AXIATA GROUP BERHAD ("AXIATA") – HEADLINE KEY PERFORMANCE INDICATORS ("KPIs") FOR FINANCIAL YEAR ENDING 31 DECEMBER 2017 ("FY2017")

Axiata wishes to announce its FY2017 Headline KPIs

These Headline KPIs have been set and agreed by the Board of Directors and Management of Axiata Group ("**Group**") and shall not be construed as forecasts, projections or estimates of the Group or representations of any future performance, occurrence or matter as they are merely a set of targets/aspirations of future performance aligned to the Group's strategy and which have been derived on the assumptions that the Group shall operate under the current business environment under which they had been determined.

FY2017 Headline KPIs

	FY2017 Headline KPIs @ Bloomberg rate	**FY2017 Headline KPIs** @ Constant currency
Revenue Growth (%)	9% - 11%	8% - 10%
Earnings before Interest, Tax, Depreciation and Amortisation ("**EBITDA**") Growth (%)	7% - 9%	6% - 8%
Return on Invested Capital ("**ROIC**") (%)	4.5% - 5.0%	4.5% - 5.0%
Return on Capital Equity ("**ROCE**") (%)	4.0% - 4.5%	4.0% - 4.5%

Note: Bloomberg rate assumes 1 USD= RM4.55, constant currency assumes 1 USD= RM4.14. Assumed no material fluctuations of regional currencies against Ringgit Malaysia

In establishing the FY2017 Headline KPIs, the Management of Axiata has taken into consideration the followings:-

1. No material increase in competition in the mobile market space of the Group's major operating countries
2. No material regulatory changes impacting the operating companies ('OpCos')
3. No material change in currency volatility, liquidity shortages and interest rates in the Asia-Pacific region in general, and in the Southeast Asia in particular
4. No material change in CAPEX budget spending in all OpCos; have reflected increase in CAPEX which consequently affects depreciation and amortization
5. Incorporated Airtel short term dilutive impact from the merger with Robi
6. Included competitive impact from associates
7. Incorporated investment/ losses at digital ventures
8. Reflected Purchase Price allocation charges in relation to Ncell acquisition
9. Exclude merger/acquisition and divestment impact
10. Overall global and domestic economy as well as consumer spending

Moving Forward

For 2017, heightened competition, tax and regulatory challenges remain for the Group across most of our OpCos particularly in Malaysia, Singapore and India, with rising capex weighing in on overall performance and profitability. The Group hope to see currency volatility and global macroeconomic factors to stabilise in 2017.

With major business and organisational changes made recently, the Group expects to see better performance especially at Celcom and XL. Barring regulatory changes, we expect that the OpCos in South Asia will continue its momentum of excellent performance; particularly at Robi post-merger and Ncell. The Group is working towards group-wide cost management to improve Group profitability; RM800 million opex and capex savings are built in our 2017 plan, as well as aiming for RM1.5 billion additional savings in 2018 and 2019.

Axiata will also further continue its capex investments and transformation into a digital company in line with the commitment to be clear number one in 4G and data leadership in selected key markets as well as leader in the digital space. Going forward Axiata hopes to see consolidation in our markets including edotco organic and inorganic expansion in 2017.

FY2016 Headline KPIs Achievements

Below are the Axiata Group FY2016 achievements against the 2016 Group Headline KPIs:-

	FY2016 Achievement @ Actual Currency	FY2016 Headline KPIs (based on Bloomberg* estimate in mid Oct'15 for 2016 forex)	FY2016 Achievement	FY2016 Headline KPIs (based on constant currency**)	FY2016 Achievement
Revenue Growth (%)	8.5%	12.2%	8.1%	9.8%	5.4%
Earnings before Interest, Tax, Depreciation and Amortization (**"EBITDA"**) Growth (%)	10.0%	16.0%	9.7%	13.7%	6.8%
Return on Invested Capital ("**ROIC**") (%)	4.5%	6.8%	4.8%	6.6%	4.6%
Return on Capital Equity ("**ROCE**") (%)	4.0%	6.1%	4.2%	6.0%	4.0%

*1 USD = RM4.2
**1 USD = RM3.9

FY2016 has been a challenging year for the Group, adversely impacted by weaker performance in Malaysia, Indonesia, Bangladesh, India as well as losses in digital ventures and forex. However, the Group's performance was cushioned by the consolidation of Ncell in Nepal on 11th April 2016 and continued excellent performance from its operations in Sri Lanka and Cambodia.

As compared to the previous years, FY2016 saw a worse than expected competition and disruptions in Malaysia, India and Singapore. Celcom's overall recovery was delayed by Malaysian shrinking industry growth whilst Idea experienced an unprecedented disruptions arising from RJio entrance into the Indian market. In an increasingly dynamic Indonesian market, XL transformation agenda is impacted by accelerated changing consumer behavior with the substitution from legacy services to data.

During the financial year, the Group was faced with regulatory challenges in Nepal, Sri Lanka and particularly in Bangladesh which saw the prolonged completion of Robi-Airtel merger till end of FY2016. Whilst the Group will harness the synergy benefits in the coming years, FY2016 was hit with merger fees and integration costs arising from this business combination.

Comparing with the Headline KPI, the Group posted Revenue and EBITDA growth of 8.1% and 9.7% year-on-year. ROIC and ROCE stood at 4.8% and 4.2% respectively.

Against the Headline KPI at constant currency, the Group recorded lower Revenue and EBITDA growth of 5.4% and 6.8% year-on-year. ROIC and ROCE are 4.6% and 4.0% respectively.

At actual currency, Group performance was positively impacted by the depreciation of Ringgit Malaysia against all currencies of the OpCos. Accordingly, the Group recorded FY2016 Revenue growth of 8.5% and EBITDA growth of 10.0%. ROIC and ROCE stood at 4.5% and 4.0% respectively.