# DiGi.COM BERHAD

Company no. 425190-X
(Incorporated in Malaysia)

**Date:** **29 April 2011**

**Subject:** **INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

| **Table of contents** | **Page** |
|---|---|

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

# INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

## CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | CURRENT YEAR QUARTER | PRECEDING YEAR CORRESPONDING QUARTER | CURRENT YEAR ENDED | PRECEDING YEAR ENDED |
| | 31 MAR 2011 RM'000 | 31 MAR 2010 RM'000 | 31 MAR 2011 RM'000 | 31 MAR 2010 RM'000 |
| **Revenue** | **1,430,563** | **1,290,358** | **1,430,563** | **1,290,358** |
| Other income | 12,865 | 1,875 | 12,865 | 1,875 |
| Depreciation and amortisation | (200,462) | (190,667) | (200,462) | (190,667) |
| Other expenses | (786,212) | (716,412) | (786,212) | (716,412) |
| Finance costs | (15,463) | (10,158) | (15,463) | (10,158) |
| Interest income | 5,862 | 3,506 | 5,862 | 3,506 |
| **Profit before tax** | **447,153** | **378,502** | **447,153** | **378,502** |
| Taxation | (115,757) | (100,246) | (115,757) | (100,246) |
| **Profit for the period, representing total recognised income and expenses for the period** | **331,396** | **278,256** | **331,396** | **278,256** |
| **Other comprehensive income** | - | - | - | - |
| **Total comprehensive income for the period** | **331,396** | **278,256** | **331,396** | **278,256** |
| Attributable to: | | | | |
| Owner of the Parent | **331,396** | **278,256** | **331,396** | **278,256** |
| Earnings per share (sen) | | | | |
| - Basic | 42.6 | 35.8 | 42.6 | 35.8 |
| - 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 8)

Note : NA denotes "Not Applicable"

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | AT 31 MAR 2011 RM'000 | AT 31 DEC 2010 RM'000 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | 2,876,687 | 2,959,894 |
| Intangible assets | 809,492 | 845,957 |
| | 3,686,179 | 3,805,851 |
| **Current assets** | | |
| Inventories | 42,877 | 43,099 |
| Trade and other receivables | 409,767 | 437,099 |
| Cash and cash equivalents | 1,000,204 | 850,584 |
| | 1,452,848 | 1,330,782 |
| **TOTAL ASSETS** | 5,139,027 | 5,136,633 |
| **Non-current liabilities** | | |
| Loans and borrowings | 933,086 | 1,076,863 |
| Deferred tax liabilities | 399,713 | 424,491 |
| Provision for liabilities | 17,158 | 17,068 |
| | 1,349,957 | 1,518,422 |
| **Current liabilities** | | |
| Trade and other payables | 1,801,629 | 1,838,378 |
| Derivative financial instruments | 293 | 1,345 |
| Provision for liabilities | 41,022 | 42,217 |
| Deferred revenue | 339,275 | 343,187 |
| Loans and borrowings | 149,669 | - |
| Taxation | 113,489 | 46,462 |
| | 2,445,377 | 2,271,589 |
| **Total liabilities** | 3,795,334 | 3,790,011 |
| **Equity** | | |
| Share capital | 77,750 | 77,750 |
| Reserves | 1,265,943 | 1,268,872 |
| **Total equity – attributable to owners of the parent** | 1,343,693 | 1,346,622 |
| **TOTAL EQUITY AND LIABILITIES** | 5,139,027 | 5,136,633 |
| **Net assets per share (RM)** | 1.73 | 1.73 |

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

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital RM'000 | Share premium RM'000 | Retained earnings RM'000 | Total RM'000 |
|---|---|---|---|---|
| At 1 January 2011 | 77,750 | 691,905 | 576,967 | 1,346,622 |
| Total comprehensive income | - | - | 331,396 | 331,396 |
| Transaction with owners:<br>Dividend for the financial year ended 31 December 2010<br>- fourth interim dividend | - | - | (334,325) | (334,325) |
| At 31 March 2011 | 77,750 | 691,905 | 574,038 | 1,343,693 |
| At 1 January 2010 | 77,750 | 691,905 | 751,813 | 1,521,468 |
| Total comprehensive Income | - | - | 278,256 | 278,256 |
| Transaction with owners:<br>Dividend for the financial year ended 31 December 2009<br>- second interim dividend | - | - | (419,850) | (419,850) |
| At 31 March 2010 | 77,750 | 691,905 | 610,219 | 1,379,874 |

(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 8)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | YEAR ENDED 31 MAR 2011 RM'000 | YEAR ENDED 31 MAR 2010 RM'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit before tax | 447,153 | 378,502 |
| Adjustments for: | | |
| Non-cash items | 254,035 | 252,625 |
| Finance costs | 15,463 | 10,158 |
| Interest income | (5,862) | (3,506) |
| Operating profit before working capital changes | 710,789 | 637,779 |
| Changes in working capital: | | |
| Net change in current assets | (1,666) | (33,140) |
| Net change in current liabilities | (30,495) | 92,264 |
| **Cash generated from operations** | 678,628 | 696,903 |
| Interest paid | (18,238) | (10,859) |
| Government grant received | 24,641 | - |
| Payments for provisions | (50,277) | (52,350) |
| Taxes paid | (73,509) | (80,328) |
| **Net cash generated by operating activities** | 561,245 | 553,366 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment and intangible assets | (80,226) | (84,552) |
| Interest received | 5,845 | 3,181 |
| Proceeds from disposal of property, plant and equipment | 225 | 177 |
| **Net cash used in investing activities** | (74,156) | (81,194) |
| **Cash flows from financing activities** | | |
| Proceeds from borrowings | - | 250,000 |
| Repayment of borrowings | (3,144) | (50,000) |
| Dividend paid | (334,325) | (419,850) |
| **Net cash used in financing activities** | (337,469) | (219,850) |
| **Net increase in cash and cash equivalents** | 149,620 | 252,322 |
| **Cash and cash equivalents at beginning of period** | 850,584 | 430,185 |
| **Cash and cash equivalents at end of period** | 1,000,204 | 682,507 |

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

## 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 2010.

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 2010 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 period beginning on 1 January 2011:

| | |
|---|---|
| FRS 3 | Business Combinations (revised) |
| Amendments to FRS 2 | Share-based Payment |
| Amendments to FRS 2 | Group Cash-settled Share-based Payment Transactions |
| Amendments to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 127 | Consolidated and Separate Financial Statements |
| Amendments to FRS 138 | Intangible Assets |
| Amendments to IC Int. 9 | Reassessment of Embedded Derivatives |
| Amendments to IC Int. 13 | Customer Loyalty Programmes |
| IC Int. 17 | Distributions of Non-cash Assets to Owners |
| IC Int. 4 | Determining Whether an Arrangement contains a lease |
| Amendments to FRS 132 | Classification of Rights Issues |
| Amendments to FRS 1 | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters |
| Amendments to FRS 7 | Improving Disclosure about Financial Instruments |
| Amendments to FRSs | Improvements to FRSs (2010) |

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

### A2. Seasonality or Cyclicality of Interim Operations

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

## NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

### 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 period ended 31 March 2011, other than DiGi Telecomunications Sdn Bhd ("DiGi Tel"), a wholly-owned subsidiary of DiGi.Com Berhad having entered into a Network Collaboration Agreement ("NCA") with Celcom Axiata Berhad ("Celcom") on 18 January 2011, to jointly implement network collaboration in the areas of sites, access transmission (microwave links), aggregation transmission and trunk fibre.

### 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 period ended 31 March 2011.

### A5. Debts and Equity Securities

There were no issuance, repurchase and repayment of debt and equity securities for the current quarter and financial period ended 31 March 2011.

### A6. Dividend Paid

The fourth interim tax exempt (single-tier) dividend of 43.0 sen per ordinary share, amounting to RM334.3 million in respect of the financial year ended 31 December 2010, was paid on 11 March 2011.

### 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 period ended 31 March 2011 up to the date of this report, other than;

(i) DiGi Tel entering into assets replacement arrangements with no volume commitment, with two separate vendors on 6 April 2011, for the modernisation of its entire telecommunications network equipment in relation to its existing sites over a five-year period.

(ii) DiGi Tel entering into a Shareholders Agreement with 23 other parties on 25 April 2011, to form a consortium under the name of Konsortium Rangkaian Serantau Sdn Bhd, for the purpose of implementing one of the Entry Points Project entitled "Region Network" in order to lower the costs of IP transit and domestic bandwidth, via the aggregation of capacity of the parties to secure lower prices from suppliers.

### 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 period ended 31 March 2011 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 2010.

### A11. Capital Commitments

Capital commitments of the Group in respect of property, plant and equipment and intangible assets not provided for as of 31 March 2011 are as follow:

| | RM'000 |
|---|---|
| Approved and contracted for | 124,000 |
| Approved but not contracted for | 991,000 |

### 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 period:

| | Transactions for the period ended 31 Mar 2011 RM'000 | Balance due from/(to) at 31 Mar 2011 RM'000 |
|---|---|---|
| *With the ultimate holding company and fellow subsidiary companies* | | |
| - *Telenor ASA* | | (24,932) |
| Consultancy services rendered | 8,049 | |
| - *Telenor Consult AS* | | (3,975) |
| Personnel services rendered | 5,611 | |
| - *Telenor Global Services AS* | | (708) |
| Sales of interconnection services on international traffic | 25 | |
| Purchases of interconnection services on international traffic | 780 | |
| Purchases of IP transit | 189 | |

## NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

### A12. Related Party Transactions - Cont'd

| | Transactions for the period ended 31 Mar 2011 RM'000 | Balance due from/(to) at 31 Mar 2011 RM'000 |
|---|---|---|
| *With the ultimate holding company and fellow subsidiary companies - Cont'd* | | |
| - *Telenor LDI Communication (Private) Limited* | | 106 |
| Sales of interconnection services on international traffic | 106 | |
| Purchases of interconnection services on international traffic | - | |
| - *Total Access Communication Public Company Limited* | | 521 |
| Sales of international roaming services | 94 | |
| Purchases of international roaming services | 995 | |
| - *DTAC Network Co. Ltd* | | 241 |
| Sales of interconnection services on international traffic | 925 | |
| Purchases of interconnection services on international traffic | 3 | |
| - *Telenor Norge AS* | | 421 |
| Sales of international roaming services | 139 | |
| Purchases of international roaming services | 5 | |
| Services rendered on application operations and basic operation for data centre | 884 | |

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

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

***1st Quarter 2011 versus 1st Quarter 2010***

The Group ended the current quarter with total revenue in excess of RM1.4 billion, up 11% from the same quarter last year. The higher revenue was mainly contributed by increased usage from the larger subscriber base of 8.8 million (2010: 7.9 million), and more importantly increased data revenue which grew 38% year-on-year to RM361.7 million, as well as revenue contribution from handset-bundled offerings. Average revenue per user ("ARPU") declined slightly to RM50 (2010: RM53); a result of new customers coming in at lower spend levels, competitive price pressure as well as reduced domestic interconnect revenue following the lower regulated mobile termination rate which took effect beginning July 2010.

The Group's earnings before interest, tax, depreciation and amortisation ("EBITDA") and EBITDA margin at RM657.2 million and 45.9% respectively, were also higher than the RM575.8 million and 44.6% recorded in the preceding year's same quarter. These marked improvements were a cumulative result of the Group's on-going efforts aimed towards operational excellence ("OE"), over and above the previously highlighted strong revenue growth for the current quarter.

Profit before tax ("PBT") of the Group grew 18% year-on-year to RM447.2 million, while profit after tax ("PAT") stood at RM331.4 million (2010: RM278.3 million). As a result, current quarter earnings per share ("EPS") improved to 42.6 sen (2010: 35.8 sen).

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

The Group's PBT amounting to RM447.2 million was slightly below the RM450.3 million reported in the immediate preceding quarter, in spite of the higher EBITDA at RM657.2 million (2010: RM653.4 million) stemming from increased OE-initiated savings amidst stable revenue quarter-on-quarter. The marginal decline in the PBT was mostly resulted from commencement of accelerated depreciation in relation to soon-to-be-decommissioned sites under the initial phases of the newly-signed NCA between DiGi Tel and Celcom during the current quarter.

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

### B3. Prospects For The Remaining Quarters Up To 31 December 2011

Overall, the Board of Directors is pleased with the Group's performance in the first three months of 2011. Data continues to be a key revenue driver; precipitated by the Group's strong focus on stimulating higher data usage as well as strong up-take of smart bundles and increased adoption of smart-phones in the market. As a result of this focus, at the end of this quarter, the Group had over 4.5 million internet users and foresees demand for data services to continue trending-up going-forward.

Given the anticipated rising demand for quality data services, the Group will continue to prioritise network investments to accelerate coverage and to ensure that our network can cater for higher speed capacity, reliability and quality of service.

Accordingly, the Group is embarking on a network modernisation program to ensure increased network quality, efficiency and coverage. More importantly, this modernisation program will strengthen the Group's competitiveness in the market. This "new" mobile network will also facilitate the delivery of LTE ("long-term evolution") - the next-generation mobile technology capable of delivering maximum theoretical download speeds of up to 172 Mbps when the 4G/LTE spectrum becomes available. This is part of the Group's ambition to enhance customer's connectivity experience and enable richer applications on the mobile platform.

Cost optimisation or OE will remain an important focus area for the Group to drive longer-term margin improvement. In this regard, the Group is working on multiple cost saving initiatives including the on-going execution of the initiatives agreed in the long-term NCA with Celcom.

In addition, the Group also recently announced that it is a shareholder in Konsortium Rangkaian Sdn Bhd. The consortium, formed with 23 other parties, is to implement one of the key Entry Points Project entitled "Regional Network" to lower the costs of IP transit and domestic bandwidth by the aggregation of capacity of the shareholders to secure lower prices from suppliers. In the longer-run, the Group expects to benefit from lower bandwidth costs, which in-turn, could translate into more attractive data service offerings for our customers.

Consultations on the best way to re-trench and re-allocate relevant spectrum bands to ensure efficient spectrum utilisation and a level playing field is still on-going between the regulator and industry players. The Group will apprise the market accordingly when more information about this important exercise is available.

In terms of outlook for the remaining quarters of 2011, the Group maintains its target 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 now be carried-out in accordance with the planned network modernisaton program with completion expected in 2013. Due to favourable pricing levels, the Group anticipates CAPEX spend for 2011 will be around 10% lower than 2010, giving rise to improved operating cash-flow for the year.

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

**B3. Prospects For The Remaining Quarters Up To 31 December 2011 - Cont'd**

As the network modernisation program will result in the replacement of existing equipment on our network, the Board wishes to highlight that the Group will undertake to accelerate depreciation related to these existing equipment in-line with generally accepted accounting practices ("GAAP") beginning from next quarter.

Therefore, the Group's net profit will be impacted; corresponding to the quantum of accelerated depreciation to be reflected in our books over the next 21 to 33 months. The estimated accelerated depreciation will approximate RM400 million to RM450 million in 2011, RM500 million to RM550 million in 2012 and less than RM100 million in 2013; subject to periodic reviews and re-assessment; of which the Board will notify the market accordingly. The accelerated depreciation will not have any adverse impact on the Group's operating cash-flow in the years mentioned above.

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 period ended 31 March 2011 was made up as follows:

| | **Current year quarter and period ended 31 Mar 2011 RM'000** |
|---|---|
| Current tax | 140,535 |
| Deferred tax | (24,778) |
| Total | 115,757 |

The effective tax rates for the current quarter and financial period ended 31 March 2011 of 25.9% was 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 period ended 31 March 2011.

**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 period ended 31 March 2011. There was no investment in quoted shares as at 31 March 2011.

**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 March 2011 RM'000 |
|---|---|
| **Current** | |
| Fixed-rate term loan ("FRTL") | 149,669 |
| | |
| **Non-current** | |
| Fixed-rate term loan ("FRTL") | 323,643 |
| Medium-term notes ("MTN I") | 299,894 |
| MTN II | 250,000 |
| Finance lease obligation | 59,549 |
| | 993,086 |

The above loans and borrowings are denominated in Ringgit Malaysia and unsecured.

The current portion of FRTL of RM150.0 million is repayable in Jan 2012. The non-current portion totaling of RM325.0 million is repayable on a bullet basis of RM150.0 million and RM175.0million in January 2013 and January 2014 respectively.

The MTN I with a nominal value of RM300.0 million comprise two 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 March 2011, 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 one year | 22,573 | 68,702 | 68,409 | 293 |

## 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 period that do not qualify for hedge accounting and the ineffective portion of an effective hedge, are recognised in profit and loss.

**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 first interim tax exempt (single-tier) dividend of 43.0 sen per ordinary share (2010: 35.0 sen per ordinary share) in respect of the financial year ending 31 December 2011, which will be paid on 9 June 2011. The entitlement date for the first interim dividend is on 23 May 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 23 May 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.

Total dividend for the financial year ending 31 December 2011 is 43 sen per ordinary share, excluding the above-mentioned dividend declaration which is subsequent to the current financial reporting period.

**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 period ended 31 March 2011 have been calculated based on the net profit for the financial period attributable to owner of the parent of RM331,396,000 and the weighted average number of ordinary shares outstanding during the current quarter and financial period ended 31 March 2011 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 2010 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

Further to the MoU dated 10 June 2010 on network collaboration with Axiata Group Berhad and Celcom, DiGi Tel had on 18 January 2011 entered into a NCA with Celcom. Henceforth, the update on the said MoU is no longer applicable.

## B16. Disclosure of Realised and Unrealised Profits/Losses

| | **Current year quarter 31 Mar 2011 RM'000** | **Immediate preceding quarter 31 Dec 2010 RM'000** |
|---|---|---|
| Total retained profits of DiGi.Com Berhad and its subsidiaries: | | |
| - Realised | 581,864 | 618,754 |
| - Unrealised | (7,826) | (41,787) |
| Total | 574,038 | 576,967 |

c.c. Securities Commission