

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

Date: 29 April 2004

**Subject: INTERIM FINANCIAL REPORT FOR THE
FIRST QUARTER ENDED 31 MARCH 2004**

<u>Table of contents</u>	<u>Page</u>
Condensed Consolidated Income Statements	1
Condensed Consolidated Balance Sheets	2
Condensed Consolidated Statements of Changes in Equity	3
Condensed Consolidated Cash Flow Statements	4
Notes to the Interim Financial Report	5 - 7
Additional information required by the Bursa Malaysia Securities Berhad ("BMSB") Listing Requirements	8 - 10

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

CONDENSED CONSOLIDATED INCOME STATEMENTS

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MAR 2004 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2003 RM'000	CURRENT YEAR TO-DATE 31 MAR 2004 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2003 RM'000
Revenue	517,058	394,510	517,058	394,510
Operating expenses	(283,534)	(230,602)	(283,534)	(230,602)
Depreciation and amortisation	(115,605)	(103,902)	(115,605)	(103,902)
Other operating income	733	488	733	488
Profit from operations	118,652	60,494	118,652	60,494
Finance costs	(17,207)	(18,408)	(17,207)	(18,408)
Interest income	1,938	1,491	1,938	1,491
	<hr/>	<hr/>	<hr/>	<hr/>
Profit before taxation	103,383	43,577	103,383	43,577
Taxation	(30,043)	(13,670)	(30,043)	(13,670)
	<hr/>	<hr/>	<hr/>	<hr/>
Profit after taxation	73,340	29,907	73,340	29,907
Minority interest	-	-	-	-
Net Profit for the period	<u>73,340</u>	<u>29,907</u>	<u>73,340</u>	<u>29,907</u>
Earnings per share (sen)				
- Basic	<u>9.8</u>	<u>4.0</u>	<u>9.8</u>	<u>4.0</u>
- Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

(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"

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

CONDENSED CONSOLIDATED BALANCE SHEETS

	AT	AT
	31 MARCH 2004	31 DECEMBER 2003
	RM'000	(AUDITED)
		RM'000
Property, plant and equipment	2,571,569	2,629,501
Intangible asset	42,037	43,022
Deferred expenditure	32,991	35,674
Current assets		
Inventories	12,668	14,066
Trade and other receivables	188,737	186,653
Cash and cash equivalents	411,165	338,516
	<u>612,570</u>	<u>539,235</u>
Current liabilities		
Trade and other payables	665,065	712,015
Deferred revenue	118,268	123,611
Borrowings	204,433	201,933
	<u>987,766</u>	<u>1,037,559</u>
Net current liabilities	<u>(375,196)</u>	<u>(498,324)</u>
	<u>2,271,401</u>	<u>2,209,873</u>
Financed By :		
Capital and Reserves		
Share capital	750,000	750,000
Reserves	783,178	709,838
Shareholders' funds	<u>1,533,178</u>	<u>1,459,838</u>
Long term liabilities		
Borrowings	637,819	679,853
Deferred tax liability	97,239	67,196
Retirement benefits	3,165	2,986
	<u>2,271,401</u>	<u>2,209,873</u>
Net Tangible Assets Per Share (RM)	<u>1.94</u>	<u>1.84</u>

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

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2004

	Share Capital RM'000	Non- Distributable Share Premium RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2004	750,000	352,651	357,187	1,459,838
Net profit for the period	-	-	73,340	73,340
At 31 March 2004	<u>750,000</u>	<u>352,651</u>	<u>430,527</u>	<u>1,533,178</u>
At 1 January 2003	750,000	352,651	214,964	1,317,615
Net profit for the period	-	-	29,907	29,907
At 31 March 2003	<u>750,000</u>	<u>352,651</u>	<u>244,871</u>	<u>1,347,522</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)

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2004

	PERIOD ENDED	PERIOD ENDED
	31 MARCH 2004	31 MARCH 2003
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	103,383	43,577
Adjustments for non-cash flow:		
Non-cash items	117,399	104,513
Finance costs	17,207	18,408
Interest income	(1,938)	(1,491)
Operating profit before working capital changes	236,051	165,007
Changes in working capital:		
Net change in current assets	(1,694)	3,194
Net change in current liabilities	(60,300)	(84,330)
Cash generated from operations	174,057	83,871
Finance costs	(7,402)	(36,227)
Net cash generated by operating activities	166,655	47,644
Cash flows from investing activities		
Acquisition of property, plant and equipment	(56,714)	(77,596)
Interest income	2,243	1,738
Net cash used in investing activities	(54,471)	(75,858)
Cash flows from financing activities		
Proceeds from bank borrowings	-	90,231
Repayment of bank borrowings	(39,535)	(39,535)
Net cash (used in)/generated by financing activities	(39,535)	50,696
Net increase in cash and cash equivalents	72,649	22,482
Cash and cash equivalents at beginning of year	338,516	245,672
Cash and cash equivalents at end of period	411,165	268,154

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

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

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 year ended 31 December 2003.

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 year ended 31 December 2003.

A2. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by any seasonal and cyclical 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 for the current quarter and financial year-to-date ended 31 March 2004.

A4. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter and financial year-to-date ended 31 March 2004.

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 ended 31 March 2004.

A6. Dividend Paid

No dividend has been paid for the current quarter and financial year-to-date ended 31 March 2004.

A7. Segment Information

Segment information is presented in respect of the Group's business segment. The segment revenue and segment result by business segment for the financial year-to-date ended 31 March 2004 were as follows:

	Mobile RM'000	International RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
Revenue					
External	445,733	68,019	3,306	-	517,058
Inter-segment *	-	-	615	(615)	-
Total Revenue	<u>445,733</u>	<u>68,019</u>	<u>3,921</u>	<u>(615)</u>	<u>517,058</u>
Segment Result	111,064	15,441	792	-	127,297
Unallocated expenses					(8,645)
Profit from operations					<u>118,652</u>

* Inter-segment pricing carried out in the Group are based on an arms-length basis.

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

A8. Property, Plant and Equipment

Significant acquisition of the items of property, plant and equipment for the current quarter and financial year-to-date ended 31 March 2004 is as follows:

Items of property, plant and equipment	Current year quarter and year-to-date 31 March 2004 RM'000
Acquisition - At Cost	
Telecommunications network	44,722
Computer systems	10,215

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 31 March 2004 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 ended 31 March 2004 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

A11. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31 December 2003.

A12. Capital Commitments

	Group 31 March 2004 RM'000
Property, plant and equipment:	
Authorised and contracted for	178,000
	<hr style="border-top: 3px double #000;"/>
Authorised but not contracted for	192,000
	<hr style="border-top: 3px double #000;"/>

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

NOTES TO THE INTERIM FINANCIAL REPORT – CONT'D

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 quarter:

	Transactions for the quarter ended 31 March 2004 RM'000	Balance due from/(to) at 31 March 2004 RM'000
<i>With fellow subsidiary companies</i>		
- <i>Telenor Global Services AS</i>		171
Sales of interconnection services on international traffic	543	
Purchase of interconnection services on international traffic	292	
- <i>Telenor Consult AS</i>		
Personnel services rendered	1,907	(1,257)
	543	(1,257)
<i>With companies in which a Director of the company, Tan Sri Dato' Seri Vincent Tan Chee Yioun is deemed to have an interest</i>		
- <i>Berjaya General Insurance Bhd.</i>		
Insurance premiums paid/payable	5,164	(493)
- <i>Berjaya Registration Services Sdn. Bhd.</i>		
Printing and mailing services rendered	977	(325)
- <i>Convenience Shopping Sdn. Bhd.</i>		
Sales of prepaid cards and reload coupons	7,559	2,494
- <i>Cosway (M) Sdn. Bhd.</i>		
Sales of prepaid cards and reload coupons	1,326	1,059
- <i>MOL AccessPortal Bhd.</i>		
Sales of prepaid cards and soft pins	181	-
- <i>Pentagon Engineering Sdn. Bhd.</i>		
Construction of transmission towers and sites	3,487	(2,947)
	3,487	(2,947)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

ADDITIONAL INFORMATION REQUIRED BY THE BMSB LISTING REQUIREMENTS

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

The Group's profit before taxation for the first quarter ended 31 March 2004 of RM103.4 million was RM59.8 million or 137% higher than the RM43.6 million recorded in the previous corresponding quarter. Higher profit before taxation was largely attributed to the 31% increase in revenue to RM517.1 million from RM394.5 million recorded previously.

Consequently, the Group's profit after taxation of RM73.3 million was RM43.4 million or 145% higher than the RM29.9 million recorded in the previous corresponding quarter while earnings per share improved to 9.8 sen as compared with 4.0 sen previously.

Higher revenue was mainly contributed by the mobile and international segments. Mobile revenue was 31% higher than that of the previous corresponding quarter. This was spurred by the 34% growth in its mobile customer base to 2.42 million. International segment revenue was 34% higher than that of the previous corresponding quarter as a result of higher international traffic volume.

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's profit before taxation for the current quarter increased by RM22.0 million or 27% to RM103.4 million from RM81.4 million registered in the preceding quarter. This was mainly contributed by the 6% increase in revenue to RM517.1 million from RM486.3 million recorded in the preceding quarter. The increased revenue for the current quarter was mainly attributed to the 9% increase in its mobile customer base to 2.42 million.

B3. Prospects For The Remaining Quarters Up To 31 December 2004

Further growth in mobile sector of the telecommunications industry is expected to be driven by the continuing intense competition amongst the mobile operators. The prospect is expected to remain positive as the Group will continue to focus on delivering simple, attractive and easy to use high quality mobile products and services.

The Group will also focus on its ongoing cost efficient investment program to continue delivering high service quality and coverage expansion. Barring any unforeseen circumstances, the Directors expect the results of the Group to be good for the rest of 2004.

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

ADDITIONAL INFORMATION REQUIRED BY THE BMSB 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 financial year-to-date ended 31 March 2004 is made up as follows:

	Current year quarter and year-to-date 31 March 2004 RM'000
Current tax expense	-
Deferred tax expense	30,043
Total	30,043

There was no current tax expense for the current quarter and financial year-to-date ended 31 March 2004 as the taxable income was absorbed by brought forward capital allowances.

The effective tax rate of 29.1% for both the current quarter and financial year-to-date ended 31 March 2004 was higher than the statutory tax rate of 28.0% as certain expenses and provisions were 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 ended 31 March 2004.

B7. Quoted Securities

There was no purchase and disposal of quoted securities for the current quarter and financial year-to-date ended 31 March 2004. There was no investment in quoted shares as at 31 March 2004.

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.

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

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2004

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

B9. Group Borrowings

Details of Group Borrowings are as follows:

Borrowings	31 March 2004 RM'000
<u>Secured</u>	
Short term : Denominated in Ringgit Malaysia	155,033
Short term : Denominated in US Dollar	49,400
	204,433
<u>Secured</u>	
Long term : Denominated in Ringgit Malaysia	588,419
Long term : Denominated in US Dollar	49,400
	637,819
Total	842,252

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 31 March 2004.

B13. Earnings Per Share

Basic Earnings Per Share

The basic earnings per share for the current quarter ended 31 March 2004 has been calculated based on the net profit attributable to ordinary shareholders of RM73,340,000 and the weighted average number of ordinary shares outstanding during the quarter of 750,000,000.

Diluted Earnings Per Share

Not applicable.

c.c Securities Commission