

**TIME DOTCOM BERHAD**  
(413292-P)  
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2008.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/6/2008 RM'000	Preceding year corresponding quarter 30/6/2007 RM'000	Six months to 30/6/2008 RM'000	Six months to 30/6/2007 RM'000
1. (a) <b>Revenue</b>	<b>71,248</b>	<b>75,975</b>	<b>137,289</b>	<b>155,621</b>
(b) Cost of sales*	<u>(72,660)</u>	<u>(75,943)</u>	<u>(145,638)</u>	<u>(162,927)</u>
(c) Gross profit/(loss)	(1,412)	32	(8,349)	(7,306)
(d) Other income**	666,255	877	667,932	1,767
(e) Expenses	(42,062)	(35,032)	(76,202)	(69,272)
(f) Interest income	1,085	1,332	2,165	2,393
(g) Finance costs	<u>(21,803)</u>	<u>(4)</u>	<u>(39,460)</u>	<u>(4)</u>
(h) <b>Profit / (Loss) before income tax</b>	<b>602,063</b>	<b>(32,795)</b>	<b>546,086</b>	<b>(72,422)</b>
(i) Income tax	<u>(90)</u>	<u>(152)</u>	<u>(195)</u>	<u>(267)</u>
(j) <b>Profit / (Loss) for the period</b>	<b><u>601,973</u></b>	<b><u>(32,947)</u></b>	<b><u>545,891</u></b>	<b><u>(72,689)</u></b>
Attributable to:				
(k) Equity holders of the Company	<u>601,973</u>	<u>(32,947)</u>	<u>545,891</u>	<u>(72,689)</u>
2. <b>Profit / (Loss) per share based on 1(k) above (note 25)</b>				
(a) Basic (based on 2007: 2,530,775,000 [2006: 2,530,775,000] ordinary shares)	<u>23.79 sen</u>	<u>(1.30 sen)</u>	<u>21.57 sen</u>	<u>(2.87) sen</u>
* Include depreciation of telecommunications network	38,740	44,293	77,013	88,489
** Include gain on transfer of 3G spectrum	616,985	-	616,985	-

The condensed Consolidated Income Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007



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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at end of current quarter 30/6/2008</b>	<b>As at preceding financial year end 31/12/2007</b>
	RM'000	RM'000
<b>ASSETS</b>		
1. Non-current assets		
Property, plant & equipment	35,326	35,742
Prepaid land lease payments	4,803	5,019
Telecommunications network	1,160,917	1,274,654
Goodwill on consolidation	591,401	591,401
Other Investment	1,766,207	1,081,457
	3,558,654	2,988,273
2. Current assets		
Inventories	5,877	6,153
Receivables, deposits and prepayments	81,221	92,038
Cash and cash equivalents	166,343	142,172
	253,441	240,363
<b>Total assets</b>	<b>3,812,095</b>	<b>3,228,636</b>
<b>EQUITY AND LIABILITIES</b>		
3. Equity attributable to equity holders of the Company		
Share capital	2,530,775	2,530,775
Share premium	1,570,758	1,570,758
Accumulated losses	(1,573,366)	(2,119,257)
<b>Total equity</b>	<b>2,528,167</b>	<b>1,982,276</b>
4. Non-current liabilities		
Loans and borrowings	1,127,212	1,087,809
	1,127,212	1,087,809
5. Current liabilities		
Payables and accruals	134,003	130,669
Deferred income	18,844	21,947
Amount owing to related parties	3,869	5,935
	156,716	158,551
<b>Total liabilities</b>	<b>1,283,928</b>	<b>1,246,360</b>
<b>Total equity and liabilities</b>	<b>3,812,095</b>	<b>3,228,636</b>
6. <b>Net assets per share attributable to ordinary equity holders of the Company</b>	<b>RM 1.00</b>	<b>RM 0.78</b>

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited Six months to 30/6/2008</b>	<b>Unaudited Six months to 30/6/2007</b>
	RM'000	RM'000
<b>Operating Activities</b>		
Cash receipts from customers	147,165	160,153
Cash payments to suppliers	(92,119)	(94,752)
Cash payments to employees and for administrative expenses	(42,936)	(37,139)
	12,110	28,262
Cash generated from operations	12,110	28,262
Taxes paid	(389)	(582)
<b>Net cash from operating activities</b>	<b>11,721</b>	<b>27,680</b>
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(5,068)	(4,226)
Additions to telecommunications network	(28,786)	(17,289)
Purchase of property, plant and equipment for USP Project	(89)	-
Dividend received	45,107	-
Interest received	1,286	1,422
<b>Net cash used in investing activities</b>	<b>12,450</b>	<b>(20,093)</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>24,171</b>	<b>7,587</b>
Cash and Cash Equivalents as at beginning of financial period	142,172	147,376
<b>Cash and Cash Equivalents as at end of financial period</b> (a)	<b>166,343</b>	<b>154,963</b>
	<b>Unaudited As at 30/6/2008</b>	<b>Unaudited As at 30/6/2007</b>
	RM'000	RM'000
<b>(a) Cash and Cash Equivalents comprise the following amounts:</b>		
Current cash and cash equivalents		
- Restricted	45,126	50,000
- Unrestricted	121,217	104,963
	<b>166,343</b>	<b>154,963</b>

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>Six months to 30 June 2008 (unaudited)</b>				
Balance as at 1 January 2008	2,530,775	1,570,758	(2,119,257)	1,982,276
Profit for the period	-	-	545,891	545,891
Balance as at 30 June 2008	2,530,775	1,570,758	(1,573,366)	2,528,167

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>Six months to 30 June 2007 (unaudited)</b>				
Balance as at 1 January 2007	2,530,775	1,570,758	(1,958,584)	2,142,949
Loss for the period	-	-	(72,689)	(72,689)
Balance as at 30 June 2007	2,530,775	1,570,758	(2,031,273)	2,070,260

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

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**V. NOTES TO THE CONDENSED FINANCIAL STATEMENTS**

The notes to the condensed Financial Statements should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2007.

**1. Accounting policies and methods of computation**

The quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS 134, Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

**2. Audit report in respect of the 2007 financial statements**

The audit report on the Group's financial statements for the financial year ended 31 December 2007 was not qualified.

**3. Seasonal or cyclical factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

**4. Unusual items due to their nature, size or incidence**

There were no items affecting assets, liabilities, equity, net income, or cashflows that were unusual because of their nature, size or incidence in the current period except for the receipt of 27,500,000 new ordinary shares of RM 0.10 each of DiGi.Com Berhad ("DiGi") pursuant to the transfer of the 3G spectrum from TT dotCom Sdn Bhd ("TTdC") a wholly-owned subsidiary of Time dotCom Berhad to DiGi Telecommunications Sdn Bhd ("DiGi Telecom") a wholly-owned subsidiary of DiGi, which was completed on 12<sup>th</sup> May 2008. The Group recognized a gain of RM 617 million arising from the said transfer of 3G spectrum which represents the fair value of the 27,500,000 DiGi shares at RM 24.90 each net off against related expenses incurred.

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
<b>Income Statement</b>	<b>30/6/2008</b>	<b>30/6/2007</b>	<b>30/6/2008</b>	<b>30/6/2007</b>
	RM'000	RM'000	RM'000	RM'000
Gain from transfer of 3G spectrum to DiGi Telecom	616,985	-	616,985	-
Dividend income from DiGi.Com Berhad shares ("DiGi Shares").	46,070	-	46,070	-
	<u>663,055</u>	<u>-</u>	<u>663,055</u>	<u>-</u>
	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
<b>Balance Sheet</b>	<b>30/6/2008</b>	<b>30/6/2007</b>	<b>30/6/2008</b>	<b>30/6/2007</b>
	RM'000	RM'000	RM'000	RM'000
Other investment*	684,750	-	684,750	-
	<u>684,750</u>	<u>-</u>	<u>684,750</u>	<u>-</u>

\* The increase in other investment was due to 27,500,000 new ordinary shares of DiGi.Com Berhad valued at RM24.90 per share received in pursuant to the transfer of the 3G Spectrum.

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**5. Material changes in estimates used**

There were no changes in estimates of amounts reported in prior interim period of the current financial period or prior financial years that have a material effect in the current period.

**6. Debt and equity securities**

The Group did not undertake any other issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period ended 30 June 2008.

**7. Dividend**

The Directors do not recommend the payment of an interim dividend for the current financial period ended 30 June 2008 (2007: Nil).

**8. Segment information for the current financial period**

No segment analysis is prepared as the Group is principally engaged in the telecommunications industry business in Malaysia.

**9. Material events subsequent to the end of the current financial period**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 30 June 2008 to the date of this announcement which would substantially affect the financial results of the Group for the six months ended 30 June 2008 that have not been reflected in the condensed financial statements.

**10. Changes in the composition of the Group**

There were no significant changes in the composition of the Group for the current quarter and financial period including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations except for the net received of 27,500,000 DiGi shares as long term investment as disclosed in Note 4.

**11. Contingent liabilities**

There are no contingent liabilities as at the date of this announcement and for the preceding year ended 31 December 2007 except as disclosed below:

Description of contingent liabilities

**RM'000**

Irrevocable bank guarantee given to the Malaysian Communications and Multimedia Commissions ("MCMC") 50,000

On 7 May 2008, upon the completion of the 3G spectrum transfer to DiGi Telecom, the irrevocable bank guarantee pledged to the MCMC was returned to TTdC.

**12. Capital commitments**

There are no other material capital commitments except as disclosed below:

**RM'000**

a) Approved and contracted for:

Purchase and construction of telecommunications infrastructure	61,363
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b) Approved but not contracted for:

Purchase and construction of telecommunications infrastructure and license	69,042
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**13. Income tax**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
	<b>30/6/2008</b>	<b>30/6/2007</b>	<b>30/6/2008</b>	<b>30/6/2007</b>
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- Current taxation	<u>(90)</u>	<u>(152)</u>	<u>(195)</u>	<u>(267)</u>

Tax expense was provided for interest income earned during the period.

**14. Disposal of unquoted investments and/or properties**

There were no disposals of unquoted investments and/or properties in the current period.

**15(a). Acquisitions and disposals of quoted securities**

There were no acquisitions and disposals of quoted securities in the current period except as disclosed in 15(b).

**15(b). Investments in quoted securities**

Total investments in quoted securities are as follows:-

	RM'000
Total investments at cost*	<u>1,766,207</u>
Total investments at market value	<u>1,858,225</u>

\* The increase in other investment was due to 27,500,000 new ordinary shares of DiGi.Com Berhad valued at RM24.90 per share received in pursuant to the transfer of the 3G Spectrum.

**16. Status of corporate proposals announced but not completed as at the date of this announcement**

There are no corporate proposals announced but not completed as at the date of this announcement.

**17. Borrowings and debt securities**

Details of Group borrowing and debt securities as at 30 June 2008 are as follows.

	<b>Long term borrowings</b>
	Secured
	RM'000
Secured bank loan	<u>1,127,212</u>

The bank loans are secured over all the DiGi Shares as per note 15 and an escrow account is created to capture dividends from the pledged securities.

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**18. Off Balance Sheet financial instruments**

There are no financial instruments with off-balance sheet risks as at the date of this announcement.

**19. Material litigation**

On 30 May 2008, TTdC has been served with a sealed copy of a winding-up petition dated 15 May 2008 by Esat Sdn Bhd ("Esat"). The hearing date of the winding-up petition is fixed on 22 July 2008. Esat is claiming the sum of RM791,156.34 against TTdC as outstanding sum on capital expenditure in the project known as Civil, Mechanical and Electrical portion of the USP Project. There is no interest claimed by Esat against TTdC. TTdC is challenging the said petition.

The winding-up proceedings however, would not have any material impact on the financial and operations of the Company and TTdC does not expect further losses from the winding-up proceedings save for legal costs and other related costs.

The winding-up petition which was fixed for hearing on the 22 July was postponed to 9 September 2008 to allow both parties to file further affidavits in reply.

**20. Comparison between the current quarter and the immediate preceding quarter**

Revenue for the current quarter of RM71.2 million has increased by 7.9% as compared to the immediate preceding quarter of RM66.0 million. The increase in revenue was mainly due to higher sale on voice, managed services, data and internet businesses.

The profit before tax for the current quarter was RM602.1 million compared to losses of RM56.0 million for the immediate preceding quarter. The profit is due to gain on transfer of 3G spectrum and dividend income from DiGi Shares mentioned in Note 4.

**21. Review of performance for the current quarter and year-to-date**

The revenue for the current quarter and year-to-date under review was RM71.2 million and RM137.3 million respectively as compared to RM76.0 million and RM155.6 million respectively in the corresponding period in 2007. The decrease in revenue was mainly due to lower sale on voice and internet businesses.

The Group posted current quarter and year-to-date profit before tax of RM602.1 million and RM546.1 million respectively compared to losses of RM32.8 million and RM72.4 million in the corresponding period in 2007. The significant PBT is due to gain on transfer of 3G spectrum of RM617.0 million and dividend income of RM46.1 million from DiGi Shares. Without the gain on transfer, the Group is still making a loss before tax of RM14.9 million for the current quarter and year-to-date loss before tax of RM70.9 million, showing a marginal improvement of RM17.9 million and RM1.5 million respectively in comparison with corresponding period in 2007.

**22. Economic profit / (loss) statement**

	Individual Quarter		Cumulative Quarter	
	Current year quarter <b>30/6/2008</b> RM'000	Preceding year corresponding quarter <b>30/6/2007</b> RM'000	Six months to <b>30/6/2008</b> RM'000	Six months to <b>30/6/2007</b> RM'000
<u>Net operating profit / (loss) after tax</u> <u>("NOPLAT") computation:</u>				
Profit / (Loss) before interest and tax ("PBIT"/ "LBIT")	4,373	(35,000)	(36,703)	(76,578)
Adjusted tax	-	-	-	-
<b>NOPLAT</b>	<b>4,373</b>	<b>(35,000)</b>	<b>(36,703)</b>	<b>(76,578)</b>
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	3,292,864	2,037,725	3,130,469	2,056,063
Weighted average cost of capital ("WACC") (%) (Note 2)	7.6%	11.2%	7.6%	11.2%
<b>Economic charge</b>	<b>(62,564)</b>	<b>(57,046)</b>	<b>(118,958)</b>	<b>(115,119)</b>
<b>Economic loss</b>	<b>(58,191)</b>	<b>(92,046)</b>	<b>(155,661)</b>	<b>(191,697)</b>



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The Economic Profit statement is as prescribed under the GLC Transformation Program, and is disclosed on a voluntary basis.

Economic profit is a measure of value created by a business during a single period reflecting how much return a business makes over its cost of capital.

For the current quarter ended 30 June 2008, economic loss has reduced by RM33.8 million to RM58.2 million from RM92.0 million, whilst for the year-to-date 30 June 2008, the economic loss has reduced by RM36.0 million to RM155.7 million from RM191.7 million. This was due to PBIT recorded in the current quarter as well as lower weighted average cost of capital (WACC).

Note 1:

Average invested capital consists of average operating working capital, average net property, plant and equipment and average net other operating assets.

Note 2:

WACC is calculated as weighted average cost of debts and equity taking into account the market capitalisation as at end of the period.

**23. Prospects for the current financial year**

The migration process from Time Division Multiplexing (TDM) to Internet Protocol – Next Generation Network (IP-NGN) is progressing as planned. There will be more IP based product launches planned in the next quarter to further leverage on our IP-NGN network.

We are starting to see the compensating effect of the IP based product launches against the decline in voice revenue. However, we may not see an increase in overall revenue in comparison to previous year.

**24. Profit forecast**

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

**25. Earnings / (loss) per share**

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/6/2008	Preceding year corresponding quarter 30/6/2007	Six months to 30/6/2008	Six months to 30/6/2007
Net profit / (loss) attributable to equity holders of the Company (RM'000)	601,973	(32,947)	545,891	(72,689)
Weighted average number of shares in issue (RM'000)	2,530,775	2,530,775	2,530,775	2,530,775
<b>Basic earnings / (loss) per share</b>	<b>23.79 sen</b>	<b>(1.30 sen)</b>	<b>21.57 sen</b>	<b>(2.87 sen)</b>

The diluted earnings per share is not shown as it is not applicable to the Group.

**By Order of the Board**

**Kuala Lumpur**  
**28 August 2008**

**MISNI ARYANI MUHAMAD**  
**(LS 08983)**  
**Secretary**