Changes in working capital:		
Net change in current assets	(52,938)	(29,680)
Net change in current liabilities	268,691	359,182
Cash generated from operations	2,093,396	1,752,271
Interest paid	(14,660)	(22,448)
Payments for staff benefits and customer loyalty programmes	(166,844)	(118,017)
Taxes paid	(212,870)	(14,500)
Net cash generated by operating activities	1,699,022	1,597,306
Cash flows from investing activities		
Purchase of tangible and intangible assets	(746,148)	(686,944)
Interest received	34,991	17,699
Proceeds from disposal of property, plant and equipment	122	36
Net cash used in investing activities	(711,035)	(669,209)
Cash flows from financing activities		
Repayment under capital reduction exercises	(1,012,500)	-
Dividend paid	(288,900)	-
Proceeds from bank borrowings	-	300,000
Repayment of bank borrowings	-	(679,854)
Net cash used in financing activities	(1,301,400)	(379,854)
Net (decrease)/increase in cash and cash equivalents	(313,413)	548,243
Cash and cash equivalents at beginning of year	1,182,962	634,719
Cash and cash equivalents at end of year	869,549	1,182,962

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with FRS 134 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 2005.

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 2005 except for the adoption of the following new or revised Financial Reporting Standards ("FRSs") effective for the financial year beginning on 1 January 2006:

FRS 2	Share-based Payment
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

In addition to the above, the Group has also taken the option of early adoption of revised FRS 117 Leases for the financial year beginning on 1 January 2006.

The adoption of FRS 2, 102, 108, 110, 116, 121, 127, 132, 133 and 136 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new or revised FRSs are summarised as below:

(a) FRS 101 Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of the Condensed Consolidated Income Statements, Balance Sheets and Statements of Changes in Equity with additional disclosure on the amount attributable to equity holders of the parent Company, and statements of changes in equity also showing the total recognised income and expense for the year.

The current year's presentation of the Group's financial statements is based on the requirements of the revised FRS 101, with the comparatives restated to conform with the current year's presentation.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A1. Basis of Preparation - Cont'd

(b) FRS 117 Leases
The adoption of the revised FRS 117 has resulted in retrospective change in the accounting policy relating to the classification of leasehold land. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at cost less accumulated depreciation. Upon the adoption of the revised FRS 117 at 1 January 2006, the unamortised carrying amount of RM12.9 million is reclassified from property, plant and equipment to prepaid lease payments as allowed by the transitional provisions of the revised FRS 117. The comparative amount as at 31 December 2005 has been restated.

(c) FRS 138 Intangible Assets
With the adoption of the new FRS 138, the Group changed the classification of computer software costs as intangible assets, where the software is not an integral part of the related hardware. The reclassification from property, plant and equipment to intangible assets was based on the carrying amounts of the computer software costs of RM106.6 million as at 1 January 2006. The comparative figures had been reclassified to conform with the current year's presentation.

A2. Auditors' Report on Preceding Annual Financial Statements
The latest audited financial statements for the financial year ended 31 December 2005 were not subject to any qualification.

A3. Seasonality or Cyclicality of Interim Operations
The operations of the Group were not significantly affected by any seasonal and cyclical factors.

A4. 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 ended 31 December 2006 except as disclosed under Note A5, A6, A7 and B5.

A5. Material Changes in Estimates
For the current quarter and financial year ended 31 December 2006, the Group has decomposed its telecommunications network assets and re-assessed the estimated useful lives for each of the assets components in order to be more consistent with the depreciation policy set by the ultimate holding company, Telenor ASA.

The change in the estimated useful lives for certain assets components took effect from 1 July 2006 onwards. The financial impact resulting from the change was an increase of RM41.9 million and RM83.8 million in the depreciation and amortisation expenses charged to the Condensed Consolidated Income Statements for the current quarter and financial year ended 31 December 2006 respectively.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A6. 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 ended 31 December 2006 except for:

(a) The capital repayment of RM0.75 for every ordinary share of the Company via a reduction of share capital pursuant to Section 64 of the Companies Act, 1965 executed on 18 May 2006; and

(b) The capital repayment of RM0.60 for every ordinary share of the Company via a reduction of share capital and share premium account pursuant to Section 60 and 64 of the Companies Act, 1965 executed on 27 October 2006.

A7. Dividend Paid

No dividend has been paid for the current quarter under review.

For the financial year ended 31 December 2006, an interim dividend of 53.5 sen per ordinary share, less income tax at 28%, amounting to RM288.9 million, was paid on 28 August 2006.

A8. Segment Information

Segmental information is not presented as there are no material segments other than that for the provision of mobile communication services, and the Group's operations are conducted predominantly in Malaysia.

A9. Property, Plant and Equipment

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.

A10. Material Events Subsequent to the End of the Interim Period

There was no material events subsequent to the current quarter ended 31 December 2006 up to the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year ended 31 December 2006 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A12. 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 2005.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A13. Capital Commitments

	Group 31 December 2006 RM'000
In respect of property, plant and equipment:	
Approved and contracted for	324,000
Approved but not contracted for	352,000

A14. 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 financial year:

	Transactions for the financial year ended 31 December 2006 RM'000	Balance due from/(to) at 31 December 2006 RM'000
With fellow subsidiary companies		
- *Telenor Global Services AS*		(1,603)
Sales of interconnection services on international traffic	142	
Purchase of interconnection services on international traffic	2,475	
- *Telenor Pakistan (Private) Limited*		69
Sales of interconnection services on international traffic	1,490	
Purchase of interconnection services on international traffic	705	
- *Total Access Communication Public Company Limited*		(352)
Sales of roaming services	315	
Purchase of roaming services	2,355	
- *Telenor Consult AS*		
Personnel services payable	9,295	(700)
- *Telenor ASA*		
Consultancy fees payable	6,083	(645)

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A14. Related Party Transactions - Cont'd

	Transactions for the financial year ended 31 December 2006 RM'000	Balance due from/(to) at 31 December 2006 RM'000
With companies in which Tan Sri Dato' Seri Vincent Tan Chee Yioun ("TSVT") is deemed to have an interest*		
- *Berjaya General Insurance Bhd.*		
Insurance premiums paid	981	NA
- *Berjaya Registration Services Sdn. Bhd.*		
Printing and mailing services payable	6,189	NA
- *Convenience Shopping Sdn. Bhd.*		
Sales of prepaid cards and reload coupons	106,671	NA
- *Convenience Shopping (Sabah) Sdn. Bhd.*		
Sales of prepaid cards and reload coupons	2,510	NA
- *Cosway (M) Sdn. Bhd.*		
Sales of prepaid cards and reload coupons	1,928	NA
- *MOL AccessPortal Bhd.*		
Sales of soft pins	2,351	NA
- *Cosmo's World Theme Park Sdn. Bhd.*		
Sponsorship rights payable	750	NA

*TSVT had ceased to be a substantial shareholder on 20 October 2005. However, pursuant to the Bursa Securities LR, for the purpose of related party transactions, he is a substantial shareholder until 19 October 2006, therefore the transactions with companies in which TSVT is deemed to have an interest are disclosed accordingly.

A15. Comparatives

The following comparatives have been restated due to the adoption of revised FRS or have been reclassified to conform with the current year's presentation:

	Note A1	Group As restated/ reclassified RM'000	Group Previously stated RM'000
Balance Sheets			
Non-Current assets			
Property, plant and equipment	(b) & (c)	2,671,494	2,791,060
Prepaid lease payments	(b)	12,940	-
Intangible assets	(c)	141,766	35,140

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B)

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

Year-to-date (YTD) 31.12.06 versus YTD 31.12.05

The Group showed an impressive 27% revenue growth for the financial year ended 31 December 2006, recording total revenue of RM3.7 billion. The strong revenue growth was largely attributed to the encouraging customer uptake as a result of innovative mobile offerings in the market. The customer base as of end 2006 grew to 5.3 million, despite taking into account termination of approximately 0.5 million non-registered prepaid subscribers at year end, as a result of the mandatory prepaid registration process.

Blended average mobile revenue per user ("ARPU") decreased to RM54 from RM58 in 2005, primarily due to lower incoming revenue as a result of the reduction in mobile interconnect access pricing. Non-voice revenue constituted 19% of total mobile revenue compared with 17% a year ago.

The Group also registered 35% increase in earnings before interest, tax, depreciation and amortisation ("EBITDA") from RM1.3 billion a year ago to RM1.7 billion, with EBITDA margin strengthened to 46.4% or by 2.7 percentage points, compared with 43.7% in 2005. The stronger margin was a result of improved revenue performance, and focused cost management initiatives which led to one-off regulatory fees adjustment. Normalised EBITDA margin was 45.9%.

The strong EBITDA performance drove the Group's profit before taxation ("PBT") up 64% to RM1.1 billion despite absorbing an additional RM84 million of accelerated depreciation and amortisation due to the change in the assets' estimated useful lives against last year's additional accelerated depreciation of RM76 million.

Profit after taxation ("PAT"), increased by 71% to RM806 million, primarily due to the reduction in deferred tax expense on lowered tax rates as disclosed under Note B5. Accordingly, earnings per share rose to 107.4 sen against 62.8 sen previously.

Quarter 4-06 versus Quarter 4-05

For the current quarter under review, revenue grew by 17% to RM967 million compared to RM828 million in Quarter 4, 2005. This increase was driven by an expanded customer base although ARPU was lower at RM55 compared to RM58 in Q405. The lower ARPU was mainly attributed to the revised mobile interconnection rates which took effect from mid-February 2006.

The Group posted a 32% growth in EBITDA to RM476 million, thereby raising the margin to 49.2% against 43.6% in the previous year corresponding quarter, as a result of one-off regulatory fees adjustment. Normalised EBITDA margin was 46.6%.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) - CONT'D

B1. Review of the Performance of the Company and its Principal Subsidiaries - Cont'd

Quarter 4-06 versus Quarter 4-05 - Cont'd

PBT increased by 34% to RM294 million from RM219 million in Quarter 4, 2005 despite additional accelerated depreciation and amortisation expenses of RM42 million against RM9 million last year. Combining the effects of strong operational performance and the reduction in deferred tax expenses due to lower tax rates as disclosed under Note B5, the Group achieved PAT of RM240 million, an impressive 53% growth over Quarter 4, 2005.

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

PBT performance for the current quarter under review increased by 15% to RM294 million from RM255 million previously. Higher PBT was the result of 5% revenue growth, driven by higher traffic usage during the festive season and increased take-up rates on non-voice services. Blended ARPU improved to RM55 from RM53 in Quarter 3, 2006 contributed mainly by prepaid offerings.

As a result of one-off regulatory fees adjustment, EBITDA grew by 13%, from RM419 million to RM476 million, while EBITDA margin increased to 49.2%, a 3.7 percentage point enhancement from 45.5% in Quarter 3.

B3. Prospects For The Next Financial Year Ending 31 December 2007

The Malaysian mobile market is expected to remain competitive and with the market set to approach SIM penetration levels above 80% in the next few years, all operators will be looking to retain subscribers and earn more revenue from existing users. Core tariffs and margins could therefore come under pressure. By leveraging on our proven track record in products and services innovation and improved network coverage and quality, the Group will strive to achieve continuous growth in both market and revenue share in 2007.

Barring any unforeseen circumstances and taking into account the challenges in the telecommunications industry, we expect the Group's 2007 performance to be as follows:

- high single-digit revenue growth for the year;
- EBITDA margins to be around the mid-40% level;
- mid teens PAT growth excluding 2006 one-off adjustments;
- capital expenditure estimated to be at 2006 level in absolute term, with focus on capacity and quality investments.

The above are internal management targets and are not estimates, forecasts or projections. In addition, these internal targets have not been reviewed by our external auditors.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) - CONT'D

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

Not applicable.

B5. Taxation

The taxation charge for the Group for current quarter and financial year ended 31 December 2006 was made up as follows:

	Current year quarter 31 December 2006 RM'000	Current year-to-date 31 December 2006 RM'000
Current tax		
- current	62,216	281,529
- prior year over provision	-	(232)
	62,216	281,297
Deferred tax		
- current	19,546	27,248
- adjustment for changes in tax rates	(27,362)	(27,362)
- prior year under provision	-	303
	(7,816)	189
Total	54,400	281,486

Included in the Group's tax expense for the current quarter and financial year ended 31 December 2006 was a reduction in deferred tax expense of RM27.4 million relating to the changes in the Malaysian corporate tax rate from the existing statutory tax rate of 28% to 27% effective year of assessment 2007 and 26% effective year of assessment 2008 onwards.

The effective tax rate for the current quarter and financial year ended 31 December 2006, excluding the adjustment for changes in tax rates, were 27.8% and 28.4% respectively. The current quarter effective tax rate was lower than the statutory tax rate due to utilisation of capital allowances. The year-to-date effective tax rate was higher than the statutory tax rate as certain expenses 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 ended 31 December 2006.

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year ended 31 December 2006. There was no investment in quoted shares as at 31 December 2006.

ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LR (APPENDIX 9B) - CONT'D

B8. Status of Corporate Proposals

There was no corporate proposal announced but not completed in the interval from the date of the last report and the date of this announcement except for the Commercial Papers and Medium Term Notes with an aggregate nominal value of up to RM700 million which has yet to be executed.

B9. Group Borrowings

The borrowings of the Group as at 31 December 2006 are denominated in Ringgit Malaysia, unsecured and are not expected to be repaid within the next 12 months.

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

The Board of Directors have resolved to recommend a final dividend of 57.5 sen per share (2005: Nil), less 27% income tax, amounting to RM315.0 million in respect of the financial year ended 31 December 2006, which will be paid on a date to be determined, subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

Total dividend for the financial year ended 31 December 2006 comprises an interim dividend of 53.5 sen per ordinary share, less 28% income tax, paid during the year and recommended final dividend of 57.5 sen per ordinary share, less 27% income tax.

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year ended 31 December 2006 has been calculated based on the profit for the period attributable to ordinary shareholders of RM239,555,000 and RM805,653,000 respectively and the weighted average number of ordinary shares outstanding during the quarter and financial year of 750,000,000.

Diluted Earnings Per Share - Not applicable.

c.c Securities Commission