

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

The Board of Directors of Maxis Berhad (“Maxis” or “the Company”) is pleased to announce the following unaudited condensed consolidated financial statements for the fourth quarter and financial year ended 31 December 2009 which should be read in conjunction with the Notes on pages 6 to 18. Maxis was incorporated in Malaysia on 7 August 2009 to undertake the Malaysian telecommunications business of its immediate holding company, Maxis Communications Berhad.

As explained in Note 1, the results for the fourth quarter and year ended 31 December 2009 reflect the performance of Maxis Group since 1 October 2009. Financial results and position for periods prior to 1 October 2009 represent that of Maxis Mobile Services Sdn Bhd (“MMSSB”)’s mobile retail business and its 44% effective equity interest in PT Natrindo Telepon Seluler, the Indonesian mobile operations, as MMSSB is the deemed acquirer for the purpose of accounting.

The unaudited consolidated financial statements do not represent a “like for like” comparison of the operational performance of the Group because of the accounting treatment adopted for the business combination. The Board of Directors has provided additional proforma financial information as set out in Note 2 on pages 7 to 10 to facilitate comparability of the operational performance of the Group between the reported periods.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED	QUARTER ENDED	YEAR ENDED	YEAR ENDED
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
		RM' m	RM' m	RM' m	RM' m
Revenue	10	2,211	1,896	7,611	7,184
Cost of sales		(720)	(1,442)	(4,587)	(5,883)
Gross profit		1,491	454	3,024	1,301
Other income		1	-	877	-
Administrative expenses		(390)	(273)	(1,206)	(931)
Network operation costs		(282)	-	(282)	-
Other expenses		(80)	(13)	(147)	(50)
Profit from operations	10	740	168	2,266	320
Finance income		4	9	21	35
Finance cost		(49)	(8)	(73)	(62)
Share of results of a jointly controlled entity		-	(116)	(275)	(288)
Profit before tax		695	53	1,939	5
Taxation	18	(192)	(39)	(361)	(106)
Profit/(loss) for the period attributable to equity holders of the Company		<u>503</u>	<u>14</u>	<u>1,578</u>	<u>(101)</u>
Earnings/(losses) per share attributable to equity holders of the Company (sen):					
- Basic	26	<u>6.7</u>	<u>0.3</u>	<u>27.3</u>	<u>(1.9)</u>
- Diluted ⁽¹⁾		<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

Note :

⁽¹⁾ NA denotes “Not Applicable” as there are no dilutive ordinary shares.

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	Note	AS AT 31/12/2009 RM' m	AS AT 31/12/2008 RM' m
Non-current assets			
Property, plant and equipment	11	4,555	186
Investment in a jointly controlled entity		-	922
Prepaid land lease payments		6	-
Intangible assets		11,019 ⁽²⁾	35
Loan to a jointly controlled entity		-	174
Deferred tax assets		86	99
		<u>15,666</u>	<u>1,416</u>
Current assets			
Inventories		134	21
Receivables, deposits and prepayments		790	437
Tax recoverable		6	36
Amount due from immediate holding company		-	1
Amounts due from fellow subsidiaries		-	28
Amounts due from related parties		10	4
Cash and cash equivalents		1,192	1,197
		<u>2,132</u>	<u>1,724</u>
Current liabilities			
Payables and accruals		2,496	934
Provisions for liabilities and charges		56	14
Amount due to immediate holding company		38	212
Amounts due to fellow subsidiaries		1	-
Amounts due to related parties		19	26
Finance lease liabilities	22	22	-
Loan from a related party	22	31	-
Dividend payable		450	-
Taxation		198	-
		<u>3,311</u>	<u>1,186</u>
Net current (liabilities)/assets		<u>(1,179)</u>	<u>538</u>

Note :

⁽²⁾ Includes provisionally determined telecommunication licenses and spectrum rights of RM10,707 million and goodwill arising from acquisition of Other Subsidiaries of RM219 million pursuant to the Purchase Price Allocation exercise (refer to Note 1 on Page 6 for further details).


maxis[®]
MAXIS BERHAD
 (867573 – A)
 (INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

	Note	AS AT 31/12/2009 RM' m	AS AT 31/12/2008 RM' m
Non-current liabilities			
Payables and accruals		7	-
Provisions for liabilities and charges		116	-
Finance lease liabilities	22	21	-
Loan from immediate holding company	22	4,992	-
Loan from a fellow subsidiary		-	430
Deferred tax liabilities		406	-
		<u>5,542</u>	<u>430</u>
Net assets		<u>8,945</u>	1,524
Equity			
Share capital		750	1,294
Reserves		8,195	230
		<u>8,945</u>	<u>1,524</u>
Net assets per share (RM)		<u>1.19</u>	<u>1.18⁽³⁾</u>

Note :

⁽³⁾ Computed based on the net assets of MMSSB Group divided by issued shares of MMSSB.

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

←-----Attributable to Equity Holders of the Company-----→

Year ended 31/12/2009	Issued and fully paid		Share premium	Merger relief ⁽⁴⁾	Reserve arising from reverse acquisition	Foreign exchange reserve	Capital Redemption/ Other reserves	Retained earnings	Shareholders' equity
	Number of shares	Nominal value							
	' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m
Balance as at 1/1/2009	1,294	1,294	61	-	-	(97)	5	261	1,524
Movements for the year									
Net income recognised directly in equity									
- Currency translation differences	-	-	-	-	-	69	-	-	69
- Profit for the financial year	-	-	-	-	-	-	-	1,578	1,578
Total recognised income during the financial year	-	-	-	-	-	69	-	1,578	1,647
Acquisition of subsidiaries	6,206	(544)	(61)	30,440	(22,729)	-	(5)	-	7,101
Disposal of subsidiaries	-	-	-	-	-	28	-	-	28
Share-based payment	-	-	-	-	-	-	53	-	53
Dividends paid	-	-	-	-	-	-	-	(958)	(958)
Dividends declared	-	-	-	-	-	-	-	(450)	(450)
Balance as at 31/12/2009	<u>7,500</u>	<u>750</u>	<u>-</u>	<u>30,440</u>	<u>(22,729)</u>	<u>-</u>	<u>53</u>	<u>431</u>	<u>8,945</u>
Balance as at 1/1/2008	1,294	1,294	61	-	-	(62)	5	362	1,660
Movements for the year									
Net expense recognised directly In equity									
- Currency translation differences	-	-	-	-	-	(35)	-	-	(35)
- Loss for the financial year	-	-	-	-	-	-	-	(101)	(101)
Total recognised expense during the financial year	-	-	-	-	-	(35)	-	(101)	(136)
Balance as at 31/12/2008	<u>1,294</u>	<u>1,294</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>(97)</u>	<u>5</u>	<u>261</u>	<u>1,524</u>

Note :

⁽⁴⁾ Represents distributable reserves. Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisitions of the Subsidiaries (defined in Note 1) in the financial year is not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	YEAR ENDED 31/12/2009	YEAR ENDED 31/12/2008
	RM' m	RM' m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the financial year	1,578	(101)
Adjustments for non-cash items	395	573
Payments for provision for liabilities and charges	(11)	(14)
Payments for handset subsidies	(105)	(32)
Other payments	(69)	(105)
Operating profit before working capital changes	1,788	321
Changes in working capital	(385)	1,354
Cash generated from operations	1,403	1,675
Interest received	22	33
Net tax paid	(180)	(124)
Net cash flows generated from operating activities	1,245	1,584
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(590)	(66)
Proceeds from disposal of property, plant and equipment	4	1
Proceeds from disposal of subsidiaries	1,019	-
Net cash inflow from acquisition of subsidiaries	170	-
Repayment of loan from immediate holding company	-	(519)
Repayment of loan from a fellow subsidiary	-	(172)
Net cash flows generated from/(used in) investing activities	603	(756)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease financing	(1)	-
Loan repayment by immediate holding company pursuant to the Pre-Listing Restructuring	704	-
Redemption of redeemable preference shares (“RPS”) pursuant to the Pre-Listing Restructuring	(1)	-
Dividends paid to immediate holding company pursuant to the Pre-Listing Restructuring by other Subsidiaries	(1,597)	-
Dividend paid	(958)	-
Net cash flows used in financing activities	(1,853)	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5)	828
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	1,197	369
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	1,192	1,197



maxis[®]
MAXIS BERHAD
(867573 – A)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

1. BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Financial Reporting Standard (“FRS”) 134 – Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Accountants’ Report as set out in Maxis’ Prospectus dated 28 October 2009 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The accounting policies adopted for the unaudited condensed consolidated financial statements are consistent with those adopted for the audited combined financial statements for the financial years/period presented in Maxis’ Prospectus save for the purchase method of accounting applied to the acquisition of Subsidiaries and have been prepared using the accounting policies that are in accordance with the Financial Reporting Standards, the Malaysian Accounting Standards Board (“MASB”) Approved Accounting Standards for Entities Other than Private Entities.

On 1 October 2009, Maxis completed the legal acquisitions of Maxis Mobile Services Sdn Bhd (“MMSSB”), Maxis Broadband Sdn Bhd (“MBSB”), Maxis International Sdn Bhd (“MISB”), Maxis Mobile Sdn Bhd (“MMSB”), Maxis Collections Sdn Bhd (“MCS”), Maxis Multimedia Sdn Bhd (“MM”), Maxis Online Sdn Bhd, Maxis Mobile (L) Ltd, Maxis Asia Access Pte Ltd, and 75% of the issued and paid up share capital of Advanced Wireless Technologies Sdn Bhd (“AWT”) which wholly owns UMTS (Malaysia) Sdn Bhd (collectively known as the “Subsidiaries”).

As part of the Pre-Listing Restructuring, MMSSB completed its disposal of 100% equity interest in Althem B.V., which holds a 44% equity interest in PT Natrindo Telepon Seluler, to MCB for a total cash consideration of RM1,019 million on 30 September 2009.

The acquisitions of the Subsidiaries are accounted for using the purchase method of accounting under FRS 3 “Business Combination” as follows:-

- MMSSB has been identified as the accounting acquirer under the terms of FRS 3;
- The business combination cost deemed to have been incurred by MMSSB for the acquisition of the Subsidiaries other than MMSSB (“Other Subsidiaries”) amounted to RM10,924 million. The difference between the business combination cost and the fair values of assets and liabilities of Other Subsidiaries amounting to RM219 million is recorded as provisional goodwill and disclosed as intangible assets; and
- The difference between the issued equity of MMSSB together with the deemed business combination costs and the issued equity of the Company amounting to RM22,729 million is recorded as reserve arising from reverse acquisition.

Save as disclosed in the audited combined financial statements, the additional FRS, amendments to FRS and Issues Committee (“IC”) Interpretations issued by the MASB on 15 September 2009 are as follows:

- FRS 101 “Presentation of Financial Statements”
- Amendments to FRS 7 “Financial Instruments: Disclosures”
- Amendments to FRS 132 “Financial Instruments: Presentation”
- Amendments to FRS 139 “Financial Instruments: Recognition and Measurement”
- Amendments to IC Interpretation 9 “Reassessment of Embedded Derivatives”
- Amendments to FRSS contained in the document entitled “Improvements to FRSS (2009)”

The above FRS, amendments to FRS and IC Interpretation are effective for accounting periods beginning on or after 1 January 2010.



MAXIS BERHAD
(867573 – A)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

2. REVIEW OF PERFORMANCE

To facilitate the comparability of the operational performance of the Group between the reported periods, the 3rd Quarter 2009 set out in Section A and the full years 2009 and 2008 set out in Section B are prepared on the assumption that the business combination had been effected on 1 January 2008. In addition, the Initial Public Offering (“IPO”) related expenses and the discount for shares issued to the retail investors have been excluded in the EBITDA presented below.

(A) Performance of the current quarter against the preceding quarter (4th Quarter 2009 versus 3rd Quarter 2009)

Consolidated Income Statements (Unaudited) (RM'm)	4 th Quarter 2009	3 rd Quarter 2009	Variance	% Variance
Revenue	2,211	2,156	55	3%
Cost of sales	(720)	(698)	(22)	(3%)
Gross profit	<u>1,491</u>	<u>1,458</u>	33	2%
Other income	1	1	-	-
Administrative expenses	(390)	(387)	(3)	(1%)
Network operation costs	(282)	(257)	(25)	(10%)
Other expenses	(80)	(7)	(73)	> (100%)
Profit from operations	<u>740</u>	<u>808</u>	(68)	(8%)
Finance income	4	5	(1)	(20%)
Finance cost	(49)	(6)	(43)	> (100%)
Profit before tax	<u>695</u>	<u>807</u>	(112)	(14%)
Taxation	(192)	(192)	-	-
Profit for the period attributable to equity holders of the Company	<u><u>503</u></u>	<u><u>615</u></u>	(112)	(18%)
EBITDA ⁽¹⁾	1,106	1,086	20	2%
EBITDA margin (%)	50.0	50.4	(0.4)	NA
Total depreciation and amortisation	281	273	8	3%

Note:

⁽¹⁾ Defined as profit/(loss) before interest income, finance cost, tax, depreciation, amortisation, IPO related expenses and discount on share price offered to retail investors.

Consolidated Cash Flow Statements (Unaudited) (RM'm)	4 th Quarter 2009	3 rd Quarter 2009	Variance	% Variance
Net cash flows generated from operating activities	1,383	662	721	>100%
- Changes in working capital	459	(40)	499	>100%
Net cash flows generated from/(used in) investing activities	422	(282)	704	>100%
- Purchase of property, plant and equipment	(583)	(286)	(297)	>(100%)
Net cash flows used in financing activities	(1,799)	(1,075)	(724)	(67%)
Cash and cash equivalents at the beginning of the period	1,186	1,881	(695)	(37%)
Cash and cash equivalents at the end of the period	1,192	1,186	6	1%



MAXIS BERHAD
(867573 – A)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

2. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter against the preceding quarter (4th Quarter 2009 versus 3rd Quarter 2009) (continued)

Operational indicators	4 th Quarter 2009	3 rd Quarter 2009	Variance	% Variance
Number of mobile subscriptions ('000)				
- Postpaid	2,711	2,711	-	-
- Prepaid	9,316	8,835	481	5%
- Wireless broadband ⁽¹⁾	264	189	75	40%
- Total	12,291	11,735	556	5%
Monthly ARPU (RM)				
- Postpaid	107	103	4	4%
- Prepaid	40	41	(1)	(2%)
- Wireless broadband	85	100	(15)	(15%)
- Blended	55	56	(1)	(2%)
Average monthly MOUs (minutes) per subscription ⁽²⁾				
- Postpaid	377	373	4	1%
- Prepaid	124	119	5	4%
- Blended	181	178	3	2%

Notes:

⁽¹⁾ Defined as customers who have subscribed to data plans via a USB modem. Total subscribers who have subscribed to data plans, i.e. on both USB modems and handsets are 383,000 as at 31 December 2009.

⁽²⁾ Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes.

The Group registered a 5% increase in the total mobile subscriptions over the preceding quarter to bring the total mobile subscription base to 12,291,000. As a result, revenue grew by RM55 million or 3%. Monthly ARPU for postpaid increased by RM4 whilst wireless broadband decreased by RM15 or 15% mainly due to launch of free 2-month subscription promotion packages during the current quarter. Monthly prepaid ARPU remains largely flat during the current quarter. Average MOU per subscription for both postpaid and prepaid increased by 4 minutes and 5 minutes respectively mainly due to higher usage from increased mobile traffic within Maxis' networks and with other operators networks during the current quarter.

EBITDA increased by RM20 million or 2% over previous quarter, primarily resulting from higher revenue partly offset by higher roaming costs and sales and marketing costs. The resultant EBITDA margin decreased by 0.4% point from the previous quarter.

PBT of RM695 million was RM112 million or 14% lower than the preceding quarter. The decrease was mainly due to one time costs of approximately RM120 million relating to (i) the discount for shares issued to retail investors in relation to IPO of RM53 million, (ii) IPO listing expenses of RM24 million and (iii) higher finance costs of RM43 million. Consequently, profit for the period was lower at RM503 million compared to RM615 million in the preceding quarter.



MAXIS BERHAD

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

2. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current year against the preceding year (Year 2009 versus Year 2008)

Consolidated Income Statements (Unaudited) (RM'm)	Year 2009	Year 2008	Variance	% Variance
Revenue	8,611	8,450	161	2%
Cost of sales	(2,797)	(2,651)	(146)	(6%)
Gross profit	5,814	5,799	15	0.3%
Other income	5	3	2	67%
Administrative expenses	(1,497)	(1,331)	(166)	(12%)
Network operation costs	(1,131)	(1,223)	92	8%
Other expenses	(136)	(38)	(98)	> (100%)
Profit from operations	3,055	3,210	(155)	(5%)
Finance income	29	57	(28)	(49%)
Finance cost	(77)	(39)	(38)	(97%)
Profit before tax	3,007	3,228	(221)	(7%)
Taxation	(775)	(828)	53	6%
Profit for the period attributable to equity holders of the Company	2,232	2,400	(168)	(7%)
EBITDA ⁽¹⁾	4,337	4,402	(65)	(1%)
EBITDA margin (%)	50.4	52.1	(1.7)	NA
Total depreciation and amortisation	1,165	1,192	(27)	(2%)

Note:

⁽¹⁾ Defined as profit/(loss) before interest income, finance cost, tax, depreciation, amortisation, IPO related expenses and discount on share price offered to retail investors.

Consolidated Cash Flow Statements (Unaudited) (RM'm)	Year 2009	Year 2008	Variance	% Variance
Net cash flows generated from operating activities	3,125	3,222	(97)	(3%)
- <i>Changes in working capital</i>	(336)	(497)	161	32%
Net cash flows used in investing activities	(212)	(803)	591	74%
- <i>Purchase of property, plant and equipment</i>	(1,222)	(796)	(426)	(54%)
Net cash flows used in financing activities	(3,413)	(1,453)	(1,960)	> (100%)
Effects of exchange rate changes	-	5	(5)	(100%)
Cash and cash equivalents at the beginning of the year	1,692	721	971	>100%
Cash and cash equivalents at the end of the year	1,192	1,692	(500)	(30%)



MAXIS BERHAD
(867573 – A)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

2. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current year against the preceding year (Year 2009 versus Year 2008) (continued)

Operational indicators	Year 2009	Year 2008	Variance	% Variance
Number of mobile subscriptions ('000)				
- Postpaid	2,711	2,504	207	8%
- Prepaid	9,316	8,590	726	8%
- Wireless broadband	264	140	124	89%
- Total	12,291	11,234	1,057	9%
Monthly ARPU (RM)				
- Postpaid	104	112	(8)	(7%)
- Prepaid	41	47	(6)	(13%)
- Wireless broadband	97	96	1	1%
- Blended	56	59	(3)	(5%)
Average monthly MOUs (minutes) per subscription ⁽¹⁾				
- Postpaid	372	396	(24)	(6%)
- Prepaid	117	131	(14)	(11%)
- Blended	175	184	(9)	(5%)

Note:

⁽¹⁾ Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes.

Revenue grew by RM161 million or 2% on the back of higher mobile subscription base. Mobile subscriptions grew 1,057,000 or 9% contributed by prepaid growth of 726,000 or 8%, postpaid growth of 207,000 or 8% and wireless broadband growth of 124,000 or 89%, bringing the total mobile subscription base to 12,291,000 as at 31 December 2009. Monthly ARPU for both postpaid and prepaid dropped by RM8 and RM6 respectively mainly due to higher take up of cheaper commitment postpaid plans and introduction of lower priced prepaid plan packages. Average postpaid and prepaid MOU per subscription decreased by 24 minutes and 14 minutes respectively mainly due to lower voice usage and subscribers' preference for lower priced services during the current year.

Despite higher revenue, EBITDA decreased by RM65 million or 1% with the resulting EBITDA margin reducing 1.7% points to 50.4% largely due to higher interconnect costs of RM118 million and allowance for doubtful debts of RM110 million, partly offset by saving in other operating costs.

For the current year, PBT decreased by RM221 million or 7% mainly driven by lower EBITDA and the effect of one time costs referred to in Note 2A. Consequently, profit for the year was lower at RM2,232 million compared to RM2,400 million in the preceding year.

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2010

The 2010 Malaysian economy is expected to benefit from a stabilising global economy with indicative GDP growth forecast by MIER to be 3% to 4% driven by domestic demand, particularly the private expenditure and supported by expected recovery in external demand. The improved economic outlook is expected to have a positive impact on consumer and business spending for telecommunication services.

The industry is expected to become more competitive with growth slowing on account of market maturity. Aggressive marketing and promotion programmes are likely to continue resulting in further tariff and operating margins pressure. Nevertheless, the Board is optimistic that the Group will continue to consolidate its market leadership and achieve strong operating cash flows from its existing mobile business and the expansion into new market segments including broadband services. The Group will also continue its focus on cost management initiatives to maintain operating margins.

Barring any unforeseen circumstances, the Board of Directors remains confident that performance of the Group will generally be in line with expectation for the financial year ending 31 December 2010.

4. QUALIFICATION OF PRECEDING AUDITED COMBINED FINANCIAL STATEMENTS

There was no qualification to the preceding audited combined financial statements for the financial period ended 30 June 2009.

5. SEASONAL / CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonality and cyclical factors.

6. UNUSUAL ITEMS

There were no significant unusual items affecting the assets, liabilities, equity, net income, or cash flows during the current quarter and financial year ended 31 December 2009.

7. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial periods that have a material effect in the current quarter and financial year ended 31 December 2009.

8. DEBTS AND EQUITY SECURITIES

There were no issuance, repurchase and repayment of debt and equity securities by Maxis Berhad for the current quarter and financial year ended 31 December 2009, other than issuance of 7,499,999,998 ordinary shares of RM0.10 each pursuant to the Pre-Listing Restructuring on 1 October 2009, of which 5,213,166,550 shares and 2,286,833,448 shares at par value of RM0.10 each were issued being part of the consideration for the acquisition of the entire issued and paid up capital of MMSSB and MBSB respectively.

9. DIVIDENDS PAID

During the quarter under review, the interim single-tier tax exempt dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2009, amounting to RM450 million was paid on 15 January 2010.


MAXIS BERHAD
 (867573 – A)
 (INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

10. SEGMENT RESULTS AND REPORTING

The Group operates in three key segments in Malaysia, comprising the provision of mobile services which is a major contributor to the Group's operations, fixed services and international gateway services. The Group also provides other services which are currently not significant enough to be reported separately. Inter-segment revenues comprise network services and management services rendered to other business segments within the Group. Some transactions are transacted at normal commercial terms that are no more favourable than that available to other third parties whilst the rest are allocated based on an equitable basis of allocation.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2009	QUARTER ENDED 31/12/2008	YEAR ENDED 31/12/2009	YEAR ENDED 31/12/2008
	RM' m	RM' m	RM' m	RM' m
<u>Segment Revenue</u>				
<u>Mobile services</u>				
External revenue	2,075	1,896	7,475	7,184
Inter-segment revenue	22	-	22	-
	<u>2,097</u>	<u>1,896</u>	<u>7,497</u>	<u>7,184</u>
<u>Fixed services</u>				
External revenue	44	-	44	-
Inter-segment revenue	9	-	9	-
	<u>53</u>	<u>-</u>	<u>53</u>	<u>-</u>
<u>International gateway services</u>				
External revenue	92	-	92	-
Inter-segment revenue	72	-	72	-
	<u>164</u>	<u>-</u>	<u>164</u>	<u>-</u>
<u>Other operations</u>				
Inter-segment revenue	73	-	73	-
Total reportable segments	2,387	1,896	7,787	7,184
Eliminations	(176)	-	(176)	-
Total revenue	<u>2,211</u>	<u>1,896</u>	<u>7,611</u>	<u>7,184</u>
<u>Segment Results</u>				
Mobile services	763	168	2,316	320
Fixed services	17	-	17	-
International gateway services	17	-	17	-
Other operations	(57)	-	(84)	-
Profit from operations	<u>740</u>	<u>168</u>	<u>2,266</u>	<u>320</u>

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

11. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment for the period under review. As at 31 December 2009, all property, plant and equipment were stated at cost less accumulated depreciation and impairment losses.

12. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

The Board of Directors had previously announced on 22 February 2010 that the Company had on that day entered into agreements in relation to the following facilities:

- (a) a syndicated term loan facility of USD750,000,000 (“USD Loan”); and
 - (b) a term loan facility of RM2,500,000,000 (“RM Loan”);
- (the USD Loan and the RM Loan shall be collectively referred to as the “Loans”).

Maxis intends to apply the Loans towards, inter alia, payments of amounts owing to Maxis Communications Berhad as described in Maxis’ Prospectus dated 28 October 2009. Further, it was disclosed in Maxis’ Prospectus that Maxis had obtained, a revolving credit facility of RM1,000,000,000 from CIMB Bank Berhad for working capital and liquidity purposes should the need arise. This facility has not been drawdown and as a consequence, was cancelled on 22 February 2010.

Save for the above, there were no material events subsequent to the end of the financial year.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in the current quarter except for the legal acquisitions of the entire issued and paid up share capital of Maxis Mobile Services Sdn Bhd (“MMSSB”), Maxis Broadband Sdn Bhd (“MBSB”), Maxis International Sdn Bhd (“MISB”), Maxis Mobile Sdn Bhd (“MMSB”), Maxis Collections Sdn Bhd (“MCS”), Maxis Multimedia Sdn Bhd (“MM”), Maxis Online Sdn Bhd, Maxis Mobile (L) Ltd, Maxis Asia Access Pte Ltd, and 75% of the issued and paid up share capital of Advanced Wireless Technologies Sdn Bhd (“AWT”) which wholly owns UMTS (Malaysia) Sdn Bhd (collectively known as the “Subsidiaries”). The acquisitions were completed on 1 October 2009.

The business combination cost deemed to have been incurred by MMSSB for the acquisition of the Subsidiaries other than MMSSB (“Other Subsidiaries”) amounted to RM10,924 million. The difference between the business combination cost and the fair values of assets and liabilities of Other Subsidiaries amounting to RM219 million is recorded as provisional goodwill and disclosed as intangible assets.


MAXIS BERHAD
 (867573 – A)
 (INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

The amounts of contingent liabilities as at 19 February 2010 were as follows:

	RM' m
Indemnity given to financial institutions – unsecured:	
(a) Royal Malaysian Customs (for bank guarantees in relation to clearance on import of goods)	28
(b) Malaysian Communications and Multimedia Commission (for performance guarantee in relation to 3G spectrum assignment)	50
(c) Others (for bank guarantees issued to mainly local authorities for the purpose of infrastructure works and utility companies).	30
	108

(b) Contingent assets

There were no contingent assets as at 19 February 2010.

15. CAPITAL COMMITMENTS

Capital commitments for the Group in respect of property, plant and equipment as at 31 December 2009 are as follows:

	RM' m
Approved and contracted for	205

16. SIGNIFICANT RELATED PARTY DISCLOSURES

Related parties are those defined under FRS 124 - Related Party Disclosures. The significant related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than that available to other third parties.

	Transactions for the year ended 31/12/2009*	Balances due from/(to) as at 31/12/2009
	RM' m	RM' m
(a) Sales of goods and services		
- MEASAT Broadcast Network Systems Sdn. Bhd. and its related companies ¹ (VSAT, telephony and international bandwidth services)	10	3
- Saudi Telecom Company (STC) ² (roaming and international calls)	5	3

* The transactions comprise 9 months ended 30 September 2009 MMSSB Group's transactions and 3 months ended 31 December 2009 Maxis Group's transactions.



MAXIS BERHAD
(867573 – A)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

16. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

	Transactions for the year ended 31/12/2009*	Balances due from/(to) as at 31/12/2009
(b) Purchases of goods and services	RM' m	RM' m
- Aircel Limited Group ³ (interconnect, roaming and international calls)	6	(6)
- Tanjong City Centre Property Management Sdn. Bhd. ⁴ (rental, signage, parking and utility charges)	10	-
- MEASAT Satellite Systems Sdn. Bhd. ⁵ (transponder lease rental)	5	-
- UTSB Management Sdn. Bhd. ⁶ (secondment and consultancy services)	7	(2)
- SRG Asia Pacific Sdn. Bhd. ⁶ (call handling and telemarketing services)	20	(4)
- UMTS (Malaysia) Sdn.Bhd. ⁷ (usage of 3G spectrum)	5	(2)

Notes:

*The transactions comprise 9 months ended 30 September 2009 MMSSB Group's transactions and 3 months ended 31 December 2009 Maxis Group transactions.

Usaha Tegas Sdn Bhd ('UTSB'), Saudi Telecom Company ('STC') and Harapan Nusantara Sdn Bhd ('Harapan Nusantara') are related parties to MCB, by virtue of having joint control over MCB via BGSM, pursuant to a shareholders' agreement in relation to BGSM. MCB is the immediate holding company of Maxis.

Ananda Krishnan Tatparanandam, has a deemed interest in the shares of UTSB through Pacific States Investment Limited ('PSIL'), which has a direct controlling interest in UTSB. The shares in PSIL are held by Excorp Holdings N.V, which is in turn held by PanOcean Management Limited ('PanOcean'), the ultimate holding company. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam and foundations including those for charitable purposes. Although Ananda Krishnan Tatparanandam is deemed to have an interest in the shares of UTSB, he does not have any economic or beneficial interest in the shares of UTSB, as such interest is held subject to the terms of the discretionary trust.

¹ Subsidiary of ASTRO ALL ASIA NETWORKS plc, an associate of UTSB

² A major shareholder of BGSM, the ultimate holding company of Maxis.

³ Subsidiaries of MCB.

⁴ Subsidiary of Tanjong Public Limited Company, an associate of UTSB.

⁵ Subsidiary of MAI Holdings Sdn Bhd, a company controlled by Ananda Krishnan Tatparanandam.

⁶ Subsidiary of UTSB.

⁷ Subsidiary of Maxis and associate of ASTRO ALL ASIA NETWORKS plc.


MAXIS BERHAD
 (867573 – A)
 (INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

17. PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as the Group did not publish any profit forecast.

18. TAXATION

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/12/2009	QUARTER ENDED 31/12/2008	YEAR ENDED 31/12/2009	YEAR ENDED 31/12/2008
	RM' m	RM' m	RM' m	RM' m
Income tax:				
- Current tax	114	39	285	68
- Over provision in prior year	-	-	(4)	-
Deferred tax	78	-	80	38
Total	192	39	361	106

The Group effective tax rates for the current quarter and financial year are 27.6% and 18.6% respectively. The current quarter effective tax rate is higher than the statutory tax rate of 25% mainly due to IPO and related expenses being not deductible for tax purposes. The current financial year effective tax rate is lower than the statutory tax rate of 25% mainly due to non taxable gain on disposal of subsidiaries of RM877 million included in other income.

19. PROFIT/(LOSS) ON SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

There were no sales of unquoted investments and/or properties during the quarter.

20. QUOTED SECURITIES

There were no quoted securities acquired or disposed during the quarter.

21. STATUS OF CORPORATE PROPOSALS ANNOUNCED

As a result of the Pre-Listing Restructuring, dividends and settlement of intercompany balances, Maxis Group owes MCB Group RM4,992.0 million and this amount presently bears interest at a rate of Kuala Lumpur Inter-bank Offered Rate (“KLIBOR”) plus 1.5% per annum. This amount shall be repaid by Maxis and its subsidiaries on the 2nd anniversary of the completion date of the Pre-Listing Restructuring (“Payment Date”) provided that if the Company raises financing through external financing prior to the Payment Date, the Company shall pay MCB such amount due by Maxis and its subsidiaries to MCB within 5 business days upon the receipt of the proceeds from the external financing. The Company had on 22 February 2010 obtained the external financing. Please refer to Note 12 for the details of the financing.

Save as disclosed above, there is no other major corporate proposal announced but not completed.



MAXIS BERHAD
(867573 – A)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

22. BORROWINGS

The borrowings as at 31 December 2009 are as follows:

	CURRENT LIABILITIES	NON- CURRENT LIABILITIES	TOTAL
	RM' m	RM' m	RM' m
<u>Secured</u>			
Finance lease liabilities	22	21	43
<u>Unsecured</u>			
Loan from immediate holding company	-	4,992	4,992
Loan from a related party	31	-	31
	53	5,013	5,066
 Currency exposure profile of borrowings is as follows:			
Ringgit Malaysia	53	5,013	5,066

23. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 19 February 2010.

24. MATERIAL LITIGATION

There is no material litigation as at 19 February 2010.

25. DIVIDENDS

(a) Interim dividend

The Board of Directors has declared an interim single-tier tax exempt dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2009, to be paid on 30 March 2010. The entitlement date for the dividend payment is 15 March 2010.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred to the depositor's securities account before 4.00 pm on 15 March 2010 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

(b) Final dividend

The Board of Directors proposes to recommend for shareholders' approval at the next Annual General Meeting a final single-tier tax exempt dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2009, to be paid on a date to be determined.


MAXIS BERHAD
 (867573 – A)
 (INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2009

26. BASIC EARNINGS/(LOSSES) PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER	QUARTER	YEAR	YEAR
		ENDED	ENDED	ENDED	ENDED
		31/12/2009	31/12/2008	31/12/2009	31/12/2008
Profit/(loss) attributable to the equity holders of the Company	(RM' m)	503	14	1,578	(101)
Weighted average number of issued ordinary shares	(' m)	7,500⁽¹⁾	5,213 ⁽²⁾	5,790⁽³⁾	5,213 ⁽²⁾
Basic earnings/(losses) per share	(sen)	6.7	0.3	27.3	(1.9)

Notes:

⁽¹⁾ Based on the shares issued on 1 October 2009 pursuant to the Pre-Listing Restructuring.

⁽²⁾ Based on the shares issued by Maxis to the owners of MMSSB for the reverse acquisition.

⁽³⁾ Based on the weighted average of 5,213 million issued by Maxis to the owners of legal subsidiary for the reverse acquisition for 9 months ended 30 September 2009 and 7,500 million shares issued on 1 October 2009 pursuant to the Pre-Listing Restructuring.

By order of the Board

Dipak Kaur
 (LS 5204)
 Company Secretary
 25 February 2010
 Kuala Lumpur