



TIME DOTCOM BERHAD
(413292-P)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2008.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2008	Preceding year corresponding quarter 31/03/2007	Three months to 31/03/2008	Three months to 31/03/2007
	RM'000	RM'000	RM'000	RM'000
1. (a) Revenue	66,041	79,646	66,041	79,646
(b) Cost of sales*	<u>(72,978)</u>	<u>(86,984)</u>	<u>(72,978)</u>	<u>(86,984)</u>
(c) Gross loss	(6,937)	(7,338)	(6,937)	(7,338)
(d) Other income	1,677	890	1,677	890
(e) Expenses	(34,140)	(34,240)	(34,140)	(34,240)
(f) Interest income	1,080	1,061	1,080	1,061
(g) Finance costs	<u>(17,657)</u>	<u>-</u>	<u>(17,657)</u>	<u>-</u>
(h) Loss before income tax	(55,977)	(39,627)	(55,977)	(39,627)
(i) Income tax	<u>(105)</u>	<u>(115)</u>	<u>(105)</u>	<u>(115)</u>
(j) Loss for the period	<u>(56,082)</u>	<u>(39,742)</u>	<u>(56,082)</u>	<u>(39,742)</u>
Attributable to:				
(k) Equity holders of the Company	<u>(56,082)</u>	<u>(39,742)</u>	<u>(56,082)</u>	<u>(39,742)</u>
2. Loss per share based on 1(k) above (note 25)				
(a) Basic (based on 2008: 2,530,775,000 [2007: 2,530,775,000] ordinary shares)	<u>(2.22 sen)</u>	<u>(1.57 sen)</u>	<u>(2.22 sen)</u>	<u>(1.57 sen)</u>

* Include depreciation of telecommunications network

	38,273	44,196	38,273	44,196
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The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2007.



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II. CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As at end of current quarter 31/03/2008	Audited As at preceding financial year end 31/12/2007
	RM'000	RM'000
ASSETS		
1. Non-current assets		
Property, plant & equipment	36,073	35,742
Prepaid land lease payments	4,911	5,019
Telecommunications network	1,250,978	1,274,654
Goodwill on consolidation	591,401	591,401
Other Investment	1,081,457	1,081,457
	2,964,820	2,988,273
2. Current assets		
Inventories	6,059	6,153
Receivables, deposits and prepayments	92,863	92,038
Cash and cash equivalents	136,354	142,172
	235,276	240,363
Total assets	3,200,096	3,228,636
EQUITY AND LIABILITIES		
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	(2,175,339)	(2,119,257)
Total equity	1,926,194	1,982,276
4. Non-current liabilities		
Loans and borrowings	1,103,524	1,087,809
	1,103,524	1,087,809
5. Current liabilities		
Payables and accruals	147,750	130,669
Deferred income	20,014	21,947
Amount owing to related parties	2,614	5,935
	170,378	158,551
Total liabilities	1,273,902	1,246,360
Total equity and liabilities	3,200,096	3,228,636
6. Net assets per share attributable to ordinary equity holders of the Company	RM 0.76	RM 0.78

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



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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Three months to 31/3/2008 RM'000	Unaudited Three months to 31/3/2007 RM'000
Operating Activities		
Cash receipts from customers	72,824	75,931
Cash payments to suppliers	(43,105)	(51,864)
Cash payments to employees and for expenses	(20,958)	(17,949)
	8,761	6,118
Cash generated from operations	8,761	6,118
Taxes paid	(202)	(335)
Net cash from operating activities	8,559	5,783
Investing Activities		
Purchase of property, plant and equipment	(1,740)	(2,442)
Additions to telecommunications network	(13,231)	(9,153)
Purchase of property, plant and equipment for USP Project	(89)	-
Interest received	683	745
Net cash used in investing activities	(14,377)	(10,850)
Net change in Cash and Cash Equivalents	(5,818)	(5,067)
Cash and Cash Equivalents as at beginning of financial period	142,172	147,376
Cash and Cash Equivalents as at end of financial period (a)	136,354	142,309
	Unaudited As at 31/3/2008 RM'000	Unaudited As at 31/3/2007 RM'000
(a) Cash and Cash Equivalents comprise the following amounts:		
Current cash and cash equivalents		
- Restricted	50,000	50,000
- Unrestricted	86,354	92,309
	136,354	142,309

The condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual 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
Three months to 31 March 2008 (unaudited)				
Balance as at 1 January 2008	2,530,775	1,570,758	(2,119,257)	1,982,276
Loss for the period	-	-	(56,082)	(56,082)
Balance as at 31 March 2008	<u>2,530,775</u>	<u>1,570,758</u>	<u>(2,175,339)</u>	<u>1,926,194</u>

	← Attributable to equity holders of the Company →			
	Share Capital	Share Premium	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000
Three months to 31 March 2007 (unaudited)				
Balance as at 1 January 2007	2,530,775	1,570,758	(1,958,584)	2,142,949
Loss for the period	-	-	(39,742)	(39,742)
Balance as at 31 March 2007	<u>2,530,775</u>	<u>1,570,758</u>	<u>(1,998,326)</u>	<u>2,103,207</u>

The condensed Consolidated Statement of Changes in Total Equity should be read in conjunction with the Annual 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 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.

5. Material changes in estimates used

There were no changes in estimates of amounts reported in prior financial years that have 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 31 March 2008.

7. Dividend

The Directors do not recommend the payment of an interim dividend for the current financial period ended 31 March 2008 (2007: Nil).

8. Segment information for the current financial period

No segment analysis is prepared as the Group is principally involved in the telecommunications industry 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 in nature which have arisen since 31 March 2008 to the date of this announcement, which would substantially affect the financial results of the Group for the three months ended 31 March 2008, save and except for the completion of the Definitive Agreement dated 25 January 2008 as explained in Note 16. The Group expects to recognise an estimated gain of RM617.0 million from the 27.5 million shares at RM24.90 each less the 3G related costs.

10. Changes in the composition of the Group

There were no changes in the composition of the Group for the current period including business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinued operations.



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11. Contingent liabilities

There are no changes in the contingent liabilities as at the date of this announcement since 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 transfer to DiGi Telecommunication Sdn Bhd ("DiGi Telecom"), the irrevocable bank guarantee pledged to the MCMC was returned to TT dotCom Sdn Bhd ("TT dotCom").

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 43,787

b) Approved but not contracted for:

Purchase and construction of telecommunications infrastructure 21,847

13. Income tax

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/3/2008 RM'000	Preceding year corresponding quarter 31/3/2007 RM'000	Three months to 31/3/2008 RM'000	Three months to 31/3/2007 RM'000
Malaysian taxation				
- Current taxation	(105)	(115)	(105)	(115)
Total	<u>(105)</u>	<u>(115)</u>	<u>(105)</u>	<u>(115)</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

15(b). Investments in quoted securities

Total investments in quoted securities are as follows:-

	RM'000
Total investments at cost	<u>1,081,457</u>
Total investments at market value	<u>1,226,100</u>

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

There are no corporate proposals announced except as disclosed below.

On 25 March 2008, The Company held an Extraordinary General Meeting ('EGM') and obtained approval from its shareholders on:

- Proposed ratification of the acquisition of 50.25 million Ordinary Shares of RM0.10 each ("DiGi Shares") in DiGi.Com Berhad ("DiGi") from Telenor Asia Pte Ltd for a total cash consideration of RM1,080.4 million.
- Proposed transfer of the 3G Spectrum Assignment No. SA/01/2006 over the frequency bands of 1965MHz-1980MHz, 2155MHz-2170MHz and 2010MHz-2015MHz ("Spectrum") by TT dotCom to DiGi Telecom to be satisfied by the issuance of 27.50 million new DiGi Shares credited as fully paid-up to TT dotCom or its nominees.

On 18 April 2008, TT dotCom and DiGi Telecom have entered into a service agreement ("Service Agreement"), which forms part of the conditions precedent of the Definitive Agreement dated 25 January 2008 ("Definitive Agreement") between the Parties.

On 24 April 2008, the Company has been informed that Bursa Malaysia Securities Berhad has granted its approval-in-principle for the listing of and quotation for 27.50 million new DiGi Shares to be issued in respect of the Proposed Transfer and that the Definitive Agreement dated 25 January 2008 has become unconditional.

On 6 May 2008, the parties have mutually agreed that completion of the Definitive Agreement between the parties dated 25 January 2008 in respect of the transfer will take place on 7 May 2008 and that the 27.50 million new DiGi Shares to be issued in respect of the transfer will be listed and quoted in due course.

On 12 May 2008, the 27.50 million new DiGi shares as disclosed above, were listed and quoted.

17. Borrowings and debt securities

Details of Group borrowing and debt securities as at 31 March 2008 are as follows.

	Long term borrowings
	Secured
	RM'000
<u>Other borrowing</u>	
Domestic – bank	<u>1,103,524</u>

The bank loans are secured over all the DiGi Shares as per note 15 and 16 and an escrow account to capture dividends from the pledged securities.

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

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

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

Revenue for the current quarter of RM66.0 million has decreased by 7% as compared to the immediate preceding quarter of RM70.8 million. The decrease in revenue was mainly due to lower voice & payphone revenue.

The loss before income tax for the current quarter was RM56.0 million compared to RM50.5 million for the immediate preceding quarter. The higher loss was mainly due to interest on borrowing for the acquisition of 50.25 million DiGi Shares in November 2007.

21. Review of performance for the current quarter

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The revenue for the current quarter was RM66.0 million as compared to RM79.6 million in the corresponding period in 2007. The lower revenue is mainly due to the lower voice and payphone revenue. The voice revenue was adversely affected by stiff competition, while the payphone business was affected by a lower usage.

The Group posted a current quarter loss before income tax of RM56.0 million compared to RM39.6 million in the corresponding period in 2007. The higher loss was mainly due to interest on borrowing for the acquisition of 50.25 million DiGi Shares in November 2007.

22. Economic profit/(loss) statement

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/3/2008 RM'000	Preceding year corresponding quarter 31/3/2007 RM'000	Three months to 31/3/2008 RM'000	Three months to 31/3/2007 RM'000
<u>Net operating loss after tax ("NOLAT") computation:</u>				
Loss before interest and tax ("LBIT")	(41,077)	(41,578)	(41,077)	(41,578)
Adjusted tax	-	-	-	-
NOLAT	(41,077)	(41,578)	(41,077)	(41,578)
<u>Economic charge computation:</u>				
Average invested capital (Note 1)	3,013,531	2,078,311	3,013,531	2,078,311
Weighted average cost of capital ("WACC") (%) (Note 2)	8.3%	14.6%	8.3%	14.6%
Economic charge	(62,531)	(78,858)	(62,531)	(78,858)
Economic loss	(103,608)	(117,436)	(103,608)	(117,436)

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 31 March 2008, the economic loss has decreased by RM13.8 million to RM103.6 million from RM117.4 million. This was due to lower economic charge resulting from lower WACC despite increase in average invested capital following the acquisition of 50.25 million DiGi Shares in November 2007.

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 year.

23. Prospects



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The Group's migration initiative from Time Division Multiplexing (TDM) to Internet Protocol- Next Generation Network (IP-NGN) is in progress. We expect the network to be IP ready before the end of this year.

Despite the challenges in the industry, the Group plans to build service quality as the value proposition and further leverage on its IP-NGN to offer a value added Managed Services.

Pursuant to the alliance forged with DiGi, the Group plans to develop new products and markets, leveraging on DiGi's expertise in the wireless technology including joint development of fixed mobile convergence solutions. Simultaneously new revenue is expected from providing services to DiGi.

24. Profit forecast

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

25. Loss per share

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Three months to	Three months to
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Net loss attributable to equity holders of the Company (RM'000)	(56,082)	(39,742)	(56,082)	(39,742)
Weighted average number of shares in issue (RM'000)	2,530,775	2,530,775	2,530,775	2,530,775
Basic loss per share	(2.22 sen)	(1.57 sen)	(2.22 sen)	(1.57 sen)

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

By Order of the Board

Kuala Lumpur
22 May 2008

MISNI ARYANI MUHAMAD
(LS 08983)
Secretary