



TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2009.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/3/2009	Preceding year corresponding quarter 31/3/2008	Three months to 31/3/2009	Three months to 31/3/2008
	RM'000	RM'000	RM'000	RM'000
1. (a) Operating revenue	74,005	66,041	74,005	66,041
(b) Operating expenses				
- depreciation, impairment and amortisation	(11,465)	(40,812)	(11,465)	(40,812)
- other operating expenses	(66,633)	(66,306)	(66,633)	(66,306)
(c) Other operating income (net)	<u>1,330</u>	<u>1,677</u>	<u>1,330</u>	<u>1,677</u>
(d) Loss from operations	(2,763)	(39,400)	(2,763)	(39,400)
(e) Loss on disposal of an investment	(23,052)	-	(23,052)	-
(f) Investment income	1,050	1,080	1,050	1,080
(g) Finance expenses	<u>(9,917)</u>	<u>(17,657)</u>	<u>(9,917)</u>	<u>(17,657)</u>
(k) Loss before income tax	(34,682)	(55,977)	(34,682)	(55,977)
(l) Income tax	<u>(10)</u>	<u>(105)</u>	<u>(10)</u>	<u>(105)</u>
(m) Loss for the period	<u>(34,692)</u>	<u>(56,082)</u>	<u>(34,692)</u>	<u>(56,082)</u>
Attributable to:				
(n) Equity holders of the Company	<u>(34,692)</u>	<u>(56,082)</u>	<u>(34,692)</u>	<u>(56,082)</u>
2. Loss per share based on 1(n) above				
(a) Basic (based on 2009: 2,530,775,000 [2008: 2,530,775,000] ordinary shares)	(1.37 sen)	(2.22 sen)	(1.37 sen)	(2.22 sen)

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at end of current quarter 31/3/2009 RM'000	Audited As at preceding financial year end 31/12/2008 RM'000
ASSETS		
1. Non-current assets		
Property, plant & equipment	31,016	30,664
Prepaid land lease payments	2,547	2,609
Telecommunications network	303,002	297,471
Other Investment	1,196,722	1,196,722
	1,533,287	1,527,466
2. Current assets		
Receivables, deposits and prepayments	93,550	135,532
Cash and cash equivalents	127,658	138,595
	221,208	274,127
3. Assets of disposal group classified as held for sale	23,974	504,670
Total assets	1,778,469	2,306,263
EQUITY AND LIABILITIES		
4. Equity attributable to equity holders of the Company		
Share capital	2,530,775	2,530,775
Share premium	1,570,758	1,570,758
Accumulated losses	(3,103,579)	(3,068,887)
Total equity	997,954	1,032,646
5. Non-current liabilities		
Loans and borrowings	533,410	613,410
	533,410	613,410
6. Current liabilities		
Payables and accruals	155,444	140,777
Loans and borrowings	75,987	505,900
	231,431	648,071
7. Liabilities of disposal group classified as held for sale	15,674	12,136
Total liabilities	780,515	1,273,617
Total equity and liabilities	1,778,469	2,306,263
8. Net assets per share attributable to ordinary equity holders of the Company	RM 0.39	RM 0.41

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.



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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Three months to 31/3/2009	Unaudited Three months to 31/03/2008
	RM'000	RM'000
Operating Activities		
Cash receipts from customers	62,702	72,824
Cash payments to suppliers	(38,577)	(43,105)
Cash payments to employees and for administrative expenses	(17,828)	(20,958)
Cash used in available for sale	(1,545)	-
Cash generated from operations	4,752	8,761
Taxes paid	-	(202)
Net cash generated from operating activities	4,752	8,559
Investing Activities		
Purchase of property, plant and equipment and telecommunications network	(11,083)	(14,971)
Purchase of property, plant and equipment for USP Project	-	(89)
Interest received	422	683
Cash used in available for sale	(1,196)	-
Net cash used in investing activities	(11,857)	(14,377)
Net change in Cash and Cash Equivalents	(7,105)	(5,818)
Cash and Cash Equivalents as at beginning of financial period	89,648	92,172
Cash and Cash Equivalents as at end of financial period	82,543	86,354

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.



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IV. CONDENSED CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Unaudited Three months to 31/3/2009	Unaudited Three months to 31/03/2008
	RM'000	RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Bank and cash balances	2,253	6,886
Deposits with licensed banks	80,290	79,468
As per Condensed Consolidated Cash flow	82,543	86,354
Restricted deposit	45,115	50,000
As per Condensed Consolidated Balance Sheet	127,658	138,595

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.



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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2009 (unaudited)				
Balance as at 1 January 2009	2,530,775	1,570,758	(3,068,887)	1,032,646
Loss for the period	-	-	(34,692)	(34,692)
Balance as at 31 March 2009	<u>2,530,775</u>	<u>1,570,758</u>	<u>(3,103,579)</u>	<u>997,954</u>

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2008 (unaudited)				
Balance as at 1 January 2008	2,530,775	1,570,758	(2,119,257)	1,982,276
Loss for the period	-	-	(56,082)	(56,082)
Balance as at 31 March 2008	<u>2,530,775</u>	<u>1,570,758</u>	<u>(2,175,339)</u>	<u>1,926,194</u>

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.

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V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2008.

1. Accounting policies and methods of computation

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

2. Audit report in respect of the 2008 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2008 was not qualified.

3. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income, or cash flows that were unusual because of their nature, size or incidence in the current period except as disclosed below:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
Income Statement	31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
Loss on disposal of DiGi shares (note 15)	(23,052)	-	(23,052)	
	<u>(23,052)</u>	<u>-</u>	<u>(23,052)</u>	<u>-</u>

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have material effect in the current

6. Debt and equity securities

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 31 March 2009.

7. Dividend

The Directors do not recommend the payment of an interim dividend for the current financial period ended 31 March 2009 (2008: Nil).

8. Segment information for the current financial period

No segment analysis is prepared as the Group is principally engaged in the telecommunications industry business in Malaysia.



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9. Material events subsequent to the end of the current financial quarter

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2009 to the date of this announcements which would substantially affect the financial results of the Group for the three months ended 31 March 2009 that have not been reflected in the condensed financial statements except as disclosed below:-

Disposal of Time Reach Sdn Bhd

The disposal of the Company's entire equity interest in TIME Reach Sdn Bhd ("TRSB") to PayComm Sdn Bhd which was announced in the immediate preceding quarter has been completed on 15 April 2009 for a cash consideration of RM8,300,000.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations.

11. Disposal group asset / liabilities held for sales

Payphone businesses is presented as a disposal group held for sale following the disposal of the Company's entire equity interest in Time Reach Sdn Bhd ("TRSB") to PayComm Sdn Bhd for a cash consideration of RM8,300,000.

Other investment held by the Group through its subsidiary, Hakikat Pasti Sdn Bhd ("HPSB") which was classified as held for sales in immediate preceeding quarter financial statements has been disposed off as disclosed in Note 15.

The major classes of disposal group asset and liabilities held for sale are as follows:

	As at 31/3/2009 RM'000	As at 31/12/2008 RM'000
Assets:		
Inventory	10	1
Property, plant and equipment	5,814	4,071
Prepaid leased payment	1,978	1,978
Telecommunication Networks	2,942	2,007
Receivables	2,407	2,693
Cash and bank balances	10,823	9,686
Assets held for sale by TRSB	23,974	20,436
Asset held for sale by HPSB	-	484,234
Asset of disposal group classified as held or sales	23,974	504,670
Liabilities		
Payables	15,674	12,136
Liabilities of disposal group classified as held for sale	15,674	12,136

12. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement.

13. Capital commitments

There are no other material capital commitments except as disclosed below:

	RM'000
a) Approved and contracted for:	
Purchase and construction of telecommunications infrastructure	57,569
b) Approved but not contracted for:	
Purchase and construction of telecommunications infrastructure and license	3,926



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14. Income tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	31/3/2009	31/3/2008	31/3/2009	31/3/2009
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	(10)	(105)	(10)	(105)

Tax expense was provided for interest income earned during the period.

15. Disposal of unquoted/quoted investments and/or properties

There were no disposals of unquoted investments and/or properties in the current period except as disclosed below.

On 15 January 2009, the Groups through its subsidiary, Hakikat Pasti Sdn Bhd ("HPSB") has disposed a total of 22,500,000 DiGi Shares ("Disposal Shares"), representing about 2.9% of the existing issued and paid-up share capital of DiGi. The total cost of investment for the Disposal Shares was RM484.23 million or equivalent to RM21.52 per DiGi Share. Nevertheless, since it first held the Disposal Shares (i.e. the 22,500,000 DiGi Shares) in November 2007, the Group has received an aggregate net dividend income of RM43.43 million (or equivalent to about RM1.93 per share) in respect of these shares. The proceeds from the disposal were used to repay the short term loan secured over the shares as disclosed in Note 19.

16. Acquisitions and disposals of quoted securities

There were no acquisitions and disposals of quoted securities in the current quarter except as disclosed in Note 15.

16(a). Investments in quoted securities

Total investments in quoted securities are as follows:-

	RM'000
Other Investment at Cost	1,281,972
Less: Provision for diminution in value	<u>(85,250)</u>
Total Investment	<u>1,196,722</u>
Other Investment at market value	<u>1,171,300</u>

All DiGi shares are pledged as security for the loans (Note 19). The Directors in the opinion that the reduction in market value was temporary, as such no further provision for diminution in value of investment was made for the current quarter.

17. Status of corporate proposals announced but not completed as at the date of this announcement

There are no corporate proposals announced but not completed as at the date of this announcement.



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18. Post Balance Sheet event

There are no post balance sheet events announced except as follows:-

Disposal of Time Reach Sdn Bhd

The disposal of the Company's entire equity interest in TIME Reach Sdn Bhd ("TRSB") to PayComm Sdn Bhd as per announcement in the immediate preceding quarter has been completed on 15 April 2009 for a cash consideration of RM8,300,000.

19. Loans and Borrowings

Group borrowing and debt securities as at 31 March 2009 are as follows.

	Loans and borrowings
Long Term and Short Term Secured Bank Loan	RM'000
As at 1 January 2009	1,119,310
Loan Repayment	<u>(509,913)</u>
As at 31 March 2009	<u>609,397</u>

The bank loans are secured over all the DiGi Shares as per note 16 and an escrow account is created to capture dividends from the pledged securities.

20. Off Balance Sheet financial instruments

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

21. Material litigation

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

22. Comparison between the current quarter and the immediate preceding quarter

Revenue for the current quarter of RM74.0 million has increased by 1.4% as compared to the immediate preceding quarter of RM73.0 million. The increase was mainly due to higher data revenue by RM4.8 million offset by reduction in voice revenue of RM3.8 million.

The loss after tax for the current quarter was RM34.7 million as compared to loss of RM1,492.1 million for the immediate preceding quarter. The improved in loss before tax is due to exclusion of the impairment losses on goodwill and telecommunications network, write off of telecommunications network and written down of inventories amounted to RM1,218.5 million as well as provision for diminution in value of investment in DiGi shares by RM85.3 million in the immediate preceding quarter of 2008.

23. Review of performance for the current quarter and year-to-date

The revenue for the current quarter was RM74.0 million as compared to RM66.0 million in the corresponding period in 2008. The higher revenue is mainly due to the higher data revenue by RM13.9 million offset by reduction in voice revenue of RM5.9 million..

The Group posted a current quarter loss before income tax of RM34.7 million compared to RM56.0 million in the corresponding period in 2008. The lower loss was mainly due to lower depreciation and finance charge in the current quarter offset by loss on disposal of DiGi shares of RM23.1 million.

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24. Economic profit / (loss) statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/3/2009	31/3/2008	31/3/2009	31/3/2008
	RM'000	RM'000	RM'000	RM'000
<u>Net operating profit / (loss) after tax</u> <u>("NOPLAT") computation:</u>				
Loss before interest and tax ("LBIT")	(6,791)	(41,077)	(6,791)	(41,077)
Adjusted tax	-	-	-	-
a) NOPLAT	(6,791)	(41,077)	(6,791)	(41,077)
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	1,807,118	3,013,531	1,807,118	3,013,531
Weighted average cost of capital ("WACC") (%) (Note 2)	6.9%	8.3%	6.9%	8.3%
b) Economic charge	31,173	62,531	31,173	62,531
c) Economic loss (a – b)	(37,964)	(103,608)	(37,964)	(103,608)

The Economic Profit statement is as prescribed under the GLC Transformation Program, and is disclosed on a voluntary basis.

Economic profit is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital. For the current quarter ended 31 March 2009, economic loss has reduced by RM65.6 million to RM38.0 million from RM103.6 million. The improvement in Economic loss was due to the improvement in NOPLAT recorded in year 2009, lower average invested capital as well as lower weighted average cost of capital (WACC).

Note 1: Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2: WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of year.

25. Prospects

The Group expects stagnation in demand for telecommunications related services which is consistent with the current continuing economic slowdown, complicated further by increased competition from other industry players. Going forward, the group will work towards preserving existing revenue streams and will continue with its turnaround plan, which focuses heavily on the wholesale and corporate business segments to generate revenue and improve margins.

In addition to this, the Group is committed to reducing its operating costs, whilst putting specific emphasis on improving its internal operations in an effort to capture market share.

26. Profit forecast

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.



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27. Loss Earning per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/3/2009	Preceding year corresponding quarter 31/3/2008	Three months to 31/3/2009	Three months to 31/3/2008
Weighted average number of shares in issue (RM'000)	2,530,775	2,530,775	2,530,775	2,530,775
Net loss attributable to equity holders from continuing Company (RM'000)	(34,692)	(56,082)	(34,692)	(56,082)
Basic loss per share				
Loss for the year	(1.37 sen)	(2.22 sen)	(1.37 sen)	(2.22 sen)

The diluted earnings per share is not shown as it is not applicable to the Group.

By Order of the Board

Kuala Lumpur
28 May 2009

MISNI ARYANI MUHAMAD
(LS 0009413)
Secretary