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Group Corporate Communications
TELEKOM MALAYSIA BERHAD (199601017)
Level 8 (South Wing), Menara TM
Jalan Pantai Baharu, 50672 Kuala Lumpur
Malaysia



2011 Annual Report



TELEKOM MALAYSIA BERHAD (199601017)

PERSPECTIVE



- 4 Vision, Mission, Kristal Song, Kristal Values
- 5 Facts At A Glance
- 8 Chairman's Statement
- 12 Group Chief Executive Officer's Statement
- 19 Group Financial Highlights
- 21 Simplified Group Statement Of Financial Position & Segmental Analysis
- 23 Group Quarterly Financial Performance
- 24 Investor Relations
- 27 Stock Performance
- 29 Financial Calendar

CORPORATE PROFILE



- 32 Corporate Profile
- 34 Milestones Over Two Centuries
- 38 Media Milestones In 2011
- 40 2011 Corporate Events
- 44 Awards & Recognition
- 46 Past Awards
- 52 Corporate Information
- 54 Group Corporate Structure
- 55 Group Organisation Structure

PERFORMANCE REVIEW



- 58 Group Financial Review
- 63 Statement Of Value Added
- 64 Distribution Of Value Added
- 65 TM Group Products & Services

LEADERSHIP & ACCOUNTABILITY



- 68 Board Of Directors
- 70 Profile Of Directors
- 78 Group Leadership Team
- 80 Profile Of Management Team
- 84 Statement On Corporate Governance
- 104 Directors' Statement On Internal Control
- 110 Audit Committee Report
- 116 Statement On Internal Audit
- 120 Board Risk Committee Report
- 125 Additional Compliance Information
- 128 PDPA Initiatives
- 129 Corporate Integrity

BUSINESS REVIEW & FUNCTIONS



- 134 **Retail Business**
 - 134 Consumer
 - 136 Small And Medium Enterprise
 - 138 Enterprise
 - 140 Government
 - 142 Wholesale Business
 - 145 Global Business
- 149 **Business Functions**
 - 149 Support Business
 - 155 New Media
 - 158 HSBB And Beyond
 - 162 Box Article: Towards An Information Exchange
 - 166 International & Domestic Infrastructure & Trunk Fibre Optic Network
 - 168 TM Worldwide Coverage
 - 170 The Telecommunications Sector: Review & Outlook

KEY INITIATIVES



- 176 Uniting Our Passion for Better Customer Service Delivery
- 181 Fostering A Knowledge-Based Nation
- 183 Teaming With Passion – Harnessing The Energy Of 1TM
- 186 Box Article: Team Malaysia
- 188 Building Capabilities Through Learning And Development
- 190 Occupational Safety, Health And Environment (OSHE)
- 194 Corporate Responsibility

FINANCIAL STATEMENTS



- 204 Financial Statements

OTHER INFORMATION

- 346 Shareholding Statistics
- 347 List Of Top 30 Shareholders
- 349 Authorised And Issued Share Capital
- 351 Net Book Value Of Land & Buildings
- 352 Usage Of Properties
- 353 Group Directory
- 360 Glossary
- 364 Notice Of Annual General Meeting
- 366 Statement Accompanying The Notice Of Annual General Meeting
 - Proxy Form



PASSION

- **'Passion'** is depicted as a variety of strong feelings, ideas, philosophies and beliefs. Comprising love, ambition, inspiration, faith and more, passion is the catalyst that propels us forward, upward and beyond ourselves – **towards our goals, dreams and making connections with others like us.**
- Passion compels us to seek excellence, develop solutions, explore opportunities, blaze trails, and realise our visions. **Hence, passion is a key component of what makes us – and TM – tick.** It is the unshakable notion that we can formulate solutions which will make a positive difference in the way we live and impact others.
- Passion gives shape to our ideas and talent, and ultimately, **our voices.** Our words are projected outwards, and our expressions are heard by others. **This leads to connection, communication and collaboration, and the opening up of possibilities.** Our initial utterances are transformed into actions, which lead to solutions. This underscores TM's philosophy.
- Passion is the conviction that our decisions and actions can have wide-ranging reach, and that our collective responsibility is to make the right choices and take the right steps. **Passion is the belief in the need to join hands; and the recognition that the future is in our hands too.**

27th Annual General Meeting

DATE	8 May 2012, Tuesday
TIME	10.00 a.m.
VENUE	Kristal Hall, TM Convention Centre, Menara TM, Jalan Pantai Baharu, 50672 Kuala Lumpur, Malaysia



TAKING SUCCESS further with



In line with being Malaysia's Leading New-Generation Communications Provider, we have introduced and implemented a Performance Improvement Programme (Pip 2.0) to embrace our customers' needs through constant innovation and execution excellence.

The four strategic thrusts of Pip 2.0 are:

CUSTOMER

Centricity and Quality Improvements

We constantly push boundaries to remain ahead in the industry. By focusing on customer satisfaction, we enhance the quality of experience for our valued customers at all touch points.

ONE

Company Mindset with Execution Orientation

With a seamless transition of human capital geared towards the expansion of High Speed Broadband (HSBB), we are poised to function as an organisation focused on enhancing skills development to better serve our customers.



OPERATIONAL

Excellence and Capital Productivity

By increasing the efficiency of our operations and cost, we are able to optimise capex investment, in tandem with increasing the efficiency of our capital management.

LEADERSHIP

Through Innovation and Commercial Excellence

Our management strategies are distinguished by innovation and commercial excellence, primed to achieve business and customer growth by improving value propositions and sales effectiveness.

VISION

“To be Malaysia’s leading new generation communications provider, embracing customer needs through innovation and execution excellence”

MISSION

To achieve our vision, we are determined to do the following:

- Strive towards customer service excellence and operational efficiency
- Enrich consumer lifestyle and experience by providing innovative new generation services
- Improve the performance of our business customers by providing high value information and communications solutions
- Deliver value for stakeholders by generating shareholder value and supporting Malaysia’s growth and development

Kristal Song

Essentially committed to our customers
We strive to do our very best
Showing great understanding
Keeping an open mind at all times

Honesty, sincerity and trustworthy
To friends, colleagues and all
Always respecting one another
Immensely dedicated to our work

Chorus:
Let us march on together
Providing excellence in service
Overcoming all obstacles
Surely we will excel at all times

TM continues to succeed
Led by an esteemed leadership
Armed with a solid foundation
TM is the pride of the Nation

Kristal Values

1. Total Commitment To Customers
2. Uncompromising Integrity
3. Respect & Care



FACTS AT A GLANCE

No. **1** Broadband provider in Malaysia

1.92 million broadband customers

RM9,150.7 million revenue
a growth of 4.1% compared to RM8,791.0 in 2010

60.1% total return to shareholders (TRS) for 12-month period in 2011, 153.9% since the demerger exercise in 2008

1.16 million premises passed for high speed broadband deployment compared to 780,000 in 2010

236,501 UniFi customers, a take up rate of more than 20.0%

26,667 employees
TM's most valuable asset

PERSPECTIVE

- 8 Chairman's Statement
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- 21 Simplified Group Statement Of Financial Position & Segmental Analysis
- 23 Group Quarterly Financial Performance
- 24 Investor Relations
- 27 Stock Performance
- 29 Financial Calendar

achievement *Aspiration* Performance Outlook

PASSION is... self reflection from different angles

Performance
OVERVIEW
MISSION
VISION



Chairman's Statement

Driving Transformation

Dear Shareholders,

“ 2011 was a remarkable year for TM, during which we achieved many notable successes. But none to me was as important as our firm establishment as a model corporate citizen built on a foundation of governance, transparency and integrity. We are driven to high performance because of the impact we have on all our stakeholders. It has meant a total shareholder return of 153.9% since our demerger in 2008. It has seen us bridge the digital divide and contribute towards the creation of a more equitable society. It has witnessed one of the most successful roll-outs of high speed broadband (HSBB) in the world, allowing us to boost the Government's transformation and that of the economy. What is more, it has reinforced our emphasis on the pursuit of product quality and heightened customer experience. ”



It is without doubt an extremely exciting time for TM. While we are changing the national landscape, we ourselves are in the process of a very fundamental transformation. Even as I write, we are evolving into the next major phase of our journey – that of an all-encompassing Information Exchange.

ENSURING VALUE FOR OUR SHAREHOLDERS

At the industry level, too, 2011 was remarkable. The year was punctuated by greater collaboration and cooperation in tandem with heightened competition, a phenomenon seen in more advanced markets. The fact that the Malaysian industry has entered this phase is encouraging, as it signifies our maturity. TM itself entered into various collaborations with other telcos and ICT companies during the year to strengthen our product and service offerings. The outcomes have been beneficial to us, our partners and the nation. These are reflected in our financial performance for the year, which exceeded all expectations and which I have great pleasure in presenting.

TM not only met our three Headline Key Performance Indicators (KPIs) in terms of revenue growth, earnings before interest, tax, depreciation and amortisation (EBITDA) margin and improved customer experience, but surpassed our targets by quite significant margins. Our revenue increased 4.1% to RM9,150.7 million. We achieved a normalised EBITDA margin of 33.5%, higher than the 33.1% in 2010. And, most encouragingly, our customer satisfaction score of more than 70, as measured by the TRI*M index, exceeds the global average. These positive results naturally led to a healthy profit after tax and minority interests (PATAMI), which amounted to RM1.19 billion.

Most importantly, these results have allowed us once again to fulfil our commitment to our shareholders to pay either RM700 million or 90.0% of our normalised PATAMI, whichever is higher, in the form of dividends. For the 12 months ended December 2011,

we delivered a total return to shareholders (TRS) of 60.1%. As I mentioned at the outset of this report, since our demerger in 2008, we have achieved a TRS of 153.9% which is almost five times more than the return from FBMKLCI Index of 32.37% over the same period. This lends us the distinction of having the second highest TRS in Malaysia and the largest capital repayment to date.

A MODEL CORPORATE CITIZEN

TM always strives to support the Government in its national agenda and, over the last years, this effort has intensified. In 2010, the Government embarked on a transformation programme while also launching an Economic Transformation Programme (ETP) to propel the nation into high-income status by the year 2020. Part of the Government Transformation Programme (GTP) is creating a more open and transparent nation by Fighting Corruption, which forms a National Key Results Area (NKRA). We fully support this initiative, and although we already had in place Corporate Governance guidelines, our own Code of Business Ethics (CBE) and Procurement Ethics, Rules and Guidelines, in May 2011 we signed a Corporate Integrity Pledge. We also signed a Memorandum of Understanding to become a 'Rakan Integrity' of the Institute of Integrity Malaysia (IIM), which commits us to planning, implementing, executing, overseeing and evaluating the principles as contained in the National Integrity Plan within the Company. We further intensified our commitment to integrity by launching our Integrity Pact on 30 January 2012. This is an agreement between TM and our vendors to abstain from bribery, collusion and any other corrupt practice.

To ensure all our employees are fully aware of our renewed pledge to integrity and what it entails, we are conducting training sessions, induction courses and roadshows on it. We are also the first GLC to have created an e-learning module on our CBE for easy reference by staff.



connect
communicate
collaborate

In terms of the ETP, we contribute both directly and indirectly towards the Government's vision of an advanced nation. We are developing a Content Service Delivery Platform (CSDP) which will nurture the growth of small to medium-size applications and content developers. This in turn will fuel the country's Communications and Content Infrastructure, one of 12 National Key Economic Areas under the ETP, which is projected to boost GDP by 0.6% and create 100,000 new jobs by 2017. At the same time, our massive investment in the HSBB project, in our local as well as international networks and in various ICT infrastructure projects will elevate the level of telecommunications efficiency in the country. This will necessarily enhance the local business environment as well as attract greater foreign investment.

We are, indeed, transforming rapidly into an Information Exchange whereby TM will no longer function as a voice, data and internet service provider, but will facilitate all communication of information passing within, from or to Malaysia. This will further fuel the creation of a knowledge-rich and high-income economy driven by a highly skilled workforce.

Even as we help to gear up the economy, we are ensuring that those in semi-urban and rural areas are not left behind. Our efforts to bridge the digital divide were enhanced in 2011 when we collaborated with the Malaysian Communications and Multimedia Commission (MCMC) to create three Digital Districts – in Pekan, Pahang; Pagoh, Johor; and Jempol, Negeri Sembilan – and 1,076 Kampung Tanpa Wayar (Wireless Villages). I'm proud to say that TM is the only telco in Malaysia to have a digital presence at this level of the grassroots. It gives me immense pleasure to visit these districts and villages and see families with laptops and are ICT savvy. With such ready adoption of ICT even in these remote areas, we are well on our way towards becoming a knowledge-driven nation.



TEAMING WITH PASSION

The telecommunications industry is about people. It is about understanding the needs of people and providing products and services that meet these. The technologies we employ are merely a means to the end of enabling people to connect, communicate and collaborate. TM therefore places much emphasis on the services we offer and how we deliver these. UniFi is a case in point. Its take-up rate in 2011, just a year after its launch, has been phenomenal. From 32,896 subscribers as at end 2010, we ended the year 2011 with 236,501 subscribers. This represents one of the fastest take-up rate of an HSBB service anywhere in the world.

As I mentioned above, customer satisfaction is one of our headline KPIs. Our frontliners are continuously trained to be more service-oriented and to offer service with heart, while our backroom systems are constantly upgraded to enable us to improve critical parameters such as time to install and restore services. I'm pleased to note that our efforts have borne fruits. TM's mean times to install and repair voice, data and internet services match that of top quartile telcos in the world. The high rating we achieved in our customer satisfaction index is further proof that we are getting our service delivery right.

We owe our successes to date to our most valuable asset – our people. Today, TM has 26,667 employees spread across the nation. While it is a challenge to keep such a large and dispersed team united and working towards the same corporate goals, I dare say we have managed to achieve this. The Teaming With Passion (TWP) programme that we introduced in 2009 has injected a perceptible energy and excitement in all our employees. When I visit TM branches across the nation, I am almost always met by staff who are very enthusiastic about what they have achieved and cannot wait to share this information. TWP does not just bring together TM citizens on a common platform, but inspires them with a champion's mindset of having the 'passion to win'.

So much has this mindset contributed to our success in 2011, that we decided to theme our Annual Report "Uniting with Passion". It is a testament to that which gives strength to everything we do, and one will see it reflected in every section of this Report. This mindset will take us far. With such an energised workforce, we truly are on the right path of transformation.

CORPORATE RESPONSIBILITY (CR)

As I mentioned at the outset, one of TM's most significant achievements has been that of becoming a model corporate citizen. This has been made possible by balancing a healthy bottom line with responsible service to the nation and all our stakeholders. TM is guided in our corporate social responsibility (CSR) policies by the ISO26000, the Putrajaya Committee on GLC High Performance's Silver Book and Bursa Malaysia's CR guidelines for PLCs. We are also fortunate to have been duly recognised for our efforts via several prestigious accolades, notably the National Annual Corporate Report Awards (NACRA) Overall Excellence Award for Most Outstanding Annual Report of the Year - Platinum Award in 2011, with a Silver Award for CSR; and at the Association of Chartered Certified

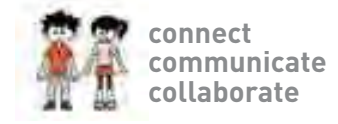
Accountants (ACCA) Malaysia Sustainability Reporting Awards (MASRA) as Winner - Reporting on Social Performance.

Allow me to recap on TM's CR approach. Apart from the four CR dimensions of workplace, marketplace, community and environment; TM has further broken down the latter two dimensions into three pillars for Corporate Social Responsibility (CSR) that is: Community/ Nation-Building, Education and the Environment.

As a former state-owned enterprise, we have a deep-rooted sense of duty to support the Government in its national development agenda. I have already mentioned our initiatives to bridge the digital divide via the creation of Digital Districts and Kampung Tanpa Wayar. These are over and above on-going efforts to take our services to all Malaysians via 15 TMpoints on Wheels, 174 Community Broadband Centres and 740 Broadband Community Libraries. In recent years, we have taken on the role of the country's Broadband Champion and I'm pleased to note that we have served the nation well in this capacity. Malaysia today boasts a broadband penetration rate of 61.7%, with TM contributing more than 50.0% of this.

In addition to bridging the digital divide, we support underprivileged communities in other ways to help them better their lives. Under Program Sejahtera, for example, we have helped three single mothers in Pahang to acquire marketable skills and then provided them with funds to start their own businesses to generate income. At the same time, we upgraded their homes and supported the educational needs of their children, a number of whom have been enrolled at our Multimedia College.

Indeed, education is another area in which we have made a profound contribution to the nation. TM has traditionally focused on education because it remains one of the most powerful enablers of any society. Our



foundation, Yayasan TM (YTM), has since 1994 awarded 12,878 scholarships to deserving students to allow them to pursue their tertiary education at some of the best local and foreign universities. At the same time, we are one of the most active participants of the PINTAR school adoption programme, initiated by Khazanah Nasional. We have to date adopted a total of six schools. In each school, we improve their physical facilities, install ICT functionalities and motivate not only the students but also the teachers to elevate standards of academia. Having provided broadband connectivity for the libraries in the schools, these are also used as ICT centres for the community, so the schools become community centres.

Based on the success of our PINTAR schools, we have replicated the same model for four schools adopted under a joint programme with the Ministry of Information, Communications and Culture. In total, we now have 10 schools that have benefited from our overall School Adoption Programme, which touched 11,574 lives to date, nationwide.

Furthermore, in line with its emphasis on higher education, TM has spent some RM800 million to establish the country's first and among the most prestigious private university, MMU. Since 1997, MMU has produced 30,484 graduates in various professional fields, contributing to the Malaysia's workforce. It is also renowned for its highly marketable graduates, with 90.0% of those graduated in 2011 securing employment within 6 months of completing their studies.

We have also made great progress in our efforts to increase general awareness of the importance of the environment as well as to preserve our natural heritage. TM had in 2009 launched an environmental programme for our employees, called BumiKu. This proved so popular that our employees on their own effort initiated a TM nature club in March 2011, nicknamed

Tapir Malaya. We are also helping to instil a love of nature among our future leaders via TM Earth Camp which is targeted at school children. A total of six camps were held for different zones between March and July 2011, involving a total of 1,368 participants from all over the country, including teachers, students from TM adopted schools, TM volunteers and members of the surrounding community. Over and above these initiatives, we fully support the Government's vision to reduce the country's carbon emissions by 40.0% by 2020, and have implemented our own carbon management plan towards this end.

PROSPECTS

The telecommunications industry has been one of the most dynamic and competitive over the past few years and this is not about to change. With increased liberalisation, we can expect to see more players add their products and services in the market, which will further enrich the ICT ecosystem. By providing open access to our HSBB network, TM positively encourages collaboration and healthy competition within the industry. Indeed, we are excited to see an increasing number of content and applications providers join the ICT marketplace we are creating with the Content Service Delivery Platform.

Meanwhile, we are encouraged by the way in which Malaysians are embracing new technologies being introduced and will continue to excite the public with even more innovative and value-add product offerings. The future is certainly bright for the telco industry, and TM is intent on providing its shining light.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to thank all our stakeholders for their contributions to the Group. We fully appreciate the trust shown in us by our

shareholders and will continue to return your goodwill with attractive returns. We thank our business partners for their diligence and commitment to working towards common goals. A big thank-you goes to the media for your keen interest in the industry and the positive publicity generated. We would also like to thank our loyal customers for being with us on our exciting journey. The Government and regulators have been partners to us in many ways, and we fully appreciate the many ways in which you have promoted the industry.

Finally, I would like to extend a heart-felt thank you to the big TM family. I feel very fortunate to be surrounded in the Board by individuals of incredibly high calibre, who have guided the Company with their wisdom and integrity. To those Directors who have retired or resigned, Mr Riccardo Ruggiero, Datuk Dr Rahamat Bivi Yusoff and Dr Farid Mohamed Sani, thank you for all your contributions during your tenure with us. Meanwhile, I would like to welcome onto the Board Mr David Benello, Dato Mat Noor Nawi and Puan Eshah Meor Suleiman and look forward to your valued inputs.

The Management deserves a special mention for its unwavering commitment to the Company which has seen TM grow from strength to strength. Together with the dedication, perseverance and enthusiasm of all our employees, you have made possible TM's commendable performance in 2011. You have shown that as we unite with passion, we can accomplish great things.

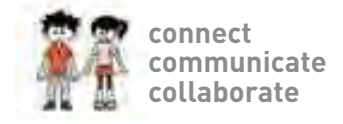
Datuk Dr Halim Shafie
Chairman

Group Chief Executive Officer's Statement



SERVICE WITH
Heart

“2011 was yet another meaningful year for TM, one in which our transformation journey was pushed into high gear by the passion and energy of our people. We exceeded all our Headline Key Performance Indicators (KPIs), delivering a financial performance beyond expectations. We met our commitment to our shareholders and provided healthy returns on their investment. What is more, we fulfilled our promise to build a full Internet Protocol (IP) network while further developing the telecommunications sector through collaboration.”



It was a year that saw TM strengthen our position as Malaysia's Broadband Champion, as we quadrupled the number of UniFi customers, thus establishing ourselves as the fastest growing fibre-to-the-home (FTTH) service in Southeast Asia and a global success story. Our various services allow Malaysians to connect, communicate and collaborate more effectively and open the door to an enhanced digital lifestyle. We also made encouraging strides into new areas of ICT and business process outsourcing (BPO) services in partnership with key global and local players.

It was a year that once again proved our people are indeed TM's most valuable asset. Our workforce, at 26,667-strong, is itself a force to be reckoned with. Through an inspiring internal programme, we have brought about real change in the mindset and behaviour of this 'army', flaming its passion, sense of unity and purpose to deliver tangible improvements in our operations, performance and customer experience.

The theme of this year's annual report is thus, aptly, *Uniting with Passion*. It is not only referred to in our Chairman's and my statements, but is echoed throughout the entire report – in our passion to serve our customers, our passion to deliver, our passion in our people right through to our passion for corporate responsibility.

It gives me great pleasure then to present the results of our efforts for the year 2011.

PERFORMANCE REVIEW

TM delivered strong revenue growth of 4.1% to RM9,150.7 million in 2011 as compared to RM8,791.0 million

recorded the previous year. This is attributable to healthy growth in Internet and Multimedia, which increased by 21.1% to RM2,001.1 million compared to last year, driven by the increased number of broadband customers, primarily UniFi customers.

Normalised Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margin was 33.5%, surpassing last year's of 33.1% as a result of continued operational improvements which resulted in higher operating revenue at lower cost.

Profit After Tax and Minority Interest (PATAMI) was RM1.10 billion in line with the same period in 2011. Normalised PATAMI, excluding mainly the gain on disposal of investment, unrealised foreign exchange loss on USD borrowings and the last mile tax incentive of prior years stood at RM634.8 million, an increase of 12.6% against RM563.7 million in 2010, mainly due to the higher EBITDA.

At the same time, concerted efforts to contain costs and improve operational efficiencies allowed us to lower our total capex spend by 5.5% to RM2,563.6 million from RM2,712.6 million in 2010, and was further reflected in a lower total capex over revenue ratio of 28.0% from 30.8% in the previous year.

These figures are all the more encouraging when placed within the context of our capital-intensive HSBB roll-out, which continued to exceed targets in 2011. Through strategic design of network architecture, good vendor relations and optimisation of resources, we have achieved many capital and operational efficiencies. As a result, TM is recognised globally as having not only one of the fastest, but also one of the lowest-cost HSBB

roll-outs in the world, especially taking into account the scope of the project.

We are extremely gratified by our results which have exceeded all three of our Headline KPIs for the second year running.

To our shareholders, our performance in 2011 has meant that we are once again able to meet our dividend commitment. TM's Board of Directors has approved a single-tier final dividend payout of 9.8 sen on top of the interim dividend of 9.8 sen amounting to RM350.6 million distributed in September 2011. We are also proposing a capital repayment of 30 sen per share by way of capital reduction amounting to RM1.07 billion to our shareholders. The payout of the final dividend will be made in June 2012 while the capital repayment is proposed to be made in the third quarter of 2012.

As at 31 December 2011, our 12-month Total Return to Shareholders (TRS) stood at 60.1%, factoring in our dividend payments and price appreciation over that period. We continue to be ahead of most of our local peers in this aspect. Our TRS for the period since our demerger in 2008 up to 31 December 2011 was 153.9%.

UNIFI – A GAME CHANGER

Since launching UniFi in March 2010, we have achieved an unprecedented take-up rate of 15-20% of premises passed, proving just how hungry Malaysians are for the speed and incredible range of content made available through the service. It is of great satisfaction to us when Malaysians started using 'UniFi' as a verb and everyone is talking about being 'Unified'.

Group Chief Executive Officer's Statement



Building on current customer base of 300,000, we will continue 'UniFi-ing' the country as we expand coverage and offer more Malaysian consumers and businesses the opportunity to enjoy this outstanding service. The speed with which HSBB is being taken up across the country prompted the President of FTTC Council Asia Pacific to say in October 2011, that Malaysia had emerged as the highest in terms of the number of high speed broadband subscribers in Southeast Asia, and the top 10 in ranking within the Asia-Pacific region. It is also the fastest growing FTTH market in Southeast Asia and is a success story for FTTH globally.

Another acknowledgement came from the European Commission's Directorate General for Information Society and Media, who said in November 2011: "We [European countries] need to establish a world-class broadband infrastructure to compete with other nations around the world, like Malaysia and other Asian nations."

Our highest appreciation goes out to the Government, and especially the Ministry of Information, Communications and Culture for the exemplary Public-

Private Partnership (PPP) which has received such global recognition.

Being a revolutionary new product and the first triple play service, UniFi is a game changer in the local broadband scene. At the same time, it is also driving TM's own holistic transformation journey involving our networks, systems and products, and people.

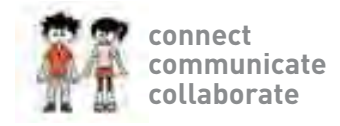
The efficient roll-out of our HSBB network is critical to UniFi, and I am pleased to report that we have to date exceeded all targets on this front. During the year, we increased coverage from 756,000 premises passed in 48 exchange areas to 1.16 million premises passed in 78 exchange areas. According to our HSBB roadmap, we are to cover 95 exchange areas and a total of 1.3 million premises passed by end 2012. This is already well within the horizon as I write. What is particularly pleasing is that HSBB growth is no longer entirely supply driven. Demand for HSBB is further pushing our roll-out. For example, property developers realise that buyers expect to have HSBB access in their new homes/offices and are therefore installing the service in their projects during the construction phase. In 2011, we closed HSBB agreements with 11 developers, and are targeting 20 more in 2012.

Central to the HSBB roll-out is transforming our legacy digital network into an all IP next-generation network. We had established the core of the Next Generation Network (NGN) network in 2010, and in 2011 focused on migrating our Public Switched Telephone Network (PSTN) switches onto it. The entire migration is a lengthy procedure and will be completed only in 2015, but we are making steady headway. At the same time, we are strengthening our international connectivity by way of our

submarine cable systems to ensure seamless internet traffic. During the year, we almost quadrupled our international capacity from 46Gbps to 180Gbps, and once our first private cable network being developed in partnership with NTT Communications Corporation is completed, it will further shore up our capacity. The 6,000 km cable system, Cahaya Malaysia, will link Malaysia to Japan, Hong Kong, the Philippines and Singapore, and is expected to be operational in the second quarter of 2012.

Meanwhile, we are streamlining all our systems and processes in order to create a leaner, more efficient core of operations. As I stated in last year's annual report, we have begun the process of collapsing 300 existing systems in TM to ultimately 70. This ambitious project will be completed in 2015, but we are making good progress and look forward to the long-term operational efficiencies it will create. We are also further fine-tuning our product offerings, making our competitively-priced bundled packages even more simple, attractive and affordable to the consumer.

We seem to have hit the right formula for UniFi, for which 41.0% of the subscribers are new customers who have never before subscribed to any of our broadband services. UniFi is being marketed in a VIP triple play value proposition that includes Video (ie our Internet Protocol Television HyppTV), Internet and Phone. Leveraging on our truly interactive IPTV, we have been continuously adding more to our HyppTV offerings. Over the year, we introduced 11 new channels and made the Video-on-Demand (VoD) service more flexible, hence more attractive. We also introduced nine new interactive services and for the first time introduced paid interactive content,



B-Smart TV, which caters to students. To date, we now have 85 HyppTV channels – including 32 premium channels and 18 free channels of which 12 are in high definition (HD), 17 VoD channels and 18 interactive channels.

While UniFi, as our premier broadband service made headlines in 2011, we continued to see steady growth in our broadband for the general population, Streamyx. As Malaysia's broadband champion we continue to focus on further promoting Streamyx in semi-urban and rural areas. Our efforts were not in vain; according to the Malaysian Communications and Multimedia Commission (MCMC) by the end of February 2012, the national household penetration of broadband had reached 62.6%, up from 55.0% as at end 2010. We are pleased that we have contributed 50.0% of this. We are also intensifying our efforts to cater to the nomadic user, and in 2011 increased the number of our WiFi hotspots by 80.3% from 10,982 sites to 19,799 sites. We are pleased by the recent announcement by the Kuala Lumpur city council that all food and beverages outlets bigger than 120 sq m need to provide their clientele with WiFi, as this will necessarily create greater demand for this service.

In 2011, our broadband subscription – including UniFi and Streamyx – increased by 12.3% to 1.92 million, and we are confident of continued growth as broadband is no longer a luxury, but a necessity.

PEOPLE ARE OUR PASSION

Of all the positive enhancements taking place at TM, none perhaps is more important to our current success than the transformation of our people.

We realise that in order to have a winning company we need to have a winning team – an energised and dynamic team that is motivated to collaborate and conquer the market. And I believe we have come a long way towards nurturing such a team of champions via numerous programmes that have built a strong sense of unity within TM, discovered and developed hidden talents, created a strong leadership pipeline and elevated the level of our professionalism.

If I had to single out one programme that has brought about a real change in mindset and behaviour at TM it would be *Teaming With Passion (TWP)*. Ever since running this programme with staff nationwide, we have noticed a perceptible increase in energy levels and creativity across the Company. Not only are individuals motivated to perform, but they are also teaming together more effectively to achieve greater synergies. An example of this would be the formation of action teams for our broadband services, which pulls in the resources of Customer Service Management, Network Operation and the different Lines of Business to manage several initiatives. As a result of their teamwork, we have achieved amazing results for installation and restoration of Streamyx and UniFi services. To encourage the spirit of collaboration, we now offer State Performance Bonuses as a subset of the Group bonus. This recognises and rewards teamwork at the state level, which results in smoother business processes and greater customer experience.

While motivation on its own can achieve wonders, we are also equipping our employees with the relevant technical and soft skills to increase their capabilities and empower them to realise their true potential. Training

modules are adapted to fill our internal human resources gaps as well as to feed the Company's strategic needs. For example, in 2011, we introduced the Customer Service Academy to train a cadre of polished and well-informed frontliners able to engage effectively and efficiently with customers. Each employee at TM is required to spend a minimum of 40 hours a year in training and professional development. To help our employees achieve their target, we are making it more convenient for them by expanding our menu of e-learning modules which they can utilise as and when it suits them. In 2011, we introduced 22 new e-learning course programmes which proved very popular; no less than 26.0% of total staff training was conducted online.

Meanwhile, the Fast Track Programme introduced in 2010 to accelerate the career progression of new recruits who show potential as part of our talent development program is progressing well. By end 2011 there were 24 executives in this programme, who have been given a structured development plan that includes job rotation to build their leadership skills. At more senior levels, we employ various assessment methodologies to identify talented managers and potential leaders who are given the opportunity to acquire positions of greater responsibility within the organisation and are encouraged to broaden their horizons by taking on cross assignments at other GLCs. We are constantly introducing new programmes to maintain the highest level of professional development and in 2011 we launched a Business Leadership Programme to enhance the decision-making and leadership capabilities of our management team while ensuring they serve as role models of TM's corporate values.

SERVICE WITH HEART

In a highly competitive market, customer service is key to attracting and retaining customers, and is a major focus at TM. About 28.0% of all our training for the year focused on uplifting our customer service to a new level, at a cost of RM15.4 million.

One significant initiative introduced is project SMILE, which stands for Superb and Meaningful Interaction Leading to Excellence. This is a comprehensive three-semester programme which aims not only to equip frontline staff with the hardware for good service, but also stresses the importance of 'heart ware' to create a positive and lasting impression on our customers.

To ensure true 'service with heart', we have redesignated the CEO of our TMpoint operations as the Customer Experience Officer whose primary function is to oversee the transformation of all our TMpoints into models of customer service excellence. This transformation was successfully piloted at our Kelana Jaya outlet, where cosmetic changes – such as a more casual and approachable uniform worn by staff and redesignation of outlet managers as Customer Experience Managers – has been coupled with fundamental improvements in service delivery. These include more meeter-greeters who will assist customers as soon as they step in, and 24/7 Payment Kiosks to increase the channels through which customers can complete their transactions, hence reduce the queues and waiting time. The transformation is to be replicated at all TMpoints nationwide by the second quarter of 2012.

Behind the scenes, we are improving our systems and programmes such as Towards Operational Excellence (TOP) and iCare Prime, to significantly reduce our customer's pain points. TOP integrates our sales channels and customer service with Network Operation to create consistency and speed in service delivery. iCare Prime, meanwhile, is an advanced customer relationship management tool that collates information on customers, sales, marketing effectiveness, responsiveness and market trends to afford a 360-degree view of the customer across departments. Initiatives such as these have been producing results. Our mean time to restore (MTTR) voice and Streamyx services have improved by 50.0% and 70.0% respectively, with the MTTR for HSBB services in particular improving by 81.0%. The mean time to install (MTTI) Voice and Streamyx services have reduced by 59.0% and 48.0% respectively, with that for HSBB improving by 54.0%. We also implemented a new UniFi operating model, which has reduced the waiting time for UniFi provisioning by 80.0%, at no additional cost.

The outcome of all these efforts, I'm pleased to say, was a customer satisfaction score of more than 70, which tops the global telco average of 67.

UNITING OUR PASSION

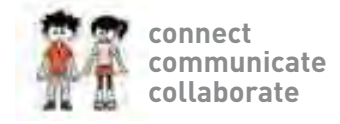
After proving the power of passion in galvanising all 26,667 people in the Company, we sought to spread its positive impact to the rest of the country. Building on our partnership with the Football Association of Malaysia (FAM) in support of our national football team, we launched a powerful programme during the year, called Team Malaysia.

In partnership with the National Sports Council (NSC) and the Olympics Council of Malaysia (OCM), Team Malaysia provides a platform for sports fans in the country to unite in a way they've never been able to before. It champions our national pride through sports and galvanises the support from 28 million Malaysians towards national teams to scale greater heights and achieve better performance. It is our hope that this effort will unite the passion of Malaysian sports enthusiasts transcending race, creed, gender and age under one flag in cheering on our national athletes, which will definitely ignite the spirit of the athletes to strive towards excellence and stamp Malaysia's name on the world sports map.

LAYING THE FOUNDATIONS OF AN INFORMATION EXCHANGE

Developments at TM in recent years, and particularly over the last year, have seen TM begin the transformation from a Voice Exchange to become an Information Exchange. What we mean by this is that whenever there is a flow of information from one user to another user in Malaysia, regardless of what device they use, anytime, anywhere, we want that information to touch TM, no matter whose customers they are. Several of our current initiatives and services are already laying the foundation for us to realise this aspiration in the near future. These include wholesale arrangements, ICT and BPO services, cloud computing, hosting services and global connectivity services.

Via Wholesale, we offer products and services to other licensed local network operators, thereby continue to fulfil our promise to keep our HSBB network open. In 2011, two leading service providers signed up for our HSBB



Access. Opening up our network to other service providers allows us to monetise our infrastructure while offering a cost-effective infrastructure solution to other telcos, creating more choice and, ultimately, benefiting the end user.

We have also entered into various collaborations that serve to promote the country's ICT and BPO services. Through VADS, we signed an agreement with Cisco to build the first TelePresence Exchange infrastructure which will allow customers in the region to conduct virtual meetings. VADS also entered into a collaboration with MIMOS to offer customers, and particularly SMEs, cloud computing services. This represents a new high-growth area in ICT which is expected to exhibit a CAGR of 42.0% from 2010 to 2015 in Malaysia, according to Frost and Sullivan. We have also created the opportunity to draw more internet traffic into the country by forging a partnership with US-based global netstorage provider, Akamai Technologies, which is hosting a netstorage centre in Malaysia. This is Akamai's only storage facility to serve this region after Japan and the US.

At the same time, we have unparalleled international connectivity. TM either co-owns or leases capacity on more than 10 submarine cable systems spanning more than 60,000 fibre-route km around the world. Most recently, we have invested in two significant cable systems linking us with Indonesia and other countries in the Far East. We collaborated with PT XL Axiata Tbk and PT Mora Telematika of Indonesia to deploy a 400km Batam Dumai Melaka Cable System connecting Melaka with Batam and Dumai in Indonesia via two routes. This Batam-Dumai-Melaka

Cable System came online on 30 December 2011. As I mentioned earlier, we also invested in our first private cable system, Cahaya Malaysia, which connects Malaysia with Japan, Hong Kong, the Philippines, and Singapore, and will be ready-for-service in the second quarter of 2012.

Our aspiration towards becoming an Information Exchange forms the next phase of our transformation journey, and I hope to be able to provide more updates on this in our next few annual reports.

CORPORATE RESPONSIBILITY

Over the years, TM has established ourselves as a model organisation in terms of corporate responsibility. We have had a head start over many other companies in this regard given that we began our journey as a state-owned enterprise with the interest of Malaysia and Malaysians at heart. Nation-building continues to form a core component of our CR initiatives, under which we endeavour to bridge the digital divide and provide support to underprivileged communities to create greater socio-economic equity. As I noted in our last annual report, we are also giving more priority to preserving the environment and contributing towards the Government's ambition of reducing the nation's carbon emissions by 40.0% by year 2020. More details of these efforts – which fall under our Community and Environment CR platforms – can be found in the CR section of this annual report.

What I would like to emphasise here are our contributions as a responsible corporate citizen to the marketplace and our own workplace.

I have already elaborated on the professional development opportunities and the spirit of camaraderie or teamwork in TM. However, we do much more than that in order to attract and retain the best talents. We believe in empowering our employees by engaging with them at a personal and group level. We have in place various platforms that allow for free and open communication between management and all other employees. Individuals within the Group Leadership Team, including myself, regularly host *teh tarik* sessions with staff at which we obtain valuable feedback from people on the ground as to how the Company is progressing. Our leaders also take the time to go to the ground themselves and visit our people at TM offices, TMpoints and exchanges in the different states. They also share personal experiences and knowledge at Leaders Dialogues, which are open to everyone in the Group.

As a result of these initiatives, our Employee Engagement Index conducted in 2011 showed a higher level of engagement at 89.0% as compared to 86.0% in 2010. To me, this figure is very heartening as it is much higher than the global telco average of 74.0% and global high performing companies' average of 84.0%.

TM currently shoulders a huge responsibility in the marketplace as the national Broadband Champion. But I am pleased to note that we are managing to carry off this role exceptionally well. Already, we are a major contributor towards surpassing the Government's National Broadband Initiative target of 50.0% household broadband penetration by end 2010. More importantly, we did this while upholding the highest standards in governance and integrity. In our operation, we ensure fairness for our customers, suppliers, partners and other stakeholders.

OUTLOOK FOR 2012

Overall, the economic climate will certainly be challenging. MIER has revised downwards its GDP growth forecast for 2012 from 5.0% to 3.7%. This is due to continuing debt crisis in the US and Euro zone, as well as a slowdown in China. On a more positive note, inflation is predicted to ease slightly to between 2.5% and 2.8% compared to 3.2% year-on-year recorded in November 2011.

This will be even more pronounced in the telecommunications market, where competition will continue to grow along with further liberalisation and the entry of new players. Interestingly, however, we will also see greater collaboration among telcos along with convergence as players ride on each other's resources to derive maximum cost efficiencies. Given Malaysians' exposure

to broadband and their appetite for more content, demand for broadband will continue to grow. According to IDC, the broadband market is expected to reach RM6.23 billion by 2012, while the overall telecommunication market is forecasted to grow to RM30 billion by 2012 from RM27.4 billion in 2010. As the established national Broadband Champion, we are of course excited by such figures.

Indeed, TM is optimistic about the year 2012 and beyond. We are confident of being able to leverage on our pioneering presence, infrastructural strengths and international connectivity to take a leadership position in the telecommunications space in the country as we transform into an information exchange. To us, the future is very exciting. We are energised by the current spirit of collaborative competition in the market and are all geared to make the most of it to bring ever more benefits to our customers and other end users.

ACKNOWLEDGEMENTS

On behalf of the management, I would like to express our appreciation to our various stakeholders who have contributed to TM in their own way, ensuring our continued success. The Group is beholden to the investment support of our shareholders, whom we remain committed to rewarding in return with our dividends and high level of return on equity. We are also truly grateful to the loyalty and support of

our customers, who spur us to keep innovating and reinventing ourselves. We would also like to acknowledge our numerous business partners and suppliers who have proven their commitment to walk our talk and to work together for our common benefit. We are also grateful to the support shown by the media, regulators and especially by the Government, with whom we enjoy a long-standing partnership.

But most of all, I would like to express my sincere appreciation to all 26,667 members of the TM family – from our esteemed Board of Directors to our employees at all levels. Our Board has continued to be a pillar of strength to TM, guiding us with its uncommon wisdom through the years. As for our employees, I speak for the entire management when I say we are proud of you. We are proud of your hard work, dedication and commitment to the Company. And we are proud of how you have truly united with passion to make TM what we are today.



Dato' Sri Zamzamzairani Mohd Isa
Group Chief Executive Officer

Group Financial Highlights



connect
communicate
collaborate

In RM Million

OPERATING RESULTS

	2007	2008	2009	2010	2011
1. Operating revenue [^]	8,296.0	8,674.9	8,608.0	8,791.0	9,150.7
2. Profit before taxation and zakat [^]	918.7	353.8	921.6	1,360.2	1,001.2
3. Profit for the financial year					
– Continuing operations	892.9	276.2	673.3	1,245.0	1,237.1
– Discontinued operations	1,738.7	624.9	–	–	–
4. Profit attributable to equity holders of the Company					
– Continuing operations	856.7	229.3	643.0	1,206.5	1,191.0
– Discontinued operations	1,691.0	562.6	–	–	–

KEY DATA OF FINANCIAL POSITION

1. Total shareholders' equity#	19,802.1	10,248.1	6,987.5	7,709.4	6,968.8
2. Total assets#	44,221.3	22,533.2	19,942.5	20,780.0	21,371.8
3. Total borrowings#	11,924.4	7,000.0	6,713.5	5,532.0	6,410.4

SHARE INFORMATION

1. Per share					
Earnings (basic)	74.4 sen	23.0 sen	18.3 sen	33.9 sen	33.3 sen
Gross dividend*	113.0 sen	26.3 sen	23.0 sen	26.1 sen	19.6 sen
Net assets	575.7 sen	296.5 sen	197.2 sen	216.1 sen	194.8 sen
2. Share price information					
High>	RM11.80	RM3.70	RM4.00	RM3.60	RM5.09
Low	RM9.20	RM2.54	RM2.60	RM3.04	RM3.50

FINANCIAL RATIO

1. Return on shareholders' equity	12.8%	5.3%	7.5%	16.4%	16.2%
2. Return on total assets	6.0%	4.0%	3.4%	6.0%	5.8%
3. Debt equity ratio	0.6	0.7	1.0	0.7	0.9
4. Dividend cover*	0.7	0.9	0.8	1.3	1.7

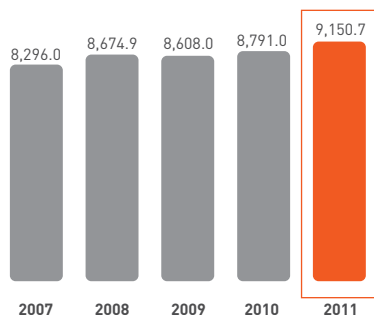
[^] Operating revenue and profit before taxation and zakat for 2007 were represented to exclude the results of Axiata Group pursuant to the demerger.

Significant reduction in these items from 2007 to 2008 were due to exclusion of balances of Axiata Group pursuant to the demerger.

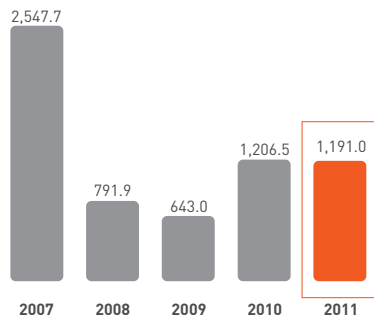
* 2007 includes special gross dividend of 65.0 sen per share declared on 10 December 2007 and paid on 31 January 2008.

> Share price information for 2008 was based on the adjusted share price pursuant to the demerger.

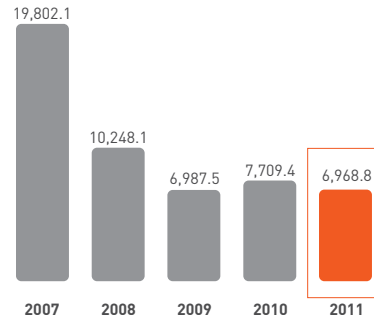
OPERATING REVENUE
(RM Million)



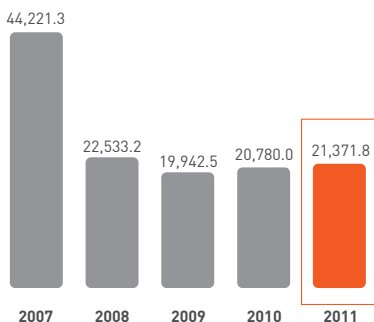
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY
(RM Million)



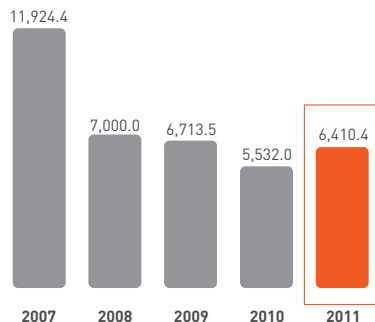
TOTAL SHAREHOLDERS' EQUITY
(RM Million)



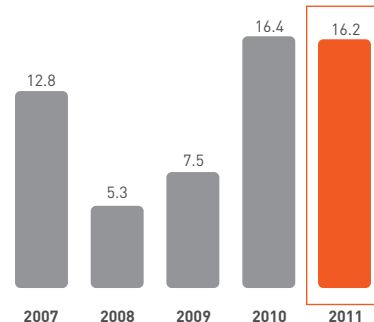
TOTAL ASSETS
(RM Million)



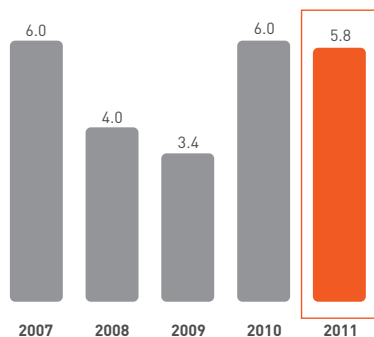
TOTAL BORROWINGS
(RM Million)



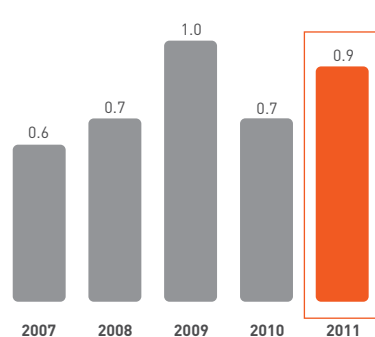
RETURN ON SHAREHOLDERS' EQUITY
[%]



RETURN ON TOTAL ASSETS
[%]



DEBT EQUITY RATIO

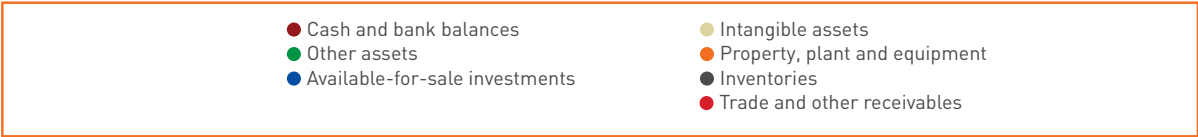
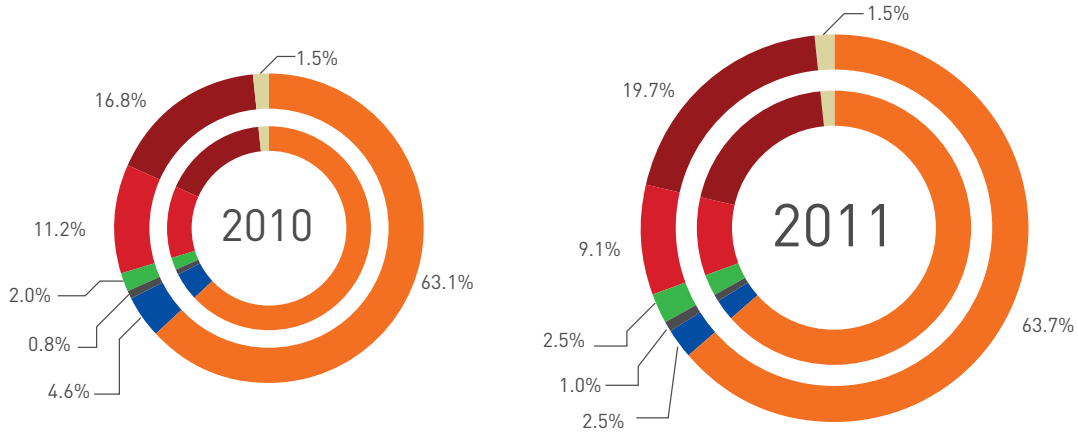


Simplified Group Statement of Financial Position & Segmental Analysis

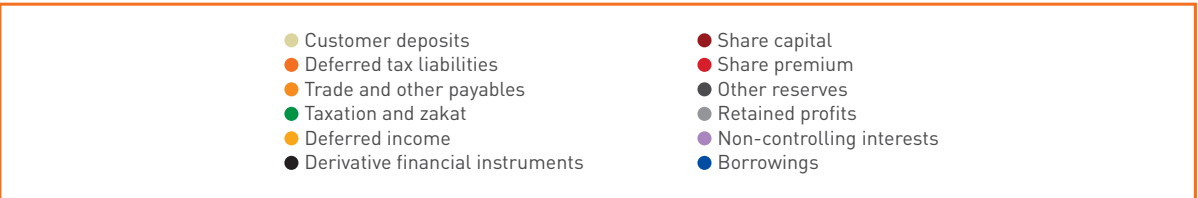
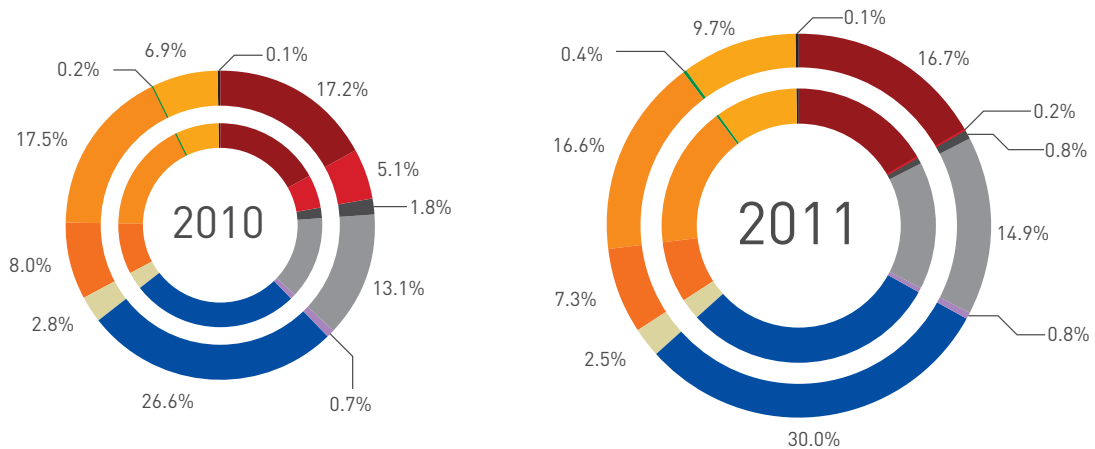


connect
communicate
collaborate

TOTAL ASSETS

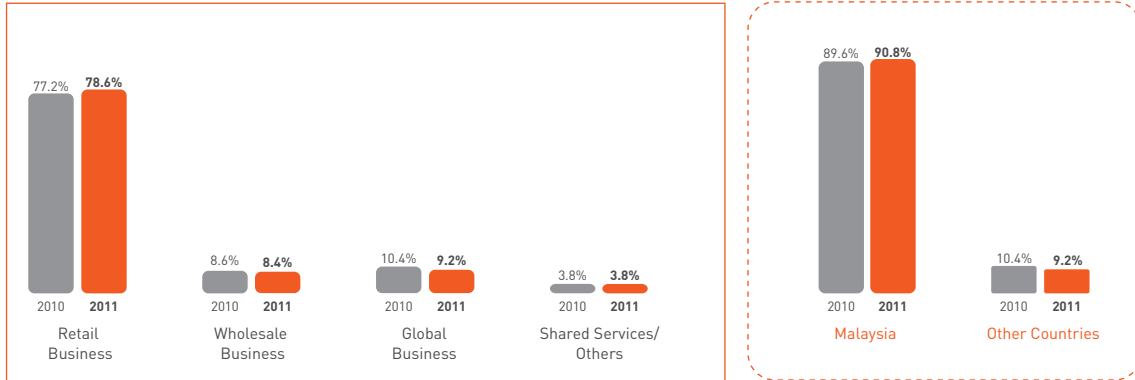


TOTAL LIABILITIES & SHAREHOLDERS' EQUITY

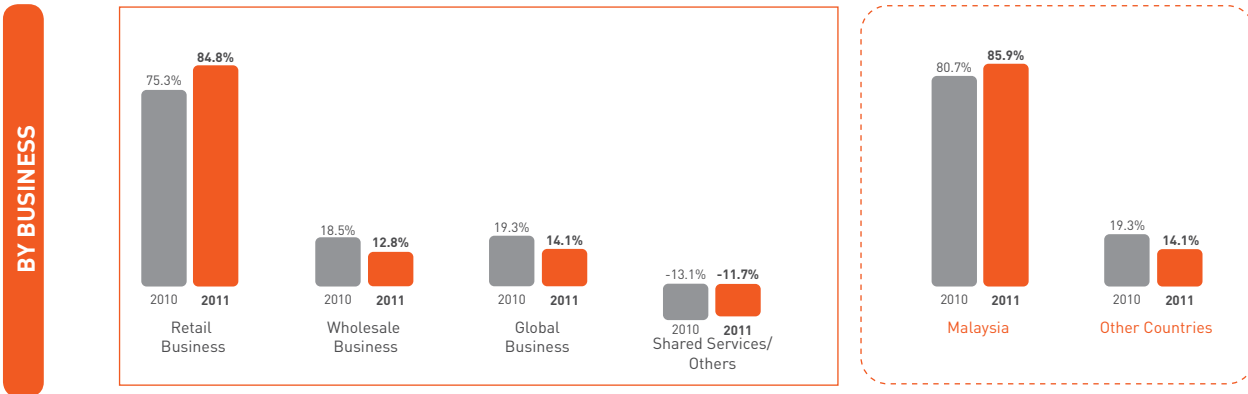


Simplified Group Statement of Financial Position & Segmental Analysis

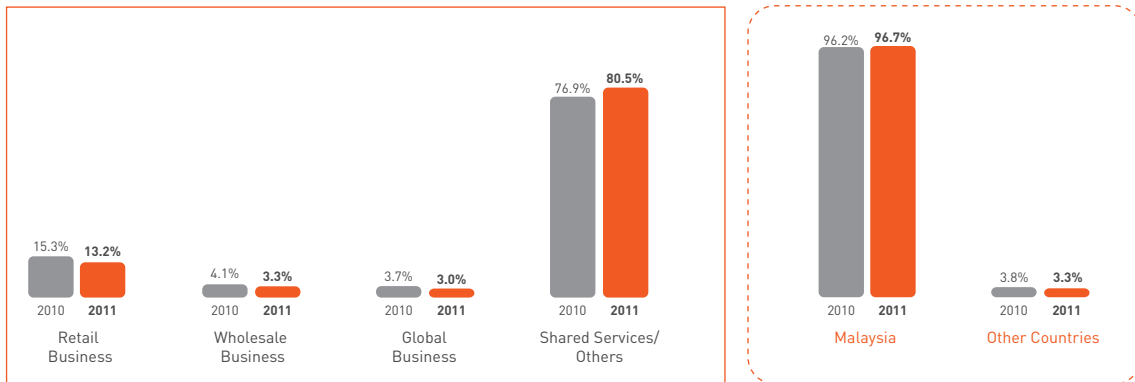
SEGMENT OPERATING REVENUE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER



SEGMENT RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER



SEGMENT ASSETS AS AT 31 DECEMBER



BY BUSINESS

BY GEOGRAPHICAL LOCATION



2011

In RM Million

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2011
Operating revenue	2,148.2	2,233.6	2,321.7	2,447.2	9,150.7
Operating profit before finance cost	231.6	237.5	510.1	265.7	1,244.9
Profit before taxation and zakat	227.3	207.1	337.2	229.6	1,001.2
Profit attributable to equity holders of the Company	163.3	127.2	302.2	598.3	1,191.0
Basic earnings per share (sen)	4.6	3.6	8.4	16.7	33.3
Single-tier dividend per share (sen)	-	9.8	-	9.8	19.6

2010

In RM Million

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2010
Operating revenue	2,124.9	2,150.9	2,194.6	2,320.6	8,791.0
Operating profit before finance cost					
- as reported	258.5	212.4	396.5	408.3	1,275.7
- reclassification*	9.1	(4.9)	21.9	-	26.1
- as restated	267.6	207.5	418.4	408.3	1,301.8
Profit before taxation and zakat	352.6	166.9	505.9	334.8	1,360.2
Profit attributable to equity holders of the Company	242.9	124.4	438.5	400.7	1,206.5
Basic earnings per share (sen)	6.9	3.5	12.3	11.2	33.9
Gross dividend per share (sen)	-	13.0	-	13.1	26.1

* During 4th quarter 2010, the Group reclassified fair value changes on forward foreign exchange contracts from other gains (net) to net finance cost to better reflect the effective cost of borrowings.

COMMITMENT TO SHAREHOLDERS

TM remains steadfast in our commitment to continuously creating value for our shareholders in our pursuit to become Malaysia's leading next-generation communications provider.

In the financial year 2011, we demonstrated this commitment by declaring a paid and proposed total net dividend payout of RM701.2 million to our shareholders, which consisted of:

- A single-tier interim dividend of 9.8 sen per share amounting to RM350.6 million which was paid on 23 September 2011; and
- A proposed single-tier final dividend of 9.8 sen per share amounting to RM350.6 million.

Shareholder Returns

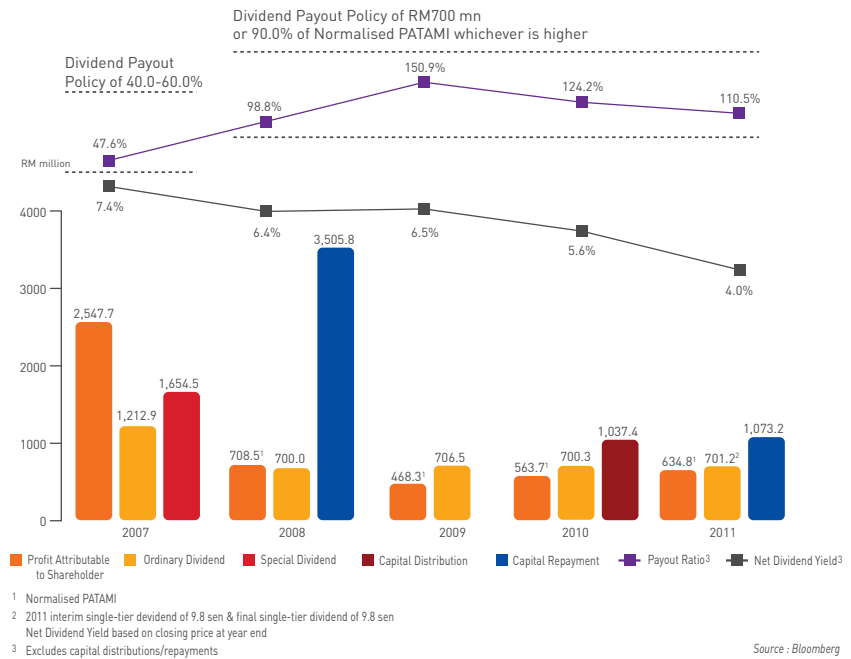
We continue to outperform our peers and remain amongst the highest in terms of total shareholder returns. Our 12-month Total Shareholder Returns as at 31 December 2011 stood at 60.1% and from the date of our demerger (25 April 2008) up to 31 December 2011, it was 153.9%.

In addition to the dividend payment, this year we are proposing a capital repayment of RM1,073.2 million or 30.0 sen per share to our shareholders by way of a capital reduction. This is in line with TM's capital management framework which includes returning excess cash to shareholders, if any, thus providing immediate value enhancement and improving our shareholders' long-term rates of return. The proposed capital repayment exercise is expected to be completed in the third quarter of 2012.

Shareholder Base

TM has a large shareholder base comprising 27,054 institutional and private/retail shareholders as at 31 January 2012. Our substantial shareholders are Khazanah Nasional

SHAREHOLDERS' RETURN



Berhad, the Employees Provident Fund Board (EPF) and Amanah Raya Trustees Berhad – Skim Amanah Saham Bumiputera, which together account for 51.5% holding of the Group. Meanwhile, our foreign shareholding base grew from 10.03% as at 31 December 2010 to 20.59% as at 31 January 2012.

Transparency

TM applies high standards of transparency in our financial reporting, and is equally stringent in our corporate governance. We apply the guidelines of the Malaysia Code of Corporate Governance, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) as well as international best practices in our operations.

As a responsible corporate citizen committed to conserving the environment, TM published our third Sustainability Report in 2011, which was accorded the Global Reporting Initiative (GRI) rating of A+.

In addition, in the Minority Shareholders Watchdog Group (MSWG) survey on the level of governance and transparency among public listed companies (PLCs) in Malaysia in 2011, TM was presented with the Distinction Award, Best CSR and Industry Excellence Award in Telecommunications and Media. Besides that, TM was the winner of the Social Performance Category in ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2011.

TM was the Runner Up for the Overall Category of CIMA Enterprise Governance Awards 2011 as well as the recipient of the Merit Award for Corporate Social Responsibility. These awards were then followed by a 3rd place 'Risk Manager of the Year 2011' in conjunction with the 'Risk Management Conference' for Group Business Assurance.



Last but not least, TM was a big winner in the prestigious NACRA 2011, winning Platinum in the Overall Excellence Awards for the Most Outstanding Annual Report of the Year, Silver in Best Corporate Social Responsibility Award, Silver in Best Annual Report in Bahasa Malaysia, Silver in Best Designed Annual Report as well as Industry Excellence Award.

DIVIDEND POLICY

We reiterate our dividend commitment through the dividend policy statement as follows:

"In determining the dividend payout ratio in respect of any financial year after the Proposed Demerger, our Company intends to adopt a progressive dividend policy which enables us to provide stable and sustainable dividends to our shareholders while maintaining an efficient capital structure and ensuring sufficiency of funding for future growth.

Our Company intends to distribute yearly dividends of RM700 million or up to 90.0% of our normalised PATAMI, whichever is higher.

Dividends will be paid only if approved by our Board out of funds available for such distribution. The actual amount and timing of dividend payments will depend upon our level of cash and retained earnings, results of operations, business prospects, monetisation of non-core assets, projected levels of capital expenditure and other investment plans, current and expected obligations and such other matters as our Board may deem relevant."

TM CREDIT RATING

TM continues to exhibit strong fundamentals and a sound balance sheet. This is evident from the credit rating accorded by both local and international

TM EXISTING DEBTS

LOCAL CURRENCY DEBT

	TMISIS A	TMISIS B
Coupon	6.20%	4.19%
Tenure	Due 2013	Due 2018
Principal(RM)	2,000,000,000	925,000,000

Note: TMISIS is an abbreviation for TM Islamic Stapled Income Securities

	MTN 250621	MTN 130921	MTN 101221
Coupon	4.50%	4.20%	4.20%
Tenure	10 years	10 years	10 years
Yield	103.53	101.11	100.9
Price	4.05	4.06	4.09
Principal(RM)	300,000,000	300,000,000	200,000,000

Note: MTN is an abbreviation for Medium Term Note.

FOREIGN CURRENCY DEBT

	Global Bond 2014 ¹	Global Bond 2025 ¹
Coupon	5.25%	7.875%
Yield	106.96	135.8
Price	2.58	4.35
Principal(USD)	465,055,000	300,000,000

¹ Bond price as of 31 December 2011

rating agencies. The credit ratings are as follows:

- Rating Agency of Malaysia AAA
- Moody's Investors Service A3
- Standard & Poor's Rating Services (standalone credit profile of "a-") A-
- Fitch A-

We remain committed to maintaining our investment grade credit ratings and will continue with our prudent approach to financial and capital management.

INVESTOR RELATIONS

We place great emphasis on maintaining a strong relationship between the Company and its investors. To ensure that our investors are kept abreast of our

strategies, performance and key business activities, we maintain a continuous engagement with investors through a planned programme of investor relations activities.

This role is carried out by the Investor Relations unit, whose key function is to proactively disseminate relevant and timely information on TM to the investing community.

To ensure compliance with best practices, all communication with the capital market is governed by our Investor Relations Policy and Guidelines and guided by the Bursa Malaysia Corporate Disclosure Guide 2011, guaranteeing fair and timely disclosure of information to all shareholders.

Quarterly Financial Results Announcement and Briefing

TM briefs analysts and fund managers on our quarterly earnings via teleconferencing subsequent to the release of its disclosures to Bursa Securities. These sessions are chaired by the Group CEO together with the Group CFO and attended by Senior Management representing TM's key Lines of Business. The objective is to provide an avenue for clear understanding of the financial and operational performance of the Group.

Presentations on Financial Results

In an ongoing quest to improve the level of our disclosure, emphasis is placed on presentation materials used to disseminate information on TM. Presentation slides of our results are prepared in an investor-friendly manner to aid understanding of the Group's financial results and performance. These are made available promptly on the Company's website following the release of information, first to Bursa Securities. A copy of the presentation slides is also distributed by e-mail to analysts and investors who are on the Investor Relations unit's distribution list.

Investor Engagement

- **One-on-one Meetings, Conference Calls and Investor Conferences**

The Group CEO, Group CFO and Investor Relations team are actively involved in Investor Relations activities such as regular meetings and conference calls with fund managers, analysts, rating agencies and other stakeholders held in Malaysia and abroad.

In 2011, we reached out to a wider investor audience internationally by participating in non-deal roadshows and conferences in Singapore, Hong Kong, London, Edinburgh and Glasgow.

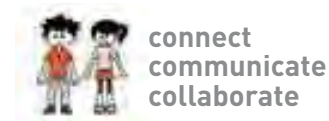
Locally, TM also participated in small group meetings as well as large group presentations organised by local research houses. Throughout the year, close to 300 meetings and conference calls with investors and analysts were conducted.

- **Investor Relations Portal**

In our efforts to enhance access of stakeholders to the Company, the Investor Relations unit maintains a portal, <http://www.tm.com.my/ap/about/investor/Pages/home.aspx>, on TM's corporate website, which serves as an excellent platform of communication and source of information for shareholders and the general public. The portal contains the Group's annual reports, financial results, investor presentations, capital structure information, press releases and disclosures to Bursa Securities and is updated in a comprehensive and timely manner.

- **Feedback**

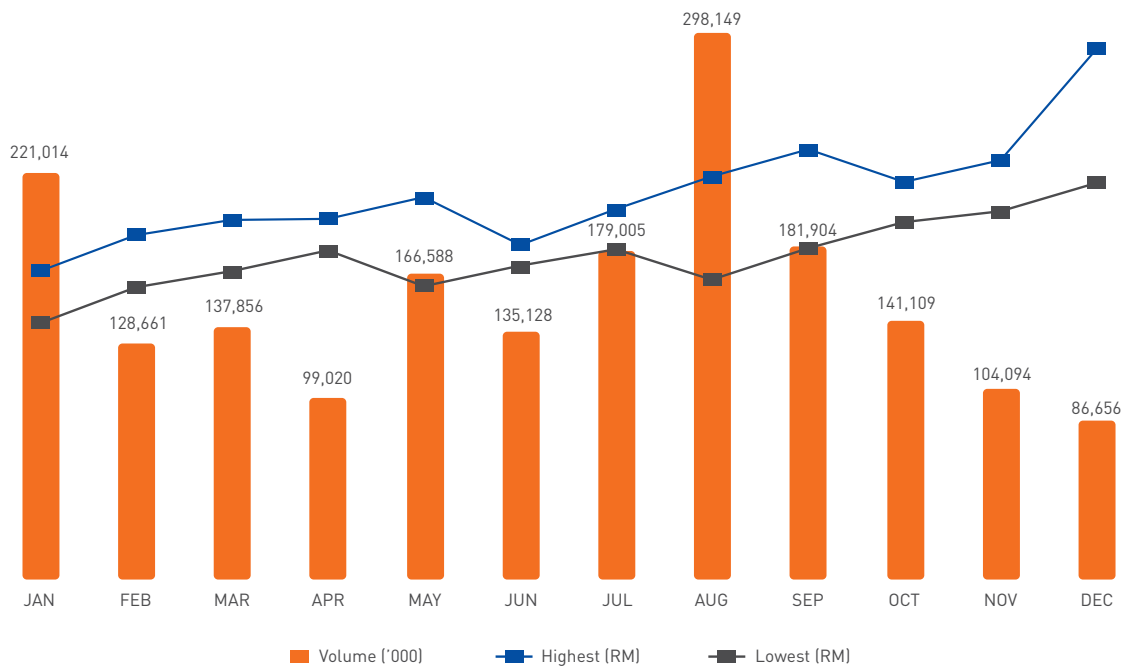
TM recognises and highly values feedback from the investing community, as it ensures that the Company is able to furnish important information as required by shareholders in a timely fashion. To further enhance our Investor Relations function, we seek constructive ideas through ongoing meetings with stakeholders as well as to provide an avenue through which they may communicate with the team at investor@tm.com.my.



We have been listed on Bursa Malaysia since 1990. In 2011, TM shares recorded a total turnover of RM7,609 million, with 1,879 million shares traded as compared to a total turnover of RM4,602 million with 1,440 million shares traded in 2010.

SHARE PRICE & VOLUME TRADED

2011 Monthly Trading Volume & Highest-Lowest Share Price

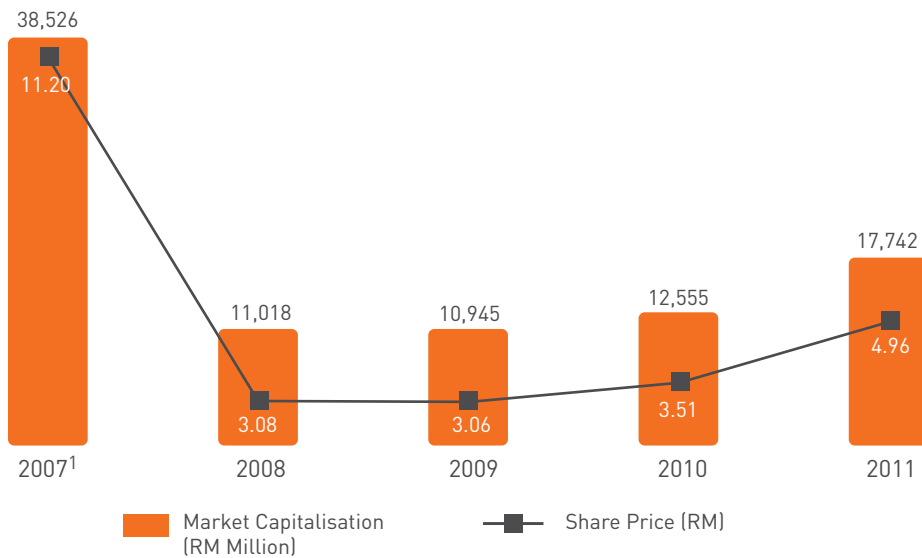


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Volume ('000)	221,014	128,661	137,856	99,020	166,588	135,128	179,005	298,149	181,904	141,109	104,094	86,656
Highest (RM)	3.80	4.01	4.09	4.10	4.22	3.95	4.15	4.34	4.50	4.31	4.44	5.09
Lowest (RM)	3.50	3.70	3.79	3.91	3.71	3.82	3.92	3.75	3.93	4.08	4.14	4.31

TM SHARE PRICE PERFORMANCE VS FBM KLCI 2011



MARKET CAPITALISATION/ SHARE PRICE



¹ Before demerger



FINANCIAL CALENDAR



25 FEBRUARY 2011

Announcement of the audited consolidated results, declaration of final gross dividend of 13.1 sen per share (less 25.0% Income Tax) for the financial year ended 31 December 2010 and Proposed Capital Distribution to Shareholders of 29.0 sen per share (Capital Distribution).

15 APRIL 2011

Issuance of the 26th AGM and EGM Notices together with the Annual Report for the financial year ended 31 December 2010 and Circular to Shareholders.

10 MAY 2011

26th AGM and EGM of the Company.

25 MAY 2011

Announcement of the unaudited consolidated results for the 1st quarter ended 31 March 2011.

26 MAY 2011

Date of entitlement to the final gross dividend of 13.1 sen per share (less 25.0% Income Tax) for the financial year ended 31 December 2010 and date of entitlement for the Capital Distribution.

15 JUNE 2011

Date of payment of the final gross dividend of 13.1 sen per share (less 25.0% Income Tax) for the financial year ended 31 December 2010 and Capital Distribution.

24 AUGUST 2011

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2011 and declaration of an interim single tier dividend of 9.8 sen per share for the financial year ended 31 December 2011.

12 SEPTEMBER 2011

Date of entitlement to the interim single tier dividend of 9.8 sen per share for the financial year ended 31 December 2011.

23 SEPTEMBER 2011

Date of payment of the interim single tier dividend of 9.8 sen per share for the financial year ended 31 December 2011.

24 NOVEMBER 2011

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2011.

24 FEBRUARY 2012

Announcement of the audited consolidated results, declaration of final single tier dividend of 9.8 sen per share for the financial year ended 31 December 2011 and Proposed Capital Repayment of 30.0 sen per share to Shareholders.

13 APRIL 2012

Issuance of the 27th AGM and EGM Notices together with the Annual Report for the financial year ended 31 December 2011 and Circular to Shareholders.

8 MAY 2012

27th AGM and EGM of the Company.

24 MAY 2012

Date of entitlement to the final single tier dividend of 9.8 sen per share for the financial year ended 31 December 2011.

8 JUNE 2012

Date of payment of the final single tier dividend of 9.8 sen per share for the financial year ended 31 December 2011.

CORPORATE PROFILE

- 32 Corporate Profile
- 34 Milestones Over Two Centuries
- 38 Media Milestones In 2011
- 40 2011 Corporate Events
- 44 Awards & Recognition
- 46 Past Awards
- 52 Corporate Information
- 54 Group Corporate Structure
- 55 Group Organisation Structure



PASSION is... pushing beyond your limits and achieving the impossible

CELEBRATION
AMBITION SUCCESS HIGHLIGHTS
determination LEGACY transformation
PRIDE
RECORD
victory
EXCELLENCE
CONSISTENCY
RECOGNITION
GLORY
DRIVE CHAMPION



About Us

TM is the largest integrated communications solutions provider in Malaysia, and one of Asia's leading communications companies, with a market capitalisation of RM17.7 billion and a workforce of 26,667 employees. Since signing a private public partnership with the Government to roll out high speed broadband (HSBB) in September 2008, the Company has been responsible for Malaysia having the highest HSBB subscription rate in Southeast Asia. Its implementation of the new-generation fibre network is acknowledged as being one of the fastest and most cost-efficient in the world; given the project's ambitious and comprehensive scope.

Just a year and a half since it was launched in four exchange areas in March 2010, the HSBB network has been laid in 65 residential and 14 industrial areas, having passed 1,160,000 premises. At the same time total subscription to TM's brand of HSBB, UniFi, reached 236,501 as at end 2011, representing a take-up rate of 15-20%, which far exceeds global figures. The aim is to increase subscription to 400,000 and for HSBB to pass 1.3 million premises by end 2012.

TM's foray into broadband began in 2001 with Streamyx, its offering on broadband for general population. Leveraging on Streamyx and UniFi, TM played an integral role in achieving 50.0% household broadband penetration by 2010, under the National Broadband Initiative. The Company is now further supporting the Government's vision of propelling the economy into high-income status by building a world-class ICT infrastructure, and transforming the country into a multimedia hub.

TM is also playing a major role in the development of the industry. Acknowledging Malaysians' appetite for the rich content and applications that are enabled by HSBB, TM has opened access services to its new-generation network to other service providers and is encouraging the development of a vibrant Content Service Delivery Platform in collaboration with other industry players and the Multimedia Development Corporation (MDeC). In 2011, two more leading telco players have signed up for HSBB access, bringing the total number of users to three. At the same time, TM is forging more partnerships with leading ICT providers locally and internationally such as Google, Cisco, Akamai Technologies, NTT Communications Corporation, Microsoft and MIMOS to feed growing demand for more varied and sophisticated products and services. Its aim, ultimately, is to transform its legacy to leave a legacy as it evolves into an information exchange, enabling all communication within and traversing Malaysia.





In order to achieve this next phase in its transformation journey, TM is upgrading its network, systems and products to be able to deliver an enhanced and integrated digital lifestyle. It is migrating its legacy Public Switched Telephone Network (PSTN) network into an all Internet Protocol (IP)-based core for more efficient internal connectivity. To improve its international network capacity, TM is expanding its submarine cable systems. On 30 December 2011, the Batam-Dumai-Melaka Cable System was completed, connecting Malaysia with Indonesia; and in 2012 the Company's first private cable network, Cahaya Malaysia, will be operational. Developed with NTT Communications Corporation, this cable system will link Malaysia to Singapore, Hong Kong, Japan and the Philippines.

Internally, TM is streamlining its systems and processes so as to achieve greater cost efficiencies and promote a culture of sustainability. It is collapsing the 700 systems currently employed to 70. At the same time, employees are being trained with the knowledge and skills required of a next-generation telco. TM is also reinforcing a customer-centric mindset and, in 2011, 28.0% of all training centred on uplifting TM's service delivery. To further enhance the customer experience, the Company is transforming all its TMpoints nationwide to be more customer-friendly. At the same time, technological and human resource enhancements have led to improved installation and restoration times for all services, placing TM among the top quartile of telcos in the world. Various initiatives together have led to TM achieving a customer satisfaction score of more than 70, surpassing the global telco average of 67.

The entire business model of the organisation is aligned according to TM's seven principal customer segments of Consumer, Small & Medium Enterprise (SME), Enterprise, Government, Wholesale, Global and New Media. This business structure enables greater synergies to be created between the various divisions, and allows TM to target its product and service offerings more specifically to the needs of the different niches. This includes communities in rural and remote areas, who are reached via 15 mobile TMpoint-on-Wheels (TMOW).

The Company's commitment to serving the people reflects a deep-rooted sense of corporate responsibility (CR) that underlines all its actions. TM's CR initiatives cover the four dimensions of the marketplace, workplace, community and the environment. As a former state-owned enterprise, TM continues to bridge the digital divide. It also places much emphasis on education, which has been the focus on its foundation, Yayasan TM (YTM), since this was established in 1994. To date, YTM has disbursed a total of RM444.8 million in scholarships that have benefited a total of 12,878 students. At the same time, the Multimedia University, set up 15 years ago as the country's first private university, has produced a total of 30,484 graduates. As a responsible corporate citizen, TM is also conscious of its duty to reduce its carbon footprint and takes into consideration the environmental impact of all its business decisions to ensure a sustainable future. In 2011, it launched a Carbon Management Plan and carried out a group-wide audit of carbon emissions to serve as a baseline for future activities to reduce this.

TM has evolved significantly since its establishment as the Telecommunications Department of Malaya in 1946. Its journey in recent years has been fuelled by a quest to become Malaysia's leading new generation communications provider, embracing customer needs through innovation and execution excellence.

Excellence in TM is an ongoing theme that cuts across the board, and is reflected in awards for almost every aspect of the Company's operations. In 2011, TM won Frost & Sullivan Malaysia Excellence Awards for its Broadband Service, Data Communications Service, Managed Service and Managed Security Service. It also won a Platinum award from Reader's Digest Trusted Brands Awards 2011 for Internet Broadband Service. Its human resources policies were acknowledged by the Company winning the 2nd Asia's Best Employer Brand Awards 2011; while it was also recognised for corporate governance, Corporate Social Responsibility (CSR) and quality of reporting by winning the Industry Excellence in Telecommunications & Media as well as Best CSR awards at the Malaysian Corporate Governance (MCG) Index & Awards; and the Platinum award for the Most Outstanding Annual Report of the Year at the National Annual Corporate Report Awards (NACRA) 2011.

Milestones Over Two Centuries

1800s

- 1874** The telephone makes its debut in Perak
- 1882** Perak and Penang are linked by telephone via a submarine cable
- 1891** The first telephone exchange is commissioned in Kuala Lumpur
- 1894** A submarine cable links Labuan with Singapore and Hong Kong



Our Journey

1900s

- 1900** The first magneto telephone service is introduced in Kudat, Jesselton (Kota Kinabalu) and Sandakan
- 1908** Incorporation of postal and telegraph services
- 1926** Advent of radio communications in the country
- 1946** Establishment of the Telecommunications Department in Malaya
- 1962** Introduction of Subscriber Trunk Dialling (STD) between Kuala Lumpur and Singapore via the first long-distance microwave link
- 1963**
 - Expansion of the microwave network throughout Malaysia
 - Launch of television services in Peninsular Malaysia
- 1968** The Telecommunications Department of Sabah and Sarawak merges with Peninsular Malaysia, forming the Telecommunications Department of Malaysia



- 1970** The first international standard satellite earth station is commissioned in Kuantan, marking the advent of live telecasts in Malaysia
- 1975** Establishment of the Automatic Telex Exchange
- 1979** Introduction of International Direct Dial (IDD) facilities
- 1980** Malaysia commissions its own submarine cable linking Kuantan and Kuching
- 1982** Introduction of Telefax and International Maritime Service
- 1983** Introduction of data communications
- 1984** Introduction of packet switch technology, leading to Malaysia's own public data network
- 1985**
 - Commissioning of the ATUR service using 450 analog cellular radio technology, a first in Asia
 - Introduction of the Multi Access Radio System, providing rural customers with easier access to telephone services
- 1987** Jabatan Telekom Malaysia (JTM) is corporatised, forming Syarikat Telekom Malaysia Berhad (STMB), the nation's first privatised entity
- 1988** Introduction of digital INTELSAT Business Service
- 1989** Introduction of the 800 toll-free service
- 1990**
 - Introduction of international toll-free and prepaid cardphone (Kadfon)
 - Listing of STMB on the Main Board of Bursa Malaysia Securities Berhad and introduction of the new company logo
- 1991**
 - The Company is rebranded as Telekom Malaysia
 - Introduction of Malaysia Direct, Home Country Direct
- 1992** Introduction of Video Conferencing and CENTREX
- 1993** Introduction of ISDN services
- 1996** Introduction of 1800 MHz digital TMTOUCH cellular services
- 1997** Introduction of Corporate Information Superhighway (COINS), Telekom Malaysia's state-of-the-art, high-capacity enterprise solution

2000s

- 2001**
 - Launch of BlueHyppo.com, Telekom Malaysia's lifestyle Internet portal, which records more than 290 million searches a year
 - Introduction of broadband services
 - Telekom Malaysia becomes a major partner in the launch of the state-of-the-art submarine cable Asia Pacific Cable Network 2 (APCN2)
 - Establishment of TM Net as the largest Internet Service Provider in the South-East Asian region
 - Launch of CDMA fixed wireless telephony service
- 2002** Award of the 3G spectrum to Telekom Malaysia
- 2003** Merger of Celcom and TMTOUCH, forming Malaysia's largest cellular operator
- 2004** Restructuring of TM TelCo into two Strategic Business Units (SBUs) – TM Wholesale and TM Retail
- 2005**
 - Telekom Malaysia undergoes a major rebranding exercise and TM is adopted as the new brand
 - Launch of 3G Services – first in Malaysia
 - Acquisition of 27.3% interest in PT Excelcomindo Pratama Tbk of Indonesia
- 2006**
 - TM forges strategic partnership with Vodafone, becoming a Vodafone Partner Network with a global reach of an estimated 179 million mobile customers worldwide
 - TM implements the second phase of its restructuring exercise, organising the Group's business into Malaysia Business, Celcom, TM International and TM Ventures
 - XL, TM's Indonesian subsidiary, secures a 3G licence while Dialog, TM's subsidiary in Sri Lanka, launches South Asia's first 3G service
 - Acquisition of the remaining 49.0% in Telekom Malaysia International (Cambodia) Company Limited (formerly known as Cambodia Samart Communications Ltd), Cambodia and 49.0% interest in Spice Communications Private Limited, India

Milestones Over Two Centuries

- TM initiates a consortium to develop an undersea cable system, Asia-America Gateway (AAG), linking South-East Asia and USA
- 2007**
 - TM becomes the first Malaysian company to be named Service Provider of the Year at 2007 Frost & Sullivan Asia Pacific ICT Awards
 - The first commemorative book titled Transforming a Legacy, is launched by Dato' Seri Abdullah Hj Ahmad Badawi, Prime Minister of Malaysia
 - Divestment of TM's Payphone business to Pernec Corporation Berhad
 - TM's affiliate in India, Spice Communications Limited, commences trading on the Bombay Stock Exchange and receives the National and International Long Distance licences
 - TM Group undertakes a Demerger exercise resulting in two distinct entities – TM and TM International (TMI)
- 2008**
 - TM Group is officially demerged in April and TMI listed as a separate entity on Bursa Securities
 - IRDA and TM sign an MOU for TM to be the preferred Telecommunications Provider for the Iskandar Malaysia region
 - TM privatises VADS as part of its strategic growth plan
 - TM bags three awards at 2008 Frost & Sullivan Malaysia Telecom Awards including The Alternative Voice Service Provider of The Year for the first time
 - TM signs a Public-Private Partnership (PPP) agreement with the Government to roll out the High Speed Broadband (HSBB) project
 - TM grabs five NACRA 2008 awards, including the Gold Award for Overall Excellence, Silver for Corporate Social Responsibility and Best Designed Annual Report
 - TM and Verizon collaborate to develop and improve Local IP capabilities
- 2009**
 - TM discloses Indicative Terms & Conditions for HSBB (Wholesale) service
 - TM wins three awards at the 2009 Frost & Sullivan Malaysia Telecom Awards, including Broadband Service Provider of the Year for the fifth year
- MMU makes the Top 200 Asian Universities in QS.com Asia Universities Rankings 2009
- TM signs Wi-Net on as its first HSBB (Wholesale) customer
- TM joins a new submarine cable consortium to develop the Asia Pacific Gateway (APG)
- TM's core network infrastructure is upgraded to Next-Generation-Network (NGN) technology
- TM commences physical work for HSBB access infrastructure
- AAG, a new undersea cable linking South-East Asia to USA, starts commercial traffic
- TM wins four awards at NACRA 2009, including Gold for Overall Excellence, Corporate Social Responsibility and Best Annual Report in Bahasa Malaysia
- 2010**
 - TMpoint-On-Wheels (TMOW) is launched for added convenience of customers in under-served areas
 - TM signs a pact with Manchester United to be the Official Integrated Telecommunications Partner of the English football club in Malaysia
 - 20 content partners join hands with TM to provide a diverse mix of content for TM's IPTV service
 - TM delivers its promise of launching the next generation High Speed Broadband (HSBB) service with the brand name UniFi
 - The inaugural TM Earth Camp for school children, organised in collaboration with the Malaysian Nature Society (MNS), is held
 - TM is conferred the Anugerah Majikan Prihatin from the Ministry of Human Resources for the first time, in conjunction with the 2010 Labour Day celebration
 - HyppTV, TM's IPTV service, offers UniFi customers linear, premium and VoD titles
 - TM wins the First Runner Up Overall award at the Malaysian Business – CIMA Enterprise Governance Awards 2010
 - TM signs Maxis on as the first service provider to subscribe to TM's HSBB (Access) service





- Deployment of TM's HSBB service, UniFi, reaches more than 750,000 premises passed and 48 coverage areas
- TM wins five awards at NACRA 2010, including Golds for Overall Excellence and Best Design and Platinum for Corporate Social Responsibility
- 2011**
 - TM collaborates with NTT to establish a new submarine cable system, Cahaya Malaysia, connecting Malaysia to Hong Kong and Japan
 - TM records profit of RM1,206.5 million in 2010, an increase of 87.6% from the previous year and meets all three Headline KPIs
 - Menara Kuala Lumpur Sdn Bhd signs a 10-year concession agreement with the Government of Malaysia for the operation, management and maintenance of Menara Kuala Lumpur
 - UniFi celebrates its first anniversary
 - TM clinches four awards at the 2010 Frost & Sullivan Malaysia Telecoms Awards – Broadband Service Provider of the Year, Data Communications Service Provider of the Year, Managed Service Provider of the Year and Managed Security Service Provider of the Year
 - TM galvanises the nation's sports spirit with the launch of Team Malaysia
 - TM offers the first Managed Telepresence services in Malaysia in collaboration with Cisco
 - UniFi's 100,000th customer receives a trip of a lifetime to Wembley Stadium, London, to watch Manchester United FC's Champions League match
 - As part of its environment conservation activities, TM plants 200 trees at Zoo Negara and adopts two Malayan tapirs
 - VADS becomes the country's first cloud provider by partnering with MIMOS to offer cloud computing services
 - TM further entrenches its support for national football by becoming the official partner of the national football team
 - TM signs a partnership with NAZA TTDI to install HSBB in the first UniFi township project in the Central region
- UniFi reaches Melaka and Kedah, ahead of schedule
- TM partners with Google to offer Google AdWords to SMEs in Malaysia
- TM introduces its geomatic application – TM SmartMap
- TM inks HSBB Wholesale service agreements with Celcom Axiata Berhad and Packet One Networks Sdn Bhd
- TM establishes a strategic partnership with Akamai to host Akamai's NetStorage on TM's network
- Launch of *Gemuruh Suara* song and music video, as part of Team Malaysia's campaign, ignites the passion of sports fans
- TM launches its point-based loyalty programme, TM Rewards
- TM signs its second HSBB service agreement with Dynasty View Sdn Bhd to install HSBB in a new phase of the Seri Austin residential development in Johor Bahru
- TM takes home top honours at NACRA 2011 with the Overall Excellence Platinum Award for its Annual Report
- TM is honoured as the ICT Organisation of the Year and also wins the ICT Personality of the Year at PIKOM's 25th Anniversary Gala Dinner and ICT Leadership Awards 2011
- TM signs a deal with GJH Avenue Sdn Bhd to install HSBB in Phases 1 and 2 of Taman Paya Rumput Perdana, making these the first UniFi-equipped townships in Melaka
- TM clinched the Best Wholesale Ethernet Service APAC 2011 award by Metro Ethernet Forum (MEF) at the Carrier Ethernet Service Provider Awards APAC 2011 in Singapore
- TM adds Office 365 to its suite of world-class ICT solutions through a partnership with Microsoft
- The Batam-Dumai-Melaka (BDM) submarine cable system goes live, ready to carry commercial data traffic





connect
communicate
collaborate

TM

TM's online marketing tool for SME customers

TM has introduced a new online marketing tool for SME customers, designed to help them reach a wider audience and increase sales. The tool, called 'MyBiz', is a free-to-use platform that allows SMEs to create and manage their online presence, including their website, social media profiles, and email newsletters. It also provides access to a range of marketing services, such as search engine optimization, pay-per-click advertising, and social media advertising. The tool is available in both English and Malay, and is designed to be easy to use for SMEs with limited marketing budgets. It is a key part of TM's commitment to supporting the growth of the Malaysian SME sector.

RM100k gold incentive Paid trip to Wembley

TM's gesture a show of appreciation to loyal customers

A gesture of appreciation to loyal customers, Telekom Malaysia (TM) has awarded a gold incentive worth RM100,000 to a lucky customer who has won a paid trip to Wembley Stadium in London. The lucky customer, a 45-year-old male, was selected from a pool of 100,000 loyal customers who had used TM's services for at least 10 years. The gold incentive is a symbol of TM's appreciation for the loyalty and support of its customers. The lucky customer will receive a round-trip airfare to London, accommodation, and a guided tour of Wembley Stadium, including a match at the stadium. The lucky customer will also receive a gold certificate of appreciation from TM. This is the first time TM has awarded a gold incentive to a customer. The gold incentive is a symbol of TM's appreciation for the loyalty and support of its customers. The lucky customer will receive a round-trip airfare to London, accommodation, and a guided tour of Wembley Stadium, including a match at the stadium. The lucky customer will also receive a gold certificate of appreciation from TM.

TM sponsors national football team

TM has become the official sponsor of the national football team, a move that marks a significant milestone in the company's corporate social responsibility efforts. The sponsorship agreement, which is a five-year deal, will see TM provide financial and technical support to the national team, including the purchase of kit, travel, and training facilities. TM will also be responsible for organizing and funding the team's participation in international tournaments. The sponsorship is a testament to TM's commitment to supporting the development of sports and the promotion of a healthy and active lifestyle among Malaysians. The national football team is one of the most popular sports teams in Malaysia, and TM's sponsorship is expected to increase the team's visibility and popularity among fans. The sponsorship is also a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia.

A cut above the rest

TM has been recognized as one of the top 100 most innovative companies in the world, a testament to the company's commitment to innovation and excellence. The recognition is based on TM's innovative products and services, its strong financial performance, and its commitment to social responsibility. TM has consistently ranked highly in various industry awards and accolades, reflecting its status as a leading company in the telecommunications industry. The recognition is a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia. The recognition is also a testament to the company's commitment to innovation and excellence, and its ability to stay ahead of the competition through continuous investment in research and development. TM's innovative products and services, such as its mobile broadband and cloud services, have helped to drive the growth of the Malaysian economy and improve the lives of Malaysians. The recognition is a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia.

RM1.42b payout for TM shareholders

P1 and TM sign broadband deal

Firm to have access to about 1.3 million homes

UniFi now available in Melaka

TM has announced a major shareholder payout of RM1.42 billion, marking a significant milestone in the company's financial performance. The payout is a testament to TM's strong financial position and its commitment to returning value to its shareholders. The payout is also a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia. The payout is a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia. The payout is also a testament to the company's commitment to innovation and excellence, and its ability to stay ahead of the competition through continuous investment in research and development. TM's innovative products and services, such as its mobile broadband and cloud services, have helped to drive the growth of the Malaysian economy and improve the lives of Malaysians. The recognition is a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia.

TM wins Nacra challenge trophy

KUALA LUMPUR: Telekom Malaysia Bhd (TM) has again won the Challenge Trophy for the Platinum Award of the Most Outstanding Annual Report of the Year at the National Annual Corporate Report Awards (Nacra) 2011. TM bagged the same award in 2006. The award is a testament to TM's commitment to transparency and excellence in corporate reporting. TM's annual reports provide a comprehensive overview of the company's performance, including its financial results, strategic initiatives, and social responsibility efforts. The award is a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia. The award is also a testament to the company's commitment to innovation and excellence, and its ability to stay ahead of the competition through continuous investment in research and development. TM's innovative products and services, such as its mobile broadband and cloud services, have helped to drive the growth of the Malaysian economy and improve the lives of Malaysians. The recognition is a key part of TM's strategy to build a strong brand identity and establish itself as a leading corporate citizen in Malaysia.

2011 Corporate Events



31 January



22 February



14 March



26 April



11 February



28 February

17 JANUARY

TM Supports 16th Le Tour de Langkawi

TM Chief Marketing Officer Dato' Rozalila Abdul Rahman announced TM's involvement in the 16th edition of Le Tour de Langkawi (LTDL) as the event's telecommunications provider and presented a cheque to LTDL 2011 CEO, Mohd Salleh.

31 JANUARY

TM and NTT Com Collaborate on Cable System

TM announced its collaboration with NTT Communications Corporation (NTT Com) to build a new submarine international cable system, Cahaya Malaysia, which will connect Malaysia to Hong Kong and Japan.

11 FEBRUARY

Enhancing International Capacity

TM signed an agreement with PL Axiata Tbk and PT Mora Shobana Indonesia to build a high-speed submarine Batam-Dumai-Melaka Cable System (BDM) which will link Malaysia and Indonesia.

22 FEBRUARY

Agreement with Celcom Axiata

TM and Celcom Axiata Berhad signed a Memorandum of Understanding (MoU) to provide multi-access, multi-media, fixed and mobile-focused service to all users in Malaysia. The event was attended by Deputy Minister of Information, Communication and Culture (MICC) Dato' Joseph Salang, TM Group CEO Dato' Sri Zamzamairani Mohd Isa and Celcom CEO Dato' Sri Shazalli Ramly.

26-27 FEBRUARY

Promoting Rugby

TM announced its participation as the premier sponsor for the NJ Ryan Trophy rugby tournament hosted by Malay College Kuala Kangsar (MCKK). The tournament attracted teams from 22 local schools and one Thai school.

28 FEBRUARY

Supporting a Healthy Lifestyle

TM announced its participation as the main sponsor and official telecommunications provider of *Siri Jelajah 1Malaysia*, the oldest bicycle race in Malaysia.

14 MARCH

Launch of DBKL*Net

TM launched a network infrastructure for the Kuala Lumpur Town Hall (DBKL), DBKL*Net, which will allow DBKL departments and branch offices to share information. The launch was attended by Kuala Lumpur City Mayor Datuk Seri Ahmad Fuad Ismail and Executive Vice President of TM Government Dato' Kairul Annuar Mohamed Zamzam.

14 MARCH

Menara KL Signs Concession with Government

TM's subsidiary Menara Kuala Lumpur (MKL) Sdn Bhd signed a 10-year concession agreement with the Ministry of Information, Communications and Culture (MICC) to run, manage, plan and maintain MKL and MKL premises in accordance with building maintenance standards.

26 APRIL

Collaboration with Sony

TM signed a Memorandum of Understanding (MoU) with Sony (Malaysia) Sdn Bhd to expand and further enrich the strategic collaboration between the two premier brands.



28 April



10 May



23 May



6 May



15 May



28 May

15 MAY

Aid to Single Mother

Under its CSR initiative, Program Sejahtera, Group Corporate Communications with the support of TM staff in Pahang and residents of Kampung Chempaka, Lanchang, Pahang spruced up the home of Puan Nilam Sari Jaafar, one of three single mothers the Company has adopted. The volunteers painted a newly built cooking shed, planted decorative trees and cooked breakfast and lunch for the entire team.

23 MAY

VADS Signs Agreement with Cisco

VADS Berhad (VADS) and Cisco sealed a collaborative agreement to provide telepresence service management to the public and private sectors in Malaysia and the Asian region.

28 MAY

TM rewards 100,000th UniFi customer

In a show of appreciation for its customers' support, TM flew the 100,000th UniFi customer to watch the final League Championship match between Manchester United and Barcelona at Wembley Stadium in London.

28 APRIL

TM launches Team Malaysia

TM, in collaboration with the National Sports Council (MSN) and Olympic Council of Malaysia (MOM), launched the first national sports campaign, Team Malaysia, which aims to rally support for all national athletes. The agreement gives TM exclusive rights to the Panthera jersey and Olympic ring which will be used throughout the campaign, together with rights to market, promote and sell merchandise as well as to produce and distribute merchandise bearing the MSN and MOM logos.

6 MAY

TM Signs Integrity Pact

TM signed a Memorandum of Understanding with the Malaysian Institute of Integrity (MII), pledging to plan, execute, monitor and evaluate the

underlined principles of the National Integrity Plan in the Company, with the collaboration of MII. The MoU was signed by MII President Datuk Dr Mohd Tap Salleh and TM Chairman Datuk Dr Halim Shafie, in the presence of Deputy Prime Minister Tan Sri Dato' Haji Muhyiddin Mohd Yassin.

10 MAY

Shareholders Approve Capital Distribution

TM Chairman Datuk Dr Halim Shafie announced shareholders' approval of all the resolutions presented during the 26th AGM and EGM, including the suggested final gross dividend and capital distribution to shareholders.

1 JUNE**Contemporary TV Channel in Malaysia**

TM collaborated with Media Prima to launch a contemporary TV channel, EMAS, at Sri Pentas. The event was attended by TV personalities from the 1980s and 1990s such as Wan Zaleha Radzi, Nurfarahin Jamsari and Dato' Mahadzir Lokman, while Siti Musliha made a special appearance.

1 JUNE**TM Adopts School for Visually Impaired**

Under the PINTAR programme, TM adopted Sekolah Rendah Pendidikan Khas Pekan Tuaran (SRPKPT) as its first adopted school in Sabah, as well as its first special education school. The school is for blind and visually impaired students.

3 JUNE**TM Sells All Equity in Telekom Smart School**

TM, through its wholly-owned subsidiary Telekom Multi-Media Sdn Bhd, sealed an agreement to transfer all its equity in Telekom Smart School to Digital Technologies Sdn Bhd.

27-30 JUNE**IT and Web Design Programme for Teachers**

As part of its CSR initiatives, Group Corporate Communications in collaboration with TM Training Centre Kuala Lumpur held an IT and Web Design Programme for teachers from TM's adopted schools.

1 JULY**VADS the First Cloud Service Provider**

TM subsidiary VADS Berhad (VADS) signed a technology collaboration agreement with MIMOS to build a platform for VADS' Cloud Computing service, a first for the country.

21 JULY**TM launches Skim Latihan 1Malaysia**

TM launched its latest initiative to enhance the employment potential of Malaysian graduates through Skim Latihan 1Malaysia TM Graduate Employability Outreach Programme, or SL1M TM GEOP.

25 JULY**New Home for VADS**

PT VADS Indonesia, a wholly-owned subsidiary of VADS Berhad (VADS), moved to its own building, Puri VADS, in Melia, Jakarta. TM Group CEO Dato' Sri Zamzamzairani Mohd Isa officially launched the building, witnessed by customers and staff of PT VADS and a few members of TM Management.

28 JULY**UniFi Goes to Melaka**

TM's HSBB service, UniFi, was launched in Melaka earlier than scheduled, by Melaka Chief Minister Datuk Seri Haji Mohd Ali Mohd Rustam, and witnessed by Deputy Minister of Information,

Communications and Culture (MICC) Senator Datuk Maglin Dennis D'Cruz, TM Chairman, Datuk Dr Halim Shafie and Group Chief Financial Officer Datuk Bazlan Osman.

29 JULY**IT&NT Completes First Legacy Platform Migration**

Transmission Network, IT&NT, hosted a closing ceremony in Menara TM to mark the full migration from MLCN to DDN, and completion of AIN and 4 Soft Switch Class. This was the first legacy network migration to be fully completed.





22 August



11 October



1 November



27 September



14 October



29 November

3 AUGUST

TM Collaborates with Google

TM sealed a strategic partnership with Google to offer an online marketing tool - Google AdWords - to SME customers.

22 AUGUST

TM Continues to Support Ops Sikap

TM once again joined forces with the Royal Malaysia Police in the annual road safety campaign held in conjunction with the festive season. The theme this year was *Arriving Safely at Your Destination*.

17-18 SEPTEMBER

Everyone Connects with WFFC

TM Everyone Connects presented the World Freestyle Football Championships (WFFC) at Sunway Pyramid Shopping Centre when Malaysia hosted the new world championship series in an effort to attract sportsmen interested in freestyle football.

27 SEPTEMBER

Introducing TM SmartMap

TM launched a first-of-its kind web-based SmartMap to the SME market. SmartMap

merges TM's digital map with important business data to enable users to perform geo-spatial analysis to support their business decision-making.

11 OCTOBER

VADS chosen as PosLaju ODP partner

TM was awarded a three-year contract by Pos Malaysia Berhad to provide a customer service centre for PosLaju ODP. TM will provide the communications infrastructure for this contact centre while VADS Berhad (VADS) will manage its operations, from equipping the centre with the right technology to recruiting and training the staff.

14 OCTOBER

TM provides HSBB infrastructure to P1

TM and Packet One Networks (Malaysia) Sdn Bhd (P1) teamed up in an effort to expedite the HSBB service to all Malaysians.

1 NOVEMBER

TM to Host Akamai's Netstorage

TM signed a strategic collaboration with leading platform provider Akamai to host Akamai's Netstorage on its network.

20 NOVEMBER

UniFi Goes to Kedah

TM launched UniFi in Kedah earlier than scheduled, in an event officiated by State Government Exco Dato' Ir Haji Amiruddin Hamzah and witnessed by State General Manager of TM Kedah & Perlis Puan Pauziah Taib.

26 NOVEMBER

RM10 Million for Human Capital Development

TM pledged RM10 million for programmes to be coordinated by TM Foundation over the next five years.

29 NOVEMBER

TM Launches School and CR Websites

TM launched websites for five of its PINTAR adopted schools as well as a revamped Corporate Responsibility site on its www.tm.com.my corporate website. It also gave out presents to the winners of a school website design competition held among its PINTAR adopted schools.

Awards & Recognition

11 JANUARY

The BrandLaureate Top Ten Masters Awards 2011

- SMEs' Most Preferred Brand in the Media category – won by TMIM's Yellow Pages

17-19 FEBRUARY

Malaysia Technology Expo 2011

TM R&D won the following Invention & Innovation Awards:

- Gold award for RFID Portracs
- Silver awards for EC0s and RFID Smart Fridge

25 FEBRUARY

PC.Com 11th Product Awards

- Best Fixed Broadband

23 MARCH

The BrandLaureate Country Branding Awards 2010-2011

- won by Menara Kuala Lumpur

24 MARCH

NEF-Awani ICT Awards

- Favourite Telecommunications Company 2010

24 MARCH

Ministry of International Trade and Industry's Industry Excellence Award 2010

- Brand Excellence for Multimedia University

13 APRIL

Frost & Sullivan Malaysia Excellence Awards

- Broadband Service Provider of the Year
- Data Communications Service Provider of the Year
- Managed Service Provider of the Year
- Managed Security Service Provider of the Year – VADS Berhad

7 MAY

Labour Day Celebrations 2011

- Outstanding Employee (Executive)
- Outstanding Employee (Non-Executive)
- Best Slogan

NACRA AWARDS 2011

- Most Outstanding Annual Report of the Year – Platinum Award
- Industry Excellence Award – Trading & Services
- Best Corporate Social Responsibility Award – Silver Award
- Best Designed Annual Report – Silver Award
- Best Annual Report in Bahasa Malaysia – Silver Award

