MAXIS BERHAD

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

The Board of Directors of Maxis Berhad ("Maxis" or "the Company") is pleased to announce the following unaudited condensed consolidated financial statements for the first quarter ended 31 March 2010 which should be read in conjunction with the Notes on pages 7 to 23.

Save for the unaudited Condensed Consolidated Statements of Financial Position, the comparatives presented below 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 by Maxis which was completed on 1 October 2009. The comparatives 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 Board of Directors has provided additional proforma financial information as set out in Note 2 on pages 11 to 14 to facilitate comparability of the operational performance of the Group between the reported periods.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/3/2010	QUARTER ENDED 31/3/2009	**PERIOD ENDED 31/3/2010**	PERIOD ENDED 31/3/2009
	Note	**RM' m**	RM' m	**RM' m**	RM' m
Revenue	10	**2,152**	1,778	**2,152**	1,778
Cost of sales		**(716)**	(1,425)	**(716)**	(1,425)
Gross profit		**1,436**	353	**1,436**	353
Other income		**2**	-	**2**	-
Administrative expenses		**(370)**	(251)	**(370)**	(251)
Network operation costs		**(243)**	-	**(243)**	-
Other expenses		**(10)**	(18)	**(10)**	(18)
Profit from operations	10	**815**	84	**815**	84
Finance income		**5**	8	**5**	8
Finance cost		**(55)**	(9)	**(55)**	(9)
Share of results of a jointly controlled entity		**-**	(100)	**-**	(100)
Profit/(loss) before tax		**765**	(17)	**765**	(17)
Taxation	18	**(213)**	(25)	**(213)**	(25)
Profit/(loss) for the period attributable to equity holders		**552**	(42)	**552**	(42)
Earnings/(losses) per share attributable to equity holders (sen):					
- Basic	26	**7.4**	(0.8)	**7.4**	(0.8)
- Diluted[1]		**NA**	NA	**NA**	NA

Note :
[1] NA denotes "Not Applicable" as there are no dilutive ordinary shares.

MAXIS BERHAD
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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 31/3/2010	QUARTER ENDED 31/3/2009	**PERIOD ENDED 31/3/2010**	PERIOD ENDED 31/3/2009
	RM' m	RM' m	**RM' m**	RM' m
Profit/(loss) for the period	**552**	(42)	**552**	(42)
Other comprehensive (expense)/ income: (2)				
Currency translation differences	**-**	54	**-**	54
Net change in cash flow hedge	**(59)**	-	**(59)**	-
Other comprehensive (expense)/ income for the period	**(59)**	54	**(59)**	54
Total comprehensive income for the period attributable to equity holders	**493**	12	**493**	12

Note :
(2) There is no income tax attributable to the components of other comprehensive income/expense.

MAXIS BERHAD

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	AS AT 31/3/2010 (Unaudited)	(Restated)[3] AS AT 31/12/2009 (Audited)
		RM' m	RM' m
Non-current assets			
Property, plant and equipment	11	**4,451**	4,561
Intangible assets [4]		**10,999**	11,019
Deferred tax assets		**83**	86
		15,533	15,666
Current assets			
Inventories		**127**	134
Receivables, deposits and prepayments		**819**	790
Tax recoverable		**1**	6
Amounts due from related parties		**12**	10
Cash and cash equivalents		**817**	1,192
		1,776	2,132
TOTAL ASSETS		**17,309**	17,798
Current liabilities			
Payables and accruals		**2,335**	2,496
Provisions for liabilities and charges		**41**	56
Amount due to immediate holding company		**-**	38
Amounts due to fellow subsidiaries		**2**	1
Amounts due to related parties		**24**	19
Borrowings	22	**21**	22
Loan from a related party	22	**32**	31
Dividend payable		**-**	450
Taxation		**296**	198
		2,751	3,311
Net current liabilities		**(975)**	(1,179)

Notes :

(3) The property, plant and equipment has been restated to comply with Amendment to FRS 117 "Leases" that came into effect 1 January 2010 which requires reassessment on the classification of leasehold land as finance lease or operating lease based on the extent of risks and rewards associated with the land. The Group has concluded that the leasehold land is a finance lease and reclassified it to property, plant and equipment. Further details are set out in Note 1(b) on Page 9.

(4) Includes telecommunication licenses with allocated spectrum rights of RM10,707 million and goodwill arising from acquisition of subsidiaries of RM219 million.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Continued)

	Note	AS AT 31/3/2010 (Unaudited)	(Restated) AS AT 31/12/2009 (Audited)
		RM' m	RM' m
Non-current liabilities			
Payables and accruals		**7**	7
Provisions for liabilities and charges		**120**	116
Borrowings	22	**4,884**	21
Loan from immediate holding company		**-**	4,992
Derivative financial liabilities		**169**	-
Deferred tax liabilities		**390**	406
		5,570	5,542
Net assets		**8,988**	8,945
Equity			
Share capital		**750**	750
Reserves		**8,238**	8,195
Total equity		**8,988**	8,945
Net assets per share (RM)		**1.20**	1.19

MAXIS BERHAD

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued and fully paid							
Quarter ended 31/3/2010	**Number of shares**	**Nominal value**	**Share premium**	**Merger relief[5]**	**Reserve arising from reverse acquisition**	**Other reserves**	**Retained earnings**	**Total equity**
	' m	**RM' m**	**RM' m**	**RM' m**	**RM' m**	**RM' m**	**RM' m**	**RM' m**
Balance as at 1/1/2010	**7,500**	**750**	**-**	**30,440**	**(22,729)**	**53**	**431**	**8,945**
						-		
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**552**	**552**
Other comprehensive expense for the period	**-**	**-**	**-**	**-**	**-**	**(59)**	**-**	**(59)**
Total comprehensive (expense)/ income for the period	**-**	**-**	**-**	**-**	**-**	**(59)**	**552**	**493**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(450)**	**(450)**
Balance as at 31/3/2010	**7,500**	**750**	**-**	**30,440**	**(22,729)**	**(6)**	**533**	**8,988**
Balance as at 1/1/2009	1,294	1,294	61	-	-	(92)	261	1,524
Loss for the period	-	-	-	-	-	-	(42)	(42)
Other comprehensive income for the period	-	-	-	-	-	54	-	54
Total comprehensive income/ (expense) for the period	-	-	-	-	-	54	(42)	12
Balance as at 31/3/2009	1,294	1,294	61	-	-	(38)	219	1,536

Note :

[5] Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of subsidiaries in the financial year ended 31 December 2009 are not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	PERIOD ENDED 31/3/2010	(Restated)[6] PERIOD ENDED 31/3/2009
	RM' m	RM' m
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the period	**552**	(42)
Adjustments for non-cash items	**567**	184
Payments for provision for liabilities and charges	**(25)**	-
Other payments	**(7)**	(8)
Operating profit before working capital changes	**1,087**	134
Changes in working capital	**(171)**	(158)
Cash inflow/(outflow) from operations	**916**	(24)
Interest received	**5**	9
Net tax paid	**(123)**	(14)
Net cash flows generated from/(used in) operating activities	**798**	(29)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for handset subsidies	**(20)**	(12)
Purchase of property, plant and equipment	**(134)**	(1)
Proceeds from disposal of property, plant and equipment	**-**	1
Net cash flows used in investing activities	**(154)**	(12)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	**5,000**	-
Repayment of loan from immediate holding company	**(4,992)**	-
Repayment of lease financing	**(6)**	-
Interest paid	**(82)**	-
Syndicated loan documentation fees paid	**(39)**	-
Dividends paid	**(900)**	-
Net cash flows used in financing activities	**(1,019)**	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(375)**	(41)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	**1,192**	1,197
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**817**	1,156

Note :
(6) The net cash flows used in operating and investing activities have been restated to comply with Amendment to FRS 107 "Statement of Cash flows" that came into effect 1 January 2010 which requires expenditure resulting in recognition of assets to be categorised as cash flow from investing activities. Further details are set out in Note 1(b) on Page 9.

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 Group's audited financial statements for the financial year ended 31 December 2009 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

(a) FRS which is applicable to the Group effective 1 January 2010 and has an impact on the accounting polices of the Group

The significant accounting polices adopted for the unaudited condensed consolidated financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2009 except for the adoption of FRS 139 "Financial Instruments: Recognition and Measurement" that came into effect on 1 January 2010 which has a significant impact on the unaudited condensed consolidated financial statements for the first quarter ended 31 March 2010.

FRS 139 "Financial Instruments: Recognition and Measurement"

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The significant impact arising from the adoption is the recognition of derivative financial instrument in the financial statements at fair value as further explained in Note 23.

Below are the changes in the Group's accounting policy in relation to derivative financial instruments and hedge accounting:

Derivative financial instruments and hedge accounting:

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates and documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group assesses both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items and applies hedge accounting only where effectiveness tests are met on both a prospective and retrospective basis. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

<u>Cash flow hedge</u>

The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency and interest rate fluctuations over the hedging period on the foreign currency borrowings. Where a cash flow hedge qualifies for hedge accounting, the effective portion of gains or losses on remeasuring the fair value of the hedging instrument are recognised directly in equity in the cash flow hedging reserve until such time as the hedged item affects profit or loss, then the gains or losses are transferred to the income statement. Gains or losses on any portion of the hedge determined to be ineffective are recognised immediately in the income statement. The application of hedge accounting will create some volatility in equity reserve balances.

1. BASIS OF PREPARATION (continued)

(a) FRS which is applicable to the Group effective 1 January 2010 and has an impact on the accounting polices of the Group (continued)

FRS 139 "Financial Instruments: Recognition and Measurement" (continued)

Borrowings in a designated hedging relationship:

Borrowings subject to cash flow hedges are recognised initially at fair value based on the applicable spot price plus any transaction costs that are directly attributable to the issue of borrowing. These borrowings are subsequently carried at amortised costs, translated at applicable spot exchange rate at reporting date. Any difference between the final amount paid to discharge the borrowing and the initial proceeds is recognised in the income statement over the borrowing period using the effective interest method.

Currency gain or losses on the borrowings are recognised in the income statement, along with the associated gain or losses on the hedging instrument, which have been transferred from the cash flow hedging reserve to the income statement.

Save for the above, the adoption of FRS 139 does not have any significant impact on the Group's financial assets and liabilities.

(b) FRSs and Amendments to FRSs which are applicable to the Group effective 1 January 2010 and have an impact to the presentation and disclosure of the unaudited condensed financial statements

The adoption of the following FRSs and amendments to FRSs that came into effect on 1 January 2010, as disclosed in the audited consolidated financial statements for the financial year ended 31 December 2009, have an impact on the presentation and disclosure of the financial statements:

- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements
- Amendments to FRSs contained in document entitled "Improvements to FRSs (2009)" – Amendments to FRS 107 "Statement of Cash Flows" and FRS 117 "Leases"

FRS 8 "Operating Segments"

The new FRS requires a 'management approach', under which segment information is reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The adoption has resulted in an additional disclosure on reconciling the reportable segments' profit from operations to the Group's profit/(loss) before tax.

FRS 101 "Presentation of Financial Statements"

The new FRS prohibits the presentation of items of income and expenses (that is "non-owner changes in equity") in the statement of changes in equity. Non-owner changes in equity are to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two separate statements, ie. income statement and statement of comprehensive income. All non-owner changes in equity are now included in the statement of comprehensive income.

1. BASIS OF PREPARATION (continued)

(b) FRSs and Amendments to FRSs which are applicable to the Group effective 1 January 2010 and have an impact to the presentation and disclosure of the unaudited condensed financial statements (continued)

Amendment to FRS 107 "Statement of Cash flows"

The amendment requires the Group to reclassify expenditure resulting in recognition of assets to be categorised as a cash flow from investing activities. The reclassification has been made retrospectively and comparative unaudited Consolidated Statement of Cash Flows for the quarter ended 31 March 2009 has been restated as below so that it is in conformity with the revised standard:

	Consolidated Cash Flow Statement for the quarter ended 31/3/2009	Effects on adoption of amendment to FRS 107	Restated Consolidated Statement of Cash Flows for the quarter ended 31/3/2009
	RM' m	RM' m	RM' m
Payments for handset subsidies			
Cash flows from operating activities	(41)	12	(29)
Cash flow from investing activities	-	(12)	(12)

Amendment to FRS 117 "Leases"

The amendment requires the Group to reassess the classification of leasehold land as finance lease or operating lease based on the extent of risks and rewards associated with the land. The Group has reassessed the risks and rewards of the leasehold land and concluded that it is a finance lease. Consequently, leasehold land has been reclassified from prepaid lease payments to property, plant and equipment.

The reclassification has been made retrospectively and comparative Consolidated Statement of Financial Position as at 31 December 2009 has been restated as below so that it is in conformity with the revised standard:

	Consolidated Balance Sheet as previously reported	Effects on adoption of amendment to FRS 117	Consolidated Statement of Financial Position as restated
	RM' m	RM' m	RM' m
Property, plant and equipment	4,555	6	4,561
Prepaid lease payments	6	(6)	-

1. BASIS OF PREPARATION (continued)

(c) FRSs, Amendments to FRSs and Issues Committee ("IC") Interpretations which are applicable to the Group effective 1 January 2010 but have no significant impact to the unaudited condensed financial statements

The adoption of the following FRSs, amendments to FRSs, IC Interpretations that came into effect on 1 January 2010, as disclosed in the audited consolidated financial statements for the financial year ended 31 December 2009, did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

- FRS 7 — Financial Instruments: Disclosures
- FRS 123 — Borrowing Costs
- Amendments to FRS 2 — Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 127 — Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- IC Interpretation 9 — Reassessment of Embedded Derivatives
- IC Interpretation 10 — Interim Financial Reporting and Impairment
- IC Interpretation 13 — Customer Loyalty Programmes
- Amendments to FRSs contained in document entitled "Improvements to FRSs (2009)", save for those disclosed in Note (b) above

(d) FRSs, Amendments to FRSs and IC Interpretations which are applicable to the Group but not yet effective

The following revised FRSs, amendments to FRSs and IC Interpretation have been issued by the MASB are effective for financial periods on or after 1 July 2010 and have yet to be adopted by the Group:

- Revised FRS 3 — Business Combinations
- FRS 127 — Consolidated and Separate Financial Statements
- Amendments to FRS 2 — Share-based Payment
- Amendments to FRS 5 — Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7 — Improving Disclosure about Financial Instruments
- Amendments to FRS 138 — Intangible Assets
- Amendments to IC Interpretation 9 — Reassessment of Embedded Derivatives

2. REVIEW OF PERFORMANCE

(A) Performance of the current quarter against the preceding quarter (1st Quarter 2010 versus 4th Quarter 2009)

Consolidated Income Statements (Unaudited) (RM'm)	1st Quarter 2010	4th Quarter 2009	Variance	% Variance
Revenue	**2,152**	2,211	(59)	(3)
Cost of sales	**(716)**	(720)	4	1
Gross profit	**1,436**	1,491	(55)	(4)
Other income	**2**	1	1	100
Administrative expenses	**(370)**	(390)	20	5
Network operation costs	**(243)**	(282)	39	14
Other expenses	**(10)**	(80)	70	88
Profit from operations	**815**	740	75	10
Finance income	**5**	4	1	25
Finance cost	**(55)**	(49)	(6)	(12)
Profit before tax	**765**	695	70	10
Taxation	**(213)**	(192)	(21)	(11)
Profit for the period attributable to equity holders of the Company	**552**	503	49	10
EBITDA [1]	**1,082**	1,106	(24)	(2)
EBITDA margin (%)	**50.3**	50.0	0.3	NA
Total depreciation and amortisation	**267**	281	(14)	(5)

Note:
[1] Defined as profit/(loss) before interest income, finance cost, tax, depreciation, amortisation, listing and quotation related expenses and share-based payments in relation to discount on shares issued to retail investors.

Consolidated Statements of Cash Flows (Unaudited) (RM'm)	1st Quarter 2010	4th Quarter 2009 (Restated)	Variance	% Variance
Net cash flows generated from operating activities	**798**	1,426	(628)	(44)
- *Changes in working capital*	***(171)***	*459* [1]	*(630)*	*>(100)*
Net cash flows (used in)/generated from investing activities	**(154)**	379	(533)	>(100)
- *Purchase of property, plant and equipment*	***(134)***	*(583)*	*449*	*77*
Net cash flows used in financing activities	**(1,019)**	(1,799)	780	43
Net changes	**(375)**	6	(381)	>(100)
Cash and cash equivalents at the beginning of the period	**1,192**	1,186	6	1
Cash and cash equivalents at the end of the period	**817**	1,192	(375)	(31)

Note:
[1] Included capex incurred of RM596 million which largely remained outstanding as at the quarter end.

2. REVIEW OF PERFORMANCE (continued)

(A) Performance of the current quarter against the preceding quarter (1st Quarter 2010 versus 4th Quarter 2009) (continued)

Operational indicators	1st Quarter 2010	4th Quarter 2009	Variance	% Variance
Number of mobile subscriptions ('000)				
- Postpaid	**2,711**	2,711	-	-
- Prepaid	**9,667**	9,316	351	4
- Wireless broadband [1]	**313**	264	49	19
- Total	**12,691**	12,291	400	3
Monthly ARPU (RM)				
- Postpaid	**102**	107	(5)	(5)
- Prepaid	**37**	40	(3)	(8)
- Wireless broadband	**69**	85	(16)	(19)
- Blended	**52**	55	(3)	(5)
Average monthly MOUs (minutes) per subscription [2]				
- Postpaid	**358**	377	(19)	(5)
- Prepaid	**122**	124	(2)	(2)
- Blended	**173**	181	(8)	(4)

Notes:
(1) Defined as customers who have subscribed to data plans via a USB modem. Total number of subscribers who have subscribed to data plans, i.e. on both USB modems and handsets are 487,000 as at 31 March 2010.
(2) Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes.

The Group registered a 3% increase in the total mobile subscriptions over the preceding quarter to bring the total mobile subscription base to 12,691,000. Monthly ARPU for postpaid and prepaid decreased by RM5 and RM3 respectively as a result of erosion in voice yield coupled with decrease in MOU and fewer calendar days in the quarter. The wireless broadband's ARPU also decreased by RM16 or 19% due to the launch of free 2-month subscription promotional packages in the preceding quarter and lower take up rate for packages with higher subscription fees. Average MOU per subscription for both postpaid and prepaid decreased by 19 minutes and 2 minutes respectively mainly due to lower mobile traffic within Maxis' networks and with other operators networks during the current quarter as a result of fewer calendar days in the quarter. Consequently, revenue decreased by RM59 million or 3%.

EBITDA decreased by RM24 million or 2% over the previous quarter on the back of lower revenue partly offset by lower operating costs due to lower sales and marketing costs and lower allowance for doubtful debts. The resultant EBITDA margin improved by 0.3% point from the previous quarter.

PBT of RM765 million was RM70 million or 10% higher than the preceding quarter. The increase was mainly due to one-time costs approximately RM77 million recognised in the preceding quarter relating to (i) the share-based payment in relation to discount on shares issued to retail investors of RM53 million and (ii) listing and quotation related expenses of RM24 million. Consequently, profit for the period was higher at RM552 million compared to RM503 million in the preceding quarter.

2. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current year against the preceding year (YTD 31 March 2010 versus YTD 31 March 2009)

To facilitate the comparability of the operational performance of the Group between the reported periods, the year-to-date 2009 set out below are prepared on the assumption that the business combination had been effected on 1 January 2009.

Consolidated Income Statements (Unaudited) (RM'm)	YTD 2010	YTD 2009	Variance	% Variance
Revenue	**2,152**	2,128	24	1
Cost of sales	**(716)**	(704)	(12)	(2)
Gross profit	**1,436**	1,424	12	1
Other income	**2**	-	2	>100
Administrative expenses	**(370)**	(343)	(27)	(8)
Network operation costs	**(243)**	(320)	77	24
Other expenses	**(10)**	(15)	5	33
Profit from operations	**815**	746	69	9
Finance income	**5**	10	(5)	(50)
Finance cost	**(55)**	(11)	(44)	>(100)
Profit before tax	**765**	745	20	3
Taxation	**(213)**	(198)	(15)	(8)
Profit for the period attributable to equity holders	**552**	547	5	1
EBITDA[1]	**1,082**	1,072	10	1
EBITDA margin (%)	**50.3**	50.4	(0.1)	NA
Total depreciation and amortisation	**267**	326	(59)	(18)

Note:
[1] Defined as profit/(loss) before interest income, finance cost, tax, depreciation and amortisation.

Consolidated Statements of Cash Flows (Unaudited) (RM'm)	YTD 2010	YTD 2009 (Restated)	Variance	% Variance
Net cash flows generated from operating activities	**798**	190	608	>100
- *Changes in working capital*	***(171)***	*(748)* [1]	*577*	*77*
Net cash flows used in investing activities	**(154)**	(162)	8	5
- *Purchase of property, plant and equipment*	***(134)***	*(151)*	*17*	*11*
Net cash flows used in financing activities	**(1,019)**	(28)	(991)	>(100)
Net changes	**(375)**	**-**	(375)	>(100)
Cash and cash equivalents at the beginning of the period	**1,192**	1,692	(500)	(30)
Cash and cash equivalents at the end of the period	**817**	1,692	(875)	(52)

Note:
[1] Included settlement of balances due to Maxis Communications Berhad of RM345 million in relation to previous quarters' working capital requirements and payment to creditors of RM292 million.

2. REVIEW OF PERFORMANCE (continued)

(B) Performance of the current year against the preceding year (YTD 31 March 2010 versus YTD 31 March 2009) (continued)

Operational indicators	YTD 2010	YTD 2009	Variance	% Variance
Number of mobile subscriptions ('000)				
- Postpaid	**2,711**	2,655	56	2
- Prepaid	**9,667**	8,460	1,207	14
- Wireless broadband	**313**	151	162	>100
- Total	**12,691**	11,266	1,425	13
Monthly ARPU (RM)				
- Postpaid	**102**	102	-	-
- Prepaid	**37**	42	(5)	(12)
- Wireless broadband	**69**	97	(28)	(29)
- Blended	**52**	56	(4)	(7)
Average monthly MOUs (minutes) per subscription [1]				
- Postpaid	**358**	365	(7)	(2)
- Prepaid	**122**	111	11	10
- Blended	**173**	168	5	3

Note:
[1] Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes.

Revenue grew by RM24 million or 1% on the back of higher mobile subscription base. Mobile subscriptions grew 1,425,000 or 13% contributed by prepaid growth of 1,207,000 or 14%, postpaid growth of 56,000 or 2% and wireless broadband growth of 162,000, bringing the total mobile subscription base to 12,691,000 as at 31 March 2010. Monthly ARPU for prepaid and wireless broadband dropped by RM5 and RM28 respectively, mainly due to erosion in voice yield as a result of migration to lower priced plans and introduction of lower priced tariff packages and promotional packages offering free 2-month subscription. Monthly postpaid ARPU remains flat during the current quarter. Average postpaid MOU per subscription decreased by 7 minutes mainly driven by lower outgoing calls whilst prepaid MOU per subscription increased by 11 minutes driven by higher usage from increased mobile traffic within Maxis' networks and with other operators networks during the period.

EBITDA increased by RM10 million or 1% on the back of higher revenue partly offset by higher direct expenses of RM12 million on account of higher device expenses from sales of Blackberry and iPhones. The resultant EBITDA margin decreased by 0.1% point from 50.4% to 50.3%.

For the current period, PBT increased by RM20 million or 3% due to higher EBITDA and lower depreciation and amortisation of RM59 million offset by higher net finance costs of RM49 million. Consequently, profit for the period was higher at RM552 million compared to RM547 million in the preceding period.

3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2010

The Malaysian economy has recovered as evidenced by the strong turnarounds in all economic sectors and improving consumer and business confidence. Malaysian Institute of Economic Research has raised the estimated GDP growth for 2010 to 5.2% from the earlier forecast of 3% to 4%. The improved outlook is expected to stimulate consumer and business spending for telecommunication services.

The Group continues to be optimistic about its growth prospect and expects healthy growth in mobile subscriptions and data revenues, driven largely by a strong demand for quality internet access and expansion to new market areas. The Group will continue to focus on stringent management of costs and working capital to underpin earnings and operating cash flows.

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 FINANCIAL STATEMENTS

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 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 financial period ended 31 March 2010.

7. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the financial period ended 31 March 2010.

8. DEBTS AND EQUITY SECURITIES

Save for the syndicated term loan facility of USD750 million and term loan facility of RM2.45 billion drawn down on 24 February 2010 towards inter alia, payments of amounts owing to Maxis Communications Berhad as described in Maxis' Prospectus dated 28 October 2009, there were no issuance, repurchase and repayment of debt and equity securities by Maxis Berhad during the financial period ended 31 March 2010.

9. DIVIDENDS PAID

During the financial period ended 31 March 2010, the first and second interim single-tier tax exempt dividends of 6.0 sen per ordinary share each in respect of the financial year ended 31 December 2009, amounting to RM450 million each were paid on 15 January 2010 and 30 March 2010 respectively.

MAXIS BERHAD

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2010

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 line services and international gateway services. Inter-segment revenue 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.

Quarter Ended 31 March 2010	**Mobile services**	**Fixed line services**	**International gateway services**	**Other operations**	**Elimination**	**Group**
	RM' m	**RM' m**	**RM' m**	**RM' m**	**RM' m**	**RM' m**
External revenue	**2,023**	**43**	**86**	**-**	**-**	**2,152**
Inter-segment revenue	**13**	**11**	**65**	**69**	**(158)**	**-**
Total revenue	**2,036**	**54**	**151**	**69**	**(158)**	**2,152**
Profit from operations	**802**	**12**	**1**	**-**	**-**	**815**
Finance income						**5**
Finance cost						**(55)**
Profit before tax						**765**
Quarter Ended 31 March 2009						
External revenue	1,778	-	-	-	-	1,778
Inter-segment revenue	-	-	-	-	-	-
Total revenue	1,778	-	-	-	-	1,778
Profit from operations	84	-	-	-	-	84
Finance income						8
Finance cost						(9)
Share of results of a jointly controlled entity						(100)
Loss before tax						(17)

11. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

There were no revaluations of property, plant and equipment for the period under review. As at 31 March 2010, 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

There were no material events subsequent to the end of the quarter.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

The amounts of contingent liabilities as at 25 May 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)	**6**
(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, utility companies and others)	**30**
	86

(b) Contingent assets

There were no contingent assets as at 25 May 2010.

15. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment approved by the Directors and not provided for in the unaudited condensed consolidated financial statements as at 31 March 2010 are as follows:

	RM' m
Contracted for	**338**
Not contracted for	**1,309**
	1,647

16. SIGNIFICANT 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 period ended 31/3/2010	Balances due from/(to) as at 31/3/2010
	RM' m	**RM' m**
(a) Sales of goods and services to:		
- MEASAT Broadcast Network Systems Sdn. Bhd. and its related companies [(1)] (VSAT, telephony and international bandwidth services)	**9**	**4**
- Saudi Telecom Company ("STC")[(2)] (roaming and international calls)	**2**	**4**
- Aircel Limited Group [(3)] (interconnect, roaming and international calls income)	**4**	**3**
(b) Purchases of goods and services from:		
- Aircel Limited Group ([3)] (interconnect, roaming and international calls)	**6**	**(4)**
- Sri Lanka Telecom PLC Group ([4)] (roaming and international calls)	**3**	**(2)**
- Tanjong City Centre Property Management Sdn. Bhd. [(5)] (rental, signage, parking and utility charges)	**7**	**-**
- MEASAT Satellite Systems Sdn. Bhd. [(6)] (transponder lease rental)	**5**	**-**
- Digital Five Sdn Bhd [(1)] (contents provision)	**2**	**(5)**
- MEASAT Broadcast Network Systems Sdn Bhd [(1)] (CATV, advertising, printing services and video content)	**-**	**(5)**
- UTSB Management Sdn. Bhd. [(7)] (secondment and consultancy services)	**7**	**(2)**
- SRG Asia Pacific Sdn. Bhd. [(7)] (call handling and telemarketing services)	**6**	**(4)**
- STC [(2)] (roaming and international calls)	**1**	**(6)**
- UMTS (Malaysia) Sdn.Bhd. [(8)] (usage of 3G spectrum)	**6**	**-**

16. SIGNIFICANT RELATED PARTY DISCLOSURES (continued)

Notes:

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

Ananda Krishnan Tatparanandam ("TAK"), 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 TAK and foundations including those for charitable purposes. Although TAK 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 ("ASTRO"), an associate of UTSB
(2) A major shareholder of BGSM, the ultimate holding company of the Company
(3) Subsidiaries of MCB
(4) Associates of UTSB
(5) Subsidiary of Tanjong Public Limited Company, an associate of UTSB
(6) Subsidiary of MAI Holdings Sdn Bhd, a company controlled by TAK
(7) Subsidiary of UTSB
(8) Subsidiary of the Company and associate of ASTRO. The outstanding balances as at 31 March 2010 are eliminated in the consolidated financial statements

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 31/3/2010	QUARTER ENDED 31/3/2009	**PERIOD ENDED 31/3/2010**	PERIOD ENDED 31/3/2009
	RM' m	RM' m	**RM' m**	RM' m
Income tax:				
- Current tax	**230**	15	**230**	15
Deferred tax	**(17)**	10	**(17)**	10
Total	**213**	25	**213**	25

The Group effective tax rate for the first quarter ended 31 March 2010 was at 27.8%, higher than the statutory tax rate of 25% mainly due to certain expenses not being deductible for tax purposes.

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

There were no corporate proposals announced but not completed.

22. BORROWINGS

The borrowings as at 31 March 2010 are as follows:

	CURRENT LIABILITIES	NON-CURRENT LIABILITIES	TOTAL
	RM' m	RM' m	RM' m
Secured			
Finance lease liabilities	21	16	37
Unsecured			
Term loans	-	4,868	4,868
Loan from a related party	32	-	32
	53	4,884	4,937

Currency exposure profile of borrowings is as follows:

	CURRENT LIABILITIES	NON-CURRENT LIABILITIES	TOTAL
Ringgit Malaysia	53	2,462	2,515
United States Dollar	-	2,422	2,422
	53	4,884	4,937

23. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivatives

Details of derivative financial instruments outstanding as at 31 March 2010 are set out below:

TYPE OF DERIVATIVES	CONTRACT/ NOTIONAL VALUE	FAIR VALUE
	RM'm	RM'm
Cash flow hedge derivative:		
Cross Currency Interest Rate Swap ("CCIRS")		
- less than 1 year	-	-
- 1 year to 3 years	-	-
- more than 3 years	2,550	169
Total	2,550	169

On 24 February 2010, the Group entered into an amortising cross currency interest rate swap ("CCIRS") to hedge against fluctuations in the USD/RM exchange rate and fluctuations in LIBOR on its USD750 million syndicated loan. The Group will pay a fixed interest rate of 4.75% per annum in exchange for receiving LIBOR plus a spread on the amortising outstanding principal amounts, and pay Ringgit Malaysia in exchange of receiving USD at a pre-determined exchange rate of RM3.40 to USD1.00 according to the scheduled repayment of the syndicated loan in which principal exchange occurs semi-annually.

(i) The risks associated to the derivative financial instruments are as follows:

Market risk

Market risk arises on changes in market interest rates and foreign currency rates. The Group entered into CCIRS to hedge the fluctuations in the USD/RM exchange rate and fluctuations in LIBOR. However, if the market rate of the USD/RM exchange rate moves below RM3.40/USD1.00 and interest rate moves below 4.75% per annum, the Group is exposed to fair value risk and the losses shall be recognised on the statement of comprehensive income.

Credit risk

The Group is exposed to credit risk if one counterparty to the CCIRS fails to meet its obligations over the life of the CCRIS. The Group has entered into the CCIRS with various reputable counterparties to minimse the risks.

(ii) Cash flow requirements of the derivatives

There was no cash movement from the Group to the counterparties when the CCIRS was executed as fees/costs associated with the CCIRS have been incorporated into the fixed interest rate that each of the counterparties charge as part of the CCIRS structure. In addition, there is no cash movement between the Group and the CCIRS counterparties due to mark-to-market changes.

23. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Disclosure of derivatives (continued)

(iii) Policies in place for mitigating or controlling the risks associated with those derivatives

The Group's activities expose it to a variety of financial risks, including market risk (interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge designated risk exposures of the underlying hedge items and does not enter into derivative financial instruments for speculative purposes.

Risk management is carried out by a central treasury department under a policy approved by the Board of Directors. The policy provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and use of derivative financial instruments.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial liabilities relating to the CCIRS using valuation technique which utilises data from recognised financial information sources. Assumptions are based on market conditions existing at each reporting date. The fair value is calculated as the present value of the estimated future cash flow using an appropriate market based yield curve.

As a result, the Group has recognised losses of RM169 million on remeasuring the fair value of the derivative financial instrument in equity in the cashflow hedging reserve of which RM110 million was transferred to the income statement to offset the unrealised gain of RM102 million which arose from the strengthening of RM against USD and to recognise additional interest expense of RM8 million as the underlying interest rate is lower than the hedged interest rate on the USD750 million syndicated loan. The remaining balance of RM59 million in the cash flow hedging reserve as at 31 March 2010 represents the deferred fair value losses relating to the CCIRS. As the Group intends to hold the syndicated loan and associated derivative instrument to maturity, any changes to the fair value of the derivative instrument will not impact the income statement.

24. MATERIAL LITIGATION

There is no material litigation as at 25 May 2010.

25. DIVIDENDS

The Board of Directors has declared a first interim single-tier tax exempt dividend of 8 sen per ordinary share in respect of the financial year ending 31 December 2010, to be paid on 30 June 2010. The entitlement date for the dividend payment is 15 June 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 June 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.

The Board of Directors intends that dividends for the balance of the current financial year will be declared on a quarterly basis and expects that these dividends will be at an amount similar to that declared for the first quarter.

26. BASIC EARNINGS/(LOSSES) PER SHARE

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 31/3/2010	QUARTER ENDED 31/3/2009	**PERIOD ENDED 31/3/2010**	PERIOD ENDED 31/3/2009
Profit/(loss) attributable to the equity holders	(RM' m)	**552**	(42)	**552**	(42)
Weighted average number of issued ordinary shares	(' m)	**7,500**[1]	5,213[2]	**7,500**[1]	5,213[2]
Basic earnings/(losses) per share	(sen)	**7.4**	(0.8)	**7.4**	(0.8)

Notes:
[1] Based on the issued ordinary shares of Maxis on 31 March 2010.
[2] Based on the shares issued by Maxis to the owners of MMSSB for the reverse acquisition.

By order of the Board

Dipak Kaur
(LS 5204)
Company Secretary
31 May 2010
Kuala Lumpur