

IMPACTING LIVES, IMPARTING HOPE.

SUSTAINABILITY
REPORT 2011/2012





**MALAYSIA'S TOP 3,
MOST VALUABLE
BRANDS AWARD**

THE MAXIS BRAND IS WORTH
OVER RM10 BILLION

**BEST CORPORATE
SOCIAL RESPONSIBILITY
AWARD**

FROM FINANCE ASIA'S
2012 ASIA'S BEST MANAGED
COMPANIES

**16 COMMUNITY
BROADBAND
CENTRES**

**SOCIAL
EMPOWERMENT
AWARD**

ASIA RESPONSIBLE
ENTREPRENEURSHIP AWARDS
FOR SOUTHEAST ASIA 2012

LARGEST HIGH-SPEED NETWORK FOOTPRINT IN THE COUNTRY

95% 2G COVERAGE AND
82% 3G COVERAGE

MAXIS CYBERKIDS
PROGRAMME
**1,500 SCHOOLS,
8,600 STUDENTS
AND TEACHERS**

WIFI ACCESS TO 110 RURAL SITES

UNDER KAMPUNG
TANPA WAYAR PROJECT

ASEAN
CYBERKIDS CAMP
**OVER 300
STUDENTS AND
105 TEACHERS**

BEST CUSTOMER SERVICE

20 AWARDS AT CCAM

APPROXIMATELY
**95,000 HOURS
OF TRAINING**
FOR MAXIS EMPLOYEES

RM37.9 MILLION
INVESTMENT FOR MAXIS
SCHOLARSHIP FOR EXCELLENCE

209 SCHOLARSHIPS
FOR DESERVING MALAYSIANS

**439 MAXIS
VOLUNTEERS, 7,374
VOLUNTEER HOURS**
FOR CORPORATE
RESPONSIBILITY INITIATIVES

IMPACTING LIVES, IMPARTING HOPE.

Maxis is all about enriching lives and expanding horizons for our customers. By enabling the convergence of mobile telephony and the internet. By introducing new devices and delivery systems. Expanding wireless and fixed solutions for business and for the home. Expanding content, access, storage and on-demand services for a richer internet experience. And more importantly, enriching lives and bringing people closer.

TABLE OF CONTENTS

2	Message From The Chairman	26	Developing And Enriching Our • Customers
4	Message From The CEO	34	• Communities And • Partners
6	Awards And Recognition	43	
6	Awards And Recognition	46	Creating A Great Place To Work
8	Who We Are	58	Advocating Environmentally-Friendly Practices
13	Corporate Structure		
14	Financial Highlights	65	GRI Content Index
15	Corporate Responsibility: Shaping A Sustainable Future	76	Materiality Analysis
15	Corporate Responsibility: Shaping A Sustainable Future	77	About The Report
17	Engaging Our Stakeholders	78	Glossary
17	Engaging Our Stakeholders	79	Assurance Statement
19	Corporate Governance		

MESSAGE FROM THE CHAIRMAN



I am pleased to present our second Sustainability Report, which fulfils our promise to continue to update you about Corporate Responsibility (CR) and the sustainability agenda at Maxis. Guided by the benchmark set in our inaugural report, we have improved our reporting this year so that our stakeholders are better informed and more aware of our plans and performance.

CR and sustainability are increasingly important to people, companies, governments and other types of organisations all around the world. As we see it, CR and sustainability go beyond philanthropy and are core parts of how a successful business is managed and grows. We have come to believe that businesses must understand the drivers affecting sustainability issues and integrate sustainability-focused solutions across the organisation rather than pursuing separate ad-hoc initiatives.

This is why last year we created a new framework for CR and sustainability management to integrate sustainability principles across our business. We want to pursue goals that go far beyond concerns for reputation and risk management to create operational improvements and strategic advantage for our business and our stakeholders

in the future. This will create long-term value through our focus on sustainability and good governance.

As a national business champion, good governance has always been a top priority for Maxis. The requirement for greater disclosure from stakeholders renders mere compliance a thing of the past. We have kept open dialogue with the Minority Shareholders' Watchdog Group (MSWG) to make sure that our corporate governance not only complies with regulations from Bursa Malaysia and the Securities Commission but goes beyond that to aim for the highest international standards of practice, performance and transparency.

Our commitment to responsible and ethical business practices is enshrined in our CR strategy: Developing and enriching lives, Creating a great place to work and Advocating environmentally friendly practices. We want to be a company that enriches the lives of our customers and has a wider, positive impact on society and the environment. We propose to do that through new products and services, advanced technology and by being creative and responsive in meeting the needs of our stakeholders.

Increasingly, our products and services are not just focused on widening our market reach but also to be beneficial to society. Our healthcare programmes, for example, in partnership with the National Heart Institute (IJN) are available to everyone even with simple mobile devices. They are designed to make people aware about healthy lifestyles and to offer tips to improve people's health and that of their families.

(From left) YBhg Prof Dato' Dr. Mohd Azhari Yakub, Deputy Chief Executive Officer, Institut Jantung Negara; YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, Maxis' Chairman; and Suren Amarasekera, Maxis' Joint Chief Operating Officer, officially launching the new MyHealthy Heart application, in conjunction with the Maxis-IJN partnership.



We have a very motivated workforce to help us achieve our aspirations. In turn, we create a work environment that rewards them and brings out their best. Other than financial rewards, employees are also given opportunities to contribute to society through identified CR initiatives. Thus, they not only have the satisfaction of helping the company earn revenue and at the same time earn a living, but also of actively helping others.

As we develop into an integrated service provider, no part of the country is going to be out of reach. We are expanding our network coverage in rural areas and in Sabah and Sarawak and developing initiatives to improve overall affordability of communication and broadband services, especially for special interest groups such as minors, retirees, low income groups and the disabled. So in addition to building technology and network solutions for business and industrial users, we support the national Economic Transformation Programme (ETP) by increasing coverage, affordability and quality for everyone who needs it.

We believe that by bridging the digital divide and by helping to build skills throughout Malaysia we can both develop Malaysian citizens and at the same time foster a larger market and labour pool.

For our shareholders we are also not just focused on dividends and shareholder value but aim to make sure that our shareholders can take pride in Maxis as a good corporate citizen. All of these things help us capture value which translates into business growth and higher profits. This makes our business more sustainable and ensures we can continue the good work well into the future.

Sustainability and its impact on businesses are becoming increasingly important to all stakeholders. Our challenge is to tell stakeholders how we are already addressing sustainability elements and explain it in the context of the company as a whole. For example, our CR programmes help us create value by reaching out to a wider community. This gives us new opportunities to develop our market share. Environmental investments improve our environmental performance, but they also promote efficiency in many ways and this improves our bottom-line too.

Our new framework for CR and sustainability helps us to set targets, manage processes and monitor our performance in a systematic way. This means that we can report on our sustainability programmes in a more comprehensive way.

Our first report set a good benchmark and this time around we are building on that to provide a report in line with the Global Reporting Initiative (GRI) guidelines with an independent external assurance to add confidence that our processes work and that our reporting is fair and accurate.

Maxis' CR framework fits well with our vision and values. We want to bring the future to our customers' lives and business, in a manner that is simple, personalised and enriching. We do this by harnessing leading-edge technology efficiently and creatively and delivering a brand of service experience that is reliable and enchanting. Our approach is simple, trustworthy, creative and brave and our Sustainability Reports help our stakeholders to feel confident that we are living up to our vision and values in the way that they expect of us.

Our success so far helps us to be confident that we are meeting the expectations of our stakeholders and I believe that our strong business model coupled with our renewed focus on CR and sustainability will help us to continue to meet and exceed those expectations now and in the future.

**RAJA TAN SRI DATO' SERI
ARSHAD BIN RAJA TUN UDA**
Chairman

MESSAGE FROM THE CEO

As the Chairman mentioned, we are delighted to present our second Sustainability Report 2011/ 2012, which covers a period of 18 months. Last year, we reported on our sustainability activities for the very first time. This year, we have taken bigger strides on our journey to sustainability, guided by the Corporate Responsibility (CR) Framework which we established last year.



As the nation's leading integrated communications service provider, we are deeply conscious of our responsibility towards our stakeholders and the potential we have to make a positive impact on society, especially within the communities in which we operate. Our theme for this year's report – Impacting Lives, Imparting Hope – reflects this commitment and our aspirations therein to continue making sure that we stay contemporary and relevant to our stakeholders while enriching their lives.

In recent years, we have increasingly seen how technology changes lives in meaningful ways. The rapid advancement of wireless technology has helped to further narrow the digital gap, adding a new dimension to the type and quality of information that communities in remote places can receive.

This not only helps to include previously underserved areas of the country in the mainstream economy, but also in much faster ways than before. With the miniaturisation and digitisation of technology, a lot of data can be embedded in various forms of digital mediums and disseminated.

Leveraging on our being the widest and most advanced wireless telecom network footprint, we are already seeing our technology impact areas of healthcare, education and security. These include our 'myHealthy Heart' application where customers can access information relating to heart health for free and eBuuk, Malaysia's first integrated digital book service.

People are enjoying these wide-ranging services across a myriad of situations i.e. wherever they are, at home, at work or on the go.

The extensive reach of our technology and services brings wider social and economic benefits. We believe we are in the business that will help shape the future and so it is important to focus on children who will be the next generation. Education will be key. We see education and the sustaining of intellectual talent in our country as a prerequisite to narrowing the gap between us and the developed countries. I am especially excited about one of our most successful programmes to date - the Cyberkids programme - which celebrates its 10th anniversary this year. We are happy to report that throughout the 10 years of its implementation, we have been able to reach out to 8,600 teachers and students from semi-urban and rural backgrounds in approximately 1,500 schools nationwide.



Students of SMK Belaga Sarawak during the Maxis Cyberkids Camp 2012.

We have invested more than RM23 million to familiarise these students and teachers with IT and enable them to be agents of change by teaching what they have learnt. We are grateful to the Ministry of Information Communication and Culture Malaysia (KPKK), the Ministry of Education (KPM) and the Malaysian Communications and Multimedia Commission (SKMM) for their support for this programme. We recently received the go-ahead to expand the Cyberkids programme to special education schools; this affirms the good work we have done through this initiative. In addition to the Cyberkids programme, our participation in the Kampung Tanpa Wayar and Community Broadband Centre initiatives reinforces our integrated approach to education outreach through the use of ICT.

As we forge ahead as a company, we are guided by our corporate values: Simple, Trustworthy, Creative and Brave. We are committed to harnessing our potential and capabilities to effect reciprocity with society; a partnership that will see harmony in the way economic development, technological advancements and environmental conservation come together for the betterment of the nation.

We ensure that all these priorities work in concert to create a more solid, responsible and contemporary organisation. We also invest significantly in developing our people and constantly keep them challenged. We believe that the quality of our people has a ripple effect on the company and society as a whole.

Our CR Framework has helped create more consciousness, accountability and responsiveness among our people towards further embedding CR in everything that we do. With this in mind, I am positive that going forward, we will be able to amplify our efforts and make a positive impact on the community around us.

SANDIP DAS
Chief Executive Officer

AWARDS AND RECOGNITION

2012

Finance Asia's 2012 Asia's Best Managed Companies (Malaysia)

- Overall Best Managed Company
- Best Corporate Governance
- Best Investor Relations
- Best Corporate Social Responsibility
- Most Committed To A Strong Dividend Policy (2nd)
- Best CEO – Sandip Das
- Best CFO – Nasution Mohamed

Malaysia's Most Valuable Brands 2012

3rd - Maxis

Global Telecoms Business (GTB) Power 100 A-list

Sandip Das, CEO Maxis Berhad

Putra Brand Awards 2012

The People's Choice

GOLD - Communication Networks

"thebrandlaureate"

The Grammy Awards for Branding

- Best Brands Category
Telecommunications - MAXIS
2011-2012

13th Customer Relationship Management and Contact Centre Association of Malaysia (CCAM) Excellence Award 2012

GOLD

- Best of the Best In-House Contact Centre
- Best In-House Inbound Contact Centre (Over 100 seats)
- Best In-House Outbound Contact Centre (Under 100 seats)

- CRM Programme Implementation Contact Centre (Open)
- Social Media Programme Contact Centre (Open)
- Corporate Social Responsibility Award
- Process Excellence Contact Centre (Open)
- Technology Innovation Contact Centre (Open)
- Most Green Contact Centre (Open)
- Best Head of Contact Centre (Open)
- Best Contact Centre Manager (Under 100 seats)
- Best Contact Centre Support Professional MIS/ IT (Under 100 seats)
- Best Contact Centre Telemarketer (Open)
- Best Video Category for Creative Presentation

SILVER

- People Contact Centre (Open)
- Most Creative Contact Centre (Open)
- Best Contact Centre Support Professional MIS/ IT (Under 100 seats)
- Best Contact Centre Team Leader (under 100 seats)
- Best Contact Centre Telemarketer (Open)

BRONZE

- Best Contact Centre Manager (Over 100 seats)
- Best Contact Centre Support Professional MIS/ IT (Over 100 seats)

PC.com 12th Readers Choice Awards 2011

- Best Postpaid Telco
- Best CSR Company of the year

GoMobile 2012 Operators Awards

- Best Mobile Broadband
- Best Mobile Content and Services
- Operator of the year

Asia Responsible Entrepreneurship Awards (AREA)

Social Empowerment Award

Game Axis Malaysia

Survey Award 2011 Champion
Favourite Mobile Game Provider

National Annual Corporate Report Awards (NACRA)

Certificate of Merit, in recognition of the company's annual report having qualified as a finalist of NACRA 2012

Malaysian Retailer Chains Association (MRCA) Award 2012

Best Business Partner Award

2011

Finance Asia's 2011 Asia's Best Managed Companies (Malaysia)

- Best Managed Company – 3rd
- Best Corporate Governance – 4th
- Best Investor Relations – 3rd
- Best Corporate Social Responsibility – 3rd
- Most Committed to a Strong Dividend Policy – 4th
- Top Three Best CEO Malaysia - Sandip Das
- Top Three Best CFO Malaysia - Nasution Mohamed

Global Telecoms Business (GTB) Innovations Awards 2011 SMS Network Innovation

Winner : Maxis with Acision
Missed SMS Notification Service

Global Telecoms Business (GTB) Power 100 A-List

Sandip Das, CEO Maxis Berhad

12th Customer Relationship Management and Contact Centre Association of Malaysia (CCAM) Excellence Award 2011

GOLD

- Best In-House Inbound Contact Centre (Over 100 seats)
- Best In-House Outbound Contact Centre (Under 100 seats)

- Best CRM Programme
- Best Social Media Programme in Contact Centre
- Corporate Social Responsibility
- Best Contact Centre Manager (Over 100 seats)

SILVER

- Best People Contact Centre
- Best Contact Centre Manager (Over 100 seats)
- Best Contact Centre Support Professional (Over 100 seats)
- Best Contact Centre Telemarketer (Open)

BRONZE

- Best Green Contact Centre
- Most Creative Contact Centre
- Best Process Excellence
- Best Contact Centre Telemarketer (Open)
- Best Contact Centre Professional (Over 100 seats)

Malaysia's 100 Leading Graduate Employers 2011

Most Popular Graduate Employer
Finalist - Telecommunications

Asia's Best Employer Brand Award

Hosted by Employer Branding
Institute of Singapore

PIKOM

ICT Leadership Award 2011
Member Excellence Award

2nd Top 50 Enterprise Awards Malaysia 2011

Honorary Award
Malaysia Entrepreneurs' Association
(Persatuan Usahawan Maju
Malaysia - PUMM)

BCIASIA

Business Continuity Awards
Group Excellence in Business
Continuity Management 2011
Business Continuity Planning
Asia Pte Ltd

Malaysia 1000 Certificate of Excellence

Industry Excellence Award
Telecommunication Sector
2010/ 2011
BASIS Publications House and
BERNAMA

UDC Business Awards 2011

UDC Asia Best Telecommunication
Company of the year 2011
(Malaysia)

Maxis swept 20
Customer Service awards
and won Best of the Best
In-house Contact Centre
at the 13th Annual
CCAM Awards



WHO WE ARE

VISION

To bring the future to our customers' lives and businesses, in a manner that is simple, personalised and enriching, by efficiently and creatively harnessing leading-edge technology and delivering a brand of service experience that is reliable and enchanting.

MISSION

To become the nation's premier integrated communications service provider.



Maxis and U Mobile entered into the first active 3G Radio Access Network sharing arrangement to be deployed in Malaysia. (L to R) Mark Dioguardi, Maxis' Joint Chief Operating Officer; Sandip Das, Maxis' Chief Executive Officer; Dr. Kaizad Heerjee, U Mobile's then Chief Executive Officer and Too Jian Jen, U Mobile's Chief Technology Officer.

OUR COMPANY

Maxis is the only integrated communications service provider in Malaysia and the extensive range and reach of our services create a rich customer experience for both businesses and consumers.

We leverage on technology to innovate and offer mobile and fixed voice services, messaging, mobile internet and wired and wireless broadband. We focus on giving our customers the best experience whenever and wherever they are, on any device.

OUR HIGH-SPEED NETWORK FOOTPRINT IS THE BIGGEST IN THE COUNTRY.

Maxis launched innovative services which were world-firsts such as myDEALS. (L to R) Fabrizio Caruso of Out There Media; T. Kugan, Maxis' Head of Product, Device, Innovation and Roaming; Heather Wee, Maxis' General Manager and Jean-Pascal Van Overbeke, then Maxis' Chief Operating Officer.



PUSHING THE BOUNDARIES

We constantly explore new frontiers of telecommunications technology to bring exciting benefits of this fast-paced and constantly evolving industry to our customers. The collective talent and skills of our people deliver clever and exciting innovations to enrich the lives of our customers.

Our high-speed network footprint is the largest in the country. Maxis has 95% 2G coverage and 82% 3G coverage which means our customers can experience our services at home, at work or at play. We have always been at the forefront of technology since our foundation in 1995 with notable firsts in our history.

Maxis launched the first high-speed networks in Malaysia including 3G, 3.5G, 3.5G+ and we were the first to conclude LTE (Long Term Evolution) trials. We have taken the lead in active network sharing in the country. In October 2011, Maxis and U Mobile Sdn Bhd entered a landmark agreement to share Maxis' 3G radio access networks (RAN), making the partnership the first active 3G RAN sharing arrangement to be deployed in Malaysia.

The Maxis and REDtone International Bhd infrastructure and spectrum sharing agreement signed in July 2012 will fast-track the roll-out of ultra high-speed 4G LTE networks throughout the country for both players. Through the combined spectrum, our customers will have the opportunity to access the highest broadband speeds in the country - up to 150 Mbps, with the latest 4G LTE technology.

WIFI YOUR HOME HAVE FUN TOGETHER

FAST, RELIABLE, AFFORDABLE.

Enjoy more family time and explore all the fun of surfing and playing together. With Maxis Home (wired internet, there's just so much more to share and experience.

MALAYSIA'S FASTEST & WIDEST DATA NETWORK

Sign up today at your nearest Maxis Centre or visit maxis.com.my/home for more information.

HIGH SPEED WIRELESS INTERNET FROM RM59/MONTH

FREE WIFI MODEM & PHONE | **PLUG & PLAY** (no wiring required) | **FREE CALLS** (included minutes for all fixed land & mobile numbers nationwide)

home internet | maxis

We launched Maxis Home, a full suite of integrated services encompassing high-speed internet via fibre, mobile and fixed wireless access, voice, value-added services and content.

WIFI 您的住家 一起学习

快速、可靠、实惠

— 让您的家成为孩子学习的好去处，与家人一同分享上网的乐趣，共享共同成长。

Maxis Home (wired internet) 为您的家带来更多可分享的乐趣。

今天就来订购吧！访问 maxis.com.my/home 获取更多信息。

高速度无线互联网从每月RM59起

免费WiFi数据设备及电话 | **即插即用** (无需布线) | **免费通话** (包含全国所有固定及移动号码)

home internet | maxis

Maxis pushes boundaries to bring innovative products and services to our customers. We were the first to bring the BlackBerry, Apple iPhone, Galaxy Tab, Windows 7 and Android smartphones to Malaysia. We also brought applications and solutions with relevant local content to enrich the lives of our customers such as Loker, ebook, Salam Ikhlas and the Maxis EPI smartphone. We have created regional milestones with the Maxis 1Store, ONEMusic, Maxis Games and Maxis Movies.

WIFI UNTUK KEDIAMAN MEMBUKA MINDA BERSAMA

PANTAS, MANTAP, HARGA BERPATUTAN.

Manfaatkan semua kelebihan teknologi internet berkecuali dengan Maxis (wired internet), kemudian bersama yang sangat senang yang berbilang, bersama berkecuali bersama. Dengan Maxis Home (wired internet), kami membuka yang sangat banyak untuk anda.

Sign up today at your nearest Maxis Centre or visit maxis.com.my/home for more information.

INTERNET WIRELESS BERKECUALAN TINGGI DARI RM59/BULAN

MODEM WIFI DAN TELEFON PERCUMA | **PASANG & GUNA** (tidak memerlukan pemasangan) | **PANGGILAN PERCUMA** (termasuk panggilan untuk semua nombor di seluruh negara)

home internet | maxis

We took a step further in providing integrated experiences to our customers with our Home Service. Maxis Home is a full suite of integrated services encompassing high-speed internet via fibre, mobile and fixed wireless access, voice and value-added services. The signing of a strategic partnership with Astro on 30 August 2012, which combines the best of Maxis' broadband access with Astro's rich content, further strengthened the foundation for enhanced and richer Maxis Home service offerings to customers. Not surprisingly, Maxis' non-voice revenue contribution at 45.6% of mobile revenue in amongst the highest in the Asian region. Our active mobile internet users have exceeded 8 million in 2012. We also serve more than 50,000 businesses, providing a strong portfolio of integrated mobile, fixed and enterprise solutions.

The Maxis team celebrates the Gold Award for Best Communications Network at the 2012 Putra Brand Awards.



RECOGNITION FOR OUR EFFORTS

We have won numerous awards for our strong track record of Corporate Responsibility (CR), enabling innovation, excellent customer experience and adding value to stakeholders. These include the Corporate Nationhood Initiatives Award in recognition of our contribution to national unity, Social Empowerment Award for our flagship CR programme, Cyberkids, at the prestigious Asia Responsible Entrepreneurship Awards (AREA) for Southeast Asia 2012; Finance Asia's Best Managed Company Award 2011 (Best Corporate Social Responsibility); Asia's Best Employer Award 2010 and 2011 from Singapore's Employer Branding Institute; Frost & Sullivan's Malaysia Excellence Awards 2011 for Mobile Service Provider of the Year; and the Brand of the Year Award at the Putra Brand Awards 2011.

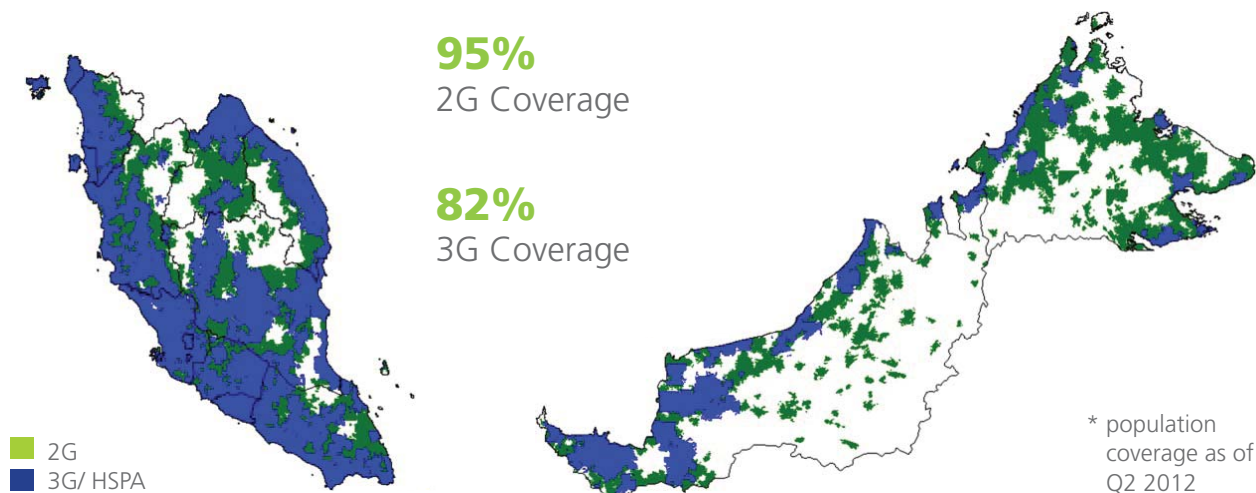
We also enjoyed our best ever showing at the 13th Customer Relationship Management and Contact Centre Association (CCAM) Annual Awards, sweeping 20 awards including Best In-house Contact Centre, Best CRM and Best CSR Awards for the third straight year. The record sweep is also the single best achievement by any organisation in the history of the CCAM Awards.

We believe that reciprocity with the community is an integral part of our success at Maxis. Our CR efforts focus on three pillars to develop and enrich our community, customers and partners; create a great place to work and advocate environmentally friendly practices.

We work actively on community investment programmes such as the Maxis Cyberkids Programme and the Maxis Mobile Content Challenge to increase people's access to the digital platform. In addition, Maxis contributes to the nation's capacity-building efforts through scholarships to outstanding and deserving Malaysians to pursue their education in leading local and overseas universities.

Maxis was listed on the Main Market of Bursa Malaysia Securities Berhad in November 2009.

LARGEST HIGH-SPEED NETWORK FOOTPRINT



We continued to expand and upgrade our network for enhanced customer experience, with close to 5,200 HSPA sites serving over 82% of the population, augmenting a 2G network covering 95% of the population. Of the 5,200 3G sites we have extended HSPA dual-carrier (42Mbps) coverage to an industry-leading 3,500 sites, so that the latest tablets and smartphones run on the fastest speeds possible. We will be providing LTE coverage with seamless fallback to our extensive 3G network.

OWNERSHIP

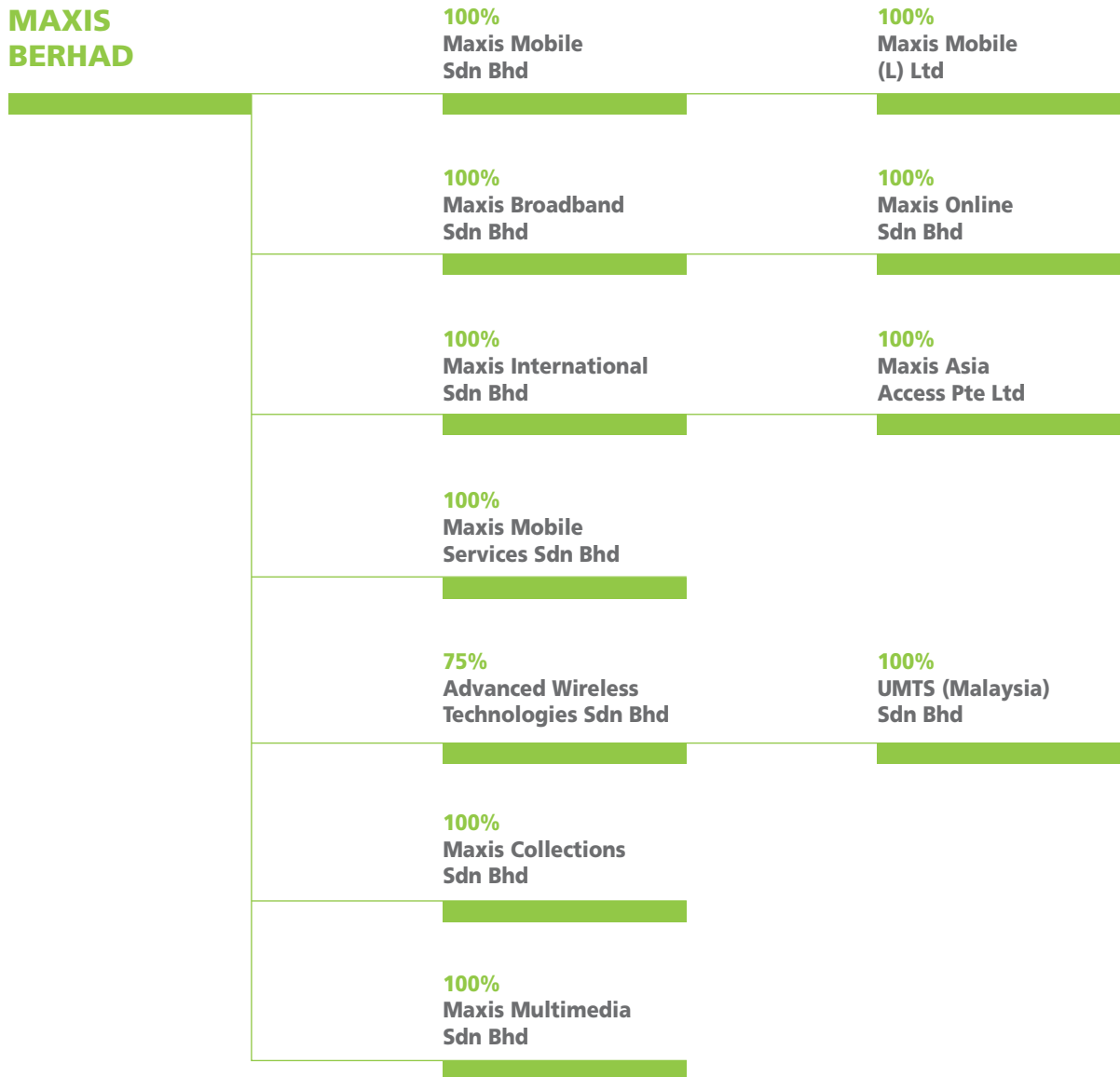
Based on the Record of Depositors as of 30 June 2012 the 10 largest shareholders of Maxis are listed below:

NAME	NUMBER OF SHARES HELD	%
Maxis Communications Berhad	5,250,000,000	70.00
Amanahraya Trustees Berhad – Skim Amanah Saham Bumiputra	390,483,600	5.21
Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board	385,541,600	5.14
Amanahraya Trustees Berhad – Amanah Saham Malaysia	88,488,000	1.18
Amanahraya Trustees Berhad – Amanah Saham Wawasan 2020	63,746,900	0.85
Cartaban Nominees (Asing) Sdn Bhd – Exempt AN for State Street Bank & Trust Company (West CLT 0D67)	53,019,200	0.71
Lembaga Tabung Haji	47,631,267	0.64
Citigroup Nominees (Tempatan) Sdn Bhd – Exempt AN for Eastspring Investments Berhad	44,448,600	0.59
Kumpulan Wang Persaraan (Diperbadankan)	42,932,700	0.57
HSBC Nominees (Asing) Sdn Bhd – Exempt AN for JPMorgan Chase Bank, National Association (U.S.A)	40,118,350	0.53

CORPORATE STRUCTURE

POSITIVE IMPACT

MAXIS BERHAD



NOTE:

The above structure represents Maxis Berhad and its subsidiaries, collectively referred to as 'Maxis', 'the Group' or 'the Company'

FINANCIAL HIGHLIGHTS

	For the 9 months ended 30 September 2012	For the year ended 31 December 2011 2010	
FINANCIAL RESULTS			
Financial Indicators (RM'm)			
Revenue	6,661	8,800	8,869
EBITDA	3,294	4,423	4,416
Profit from Operations	2,240	3,232	3,343
Profit Before Tax ("PBT")	2,029	3,004	3,132
Profit After Tax ("PAT")	1,482	2,531	2,295
Profit attributable to equity holders of the Company	1,478	2,527	2,295
Financial Ratios			
EBITDA Margin (%)	49.5%	50.3%	49.8%
PBT Margin (%)	30.5%	34.1%	35.3%
PAT Margin (%)	22.2%	28.8%	25.9%
Interest Cover Ratio	8.9	12.1	13.9
Earnings per ordinary share (sen)			
- Basic	19.7	33.7	30.6
- Fully diluted	19.7	33.7	na
Dividends per share (sen)	24.0	40.0	40.0
FINANCIAL POSITIONS			
Financial Indicators (RM'm)			
Equity attributable to equity holders of the Company	7,238	8,084	8,667
Total Assets	17,759	17,991	18,225
Total Borrowings [^]	7,238	6,331	5,497
Financial Ratios:			
Return on Invested Capital (%)	12.5%	20.5%	19.2%
Return on Average Equity (%)	19.3%	30.2%	26.1%
Return on Average Assets (%)	9.6%	15.4%	14.0%
Gearing ratio	0.84	0.68	0.53
Net assets per share (RM)	0.97	1.08	1.16

[^] Including interest bearing borrowings, loan from a related party, payables under deferred payment scheme and derivative financial liabilities/ assets on a net basis.

CORPORATE RESPONSIBILITY: SHAPING A SUSTAINABLE FUTURE

POSITIVE IMPACT



A million thanks to Maxis Berhad for including the Jenjarom Old Folks Home in your Home Adoption Programme. With this initiative, you have demonstrated your deep commitment to enhancing living conditions for the elderly through financial and moral support.

MR. TIA CHIN HOW (CHAIRMAN)
Jenjarom Old Folks Home

Corporate Responsibility (CR) is an integral part of our overall corporate mission to be Malaysia's premier integrated communications service provider. The Maxis CR Framework underpins our commitment to creating business growth in a sustainable and responsible way that leverages on our close relationships with our stakeholders and manages the economic, social and environmental impact of our activities effectively.

CORPORATE RESPONSIBILITY FRAMEWORK

Last year, we took a major step forward for CR in Maxis by establishing a CR framework which would provide guidelines for all CR-related activities within the company. We then embarked on initiatives to enhance understanding and create awareness among our employees about the link between sustainability and our overall business objectives.

CR MISSION

To harness leading-edge technology and innovation to create value for the economy, society and environment in which we operate.

It is critical to Maxis that we involve all our stakeholders in our efforts to institutionalise CR in everything that we do, and always assess whether it has maximum positive impact and meets our sustainability mission.

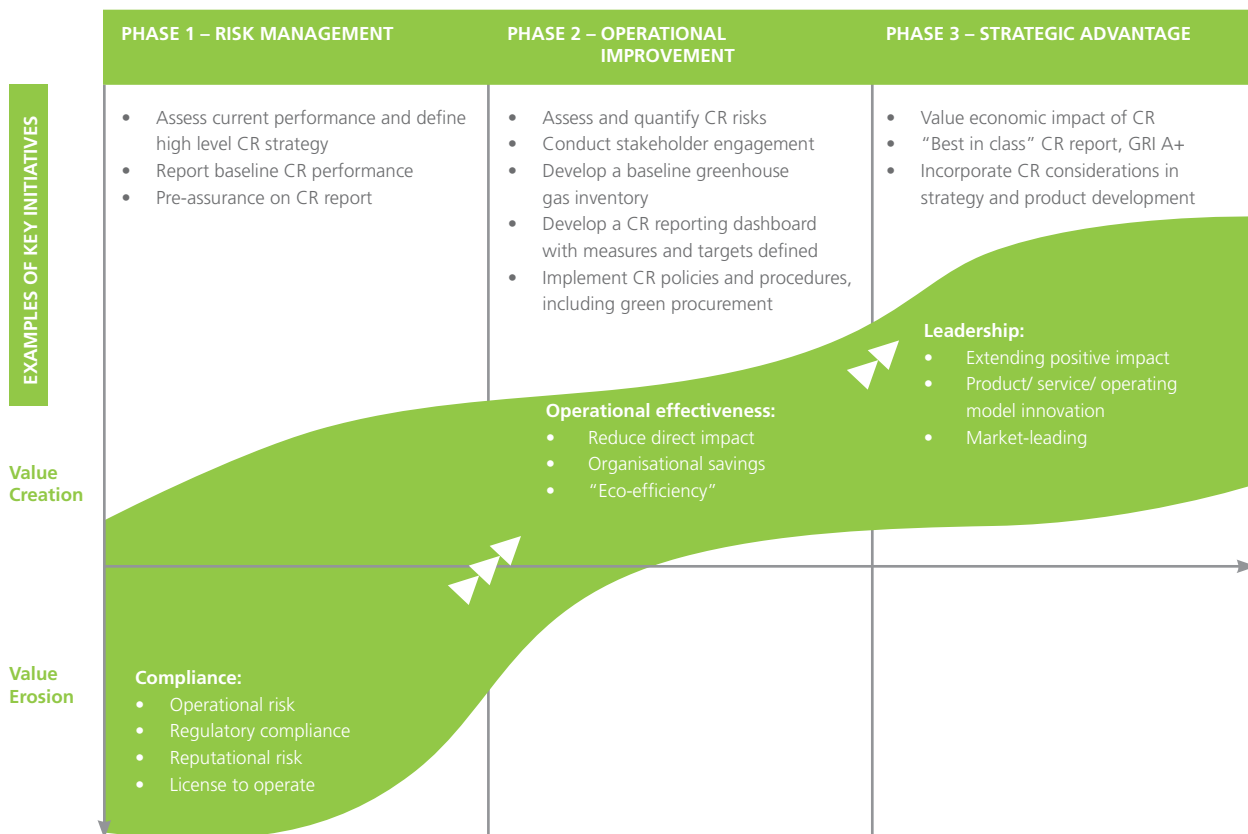
CR PHILOSOPHIES

- Creating value for all our stakeholders in everything we do
- Aligning our activities to our Corporate Strategy and CR Mission

We will continue to track our sustainability footprint so that we can monitor our progress and determine gaps and areas of improvement.

CORPORATE RESPONSIBILITY FRAMEWORK





We are taking a phased approach to achieve best-in-class CR practices within the Company and have in place a roadmap to guide our efforts. In the last year, we have completed Phase 1 of the journey. We have subsequently begun working on the various components under Phase 2 of our CR Roadmap. This report informs our stakeholders of the progress and impact we have made as we move forward with our CR agenda.

ENGAGING OUR STAKEHOLDERS

POSITIVE IMPACT

The rapid and constant advances in mobile and interactive communications put our stakeholders at the heart of all our value creation efforts. Constructive and meaningful dialogue has always been a critical factor in our efforts to understand their needs and expectations. In our drive for continuous improvement and long-term sustainability, we continue to create effective channels of communications with our stakeholders to shape and review existing activities, help identify emerging issues, and test new ideas.



STAKEHOLDER GROUP

2012 KEY ENGAGEMENT AREAS

METHODS OF ENGAGEMENT

Government and regulators

- Bridging the digital divide
- Development of the telco industry and market
- Spectrum management
- Access issues and policies
- Rural development and connectivity in underserved areas
- Quality of service and consumer issues
- Collaborative programmes related to the national agenda

- Regular reports and progress updates
- Formal and informal meetings
- Participation in government programmes and initiatives

STAKEHOLDER GROUP	2012 KEY ENGAGEMENT AREAS	METHODS OF ENGAGEMENT
Shareholders, investors and analysts	<ul style="list-style-type: none"> • Profits and dividends • Responsible business • Corporate Governance 	<ul style="list-style-type: none"> • Annual report and quarterly financial announcements • Annual General Meeting/ Extraordinary General Meeting • Dedicated Investor Relations page on our corporate website, maxis.com.my • Dedicated investor relations email address • Analyst and investor meetings and briefings • Online media centre
Customers	<ul style="list-style-type: none"> • Quality and coverage • Security protection • Education and awareness • Innovative offerings 	<ul style="list-style-type: none"> • Maxis Contact Centres and Exclusive Partner Outlets • Customer satisfaction surveys • Focus group discussions • Customer service channels (Maxis Forum, customer helpline, social media)
Employees	<ul style="list-style-type: none"> • Workplace inclusivity • CR involvement • Training and development • Health and wellness 	<ul style="list-style-type: none"> • Annual employee engagement survey • Consultative groups and focus groups • CEO email to employees • Intranet • Daily email blast • Regular employee briefings • Internal employee activities
Local communities and NGOs	<ul style="list-style-type: none"> • Education and awareness • Community support 	<ul style="list-style-type: none"> • Community initiatives • Residents' townhalls and meetings with residents' associations
Suppliers and distributors	<ul style="list-style-type: none"> • Supplier development • Distributor management 	<ul style="list-style-type: none"> • Partner events, training and briefings • Site visits, business review on a monthly and quarterly basis, updates from Maxis on new programmes as and when necessary
Media	<ul style="list-style-type: none"> • All of the above 	<ul style="list-style-type: none"> • Media visits • Media events and interviews • Online media centre

CORPORATE GOVERNANCE

**POSITIVE
IMPACT**

At Maxis, we are committed to upholding the highest standards of corporate governance throughout the Group as set out in the Malaysian Code of Corporate Governance (the Code). The Code serves as a fundamental guide to the Board in discharging its principal duty to act in the best interests of Maxis as well as in managing the businesses and affairs of the Group efficiently.

THE BOARD OF DIRECTORS

The Board of Directors is the highest governing body at the Maxis Group, and is responsible for guiding and leading the Group's strategy. The Board is charged with, among others, the development of the corporate objectives, and the review and the approval of corporate plans, annual budgets, acquisitions and disposals of undertaking and properties of substantial value, major investments and financial decisions and changes to the management and control structure within the Group including key risk management, treasury, financial and operational policies and delegated authority limits.

BOARD COMPOSITION

Currently, the Board has 11 members, comprising an Executive Director (who is also the Chief Executive Officer) and 10 Non-Executive Directors. The Chairman and three other Non-Executive Directors are independent, and hence fulfil the prescribed requirements for one-third of the membership of the Board to be Independent Board Members. The Independent Non-Executive Directors play important roles by exercising independent judgment and objective participation in the proceedings and decision-making processes of the Board.

The Board comprises members of high calibre and integrity with diverse professional backgrounds, skills and experience in the areas of telecommunications, information and technology, entertainment, finance, business, general management and strategy. With its diversity of skills, the Board has been able to provide clear and effective collective leadership to the Group and has brought informed and independent judgment to the Group's strategy and performance so as to ensure that the highest standards of conduct and integrity are always at the core of the Group.

DIVISION OF ROLES AND RESPONSIBILITIES - CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

The Board appreciates the distinct roles and responsibilities of the Chairman of the Board and the Chief Executive Officer (CEO). This division ensures that there is a clear and proper balance of power and authority. Thus, the roles of the Chairman and CEO are separate. In addition to the above, the Chairman was not previously a CEO or executive of the Company.

BOARD COMMITTEES

The Board has established an Audit Committee, a Nomination Committee, a Remuneration Committee and also an ESOS Committee, each of which has formal terms of reference approved by the Board. The Board delegates certain responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference and limits on authority. These Committees have the authority to examine particular issues and report their proceedings and deliberations to the Board, and they play a vital role in helping the Board to ensure that high standards of corporate governance are maintained throughout the Group.

(a) Audit Committee

The primary function of the Audit Committee, as set out in its terms of reference, is to assist the Board in fulfilling its oversight responsibilities which include review of the Group's financial reporting process, the systems of internal controls and management of enterprise risk, the audit process and the Group's process for monitoring compliance with laws and regulations and its own code of business conduct, as well as other matters, which may be specifically delegated to the Committee by the Board.

(b) Nomination Committee

The Nomination Committee is responsible, on behalf of the Board, for regularly assessing the balance of executive and Non-Executive Directors and the composition of the Board in terms of the skills, diversity and qualities required to ensure it remains relevant and appropriately aligned to oversee the delivery of Maxis' strategy. The Committee formulates the nomination, selection and succession policies for the Chief Executive Officer, members of the Board and Board Committees, and also reviews and makes recommendations on the optimum size of the Board by taking into consideration the desired balance of skills and competencies required as well as assesses the effectiveness of the Board and Board Committees as a whole and each of their contributions.

(c) Remuneration Committee

The Remuneration Committee recommends to the Board the policy and framework for Directors' remuneration as well as the remuneration and terms of service of Executive Directors and ensures that the procedure for the establishment of the policy and framework is fair and transparent. The Committee is also responsible to ensure performance targets are designed and established to achieve consistency with the interests of shareholders of the Company, with an appropriate balance between long-term and short-term goals.

(d) Employee Share Option Scheme ("ESOS") Committee

The ESOS Committee was established to administer the ESOS and to decide on all relevant matters incidental thereto in accordance with the ESOS bye-laws.

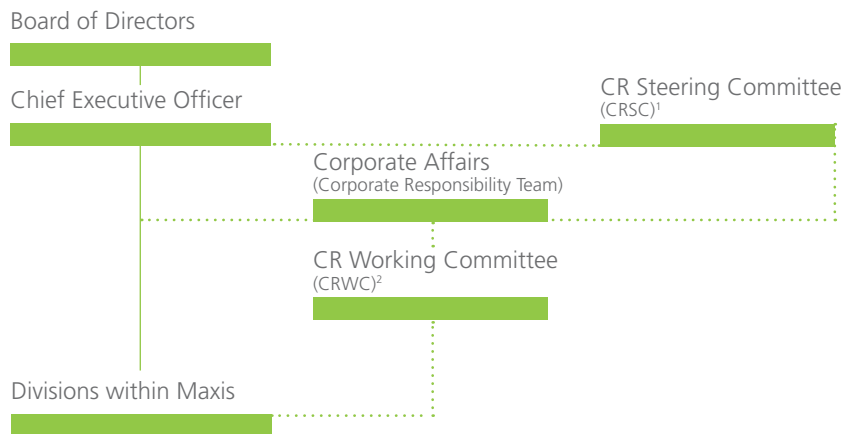


The Company's CR initiatives have opened my eyes to how big corporations can influence the mindset of its employees to do good, one step at a time. At the end of the day, when employees feel appreciated and recognised for the work that they do, they will start to look for ways to contribute beyond the workplace.

**MURAIN
SHUNMUGANATHAN**
Management Associate

MAXIS' CR GOVERNANCE STRUCTURE

Maxis has developed a CR governance structure that helps us to adopt a more strategic and embedded approach in our CR practices. These clear guiding principles allow us to positively enhance reciprocity between our business and society, which in turn creates value and impact for Maxis. This is in line with Bursa Malaysia's Business Sustainability Programme, launched on 23 November 2010, which aims to drive higher integration of sustainable practices among Malaysian listed companies.



Notes:

1. **Composition of CRSC:** Joint COO and CFO, led by CEO
2. **Composition of CRWC:** Team formed by representatives from respective Business Units, led by Corporate Responsibility Team

Legend

- Operational reporting line
- .- CR initiative reporting line

Briefly, the CR Steering Committee (CRSC), which is led by the CEO, oversees Maxis-wide CR initiative implementation and sets high-level direction and strategic focus. The CR team within Corporate Affairs leads the implementation of flagship programmes for the community.

The CR team works with the CR Working Committee, represented by individuals called CR Ambassadors from across various divisions in Maxis. They coordinate the reporting of CR initiatives undertaken by their respective business units and champion and incorporate the relevant CR initiatives as part of their day-to-day business activities.

**WE ARE
GUIDED BY THE
MAXIS CODE
OF BUSINESS
PRACTICE WHICH
REQUIRES ALL
EMPLOYEES
TO CONDUCT
THEMSELVES
HONESTLY AND
WITH INTEGRITY
IN ALL THEIR
DEALINGS.**

REMUNERATION AND KPIS

The Board's remuneration package includes fees and benefits-in-kind. For employees, including Executive Directors, Maxis operates a bonus scheme which is dependent on the level of profits against targets, together with an assessment of each individual's performance.

SUPPLY OF INFORMATION

The Board has unrestricted and immediate access to Senior Management and all information on the affairs of the Group. At the request of the Board, the Management is obliged to supply all relevant information relating to the business and operations of the Group and governance matters in a timely manner.

ANTI-CORRUPTION

Maxis is committed to the highest standards of ethical business conduct. We take a zero tolerance position in relation to bribery and corruption, wherever and in whatever form it may be encountered. Our "Maxis Code of Business Practice" outlines our position for all Maxis employees regarding anything that could be construed as corruption.

Specifically this includes:

- Non-acceptance of business courtesies, such as cash, cash equivalents, gifts, meals, tickets and passes.
- Declaration of gifts exceeding RM250 (about USD80) in value to the Office of Business Practice.
- Recurring gifts from the same party are not considered a business norm.
- A Gift Declaration Form for all employees to use.



Maxis staff assisting customers at the Gardens Mid-Valley Maxis Centre.

The Code of Business Practice also applies to vendors, contractors and temporary employees. To ensure awareness and compliance, Directors, Management and employees are asked to review and sign the Code of Business Practice annually.

WHISTLE-BLOWING POLICY

We have a whistle-blower procedure which includes a 24-hour ethics hotline and a dedicated ethics email address. The ethics hotline is manned on a 24-hour basis and all information received is treated as strictly confidential. Employees can contact 03 2330 6678 (during office hours) or 017 200 3922 (24 hours; SMS or call), or email ethics@maxis.com.my.

We also provide employees with the choice of bringing up issues with their own manager or with a dedicated representative from the Office of Business Practice.

The Board and Management give their assurance that employees and third parties' identities are kept confidential and will not be at risk to any form of victimisation or retaliation from their superiors or any member of the Management. All concerns raised will be investigated by a team comprising Internal Audit, Human Resource personnel and/ or line management.

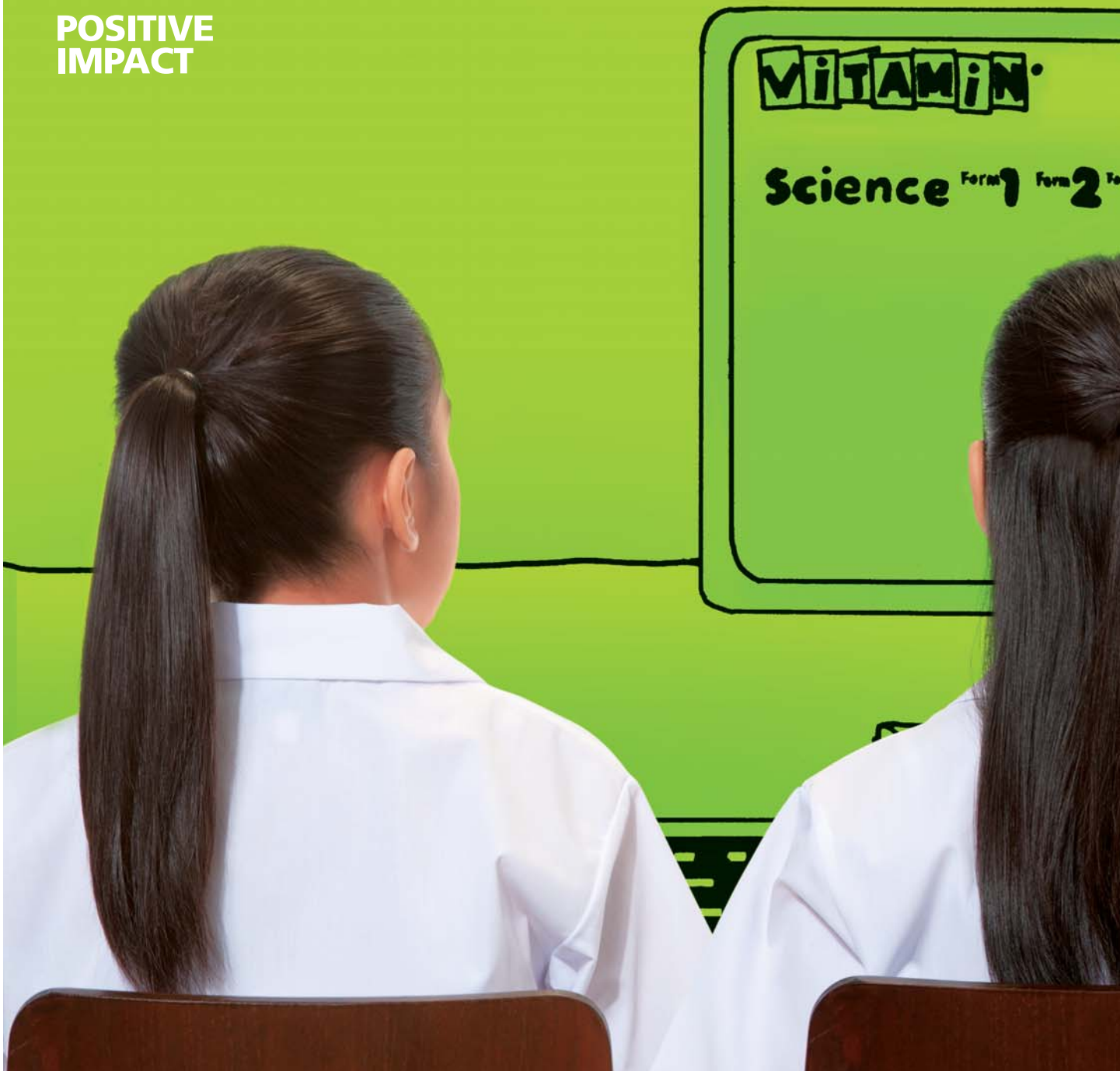


The Maxis call centre team attends to customer enquiries 24/7.

ENRICHING LIVES

We believe that we are in a unique position to deliver change and enrich the lives of all Malaysians, especially the communities in which we operate, to help them realise their full potential. In particular, we want to make a positive and lasting impact through the use of our knowledge, skills, technology and other resources. These include bringing connectivity and content to remote areas, enhancing educational opportunities with scholarships, cloud computing and online learning services for schools

POSITIVE IMPACT





DEVELOPING AND ENRICHING OUR CUSTOMERS

As an integrated communications service provider, we actively address the needs of our 14 million customers through a wide range of mobile and fixed voice, messaging, mobile internet and wired and wireless broadband solutions. We want to bring the enormous benefits of the digital world to our customers, using cutting-edge technology, to provide them with useful and user-friendly services. We do this in a responsible and sustainable way, making strategic choices that have a positive social and environmental impact.

ENRICHING PRODUCTS AND SERVICES

Our products and services answer customer needs directly and effectively, whether they want to work more efficiently and productively, be able to have instant access to knowledge and information, or to simply stay connected. Many of our customers use our network to deliver technology solutions that will enhance and enrich people's lives. We are supporting these efforts by building a comprehensive ecosystem that includes the development of local content as well as partnering with various global device manufacturers so that our customers benefit from innovative products and services.

Supporting Health Services

In May 2012, we partnered with the National Heart Institute (IJN), a leading centre for cardiovascular and thoracic health in the region, to launch a mobile healthcare service to create awareness on heart health for Malaysians. For just RM2 a month or RM0.20 sen per SMS, customers receive vital tips for a healthy heart.

Customers can also download our myHealthy Heart app to access free valuable heart health-related information and tools, and medication reminders.

Empowering SMEs

We enable small and medium enterprises (SME) to be more competitive through Built for SME—Retail and Logistics & Transportation, an integrated communications solution that can help businesses grow more efficiently by managing their costs and resources more effectively and increasing productivity.

Bringing Technology into Classrooms

We are partnering with the Ministry of Education (KPM) to support the Government's efforts to develop a society that is technologically literate, dynamic and innovative. We have begun rolling out the Maxis eKelas service that aims to improve Maths and Science performance in secondary schools. It uses available school ICT infrastructure to provide online educational content and encourages an experiential and exploratory method of learning which is accessible online in schools for free.

Members of the Maxis Senior Management team welcoming customers at the stroke of midnight during the Maxis iPhone 5 launch.





Being young and making an impact are not mutually exclusive. I'm glad that Maxis has built a platform that allows young people in the Company like myself to contribute to the betterment of society.

SYUHADA YAKUB
Management Associate

It is currently being implemented in 30 pioneer schools, where principals, teachers and students use eKelas in teaching plans, teaching sessions, virtual classroom management or in students' self-study and research. Teachers are encouraged to develop new and innovative learning/ teaching styles. Maxis eKelas will eventually be made available to all 2,300 secondary schools across the country. This smart partnership with the Ministry of Education, together with our flagship Maxis Cyberkids CR programme and our building of Community Broadband Centres, is part of our integrated approach to education outreach through ICT.

Quick and Real Time Access to a Digital Library

In April 2012, we launched eBuuk, Malaysia's first integrated digital book service through which our customers can access over 300,000 international and local e-books from more than 40 categories on their mobile devices.

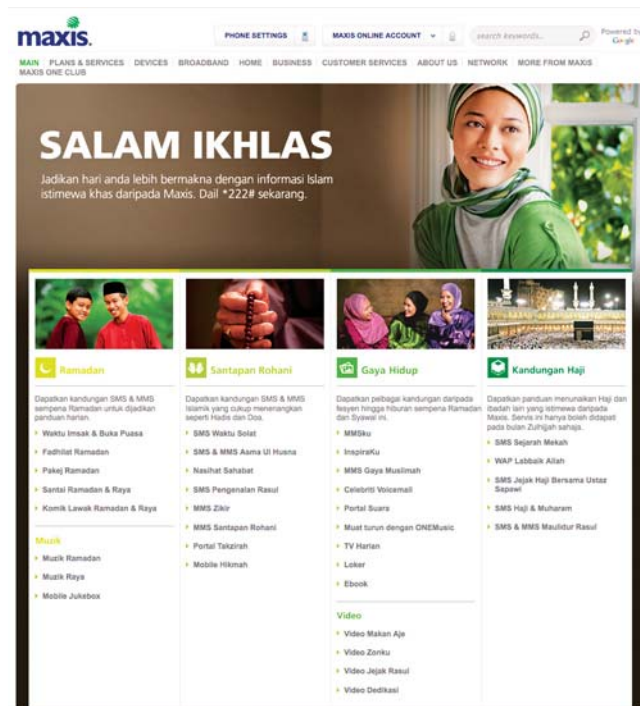
Helping Muslim Customers Fulfil Their Religious Obligations

In 2008, we introduced Salam Ikhlas, which gave Muslim customers access to free Ramadan and Islamic content. In 2012, we expanded the range of offerings under this service. Customers can access these services conveniently at their fingertips, wherever they are.



Maxis launches Malaysia's first integrated e-book service, eBuuk.

SALAM IKHLAS OFFERS MORE THAN 30 ISLAMIC PRODUCTS AND SERVICES



Maxis' Salam Ikhlas homepage.

Customers just need to dial *222# on any mobile phone or visit www.maxis.com.my/ikhlas to discover more than 30 Islamic products and services which are available all year round. Customers can access these services across all devices in a variety of forms such as SMS, MMS, apps, video, audio and ebooks. The services are also available on iPads, Android devices and PCs.

Key services under Salam Ikhlas 2012 include:

- Imsak and 'buka puasa' times, where customers are provided with free alerts, allowing them to stay informed of the exact times during the holy month of Ramadan
- mZakat, a channel for customers to fulfil their religious obligations during Ramadhan by making their zakat payment via SMS. The service is available in Selangor, Sabah, Kedah, Perlis, Pahang, Terengganu, Kelantan and Melaka.

Making It More Affordable for Pilgrims to Call Home

Malaysian pilgrims performing the Haj enjoyed 40 minutes of free talk time as a result of our collaboration with Saudi Telecom Company and a 30% discount on roaming voice calls to Malaysia.

**RAISING THE BAR IN
CUSTOMER SERVICE**

As part of our continuous improvement process, we constantly look for opportunities to improve our interaction with our customers. This is reflected in our consistent success in the Contact Centre Association of Malaysia (CCAM) Awards. This year, we enjoyed the best showing ever with 20 awards - the single best achievement by any organisation in the history of the CCAM Awards programme. Maxis took the Best In-House Inbound Contact Centre, Best CRM and Best CSR awards for the third straight year while successfully retaining the Gold Awards in Best Social Media Programme and Best In-House Outbound Centre for the second year running.

Customer satisfaction is being tracked at the operations level through SMS surveys and the results compiled on a monthly basis. The survey ratings are on a 1-5 scale, with 1 being the lowest and 5 being the highest level of satisfaction.

	2011	2012
Customer Satisfaction Index (CSI)	81%	85%
Dissatisfaction Rating 1	6%	4%

An independent team from Quality Assurance called Service Recovery (SR) has been formed to investigate issues related to Dissatisfaction Rating 1. The SR team will provide an accurate understanding of the low customer satisfaction rating. The team listens to call voice logs to understand the call interaction and subsequently calls the customer to hear him or her out.



Maxis' self-service kiosks provide customers with more convenient payment options.

WE HAVE ALWAYS PLACED GREAT IMPORTANCE ON DELIVERING PERSONALISED AND EXCELLENT CUSTOMER EXPERIENCE, WHEREVER OR WHENEVER NEEDED.

STRENGTHENING CUSTOMER TOUCHPOINTS

We have always placed great importance on delivering personalised and excellent customer experience, wherever or whenever needed. Our customers can expect attentive and efficient responses when they reach us by phone, SMS or email.

We continuously enhance our retail presence for the benefit of our customers. Maxis currently has the most comprehensive retail reach among telecommunications service providers in Malaysia. We have also consistently grown our non-traditional touchpoints such as ATMs, online banking and self-service kiosks, giving our customers more convenient payment options.

An interactive online platform and contact centre is available 24/7 to all our postpaid, broadband and prepaid customers. We have also created a Maxis Forum to enable the online community to share and exchange information and access helpful solutions and tips.

We have begun using social media to deal quickly and effectively with common queries and complaints from customers. @MaxisListens uses Twitter to offer personalised service. From 9.00am to midnight. Customers can tweet their queries which are quickly addressed by Maxis employees. As at end 2011, we had an online community of over 700,000 on Twitter and Facebook.

ENGAGING WITH CUSTOMERS

The voice and views of our customers are critical to ensuring that we are meeting their needs and expectations. We conduct quarterly Brand Tracker exercises which help us monitor our performance in terms of customer satisfaction. Data is gathered through face-to-face and telephone interviews.

Regular focus group sessions are also held throughout the year to give us immediate customer feedback and insights in developing new products and packages. Over the year, we organised 12 focus groups.

Another method we use to gather feedback from customers is the SMS Satisfaction Survey. The survey is automatically triggered within 10 to 15 minutes after a customer's interaction with our frontliners or after a case has been resolved, whether via walk-in or phone contact. The SMS is sent at random to 500 customers per month. They are asked to rate the frontliners' level of assistance during the interaction.

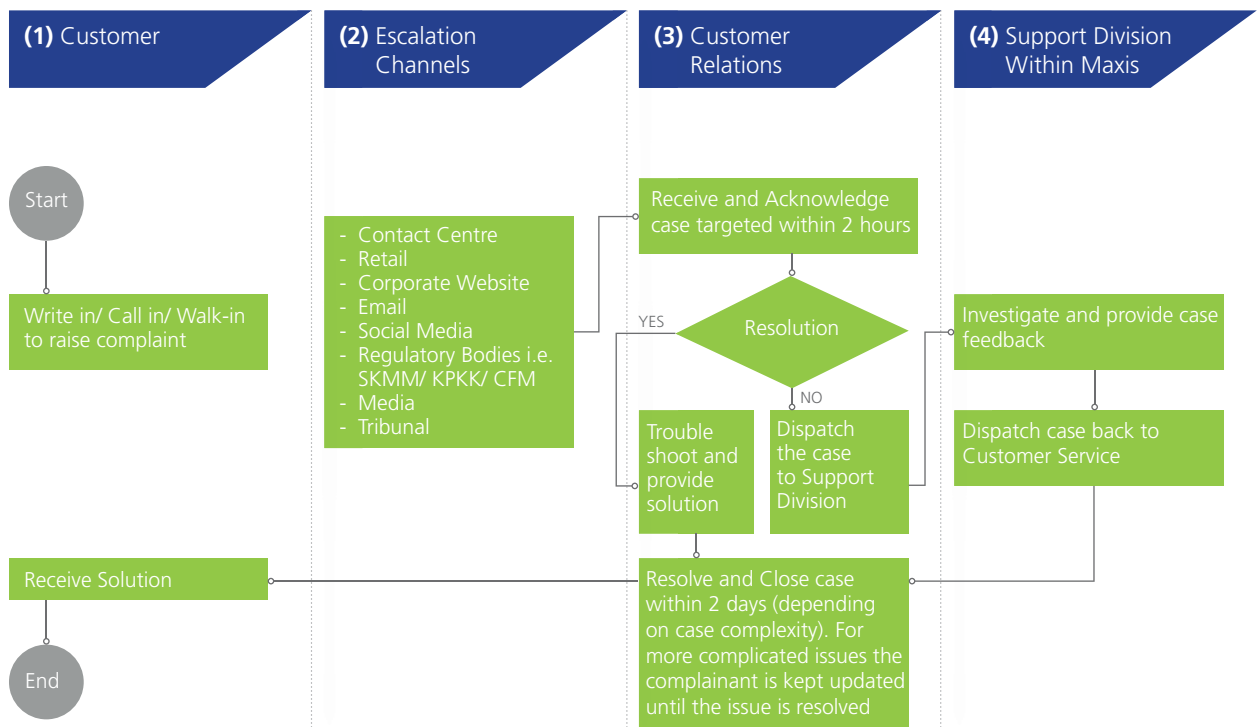
MANAGING CUSTOMER COMPLAINTS

Maxis complies with the general consumer code of practice and guidelines set by Malaysian regulatory authorities in managing customers' complaints and feedback. We have been actively engaging with SKMM in monthly review meetings on a variety of topics, including customer concerns and management of product and other service-related issues.

Maxis has done well in addressing and reducing customer complaints in top customer impacting areas such as bill charges, external content providers and mobile internet.

Top customer impacting areas	Percentage of reduction in customer complaints (July 2011 to June 2012)
Bill charges	44.7%
External content providers	72.8%
Mobile internet	37.7%

End To End Process Flow - Customer Feedback Management



BEST CUSTOMER EXPERIENCE AS PART OF THE MAXIS CULTURE

Maxis Service Guarantee (MSG)

The MSG is an internal initiative which was launched on 1 December 2008, to deliver on the promise of excellence in customer service. Our service level agreement enshrines a commitment to our customers to deliver on time, and it was launched to deal with increased back office enquiries that were not resolved at the first point of contact.

Today we operate at close to the designed 90% first contact resolution with a 97% follow-through target in the MSG measures. The MSG demonstrates Maxis' commitment to go above and beyond for its customers and provides an added opportunity for interaction. Apart from relying on Maxis' own channels, we also actively liaise with regulatory and consumer bodies for feedback that will enable us to improve our customer service.

Customer Experience as a Shared Performance Indicator

As part of Maxis' continuous efforts to provide the best customer experience, all employees are required to undertake a Customer Experience (CE) Commitment as a component within their annual performance appraisal process.

The CE Commitment gives employees the opportunity to interact with customers, learn about the experience we are delivering and provide suggestions on improving the level of service.

CE Commitment Options 2012

Be a Maxis ambassador

Call listening/ observation at call centre

Be a customer and share your experience

Sell a device

Be a social media ambassador in the Maxis Forum

Run a focus group with your friends and family

Anything you can think of to improve the Customer Experience (GM and above)

Call listening is also a component in the Onboard with Maxis programme, which is a mandatory orientation programme for all new Maxis employees.

RESPONSIBLE MARKETING PRACTICES (CODE OF BUSINESS PRACTICES)

Underlying all our efforts to build personal and long-term relationships with our customers, is our commitment to open and honest communication. Our Code of Business Practice requires all employees to be ethical, transparent and fair in all their dealings. We have also put in place processes and guidelines to ensure that those doing business with us meet our expectations.

Product and Service Labeling and Marketing Communications

Since 2008, Maxis has been a signatory to the Content Code of the Communications and Multimedia Content Forum of Malaysia. The Code sets our guidelines and procedures for good practice and standards of content disseminated to audiences by service providers in our industry in Malaysia.

ADDRESSING ELECTROMAGNETIC FIELDS AND RADIO FREQUENCY (RF) ISSUES

We ensure compliance with SKMM's electromagnetic exposure standards and guidelines.

Throughout 2011 and 2012, Maxis engaged in constructive dialogue and discussion with the authorities, non-governmental organisations and industry to address health and safety concerns. Several meetings were held with State Government representatives and SKMM to provide detailed and accurate information on the stringent guidelines and safety standards adopted by telcos. We also played an active role in the RF Industry Task Force led by SKMM and participated in forums aimed at educating the public about the safety of RF emissions.

Our participation in public education through the RF Industry Task Force is highlighted below:

Activity	Particulars
Radio frequency (RF) non-ionising radiation measurements at 52 sites in Penang	We collaborated with the other telcos and SKMM to conduct a series of measurements on RF emitted by 52 telecommunications structures in Penang. The measurements were conducted by the Malaysian Nuclear Agency (MNA) from 6 June to 16 July 2011. The results were announced on 28 July 2011 through a press release issued by SKMM.
Engagement with Penang State Government	On 28 July 2011, we participated in an SKMM-coordinated Electro-Magnetic Field (EMF) awareness programme and dialogue with the Penang State assemblymen to ensure they understand the stringent guidelines and safety standards adopted by local telcos.
Engagement with the public	We also participated in a public dialogue organised by SKMM to educate Penang residents on the health and safety aspects of RF emissions.
Radio Frequency (RF) awareness programmes	A series of awareness programmes was organised from 29 November to 2 December 2011 in Kuala Lumpur, Negeri Sembilan, Melaka and Johor to educate the public on non-ionising radiation.
Engagement with Non-Governmental Organisations	We participated in discussions with the Penang EMF Radiation Protection Alliance (PERPA), coordinated by SKMM. Maxis also participated as a panel member with other telcos in the Consumer Forum Malaysia (CFM) Regional Forum on Consumer Rights and Multimedia on 3 June 2012, organised by the Consumer Association of Penang (CAP) and CFM in Penang.

CUSTOMER PRIVACY

Maxis' Code of Business Practice, which applies to all employees and vendors, specifies our expectations and standards for customers' data protection and confidentiality. We have structured a ranking system for data confidentiality, reflecting the care that must be taken into account with sensitive information. Within this system, all customer information is kept strictly private and confidential. The policy covers all aspects of the business with the exception of any exclusion agreements or organisation's supplier agreements.

Maxis has implemented Data Leakage Prevention (DLP) and external email encryption IT security solutions to block unauthorised leakage of sensitive data. We have stringent guidelines and processes in place within our operations to ensure that unauthorised

parties do not have access to customer information at any time.

ENGAGEMENT AND CONTRIBUTION TO PUBLIC POLICY

As a leader in the Malaysian Information and Communications Technology (ICT) sector, Maxis has dialogues with a wide range of policy-making bodies and is actively engaged in national technology and telecommunication policy.

Maxis is on the Board of Councillors of the Communications and Multimedia Consumer Forum of Malaysia (CFM), as Chairman. The CFM is a multi-stakeholder organisation promoting industry self-regulation and consumer rights protection.

We are also on the Board of Directors of the Access Forum, which is an industry forum dealing with access and interconnection issues in Malaysia.

In addition, we are also on the Board of Directors of Technical Forum (MTSFB), which deals with the establishment and maintenance of the standards, technical codes, network interoperability and operation issues. Finally, we participate in the SKMM Content Forum, governing content and addressing content related issues disseminated by way of electronic networked medium.

Maxis is the Secretary of Persatuan Pengendali Internet Malaysia, which manages the Malaysian Internet Exchange ("MyIX"). MyIX was set up in September 2006 to keep Malaysian internet traffic local, with the cooperation of local Internet Service Providers (ISPs) to promote and allow direct connectivity amongst the local ISP fraternity. MyIX is managed by elected representatives of local Malaysian ISPs.

In addition, we also hold regular formal and informal sessions with SKMM and KPKK on key policy issues.

DEVELOPING AND ENRICHING OUR COMMUNITIES

In our Merdeka and Malaysia Day advertisement campaigns, we highlighted our efforts to improve connectivity in Sabah and Sarawak.

LOVE FROM A DISTANCE, TO AN INSTANT: THE STORY OF AMBAU ANAK BUNYA

For Ambau and his wife, life at Rumah George, Sarawak is simple. Rubber, pepper and cocoa provide a living. The nearby river nourishes fish. And the jungle that surrounds them preserves their way of life. But opportunities to communicate with their 7 children and 14 grandchildren scattered across Malaysia were few. In May 2012, we made Ambau's little village accessible to calls, SMS and Internet with our VSAT and Nano BTS systems. So when his 15th grandchild arrives, you can be sure he'll know about it.

**COMMITTED TO AMBAU'S DREAM, AND YOURS
SELAMAT HARI KEMERDEKAAN**

VIEW AMBAU'S COMPLETE STORY IN THE FILM "IF CHILDREN"
Download it first on the App Store or Google Playstore. Then scan this page. Or simply scan the QR code provided.

maxis

**A WEDDING INVITATION FROM RUMAH GEORGE, SARAWAK
A JOURNEY OF PATIENCE AND PERSEVERANCE**

Back in Bob's day, sending out his wedding invitation, like what you see here, was no easy task. For the Rumah George resident, reaching his nearest guest required days of travel, by boat or by foot. The knots on the invitation ultimately informed his guest of the number of days left to the wedding. In May 2012, we stepped in to simplify things. By making his village and others accessible to calls, SMS and Internet with our VSAT and Nano BTS systems, Bob no longer has to wait for a special event to reach the people who matter. He simply picks up the phone.

**COMMITTED TO BOB'S DREAM, AND YOURS
SELAMAT HARI MALAYSIA**

VIEW BOB'S COMPLETE STORY IN THE FILM "KNIGHT"
Download it first on the App Store or Google Playstore. Then scan this page. Or simply scan the QR code provided.

maxis

The needs of society are very important to us and we believe it is our responsibility to make a positive impact on the communities in which we operate. We focus our community investments in areas where our business and technology can make a real and meaningful difference in people's lives.

CONNECTIVITY FOR UNDERSERVED COMMUNITIES

In providing access to underserved communities, we have put in place technologies such as VSAT, Femtocell, solar and WiFi. In areas with small communities of about 200 people, such as small villages, plantations and logging areas, especially in Sabah and Sarawak, we deploy NanoGSM, a cutting-edge green technology that provides coverage and capacity via satellite.

Always at the forefront of technology, we are the only telco that can provide a wide range of network infrastructure to remote areas, reinforcing our pledge to connect rural populations.

We acknowledge that connectivity is important for rural transformation, particularly in areas of Sabah and Sarawak where a significant percentage of society live in relatively inaccessible villages and longhouses.

Community Broadband Centre (CBC)

The CBC is equipped with IT equipment and personal computers connected to internet broadband access to allow rural communities to enjoy the benefits of the internet.

Kampung Tanpa Wayar (KTW)

The KTW project provides broadband and internet for rural communities and aims to raise broadband penetration levels in the country as well as narrow the digital divide between urban and rural folk.

In the first half of 2012, we invested RM254 million on network coverage and capacity to help bring underserved communities into the mainstream of economic growth and development. We invested in areas such as Keningau, Tenom, Sipitang, Kinabatangan, Sukau, Felda (Sahabat), Pitas, Kota Marudu and Kota Belud in Sabah. Network coverage was also enhanced in the interiors of Nabawan, Sook and Sapulut.

In Sarawak, 3G coverage was extended to remote areas such as Engkelili, Gunung Serapi, Bengoh Dam, Bintulu (Murun Dam), Ba'kelalan, Bario Highlands and Marudi to serve rural communities better, besides improving network coverage on the Borneo trunk road from Sematan to Miri.

We worked with the Government to lower broadband costs for subscribers in these areas. These initiatives are being undertaken in tandem with the Government's Time Three (T3) programme, funded by the national Universal Service Provision fund, to roll out broadband coverage in rural and remote areas.

We also partnered with SKMM to provide WiFi access to 110 rural sites in Peninsular Malaysia, namely in Kelantan, Pahang, Terengganu, Kedah and Negeri Sembilan, as well as in Sarawak under the Kampung Tanpa Wayar (KTW) project.

Last year, we connected residents in Kampong Tohor and Kampung Chennah in Negeri Sembilan with the outside world via voice over nanoGSM. At the same time, we put them on the information superhighway, providing both WiFi infrastructure as well as soft skills training to enable them to leverage the power of the internet to the fullest.

Members of the Orang Asli community, housewives, school children, senior citizens and community leaders were among those who learnt how the internet could make a real difference in their lives.

We operate 10 Community Broadband Centres (CBC) nationwide, two in Kedah and eight in Sarawak, with a new batch of six more CBC coming on stream by the end of the year.

Maxis employs a manager and an assistant from the community to manage the CBC. Working with the manager, Maxis provides basic IT training to the community within the area. To date, an estimated 200,000 users in remote areas have been connected via phone and internet. Where possible we use High Speed Packet Access (HSPA) to support network speeds of up to 21Mbps and 42Mbps.



I have been participating in Maxis volunteer programmes since inception. I enjoy volunteering as it gives me the opportunity to contribute to society. This year, I volunteered at the Maxis Hari Raya Charity Open house and had a rewarding time interacting with residents from the five charity homes that were invited. Their smiles made my day.

ROAZLISHAM ISMAIL
Sales and Services



YB Dato Seri Utama Rais Yatim and YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda with representatives from 1MDB during "Kampung Tanpa Wayar – Majlis Kunjungan Mesra" in Kg Tohor.

Improving Access for People With Disabilities

Broadband is becoming increasingly important as a medium for delivering critical services to enhance the lives of people with a wide range of disabilities. However, a significant percentage of disabled people in Malaysia remain offline for a variety of reasons. We are looking at innovative ways to raise awareness and spur adoption of broadband within this group. In an effort to understand their concerns and the obstacles they face, we have begun efforts to engage the community. We started with a visit to the Independent Learning and Training Centre (ILTC), a non-profit charitable organisation for the disabled.

We will continue to obtain information and feedback to help us ensure that people with disabilities have meaningful opportunities to benefit from broadband and broadband-enabled services.

In December 2011, we launched our new Maxis concept store in The Gardens Mall. As part of our commitment to serve the entire community including the disabled, we took initiatives to ensure that the height of all furniture within the store, including the device corner, consultation desk and discussion tables as well as access ways, accommodate disabled customers especially those using wheelchairs.



The MSEA has given me the opportunity to learn not only about my area of research but also about myself. It has helped me grow in an extremely enriching environment at the University of Cambridge. It has opened numerous opportunities for me both locally and internationally and I am very much indebted to the programme. They often say that it helps if you 'stand on the shoulder of giants' in your quest for success. Thank you Maxis for being my giant!

DR. KAMALAN JEEVARATNAM

PhD in Cardiovascular Physiology and Comparative Medicine, University of Cambridge, United Kingdom

Building Knowledge and Skills

With Malaysia's rapid transition towards a knowledge-based economy, technology and skills are becoming the key drivers for development. Investment in human capital is critical for economic competitiveness and growth. Knowledge, as it is applied in innovation and entrepreneurship, research and development, product design and software and in how people use their education and skills, is now considered to be one of the key sources of sustainable growth in the global economy. We have put in place several educational programmes to develop and enhance knowledge and skills by encouraging continuous learning, enabling Malaysians to make meaningful contributions to the country's economy.

Maxis Scholarship for Excellence (MSEA)

Our scholarship programme aims to produce graduates who are globally competitive and able to generate new knowledge and innovation. It has enabled talented young Malaysians to benefit from an education at some of the most prestigious universities at home and abroad. Since the programme was launched in 2005, Maxis has invested RM37.9 million and awarded scholarships to 209 Malaysians. These awards are divided into two categories - postgraduate and undergraduate.

We are the only telco in Malaysia to offer scholarships to our customers (and their children) who have excelled both in their academic studies as well as extra-curricular activities.



MSEA Undergraduate and Postgraduate Programme recipients and representatives from the August 2011 intake.

**MAXIS
CYBERKIDS.
10 YEARS.
1,500 SCHOOLS.
8,600 STUDENTS.**

Maxis Cyberkids Programme

2012 marks the 10th anniversary of our Maxis Cyberkids Programme. This community flagship programme began in partnership with the then Ministry of Energy, Water and Communications. It equips teachers and students with computer skills, enhances their understanding and usage of the internet and creates an appreciation of technology. So far, the programme has been implemented in approximately 1,500 schools, reaching out to more than 8,600 students and teachers nationwide.

In conjunction with the Maxis Cyberkids 10th Anniversary, we extended the programme to special education schools for the first time. Working with the Special Education Division of the Ministry of Education (KPM), we identified Sekolah Kebangsaan Pendidikan Khas Selangor (SKPKS), a school for the hearing-impaired, for the pilot programme. The four-day camp was held from 19 to 22 November 2012 at the school premises in Section 18, Shah Alam, Selangor. During the camp, we introduced customised learning programmes for teachers, which they could use in their classrooms. Thirty-nine SKPKS staff attended the camp.

In 2011/ 2012, we organised six Maxis Cyberkids Camps around the country, drawing a total of 264 participants from 20 schools.

To ensure the long-term sustainability of the programme at participating schools, we initiated other activities that broaden its scope and impact, namely the Maxis Cyberkids Club, the Maxis Cyberkids National Challenge and the Maxis Cyberkids Portal.

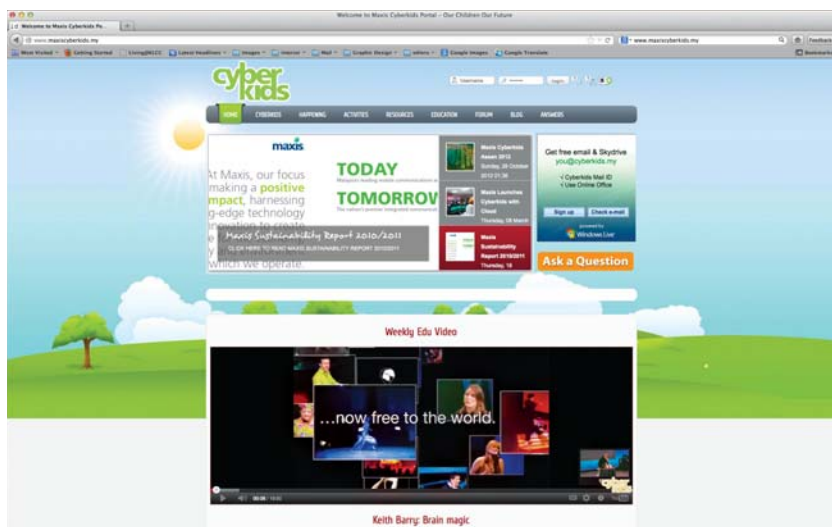
After the Cyberkids camp is completed in schools, participants are required to set up a Cyberkids club to propagate ICT learning in the school.



THE MAXIS CYBERKIDS CAMP OBJECTIVES ARE TO EQUIP TEACHERS AND STUDENTS WITH COMPUTER SKILLS, ENHANCE THEIR UNDERSTANDING AND USAGE OF THE INTERNET AND CREATE AN APPRECIATION OF TECHNOLOGY.

In the Maxis Cyberkids National Challenge, schools that participated in the Maxis Cyberkids Camps compete to develop projects which improve the way students learn. In 2011/ 2012, 16 projects were submitted for the challenge. The schools also set up Cyberkids Clubs in their schools and participated in the "Train the Trainer" programme. In 2011, 1,860 students were trained through 52 ICT training classes.

The Maxis Cyberkids Portal gives all Cyberkids Alumni access to a rich store of educational resources and other engaging e-learning materials.



ABOVE: Students from SMK Belaga from Sarawak won the 2012 Maxis Cyberkids Challenge. The prizegiving ceremony was held during the ASEAN Cybekids Camp Closing event. Present at the event were Sandip Das, Maxis' Chief Executive Officer; YM Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, Maxis' Chairman; YB Dato' Joseph Salang, Deputy Minister of KPKK and YBhg Dato' Mohamed Sharil Tarmizi, SKMM Chairman.

BELOW: Maxis Cyberkids Portal homepage.



The Cyberkids camp that I was involved in was a great opportunity to share my knowledge with the younger generation. These are the children who will shape the future of our nation.

SYAMSUL RADZUAN
Maxis Centre Sarawak

The Maxis Cyberkids programme has also been showcased at the ASEAN level through the ASEAN Cyberkids Camp (ACC). It further demonstrates Maxis' commitment to bridging the digital divide by equipping ASEAN students with leading-edge technology and ICT skills. Since its inception in 2008 until June 2012, the ACC has reached out to over 300 students and 105 teachers.

ACC is open to participants from ASEAN countries, ASEAN Dialogue Partner countries i.e. Korea, Japan and China and also Maxis affiliate companies in India and Sri Lanka. The programme is hosted and jointly organised by KPKK, SKMM and Maxis.

ASEAN Cyberkids 2012

In 2012, ACC was organised from 29 October to 2 November in Kuala Lumpur. A total of 76 participants joined the camp which was themed "We are stronger when we are connected." Malaysia was represented by four teams at the camp.



Students of SMK Belaga in Sarawak were very enthusiastic about the Maxis Cyberkids camp. They eventually won the Cyberkids Challenge 2012.



On behalf of our organisation, we would like to thank Maxis for the Home Adoption Programme. It is such a good idea and we are grateful to receive help from your organisation and to benefit from your concern and care.

**MR FRANCIS SIVA
(PRESIDENT)**

Independent Living and Training Centre

STRENGTHENING VULNERABLE COMMUNITIES

The welfare of the disadvantaged is very important to us. The following are some of the initiatives and activities we implemented throughout the reporting period.

For the first time, Maxis adopted two homes for the underprivileged as part of our Home Adoption programme. The Home Adoption Programme was formalised on 18 July 2012 and the homes are adopted for a period of one year.

The two homes we adopted are the Independent Living and Training Centre (ILTC) in Rawang, Selangor and the Jenjarom Old Folks' Home in Banting, Selangor. We are working closely with them to determine how we can best meet their operational needs and develop their social and IT skills.



Members of the Maxis Senior Management Team with representatives from Maxis' first two adopted homes during the Home Adoption Programme Launch.

Maxis organised our first ever Caregivers' Appreciation event in September this year, in recognition of their unwavering dedication and hard work. We played host to over 50 leaders, administrators and caregivers from more than 20 charity homes to thank them for devoting their time to caring for the community.

Maxis teams have been participating in the annual The Edge-Bursa Malaysia Kuala Lumpur Rat Race, organised by The Edge and Bursa Malaysia. Through our participation in 2011 and 2012, we have contributed RM30,000 in support of various charities, including the Malaysian Federation of the Deaf and the National Kidney Foundation.



ABOVE: Maxis organised its inaugural Caregivers' Appreciation event to recognise them for their dedication.

BELOW: T. Kugan, Head of Product, Device, Innovation and Roaming (middle) and Cheong Mei Foong, Head of Brand (on his left) with other Maxis runners at the KL Rat Race.

DEVELOPING AND ENRICHING OUR PARTNERS

POSITIVE IMPACT

We aim to develop sustained and collaborative relationships with our partners and suppliers. This we know will result in win-win outcomes for ourselves, our partners and for the community. Our suppliers are our partners in progress and growth and we believe we are able to leverage on these relationships to offer our customers the best possible experience.

FROM A SMALL STABLE OF 18 VENDORS IN 2004 WE NOW HAVE 222 REGISTERED VENDORS AS AT 31 OCTOBER 2012.

SOURCING LOCAL TALENT AND GROWING MALAYSIAN CAPABILITY

In 2004 we introduced a Vendor Development Programme (VDP) to build capacity and empower our suppliers. High standards and timely interventions under the VDP ensure that our local partners are global in outlook and have the requisite capacity to deliver and succeed in a competitive environment.

From a small stable of 18 vendors in 2004 we now have 222 registered vendors as at 31 October 2012.

TRANSPARENCY AND ETHICS IN PROCUREMENT

As part of our Supply Chain Management process, our vendors are required to sign a declaration that they will comply with our Code of Business Practice which outlines our expectations of high ethical business standards.

Supplier evaluation procedures are in place to ensure that purchasing decisions are based on the vendors' product or service suitability, commitment, pricing and quality. A highly competent multi-disciplinary team evaluates every vendor submission, scrutinising it for compliance to the relevant criteria and ensuring the Company gets best value for money. Suppliers are reviewed regularly for reliability and quality assurance.

INSPIRING PEOPLE

Our people are our greatest asset – we acknowledge that it is through their contributions and determination that we succeed as a company. We are committed to creating a conducive and rewarding work environment where our employees can thrive. We also engage them through programmes such as 'My Wellness, My Choice', employee volunteerism and coffee sessions with members of the senior leadership team.

POSITIVE IMPACT





CREATING A GREAT PLACE TO WORK

TOTAL WORKFORCE BY EMPLOYEE TYPE, GENDER, AGE AND REGION

	July 2011 - June 2012	July 2010 - June 2011
Total number	3,470	3,242
Within Malaysia	3,470	3,242
Executive	2,354	2,121
Non-Executive	1,116	1,121
Full-time	3,470	3,242
Part-time	0	0
Permanent Staff	3,153	2,953
Non-permanent staff (contract)	317	289
Female	1,560	1,430
Male	1,910	1,812
Age group		
<30	991	797
31-40	1,653	1,603*
41-50	688	695
>51	138	147

EMPLOYEE TURNOVER BY AGE GROUPS, GENDER AND REGION

	July 2011 - June 2012	July 2010 - June 2011
Within Malaysia	11.3%	13.0%
Female	168	199
Male	225	223
Age Group		
<30	166	139
31-40	168	217
41-50	53	54
>51	6	12

Our employees are our greatest assets and we are committed to creating a stimulating and innovative workplace that will help them develop to their full potential. This means giving every employee the opportunity for professional and personal development and an environment of openness, mutual respect and trust.

VALUING EMPLOYEES

Our focus is on building a high-performance organisation through fair reward and recognition. We offer a highly competitive remuneration package with attractive salary schemes and a wide range of benefits to attract and retain top talent. In 2011, as an added incentive, we launched our Employee Share Option Scheme (ESOS). This eight-year scheme is designed to motivate and reward high-performing employees across the Company.

Employees at Maxis are also entitled to the following benefits:

- Leave – Annual, Marriage, Compassionate, Medical, Maternity, Paternity and Hospitalisation
- Medical benefits – outpatient GP visits, outpatient specialist treatment, hospitalisation and surgical, maternity subsidy
- Insurance benefits – Group Term Life, Group Critical Illness, Group Personal Accident
- Special discounts on devices offered by Maxis
- Rebates on mobile services in terms of usage of voice and data



Maxis employees participating in the white water rafting event organised by the Maxis Human Resource Department in Kuala Kubu Baru Selangor.



The Maxis scholarship will provide Nisha with the opportunity to get a well-rounded education and equip her for future career aspirations and life goals. I am proud to be an employee of Maxis, a company that continually offers great initiatives to their employees and their families.

**JANICE LIM SIEW KHAM,
MOTHER OF NISHA LI ANN
NIJHAR**

Bachelor of Science
University of Melbourne
Australia

Children of eligible employees have the opportunity to apply for a scholarship to fund their first degree, either locally or at any of the top 50 universities overseas. To date, Maxis has given out scholarships worth RM3.89 million to employees' children.

DEVELOPING OUR PEOPLE

With our people at the heart of everything we do, our particular focus is very much on making sure that employees have access to the knowledge and skills they need to stay abreast of developments in our rapidly evolving industry. We nurture talent and provide exciting opportunities for growth and professional development. Comprehensive programmes are available to build leadership capability in line with our approach to leadership development and succession planning to support the Company's growth into the future.



Maxis regularly organises enrichment sessions for its employees, such as cooking sessions at Taylor's University Lakeside Campus in Subang Jaya.

**WE NURTURE
TALENT AND
PROVIDE
EXCITING
OPPORTUNITIES
FOR GROWTH
AND
PROFESSIONAL
DEVELOPMENT**

PERFORMANCE MANAGEMENT

Maxis employees are required to undergo an annual performance appraisal. At the beginning of each financial year, they fill in what is known as the MyMaxis Commitment (MMC) form which includes Key Performance Indicators. Mid-year assessments which act as a performance checkpoint are conducted with immediate supervisors. The MMC form is available through our internal Human Resource Online Transaction System, accessible by all employees.

Performance Review towards Career Enhancement

	July 2011 - June 2012	July 2010 - June 2011
% of employees who are formally appraised (at least annually)	89%	88%
% of employees who are formally appraised (during Mid-year Review)	78%	69%
One-on-one performance review for year-end evaluation FY11/12	Due in December 2012	88%

THE MAXIS ACADEMY

The Maxis Academy, established in 2001 in Kuala Lumpur, has become a centre of excellence for training and development in information and communications technologies as well as leadership and soft skills development.

Throughout the reporting period, we invested RM7.18 million in employee training, covering 88,587 hours for 353 instructor-led training (ILT) courses and 6,220 hours for 264 web-based training courses (WBT).

Period	Number of sessions and courses		WBT
	ILT		
	No. of sessions	No. of courses	
July-Dec 2011	331	196	120
Jan-June 2012	157	157	144
Total	488	353	264

Period	Total training hours		Total
	ILT	WBT	
July-Dec 2011	51,126	4,869	55,995
Jan-June 2012	37,461	1,351.75	38,812.75
Total	88,587	6,220.75	94,807.75



MAD (Make a Difference) volunteers are gung-ho about engaging employees in a variety of programmes which foster teamwork and excellence.

TALENT DEVELOPMENT PROGRAMMES

Maxis has established the Maxis Management Associate Programme (M-MAP) to develop Malaysian talent. Maxis M-MAPs are recruited from top ranking universities. The programme is designed to develop and groom graduates into high potential talent for senior management positions. This two-year programme includes formal training, structured job rotations, stretched assignments, continuous monitoring and coaching as well as exposure to senior leadership.

Our Leadership Development Engine (LDE) programme aims to create Maxis' future leaders to meet business needs. The programme provides our people with continuing exposure to business simulations, mastery workshops and change and transformation projects. In 2012 we revamped the LDE to address our leadership and talent pipeline requirements in a rapidly changing business landscape.

ENGAGING OUR PEOPLE

We constantly look at ways to foster a strong sense of purpose and belonging among our employees because their commitment, productivity and focus are critical to our long-term sustainability.

Regular interaction between senior leaders and employees has always been part of the Maxis culture to provide clarity in terms of business direction and keep them updated on Company developments. These include face-to-face Managers Communication sessions on a quarterly basis as well as regular townhall sessions. Maxis employees are also kept abreast of overall news and happenings through the intranet in the form of daily news announcements and a monthly online news publication, eNEWS.

Employee engagement sessions are also carried out through various programmes such as employee volunteerism, treasure hunts, sports tournaments and competitions which keep our employees motivated and promote interaction across the different levels and divisions within Maxis.

In January 2012, we established a Corporate Culture team to sharpen the focus on efforts to align employees to Maxis' vision, values and business goals through employee engagement and strong internal communication. The Corporate Culture team subsequently launched the Make A Difference (MAD) programme, under which a variety of improvement programmes were introduced with cross-functional support to ensure higher collaboration within the organisation.

The MAD programme aims to promote a culture of innovation, constant renewal and “going the extra mile” among employees. Some of the activities carried out under the programme include:

Tea@23	Tea@23 is a monthly affair where employees, particularly at the frontline, are invited to have tea at Level 23, Menara Maxis, with our top leaders. Ten employees are invited at a time, allowing for more intimate chats and valuable engagement.
Coffee Break	Coffee Break is also held monthly, with a senior leader hosting the session for a group of 12 people. The objective is to inspire employees by sharing his/her experiences.
MAD Heroes Award	The MAD Heroes Award is given to employees who have shown passion and commitment to go beyond what is expected to create positive impacts at the workplace. This award is given out on a quarterly basis.
Maxis Internal Talent Bank	The Internal Talent Bank is a way to leverage on talents, mostly hidden ones, from within the organisation to reduce dependency on external talent. The various types of talent we have unearthed so far include those with singing, emceeing, exercising and photography skills – all of which can be leveraged on for specific purposes.

VOICE OF MAXIS

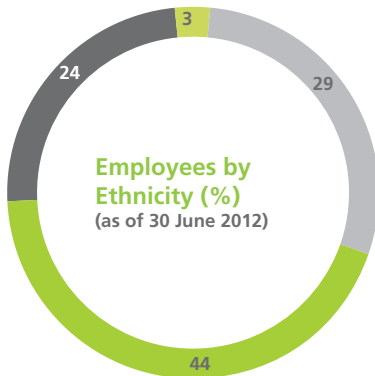
In addition to providing a motivating and satisfying workplace where performance and enthusiasm are recognised and rewarded, we make it a priority to understand our employees’ needs and views and address areas of concern. Employee engagement and satisfaction levels are measured through the annual Voice of Maxis survey. In 2011, we conducted the survey from 5 to 23 December. 3,478 employees were invited to participate in the survey which received an encouraging 81% response rate. In addition to achieving a high performance indicator for employee engagement (71%), we scored strongly in the categories of Empowerment, Communication and Supervision/ Manager’s Effectiveness.

Voice of Maxis 2011 - Results





- <30 years
- 31-40 years
- 41-50 years
- >51 years



- Malay
- Chinese
- Indian
- Others

Maxis established the Maxis Management Associate Programme to nurture and develop local talent.



THRIVING ON DIVERSITY

We do not discriminate on the basis of age, gender, physical disability or religion. Diversity enriches our work environment. The experience and perspectives it brings help us connect better with a wide cross-section of customers. We have made it our policy to hire talented people of diverse backgrounds from both Malaysia and abroad.

	July 2011 - June 2012	July 2010 - June 2011
Women in Management		
No. of Women in management (Managers and above)	282	253
No. of Women in top management (GM and above)	30	22
Disabled Staff		
No. of disabled staff	1	1



As a Maxis volunteer, I find it rewarding and a privilege to be around little children with special needs, who find delight and wonder in the simplest of things.

**CHANDRASIRI DE SILVA
KALUPAHANA**
Human Resource

ENSURING HEALTH AND SAFETY

We care about the health and wellbeing of our people. Our focus is on providing a safe, conducive and hazard-free working environment. Our OSH team was established in 2011 and our Occupational Safety and Health (OSH) Management System offers comprehensive guidelines in ensuring the health, safety and wellbeing of our employees and also our customers, contractors and the public when they are on our premises. All our employees are encouraged to share in the ownership and accountability for health and safety. Senior management and Heads of Departments drive a strong health and safety culture throughout the Company.

Since 2006, we have introduced an OSH programme under which we provide extensive OSH training to all of our employees and contractors. Some of the training programmes include:

- Maxis safety orientation programme
- General emergency evacuation procedure
- Defensive driving training
- Four wheel drive training
- Basic fire fighting training
- Safety committee training
- Working at height training
- Basic first aid and cardiopulmonary resuscitation (CPR) training

We aim to raise awareness of potential risks at work and to reduce accident and injury rates among employees. We have a Maxis Occupational Safety and Health (OSH) manual which documents our OSH management system and provides guidelines for hazard prevention, performance monitoring and measurement and safety procedures in environments involving tower climbing and working at heights.



The OSH Management System offers comprehensive guidelines in ensuring the health, safety and wellbeing of our employees



Mark Dioguardi, Maxis' Joint Chief Operating Officer, joining employees at KLCC park for a walkabout as part of the company's wellness campaign.

Rate of injury and number of work-related fatalities

Year	Fatalities	Total accidents	Lost time accident rate*	Severity rate**
July 2011 – June 2012	0	1	0.29	0
July 2010 – June 2011	0	0	0	0

* $(1000 \times \text{no. of accidents}) / \text{average workers per year}$

** $(1,000,000 \times \text{LTI}) / \text{man hour}$

WORK-LIFE BALANCE

It is important for Maxis that our employees maintain a healthy balance between their work and personal lives. We constantly look for ways to enable them to spend time with family and friends, give back to the community and address other concerns of importance to them without compromising their professional lives.

Maxis has a flexible working hour system, where employees may choose their working time, from either 8.30am to 5.30pm, 9.00am to 6.00pm or 9.30am to 6.30pm.

In April 2012 we embarked on the online Health Risk Assessment (HRA) that provides medical screening, assessment and monitoring of employees' health status. Every employee at Maxis is entitled to medical screening and basic consultation.

The Company organises a wide range of sports and recreational activities and encourages active participation.

Maxis organised free biometric screening sessions to help improve employees' health and wellbeing.





I am grateful to have been given the opportunity to engage with and hopefully make a positive impact on the residents of charity homes at the Maxis Hari Raya Charity Open house. I had a fun and inspiring experience and I hope that my contribution has made a difference.

OUI YING JEE
Internal Audit

EMPLOYEE VOLUNTEERISM

We are proud of the contributions that our 439 Maxis volunteers have made to the community through contribution of skills, knowledge, time and funds. Throughout the reporting period, Maxis employees clocked in a total of 7,374 volunteer hours. Since we introduced employee volunteerism in 2011 as part of the Maxis Cyberkids Programme, our volunteers have been involved in numerous charitable and humanitarian activities including the Sinar Ramadhan initiative, a collaboration with Sinar Harian Daily for single mothers and the hardcore poor in Pahang, Terengganu and Kelantan. They were also involved in the Maxis Hari Raya Open House, charity home visits, the Maxis Cyberkids Programme and tree-planting initiatives.

UPHOLDING RIGHTS, PROMOTING PEOPLE

At Maxis we believe that every person should be allowed to reach his or her full potential regardless of gender, ethnicity, physical challenges or beliefs. Freedom from discrimination is a fundamental human right and we aim to uphold it throughout our operations. We go beyond compliance to existing conventions and policies because we believe that for Maxis to remain at the forefront of industry, our human capital must be carefully nurtured, protected and assured of their fundamental human rights and professional development.



Over 180 teachers and students experienced Cloud Computing services for the first time ever when Maxis rolled out Cyberkids with cloud.

ADVOCATING ENVIRONMENTAL STEWARDSHIP

We are aware of the impact our business operations have on the environment. We are committed to identifying and working on minimising the consequences of our activities on our surroundings, such as retrofitting a new heat management system which has already been installed in over 1,120 of our base transceiver station sites.

POSITIVE IMPACT





ADVOCATING ENVIRONMENTALLY-FRIENDLY PRACTICES

Our strategic plan identifies three major focus areas: resource efficiency, carbon management and waste management.



Maxis employees participated in a tree-planting exercise as part of the Company's efforts to offset carbon emissions.

RESOURCE EFFICIENCY

- Optimise utilisation of resources throughout the product life-cycle e.g. maximise site-sharing, reduce packaging volume and usage of recycled material to reduce environmental impact and production costs.
- Developing appropriate infrastructure to achieve energy efficiency and increase usage of renewable energy sources.
- Develop innovative offerings that promote resource efficiency across the value chain.

CARBON MANAGEMENT

- Support United Nations Millennium Development Goals' ("UNMDG") green economy concept through effective environmental management and investment in green technologies.
- Develop internal initiatives to reduce carbon footprint e.g. carbon incentives, carbon calculator and energy-efficiency in buildings.

WASTE MANAGEMENT

- Reduce waste across the Company's end-to-end operations and advocate good practices among our suppliers and customers, promoting the concept of 'reduce, reuse and recycle'.
- Minimise wastage and encourage usage of recyclable green materials by embedding material management processes in product and packaging design and development.
- Manage disposal of waste from our operations responsibly.

Resource Efficiency

Increasing the energy efficiency of our network facilities has been central to our strategic plan of resource efficiency and carbon and waste management. We have a dedicated green committee to oversee energy-saving initiatives within the Maxis network. We try to improve on our energy usage through various energy efficiency initiatives at most of our base stations and Technical Operations Centre (TOC) such as free cooling systems and energy efficient air-conditioners. Other energy saving activities include the use of renewable energy such as solar power solutions for base stations. We have been exploring the use of alternative energy; in fact, 39 of our base stations are solar powered. For the period between July 2011 and June 2012, our total energy savings well surpassed the target of RM3.1 million set for the entire 2012.

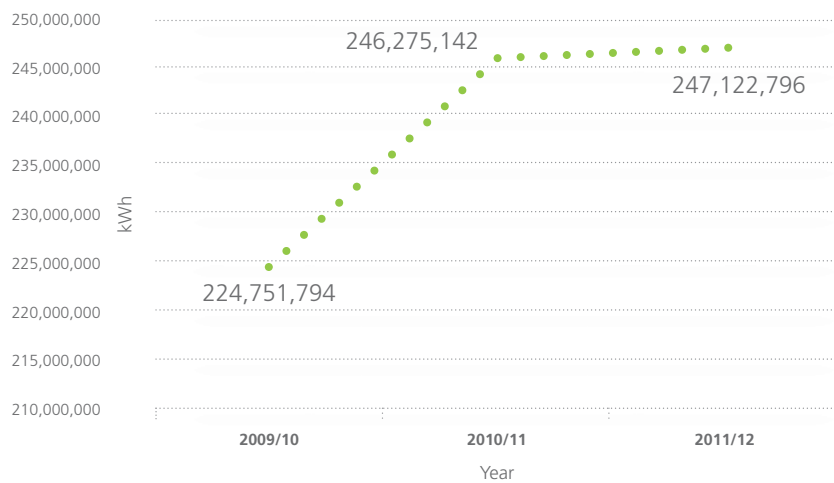
For the first half of 2012 alone, we managed to reduce our CO₂ emissions by 14,849 tonnes, a 19% reduction year-on-year.

We did this by replacing key network elements with best-in-class technologies which are energy-efficient. We have also replaced diesel power with solar power at remote base stations and advocated sharing of networks so that resources are not duplicated. Approximately 68% of our base station sites are shared with other operators. In 2011, Maxis entered into a landmark agreement to share our 3G radio access networks (RAN), the first active 3G RAN sharing agreement to be deployed in Malaysia.

WE RECORDED A HIGHER CONSUMPTION LEVEL FOR SOLAR ENERGY FROM JULY 2011 TO JUNE 2012 LEADING TO THE LOWER USE OF ELECTRICITY PER NETWORK ELEMENT AND A REDUCTION IN OUR CARBON EMISSIONS.

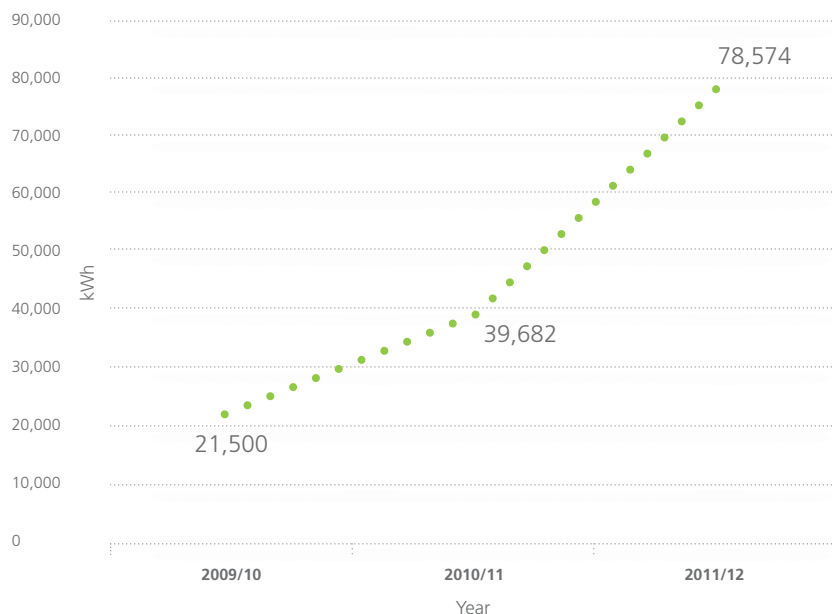
The following chart shows our network electricity consumption levels for the reporting period of July to the following June for the last three years.

Electricity Consumption (kWh)



The chart below shows the solar energy consumption levels for our base stations for the reporting period of July to the following June for the last three years. As anticipated, we recorded a higher consumption level for solar energy for the period of July 2011 to June 2012 leading to the lower use of electricity per network element and a reduction in our carbon emissions.

Solar Energy Consumption (kWh)

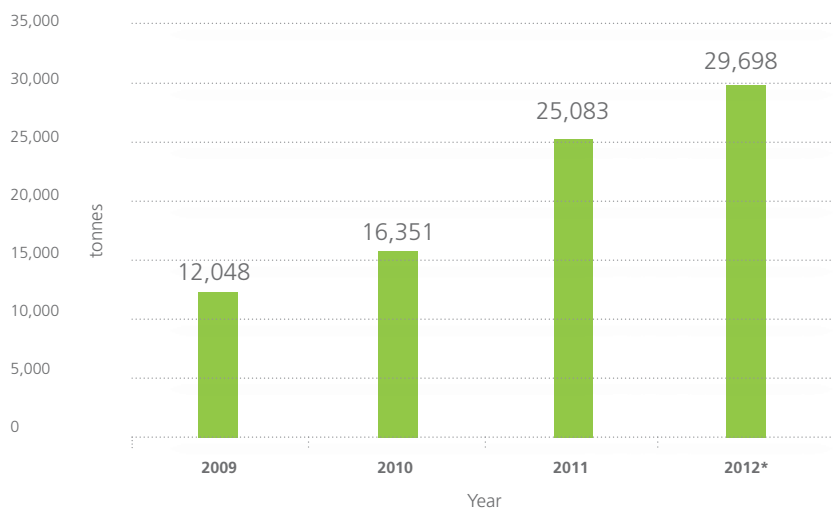


**WE ACHIEVED A
REDUCTION OF
25,000 TONNES
AGAINST A
TARGET OF
18,000 TONNES
OF CO₂ EMISSION
IN 2011.**

Carbon Management

We have set a target to reduce 16,000 tonnes of direct (petrol and diesel) and indirect (electricity) CO₂ emissions from January 2012 to December 2012. In 2011, we achieved a reduction of 25,000 tonnes against a target of 18,000 tonnes of CO₂ emission. The following chart shows our network CO₂ emission reduction compared to 2008 baseline figures.

Greenhouse Gas Emission Reduction (compared to 2008 baseline)



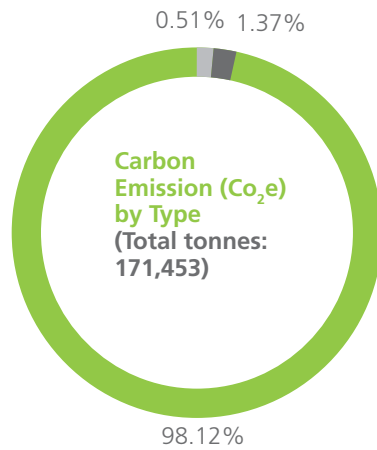
*2008 baseline emission: 158,916 tonnes of CO₂ with 5,871 base stations
2012 figures are extrapolated data for the first half of the year to full year

The key initiatives contributing to carbon emission reduction include:

- Installing energy saving light bulbs, reducing the number of visits to sites, introducing heat management solutions and better air conditioning, and installing dynamic radio control power during off-peak periods.
- Reducing usage of diesel generators by utilising solar solutions and connecting to the electricity grids.

Other initiatives by Maxis to reduce carbon emissions (unrecorded) include:

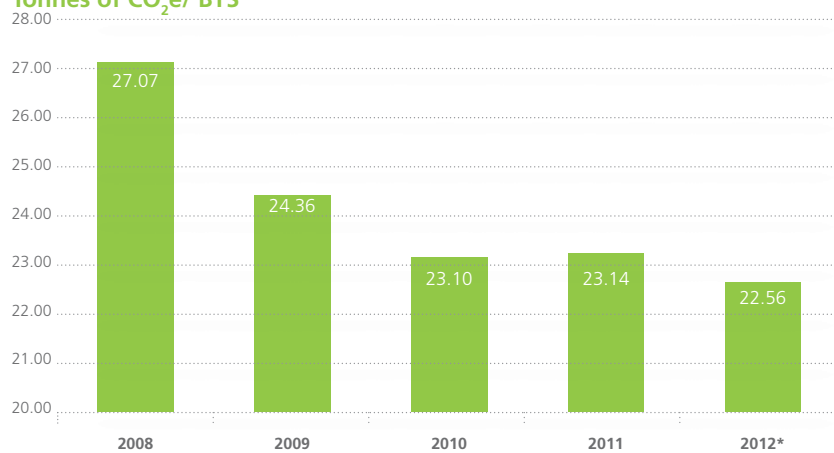
- Encouraging all offices to turn off air conditioners after 6.00pm, and introducing recycling for papers and toners across the business.
- Introducing e-billing and continuing to promote this to our 14 million subscriptions across Malaysia. Paper usage from monthly customer billings is a significant environmental impact. To encourage our customers to use e-billing we offer customers a RM5 waiver per month. This also saves the customer travelling time and energy cost.



- Diesel (Genset)
- Diesel and Petrol (Fleet)
- Electricity (BTS + TOC)

TOC: Telecoms Operating Centre
BTS: Base Transceiver Station

Tonnes of CO₂e/ BTS



* 2012 figures are extrapolated data for the first half of the year to full year

Assumptions:

* 2012 data extrapolated from January - June 2012 to full year

Electricity: 0.683 tonnes of CO₂e/ MWh

Source: CDM Electricity Baseline 2009; <http://cdm.greentechmalaysia.my>

Diesel: 2.67 kgCO₂e/l

Petrol: 2.31 kgCO₂e/l

Source: http://www.carbontrust.com/media/18223/ctl153_conversion_factors.pdf

**RM3.7 BILLION
CAPEX. 95% 2G
& 82% 3G
COVERAGE
NATIONWIDE.
67% OF 3G SITES
WITH 42MBPS
CAPABILITY.**

SITE SHARING FOR EFFICIENT NETWORK ROLLOUT

Part of our efforts to deliver a better, faster and more reliable network across Malaysia involves the physical construction of networks. It is important to us that we do this with a sustainable cost structure and in a way that limits our impact on the environment. We are looking at increased infrastructure-sharing on base station sites to minimise duplication of financial and other resources which can be used for the benefit of our consumers. In October 2011, we entered into a landmark multi-billion ringgit agreement with U Mobile, paving the way for "active sharing" of our 3G Radio Access Network (RAN). It is the first partnership of its kind in the region. In October 2012, we launched more than 1,300 shared sites with U Mobile. This brings our sharing of sites with the industry to 68%.

In 2012, we teamed up with REDtone International Bhd, a data and broadband service provider, to fast track the roll-out of ultra high-speed 4G networks throughout the country.

As the biggest network investor in the country, Maxis has invested RM3.7 billion in capex in the past three years resulting in 95% 2G and 82% high speed 3G coverage of the population. Maxis now has 3,500 of its 5,200 3G sites that support throughput speeds up to 42 Mbps. We have also laid the foundation required for an efficient LTE rollout.

ECO-FRIENDLY STAFF ACTIVITIES

We are looking at ways to increase awareness levels about the need for conservation and environmental responsibility. Waste minimisation is actively encouraged alongside the careful use of lights and air conditioning on a daily basis. Since 2009, Maxis employees have participated in WWF's Earth Hour campaign, during which all non-essential lighting and electrical equipment in Maxis key offices are switched off for one hour.

Performance Data

Environment (Maxis Network only)		
	July 2011 – June 2012	July 2010 – June 2011
Materials		
Paper Consumption (for Menara Maxis only)		
Conventional Paper (reams)	8,600	9,300
Conventional Paper (tonnes)	21.50	23.25
Energy Consumption (for Network only)		
Direct Energy Consumption		
Petrol (litres)	217,120	224,043
Diesel (litres)	1,161,401	692,629
Indirect Energy Consumption		
Electricity (kWh)	247,122,796	246,275,142
Renewable Energy Consumption		
Solar (kWh)	78,574	39,682
Greenhouse Gas (GHG) Emissions		
Direct GHG Emissions		
Carbon Dioxide (CO ₂) (tonnes)	3,602	2,367
Indirect GHG Emissions		
Carbon Dioxide (CO ₂) (tonnes)	168,785	168,206
Total	172,387	170,573

Conversion Factor(s):

1 tonne of paper = 400 reams, 1 ream= 0.0025 tonne

Source: <http://www.it-energy.co.uk/solutions/greenprint/greenprint-ecofacts.html>

GRI CONTENT INDEX

POSITIVE IMPACT

Our report is aligned to the Global Reporting Initiative (GRI), the leading guidelines for sustainability reporting. The GRI is a multi-stakeholder organisation, seeking to make social, environmental and governance reporting as robust as financial reporting. The guidelines contain principles and performance indicators for reporting. More than 3,000 organisations have used the guidelines to produce their sustainability reports. The latest version, G3.1 was launched in March 2011, and is used for this report.

PROFILE DISCLOSURE	DESCRIPTION	PAGE	REMARK
1.1	Statement from the most senior decision-maker of the organisation.	2-3	Message from the Chairman
1.2	Description of key impacts, risks, and opportunities.	2-3, 4-5, 15-16	Message from the Chairman, Message from the CEO, Mission and Strategy for Corporate Responsibility
2.1	Name of the organisation.	8	Who We Are
2.2	Primary brands, products, and/or services.	8	Who We Are
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	13	Corporate Structure
2.4	Location of organisation's headquarters.	Back cover	
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	8	Who We Are
2.6	Nature of ownership and legal form.	12	Who We Are
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/ beneficiaries).	8	Who We Are
2.8	Scale of the reporting organisation.	8	Who We Are
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes in the reporting period	
2.10	Awards received in the reporting period.	6 -7, 11	Awards and Recognition, Who We Are
3.1	Reporting period (e.g., fiscal/ calendar year) for information provided.	77	About the Report
3.2	Date of most recent previous report (if any).	77	About the Report
3.3	Reporting cycle (annual, biennial, etc.)	77	About the Report
3.4	Contact point for questions regarding the report or its contents.	77	About the Report
3.5	Process for defining report content.	77	About the Report

PROFILE DISCLOSURE	DESCRIPTION	PAGE	REMARK
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	77	About the Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	77	About the Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/ or between organisations.	77	About the Report
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	77	About the Report
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/ periods, nature of business, measurement methods).	No re-statements required	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	No significant changes in the reporting period	
3.12	Table identifying the location of the Standard Disclosures in the report.	65-75	GRI G3.1 Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	79-80	SIRIM Independent Verification Statement
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	19-23	Corporate Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	19-23	Corporate Governance
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/ or non-executive members.	19-23	Corporate Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		Maxis Berhad Annual Report 2011, pages 220-221

PROFILE DISCLOSURE	DESCRIPTION	PAGE	REMARK
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	22	Corporate Governance
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	19-23	Corporate Governance
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	19-23	Corporate Governance
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	15-16	Corporate Responsibility
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	19-23	Corporate Governance
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		Maxis Berhad Annual Report 2011, pages 211-227
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	32-33	Responsible Marketing Practices, Addressing Electromagnetic Fields and Radio Frequency (RF) issues, Customer Privacy, Engagement and Contribution to Public Policy
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.		Our strategic plan is based on support of the United Nations Millenium Development goals and the priorities of the Malaysia New Economic Model
4.13	Memberships in associations (such as industry associations) and/ or national/ international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	33	Engagement and Contribution to Public Policy
4.14	List of stakeholder groups engaged by the organisation.	17-18	Engaging Our Stakeholders
4.15	Basis for identification and selection of stakeholders with whom to engage.	17-18	Partially - Engaging Our Stakeholders

PROFILE DISCLOSURE	DESCRIPTION	PAGE	REMARK
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	17-18	Engaging Our Stakeholders
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	17-18	Engaging Our Stakeholders

STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS

PERFORMANCE INDICATOR	DESCRIPTION	PAGE	REMARK
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ECONOMIC

Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	26-42, 44-55	Developing and Enriching Our Customers, Developing and Enriching our Communities, Inspiring People
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	58-64	Advocating Environmentally Friendly Practices

Market Presence

EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	43	Partially - Developing and Enriching Our Partners
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	43	Partially - Developing and Enriching Our Partners

Indirect Economic Impacts

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind or pro bono engagement.	26-43	Developing and Enriching Our Community, Customers and Partners
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Not reported - EC3, EC4, EC5, EC9.

ENVIRONMENTAL

Materials

EN1	Materials used by weight or volume.	58-64	Partially - Advocating Environmentally Friendly Practices
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PERFORMANCE INDICATOR	DESCRIPTION	PAGE	REMARK
Energy			
EN3	Direct energy consumption by primary energy source.	58-64	Advocating Environmentally Friendly Practices
EN4	Indirect energy consumption by primary source.	58-64	Advocating Environmentally Friendly Practices
EN5	Energy saved due to conservation and efficiency improvements.	58-64	Advocating Environmentally Friendly Practices
EN6	Initiatives to provide energy-efficient or renewable energy based products and services and reductions in energy requirements as a result of these initiatives.	58-64	Advocating Environmentally Friendly Practices
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	58-64	Advocating Environmentally Friendly Practices
Water			
EN8	Total water withdrawal by source.		Our direct water usage is limited to standard office use and we do not consider this a material issue
EN9	Water sources significantly affected by withdrawal of water.		Our direct water usage is limited to standard office use and we do not consider this a material issue
EN10	Percentage and total volume of water recycled and reused.		Our direct water usage is limited to standard office use and we do not consider this a material issue
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact
EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.		Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact

PERFORMANCE INDICATOR**DESCRIPTION****PAGE****REMARK**

EN13	Habitats protected or restored.		Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact
EN14	Strategies, current actions and future plans for managing impacts on biodiversity.		Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.		Our impact on biodiversity is limited to land use for base stations and office operations. While we do offset this impact through tree-planting, we do not consider this a material impact

Emissions, Effluents and Waste

EN16	Total direct and indirect greenhouse gas emissions by weight.	61	Advocating Environmentally Friendly Practices
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	58-64	Resource Efficiency and Carbon Management
EN21	Total water discharge by quality and destination.		Our direct water usage is limited to standard office use and we do not consider this material issue

Compliance

EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		No significant fines or non-monetary sanction in the reporting period
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Not reported - EN2, EN17, EN19, EN20, EN22, EN23, EN24, EN25, EN26, EN27, EN29, EN30.

SOCIAL: LABOUR PRACTICES AND DECENT WORK**Employment**

LA1	Total workforce by employment type, employment contract and region, broken down by gender.	46	Creating A Great Place to Work
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**PERFORMANCE
INDICATOR**

PERFORMANCE INDICATOR	DESCRIPTION	PAGE	REMARK
LA2	Total number and rate of new employee hires and employee turnover by age group, gender and region.	46	Creating A Great Place to Work
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	47-48	Creating A Great Place to Work
Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	53-54	Partially - Ensuring Health and Safety
LA7	Rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities by region and by gender.	53-54	Ensuring Health and Safety
Training and Education			
LA10	Average hours of training per year per employee by gender and by employee category.	49	The Maxis Academy
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	48-50	Developing Our People, The Maxis Academy, Talent Development Programmes
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	49	Performance Management
Diversity and Equal Opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity.	52	Thriving on Diversity
Not reported - LA4, LA5, LA8, LA9, LA14, LA15.			

SOCIAL: HUMAN RIGHTS
Indigenous Rights

HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		We have not identified activities within our operations which may impose directly on rights of indigenous people
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Not reported - HR1, HR2, HR3, HR4, HR5, HR6, HR7, HR8, HR10, HR11.

PERFORMANCE INDICATOR

DESCRIPTION

PAGE

REMARK

SOCIAL: SOCIETY

Local Communities

SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programmes.	34-42	Developing and Enriching Our Communities
SO9	Operations with significant potential or actual negative impacts on local communities.	32-33	Responsible Marketing Practices, Addressing Electromagnetic Fields and Radio Frequency (RF) issues, Customer Privacy.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	32-33	Responsible Marketing Practices, Addressing Electromagnetic Fields and Radio Frequency (RF) issues, Customer Privacy

Public Policy

SO5	Public policy positions and participation in public policy development and lobbying.	33	Engagement and Contribution to Public Policy
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Anti-competitive Behaviour

SO7	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.		No legal actions in reporting this period
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Compliance

SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.		No significant fines or non-monetary sanction for non-compliance in the reporting period
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Not reported - SO2, SO3, SO4, SO6.

SOCIAL: PRODUCT RESPONSIBILITY

Customer Health and Safety

PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.		No non-compliances in the reporting period
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PERFORMANCE INDICATOR	DESCRIPTION	PAGE	REMARK
Product and Service Labelling			
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.		No non-compliances in the reporting period
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	29-32	Raising The Bar in Customer Service
Marketing Communications			
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion and sponsorship.	32	Partially - Responsible Marketing practices
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		No non-compliances in the reporting period
Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	30-31	Managing Customer Complaints
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		No non-compliances in the reporting period
Not reported - PR1, PR3.			

TELECOMMUNICATIONS SECTOR SUPPLEMENT (TSS)

INTERNAL OPERATIONS

Health and Safety

IO3	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	53	Ensuring Health and Safety
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PERFORMANCE INDICATOR**DESCRIPTION****PAGE****REMARK**

IO5	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	32	In Malaysia, telecommunications companies are required to be compliant to the electromagnetic exposure standards and guidelines of the Malaysian Communications and Multimedia Commission (SKMM) who are guided by ICNIRP standards. Reported in Addressing Electromagnetic Fields and Radio Frequency (RF) issues
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Infrastructure

IO8	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	12	Largest High Speed Network Footprint
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Not reported - IO1, IO2, IO4, IO6, IO7.

PROVIDING ACCESS**Access to Telecommunications Products and Services: Bridging the Digital Divide**

PA1	Policies and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	8, 34-36	Who We Are, Developing and Enriching Our Communities
PA2	Policies and practices to overcome barriers for access and use of telecommunications products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	34-36	Developing and Enriching Our Communities
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	34-36	Developing and Enriching Our Communities
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/ market share, addressable market, percentage of population covered, percentage of land covered.	8-10, 12, 34-36	Who We Are, Largest Network Footprint, Developing and Enriching Our Communities

PERFORMANCE INDICATOR	DESCRIPTION	PAGE	REMARK
PA5	Number and types of telecommunications products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/ bit of data transfer in various remote, poor or low population density areas.	34-36	Developing and Enriching Our Communities
Customer Relations			
PA8	Policies and practices to publicly communicate on MF related issues. <i>Include information provided at points of sales material.</i>	32-33	Addressing Electromagnetic Fields and Radio Frequency (RF) Issues
PA9	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organisation.	32-33	Addressing Electromagnetic Fields and Radio Frequency (RF) Issues
PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective and environmentally preferable use.	32	Responsible Marketing Practices

Not reported - PA6, PA7, PA10.

TECHNOLOGY APPLICATIONS

Resource Efficiency

TA1	Provide examples of the resource efficiency of telecommunications products and services delivered.	26-28	Developing and Enriching Our Customers
TA2	Provide examples of telecommunications products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing).	26-28	Developing and Enriching Our Customers
TA3	Disclose any measures of transport and/ or resource changes of customer use of the telecommunications products and services listed above. Provide some indication of scale, market size or potential savings.	26-28	Developing and Enriching Our Customers

Not reported - TA4, TA5.

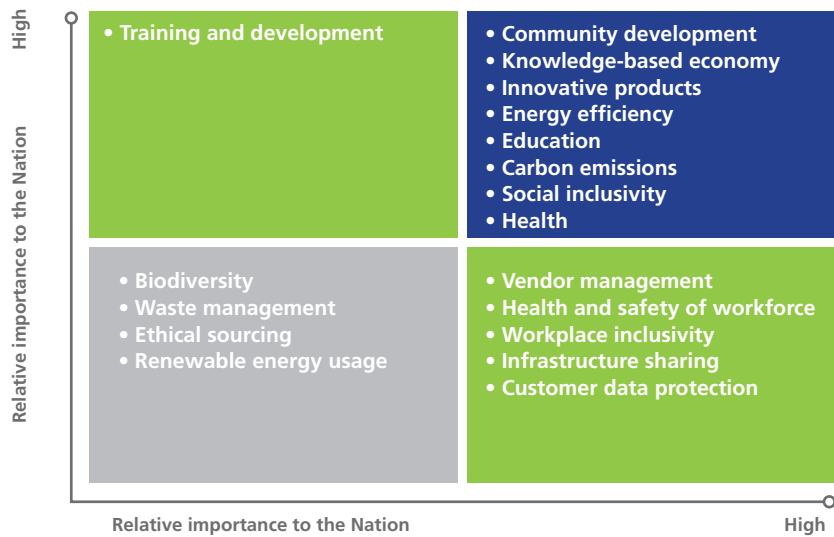
MATERIALITY ANALYSIS

In order to identify and prioritise sustainability issues that are most important to our business and the nation we have conducted a formal materiality exercise. We conducted a materiality assessment using the “Guidance on Defining Report Content” and the associated Principles of the GRI G3.1 Reporting Guidelines as a framework. We have also drawn on results of the stakeholder interviews undertaken in developing our CR Framework which have been updated in the current review period. Key issues identified are:

- Maxis’ corporate plans, objectives and strategies
- Company policies
- Reviews of best practice held against the national context of Maxis’ operations

We used a ‘materiality matrix’ to map the issues that are of significance to the nation against those which have the biggest financial or operational impact on our business. We then apply the materiality principle to each key issue to help us identify and prioritise the most significant sub-topics.

Materiality Matrix



The areas in green are of high relevance to both Maxis’ operations and Malaysian development issues. We focus on these areas most in the report. We also include information in the report for areas in blue which are highly important to Maxis’ business and internal stakeholders and have a high national priority. The areas in grey may be mentioned in the report but are not considered most material.

ABOUT THE REPORT

This is Maxis' second Sustainability Report, and discloses our performance on economic, social, workplace and environmental issues which are most material to our business and stakeholders.

REPORTING PERIOD

The report covers the period from 1 July 2011 to 31 December 2012. For information contained in comparative tables and charts, information has been reported as of 1 July 2011 to 30 June 2012 (as has been indicated), while for other activities, reporting is up to 31 December 2012. The report describes on-going activities from the past as well as more recent activities initiated during the reporting period.

REPORTING SCOPE

Our report covers the operations of Maxis Berhad in Malaysia. We believe that the report includes all significant actions or events in the reporting period and that combined with our Annual Report, includes relevant information that would influence or inform stakeholder assessments or decisions, or that would reflect significant economic, environmental and social impacts.

REPORTING FRAMEWORK

Our report is aligned to the Global Reporting Initiative (GRI), the leading guidelines for sustainability reporting. The GRI seeks to make social, environmental and governance reporting as robust as financial reporting. We used GRI's G3.1 guidelines in preparing this report.

We are also guided by Bursa Malaysia's Corporate Responsibility Guidelines. We believe these best practices reflect and capture our commitment to Corporate Responsibility (CR).

The report is available to all stakeholders and interested parties upon request. It can also be downloaded from our website www.maxis.com.my. For further information and comments please contact:

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GLOSSARY

2G: Second generation of cellular telecommunications standards.

3G: Third generation of cellular telecommunications standards.

Biodiversity: The diversity (number and variety of species) of plant and animal life within a region.

Climate change: This is caused by the accumulation of greenhouse gases in the lower atmosphere, mainly due to human activities, such as the combustion of fossil fuels and deforestation.

Digital divide: The socio-economic gap between communities that have access to computers and the internet and those who do not.

DC: Direct current.

Gbps: 1 billion bits per second.

Genset: A genset, or distributed generator system, is an electrical generator located in proximity to the end-user rather than in a central location such as those utilised by commercial power providers.

HSPA: High Speed Packet Access.

ICT: Information and Communications Technology; an umbrella term that includes any communications device or application, encompassing radio, television, cellular phones, computer and network hardware and software, satellite systems as well as various services and applications associated with them, such as video conferencing and distance learning.

InfoComms: Information and Communications.

Internet: The interconnection of servers worldwide that provides communications and applications services to an international base of business, consumers, education, research, government and other organisations.

IP: Internet Protocol; a standard that keeps track of network addresses for different nodes, routes outgoing messages, and recognises incoming messages.

ISP: Internet Service Provider.

KPKK: Ministry of Information Communications and Culture.

LAN: Local Area Network; a short distance data communications network (usually within a building).

LTE: Long Term Evolution - the next generation of mobile communications networks beyond 3G (third generation), which will deliver very high bandwidths to the mobile device.

Maxis or the Company: Maxis Berhad (Company No. 867573-A).

MyIX: Malaysian Internet Exchange

Network: A group of two or more computer systems or telecommunications elements linked together.

NGO: Non-governmental organisation

Non-Executive Director: A Board Director who does not currently hold other employment in the company. Unlike an Independent Director, a non-executive can have significant financial interests or close personal ties to the company. (Source: Bursa Malaysia)

RF: Radiofrequency.

Server: A shared computer on a LAN that provides services to other computers in the network.

SKMM: Malaysian Communications and Multimedia Commission.

SMI: Small and Medium Industry.

SME: Small and Medium Enterprise.

SMS: Short Message Service; a service whereby mobile telephone users may send text messages. In GSM systems, a text message can have a maximum of 160 characters.

Switch: A sophisticated computer in a telephony network or data communications network that connects networks automatically in response to signals that are carried to it.

Telco: Telecommunications Company.

USP: Universal Service Provision; an initiative to promote the widespread availability and usage of network and/ or applications services by encouraging the installation of network facilities and the provision of network and/ or applications services in underserved areas.

WAP: Wireless Application Protocol; an open, global protocol that is designed to send web pages to wireless devices and allow users to access information instantly.

Wireless broadband: Broadband subscriptions for internet access on computers via wireless modems only. This does not include any internet access on mobile phone screens.

WWF: "World Wide Fund for Nature"; an NGO with a mission to stop the degradation of the planet's natural environment.



Independent Verification Statement

Scope and Objective

SIRIM QAS International Sdn. Bhd., a third party Conformity Assessment Body in Malaysia, with extensive expertise and experience in the provision of sustainability related assurance services, was engaged by Maxis Berhad (Maxis) to perform an independent verification of its 2011/2012 Sustainability Report. The main objective of the verification process is to provide Maxis and its stakeholders with an independent opinion of the accuracy of the information presented in the report. This was confirmed through checking and verifying claims made in the report. The verification audit by SIRIM QAS International audit covered all sustainability related activities which had been included in the 2011/2012 Sustainability Report.

The information in the Sustainability Report is the responsibility of the management of Maxis. The objectivity and impartiality of this verification statement is assured as no member of the verification team and no other employee of SIRIM QAS International was involved in the preparation of any part of the Sustainability Report.

Verification team:

The members of the team from SIRIM QAS International, involved in this verification, are as follows :

- 1) Ms. Aminah Ang - Team leader
- 2) Mr. Mansor Shah Aziz - Team member

Methodology

The verification process was carried out by SIRIM QAS International in November and December 2012. It involved the following activities:

- Reviewing and verifying the accuracy of data collected from various sources and that are presented in the report;
- Reviewing of internal and external documentation and displays such as awards, reports, newsletters, etc.;
- Interviewing of key personnel responsible for collating information and writing various parts of the report in order to substantiate the veracity of the claims:

During the verification process, issues were raised and clarifications were sought from the management of Maxis relating to the accuracy of some of the data and statements contained in the report. The report was reviewed and revised by Maxis as a result of the findings of the verification team. It can be confirmed that changes have been incorporated into the final version of the report to satisfactorily address the issues raised.



The verification process was subject to the following limitations:

- The scope of work did not involve verification of financial data other than that relating to expenses for environmental related activities;
- The verification of data presented in the comparative tables and graphs in the report was for the period of 1 July 2011 to 30 June 2012, while for events/activities, the verification of the planned events up to December 2012 was carried out;
- Only the corporate office was visited as part of this assurance engagement. The verification process did not include physical inspections of any of Maxis Berhad's operating assets; and
- Contractor and third party data was not reviewed in detail.

Conclusion

Based on the scope of the verification process, the following represents SIRIM QAS International's opinion:

- The level of accuracy of data included in the MAXIS BERHAD SUSTAINABILITY REPORT 2011/2012 was found to be fair and acceptable;
- The GRI Sustainability Reporting Guidelines G3.1 was used as the framework for the reporting;
- The information has been presented in an appropriate manner;
- The personnel responsible were able to reliably demonstrate the origin(s) and interpretation of data;
- Maxis has satisfactorily addressed, in the final version of the report, all issues that had been raised during the verification audit;
- The report provides a reasonable and balanced presentation of the sustainability performance of Maxis.

Prepared by:

Approved by:



AMINAH ANG

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