TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	RM'000	RM'000	RM'000	RM'000
Operating revenue	**110,069**	**76,979**	**297,257**	**230,688**
Operating expenses				
- depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	(17,743)	(13,874)	(46,925)	(40,290)
- other operating expenses	(72,436)	(31,523)	(198,931)	(134,531)
Other operating income (net)	623	419	2,687	698
Profit from operations	**20,513**	**32,001**	**54,088**	**56,565**
Investment income	18,714	9,943	54,557	36,859
Finance expense	(2,011)	-	(3,142)	-
Profit before income tax	**37,216**	**41,944**	**105,503**	**93,424**
Income tax expense	(1,190)	(1,240)	(3,039)	(1,240)
Profit for the period attributable to owners of the Company	**36,026**	**40,704**	**102,464**	**92,184**
Other comprehensive income:				
Foreign currency translation	(1,954)	-	(898)	-
Fair value gain on available-for-sale financial assets	283,250	37,950	385,000	160,050
Other comprehensive income for the period	281,296	37,950	384,102	160,050
Total comprehensive income for the period attributable to owners of the Company	**317,322**	**78,654**	**486,566**	**252,234**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	RM'000	RM'000	RM'000	RM'000
		(Adjusted)*		(Adjusted)*
Earnings per share				
Basic and diluted (based on weighted average number of ordinary shares)	6.30 sen	8.04 sen	19.01 sen	18.21 sen

* Please see Note 27 for further details of the adjustment.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.

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II. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at end of current quarter 30/9/2012 RM'000	Audited As at preceding financial year ended 31/12/2011 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	67,352	34,205
Telecommunications network	635,329	426,972
Deferred tax assets	19,504	18,504
Available-for-sale financial assets	1,452,100	1,067,040
Intangible assets	213,038	-
Trade receivables*	-	10,802
	2,387,323	1,557,523
Current assets		
Trade and other receivables	184,382	157,944
Tax recoverable	15	705
Restricted cash	24,314	17,084
Deposit, cash and bank balances	183,010	217,442
	391,721	393,175
Total assets	2,779,044	1,950,698
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	286,035	2,530,775
Reserves	2,096,750	(773,118)
Total equity	2,382,785	1,757,657
Non-current liabilities		
Deferred tax liability	2,554	-
Lease liability	3,893	-
Loan and borrowings	146,166	-
Trade payables**	754	238
	153,367	238
Current liabilities		
Trade and other payables	226,329	192,581
Lease liability	3,454	-
Loan and borrowings	11,447	-
Bank overdraft	738	-
Provision for tax	924	222
	242,892	192,803
Total liabilities	396,259	193,041
Total equity and liabilities	2,779,044	1,950,698
Net assets per share attributable to ordinary owners of the Company	RM4.17	*** RM3.47

* *Non-current trade receivables relate to accrued income for certain long term global bandwidth contracts entered into by the Group whereby the payment terms have been mutually agreed to be made by the customer over a period of up to 3 years.*

** *Non-current trade payables relate to accrued expenses for certain long term global bandwidth contracts entered into by the Group whereby the payment terms have been mutually agreed to be made over a period of up to 3 years.*

*** *For comparison purposes, the number of shares in the Company have been adjusted to reflect a capital reduction of RM0.90 of the initial par value of RM1.00 for each TdC share and share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC (pursuant to the abovementioned capital reduction) into 506,155,000 TdC shares on the basis of 5 ordinary shares of RM0.10 each in TdC into 1 ordinary share of RM0.50 each in TdC.*

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.

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III. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited Nine months to 30/9/2012 RM'000	Unaudited Nine months to 30/9/2011 RM'000
Operating Activities			
Cash receipts from customers		313,525	242,427
Transfer to restricted cash and bank balances		(3,666)	(16,324)
Cash payments to suppliers		(147,443)	(114,066)
Cash payments to employees and for administrative expenses		(75,407)	(51,293)
Cash generated from operations		87,009	60,744
Tax paid		(4,597)	-
Tax refund		788	-
Net cash generated from operating activities		**83,200**	**60,744**
Investing Activities			
Purchase of property, plant and equipment and telecommunications network		(110,736)	(90,403)
Proceeds from disposal of property, plant and equipment and telecommunications network		122	125
Acquisition of GTC, GTL, GT entities and AIMS Group, net of cash	**Note (b)**	(81,994)	-
Investment income received		54,102	37,159
Net cash used in investing activities		**(138,506)**	**(53,119)**
Financing Activities			
Proceeds from loan drawdown		110,389	-
Repayment of loan		(35,485)	-
Repayment of lease liabilities		(1,270)	-
Finance charges paid		(3,028)	-
Capital repayment		(50,616)	-
Net cash generated from financing activities		**19,990**	**-**
Net change in Cash and Cash Equivalents		**(35,316)**	**7,625**
Effect of exchange rate fluctuations on cash held		146	-
Cash and Cash Equivalents as at beginning of financial period		217,442	199,661
Cash and Cash Equivalents as at end of financial period	**Note (a)**	**182,272**	**207,286**

Note:

(a) Cash and Cash Equivalents comprise the following amounts:

Cash and bank balances	41,547	10,387
Deposits with licensed banks	165,777	213,223
Bank overdraft	(738)	-
	206,586	**223,610**
Restricted cash	(24,314)	(16,324)
	182,272	**207,286**

(b) Acquisition of GTC, GTL, GT entities and AIMS Group, net of cash

The fair values of the identifiable assets and liabilities of GTC, GTL, GT entities and AIMS Group as of 17 May 2012 (the completion date of acquisition) are as follows:

	RM'000
Property, plant and equipment	28,266
Telecommunications network	146,060
Deferred tax asset	637
Available-for-sale	50
Trade and other receivable	117,385
Tax recoverable	71
Restricted cash	3,564
Deposit, cash and bank balances	6,370
Deferred tax liability	(2,554)
Lease liability	(8,639)
Loan and borrowings	(83,989)
Bank overdraft	(364)
Trade and other payables	(139,876)
Provision for tax	(2,668)
Total net tangible assets/(liabilities) acquired	64,313
Goodwill and intangible assets	213,038
Negative goodwill	(173)
Net assets acquired/purchase consideration*	277,178
Less: Cash and Cash Equivalent acquired**	(6,006)
Total net assets acquired, net of Cash and Cash Equivalent	271,172
Issuance of new shares	(189,178)
Cash outflow from acquisition	81,994

* The purchase consideration for the abovementioned acquiree companies was derived based on the following:

	GTC	GTL	GT entities	AIMS Group	Total
No of shares (units)	28,732,394	17,070,421	-	20,112,676	65,915,491
Market price of shares as of 17 May 2012	2.87	2.87	-	2.87	2.87
Share consideration (RM'000)	82,462	48,992	-	57,724	189,178
Cash consideration (RM'000)	-	40,400	-	47,600	88,000
Total consideration (RM'000)	82,462	89,392	-	105,324	277,178

Note: The purchase consideration paid for the two GT entities was RM1.00 for each entity.

** Cash and Cash Equivalent includes deposits, cash and bank balances and bank overdraft.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Nine months to 30 September 2012 (unaudited)	Share Capital RM'000	Share Premium RM'000	Available-for-Sale Reserve RM'000	Foreign Currency Translation Reserve RM'000	Capital Reserve RM'000	Retained Earnings / (Accumulated Losses) RM'000	Total Equity RM'000
	←---- Attributable to owners of the Company					----→	
	←---- Non-distributable			----→			
Balance as at 1 January 2012	2,530,775	1,570,758	467,500	-	-	(2,811,376)	1,757,657
Capital repayment	-	(50,616)	-	-	-	-	(50,616)
Capital reduction	(2,277,698)	-	-	-	-	2,277,698	-
Set-off share premium	-	(834,315)	-	-	8,760	825,555	-
Acquisition of GTC, GTL and the AIMS Group	32,958	156,220	-	-	-	-	189,178
Exchange differences recognised directly in equity	-	-	-	(898)	-	-	(898)
Profit for the period	-	-	-	-	-	102,464	102,464
Fair value gain on available-for-sale financial assets	-	-	385,000	-	-	-	385,000
Total comprehensive income for the period	-	-	385,000	(898)	-	102,464	486,566
Balance as at 30 September 2012	**286,035**	**842,047**	**852,500**	**(898)**	**8,760**	**394,341**	**2,382,785**

Nine months to 30 September 2011 (unaudited)	Share Capital RM'000	Share Premium RM'000	Available-for-Sale Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
	←---- Attributable to owners of the Company			----→	
	←----Non-distributable		----→		
Balance as at 1 January 2011	2,530,775	1,570,758	77,000	(2,928,730)	1,249,803
Profit for the period	-	-	-	92,184	92,184
Fair value gain on available-for-sale financial assets	-	-	160,050	-	160,050
Total comprehensive income for the period	-	-	160,050	92,184	252,234
Balance as at 30 September 2011	**2,530,775**	**1,570,758**	**237,050**	**(2,836,546)**	**1,502,037**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2011.

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V. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. First-time adoption of Malaysian Financial Reporting Standards (MFRS)

The unaudited interim financial statements have been prepared in accordance with *MFRS 134: Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). This quarterly consolidated financial statements also complies with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board (IASB). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRSs).

These interim financial statements are the Group's first MFRS compliant interim financial statements and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been applied. The date of transition to the MFRS framework is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this interim financial statements, are consistent with those of the audited financial statements for the year ended 31 December 2011.

The interim financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2011. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of changes in the financial position and performance of the Group since the year ended 31 December 2011.

2. Significant accounting policies

As at the date of authorization of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRSs, Amendments to MFRSs and IC Interpretations		***Effective for annual periods beginning on or after***
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 1	Government Loans	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
	Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRSs	Annual Improvements 2009-2011 Cycle	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
MFRS 3	Business Combinations	1 January 2013

The Group plans to apply the abovementioned MFRSs (and its consequential amendments) and Interpretations in the respective annual periods based on their effective dates and applicability.

The initial application of the above applicable standards (and its consequential amendments) and interpretations, is not expected to have any material impact on the financial statements of the Group.

3. Audit report in respect of the 2011 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2011 was not qualified.

4. Seasonal or cyclical factors

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

5. 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 and in the corresponding period in 2011 other than as follows, and/or as disclosed elsewhere in this report:

(i) the reduction of scheduled wayleave payments in 2011. In the prior year, the Group had negotiated a revision of the wayleave fee payments resulting in a reduction of RM3.5 million of 2010's wayleave fee, which was adjusted in the first quarter of 2011. The revised payment schedule agreed also revises the wayleave fees for years subsequent to 2010. The revised payment schedule was agreed upon after taking into consideration the Group's future cash flows and commitments.

(ii) adjustments made amounting to RM19.7 million for expenses recognised previously for certain projects and service contracts in 2011. The adjustments made resulted in a one-time reduction of operating expenses in the third quarter of 2011. The adjustments arose as part of the Group's regular review of its current obligations at each Statement of Financial Position date. The adjustments reflect the Group's assessment and best estimate of its current obligations at the time.

(iii) in May 2012, the Group set-off RM834,315,000 from TdC's share premium account against accumulated losses of RM825,555,126. The set-off also resulted in the creation of a capital reserve account of RM8,759,874. The set-off was done as part of a capital restructuring exercise to rationalise TdC's statement of financial position by writing off share capital and share premium that is not representative of TdC's available assets.

6. 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 period.

7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period ended 30 September 2012 other than as follows:

(i) capital repayment of RM50,615,500 representing RM0.02 per TdC share to the entitled shareholders of TdC;

(ii) capital reduction of TdC's existing issued and paid-up share capital of RM2,530,775,000 comprising 2,530,775,000 ordinary shares of RM1.00 each in TdC via cancellation of RM0.90 of the par value of each TdC ordinary share pursuant to Section 64 of the Companies Act, 1965;

(iii) share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC after the abovementioned capital reduction into 506,155,000 TdC shares, on the basis of 5 ordinary shares of RM0.10 each in TdC into 1 ordinary share of RM0.50 each in TdC;

(iv) issuance of 28,732,394 new TdC shares as full and final settlement for the acquisition of 100% equity stake in Global Transit Communications Sdn Bhd ("GTC");

(v) issuance of 17,070,421 new TdC shares as part settlement for the acquisition of 100% equity stake in Global Transit Limited ("GTL"). The remaining portion of the purchase consideration was settled via a cash payment of RM40.4 million; and

(vi) issuance of 20,112,676 new TdC shares as part settlement for the acquisition of 100% equity stake in The AIMS Asia Group Sdn Bhd and its subsidiaries, AIMS Data Centre 2 Sdn Bhd and AIMS Cyberjaya Sdn Bhd (collectively "AIMS Group"). The remaining portion of the purchase consideration was settled via a cash payment of RM47.6 million.

The above corporate exercises were completed in May 2012.

8. Dividend

The Group has not declared or paid any dividend during the current nine month period ended 30 September 2012 (2011: Nil).

9. Segmental Reporting

	Individual Quarter		Cumulative Quarter	
	Current year quarter	**Preceding year corresponding quarter**	**Nine months to**	**Nine months to**
Group	**30/9/2012**	**30/9/2011**	**30/9/2012**	**30/9/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Operating Revenue				
Voice	17,537	19,479	55,894	57,707
Data	77,858	56,647	217,517	170,841
Data Centre	13,196	-	19,963	-
Others	1,478	853	3,883	2,140
	110,069	**76,979**	**297,257**	**230,688**
Operating Expenses:				
Depreciation, impairment and amortisation of property, plant and equipment and telecommunications network	(17,743)	(13,874)	(46,925)	(40,290)
Other operating expenses	(72,436)	(31,523)	(198,931)	(134,531)
Other operating income (net)	623	419	2,687	698
Profit from operations	**20,513**	**32,001**	**54,088**	**56,565**
Investment income	18,714	9,943	54,557	36,859
Finance expense	(2,011)	-	(3,142)	-
Profit before income tax	**37,216**	**41,944**	**105,503**	**93,424**

Geographical locations

Operating Revenue				
Within Malaysia	107,986	76,979	289,027	230,688
Outside Malaysia	2,083	-	8,230	-
	110,069	**76,979**	**297,257**	**230,688**

10. Valuation of Property, Plant and Equipment

There were no material changes to the valuation of property, plant and equipment since the financial year ended 31 December 2011.

11. 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 30 September 2012 to the date of this announcement, which would substantially affect the financial results of the Group for the nine months ended 30 September 2012 that have not been reflected in the condensed financial statements.

12. Changes in the composition of the Group

The Group completed its acquisition of a 100% equity stake each in GTC, GTL, Global Transit Singapore Pte Ltd ("GTS"), Global Transit (Hong Kong) Limited ("GTHK") and AIMS Group on 17 May 2012. GTS and GTHK are collectively referred as "GT entities".

13. Contingent liabilities/assets

There are no changes in the contingent liabilities or contingent assets since 31 December 2011.

14. Capital commitments

	As at 30/9/2012
	RM'000
a) Approved and contracted but not provided for in the interim financial statements	210,067
b) Approved but not contracted for	2,639

15. Income tax

The taxation charge for the Group for current quarter and financial period ended 30 September 2012 was made up as follows:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Nine months to	Nine months to
Group	**30/9/2012**	**30/9/2011**	**30/9/2012**	**30/9/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Income tax:				
- Current year taxation	(1,580)	(1,240)	(3,946)	(1,240)
Deferred tax:				
- Origination and reversal of temporary differences	390	-	907	-
Total	(1,190)	(1,240)	(3,039)	(1,240)

The effective tax rate of the Group for the current and previous corresponding quarter and financial year-to-date was lower than the statutory tax rate of 25% principally due to certain non-taxable income and utilisation of unabsorbed capital allowances and tax losses available to the Group. The lower effective tax rate is also due to the lower tax rates prevailing in some of the jurisdictions/countries in which the Group operates.

16. Disposal of unquoted investments and/or properties

There were no disposals of unquoted investments and/or properties in the current quarter.

17. Investments in quoted securities

(a) There were no acquisitions and disposals of any quoted securities in the current quarter.

(b) Particulars of investments in quoted securities are as follows:-

	As at 30/9/2012
	RM'000
Quoted Securities in Malaysia:	
- Cost	684,750
- At book value	1,452,000
- At market value (fair value)	1,452,000

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

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.

19. Loans and Borrowings

The loans and borrowings as at 30 September 2012 are as follows:

	Amount repayable in one year or on demand	Amount repayable after one year	Total
	RM'000	RM'000	RM'000
Secured:			
Finance lease liabilities in RM	3,454	3,893	7,347
Loans and borrowings			
- Denominated in RM	5,298	113,809	119,107
- Denominated in USD	6,887	32,357	39,244
	15,639	150,058	165,698

20. Off Balance Sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this quarterly report.

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

Consolidated revenue for the current quarter of RM110.1 million is RM4.2 million or 4% higher than the consolidated revenue of RM105.9 million recognised in the quarter ended 30 June 2012. The increase is mainly due to higher contributions from data centre sales by RM6.4 million in the current quarter. Data revenues were also marginally higher in the current quarter despite lower revenue contributions from one off global bandwidth sales during the quarter. The increases in data centre and data revenues were off-set by the reduction in voice revenue during the quarter. Voice revenue during the quarter was RM2.6 million lower than the previous quarter due to lower usage from international interconnect traffic.

The Group's profit before tax for the current quarter of RM37.2 million was RM1.5 million lower than the consolidated profit before tax recorded in the second quarter of 2012 of RM38.7 million. The lower consolidated profit before tax is mainly due to lower global bandwidth sales, higher depreciation and higher finance expenses despite higher dividend income in the current quarter.

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

(a) Quarter 3, 2012 versus Quarter 3, 2011

Revenue grew by RM33.1 million or 43% from RM77.0 million as recorded in the third quarter of 2011 to RM110.1 million in the current quarter. The improvement in the current quarter is mainly due to new revenue contribution of RM20.9 million from the Group's acquisition and higher data revenue from the Group's existing business. Voice revenue was RM1.9 million lower in the current quarter due to lower international interconnect traffic.

The Group posted a current quarter consolidated profit before tax of RM37.2 million, which is a decrease of RM4.7 million or 11% compared to the consolidated profit before tax of RM41.9 million in the corresponding period in 2011. The decrease is mainly due to adjustments to operating expenses amounting to RM19.7 million recognised in the previous year corresponding period as explained in Note 5(ii) above, higher depreciation charge on additional capital expenditure incurred on the Group's network expansion and finance expenses on borrowings despite higher revenue, higher dividend income from quoted shares and contributions from the newly acquired companies. The newly acquired companies contributed RM3.4 million to the consolidated profit before tax of the Group during the quarter. Excluding the said one-time adjustment to operating expenses of RM19.7 million from the corresponding period in 2011, the Group would have recorded an increase of RM15.0 million or 67% in consolidated profit before tax in the current year.

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

(b) Financial period ended 30 September 2012 ("9M 2012") versus financial period ended 30 September 2011 ("9M 2011")

The Group's consolidated revenue for 9M 2012 of RM297.3 million has out-performed 9M 2011's consolidated revenue by RM66.6 million or 29%, mainly due to an increase of RM25.6 million in data revenue from existing business and RM41.0 million additional revenue from the new acquisitions.

The Group posted a consolidated profit before tax of RM105.5 million in 9M 2012, which is an increase of RM12.1 million or 13% compared to the consolidated profit before tax of RM93.4 million in 9M 2011. The improved results would be attributed mainly to the RM12.6 million profit before tax contribution from the newly acquired companies, higher revenue from existing businesses and higher dividend income from its available-for-sale financial asset nothwithstanding the adjustment made to operating expenses of RM19.7 million and reduction in 2010 wayleave fees of RM3.5 million (see Notes 5(i) and 5(ii)) in the previous year, higher depreciation charge and higher financial expenses on borrowings incurred in 9M 2012. Should the one-time adjustment made to operating expenses of RM19.7 million and the reduction of 2010's wayleave fees of RM3.5 million from the 2011's comparative results be excluded, the Group would have recorded a RM35.3 million or 50% improvement in consolidated profit before tax in 9M 2012.

24. Profit before tax

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	**Preceding year corresponding quarter**	**Nine months to**	**Nine months to**
Group	**30/9/2012**	**30/9/2011**	**30/9/2012**	**30/9/2011**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax is arrived at after (charging)/crediting:				
Depreciation of telecommunication networks and property, plant and equipment	(17,743)	(13,874)	(46,925)	(40,290)
Write off of telecommunication networks	-	-	-	(54)
Interest expense	(2,011)	-	(3,142)	-
Interest income from short term deposits	1,321	1,693	4,237	4,959
Dividend income from quoted shares	17,393	8,250	50,320	31,900
Rental Income	68	43	153	106
Bad debt recovered	63	157	330	304
Net (loss)/gain on foreign exchange	(828)	(196)	207	(1,752)
Net (allowance)/reversal of allowance for doubtful debt	(711)	1,077	386	(126)
Net gain on disposal of property, plant and equipment	-	-	121	125
Reduction in 2010 wayleave fees	-	-	-	3,500
Negative goodwill on acquisition	-	-	173	-
Adjustment to operating expenses recognised previously	-	19,701	-	19,701

There were no gains/losses on disposal or impairment of quoted and unquoted securities, investments, properties and/or derivatives included in the results for the current quarter and preceding year corresponding quarter.

25. Prospects

The Group will continue to focus its efforts to gain market share by improving its product and solution offerings, managing costs, further expanding and strengthening its network and coverage in key yield areas and seeking out potential new growth opportunities within the telecommunications and its related sectors. The above will include initiatives to strategically grow product and service offerings in the consumer segment which may require higher costs for initial set up and deployment. The said initiatives are expected to benefit the Group in the longer term.

The Group is also in the global bandwidth business which offers wholesale services to the industry. The nature of transactions in this business constitutes both one-time and recurring revenues. As such, on a periodic reporting basis, the Group does not expect linear or consistent contributions from this area of business.

With the completion of the acquisitions (see Note 12), the Group will now be able to tap into its new acquiree companies' regional wholesale customer base, strengthen its presence in the global bandwidth business, access international bandwidth at international submarine cable owner price and provide IP transit services. The acquisitions will also enable the Group to integrate its domestic network with GTC's and GTL's domestic and international networks respectively and together with the data centres operated by the AIMS Group, will be able to produce a more complete range of services for the Group's existing and potential customers. The effective integration of these companies is expected to lead to benefits such as economies of scale and cost savings.

The Group had previously announced its participation in the Asia Pacific Gateway ("APG") submarine cable system via the signing of the Construction and Maintenance Agreement ("CMA") with the APG consortium members as part of the global bandwidth business strategy for the Group. The CMA came into effect on 30 June 2012. Participation in APG is expected to expand the Group's regional bandwidth footprint from its existing network presence in the Unity cable system, which connects Japan to the United States, to the Group's Malaysia network, the Cross Peninsular Cable System, which connects to Thailand and Singapore upon completion of construction in 2014. The Group expects that there is significant bandwidth demand connecting ASEAN into China, Japan and onwards to the USA. Combined with positive market developments in growing the number of subscribers, bandwidth utilization and content that demands high bandwidth connectivity, the Group believes that demand for bandwidth in the region is positive. APG is also expected to lower Malaysia's dependency on Singapore as the primary route to global international hubs and provide TdC with advantages of international capacity at asset owner price. TdC's participation will provide the Group with an initial capacity of 3,400 Gbps from Malaysia to Japan and Korea in 2014. The Group's total investment in APG, including the Malaysia Cable landing station, is estimated at USD45 million and will be incurred progressively over the construction period. The investment in APG is expected to be funded by both internally generated funds and borrowings.

Barring any unforeseen circumstances, the results of the Group for 2012 is expected to remain positive.

26. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document.

27. Earnings per share ("EPS")

	Individual Quarter		**Cumulative Quarter**	
	Current year quarter	**Preceding year corresponding quarter**	**Nine months to**	**Nine months to**
	30/9/2012	**30/9/2011**	**30/9/2012**	**30/9/2011**
		(Adjusted)*		**(Adjusted)***
Weighted average number of shares in issue ('000)*	572,070	506,155	538,992	506,155
Profit for the period attributable to owners of the Company (RM'000)	36,026	40,704	102,464	92,184
Basic and diluted earnings per share	6.30 sen	8.04 sen	19.01 sen	18.21 sen

* For comparison purposes, the weighted average number of shares in the Company for the preceeding year corresponding quarter and nine months ended 30 September 2011 have been adjusted to reflect:

i. The capital reduction of RM0.90 of the initial par value of RM1.00 for each TdC share; and

ii. Share consolidation of 2,530,775,000 ordinary shares of RM0.10 each in TdC (after the abovementioned capital reduction) into 506,155,000 TdC shares on the basis of 5 ordinary shares of RM0.10 each in TdC into 1 ordinary share of RM0.50 each in TdC.

28. Supplementary information on the breakdown of realised and unrealised profits or losses

The breakdown of retained profits or losses of the Group as at the reporting date, into realised and unrealised profits, as disclosed pursuant to the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 25 March 2010, is as follows:

	As at end of current quarter 30/9/2012 RM'000	**As at preceding financial year ended 31/12/2011 RM'000**
Total retained earnings/(accumulated losses) of the Group		
- Realised	377,459	(2,827,523)
- Unrealised	16,882	16,147
Total retained earnings/(accumulated losses)	394,341	(2,811,376)

The determination of realised and unrealised profits or losses is based on the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

Accordingly, the unrealised retained profits or losses of the Group as disclosed above excludes translation gains and losses on monetary items denominated in a currency other than the functional currency and foreign exchange contracts, as these translation gains and losses are incurred in the ordinary course of business of the Group and the Bank, and are hence deemed as realised.

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

By Order of the Board

MISNI ARYANI MUHAMAD
(LS 0009413)
Secretary

Selangor
27 November 2012