DiGi.COM BERHAD

Company no. 425190-X
(Incorporated in Malaysia)

Date: **29 April 2008**

Subject: **INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008**

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DiGi.COM BERHAD
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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MAR 2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2007 RM'000	CURRENT YEAR TO-DATE 31 MAR 2008 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2007 RM'000
Revenue	**1,166,454**	**1,014,872**	**1,166,454**	**1,014,872**
Other income	4,859	2,398	4,859	2,398
Depreciation and amortisation	(163,394)	(160,800)	(163,394)	(160,800)
Other expenses	(615,426)	(520,084)	(615,426)	(520,084)
Finance costs	(3,922)	(3,397)	(3,922)	(3,397)
Interest income	7,075	6,040	7,075	6,040
Profit before tax	**395,646**	**339,029**	**395,646**	**339,029**
Taxation	(105,506)	(93,027)	(105,506)	(93,027)
Profit for the period	**290,140**	**246,002**	**290,140**	**246,002**
Attributable to:				
Equity holders of the Company	**290,140**	**246,002**	**290,140**	**246,002**
Earnings per share (sen)				
- Basic	38.7	32.8	38.7	32.8
- 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 7)

Note : NA denotes "Not Applicable"

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 31 MARCH 2008 RM'000	AT 31 DECEMBER 2007 RM'000
Non-current assets		
Property, plant and equipment	2,669,338	2,676,555
Prepaid lease payments	12,444	12,500
Intangible assets	215,657	251,010
	2,897,439	2,940,065
Current assets		
Inventories	5,754	8,659
Trade and other receivables	363,414	351,623
Cash and cash equivalents	883,684	577,144
	1,252,852	937,426
TOTAL ASSETS	4,150,291	3,877,491
Equity		
Share capital	75,000	75,000
Reserves	1,792,785	1,502,645
Total equity – attributable to equity holders of the Company	1,867,785	1,577,645
Non-current liabilities		
Borrowings	200,000	200,000
Deferred tax liabilities	358,771	355,521
Provision for liabilities	18,683	18,270
	577,454	573,791
Current liabilities		
Trade and other payables	1,107,191	1,180,105
Provision for liabilities	83,585	102,731
Borrowings	100,000	100,000
Deferred revenue	236,508	227,001
Taxation	177,768	116,218
	1,705,052	1,726,055
Total liabilities	2,282,506	2,299,846
TOTAL EQUITY AND LIABILITIES	4,150,291	3,877,491
Net Assets Per Share (RM)	2.49	2.10

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 7)

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2008

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	--------------- Attributable to equity holders of the Company---------------			
		Non-Distributable	*Distributable*	
	Share capital RM'000	**Share premium RM'000**	**Retained earnings RM'000**	**Total RM'000**
At 1 January 2008	75,000	15,151	1,487,494	1,577,645
Profit for the period, representing total recognised income and expenses for the period	-	-	290,140	290,140
At 31 March 2008	75,000	15,151	1,777,634	1,867,785
At 1 January 2007	75,000	15,151	1,662,250	1,752,401
Profit for the period, representing total recognised income and expenses for the period	-	-	246,002	246,002
At 31 March 2007	75,000	15,151	1,908,252	1,998,403

(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 7)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	PERIOD ENDED 31 MARCH 2008 RM'000	PERIOD ENDED 31 MARCH 2007 RM'000
Cash flows from operating activities		
Profit before tax	395,646	339,029
Adjustments for:		
Non-cash items	232,439	219,268
Finance costs	3,922	3,397
Interest income	(7,075)	(6,040)
Operating profit before working capital changes	624,932	555,654
Changes in working capital:		
Net change in current assets	(15,028)	(27,238)
Net change in current liabilities	(60,631)	(269,037)
Cash generated from operations	549,273	259,379
Payments for staff benefits and customer loyalty programmes	(82,353)	(67,055)
Taxes paid	(40,707)	(30,011)
Net cash generated by operating activities	426,213	162,313
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(126,273)	(100,284)
Interest received	6,547	6,163
Proceeds from disposal of property, plant and equipment	53	157
Net cash used in investing activities	(119,673)	(93,964)
Net increase in cash and cash equivalents	306,540	68,349
Cash and cash equivalents at beginning of year	577,144	869,549
Cash and cash equivalents at end of period	883,684	937,898

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 7)

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 2007.

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 2007 except for the mandatory adoption of the following revised Financial Reporting Standards ("FRS") and Issues Committee Interpretations ("IC Interpretation") effective for the financial period beginning on 1 January 2008:

FRS 107	Cash Flow Statements
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 8	Scope of FRS 2

The adoption of the above FRSs and IC Interpretations does not have any significant financial impact to 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 are unusual because of their nature, size or incidence for the current quarter and financial year-to-date ended 31 March 2008.

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-to-date ended 31 March 2008.

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

A5. Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year-to-date ended 31 March 2008.

A6. Dividend Paid

No dividend has been paid for the current quarter and financial year-to-date ended 31 March 2008.

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 ended 31 March 2008 up to the date of this report, other than as disclosed in Note B8 to the Interim Financial Report.

A9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date ended 31 March 2008 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A10. 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 2007.

A11. Capital Commitments

Capital commitments for the Group in respect of property, plant and equipment and intangible assets not provided for as of 31 March 2008 are as follows:

	RM'000
Approved and contracted for	453,000
Approved but not contracted for	588,000

NOTES TO THE INTERIM FINANCIAL REPORT - CONT'D

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 quarter:

	Transactions for the quarter ended 31 March 2008 RM'000	Balance due to at 31 March 2008 RM'000
With the ultimate holding company and fellow subsidiary companies		
- *Telenor ASA*		
Consultancy services rendered	3,445	8,846
- *Telenor Global Services AS*		1,036
Sales of interconnection services on international traffic	120	
Purchase of interconnection services on international traffic	907	
- *Telenor LDI Communication (Private) Limited*		281
Sales of interconnection services on international traffic	224	
Purchase of interconnection services on international traffic	335	
- *Total Access Communication Public Company Limited*		556
Sales of roaming services	106	
Purchase of roaming services	825	
- *Telenor Consult AS*		
Personnel services rendered	3,665	1,486

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

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

The Group registered a 15% revenue growth to reach RM1.17 billion for the current quarter as compared with RM1.01 billion last year. The double digit revenue growth stems from higher traffic usage whilst maintaining the average revenue per user at RM58 (2007: RM59). The Group also gained momentum in subscriber acquisition, recording a 13% increase in subscriber base, to 6.6 million subscribers by end March. This growth came primarily as a result of attractive and innovative products offerings.

Operationally, earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 12% to RM556 million compared with RM497 million last year. Higher EBITDA was largely driven by higher revenue, while higher spending on areas relating to improving customer service and experience as well as the inclusion of transaction costs on the proposed transfer of 3G spectrum impacted EBITDA margin. Accordingly, EBITDA margin of 47.7% was 1.3 percentage point lower than the previous year.

Profit before tax ("PBT") grew by 17% to RM396 million (2007: RM339 million) and profit after tax ("PAT") rose to RM290 million, an 18% increase from last year due mainly to a 1% reduction in corporate tax rate. As such, earnings per share increased to 38.7 sen against 32.8 sen previously.

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

PBT for the current quarter of RM396 million was 2% higher than the RM387 million reported in the preceding quarter. Higher PBT was primarily attributed to the reduction in the depreciation and amortisation expense as a result of a revision in the estimated useful life of an intangible asset, causing a one-off RM27 million increase in this expense in Quarter 4, 2007. Lower depreciation expense was also attributed to a large proportion of the assets base becoming fully depreciated.

Excluding the RM30 million one-time positive revenue adjustment as disclosed in previous quarter, the Group recorded a 2% quarter-on-quarter underlying revenue growth. The Group also strategically increased sales and marketing activities at targeted market segments with the aim to grow market share in this highly competitive environment. Consequently, EBITDA margin reduced to 47.7% as compared with normalised EBITDA margin of 48.5% in Quarter 4, 2007.

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

B3. Prospects For The Remaining Quarters Up To 31 December 2008

Overall the growth prospects of the telecommunications industry remain favorable. Although mobile services are becoming commodities and increased price competition is expected going forward, increased mobile data usage should see operators continue to grow revenue further beyond the voice market.

In this respect, the Board is pleased that the proposed transfer of 3G spectrum should be completed before the middle of the calendar year 2008 and the Group can initiate 3G roll-out within the same financial year. This would give the Group the required network abilities and efficiencies to become more competitive in 3G and broadband services. Nevertheless, any substantial revenues attributable to the 3G related-services are only expected to be generated in the medium to longer term.

After evaluating all relevant factors, the Board of Directors is of the opinion that the internal targets issued in Quarter 4, 2007 are still relevant and achievable based on current market conditions and currently available information.

These are the Group's growth targets for 2008:

- revenue growth at high single digit
- EBITDA margins at mid-40's
- PAT growth around 5%
- capex of RM850 million – RM1.1 billion

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

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.

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

Not applicable.

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

B5. Taxation

The taxation charge for the Group for current quarter and financial year-to-date ended 31 March 2008 was made up as follows:

	Current year quarter and year-to-date 31 March 2008 RM'000
Current tax	102,256
Deferred tax	3,250
Total	105,506

The effective tax rate for the current quarter and financial year-to-date ended 31 March 2008 of 26.7% was higher than the statutory tax rate of 26.0% 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-to-date ended 31 March 2008.

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year-to-date ended 31 March 2008. There was no investment in quoted shares as at 31 March 2008.

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

B8. Status of Corporate Proposals

There has been no further development for those corporate proposals disclosed in the fourth quarter and financial year ended 31 December 2007 other than the following:

Proposed Alliance Between the Company, DiGi Telecommunications Sdn Bhd ("DTSB"), a Wholly-Owned Subsidiary of the Company, TIME dotcom Berhad ("TdC") and TT dotcom Sdn Bhd ("TDSB"), a Wholly-Owned Subsidiary of TdC (Collectively the "Parties")

The Proposed Alliance includes proposals for the:

(i) proposed transfer of the spectrum assignment No. SA/01/2006 over the frequency bands of 1965MHZ-1980MHZ, 2155MHZ-2170MHZ and 2010MHZ-2015MHZ to DTSB to be satisfied via a share issuance of 27,500,000 new ordinary shares of RM0.10 each in the Company credited as fully paid up to TDSB or its nominees ("Proposed Transfer"); and

(ii) proposed joint business planning exercise between the Parties ("Proposed Joint Business Planning")

On 18 April 2008, DTSB and TDSB entered into a service agreement for DTSB to engage TDSB as one of its main suppliers of international and domestic fibre leases/bandwidth. The service agreement is part of the Proposed Joint Business Planning exercise and is a condition precedent to the Definitive Agreement between the Parties dated 25 January 2008.

The Proposed Transfer has obtained the necessary approvals from the shareholders and relevant authorities, and the exercise is expected to be completed before middle of year 2008.

B9. Group Borrowings

	31 March 2008 RM'000
Fixed rate term loan	
- short term	100,000
- long term	200,000
	300,000

The above borrowings of the Group as at 31 March 2008 are denominated in Ringgit Malaysia and unsecured. The loan is repayable on a bullet basis of RM100.0 million each repayment in April 2008, April 2009 and April 2010 respectively.

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

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

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, in respect of the financial year ended 31 December 2007 will be paid on 30 May 2008. The entitlement date for the dividend payment is on 20 May 2008.

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 20 May 2008 in respect of transfers; and
b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter ended 31 March 2008 has been calculated based on the profit for the period attributable to equity holders of the Company of RM290,140,000 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

B14. Auditors' Report on Preceding Annual Financial Statements

The latest audited financial statements for the financial year ended 31 December 2007 were not subject to any qualification.

c.c Securities Commission