

AXIATA GROUP BERHAD (“AXIATA”)

MULTI-CURRENCY SUKUK PROGRAMME WITH AN AGGREGATE NOMINAL VALUE OF UP TO USD1.5 BILLION OR ITS EQUIVALENT IN OTHER CURRENCIES (“SUKUK PROGRAMME”)

1. INTRODUCTION

On behalf of Axiata’s Board of Directors, CIMB Investment Bank Berhad (“**CIMB**”) is pleased to announce that Axiata and Axiata SPV2 Berhad (“**Axiata SPV2**”, “**Issuer**” or “**Trustee**”), a wholly-owned subsidiary of Axiata, had on 18 July 2012 received approval from the Securities Commission Malaysia (“**SC**”) for the establishment of the Sukuk Programme. In addition, Axiata and Axiata SPV2 had on 17 July 2012 entered into the relevant transaction documents in relation to the establishment of the Sukuk Programme.

2. DETAILS OF THE SUKUK PROGRAMME AND THE ISSUER

The Sukuk Programme does not have a fixed tenure. However, each of the series of Sukuk issued under the Sukuk Programme (“**Series**”) will have such maturities as may be agreed between the Trustee and the relevant dealer subject to such minimum or maximum maturities as may be allowed or required from time to time by relevant central bank or any laws or regulations.

The Sukuk Programme has been assigned a rating of BBB- by Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc. In addition, Moody’s Investors Service, Inc has published the Issuer Rating for Axiata of Baa2.

The Sukuk issued under the Sukuk Programme will be listed on Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (under the Exempt Regime) and Singapore Exchange Securities Trading Limited (“**SGX-ST**”) or such other or further stock exchange(s) as may be agreed between the Issuer and the relevant dealer in relation to each Series.

The other salient terms and conditions of the Sukuk Programme will be determined prior to the issuance of the Sukuk, which will be announced in due course.

The Issuer is a company incorporated in Malaysia under the Companies Act, 1965 on 4 June 2012. Axiata SPV2 has an authorised share capital of RM100,000.00 comprising 100,000 ordinary shares of RM1.00 each with an issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each.

3. RATIONALE FOR THE SUKUK PROGRAMME

The Sukuk Programme is one of the capital management initiatives being undertaken by Axiata to optimise its balance sheet and improve its capital efficiency. The Sukuk Programme will provide Axiata and its subsidiaries (“**Axiata Group**”) with the flexibility to time its fund-raising exercises as well as have access to a greater diversity of investors, both onshore and offshore.

The net proceeds from the issuance of Sukuk under the Sukuk Programme, after deducting expenses in relation thereto, are expected to be utilised for general corporate purposes of the Axiata Group or as may be otherwise specified at the time of the relevant issue of each Series.

4. EFFECTS OF THE SUKUK PROGRAMME

4.1 Issued and paid-up share capital and substantial shareholders' shareholdings

The Sukuk Programme and any issuance of Sukuk thereunder will not have any effect on Axiata's issued and paid-up share capital or any of the substantial shareholders' shareholdings in Axiata.

4.2 Earnings and earnings per share ("EPS"), net assets per share and gearing

The effects of any issuance under the Sukuk Programme on the consolidated earnings and consolidated EPS of Axiata are not expected to be material. However, the actual effects will depend on, amongst others, the effective financing cost of each Sukuk issuance and the specific use of proceeds thereof, both of which cannot be determined at this stage.

Any issuance of Sukuk under the Sukuk Programme is not expected to have any material effect on the consolidated net assets per share of Axiata.

Any issuance of Sukuk under the Sukuk Programme will increase Axiata's consolidated gearing, the quantum of which is dependent on the amount issued.

For illustrative purposes, based on Axiata's audited consolidated statement of financial position as at 31 December 2011 and assuming the maximum amount of USD1.5 billion nominal value of Sukuk* are issued as at 31 December 2011, Axiata's consolidated gearing would increase from 0.59 times to 0.84 times (before taking into consideration the use of proceeds and expenses relating to the Sukuk Programme and issuance of Sukuk thereunder).

Note:

* *Approximately RM4.8 billion, based on the middle rate of USD1.00:RM3.177 as at 12.00 noon on 30 December 2011 as published by Bank Negara Malaysia ("BNM").*

5. APPROVALS OBTAINED/REQUIRED

- (i) BNM, as the Controller of Foreign Exchange had on 9 July 2012 granted its approval for the Sukuk Programme pursuant to Exchange Control Notice 10;
- (ii) The SGX-ST had on 12 July 2012 granted approval-in-principle for permission to deal in and for the quotation of the Sukuk issued pursuant to the Sukuk Programme and which are agreed at or prior to the time of issue thereof to be listed on the SGX-ST. Such permission will be granted when such Sukuk have been admitted to the Official List of the SGX-ST;
- (iii) Bursa Securities had on 16 July 2012 granted approval for the primary listing of the Sukuk issued under the Sukuk Programme under the Exempt Regime; and
- (iv) The SC had on 18 July 2012 granted its approval for the establishment of the Sukuk Programme.

6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of Axiata's Directors, major shareholders and/or persons connected to them has any interest, direct or indirect, in the Sukuk Programme.

7. ADVISORS

CIMB and HSBC Amanah Malaysia Berhad ("**HSBC**") have been appointed as the Joint Principal Advisers for the Sukuk Programme. CIMB Bank (L) Limited, HSBC and Merrill Lynch (Singapore) Pte. Ltd. have been appointed as the Arrangers and CIMB Bank (L) Limited, The Hongkong and Shanghai Banking Corporation Limited and Merrill Lynch (Singapore) Pte. Ltd. as Dealers for the Sukuk Programme.

This announcement is dated 19 July 2012.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States of America ("U.S.") or any jurisdiction in which such offer, solicitation or sale would be unlawful.

Any Sukuk to be issued under the Sukuk Programme have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state of the U.S. or other jurisdiction and may not be offered, sold, pledged or otherwise transferred within the U.S., except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities law.

In connection with the issue of any series of Sukuk, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement or, as the case may be, Offering Circular, may over-allot Sukuk or effect transactions with a view to supporting the market price of the Sukuk at a level higher than that which might otherwise prevail.

However, there is no obligation on the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) to undertake stabilisation action. Any stabilisation action may begin on or after the issue date of the relevant Series and, if begun may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Sukuk and 60 days after the date of the allotment of the relevant Series of Sukuk. Such stabilising shall be conducted in accordance with all applicable laws and rules.