



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**ANNOUNCEMENT**

The Board of Directors of Maxis Berhad (“Maxis” or “the Company”) is pleased to announce the following unaudited condensed consolidated financial statements for the third quarter ended 30 September 2012 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
		QUARTER ENDED	QUARTER ENDED	+	PERIOD ENDED	PERIOD ENDED	+
		30/9/2012	30/9/2011		30/9/2012	30/9/2011	
RM' m	RM' m	%	RM' m	RM' m	%		
Revenue	7	2,216	2,244	-1	6,661	6,535	+2
Cost of sales		(746)	(707)		(2,196)	(2,046)	
Gross profit		1,470	1,537	-4	4,465	4,489	-1
Other income		15	3		30	8	
Administrative expenses		(465)	(435)		(1,279)	(1,231)	
Network operation costs		(294)	(281)		(932)	(768)	
Other expenses		(18)	(10)		(44)	(61)	
Profit from operations	18	708	814	-13	2,240	2,437	-8
Finance income		14	9		40	30	
Finance cost		(90)	(77)		(251)	(223)	
Profit before tax	7	632	746	-15	2,029	2,244	-10
Taxation	19	(189)	(208)		(547)	(614)	
Profit for the period		443	538	-18	1,482	1,630	-9
Attributable to:							
- Equity holders of the Company		442	537	-18	1,478	1,627	-9
- Non-controlling interest		1	1		4	3	
		443	538	-18	1,482	1,630	-9
Earnings per share attributable to equity holders of the Company (sen):							
- Basic	26	5.9	7.2		19.7	21.7	
- Diluted	26	5.9	7.2 <sup>(1)</sup>		19.7	21.7 <sup>(1)</sup>	

Note:

<sup>(1)</sup> In the prior year, the diluted earnings per share was the same as basic earnings per share as the effect of dilutive potential ordinary shares was anti-dilutive.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/9/2012	QUARTER ENDED 30/9/2011	PERIOD ENDED 30/9/2012	PERIOD ENDED 30/9/2011
	RM' m	RM' m	RM' m	RM' m
Profit for the period	443	538	1,482	1,630
<b>Other comprehensive income/(expense) <sup>(2)</sup>:</b>				
Net change in cash flow hedge	73	(190)	72	(144)
Total comprehensive income for the period	<u>516</u>	<u>348</u>	<u>1,554</u>	<u>1,486</u>
Attributable to:				
- Equity holders of the Company	515	347	1,550	1,483
- Non-controlling interest	1	1	4	3
	<u>516</u>	<u>348</u>	<u>1,554</u>	<u>1,486</u>

Note :

<sup>(2)</sup> There is no income tax attributable to the components of other comprehensive income/(expense).



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	AS AT 30/9/2012 (Unaudited) RM' m	AS AT 31/12/2011 (Audited) RM' m	AS AT 1/1/2011 (MFRS transition date) RM' m
<b>Non-current assets</b>				
Property, plant and equipment	8	4,450	4,971	5,007
Intangible assets <sup>(3)</sup>		11,130	11,060	11,019
Derivative financial instruments		18	3	-
Deferred tax assets		134	121	96
		<u>15,732</u>	<u>16,155</u>	<u>16,122</u>
<b>Current assets</b>				
Inventories		45	110	214
Receivables, deposits and prepayments		807	858	936
Amounts due from related parties		17	17	14
Amounts due from fellow subsidiaries		1	-	-
Tax recoverable		8	13	41
Cash and cash equivalents		1,149	838	898
		<u>2,027</u>	<u>1,836</u>	<u>2,103</u>
<b>Total assets</b>		<u>17,759</u>	<u>17,991</u>	<u>18,225</u>
<b>Current liabilities</b>				
Provisions for liabilities and charges		59	65	60
Payables and accruals		2,479	2,828	3,106
Amounts due to related parties		26	23	43
Amount due to a fellow subsidiary		-	-	1
Borrowings	21	2	1,464	13
Taxation		96	6	100
		<u>2,662</u>	<u>4,386</u>	<u>3,323</u>
<b>Net current liabilities</b>		<u>(635)</u>	<u>(2,550)</u>	<u>(1,220)</u>
<b>Non-current liabilities</b>				
Borrowings	21	6,741	4,409	5,061
Provisions for liabilities and charges		88	94	127
Payables and accruals	21	46	61	46
Loan from a related party	21	37	36	33
Derivative financial instruments		419	366	349
Deferred tax liabilities		520	551	620
		<u>7,851</u>	<u>5,517</u>	<u>6,236</u>
<b>Net assets</b>		<u>7,246</u>	<u>8,088</u>	<u>8,666</u>

Note:  
<sup>(3)</sup> Includes telecommunication licenses with allocated spectrum rights of RM10,707 million and goodwill arising from acquisition of subsidiaries of RM219 million.

**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

	AS AT 30/9/2012 (Unaudited) RM' m	AS AT 31/12/2011 (Audited) RM' m	AS AT 1/1/2011 (MFRS transition date) RM' m
<b>Equity</b>			
Share capital	750	750	750
Reserves	6,488	7,334	7,916
<b>Equity attributable to equity holders of the Company</b>	<b>7,238</b>	8,084	8,666
Non-controlling interest	8	4	-
<b>Total equity</b>	<b>7,246</b>	8,088	8,666
<b>Net assets per share (RM)</b>	<b>0.97</b>	1.08	1.16



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Period ended 30/9/2012	← Attributable to equity holders of the Company →							Non-controlling interest	Total equity
	Share capital <sup>(4)</sup>	Share premium	Merger relief <sup>(5)</sup>	Reserve arising from reverse acquisition	Other reserves	Retained earnings (Note 23)	Total		
	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m
Balance as at 1/1/2012	750	-	29,629	(22,729)	(155)	589	8,084	4	8,088
Profit for the period	-	-	-	-	-	1,478	1,478	4	1,482
Other comprehensive income for the period	-	-	-	-	72	-	72	-	72
Total comprehensive income for the period	-	-	-	-	72	1,478	1,550	4	1,554
Dividends for the financial year ended 31 December 2011	-	-	(400)	-	-	(800)	(1,200)	-	(1,200)
Dividends for the financial year ending 31 December 2012	-	-	(200)	-	-	(1,000)	(1,200)	-	(1,200)
Employee Share Option Scheme ("ESOS"):									
- share options granted	-	-	-	-	1	-	1	-	1
- shares issued	-	3	-	-	-	-	3	-	3
Balance as at 30/9/2012	<u>750</u>	<u>3</u>	<u>29,029</u>	<u>(22,729)</u>	<u>(82)</u>	<u>267</u>	<u>7,238</u>	<u>8</u>	<u>7,246</u>
<b>Period ended 30/9/2011</b>									
Balance as at 1/1/2011	750	-	30,440	(22,729)	(46)	251	8,666	-	8,666
Profit for the period	-	-	-	-	-	1,627	1,627	3	1,630
Other comprehensive expense for the period	-	-	-	-	(144)	-	(144)	-	(144)
Total comprehensive (expense)/income for the period	-	-	-	-	(144)	1,627	1,483	3	1,486
Dividends for the financial year ended 31 December 2010	-	-	(11)	-	-	(1,189)	(1,200)	-	(1,200)
Dividends for the financial year ended 31 December 2011	-	-	(700)	-	-	(500)	(1,200)	-	(1,200)
Balance as at 30/9/2011	<u>750</u>	<u>-</u>	<u>29,729</u>	<u>(22,729)</u>	<u>(190)</u>	<u>189</u>	<u>7,749</u>	<u>3</u>	<u>7,752</u>

Notes:  
<sup>(4)</sup> Issued and fully paid ordinary shares of RM0.10 each.  
<sup>(5)</sup> Pursuant to Section 60(4)(a) of the Companies Act, 1965, the premium on the shares issued by the Company as consideration for the acquisition of subsidiaries in the financial year ended 31 December 2009 are not recorded as share premium. The difference between the issue price and the nominal value of shares issued is classified as merger relief.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>PERIOD ENDED 30/9/2012</b>	<b>PERIOD ENDED 30/9/2011</b>
	RM' m	RM' m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period	1,482	1,630
Adjustments for:		
- non-cash items	1,154	1,046
- finance income	(40)	(30)
- finance cost	251	223
- taxation	547	614
Payments for provision for liabilities and charges	(37)	(46)
Operating profit before working capital changes	<u>3,357</u>	<u>3,437</u>
Changes in working capital	(335)	(295)
Cash inflow from operations	<u>3,022</u>	<u>3,142</u>
Interest received	36	30
Net tax paid	(497)	(437)
Net cash flows generated from operating activities	<u>2,561</u>	<u>2,735</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of intangible assets	(203)	(121)
Purchase of property, plant and equipment	(401)	(673)
Net cash flows used in investing activities	<u>(604)</u>	<u>(794)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares pursuant to ESOS	3	-
Drawdown of bank borrowings	-	699
Proceeds from issuance of Islamic Medium Term Notes	2,450	-
Repayment of bank borrowing	(1,450)	-
Repayment of lease financing	(6)	(11)
Payments of finance costs	(243)	(211)
Dividends paid	(2,400)	(2,400)
Net cash flows used in financing activities	<u>(1,646)</u>	<u>(1,923)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>311</b>	<b>18</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>838</b>	<b>898</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b><u>1,149</u></b>	<b><u>916</u></b>



## MAXIS BERHAD

(867573 – A)

(INCORPORATED IN MALAYSIA)

### QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

#### PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

## 1. BASIS OF PREPARATION

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The significant accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2011 except for the first-time adoption of Malaysian Financial Reporting Standards (“MFRS”) Framework.

The Group has adopted the new MFRS Framework issued by the Malaysian Accounting Standards Board (“MASB”) with effect from 1 January 2012. This MFRS Framework comprises International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

In the transition to the MFRS Framework, the Group has applied MFRS 1 “First-time Adoption of MFRS” which provides certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters. Save for the required presentation of three statements of financial position in the first MFRS financial statements, there is no other significant impact on the Group’s financial results and position, and changes to the accounting policies of the Group arising from the adoption of this MFRS Framework as the requirements under the previous Financial Reporting Standards (“FRS”) Framework were equivalent to the MFRS Framework, although there are some differences in relation to the transitional provisions and effective dates contained in certain of the MFRSs.

### **MFRSs and Amendments to MFRSs that are applicable to the Group but not yet effective**

The Group has not early adopted the following standards that have been issued by the MASB as these are effective for financial period beginning on or after 1 January 2013:

- MFRS 9 Financial Instruments (effective from 1 January 2015)
- MFRS 10 Consolidated Financial Statements (effective from 1 January 2013)
- MFRS 12 Disclosure of Interests in Other Entities (effective from 1 January 2013)
- MFRS 13 Fair Value Measurement (effective from 1 January 2013)
- MFRS 119 Employee Benefits (effective from 1 January 2013)
- MFRS 127 Separate Financial Statements (effective from 1 January 2013)
- Amendments to MFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)
- Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income (effective from 1 July 2012)
- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)
- Annual Improvements to MFRS 2009 – 2011 Cycle (effective 1 January 2013)
- Amendments to MFRS 10, 11 and 12 Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (effective 1 January 2013)

## 2. SEASONAL / CYCLICAL FACTORS

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



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**3. UNUSUAL ITEMS**

Save for the RM125 million write off of network equipment in the preceding quarter as well as items disclosed in Notes 4 and 5 below, there were no other significant unusual items affecting the assets, liabilities, equity, net income or cash flows during the nine-months ended 30 September 2012.

**4. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in the prior financial years that have a material effect in the nine-months ended 30 September 2012, except for the change in estimates in asset useful lives of certain telecommunications network equipment as a result of the network modernisation programme being undertaken.

The impact of the change in estimates for this quarter as a consequence of the above has resulted in a reduction in the carrying value of property, plant and equipment by RM35 million with a corresponding depreciation charge to the income statement.

Kindly refer to Note 15 for further details.

**5. DEBT AND EQUITY SECURITIES**

(a) On 24 February 2012, Maxis made its first issuance under the unrated Islamic Medium Term Notes Programme of RM2.45 billion nominal value with a tenure of 10 years from the date of issue (“First Issuance”). The proceeds from the First Issuance were utilised for the purposes set out below:

- (i) RM1.45 billion for refinancing of existing loans which were fully repaid on the same date; and
- (ii) RM1.00 billion for capital expenditure and working capital.

(b) During the nine-month ended 30 September 2012, a total of 485,300 ordinary shares of RM0.10 each were issued under the ESOS.

Save for the above, there were no other issuance, repurchase and repayment of debt and equity securities by the Group during the nine-month ended 30 September 2012.

**6. DIVIDENDS PAID**

The following dividend payments were made during the nine-month ended 30 September 2012:

	RM' m
In respect of the financial year ended 31 December 2011:	
- fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share, paid on 30 March 2012	600
- final single-tier tax-exempt dividend of 8.0 sen per ordinary share, paid on 22 June 2012	600
In respect of the financial year ending 31 December 2012:	
- first interim single-tier tax-exempt dividend of 8.0 sen per ordinary share, paid on 29 June 2012	600
- second interim single-tier tax-exempt dividend of 8.0 sen per ordinary share, paid on 28 September 2012	600
	<hr/> <b>2,400</b> <hr/>





**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**7. SEGMENT RESULTS AND REPORTING**

The Group is operating in four key segments in Malaysia, comprising the provision of Mobile Services which is a major contributor to the Group's operations, Enterprise Fixed Services, International Gateway Services and Home Services. Inter-segment revenue comprise network services and management services rendered to other business segments within the Group. Some transactions are transacted at normal commercial terms that are no more favourable than that available to other third parties whilst the rest are allocated based on an equitable basis of allocation.

The fixed wireless internet which was previously reported under Home Services has been reclassified and reported under Mobile Services in line with the internal reporting provided to the chief operating decision-makers this quarter. Consequently, the comparative segment information for prior quarters ended 30 June 2012 and 31 March 2012 have been restated to conform with the segment reporting as presented this quarter and for the nine-month ended 30 September 2012.

<u>Quarter Ended</u> <u>30/9/2012</u>	<u>Mobile</u> <u>services</u> RM' m	<u>Enter- prise</u> <u>fixed</u> <u>services</u> RM' m	<u>Internation- al</u> <u>gateway</u> <u>services</u> RM' m	<u>Home</u> <u>services</u> RM' m	<u>Other</u> <u>opera- tions</u> RM' m	<u>Elimi- nation</u> RM' m	<u>Group</u> RM' m
External revenue	2,120	53	34	9	-	-	2,216
Inter-segment revenue	5	7	74	-	125	(211)	-
<b>Total revenue</b>	<b>2,125</b>	<b>60</b>	<b>108</b>	<b>9</b>	<b>125</b>	<b>(211)</b>	<b>2,216</b>
Profit/(loss) from operations	730	9	10	(44)	3	-	708
Finance income							14
Finance cost							(90)
Profit before tax							632
<u>Quarter Ended</u> <u>30/9/2011</u>							
External revenue	2,163	44	33	4	-	-	2,244
Inter-segment revenue	5	7	44	-	73	(129)	-
<b>Total revenue</b>	<b>2,168</b>	<b>51</b>	<b>77</b>	<b>4</b>	<b>73</b>	<b>(129)</b>	<b>2,244</b>
Profit/(loss) from operations	807	4	5	(3)	1	-	814
Finance income							9
Finance cost							(77)
Profit before tax							746



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**7. SEGMENT RESULTS AND REPORTING (CONTINUED)**

<u>Cumulative Quarters Ended 30/9/2012</u>	<u>Mobile services</u>	<u>Enter- prise fixed services</u>	<u>Interna- tional gateway services</u>	<u>Home services</u>	<u>Other opera- tions</u>	<u>Elimi- nation</u>	<u>Group</u>
	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m	RM' m
External revenue	6,354	148	139	20	-	-	6,661
Inter-segment revenue	17	19	178	-	304	(518)	-
<b>Total revenue</b>	<b>6,371</b>	<b>167</b>	<b>317</b>	<b>20</b>	<b>304</b>	<b>(518)</b>	<b>6,661</b>
Profit/(loss) from operations	2,284	25	20	(94)	5	-	2,240
Finance income							40
Finance cost							(251)
Profit before tax							2,029
<u>Cumulative Quarters Ended 30/9/2011</u>							
External revenue	6,276	135	111	13	-	-	6,535
Inter-segment revenue	18	20	136	-	234	(408)	-
<b>Total revenue</b>	<b>6,294</b>	<b>155</b>	<b>247</b>	<b>13</b>	<b>234</b>	<b>(408)</b>	<b>6,535</b>
Profit/(loss) from operations	2,437	16	19	(35)	-	-	2,437
Finance income							30
Finance cost							(223)
Profit before tax							2,244



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**8. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

There were no revaluations of property, plant and equipment during the nine-month ended 30 September 2012. As at 30 September 2012, all property, plant and equipment were stated at cost less accumulated depreciation.

**9. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

There were no material events subsequent to the end of the financial period up to the date of this report.

**10. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the nine-month ended 30 September 2012.

**11. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

In the normal course of business, the Group incurs certain contingent liabilities arising from legal recourse sought by its customers. No material losses are anticipated as a result of these transactions.

The amounts of contingent liabilities as at 22 November 2012 were as follows:

	<b>RM' m</b>
Indemnity given to financial institutions – unsecured:	
(a) Royal Malaysian Customs (for bank guarantees in relation to clearance on importation of goods)	<b>32</b>
(b) Malaysian Communications and Multimedia Commission (for performance guarantee in relation to 3G spectrum assignment)	<b>25</b>
(c) Supplier (for bank guarantee issued to a supplier to secure the Group's obligations in respect of purchases of products and services from the supplier)	<b>30</b>
(d) Others (for bank guarantees issued mainly to local authorities for the purpose of infrastructure works, utility companies and others)	<b>27</b>
	<hr/> <b>114</b> <hr/>

**12. CAPITAL COMMITMENTS**

Capital expenditure for property, plant and equipment and intangible assets approved by the Board of Directors and not provided for in the unaudited condensed consolidated financial statements as at 30 September 2012 are as follows:

	<b>RM' m</b>
Contracted for	<b>305</b>
Not contracted for	<b>324</b>
	<hr/> <b>629</b> <hr/>



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**13. SIGNIFICANT RELATED PARTY DISCLOSURES**

The significant related party transactions and balances described below were carried out in the ordinary course of business and on commercial terms that are no more favourable than that available to other third parties.

	Transactions for the nine-month ended 30/9/2012 RM' m	Balances due from/(to) as at 30/9/2012 RM' m	Commitments as at 30/9/2012 RM' m	Total balances due from/(to) and commitments as at 30/9/2012 RM' m
<b>(a) Sales of goods and services to:</b>				
- MEASAT Broadcast Network Systems Sdn. Bhd. <sup>(1)</sup> (VSAT, telephony and international bandwidth services)	27	8	-	8
- Saudi Telecom Company (“STC”) <sup>(3)</sup> (roaming and international calls)	9	6	-	6
- Aircel Limited Group <sup>(4)</sup> (interconnect, roaming and international calls)	3	1	-	1
<b>(b) Purchases of goods and services from:</b>				
- Aircel Limited Group <sup>(4)</sup> (interconnect, roaming and international calls)	2	-	-	-
- Tanjong City Centre Property Management Sdn. Bhd. <sup>(5)</sup> (rental, signage, parking and utility charges)	24	5	(23)	(18)
- MEASAT Satellite Systems Sdn. Bhd. <sup>(6)</sup> (transponder lease rental)	17	-	(6)	(6)
- Astro Digital 5 Sdn. Bhd. (formerly known as Digital Five Sdn. Bhd.) <sup>(1)</sup> (content provision, publishing and advertising agent, consultancy and IPTV development services)	19	(12)	(3)	(15)
- MEASAT Broadcast Network Systems Sdn. Bhd. <sup>(1)</sup> (advertising, mobile, video contents and sponsorship of events)	8	(2)	(30)	(32)
- Media Innovations Pty Ltd. <sup>(2)</sup> (consultancy and IPTV development services)	19	(2)	(9)	(11)



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)**

**13. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)**

	Transactions for the nine-month ended 30/9/2012	Balances due from/(to) as at 30/9/2012	Commitments as at 30/9/2012	Total balances due from/(to) and commitments as at 30/9/2012
	RM' m	RM' m	RM' m	RM' m
<b>(b) Purchases of goods and services: (continued)</b>				
- UTSB Management Sdn. Bhd. <sup>(5)</sup> (corporate management services)	19	(2)	(27)	(29)
- SRG Asia Pacific Sdn. Bhd. <sup>(5)</sup> (call handling and telemarketing services)	18	(8)	-	(8)
- STC <sup>(3)</sup> (roaming and international calls)	4	-	-	-
- UMTS (Malaysia) Sdn. Bhd. <sup>(7)</sup> (usage of 3G spectrum)	27	(3)	-	(3)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Notes:

The Group has entered into the above related party transactions with parties whose relationships are set out below.

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

UTSB is ultimately controlled by PanOcean Management Limited ("PanOcean"), via Excorp Holdings N.V. and Pacific States Investment Limited, the intermediate and immediate holding companies of UTSB respectively. PanOcean is the trustee of a discretionary trust, the beneficiaries of which are members of the family of Ananda Krishnan Tatparanandam ("TAK") and foundations including those for charitable purposes. Although PanOcean and TAK are deemed to have an interest in the shares of the Company through UTSB's deemed interest in BGSM and MCB, they do not have any economic or beneficial interest in the shares as such interest is held subject to the terms of the discretionary trust.

TAK also has a deemed interest in the shares of the Company via an entity which is a direct shareholder of BGSM and held by companies ultimately controlled by TAK.

- (1) Subsidiary of Astro Holdings Sdn. Bhd. ("AHSB"), an associate of UTSB
- (2) Associate of AHSB, an associate of UTSB
- (3) A major shareholder of BGSM, who has joint control over BGSM, the ultimate holding company of the Company
- (4) Subsidiary of MCB
- (5) Subsidiary of UTSB
- (6) A company controlled by TAK
- (7) Subsidiary of the Company and associate of AHSB. The transaction values and outstanding balances are eliminated in the consolidated financial statements



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

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

**14. ANALYSIS OF PERFORMANCE**

**(A) Performance of the current quarter against the preceding quarter (3<sup>rd</sup> Quarter 2012 versus 2<sup>nd</sup> Quarter 2012)**

<b>Financial indicators (RM'm unless otherwise indicated)</b>	<b>3<sup>rd</sup> Quarter 2012 (unaudited)</b>	<b>2<sup>nd</sup> Quarter 2012 (unaudited) Restated <sup>(2)</sup></b>	<b>Variance</b>	<b>% Variance</b>
Revenue				
- Mobile services	<b>2,120</b>	2,101	19	1
- Enterprise fixed services	<b>53</b>	50	3	6
- International gateway services	<b>34</b>	59	(25)	(42)
- Home services	<b>9</b>	6	3	50
Group revenue	<b><u>2,216</u></b>	<u>2,216</u>	-	-
EBITDA <sup>(1)</sup>				
- Mobile services	<b>1,047</b>	1,089	(42)	(4)
- Enterprise fixed services	<b>15</b>	18	(3)	17
- International gateway services	<b>14</b>	11	3	27
- Home services	<b>(34)</b>	(21)	(13)	(62)
- Other operations	<b>13</b>	9	4	44
Group EBITDA	<b><u>1,055</u></b>	<u>1,106</u>	(51)	(5)
EBITDA margin (%)	<b>47.6</b>	49.9	(2.3)	NA
Profit before tax	<b>632</b>	630	2	<1
Profit for the period	<b>443</b>	466	(23)	(5)
Profit attributable to equity holders of the Company	<b>442</b>	464	(22)	(5)
Total depreciation	<b>287</b>	247	40	16
Total amortisation	<b>54</b>	42	12	29

Notes:

<sup>(1)</sup> Defined as profit before interest income, finance cost, tax, depreciation, amortisation and allowance for write down of identified network costs.

<sup>(2)</sup> Fixed wireless internet which was previously reported in Home Services has been reclassified and reported in Mobile Services.

The Group recorded a revenue of RM2,216 million for the quarter. All business segments recorded higher revenue except for international gateway services which declined by RM25 million.

The Group's EBITDA of RM1,055 million was RM51m or 5% lower than the preceding quarter. This was mainly due to the increase in device expenses and information technology expenses. Consequently, EBITDA margin decreased by 2.3% points to 47.6%.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**14. ANALYSIS OF PERFORMANCE**

**(A) Performance of the current quarter against the preceding quarter (3<sup>rd</sup> Quarter 2012 versus 2<sup>nd</sup> Quarter 2012)  
(continued)**

Set out below is profit for the period after excluding significant one-off items:

(RM'm)	3 <sup>rd</sup> Quarter 2012 (unaudited)	2 <sup>nd</sup> Quarter 2012 (unaudited)
Profit for the period	443	466
Adjustments for one-off items:		
Accelerated depreciation	35	-
Write-off of property, plant and equipment	-	125
Tax effects of the above adjustments	(9)	(31)
Last mile broadband tax incentive	(6)	(10)
Comparable profit for the period	<u>463</u>	<u>550</u>

The lower comparable profit for the period was mainly due to lower EBITDA of RM51 million and higher financing and amortisation costs.

Operational indicators	Old definition 3 <sup>rd</sup> Quarter 2012	New definition 3 <sup>rd</sup> Quarter 2012	New definition 2 <sup>nd</sup> Quarter 2012 Restated <sup>(1)</sup>	New definition variance	New definition % variance
Number of Mobile subscriptions (‘000)					
- Postpaid	2,608	2,559	2,549	10	<1
- Prepaid	10,612	9,610	9,559	51	1
- Wireless broadband	710	631	614 <sup>(1)</sup>	17	3
- Total	13,930	12,800	12,722	78	1
Number of Home subscriptions (‘000)					
- Home Fibre Internet	NA	19	9	10	>100

Note:

<sup>(1)</sup> Wireless broadband’s subscriptions has been restated to include fixed wireless internet’s subscriptions.

With effect from 1 January 2011, the Group adopted a stricter definition of subscriptions for reporting purposes that is more reflective of the revenue generating base. The definitions of mobile subscriptions for postpaid, prepaid and wireless broadband are as follows:

- Postpaid and wireless broadband: subscriptions on the register excluding subscriptions that have been barred for more than 50 days.
- Prepaid: subscriptions on the register excluding subscriptions that do not have any revenue contribution for more than 50 days.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**14. ANALYSIS OF PERFORMANCE (CONTINUED)**

**(A) Performance of the current quarter against the preceding quarter (3<sup>rd</sup> Quarter 2012 versus 2<sup>nd</sup> Quarter 2012)  
(continued)**

Operational indicators	New definition 3 <sup>rd</sup> Quarter 2012	New definition 2 <sup>nd</sup> Quarter 2012 Restated <sup>(1)</sup>	Variance	% Variance
Monthly ARPU (RM)				
- Postpaid	<b>106</b>	109	(3)	(3)
- Prepaid	<b>37</b>	37	-	-
- Wireless broadband	<b>66</b>	76 <sup>(2)</sup>	(10)	(13)
- Blended	<b>52</b>	54	(2)	(4)
Average monthly MOUs (minutes) per subscription				
- Postpaid	<b>325</b>	341	(16)	(5)
- Prepaid	<b>133</b>	130	3	2
- Blended	<b>173</b>	175	(2)	(1)

Notes:

<sup>(1)</sup> Wireless broadband's ARPU has been restated to include fixed wireless internet's ARPU.

<sup>(2)</sup> Reported ARPU in 2<sup>nd</sup> Quarter 2012 for wireless broadband included the impact of a one-off adjustment.

**Mobile Services**

Mobile services revenue grew by RM19 million or 1% for the quarter. This was primarily due to higher prepaid revenue, which was driven by a higher revenue generating subscription base, and higher outright sale of devices.

Prepaid ARPU remained unchanged at RM37 whilst postpaid ARPU declined by RM3 to RM106 mainly due to a one-off adjustment in the preceding quarter.

EBITDA for the Mobile segment declined by RM42 million or 4%, translating to a drop in EBITDA margin of 2.4% points to end the quarter at 49.4%. This was impacted mainly by higher device costs, in line with the increase in outright sale of devices, and higher operating costs.





**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**14. ANALYSIS OF PERFORMANCE (CONTINUED)**

**(A) Performance of the current quarter against the preceding quarter (3<sup>rd</sup> Quarter 2012 versus 2<sup>nd</sup> Quarter 2012)  
(continued)**

**Enterprise Fixed Services**

Enterprise fixed services revenue increased by RM3 million primarily due to higher volume. However, EBITDA was lower by RM3 million mainly due to higher operating costs.

**International Gateway Services**

International gateway services revenue declined by RM25 million or 42% for the quarter due to lower hubbing volume. EBITDA, however, increased by RM3 million as the Group focused on more profitable routes.

**Home Services**

Home services recorded a revenue growth of RM3 million for the quarter on the back of a higher subscription base. EBITDA loss largely reflects higher start-up and operating costs.

**Other Operations**

Other operations segment represents management services rendered to other business segments within the Group. Its revenue was eliminated at Group level.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**14. ANALYSIS OF PERFORMANCE (CONTINUED)**

**(B) Performance of the current year against the preceding year (YTD September 2012 versus YTD September 2011)**

<b>Financial indicators (RM'm unless otherwise indicated)</b>	<b>YTD 2012 (unaudited)</b>	<b>YTD 2011 (unaudited)</b>	<b>Variance</b>	<b>% Variance</b>
Revenue				
- Mobile services	<b>6,354</b>	6,276	78	1
- Enterprise fixed services	<b>148</b>	135	13	10
- International gateway services	<b>139</b>	111	28	25
- Home services	<b>20</b>	13	7	54
Group revenue	<b>6,661</b>	<b>6,535</b>	126	2
EBITDA <sup>(1)</sup>				
- Mobile services	<b>3,257</b>	3,260	(3)	<(1)
- Enterprise fixed services	<b>46</b>	35	11	31
- International gateway services	<b>33</b>	34	(1)	(3)
- Home services	<b>(72)</b>	(30)	(42)	>(100)
- Other operations	<b>30</b>	20	10	50
Group EBITDA	<b>3,294</b>	<b>3,319</b>	(25)	(1)
EBITDA margin (%)	<b>49.5</b>	50.8	(1.3)	NA
Profit before tax	<b>2,029</b>	2,244	(215)	(10)
Profit for the period	<b>1,482</b>	1,630	(148)	(9)
Profit attributable to equity holders of the Company	<b>1,478</b>	1,627	(149)	(9)
Total depreciation	<b>792</b>	761	31	4
Total amortisation	<b>133</b>	104	29	28

Note:

<sup>(1)</sup> Defined as profit before interest income, finance cost, tax, depreciation, amortisation and allowance for write down of identified network costs.

The Group's revenues grew by 2% or RM126 million for the current period on the back of higher revenue from all business segments. The Group's EBITDA, however, was 1% or RM25 million lower driven mainly by the increase in device and hubbing expenses. Consequently, EBITDA margin declined by 1.3% points to end the period at 49.5%.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**14. ANALYSIS OF PERFORMANCE (CONTINUED)**

**(B) Performance of the current year against the preceding year (YTD September 2012 versus YTD September 2011)  
(continued)**

Set out below is profit for the period after excluding significant one-off items:

(RM'm)	YTD 2012 (unaudited)	YTD 2011 (unaudited)
Profit for the period	1,482	1,630
Adjustments for one-off items:		
Accelerated depreciation	35	-
Write-off of property, plant and equipment	125	-
Tax effects of the above adjustments	(40)	-
Last mile broadband tax incentive	(32)	-
Comparable profit for the period	<u>1,570</u>	<u>1,630</u>

The lower comparable profit for the period was mainly due to lower EBITDA of RM25 million and higher financing and amortisation costs of RM18 million and RM29 million, respectively, for the period under review.

Operational indicators	New definition YTD 2012	New definition YTD 2011	Variance	% Variance
Number of Mobile subscriptions ('000)				
- Postpaid	2,559	2,627	(68)	(3)
- Prepaid	9,610	9,384	226	2
- Wireless broadband	631	681	(50)	(7)
- Total	12,800	12,692	108	1
Number of Home subscriptions ('000)				
- Home Fibre Internet	19	2	17	>100
Monthly ARPU (RM)				
- Postpaid	107	108	(1)	(1)
- Prepaid	37	36	1	3
- Wireless broadband	69	62	7	11
- Blended	53	51	2	4
Average monthly MOUs (minutes) per subscription				
- Postpaid	335	350	(15)	(4)
- Prepaid	132	140	(8)	(6)
- Blended	174	184	(10)	(5)



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**14. ANALYSIS OF PERFORMANCE (CONTINUED)**

**(B) Performance of the current year against the preceding year (YTD September 2012 versus YTD September 2011)  
(continued)**

**Mobile Services**

Mobile services recorded a year-on-year revenue growth of 1% or RM78 million driven by increasing mobile internet usage, higher sale of devices and higher wireless broadband revenues. Consequently, total non-voice revenue as a percentage of total mobile revenue grew 2.5% points to 45.4%.

Prepaid and postpaid ARPU remained relatively unchanged at RM37 and RM107, respectively, compared to the corresponding preceding period.

EBITDA for the Mobile segment remained relatively unchanged despite higher revenue. This was mainly due to higher device expenses and other operating costs. As a result, EBITDA margin declined by 0.6% point to 51.3%.

**Enterprise Fixed Services**

Enterprise fixed services revenue increased by RM13 million or 10% mainly due to higher volume from lease lines, satellite transmission and managed services. Consequently, EBITDA increased by RM11 million to RM46 million and EBITDA margin improved by 5.2% points to 31.1%.

**International Gateway Services**

International gateway services revenue increased by RM28 million or 25% for the current period. Despite higher revenue, EBITDA was relatively unchanged mainly due to less profitable hubbing routes.

**Home Services**

Home services recorded revenue growth of RM7 million year-on-year on the back of a higher subscription base. However, the EBITDA loss was largely due to start-up costs and higher operating costs.

**Other Operations**

Other operations segment represents management services rendered to other business segments within the Group. Its revenue was eliminated at Group level.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

## **15. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2012**

The telecommunications industry will remain competitive. The market will continue to see aggressive marketing and promotional programmes that will put pressure on tariffs and operating margins. The Group will remain focused on offering innovative products, driving operational efficiencies through cost management initiatives and optimising network utilisation.

The outlook for the key operating segments is detailed below:

### ***Mobile Services***

Demand for mobile services will remain driven by increasing demand for data from mobile internet. The Group will further seed the market with smart devices and make more investments to strengthen internet access network to drive data uptake.

The Group will continue to offer compelling bundled packages to stimulate voice and text usage. In addition, plans that provide strong and differentiated value propositions to the customers will consistently be offered as part of our retention and customer loyalty programmes.

### ***Enterprise Fixed Services***

Within the key segments of Corporate, Government, Small Medium Enterprise (SME) and Wholesale market, propositions will focus on high-speed broadband services, multi-network connectivity, leased circuits and managed services.

### ***International Gateway Services***

International gateway services continue to face challenges in rates and volume as a result of competition from other carriers. The Group will remain focused on selective profitable routes to protect margins.

### ***Home Services***

Subscription growth and migration of users from legacy access services into fibre continue to drive demand for Home services. The Home services offering will be enriched with a strategic partnership to exclusively develop and co-market unique consumer offers combining Astro B.yond IPTV and Astro On The Go services with Maxis' fixed and wireless platforms.

### ***Network Modernisation***

The Group has embarked on a network modernisation programme as part of its continuing effort to strengthen its access network to enhance the customer experience and usage to drive revenue growth. The modernisation programme will also lower overall operational costs and simplify the network architecture across 2G, 3G and LTE ("Long Term Evolution") technologies. As the programme entails replacement of certain existing equipment, the Group has accelerated depreciation of this equipment totaling RM35 million for this quarter. The estimated accelerated depreciation for the next quarter will be approximately RM89 million, bringing the total estimated accelerated depreciation to RM124 million for the current financial year. The estimated accelerated depreciation for the next financial year will be approximately RM55 million. This accelerated depreciation will not have any adverse impact on the Group's operating cash flows.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**16. PROFIT FORECAST OR PROFIT GUARANTEE**

Not applicable as the Group did not publish any profit forecast.

**17. QUALIFICATION OF PRECEDING AUDITED FINANCIAL STATEMENTS**

There was no qualification to the preceding audited financial statements for the financial year ended 31 December 2011.

**18. PROFIT FROM OPERATIONS**

The following items have been charged/(credited) in arriving at the profit from operations:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 30/9/2012</b>	<b>QUARTER ENDED 30/9/2011</b>	<b>PERIOD ENDED 30/9/2012</b>	<b>PERIOD ENDED 30/9/2011</b>
	<b>RM' m</b>	<b>RM' m</b>	<b>RM' m</b>	<b>RM' m</b>
Allowance/(reversal) (net) for:				
- impairment of receivables, deposits and prepayments	<b>26</b>	29	<b>86</b>	96
- inventory obsolescence	<b>6</b>	18	<b>4</b>	34
Amortisation of intangible assets	<b>54</b>	45	<b>133</b>	104
Bad debts recovered	<b>(5)</b>	(3)	<b>(15)</b>	(12)
(Gain)/loss on foreign exchange	<b>(5)</b>	1	<b>(9)</b>	(17)
Property, plant and equipment:				
- depreciation	<b>287</b>	254	<b>792</b>	761
- gain on disposal	<b>-</b>	-	<b>(1)</b>	(1)
- written off (net)	<b>6</b>	10	<b>130</b>	18

Other than as presented in the income statement and as disclosed above, there were no gain/loss on disposal of quoted and unquoted investments or properties, impairment of assets, gain/loss on derivatives and other exceptional items for the current quarter and nine-month ended 30 September 2012.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**19. TAXATION**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>QUARTER ENDED 30/9/2012</b>	<b>QUARTER ENDED 30/9/2011</b>	<b>PERIOD ENDED 30/9/2012</b>	<b>PERIOD ENDED 30/9/2011</b>
	<b>RM' m</b>	<b>RM' m</b>	<b>RM' m</b>	<b>RM' m</b>
Income tax:				
- Current tax	<b>241</b>	225	<b>661</b>	682
- Under/(over) accrual in prior years	<b>11</b>	19	<b>(69)</b>	19
Deferred tax:				
- Origination and reversal of temporary differences	<b>(59)</b>	(17)	<b>(121)</b>	(68)
- Recognition of prior years temporary differences	<b>(4)</b>	(19)	<b>76</b>	(19)
<b>Total</b>	<b>189</b>	208	<b>547</b>	614

The Group's effective tax rates for the current quarter and nine-month ended 30 September 2012 was 29.9% and 27.0% respectively, higher than the statutory tax rate of 25% mainly due to certain expenses not being deductible for tax purposes and prior years under accruals of tax expenses.

**20. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

There were no corporate proposals announced but not completed.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**21. BORROWINGS**

The borrowings as at 30 September 2012 are as follows:

	<b>CURRENT LIABILITIES</b>	<b>NON- CURRENT LIABILITIES</b>	<b>TOTAL</b>
	RM' m	RM' m	RM' m
<b><u>Secured</u></b>			
Finance lease liabilities	2	5	7
<b><u>Unsecured</u></b>			
Term loans	-	1,701	1,701
Syndicated term loans	-	2,583	2,583
Islamic Medium Term Notes	-	2,452	2,452
Loan from a related party	-	37	37
Payables and accruals (deferred payment schemes)	11	46	57
	<u>13</u>	<u>6,824</u>	<u>6,837</u>

Currency exposure profile of borrowings is as follows:

Ringgit Malaysia ("RM")	2	3,489 <sup>(1)</sup>	3,491
United States Dollar ("USD")	11	3,161 <sup>(2)</sup>	3,172
Singapore Dollar ("SGD")	-	174 <sup>(2)</sup>	174
	<u>13</u>	<u>6,824</u>	<u>6,837</u>

**Note:**

<sup>(1)</sup> Include a term loan facility which has been partially hedged using interest rate swaps as further disclosed in Note 22.

<sup>(2)</sup> Include borrowings of RM3,289 million which have been hedged using cross currency interest rate swaps as further disclosed in Note 22.





**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**22. DERIVATIVE FINANCIAL INSTRUMENTS**

**(a) Disclosure of derivatives**

Details of derivative financial instruments outstanding as at 30 September 2012 are set out below:

<u>TYPE OF DERIVATIVE</u>	<u>CONTRACT/ NOTIONAL VALUE</u> RM'm	<u>FAIR VALUE</u> RM'm
<b>Cash flow hedge derivatives:</b>		
Cross Currency Interest Rate Swaps (“CCIRSs”):		
- less than one year	-	-
- one year to three years	-	-
- more than three years	<b>3,564</b>	<b>415</b>
Interest Rate Swaps (“IRSs”):		
- less than one year	-	-
- one year to three years	-	-
- more than three years	<b>700</b>	<b>(14)</b>
<b>Total</b>	<b>4,264</b>	<b>401</b>

Other than those disclosed in the Group’s audited financial statements for the financial year ended 31 December 2011, the Group entered into below IRSs during the quarter and nine-month ended 30 September 2012 to partially hedge against fluctuations in the interest rates of the RM1 billion term loan.

**IRSs**

<u>Commencement Date</u>	<u>Contract/ Notional Value</u>	<u>Interest Rate</u>
17-Jul-12	RM200m	The Group pays a fixed interest rate of 3.50% per annum in exchange for receiving Kuala Lumpur Interbank Offered Rate (“KLIBOR”) on the notional principal amount.
25-Jul-12	RM500m	The Group pays a fixed interest rate of 3.43% per annum in exchange for receiving KLIBOR on the notional principal amount.

There have been no changes since the end of the previous financial year ended 31 December 2011 in respect of the following:

- (a) the market risk and credit risk associated with the derivatives;
- (b) the cash requirements of the derivatives;
- (c) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (d) the related accounting policies.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**22. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)**

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

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

As at 30 September 2012, the Group has recognised net derivative financial liabilities of RM401 million, an increase of RM50 million from the previous quarter, on remeasuring the fair values of the derivative financial instruments. The corresponding increase has been included in equity in the cash flow hedging reserve. For the current quarter, RM123 million of the cash flow hedging reserve was transferred to the income statement to offset the unrealised gain of RM122 million which mainly arose from the strengthening of RM against USD and SGD and to recognise additional interest expense of RM1 million as the underlying interest rates were lower than the hedged rates on the borrowings. This has resulted in a reduction on the debit balance in the cashflow hedging reserve as at 30 September 2012 by RM73 million to RM137 million compared with the preceeding quarter.

The losses recognised in the cash flow hedging reserve in equity of RM137 million as at 30 September 2012 represents the net deferred fair value losses relating to the CCIRSs and IRSs which will be continuously released to the income statement within finance cost until the underlying borrowings are repaid.

As the Group intends to hold the borrowings and associated derivative financial instruments to maturity, any changes to the fair values of the derivative financial instruments will not impact the income statement and will be taken to the cash flow hedging reserve in equity.

**23. REALISED AND UNREALISED RETAINED EARNINGS**

The following analysis of realised and unrealised retained earnings at the legal entity level is prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by Bursa Malaysia Securities Berhad.

	<b>AS AT 30/9/2012</b>	<b>AS AT 31/12/2011</b>
	<b>RM' m</b>	<b>RM' m</b>
Retained earnings of the Company and its subsidiaries:		
- Realised	<b>700</b>	1,085
- Unrealised	<b>(399)</b>	(466)
	<b>301</b>	619
Less: Consolidation adjustments	<b>(34)</b>	(30)
<b>Total retained earnings as per Consolidated Statements of Financial Position</b>	<b>267</b>	589



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**24. MATERIAL LITIGATION**

There is no material litigation as at 22 November 2012.

**25. DIVIDENDS**

(a) Interim dividend

The Board of Directors has declared a third interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ending 31 December 2012, to be paid on 28 December 2012. The entitlement date for the dividend payment is 14 December 2012.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred to the depositor's securities account before 4.00 pm on 14 December 2012 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

(b) The total dividends for the nine-month ended 30 September 2012 is 24.0 sen per ordinary share (2011: 24.0 sen).

The Board of Directors intends that interim dividends for the balance of the current financial year will be declared continuously on a quarterly basis and expects that these interim dividends will be at an amount similar to that declared in 2011.



**MAXIS BERHAD**

(867573 – A)

(INCORPORATED IN MALAYSIA)

**QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012**

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE  
BURSA SECURITIES LISTING REQUIREMENTS (CONTINUED)**

**26. EARNINGS PER SHARE**

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/9/2012	QUARTER ENDED 30/9/2011	PERIOD ENDED 30/9/2012	PERIOD ENDED 30/9/2011
<b>(a) Basic earnings per share</b>					
Profit attributable to the equity holders of the Company	(RM' m)	<u>442</u>	<u>537</u>	<u>1,478</u>	<u>1,627</u>
Weighted average number of issued ordinary shares	(' m)	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Basic earnings per share	(sen)	<u>5.9</u>	<u>7.2</u>	<u>19.7</u>	<u>21.7</u>
<b>(b) Diluted earnings per share</b>					
Profit attributable to the equity holders of the Company	(RM' m)	<u>442</u>	<u>537</u>	<u>1,478</u>	<u>1,627</u>
Weighted average number of issued ordinary shares	(' m)	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
Adjusted for share options granted	(' m)	<u>3</u>	<u>-</u>	<u>1</u>	<u>-</u>
Adjusted weighted average number of ordinary shares	(' m)	<u>7,503</u>	<u>7,500</u>	<u>7,501</u>	<u>7,500</u>
Diluted earnings per share	(sen)	<u>5.9</u>	<u>7.2<sup>(1)</sup></u>	<u>19.7</u>	<u>21.7<sup>(1)</sup></u>

Note:

<sup>(1)</sup> In the prior period, the diluted earnings per share was the same as basic earnings per share as the effect of dilutive potential ordinary shares was anti-dilutive.

By order of the Board

Dipak Kaur  
(LS 5204)  
Company Secretary  
28 November 2012  
Kuala Lumpur