

DiGi.COM BERHAD
Company no. 425190-X
(Incorporated in Malaysia)

29 October 2002

KUALA LUMPUR STOCK EXCHANGE
9th Floor Exchange Square
Bukit Kewangan
50200 Kuala Lumpur

DiGi.COM BERHAD
INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
AND NINE MONTHS ENDED 30 SEPTEMBER 2002

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 1 JUL 2002 TO 30 SEP 2002 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 1 NOV 2001 TO 31 DEC 2001 RM'000	CURRENT YEAR TO-DATE 1 JAN 2002 TO 30 SEP 2002 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 1 MAY 2001 TO 31 DEC 2001 RM'000
Revenue	322,434	193,926	919,840	747,042
Operating expenses	(214,341)	(129,984)	(597,930)	(496,450)
Depreciation and amortisation	(85,299)	(24,440)	(171,176)	(96,590)
Other operating income	734	47	3,911	3,285
Profit from operations	23,528	39,549	154,645	157,287
Finance costs	(13,967)	(10,383)	(45,877)	(41,983)
Interest income	976	2,945	2,838	6,617
Profit before taxation	10,537	32,111	111,606	121,921
Taxation	(4,600)	37,000	(33,600)	37,000
Profit after taxation	5,937	69,111	78,006	158,921
Minority interest	-	-	-	-
Net Profit for the period	5,937	69,111	78,006	158,921
Earnings per share (sen)				
- Basic	0.8	9.2	10.4	21.2
- Diluted	NA	NA	NA	NA

(The Condensed Consolidated Income Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 7)

Note : NA denotes "Not Applicable"

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2002

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT 30 SEPTEMBER 2002 RM'000	AT 31 DECEMBER 2001 (AUDITED) RM'000
Property, plant and equipment	2,240,351	1,978,049
Intangible asset	47,949	50,904
Deferred expenditure	762	818
Current assets		
Deferred tax asset	3,400	37,000
Inventories	14,969	14,037
Trade and other receivables	204,158	171,890
Cash and cash equivalents	155,558	157,663
	378,085	380,590
Current liabilities		
Trade and other payables	562,943	425,260
Borrowings	55,630	90,354
	618,573	515,614
Net current liabilities	(240,488)	(135,024)
	2,048,574	1,894,747
Financed By :		
Capital and Reserves		
Share capital	750,000	750,000
Reserves	544,751	466,745
Shareholders' funds	1,294,751	1,216,745
Long term liabilities		
Borrowings	753,823	678,002
	2,048,574	1,894,747
Net Tangible Assets Per Share (RM)	1.66	1.55

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 7)

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2002

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits/ (Accumulated losses) RM'000	Total RM'000
At 1 January 2002	750,000	352,651	114,094	1,216,745
Net profit for the period	-	-	78,006	78,006
At 30 September 2002	<u>750,000</u>	<u>352,651</u>	<u>192,100</u>	<u>1,294,751</u>
At 1 May 2001	750,000	352,651	(44,827)	1,057,824
Net profit for the period	-	-	158,921	158,921
At 31 December 2001	<u>750,000</u>	<u>352,651</u>	<u>114,094</u>	<u>1,216,745</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 7)

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2002

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2002

	30 SEPTEMBER 2002	8 MONTHS ENDED 31 DECEMBER 2001
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	111,606	121,921
Adjustments for non-cash flow:		
Non-cash items	171,023	102,108
Finance costs	45,877	41,983
Interest income	(2,838)	(6,617)
Operating profit before working capital changes	325,668	259,395
Changes in working capital:		
Net change in current assets	(33,200)	(22,192)
Net change in current liabilities	141,823	(108,190)
Cash generated from operations	434,291	129,013
Finance costs	(50,017)	(36,288)
Payment for technical services fee	-	(53,203)
Net cash generated by operating activities	384,274	39,522
Cash flows from investing activities		
Acquisition of property, plant and equipment	(431,056)	(393,674)
Interest income	2,838	6,641
Proceeds from disposal of property, plant and equipment	742	17,029
Net cash used in investing activities	(427,476)	(370,004)
Cash flows from financing activities		
Proceeds from bank borrowings	90,497	302,150
Repayment of bank borrowings	(49,400)	(25,478)
Net cash generated by financing activities	41,097	276,672
Net decrease in cash and cash equivalents	(2,105)	(53,810)
Cash and cash equivalents at beginning of period	157,663	211,473
Cash and cash equivalents at end of period	155,558	157,663

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Notes to the Interim Financial Report on pages 5 to 7)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial period ended 31 December 2001.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial period ended 31 December 2001.

A2. Seasonality or Cyclicity of Interim Operations

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

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence other than as disclosed under Note A4.

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior interim periods or financial years that have a material effect in the current interim period except for the change in the depreciation rates for telecommunications network and computer systems included in the property, plant and equipment based on our periodic review of the estimated useful lives of these assets.

The changes in the principal annual rates with effect from 1 July 2002 onwards are as follows:

	<u>Previous rates</u>	<u>New rates</u>
Telecommunications network	5.0 to 6.6%	10%
Computer systems	12.5%	20%

The financial impact on the change in depreciation rates was an increase of RM40.8 million in the depreciation amount charged to the Condensed Consolidated Income Statements for the current quarter and year-to-date ended 30 September 2002.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A5. Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and financial year to-date.

A6. Dividend paid

No dividend has been paid for the current quarter and financial year to-date.

A7. Segment Information

The segment revenue and segment result by business or geographical segment are not presented as the Group's activities are principally in the provision of telecommunications services and are conducted in Malaysia.

A8. Property, Plant and Equipment

Significant acquisition and disposal of items of property, plant and equipment for the current quarter and year to-date ended 30 September 2002 are as follows:

Items of property, plant and equipment	Current quarter ended 30 September 2002 RM'000	Current year to-date ended 30 September 2002 RM'000
Telecommunications network: Acquisition - At Cost	128,204	378,301
Disposal - At Net Book Value	-	438

There is no revaluation of property, plant and equipment brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

A9. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter ended 30 September 2002 up to the date of this report.

A10. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year to-date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A11. Changes in Contingent Liabilities

As at 30 September 2002, there is a contingent liability of RM148,000 relating to guarantee given by a subsidiary company to a financial institution for housing loans granted to its employees (31 December 2001 – RM157,000).

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2002**

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A12. Capital Commitments

	Group 30 September 2002 RM'000
Property, plant and equipment:	
Authorised and contracted for	256,000
Authorised but not contracted for	480,000

A13. Related Party Transactions

The related party transactions of the Group have been entered into in the normal course of business and have been established under the terms that are no less favorable than those arranged with independent third parties. Other than those inter-company transactions, listed below are those significant transactions and balances with related parties of the Group during the current nine months period: -

	Transactions for the nine months ended 30 September 2002 RM'000	Balance due from/(to) at 30 September 2002 RM'000
<i>With the intermediate holding company</i>		
<i>- Telenor Mobile Communications AS</i>		
Personnel services rendered	6,569	(5,752)
<i>With a fellow subsidiary company</i>		
<i>- Telenor Global Services AS</i>		
Sales of interconnection services on international traffic	4,701	1,032
Purchase of interconnection services on international traffic	721	-
<i>With companies in which a Director of the company, Tan Sri Dato' Seri Tan Chee Yioun has an interest</i>		
Cosway (M) Sdn. Bhd.		
Sales of reload coupons	4,535	1,610
Convenience Shopping Sdn. Bhd.		
Sales of reload coupons	3,919	790
Berjaya General Insurance Bhd.		
Insurance premiums paid/payable	1,644	(406)
Berjaya Registration Services Sdn. Bhd.		
Printing and mailing services rendered	1,752	(252)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2002**

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

B1. Review of the Performance of the Company and its Principal Subsidiaries

The Group achieved profit before taxation of RM111.6 million for the nine months period ended 30 September 2002 as compared with RM121.9 million for the preceding eight months financial period ended 31 December 2001. The lower profit before taxation was mainly due to higher depreciation and amortisation arising from the increase in the depreciation rates for telecommunications network and computer systems with effect from 1 July 2002 as explained in Note A4 of the Notes to the Interim Financial Report.

During the nine months period, the Group registered profit after taxation of RM78.0 million as compared with RM158.9 million achieved in the preceding financial period. The lower profit after taxation was mainly attributed to a deferred tax charge of RM33.6 million resulting from realisation of the deferred tax asset of RM37.0 million recognised in the preceding financial period ended 31 December 2001. Consequently, earnings per share was 10.4 sen as compared with 21.2 sen recorded in the preceding financial period ended 31 December 2001.

Similarly, for the current quarter, profit before taxation of RM10.5 million was affected by the higher depreciation and amortisation expense arising from the increase in the depreciation rates. After deducting deferred tax charge of RM4.6 million for the current quarter, the profit after taxation was RM5.9 million as compared with RM69.1 million for the preceding two months from 1 November 2001 to 31 December 2001.

B2. Explanatory Comments on Any Material Change in the Profit Before Taxation for the Quarter Reported on as Compared with the Immediate Preceding Quarter

The Group recorded profit before taxation of RM10.5 million for the current quarter ended 30 September 2002 as compared with RM50.7 million in the preceding quarter. Lower profit before taxation was mainly due to an increase of RM38.1 million in the depreciation and amortisation expense despite a 4.1% increase in revenue to RM322.4 million from RM309.6 million in the preceding quarter. The increase in depreciation and amortisation was due to the increase in the depreciation rates as explained in Note A4 of the Notes to the Interim Financial Report. Revenue increase was mainly attributed to higher mobile revenues contributed by its enlarged customer base and increase in the international carrier services revenue.

B3. Prospects For The Remaining Quarter up to 31 December 2002

The Group will continue to focus on increasing its market share and the revenue by leveraging on its improved network quality, capacity and coverage and delivering value added services.

However, the Directors expect the results of the Group for the remaining quarter up to 31 December 2002 will continue to be affected by the higher depreciation and amortisation expense due to the increase in depreciation rates for those affected property, plant and equipment effective from 1 July 2002 as explained in Note A4 of the Notes to the Interim Financial Report.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2002**

**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

B4. Explanatory Notes for Variance of Actual Profit from Forecast Profit/ Profit Guarantee

Not applicable.

B5. Taxation

The taxation charge for the current quarter and year to-date ended 30 September 2002 is made up as follows:

	Current quarter ended 30 September 2002 RM'000	Current year to-date ended 30 September 2002 RM'000
Current tax expense	-	-
Deferred tax	4,600	33,600
Total	4,600	33,600

There was no current tax expense for the current quarter and year to-date ended 30 September 2002 as the taxable income was absorbed by brought forward capital allowances. The deferred tax expense is attributed to the realisation of the benefit arising from utilisation of capital allowances.

The effective tax rate for the current quarter and year to-date of 43.7% and 30.1% respectively were higher than the statutory tax rate of 28.0% as certain expenses and provisions are not deductible for tax purposes.

B6. Profits/(Losses) on Sale of Unquoted Investments and/or Properties

There were no profits/(losses) on sale of investments and properties included in the results for the current quarter and financial year to-date.

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year to-date. There was no investment in quoted shares as at 30 September 2002.

B8. Status of Corporate Proposals

There was no corporate proposal announced but not completed in the interval from the date of the last quarterly report and the date of this announcement

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2002**

**ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS –
CONT'D**

B9. Group Borrowings

Details of Group Borrowings are as follows:-

Borrowings	30 September 2002 RM'000
<u>Secured</u>	
Short term : Denominated in Ringgit Malaysia	6,230
Short term : Denominated in US Dollar	49,400
	55,630
<u>Secured</u>	
Long term : Denominated in Ringgit Malaysia	630,323
Long term : Denominated in US Dollar	123,500
	753,823
Total	809,453

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Group as at the date of this report.

B11. Material Litigation

There was no pending material litigation as at the date of this report.

B12. Dividends

No interim dividend has been recommended for the current quarter ended 30 September 2002.

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter and year to-date have been calculated based on the net profit attributable to ordinary shareholders of RM5,937,000 and RM78,006,000 respectively and the weighted average number of ordinary shares outstanding during the quarter of 750,000,000.

Diluted Earnings Per Share

Not applicable.

B14. Comparatives

With the change in the financial year end from 30 April to 31 December since the last financial period ended 31 December 2001, the interim financial report for the current reporting quarter and year to-date is from 1 July 2002 to 30 September 2002 and 1 January 2002 to 30 September 2002 respectively. The comparatives used for the preceding year corresponding quarter and year to-date is from 1 November 2001 to 31 December 2001 and 1 May 2001 to 31 December 2001 respectively.

c.c Securities Commission