

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

6 May 2003

KUALA LUMPUR STOCK EXCHANGE
9th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

DiGi.COM BERHAD
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 1 JAN 2003 TO 31 MAR 2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 1 JAN 2002 TO 31 MAR 2002 RM'000	CURRENT YEAR TO-DATE 1 JAN 2003 TO 31 MAR 2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 1 JAN 2002 TO 31 MAR 2002 RM'000
Revenue	394,510	287,772	394,510	287,772
Operating expenses	(230,602)	(182,827)	(230,602)	(182,827)
Depreciation and amortisation	(103,902)	(42,304)	(103,902)	(42,304)
Other operating income	488	2,648	488	2,648
Profit from operations	60,494	65,289	60,494	65,289
Finance costs	(18,408)	(15,796)	(18,408)	(15,796)
Interest income	1,491	829	1,491	829
Profit before taxation	43,577	50,322	43,577	50,322
Taxation	(13,670)	(14,000)	(13,670)	(14,000)
Profit after taxation	29,907	36,322	29,907	36,322
Minority interest	-	-	-	-
Net Profit for the period	29,907	36,322	29,907	36,322
Earnings per share (sen)				
- Basic	4.0	4.8	4.0	4.8
- 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 8)

Note : NA denotes "Not Applicable"

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 31 MARCH 2003 RM'000	AT 31 DECEMBER 2002 (AUDITED) RM'000
Property, plant and equipment	2,468,994	2,494,506
Intangible asset	45,978	46,963
Deferred expenditure	46,961	43,265
Current assets		
Inventories	10,530	11,101
Trade and other receivables	163,570	167,010
Cash and cash equivalents	268,154	245,672
	442,254	423,783
Current liabilities		
Trade and other payables	566,054	664,606
Deferred revenue	104,237	104,443
Borrowings	120,024	106,138
	790,315	875,187
Net current liabilities	(348,061)	(451,404)
	2,213,872	2,133,330
Financed By :		
Capital and Reserves		
Share capital	750,000	750,000
Reserves	597,522	567,615
Shareholders' funds	1,347,522	1,317,615
Long term liabilities		
Borrowings	842,251	805,441
Deferred tax liability	21,570	7,900
Retirement benefits	2,529	2,374
	2,213,872	2,133,330
Net Tangible Assets Per Share (RM)	1.67	1.64

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

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2003

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2003	750,000	352,651	214,964	1,317,615
Net profit for the period	-	-	29,907	29,907
At 31 March 2003	<u>750,000</u>	<u>352,651</u>	<u>244,871</u>	<u>1,347,522</u>
At 1 January 2002	750,000	352,651	114,094	1,216,745
Net profit for the period	-	-	36,322	36,322
At 31 March 2002	<u>750,000</u>	<u>352,651</u>	<u>150,416</u>	<u>1,253,067</u>

(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 8)

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2003

	RM'000
Cash flows from operating activities	
Profit before taxation	43,577
Adjustments for non-cash flow:	
Non-cash items	104,513
Finance costs	18,408
Interest income	(1,491)
Operating profit before working capital changes	<u>165,007</u>
Changes in working capital:	
Net change in current assets	3,194
Net change in current liabilities	(84,330)
Cash generated from operations	<u>83,871</u>
Finance costs	(36,227)
Net cash generated by operating activities	<u>47,644</u>
Cash flows from investing activities	
Acquisition of property, plant and equipment	(77,596)
Interest income	1,738
Net cash used in investing activities	<u>(75,858)</u>
Cash flows from financing activities	
Proceeds from bank borrowings	90,231
Repayment of bank borrowings	(39,535)
Net cash generated by financing activities	<u>50,696</u>
Net increase / (decrease) in cash and cash equivalents	22,482
Cash and cash equivalents at beginning of year	245,672
Cash and cash equivalents at end of period	<u><u>268,154</u></u>

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, 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 2002.

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 2002.

A2. Seasonality or Cyclicalities 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 2003.

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 2003.

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 2003.

A6. Dividend Paid

No dividend has been paid for the current quarter and financial year-to-date ended 31 March 2003.

A7. Segment Information

Segment information is presented in respect of the Group's business segment. The segment revenue and segment result by business segment for the financial year-to-date ended 31 March 2003 were as follows:

	Mobile RM'000	International RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	340,658	50,768	3,084	-	394,510
Inter-segment *			1,493	(1,493)	-
Total Revenue	340,658	50,768	4,577	(1,493)	394,510
Segment Result	71,011	3,401	(4,666)	-	69,746
Unallocated expenses					(9,252)
Profit from operations					60,494

* Inter-segment pricing carried out in the Group are based on an arms-length basis.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A8. Property, Plant and Equipment

Significant acquisition of the items of property, plant and equipment for the current quarter and financial year-to-date ended 31 March 2003 is as follows:

Items of property, plant and equipment	RM'000
Telecommunications network: Acquisition - At Cost	64,250

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.

A9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter ended 31 March 2003 up to the date of this report.

A10. 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 2003 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A11. 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 2002.

A12. Capital Commitments

	Group 31 March 2003 RM'000
Property, plant and equipment:	
Authorised and contracted for	143,000
Authorised but not contracted for	375,000

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A13. 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 quarter:

	Transactions for the quarter ended 31 March 2003 RM'000	Balance due from/(to) at 31 March 2003 RM'000
<i>With the intermediate holding company</i>		
<i>- Telenor Mobile Communications AS</i>		
Professional and personnel services rendered	2,343	(1,699)
	<u> </u>	<u> </u>
<i>With a fellow subsidiary company</i>		
<i>- Telenor Global Services AS</i>		
Sales of interconnection services on international traffic	790	1,202
Purchase of interconnection services on international traffic	364	(699)
	<u> </u>	<u> </u>
<i>With companies in which a Director of the company, Tan Sri Dato' Seri Vincent Tan Chee Yioun has an interest</i>		
Berjaya General Insurance Bhd. Insurance premiums paid/payable	394	(32)
Berjaya Registration Services Sdn. Bhd. Printing and mailing services rendered	787	(766)
Convenience Shopping Sdn. Bhd. Sales of reload coupons	3,119	1,208
Cosway (M) Sdn. Bhd. Sales of reload coupons	1,686	1,604
	<u> </u>	<u> </u>

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A14. Comparatives

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

Condensed Consolidated Income Statements	Quarter ended 31 March 2002	
	As restated RM'000	As previously reported RM'000
Depreciation and amortisation	42,304	38,711
Finance Costs	15,796	15,924

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

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

Revenue for the current quarter ended 31 March 2003 increased by 37.1% to RM394.5 million from RM287.8 million recorded in the previous corresponding quarter. The higher revenue achieved was largely contributed by the mobile segment which was driven by the increase in its mobile customer base. The results were however impacted by the higher depreciation and amortisation expense arising from the increase in depreciation rates for the affected classes of property, plant and equipment effective since 1 July 2002 in the last financial year. Consequently, the Group achieved profit before taxation of RM43.6 million for the current quarter which was 13.3% lower than the RM50.3 million recorded for the previous corresponding quarter.

As a result, the Group's profit after taxation of RM29.9 million was 17.6% lower than the RM36.3 million recorded in the previous corresponding quarter while earnings per share was 4.0 sen as compared with 4.8 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

The Group's profit before taxation increased by 27.5% to RM43.6 million for the current quarter as compared with RM34.2 million in the preceding quarter. The higher profit before taxation was mainly attributed to the 6.7% increase in revenue, largely contributed by the mobile segment which was driven by the higher customer base.

B3. Prospects For The Remaining Quarters Up To 31 December 2003

Amidst the uncertainties in the current economic environment, the Group is continuing with its focus on increasing its customer base and the revenue by leveraging on its improved network quality, capacity and coverage and delivering value added services.

Although greater challenges are anticipated with the expected completion of the consolidation of the telecommunications industry, barring any unforeseen circumstances, the Directors expect the results of the Group for the remaining quarters up to 31 December 2003 to be good.

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

Not applicable.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS – CONT'D

B5. Taxation

The taxation charge for the current quarter and financial year-to-date ended 31 March 2003 is made up as follows:

	RM'000
Current tax expense	-
Deferred tax expense	13,670
Total	13,670

There was no current tax expense for the current quarter and financial year-to-date ended 31 March 2003 as the taxable income was absorbed by brought forward capital allowances.

The effective tax rate for the current quarter and financial year-to-date ended 31 March 2003 of 31.4% was higher than the statutory tax rate of 28.0% as certain expenses and provisions 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 2003.

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year-to-date ended 31 March 2003. There was no investment in quoted shares as at 31 March 2003.

B8. Status of Corporate Proposals

There was no corporate proposal announced but not completed in the interval from the date of the last quarterly report and the date of this announcement.

B9. Group Borrowings

Details of Group Borrowings are as follows:

Borrowings	31 March 2003 RM'000
<u>Secured</u>	
Short term : Denominated in Ringgit Malaysia	70,624
Short term : Denominated in US Dollar	49,400
	120,024
<u>Secured</u>	
Long term : Denominated in Ringgit Malaysia	743,451
Long term : Denominated in US Dollar	98,800
	842,251
Total	962,275

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2003

**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
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

No final dividend has been recommended for the current quarter ended 31 March 2003.

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter ended 31 March 2003 has been calculated based on the net profit attributable to ordinary shareholders of RM29,907,000 and the weighted average number of ordinary shares outstanding during the quarter of 750,000,000.

Diluted Earnings Per Share

Not applicable.

c.c Securities Commission