MEDIA RELEASE

Axiata Exceeds All Targets Posting Highest Ever Profit, and Pays out Maiden Dividend

- **Group year end cash position grew more than 3x to RM6.3 billion with significantly strengthened balance sheet; announces dividend payout of 10 sen per share, a 32% payout**
- **YoY significant growth in all key areas and Operating Companies; Group revenue grew 17%, EBITDA 30% and normalised PATAMI 86%**
- **Celcom records highest ever PATAMI of RM1.8 billion; maintains market dominance in mobile broadband**
- **XL shows all round best in class performance with revenue growth of 27% and PAT of 69%**
- **Robi continues significant growth trajectory, posts double digit growth in all financial metrics, with revenue up 31%**
- **Dialog registers turnaround showing profitability from a loss a year ago**

Kuala Lumpur 23 February 2011, Axiata Group Berhad (Axiata) today reported strong results for the year ended 31 December 2010 – an all round performance in terms of revenue and profit growth across all Operating Companies (**"OpCos"**), exceeding all key targets set for the year. Despite coming off an exceptional 2009, 2010 was equally as strong with the Group posting exceptional revenue growth of 17% Year-on-Year (**YoY**[1]). EBITDA ("**Earnings Before Interest, Tax, Depreciation and Amortisation**") grew significantly at 30%, outpacing Revenue growth through diligent cost management, and normalized PATAMI ("**Profit after Taxation and Minority Interests**") grew by 86%**.** The financial year 2010 return on invested capital ("ROIC"), without associates, was up 6 percentage points from 9.4% in 2009 to 15.9%. With associates it was up 4 percentage points from 7.9% in 2009 to 11.8%[2].

The continuously strong performances seen from all key OpCos, puts the Group in an excellent position to end the year.

YEAR TO DATE RESULTS

Excellent and aggressive execution by all OpCos on strategies saw positive quarterly revenue trends continuing with the Group recording double digit revenue of 17% YoY. The robust performance was on the back of continuous growth from key markets particularly Celcom[3], XL[4] and Robi[5] with 8%, 27% and 31% growth respectively.

The Group's EBITDA grew an impressive 30% to RM7.1 billion, driven by the higher revenue and continued focus on cost management. Exceptional performances were seen from Dialog[6] and XL where EBITDA increased by 82% and 50% via cost rescaling and strategic initiatives and tight focus on costs respectively. Almost all operating companies saw margin growth which led to an impressive 4.5 percentage point increase for the Group, to 45.2% YoY.

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[1] YoY refers to FY2009 vs. FY2010
[2] This excludes Idea impairment
[3] Celcom Axiata Berhad
[4] PT XL Axiata Tbk
[5] Robi Axiata Limited
[6] Dialog Axiata PLC

After adjusting for exceptional items, such as FRS impairment accounting adjustment, forex and one-off gains on disposal/ merger, normalised PATAMI was up by an impressive 86%. This was due to relentless profit and cost management. Dialog in particular saw profits increasing by more than 100% from a loss in FY09, whilst XL saw PAT surge by 69%.

Group's total subscriber base expanded to 160 million, up 33% from a year ago, an average of 3.3 million per month, making the Group one of the largest telcos in the region.

Impairment Adjustment

Non normalised PATAMI rose by 7%, to reach RM1.8 billion, due to the non cash FRS impairment accounting adjustment on Idea of RM1 billion. Without the impairment, PATAMI growth would have been 73%.

Idea represents an important strategic stake for Axiata, in a huge market which is growing rapidly and the Group has always taken a long term view on the investment. The decision to impair is based on conservative accounting standards, and in conjunction with the impairment assessment requirement under FRS 136 "impairment of assets". The possibility of an Idea impairment has been consistently communicated to market.

The decision therefore, does not reflect Idea's performance. Against hyper competition and an uncertain regulatory environment, Idea is well recognized as one of the best performing operators in India. It is now number 3, in terms of revenue market share, from number 5 three years ago. The Indian market, with a population of 1.2 billion, has tremendous growth opportunity in voice given its relatively low penetration, and at a later stage, data services .Axiata remains committed to Idea and has every faith in its long term value.

Proposed Dividend

Effective capital management saw the Group turn Free Cash Flow (**FCF**) positive last year. All of the Group's major OpCos have followed suit, turning FCF positive by the end of 2010. This factor, as well as a significantly strengthened balance sheet, has allowed Axiata to give a blend of growth and dividends to shareholders. Axiata ended the year in a position of strength with RM6.3 billion in cash and balance sheet significantly strengthened. Axiata's Gross Debt to EBITDA ratio now at 1.5 x from 2.3 x a year ago, representing one of the healthiest balance sheets in the industry.

In light of this as well as the Group's strong performance, Axiata announced its maiden dividend of 10 sen per share (single tier), a 32% payout which is slightly over the 30% originally guided. The dividend, based on the group's normalised PATAMI, is subject to the approval of the shareholders at the next Annual General Meeting of the Company.

POSITIVE DATA TRENDS CONTINUE AT CELCOM AND XL

Malaysia

Even in a mature market, Celcom saw a robust 8% growth in revenue, driven by mobile broadband and data, to RM6.9 billion. Non voice grew 25% YoY and now contributes 33% to revenue from 29% YoY. Celcom defended its market dominance in mobile broadband closing the year as undisputed leader with 857,000 subscribers. The segment contributed 9% to revenue, a growth of 76% YoY.

Celcom continued to generate healthy cash balance and saw, double digit PATAMI growth, the highest profitability to date, up 15% to RM1.8 billion. EBITDA for the period rose 9% to RM3 billion, from aggressive pursuit of smart spend initiatives and cost saving measures.

For 2011, Celcom will enhance its focus on mobile data, whilst maintaining leadership in mobile broadband. Alongside this the company will be driving greater cost efficiencies with a high focus on network infrastructure sharing. This has already started with the network collaboration agreement signed with Digi which aims to address the increase of data capacity requirements.

Indonesia

XL closed the year in a position of strength seeing positive trends continuing in all financial metrics. This was on the back of successful execution of strategy focusing on topline growth, operating profitability and asset productivity. 2009 was a highly successful year for XL and against that performance 2010 was an even better year. YoY, XL's revenue grew by 27% to IDR17.6 trillion mainly due to tariff optimization. Similarly, EBITDA in the period increased by an impressive 50% and saw EBITDA margin of 53%. PAT was up a spectacular 69% to IDR2.9 trillion.

Mobile data continued to gain traction with a significant increase in data and VAS up 85% YoY, contributing 13% to total revenue from 9% a year ago. XL cemented its leadership position in this segment with new and innovative products and services such as its mobile data services platform, a one page services destination, which garnered 1 million users in just three weeks after the launch date.

Together with XL's balanced business model focusing on the three value drivers, i.e. topline growth, operating profitability and asset productivity, data will remain a key feature for the group moving forward.

With the strong performance, now for two consecutive years, XL announced their dividend policy with a minimum payout of 30% based on 2010's normalised net income. The group will endeavour to progressively increase the payout ratio in the future.

CONSOLIDATION OF TURNAROUND

Sri Lanka

Dialog consolidated its turnaround, delivering a strong performance in terms of profitability. The group recorded PAT of SLR5.05 billion from a loss a year ago, representing a 141% increase YoY. This was driven by strong performance of the mobile business. Performance during 2010 was underpinned by a healthy momentum in revenue, up 14% YoY, on the back of strong growth in Mobile Voice and broadband. Positive outcomes of strategic cost rescaling, balance sheet restructuring initiatives and consistent financial discipline were also seen across all aspects of the business with EBITDA up an exceptional 82%.

Positive free cash flows were directed towards de-leveraging the Company's balance sheet, resulting in a significant reduction of the Group's total debt. Accordingly, Dialog continued to maintain a structurally strong balance sheet with the Gross Debt to EBITDA ratio improving from 2.6x in 2009 to 1.8x in 2010.

In the light of the Company's strong turnaround, the Board of Directors of Dialog announced a cash dividend of twenty cents (SLR. 0.20) per share to shareholders, totaling to SLR. 1.6 billion. The dividend is subject to the approval of the shareholders at the company's AGM.

STRONG GROWTH CONTINUES

Bangladesh

Robi continued its strong growth trajectory with double digit growth in all financial metrics. Despite competition, revenue growth continued, for the fourth consecutive quarter, surging by 31% due to healthy revenue from the prepaid segment. In tandem, EBITDA grew by 25% with improved margins despite aggressive drive for growth. PAT for the period was up by 16%.
Building on the strong performance moving forward, Robi will be looking at improving service quality and expanding on innovative service offerings. Alongside this, there will be added focus on balancing revenue growth and profitability.

REGIONAL AFFILIATES

India

Idea continues to improve revenue market share and despite hyper competition, revenue and EBITDA were up by 24% and 9% respectively YoY. VAS and data revenue has also increased from 11% to 13% in the period. Although YoY PAT dipped due to competitive pressures, for the quarter it was up 35%.

Despite the overall challenges being faced in the market, such as hyper competition, Idea remains one of the best performers in the industry with one of the highest EBITDA margins. The results show that despite new entrants and competitive pressures, Idea is growing stronger with steady quarterly improvements, now the number three player in terms of revenue market share from five, three years ago.

Singapore
M1 finished the year strongly with revenue at SGD979.2 million up 25% YoY. This was primarily due to higher service revenue and handset sales. EBITDA at SGD313.3 million was up 1.2%. Non-voice services continued to do well up by 5.9 percentage points to 32%, driven by continual growth in mobile broadband and smartphone customer base. PAT increased 4.5% to SGD157.1 million.

COMMENTARY

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "It has been another excellent year for Axiata with the group delivering strong financials and performance amidst intensifying competition. Axiata's share price grew 46% in the year representing the second best performing stock and the only telco stock to outperform the KLCI. The strong performance in 2010 and dividend plans go a long way towards value creation for shareholders."

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "It has been another excellent year for Axiata. Despite coming off an excellent 2009, 2010's performance was even better. Our operating companies have performed very well in all key metrics, exceeding all key targets. We are particularly pleased with the all round excellent results of, XL, Celcom's profit growth and Robi's revenue growth, as well as the positive turnaround seen at Dialog reflecting the Group's concerted focus on targeted revenue growth and cost management as well as the Group's ability to accelerate performance in an increasingly competitive operating landscape.

Our performance resulted in strong balance sheets, not only at Group level but all major OpCos. The continued achievements seen in 2010 have enabled us to announce our dividends at group level as well as at XL and Dialog".

Outlook for 2011

"The results reflect our continued focus and diligent execution of strategy. Effective Cost Management saw savings of more than RM 800 million, more than double that of last year's. The significant improvement in margins for the Group, XL, Celcom, and Dialog were strong evidence of this. In order to sustain the year's strong performances, we will be maintaining our tight focus on capital discipline in 2011.

Alongside this, we will also be focusing on data which we expect to be the main driver for growth, especially in our more mature markets. Both Celcom and XL have seen data's contribution to revenue grow significantly from a year ago and we expect this to continue in 2011, with an additional focus on 'small screen' and value added services. In our emerging markets we expect subscriber growth to continue strongly, especially in fast growing markets, such as Bangladesh, and India" concluded Dato' Sri Jamaludin Ibrahim.

ABOUT AXIATA

Axiata is one of the largest Asian telecommunication companies, focused on high growth low penetration emerging markets. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India, Singapore and Iran. India and Indonesia are amongst the fastest growing markets in the world. In addition, the Malaysian-grown holding company has a stake in mobile telecommunication operations in Thailand.

The Group's mobile subsidiaries and associates operate under the brand name 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'HELLO' in Cambodia, 'Idea' in India, 'M1' in Singapore and 'MTCE' in Iran (Esfahan).

The Group, including its subsidiaries and associates, has over 160 million mobile subscribers in Asia. The Group revenue for 2010 was RM15.3 billion. The Group provides employment to over 25,000 people across Asia. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009 and 2010 Asia Pacific ICT Award for Best Telecom Group and the Telecom Asia Best Regional Mobile Group 2010 for its operations in multiple Asian markets.

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