

## FOR IMMEDIATE RELEASE

### Axiata Registers Excellent Growth in All Key Metrics; Profit Before Tax at RM2 Billion Mark – Axiata on Track to Meet Headline KPIs

- Normalised PATAMI grew 10.3% YTD, 12.2% YoY
- Data continues to be main driver for Celcom, XL and Dialog up 16%, 68% and 54% on a YTD basis respectively
- Dialog and Robi continues significant growth trajectory, with double digit revenue growth of 23% and 26% YTD respectively
- Group announces interim dividends of 8 sen per share

**Kuala Lumpur, August 30, 2012** – Axiata Group Berhad, (“**Axiata**”), today announced its un-audited results for the second quarter of 2012. Strong growth trends were seen across all major operating companies (“**OpCos**”), in almost all financial metrics against a backdrop of challenging macro-economic conditions and currency fluctuations. Revenue for the quarter was up 9.3% year-on-year (“**YoY**”)<sup>1</sup> to RM4.4 billion from continuous overall performance from almost all OpCos, particularly, Celcom<sup>2</sup>, XL<sup>3</sup>, Dialog<sup>4</sup> and Robi<sup>5</sup>. More substantially and despite investment for the future, Earnings Before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) grew by the same percentage up 9.2% in the same period to RM2 billion, partly due to ongoing strategic cost initiative programmes. At constant currency, revenue and EBITDA would have been higher at 13.3% and 13.0% respectively. EBITDA margin remained stable at 43.5% YoY. Profit After Tax and Minority Interest (“**PATAMI**”) was up 0.5% reflecting high level of CAPEX being rolled out across Indonesia to take advantage of the data wave. After adjusting for exceptional items, such as impairment, FOREX and tax incentives, normalised Group PATAMI was up by 12.2% YoY to RM717 million.

On a year-to-date (“**YTD**”) basis, comparing first half 2011 to first half 2012, revenue was up 9% year-on-year to RM9 billion. EBITDA grew by 7% in the same period to RM4 billion. Profit Before Tax (“**PBT**”) for first half 2012 was at RM2 billion. PATAMI was up 1.7% and normalised PATAMI grew by 10.3% to RM1.4 billion from continued focus on operational improvements in all businesses.

On a quarterly basis, growth for the Group also saw tremendous traction. EBITDA outpaced revenue, up by almost 7%. PATAMI in the period was RM667 million up by 17.9% and normalized PATAMI up by 4.4%.

Regional mobile subscribers for the Group saw strong growth up 22% YoY, now surpassing 210 million, making the Group one of the largest telcos in the region.

Axiata enters in the second half of the year in a position of strength with RM6.5 billion in cash and balance sheet significantly strengthened. The cash position was maintained despite the RM1.3 billion dividend payout in the quarter.

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<sup>1</sup> YoY refers to 2Q2011 vs 2Q2012

<sup>2</sup> Celcom Axiata Berhad

<sup>3</sup> PT XL Axiata Tbk

<sup>4</sup> Dialog Axiata PLC

<sup>5</sup> Robi Axiata Limited

## **INTERIM DIVIDEND**

In light of Axiata's strong cash position, the Board of Directors has declared an interim tax exempt dividend under single tier system of 8 sen per share for the financial year ending 31 December 2012.

## **Accelerated Performance Delivers Strong Growth across Operating Companies**

### **Malaysia**

Strong performance was seen at Celcom, now in its 25<sup>th</sup> consecutive quarter of growth. Revenue surged by 9% YTD to RM3.8 billion pushed by the increase in advance data. Similarly, EBITDA was up 6% and, despite aggressive investment for data, margins held steady through smart spend measures and well managed network costs. On a quarter on quarter ("QoQ") basis, EBITDA saw an excellent increase of 3%, outpacing revenue, with margins up 1.2 percentage points. PATAMI grew 14% YTD to RM1.1 billion.

The year saw strong growth in data services (excluding SMS and VAS), now contributing 15% to revenue, a growth of 16%. The uplift was driven by positive response towards aggressive offerings of new products and services. Celcom subscribers surpassed the 12 million mark with the prepaid segment regaining momentum. Despite declining worldwide trends, voice usage continued to increase on the back of voice stimulation initiatives and bundling offerings.

For the second half of the year Celcom will, amongst other things, continue to focus on data with the introduction of innovative and attractive data services and applications. This will be alongside smart spending and cost management programmes. The recent Sukuk exercise, which saw Celcom being awarded AAA<sub>IS</sub> by Malaysian Rating Corporation Berhad (MARC), a reflection of Celcom's robust credit, will go a long way towards the group's savings.

### **Indonesia**

Another stellar quarter was seen at XL with most financial indicators showing continued growth.

Revenue grew by an impressive 13% YTD to IDR10.3 trillion, driven by strong data traction. EBITDA increased 4% to IDR4.9 trillion although margins did decline primarily due to data related investments. PAT in the period was IDR1.5 trillion.

Continued traction was seen in data (excluding SMS and VAS), with revenue growing by 68%. XL's focus on expanding coverage and capacity has resulted in a bigger share of data service revenue contribution which has reached 19% of usage revenue compared to 13% last year. Data users have increased by 32% from a year ago, now representing 58% of total subscribers.

In its transformation towards data, XL has started to explore new opportunities in adjacent data business such as M-Finance, M-Commerce and other M2M services. To further support the growth and demand in data, XL has accelerated the development of its infrastructure.

Total subscribers grew by 18% YoY to close to 50 million subscribers.

## **Sri Lanka**

The Group's Sri Lankan operations, Dialog Group saw another excellent quarter recording strong double digit growth in all financial metrics.

Dialog registered SLR27 billion in revenue, a significant 23% increase YTD, driven by steady revenue growth across all business segments particularly mobile, international, tele-infrastructure and digital pay-television services. Similarly, EBITDA increased 25% for the same period to SLR9.2 billion on the back of stronger growth in revenue. Dialog also recorded an increase in PAT, up 59% on a normalised basis.

For the second half of the year, Dialog's strategy will remain focused on growing its mobile operations and rationalising the Group's cost structure.

## **Bangladesh**

Strong momentum continued at Robi which saw consistent revenue growth amidst regulatory challenges. Revenue was up by 26% YTD to BDT18.6 billion, attributed to strong voice and data growth. EBITDA in the period also increased by 38%, driven by higher revenue and cost optimisation. Robi also maintained margins, 32.7% stable, in a growing business.

## **Regional Affiliates**

### **India**

Idea opened the year with strong all round performances. Revenue grew an excellent 22% YTD and EBITDA at 19%. Similarly, PAT in the period rose by 32%.

Idea starts the year in a position of strength with a cash profit of INR11, 522 million providing the company a strong hedge to face emerging headwinds from the challenging regulatory environment and aggressive competition.

### **Singapore**

M1 saw a good quarter with service revenue up 2.4% YTD, driven by growth in customer base and higher contribution from fixed services. EBITDA, at SGD149.2 million, was down 5% due to preparations of LTE rollout. PAT for the period did dip to SGD75.5 million from higher handset subsidies but this is expected to have a positive effect on revenue in the medium term.

Revenue from non-voice services rose by 1.9 percentage points to 37.1% of service revenue, driven by continued growth in smartphone customer base.

The launch of nationwide LTE services is scheduled towards the end of the third quarter where tiered smartphone plans will be announced.

## Commentary

Commenting on the quarter's results, Tan Sri Dato' Azman Hj. Mokhtar, Chairman of Axiata said, "The Group's focus on operations and cost has garnered positive results, a firm confirmation that we are on track towards building value. Furthermore, Axiata's recent move to actively manage its capital structure via the recent Sukuk announcements will ensure a more resilient balance sheet for future challenges".

Dato' Sri Jamaludin Ibrahim, President & Group Chief Executive Officer of Axiata commented "I am very happy with the continued strong results. We have held firm in our strategy and despite challenges we have continued to see strong sequential quarterly improvements across all major OpCos. On the OpCos, I am especially pleased to see strong double digit revenue growth at XL and Dialog. Strong performances across OpCos have led to our strong cash position. This has enabled us to provide shareholders an opportunity to enjoy sustainable dividends and growth opportunities at the same time.

Continued traction was also seen in data, with Celcom, XL and Dialog registering excellent performances. Emphasis on this segment has taken root and the business is robust. In the second half of the year, we will be focusing on group initiatives concentrating on data strategy as we continue to prepare for this growth segment".

## On Target to Meet KPIs

"The Group has seen an excellent first half with strong growth in all financial metrics. Moving into the second half of the year we are pleased to note that we are very much on track to meet headline KPIs" concluded Dato' Sri Jamaludin.

## Financial Snapshot

	QoQ	YoY	YTD
Revenue (%)	4.0	9.3	8.7
EBITDA (%)	6.7	9.2	6.7
PBT (%)	11.8	0.1	0.2
PAT (%)	19.2	0.5	0.5
PATAMI (%)	17.9	0.5	1.7
Normalised PATAMI (%)	4.4 <sup>6</sup>	12.2 <sup>7</sup>	10.3 <sup>8</sup>

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<sup>6</sup> Normalised for FOREX loss, Celcom tax incentive, Celcom and Hello asset impairment

<sup>7</sup> Normalised for FOREX gain/ loss, Celcom and Hello asset impairment, Celcom tax incentive

<sup>8</sup> Normalised for FOREX gain/ loss, Acquisition of Idea, Celcom and Hello asset impairment, Celcom tax incentive

## **About Axiata**

Axiata is one of the largest Asian telecommunication companies. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. India represents one of 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 and 'M1' in Singapore.

The Group, including its subsidiaries and associates, has over 210 million mobile subscribers in Asia. The Group revenue for 2011 was USD5.4 billion. The Group provides employment to over 20,000 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, 2010, 2011 and 2012 Asia Pacific ICT Award for Best Telecom Group and the Telecom Asia Best Regional Mobile Group 2010 and 2011 for its operations in multiple Asian markets.

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