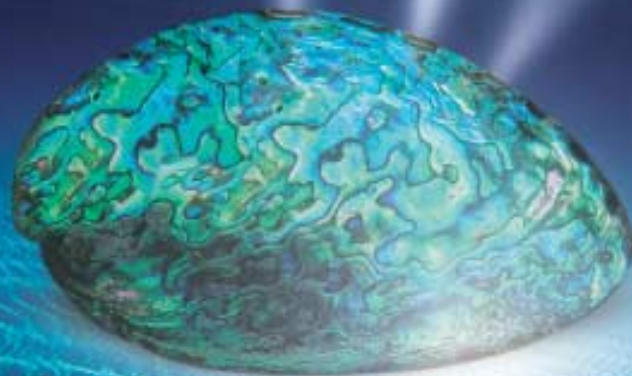




Unleashing potential...





...Creating value



**pau•a [pou-uh]—noun**

Paua or pāua is the Maori name given to three species of large edible sea snails, marine gastropod molluscs, which belong to the family Haliotidae (genus Haliotis).

New Zealand's most well-known paua species is *Haliotis iris*. It is also the most common species, growing up to 18 cm in length. What sets it apart is its distinctive iridescent colour.



## About the cover

# Unleashing Potential...

In everything there lies a seed, which has the capacity to be something better. However, to truly effect transformation something more than a mere stimulus is required. That something is a focus, a mission, a goal. To get there one must have deep understanding of one's true potential. Only then can that potential be recognised and then unleashed.

# Creating Value

Change is good. It is driven by a desire for improvement. It is powered by excellence. It banishes complacency and apathy with creativity and energy. It inspires people to push further and become something better. It gives potential a chance to be unleashed. But best of all, it rewrites the written, removes obstacles and destroys barriers.

Change is the herald of new beginnings, allowing for the opening up of possibilities and the unleashing of potential towards the creation of value.







An underwater photograph showing a vibrant coral reef. The water is clear and blue, with sunlight filtering through from the surface. In the foreground, there are large, textured coral structures. Several small fish are visible swimming around the reef. The overall scene is serene and colorful.

## A Unique Creature

The Paua is possibly one of nature's most enigmatic of creatures. To the ordinary eye it is a large mollusc that spends its existence unobtrusively nibbling away at seaweed. The Paua is in fact a highly sought-after delicacy, its iridescent shell stunningly beautiful and radiant, equally so its rare and unique blue pearl. When it comes to the humble Paua, the surface belies what lies underneath.

## A Unique Company

TM has been instrumental in the development of Malaysia since its early days as The Department of Telecommunications. As a Company, we are now the nation's largest telecommunications provider, and more. From having the largest fibre-optic network to offering a diverse portfolio of products and services, TM is a name everyone knows. Going beyond connectivity, we permeate nearly every strata of society through our educational, corporate, community and social roles. Having spread our wings beyond our shores, we are now one of Asia's leading telecommunication companies.

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### OUR VISION

Our vision is to be the Communications Company of choice – focused on delivering Exceptional Value to our customers and other stakeholders.

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### OUR MISSION

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

- Be the recognised leader in all markets we serve
- Be a customer-focused organisation that provides one-stop total solutions
- Build enduring relationships based on trust with our customers and partners
- Generate shareholder value by seizing opportunities in Asia Pacific and other selected regional markets
- Be the employer of choice that inspires performance excellence

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TELEKOM MALAYSIA BERHAD (128740-P)

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## Notice of Annual General Meeting

**Date:**

17 April 2008, Thursday

**Time:**

10.00 a.m.

**Venue:**

Multi Purpose Hall, Menara TM, Jalan Pantai Baharu  
50672 Kuala Lumpur, Malaysia



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CHAIRMAN'S STATEMENT [➔](#)



# 23<sup>rd</sup>

**NOTICE IS HEREBY  
GIVEN THAT THE  
TWENTY-THIRD (23RD)  
ANNUAL GENERAL  
MEETING OF THE  
COMPANY WILL BE  
HELD ON THURSDAY,  
17 APRIL 2008  
AT 10:00 A.M., AT  
MULTI PURPOSE HALL,  
MENARA TM,  
JALAN PANTAI BAHARU,  
50672 KUALA LUMPUR,  
MALAYSIA, FOR THE  
FOLLOWING PURPOSES:-**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2007 together with the Reports of the Directors and Auditors thereon. **(Ordinary Resolution 1)**
2. To declare a final gross dividend of 22 sen per share (less 26% Malaysian Income Tax) in respect of the financial year ended 31 December 2007. **(Ordinary Resolution 2)**
3. To re-elect Datuk Zalekha Hassan who was appointed to the Board during the year and retire pursuant to Article 98(2) of the Company's Articles of Association. **(Ordinary Resolution 3)**
4. To re-elect the following Directors, who retire by rotation pursuant to Article 103 of the Company's Articles of Association:-
  - (i) Dato' Ir Dr Abdul Rahim Daud **(Ordinary Resolution 4)**
  - (ii) YB Datuk Nur Jazlan Tan Sri Mohamed **(Ordinary Resolution 5)**
  - (iii) Dato' Azman Mokhtar **(Ordinary Resolution 6)**
5. To approve the payment of Directors' fees of RM720,492.91 for the financial year ended 31 December 2007. **(Ordinary Resolution 7)**
6. To re-appoint Messrs. PricewaterhouseCoopers having consented to act as Auditors of the Company for the financial year ending 31 December 2008 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

## **AS SPECIAL BUSINESS**

To consider and if thought fit, to pass the following Resolutions:-

7. (i) **Authority under Section 132D of the Companies Act, 1965 for the Directors to allot and issue shares**

"THAT pursuant to Section 132D of the Companies Act, 1965 (the Act), full authority be and is hereby given to the Directors to issue shares in the capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued, does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities, where such approval is necessary."

**(Ordinary Resolution 9)**



(ii) **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT in accordance with paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), approval be and is hereby given for Telekom Malaysia Berhad (the Company) and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in APPENDIX I of the Circular to Shareholders despatched together with the Company's 2007 Annual Report, which are necessary for the day-to-day operations provided such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on an arm's length basis, on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company (Proposed New Shareholders' Mandate);

THAT such approval shall continue to be in full force and effect until:

- (a) the conclusion of the next Annual General Meeting of the Company at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (b) the expiration of the period within which the Company's next Annual General Meeting is required to be held under Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed under Section 143(2) of the Companies Act, 1965; or
- (c) revoked or varied by resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier;

AND THAT the Board of Directors of the Company be and is hereby authorised to complete and do all such acts, deeds and things (including executing such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) to give effect to the Proposed New Shareholders' Mandate." **(Ordinary Resolution 10)**

(iii) **Proposed Amendments to the Articles of Association of the Company**

"THAT the Articles of Association of the Company be and are hereby altered, modified, added and deleted in the form and manner as set out in APPENDIX II of the Circular to Shareholders despatched together with the Company's 2007 Annual Report.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as are necessary and/or expedient in order to give full effect to the Proposed Amendments to the Articles with full powers to assent to any conditions, modifications and/or amendments as may be required by any relevant authorities." **(Special Resolution)**

8. To transact any other business of the Company of which due notice has been received.

## Notice of Annual General Meeting

---

**FURTHER NOTICE IS HEREBY GIVEN THAT** a Depositor shall be eligible to attend this meeting only in respect of:-

- (a) Shares deposited into the Depositor's Securities Account before 12:30 p.m. on 8 April 2008 (in respect of shares which are exempted from Mandatory Deposit);
- (b) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 8 April 2008 (in respect of Ordinary Transfer); and
- (c) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

Shareholders are reminded that pursuant to the Securities Industry (Central Depositories) (Amendment No. 2) Act, 1998 (SICDA) which came into force on 1 November 1998, all shares not deposited with Bursa Malaysia Depository Sdn Bhd (Bursa Depository) by 12:30 p.m. on 1 December 1998 and not exempted from Mandatory Deposit, have been transferred to the Minister of Finance (MOF). Accordingly, the person eligible to attend this Meeting for such undeposited shares will be the MOF.

### **NOTICE ON ENTITLEMENT AND PAYMENT OF FINAL DIVIDEND**

**NOTICE IS ALSO HEREBY GIVEN THAT** subject to the approval of Members at the 23rd Annual General Meeting to be held on 17 April 2008, a final dividend of 22 sen (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007 will be paid on 15 May 2008 to Depositors whose names appear in the Record of Depositors on 24 April 2008.

**FURTHER NOTICE IS HEREBY GIVEN THAT** a Depositor shall qualify for entitlement to the dividends only in respect of:

- (a) Shares deposited into the Depositor's Securities Account before 12:30 p.m. on 22 April 2008 (in respect of shares which are exempted from Mandatory Deposit);
- (b) Shares transferred into the Depositor's Securities Account before 4:00 p.m. on 24 April 2008 (in respect of Ordinary Transfers); and
- (c) Shares bought on the Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Securities.

Shareholders are reminded that pursuant to SICDA, all shares not deposited with Bursa Depository by 12:30 p.m. on 1 December 1998 and not exempted from Mandatory Deposit, have been transferred to the MOF. Accordingly, the dividend for such undeposited shares will be paid to MOF.

By Order of the Board

**Wang Cheng Yong** (MAICSA 0777702)

**Zaiton Ahmad** (MAICSA 7011681)

*Secretaries*

Kuala Lumpur  
26 March 2008



### NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A Proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. A Member shall not be entitled to appoint more than two (2) proxies to attend and vote at the Meeting provided that where a Member of the Company is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.
3. Where a Member appoints two (2) proxies, the appointments shall be invalid unless the proportion of the holding to be represented by each proxy is specified.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly appointed under a power of attorney or if such appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly appointed under a power of attorney. If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "*signed as authorised officer under an Authorisation Document which is still in force, no notice of revocation have been received*". If the Proxy Form is signed under the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "*signed under a Power of Attorney which is still in force, no notice of revocation have been received*". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the Proxy Form.

5. A corporation which is a Member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Article 92 of the Company's Articles of Association.
6. The instrument appointing the proxy together with the duly registered power of attorney referred to in Note 4 above, if any, must be deposited at the office of the Share Registrars, Tenaga Koperat Sdn Bhd, G-01 Ground Floor, Plaza Permata, Jalan Kampar, Off Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

Detailed information on the proposed new shareholders' mandate is set out in Appendix I of the Circular to Shareholders despatched together with the Company's 2007 Annual Report.

- (iii) The proposed Special Resolution, if passed, will bring the Articles of Association of the Company in line with the recent amendments of the Listing Requirements of Bursa Securities, the provisions of the Capital Markets and Services Act, 2007 as well as for better clarity and administrative efficiency.

Detailed information on the proposed amendments to the Articles of Association of the Company is set out in Appendix II of the Circular to Shareholders despatched together with the Company's 2007 Annual Report.

### EXPLANATORY NOTES ON SPECIAL BUSINESS

- (i) The proposed Ordinary Resolution 9, if passed, will give the Directors of the Company authority to issue and allot shares for such purposes as the Directors in their absolute discretion consider to be in the interest of the Company, without having to convene a general meeting. This authority unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.
- (ii) The proposed Ordinary Resolution 10, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions with related parties in the ordinary course of business which are necessary for the Group's day-to-day operations and are on terms not more favourable to the related parties than those generally available to the public and shall lapse at the conclusion of the next Annual General Meeting unless authority for its renewal is obtained from shareholders of the Company at a general meeting.

## DIRECTORS RANKING FOR RETIREMENT AND RE-ELECTION AT THE

# 23<sup>rd</sup>

## ANNUAL GENERAL MEETING

The following are Directors retiring pursuant to Article 98(2) and Article 103 of the Company's Articles of Association:-

### **Article 98(2): Retirement after appointment to fill casual vacancy**

1. Datuk Zalekha Hassan

### **Article 103: Retirement by rotation**

1. Dato' Ir Dr Abdul Rahim Daud
2. YB Datuk Nur Jazlan Tan Sri Mohamed
3. Dato' Azman Mokhtar

The respective profiles of the above Directors are set out in the Profile of the Board of Directors on pages 72 to 74 inclusive, of this Annual Report. Their securities holdings in the Company and its related corporation are disclosed on page 413 of this Annual Report.

### **Note:**

Dato' Sri Abdul Wahid Omar, the Director/Group Chief Executive Officer who is due for retirement by rotation pursuant to Article 103 of the Company's Articles of Association at this 23rd Annual General Meeting, has indicated his intention not to seek re-election as a Director of the Company. Dato' Sri Abdul Wahid shall therefore, retire as a Director upon the conclusion of the 23rd Annual General Meeting. However, he shall remain as the Group Chief Executive Officer of the Company.



## 23 February 2007

Announcement of the audited consolidated results and the proposed final dividend of 30 sen per share (less 27% Malaysian Income Tax) for the financial year ended 31 December 2006.

## 8 May 2007

22nd AGM followed by the Extraordinary General Meeting (EGM) of the Company.

## 14 May 2007

Date of entitlement to the final dividend of 30 sen per share (less 27% Malaysian Income Tax) for the financial year ended 31 December 2006.

## 12 June 2007

Date of payment of the final dividend of 30 sen per share (less 27% Malaysian Income Tax) for the financial year ended 31 December 2006.

## 26 July 2007

Announcement of the unaudited consolidated results for the 2nd quarter ended 30 June 2007 and the declaration of an interim dividend of 26 sen per share (less 27% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 20 August 2007

Date of entitlement to the interim dividend of 26 sen per share (less 27% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 4 September 2007

Date of payment of the interim dividend of 26 sen per share (less 27% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 7 November 2007

Announcement of the unaudited consolidated results for the 3rd quarter ended 30 September 2007.

## 10 December 2007

Declaration of a special dividend of 65 sen per share (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 18 January 2008

Date of entitlement to the special dividend of 65 sen per share (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 31 January 2008

Date of payment of the special dividend of 65 sen per share (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 20 February 2008

Issuance of Notice of EGM.

## 26 February 2008

Announcement of the audited consolidated results and the proposed final dividend of 22 sen per share (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 6 March 2008

EGM of the Company.

## 26 March 2008

Issuance of Notice of the 23rd AGM together with the Annual Report for the financial year ended 31 December 2007 and Circular to Shareholders.

## 17 April 2008

23rd AGM of the Company.



## 24 April 2008

Date of entitlement to the final dividend of 22 sen per share (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007.

## 15 May 2008

Date of payment of the final dividend of 22 sen per share (less 26% Malaysian Income Tax) for the financial year ended 31 December 2007.

# Bright young sparks in TM's e-learning contest

WINNERS of Telekom Malaysia's 2007 e-learning contest, which was held in conjunction with the 10th anniversary of the company, received their prizes recently.

The competition, which ran for two weeks, was aimed at increasing the use of the LCM3 application by exposing students and teachers to the advantages of using e-learning tools. LCM3 or Learning Content Management system was introduced through the TM e-learning project, which was launched in April. A total of 28 groups from three schools (Mawardi East School, Kuala Lumpur; SM BHJ, Selangor; and SM Al-Farooq II, Shah Alam) participated. Each group

had a teacher, Shazali Yusoff and his students from SM BHJ took over the first prize win.

Second prize went to E. Muzammil and his team from MBS while the hidden potential of our students through the use of technology technology, TM chief executive officer Malaysian Business

of the first prize winners, receiving prizes, certificates, and cash awards.

"This was despite the fact that the participating schools were just starting their e-learning journey and learning facilities among school organisations through programmes like this."

Zamrudatun Mubal said at the prize-giving ceremony.

"We have fulfilled our objective while creating interest in using online learning and learning facilities among school organisations through programmes like this."

of the first prize winners, receiving prizes, certificates, and cash awards.

"This was despite the fact that the participating schools were just starting their e-learning journey and learning facilities among school organisations through programmes like this."

# Dialog commended at GSM Global Mobile Awards

Dialog Telekom Sri Lanka's flagship telecommunications company has received a Commendation Award from the GSM Association at the GSM Global Mobile Awards in Barcelona, Spain this week.

Dialog Telekom together with its technology partners - leading Sri Lankan Software Developer Micromage, and the Dialog - University of Moratuwa Mobile Communications Research Laboratory have been commended in the category of 'Best Use of Mobile for Social & Economic Development', the same category in which Nokia, China Mobile, Grameen Phone and the



International Trade Centre (UNCTAD / WTO) also participated.

Dialog Telekom already has the distinction of having won three consecutive awards at the GSM World Awards popularly referred to as the "Mobile Oscars", for technological innovations that benefit so



Rob Conway, CEO of the GSM Association said, "The 2007 Awards attracted the greatest number of entries in the 12 year history of the competition. To be recognised for excellence at this level is an achievement which you can be justifiably proud. My congratulations on behalf of the GSMA - we wish you every continued success."

# MMU celebrates a decade of success

ALTIMEDIA University (MMU) recently celebrated its 10th year anniversary on a moderate scale but without compromising its innovative reputation. It lived-up its slogan "Brains,

encompassing academic personalities from Singapore, Australia, Korea, and Malaysia. The official launching was graced by Datuk Mustapha Mohamed, the Minister of Higher Education who also

reflects the quality of MMU students. "A person from MMU, by the name of Yap stood up and spoke in a meeting among staff and students of IPTA and IPTS. And his ideas and presentation were so impressive that a

representative immediately took a job during the said session has done extremely well in a staff and students." "I was received with a big warm from the audience who was amazed. As a keynote address, the minister around the Grand Hall look- ing at the R&D exhibits before heading to some refreshment.



# Celcom does its bit for flood-hit victims



Shazali (third from right) and the Celcom team handing over the cheque to Najib.

CELCOM (M) Berhad has handed over a cash donation totalling over RM175,000 to Kumpulan Wang Amanah Bantuan Bencana Negara. The donation was collected through a short mesoraz-

tion to Deputy Prime Minister Datuk Seri Najib Tun Razak in an event held recently. Besides the SMS charity drive, 40 Celcom Care employees visited emergency relief centres in the

# TM to spend RM75m on social programme

TELEKOM Malaysia Bhd will spend RM75 million on its corporate social responsibility programme this year, its group chief executive officer, Datuk Abdul Wahid Omar, said.

Its CSR initiative will cover education, sports development and community and nation-building. Speaking to reporters after the launching of the TM CSR theme "Reaching Out" and scholarship award ceremony yesterday, he said two-thirds from the RM75 million would be for education.



REACHING OUT: (From left) Second Finance Minister, Tan Sri Nor Mohamed Yakcop, Abdul Wahid, Datuk Seri Najib Razak and TM chairman, Tan Sri M. R. Radzi Mersan at the launch yesterday.



(From right) Deputy Chief Minister Datuk Seri Abdul Razak Abdullah, TM Group chairman Tan Sri M. R. Radzi Mersan, TM Group chief executive officer Datuk Abdul Wahid Omar, SM Al-Farooq II, Shah Alam principal Aisling O'Connell and SM Al-Farooq II, Shah Alam principal Aisling O'Connell during the launch of the phone donation at SM Al-Farooq II, Shah Alam, yesterday.

# Telekom Malaysia pledges RM400,000 to two schools

BERTUJUKAN Telekom Malaysia Bhd (TM) through a donation of RM400,000 to two schools less yesterday when it pledged RM400,000 to the Pinar programme. The money will go to SM Bahari Indira Mahal and SM Seri Pinnang being adopted by the company over a three-year period. Both schools are in a low-income area.

TM's initiative started in February when it equipped the schools with 21 computers each. The Pinar programme, the

initiative of Prime Minister Datuk Seri Abdullah Ahmad Badawi, is aimed at helping poorer Malaysians, including beneficiaries, improve themselves through education. To date, 58 government-linked organisations have pledged to adopt 62 schools in Seremban. TM chairman Tan Sri M. R. Radzi Mersan said the company's participation in the programme was part of its corporate social responsibility. "TM's aim is to create greater awareness among these students on the impor-

tance of good academic achievements to ensure they can enjoy better living standards in future. "We also want to ensure that these students are not left behind when compared with those in other schools," M. R. Radzi said in his speech at the launching of the programme by Deputy Chief Minister Datuk Seri Abdul Razak Abdullah Ahmad Badawi, SM Bahari Indira Mahal.

M. R. Radzi said TM group chief executive officer Datuk Abdul Wahid Omar, Seremban, said SM Seri Pinnang.

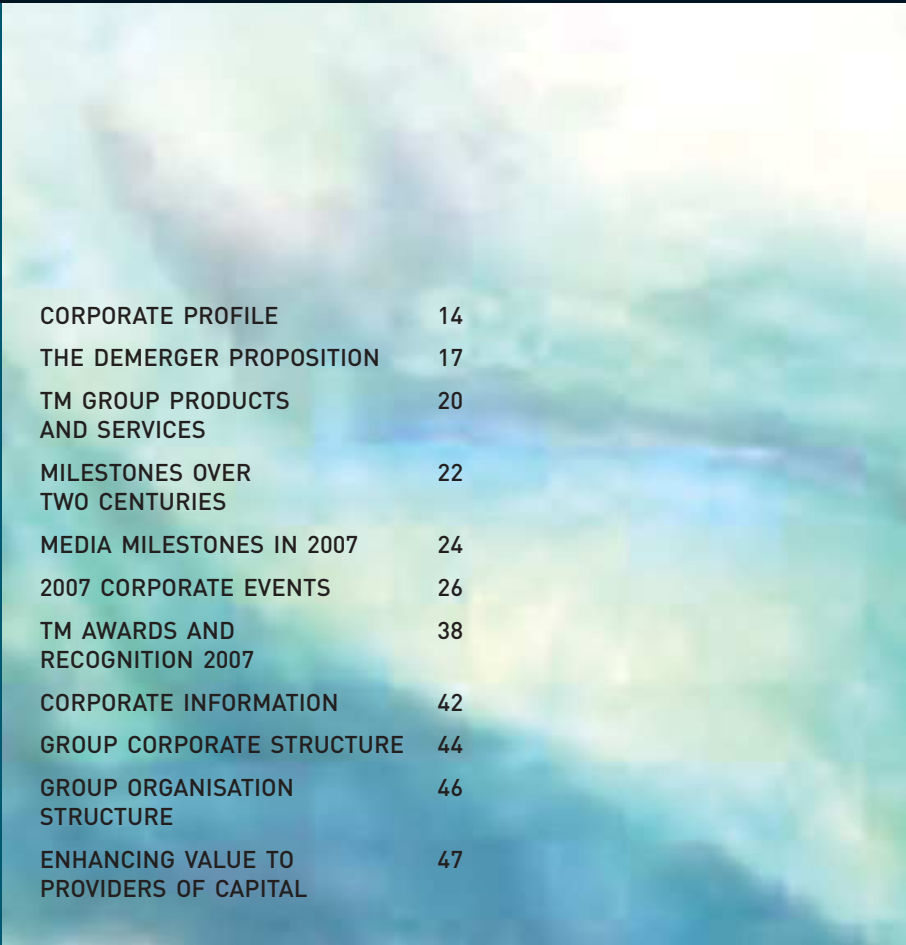
March 31, 2007, TM posted a higher pre-tax profit of RM846.7 million compared with RM842.09 million in the same quarter 2006. Its revenue rose to RM4.181 billion from RM3.787 billion due to higher revenue contribution from mobile, data and Internet and multimedia segments. — Remana




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# Corporate Framework

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FROM ITS EARLY DAYS AS THE MALAYAN TELECOMMUNICATIONS DEPARTMENT IN 1946, TM CHARTED A GROWTH PATH THAT SAW ITS CORPORATISATION IN 1987, INITIAL PUBLIC OFFERING AND LISTING ON BURSA SECURITIES IN 1990, ITS EVOLUTION AS A COMPANY WITH A RECORD FINANCIAL PERFORMANCE IN ITS COUNTRY OF DOMICILE AS WELL AS AN EXPANDING FOOTPRINT IN ASIA AND ELSEWHERE, AND THE LAUNCH OF A NEW BRAND IDENTITY IN 2005. OVER THE YEARS, TM HAS EVOLVED TO BECOME THE LARGEST INTEGRATED TELECOMMUNICATIONS SOLUTIONS PROVIDER IN MALAYSIA AND ONE OF ASIA'S LEADING COMMUNICATIONS COMPANIES. TM'S SUCCESS AND GROWTH HAS BEEN REMARKABLE, GIVEN THE HIGHLY-COMPETITIVE ENVIRONMENT IN WHICH IT OPERATES. WITH A CURRENT GROUP STAFF STRENGTH IN EXCESS OF 36,000 WITH OPERATIONS AND INTERESTS IN 13 COUNTRIES, TM IS FOCUSED ON BEING A RECOGNISED LEADER IN ALL ITS MARKETS, DELIVERING EXCEPTIONAL VALUE TO ITS CUSTOMERS AND ACHIEVING SUSTAINABLE GROWTH IN BOTH LOCAL AND INTERNATIONAL MARKETS.



As an integrated telecommunications company, TM offers a comprehensive range of communication services and solutions in fixed line, data, mobile and Internet, and multimedia. Supporting this extensive range of products and services is a world-class communications infrastructure, spanning the entire country and going beyond Malaysian shores. In facilitating regional and international telecommunications, TM has in place an extensive combination of satellite, terrestrial and submarine fibre-optic cable systems to deliver both domestic and international data services.

In August 2006, TM implemented the second phase of its corporate re-organisation that saw the creation of a Strategic Business Unit called Malaysia Business to consolidate all domestic fixed services and align businesses with a common agenda. Incorporating TM Retail, TM Wholesale and TM Net Sdn

Bhd, Malaysia Business focuses on TM's fixed line and data, as well as Internet and multimedia businesses. As at 31 December 2007, TM's fixed services customers stood at 5.7 million, inclusive of fixed line, Internet and multimedia.

TM's mobile arm, Celcom (Malaysia) Berhad (Celcom), is Malaysia's premier mobile communications provider. Celcom has steadily made its presence felt in the market through its innovations, which have raised industry standards and provided product and service benchmarks in the country. Celcom was the first mobile operator in Malaysia to launch 3G services commercially. Leveraging on its partnership with Vodafone, Celcom launched the Vodafone Mobile Connect 3G Broadband (HSDPA) data card and Blackberry by Vodafone which extends the product offerings to its growing subscriber base. The Company also launched PowerTools for the enterprise market, formed an alliance with online search engine Google, and joined hands with Maybank to introduce Malaysia's first mobile financial services, the Maybank2u Mobile Service. As at 31 December 2007, Celcom's customer base stood at 7.2 million.

In its quest for future and sustainable growth, TM is focused on continued regional expansion in markets closer to home. Today, TM is an emerging leader in Asian communications with operations and interests in the region and globally. Together with its mobile operations in Malaysia, TM's regional mobile customer base stood at 39.8

million as at end of 2007. Apart from Malaysia, TM has nine key markets within Asia: Indonesia, Singapore, Cambodia, Thailand, Bangladesh, Pakistan, India, Sri Lanka and Iran, with businesses focusing mainly on the mobile segment. TM's investment philosophy is to play an active role in its international operations (where it has management control), with the aim of building value in its investments by hiring and developing local talents, sharing expertise, knowledge and best practices, contributing to infrastructure development in the countries in which it has investments, as well as providing opportunities for wealth creation among the local population. Evidence of this can be found in the highly-successful listing of TM's pioneer investment in Sri Lanka, Dialog Telekom Limited (Dialog) on the Colombo Stock Exchange in July 2005. With a market capitalisation exceeding US\$1 billion. Dialog was the largest Initial Public Offering in Sri Lanka's corporate history. The successful listing of Dialog provided the opportunity for local ownership of a well-run company and the sharing of the Company's wealth with the Sri Lankan public. Dialog continues to lead the mobile industry in Sri Lanka with a market share of more than 60%.

Complementing its investment forays abroad, the international arm of TM's wholesale business, TM Global, provides a wide array of voice, international bandwidth, IP and data services capacity across six continents, namely Asia, Europe, the Americas, Oceania, Middle East and Africa. In the ASEAN region, TM Global has business tie-ups and



arrangements with telcos in Singapore, Philippines, Brunei, Indonesia, Thailand, Myanmar, Cambodia, Laos and Vietnam. TM Global has also set up Global IP Nodes in Singapore, Hong Kong, Japan, UK, US, Netherlands, Egypt, Bahrain and Indonesia, while Sri Lanka and Pakistan Global IP Nodes were in progress in 2007.

Meanwhile, on 28 September 2007, TM proposed to undertake a demerger exercise to separate its mobile and fixed businesses currently managed as one, into two business entities as follows:

- FixedCo (TM) – This entity would retain TM’s domestic interests in fixed-line voice, data and broadband and other non-telecommunication related services under TM Ventures.
- RegionCo (TM International) – This entity would include all TM’s mobile and overseas operations under TM International, and domestic mobile operations under Celcom (Malaysia) Berhad. The demerged entity would then seek a separate listing.

This move would create two leading communication companies, each clearly focused on its own core business or core competency. One will be positioned as a champion of regional mobile services, and the other a leader in domestic fixed services including high-speed broadband.

On 10 December 2007, TM unveiled the final terms of the demerger which would ensure the Group continued to derive greater shareholder value from both businesses, and ultimately benefit all its stakeholder communities.

As a leading Company, TM remains committed to the principles of Corporate Responsibility through its various stakeholder activities and projects, significantly contributing towards the national agenda and the communities where it has a presence. In this, TM is driven by a belief that good Corporate Responsibility is a fundamental tenet of good Corporate Governance. Besides running a sustainable enterprise in line with international best practices, TM fulfils its corporate responsibility towards the community via three major platforms, i.e. education, sports development and community and nation-building. In Education, TM has invested considerably in establishing and growing the internationally-recognised Multimedia University into one of the top private universities in Malaysia with more than 20,000 students enrolled in 2007. As part of capacity-building, TM provides scholarships to deserving students. More than 10,000 graduates have benefited from TM scholarships since 1994. On the Sports Development front, TM is involved in the promotion and strengthening of football at all levels, while under the Community and Nation-Building platform, the Group contributes towards causes that bring tangible benefits to society and the nation at large.



On September 28, 2007, TM's Board of Directors approved the proposal for a strategic demerger exercise which was designed to lay the foundations for the Group's continued success. A year before, TM had begun to address the performance issues of its domestic fixed-line business which was facing revenue decline, and its mobile operations in Malaysia, which suffered from intense competition. A Performance Improvement Programme (PIP) was launched to improve operational efficiencies at all levels in August 2006. TM executed a number of programmes to bring about real and positive change – from the top, to the front-liners, by way of employee-engagement and productivity-enhancement exercises. Under PIP, TM also undertook a restructuring exercise to consolidate and strengthen its domestic operations under a new Strategic Business Unit called Malaysia Business whose team would focus on arresting fixed-line revenue decline and maximise operational synergies across the organisation.

The PIP initiatives resulted in an enhanced performance of TM's core businesses in fixed and mobile operations and demonstrated that a sharper focus on each core competency would yield desired results. Demerger to further rationalise both operations was inevitable as the next step. The proposition was to demerge TM's operations into two separate legal entities – FixedCo (TM) and RegionCo (TM International) – each with its own leadership and teams and growth strategies independent of one another, with the ultimate objective being to improve operational excellence and deliver better shareholder value. FixedCo would retain the listed TM's domestic interests in fixed-line voice, data and broadband and other non-core services under TM Ventures. RegionCo, on the other hand, would group TM's regional mobile operations under TM International, and domestic mobile operations under Celcom, and pursue listing status as a separate entity. Both companies would have the freedom to chart their own growth while standing on their individual merits with distinct investment-value propositions.

## Facts at a Glance

### HSBB – The Next Generation

To propel Malaysia into a digital economy

- A **RM15.2 billion** project over 10 years in partnership with the Government of Malaysia
- To connect **2.2 million** premises with high-speed Internet access
- To help achieve the national objective of **50%** household broadband penetration by 2010

TM's aspirations were for FixedCo to focus on growing the domestic broadband market even as it continued to boost performance for fixed voice and data. In this regard, FixedCo was to collaborate with the Government of Malaysia to roll out high speed broadband (HSBB) services. While FixedCo was well positioned as a leader in the domestic market, RegionCo would emerge as a regional mobile champion leveraging on its assets and expanding and increasing its footprint across Asia and other emerging markets.

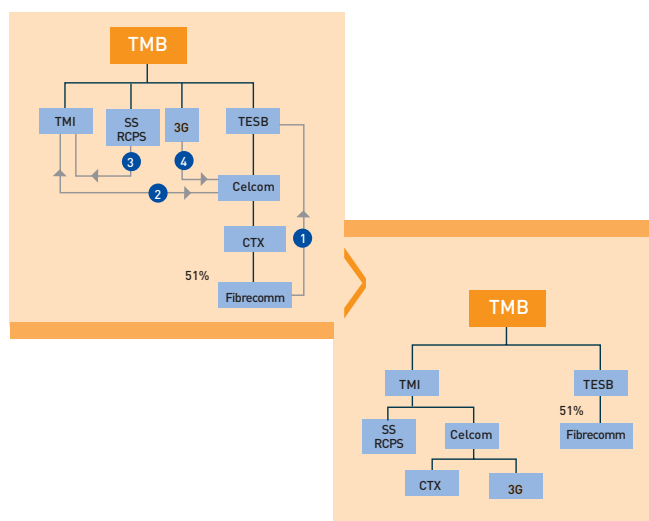
## DEMERGER TRANSACTION STEPS

1. The first step involves an internal restructuring exercise which will group all TM's mobile and overseas businesses under TM International;

### Demerger Transaction Step 1:

#### Internal Restructuring / Asset Transfers

Objective – To group all mobile assets under TMI, and to ensure ownership of fixed business under TM



All wholly-owned unless otherwise stated

1. Fibrecomm<sup>1</sup> to be transferred by Celcom (Malaysia) Berhad ("Celcom") to MB for RM33 million (at book value)
2. Telekom Enterprise Sdn Bhd ("TESB") to transfer Celcom to TMI for RM4,677 million (at cost of investment)
3. Sunshare RCPS<sup>2</sup> to be transferred to TMI for RM141 million (at book value)
4. TMB to transfer 3G licence to Celcom for RM40 million (at book value). Consideration is paid by Celcom in cash
5. Settlement of amount owing from TMI to TMB of RM3,041 million

#### Notes:

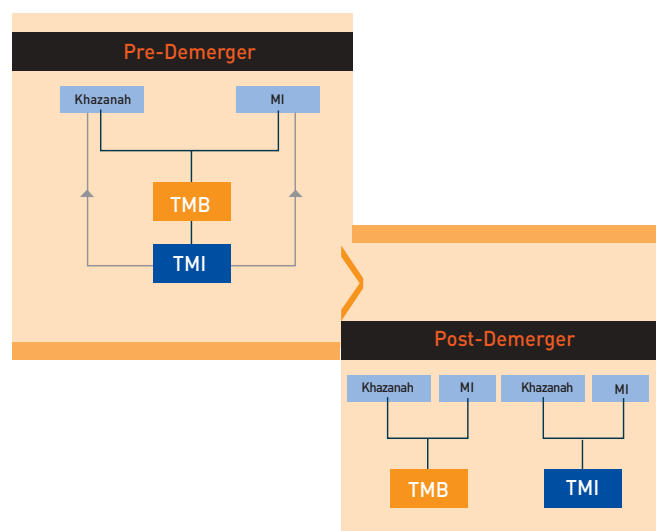
1. Fibrecomm is 51% owned by Celcom via Celcom Transmission (M) Sdn Bhd ("CTX"). Principally engaged in provision of fibre optic transmission network service.
2. SunShare Investment Ltd, a jointly-controlled entity with primary investment in MobileOne Ltd. TMB holds redeemable preference shares ("RCPS") in SunShare with 51% economic interest, notwithstanding its TMB's 80% equity interest therein.

2. The second step sees the separation of the fixed-line and mobile businesses into 'TM International Group' and 'TM Group'.

### Demerger Transaction Step 2:

#### TMI Share Distribution to TM Shareholders

Objective – To distribute shares in TM International to existing shareholders of TM in the ratio of 1:1, as a result of which, TMI will cease to be a subsidiary of TM



- Distribution
  - > Distribution via special dividend on a one share of TMI for every one share in TM
  - > This approach has been adopted as it provides the highest degree of transaction certainty and reduces execution complexity
- Listing
  - > TMI to be listed separately

With the completion of the share distribution, TM International ceases to be a subsidiary of TM and effectively demerged from TM.



### THE METAMORPHOSIS

The complex exercise of demerger was simplified for TM's key stakeholders by open and transparent communications from the onset. Through regular disclosure and dialogue, TM articulated the rationale and benefits, and shared the process and way forward post-demerger plans. Demerger involved two key stages of transition. The first stage called for an internal restructuring exercise to group all TM's mobile and businesses under TM International, while the second stage focused on separation of the fixed-line and mobile businesses into 'TM International Group' and 'TM Group' respectively.

As at end December 2007, the demerger process was on track and key deliverables already in place. The first quarter of 2008 saw regulatory and compliance activities in progress, including submissions for approval to the Malaysian Communications and Multimedia Commission, the Securities Commission, Foreign Investment Committee and Bursa Securities. TM obtained its shareholders' approval to proceed with the demerger exercise at an Extraordinary General Meeting (EGM) held on 6 March 2008.

A Demerger Program office headed by Khairussaleh Ramli was set up to manage the demerger exercise. The demerger is targeted for completion at the end of the second quarter of 2008, when TM International is expected to be listed. With that, the TM Group will effectively move forward as two different companies, each with their own value proposition.

### TM: MALAYSIA'S LEADING NEXT GENERATION COMMUNICATIONS PROVIDER

TM, optimising on its strengths of 95% and 96% market share in the fixed-line and broadband businesses respectively, intends to focus on new business segments as its growth engine, namely broadband, global business and wholesale.

With a commitment to embrace customer needs through innovation and execution excellence, TM will capitalise on consumer demand and growth opportunities through upstream partnerships and deploying differentiated service offerings under High Speed Broadband in the downstream consumer segment. It will also focus on the small-medium enterprise (SME) market, as well as enhance international connectivity within the region to establish Malaysia as a regional Internet hub and digital gateway for South-East Asia.

In the long-term, TM will drive HSBB as an important engine for national growth.

### TM INTERNATIONAL: THE LEADING MOBILE OPERATOR IN SOUTH & SOUTH-EAST ASIA BY 2015

TM International is on a new growth trajectory by aiming to expand its footprint beyond the existing 10 countries where TM has a presence and where the mobile subscriber base is about 39.8 million. To strengthen its position in high-growth markets in South Asia and South-East Asia, TM International will be considering strategic collaborations with existing and new partners especially to facilitate a mutual exchange of resources, technology and international best practices.

TM International has great aspirations for Celcom to make it a player capable of contributing significantly to the growth of TM International across the region. With its track record and strong position in mobile operations in Malaysia, Celcom will anchor TM International and provide continuing technological, brand and marketing leadership through access to product and service innovations and offerings.

In conclusion, TM Group is determined to continue its evolution as one of Malaysia's foremost companies, by providing the impetus to the growth of two companies which will build on Malaysia's telecommunications legacy separately and independently, as well as achieve prominence at home and leadership in the region. Demerger is a strategic exercise whose value proposition is to deliver tangible benefits to all TM stakeholders far and wide with a new vision and renewed energy.



## MALAYSIA BUSINESS

### TM RETAIL

#### Voice Products

- Home Line
- Business Line
- Infoblast
- One Number Services
- Malaysia Direct
- iTalk
- TM Calling Card

#### Data Products

- VPN
- Coins VPN
- Global VPN
- IPVPN
- Metro-E
- Managed Services

#### Solution Added Services

- Conferencing Services

#### Access Services

- Business Broadband
  - SOHO
  - 11P
  - 51P
- 1515
- 1525
- EZnet 1315
- Streamyx
- Streamyx Hotspot

#### Application Services

- e-health
- e-secure
- e-biz
- e-hotel
- e-Mall
- e-supply chain
- e-surveillance
- Hosting services
- Webmail

#### Value Added Services

- Global Roaming
- Corporate Roaming
- Xfilter E-scan
- Online Guard
- Powersurf
- Virus Shield & Anti-Spamming
- Xfilter Ishield
- X-blocker

#### Content Services

- Bluehyppo.com
- Netmyne
- Hypp.tv

### TM WHOLESALE

#### Traffic Minutes

- Public Switched Terminal Network (PSTN)
- Voice-over Internet Protocol (VoIP)
- Domestic Interconnect
- International Interconnect

#### Access Services

- Narrowband (Payphone)
- Broadband (DSL, Fixed, Fixed Wireless)

#### Bandwidth Services

- Domestic (Commercial)
  - Narrowband
  - Broadband
  - Optical Bandwidth
- Domestic (Regulated)
  - In span
  - Full span POI
  - Domestic Network Transmission Services

- International
  - International Private Leased Circuit (IPLC)
  - International Satellite Services
  - International VSAT Services
  - Bandwidth Transit Services
  - Bandwidth Backhaul Services
  - Bandwidth Interconnection Services

#### Data Services

- Domestic
  - IP Wholesale
  - Wholesale Ethernet

- International
  - Global IPVPN
  - Global Managed Services
  - Global IP Transit

#### Infra Services

- Tenancy
- Co-Location
- Infrastructure Sharing

#### Customised Services

- Recovery Work Order



## CELCOM (MALAYSIA) BERHAD

### CELCOM CONSUMER PRODUCTS

#### Celcom Postpaid Mobile Services

- Postpaid Rate Plans
  - Normal Postpaid
  - Minutes Postpaid
  - Family Postpaid
  - 1+3 Plan
- Postpaid Data Services
- Postpaid Value Added Services
- 3G Postpaid Services

#### Celcom Prepaid Mobile Services

- Rate Plans
  - Xpax Prepaid (Max, Mid, Lite)
- Promotional/Limited Edition Starter Packs i.e. Paket Baladewa, Paket Keren Peterpan, Sikat Pack for Filipinos, UOX, Kenangan

Terindah bersama Samsons, World Cricket '07 (West Indies) Limited Addition Starter Pack

- Data Services
- Value Added Services i.e. 8pax, Airtime Share
- Xpax Bonuses (Every Month Bonus, Birthday Bonus, Reload Bonus, Stay Active Bonus)
- 3G Services
- Celcom Branded Content (Channel X) i.e. Music, Movies, Games

### INTERNATIONAL ROAMING PRODUCTS FOR POSTPAID & PREPAID

#### Postpaid

- International Direct Dialling (Premium IDD, IDD 131)
- International Roaming (SMS, MMS, 3G Video Calls, Roam Saver \*120\*)

#### Prepaid

- Premium IDD, IDD 131, SMS, MMS
- International Roaming (SMS, MMS, 3G Video Calls)

### CELCOM ENTERPRISE MARKET PRODUCTS

#### Business Voice

- Power38
- Business 1+3
- Business Prepaid
- Association Package

#### Business Data

- Mobile Broadband (BASIC/ADVANCED/PPU)
- BlackBerry® by Vodafone
  - BES – BlackBerry® Enterprise Solution (For Companies)
  - BIS – BlackBerry® Internet Solution (For Individuals)
- Email & Beyond Hosted Microsoft Exchange

#### Business Solutions

- Telemetry
  - Fleet Management
  - Remote Meter Reading
- Satellite Voice and Data
- Mobile Fax
- Bulk SMS/EMS
- Data Roaming Packages





## MULTINET PAKISTAN (PRIVATE) LIMITED (MULTINET)

### PAKISTAN

- Broadband Internet services
- International bandwidth and data services
- Long distance and international voice services
- Dark fibre
- Domestic private leased circuits
- Corporate applications



## DIALOG TELEKOM PLC (DIALOG)

### SRI LANKA

- Mobile Voice and Data services
- 3G Mobile services
- Broadband Voice and Data services
- Internet services
- Direct to Home (DTH) satellite TV services
- Satellite Phone services
- International Voice and Data services
- mCommerce services
- Tele-infrastructure and carrier grade connectivity services
- Enterprise Solutions



## PT EXCELCOMINDO PRATAMA TBK (XL)

### INDONESIA

- Prepaid and postpaid mobile services
- Mobile data services
  - Corporate Push Email e.g. BlackBerry® and Microsoft Push Email
  - Consumer Push Email branded XLMobileMail
  - Location based services
  - E voucher Reload
  - 3G services i.e. Video Streaming, Video Call, Video Downloads, Full Track downloads, Mobile TV, Interactive Game
- Domestic and international business solutions
- International wholesale carrier services



## TM INTERNATIONAL (BANGLADESH) LIMITED (TMIB)

### BANGLADESH

- Prepaid and postpaid mobile services
- Mobile data services
  - Infotainment Services
  - SMS Banking
  - E reload – Share a fill
  - Local Language messaging
  - Downloads: Ringtones, Operator logo, Screen Saver, Picture Message, MMS content
  - Voice Greetings – Fun Dose
  - Caller Ring Back Tone



## TELEKOM MALAYSIA INTERNATIONAL (CAMBODIA) COMPANY LIMITED (TMIC)

### CAMBODIA

- Prepaid and postpaid mobile services
- Mobile data services
  - Infotainment services e.g. sports
  - Voice SMS, Voicemail
  - Downloads: Ringtones, Operator logo, Screen Saver, Picture Message, MMS content



## SPICE COMMUNICATIONS LIMITED (SPICE)

### INDIA

- Prepaid and postpaid mobile services
- Mobile data services
  - Music: Caller Ringback tone, Background music, Jukebox, Mobile Karaoke
  - Entertainment services: Mobile Dating
  - Emergency call service
  - Videotones



## MOBILEONE LIMITED (M1)

### SINGAPORE

- Prepaid and postpaid mobile service
- Mobile broadband
- Mobile data services including:
  - MeTV
  - mClassified
  - eBay Mobile
  - SMS 2.0



Mobile Telecommunication Company Of Esfahan

## MOBILE TELECOMMUNICATIONS COMPANY OF ESFAHAN (MTCE)

### IRAN

- Prepaid and postpaid mobile services
- SMS services
- Selective Value Added Services' content: Al Quran, Hafiz poems

## Corporate Framework

TM Group  
Products &  
Services





## 1800's

- **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

## 1900's

- **1900**  
The first magneto telephone service is introduced in Kudat, Jesselton (KK) 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 merge with that of 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
  - The Multi Access Radio System, providing rural customers with easier access to telephone services, is introduced
- **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 Securities and introduction of the new company logo

## ■ 1991

- The Company rebranded its name to 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

# 2000

## ■ 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 service fixed wireless telephony

## ■ 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 re-branding 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 its second phase restructuring exercise that organises the Group's business into 4 groupings – Malaysia Business, Celcom, TM International and TM Ventures

- XL, TM's Indonesian subsidiary secures 3G licence while Dialog, TM's subsidiary in Sri Lanka launches South Asia's first 3G service
- Acquisition of the remaining 49% in Telekom Malaysia International (Cambodia) Company Limited, (formerly known as Cambodia Smart Communications Ltd), Cambodia and 49% interest in Spice Communications Private Limited, India
- TM initiates consortium to develop an undersea cable system, Asia-America Gateway, linking SE Asia and the USA

## ■ 2007

- TM Group undertakes Demerger exercise resulting in two distinct entities – TM (FixedCo) and TMI (RegionCo)
- 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", was launched by YAB 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

# Our Journey Continues...

# Media Milestones in 2007

## Tune Talk, Celcom team up

Partnership will lead to set-up of mobile virtual network operator

By Goh Thian Eu and Jeeva Anandapalan  
@infost.com.my



Such alliances offer a win-win situation for both Tune Talk and Celcom. For Celcom, the tie-up can broaden its customer base and it can add additional streams of revenue.

Tune Group Executive Director Tony Fernandez added that Tune Talk will follow in Air Asia's footsteps of revolutionising the industry in its niche. He said Tune Talk will grow its user base to include new users.

TM Group's mobile telecoms division and Tune Talk Mobile is partnering Celcom (Malaysia) Bhd to become the country's first mobile virtual network operator (MVNO), offering subscription mobile services to the domestic market. MVNO is a company that uses mobile phone services like air calls and short messaging services without a radio spectrum licence like base stations, towers and antennas.

## Spice makes impressive debut on Bombay bourse

TM's Indian affiliate trades up to a 20%

oversubscribed by 37.5 times. Spice entered the capital market with a public issue of



May 11, 2007. His application for services, as part of its strategy, remains a key corporate profile of the Spice brand, and has put in place "prudent governance to ensure the company is professionally run." Spice commenced operations in 1997 as a services provider of Punjab and Karnataka. Based in external, Spice is the second

## MSC's ICT top award up for grabs

By SHARMILA GANAPATHY

THIS year's MSC Malaysia Multimedia & ICT

just any winner either: only the cream of the crop among the award recipients each year can life for this month.

See Select-TV Sdn Bhd, an interactive TV solution provider.

previous winners include Asia IT & Ultratech and Multimedia (M) Bhd.

technopreneurs, organisations and small- and medium-sized enterprises (SMEs) in Malaysia.

Launched in 1999, the awards is now in its eighth year and is welcoming entries for 37 categories, among them Best of Education and Training, Best of Security, Best of Communications, Applica-

## TM named Service Provider of the Year

By Siti Nur Ain Zulkepli  
@infost.com.my



LEKOM Malaysia Bhd (TM) was named Service Provider of the Year for 2007 Frost and Sullivan Asia.



TM is now an emerging regional communications company, says Wahid

TM's regional footprint has been further established over the last five

## Telekom leads Asia-US cable link consortium

The US\$500m alternative undersea route is expected to be operational by December 2008

By Goh Thian Eu



The cable system will function as the more secure Internet route. Abdul Wahid



## tm's streamyx super duper deal



part of its ongoing efforts to broaden the scope of its services. Telekom Malaysia Bhd (TM) introduced its new Streamyx Super Duper Deal - an offer which offers customers to enjoy more services in a single bundle. The offer is available in the Klang Valley, Seremban and Ipoh. TM Malaysia is also offering a special discount on its Streamyx Super Duper Deal offer for the month of April.

super value package. The offer is available in the Klang Valley, Seremban and Ipoh. TM Malaysia is also offering a special discount on its Streamyx Super Duper Deal offer for the month of April.

streamyx April 1 and May 31. The offer is available in the Klang Valley, Seremban and Ipoh. TM Malaysia is also offering a special discount on its Streamyx Super Duper Deal offer for the month of April.

"This is clearly a big win for us as we are able to offer our customers a more comprehensive service package. We are confident that this offer will be a big success for us." said Goh Thian Eu, CEO of Telekom Malaysia.

## TM declares landmark dividend

TM announces special dividend of RM1.63 billion or 65 sen per share for this year

By Cindy Yong & Szeia Minggib

Telekom Malaysia group chairman Abdul Wahid Abdul Kadir today said that the company has declared a special dividend of RM1.63 billion or 65 sen per share for the year 2007.



## Giant slideshow

Telekom Malaysia (TM) in Jalan Pagar Besar transformed into an inspirational wall yesterday with a display on the country's prime ministers and hence in conjunction with the country's 50th Merdeka anniversary. With the building itself acting as the background, images and messages as people who have contributed to the nation will be projected on the 140m screen measuring at 54m wide and 100m high, which basically covers Level 8 to 20 of the building. The show is on daily from 8pm to midnight until Sept 14. See Page 4.



# Ambitious contestant wins a Perdana

By **MUHAMMAD DAN**

**SINGAPORE** In more than 100 entries for the TM Perdana 2007, the 40-year-old **Amos Abdullah**, although the pharmacy director for the Belantara History did not become an instant millionaire, he did win a Perdana Perdana when his name was announced as the country's special prize winner yesterday.

Amos, a Singaporean, said he created slogans and art



work for the contest. "I will definitely go to watch my favourite club to action while my wife, who is not a football fan, will enjoy the one-week vacation," he said.

His other monthly prizes received a trip for four worth RM1,000, while another five received a Nokia 36 cell phone, TM Group Malaysia Sales and Marketing officer **Zamsahtun Noh** has said the contest was to reward its loyal customers.

"Customers of TM terminals, 14

# Telekom to split operations

Plan to separate mobile business and list it on Bursa Malaysia in second quarter of next year

By **Chh Than Eu**

**SINGAPORE** Telekom Malaysia (TM) plans to split off its mobile phone business from its fixed-line and internet services, and list the mobile phone unit separately on Bursa Malaysia in the second quarter of next year, according to a senior executive.

TM CEO **Haris Manickavasagam** said the move would allow the company to focus on its core fixed-line and internet services, and to raise capital for the mobile phone unit. He said the move would also allow the company to raise capital for the mobile phone unit.



**WARD** The plan will help TM to create more value for its shareholders.

TM CEO **Haris Manickavasagam** said the move would allow the company to focus on its core fixed-line and internet services, and to raise capital for the mobile phone unit. He said the move would also allow the company to raise capital for the mobile phone unit.



# TM puts RM600mil into Metro.e service

By **Asyura Saari**

**KL** Telekom Malaysia Berhad will spend RM600 million to

second, customers are promised stability of bandwidth through easy upward scalability. Business can

"It will provide ample capacity for services that TM will be rolling out. It is also



**PERDAM PENUH** TM International (Cambodia) Co Ltd (TMIC) yesterday released its cellular operations and expected the company to continue enjoying strong growth as subscribers.

The new brand identity, **hello**, will spearhead TMIC's aggressive move to increase capacity through the setting up of three base stations throughout Cambodia and ramping its distribution network by installing more base stations.

The **hello** plan is expected after Telekom Malaysia Bhd's TM Post in Malaysia.

"The launch of the new **hello** identity is not only important but necessary to target the brand to another level of business excellence," said TMIC chief executive officer **Paul Tan**.

"The change is timely to align a fresh approach into the company as it embarks on the second year of business operations," said **Paul Tan**.

# Terry is now a Celcom Power Icon



UJ Shazali (right) and Celcom senior vice president of marketing holding up the jerseys of the two Power Icons.

(Malaysia) Bhd, a mobile phone company, yesterday introduced Chelsea national football team captain **Terry** as its latest Power Icon.

"The move means we will be later this year, he said.

"Both Terry and Giggs' confidence and charisma, which qualities we look for in Power personality who can lead our team as a powerful brand," he

to kick off the campaign, he stars will be featured in a new commercial and print ads that will be aired and published October.

Celcom will also host view nationwide at 27 different locations in Malaysia, United Kingdom, United States, Canada, Australia, New Zealand, and other countries.

In addition to the two Power Icons, Celcom has chosen a



# Celcom rebrands customer service



**SHRILE** operator Celcom (M) Bhd yesterday launched a customer service rebranding initiative as part of its effort to address public concerns on its services and ultimately earn customer loyalty.

The group introduced an area service ambassador called **Ana**, to represent its customer service as a whole. Ana is the epitome of qualities Celcom wants to portray — courteous, attentive and helpful.

"We are addressing telekom's customer public's perception that it has had services. This is the focus of the job," chief executive officer **Datuk Seri Shazali Baidi** said.

Speaking in the press after the launching ceremony in Kuala Lumpur, he said Celcom will introduce more products during the second half this year.

"We have been laying low the last six

months this Friday.

Other services introduced as part of the rebranding initiative include online registration for prepaid customers, which is the first of its kind locally. A Premier card that allows customers to enjoy special benefits and a concept store called **Blue Cafe**, where customers can experience Celcom products and services.

There are currently five Blue Cafe outlets located in KL, Seremban, The Curve, The Mines Shopping Centre, Sunway Perdana and Greenhill Mall Penang.

In line with the new initiative, Celcom will be working about 300 of its branch personnel and regional customer service representatives with newly designed uniforms, Shazali said.

Customers can also make free calls to Celcom's 24-hour contact centers, with multi-lingual customer service representatives.



Prime Minister **Datuk Seri Abdullah Ahmad Badawi** is tickled while trying the LM 80000 telephone which was used in some states during the pre-independence era. The photo was captured at

Perhad's (TM) commemorative 220-page book titled "Saudara-saudara & Legacy" yesterday. TM chairman **Lee Si Kuan** (right) is seen with the author, **Lee Si Kuan**.



■ **17 January 2007**

TM along with Tenaga Nasional Berhad (TNB), Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) and Indah Water Konsortium Sdn Bhd (IWK) came together for a 3-month public awareness campaign to address cable theft.

■ **25 January 2007**

TM entered into a partnership with Vodafone Alliance where each party agreed to jointly explore and identify opportunities to enhance the businesses of their respective group companies through collaboration in the area of international mobile telecommunications products and services. Subsequently, Vodafone entered into a separate Cooperation and Branding Agreement with respective TM subsidiaries including Celcom, Dialog and XL.

■ **31 January 2007**

The 'Let's Talk' package which is aimed at boosting the usage of fixed-line services among customers was unveiled to the public. The campaign was an initiative under the TM Performance Improvement Programme (TM PIP), which sought to turnaround the domestic business.

■ **8 February 2007**

Dialog Telekom PLC (Dialog's subsidiary Asset Media (Pvt) Ltd launched Dialog Satellite TV – a premier satellite television service set to revolutionise Direct to Home Television in Sri Lanka. Dialog is TM's subsidiary in Sri Lanka. Dialog Satellite TV features world-class entertainment and the widest spectrum of channels with a special focus on News, Entertainment and Knowledge-based Programming.

■ **11 February 2007**

TM continued to support Le Tour de Langkawi, an international cycling race for the 12th consecutive year.

■ **23 February 2007**

TM announced its 2006 financial results which saw TM recording higher Profit After Tax and Minority Interest (PATAMI) of RM2.069 billion. The healthy performance was attributed mainly to higher group revenue, better cost and financial management and foreign exchange gain. TM also announced the extension of Dato' Sri Abdul Wahid Omar's tenure as TM Group Chief Executive Officer for another 3-year term with effect from 1 July 2007.



■ 15 March 2007

TM signed a Memorandum of Understanding (MoU) with US-based phone firm Verizon Business to explore the development of a Malaysian-based Internet Protocol (IP) hub.

■ 17 March 2007

Multimedia University (MMU), the first private university in the country, celebrated its 10th anniversary with a host of activities throughout the year highlighting its many achievements.

■ 20 March 2007

Pizza Hut customers are able to enjoy both their meal and wireless broadband at the same time through tmnet hotspot services at more than 100 Pizza Hut restaurants located throughout Peninsular Malaysia, which collectively form the largest hotspot network in the country.

■ 20 March 2007

TM signed a tripartite MoU with the Ministry of Entrepreneur and Cooperative Development (MECD) and three financial institutions, namely Maybank, CIMB and SME Bank to further enhance the implementation of TM's Entrepreneurship Development Programme (EDP).

■ 30 March 2007

TM Net signed a partnership with Korean company, Netpia.Com Inc to supply an application for Internationalised Domain Name or Native Language Internet Address (NLIA). The agreement marked the next step in the continued evolution of TM Net's vast array of services.

■ 30 March 2007

TM showed its support for the North Pole expedition by contributing communication facilities amounting to RM100,000 which included Celcom Xpax prepaid cards, satellite airtime, handphones and a special laptop called 'toughbook'.



15 March



20 March

30 March



■ 5 April 2007

TM completed the sale of its entire 60% shareholding in Telekom Networks Malawi Limited to MTL Mobile Limited for a total cash consideration of US\$16 million (RM55.0 million). The sale was part of a broader re-orientation of the Company's international investment strategy to focus on geographic regions closer to home.

■ 10 April 2007

Celcom signed a domestic roaming agreement with UMobile Sdn Bhd (formerly known as MiTV Networks Sdn Bhd), allowing UMobile customers to roam on Celcom's superior 2G network.

■ 16 April 2007

TM signed an agreement with Universiti Teknologi Petronas (UTP) for the establishment of a "wireless campus" thereby making it the most extensively covered University for wireless broadband access.

■ 19 April 2007

In Sri Lanka, Dialog executed a rights issue to raise SLR15.54 billion (RM482.1 million) to fund the company's aggressive expansion plans. The rights issue was accompanied by a Rated Cumulative Redeemable Preference Shares (RCRPS) issue aimed at raising up to SLR5.0 billion (RM155.5 million). The proceeds of the rights issue and issue of RCRPS totalling approximately SLR20.5 billion (RM637.6 million) was for the partial financing of Dialog's capital expenditure over the next three years.

■ 21 April 2007

TM adopted two primary schools in Bukit Mertajam, Penang; Sekolah Kebangsaan Bukit Indera Muda and Sekolah Kebangsaan Seri Penanti under the PINTAR programme, giving students from the schools an opportunity to enhance their IT skills and improve their academic achievements. PINTAR is a programme initiated by the Ministry of Finance and driven by Khazanah Nasional together with major GLCs.





### ■ 27 April 2007

TM led a 17-member consortium of international telcos to build the first high bandwidth optical fibre submarine cable system, known as the Asia-America Gateway (AAG), which will link the South East Asia region directly to the United States of America.

### ■ 8 May 2007

For the first time, Menara TM, TM's headquarters hosted some 500 shareholders at the Company's 22nd Annual General Meeting (AGM). At the AGM, shareholders voted in favour of the seven resolutions presented. TM also held an Extraordinary General Meeting (EGM), where another six resolutions were presented and approved.

### ■ 11 May 2007

A major achievement for Spice TM International's Indian affiliate, came with the acquisition of a licence from the Department of Telecommunication to

operate National and International Long Distance (NLD/ILD) services in India. This development allowed the company to carry both voice and data traffic nationally and internationally.

### ■ 14 May 2007

Deputy Prime Minister, Dato' Sri Mohd Najib Tun Abdul Razak launched TM's Corporate Social Responsibility (CSR) theme, 'Reaching Out' during his maiden visit to TM's HQ in Kuala Lumpur. 'Reaching Out' gives an identity to the Group's CSR efforts, making it easier for the public to relate to the CSR causes championed by the Group. In executing its CSR, TM focuses on three platforms, namely education, sports development as well as community and nation-building.

### ■ 11 & 29 May 2007

TM signed three collective agreements (CAs) with the National Union of Telecommunication Employees

Peninsular Malaysia (NUTE), Union of Telekom Malaysia Employees, Sabah (SUTE) and Union of Telekom Malaysia Berhad Employees, Sarawak (UTES) for 2007-2009. The CAs covered various aspects, which included salary adjustments, salary structure and salary increment quantum, cost of living allowance, housing allowance and performance-based rewards.

### ■ 17 May 2007

Dato' Sri Dr Lim Keng Yaik, Minister of Energy, Water and Communications, launched Metro.e and Streamyx 4.0 Mbps, another of TM's latest offerings in the Malaysian broadband market. Launched in conjunction with World Telecommunications Day, the offerings boost the speed of broadband Internet for businesses and consumers. With these services, subscribers can add on bandwidth from 1Mbps whenever they desire through a concept called bandwidth on demand.



■ 22 May 2007

Chief Minister of Penang, Tan Sri Dr Koh Tsu Koon launched TM's latest call centre situated at Level 58, Menara KOMTAR, Penang. Dato' Koay Kar Huah, EXCO for Transportation Utility & Infrastructure of Penang (left) and Dato' Sri Abdul Wahid Omar, Group CEO (middle) were also present during the launch. The new call centre receives incoming calls on fault management and sales & services support for telephony services for the Northern region. Operating 24 hours a day, the centre houses 254 Customer Service Representatives.

■ 24 May 2007

TM bagged the Service Provider of the Year award for the second consecutive year at the annual Frost & Sullivan Malaysia Telecoms Awards. It was a triple honour for TM as it also bagged the 2007 Data Communications Service Provider of the Year and 2007 Broadband Service Provider of the Year awards.

■ 25 May 2007

Dato' Seri Shahrizat Abdul Jalil, Minister of Women, Family and Community Development launched the TM Merdeka Millionaire reward programme at Berjaya Times Square. The programme gave customers the opportunity to win RM1 million cash, holiday packages, Nokia 3G handphones, a brand new Proton Perdana and other exciting prizes. To participate, customers have to answer a few questions about themselves and complete a slogan on Malaysia's 50th Merdeka celebration.

■ 27 May 2007

TM International entered into a Stock Purchase Agreement with AIF (Indonesia) Limited to purchase all of the latter's stake in PT Excelcomindo Pratama Tbk (XL). The acquisition, for a cash consideration of US\$113 million (RM388.3 million), enabled the Company to raise its shareholding to 67%, thereby capitalising on one of the fastest growing markets for mobile telephony services in the region.

■ 31 May 2007

TM reached a pivotal milestone when it hit its one-millionth broadband customer. To celebrate the occasion, TM feted its one-millionth customer, Iskandar Syah Ismail, 31, with a surprise breakfast treat with Suki, the winner of 'One-in-a-Million', 8TV's reality talent show.



### ■ 15 June 2007

TM became the first Malaysian company to receive the coveted Service Provider of the Year award at the 2007 Frost & Sullivan Asia Pacific ICT Awards ceremony held in Singapore. Held for the fourth consecutive year, the Frost & Sullivan Asia Pacific ICT awards serve to recognise companies in the ICT sector across the Asia Pacific region.

### ■ 28 June 2007

Celcom introduced the innovative Blue Cube outlet with a vision to attain leadership in leading edge telecommunications retailing. Blue Cube is a powerful 'one-stop' concept store for lifestyle mobile devices, 3G services and mobile content. It is the first concept store which allows consumers to experience, touch and feel the full range of mobile lifestyle products and services from Celcom.

### ■ 2 July 2007

TM Chairman, Tan Sri Dato' Ir Md Radzi Mansor was inducted into the Malaysian Institute of Directors (MID) Academy of Fellows at the MID's Corporate Leaders' Banquet on 2 July 2007 at the JW Marriot, Kuala Lumpur. Incorporated in 1982, the Malaysian Institute of Directors (MID) is the country's only professional organisation for company directors in Malaysia.

### ■ 5 July 2007

Dialog Broadband Networks launched their fixed wireless operations based on CDMA technology. This launch further strengthens Dialog's position as a total connectivity solutions provider.



■ 6 July 2007

A signing ceremony was held for TM's successful conversion of RM2,925 million of its existing Tekad Mercu bonds to Syariah-compliant Stapled Income Securities on 28 June 2007. This represents the first Syariah-compliant Stapled Income Securities ever structured and issued globally. With the conversion, about 95% of TM's domestic borrowings and one-third of total Group Borrowings are now based on domestic principles. Citibank Malaysia was the Principal Adviser and Sole Lead Arranger, while investors were the Employee Provident Fund, Kumpulan Amanah Wang Pencen, Malaysian National Insurance and Amanah Raya Berhad.

■ 14 July 2007

TM launched another channel known as Hypp.TV at its lifestyle portal, BlueHyppo.com. at Suria KLCC during NTV7's UrbanLive roadshow. Hypp.TV offers streaming media content through its three main channels namely sports, news and local lifestyle and entertainment.

■ 15 July 2007

Aktel celebrated its 10th year of operations in Bangladesh by showing their appreciation to their loyal customers in launching "The Golden Call" campaign. The campaign, a first of its kind in the country, rewards Aktel's loyal customers.

■ 17 July 2007

TM Research & Development Sdn Bhd (TMR&D) revealed an exciting solution known as Fibre-to-the-home (FTTH) broadband access during a media preview of the trial deployment of FTTH by Dato' Zamzamairani Mohd Isa, CEO Malaysia Business and Shahrudin Muslimin, CEO TMR&D. The new FTTH solution is set to offer high speed broadband services to Malaysian homes in the Klang Valley and other major urban centres in Peninsular Malaysia by 2008. This end-to-end fibre optic connection is capable of supporting up to 100Mbps, although TM has designated a speed of 10Mbps for its initial rollout.





■ 19 July 2007

TM International's Indian affiliate, Spice Communications Limited (Spice) made a spectacular debut on the Bombay Stock Exchange (BSE), opening at INR55.75 (RM4.64) per share, up 20% from its issue price of INR46 (RM3.83) per share. The Initial Public Offering (IPO) was oversubscribed by 37.5 times.

■ 25 July 2007

Celcom signed an agreement with Merchantrade Asia Sdn Bhd, (Merchantrade) to launch Malaysia's first Mobile Virtual Network Operator (MVNO) by providing a prepaid package to overseas foreign workers in Malaysia. These include customers from nine countries, specifically India, Nepal, Sri Lanka, Pakistan, Bangladesh, Vietnam, Myanmar, Cambodia and Laos.

■ 31 July 2007

Celcom Broadband, which offers the fastest wireless Internet access anytime anywhere from as low as RM8 a day, for Celcom's business and individual customers was launched. The high speed of up to 3.6Mbps is made possible by High Speed Data Packet Access (HSDPA) technology, or better known as 3GX. The new package comes in two different plans, Daily Unlimited and Monthly Unlimited.

■ 1 & 2 August 2007

TM organised the TM Journalism Workshop in Kuching, Sarawak for 20 journalists from 11 major media houses in the state. Co-organised by the Malaysian Press Institute (MPI), the workshop was launched by Hj Mohd Narodin Hj Majais, Assistant Minister in the Chief Minister's Department (Bumiputera Entrepreneurs Development) and Assistant Minister, Land Development of Sarawak.

■ 11 August 2007

TM unveiled iTalk Buddy, the latest feature of its iTalk prepaid calling card at The Curve, Petaling Jaya. iTalk Buddy allows its users to build and join an online and offline community of buddies, families and friends. Users within this community will be able to send messages, make PC-to-PC calls, share files and folders, share screens and Internet connections, produce and share blogs, upload and share photos and much more. It is also the first Instant Messenger (IM) service introduced which allows common online services to operate even when there are no Internet connections available.

■ 15 August 2007

TM flagged off its 50th Merdeka Anniversary celebrations on 15 August, 2007 with a wide range of activities revolving around the theme "Thanking Malaysians – Because It Takes Everyone to Build a Beautiful Nation".





■ **15 August 2007**

Dialog Telekom together with NDB Bank, one of the leading private sector commercial banks in the country, unveiled eZ Pay, South Asia's first mCommerce (Mobile Commerce) initiative. It is a revolutionary service that allows consumers to purchase goods, pay bills, transfer money and perform banking transactions via their mobile phones.

■ **20 August 2007**

TM received two accreditations, i.e. Trainee Development and Professional Development, from the Association of Chartered Certified Accountants (ACCA) under the latter's Approved Employer Programme. Tay Kay Luan, ACCA Director for ASEAN & Australasia presented the certificate to Dato' Sri Abdul Wahid Omar.

■ **21 August 2007**

TM International's Cambodian operations, TMIC, rolled out its new VoIP service.

■ **22-23 August 2007**

TM International, together with TM, co-sponsored this year's ASEAN 100 Leadership Forum which was held in Hanoi, Vietnam. TM Chairman, Tan Sri Dato' Ir Muhammad Radzi Hj Mansor led the delegation of 11 which included TM Directors Dato' Dr Abdul Rahim Daud, YB Datuk Nur Jazlan Tan Sri Mohammed and Ir Prabahar NK Singam as well as TM International's Chief Executive Officer Dato' Yusof Annuar Yaacob.

■ **31 August 2007**

TM's CEOs and their peers from the industry led a 300-participant strong contingent comprising employees from TM, Celcom, Maxis, DiGi and Pos Malaysia in a march on Merdeka Day. The contingent strode proudly in colourful uniforms inspired by the national flag, Jalur Gemilang. The industry leaders included Dato' Sri Abdul Wahid Omar, Group CEO TM; Dato' Sri Shazalli Ramly, CEO of Celcom; Dato' Zamzamzairani Mohd Isa, CEO of Malaysia Business TM; Sandip Das, CEO of Maxis; Roslan Rosli, Regulatory Head of DiGi and Hj Mohd Derus Harun, General Manager of Pos Malaysia.

■ **1 September 2007**

Dialog Telekom established one of Sri Lanka's most technologically advanced Enterprise Management Centres which has enabled top Sri Lankan enterprises to offer its customers the best service experience from a well-trained customer-centric workforce.

■ **7 September 2007**

VADS Contact Centre Services (CCS) was honoured with two Corporate Awards and five individual achievement awards by the Customer Relationship Management & Contact Centre Association (CCAM). The awards were given in recognition of its exceptional commitment to managing the customer experience through innovative, proven processes and technologies to maximise the value of customer communications within its sales and service operations.

■ **15 September 2007**

In Indonesia, XL introduced lower tariffs for its *bebas* plan to counter the stiff competition from existing GSM and new CDMA players. This resulted in substantial revenue growth in the third and fourth quarters of the financial year.

■ **21 September 2007**

Celcom distributed RM730.1 million in cash to its shareholders by way of a capital repayment exercise.

■ **24 September 2007**

Dialog Telekom PLC received a US\$100 million financing package from International Finance Corporation (IFC) – a member of the World Bank Group. The US\$100 million package included a US\$70 million term loan facility and a US\$30 million equity commitment via the acquisition of a 1.6% holding in Dialog by IFC.

■ **28 September 2007**

Chairman, Tan Sri Dato' Ir Md Radzi Mansor announced the approval by the Board of Directors for the demerger of the TM Group's mobile and fixed businesses into two distinct entities.

■ **30 September 2007**

TMIB, TM's operations in Bangladesh, achieved its 7 millionth customer. To meet the demands of its growing customer base, TMIB expanded its customer service network to 19 walk-in Customer Care Centres by year end.

■ **2 October 2007**

YB Dato' Shaziman Abu Mansor, Deputy Minister of Energy, Water & Communications announced that 999 would be the only number for all emergency calls made by the public. TM manages the emergency calls by directing them to the relevant agencies namely Police, Fire Department, Hospital and Civil Defence.

■ **4 October 2007**

TM and Polis DiRaja Malaysia (PDRM) launched its seventh annual Ops Sikap campaign which ran from 7 until 21 October 2007 and unveiled the first 'Ops Sikap' Icon during the launch ceremony held at Bentong, Pahang. The campaign themed, 'Pandu Cermat Sampai Selamat', promoted safe driving and a courteous attitude amongst road users, especially during the festive season. The campaign was also launched simultaneously in other states in Malaysia over the following two days.

■ **12 October 2007**

Celcom launched its new 'Unbeatable' campaign, which became a huge success. The campaign features Celcom Power Icons, Ryan Giggs, John Terry, Peterpan and Lee Hom.



■ 1 November 2007

Dialog Broadband Networks (DBN), a wholly-owned subsidiary of Dialog Telekom PLC, became the first in Sri Lanka to introduce Broadband Internet, powered by WiMAX technology.

■ 3 November 2007

Prime Minister, Dato' Seri Abdullah Hj Ahmad Badawi, launched TM's commemorative book titled 'Transforming a Legacy' during the TM Hari Raya Open House held at Menara TM in Kuala Lumpur.

■ 12 November 2007

Dato' Abdul Aziz Abu Bakar, Senior Vice President of Group HR was awarded the prestigious 'HR Leader Award' under the Individual Professional category by the Malaysian Institute of Human Resource. This Award is to recognise individual professionals who have made an outstanding contribution to Human Resource Management, in the context of the Malaysian Vision 2020. Dato' Aziz received a trophy and a certificate from Datin Sri Rosmah Mansor, wife of Deputy Prime Minister at the Malaysia HR Awards 2007.

■ 12 November 2007

PT Excelcomindo Pratama Tbk (XL) officially launched its new submarine cable system linking Batam in Indonesia and Tanjung Penyusop, Sungai Rengit in south Johor, Malaysia. The system, known as the Batam-Rengit Cable System (BRCS), is XL's first international submarine cable system. The launch of this undersea cable system automatically gives XL the status of the cellular operator with the widest backbone in Indonesia.

■ 15 November 2007

TM International's Cambodian subsidiary, Telekom Malaysia International (Cambodia) Company Limited (TMIC), unveiled the new identity of its "hello" brand at a grand ceremony in Phnom Penh. Held at the luxurious Raffles Hotel Le Royal, the launching ceremony was officiated by His Excellency, Minister So Khun, Minister of Posts and Telecommunications and attended by officials from TMIC, corporate guests as well as local and international media.







■ **29 November 2007**

TM clinched the Gold Award for the Overall Excellence category of the National Annual Corporate Report Awards (NACRA). TM also took home the Industry Excellence Award for the Bursa Malaysia Main Board Companies category under the Trading & Services sector for the 11th consecutive time and the Gold Award for Best Designed Annual Report. NACRA is jointly organised by MIA, The Malaysian Institute of Certificate Public Accountants (MICPA), the Malaysian Institute of Management (MIM) and Bursa Malaysia Berhad.

■ **30 November 2007**

TM rewarded 241 of its scholars who achieved excellent results in their studies at an event aptly called "Majlis Anugerah Pelajar Cemerlang 2007" held at Multimedia University (MMU) Melaka campus on 30 November 2007. The Excellence Awards serve as an encouragement for them to continue with their outstanding performance and demonstrate TM's commitment in supporting excellence in education.

■ **11 December 2007**

PT Excelcomindo Pratama Tbk (XL) ended the year by welcoming Etisalat International Indonesia Limited as one of its shareholders.

■ **31 December 2007**

XL, TM's subsidiary in Indonesia, ended 2007 with 15.5 million subscribers making up a market share of 15%. This represented a hefty increase of 62% from a year ago. At the end of 2007, XL's coverage had reached 90% of the Indonesian population.

■ **31 December 2007**

The total number of subscribers registered by Spice, TM's investment in India, had increased to 3.8 million from 2.5 million at the start of the year.

■ **31 December 2007**

M1, a leading mobile communications operator in Singapore, recorded a 14.8% increase in its total customer base, with 1.535 million mobile customers as at 31 December 2007.

■ **31 December 2007**

Malaysia Business, a strategic business unit of TM focused on the fixed sector in Malaysia, registered significant Internet growth in 2007 to reach a total subscriber base of 1.27 million by December 2007.

TM Awards & Recognition 2007



The Brand Laureate Award

8 JANUARY 2007



Frost & Sullivan Malaysia Telecoms Award

5 MAY 2007



Trusted Brand in Telecommunications Award

7 MAY 2007



Gold Award & Innovative Product Award

18-20 MAY 2007



Silver Award & Innovative Product Award

18-20 MAY 2007



Malaysia Brand Equity Award

4 JUNE 2007



Anugerah Citra Wangsa Malaysia Award

**24 AUGUST 2007**



UNI-APRO Outstanding Employee Partner Award

**28 AUGUST 2007**



Program Time 2 Award

**26 OCTOBER 2007**



Six Oskar Award

**10 NOVEMBER 2007**



Malaysia's Most Valuable Brands Award

**16 NOVEMBER 2007**



Gold NACRA Award for Overall Excellence

**29 NOVEMBER 2007**



NACRA Award for Industry Excellence

**29 NOVEMBER 2007**



NACRA Award for Best Design

**29 NOVEMBER 2007**



National Award for Management Accounting

**13 DECEMBER 2007**



#### 8 JANUARY 2007

The year opened with a bang, with TM being conferred *The Brand Laureate Award 2006-2007 in the Corporate Brand – Telecommunications Industry* category by the Asia Pacific Brands Foundation. The selection criteria included Brand Strategy, Brand Culture, Brand Communications, Brand Equity and Performance.

#### 17 JANUARY 2007

Clearly emerging as the most popular Broadband Internet service provider in Malaysia, TM Net Sdn Bhd once again received the title of *Best Broadband Internet Service Provider of 2006* from PC.Com magazine. Based on a poll conducted by the magazine, the award has been won by TM Net for five years in a row.

#### 15 FEBRUARY 2007

Dialog Telekom PLC of Sri Lanka, a member of the TM Group, received a *Commendation Award* from the GSM Association at the GSM Global Mobile Awards event in Barcelona, Spain. Dialog was commended for its Disaster and Emergency Warning Network (DEWN), which enables disaster warning information to be communicated securely and instantaneously to emergency personnel and mobile phone users anywhere in the country. Dialog has so far had three consecutive wins at the prestigious GSM World Awards.

#### 22 MARCH 2007

Dialog Telekom PLC won further recognition by attaining the top spot in the *Finance Brand Index* as Sri Lanka's most valued brand. This recognition was noted in the March issue of Lanka Monthly Digest.

#### 22 MARCH 2007

TM International Bangladesh Ltd (TMIB), a TM regional company, won the *Standard Chartered-Financial Express CSR Award 2006* for its significant contributions to the services sector.

#### 5 MAY 2007

TM took three awards at the annual Frost & Sullivan Malaysia Telecoms Awards presentation ceremony. TM bagged the 2007 *Data Communications Service Provider of the Year* award whilst TM Net took home the 2007 *Broadband Service Provider of the Year* award. For the second time running, TM also received the coveted 2007 *Service Provider of the Year* award. This award recognises TM's consistent performance and sustainable growth in revenue, substantial market share as well as overall leadership in new product introductions and innovations.

#### 7 MAY 2007

TM was voted by consumers as the Trusted Brand in Telecommunications in Reader's Digest Trusted Brands 2007 survey. TM received the Platinum Award for this recognition. Surveyed consumers were asked to name their most trusted brand in each of 43 different product categories based on 6 key criterias – trustworthiness, credible image, quality, value, understanding of customer needs and innovation.

#### 18-20 MAY 2007

A total of nine product development awards were won by TM R&D in recognition of its Research and Development efforts. These were given by the International Invention, Innovation, Industrial Design and Technology Exhibition (I-TEX) 2007 held in Kuala Lumpur. The award-winning products were the Platform for All-Service Multi-Access or PLASMA (*Gold Award & Innovative Product Award*), XtreamX Home Media Centre (*Gold Award*), Vertical Cavity Surface Emitting Laser or VCSEL (*Gold Award*), Advanced Tracking System Using RFID (*Silver Award & Innovative Product Award*), EDFA In-Line (*Silver Award*), Simple & Efficient Software Radio Development Platform (*Bronze Award*) and Distribution Point or DP (*Innovative Product Award*).

#### 4 JUNE 2007

Celcom took 4th place in the Malaysia Brand Equity Award 2007 for the Brand Visibility Award category. Malaysia Brand Equity Award 2007 is organised by Perception Media Sdn Bhd to recognise the performance of local and international brands in Malaysia.

#### 15 JUNE 2007

TM became the first Malaysian company to receive the highly-prized *Service Provider of the Year* award at the 2007 Frost & Sullivan Asia Pacific ICT Awards ceremony. This coveted award for service providers is conferred each year to the company, in Frost & Sullivan's judgement, that has demonstrated clear leadership in essential areas, including consistent and sustainable revenue growth, dominant market share and market share growth, as well as overall leadership in product introductions and innovations.

#### 26 JUNE 2007

TM's 2007 Chinese New Year TVC received the "Silver-Phoenix Award" for Cinematography from AdAsia, a leading advertising and marketing industry magazine. The awards sponsored by Media Development Authority of Singapore recognise creativity and professional skills in the production of commercial films, video and digital images for advertising and promotional purposes.

#### 6 JULY 2007

Dialog Telekom PLC (Dialog) became the first South Asian company to receive Asia Pacific-wide recognition for excellence in customer service and relationship management practices. It was given the *Outstanding Achievement in Customer Relationship Excellence in Customer Relationship Excellence Award* from the Asia Pacific Customer Service Consortium (APCSC) at the Customer Relationship Excellence (CRE) Awards Ceremony held in Hong Kong.

### 1 AUGUST 2007

PT Excelcomindo Pratama Tbk (XL), a TM company in Indonesia, was judged the most admired knowledge enterprise in Indonesia in 2007 when it received the *Most Admired Knowledge Enterprise (MAKE) Award*, beating 63 nominated organisations based on a study conducted by renowned consultant Dunamis Organisation an independent global research company, Teleos.

### 20 AUGUST 2007

TM received two accreditations from the Association of Chartered Certified Accountants (ACCA) under its Approved Employer Programme. TM received the highest recognition through the *Platinum for Trainee Development* whereby ACCA recognises the learning opportunities that TM provides for its employees who are working towards obtaining its professional and Certified Accounting Technician qualifications in line with global best practices.

### 24 AUGUST 2007

Celcom emerged the Grand Prize Winner (Telecommunication category) in the *Anugerah Citra Wangsa Malaysia 2006*. The award is organised by Dewan Bahasa dan Pustaka in collaboration with the Malaysian Communications and Multimedia Commission annually. The award is a significant milestone and recognises Celcom's leadership in the usage of *Bahasa Malaysia* of the highest standard.

### 28 AUGUST 2007

TM was one of five regional companies to receive the *UNI-APRO Outstanding Employee-Partner Award* which recognises employers who have strong and cordial relationships with their unions.

### 29-31 AUGUST 2007

Aogos Network Sdn. Bhd., a start-up company nurtured by the Multimedia University or MMU, obtained the *Red Herring Asia Top 100 Technology Companies Award* in Hong Kong on 29-31 August 2007.

### 7 SEPTEMBER 2007

VADS Berhad was honoured with two Corporate Awards for Best Outsourced Service Contract Centre Association of Malaysia (CCAM) – Gold award for the *Celcom Customer Premier Service* team award, and Bronze award for the *TM Net Customer Interaction Centre Management* team. Additionally, VADS secured five other individual achievements namely, Bronze and Gold Awards for *Best Contact Centre Manager*, a Silver Award for *Best Contact Centre Team Leader* and a Gold as well as Bronze Award for *Best Contact Centre Professional Outsourced*.

### 26 OCTOBER 2007

In recognition of its effort to widen the cellular network coverage of highways, industrial areas, tourist spots and major towns in Malaysia, Celcom was awarded the Anugerah Program Time 2: *Syarikat Pemberi Perkhidmatan Terbaik* by the Minister of Energy, Water and Communications, Malaysia.

### 10 NOVEMBER 2007

TM received awards for best cinematography for its TM Merdeka 2007 TVC and best TVC for its TM Chinese New Year 2007 ad at the Sixth Oskar Awards 2007 organised by the Film Workers Association of Malaysia with the support of FINAS.

### 16 NOVEMBER 2007

Celcom secured 5th place in Malaysia's Most Valuable Brands 2007 competition, initiated and promoted by the 4A's (Association of Accredited Advertising Agents Malaysia) as a recognition and valuation exercise, in collaboration with world-renowned Interbrand. Based on a valuation of RM4.07 billion, Celcom was selected based on Interbrand's well-established brand valuation methodology.

### 20 NOVEMBER 2007

TM was ranked second in the Corporate Governance Survey Report 2007 jointly organised by the Minority Shareholders Watchdog Group (MSWG) and the Nottingham University Business School, Malaysia Campus.

### 29 NOVEMBER 2007

TM achieved recognition once again for its annual report, clinching the Gold Award for *Overall Excellence* during the National Annual Corporate Report Awards (NACRA) 2007 ceremony held in Kuala Lumpur. TM also took home the *Industry Excellence Award* for Bursa Malaysia Main Board Companies under the Trading & Services sector for the 11th consecutive year, as well as winning the Gold award for *Best Designed Annual Report*.

### 12 DECEMBER 2007

VADS Berhad was awarded the ICT Service Provider of the year award by PIKOM. This prestigious award is a strong testament to the Company's capabilities and contribution towards the growth of the ICT Industry in Malaysia.

### 13 DECEMBER 2007

In recognition of its best practices in management accounting, value creation and excellent business performance, TM beat 9 other finalists to win the coveted National Award for Management Accounting (NAfMA) Excellence Award this year. The NAfMA Award is jointly awarded by the Malaysian Institute of Accountants (MIA) and the Chartered Institute of Management Accountants (CIMA).

#### ■ BOARD OF DIRECTORS

**TAN SRI DATO' Ir MUHAMMAD RADZI HJ MANSOR**

Chairman  
(Non-Independent Non-Executive Director)

**DATO' SRI ABDUL WAHID OMAR**

Group Chief Executive Officer  
(Non-Independent Executive Director)

**DATUK ZALEKHA HASSAN**

(Non-Independent Non-Executive Director)

**DATO' AZMAN MOKHTAR**

(Non-Independent Non-Executive Director)

**DATO' Ir DR ABDUL RAHIM DAUD**

(Independent Non-Executive Director)

**DATO' LIM KHENG GUAN**

(Senior Independent Non-Executive Director)

**YB DATUK NUR JAZLAN TAN SRI MOHAMED**

(Independent Non-Executive Director)

**Ir PRABAHAR NK SINGAM**

(Independent Non-Executive Director)

**ROS LI MAN**

(Independent Non-Executive Director)

**DYG SADIAH ABG BOHAN**

(Alternate Director to  
Datuk Zalekha Hassan)  
(Non-Independent Non-Executive Director)

#### ■ SECRETARIES

- Wang Cheng Yong (MAICSA 0777702)
- Zaiton Ahmad (MAICSA 7011681)

#### ■ REGISTERED OFFICE

Level 51, North Wing  
Menara TM  
Jalan Pantai Baharu  
50672 Kuala Lumpur  
Malaysia  
Tel No. : 603-2240 1221/1225  
Fax No. : 603-2283 2415

#### ■ SHARE REGISTRAR

Tenaga Koperat Sdn Bhd  
20th Floor, Plaza Permata  
Jalan Kampar, Off Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia  
Tel No. : 603-4047 3883  
Fax No. : 603-4042 6352

#### ■ AUDITORS

PricewaterhouseCoopers  
(Chartered Accountants)  
Level 10, 1 Sentral  
Jalan Travers, Kuala Lumpur Sentral  
50706 Kuala Lumpur  
Malaysia  
Tel No. : 603-2173 1188  
Fax No. : 603-2173 1288

#### ■ PRINCIPAL BANKERS

- CIMB Bank Berhad
- Malayan Banking Berhad

#### ■ PRINCIPAL SOLICITORS

- Zul Rafique & Partners
- Hisham Sobri & Kadir

#### ■ STOCK EXCHANGE LISTING

**Main Board of Bursa Malaysia Securities Berhad**  
(Listed since 7 November 1990)

#### ■ MALAYSIAN TAXES ON DIVIDEND

Malaysia practices an imputation system in the distribution of dividends whereby the income tax paid by a company is imputed to dividends distributed to shareholders.

The Budget 2008 announced that a single tier company tax system to be introduced with effect from year of assessment 2008. The transitional provisions for the Finance Act, 2007 allow the imputation system to continue up to 31 December 2013 and the Company shall be entitled to deduct tax at the rate applicable to the company at the date the dividend is paid. As gazetted in the Finance Act, 2007, the corporate tax rate applicable to TM in 2008 is 26%. Consequently, Malaysian income tax at 26% will be deducted from the proposed final gross dividend of 22 sen per share for financial year ended 31 December 2007, subject to shareholders' approval at the forthcoming 23rd AGM.

The income tax deducted or deemed to have been deducted from dividend is accounted for by the income tax of the company. There is no further tax or withholding tax on the payment of dividends to all shareholders.





The Annual Report is available to the public who are not shareholders of the Company, by writing to:

General Manager

**Group Corporate Communications Division**

Telekom Malaysia Berhad

Level 8, South Wing, Menara TM, Jalan Pantai Baharu

50672 Kuala Lumpur, Malaysia

Tel: 603-2240 2676/2657 Fax: 603-7955 2510



### Malaysia Business<sup>\*1</sup>

- TM RETAIL<sup>\*1</sup>
- TM WHOLESALÉ<sup>\*1</sup>
- 100% TM NET SDN BHD
- 100% TELEKOM SALES & SERVICES SDN BHD
- 100% GITN SDN BERHAD
- 100% TELEKOM RESEARCH & DEVELOPMENT SDN BHD
- 100% TELEKOM MALAYSIA (USA) INC
- 100% TELEKOM MALAYSIA (UK) LIMITED
- 100% TELEKOM MALAYSIA (HONG KONG) LIMITED
- 100% TELEKOM MALAYSIA (S) PTE LTD
- 100% MOBIKOM SDN BHD
- 100% TELEKOM APPLIED BUSINESS SDN BHD

### TM International Berhad

- 100% TM INTERNATIONAL (L) LIMITED
  - 84.81% DIALOG TELEKOM PLC *(Formerly known as Dialog Telekom Limited)*
    - 100% DIALOG BROADBAND NETWORKS (PRIVATE) LIMITED
    - 100% DIALOG TELEVISION (PRIVATE) LIMITED
      - (Formerly known as Asset Media (Private) Limited)*
      - 100% COMMUNIQU BROADBAND NETWORK (PRIVATE) LIMITED
      - 100% CBN SAT (PRIVATE) LIMITED
  - 70% TM INTERNATIONAL (BANGLADESH) LIMITED
  - 100% INDOCEL HOLDING SDN BHD
    - 66.99% PT EXCELCOMINDO PRATAMA TBK
  - 89% MULTINET PAKISTAN (PRIVATE) LIMITED
  - 49% MOBILE TELECOMMUNICATIONS COMPANY OF ESFAHAN
- 100% TELEKOM MALAYSIA INTERNATIONAL (CAMBODIA) COMPANY LIMITED
- 18.97% SAMART CORPORATION PUBLIC COMPANY LIMITED
- 24.42% SAMART I-MOBILE PUBLIC COMPANY LIMITED<sup>\*2</sup>
- 80% SUNSHARE INVESTMENTS LTD<sup>\*3</sup>
  - 29.69% MOBILEONE LTD
- 100% TMI MAURITIUS LTD
  - 100% TMI INDIA LTD
    - 39.20% SPICE COMMUNICATIONS LIMITED

#### AS AT 20 FEBRUARY 2008

Depicting active subsidiaries, jointly controlled entities, associates and Strategic Business Units (SBUs) categorised under major business segments

## Celcom (Malaysia) Berhad

- 100% TECHNOLOGY RESOURCES INDUSTRIES BERHAD
- 100% CELCOM TRANSMISSION (M) SDN BHD
- 100% CELCOM TECHNOLOGY (M) SDN BHD
- 80% CELCOM TIMUR (SABAH) SDN BHD
- 100% CELCOM MOBILE SDN BHD
- 100% ALPHA CANGGIH SDN BHD
- 100% CT PAGING SDN BHD
  - 49% C-MOBILE SDN BHD
- 20% SACOFA SDN BHD

### Note:

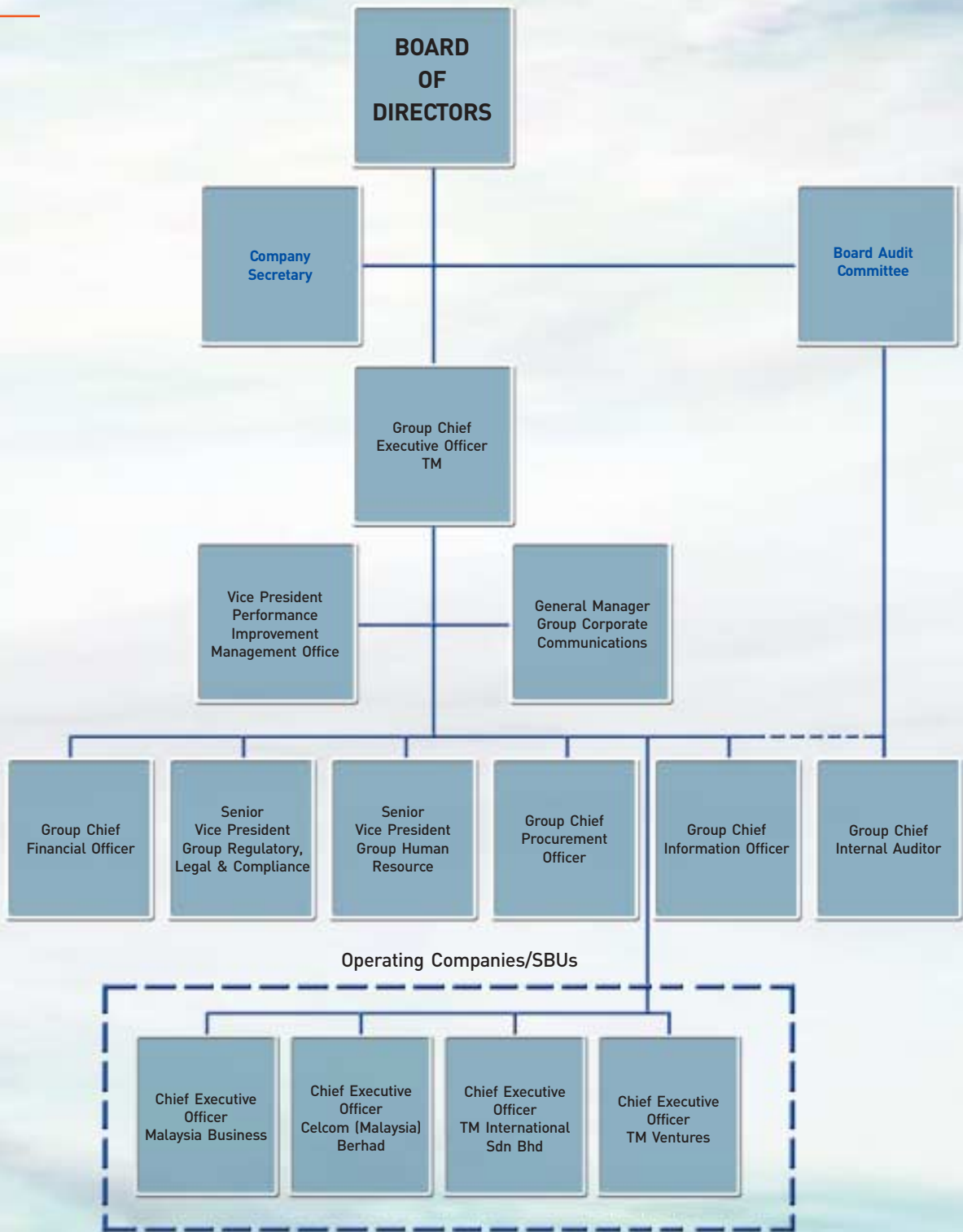
- \*1 SBU within Telekom Malaysia Berhad
- \*2 TM International Berhad's effective shareholding in Samart I-Mobile Public Company Limited (SIM) is 35.58% by virtue of SIM being a 57.69% subsidiary of Samart Corporation Public Company Limited
- \*3 Economic benefit of TM Group in SunShare Investments Ltd is 51% notwithstanding TM Group's equity interest of 80%

## TM Ventures\*1

- 64.77% VADS BERHAD
  - 100% VADS E-SERVICES SDN BHD
    - 100% VADS CONTACT CENTRE SERVICES SDN BHD
  - 100% VADS PROFESSIONAL SERVICES SDN BHD
  - 100% VADS SOLUTIONS SDN BHD
  - 100% MEGANET COMMUNICATIONS SDN BHD
- 51% FIBRECOMM NETWORK (M) SDN BHD  
*(Held via Celcom Transmission (M) Sdn Bhd)*
- 54% FIBERAIL SDN BHD
- 100% UNIVERSITI TELEKOM SDN BHD
  - 100% UNITELE MULTIMEDIA SDN BHD
    - 100% MMU CREATIVISTA SDN BHD
- 100% MENARA KUALA LUMPUR SDN BHD
- 100% TM INFO-MEDIA SDN BHD
- 100% TELEKOM MULTI-MEDIA SDN BHD
  - 51% TELEKOM SMART SCHOOL SDN BHD
  - 30% MUTIARA.COM SDN BHD
- 100% TM FACILITIES SDN BHD
  - 100% TMF SERVICES SDN BHD
  - 100% TMF AUTOLEASE SDN BHD
  - 100% TM LAND SDN BHD
- PROPERTY DEVELOPMENT\*1



Group  
Organisation Structure



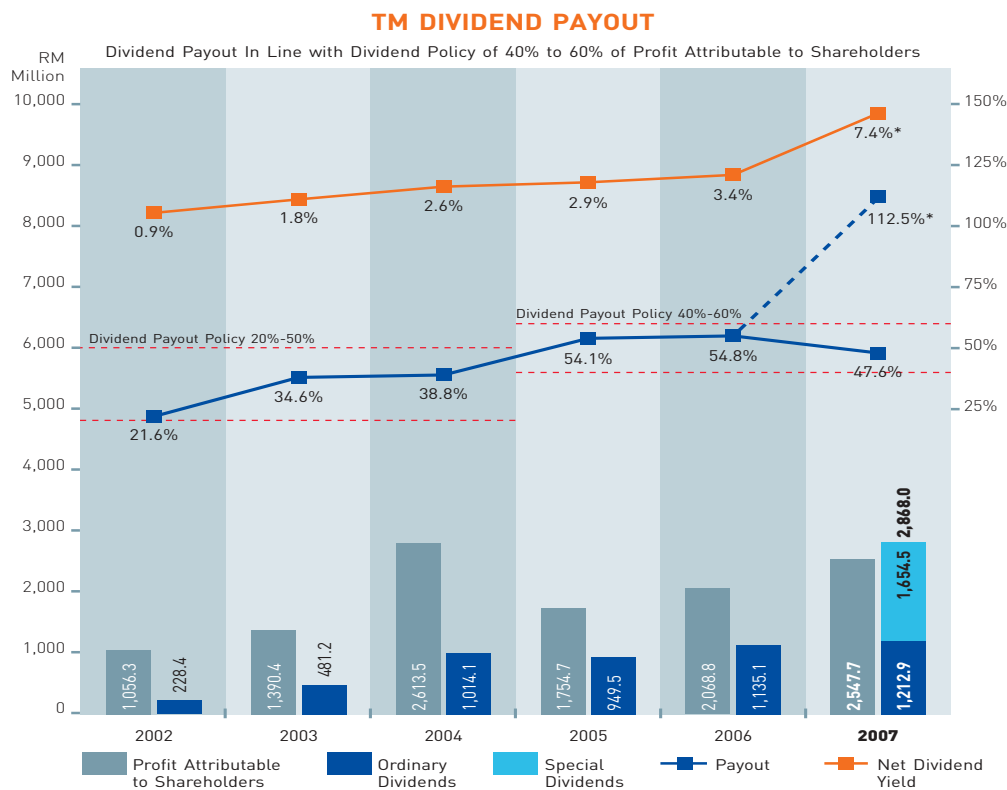
As TM evolves into the regional communications company of choice, the pursuit of operational excellence is not without sound financial management. 2007 has seen the continued commitment towards enhancing value for the providers of capital with improved shareholder payout coupled with capital management initiatives and better economic profit.

### IMPROVING PAYOUT TO SHAREHOLDERS

In our efforts to strengthen and establish TM as a leading Communications Company in this region, we have always remained focused in creating value for our shareholders. In 2007, we declared a proposed total dividend payout of RM2.9 billion to our shareholders which consists of:

- a proposed final gross dividend of 22 sen per share less tax at 26.0%.
- special gross dividend of 65 sen per share less tax at 26.0%.
- interim gross dividend of 26 sen per share less tax at 27.0%.

The total dividend payout of 112.5%, including special dividends was made possible through better financial performance and capital management exercise. Excluding special dividends, the ordinary dividends payout represented 47.6% of profit attributable to shareholders. This is very much in line with our dividend payout policy of 40% to 60% of profit attributable to shareholders. Net dividend yield incorporating the special dividend, rose to 7.4% based on the year end price of RM11.20.



\*Including Special Dividends

FY 2005 – Net Profit adjusted for provision of Dete Claim of RM879.5 million

Net Dividend Yield based on closing price at year-end

### CAPITAL MANAGEMENT EXERCISE

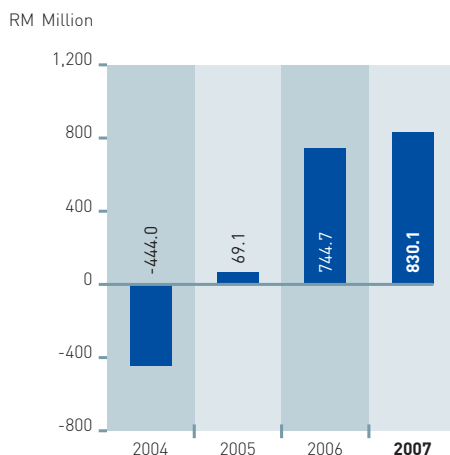
A sale and leaseback of property assets was carried out to facilitate the implementation of TM's strategy to monetise its non-core assets with a view to unlock value while focusing on its core business of providing telecommunications services. The sale and leaseback involved four properties, namely Menara TM, Wisma TM Taman Desa, Cyberjaya Complex and Menara Celcom which upon completion of the transaction were transferred from TM to Menara ABS Berhad, a special purpose vehicle for a total consideration of RM1.0 billion.

Proceeds from this capital management exercise and the capital repayment from Celcom of RM730.1 million has enabled TM to distribute the cash in the form of special dividends amounting to RM1.65 billion to reward its shareholders.

### BETTER ECONOMIC PROFIT

In order to provide a more accurate picture of underlying economic performance of the TM Group vis-à-vis its financial accounting reports, Economic Profit (EP) is used as a yardstick to measure shareholder value. EP measures net profit after deducting a charge to account for the cost of capital utilised to generate this profit. EP is defined as capital invested multiplied by the spread between Return on Invested Capital (ROIC) and the Weighted Average Cost of Capital (WACC). \* EP has the benefit of incorporating profitability, size of capital base, return on capital and the cost of capital into a single measure. For the financial year 2007, TM's EP of RM830.1 million has shown a RM85.4 million increase from RM744.7 million recorded in 2006. This increase is attributed to the higher Net Operating Profit Less Adjusted Taxes (NOPLAT) from better operational performance which was partially offset by the increased economic charge from higher WACC.

### ECONOMIC PROFIT



\* Economic Profit = NOPLAT - (Invested Capital x WACC), where NOPLAT is Net Operating Profit Less Adjusted Taxes (Source: Khazanah Nasional Berhad)



**DEMERGER TO FURTHER UNLOCK VALUE**

The demerger of TM into 2 separate entities with distinct business strategies and aspirations, enables value creation through accelerated operational improvement and growth.

Operating as a separate entity can further promote improvements in disclosure and boost transparency levels. The demerger is expected to create value and is sound from a capital markets perspective. The two companies will each have a capital structure suitable to its business, with funding capacity for growth and investment requirements.

Clearly the market is upbeat and supportive of this exercise. This has been reflected in the improved share price performance post announcement of the demerger.

At the point of demerger, TM shareholders will be awarded a one-for-one dividend in specie, of one TMI share for each TM share held. Shareholders will be able to jointly participate in the value creation as these two entities pursue their respective goals to be a domestic broadband champion and leading regional mobile operator.

**TM CREDIT RATING**

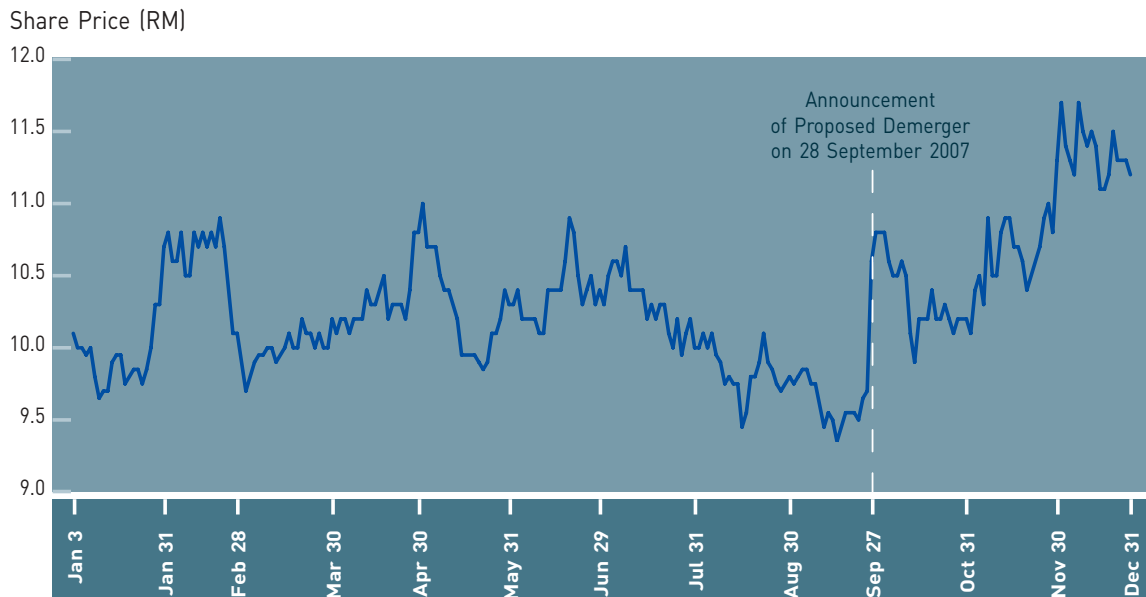
TM continued to exhibit strong fundamentals and a sound balance sheet. This is evident from the credit rating accorded by both the local and international rating agencies. TM's credit rating is as follows:

- Moody's Investors Service      A2
- Standard & Poor's              A-
- Fitch                                      A-
- Rating Agency of Malaysia      AAA

The demerger of TM into two unique entities has not changed the strength of its financial position. Following a rating review, the credit rating of TM remains largely unchanged with Standard & Poor's, Fitch, and RAM reaffirming the above ratings while Moody's has placed TM on Rating Watch to align its rating to the sovereign rating of A3. This review will be continued pending the final completion of the demerger.

TM remains committed at maintaining its strong investment grade ratings and adopt a prudent approach to financial management moving forward.

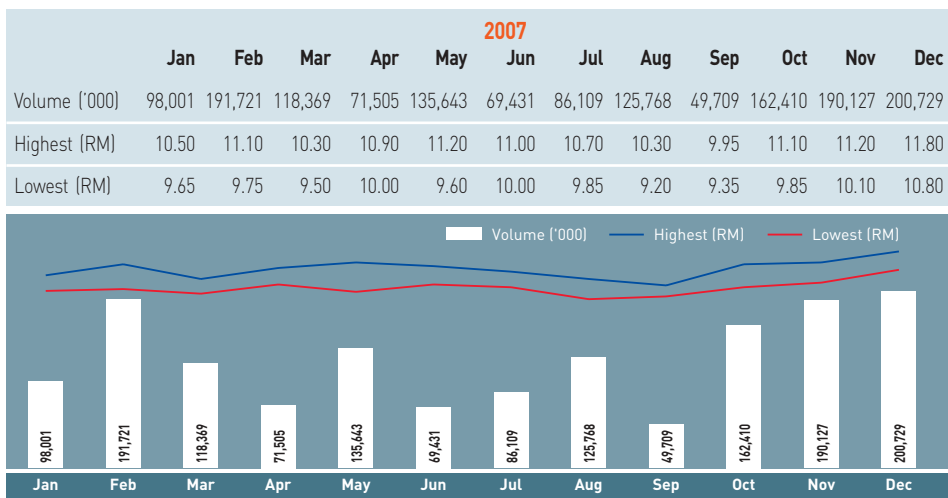
**TM'S SHARE PRICE PERFORMANCE**



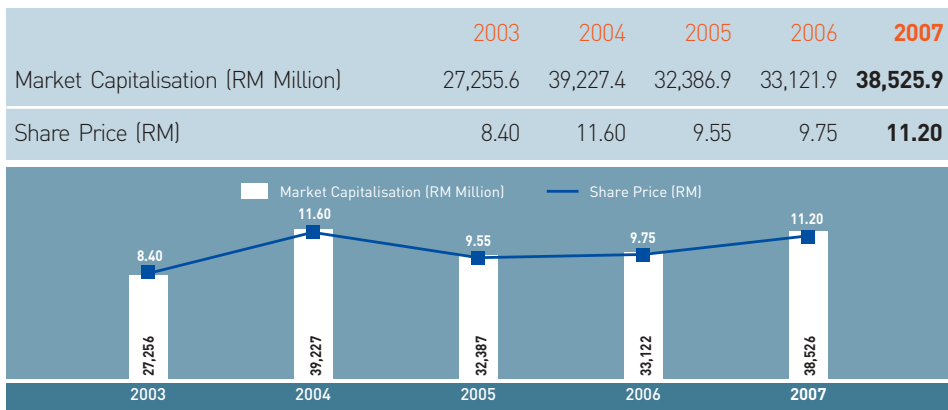
Source : Bloomberg

### SHARE PRICE & VOLUME TRADED

2007 Monthly Trading Volume & Highest-Lowest Share Price




### MARKET CAPITALISATION/SHARE PRICE



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# Performance Review

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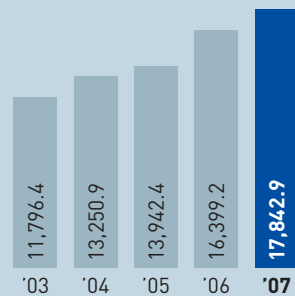


FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS	52
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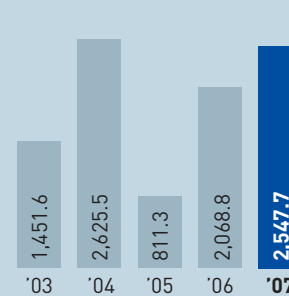


Five-Year Group  
Financial Highlights

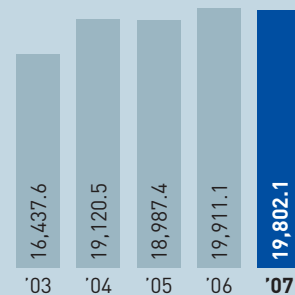
**Operating Revenue**  
(RM Million)



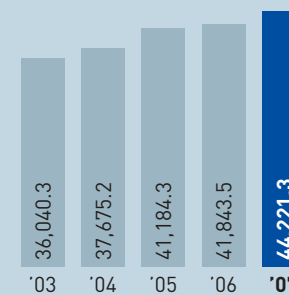
**Profit Attributable to Equity Holders of the Company**  
(RM Million)



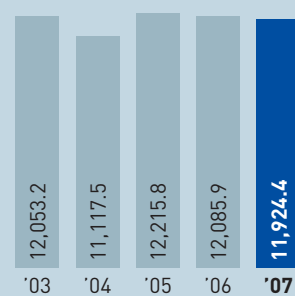
**Total Shareholders' Equity**  
(RM Million)



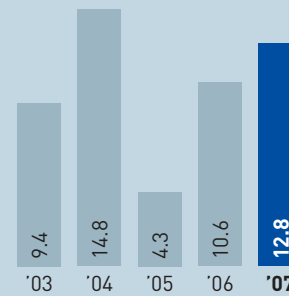
**Total Assets**  
(RM Million)



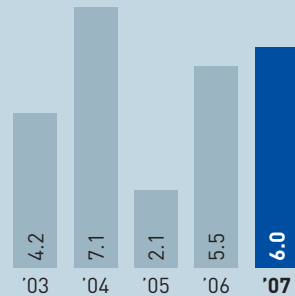
**Total Borrowings**  
(RM Million)



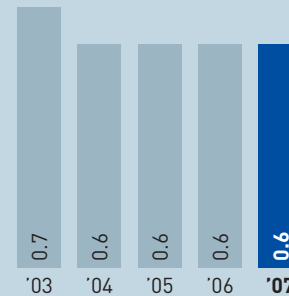
**Return on Shareholders' Equity**  
(%)



**Return on Total Assets**  
(%)

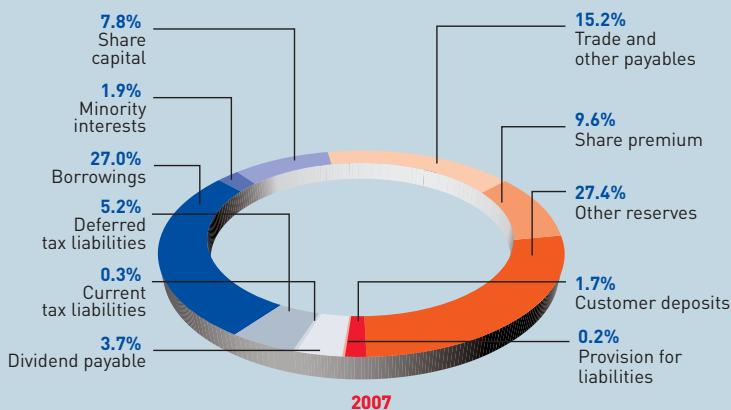
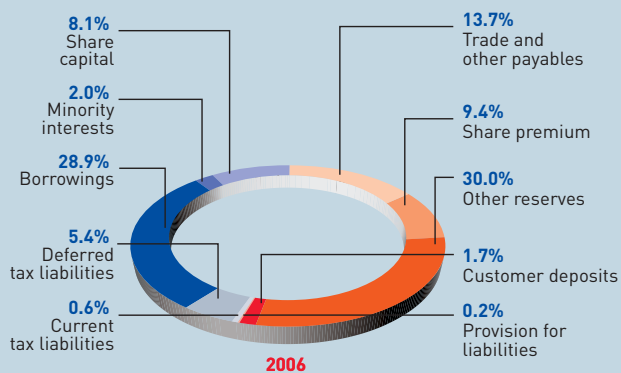
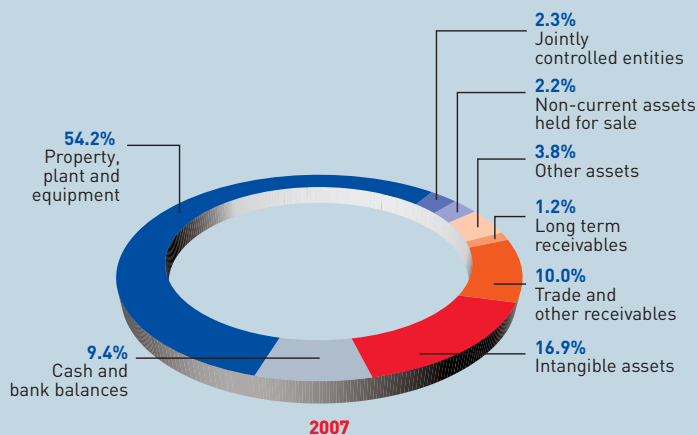
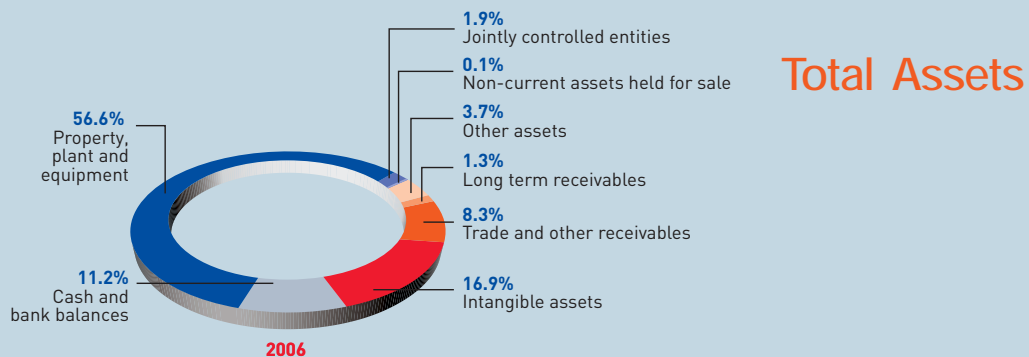


**Debt Equity Ratio**



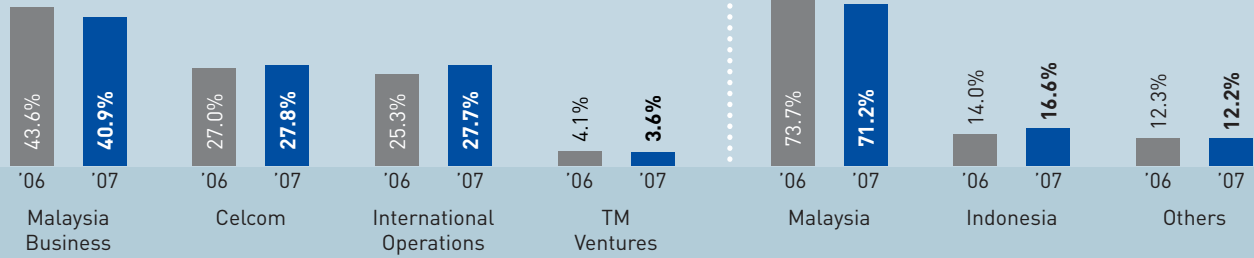
IN RM MILLION	2003	2004	2005	2006	2007
1. Operating revenue	11,796.4	13,250.9	13,942.4	16,399.2	<b>17,842.9</b>
2. Profit before taxation	1,759.1	3,161.9	1,520.4	3,133.2	<b>3,142.6</b>
3. Profit for the year	1,505.4	2,688.5	855.5	2,302.3	<b>2,631.6</b>
4. Profit attributable to equity holders of the Company	1,451.6	2,625.5	811.3	2,068.8	<b>2,547.7</b>
5. Total shareholders' equity	16,437.6	19,120.5	18,987.4	19,911.1	<b>19,802.1</b>
6. Total assets	36,040.3	37,675.2	41,184.3	41,843.5	<b>44,221.3</b>
7. Total borrowings	12,053.2	11,117.5	12,215.8	12,085.9	<b>11,924.4</b>
<b>GROWTH RATES OVER PREVIOUS YEARS</b>					
1. Operating revenue	20.0%	12.3%	5.2%	17.6%	<b>8.8%</b>
2. Profit before taxation	13.4%	79.7%	-51.9%	106.1%	<b>0.3%</b>
3. Total shareholders' equity	13.3%	16.3%	-0.7%	4.9%	<b>-0.5%</b>
4. Total assets	24.6%	4.5%	9.3%	1.6%	<b>5.7%</b>
5. Total borrowings	49.1%	-7.8%	9.9%	-1.1%	<b>-1.3%</b>
<b>SHARE INFORMATION</b>					
1. Per share					
Earnings (basic)	45.5 sen	78.6 sen	23.9 sen	61.0 sen	<b>74.4 sen</b>
Gross dividend *	20.0 sen	30.0 sen	35.0 sen	46.0 sen	<b>113.0 sen</b>
Net assets	505.7 sen	565.3 sen	559.9 sen	586.0 sen	<b>575.7 sen</b>
2. Share price information					
High	RM9.20	RM12.10	RM12.00	RM10.40	<b>RM11.80</b>
Low	RM7.15	RM8.25	RM9.15	RM8.60	<b>RM9.20</b>
<b>FINANCIAL RATIO</b>					
1. Return on shareholders' equity	9.4%	14.8%	4.3%	10.6%	<b>12.8%</b>
2. Return on total assets	4.2%	7.1%	2.1%	5.5%	<b>6.0%</b>
3. Debt equity ratio	0.7	0.6	0.6	0.6	<b>0.6</b>
4. Dividend cover *	2.2	2.6	0.7	1.3	<b>0.7</b>

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



## Segment Operating Revenue

For the year ended 31 December

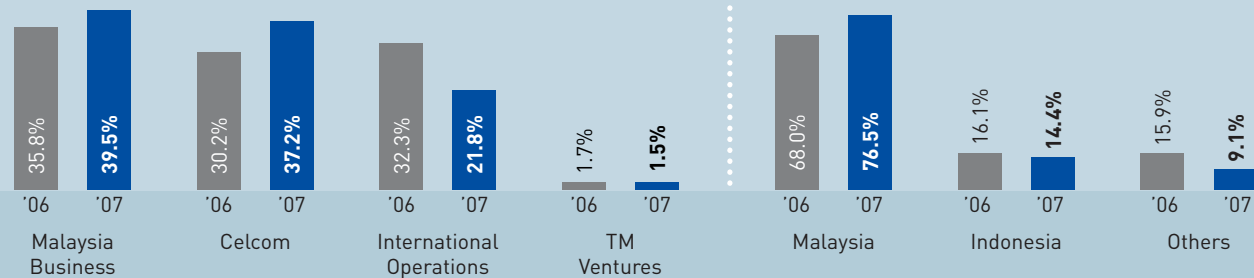


BY BUSINESS

BY GEOGRAPHICAL LOCATION

## Segment Results

For the year ended 31 December

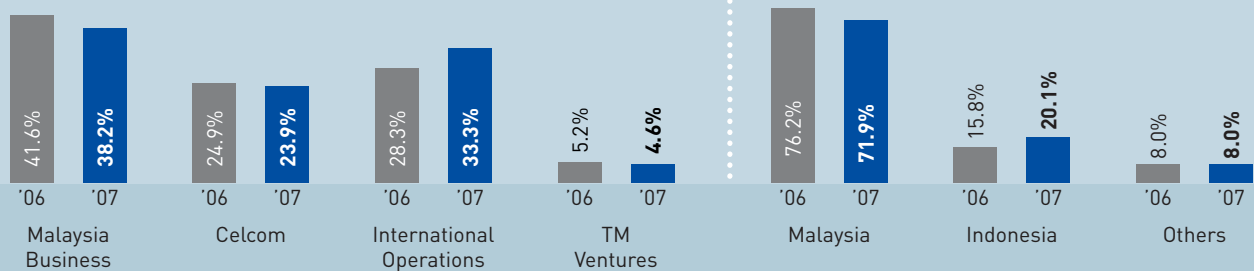


BY BUSINESS

BY GEOGRAPHICAL LOCATION

## Segment Assets

as at 31 December



BY BUSINESS

BY GEOGRAPHICAL LOCATION



2007

IN RM MILLION	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR 2007
<b>FINANCIAL PERFORMANCE</b>					
Operating revenue	4,181.2	4,318.8	4,608.7	4,734.2	<b>17,842.9</b>
Operating profit before finance cost	968.4	998.6	867.0	649.3	<b>3,483.3</b>
Profit before tax	846.7	885.9	692.6	717.4	<b>3,142.6</b>
Profit attributable to equity holders of the Company	595.7	701.0	658.5	592.5	<b>2,547.7</b>
Earnings per share (sen) <sup>#</sup>	17.4	20.5	19.2	17.2	<b>74.4</b>
Dividends per share (sen) <sup>*</sup>	—	26.0	—	87.0	<b>113.0</b>

2006

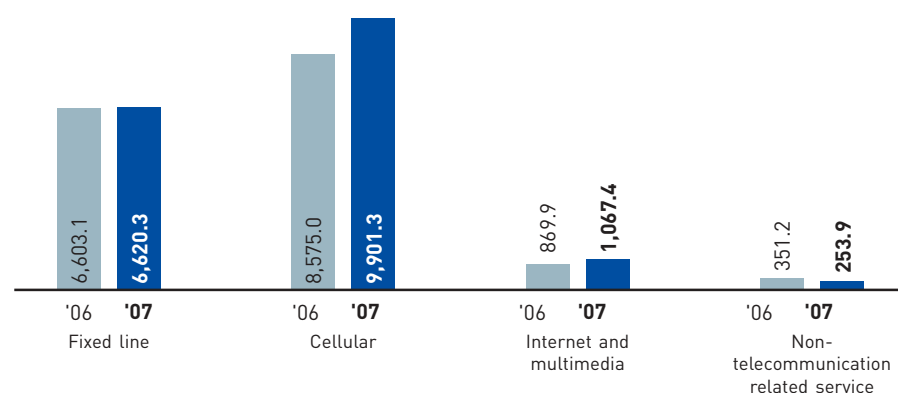
IN RM MILLION	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR 2006
<b>FINANCIAL PERFORMANCE</b>					
Operating revenue	3,787.6	3,976.3	4,227.5	4,407.8	16,399.2
Operating profit before finance cost	954.4	723.6	848.6	964.0	3,490.6
Profit before tax	842.0	689.3	730.4	871.5	3,133.2
Profit attributable to equity holders of the Company	545.6	453.5	478.9	590.8	2,068.8
Earnings per share (sen)	16.1	13.4	14.1	17.4	61.0
Dividends per share (sen)	—	16.0	—	30.0	46.0

<sup>#</sup> Included effect of cumulative rounding.

<sup>\*</sup> Included special dividend of 65.0 sen per share declared on 10 December 2007 and paid on 31 January 2008.

## Operating Revenue

(RM Million)



### OPERATING REVENUE

For the year ended 31 December 2007, the Group registered 8.8% (RM1,443.7 million) growth in operating revenue to RM17,842.9 million as compared to RM16,399.2 million recorded in 2006, largely driven by the cellular, data, Internet and multimedia segments of the Group's businesses.

The cellular segment continued to be the number one revenue contributor to the Group. Current year revenue from the cellular segment of RM9,901.3 million was 15.5% higher as compared to RM8,575.0 million recorded in the preceding year and made up 55.5% (2006: 52.3%) of the Group's revenue.

Revenue from fixed line segments (including voice, data services and other telecommunication services) of RM6,620.3 million accounted for 37.1% of the Group's revenue, decreased from 40.3% in the preceding year. The reduced contribution was in tandem with global trend where customers are migrating from the traditional fixed line services to cellular and broadband services.

Internet and multimedia services registered encouraging year-on-year revenue growth of 22.7% to RM1,067.4 million and contributed 6.0% to the Group's operating revenue as compared to 5.3% in

2006. Non-telecommunication related services contributed only 1.4% (RM253.9 million) of the Group's operating revenue in 2007 as compared to 2.1% (RM351.2 million) in 2006.

### CELLULAR SEGMENT

Revenue from the cellular segment comprising rental, call charges, short message services, roaming and interconnect charges terminating at mobile, registered a significant growth of 15.5% (RM1,326.3 million) from RM8,575.0 million recorded in 2006 to RM9,901.3 million in 2007 largely due to improved performance of Celcom (Malaysia) Berhad (Celcom) and PT Excelcomindo Pratama Tbk (XL).

Celcom registered an encouraging revenue growth after inter-segment elimination of 12.2% from RM4,424.0 million in 2006 to RM4,965.1 million in 2007 amidst an intensely competitive cellular market. This was mainly due to strong growth in the prepaid market resulting from aggressive marketing activities and launching of new products. The push for mobility solutions also contributed to the increase in revenue. Celcom added 1.1 million new customers in 2007 bringing the total customers to 7.2 million, a growth of 18.0% from 6.1 million as at end of 2006.

XL posted a year-on-year revenue growth (after discounts) of 38.3% from IDR5,777.7 billion (RM2,310.4 million) in 2006 to IDR7,989.5 billion (RM3,011.0 million) in the current year arising from increase in customer base, mainly attributable to successful execution of several key strategies, especially in pricing and distribution channel management.

Dialog Telekom PLC (formerly known as Dialog Telekom Limited) (Dialog) continued to show steady growth in revenue of 26.6% from SLR25,679.5 million (RM907.0 million) to SLR32,518.6 million (RM1,011.3 million) despite its challenging operating environment. TM International (Bangladesh) Limited (TMIB) also registered 9.5% revenue growth from BDT13,139.6 million (RM704.3 million) in 2006 to BDT14,390.1 million (RM718.7 million) in 2007. Non-consolidation of Telekom Networks Malawi Limited (TNM) following disposal in April 2007 reduced the net increase. TNM contributed RM98.4 million in 2006 as compared to RM28.7 million in 2007.

#### **FIXED LINE SERVICES**

Fixed line services comprise business telephony (which also includes ISDN, interconnect, international inpayment), residential telephony, public payphone services, data services and other telecommunication related services. Other telecommunication related services include primarily recoverable work orders (RWO), maintenance, broadcasting, restoration of submarine cable, managed network services and enhanced value-added telecommunication services.

Fixed line services contributed RM6,620.3 million to the Group's revenue in 2007, a marginal increase of 0.3% (RM17.2 million) from RM6,603.1 million recorded in 2006. This turnaround was mainly attributed to higher data revenue resulting from the demand for higher speed services and higher revenue from RWO resulting from new billable projects. Higher contribution from VADS Berhad (VADS) and GITN Sdn Berhad (GITN) also contributed to the increase in revenue from the fixed-line segment.

#### **INTERNET AND MULTIMEDIA SERVICES**

Internet and multimedia services continued to record commendable revenue growth in 2007. Revenue increased by 22.7% to RM1,067.4 million as compared to RM869.9 million in 2006 in line with the increase to its customer base from 864,000 at the end of 2006 to 1,265,308 at the end of 2007.

#### **NON-TELECOMMUNICATION RELATED SERVICES**

Non-telecommunication related services comprise services from subsidiaries with core business in education, printing and publication of directories, property development, trading in consumer premises equipments, etc. Revenue from these services reduced by 27.7% (RM97.3 million) as compared to 2006, mainly attributed to lower revenue from TM Facilities Sdn Bhd as there was no disposal of land in the current year as compared to approximately RM43.0 million recorded in 2006. Telekom Sales and Services Sdn Bhd also contributed lower revenue from lower sales of customer premises equipment.

#### **OPERATING COSTS**

For the year ended 31 December 2007 the Group's operating costs rose by 13.2% (RM1,733.0 million) to RM14,820.1 million in 2007 as compared to RM13,087.1 million recorded in 2006 mainly due to higher marketing related expenses, impairment of property, plant and equipment, allowance for diminution in value of long term investments, one-off penalty charges and lower foreign exchange gain as explained below.

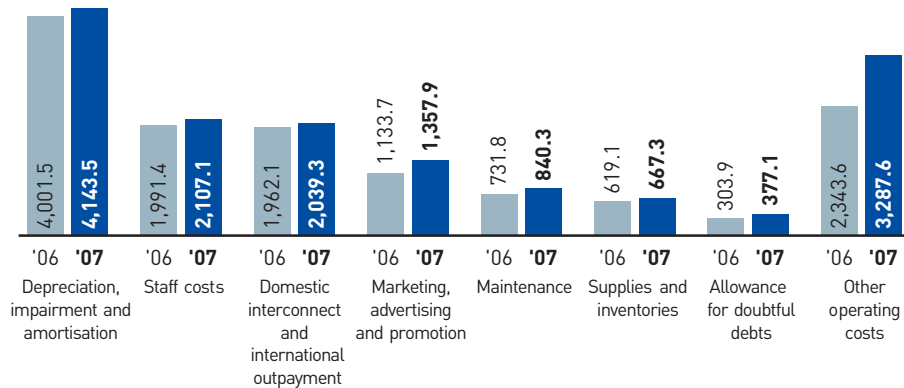
#### **DEPRECIATION, IMPAIRMENT AND AMORTISATION**

Depreciation, impairment and amortisation charges which comprised depreciation, impairment and write off of property, plant and equipment (PPE) as well as amortisation of intangible assets increased marginally by 3.5% (RM142.0 million) to RM4,143.5 million as compared to RM4,001.5 million recorded in 2006 and accounted for 28.0% of total operating costs. Higher impairment of PPE of RM85.9 million and higher write off of PPE amounting to RM33.3 million were the main contributing factors to the higher cost.

During the current year, Celcom recognised impairment losses on PPE amounting to RM52.4 million due to asset buyback plans in which these assets have been written down to its recoverable amount. The Company, XL and other subsidiaries contributed the remaining balance.

## Operating Costs

(RM Million)



### DOMESTIC INTERCONNECT AND INTERNATIONAL OUTPAYMENT

The Group's domestic interconnect and international outpayment increased marginally by 3.9% (RM77.2 million) from RM1,962.1 million recorded in 2006 to RM2,039.3 million in 2007 and accounted for 13.8% of the total operating costs.

### STAFF COSTS

The Group's staff costs rose by 5.8% (RM115.7 million) from RM1,991.4 million in 2006 to RM2,107.1 million in 2007 and accounted for 14.2% of total operating costs. Notable increase was noted in Celcom (RM48.2 million), Dialog (RM22.5 million), VADS (RM13.5 million), XL (RM14.2 million), TM Payphone Sdn Bhd (TMP) (RM18.0 million), TMIB (RM4.9 million) and GITN (RM5.5 million) arising from annual increment, higher provision for bonus and increase in headcount to support business expansion. The

Company, however, recorded lower costs of RM10.1 million due to reversal of excess bonus provision and lower cost on the employees' share option scheme.

### MARKETING, ADVERTISING AND PROMOTION

The Company, Celcom, XL and Dialog jointly contributed to higher marketing, advertisement and promotion costs which grew by 19.8% (RM224.2 million) from RM1,133.7 million in 2006 to RM1,357.9 million in 2007 due to aggressive marketing activities to promote new products and services.

### SUPPLIES AND INVENTORIES

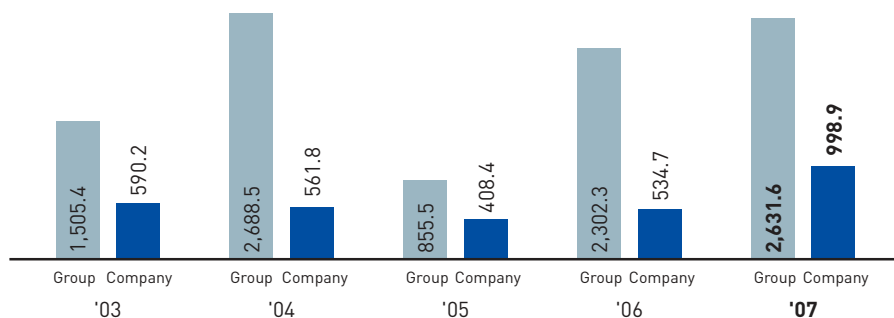
The Group's supplies and inventories costs grew to RM667.3 million, an increase of 7.8% (RM48.2 million) over RM619.1 million recorded in 2006 mainly due to the higher cost of prepaid cards, subscriber equipment and cables.

XL and Dialog registered higher cost of prepaid cards by RM30.8 million and RM10.1 million respectively in line with their increased customer base and higher revenue. Celcom, however, incurred lower cost of prepaid cards by RM16.0 million following the introduction of the 2 in 1 recharge card.

The Company registered higher subscriber equipment cost arising from installation for Streamyx whereas higher cable cost was the result of cable theft.



## Profit for the Year (RM Million)



### ALLOWANCE FOR DOUBTFUL DEBTS

For the current year, the Group's doubtful debts expense increased by 24.1% from RM303.9 million recorded in 2006 to RM377.1 million in 2007. The Company mainly contributed to the higher expense due to a one-off allowance for wholesale global debts. Celcom, XL and Dialog registered lower allowance for bad debts by RM8.5 million, RM5.0 million and RM3.1 million respectively which mitigated the net impact of the one-off allowance to the Group's bottom-line.

### ALLOWANCE FOR DIMINUTION IN VALUE OF LONG TERM INVESTMENTS

Following the review of impairment in the value of long term investments, an allowance for diminution in value amounting to RM80.0 million was made in the current year.

### FOREIGN EXCHANGE DIFFERENCES

In line with the appreciation of Ringgit Malaysia against US Dollar, the Company recorded significant gain on foreign exchange of RM197.6 million in 2007, largely arising from the revaluation of borrowings in US Dollar. However, this gain was RM63.1 million lesser as compared to the foreign exchange gain recorded in the preceding year.

In addition, XL suffered substantial losses on foreign exchange amounting to RM124.4 million as compared to a significant gain of RM138.0 million in 2006 primarily due to the revaluation of borrowings in US Dollar as well as payables in foreign currencies.

As a result, a net gain on foreign exchange of RM38.6 million was recorded in the current year as compared to a net gain of RM361.0 million recorded in the preceding year.

### OTHER SIGNIFICANT ONE-OFF CHARGES

During the year, TMIB has recognised an administrative fine by the local government of RM72.8 million for revenue loss.

In addition, XL has recognised penalty charges on late payment of withholding tax on off-shore interest payments of RM22.0 million following the Directorates General for Taxation's (DGT's) rejection of XL's objection on DGT's assessment requiring XL to pay higher withholding tax on off-shore interest payments. Celcom also recognised some penalties on late payment of taxation liabilities.

### OTHER OPERATING INCOME

Other operating income increased significantly from RM178.5 million in 2006 to RM460.5 million in 2007 largely due to gain on dilution and disposal of subsidiaries amounting to RM248.0 million. During the year, the Group disposed its 4.62% equity interest in Dialog and its entire 60.0% equity interest in TNM.

Higher dividend income from unquoted long term investments and gain on disposal of non-current asset held for sale also contributed to the increase in other operating income.

### NET FINANCE COST

XL and TMIB mainly contributed to higher finance cost which increased by RM199.0 million in 2007 as compared to 2006. XL incurred higher finance cost of RM170.9 million, mainly arising from higher withholding tax on off-shore interest payments for the years 2004 to 2007. TMIB recorded higher cost by RM35.5 million due to increased borrowings. The impact of the above increase was mitigated by the lower finance cost incurred by Celcom of RM24.0 million due to repayment of loan.

Finance income in 2007 was 12.9% (RM30.1 million) lower as compared to 2006 following lower income at the Company, Celcom, TMIB and Dialog.

Consequent from the above, the Group's net finance cost increased by 59.1% from RM387.9 million in 2006 to RM617.0 million in 2007.

### CONTRIBUTION FROM JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

The share of results in jointly controlled entities in 2007 of RM175.5 million was significantly higher than RM10.6 million recorded in 2006, largely due to share of Spice Communications Limited's (Spice) gain on sale of telecommunication towers. Spice recognised a net gain of RM328.6 million arising from the sale of telecommunication towers. The towers will be leased back from the purchaser

effective 1 January 2008. The Group's share of the gain was RM128.8 million. SunShare Investments Ltd also contributed higher profits of RM42.2 million as compared to RM38.0 million in 2006.

The Group also recognised a gain on dilution of equity interest in Spice of RM71.3 million in the current year arising from its initial public offering.

Contributions from associates in the current year of RM29.5 million was 48.2% higher than RM19.9 million recorded in 2006 and was largely attributed to improved performance of Celcom's associates.

### TAXATION EXPENSES

The Group's effective tax rate in 2007 was 16.3% as compared to 26.5% in 2006 mainly due to one-off capital gain that was not subjected to tax and the reversal of excess prior years' provisions for current and deferred tax mainly at the Company level.

Excluding the reversal of excess provisions in prior years, the current year effective tax rate would be 23.4% which was still lower than the statutory tax rate mainly due to one-off capital gain that was not subjected to tax. Reduction in deferred tax arising from the change in tax rate from 26.0% to 25.0% also contributed to the lower effective tax rate in the current year.

### PROFITABILITY

Consequent from improved performance of Celcom, one-off capital gain and higher contribution from jointly controlled entities, the Group recorded a 23.1% increase in profit after tax and minority interests from RM2,068.8 million in 2006 to RM2,547.7 million in 2007.

### TOTAL ASSETS

Total assets of the Group grew marginally by 5.7% to RM44,221.3 million as compared to RM41,843.5 million in 2006 largely due to the increase in property, plant and equipment, intangible assets, investments in jointly controlled entities, trade and other receivables, non-current assets held for sale net of decrease in cash and bank balances.

### INTANGIBLE ASSETS

During the year, the Group acquired an additional 7.38% equity interest in XL. The goodwill on acquisition arising from this transaction of RM286.3 million was included in intangible assets.

In addition, goodwill totalling RM180.8 million arising from the acquisitions of equity interest in XL, Telekom Malaysia International (Cambodia) Company Limited and Celcom Timur (Sabah) Sdn Bhd in 2006 which was previously recorded in equity has now been reclassified as intangible assets.

Consequent from the above, the Group's intangible assets increased by 5.7% (RM401.8 million) from RM7,059.1 million in 2006 to RM7,460.9 million in 2007.

### PROPERTY, PLANT AND EQUIPMENT (PPE)

The Group's PPE increased by 1.3% (RM303.0 million) to RM23,983.3 million in 2007 as compared to RM23,680.3 million in the preceding year arising mainly from increased capital expenditure for network expansions at XL, Dialog and TMIB of RM1,464.2 million, RM390.2 million and RM164.6 million respectively. However, PPE at the Company level reduced significantly by RM1,273.4 million mainly due to the net book value of four buildings under the sale and leaseback arrangement amounting to RM988.4 million being reclassified to non-current assets held for sale as well as lower capital expenditure in 2007.

Celcom and TM Net Sdn Bhd also recorded a reduction of RM175.9 million and RM52.3 million respectively. The exclusion of PPE of TNM and TMP following the disposal of both companies during the year reduced the net increase by RM66.7 million and RM36.5 million respectively.

In addition, the strengthening of Ringgit Malaysia against the local currency of foreign subsidiaries, i.e. XL, Dialog and TMIB, resulted in foreign exchange losses on translation of PPE for the current year amounting to RM532.6 million. This loss is debited directly to foreign translation reserve.

### INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (JCE)

Consequent from share of higher profits of JCE, the Group's investments in jointly controlled entities increased by 26.9% from RM807.5 million in 2006 to RM1,024.4 million in 2007.

### TRADE AND OTHER RECEIVABLES

The Group's trade and other receivables grew significantly by 27.0% (RM934.5 million) from RM3,464.1 million in 2006 to RM4,398.6 million in 2007. The Company accounted for RM594.5 million of the increase arising from the increase in Internet access and international receivables and higher tax recoverable.

### CASH AND BANK BALANCES

Cash and bank balances of the Group decreased by 10.9% (RM508.6 million) to RM4,171.8 million mainly due to higher dividend payment to equity holder of the company of RM1,402.4 million in 2007 as compared to RM1,001.9 million in 2006. Consequent from aggressive network expansion undertaken by foreign subsidiaries, the cash outflow for purchase of PPE also increased substantially by RM604.4 million. This was however offset by zero cash outflow for investment in JCE as compared to cash outflow of RM659.4 million in 2006.

### TOTAL LIABILITIES

The Group's total liabilities stood at RM23,569.8 million at the end of 2007, increased by 11.7% (RM2,473.9 million) as compared to RM21,095.9 million a year ago primarily attributed to increased trade and other payables and dividend payable.

### TRADE AND OTHER PAYABLES

Trade and other payables of the Group which include deferred revenue, increased substantially by 16.8% (RM961.8 million) between 2006 and 2007.

Celcom, XL and TMIB recorded higher trade and other payables by RM226.9 million, RM260.9 million and RM86.7 million respectively consequent from business and network expansion and jointly contributed to the increase in trade and other payables of RM788.7 million at Group level.

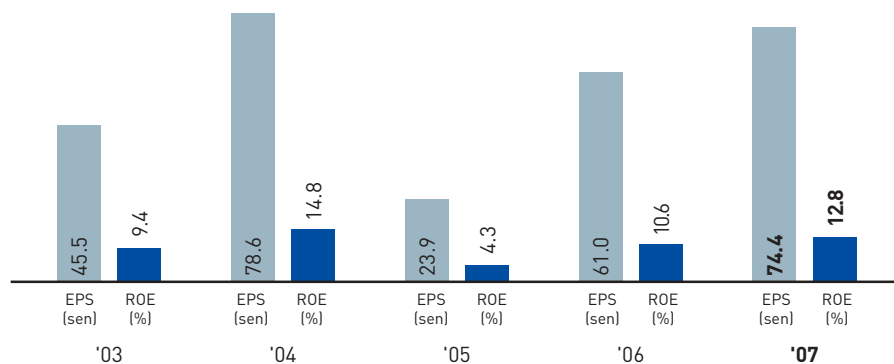
The Company and XL jointly contributed to higher deferred revenue which increased by RM163.4 million between the years under review. The Company recorded higher deferred revenue of RM62.7 million due to change in basis of revenue recognition in respect of prepaid cards from the point of sale to the point of usage. Higher deferred revenue of XL is in line with increase in prepaid customers.

### DIVIDEND PAYABLE

In December 2007, the Company has declared the payment of a special gross dividend of 65.0 sen per share less tax at 26.0% in respect of the current year. Consequently, the dividend payable amounting to RM1,654.5 million was recognised as liability in the Group Consolidated Balance Sheet as at 31 December 2007.

## Shareholders' Equity

(RM Million)



### SHAREHOLDERS' EQUITY

The Group's shareholders' equity remained strong at RM19,802.1 million, despite declining marginally from RM19,911.1 million as at 31 December 2006. The slight decrease was primarily due to higher appropriation from dividend payments and the special dividend declared during the year amounting to RM3,056.9 million compared to the increase from profit attributable to equity holders of the Company of RM2,547.7 million and the increase in paid-up capital and share premium pursuant to employees exercising their share options under the Company's employees' share options scheme.

### EARNINGS PER SHARE AND RETURN ON SHAREHOLDERS' EQUITY

Consequent from higher profit for the year attributable to equity holders of the Company as mentioned above, basic earnings per share (EPS) increased from 61.0 sen in 2006 to 74.4 sen in 2007. Accordingly, return on shareholders' equity (ROE) also increased from 10.6% in 2006 to 12.8% in 2007.

### DIVIDENDS

For the current year ended 31 December 2007, an interim gross dividend of 26.0 sen per share less tax at 27.0% was paid on 4 September 2007 to shareholders whose names appear in the Register of Members and Record of Depositors on 20 August 2007. Together with the proposed final gross dividend of 22.0 sen per share less tax at 26.0% subject to the shareholders' approval at the forthcoming 23rd Annual General Meeting of the Company, the total payout based on the issued and paid-up capital as at 31 December 2007 would be RM1,212.9 million. This represents 47.6% of the net profit for the year which is in line with the Company's dividend policy of between 40.0% and 60.0% of the profit attributable to equity holders.

Including the special gross dividend of 65.0 sen less tax at 26.0% amounting to RM1,654.5 million that was declared on 10 December 2007 and paid on 31 January 2008, the total dividend payout would amount to approximately RM2,867.4 million, representing 112.5% of the profit attributable to equity holders.



## Business & Other Statistics

YEAR ENDED 31 DECEMBER	2003	2004	2005	2006	2007
<b>MALAYSIA BUSINESS</b>					
<b>Customer Base</b>					
1. Residential Telephone	3,328,456	3,236,457	2,886,077	2,924,284	<b>2,942,613</b>
2. Business Telephone	1,295,185	1,429,675	1,457,112	1,509,542	<b>1,438,220</b>
3. Public Payphones	79,613	73,498	70,063	64,567	<b>46,787</b>
4. Leased Circuits	—	54,733	48,437	46,409	<b>56,790</b>
5. ISDN	63,587	58,469	52,876	51,414	<b>53,284</b>
6. Other Services (Telex & Maypac)	4,488	3,889	3,826	3,480	<b>1,365</b>
7. Toll Free (1-300 & 1-800)	2,195	3,156	3,425	3,857	<b>2,708</b>
8. Total access lines	4,623,641	4,416,135	4,343,189	4,433,826	<b>4,380,833</b>
9. Total access lines per 100 population	18.1	17.2	16.6	16.6	<b>16.0*2</b>
10. Access Services	1,741,108	2,178,406	2,564,407	3,189,517	<b>3,815,283</b>
11. Application Services	9,158	9,685	21,633	284,890*1	<b>219,329</b>
12. Content Services	480,290	636,491	796,489	1,023,409	<b>1,262,007</b>
13. Broadband	107,200	269,112	491,409	864,358	<b>1,265,308</b>
– Streamyx	100,529	257,099	478,469	736,714	<b>999,722</b>
– Streamyx Hotspot	6,671	12,013	11,920	125,783	<b>264,259</b>
– Direct	—	—	1,020	1,861	<b>1,327</b>
<b>Network Capacity ('000)</b>					
14. Kilometers Cable pair	31,040	31,644	32,110	32,559	<b>32,858</b>
15. Fibre kilometers	472	637	722	790	<b>831</b>
16. Exchange lines	8,679	8,684	8,684	8,684	<b>8,693</b>
17. International gateway exchange	45.7	45.7	45.7	43.1	<b>50.0</b>
<b>Productivity</b>					
18. Number of employees	—	17,846	16,097	15,228	<b>15,625</b>
19. Number of access line per employee	—	247.5	269.8	291.2	<b>280.4</b>
<b>Quality of Service</b>					
20. Total Faults report per line – PSTN	0.30	0.28	0.15	0.14	<b>0.29</b>
21. Total complaints per 1,000 lines – PSTN	4.2	0.23	—	—	<b>3.86</b>
22. Leased circuits fault restoration (within 24 hrs)	97.5	93.7	99.7	99.3	<b>99.7</b>
23. Complaints of bill issued (%) – TM Net	0.09	0.07	0.02	0.02	<b>0.07</b>
24. Number of complaints per 1,000 cust. – TM Net	46	28	22	12	<b>4</b>
<b>CELCOM (MALAYSIA) BERHAD</b>					
<b>Customers</b>					
1. Postpaid	1,176,860	1,104,419	1,118,138	1,230,517	<b>1,282,264</b>
2. Prepaid	3,160,065	4,230,998	5,740,078	4,848,753	<b>5,920,095</b>
3. Total Customers	4,336,925	5,335,417	6,858,216	6,079,270	<b>7,202,359</b>

**Notes:**

\*1: Value Added Services (VAS) are reflected in Application Services for 2006.

\*2: Based on forecasted value at 0.33% growth from MCMC Q3 2007 figure; 27.4 million population.

YEAR ENDED 31 DECEMBER	2003	2004	2005	2006	2007
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## ■ CELCOM (MALAYSIA) BERHAD (CONTINUED)

### **Network Capacity**

1. No. of GSM Stations	5,322	3,749	4,202	5,053	<b>5,801</b>
2. No. of 3G Stations	— not launched	—	806	1,499	<b>2,280</b>
3. Network Customer capacity ('000)	5,046	5,289	7,222	8,534	<b>10,223</b>
4. Coverage populated area (%)	95	96	97	98	<b>98.50</b>

### **Productivity**

1. Number of employees	4,264	4,019	3,461	3,679	<b>3,692</b>
2. Revenue per employee (RM'000)	858	1,063	1,306	1,239	<b>1,397</b>
3. Customer per employee	1,017	1,328	1,982	1,652	<b>1,951</b>

### **Quality of Service**

1. Overall Network Availability (%)	—	99.37	99.41	99.42	<b>99.69</b>
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## ■ TM INTERNATIONAL BERHAD

### **Number of Customers**

1. PT Excelcomindo Pratama Tbk	2,943,972	3,791,049	6,978,519	9,527,970	<b>15,468,600</b>
2. Dialog Telekom PLC	825,284	1,358,641	2,123,801	3,105,649	<b>4,259,529</b>
3. TM International (Bangladesh) Limited	401,680	1,103,465	3,051,917	5,762,093	<b>7,183,382</b>
4. Telekom Malaysia International (Cambodia) Company Limited	84,221	103,147	154,504	228,969	<b>311,650</b>
5. Spice Communications Limited					<b>3,800,633</b>
6. MobileOne Limited	1,068,000	1,162,000	1,246,000	1,337,000	<b>1,535,000</b>
7. Mobile Telecommunications Company of Esfahan	15,536	16,211	19,042	20,459	<b>30,568</b>

### **Network Capacity (Number of BTS)**

1. PT Excelcomindo Pratama Tbk	1,491	2,357	4,324	7,260*	<b>11,153</b>
2. Dialog Telekom PLC	588	672	833	1,211	<b>1,000</b>
3. TM International (Bangladesh) Limited	369	505	1,548	2,770	<b>3,905</b>
4. Telekom Malaysia International (Cambodia) Company Limited	96	136	170	202	<b>500</b>
5. Spice Communications Limited					<b>3,663</b>
6. MobileOne Limited					(approx.) <b>1,300</b>
7. Mobile Telecommunications Company of Esfahan	20	28	29	56	<b>64</b>

### **Number of Employees**

1. PT Excelcomindo Pratama Tbk	1,515	1,543	1,867	2,061	<b>2,159</b>
2. Dialog Telekom PLC	926	1,215	1,711	2,290	<b>3,423</b>
3. TM International (Bangladesh) Limited	378	652	1,087	1,541	<b>1,623</b>
4. Telekom Malaysia International (Cambodia) Company Limited	387	410	466	470	<b>710</b>
5. Multinet Pakistan (Private) Limited					<b>388</b>
6. Spice Communications Limited					<b>351</b>
7. MobileOne Limited	1,460	1,435	1,382	1,350	<b>1,342</b>
8. Mobile Telecommunications Company of Esfahan	28	36	46	47	<b>48</b>

\* Including 981 Node B.

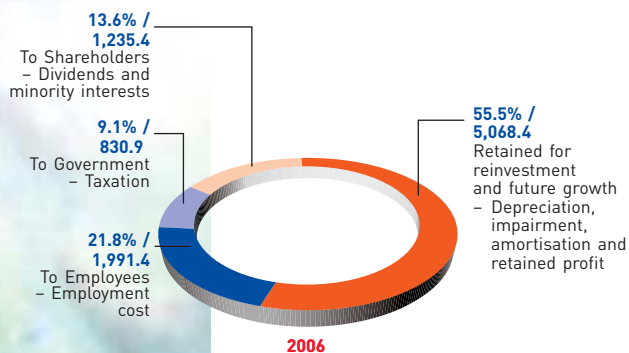
## Statement Of Value Added

Value added is a measure of wealth created. The following statement shows the Group's value added for 2006 and 2007 and its distribution by way of payments to employees, governments and shareholders, with the balance retained in the Group for reinvestment and future growth.

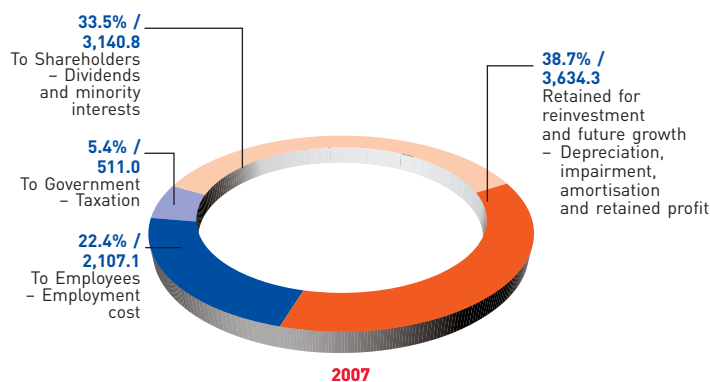
IN RM MILLION	2006	2007
<b>VALUE ADDED</b>		
Revenue	16,399.2	<b>17,842.9</b>
Purchase of goods and services	(7,094.2)	<b>(8,569.5)</b>
Value added by the Group	9,305.0	<b>9,273.4</b>
Other operating income	178.5	<b>460.5</b>
Finance income	234.0	<b>203.9</b>
Finance cost	(621.9)	<b>(820.9)</b>
Share of results of jointly controlled entities/associates	30.5	<b>205.0</b>
Gain on dilution of equity interest in a jointly controlled entity	—	<b>71.3</b>
Value added available for distribution	9,126.1	<b>9,393.2</b>
<b>DISTRIBUTION</b>		
To Employees Employment cost	1,991.4	<b>2,107.1</b>
To Government Taxation	830.9	<b>511.0</b>
To Shareholders Dividends Minority interests	1,001.9 233.5	<b>3,056.9</b> <b>83.9</b>
Retained for reinvestment and future growth Depreciation, impairment and amortisation Retained profit	4,001.5 1,066.9	<b>4,143.5</b> <b>(509.2)</b>
Total distributed	9,126.1	<b>9,393.2</b>

## Distribution Of Value Added

(RM Million)



2006



2007

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# Leadership

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PROFILE OF DIRECTORS 70

GROUP SENIOR MANAGEMENT 76





## A Marvel of Nature

There is nothing quite like the iridescence of a Paua shell. From Greens and Pinks to Purples and Blues, the colours stand out on their own, yet merge fluidly into each other like magic. But magic it is not. Each colour comprises a single unique layer of protein and calcium refracting light. Each shell comprises thousands upon thousands of such layers. Such seamless perfection of colour and form is what sets the Paua apart. And yet another reason why we marvel at it.

## A Pure Form

When it comes to truly standing out, a great deal of attention is paid to detail but what is also important is how things are put together. With its wide range of sophisticated services, extensive portfolio of assets, partnerships, networks and a demography of customers that spans nations, TM is all about detail. So it takes a special kind of vision and resolve to weave them into an organic entity with a natural incandescence that comes from purity of form and synergy of function. Which is why TM stays ahead.

**Tan Sri Dato' Ir Muhammad Radzi Hj Mansor** was appointed Chairman and Director of TM on 12 July 1999. He graduated with a Diploma in Electrical Engineering in 1962 from Faraday House Engineering College, London and a Masters in Science (Technological Economics) from the University of Stirling, Scotland in 1975. A Chartered Professional Engineer registered with the Board of Engineers, Malaysia and Engineering Council, United Kingdom, he is a corporate member of the Institution of Engineers, Malaysia, the Institution of Engineering and Technology, United Kingdom and the Institute of Management, United Kingdom.

He served in various engineering and management capacities in the former Jabatan Telekom Malaysia (JTM) over a 22-year period, including a three-year secondment as

Technical Adviser to the Ministry of Energy, Telecommunications and Post.

Tan Sri Radzi retired as Director General of Telecommunications upon corporatisation of JTM on 1 January 1987 and was subsequently appointed as Director of Operations of TM. He served as Director of Marketing and Customer Services from 1989 to 1995 and later as Director of Regulatory Management and External Affairs before retiring in July 1996. From 1997 to 1999, he was retained as a Consultant/Advisor on multimedia flagship application projects for the Multimedia Development Corporation Sdn Bhd (MDeC).

Apart from his directorship in several companies in the TM Group, Tan Sri Radzi is currently Chairman of Celcom

(Malaysia) Berhad, Dialog Telekom Limited, Sri Lanka, Menara Kuala Lumpur Sdn Bhd and President Commissioner of PT Excelcomindo Pratama Tbk, Indonesia. He is co-chairman of the Malaysian Industry-Government Group for High Technology (MIGHT) and a Director of MDeC.

Tan Sri Radzi served as Chairman of TM's Board Employees' Share Option Scheme (ESOS) Committee until expiry of the ESOS on 31 July 2007. He currently serves as Chairman of TM's Board Dispute Resolution Committee. He has attended all the 12 Board of Directors' Meetings of the Company held during the financial year. He is a Non-Executive Director nominated by the Minister of Finance, Inc., the Special Shareholder of TM and has never been charged for any offence. He has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.

**TAN SRI DATO' IR MUHAMMAD  
RADZI HJ MANSOR**

Non-Independent  
Non-Executive Chairman  
66 years of age – Malaysian



**Dato' Sri Abdul Wahid Omar** was appointed Group Chief Executive Officer (Group CEO) of TM on 1 July 2004. An accountant by training, Dato' Sri Abdul Wahid is a Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a member of the Malaysian Institute of Accountants.

He was formerly the Managing Director/Chief Executive Officer of the then United Engineers (Malaysia) Berhad and UEM World Berhad as well as the Executive Vice Chairman of PLUS Expressways Berhad. Prior to his stint at UEM Group, Dato' Sri Abdul Wahid served TM as the Chief Financial Officer in 2001. He previously served as a Director of Group Corporate Services cum Divisional Director, Capital Market & Securities of Amanah Capital Partners Berhad, Chairman of Amanah Short Deposits Berhad as well as a Director of Amanah Merchant Bank Berhad and several other companies in the financial services sector.

He is also currently a Director of Bursa Malaysia Berhad and member of the Financial Reporting Foundation of Malaysia and the Investment Panel of Lembaga Tabung Haji.

As the Group CEO, Dato' Sri Abdul Wahid sits on various Board committees including the Board Tender Committee, Board Dispute Resolution Committee and the Board ESOS Committee until expiry of the ESOS on 31 July 2007. He is also the Deputy Chairman of Celcom (Malaysia) Berhad, a Director of VADS Berhad and several other companies in the TM Group. He was appointed an Alternate Director to Tan Sri Dato' Ir Muhammad Radzi Hj Mansor on the Board of the Multimedia Development Corporation Sdn Bhd on 1 May 2005.

Dato' Sri Abdul Wahid has attended all the 12 Board of Directors' Meetings of the Company held during the financial year. He is an Executive Director nominated by the Minister of Finance, Inc., the Special Shareholder of TM. He has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



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**DATO' SRI ABDUL WAHID OMAR**  
Group Chief Executive Officer  
Non-Independent Executive Director  
44 years of age – Malaysian



## Leadership

### Profile of Directors

#### DATUK ZALEKHA HASSAN

Non-Independent Non-Executive Director  
54 years of age – Malaysian



**Datuk Zalekha Hassan** was appointed a Director of TM on 9 January 2008. She graduated with a Bachelor of Arts (Hons) from the University of Malaya.

Datuk Zalekha began her career in the Malaysian civil service in 1977, as an Assistant Director, in the Training and Career Development division of the Public Service Department. She continued to serve the Government in numerous Ministries including the Ministry of Health, Ministry of Social Welfare, Ministry of National Unity and Social Development prior to commencement of her career in the Ministry of Finance (MOF) in 1998 as the Senior Assistant Director of the Budget Division. She has since then continued to serve the MOF in various capacities. Datuk Zalekha was attached to the Government Procurement Management Division of the MOF for 7 years before taking up her current appointment as the Deputy Secretary General (Operation) in MOF.

Datuk Zalekha is also the Chairman of TM's Board Tender Committee and a Non-Independent Non-Executive member of TM's Board Audit Committee. She is a Non-Executive Director nominated by the Minister of Finance, Inc., the Special Shareholder of TM and has never been charged for any offence. She has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



#### DATO' AZMAN MOKHTAR

Non-Independent Non-Executive Director  
47 years of age – Malaysian

**Dato' Azman** was appointed a Director of TM on 1 June 2004. He obtained his Masters of Philosophy in Development Studies from Darwin College, Cambridge University as a British Chevening Scholar. Dato' Azman is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Chartered Financial Analyst (CFA) of the Association of Investment Management and Research (AIMR). He also holds a postgraduate diploma in Islamic Studies from the International Islamic University, Malaysia.

Dato' Azman is the Managing Director of Khazanah Nasional Berhad (Khazanah) since 1 June 2004 and was the Managing Director of BinaFikir Sdn Bhd until May 2004. Prior to that, he was the Director, Head of Country Research, Salomon Smith Barney in Malaysia and Director, Head of Research, the Union Bank of Switzerland in Malaysia. Prior to that, he was with the then National Electricity Board and Tenaga Nasional Berhad.

Dato' Azman is a Director of UEM Group Berhad, UEM World Berhad and Malaysian Agrifood Corporation Berhad. He is also the Chairman of ValueCap Sdn Bhd and South Johor Investment Corporation Berhad. He was appointed Chairman of TM International Berhad on 3 March 2008.

He is currently the Chairman of TM's Board Nomination and Remuneration Committee. He has attended 10 out of 12 Board of Directors' Meetings of the Company held during the financial year. Dato' Azman is a Non-Executive Director nominated by the Company's major shareholder, Khazanah, and has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



**DATO' Ir DR ABDUL RAHIM DAUD**  
Independent Non-Executive Director  
59 years of age – Malaysian

**Dato' Ir Dr Abdul Rahim Daud** was appointed to the Board of TM on 7 July 1998. His academic and professional qualifications are: *B.Eng* (Hons) Electronic, Liverpool; *M.Sc*(Eng) Communication, Birmingham; *PhD* (Eng), University of Bath, United Kingdom; *MBA*(Ohio), USA; *P.ENG* - Member of Professional Engineer Malaysia; *FIEM* - Fellow of Institution of Engineers Malaysia.

He joined Jabatan Telekom Malaysia in 1973. He has been in various senior positions in TM and in 1996, he was appointed as Chief Operating Officer of Telco. In July 1998, he was appointed as Executive Director of TM Group and remained as the Chief Operating Officer of TelCo until 1 February 2001 when he assumed the position of Executive Director, Corporate Strategy and Development. He was then appointed as the Group Deputy Chief Executive/Executive Director of TM from 29 May 2001 until his retirement on 30 June 2004. He remained on the

Board of TM and currently as an Independent Non-Executive Director of TM.

He was the first Malaysian to be elected as Chairman of Commonwealth Telecommunications Organisation (CTO) in London for 3 terms from September 1999 to November 2002. He also joined the Board of Governor of Intelsat (International Satellite Consortium in Washington DC) for 2 years until its privatisation in 2002. He has completed the Advanced Management Program (AMP) from the Harvard Business School and Senior Executive Development Program from the Wharton School of Business, Pennsylvania, USA. He is an Adjunct Professor of Universiti Kebangsaan Malaysia.

Dato' Ir Dr Abdul Rahim served as a member of the Board Tender Committee and also as Chairman/Board Member of a number of subsidiaries of TM. He has attended all the twelve (12) Board of Directors' Meetings of the Company held during the financial year. He has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.

**DATO' LIM KHENG GUAN**

Senior Independent Non-Executive Director  
65 years of age – Malaysian

**Dato' Lim Kheng Guan** was appointed to the Board of TM on 23 June 2000. He is a Chartered Accountant by profession and an Associate Member of the Malaysian Institute of Accountants, Associate of the Malaysian Institute of Certified Public Accountants, Fellow of Australian Society of Certified Practising Accountants, Associate of the Australian Institute of Bankers and a Member of the Malaysian Institute of Management. He has also attended Advanced Management Programs at Manchester Business School, INSEAD and London Business School.

He has more than 40 years of experience in accounting, management consulting and senior managerial positions in local and multinational public listed companies. Currently, he is the Executive Director of Malaysian Management Consultants Sdn Bhd.

Dato' Lim Kheng Guan currently serves as an Independent Non-Executive Chairman of the Board Audit Committee with effect from 16 August 2007 and also an Independent Non-Executive Member of the Nomination and Remuneration Committee and Board Dispute Resolution Committee. He is also a Board Member of a number of subsidiaries and associate companies of TM. He has attended 11 out of 12 Board of Directors' Meetings of the Company held during the financial year. He has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



## Leadership

### Profile of Directors



#### YB DATUK NUR JAZLAN TAN SRI MOHAMED

Independent Non-Executive Director  
42 years of age – Malaysian

**YB Datuk Nur Jazlan** was appointed to the Board of TM on 1 June 2004. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), United Kingdom. He was a Council Member and Chairman of Public Relations Committee of Malaysian Institute of Accountants as well as a Council Member of the Asean Federation of Accountants.

In addition to his corporate experience in the financial arena, YB Datuk Nur Jazlan is also active in politics. He is the Head of UMNO Pulai, Johor and also Chairman of Barisan Nasional for the division. He was an Exco Member of UMNO Youth from 1996 until 2004. He was re-elected in the recent General Election, as Member of Parliament for the Pulai Parliamentary Constituency, Johor.

YB Datuk Nur Jazlan is also a Director of United Malayan Land Bhd, Prinsiptek Corporation Berhad, Jaycorp Berhad and Penang Port Sdn Bhd, TSH Resources Berhad and Ekowood International Berhad.

YB Datuk Nur Jazlan served as an Independent Non-Executive Chairman of TM's Board Audit Committee until 29 May 2007. He is currently a Member of TM's Board Tender Committee, a Member of Board of Commissioners of PT Excelcomindo Pratama Tbk, Indonesia and Chairman of Multinet Pakistan (Private) Limited, subsidiaries of TM. He has attended 10 out of 12 Board of Directors' Meetings of the Company held during the financial year. He has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.

#### IR PRABAHAR NK SINGAM

Independent Non-Executive Director  
46 years of age – Malaysia

**Ir Prabahar** was appointed Director of TM on 23 June 2000. He is an engineer by profession and obtained his Bachelor of Science (Civil Engineering) degree from Portsmouth Polytechnic, United Kingdom in 1985. A member of the Board of Engineers Malaysia and the Institute of Engineers Malaysia, he is a professional engineer who has wide experience in the engineering sector, especially in the areas of consultancy, contracting, project management and project financing.

Ir Prabahar currently serves as an Independent Non-Executive Member of the Board Nomination and Remuneration Committee and Board Audit Committee of TM. He was a Member of TM's Board Tender Committee until 16 August 2007. He is also a Board Member of a number of subsidiaries and associate companies of TM. He has attended all the 12 Board of Directors' Meetings of the Company held during the financial year. He has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



### ROSLI MAN

Independent Non-Executive Director  
54 years of age – Malaysian

**Rosli Man** was appointed to the Board of TM on 15 July 2000. He holds a Bachelor of Science degree in Electrical and Electronic Engineering (Electrical Design and Instrumentation) from the University of Glasgow, United Kingdom and a Diploma in Electrical and Electronic Engineering (Communications) from Technical College, Kuala Lumpur.

Rosli has more than 26 years of experience in the telecommunications industry. He joined JTM in 1976 as Assistant Controller where he gained wide exposure in telecommunication services including the task to implement the country's first mobile telecommunication service, i.e. ATUR 450. He then moved to the private sector by joining the Fleet group as its Group Manager, Technical Services in 1985. From 1988 to 1996, he was instrumental in setting up the first privately owned telecommunications company in Malaysia, the then Celcom (Malaysia) Sdn Bhd (Celcom), catering to the cellular telecommunication business. He left Celcom as its President in 1996 to join Prismanet Sdn Bhd as Managing Director and held the position until November 1998. In July 2000, he joined Natrindo Telpon Sellular (NTS), the GSM 1800 cellular operator in East Java, Indonesia as Chief Operating Officer. He left NTS in January 2002.



Rosli currently serves as an Independent Non-Executive Member of the Board Audit Committee of TM. He was a Member of the Board Tender Committee until 16 August 2007. He is also a Member of the Board of Commissioners of PT Excelcomindo Pratama Tbk, Indonesia, a subsidiary of TM. He has attended all the 12 Board of Directors' Meetings of the Company held during the financial year. He has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



### DYG SADIHAH ABG BOHAN

Non-Independent Non-Executive Alternate Director  
45 years of age – Malaysian

**Dyg Sadiyah Abg Bohan** was appointed Alternate Director to Datuk Zalekha Hassan on 9 January 2008 after she ceased to be Alternate Director to Dato' Ahmad Hashim on 7 January 2008. She graduated from the University of Malaya with a Bachelor of Science (Hons) in 1986 and holds a Diploma in Public Administration from the National Institute of Public Administration (IINTAN) in 1989. She obtained her Masters in Business Administration from Universiti Kebangsaan Malaysia in 1998.

Dyg Sadiyah began her career in the Malaysian Civil Service in 1989 as an Assistant Secretary in the Ministry of Agriculture. Thereafter, she was assigned to IINTAN and subsequently in 1999, was transferred to the Ministry of Finance. She is currently the Deputy Under Secretary of the Investment, MOF (Inc) and Privatisation Division.

Dyg Sadiyah is a Director of Penang Port Holdings Berhad and an alternate Director of Malaysia Airports Holdings Berhad.

She is also the Alternate Member to Datuk Zalekha Hassan on TM's Board Tender Committee. She has never been charged for any offence and has no family relationship with any Director or major shareholder of the Company nor any conflict of interest with the Company.



Dato' Sri Abdul Wahid, 44, is an accountant by training. He is a Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom and a member of the Malaysian Institute of Accountants. He has vast experience in the financial services sector and was the Managing Director/Chief Executive Officer of UEM Group, an infrastructure development conglomerate, prior to his appointment as Group Chief Executive Officer of TM on 1 July 2004. He is currently a Director of Bursa Malaysia Berhad, VADS Berhad and a member of the Financial Reporting Foundation of Malaysia and the Investment Panel of Lembaga Tabung Haji.



**DATO' SRI ABDUL WAHID OMAR**  
Group Chief Executive Officer

Datuk Bazlan, 44, is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and also a Chartered Accountant of the Malaysian Institute of Accountants. He began his career as an auditor with a public accounting firm in 1986 and subsequently served the Sime Darby Group, holding various positions in its corporate office, Singapore and Melaka. He later had a brief stint in American Express in 1993

**DATUK BAZLAN OSMAN**  
Group Chief Financial Officer

before joining Kumpulan FIMA Berhad in 1994, where he was subsequently appointed Senior Vice President, Finance/Company Secretary. He joined Celcom in 2001 and was the Chief Financial Officer (CFO) prior to his appointment as TM Group CFO on 1 May 2005. He sits on the boards of two public listed companies and several private companies of the TM Group. He is also a member of the Issues Committee of the Malaysian Accounting Standards Board.





Dato' Zamzamzairani, 47, holds a Bachelor of Science degree in Communication Engineering from Plymouth Polytechnic, United Kingdom and has attended the Kellogg School of Management's programme in 'Corporate Finance, Strategies for Creating Shareholder Value'. He has

**DATO' ZAMZAMZAIRANI MOHD ISA**

Chief Executive Officer,  
Malaysia Business/  
Group CEO Designate,  
Telekom Malaysia Berhad

vast experience in the telecommunications industry and has held senior positions in several multinational companies within the industry, such as Global One and Lucent Technologies (Malaysia), where he led the companies as the CEO. He was the Senior Vice President, Group Strategy and Technology of TM before assuming his current position as the CEO of Malaysia Business. Dato' Zamzamzairani also sits on the boards of several TM Group subsidiaries, including VADS Berhad.



Dato' Jamaludin Ibrahim, 49, was appointed as the Group CEO Designate and Executive Director of TM International Berhad (TMI) with effect from 3 March 2008.

Prior to the appointment in TMI, Dato' Jamaludin was the Group Chief Executive Officer of Maxis Communications Berhad (Maxis). He joined Maxis in 1997 and was appointed as CEO in 1998. Prior to Maxis, Dato' Jamaludin was the Managing Director and CEO of Digital Equipment (M) Sdn Bhd from 1993 to 1997. Before that, he spent 12 years in IBM Malaysia. He started his career in 1981 as a lecturer.

Dato' Jamaludin graduated in 1978 from California State University, United States, with a Bachelor of Science in Business Administration and a minor in Mathematics. He obtained his Masters of Business Administration from Portland State University, Oregon, in 1980, specializing in quantitative methods.

**DATO' JAMALUDIN BIN IBRAHIM**

Group CEO Designate/  
Executive Director  
TM International Berhad

In Malaysia, Dato' Jamaludin is Chairman of the Advisory Board of the National Science Centre. He also sits on the boards of Universiti Tun Hussein Onn Malaysia and Universiti Tun Abdul Razak Sdn Bhd. He had previously served as board member of the Bridge Mobile Alliance, World GSM Association, Malaysia Venture Capital Management Berhad, and HeiTech Padu Berhad.

**Leadership**  
**Group Senior Management**



Dato' Sri Mohammed Shazalli, 46, holds a Bachelor of Science (Marketing) degree from Indiana University, Bloomington, Indiana, and a Masters of Business Administration from St. Louis University, Missouri, USA. He was appointed Chief Executive Officer and Director of Celcom (Malaysia) Berhad on 1 September 2005. Prior to that, he was the CEO of ntv7, Malaysia's 7th terrestrial TV station, since its inception in 1998. He gained vast experience in the Fast Moving Consumer Goods Industry, working for Lever Brothers from 1987 to 1993, followed by Malaysian Tobacco Company (MTC) and British American Tobacco (BAT) from 1993 until 1996, both in Malaysia and the United Kingdom.

**DATO' SRI MOHAMMED SHAZALLI RAMLI**  
 Chief Executive Officer,  
 Celcom (Malaysia) Berhad



**KHAIRUSSALEH RAMLI**  
 Chief Executive Officer,  
 TM Ventures

Khairussaleh, 40, holds a Business Administration degree from Washington University, St Louis, Missouri, in 1989. He has more than 17 years experience, primarily in financial services. He served the Public Bank Group for 7 years and gained experience in corporate banking, equity research and futures broking, where his last position in the Group was Executive Director of PB Futures. He spent 8 years at Bursa Malaysia Berhad, his last position there being the Chief Financial Officer before joining TM as the Chief Executive Officer, TM Ventures in September 2006.

**DATO' YUSOF ANNUAR YAACOB**  
 Chief Executive Officer,  
 TM International Berhad /  
 Group CFO Designate/  
 Executive Director,  
 TM International Berhad

Dato' Yusof Annuar, 42, is a Chartered Accountant by profession. He completed his Chartered Institute of Management Accountants professional examination from the London School of Accountancy in 1987. He has both investment banking and corporate management experience. His investment banking career included stints at S.G. Warburg & Co (now known as UBS Warburg), ING Barings Securities Singapore and the Merrill Lynch & Co affiliate in Malaysia. Prior to his appointment as Chief Executive Officer of TM International Berhad on 1 June 2005, he was an Executive Director at OCB Berhad and a Board member of a number of other public listed companies in Malaysia. Currently, he is also a Board member of several public listed and private companies, locally and internationally. Post demerger, Dato' Yusof will assume the position of Group CFO/Executive Director in the enlarged TM International Berhad.



## Group Senior Management

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Dato' Adnan Rofiee, 53 holds a Bachelors degree in Electronic Engineering from Brighton Polytechnic, United Kingdom. He has 30 years of experience in the telecommunications industry where he began his career with JTM in 1977 as a Planning Engineer, Customer Access Network for the Central Region.

He was later appointed General Manager of the Sarawak Operations Area in 1994. He was the Managing Director of Ghana Telecommunications Co Ltd, an associate company of TM, in 2000 and subsequently appointed the CEO of TM Cellular Sdn Bhd in February 2001. He was the Senior Vice President of Major Business & Government before assuming his current position as the Chief Operating Officer of TM Retail since 1 July 2004.

**DATO' ADNAN ROFIEE**  
Chief Operating Officer,  
TM Retail



**DENNIS KOH SENG HUAT**  
Chief Executive Officer,  
VADS Berhad

Dennis Koh, 46 holds a Bachelor of Science (Engineering) degree in Computer Science from the Imperial College of Science & Technology, University of London, United Kingdom in 1984. He began his career in computer networking in 1985 with Malaysian Airlines Systems Berhad. In 1990, he moved to Paris to join Societe Internationale de Telecommunications Aeronautiques (SITA) as a Project Manager. He then joined a new start-up company, VADS Berhad which was a joint-venture between IBM (Malaysia) Sdn Bhd and TM then. Over the next 13 years, he held various senior positions before assuming his current position as the Chief Executive Officer of VADS Berhad on 1 June 2005.



Leadership  
Group Senior Management

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**Zaid Hamzah**  
Senior Vice President,  
Group Regulatory,  
Legal & Compliance

Zaid, 48, is a lawyer with a Bachelor of Law degree from National University of Singapore. He completed his Masters from Fletcher School of Law & Diplomacy, Tufts University, USA on a Fulbright Scholarship. He has over 22 years of professional work experience spanning government service, legal practice and in-house counsel work with an MNC. He started his career with the Singapore Ministry of Foreign Affairs, where he spent almost 10 years as the Senior Assistant Director. Zaid specialises in strategic value creation and risk management in the technology sector and is the author of 5 books on Law, Technology and Strategy. He was a consultant to Microsoft's Legal & Corporate Affairs, Asia Pacific, based in Singapore before joining TM on 2 April 2007 as Senior Vice President, Group Regulatory, Legal & Compliance.

Dato' Abdul Aziz, 54, holds a Bachelor of Economics (Hons) degree from the University of Malaya. He began his career in 1977 as a Fleet Planning Coordinator with Malaysian Airlines Systems Berhad. He subsequently joined Shell in 1979 where he spent the next 20 years in several management positions in Internal Audit, Marketing Economics, Sales & Marketing, Supply/Distribution Logistics and Human Resource. He left for an international assignment in 1991 with the Shell Group based in London, where he was the shareholders' representative, overseeing Shell's business interests in Hong Kong and China. He later served as Executive Vice President, Human Resource of RHB Bank Berhad, responsible for setting the direction, formulating and overseeing the implementation of HR Strategies before joining TM on 18 October 2004 as Senior Vice President, Group Human Resource.

**Dato' Abdul Aziz Abu Bakar**  
Senior Vice President,  
Group Human Resource



## Group Senior Management

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**AHMAD AZHAR YAHYA**  
Group Chief  
Information Officer

Ahmad Azhar, 44, holds a Bachelor of Science degree in Electrical Engineering from Oklahoma State University. He began his career as an engineer in Agilent Technologies (formerly known as Hewlett Packard) in 1987. He then joined Accenture in 1990 servicing clients in Malaysia, Asia and Middle East in various industries namely communications, high technology, oil and gas and public sector services. His

experiences include strategic planning and change management, business and operations support systems, enterprise resource management, revenue and customer relationship management. He became a Partner at Accenture in 2000 before joining TM as Group Chief Information Officer on 2 August 2004.

Hashim, 49, holds a Bachelor of Science degree from Queen Elizabeth College, University of London and a Masters in Business Administration (MBA) in International Management from RMIT University in Melbourne, Australia. Hashim is the former Vice President and current Chartered Fellow of The Institute of Internal Auditors Malaysia, and a member of the Malaysian Institute of Management. He has been a member of the Investigation Tribunal, Advocates and Solicitors Disciplinary Board, Bar Council Malaysia since 2004. He is also a Chartered Chemist and member of the Royal Society of Chemistry, United Kingdom. Hashim spent 21 years in Shell Malaysia holding various management positions spanning marketing, sales, manufacturing, operations, logistics, information technology and internal audit. He joined TM as the Group Chief Auditor in October 2002.

**HASHIM MOHAMMED**  
Group Chief Auditor



Gazali, 50, holds a Bachelor of Science (Finance) degree from Northern Illinois University, and in 1982 obtained a Masters in Business Administration (MBA) from Governors State University. He gained vast experience in corporate banking and corporate finance while serving at a local merchant bank prior to joining TM in 1990. In TM, he was involved in treasury management, fund raising activities, mergers and acquisitions, investor relations and overseeing the Enterprise Risk Management Programme for the Group. Prior to his appointment as Group Chief Procurement Officer of TM on 1 June 2005, he was the Vice President, Finance, of TM Wholesale.



**GAZALI HARUN**  
Group Chief Procurement  
Officer

## Leadership Group Senior Management

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Mohd Noor, 53, holds a Masters of Business Administration from the University of Wales, United Kingdom. He is also a Chartered Accountant and a member of the Malaysian Institute of Accountants. He was the General Manager of Strategy & Business Analysis of TM International Berhad (TM International),

before assuming his current position as Vice President, Group Performance Improvement Management Office of TM. Mohd Noor has contributed significantly to the development of TM International since 2004, particularly during the acquisitions in Pakistan, Indonesia, Singapore, India, Cambodia and Thailand. He started his career with Petronas where he spent a total of 18 years and subsequently joined Kumpulan Guthrie Berhad. Prior to joining TM International, he was the CEO of an IT consultancy company in Singapore for 3 years.

**MOHD NOOR OMAR**  
Vice President,  
Group Performance Improvement  
Management Office



**WANG CHENG YONG**  
Company Secretary

Yong, 53, has been the Company Secretary of TM since 1998. A qualified Company Secretary by training, she is an Associate member of the Institute of Chartered Secretaries and Administrators. She gained accounting and secretarial experience in Postel Investment Management Ltd in the United Kingdom in 1980 and subsequently, upon her return to Malaysia in 1984, as an Accountant/Company Secretary in a stock/share broking company and Corporate Secretary in a secretarial company, affiliated to the then Arthur Young International. She joined BHL Bank Berhad in 1988 and left as the Senior Secretarial Officer in 1991 to join TM's Company Secretarial Division.

**MARIAM BEVI BATCHA**  
General Manager,  
Group Corporate Communications



Mariam, 44, holds a Bachelor of Business (Business Administration) with Distinction from RMIT University in Melbourne, Australia and a Diploma in Public Relations from the Institute of Public Relations Malaysia (IPRM). She is a member of IPRM and is among the first batch of PR practitioners to be accredited by IPRM in 2005. Prior to joining TM in September 2004 as General Manager, Group Corporate Communications, she served as the Head of Group Corporate Communications in Amanah Capital Partners Berhad, and later as the General Manager of Group Corporate Communications in United Engineers (Malaysia) Berhad/UEM World Berhad.

Hasnul Suhaimi, 50, was appointed President Director of PT Excelcomindo Pratama Tbk (XL) in September 2006. Formerly the President Director of Indosat, he held various directorship positions in the Company since 2003. Prior to that, he held senior positions at Telkomsel and Indosat's subsidiary, Indosel.



Hasnul graduated from Bandung Institute of Technology (ITB) in 1981 with an Electrical Engineering degree before receiving an MBA from the University of Hawaii in 1992.

**HASNUL SUHAIMI**  
President Director  
PT Excelcomindo Pratama Tbk, Indonesia

## TM International Subsidiaries/Associated Companies/Affiliates



Director and Group Chief Executive of Dialog Telekom PLC, Dr Wijayasuriya, 39, joined the Company in 1994 as a member of the founding management team and has functioned in the capacity of Chief Executive Officer of Dialog Telekom since 1997.

Counting over 15 years of professional experience in mobile communications, Dr Wijayasuriya has published widely on the subject of digital mobile communications, including research papers in publications of the Institution of Electrical and Electronic Engineers (IEEE), USA, Royal Society and Institution of Electrical Engineers of the United Kingdom (IEE), UK. He has made several keynote presentations at international conferences on digital mobile communications. Dr Wijayasuriya is also a past chairman of GSM Asia Pacific – the regional interest group of the GSM Association.

A fellow of the Institute of Engineering Technology of the United Kingdom (IET), Dr Wijayasuriya is a Chartered Professional Engineer registered with the IET UK. He is also a member of the Institution of Electrical and Electronic Engineers (IEEE), USA. Dr Wijayasuriya graduated with a degree in Electrical and Electronic Engineering from the University of Cambridge, United Kingdom in 1989. He subsequently read for and was awarded a PhD in Digital Mobile Communications at the University of Bristol, United Kingdom. Dr Wijayasuriya also holds a Masters in Business Administration from the University of Warwick, United Kingdom.

**DR SHRIDHIR SARIPUTTA HANS  
WIJAYASURIYA**

Chief Executive/Executive Director  
Dialog Telekom PLC, Sri Lanka



Leadership  
Group Senior Management

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**MUHAMMED YUSOFF MOHD ZAMRI**

Chief Executive Officer  
Telekom Malaysia International  
(Cambodia) Company Limited,  
Cambodia

Muhammed Yusoff Mohd Zamri, 43, was appointed Chief Executive Officer of Telekom Malaysia International (Cambodia) Company Limited (TMIC) in February 2007. After obtaining his Bachelor of Engineering (Industrial) from Monash University, Australia in 1987, he began his career with INTEL in 1988. Subsequently, he moved into the service industry with American

Express from 1990 to 1993.

Yusoff has both cellular operator and telecommunications vendor experience. His mobile operator experience includes stints at Celcom and in Uzmacom as Director of Marketing and Business Development for a new mobile operator in Uzbekistan from 1996 to 2000. Prior to his appointment in TMIC, he was attached to various international companies such as Lucent Technologies, Schlumberger and Atos Origin.

Adnan, one of the pioneers of Multinet Pakistan (Private) Limited, has been the driving force behind the Company and is responsible for spearheading the successful deployment of the nationwide OFN. He has a degree in Science (Civil Engineering) from Wisconsin, USA and a Masters in Science (Civil Engineering) from Minnesota, USA. He has a rich and progressively diverse experience of over 24 years in structural and forensic engineering, construction management, quality control and project management.

Adnan has conducted a series of seminars on Entrepreneurship and Marketing at the Institute of Business Administration in Karachi as well as Project Management and Leadership seminars at NED University in Karachi. He also plays advisory roles in several non-profit organisations primarily focused on Education and Health and is on the Executive Council Board for the Indus Valley School of Art and Architecture and The Citizen's Foundation.

**ADNAN ASDAR**

Chief Executive Officer  
Multinet Pakistan (Private)  
Limited, Pakistan





**NAVIN KAUL**  
Chief Executive Officer  
Spice Communications Limited,  
India

Navin Kaul has over 29 years of experience in managing businesses in highly competitive markets. He has been in the telecommunications industry right from its inception in India. He was part of the Modi Telstra team that pioneered cellular communications in India.

Navin has held leadership positions in the areas of corporate sales, customer care, revenue assurance and credit risk management. He also has significant exposure in handling joint-ventures.

In his current role, Navin will be responsible for Spice's development and growth by creating financial value, ensuring customer and employee satisfaction and creating strong processes to build a world-class organisation.



Neil, 55, has been Chief Executive Officer of MobileOne Limited (M1) since April 1996. He was appointed to M1's Board of Directors on 8 November 2002. He is a Fellow of the Institute of Electrical Engineers and a Fellow of the Chartered Institute of Marketing.

Neil was formerly Director of Mobile Services at Hong Kong Telecom CSL Ltd, the largest cellular operator in Hong Kong, before assuming the position of Managing Director in several telecommunication companies in Hong Kong and in the United Kingdom, including Paknet Ltd which launched the world's first public packet radio data network. His earlier years at various units in the Cable and Wireless Group saw him managing and specialising in telecommunication products, projects and services in Hong Kong and the Far East, as well as in Bahrain, Saudi Arabia and the United Kingdom.

**NEIL MONTEFIORE**  
Chief Executive Officer  
MobileOne Limited, Singapore

**Leadership**  
**Group Senior Management**



Seyed Ahmad Sadjjadi, 53, has been the Managing Director of Mobile Telecommunications Company of Esfahan (MTCE) since 2006. He was formerly the Chairman of the Board of Directors in Kerman Industrial Communications and a Member of the Board of Directors at Industrial University of Khajeh Nasir Toosi from 1981 to 1989. He has held various managerial positions within the Telecommunications Company of Iran for the Kerman, Markazi Arak, Golestan and Esfahan provinces.

He graduated from the Khajeh Nasir Toosi University with a Bachelors in Telecommunications degree and received his Masters in System Management from the Governmental Management Education Centre in Tehran.

**SEYED AHMAD SADJJADI**  
 Managing Director  
 Mobile Telecommunications  
 Company of Esfahan, Iran



**WATCHAI VILAILUCK**  
 Chief Executive Officer  
 Samart I-Mobile Public  
 Company Limited, Thailand

Watchai Vilailuck, 45, has helmed Samart I-Mobile as Executive Chairman and Chief Executive Officer since 2003. An Accounting graduate from Thammasart University, he also holds a Certificate of Director Accreditation from the Thai Institute of Directors (IOD).

Watchai began his career as an Assistant Auditor for SGV-NA Thalang & Company Limited in 1984. Subsequently, he held senior management positions in the Samart group of companies which included Samart Telcom Public Company Limited, Samart Satcom Company Limited and Samart Engineering Company Limited.

**CHAROENRATH VILAILUCK**  
 Executive Chairman/  
 Chief Executive Officer  
 Samart Corporation Public  
 Company Limited, Thailand

Charoenrath, 48, has held the position of Executive Chairman and Chief Executive Officer for Samart Corporation Public Company Limited since 1987. In addition, he is also Director for Samart Telcoms Public Company Limited and Samart I-Mobile Public Company Limited.

Charoenrath graduated from the University of Newcastle, Australia with a Bachelors of Engineering in Electrical Engineering. He also holds a certificate from the Thai Institute of Directors.



*\* TM International Berhad Chief Executive Officer Dato' Yusof Annuar Yaacob oversees the business and operations for TM International (Bangladesh) Limited (TMIB).*