

**TELEKOM MALAYSIA BERHAD (128740-P)**

(Incorporated in Malaysia)

The Board of Directors of Telekom Malaysia Berhad is pleased to announce the following audited results of the Group for the financial year ended 31 December 2006.

**AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2006 RM Million	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2005 RM Million	CURRENT YEAR TO DATE 31/12/2006 RM Million	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2005 RM Million
OPERATING REVENUE	<b>4,407.8</b>	3,754.0	<b>16,399.2</b>	13,942.4
DEPRECIATION AND AMORTISATION	<b>(1,042.5)</b>	(905.9)	<b>(4,039.0)</b>	(3,444.5)
PROVISION FOR A CLAIM	-	(879.5)	-	(879.5)
OTHER OPERATING COSTS	<b>(2,470.6)</b>	(2,429.9)	<b>(9,048.1)</b>	(8,393.5)
OTHER OPERATING INCOME	<b>110.1</b>	174.0	<b>178.5</b>	543.9
OPERATING PROFIT/(LOSS) BEFORE FINANCE COST	<b>1,004.8</b>	(287.3)	<b>3,490.6</b>	1,768.8
Finance Income	<b>52.9</b>	69.4	<b>234.0</b>	313.0
Finance Cost	<b>(130.6)</b>	(191.3)	<b>(621.9)</b>	(663.4)
NET FINANCE COST	<b>(77.7)</b>	(121.9)	<b>(387.9)</b>	(350.4)
JOINTLY CONTROLLED ENTITIES				
- share of results (net of tax)	<b>(15.2)</b>	(3.7)	<b>10.6</b>	(3.7)
ASSOCIATES				
- share of results (net of tax)	<b>0.4</b>	31.0	<b>19.9</b>	14.2
- gain on dilution/disposal	-	0.5	-	91.5
PROFIT/(LOSS) BEFORE TAXATION	<b>912.3</b>	(381.4)	<b>3,133.2</b>	1,520.4
TAXATION	<b>(226.0)</b>	(336.7)	<b>(830.9)</b>	(664.9)
PROFIT/(LOSS) FOR THE YEAR	<b>686.3</b>	(718.1)	<b>2,302.3</b>	855.5
ATTRIBUTABLE TO:				
- equity holders of the Company	<b>631.6</b>	(701.3)	<b>2,068.8</b>	811.3
- minority interests	<b>54.7</b>	(16.8)	<b>233.5</b>	44.2
PROFIT/(LOSS) FOR THE YEAR	<b>686.3</b>	(718.1)	<b>2,302.3</b>	855.5
EARNINGS/(LOSS) PER SHARE (sen) (Note B12)				
- basic	<b>18.6</b>	(20.7)	<b>61.0</b>	23.9
- diluted	<b>18.6</b>	(20.6)	<b>60.8</b>	23.9
DIVIDENDS PER SHARE (sen) (Note B13)				
- interim - gross	-	-	<b>16.0</b>	-
- tax-exempt	-	-	-	10.0
- final - gross	<b>30.0</b>	25.0	<b>30.0</b>	25.0

(The above Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005)

**AUDITED CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2006**

	<b>AS AT END OF CURRENT QUARTER 31/12/2006 (AUDITED)</b>	<b>AS AT PRECEDING FINANCIAL YEAR END 31/12/2005 (AUDITED)</b>
	<b>RM Million</b>	<b>RM Million</b>
SHARE CAPITAL	3,397.6	3,391.5
SHARE PREMIUM	3,941.9	3,904.2
RESERVES	12,571.6	11,691.7
<b>TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>	<b>19,911.1</b>	<b>18,987.4</b>
MINORITY INTERESTS	836.5	654.0
<b>TOTAL EQUITY</b>	<b>20,747.6</b>	<b>19,641.4</b>
Borrowings	10,282.8	10,801.7
Deferred tax liabilities	2,261.9	2,368.7
Provision for liabilities	64.6	65.0
<b>DEFERRED AND LONG TERM LIABILITIES</b>	<b>12,609.3</b>	<b>13,235.4</b>
	<b>33,356.9</b>	<b>32,876.8</b>
INTANGIBLE ASSETS	7,059.1	6,971.7
PROPERTY, PLANT AND EQUIPMENT	24,026.5	22,320.9
LAND HELD FOR PROPERTY DEVELOPMENT	168.4	170.7
JOINTLY CONTROLLED ENTITIES	807.5	137.5
ASSOCIATES	220.6	102.7
INVESTMENTS	226.7	258.0
LONG TERM RECEIVABLES	557.7	595.8
DEFERRED TAX ASSETS	115.6	196.5
Non-current asset held for sale	24.0	-
Inventories	172.8	204.2
Trade and other receivables	3,464.1	3,536.0
Short term investments	320.1	274.7
Cash and bank balances	4,680.4	6,415.6
<b>CURRENT ASSETS</b>	<b>8,661.4</b>	<b>10,430.5</b>
Trade and other payables	5,740.9	5,980.9
Customer deposits	718.9	730.2
Borrowings	1,803.1	1,414.1
Current tax liabilities	223.7	182.3
<b>CURRENT LIABILITIES</b>	<b>8,486.6</b>	<b>8,307.5</b>
<b>NET CURRENT ASSETS</b>	<b>174.8</b>	<b>2,123.0</b>
	<b>33,356.9</b>	<b>32,876.8</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)</b>	<b>586.0</b>	<b>559.9</b>

**(The above Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005)**

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	Attributable to equity holders of the Company						
	Issued and Fully Paid of RM1 each	Non-distributable			Distributable		Total Equity RM Million
	Share Capital RM Million	Share Premium RM Million	Currency		Retained Profits RM Million	Minority Interests RM Million	
			Translation	ESOS			
Differences			Reserves				
	RM Million	RM Million	RM Million	RM Million	RM Million	RM Million	RM Million
At 1 January 2006							
- as previously reported	3,391.5	3,904.2	(251.2)	-	12,339.6	654.0	20,038.1
- prior year adjustment - change in accounting policy (refer to Note A14(c)(v))	-	-	-	-	(396.7)	-	(396.7)
- as restated	3,391.5	3,904.2	(251.2)	-	11,942.9	654.0	19,641.4
Currency translation differences arising during the year	-	-	(31.2)	-	-	(2.5)	(33.7)
Net loss not recognised in the Income Statement	-	-	(31.2)	-	-	(2.5)	(33.7)
Profit for the year	-	-	-	-	2,068.8	233.5	2,302.3
Total recognised (expense)/income for the year	-	-	(31.2)	-	2,068.8	231.0	2,268.6
Transaction with minority interest	-	-	-	-	(180.8)	(77.4)	(258.2)
Acquisition of equity interest in subsidiaries	-	-	-	-	-	28.1	28.1
Dilution of equity interest in subsidiaries	-	-	-	-	-	23.6	23.6
Final dividends paid for the year ended 31 December 2005 (Note A7)	-	-	-	-	(610.9)	-	(610.9)
Interim dividends paid for the year ended 31 December 2006 (Note A7 & B13)	-	-	-	-	(391.0)	-	(391.0)
Dividends paid to minority interests	-	-	-	-	-	(33.6)	(33.6)
Employees' share option scheme (ESOS)							
- shares issued	6.1	37.7	-	-	-	-	43.8
- options granted	-	-	-	25.0	-	10.8	35.8
<b>At 31 December 2006</b>	<b>3,397.6</b>	<b>3,941.9</b>	<b>(282.4)</b>	<b>25.0</b>	<b>12,829.0</b>	<b>836.5</b>	<b>20,747.6</b>

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005)

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2005**

	Attributable to equity holders of the Company						Total Equity RM Million
	Issued and Fully Paid of RM1 each	Non-distributable			Distributable		
	Share Capital RM Million	Share Premium RM Million	Currency		Retained Profits RM Million	Minority Interests RM Million	
			Translation Differences RM Million	ESOS Reserves RM Million			
At 1 January 2005							
- as previously reported	3,382.4	3,848.5	(258.3)	-	12,480.7	287.8	19,741.1
- prior year adjustment - change in accounting policy (refer to Note A14(c)(v))	-	-	-	-	(332.8)	-	(332.8)
- as restated	3,382.4	3,848.5	(258.3)	-	12,147.9	287.8	19,408.3
Currency translation differences arising during the year	-	-	7.1	-	-	(25.1)	(18.0)
Net gain/(loss) not recognised in the Income Statement	-	-	7.1	-	-	(25.1)	(18.0)
Profit for the year	-	-	-	-	811.3	44.2	855.5
Total recognised income for the year	-	-	7.1	-	811.3	19.1	837.5
Acquisition of equity interest in subsidiaries	-	-	-	-	-	304.7	304.7
Partial disposal of equity interest in a subsidiary	-	-	-	-	-	24.5	24.5
Dilution of equity interest in subsidiaries	-	-	-	-	-	27.9	27.9
Final dividends paid for the year ended 31 December 2004	-	-	-	-	(677.3)	-	(677.3)
Interim dividends paid for the year ended 31 December 2005	-	-	-	-	(339.0)	-	(339.0)
Dividends paid to minority interests	-	-	-	-	-	(22.6)	(22.6)
Employees' share option scheme (ESOS) - share issued	9.1	55.7	-	-	-	-	64.8
Issue of shares to minority interests	-	-	-	-	-	12.6	12.6
<b>At 31 December 2005</b>	<b>3,391.5</b>	<b>3,904.2</b>	<b>(251.2)</b>	<b>-</b>	<b>11,942.9</b>	<b>654.0</b>	<b>19,641.4</b>

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005)

**AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

	FOR THE TWELVE MONTHS ENDED 31/12/2006 RM Million	FOR THE TWELVE MONTHS ENDED 31/12/2005 RM Million
Receipts from customers	16,180.9	13,750.2
Payments to suppliers and employees	(8,787.4)	(6,978.8)
Payment of compensation	(874.0)	-
Payment of finance cost	(648.8)	(700.5)
Payment of income taxes	(530.9)	(621.2)
Tax refund	-	54.6
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>5,339.8</b>	<b>5,504.3</b>
Disposal of property, plant and equipment	41.4	61.0
Purchase of property, plant and equipment	(5,698.7)	(4,160.6)
Payment of intangible asset (Telecommunication and Spectrum Licence)	(192.5)	(8.0)
Disposal of long term investments	157.3	61.8
Disposal of short term investments	147.0	81.0
Purchase of short term investments	(166.2)	(227.4)
Acquisition of subsidiaries (net of cash acquired)	(39.4)	(2,750.5)
Additional investment in subsidiaries	(265.4)	(3.5)
Partial disposal of a subsidiary	3.5	185.2
Investment in a jointly controlled entity	(659.4)	(141.2)
Acquisition of an associate	(124.8)	-
Repayments of loans by employees	112.2	116.9
Loans to employees	(52.2)	(70.3)
Interest received	226.8	337.2
Dividend received	7.2	4.7
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(6,503.2)</b>	<b>(6,513.7)</b>
Issue of share capital	43.8	64.8
Issue of share capital to minority interests	20.7	142.6
Proceeds from borrowings	2,344.9	786.5
Repayments of borrowings	(1,875.7)	(1,284.2)
Dividends paid to shareholders	(1,001.9)	(1,016.3)
Dividends paid to minority interests	(33.6)	(22.6)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(501.8)</b>	<b>(1,329.2)</b>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,665.2)	(2,338.6)
EFFECT OF EXCHANGE RATE CHANGES	(69.4)	(32.8)
EFFECT OF EXCLUSION FROM CONSOLIDATION OF A FORMER SUBSIDIARY	-	(18.7)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	6,401.0	8,791.1
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>4,666.4</b>	<b>6,401.0</b>

(The above Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2005)