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 June 2015.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2nd Quarter Ended		Financial Period Ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Operating revenue	**4,707,196**	4,730,433	**9,457,916**	9,245,455
Operating costs				
- depreciation, impairment and amortisation	**(1,000,068)**	(878,909)	**(1,983,820)**	(1,716,965)
- foreign exchange (losses)/gains	**(4,357)**	(156,876)	**35,857**	(173,481)
- domestic interconnect and international outpayment	**(444,915)**	(623,908)	**(1,080,700)**	(1,191,032)
- marketing, advertising and promotion	**(343,519)**	(373,269)	**(666,143)**	(724,112)
- other operating costs	**(1,893,465)**	(1,653,168)	**(3,613,306)**	(3,138,174)
- staff costs	**(310,169)**	(337,688)	**(641,451)**	(660,951)
- other gains/(losses) - net	**32,208**	25,607	**65,740**	(47,375)
Other operating income	**99,101**	5,974	**140,615**	24,466
Operating profit before finance cost	**842,012**	738,196	**1,714,708**	1,617,831
Finance income	**50,549**	49,143	**110,426**	104,113
Finance cost excluding net foreign exchange (losses)/gains on financing activities	**(173,292)**	(196,008)	**(351,873)**	(385,500)
Net foreign exchange (losses)/gains on financing activities	**(74,016)**	(162,044)	**(272,302)**	15,732
	(247,308)	(358,052)	**(624,175)**	(369,768)
Joint ventures				
- share of results (net of tax)	**(4,145)**	(14,644)	**(3,928)**	(12,413)
Associates				
- share of results (net of tax)	**143,073**	111,237	**286,363**	212,633
- loss on dilution of equity interests	**-**	-	**(9,253)**	(11,546)
Profit before taxation	**784,181**	525,880	**1,474,141**	1,540,850
Taxation	**(154,557)**	(122,005)	**(308,396)**	(407,008)
Profit for the financial period	**629,624**	403,875	**1,165,745**	1,133,842
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
- actuarial losses on defined benefits plan, net of tax	**6,783**	(5,291)	**4,265**	(5,291)
Items that may be reclassified subsequently to profit or loss:				
- currency translation differences	**75,520**	(349,989)	**470,151**	(118,933)
- Cash flow hedge	**597**	(1,359)	**(528)**	(1,817)
- Net investment hedge	**(61,810)**	16,185	**(60,771)**	21,817
Other comprehensive income for the financial period, net of tax	**21,090**	(340,454)	**413,117**	(104,224)
Total comprehensive income for the financial period	**650,714**	63,421	**1,578,862**	1,029,618
Profit/(Loss) for the financial period attributable to:				
- owners of the company	**610,758**	455,011	**1,195,597**	1,129,890
- non-controlling interests	**18,866**	(51,136)	**(29,852)**	3,952
	629,624	403,875	**1,165,745**	1,133,842
Total comprehensive income for the financial period attributable to:				
- owners of the company	**625,580**	207,703	**1,566,004**	1,032,360
- non-controlling interests	**25,134**	(144,282)	**12,858**	(2,742)
	650,714	63,421	**1,578,862**	1,029,618
Earnings Per Share (sen) (Part B, Note 13)				
- basic	**7.1**	5.3	**13.9**	13.2
- diluted	**7.1**	5.3	**13.8**	13.1

(The above Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT	
	30/6/2015 RM'000	31/12/2014 RM'000 Restated
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		
Share capital	8,607,578	8,582,017
Share premium	2,490,619	2,398,794
Reserves	10,109,319	9,780,038
Total equity attributable to owners of the Company	21,207,516	20,760,849
Non-controlling interests	1,850,064	1,821,483
Total equity	23,057,580	22,582,332
NON-CURRENT LIABILITIES		
Borrowings	11,650,401	11,944,694
Derivative financial instruments	9,623	22,676
Deferred income	237,091	254,304
Other payables	1,812,928	1,793,891
Provision for liabilities	315,084	295,005
Deferred tax liabilities	1,583,989	1,654,298
Total non-current liabilities	15,609,116	15,964,868
	38,666,696	**38,547,200**
NON-CURRENT ASSETS		
Intangible assets	13,174,144	12,977,621
Property, plant and equipment	20,642,152	19,750,328
Joint ventures	92,419	52,977
Associates	7,858,132	7,504,007
Available-for-sale financial assets	1,170	1,118
Derivative financial instruments	109,425	133,910
Long term receivables	88,967	94,638
Deferred tax assets	214,747	275,225
Total non-current assets	42,181,156	40,789,824
CURRENT ASSETS		
Inventories	125,177	79,533
Trade and other receivables	3,423,850	3,062,390
Derivative financial instruments	116,840	33,855
Financial assets at fair value through profit or loss	25	14
Tax recoverable	31,320	25,007
Deposits, cash and bank balances	5,446,969	5,115,570
	9,144,181	8,316,369
LESS: CURRENT LIABILITIES		
Trade and other payables	8,701,645	8,374,621
Borrowings	2,414,899	1,948,641
Derivative financial instruments	1,636	3,551
Current tax liabilities	335,460	232,180
Dividend payable	1,205,001	-
Total current liabilities	12,658,641	10,558,993
Net current liabilities	(3,514,460)	(2,242,624)
	38,666,696	**38,547,200**
Net assets per share attributable to owners of the Company (sen)	**246**	**242**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

	Note	Attributable to equity holders of the Company											
		Share capital [1]	Share premium	Currency translation differences	Capital contribution reserve	Merger reserve	Hedging reserve	Actuarial reserve	ESOS^ and RSA* reserve	Retained earnings	Total	Non-controlling interests	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2015 (as previously stated)		8,582,017	2,398,794	(466,476)	16,598	346,774	(131,518)	(9,934)	176,628	9,831,649	20,744,532	1,813,255	22,557,787
Restatement adjustments	A,4(a)	-	-	282	-	-	-	-	-	16,035	16,317	8,228	24,545
At 1 January 2015 (as restated)		8,582,017	2,398,794	(466,194)	16,598	346,774	(131,518)	(9,934)	176,628	9,847,684	20,760,849	1,821,483	22,582,332
Profit for the financial period		-	-	-	-	-	-	-	-	1,195,597	1,195,597	(29,852)	1,165,745
Other comprehensive income:													
-Currency translation differences arising during the financial period:													
-subsidiaries		-	-	268,340	-	-	-	-	-	-	268,340	41,365	309,705
-associates		-	-	160,446	-	-	-	-	-	-	160,446	-	160,446
		-	-	428,786	-	-	-	-	-	-	428,786	41,365	470,151
-Cash flow hedge		-	-	-	-	-	(440)	-	-	-	(440)	(88)	(528)
-Net investment hedge		-	-	-	-	-	(60,771)	-	-	-	(60,771)	-	(60,771)
-Actuarial loss for the financial period, net of tax		-	-	-	-	-	-	2,832	-	-	2,832	1,433	4,265
Total comprehensive income		**-**	**-**	**428,786**	**-**	**-**	**(61,211)**	**2,832**	**-**	**1,195,597**	**1,566,004**	**12,858**	**1,578,862**
Transactions with owners:													
-Issuance of new ordinary shares		25,561	100	-	-	-	-	-	-	-	25,661	-	25,661
-Share issue expenses		-	(13)	-	-	-	-	-	-	-	(13)	-	(13)
-Investment in a subsidiary		-	-	-	-	-	-	-	-	-	-	3,841	3,841
-Dilution of equity interest in subsidiaries	A,12(b),(e)	-	-	-	-	-	-	-	-	4,967	4,967	21,955	26,922
-Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	(10,073)	(10,073)
-Dividends payable to shareholders		-	-	-	-	-	-	-	-	(1,205,001)	(1,205,001)	-	(1,205,001)
-Axiata Share Scheme:													
-value of employees' services		-	-	-	-	-	-	-	55,049	-	55,049	-	55,049
-transferred from ESOS and RSA reserve upon exercise/vest		-	91,738	-	-	-	-	-	(91,738)	-	-	-	-
Total transaction with owners		25,561	91,825	-	-	-	-	-	(36,689)	(1,200,034)	(1,119,337)	15,723	(1,103,614)
At 30 June 2015		**8,607,578**	**2,490,619**	**(37,408)**	**16,598**	**346,774**	**(192,729)**	**(7,102)**	**139,939**	**9,843,247**	**21,207,516**	**1,850,064**	**23,057,580**

[1] Issued and fully paid-up ordinary shares of RM1 each
^ Employees Share Option Scheme ("ESOS")
* Restricted Share Awards ("RSA")

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015 (CONTINUED)

	Attributable to equity holders of the Company											
	Share capital	**Share premium**	**Currency translation differences**	**Capital contribution reserve**	**Merger reserve**	**Hedging reserve**	**Actuarial reserve**	**ESOS and RSA reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
At 1 January 2014	8,540,663	2,223,076	(830,517)	16,598	346,774	(152,277)	(790)	155,298	9,322,760	19,621,585	1,757,486	21,379,071
Profit for the financial period	-	-	-	-	-	-	-	-	1,129,890	1,129,890	3,952	1,133,842
Other comprehensive income:												
-Currency translation differences arising during the financial period:												
-subsidiaries	-	-	(49,560)	-	-	-	-	-	-	(49,560)	(4,746)	(54,306)
-associates	-	-	(64,627)	-	-	-	-	-	-	(64,627)	-	(64,627)
	-	-	(114,187)	-	-	-	-	-	-	(114,187)	(4,746)	(118,933)
-Net cash flow hedge	-	-	-	-	-	(1,544)	-	-	-	(1,544)	(273)	(1,817)
-Net investment hedge	-	-	-	-	-	21,817	-	-	-	21,817	-	21,817
-Actuarial losses on defined benefits plan, net of tax	-	-	-	-	-	-	(3,616)	-	-	(3,616)	(1,675)	(5,291)
Total comprehensive income	**-**	**-**	**(114,187)**	**-**	**-**	**20,273**	**(3,616)**	**-**	**1,129,890**	**1,032,360**	**(2,742)**	**1,029,618**
Transaction with owners:												
-Issuance of new ordinary shares	25,131	57,283	-	-	-	-	-	-	-	82,414	-	82,414
-Share issue expense	-	(10)	-	-	-	-	-	-	-	(10)		(10)
-Investment in a subsidiary	-	-	-	-	-	-	-	-	-	-	1,992	1,992
-Accretion of equity interest in a subsidiary	-	-	-	-	-	-	-	-	(152,530)	(152,530)	(187,206)	(339,736)
-Dilution of equity interest in a subsidiary	-	-	-	-	-	-	-	-	3,049	3,049	12,681	15,730
-Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(59,377)	(59,377)
-Dividends paid to shareholders	-	-	-	-	-	-	-	-	(1,198,818)	(1,198,818)	-	(1,198,818)
-Axiata Share Scheme:												
-value of employees' services	-	-	-	-	-	-	-	43,638	-	43,638	-	43,638
-transferred from ESOS and RSA reserve upon exercise/vest	-	81,656	-	-	-	-	-	(81,656)	-	-	-	-
-transferred from ESOS reserve upon exercise	25,131	138,929	-	-	-	-	-	(38,018)	(1,348,299)	(1,222,257)	(231,910)	(1,454,167)
At 30 June 2014 (as restated)	**8,565,794**	**2,362,005**	**(944,704)**	**16,598**	**346,774**	**(132,004)**	**(4,406)**	**117,280**	**9,104,351**	**19,431,688**	**1,522,834**	**20,954,522**

(The above Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)

AXIATA GROUP BERHAD (242188-H)

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	FOR THE FINANCIAL PERIOD ENDED	
	30/6/2015	30/6/2014
	RM'000	RM'000
Receipt from customers	9,278,656	9,325,076
Payment to suppliers and employees	(5,311,854)	(5,827,564)
Payment of finance costs	(226,187)	(383,301)
Payment of income taxes (net of refunds)	(309,293)	(255,480)
CASH FLOWS FROM OPERATING ACTIVITIES	**3,431,322**	**2,858,731**
Proceeds from disposal of property, plant and equipment	4,342	10,135
Purchase of property, plant & equipment	(2,647,835)	(1,582,967)
Acquisition of intangible assets	(155,070)	(196,931)
Investment in a subsidiary (net of cash acquired)	176	6,400
Investments in deposits maturing more than three (3) months	(17,893)	111,988
Payment made in related to the acquisition of a subsidiary	-	(2,836,552)
Additional investment in an associate	(1,250)	-
Capital injection in a joint venture	(43,178)	-
Dividends received from associates	84,989	104,149
Net repayment from employees	116	139
Interest received	110,426	104,113
CASH FLOWS USED IN INVESTING ACTIVITIES	**(2,665,177)**	**(4,279,526)**
Proceeds from issuance of shares under Axiata Share Scheme	25,661	82,414
Share issue expense	(13)	(10)
Proceeds from borrowings	521,802	2,252,111
Repayments of borrowings	(953,217)	(1,312,403)
Repayments of finance lease creditor	4,725	-
Share buy back by a subsidiary	-	(339,736)
Dividends paid to non-controlling interests	(10,073)	(59,377)
Dividends paid to shareholders	-	(1,198,818)
CASH FLOWS USED IN FINANCING ACTIVITIES	**(411,115)**	**(575,819)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	355,030	(1,996,614)
NET (INCREASE)/DECREASE IN RESTRICTED CASH AND CASH EQUIVALENT	(38,537)	7,100
EFFECT OF EXCHANGE RATE CHANGES	(33,255)	30,817
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	4,867,239	6,010,793
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**5,150,477**	**4,052,096**
Total deposits, cash and bank balances	5,446,969	4,375,155
Less:		
- Deposit pledged and escrow account	(60,440)	(13,759)
- Deposit on investment in a subsidiary	(56,760)	(48,195)
- Deposits maturing more than three (3) months	(133,157)	(222,323)
- Bank overdrafts	(46,135)	(38,782)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	**5,150,477**	**4,052,096**

(The above Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014)

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 June 2015 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 2014 ("2014 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 2014 Audited Financial Statements except for the adoption of amendments to existing standards that are applicable to the Group for the financial period beginning 1 January 2015 as set out below.

- Amendments to MFRS 119 "Employee Benefits"

Annual Improvements 2010-2012 Cycle

- Amendments to MFRS 2 "Share-based Payment"
- Amendment to MFRS 3 "Business Combinations"
- Amendment to MFRS 8 "Operating Segments"
- Amendment to MRRS 13 "Fair Value Measurement"
- Amendment to MFRS 116 "Property, Plant and Equipment"
- Amendment to MFRS 124 "Related Party Disclosures"

Annual Improvements 2011-2013 Cycle

- Amendments to MFRS 3
- Amendments to MFRS 13
- Amendment to MFRS 140 "Investment Property"

The adoption of the amendments 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 March 2014, PT XL Axiata Tbk ("XL") completed the acquisition of Axis Telekom Indonesia ("Axis"). As at 31 December 2014, the goodwill was accounted for on a provisional basis.

In March 2015, XL reassessed the purchase price allocation and retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect the new information obtained about facts and circumstances that existed as of the acquisition date. The restatement adjustments are summarised in Part A, Note 4(i) of this announcement; and

(b) During the current quarter and financial year to date, the Group recognised net foreign exchange losses of RM78.4 million and RM236.4 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 June 2015.

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

4(i) The result and impact of the restatements described in Part A, Note 4(a) of this announcement are as follow:

	Unaudited consolidated statement of comprehensive income for					
	2nd Quarter ended 30 June 2014			Financial period ended 30 June 2014		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	As previous reported	Adjustments	As restated	As previous reported	Adjustments	As restated
Depreciation, impairment and amortisation	(892,938)	14,029	(878,909)	(1,730,994)	14,029	(1,716,965)
Taxation	(118,498)	(3,507)	(122,005)	(403,501)	(3,507)	(407,008)
Profit for the period	393,353	10,522	403,875	1,123,320	10,522	1,133,842
Other comprehensive income:						
- currency translation differences	(349,575)	(414)	(349,989)	(118,519)	(414)	(118,933)
Profit/(Loss) for the financial period attributable to:						
-owners of the Company	447,820	7,191	455,011	1,122,699	7,191	1,129,890
-non-controlling interests	(54,467)	3,331	(51,136)	621	3,331	3,952
	393,353	10,522	403,875	1,123,320	10,522	1,133,842
Total comprehensive income for the financial period attributable to:						
-owners of the Company	200,795	6,908	207,703	1,025,452	6,908	1,032,360
-non-controlling interests	(147,482)	3,200	(144,282)	(5,942)	3,200	(2,742)
	53,313	10,108	63,421	1,019,510	10,108	1,029,618

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

4(i) The result and impact of the restatements described in Part A, Note 4(a) of this announcement are as follow: (continued)

	Unaudited consolidated statement of financial position as at					
	31 December 2014			30 June 2014		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	As previous reported	Adjustments	As restated	As previous reported	Adjustments	As restated
Retained earnings	9,831,649	16,035	9,847,684	9,097,160	7,191	9,104,351
Currency translation differences	(466,476)	282	(466,194)	(944,421)	(283)	(944,704)
Non-controlling interests	1,813,255	8,228	1,821,483	1,519,634	3,200	1,522,834
		24,545			10,108	
Intangible assets	12,815,706	161,915	12,977,621			
Property, plant and equipment	19,933,487	(183,159)	19,750,328			
Deferred tax liabilities	(1,700,087)	45,789	(1,654,298)			
		24,545				

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 to 2014 Audited Financial Statements.

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

(a) During the financial period to date, the Company issued new ordinary shares under the Axiata Share Scheme as below:

- 6,089,100 new ordinary shares of RM1 each at an exercise price of either RM1.81, RM3.15, RM3.45 or RM5.07 pursuant to employee share option exercised under Performance-Based Employee Share Option Scheme; and
- 19,571,553 new ordinary shares of RM1 each vested under Restricted Share Awards at an issuance price from RM3.14 to RM5.67 being the fair value of the RSA issued.

(b) On 1 April 2015, the Company offered 15,330,100 ordinary shares of RM1 each of the Company under the Axiata Share Scheme to the eligible employees and Executive Directors of the Group.

Aside from the above, there were no other significant unusual issues, repurchases and repayments of debt and equity securities during the financial period ended 30 June 2015.

7. Dividend paid

There is no dividend paid by the Company during the financial period to date except for the dividend paid by the Company after the interim period as disclosed in Part A, Note 11 of this announcement.

8. Segmental Information

For the financial period ended 30 June 2015

	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	3,716,726	3,116,662	1,173,923	958,707	767,049	-	9,733,067
Inter-segment*	(4,699)	(15,217)	(103)	(13,301)	(9)	(241,822)	(275,151)
External operating revenue	3,712,027	3,101,445	1,173,820	945,406	767,040	(241,822)	9,457,916
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	1,394,778	1,128,004	425,357	325,194	196,727	(13,744)	3,456,316
Interest income	58,336	48,135	2,813	7,152	71,616	(77,626)	110,426
Interest expense	(97,840)	(224,628)	(14,878)	(10,899)	(80,901)	77,273	(351,873)
Depreciation of property, plant & equipment ("PPE")	(363,490)	(1,017,883)	(197,451)	(177,152)	(119,667)	24,628	(1,851,015)
Amortisation of intangible assets	(26,602)	(31,585)	(52,933)	(13,941)	(2,513)	(5,668)	(133,242)
Joint ventures:							
- share of results (net of tax)	7,403	(11,331)	-	-	-	-	(3,928)
Associates:							
- share of results (net of tax)	6,773	-	-	(663)	280,253	-	286,363
- loss on dilution of equity interests	-	-	-	-	-	(9,253)	(9,253)
Impairment of PPE, net of reversal	-	(4,853)	1,214	14,017	-	-	10,378
Other non-cash income/(expenses)	2,940	(238,472)	12,974	(18,016)	200,186	357	(40,031)
Taxation	(255,203)	111,818	(89,840)	(19,410)	(48,464)	(7,297)	(308,396)
Segment profit/(loss) for the financial period	727,095	(240,795)	87,256	106,282	497,237	(11,330)	1,165,745

8. Segmental Information (continued)

For the financial period ended 30 June 2014

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	3,850,573	3,221,601	1,006,883	824,655	407,562	-	9,311,274
Inter-segment*	(4,023)	(14,291)	(47)	(14,658)	(1,770)	(31,030)	(65,819)
External operating revenue	3,846,550	3,207,310	1,006,836	809,997	405,792	(31,030)	9,245,455
EBITDA	1,613,556	1,237,185	389,887	248,945	60,674	(19,061)	3,531,186
Interest income	62,099	23,407	10,360	664	72,388	(64,805)	104,113
Interest expense	(95,670)	(234,436)	(7,675)	(8,490)	(97,059)	57,830	(385,500)
Depreciation of PPE	(353,363)	(872,128)	(149,541)	(145,035)	(60,452)	12,841	(1,567,678)
Amortisation of intangible assets	(327)	(70,113)	(50,271)	(12,698)	(2,317)	(6,587)	(142,313)
Joint venture:							
- share of results (net of tax)	(34)	(12,379)	-	-	-	-	(12,413)
Associates:							
- share of results (net of tax)	4,957	-	-	(1,821)	209,497	-	212,633
- loss on dilution of equity interests	-	-	-	-	-	(11,546)	(11,546)
Impairment of PPE, net of reversal	(2,302)	(7,271)	2,202	9,206	-	-	1,835
Other non-cash income/(expenses)	1,023,493	(176,434)	7,546	(187)	(42,158)	(1,001,727)	(189,467)
Taxation	(314,198)	(43)	(110,839)	(14,601)	(37,308)	69,981	(407,008)
Segment profit for the financial period	1,938,211	(112,212)	91,669	75,983	103,265	(963,074)	1,133,842

* 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 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 RM2,522.2 million mainly for its telecommunication network equipment and capital work in progress. Additions during the financial period included non-cash assets exchange transaction undertaken by a subsidiary of the Group amounting to RM 238.3 million.

11. Events after the Interim Period

(a) Dividend paid by the Company

On 2 July 2015, the Company paid a total final tax exempt dividend of 14 sen under single tier in respect of financial year ended 31 December 2014 per ordinary share of RM1 each of the Company amounting to RM1,205.0 million. Out of the total cash distribution, a total of RM575.4 million was converted into 94,639,259 new ordinary shares of the Company at the conversion price of RM6.08 per ordinary share under the Dividend Reinvestment Scheme of the Company.

(b) Incorporation of edotco Holdings (Labuan) Limited ("e.co Holdings Labuan")

On 20 July 2015, the Group announced the incorporation of e.co Holdings Labuan, a private company limited by shares, under the Labuan Companies Act, 1990. e.co Holdings Labuan was incorporated with an issued paid-up share capital of USD2,000 divided into 2,000 ordinary shares of USD1 each. The nature of business to be carried by e.co Holdings Labuan is as an investment holding company.

(c) Acquisition of equity interest in Yonder Music Inc. ("Yonder")

Axiata Digital Services Sdn Bhd ("ADS"), a wholly-owned subsidiary of the Company, had on 14 July 2015 entered into a Stock Purchase Agreement ("SOPA") with Yonder Music Inc., Yonder Music Partners LLC, Adam Kidron and Jim Heindlmeyer for the proposed acquisition by ADS of 12,210,400 Series A Convertible Preference Shares with a par value of USD0.001 per share in Yonder at the purchase price of USD0.819 per share amounting to USD10.0 million. The purchase consideration is satisfied as below:

i) Initial instalment of USD7.0 million; and
ii) Conditional instalment of USD3.0 million which is subject to the fulfilment of certain clauses in SOPA within six (6) months from the initial instalment.

The acquisition was completed on 24 July 2015 and effectively Yonder became an associate of the Group.

Other than the above, there was no other significant event after interim period that requires disclosure and/or adjustment as at 13 August 2015.

12. Effects of Changes in the Composition of the Group

(a) Acquisition of Adknowledge Asia Pacific Pte Ltd ("AAP")

On 3 December 2014, Axiata Digital Advertising Sdn Bhd ("ADA"), a subsidiary of the Group entered into a Subscription and Shareholders' Agreement with Adknowledge International, Inc and AAP for the acquisition of 80.00% equity interest in AAP for a total cash consideration of RM19.6 million (USD5.5 million). The acquisition was completed on 19 January 2015.

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

(b) Dilution of equity interest in Glasswool Holdings Limited ("Glasswool")

On 13 December 2013, Axiata Investments (Cambodia) Limited, a wholly-owned subsidiary of the Company entered into a Co-operation Agreement with Glasswool Holdings Limited ("Glasswool") and Southern Coast Ventures Inc. ("SCV").

In accordance with the Co-operation Agreement, Glasswool shall issue to SCV the following additional ordinary shares in Glasswool subject to no material adverse event as defined in the Co-operation Agreement having occurred prior to the First, Second and Third anniversary from 19 February 2013 as below:

i) 58 Ordinary Shares following the First Completion Date;
ii) 60 Ordinary Shares following the Second Completion Date; and
iii) 64 Ordinary Shares following the Third Completion Date.

On 26 February 2015, Glasswool issued 60 ordinary shares to SCV resulting in the Group's equity interest in Glasswool and its wholly-owned subsidiary, Smart Axiata Co., Ltd decreased from 87.46% to 84.99% (2014: 90.00% to 87.46%). The Group recorded an increase in consolidated retained earnings of RM0.6 million and non-controlling interests amounting to RM17.0 million during the financial period to date.

(c) Incorporation of Axiata SPV4 Sdn Bhd ("Axiata SPV4")

The Company, had on 30 January 2015 completed the incorporation of Axiata SPV4, a private company limited by shares, under Companies Act, 1965. Axiata SPV4 was incorporated with an authorised share capital of RM400,000 divided into 400,000 ordinary shares of which its issued and paid-up capital is RM2. The nature of business to be carried by Axiata SPV4 is an investment holding company.

The incorporation of Axiata SPV4 did not have significant impact to the Group during financial period to date.

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

(d) Incorporation of Axiata Digital Innovation Fund Sdn Bhd ("ADIF")

The Company, had on 26 March 2015 completed the incorporation of ADIF, a private company limited by shares, under Companies Act, 1965. ADIF was incorporated with an authorised share capital of RM400,000 divided into 400,000 ordinary shares of which its issued and paid-up capital is RM2. The nature of business to be carried by ADIF is as a venture capital company.

The incorporation of ADIF did not have significant impact to the Group during the financial period to date.

(e) Dilution of equity interest in XL

On 1 April 2015, the Extraordinary General Meeting of Shareholders of XL approved the Share-based Compensation Program Grant Date V. On 21 April 2015, XL issued 6,891,003 ordinary shares at par value of IDR100 each without pre-emptive rights to its eligible employees. Accordingly, the Group's effective equity interest in XL diluted from 66.48% to 66.43%. The Group recorded an increase in consolidated retained earnings of RM4.3 million and non-controlling interests of RM 4.9 million respectively during the current quarter and financial period to date.

(f) 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 28.50% to 28.39% 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.

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

During the current quarter and financial period to date, the Group's equity interest in Idea, decreased from 19.80% to 19.79% 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.

There were no other changes in the composition of the Group for the financial period ended 30 June 2015.

13. Significant Changes in Contingent Assets or Contingent Liabilities

(a) There has been no significant change in contingent assets or contingent liabilities from that disclosed in the 2014 Audited Financial Statements; and

(b) There has been no significant change in contingent liabilities of an associate from that disclosed in the 2014 Audited Financial Statements except the following:

(i) Income tax demands

During the financial period to date, an associate of the Group received two demands from income tax authorities in respect of its income tax returns for the financial years 2008/09 and 2009/10 amounting to RM2,024.0 million (INR34,147 million) and RM379.8 million (INR6,408.0 million) respectively. The tax demands are mainly on the difference between fair value of investment made in Indus Towers Limited and net book value of the assets transferred to Idea Infrastructure Services Limited (a 100% subsidiary of the associate, which further through a scheme of merger got merged with Indus Towers Limited under High Court approved scheme). The associate has filed an appeal against these demands at the Commissioner of Income Tax appeals.

14. Capital Commitments

	Group	
	As at 30/6/2015	**As at 30/6/2014**
	RM'000	**RM'000**
Commitments in respect of expenditure approved and contracted for	1,381,625	1,268,903
Commitments in respect of expenditure approved but not contracted for	1,914,294	1,785,951

15. Financial Instruments At Fair Value Measurements

The Group's financial instruments that were 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:

- Level 1 (traded in active markets):Quoted market prices

- Level 2 (not traded in active markets): Valuation techniques such as quoted market prices or dealer quotes for similar instruments, present value of the estimated future cash flows based on observable market curves and forward exchange rates at reporting date with the resulting value discounted back to present value

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

Derivatives Financial Instruments	**2015**			2014		
	Level 1	**Level 2**	**Total**	Level 1	Level 2	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets						
Financial assets at fair value through profit or loss						
-Trading securities	25	-	25	17	-	17
Non-hedging derivatives	-	213,143	213,143	-	160,347	160,347
Derivatives used for hedging		13,122	13,122	-	-	-
Liabilities						
Non-hedging derivatives	-	(8,889)	(8,889)	-	(18,590)	(18,590)
Derivatives used for hedging	-	(2,370)	(2,370)	-	(100,436)	(100,436)
Total	**25**	**215,006**	**215,031**	**17**	**41,321**	**41,338**

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

1. Review of Performance

(a) Quarter-on-Quarter

Group revenue decreased marginally by 0.5% to RM4,707.2 million in the current quarter ("Q2'15") from RM4,730.4 million recorded in the second quarter of 2014 ("Q2'14") due to lower revenues in Malaysia and Indonesia. At constant currency, Group revenue registered a decline of 3.5%. Operating costs of the Group increased marginally by 0.1% but decreased by 2.9% at constant currency to RM2,992.1 million in Q2'15 from RM2,988.0 million in Q2'14, mainly due to lower operating costs in Indonesia. As a result, Group EBITDA decreased by 1.6% and margin declined 0.4 percentage points to 36.4%. Profit After Tax ("PAT") in the period increased by 55.9% to RM629.6 million mainly due to lower losses from Indonesia arising from lower foreign exchange losses and net finance costs. Higher profits were also recorded by Sri Lanka and Cambodia operations and share of profits from our associate company in India increased significantly.

Malaysia's gross revenue decreased by 7.6% in Q2'15 mainly due to decrease in voice and SMS revenue by 12.7% and 40.2% respectively, off-set partly by higher data and MVNO revenue. Operating costs decreased by 2.8% mainly due to lower interconnect, marketing and manpower costs. EBITDA in the period consequently decreased by 14.6% and margin declined 3.1 percentage points to 37.9%. PAT declined by 25.5% to RM349.0 million mainly due to lower EBITDA and higher depreciation and amortisation charges, but partly off-set by lower taxation recorded in Q2'15.

Gross revenue of Indonesia decreased by 7.0% at actual and constant currency as SMS and interconnect revenue decreased by 19.8% and 22.6% respectively. Operating costs in Q2'15 meanwhile decreased by 6.3% primarily due to lower network costs. EBITDA consequently decreased by 8.3% and margin decreased by 0.5 percentage points to 35.2%. Loss after tax decreased by 88.3% to RM25.4 million mainly due to lower foreign exchange losses, lower net finance costs and recognition of amortised gain from disposal of XL towers in December 2014.

Bangladesh posted revenue growth of 19.0% or 5.5% at constant currency, mainly driven by increase in data revenue which grew 94.7%. In Q2'15, operating costs increased by 24.0% or 9.9% at constant currency mainly due to higher material costs which was in line with higher sale of devices. EBITDA increased by 11.1% to RM218.7 million but margin decreased by 2.6 percentage points to 35.9%. PAT in the period declined 6.8% to RM44.1 million due to higher depreciation and amortisation charges arising from data driven capital expenditure investments.

Sri Lanka gross revenue grew 17.6% or 6.5% at constant currency arising from 5.7% increase in mobile revenue mainly due to higher broadband revenue. In addition, revenue from fixed line and television segment increased by 14.2% and 11.9% respectively. Operating costs increased by 14.5% or 3.7% at constant currency owing to higher customer related costs and regulatory costs. Consequently, EBITDA grew 24.4% and margin grew by 1.9 percentage points to 33.4%. PAT grew 47.5% to RM65.4 million mainly from higher EBITDA.

1. Review of Performance (continued)

(a) Quarter-on-Quarter (continued)

Cambodia recorded strong growth of 56.6% or 38.6% at constant currency in gross revenue for the quarter resulting in higher EBITDA growth of 91.3% or 69.3% at constant currency. PAT grew 80.4% to RM53.9 million.

Associates and joint ventures contribution in share of profit increased to RM138.9 million in Q2'15 from RM96.6 million in Q2'14 due to excellent performance by Idea in India.

(b) Year-on-Year

For the first half of the financial year 2015 ("1H'15"), Group's revenue increased by 2.3% to RM9,457.9 million. At constant currency, Group revenue would have declined by 0.7%. Group operating costs increased by 5.0% or 2.0% at constant currency to RM6,001.6 million mainly due to higher operating costs in Bangladesh and Malaysia. As a result, Group EBITDA decreased by 2.1% to RM3,456.3 million and margin dipped by 1.7 percentage points to 36.5%. PAT increased by 2.8% to RM1,165.7 million mainly due to higher profits from our Sri Lanka and Cambodia operations and higher share of profits from our associate companies in India and Singapore. In addition, amortised gain of RM66.0 million from disposal of XL towers in December 2014 was also recorded in 1H'15.

Malaysia's gross revenue registered lower growth of 3.5% in 1H'15 mainly due to decline in voice and SMS revenue by 11.7% and 36.5% respectively, but off-set partly by higher data and MVNO revenue and higher device sales. Operating costs during the period increased by 3.8% mainly from higher network costs and material costs. Accordingly, EBITDA decreased by 13.6% and margin declined 4.4 percentage points to 37.5%. PAT in the period decreased by 21.8% to RM727.1 million mainly due to lower EBITDA.

Gross revenue of Indonesia decreased by 3.3% or 3.9% at constant currency mainly due to lower SMS, interconnect and tower revenue which decreased by 14.4%, 17.0% and 44.5% respectively. Operating costs increased by 0.2% but decreased by 0.5% at constant currency mainly due to lower cost of goods sold. As a result, EBITDA decreased by 8.8% in the current period and margin declined by 2.2 percentage points to 36.2%. Loss after tax increased by 114.6% to RM240.8 million due to lower EBITDA, higher depreciation and amortisation charges and increased in foreign exchange losses during the period. This was partly off-set by lower taxation and amortised gain of RM66.0 million from disposal of XL towers in December 2014 recorded in 1H'15.

Bangladesh gross revenue registered growth of 16.6% or 4.9% at constant currency mainly due to 128.0% growth in data revenue. Operating costs increased by 21.3% or 9.1% at constant currency mainly due to cost of devices sold. As a result, EBITDA grew 9.1% but margin declined 2.5 percentage points to 36.2%. PAT in the period decreased by 4.8% to RM87.3 million, impacted by higher depreciation and amortisation charges arising from data driven capital expenditure investments and higher net finance costs recorded in 1H'15.

1. Review of Performance (continued)

(b) Year-on-Year (continued)

Sri Lanka gross revenue grew 16.3% or 6.3% at constant currency mainly due to growth in mobile and television revenue of 5.9% and 23.9% respectively. Operating costs increased by 10.0% or 0.7% at constant currency primarily due to higher customer related costs. EBITDA in the period grew 30.6% and margin grew 3.7 percentage points to 33.9%. PAT meanwhile increased by 57.4% to RM119.6 million mainly flowing from the higher EBITDA.

Cambodia recorded strong growth of 55.4% or 39.6% at constant currency in gross revenue for 1H'15 resulting in higher EBITDA growth of 89.4% or 70.1% at constant currency. PAT grew 89.8% to RM101.7 million.

Associates and joint ventures contribution in share of profit increased to RM273.2 million from RM188.7 million in 1H'14 mainly due to excellent performance by Idea in India and M1 in Singapore.

(c) Comparison with Preceding Quarter's Result

Group revenue decreased by 0.9% to RM4,707.2 million in Q2'15 from RM4,750.7 million recorded in Q1'15 mainly due to lower contribution from Malaysia. At constant currency, Group revenue decreased by 0.7%. During the quarter, operating costs decreased by 0.6% or 0.3% at constant currency to RM2,992.1 million mainly arising from lower operating costs recorded in Malaysia. Hence, Group EBITDA decreased by 1.5% and margin decreased by 0.3 percentage points to 36.4%. PAT increased by 17.4% to RM629.6 million mainly due to higher profits from Indonesia arising from lower foreign exchange losses. Higher profits were also recorded by Sri Lanka, Bangladesh and Cambodia operations. Share of profits from our associate company in India has also increased.

Malaysia's gross revenue registered lower growth of 6.4% in Q2'15 mainly due to decrease in voice and SMS revenue by 3.5% and 15.4% respectively. Meanwhile, operating costs decreased by 7.6% due to lower material costs and content provider charges but was partly off-set by higher network costs. As a result, EBITDA decreased by 4.3% but margin increased by 0.8 percentage points versus the preceding quarter. PAT decreased by 7.7% to RM349.0 million mainly due to lower EBITDA.

Gross revenue of Indonesia grew 0.9% or 2.4% at constant currency in Q2'15 mainly due to higher voice and data revenue, which increased by 6.7% and 1.4% respectively. During the quarter, operating costs increased by 4.1% or 5.6% at constant currency mainly due to higher network costs. Consequently, EBITDA decreased by 4.4% and margin declined 2.0 percentage points to 35.2%. Loss after tax in the quarter decreased by 88.2% to RM25.4 million mainly due to higher EBITDA and lower foreign exchange losses.

Bangladesh gross revenue grew 7.6% or 6.5% at constant currency mainly due to higher voice and SMS revenue growth of 0.2% and 6.1% respectively. Operating costs in the quarter increased by 8.6% owing mainly to higher material costs. EBITDA grew 5.8% but margin dipped marginally by 0.6 percentage points to 35.9%. PAT increased by 2.3% to RM44.1 million due to higher EBITDA and lower taxation in Q2'15, partly off-set by higher depreciation and amortisation charges and foreign exchange losses recorded in Q2'15, as compared to foreign exchange gains in Q1'15.

1. Review of Performance (continued)

(c) Comparison with Preceding Quarter's Result (continued)

Sri Lanka's gross revenue increased by 2.5% or 2.4% at constant currency from higher mobile and global international revenue growth of 1.9% and 17.9% respectively. Operating costs increased by 4.3% as a result of higher international business related costs and marketing costs. EBITDA decreased by 0.8% and margin decreased by 1.1 percentage points to 33.4% but PAT increased by 20.9% to RM65.4 million mainly due to higher net finance income recorded in Q2'15.

Cambodia recorded growth of 6.8% or 5.6% at constant currency in gross revenue versus preceding quarter resulting in higher EBITDA growth of 9.4% or 8.2% at constant currency. PAT grew 12.8% to RM53.9 million.

Associates and joint ventures contribution in share of profit increased to RM138.9 million from RM134.3 million in Q1'15 mainly due to higher contribution from Idea.

1. Review of Performance (continued)

(d) Economic Profit ("EP") Statement

	2nd Quarter Ended		Financial Period Ended	
	30/6/2015	30/6/2014	**30/6/2015**	30/6/2014
	RM'000	RM'000 Restated[1]	**RM'000**	RM'000 Restated[1]
EBIT	809,800	712,590	1,648,967	1,665,205
Less: Adjusted Tax (25%)	(202,450)	(178,148)	(412,242)	(416,301)
NOPLAT	607,350	534,442	1,236,725	1,248,904
AIC	17,240,242	16,455,644	17,240,242	16,455,644
WACC	7.82%	8.38%	7.82%	8.38%
Economic Charge (AIC*WACC)	337,047	344,746	674,093	689,491
Economic Profit	270,303	189,696	562,632	559,413

[1] EBIT and WACC was restated in line with the restatements as disclosed in Part A, Note 4(a) of this announcement and revision in cost of equity respectively.

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 factor contributing to higher EP during the current quarter and financial period to date is mainly contributed by lower economic charge resulted from lower WACC achieved. The Group reported a lower WACC during the current quarter and financial period to date due to lower cost of equity as a result of lower market risk premium.

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 2015

On 25 February 2015, the Group announced its Headline KPIs guidance for the financial year ending 31 December 2015. The Group's 2015 Headline KPIs announced were as below:

Headline KPIs	**Proposed FY2015 Headline KPIs (%)**
Revenue Growth	4.0
EBITDA Growth	4.0
Return on Invested Capital ("ROIC")	8.7
Return on Capital Employed ("ROCE")	7.7

The Group remains focused on its long-term transformation strategy which includes new approach to current business, data leadership and enhancing data profitability by focusing on pricing, smart investment, capacity utilisation and other cost saving initiatives including forex mitigation strategies.

The Group's performance in the first half of financial period ending 31 December 2015 was primarily impacted by the implementation of Goods & Services Tax and challenges arising from the IT transformation programme in Malaysia, coupled with the business model shift in the Indonesia operations to focus towards acquisition of quality subscribers from the traditional volume model.

Based on performance of the Group to date, barring any unforeseen circumstances, competitive pressures and adverse foreign currency fluctuations, the Board of Directors expect the Group's performance for financial period ending 31 December 2015 to remain challenging. Amongst the key risks facing our operating companies include political risks, intense competition, foreign currency fluctuations and regulatory challenges.

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 June 2015.

4. Taxation

The taxation charge for the Group comprises:

	2nd Quarter Ended		Financial Period Ended	
	30/6/2015	30/6/2014	**30/6/2015**	30/6/2014
	RM'000	RM'000 Restated	**RM'000**	RM'000 Restated
Income tax:				
Malaysia				
Current year	(96,164)	(121,348)	(250,835)	(203,100)
Prior year	-	-	-	(8,144)
	(96,164)	(121,348)	(250,835)	(211,244)
Overseas				
Current year	(61,293)	(16,797)	(139,277)	(145,216)
Prior year	-	-	-	-
	(61,293)	(16,797)	(139,277)	(145,216)
Deferred tax (net):				
Originating and reversal of temporary differences	2,900	16,140	81,716	(50,548)
Total taxation	(154,557)	(122,005)	(308,396)	(407,008)

The current quarter and financial period to date's effective tax rate of the Group are lower than the statutory tax rate mainly due to non-taxable income during the current quarter and financial period to date.

5. Status of Corporate Proposals

(a) Acquisition of Edotco Pakistan (Private) Limited ("e.co PK")

Axiata Investments (Labuan) Limited, a wholly-owned subsidiary of Axiata, had on 19 December 2014 entered into a Sale and Purchase Agreement ("SPA") with Arif Hussain and Joozer Jiwakhan for the acquisition of the entire issued share capital of e.co PK at a cash consideration of PKR3,100 (equivalent to RM107) ("Acquisition-e.co PK"). The completion of acquisition of e.co PK is subject to satisfaction of conditions precedent in the agreement.

The parties to the SPA had on 4 February 2015 and 29 May 2015 agreed to extend the period to satisfy all conditions precedent of the SPA from 31 January 2015 to 31 May 2015 and from 31 May 2015 to 31 August 2015 respectively.

Save for the above, all other terms of the SPA shall remain and continue in full force and effect.

(b) Members' voluntary winding-up of Digital Milestone Sdn Bhd ("Digital Milestone")

A subsidiary held via Celcom Axiata Berhad ("Celcom") namely, Digital Milestone, had on 20 April 2015 commenced members' voluntary winding-up ("Winding-Up") pursuant to Section 254(1)(b) of the Companies Act, 1965. The Winding-Up of Digital Milestone is expected to be completed by October 2015 or about 6 to 9 months from the date of appointment of the Liquidator.

5. Status of Corporate Proposals (continued)

(c) Entry by ADS into a Subscription and Stockholders' Agreement with WSO2 Inc. ("WSO2") and WSO2 Telco, Inc. ("WSO2. Telco")

On 24 July 2015, ADS entered into a Subscription and Stockholders' agreement with WSO2 and WSO2. Telco for the subscription by ADS of the following shares in WSO2. Telco for the total consideration of USD2.6 million.

(i) 5,000,000 ordinary shares at USD0.0001 per share; and
(ii) 4,615,385 preference shares at USD0.39 per share

Further to the Initial Subscriptions and subject to WSO2. Telco's achieving all its determined key performance indicators on or before the first anniversary of the completion of the Initial Subscription, ADS shall further subscribe in cash an additional 2,051,282 WSO2. Telco-Preferred Stocks at USD0.39 per share.

The holder of WSO2. Telco-Preferred Stock is entitled to, at any point of time convert each of WSO2. Telco-Preferred Stock into one fully paid-up share of WSO2. Telco-Common Stock. At full conversion of its WSO2. Telco-Preferred Stocks, ADS will hold 70.00% of the paid-up capital of WSO2. Telco.

(d) Entry by AAP into a Sale and Purchase Agreement with Komli Media, Inc. ("Komli")

On 7 August 2015, AAP had entered into a Sale and Purchase Agreement ("SPA") with Komli for the acquisition of the entire issued share capital of Komli Asia Holding Pte. Ltd. for a cash consideration of USD11.25 million. The key terms of the acquisition as stipulated in the SPA are as follows:

i) The purchase consideration for the Purchase Shares of USD11.25 million ("Purchase Consideration") shall be paid in cash;

ii) The Purchase Consideration shall be adjusted with the difference between the target working capital of Komli Asia Group against its working capital which shall be determined based on the aggregate value of Komli Asia Group's current assets less its current liabilities (as defined in the SPA) at the close of business on the date of completion;

iii) The Purchased Shares shall be acquired free from all encumbrances; and

iv) The SPA shall terminate if the conditions are not satisfied or waived by the completion date. On termination, neither parties shall have any claim against the other except for any prior breach of the SPA.

Other than the above, there is no other corporate proposal announced but not completed as at 13 August 2015.

6. Group's Borrowings and Debt Securities

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

	2015		2014	
	Current	**Non-current**	Current	Non-current
	RM'000	**RM'000**	RM'000	RM'000
Secured	153,457	254,119	160,561	327,025
Unsecured	2,261,442	11,396,282	1,664,214	12,109,270
Total	**2,414,899**	**11,650,401**	1,824,775	12,436,295

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

Foreign Currencies	**2015**	2014
	RM'000	RM'000
USD	6,237,375	5,535,625
IDR	2,476,028	3,103,633
CNY	-	522,490
BDT	261,641	17,893
SLR	29,766	29,579
PKR	23,833	19,789
Total	**9,028,643**	9,229,009

7. Derivative financial instruments

(a) The detail of the Group's net derivative financial instruments as at 30 June are set out as follow:

Type of derivative financial instruments	2015 Notional Value	2015 Fair Value Favourable/ (Unfavourable)	2014 Notional Value	2014 Fair Value Favourable/ (Unfavourable)
	RM'000	**RM'000**	RM'000	RM'000
Forward foreign currency contracts:				
- < 1 year	182,458	22,906	-	-
- 1 - 3 years	-	-	232,389	36,831
Cross currency interest rate swaps:				
- < 1 year	374,616	93,934	516,700	14,008
- 1 - 3 years	189,200	57,765	318,087	69,648
- > 3 years	1,135,200	13,122	1,124,550	(69,877)
Interest rate swaps contracts:				
- < 1 year	182,458	(973)	-	-
- 1 - 3 years	718,960	(7,917)	874,989	(15,234)
- > 3 years	456,603	(2,370)	387,702	(2,400)
Call spread contract				
- > 3 years	1,135,200	30,195	-	-
Convertible warrants in an associate:				
- < 1 year	-	8,344	-	8,345
Total		**215,006**		41,321

(b) The risks associated with the derivative financial instrument and the policies in place for mitigating such risks were disclosed in 2014 Audited Financial Statements.

8. Fair value changes of financial liabilities

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

	2nd Quarter Ended		Financial Period Ended	
	30/6/2015	30/6/2014	**30/6/2015**	30/6/2014
	RM'000	RM'000	RM'000	RM'000
Total net losses	(6,108)	(7,823)	(13,000)	(12,679)

9. Realised and Unrealised Profits or Losses Disclosure

	As at	
	30/6/2015	30/6/2014
	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	11,425,379	11,325,920
- Unrealised	(1,711,909)	(1,552,395)
	9,713,470	9,773,525
Total retained profits/(accumulated losses) from associated companies:		
- Realised	1,775,683	1,336,521
- Unrealised	(243,523)	(163,869)
	1,532,160	1,172,652
Total accumualted losses from joint ventures:		
- Realised	(25,167)	(8,661)
	11,220,463	10,937,516
Less : Consolidation adjustments	(1,377,216)	(1,833,165)
Total Consolidated Retained Profits	9,843,247	9,104,351

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. Subsequent to that, the Court allowed the parties' application to amend the pleadings on 13 May 2013. The matter was partially heard on 3 to 6 November 2014 and was thereafter adjourned for continued trial on 13, 14, 15 and 17 April 2015. The trial proceeded on 13 April 2015 and thereafter adjourned to 27 and 28 August 2015 for continued trial.

10. Material Litigation (continued)

(b) Celcom Axiata Berhad (formerly known as Celcom (Malaysia) Berhad) ("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. The Court of Appeal had on 11 March 2014 dismissed with costs appeals filed by TSDTR, BR, AH, OTA and DeTeAsia. The Court of Appeal also ordered that the proceedings in the High Court be stayed pending disposal of the defendants' applications for leave to appeal to the Federal Court. On 8 and 9 April 2014, an application for leave to appeal to the Federal Court was filed by TSDTR, BR, AH, OTA and DeTeAsia respectively. The case management of their application for leave to appeal to the Federal Court has now been fixed on 15 October 2015. The matter in the High Court has been fixed for case management on 21 October 2015 pending determination of the aforesaid appeals.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

10. Material Litigation (continued)

(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.

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. The Court of Appeal had on 11 March 2014 dismissed with costs the appeals filed by (i) TSDTR and BR against the decision of the High Court dated 6 February 2009; and (ii) the German directors against the decision of the High Court dated 30 June 2010.

The Court of Appeal also ordered that the proceedings in the High Court be stayed pending the disposal of the defendants' applications for leave to appeal to the Federal Court. On 8 and 9 April 2014, an application for leave to appeal to the Federal Court was filed by TSDTR, BR and German directors respectively. The case management of their application for leave to appeal has now been fixed on 15 October 2015. The matter in the High Court has been fixed for case management on 21 October 2015 pending determination of the aforesaid appeals.

Separately, Celcom and Celcom Resources have reached an amicable settlement with DLKY and the said companies have filed their respective notice of discontinuance with no order as to costs and without liberty to file afresh against DLKY on 6 March 2015.

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 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 one (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).

The parties are currently in the exploratory stage on the areas of collaboration between the Parties and had, on 3 September 2014, agreed to extend the MOU further for another period of one (1) year.

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. Earnings Per Share ("EPS")

(a) Basic EPS

	2nd Quarter Ended		Financial Period Ended	
	30/6/2015	30/6/2014	**30/6/2015**	30/6/2014
Profit attributable to owners of the Company (RM'000)	610,758	455,011	1,195,597	1,129,890
Adjusted weighted average number of shares ('000)	8,597,115	8,551,485	8,594,859	8,550,814
Basic EPS (sen)	**7.1**	5.3	**13.9**	13.2

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.

13. Earnings Per Share ("EPS") (continued)

(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.

	2nd Quarter Ended		Financial Period Ended	
	30/6/2015	30/6/2014	30/6/2015	30/6/2014
Profit attributable to owners of the Company (RM'000)	610,758	455,011	1,195,597	1,129,890
Adjusted weighted average number of shares ('000)	8,597,115	8,551,485	8,594,859	8,550,814
Adjusted for the Company's ESOS	50,574	70,029	49,591	63,181
Weighted average number of diluted ordinary shares for computation of diluted EPS ('000)	8,647,689	8,621,514	8,644,450	8,613,995
Diluted EPS (sen)	**7.1**	**5.3**	**13.8**	**13.1**

14. Qualification of Preceding Audited Financial Statements

The 2014 Audited Financial Statements were not subject to any qualification.

15. Dividend Proposed

The Board of Directors has declared an interim 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 2015 ("Interim Dividend") (30 June 2014: 8 sen).

The Board of Directors also determined that the Company's Dividend Reinvestment Scheme ("DRS") will apply to the Interim Dividend, whereby shareholders will be given the option to elect to reinvest the whole or part of the dividend into new ordinary shares of the Company. This will be subject to the approval of Bursa Securities for the listing of and quotation for the new ordinary shares of the Company to be issued pursuant to the DRS, an application for which will be submitted in due course.

The decision of Bursa Securities as well as the Book Closure Date will be announced by the Company at a later date.

By Order of the Board

Suryani Hussein (LS0009277)
Secretary

Kuala Lumpur
20 August 2015