AXIATA GROUP BERHAD (242188-H)

The Board of Directors of Axiata Group Berhad is pleased to announce the following unaudited results of the Group for the financial period ended 30 September 2013.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3rd Quarter Ended		Financial Period Ended	
	30/9/2013	30/9/2012	30/9/2013	30/9/2012
	RM '000	RM '000 Restated	RM '000	RM '000 Restated
Operating revenue	**4,747,318**	4,539,322	**13,858,580**	13,202,810
Operating costs				
- depreciation, impairment and amortisation	**(853,216)**	(804,599)	**(2,559,298)**	(2,423,253)
- foreign exchange gains/(losses)	**22,397**	(26,307)	**48**	(114,586)
- domestic interconnect and international outpayment	**(633,649)**	(709,509)	**(1,967,656)**	(1,717,143)
- marketing, advertising and promotion	**(397,937)**	(355,965)	**(1,133,163)**	(1,066,860)
- other operating costs	**(1,486,427)**	(1,329,370)	**(4,286,281)**	(3,974,447)
- staff costs	**(311,901)**	(278,275)	**(910,217)**	(814,121)
- other gains - net	**113,782**	7,130	**149,507**	25,498
Other operating income	**803**	14,945	**23,666**	62,174
Operating profit before finance cost	**1,201,170**	1,057,372	**3,175,186**	3,180,072
Finance income	**46,320**	65,720	**216,506**	192,305
Finance cost excluding net foreign exchange (losses)/gains on financing activities	**(177,731)**	(223,149)	**(524,713)**	(549,570)
Net foreign exchange (losses)/gains on financing activities	**(203,719)**	4,042	**(243,902)**	(82,355)
	(381,450)	(219,107)	**(768,615)**	(631,925)
Jointly controlled entities				
- share of results (net of tax)	**5,533**	-	**4,332**	-
Associates				
- share of results (net of tax)	**46,486**	68,227	**198,097**	160,748
- loss on dilution of equity interests	**-**	-	**(19,033)**	(12,070)
Profit before taxation	**918,059**	972,212	**2,806,473**	2,889,130
Taxation	**(148,278)**	(163,798)	**(654,223)**	(667,159)
Profit for the financial period	**769,781**	808,414	**2,152,250**	2,221,971
Other comprehensive income/(expense):				
Items that will not be reclassified to profit or loss:				
- actuarial (losses)/gains on defined benefits plan, net of tax	**3,860**	2,816	**9,321**	(5,839)
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**(516,684)**	(265,575)	**(447,717)**	(580,636)
- net investment hedge, net of tax	**(38,535)**	20,816	**(18,880)**	(20,288)
Other comprehensive expense for the financial period, net of tax	**(551,359)**	(241,943)	**(457,276)**	(606,763)
Total comprehensive income for the financial period	**218,422**	566,471	**1,694,974**	1,615,208
Profit for the financial period attributable to:				
- owners of the Company	**715,047**	709,918	**1,974,389**	1,942,185
- non-controlling interests	**54,734**	98,496	**177,861**	279,786
	769,781	808,414	**2,152,250**	2,221,971
Total comprehensive income for the financial period attributable to:				
- owners of the Company	**346,667**	558,599	**1,686,136**	1,498,034
- non-controlling interests	**(128,245)**	7,872	**8,838**	117,174
	218,422	566,471	**1,694,974**	1,615,208
Earnings per share (sen) (Note B,14)				
- basic	**8.4**	8.3	**23.2**	22.9
- diluted	**8.3**	8.3	**23.0**	22.8

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

AXIATA GROUP BERHAD (242188-H)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30/9/2013 RM '000 Unaudited	As at 31/12/2012 RM '000 Audited
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	8,537,208	8,508,209
Share premium	2,208,605	2,094,125
Reserves	8,213,801	9,498,174
Total equity attributable to owners of the Company	18,959,614	20,100,508
Non-controlling interests	1,823,189	1,906,714
Total equity	20,782,803	22,007,222
NON-CURRENT LIABILITIES		
Borrowings	11,935,990	10,765,691
Derivative financial instruments	113,099	194,181
Deferred income	274,970	247,188
Other payable	69,981	68,417
Provision for liabilities	367,857	338,948
Deferred tax liabilities	1,497,408	1,418,265
Total non-current liabilities	14,259,305	13,032,690
	35,042,108	**35,039,912**
NON-CURRENT ASSETS		
Intangible assets	9,462,661	8,392,514
Property, plant and equipment	16,197,018	16,585,314
Jointly controlled entities	56,907	1,618
Associates	6,839,557	6,838,467
Available-for-sale financial asset	903	892
Derivative financial instruments	182,381	33,621
Long term receivables	93,433	98,750
Deferred tax assets	231,692	263,842
Total non-current assets	33,064,552	32,215,018
CURRENT ASSETS		
Inventories	325,641	381,499
Trade and other receivables	2,452,290	2,112,098
Derivative financial instruments	-	22,087
Financial assets at fair value through profit or loss	8	8
Tax recoverable	23,859	40,839
Deposits, cash and bank balances	7,097,150	7,906,204
Assets directly associated with non-current assets classified as held-for-sale	277,489	252,848
Total current assets	10,176,437	10,715,583
LESS : CURRENT LIABILITIES		
Trade and other payables	5,636,411	5,730,997
Borrowings	1,480,367	1,892,371
Current tax liabilities	239,748	115,045
Dividend payable	682,977	-
Liabilities directly associated with non-current assets classified as held-for-sale	159,378	152,276
Total current liabilities	8,198,881	7,890,689
Net current assets	1,977,556	2,824,894
	35,042,108	**35,039,912**
Net assets per share attributable to owners of the Company (sen)	222	236

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

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AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Attributable to equity holders of the Company											
	Issued and fully paid-up ordinary shares of RM1 each											
	Share capital RM '000	Share premium RM '000	Currency translation differences RM '000	Capital contribution reserve RM '000	Merger reserve RM '000	Hedging reserve RM '000	ESOS and RSA reserve RM '000	Actuarial reserve RM '000	Retained earnings RM '000	Total RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 January 2013	**8,508,209**	**2,094,125**	**(554,660)**	**16,598**	**346,774**	**(116,997)**	**111,044**	**(4,387)**	**9,699,802**	**20,100,508**	**1,906,714**	**22,007,222**
Profit for the financial period	-	-	-	-	-	-	-	-	1,974,389	1,974,389	177,861	2,152,250
Other comprehensive (expense)/income:												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	(213,991)	-	-	-	-	-	-	(213,991)	(172,235)	(386,226)
- associates	-	-	(61,491)	-	-	-	-	-	-	(61,491)	-	(61,491)
	-	-	(275,482)	-	-	-	-	-	-	(275,482)	(172,235)	(447,717)
- Net investment hedge, net of tax	-	-	-	-	-	(18,880)	-	-	-	(18,880)	-	(18,880)
- Actuarial loss for the financial period, net of tax	-	-	-	-	-	-	-	6,109	-	6,109	3,212	9,321
Total comprehensive (expense)/income	**-**	**-**	**(275,482)**	**-**	**-**	**(18,880)**	**-**	**6,109**	**1,974,389**	**1,686,136**	**8,838**	**1,694,974**
Transactions with owners:												
- Issuance of new shares	28,999	84,653	-	-	-	-	-	-	-	113,652	-	113,652
- Share issue expense	-	(213)	-	-	-	-	-		-	(213)	-	(213)
- Acquisition of a subsidiary	-	-	-	-	-	-	-	-	(10,431)	(10,431)	32,657	22,226
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	3,248	3,248	7,982	11,230
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(133,002)	(133,002)
- Dividends paid/payable to shareholders	-	-	-	-	-	-	-	-	(2,985,725)	(2,985,725)	-	(2,985,725)
- Employee share option scheme:												
- value of employees' services	-	-	-	-	-	-	52,439	-	-	52,439	-	52,439
- transferred from ESOS reserve upon exercise/vest	-	30,040	-	-	-	-	(30,040)	-	-	-	-	-
Total transactions with owners	28,999	114,480	-	-	-	-	22,399	-	(2,992,908)	(2,827,030)	(92,363)	(2,919,393)
At 30 September 2013	**8,537,208**	**2,208,605**	**(830,142)**	**16,598**	**346,774**	**(135,877)**	**133,443**	**1,722**	**8,681,283**	**18,959,614**	**1,823,189**	**20,782,803**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013

	Attributable to equity holders of the Company											
	Issued and fully paid-up ordinary shares of RM1 each											
	Share capital RM '000	Share premium RM '000	Currency translation differences RM '000	Capital contribution reserve RM '000	Merger reserve RM '000	Hedging reserve RM '000	ESOS and RSA reserve RM '000	Actuarial reserve RM '000	Retained earnings RM '000	Total RM '000	Non-controlling interests RM '000	Total equity RM '000
At 1 January 2012 (as previously reported)	8,466,182	1,989,885	(1,947,251)	16,598	346,774	(76,643)	96,838	-	10,396,129	19,288,512	1,832,355	21,120,867
Effect of adoption of MFRS1	-	-	1,813,994	-	-	-	-	-	(1,259,424)	554,570	60	554,630
At 1 January 2012 (as restated)	8,466,182	1,989,885	(133,257)	16,598	346,774	(76,643)	96,838	-	9,136,705	19,843,082	1,832,415	21,675,497
Profit for the financial period	-	-	-	-	-	-	-	-	1,942,185	1,942,185	279,786	2,221,971
Other comprehensive expense:												
- Currency translation differences arising during the financial period:												
- subsidiaries	-	-	(406,979)	-	-	-	-	-	-	(406,979)	(160,668)	(567,647)
- associates	-	-	(12,989)	-	-	-	-	-	-	(12,989)	-	(12,989)
	-	-	(419,968)	-	-	-	-	-	-	(419,968)	(160,668)	(580,636)
- Net investment hedge, net of tax	-	-	-	-	-	(20,288)	-	-	-	(20,288)	-	(20,288)
- Actuarial loss for the financial period								(3,895)		(3,895)	(1,944)	(5,839)
Total comprehensive (expense)/income	**-**	**-**	**(419,968)**	**-**	**-**	**(20,288)**	-	**(3,895)**	**1,942,185**	**1,498,034**	**117,174**	**1,615,208**
Transactions with owners:												
- Issuance of new shares	39,369	56,331	-	-	-	-	-		-	95,700	-	95,700
- Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	9	4,087	4,096	7,315	11,411
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(132,059)	(132,059)
- Dividends paid to shareholders	-	-	-	-	-	-	-	-	(1,954,142)	(1,954,142)	-	(1,954,142)
- Employees' share option scheme												
- value of employees' services	-	-	-	-	-	-	45,370	-	-	45,370	-	45,370
- transferred from ESOS reserve upon exercise	-	40,748	-	-	-	-	(40,748)	-	-	-	-	-
Total transactions with owners	39,369	97,079	-	-	-	-	4,622	9	(1,950,055)	(1,808,976)	(124,744)	(1,933,720)
At 30 September 2012	**8,505,551**	**2,086,964**	**(553,225)**	**16,598**	**346,774**	**(96,931)**	**101,460**	**(3,886)**	**9,128,835**	**19,532,140**	**1,824,845**	**21,356,985**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED	
	30/9/2013	30/9/2012
	RM '000	RM '000 Restated
Receipts from customers	13,374,975	13,197,020
Payments to suppliers and employees	(8,112,587)	(7,171,086)
Payment of finance cost	(548,664)	(590,272)
Payment of income taxes (net of refunds)	(395,504)	(615,079)
CASH FLOWS FROM OPERATING ACTIVITIES	**4,318,220**	**4,820,583**
Disposal of property, plant and equipment	9,231	7,819
Purchase of property, plant and equipment & capex inventories	(2,790,544)	(3,720,701)
Purchase of other intangible assets	(808,704)	(316,797)
Investment in a subsidiary	(402,007)	(80,418)
Additional investments in an associate	(786)	-
Acquisition of an associate	-	(2,940)
Acquisition of jointly controlled entities	(59,326)	-
Net repayment from employees	105	69
Interest received	216,488	192,221
CASH FLOWS USED IN INVESTING ACTIVITIES	**(3,835,543)**	**(3,920,747)**
Proceeds from issuance of Performance-Based ESOS shares	112,464	95,700
Share issue expense	(213)	-
Proceeds from borrowings	2,159,874	7,834,552
Repayments of borrowings	(1,259,704)	(5,443,130)
Dividends paid to non-controlling interests	(133,002)	(132,059)
Dividends received from associates	109,800	97,129
Dividends paid to shareholders	(2,302,749)	(1,273,698)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	**(1,313,530)**	**1,178,494**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(830,853)	2,078,330
NET (INCREASE)/DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	(61,167)	92,550
EFFECT OF EXCHANGE RATE CHANGES	20,890	(69,791)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	**7,894,464**	**6,046,406**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**7,023,334**	**8,147,495**
Total deposits, cash and bank balances	7,097,150	8,621,848
Less :		
- Deposit pledged	(67,555)	(472,465)
- Bank overdraft	(6,261)	(1,888)
TOTAL CASH AND CASH EQUIVALENT AS AT THE END OF THE FINANCIAL PERIOD	**7,023,334**	**8,147,495**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2012)

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

1. Basis of Preparation

The unaudited financial statements for the financial period ended 30 September 2013 of the Group have been prepared in accordance with the International Financial Reporting Standards compliant framework, Malaysian Financial Reporting Standards ("MFRS"), MFRS 134 "Interim Financial Reporting", Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR"), and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2012 ("2012 Audited Financial Statements").

2. Accounting Policies

The accounting policies and method of computation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2012 Audited Financial Statements except for the adoption of new standards and amendments/improvements to existing standards that are applicable to the Group for the financial period beginning 1 January 2013 as set out below.

(a) New and amendments to existing standards

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosures of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures

Amendments to MFRS 1 "First-time adoption of MFRSs" on Government Loans

Amendments to MFRS 7 "Financial Instruments: Disclosures" on Disclosure - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, 11 and 12 on Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Amendment to MFRS 101 "Presentation of Financial Statements" on Presentation of Items of Other Comprehensive Income

(b) Annual improvements 2009-2011 Cycle

MFRS 1	First-time adoption of MFRS
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 132	Financial Instruments: Presentation
MFRS 134	Interim Financial Reporting

The adoption of the new standards and amendments/annual improvements to existing standards did not have any significant impact to the Group during the current quarter and financial period to date.

3. Seasonal or Cyclical Factors

The operations of the Group were not significantly affected by any seasonal or cyclical factors.

4. Significant Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

The Group's performance for the current quarter and financial period to date has taken into account of the following:

(a) On 19 February 2013, the Group completed the acquisition of Smart Axiata Co Ltd [formerly known as Latelz Cambodia Limited] ("Smart") as disclosed in Part A, 12 (b) of this announcement for a total cash consideration of RM483.3 million (USD156.0 million).

During the financial period to date, the Group made cash payment of RM76.5 million (USD25.7 million) and RM418.3 million (USD136.0 million) and a total goodwill of RM354.7 million (USD114.2 million) [which is subject to further adjustments as at the date of completion] was recognised in conjunction with the above acquisition; and

(b) During the current quarter and financial period to date, the Group recognised net foreign exchanges losses of RM181.3 million and RM243.9 million respectively mainly arising from the revaluation of USD borrowings and payables.

There were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 September 2013.

5. Estimates

The preparation of interim unaudited financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

There were no changes in estimates of amounts reported in prior financial years that may have a material effect in the current quarter and financial period to date.

In preparing the unaudited interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates uncertainty were consistent as those applied in the 2012 Audited Financial Statements.

6. Issues, Repurchases and Repayments of Debt and Equity Securities

(a) During the current quarter and financial period to date, the Company issued additional 7.5 million and 29.0 million new ordinary shares of RM1 each respectively at an exercise price of RM1.81, RM3.15 and RM3.45 pursuant to the exercise of employee share option under Performance-Based Employee Share Option Scheme ("ESOS") and vesting of Restricted Share Awards ("RSA") under Axiata Share Scheme at issuance price of RM3.81, RM3.88 and RM4.21 being the fair value of the RSA issued.

The detail movement of the issued and paid-up capital and share premium reserve of the Company are as follows:

	Issued and fully paid-up ordinary shares of RM1 each	Share capital	Share premium	Total
	'000	RM'000	RM'000	RM'000
At 1 January 2013	8,508,209	8,508,209	2,094,125	10,602,334
Issuance of Performance-Based on ESOS Shares	9,551	9,551	27,365	36,916
Transferred from ESOS reserve upon exercise	-	-	9,707	9,707
As at 31 March 2013	8,517,760	8,517,760	2,131,197	10,648,957
Issuance of Performance-Based ESOS Shares	11,961	11,961	35,766	47,727
Transferred from ESOS reserve upon exercise	-	-	12,146	12,146
Share issue expenses	-	-	(197)	(197)
As at 30 June 2013	8,529,721	8,529,721	2,178,912	10,708,633
Issuance of shares under Axiata Share Scheme	7,487	7,487	21,522	29,009
Transferred from ESOS and RSA reserve upon exercise/vest	-	-	8,187	8,187
Share issue expenses	-	-	(16)	(16)
As at 30 September 2013	8,537,208	8,537,208	2,208,605	10,745,813

(b) During the current period and financial period to the date, the Company offered ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group as follows:

Date of offers	Number of ordinary shares offered '000
20 March 2013	28,910
23 August 2013	1,442
Total	**30,352**

Aside from the above, there were no other significant and unusual issues, repurchases and repayments of debt and equity securities during the financial period ended 30 September 2013.

7. Dividends

(a) The Company declared and paid the dividends during the financial period as follows:

Date of payment	Description	Per ordinary share Sen	Total RM'000
14 June 2013	*Tax exempt dividend under single tier in respect of financial year ended 31 December 2012:* - final - special	 15 12	 1,279,305 1,023,444
		27	2,302,749

(b) On 30 August 2013, the Board of Directors declared an interim tax tax exempt dividend under single tier system of 8 sen per ordinary share of RM1 each of the Company for the financial year ending 31 December 2013. The Company has accrued a total dividend of RM683.0 million during the current quarter and financial period to date based on issued and paid-up capital of the Company as at 1 October 2013. The dividend was subsequently paid by the Company on 10 October 2013 to its shareholders.

8. Segmental Information

For the financial period ended 30 September 2013

	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	6,005,869	4,948,053	1,366,468	1,144,652	471,068	-	13,936,110
Inter-segment*	(5,118)	(25,873)	(467)	(17,662)	(12)	(28,398)	(77,530)
External operating revenue	6,000,751	4,922,180	1,366,001	1,126,990	471,056	(28,398)	13,858,580
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	2,614,249	2,075,528	512,091	369,577	(10,237)	55	5,561,263
Interest income	81,981	23,356	34,919	2,561	113,535	(39,846)	216,506
Interest expense	(161,463)	(252,925)	(19,202)	(11,132)	(115,148)	35,157	(524,713)
Depreciation of property, plant and equipment ("PPE")	(495,556)	(1,384,679)	(183,871)	(207,280)	(68,537)	49,657	(2,290,266)
Amortisation of intangible assets	(84,987)	(26,353)	(49,253)	(12,820)	(689)	-	(174,102)
Jointly controlled entities:							
- Share of results (net of tax)	(1,273)	5,605	-	-	-	-	4,332
Associates:							
- Share of results (net of tax)	4,442	-	-	(609)	194,264	-	198,097
- Loss on dilution of equity interests	-	-	-	-	-	(19,033)	(19,033)
Impairment of PPE, net of reversal	(68,894)	-	-	8,137	-	-	(60,757)
Other non-cash income/(expenses)	10,277	(69,021)	14,914	(28,192)	(37,521)	4,689	(104,854)
Taxation	(331,309)	(86,714)	(162,922)	(20,563)	(46,211)	(6,504)	(654,223)
Segment profit for the financial period	1,567,467	284,797	146,676	99,679	29,456	24,175	2,152,250

8. Segmental Information (continued)

For the financial period ended 30 September 2012 (restated)

	Malaysia	Indonesia	Bangladesh	Sri Lanka	Others	Consolidation adjustments/ eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	5,726,186	5,242,225	1,083,545	1,015,506	228,002	-	13,295,464
Inter-segment*	(6,851)	(39,804)	(142)	(22,358)	(1,244)	(22,255)	(92,654)
External operating revenue	5,719,335	5,202,421	1,083,403	993,148	226,758	(22,255)	13,202,810
EBITDA	2,517,063	2,557,776	299,997	336,730	(81,076)	(251)	5,630,239
Interest income	110,161	32,550	7,199	5,952	76,174	(39,731)	192,305
Interest expense	(198,456)	(205,609)	(61,271)	(12,284)	(110,066)	38,116	(549,570)
Depreciation of PPE	(638,798)	(1,300,111)	(162,811)	(189,365)	(50,068)	86,641	(2,254,512)
Amortisation of intangible assets	(58,075)	(18,122)	(39,980)	(4,146)	(309)	-	(120,632)
Associates:							
- Share of results (net of tax)	5,419	-	-	27	155,302	-	160,748
- Loss on dilution of equity interests	-	-	-	-	-	(12,070)	(12,070)
Impairment of PPE, net of reversal	10	-	-	4,015	(46,010)	-	(41,985)
Other non-cash income/(expenses)	52,752	(73,524)	386	(65,657)	(30,965)	1,615	(115,393)
Taxation	(349,630)	(257,373)	(56,268)	47,599	(26,233)	(25,254)	(667,159)
Segment profit/(loss) for the financial period	1,440,446	735,587	(12,748)	122,871	(113,251)	49,066	2,221,971

* Inter-segment operating revenue has been eliminated at the respective segment operating revenue. The inter-segment operating revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms.

9. Valuation of Property, Plant and Equipment ("PPE")

The Group does not adopt a revaluation policy on its PPE.

10. Acquisitions of PPE

During the financial period to date, the Group acquired additional PPE amounting to RM2,590.8 million mainly for its telecommunication network equipment and capital work in progress.

11. Events after the Interim Period

Divestment by Celcom Axiata Berhad ("Celcom") of its wholly-owned subsidiary, Celcom Childcare Sdn Bhd ("Celcom Childcare")

On 11 June 2013, the Company announced the entry by Celcom into a Share Sale Agreement ("SSA") with Early Impression Sdn Bhd ("Early Impression") on the divestment of Celcom Childcare. Under the SSA, Celcom disposed its entire shareholding in Celcom Childcare comprising 25,000 ordinary shares of RM1 each for a cash consideration of RM0.2 million. The disposal of Celcom Childcare to Early Impression was completed on 18 October 2013.

Other than the above and the event after the interim period as mentioned in Part A, 7(b) of this announcement, there was no other significant event after interim period that requires disclosure and/or adjustment as at 20 November 2013.

12. Effects of Changes in the Composition of the Group

(a) Disposal of 49.00% equity interest in Mobile Telecommunication Company of Esfahan ("MTCE")

On 18 May 2011, the Group entered into a Sale and Purchase Agreement ("SPA") with Telecommunication Company of Esfahan on the disposal of its entire shareholding in MTCE representing 49.00% of the total issued and paid-up share capital in MTCE. The disposal of MTCE was completed on 2 January 2013.

The disposal has no significant impact to the Group during the financial period to date.

(b) Acquisition by Axiata Investments (Cambodia) Limited ("AIC") of Glasswool Holdings Limited ("Glasswool")

On 13 December 2012, the Company and its wholly-owned subsidiary, AIC have entered into a SPA with Timeturns Holdings Limited for the acquisition of the entire ordinary shares in issue of Glasswool, which became the owner of the entire ordinary shares in issue of Smart in Cambodia ("Acquisition of Smart") upon completion of the Acquisition of Smart. Subsequently, it was the Group's intention to merge the operations of Hello Axiata Company Limited ("Hello") and Smart as one combined entity.

The acquisition was settled via a combination of cash considerations and a 10.00% stake in a combined entity to be held by the remaining partner. On 19 February 2013, the acquisition and the transfer of Hello's telecommunication business and assets were completed and Smart became a 90.00% owned subsidiary of the Group effectively.

12. Effects of Changes in the Composition of the Group (continued)

(c) Acquisition of Sky Television and Radio Network (Private) Limited ("Sky TV")

Dialog Broadband Networks (Private) Limited ("DBN"), a wholly-owned subsidiary of Dialog Axiata PLC, had on 13 May 2013, completed acquisition of entire ordinary shares in issue of Sky TV at a consideration of SLR800.0 million (USD6.4 million). Following the completion of the acquisition, Sky would be amalgamated with DBN. The amalgamation of Sky TV with DBN was completed on 3 July 2013.

Acquisition of Sky TV was concluded as acquisition of asset and has no significant impact to the Group during the financial period to date.

(d) Incorporation of PT XL Planet Digital ("XLJV")

On 16 May 2013, PT XL Axiata Tbk ("XL") entered into an agreement with SK Planet Co Ltd ("SKP") and SK Planet Global Holdings Pte Ltd ("SKGH") whereby SKP and XL agreed to enter into a joint venture arrangement by incorporating a new limited liability company ("NewCo") to develop an e-commerce platform to provide an online multi-category open market place for the sales of physical goods and services in Indonesia via the internet. The agreement stipulates that SKGH and XL were to contribute IDR equivalent of RM58.3 million (USD18.3 million) each for the initial share capital and respectively hold 50.00% of the total share capital of the NewCo. In accordance with the agreement, SKGH and XL have also committed to access the market conditions up to 2015 and contribute additional share capital based on the conditions stated in the agreement. The NewCo having the name, XLJV, was incorporated under Deed of Establishment No. 9 dated 8 July 2013. Effectively, XLJV became a jointly controlled entity of the Group.

The incorporation of XLJV has no significant impact to the Group during the current and financial period to date.

(e) Dilution on equity interest in M1 Limited ("M1")

During the financial period to date, the Group's equity interest in M1, held through Axiata Investments (Singapore) Limited, a wholly owned subsidiary of the Company, decreased from 29.06% to 28.78% respectively following the issuance of new ordinary shares under M1's ESOS.

The dilution has no significant impact to the Group during the financial period to date.

(f) Dilution on equity interest in Idea Cellular Limited ("Idea")

During the financial period to date, the Group's equity interest in Idea, decreased from 19.93% to 19.91% following the issuance of new ordinary shares under Idea's ESOS.

The dilution has no significant impact to the Group during the financial period to date.

(g) Dilution on equity interest in XL

During the financial period to date, the Group's equity interest in XL, decreased from 66.55% to 66.48% following the issuance of new ordinary shares under XL's Shares Based Compensation Scheme.

The dilution has no significant impact to the Group during the financial period to date.

There were no other changes in the composition of the Group for the financial period ended 30 September 2013.

13. Significant Changes in Contingent Assets or Contingent Liabilities

There has been no significant change in contingent assets or contingent liabilities from that disclosed in the 2012 Audited Financial Statements.

14. Capital Commitments

PPE	Group	
	As at 30/9/2013	As at 30/9/2012
	RM'000	RM'000
• Commitments in respect of expenditure approved and contracted for	**1,805,335**	1,324,169
• Commitments in respect of expenditure approved but not contracted for	**2,741,796**	2,506,950

15. Financial Instruments At Fair Value Measurements

The Group's financial instruments that measured at fair value as at reporting date were as follow:

- Derivative financial instruments (assets and liabilities); and
- Trading securities

The Group measured the financial instruments based on published price quotations (Level 1) and market approach valuation technique (Level 2) with inputs of valuation technique such as interest rates and yield curves observable at commonly quoted intervals; implied volatilities; and credit spreads that are observable direct or indirectly as at reporting date.

The Group's financial derivative financial instruments as at 30 September 2013 were grouped as below:

Derivatives Financial Instruments	**Level 1**	**Level 2**	**Total**
	RM'000	RM'000	RM'000
Assets			
Financial assets at fair value through profit or loss			
- Trading securities	8	-	8
- Non-hedging derivatives	-	174,523	174,523
- Derivatives used for hedging	-	7,858	7,858
Liabilities			
- Non-hedging derivatives	-	(15,529)	(15,529)
- Derivatives used for hedging	-	(97,570)	(97,570)
Total	**8**	**69,282**	**69,290**

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Review of Performance

(a) Quarter-on-Quarter

The Group continued to deliver strong revenue growth of 4.6% to RM4,747.3 million in the current quarter ("Q3'13") from RM4,539.3 million recorded in the same quarter last year ("Q3'12"), on the back of consistent higher revenue contribution from all key Operating Companies ("OpCo") except Indonesia, which was affected by translation due to strengthening RM against IDR. At constant currency, the Group revenue would have registered higher growth of 6.0%. Operating costs of the Group increased by 5.9% to RM2,829.9 million in Q3'13 from RM2,673.1 million in Q3'12, mainly driven by Malaysia, Sri Lanka and Cambodia. Arising from stronger revenue traction against cost mainly from Bangladesh, Group EBITDA grew 2.7%. EBITDA margin however declined 0.7 percentage points to 40.4% in Q3'13 mainly affected by Indonesia adverse RM translated revenue and aggressive data investment costs. Profit After Tax ("PAT") in the period decreased by 4.8% to RM769.8 million mainly from the lower EBITDA contribution in Indonesia, higher foreign exchange losses suffered by Indonesia and Sri Lanka resulted from appreciation of USD against the respective local currencies and one-off reversal in Q3'12 of cumulative deferred tax liability in Sri Lanka, off-set by higher profit performance from Malaysia, Bangladesh and Cambodia in Q3'13. Excluding Indonesia, the Group performance would have registered significantly stronger double digit growth at all key lines of revenue, EBITDA and PAT. Indonesia was affected by intense market competition and a fall of 7.0% in the Rupiah, as explained below.

Malaysia gross revenue grew 4.4% in Q3'13 driven by higher revenue from MVNO segment, sales of devices and USP claw-back revenue. Revenue from MVNO registered growth of 27.6% and device sales revenue increased by 74.5%. Malaysia broadband revenue continued to show traction quarter-on-quarter, registered growth of 18.3% driven by its growing broadband subscribers base of 14.2%, and contributing 14.0% to total revenue. Malaysia operating costs grew 6.5% mainly from upsurge in devices cost which is in tandem with higher sales of devices, higher content provider charges and cost associated with USP claw-back. EBITDA in the period showed increase of 1.8% with margin at 43.3%. Excluding the USP component, EBITDA margin would be higher at 43.8%. In Q3'13, Malaysia PAT posted a growth of 23.0% to RM594.0 million as compared to RM482.9 million in prior year quarter, mainly due to improved business contribution and lower depreciation, amortisation and impairment recorded in the current quarter.

Gross revenue of Indonesia decreased by 7.4% mainly due to translation impact of weakening IDR against RM in the current quarter. At constant currency, Indonesia revenue would record a slight decline of 0.9% from lower voice and SMS revenue, decreasing by 6.6% and 5.1% respectively affected by lower blended ARPU and RPM of 18.1% and 11.1% respectively. Declining voice and SMS trend was mitigated partly by increase in data revenue by 19.0% quarter-on-quarter and now contributing 18% to total revenue as compared to 15% in Q3'12. Indonesia operating costs decreased by 0.5% due to translation impact, would increase by 6.5% in IDR terms mainly due to aggressive network implementation cost with 18.2% increase in base transmission sites quarter-on-quarter. As a result, EBITDA in the period decreased by 15.5% with margin dipped by 4.1 percentage points to 42.1%. Apart from lower EBITDA, further strengthening of USD against IDR in the current quarter resulted in significant foreign exchange losses of RM147.6 million and these consequently affected PAT performance, resulting in negative growth of 69.0% to RM74.4 million.

1. **Review of Performance (continued)**

(a) Quarter-on-Quarter (continued)

Bangladesh posted a strong gross revenue growth of 26.0% mainly from prepaid revenue at the back of an 18.2% increase in prepaid revenue generating subscriber base and interconnect revenue. Bangladesh operating costs decreased by 6.4% mainly due to one-off charge of its prior years SIM tax amounting to RM68.6 million in Q3'12. Arising from the strong revenue and lower cost, EBITDA increased significantly by 160.7% to RM195.9 million from RM75.1 million in Q3'12 and margin stood at 40.1%, increasing by 20.7 percentage points. Normalised for this one-off impact last year, EBITDA would have been positive growth 36.3% with margin increasing by 3.0 percentage points versus preceding quarter. Bangladesh consequently posted a significant increase of 336.9% in PAT to RM58.9 million in Q3'13, from loss after tax position of RM24.8 million in Q3'12.

Sri Lanka gross revenue grew 15.2% quarter-on-quarter mainly attributed to its mobile and international segment. Mobile revenue increased by 12.9% from higher prepaid revenue, which increased by 11.0% in tandem with the increase in prepaid revenue generating subscribers base of 11.9%. International revenue grew 10.7% resulted from higher transit revenue recorded, in tandem with increase in transit minutes. Tele-infrastructure and television segment also showed positive improvement, growing by 10.9% and 20.1% respectively versus Q3'12. Sri Lanka operating costs increased by 17.8% driven by higher international business related cost, overheads and network related cost. Despite the cost increase, EBITDA in the current quarter grew 10.2% contributed by higher revenue and continuous stringent cost management initiatives. PAT in the period however registered a negative growth of 67.6% to RM37.6 million as a result of foreign exchange losses recorded in Q3'13 as compared to gain in prior period due to strengthening of USD against SLR in Q3'13, and higher tax expense in the current quarter arising from one-off reversal in Q3'12 of cumulative deferred tax liability.

Cambodia gross revenue grew significantly by 236.7% quarter-on-quarter, now contributing 2% to total Group revenue in Q3'13 as compared to 1% in prior quarter, reflecting the consolidation results of Smart into Cambodia operations since Q1'13. Prepaid revenue remained the major revenue contributor, contributing 74% of total gross revenue in Q3'13, consistent with increase in prepaid revenue generating subscriber base from 0.7 million in Q3'12 to 3.4 million in Q3'13. Operating costs in the current quarter grew 159.6%. As a result of stronger revenue traction against cost, Cambodia EBITDA and PAT registered excellent growth of 742.0% and 71.8% respectively in Q3'13.

Other segment consist of other subsidiaries and profit contribution from associates and jointly controlled entities, has a revenue contribution of RM52.1 million to total Group revenue in Q3'13. For the current period, associates and jointly controlled entities contribution in share of profit in Q3'13 decreased to RM52.0 million from RM68.2 million in prior quarter, mainly due to lower share of positive contribution in India in the current quarter.

1. **Review of Performance (continued)**

(b) Year-on-Year

For the nine (9) months period ended 30 September 2013, Group revenue continued to deliver continuous revenue growth of 5.0% to RM13,858.6 million against RM13,202.8 million recorded last year. At constant currency, revenue would have posted a strong growth of 7.0%. Operating costs of the Group increased by 9.6% to RM8,297.3 million year-on-year from RM7,572.6 million driven by Malaysia, Indonesia and Cambodia operations. The Group's EBITDA decreased by 1.2% and margin dipped by 2.5 percentage points mainly due to increase in cost against revenue in Indonesia, resulted from adverse RM translation impact on revenue along with aggressive data investment costs. PAT in the period decreased by 3.1% to RM2,152.2 million, mainly from lower profit contribution in Indonesia operations affected by lower EBITDA and higher foreign exchange losses, off-set by increased profit contribution from Malaysia, Bangladesh and Cambodia operations. Excluding Indonesia, the Group performance would have registered significantly stronger double digit growth at all key lines of revenue, EBITDA and PAT. Indonesia was affected by intense market competition and a fall of 6.3% in the Rupiah, as explained below.

Malaysia gross revenue grew 4.9% during the period mostly driven by higher revenue from sales of devices, MVNO segment and USP claw-back revenue. Device sales revenue increased by 99.8% while revenue from MVNO growth by 17.4%. Malaysia broadband revenue continued to show an uptrend, registered growth of 18.5% year-on-year and contributing 13.4% to total revenue. During the period, Malaysia operating costs increased by 5.7% with major increase attributed to cost associated with USP claw-back, devices cost and content provider charges. EBITDA consequently grew 3.9% but margin decreased slightly by 0.5 percentage points to 43.5%. Excluding the USP component, EBITDA margin would be higher at 44.4%. PAT during the 9 months period posted a growth of 8.8% to RM1,567.5 million, flowing from the improved EBITDA contribution and lower depreciation, amortisation and impairment and off-set by lower operating income in the current period.

Gross revenue from Indonesia decreased by 5.6% as compared to 9 months results last year. Strengthening of RM against IDR had adversely impacted Indonesia translated results, at constant currency Indonesia would have posted 0.7% revenue growth. Revenue from data increased by 15.1% and data revenue contribution registered higher at 17% from 15% a year ago. Voice and SMS however showed decline of 8.5% and 4.3% respectively affected by decrease in blended ARPU and MOU of 12.9% and 0.2% respectively. Operating costs increased by 7.0% mainly from higher interconnect cost arising from imposition of SMS interconnect fees regulation in late second quarter of last year and also aggressive network implementation cost. As a result, EBITDA decreased by 18.9% in the current period and margin dipped by 6.9 percentage points to 41.9%. Further strengthening of USD against IDR in the current period resulted in significant foreign exchange losses of RM206.0 million and with the lower EBITDA contribution, has adversely affected PAT growth, decreasing 61.3% to RM284.8 million from RM735.6 million year-on-year.

1. Review of Performance (continued)

(b) Year-on-Year (continued)

Bangladesh gross revenue registered a strong double digit growth of 26.1% mainly from prepaid, interconnect and postpaid revenue, which increased by 18.5%, 15.6% and 27.6% respectively. Mobile voice still contributed more than 91% of total mobile revenue. Growth in revenue is mainly due to both subscriber acquisition campaign and retention programmes, both resulted in 18.3% increase in revenue generating base subscribers. During the current period, operating costs increased by 9.0% mainly from higher marketing, interconnect and network related cost, off-set by lower other direct cost due to one-off prior years SIM tax of RM68.6 million included in the prior period. With revenue tracking higher than increase in cost, EBITDA for the 9 months continue to generate excellent growth of 70.7% and margin is positively impacted by 9.8 percentage points recording at 37.5%. Normalised for the one-off prior years SIM tax impact, EBITDA for current period would have been positive growth 38.9% with margin increasing by 3.5 percentage points. PAT improved significantly to RM146.7 million as compared to loss of RM12.7 million in prior period, on the back of the higher EBITDA, net finance income and foreign exchange gain due to strengthening of BDT against USD in the current period.

Sri Lanka gross revenue grew double-digit by 12.7% led by growth across all segments, in particular from mobile and international segments. Mobile revenue grew 10.6%, driven by growth in voice revenue on the back of increase in revenue generating base subscribers by 12.1% while blended ARPU and RPM increased by 3.4% and 4.6% respectively. International segment registered a strong growth of 18.0% driven by the increase in international termination and transit revenue aided by growth in both termination and transit minutes. Fixed line revenue increased by 22.9% driven by strong growth in organic revenues as well as from the consolidation of Suntel Ltd, whilst tele-infrastructure and television revenue grew 13.9% and 19.9% respectively. Sri Lanka operating costs increased by 14.2% mainly from higher network related cost, customer maintenance and international business related cost. EBITDA in the period grew 9.8% as a result of continuous aggressive cost management initiatives. PAT however registered a lower growth of 18.9% to RM99.7 million from RM122.9 million in prior 9 months period affected by reversal of deferred tax liability in the prior period.

Cambodia gross revenue grew significantly by 188.5% year-on-year, now contributing 2% to total Group revenue in the current 9 months period as compared to 1% in prior period, reflecting the consolidation of Smart into Cambodia operations since Q1'13. Prepaid revenue remained the major revenue contributor, contributing 72% of total gross revenue in the current period, consistent with increase in prepaid revenue generating subscriber base from 0.7 million in prior period to 3.4 million in current period. Operating costs in the period grew 121.7%. With higher revenue traction against cost, Cambodia EBITDA and PAT as a result registered excellent growth of 681.6% and 172.5% respectively for the current 9 months versus prior period.

Other segment consist of other subsidiaries and profit contribution from associates and jointly controlled entities, has a revenue contribution of RM165.4 million to total Group revenue. In the current 9 months period, associates and jointly controlled entities contribution in share of profit increased to RM183.4 million from RM148.7 million in prior period mainly due to higher share of profit contribution in India.

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result

Group revenue increased by 2.5% to RM4,747.3 million recorded in current quarter ("Q3'13") from RM4,629.4 million in the second quarter 2013 ("Q2'13"), with major revenue increase from Indonesia, Bangladesh and Sri Lanka. Currency remained stable in Q3'13 and has not impacted revenue growth at constant currency comparison. The Group operating costs increased by 2.3% to RM2,829.9 million in Q3'13 mainly coming from Malaysia and Indonesia operations. Group EBITDA increased by 2.9% to RM1,917.4 million and margin is at 40.4%, increased minimally by 0.1 percentage points versus preceding quarter. Further strengthening of USD against IDR in Indonesia in the current quarter resulted in significant foreign exchange losses to the Group and this has impacted the PAT growth, with PAT in the current quarter increased by 8.8% to RM769.8 million mainly from higher profit contribution from Malaysia, Bangladesh and Sri Lanka. Excluding Indonesia, the Group performance would have registered significantly stronger double digit PAT growth.

Malaysia gross revenue grew 0.2% in Q3'13 mainly contributed by higher revenue from MVNO, which increased by 21.0%. Total subscribers base in current quarter was up by 5.6% as compared to preceding quarter, while broadband subscribers continued to achieve positive momentum registering growth of 7.9% in Q3'13, resulted in growth in broadband revenue of 6.7% and contributing 14.0% to total revenue. For the current quarter, operating costs increased by 1.9% compared to Q2'13, mainly from higher manpower cost, customer related expenses and cost associated with USP claw-back. As a result, EBITDA of Malaysia operations registered a lower growth of 1.9% with margin eroding 0.9 percentage points to 43.3%. Excluding the USP claw-back, EBITDA margin would be higher at 43.8%. PAT in the current quarter increased by 17.7% to RM594.0 million mainly from lower depreciation, amortisation and impairment and taxation recorded.

Indonesia gross revenue grew 2.5% in Q3'13, mainly attributed to higher data, SMS and voice revenue which increased by 9.9%, 5.5% and 3.0% respectively with increase in data revenue contribution from 17% in Q2'13 to 18% in Q3'13. At constant currency, Indonesia revenue would register higher growth of 4.7%. Operating costs increased by 2.1% mainly due to higher network cost with 3.3% increase in base transmission sites by preceding quarter comparison. Consequently, EBITDA in the current quarter grew 3.0% but PAT declined substantially by 32.9% to RM74.4 million in Q3'13 against RM110.9 million in preceding quarter, impacted mainly by foreign exchange losses of RM147.6 million in Q3'13 arising from average 7.7% depreciation of IDR against USD in current versus preceding quarter.

Bangladesh continued its consistent gross revenue growth with 6.8% mainly from its interconnect revenue as a result of higher incoming international traffic. Revenue from data and SMS registered growth of 23.0% and 11.5% respectively due to festive season and aggressive marketing campaigns launched in the market. In the current quarter, Bangladesh operating costs decreased by 1.2% mainly due to impact of SIM tax subsidy reduction since May'13 along with lower lifting of SIM cards recorded in Q3'13. As a result, EBITDA posted an increase of 21.5% versus preceding quarter with PAT subsequently uplifted, increased by 34.7% to RM58.9 million in current quarter.

1. **Review of Performance (continued)**

(c) Comparison with Preceding Quarter's Result

Sri Lanka gross revenue grew 4.6% contributed mainly from its mobile segment, resulted from prepaid revenue which grew 3.3% driven by 2.6% growth in prepaid revenue generating subscribers base and mobile broadband revenue which grew 6.6% driven by 20.0% growth in broadband subscribers. International segment recorded 6.1% growth this quarter, translating to a 22.5% contribution of total Sri Lanka's revenue in Q3'13, mainly aided by higher transit revenue in line with increase in transit minutes. Fixed line, tele-infrastructure and television segment also showed positive improvement, growing by 2.1%, 0.5% and 5.6% respectively. Operating costs increased by 3.8% mainly from higher overheads cost, international business related and marketing costs, but partly offset by lower regulatory cost in current quarter. EBITDA grew 6.2% in the current quarter and Sri Lanka registered higher PAT of RM37.6 million in Q3'13 compared to a lower RM22.9 million in Q2'13, mainly attributed to the higher EBITDA contribution and lower foreign exchange losses recorded in Q3'13.

Cambodia gross revenue grew 7.0% in Q3'13 mainly from prepaid revenue which increased by 4.9% driven by 11.7% increase in prepaid revenue generating base subscribers. Operating costs increased by 9.3% compared to Q2'13 mainly arising from higher regulatory, interconnect and manpower costs. EBITDA subsequently grew 2.6% but PAT decreased by 114.1% versus preceding quarter mainly due to higher depreciation and amortisation recorded in Q3'13.

Other segment consist of other subsidiaries and profit contribution from associates and jointly controlled entities, has a revenue contribution of RM52.1 million to total Group revenue in Q3'13. For the current period, associates and jointly controlled entities contribution in share of profit decreased to RM52.0 million in Q3'13 from RM71.7 million in Q2'13 mainly due to lower share of profit contribution in India in Q3'13 as compared to preceding quarter.

1. Review of Performance (continued)

(d) Economic Profit (“EP”) Statement

	3rd Quarter Ended		Financial Period Ended	
	30/9/2013	30/9/2012	**30/9/2013**	30/9/2012
	RM’000	RM’000 Restated	**RM’000**	RM’000 Restated
EBIT*	1,087,388	1,050,242	3,025,679	3,154,574
Less: Adjusted Tax (25%)	(271,847)	(262,561)	(756,420)	(788,644)
NOPLAT	815,541	787,681	2,269,259	2,365,930
AIC	14,994,966	14,469,585	14,994,966	14,469,585
WACC	8.08%	7.12%	8.08%	7.12%
Economic Charge (AIC*WACC)	302,898	257,559	908,695	772,676
Economic Profit	512,643	530,122	1,360,564	1,593,254

The EP Statement is as prescribed under the Government Linked Companies Transformation Program and it is disclosed on a voluntary basis.

EP is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of the Group vis-à-vis its financial accounting reports, i.e. it explains how much return a business generates over its cost of capital. This can be measured from the difference of NOPLAT and Economic Charge.

The Group reported a higher AIC and WACC during the current quarter and financial period to date due to higher capital investment by the Group and higher cost of equity resulted from higher market risk premium.

The factor contributing to lower EP during the current quarter is mainly arising from higher Economic Charge during the current quarter.

The factor contributing to lower EP during the financial period to date is arising from lower NOPLAT resulted from higher expenses incurred by the Group as disclosed in Part B, 1(a) of this announcement with higher Economic Charge during the current quarter and financial period to date.

Note:

EBIT = Earnings Before Interest & Taxes, excluding derivative financial instruments gains/(losses), certain non operational and one-off items as well as foreign exchange differences on financing activities.

NOPLAT= Net Operating Profit/(Loss) After Tax

AIC = Average Invested Capital, consists of average operating capital, average net PPE and average net other operating assets.

WACC = Weighted Average Cost of Capital is calculated as weighted average cost of debts and equity taking into account the proportion of debt position and market capitalisation as at end of the period.

2. Headline Key Performance Indicators ("KPIs") for the financial year ending 31 December 2013

On 21 February 2013, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2013. The Group's 2013 Headline KPIs announced are as below:

Headline KPIs	**2013 Headline KPIs (%)**
Revenue Growth	7.6
EBITDA Growth	0.2
Return on Invested Capital ("ROIC")	10.3
Return on Capital Employed ("ROCE")	8.3

Moving forward, the Group remains focused on its long-term transformation strategy which includes new approach to current business by defending and growing traditional services, invest-build and launching new businesses. The Group will continuously adopt careful and prudent measures particularly in respect of cost management and operational efficiency in passive infrastructure management, to optimise financial performance.

The Group growth KPI's, with the exception of ROIC and ROCE (which are on track), are under some pressure due to sluggish performance in Indonesia which is in part due to unfavourable prevailing market conditions.

3. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document in respect of the financial period ended 30 September 2013.

4. Taxation

The taxation charge for the Group comprises:

	3rd Quarter Ended		Financial Period Ended	
	30/9/2013	30/9/2012	**30/9/2013**	30/9/2012
	RM'000	RM'000	**RM'000**	RM'000
Income Tax:				
Malaysia				
Current year	(106,710)	(105,556)	(347,827)	(334,197)
Prior year	102,329	29,346	117,929	29,346
	(4,381)	(76,210)	(229,898)	(304,851)
Overseas				
Current year	(77,578)	(69,470)	(281,844)	(235,046)
Prior year	4	-	1,595	103
	(77,574)	(69,470)	(280,249)	(234,943)
Deferred Tax (net):				
Originating and reversal of temporary differences	(66,323)	(18,118)	(144,076)	(127,365)
Total taxation	(148,278)	(163,798)	(654,223)	(667,159)

The current quarter and financial period to date's effective tax rate for the Group is lower than the statutory tax rate mainly arising from adjustment on over accrual of income taxation in previous financial years by a subsidiary of the Group.

5. Status of Corporate Proposals

(a) Disposal of 89.00% equity interest in Multinet Pakistan (Private) Limited ("Multinet")

On 19 July 2010, the Company announced the disposal of its entire shareholding in Multinet through its wholly-owned subsidiary, Axiata Investments (Labuan) Limited representing 89.00% of the total issued and paid-up share capital in Multinet. The completion of the sale is extended as the sale is subject to amongst others the fulfillment of conditions precedent for the sale.

Multinet continued to be classified as Assets and Liabilities Directly Associated with Non-current Assets classified as Held for Sale during the current quarter and financial period to date under FRS5 "Non-current Assets Held for Sale and Discontinued Operations".

(b) Proposed acquisition of PT Axis Telekom Indonesia ("Axis")

XL, a subsidiary of the Company, has on 26 September 2013 entered into a conditional sale and purchase agreement ("SPA") with Saudi Telecom Company ("STC") and Teleglobal Investments B.V. ("Teleglobal"), a 100.0% owned subsidiary of STC, to purchase (or procure the purchase of) the entire issued and paid up share capital of Axis for a cash consideration of USD100 or RM323. As part of the consideration, XL will procure the repayment of approximately USD865.0 million (equivalent to approximately RM2,792.7 million) of Axis' indebtedness.

The proposed acquisition is conditional upon the conditions set out in the SPA being fulfilled or waived. These include regulatory approvals which are beyond the control of Teleglobal, STC and XL. As such, the proposed acquisition may not be completed if any of the conditions are not fulfilled or waived.

As of 20 November 2013, other than the above, there is no other corporate proposal announced but not completed.

6. Group's Borrowings and Debt Securities

(a) Breakdown of the Group's borrowings and debt securities as at 30 September were as follows:

	2013		2012	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	208,745	366,890	575,924	462,751
Unsecured	1,271,622	11,569,100	1,569,412	10,805,920
Total	**1,480,367**	**11,935,990**	2,145,336	11,268,671

(b) Foreign currency borrowings and debt securities in RM equivalent as at 30 September were as follows:

Foreign Currencies	**2013**	2012
	RM'000	RM'000
USD	4,074,271	3,544,920
IDR	3,761,476	3,964,673
CNY	525,486	482,472
BDT	62,565	382,657
SLR	6,261	1,888
Total	**8,430,059**	8,376,610

7. Outstanding derivatives

(a) The detail of the Group's outstanding net derivatives financial instruments as at 30 September are set out as follows:

Type of derivatives financial instruments	2013 Notional Value	2013 Fair Value Favourable/ (Unfavourable)	2012 Notional Value	2012 Fair Value Favourable/ (Unfavourable)
	RM'000	RM'000	RM'000	RM'000
Forward foreign currency contracts:				
- 1 – 3 years	249,475	57,198	354,508	17,319
Cross currency interest rate swaps:				
- < 1 year	-	-	268,572	26,540
- 1 – 3 years	1,689,760	90,404	486,700	947
- > 3 years	1,129,975	(66,573)	1,682,175	(157,027)
Interest rate swaps contracts:				
- 1 – 3 years	662,694	(15,531)	280,442	(9,873)
- > 3 years	-	-	188,984	(6,594)
Convertible warrants in an associate:				
- > 3 years	-	3,784	-	3,783
Total		**69,282**		(124,905)

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in the 2012 Audited Financial Statements.

8. Fair value changes of financial liabilities

The Group recognised a total net gains/(losses) in the consolidated profit or loss arising from the fair value changes on the derivatives financial instruments which are marked to market as at date of statement of financial position are as follows:

	3rd Quarter Ended		Financial Period Ended	
	30/9/2013	30/9/2012	**30/9/2013**	30/9/2012
	RM'000	RM'000	RM'000	RM'000
Total net gains/(losses)	4,986	5,476	(2,618)	14,095

9. Realised and Unrealised Profits or Losses Disclosure

	As at	
	30/9/2013	30/9/2012
	RM'000	RM'000 Restated
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	9,646,579	10,412,371
- Unrealised	(1,309,613)	(1,223,191)
	8,336,966	9,189,180
Total retained profits/(accumulated losses) from associated companies:		
- Realised	1,052,529	720,586
- Unrealised	(167,831)	(78,041)
	884,698	642,545
Total accumulated losses from jointly controlled entities:		
- Realised	2,755	-
	2,755	-
Less : Consolidation adjustments	(543,136)	(702,890)
Total Consolidated Retained Profits	8,681,283	9,128,835

10. Material Litigation

The status of material litigation of the Group is as follows:

(a) Celcom Trading Sdn Bhd (formerly known as Rego Multi-Trades Sdn Bhd) ("Celcom Trading") vs Aras Capital Sdn Bhd ("Aras Capital") & Tan Sri Dato' Tajudin Ramli ("TSDTR")

In 2005, Celcom Trading, a wholly-owned subsidiary of Celcom, commenced proceedings against Aras Capital and TSDTR for amounts due to Celcom Trading of RM261.8 million as at 30 November 2004 pursuant to an investment agreement with Aras Capital and an indemnity letter given by TSDTR. TSDTR filed its defence and instituted a counterclaim of RM100.0 million against Celcom Trading, Celcom Resources Berhad (formerly known as Technology Resources Industries Berhad) ("Celcom Resources") and its directors to void and rescind the indemnity letter and claim damages. Celcom Trading, Celcom Resources and the directors filed their respective applications to strike out TSDTR's counterclaim, which were dismissed by the Court. The directors appealed and the same was dismissed on 16 October 2012.The Court allowed the parties' application to amend the pleadings on 13 May 2013. The matter is now fixed for case management on 2 December 2013 in preparation for the trial.

10. Material Litigation (continued)

(b) Celcom & Another vs TSDTR & 6 Others

On 24 October 2008, Celcom and Celcom Resources filed a Writ of Summons and Statement of Claim against the former directors of Celcom/Celcom Resources, namely (i) TSDTR, (ii) Bistaman Ramli ("BR"), (iii) Dato' Lim Kheng Yew ("DLKY"), (iv) Axel Hass ("AH"), (v) Oliver Tim Axmann ("OTA"). In the Writ of Summons, Celcom and Celcom Resources also named DeTeAsia Holding GmbH ("DeTeAsia") and Beringin Murni Sdn Bhd ("BM") as co-defendants (collectively with the former directors referred to as "Defendants"). Celcom and Celcom Resources are seeking damages for conspiracy against the Defendants.

Celcom and Celcom Resources claim that the Defendants wrongfully and unlawfully conspired with each other to injure Celcom and Celcom Resources by causing and/or committing them to enter into the Supplemental Agreement to the Subscription Agreement and the Management Agreement dated 7 February 2002 ("Supplemental Agreement") and the Amended and Restated Supplemental Agreement ("ARSA") dated 4 April 2002 with DeTeAsia in consideration for the renunciation by DeTeAsia of certain rights issue shares in Celcom Resources in favour of TSDTR and BR.

TSDTR and BR filed an application to strike out the Writ of Summons. On 17 July 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal. The appeal was heard on 25 June 2012 and 14 August 2012. The Court of Appeal fixed the appeal for continued hearing on 28 November 2012.

DeTeAsia, AH and OTA have filed their respective Memorandum of Conditional Appearance and application to strike out these proceedings. On 25 October 2010, the Court dismissed the said application respectively and on 28 October 2010 AH, OTA and DeTeAsia filed their respective appeals to Court of Appeal against the High Court decision. The appeals were heard on 25 June 2012 and 14 August 2012 and fixed for continued hearing on 28 November 2012.

Subsequently, the Court of Appeal vacated both appeals and at the hearing fixed on 27 June 2013, the Court of Appeal heard the parties' submissions and reserved its decision to a date to be fixed. Meanwhile, this matter has been fixed for further case management in the High Court on 15 January 2014 pending outcome of the appeals.

(c) Celcom & Another vs TSDTR & 8 Others

In connection with the Award in DeTeAsia's favour in August 2005, Celcom and Celcom Resources instituted proceedings against 9 of its former directors alleging that they had breached their fiduciary duties in entering into a Subscription Agreement on its behalf on 25 June 1996 with Deutsche Telekom AG ("Subscription Agreement"), and the ARSA whilst they were directors of Celcom and Celcom Resources. In addition, Celcom and Celcom Resources have also made a claim against TSDTR for alleged unauthorised profits made by him in connection with the execution of the abovementioned agreements. Celcom and Celcom Resources are seeking an indemnity from the directors for the sums paid by Celcom to DeTeAsia in satisfaction of the Award against it, return of the alleged unauthorised profits by TSDTR amounting to RM446.0 million, all monies received by the directors arising out of such breaches, losses and damages in connection with the entry of Celcom and Celcom Resources into the Subscription Agreement and the ARSA.

TSDTR and BR filed an application to strike out the proceedings. On 6 February 2009, the Court dismissed TSDTR and BR's striking out application with costs. TSDTR and BR filed an appeal to the Court of Appeal. The appeal was heard on 25 June 2012 and on 14 August 2012. The Court of Appeal fixed the appeal for continued hearing on 28 November 2012.

10. Material Litigation (continued)

(c) Celcom & Another vs TSDTR & 8 Others (continued)

The German directors have respectively applied to set aside these proceedings on the basis that the issues had been litigated and decided on their merits based on the Award. The said applications were respectively dismissed by the Court on 30 June 2010. The German directors filed their respective notices of appeal to the Court of Appeal. The appeals were heard on 25 June 2012 and 14 August 2012. The Court of Appeal then fixed 28 November 2012 for continued hearing.

Subsequently, the Court of Appeal vacated both appeals and at the hearing fixed on 27 June 2013, the Court of Appeal heard the parties' submissions and reserved its decision to a date to be fixed. Meanwhile, this matter has been fixed for further case management in the High Court on 15 January 2014 pending outcome of the appeals.

(d) Claim on Robi Axiata Limited ("Robi") by National Board of Revenue ("NBR")

The Large Tax Unit of the National Board of Revenue of Bangladesh, had issued a show cause letter dated 23 February 2012 to Robi. The letter alleged that Robi had evaded payment of supplementary duty and VAT levied on the issuance of a certain number of SIM cards to new customers of Robi on the pretext that the issuance were for replacement purposes with regards to Robi's existing customers. The amount in question amounts to RM274.8 million (BDT6,549.9 million). The show cause letter accompanied a demand to pay the amount, if the response to the show cause letter is not satisfactory.

Robi subsequently filed a writ in the High Court of Bangladesh on 26 April 2012 to challenge NBR's claim. The writ was heard by the High Court on 2 May 2012. At the hearing the High Court of Bangladesh granted Robi a stay of NBR's claim for 2 months and ordered Robi to reply to NBR's show cause letter within 10 days.

On 7 May 2012, NBR filed an application for Leave to Appeal to the Appellate Division of the Supreme Court of Bangladesh challenging the stay order of the High Court. Chamber Judge of the High Court heard the appeal on 8 May 2012 and rejected NBR's application for stay. Robi has replied to NBR's show cause letter on 10 May 2012.

The appeal filed by NBR against the order of stay was taken up by the Appellate Division for final hearing on 7 April 2013 and the appeal was disposed of with a direction upon the High Court Division to finally hear the writ petition within one month from the date of receipt of the order. In a brief hearing, High Court division disposed-off the Writ with a direction to the NBR to resolve the dispute by following appropriate procedure, within 120 days of the receipt of the judgment.

NBR has fixed the date for hearing on 26th of July 2013. Robi has requested to defer the hearing until Robi receipt the written judgment of the High Court. NBR agreed to defer the hearing date but yet to fix any date.

11. Update on Memorandum of Understanding ("MOU") pursuant to Paragraph 9.29, Chapter 9 of the Main LR

Celcom and MY E.G Services Berhad ("MYEG") had, on 2 September 2013, entered into a MOU to jointly explore possible business opportunities and collaboration in the areas of e-Government services delivery and joint go-to-market for specific target market segments.

This MOU, which is valid for a period of 1 year, forms the basis of the Parties collaboration until such time definitive agreements(s) are entered. The MOU may be further extended by the Parties unless earlier terminated or upon execution of the definitive agreement(s).

12. Other Disclosure Requirements under Appendix 9B of the Main LR

Other than those items disclosed in the statements of comprehensive income and notes in Part A of this announcement, there are no material impairment of receivables, inventories, gains/loss on disposal of investments, properties and assets during the current quarter and financial period to date.

13. Additional Disclosure Requirements

Pursuant to the letter of approval from Securities Commission Malaysia dated 30 January 2008 in relation to, amongst others, the Telekom Malaysia Group's Demerger, the Company is required to obtain the relevant approvals for the transmission towers and rooftop sites ("Outdoor Structures") of Celcom within two (2) years from the date of the SC's approval letter. In addition, the Company is also required to disclose in its quarterly announcement, the status of application of such Outdoor Structures to Bursa Securities until all approvals are obtained.

On 30 January 2012, CIMB Investment Bank Berhad had, on behalf of the Company, inter-alia, announced that the SC had, through its letter dated 25 January 2012, granted an extension of time of two (2) years (i.e. up to 29 January 2014) for the Company to obtain the necessary approvals for the said Outdoor Structures.

The status of 49 Outdoor Structures (which are subject to the SC's condition above) as at 20 November 2013 is as follows:

(a) 3 Outdoor Structures have obtained local authorities approval;
(b) 1 Outdoor Structures are pending approval from local authorities;
(c) Initial applications for 35 Outdoor Structures have been declined. Celcom is in the midst of appealing to the relevant local authorities with respect to such applications; and
(d) 10 Outdoor Structures have been permanently dismantled.

14. Earnings Per Share ("EPS")

(a) Basic EPS

	3rd Quarter Ended		Financial Period Ended	
	30/9/2013	30/9/2012	**30/9/2013**	30/9/2012
Profit attributable to owners of the Company (RM'000)	715,047	709,918	1,974,389	1,942,185
Adjusted weighted average number of shares ('000)	8,533,426	8,503,327	8,523,761	8,487,195
Basic EPS (sen)	**8.4**	8.3	**23.2**	22.9

Basic EPS of the Group was calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares during the current quarter and financial period to date.

(b) Diluted EPS

For the diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

	3rd Quarter Ended		Financial Period Ended	
	30/9/2013	30/9/2012	**30/9/2013**	30/9/2012
Profit attributable to owners of the Company (RM'000)	715,047	709,918	1,974,389	1,942,185
Adjusted weighted average number of shares ('000)	8,533,426	8,503,327	8,523,761	8,487,195
Adjusted for the Company's ESOS	71,746	64,790	55,996	38,898
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	8,605,172	8,568,117	8,579,757	8,526,093
Diluted EPS (sen)	**8.3**	8.3	**23.0**	22.8

15. Qualification of Preceding Audited Financial Statements

The 2012 Audited Financial Statements were not subject to any qualification.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
27 November 2013