TELEKOM MALAYSIA BERHAD (128740-P)

(Incorporated in Malaysia)

The Board of Directors of Telekom Malaysia Berhad is pleased to announce the following unaudited results of the Group for the second quarter ended 30 June 2009.

UNAUDITED CONSOLIDATED INCOME STATEMENT

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2009	30/6/2008	30/6/2009	30/6/2008
	RM Million	RM Million	RM Million	RM Million
CONTINUING OPERATIONS				
OPERATING REVENUE	**2,129.0**	2,109.2	**4,234.4**	4,115.1
OPERATING COSTS				
- depreciation, impairment and amortisation	**(531.1)**	(540.9)	**(1,050.8)**	(1,035.8)
- other operating costs	**(1,371.2)**	(1,396.9)	**(2,684.5)**	(2,835.2)
OTHER OPERATING INCOME (net)	**66.3**	74.7	**90.4**	118.6
OPERATING PROFIT BEFORE FINANCE COST	**293.0**	246.1	**589.5**	362.7
FINANCE INCOME	**41.7**	60.2	**122.7**	81.3
FINANCE COST	**(99.1)**	(102.6)	**(210.3)**	(249.8)
FOREIGN EXCHANGE GAIN/(LOSS) ON BORROWINGS	**123.2**	(74.9)	**(52.3)**	43.9
NET FINANCE INCOME/(COST)	**65.8**	(117.3)	**(139.9)**	(124.6)
ASSOCIATES				
- share of results (net of tax)	**0.1**	-	**0.6**	-
PROFIT BEFORE TAXATION AND ZAKAT	**358.9**	128.8	**450.2**	238.1
TAXATION AND ZAKAT	**(85.8)**	(5.5)	**(140.9)**	5.7
PROFIT FOR THE FINANCIAL PERIOD FROM CONTINUING OPERATIONS	**273.1**	123.3	**309.3**	243.8
DISCONTINUED OPERATIONS				
PROFIT FOR THE FINANCIAL PERIOD FROM DISCONTINUED OPERATIONS	**n/a**	173.3	**n/a**	626.1
PROFIT FOR THE FINANCIAL PERIOD	**273.1**	296.6	**309.3**	869.9
ATTRIBUTABLE TO:				
- equity holders of the Company	**266.0**	273.2	**293.7**	792.9
- minority interests	**7.1**	23.4	**15.6**	77.0
PROFIT FOR THE FINANCIAL PERIOD	**273.1**	296.6	**309.3**	869.9
EARNINGS PER SHARE (sen) (part B, note 12)				
- basic				
Continuing operations	**7.6**	3.3	**8.4**	6.7
Discontinued operations	**n/a**	4.6	**n/a**	16.4
- diluted				
Continuing operations	**7.5**	3.3	**8.4**	6.6
Discontinued operations	**n/a**	4.6	**n/a**	16.3

n/a : not applicable. There is no contribution from Axiata Group in the current quarter and financial period as the Axiata Group was demerged from the Group in April 2008.

(The above Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	AS AT 30/6/2009	AS AT 31/12/2008 (AUDITED)
	RM Million	RM Million
SHARE CAPITAL	3,534.2	3,456.0
SHARE PREMIUM	996.0	4,305.4
OTHER RESERVES	2,305.7	2,486.7
TOTAL CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	6,835.9	10,248.1
MINORITY INTERESTS	127.8	226.5
TOTAL EQUITY	6,963.7	10,474.6
Borrowings	7,033.8	6,965.1
Deferred tax liabilities	1,435.7	1,362.0
Deferred Income	459.0	260.2
DEFERRED AND NON-CURRENT LIABILITIES	8,928.5	8,587.3
	15,892.2	**19,061.9**
Intangible assets	313.5	1.8
Property, plant and equipment	11,664.9	11,772.1
Prepaid lease payments	69.5	67.5
Land held for property development	164.0	164.3
Associates	0.6	-
Available-for-sale investment	477.0	496.0
Other investments	137.7	137.8
Long term receivables	170.8	472.4
Deferred tax assets	8.3	8.9
NON-CURRENT ASSETS	13,006.3	13,120.8
Inventories	103.0	123.3
Trade and other receivables	2,898.0	2,891.3
Amount owing by Axiata Group Berhad (formerly known as TM International Berhad)	-	4,025.0
Short term investments	273.3	277.6
Cash and bank balances	2,821.3	2,095.2
CURRENT ASSETS	6,095.6	9,412.4
Trade and other payables	2,535.8	2,812.6
Customer deposits	587.6	588.8
Borrowings	41.9	34.9
Taxation and zakat liabilities	44.4	35.0
CURRENT LIABILITIES	3,209.7	3,471.3
NET CURRENT ASSETS	2,885.9	5,941.1
	15,892.2	**19,061.9**
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY (sen)	193.4	296.5

(The above Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

	Attributable to equity holders of the Company								
	Share Capital RM Million	Share Premium RM Million	Currency Translation Differences RM Million	ESOS Reserve RM Million	Fair Value Reserve RM Million	Capital Redemption Reserve RM Million	Retained Profits RM Million	Minority Interests RM Million	Total Equity RM Million
At 1 January 2009	3,456.0	4,305.4	(10.4)	82.9	111.0	-	2,303.2	226.5	10,474.6
Currency translation differences arising during the financial period									
- subsidiaries	-	-	6.7	-	-	-	-	-	6.7
Fair value loss (net) on available-for-sale investment	-	-	-	-	(90.9)	-	-	-	(90.9)
Net gain/(loss) not recognised in the Income Statement	-	-	6.7	-	(90.9)	-	-	-	(84.2)
Profit for the financial period	-	-	-	-	-	-	293.7	15.6	309.3
Total recognised income/(expense) for the financial period	-	-	6.7	-	(90.9)	-	293.7	15.6	225.1
Acquisition of remaining equity interest in a subsidiary	-	-	-	-	-	-	-	(103.9)	(103.9)
Bonus issue of Redeemable Preference Shares (RPS) (part A, note 5(a))	35.8	(35.8)	-	-	-	-	-	-	-
Redemption of RPS (part A, note 5(a))	(35.8)	(3,470.0)	-	-	-	-	43.1	-	(3,462.7)
Creation of capital redemption reserve upon redemption of RPS (part A, note 5(a))	-	-	-	-	-	35.8	(35.8)	-	-
Final dividends paid for the financial year ended 31 December 2008	-	-	-	-	-	-	(377.2)	-	(377.2)
Dividends paid to minority interests	-	-	-	-	-	-	-	(10.4)	(10.4)
Employees' share option scheme (ESOS)									
- options granted	-	-	-	6.6	-	-	-	-	6.6
- shares issued upon exercise of options (part A, note 5(b))	78.2	133.4	-	-	-	-	-	-	211.6
- transfer of reserve upon exercise of options	-	63.0	-	(63.0)	-	-	-	-	-
At 30 June 2009	**3,534.2**	**996.0**	**(3.7)**	**26.5**	**20.1**	**35.8**	**2,227.0**	**127.8**	**6,963.7**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2008

	Attributable to equity holders of the Company							
	Share Capital RM Million	Share Premium RM Million	Currency Translation Differences RM Million	ESOS Reserve RM Million	Fair Value Reserve RM Million	Retained Profits RM Million	Minority Interests RM Million	Total Equity RM Million
At 1 January 2008	3,439.8	4,262.1	(412.6)	-	-	12,512.8	849.4	20,651.5
Currency translation differences arising during the period								
- subsidiaries	-	-	(89.3)	-	-	-	(24.3)	(113.6)
- jointly controlled entities	-	-	(66.6)	-	-	-	-	(66.6)
- associates	-	-	(11.4)	-	-	-	-	(11.4)
Fair value difference arising during the period	-	-	-	-	450.9	-	-	450.9
Net (loss)/income not recognised in the Income Statement	-	-	(167.3)	-	450.9	-	(24.3)	259.3
Profit for the period	-	-	-	-	-	792.9	77.0	869.9
Total recognised (expense)/income for the period	-	-	(167.3)	-	450.9	792.9	52.7	1,129.2
Dilution of equity interest in subsidiaries	-	-	-	-	-	-	5.1	5.1
Distribution of Axiata Group	-	-	487.6	-	-	(10,135.4)	(710.7)	(10,358.5)
Final dividends paid for the year ended 31 December 2007	-	-	-	-	-	(560.0)	-	(560.0)
Dividends paid to minority interests	-	-	-	-	-	-	(11.5)	(11.5)
Employees' share option scheme (ESOS)								
- options granted	-	-	-	100.5	-	-	1.0	101.5
- shares issued upon exercise of options	1.4	4.4	-	-	-	-	-	5.8
- transfer of reserve upon exercise of options	-	1.3	-	(1.3)	-	-	-	-
At 30 June 2008	**3,441.2**	**4,267.8**	**(92.3)**	**99.2**	**450.9**	**2,610.3**	**186.0**	**10,963.1**

(The above Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2009

	2ND QUARTER ENDED 30/6/2009 RM Million	2ND QUARTER ENDED 30/6/2008 RM Million
Continuing operations		
Receipts from customers	3,906.8	3,893.2
Payments to suppliers and employees	(2,598.5)	(2,501.5)
Payment of finance cost	(212.2)	(303.7)
Refund/(Payment) of income taxes (net)	134.5	(140.5)
	1,230.6	947.5
Cash flows from operating activities of discontinued operations	n/a	601.6
CASH FLOWS FROM OPERATING ACTIVITIES	**1,230.6**	**1,549.1**
Continuing operations		
Disposal of property, plant and equipment	4.1	4.3
Purchase of property, plant and equipment	(1,106.3)	(882.0)
Grant on purchase of property, plant and equipment	110.2	20.3
Disposal of non-current assets held for sale	-	1,000.0
Disposal of leasehold land	1.2	-
Payment of intangible asset (spectrum licence)	-	(8.0)
Proceeds from disposal of intangible asset (spectrum licence)	-	40.1
Repayment from Axiata Group Berhad (Axiata)	4,025.0	-
Subscription of Axiata's rights issue	(72.0)	-
Disposal of Axiata's rights issue	66.0	-
Disposal of long term investments	0.1	2.0
Disposal of short term investments	112.2	141.8
Purchase of short term investments	(84.0)	(137.9)
Acquisition of remaining interest in a subsidiary	(412.3)	-
Repayments of loans by employees	39.8	51.5
Loans to employees	(18.7)	(21.7)
Disposal of housing loan	334.1	-
Interest received	122.2	81.6
Dividend received	3.9	3.9
	3,125.5	295.9
Cash flows used in investing activities of discontinued operations	n/a	(1,532.9)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**3,125.5**	**(1,237.0)**
Continuing operations		
Issue of share capital	211.6	5.8
Issue of share capital to minority interests	-	5.9
Redemption of RPS (part A, note 5(a))	(3,462.7)	-
Proceeds from termination of long dated swap	-	197.0
Proceeds from borrowings	180.0	22.9
Repayments of borrowings	(176.1)	(261.2)
Repayment of finance lease	(1.5)	-
Dividends paid to shareholders	(377.2)	(2,214.5)
Dividends paid to minority interests	(10.4)	(11.4)
	(3,636.3)	(2,255.5)
Cash flows from financing activities of discontinued operations	n/a	455.5
CASH FLOWS USED IN FINANCING ACTIVITIES	**(3,636.3)**	**(1,800.0)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	719.8	(1,487.9)
EFFECT OF DISTRIBUTION OF AXIATA GROUP	-	(1,402.1)
EFFECT OF EXCHANGE RATE CHANGES	6.4	(24.9)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	2,094.7	4,092.9
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	**2,820.9**	**1,178.0**

n/a : not applicable

(The above Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2008)

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

1. Basis of Preparation

(a) The unaudited interim financial statements for the second quarter ended 30 June 2009 of the Group have been prepared in accordance with Financial Reporting Standards (FRS) 134 "Interim Financial Reporting", paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2008. The accounting policies, method of computation and basis of consolidation applied in the unaudited interim financial statements are consistent with those used in the preparation of the 2008 audited financial statements.

(i) Standards, amendments to published standards and Interpretation Committee (IC) Interpretations that are not yet effective and have not been early adopted

The new standards, amendments to published standards and IC Interpretations that are applicable to the Group's financial year beginning on 1 January 2010, which the Group has not early adopted, are as follows:

- FRS 7 "Financial Instruments: Disclosures" (effective for accounting period beginning on or after 1 January 2010). FRS 7 introduces new requirements to improve the information on financial instruments disclosed in the financial statements. The Group has applied the transitional provision in FRS 7 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the interim financial statements of the Group.

- FRS 8 "Operating Segments" (effective for accounting period beginning on or after 1 July 2009). FRS 8 replaces FRS 114_{2004} Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. It is not expected to have a material impact as the Group currently reports its segment information in a manner that is consistent with the requirements of FRS 8.

- FRS 139 "Financial Instruments: Recognition and Measurement" (effective for accounting period beginning on or after 1 January 2010). FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances. The Group has applied the transitional provision in FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the interim financial statements of the Group.

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

1. Basis of Preparation (continued)

- FRS 123 "Borrowing Costs" (effective for accounting period beginning on or after 1 January 2010). FRS 123 replaces FRS 123_{2004} Borrowing Costs and requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. This standard is not expected to have a material impact on the Group.

- Amendments to FRS 2 "Share-based Payment: Vesting Conditions and Cancellations" (effective for accounting period beginning on or after 1 January 2010). The amendments to FRS 2 clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similiar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendments are not expected to have a material impact on the Group.

- Amendments to FRS 1 "First-time Adoption of Financial Reporting Standards" and FRS 127 "Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate" (effective for accounting period beginning on or after 1 January 2010). FRS 1 allows the first-time adopters to measure the initial cost of investments in subsidiaries, jointly controlled entities (JCE) and associates either at fair value or the previous carrying amount. Without this amendment, first-time adopters may face practical difficulties on transition to the FRS framework as these investments would have to be measured in accordance with FRS 127 retrospectively. As a result, the requirement to distinguish between pre and post acquisition dividends from a subsidiary, JCE or associates is removed but at the same time, a new impairment indicator is included in the standard on impairment. FRS 127 has also been amended to deal with situations where a parent reorganises its group by establishing a new entity as its parent. Under the new rules, the new parent measures the cost of its investment in the original parent at the carrying amount of its share of the equity items shown in the separate financial statements of the original parent at the reorganisation date. The amendments are not expected to have a material impact on the Group.

1. Basis of Preparation (continued)

- IC Interpretation 9 “Reassessment of Embedded Derivatives” (effective for accounting period beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. This interpretation is not expected to have any material impact on the Group’s interim financial statements.

- IC Interpretation 10 “Interim Financial Reporting and Impairment” (effective for accounting period beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. It is not expected to have a material impact on the Group’s interim financial statements.

- IC Interpretation 11 “FRS 2 - Group and Treasury Share Transactions” (effective for accounting period beginning on or after 1 January 2010). IC Interpretation 11 provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies. This interpretation is not expected to have any material impact on the Group’s interim financial statements.

- IC Interpretation 13 “Customer Loyalty Programmes” (effective for accounting period beginning on or after 1 January 2010). IC Interpretation 13 clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the revenue in respect of the consideration receivable from the customer is allocated between the components of the arrangement using fair values. This interpretation is not expected to have a material impact on the Group’s interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

1. Basis of Preparation (continued)

(ii) Standards and IC Interpretations that are not relevant and not yet effective for the Group's operations

- FRS 4 — "Insurance Contracts" (effective for accounting period beginning on or after 1 January 2010)
- IC Interpretation 14 — "FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" (effective for accounting period beginning on or after 1 January 2010)

(b) The principal closing rates (units of Ringgit Malaysia per foreign currency) used in translating significant balances are as follows:

Foreign Currency	Exchange Rate At 30 June 2009	Exchange Rate At 31 March 2009	Exchange Rate At 31 December 2008	Exchange Rate At 30 June 2008
US Dollar	3.51500	3.64550	3.45250	3.26500
Special Drawing Rights	5.46771	5.45253	5.33550	5.33621

2. Seasonal or Cyclical Factors

The operations of the Group were not affected by any seasonal or cyclical factors.

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

(a) In the current quarter, pursuant to the Axiata rights issue exercise, the Group were entitled to 171.3 million Axiata rights issue. The Group subscribed to 64.3 million rights issue for a total cash payment of RM72.0 million and disposed the balance 107.0 million rights issue in the open market, resulting in a gain of RM66.0 million.

(b) In the current quarter, the Group completed the disposal of TM employees' housing loan (1st tranche) for a total consideration amounting to RM334.1 million and recognised a loss on disposal of RM14.6 million.

Save for the above, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows due to their nature, size or incidence for the financial period ended 30 June 2009 other than as mentioned elsewhere in the interim financial statements.

4. Material Changes in Estimates

There were no material changes in estimates reported in the prior interim period or prior financial year.

5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

(a) On 24 February 2009, TM had announced a proposal to carry out a cash capital repayment (Capital Repayment) to shareholders of approximately RM3,505.8 million and was approved by TM's shareholders at an Extraordinary General Meeting held on 7 May 2009.

To facilitate the Capital Repayment, on 2 June 2009, the Company issued a bonus issue of 3,577.4 million redeemable preference shares (RPS) of RM0.01 each in the Company to eligible shareholders, on the basis of 1 RPS for each ordinary share of RM1.00 each in the Company (TM Share). The bonus issue was issued at the par value of RM0.01 for each RPS and is carried out of the share premium account.

On 2 June 2009, the Company redeemed the RPS at a redemption price of RM0.98 for each RPS held. The par value of RM0.01 per RPS, representing RM35.8 million in total, is redeemed out of retained earnings, whereas the premium on redemption of RM0.97 per RPS, representing RM3,470.0 million in total, is redeemed by way of capitalisation of the share premium account. This resulted in a cash payment of RM0.98 for each RPS held or a total cash payment of RM3,505.8 million to the shareholders of the Company on 12 June 2009 inclusive of RM43.1 million paid to TM ESOS Management Sdn Bhd, a special purpose entity controlled by the Company, which was adjusted on consolidation.

(b) The issued and paid-up capital of the Company increased by 78.2 million ordinary shares from 3,456.0 million to 3,534.2 million ordinary shares of RM1.00 each as a result of employees exercising their options under the Special ESOS at the respective exercise price of RM2.71 and RM3.14 per share (before capital repayment) and RM1.91 and RM2.22 per share (after capital repayment).

Save for the above, there were no other issuance, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 30 June 2009.

6. Dividends Paid

A final gross dividend of 14.25 sen per share less tax at 25.0% amounting to RM377.2 million in respect of financial year ended 31 December 2008 was paid on 12 June 2009.

7. Segmental Information

Segmental information for the financial period ended 30 June 2009 and 30 June 2008 are as follows:

By Business Segment

All amounts are in RM Million	Retail Business	Wholesale Business	Global Business	Shared Services /Others	Total
2009					
Operating Revenue					
Total operating revenue	3,369.0	605.9	543.6	2,147.2	6,665.7
Inter-segment *	(91.3)	(188.7)	(146.7)	(2,004.6)	(2,431.3)
External operating revenue	3,277.7	417.2	396.9	142.6	4,234.4
Results					
Segment result	457.3	150.1	96.4	29.1	732.9
Unallocated income #					35.2
Unallocated costs ^					(178.6)
Operating profit before finance cost					589.5
Finance income					122.7
Finance cost					(210.3)
Foreign exchange loss on borrowings					(52.3)
Associates - share of results (net of tax)					0.6
Profit before taxation and zakat					450.2
Taxation and zakat					(140.9)
Profit for the financial period					309.3

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

7. Segmental Information (continued)

All amounts are in RM Million	Retail Business	Wholesale Business	Global Business	Shared Services /Others	Total Continuing Operations	Discontinued Operations
2008						
Operating Revenue						
Total operating revenue	3,296.0	563.1	563.5	2,156.9	6,579.5	3,669.3
Inter-segment *	(7.9)	(216.7)	(206.3)	(2,033.5)	(2,464.4)	-
External operating revenue	3,288.1	346.4	357.2	123.4	4,115.1	3,669.3
Results						
Segment result	513.3	85.4	25.9	15.5	640.1	934.3
Unallocated income #					48.7	-
Unallocated costs ^					(326.1)	-
Operating profit before finance cost					362.7	934.3
Finance income					81.3	21.1
Finance cost					(249.8)	(134.3)
Foreign exchange gain on borrowings					43.9	37.4
Jointly controlled entities						
- share of results (net of tax)					-	7.8
Associates						
- share of results (net of tax)					-	10.6
Profit before taxation and zakat					238.1	876.9
Taxation and zakat					5.7	(250.8)
Profit for the financial period					243.8	626.1

7. Segmental Information (continued)

* Inter-segment operating revenue relates to inter-division recharge and inter-company revenue and has been eliminated at the respective segment operating revenue. The inter-division recharge was agreed between the relevant lines of business. The inter-company revenue was entered into in the normal course of business and at prices available to third parties or at negotiated terms. These inter-segment trading arrangements are subject to periodic review.

During the current quarter, the basis of inter-division recharge was reviewed. The prior year comparatives have been restated to conform to the current year basis.

\# Unallocated income comprises other operating income such as dividend income and gain or loss on disposal of investments which is not allocated to a particular business segment.

^ Unallocated costs represent expenses incurred by corporate divisions such as Group Human Resource, Group Finance, Company Secretary, Group Legal and Compliance, Corporate Communications and special purpose entities, foreign exchange differences arising from translation of foreign currency placements and diminution in value of investments which are not allocated to a particular business segment.

8. Valuation of Property, Plant and Equipment

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

9. Material Events Subsequent to the End of the Quarter

There was no material event subsequent to the balance sheet date that requires disclosure or adjustments to the interim unaudited financial statements.

10. Effects of Changes in the Composition of the Group

Changes in the composition of the Group for the current quarter and financial period ended 30 June 2009 are as follows:

(a) VADS Berhad (VADS)

On 29 September 2008, TM announced its intention to privatise VADS, its subsidiary, via a selective capital reduction and repayment exercise under Section 64 of the Companies Act, 1965. The transaction was completed on 12 February 2009 and VADS became a wholly owned subsidiary of TM on the said date. Accordingly, the entire issued and paid-up share capital of VADS was delisted from the Official List of Bursa Malaysia Securities Berhad on 19 February 2009.

Arising from the above transaction, goodwill of RM308.4 million was recorded as intangible assets in the first quarter.

(b) PT VADS Indonesia (PT VADS)

On 30 April 2009, TM via its wholly owned subsidiary, VADS Berhad and VADS Business Process Sdn Bhd (a wholly owned subsidiary of VADS Berhad), acquired 100% equity interest in PT VADS for a total consideration of Rp. 17,052,750,000. PT VADS was established to provide Business Process Outsourcing services, including managed contact centre services in Indonesia.

(c) Multimedia College Sdn Bhd (MMC)

On 28 May 2009, TM via its wholly owned subsidiary, Universiti Telekom Sdn Bhd (UTSB), acquired 100% equity interest in MMC for a total consideration of RM2.00. MMC was incorporated on 8 May 2009 and was specifically established to undertake certain operations of TM's in-house training centre, registered under the Private Higher Educational Institutions Act 1996 ("PHEIA") as Multimedia College (MMC).

11. Changes in Contingent Liabilities Since the Last Annual Balance Sheet Date

There were no material changes in contingent liabilities (other than material litigations disclosed in part B, note 11 of this announcement) since the latest audited financial statements of the Group for the financial year ended 31 December 2008.

12. Commitments

(a) Capital Commitments

	Group	
	30/6/2009	30/6/2008
	RM Million	RM Million
Property, plant and equipment:		
Commitments in respect of expenditure approved and contracted for	**3,215.5**	2,648.4
Commitments in respect of expenditure approved but not contracted for (note (i))	**8,394.3**	24.9

PART A: EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134

12. Commitments (continued)

(i) Included in commitments in respect of expenditure approved but not contracted for is the commitment for High Speed Broadband (HSBB) project. The project involves the deployment of access, domestic core and international networks to deliver an end-to-end HSBB infrastructure. The HSBB roll out will be covering 1.3 million premises over a 10 year period commencing from September 2008.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance

(a) Quarter-on-Quarter

For the current quarter under review, the Group revenue registered an increase of 0.9% to RM2,129.0 million as compared to RM2,109.2 million in the second quarter 2008, mainly attributed to higher revenue from data and leased services, Internet and multimedia and other telecommunication related services net of lower voice revenue.

Data and leased services revenue increased by 15.8% from second quarter 2008 to RM371.0 million following greater business focus to sell data and leased services.

Internet and multimedia revenue registered 11.5% growth from second quarter 2008 of RM360.3 million to RM401.6 million in the current quarter arising from continued growth of broadband customers (excluding Hotspot customers) from 1.16 million in the corresponding quarter 2008 to 1.37 million in the current quarter.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of RM824.1 million is higher by 4.7% compared to the same quarter last year consequent from lower operating costs.

Group profit after tax and minority interests (PATAMI) increased by 131.9% to RM266.0 million as compared to RM114.7 million (excluding the results of the demerged Axiata Group) in the corresponding quarter in 2008, mainly attributed to higher unrealised exchange gain on foreign currency borrowings of RM123.2 million as compared to a loss of RM74.9 million in the same quarter in 2008.

(b) Year-on-Year

For the period under review, Group revenue increased by 2.9% to RM4,234.4 million as compared to RM4,115.1 million recorded in the corresponding period last year, mainly attributed to higher revenue from data and leased services, Internet and multimedia and other telecommunication related services, which mitigated the decline in voice revenue.

EBITDA has improved by 17.3% to RM1,640.3 million due to higher revenue and lower operating costs recorded in the current period.

Group PATAMI increased by 28.2% to RM293.7 million as compared to RM229.1 million (excluding the results of the demerged Axiata Group) recorded in the corresponding period last year primarily due to higher revenue and lower operating costs net of higher taxation charge. The corresponding period of 2008 included a reversal of prior year excess corporate tax charge of RM51.7 million.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

(c) Economic Profit Statement

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2009 RM Million	30/6/2008 RM Million	**30/6/2009 RM Million**	30/6/2008 RM Million
EBIT	**293.1**	246.1	**590.1**	362.7
Adjusted Tax	73.3	64.0	147.5	94.3
NOPLAT	**219.8**	182.1	**442.6**	268.4
AIC	2,979.2	3,090.5	5,958.4	6,181.0
WACC	6.59 %	8.31 %	6.59 %	8.29 %
ECONOMIC CHARGE	**196.3**	256.8	**392.7**	512.4
ECONOMIC PROFIT/(LOSS)	**23.5**	(74.7)	**49.9**	(244.0)

Definitions:
EBIT = Earnings before Interest & Taxes
NOPLAT = Net Operating Profit after Tax
AIC = Average Invested Capital
WACC = Weighted Average Cost of Capital

Economic Profit (EP) is a yardstick to measure shareholder value as it provides a more accurate picture of underlying economic performance of TM Group vis-à-vis its financial accounting reports, i.e. it explains how much returns a business generates over its cost of capital. This is measured by the difference of NOPLAT and Economic Charge.

TM Group recorded EP of RM23.5 million in second quarter 2009, an improvement of RM98.2 million (+131.5%) from Economic Loss (EL) of RM74.7 million reported in the corresponding quarter last year resulting from higher NOPLAT which increased by RM37.7 million (+20.7%) and lower economic charge by RM60.5 million (-23.6%).

The higher NOPLAT was mainly contributed by higher EBIT which has increased by RM47.0 million (+19.1%) due to increase in revenue and containment of both operational and non-operational cost in the current quarter.

The decrease in economic charge was attributed to the reduction in AIC by RM111.3 million (-3.6%) and WACC by 1.7 percentage point. Lower AIC was mainly contributed by reduction in trade, other and long term receivables whereas the lower cost of debt before tax (-1.2 percentage point) and lower cost of equity (-1.9 percentage point) mainly contributed to lower WACC.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance (continued)

On year to date basis, TM recorded EP of RM49.9 million, an increase of RM293.9 million from EL of RM244.0 million reported in the corresponding period last year. Higher NOPLAT from increased revenue and the absence of one-off cost in the current financial period mainly contributed to the improved EP.

2. Comparison with Preceding Quarter's Results

Group revenue for the current quarter of RM2,129.0 million increased by 1.1% from RM2,105.4 million recorded in the preceding quarter. This was mainly attributed to higher revenue from Internet and multimedia, other telecommunication related services and non-telecommunication related services, which mitigated the decline in voice revenue.

For the period under review, the Group registered PATAMI of RM266.0 million against RM27.7 million recorded in the preceding quarter primarily due to unrealised foreign exchange gain.

3. Prospects for the Current Financial Year

The growth prospects for the Malaysian economy remains challenging in view of the deteriorating global economy and its adverse effects on domestic conditions.

In the light of the deep declines in macro indicators, the gloomy consumer confidence, Malaysian Institute of Economic Research (MIER) had revised Malaysia's growth forecast for 2009 downwards to -4.2% from -2.2% earlier. MIER had also downgraded the 2010 growth forecast to 2.8 per cent, from 3.3 per cent previously, in view of the anticipated gradual recovery in the global economy. [Source: MIER]

Despite the challenging business environment, TM expects the growth in broadband market to remain strong with estimated Compounded Annual Growth Rate (CAGR) of 8.3% between 2008 - 2013 [source: IDC H2 2008]. The country's broadband penetration rate had only surpassed 22.9% in Q1 2009 [MCMC – Q1 2009 report]. The emergence of mobile broadband technologies, most notably WiMax and HSDPA, will challenge TM's dominance of the Malaysian Internet access service market.

In anticipation of this, TM has embarked on various initiatives to improve its broadband customer service and service offerings such as the introduction of *Streamyx Combo Goes Mobile* and Streamyx value added packages; and a Performance Improvement Programme (PIP) initiative to address the end-to-end Streamyx improvement focusing on service delivery, process and quality. Meanwhile, the decline in voice revenue is expected to continue due to fixed mobile substitution. The PIP 2.0 initiatives are being put in place to manage the decline in voice revenue.

On the High Speed Broadband (HSBB) project, TM has inked its first deal in May 2009 for its HSBB (Transmission) Wholesale Service. TM will embark on its consumer user trial in Q4 2009, with the objective of testing and fine-tuning various aspects of its service roll-out such as systems, products, processes and network access transmission. Initial HSBB commercial retail roll-out in 4 exchange areas of Taman Tun Dr Ismail (TTDI), Bangsar, Subang Jaya and Shah Alam is scheduled for Q1 2010.

3. Prospects for the Current Financial Year (continued)

The Board of Directors expects TM's business environment for the financial year ending 31 December 2009 to remain challenging.

4. Variance of Actual Profit from Forecast Profit / Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the financial period ended 30 June 2009.

5. Taxation

The taxation charge for the Group comprises:

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2009	30/6/2008	**30/6/2009**	30/6/2008
	RM Million	RM Million	RM Million	RM Million
Malaysia				
Income Tax:				
Current year	**18.1**	(112.1)	**68.1**	37.4
Prior year	-	(3.7)	**(4.5)**	(2.5)
Deferred tax (net):				
Current year	**67.0**	172.7	**70.8**	9.9
Prior year	**0.6**	(52.5)	**3.5**	(52.5)
	85.7	4.4	**137.9**	(7.7)
Overseas				
Income Tax:				
Current year	**0.1**	0.3	**2.0**	1.2
Deferred tax (net):				
Prior year	-	0.8	-	0.8
	0.1	1.1	**2.0**	2.0
Taxation	**85.8**	5.5	**139.9**	(5.7)
Zakat	-	-	**1.0**	-
Taxation and Zakat	**85.8**	5.5	**140.9**	(5.7)

The current quarter effective tax rate of the Group was lower than the statutory rate mainly attributed to higher unrealised foreign exchange gain registered during the current quarter, which is not subject to tax and profit registered by a subsidiary which is not subject to tax due to tax exemption status.

5. Taxation (continued)

The financial period effective tax rate of the Group was higher than the statutory tax rate primarily due to non-tax deductible items such as unrealised foreign exchange loss and interest restricted.

6. Profit on Sale of Unquoted Investments and/or Properties

There were no other profit on sale of unquoted investments and/or properties other than in the ordinary course of the Group's business for the current quarter and financial period ended 30 June 2009.

7. Purchase and Disposal of Quoted Securities

I. Quoted Shares

(a) Total purchases and disposals of quoted securities for the current quarter and financial period ended 30 June 2009 are as follows:

	Current quarter RM Million	Period to date RM Million
Total purchases	21.5	24.9
Total disposals	43.1	54.2
Total loss on disposal (note (i))	(24.5)	(29.2)

(i) The total loss on disposal was before reversal of diminution in value of the quoted securities of RM45.0 million in the current quarter and RM51.3 million in the financial period to date.

(b) Total investments in quoted securities as at 30 June 2009 are as follows:

	RM Million
At cost	111.0
At book value	64.8
At market value	64.8

II. Quoted Fixed Income Securities

(a) Total purchases and disposals of quoted fixed income securities for the current quarter and financial period ended 30 June 2009 are as follows:

	Current quarter RM Million	Period to date RM Million
Total purchases	38.7	59.1
Total disposals	36.4	58.0
Total gain on disposal	0.1	0.7

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

7. Purchase and Disposal of Quoted Securities (continued)

(b) Total investments in quoted fixed income securities as at 30 June 2009 are as follows:

	RM Million
At cost	211.0
At book value	208.5
At market value	208.5

8. Status of Corporate Proposals

There is no corporate proposal announced and not completed as at the latest practicable date.

9. Group Borrowings and Debt Securities

(a) Analysis of the Group's borrowings and debt securities as at 30 June are as follows:

	2009		**2008**	
	Short Term Borrowings RM Million	**Long Term Borrowings RM Million**	**Short Term Borrowings RM Million**	**Long Term Borrowings RM Million**
Secured	-	24.4	7.9	21.4
Unsecured	41.9	7,009.4	32.2	6,522.0
Total	**41.9**	**7,033.8**	**40.1**	**6,543.4**

(b) Foreign currency borrowings and debt securities in Ringgit Malaysia equivalent as at 30 June are as follows:

	2009	**2008**
Foreign Currency	**RM Million**	**RM Million**
US Dollar	3,855.5	3,588.7
Canadian Dollars	4.0	4.4
Total	**3,859.5**	**3,593.1**

10. Off Balance Sheet Financial Instruments

The details and the financial effects of the hedging derivatives that the Group has entered into were described in note 17 to the audited financial statements of the Group for the financial year ended 31 December 2008. There were no new off balance sheet financial instruments since the last financial year except for the following:

(a) Forward Foreign Currency Contracts

Underlying Liability

USD500.0 million 5.25% Guaranteed Notes Due 2014
In 2004, the Company issued USD500.0 million 5.25% Guaranteed Notes due 2014. The Notes are redeemable in full on 22 September 2014.

Hedging Instrument

On 10 March 2009, the Company entered into a forward foreign currency contract transaction which matures on 22 September 2014. On the maturity date, the Company would receive USD50.0 million from the counter-party in return for a payment of RM174.5 million. The objective of this transaction is to effectively convert the USD liability into a RM principal liability.

On 28 May 2009, the Company entered into another forward foreign currency contract transaction which matures on 22 September 2014. On the maturity date, the Company would receive USD50.0 million from the counter-party in return for a payment of RM169.75 million. The objective of this transaction is to effectively convert the USD liability into a RM principal liability.

The accounting policies applied are as follows:

"Financial derivative hedging instruments are used in the Group's risk management of foreign currency and interest rate exposures of its financial liabilities. Hedge accounting principles are applied for the accounting of the underlying exposures and their hedge instruments. These hedge instruments are not recognised in the financial statements on inception.

Exchange gains and losses relating to hedge instruments are recognised in the Income Statement in the same period as the exchange differences on the underlying hedged items. No amounts are recognised in respect of future periods.

Any differential to be paid or received on an interest rate swap is recognised as a component of interest income or expense over the period of the contract. Gains and losses on restructuring or early termination of interest rate swaps or on repayment of the borrowing are taken to the Income Statement."

All hedging instruments are executed with creditworthy financial institutions with a view to limit the credit risk exposure of the Group.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

11. Material Litigation

I. With reference to the following material litigation cases as disclosed under Contingent Liabilities in note 45 to the audited financial statements of the Group for the year ended 31 December 2008, listed below are updates of the relevant cases since the date of the last audited financial statements:

(a) TM and TM Info-Media Sdn Bhd (TMIM) vs Buying Guide (M) Sdn Bhd (BGSB)

On 6 March 2009, the Court allowed TM/TMIM's application to consolidate this legal suit with another ongoing legal suit involving TM and TMIM vs. BG Media Sdn. Bhd. & BG Online Sdn. Bhd. at the Kuala Lumpur High Court, Suit No. D7-22-1144-2004 ("the Consolidated Suit") and join BGSB's directors as defendants to the Consolidated Suit.

On 6 August 2009, the Court has fixed 5 November 2009 for case management and 18 to 22 January 2010 for full trial of the Consolidated Suit.

The Directors, based on legal advice, are of the view that TM and TMIM have a reasonably good chance of success in establishing its claim and defending BGSB's counterclaim.

(b) Acres & Hectares Sdn Bhd (AHSB) vs TM

On 14 August 2009, the case was postponed to 3 September 2009 for final case management. The trial dates have been set on 16-17 September 2009 and 30 October 2009.

The Directors, based on legal advice, are of the view that TM has a reasonably good chance of success in defending its case against AHSB.

(c) Pengurusan Danaharta Nasional Berhad & 2 Others vs TSDTR (By Original Claim), TSDTR vs Celcom, TRI & 22 Others (By Counterclaim)

On 26 September 2008, the continued hearing of the appeal by TM and TESB against the dismissal of their respective application to strike out the TSDTR's Counterclaim was postponed to 20 May 2009. On 14 May 2009, the appeal was postponed to 17 June 2009 for mention.

On 17 June 2009, the appeal was further postponed to 28 September 2009 for mention.

Meanwhile, TM/TESB's appeal against the decision of the Senior Assistant Registrar in allowing TSDTR's application to re-amend his Amended Defence and Counterclaim has been fixed for hearing on 18 December 2009.

The Directors, based on legal advice received, are of the view that the crystallisation of liability from the above is remote.

11. Material Litigation (continued)

(d) Mohd Shuaib Ishak vs TM, TESB, Celcom and 11 Others

On 25 May 2009, the Court has set 15 October 2009 as the hearing date for TM/TESB's Striking Out Application.

The Directors, based on legal advice, are of the view that TM and TESB have a reasonably good chance of success in defending the case against Mohd Shuaib Ishak.

(e) Celcom (Malaysia) Berhad vs Telekom Malaysia Berhad, Telekom Enterprise Sdn Bhd & 19 Others

On 27 March 2009, the Court of Appeal allowed Celcom's appeal against the High Court's decision in granting leave to Mohd Shuaib Ishak (MSI) to commence the statutory derivative action in the name of Celcom. On 23 April 2009, MSI filed an application for leave to appeal to the Federal Court against the decision of the Court of Appeal above mentioned. MSI's application for leave is set for hearing on 2 November 2009.

The Directors, based on legal advice, are of the view that TM and TESB have a good chance of success in defending the case against Celcom in the event that MSI succeeds in his appeal against the Court of Appeal's decision at the Federal Court and he proceeds with the Suit in the name of Celcom.

II. For the following material litigation cases as disclosed in the fourth quarter 2008 announcement to Bursa Malaysia on 24 February 2009, enumerated below are updates of the cases since the date of that announcement:

(a) TM and TM Info-Media Sdn Bhd (TMIM) vs BG Media Sdn Bhd (BGM) and BG Online Sdn Bhd (BGO)

On 6 March 2009, the Court allowed TM/TMIM's application to consolidate this legal suit with another ongoing legal suit involving TM and TMIM vs. Buying Guide (M) Sdn Bhd the Kuala Lumpur High Court under Suit No: D6-22-1332-2003 ("the Consolidated Suit") and join BGM/BGO's directors as defendants to the Consolidated Suit.

On 6 August 2009, the Court has fixed 5 November 2009 for case management and 18 to 22 January 2010 for full trial of the Consolidated Suit.

The Directors, based on legal advice, are of the view that TM and TMIM have a reasonably good chance of success in establishing the said claim.

11. Material Litigation (continued)

(b) Inmiss Communication Sdn Bhd (Inmiss) vs Mobikom Sdn Bhd (Mobikom)

By consent of both Inmiss and Mobikom, the High Court has on 29 May 2009 issued the following Orders:

(i) The Winding Up Petition against Mobikom and all interlocutory applications therein are dismissed with no order as to costs; and

(ii) The Arbitration Award dated 31 March 2005 in favour of Inmiss is set aside with no orders as to costs.

Pursuant to the above, the case has been duly resolved.

III. The following is a new material litigation case arising during the year:

(a) Network Guidance (M) Sdn Bhd (NGSB) vs TM and TM Net Sdn Bhd (TM Net)

On 11 August 2009, TM and its wholly owned subsidiary, TM Net were served with a writ of summons and statement of claim by NGSB in connection with a purported joint venture in regard to a project described in the statement of claim as "Fine TV Services".

NGSB is seeking from TM and TM Net jointly and severally the following relief:

(a) (i) special damages in the sum of RM7,000,000.00;
(ii) interest in the sum of RM1,000,000.00;

(b) further or in the alternative loss of profit of RM500,000,000.00;

(c) an injunction restraining TM by itself, officers, servants or agents to continue to use information otherwise than for the purpose for which it was communicated;

(d) further in the alternative, an account of all profit made by TM Net from the use of information;

(e) exemplary damages;

(f) aggravated damages;

(g) general damages;

(h) interest and costs.

TM and TM Net have appointed solicitors to represent them in the above legal suit and will vigorously defend the claim.

11. Material Litigation (continued)

Apart from the above, the Directors are not aware of any other proceedings pending against the Company and/or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of the Company and/or its subsidiaries.

12. Earnings Per Share (EPS)

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2009	30/6/2008	**30/6/2009**	30/6/2008
(a) Basic earnings per share				
Profit from continuing operations attributable to equity holders of the Company (RM million)	**266.0**	114.7	**293.7**	229.1
Profit from discontinued operations attributable to equity holders of the Company (RM million)	**n/a**	158.5	**n/a**	563.8
Profit attributable to equity holders of the Company (RM million)	**266.0**	273.2	**293.7**	792.9
Weighted average number of ordinary shares (million)	**3,519.1**	3,440.4	**3,492.9**	3,440.1
Basic earnings per share (sen) from:				
Continuing operations	**7.6**	3.3	**8.4**	6.7
Discontinued operations	**n/a**	4.6	**n/a**	16.4
Basic earnings per share (sen) attributable to equity holders of the Company	**7.6**	7.9	**8.4**	23.1

Basic earnings per share of the Group was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of issued and paid-up ordinary shares during the financial year.

12. Earnings Per Share (EPS) (continued)

	2ND QUARTER ENDED		FINANCIAL PERIOD ENDED	
	30/6/2009	30/6/2008	**30/6/2009**	30/6/2008
(b) Diluted earnings per share				
Profit from continuing operations attributable to equity holders of the Company (RM million)	**266.0**	114.7	**293.7**	229.1
Profit from discontinued operations attributable to equity holders of the Company (RM million)	**n/a**	158.5	**n/a**	563.8
Profit attributable to equity holders of the Company (RM million)	**266.0**	273.2	**293.7**	792.9
Weighted average number of ordinary shares (million)	**3,519.1**	3,440.4	**3,492.9**	3,440.1
Adjustment for ESOS (million)	**15.0**	24.8	**19.2**	22.1
Weighted average number of ordinary shares (million)	**3,534.1**	3,465.2	**3,512.1**	3,462.2
Diluted earnings per share (sen) from:				
Continuing operations	**7.5**	3.3	**8.4**	6.6
Discontinued operations	**n/a**	4.6	**n/a**	16.3
Diluted earnings per share (sen) attributable to equity holders of the Company	**7.5**	7.9	**8.4**	22.9

n/a: not applicable

Fully diluted earnings per share of the Group for the current financial period was calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period, adjusted to assume the conversion of dilutive potential ordinary shares, arising from the employees' share option scheme (Special ESOS).

13. Qualification of Preceding Audited Financial Statements

The audited financial statements for the financial year ended 31 December 2008 were not subject to any qualification.

14. Dividends

The Board of Directors has declared an interim tax exempt dividend of 10.0 sen per share (2008: an interim gross dividend of 12.0 sen per share less tax at 26%) for the financial year ending 31 December 2009. The dividend will be paid on 29 September 2009 to shareholders whose names appeared in the Register of Members and Record of Depositors on 10 September 2009.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

By Order of the Board

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

Kuala Lumpur
21 August 2009