DiGi.COM BERHAD

Company no. 425190-X
(Incorporated in Malaysia)

Date: **28 January 2011**

Subject: **INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2010**

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR ENDED	PRECEDING YEAR ENDED
	31 DEC 2010 RM'000	31 DEC 2009 RM'000	31 DEC 2010 RM'000	31 DEC 2009 RM'000
Revenue	**1,429,662**	**1,247,612**	**5,406,457**	**4,909,565**
Other income	23,180	605	32,586	9,466
Depreciation and amortisation	(193,307)	(186,779)	(773,363)	(731,121)
Other expenses	(799,450)	(716,987)	(3,037,575)	(2,794,474)
Finance costs	(15,701)	(11,255)	(51,665)	(40,590)
Interest income	5,925	3,679	20,808	13,609
Profit before tax	**450,309**	**336,875**	**1,597,248**	**1,366,455**
Taxation	(118,283)	(90,395)	(419,244)	(365,984)
Profit for the year	**332,026**	**246,480**	**1,178,004**	**1,000,471**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**332,026**	**246,480**	**1,178,004**	**1,000,471**
Attributable to:				
Equity holders of the Company	**332,026**	**246,480**	**1,178,004**	**1,000,471**
Earnings per share (sen)				
- Basic	42.7	31.7	151.5	128.7
- Diluted	NA	NA	NA	NA

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

Note : NA denotes "Not Applicable"

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2010

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AT 31 DEC 2010 RM'000	AT 31 DEC 2009 RM'000 Restated
Non-current assets		
Property, plant and equipment	2,959,894	2,908,174
Intangible assets	845,957	950,174
	3,805,851	3,858,348
Current assets		
Inventories	43,099	13,061
Trade and other receivables	437,099	420,336
Available-for-sale financial asset	-	10,514
Cash and cash equivalents	850,584	430,185
	1,330,782	874,096
TOTAL ASSETS	5,136,633	4,732,444
Equity		
Share capital	77,750	77,750
Reserves	1,268,872	1,443,718
Total equity – attributable to equity holders of the Company	1,346,622	1,521,468
Non-current liabilities		
Borrowings	1,022,969	772,010
Deferred tax liabilities	424,491	391,463
Finance lease liability	53,894	-
Provision for liabilities	17,068	21,717
	1,518,422	1,185,190
Current liabilities		
Trade and other payables	1,838,378	1,428,808
Derivative financial instruments	1,345	140
Provision for liabilities	42,217	71,057
Deferred revenue	343,187	272,986
Borrowings	-	149,829
Income tax payable	46,462	102,966
	2,271,589	2,025,786
Total liabilities	3,790,011	3,210,976
TOTAL EQUITY AND LIABILITIES	5,136,633	4,732,444
Net Assets Per Share (RM)	1.73	1.96

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	--------------- Attributable to equity holders of the Company			---------------------
	Share capital RM'000	**Share premium RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 January 2010	77,750	691,905	751,813	1,521,468
Profit for the year, representing total recognised income and expenses for the year	-	-	1,178,004	1,178,004
Dividend for the financial year ended 31 December 2009				
- second interim dividend	-	-	(419,850)	(419,850)
Dividend for the financial year ended 31 December 2010				
- first interim dividend	-	-	(272,125)	(272,125)
- second interim dividend	-	-	(272,125)	(272,125)
- third interim dividend	-	-	(388,750)	(388,750)
At 31 December 2010	77,750	691,905	576,967	1,346,622
At 1 January 2009	77,750	691,905	1,127,517	1,897,172
Profit for the year, representing total recognised income and expenses for the year	-	-	1,000,471	1,000,471
Dividend for the financial year ended 31 December 2008				
- final dividend	-	-	(412,075)	(412,075)
Dividend for the financial year ended 31 December 2009				
- first interim dividend	-	-	(380,975)	(380,975)
- special dividend	-	-	(583,125)	(583,125)
At 31 December 2009	77,750	691,905	751,813	1,521,468

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 9)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	YEAR ENDED 31 DEC 2010 RM'000	YEAR ENDED 31 DEC 2009 RM'000
Cash flows from operating activities		
Profit before tax	1,597,248	1,366,455
Adjustments for:		
Non-cash items	1,005,323	1,017,456
Finance costs	51,665	40,590
Interest income	(20,808)	(13,609)
Operating profit before working capital changes	2,633,428	2,410,892
Changes in working capital:		
Net change in current assets	(106,750)	(66,444)
Net change in current liabilities	477,122	(71,186)
Cash generated from operations	3,003,800	2,273,262
Interest paid	(47,049)	(26,164)
Government grant received	742	-
Payments for provisions	(206,057)	(245,125)
Taxes paid	(442,660)	(346,793)
Net cash generated by operating activities	2,308,776	1,655,180
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(641,270)	(717,405)
Proceeds on disposal of available-for-sale financial asset	10,649	-
Interest received	19,462	13,649
Proceeds from disposal of property, plant and equipment	319	170
Net cash used in investing activities	(610,840)	(703,586)
Cash flows from financing activities		
Repayment of finance lease liability	(24,687)	-
Proceeds from borrowings	250,000	823,489
Repayment of borrowings	(150,000)	(300,000)
Dividend paid	(1,352,850)	(1,376,175)
Net cash used in financing activities	(1,277,537)	(852,686)
Net increase in cash and cash equivalents	420,399	98,908
Cash and cash equivalents at beginning of year	430,185	331,277
Cash and cash equivalents at end of year	850,584	430,185

(The Condensed Consolidated Statement of Cash Flows 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 2009.

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 2009 except for the mandatory adoption of the following new and revised Financial Reporting Standards ("FRSs") and Issues Committee Interpretations ("IC Int.") effective for the financial year beginning on 1 January 2010:

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Stardards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS139, FRS 7 and IC Int. 9	Financial Instruments: Recognition and Measurement, Financial Instruments: Disclosures, and Reassessment of Embedded Derivatives
Amendments to FRSs	Improvements to FRSs (2009)
IC Int.9	Reassessment of Embedded Derivatives
IC Int.10	Interim Financial Reporting and Impairment
IC Int.11	FRS 2 – Group and Treasury Share Transactions
IC Int.13	Customer Loyalty Programmes
IC Int.14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A1. Basis of Preparation - Cont'd

The adoption of the above did not have any significant effects on the interim financial report upon their initial application, other than as discussed below:

a) FRS101: Presentation of Financial Statements (revised)
The revised FRS101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity, if any, will be presented as a single line labelled as total comprehensive income. In addition, the consolidated balance sheet was renamed as the consolidated statement of financial position in the interim financial report. This Standard did not have any impact on the financial position and results of the Group.

b) Amendments to FRSs 'Improvements to FRSs (2009)' – FRS 117: Leases
FRS 117 clarifies on the classification of leases of land and buildings. The resulting effect of this Standard taking effect was the reclassification of prepaid leases on land back into property, plant and equipment, rather than being separately classified under prepaid lease payments on the consolidated statement of financial position, as disclosed under Note A13.

c) FRS 139: Financial Instruments: Recognition and Measurement, and Amendments to FRS 139: Financial Instruments: Recognition and Measurement
The new Standard on FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. There were no significant changes to the interim financial report other than the:
   i) designation of short-term investment as an available-for-sale financial asset. Upon the disposal of the said available-for-sale financial asset during the current financial year, the fair valuation reserve was realised accordingly into the consolidated statements of comprehensive income for the current financial year; and
   ii) inclusion of off-balance sheet derivatives at their fair values, in the interim financial report, in line with the accounting policy as disclosed under Note B10.

This Standard did not have any significant impact on the financial position and results of the Group.

A2. Seasonality or Cyclicality of Interim Operations

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

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

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial year ended 31 December 2010, other than the:

a) issuance of medium-term notes ("MTN II") as disclosed under Note B9;

b) full redemption of the commercial papers as disclosed under Note A5;

c) repayment of the fixed-rate term loan ("FTRL I") as disclosed under Note A5; and

d) capitalisation of indefeasible rights of use over purchased wavelength, arising from a finance lease arrangement.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter and financial year ended 31 December 2010.

A5. Debts and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial year ended 31 December 2010, other than the:

a) issuance of MTN II as disclosed under Note B9;

b) full redemption of the commercial papers of RM50.0 million in February 2010; and

c) repayment of FRTL I of RM100.0 million in April 2010.

A6. Dividend Paid

For the financial year ended 31 December 2010:

a) the third interim dividend of 50.0 sen single-tier exempt dividend per ordinary share, amounting to RM388.8 million in respect of the financial year ended 31 December 2010, was paid on 3 December 2010;

b) the second interim dividend of 35.0 sen single-tier exempt dividend per ordinary share, amounting to RM272.1 million in respect of the financial year ended 31 December 2010, was paid on 24 September 2010;

c) the first interim dividend of 35.0 sen single-tier exempt dividend per ordinary share, amounting to RM272.1 million in respect of the financial year ended 31 December 2010, was paid on 18 June 2010; and

d) the second interim dividend of 54.0 sen single-tier exempt dividend per ordinary share, amounting to RM419.8 million in respect of the financial year ended 31 December 2009, was paid on 26 March 2010.

A7. Segment Information

Segmental information is not presented as the Group is primarily engaged in the provision of mobile communication services and its related products in Malaysia.

A8. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter and financial year ended 31 December 2010 up to the date of this report.

A9. Changes in the Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year ended 31 December 2010 including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A10. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2009.

A11. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment and intangible assets not provided for as of 31 December 2010 are as follow:

	RM'000
Approved and contracted for	104,000
Approved but not contracted for	986,000

A12. Related Party Transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions and balances with related parties of the Group during the current financial year:

	Transactions for the year ended 31 Dec 2010 RM'000	**Balance due from/(to) at 31 Dec 2010 RM'000**
With the ultimate holding company and fellow subsidiary companies		
- *Telenor ASA*		(20,724)
Consultancy services rendered	26,131	
- *Telenor Consult AS*		(5,080)
Personnel services rendered	23,546	
- *Telenor Global Services AS*		(1,002)
Sales of interconnection services on international traffic	593	
Purchases of interconnection services on international traffic	6,701	
Purchases of IP transit	803	
- *Telenor LDI Communication (Private) Limited*		75
Sales of interconnection services on international traffic	620	
Purchases of interconnection services on international traffic	1,278	

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A12. Related Party Transactions - Cont'd

	Transactions for the year ended 31 Dec 2010 RM'000	Balance due from/(to) at 31 Dec 2010 RM'000
With the ultimate holding company and fellow subsidiary companies - Cont'd		
- *Total Access Communication Public Company Limited*		83
Sales of international roaming services	349	
Purchases of international roaming services	3,961	
- *DTAC Network Co. Ltd*		881
Sales of interconnection services on international traffic	2,972	
Purchases of interconnection services on international traffic	48	
- *Telenor Norge AS*		(61)
Sales of international roaming services	491	
Purchases of international roaming services	39	
Services rendered on application operations and basic operation for data centre	2,986	

A13. Comparatives

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

	Restated RM'000	Previously stated RM'000
Statement of Financial Position		
Non-current assets		
Property, plant and equipment	2,908,174	2,896,120
Prepaid lease payments	-	12,054

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

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

Financial year ended 31 December 2010 versus financial year ended 31 December 2009
The Group achieved total revenue surpassing RM5.4 billion, 10% higher than the RM4.9 billion achieved in the preceding financial year. Increased usage from an enlarged subscription base of 8.8 million (2009: 7.7 million), inclusion of handset bundles plus rising revenue contributions from data services were the key revenue drivers for the year.

Revenue from data services in particular, proved encouraging; registering a growth of more than 20% year-on-year to RM1.2 billion (2009: RM1.0 billion). This was mainly precipitated by high take-up of smart-phone bundles and attractive mobile broadband offerings launched in the year. However, average revenue per user ("ARPU") dipped to RM52 (2009: RM55); a cumulative result of increased competition on international traffic, a higher proportion of on-net traffic and reduced domestic interconnect revenue following the reduction in mobile termination rate ("MTR") that came into effect in early July 2010.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") grew 13% to RM2.4 billion from previous financial year's RM2.1 billion; a positive effect from the Group's commitment and disciplined efforts in executing planned operational efficiency ("OE") initiatives, coupled with the strong revenue momentum as previously highlighted. Correspondingly, EBITDA margin improved to 44.4% (2009: 43.3%).

Profit before tax ("PBT") and profit after tax ("PAT") for the current financial year stood at RM1.6 billion and RM1.2 billion respectively (2009: RM1.4 billion and RM1.0 billion respectively); resulting in an earnings per share ("EPS") of 151.5 sen for the year; a marked improvement from the 128.7 sen reported in the last financial year.

4th Quarter 2010 versus 4th Quarter 2009
Total revenue of RM1.4 billion in the current quarter was 15% higher than that reported in the 4th Quarter 2009; largely attributed to handset bundles and increased data usage as well as a larger subscriber base. ARPU however, was lower at RM51 (2009: RM54) due mainly to increased competition on international traffic, a higher proportion of on-net traffic plus the MTR reduction which took effect at the start of 3rd Quarter 2010.

Current quarter EBITDA and EBITDA margin of RM653.4 million and 45.7% respectively compared to RM531.2 million and 42.6% reported respectively in the preceding year's same quarter. The significant improvements in both the EBITDA and EBITDA margin were largely a result of cost savings achieved from on-going OE initiatives as well as the increased revenue base in 4th Quarter 2010.

The Group's PBT and PAT for the current quarter were equally impressive at RM450.3 million and RM332.0 million respectively (2009: RM336.9 million and RM246.5 million respectively). Consequently, EPS in 4th Quarter 2010 was 42.7 sen; a significant jump from 31.7 sen as reported in the previous year's same quarter.

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

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

When compared against the immediate preceding quarter, PBT of the Group of RM450.3 million improved by 15%. The main contributors to this increase were higher revenues coming through from increased take-up on smartphone bundles, as well as continued traction in data revenues and OE-initiated reduction in operating expenses.

B3. Prospects For The Next Financial Year Ending 31 December 2011

2010 was a year marked by rapid changes within the telecoms industry. One of the more prominent developments seen thus far is the rising demand for quality internet access in Malaysia, which covers both mobile broadband and mobile internet access on handsets. Overall, data revenue now accounts for more than one-third of total industry revenue. A combination of increasing availability and affordability of smart devices and relevant applications have been positive key drivers of data revenue growth in the past 12 months.

In order to meet our customers' demand for coverage as well as high speed capability and reliability, the Group will continue to invest in expanding our 3G/HSPA network footprint as well as investing in capacity and quality improvements. To cater for the fast growing and future bandwidth requirements for our customers, the Group has also executed a 10-year agreement with TIME dotCom Berhad ("TIME") where TIME will be one of the Group's fibre partners to provide high-speed backhaul capacity.

Cost optimisation or OE will remain an important focus area for the Group to drive margin improvement going forward. In this regard, the Group is working on multiple cost saving initiatives including the implementation and execution of the initiatives agreed in the long-term network collaboration agreement signed between Celcom and the Group.

This network collaboration is geared towards sharing investment, reducing cost and ensuring better asset utilisation, a strategic move for the mature telecommunications industry to be operationally efficient.

The agreement lays the foundation for both parties to consolidate and upgrade over 4,000 sites and fibre transmission network in subsequent phases, geared towards full implementation by 2015. This will begin with an initial phase covering 218 sites from each company.

Full realisation of cash savings is estimated to be in the range of RM2.2 billion combined over 10 years. This is subject to further validation upon completion of the initial phase. Both companies, however, expect to see incremental savings as early as 2012 and gradually ramping up to an average annual savings of RM150 million - RM250 million combined after 2015.

Last quarter, we had mentioned that consultations were under-way between the regulator and the industry on the best way to re-trench and re-allocate relevant spectrum bands to ensure efficient spectrum utilisation and a level playing field. The process is still on-going and the Group will apprise the market accordingly when more information about this important exercise is available.

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

B3. Prospects For The Next Financial Year Ending 31 December 2011 - Cont'd

In terms of outlook for 2011, the Group expects to achieve high single-digit revenue growth. It will also continue to leverage on the success of its current OE focus to drive further margin improvement. Network investment will be on data, capacity and quality improvements and capex spend would be in line with 2010. The Group also expects to improve its operating cash-flow.

These targets will be reviewed periodically by the Board and any subsequent changes will be conveyed to the market in accordance with the Bursa Securities LR.

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

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 2010 were made up as follow:

	Current year quarter 31 Dec 2010 RM'000	Current year ended 31 Dec 2010 RM'000
Current tax	55,396	386,215
Deferred tax	62,887	33,029
Total	118,283	419,244

The effective tax rates for the current quarter and financial year ended 31 December 2010 of 26.3% and 26.2% respectively were higher than the statutory tax rate of 25.0%, mainly due to certain expenses not being 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 2010.

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

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year ended 31 December 2010. There was no investment in quoted shares as at 31 December 2010.

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.

B9. Group Borrowings

	31 December 2010 RM'000
Non-current	
Fixed-rate term loan ("FRTL II")	473,085
Medium-term notes ("MTN I")	299,884
MTN II	250,000
	1,022,969

The above borrowings are denominated in Ringgit Malaysia and unsecured.

The FRTL II of RM475.0 million is repayable on a bullet basis of RM150.0 million each repayment in January 2012 and January 2013, and the final repayment of RM175.0 million in January 2014.

The MTN I with a nominal value of RM300.0 million comprise 2 tranches, which are redeemable at RM100.0 million and RM200.0 million, in July 2012 and July 2014 respectively.

The MTN II with a nominal value of 250.0 million is redeemable in February 2015.

B10. Financial Instruments

As at 31 December 2010, the Group's outstanding foreign currency forward contracts for the purpose of hedging certain foreign currency-denominated payables, were as detailed below:

Type of derivative	Contract value in foreign currency (USD'000)	Notional value (RM'000)	Fair value (RM'000)	Loss arising from fair value changes (RM'000)
Foreign currency forward contracts – Less than 1 year	36,089	112,993	111,648	1,345

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

B10. Financial Instruments - Cont'd

Accounting Policy

The above foreign currency forward contracts were entered into by the Group to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency, arising from the normal business activities; in accordance with the Group's foreign currency hedging policy. In line with the Group's foreign currency hedging policy, hedging is only considered for firm commitments and highly probable transactions of which hedging shall not exceed 100% of the net exposure value. Speculative activities are strictly prohibited. We have adopted a layered approach to hedging, where a higher percentage of hedging will be executed for closer-dated exposures and with time, increase the hedge as the probability of the underlying exposure increases. These derivatives and their underlying exposures will be monitored on an on-going basis.

The cash requirement for settling these foreign currency forward contracts is solely from the Group's working capital, in view of its relative immateriality.

Derivative financial instruments comprise forward contracts in the foreign exchange market. Derivatives are stated at fair value which is equivalent to the marking of the derivatives to market, using prevailing market rates. Derivatives with positive market values (unrealised gains) are included under current assets and derivatives with negative market values (unrealised losses) are included under current liabilities in the statement of financial position. Any gains or losses arising from derivatives held for trading purposes, or changes in fair value on derivatives during the financial year that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are taken directly to the statement of comprehensive income.

Credit Risk Management Policy

The above foreign currency forward contracts were executed only with credit-worthy financial institutions in Malaysia which are governed by appropriate policies and procedures.

B11. Material Litigation

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

B12. Dividends

The Board of Directors has declared a fourth interim dividend of 43.0 sen single-tier exempt dividend per ordinary share in respect of the financial year ended 31 December 2010, which will be paid on 11 March 2011. The entitlement date for the final interim dividend is on 28 February 2011.

A Depositor shall qualify for the entitlement only in respect of:

a) Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 28 February 2011 in respect of transfers; and
b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

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

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year ended 31 December 2010 have been calculated based on the net profit for the financial year attributable to equity holders of the Company of RM332,026,000 and RM1,178,004,000 respectively, and the weighted average number of ordinary shares outstanding during the current quarter and financial year ended 31 December 2010 of 777,500,000.

Diluted Earnings Per Share – Not applicable

B14. Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 31 December 2009 were not subject to any qualification.

B15. Additional Disclosure Requirement – Update on Memorandum of Understanding ("MoU") pursuant to Paragraph 9.29, Chapter 9 of the Main LR

DiGi Telecommunications Sdn Bhd ("DiGi Tel"), together with its major shareholder, Telenor Asia Pte Ltd had on 10 June 2010 entered into a MoU on network collaboration with Axiata Group Berhad and Celcom Axiata Berhad ("Celcom"). Subsequent to the extension of the MoU on 10 December 2010 DiGi Tel and Celcom had on 18 January 2011 entered into a Network Collaboration Agreement ("NCA") to jointly implement the network collaboration in the areas of sites, access transmission (microwave links), aggregation transmission and trunk fibre. Announcement which includes inter-alia, salient terms of the NCA and rationale on the entry into the NCA was made to Bursa Malaysia Securities Berhad on even date. Henceforth, the NCA has now superseded the MoU.

B16. Disclosure of Realised and Unrealised Profits/Losses

	Current year quarter 31 Dec 2010 RM'000
Total retained profits of DiGi.Com Berhad and its subsidiaries:	
- Realised	618,754
- Unrealised	(41,787)
Total	576,967

In compliance with the Bursa Securities LR, no disclosure of comparative figures in relation to the immediate preceding quarter is necessary; this being the interim financial report effecting this new disclosure requirement.

c.c. Securities Commission