

MEDIA RELEASE

Axiata posts stellar results, exceeds all targets registering strong revenue growth of 7.3% and normalised PAT growth of 7.3% at RM3.2 billion; Pays out 23 sen per share a 70% ordinary dividend payout ratio and a one-off special dividend of 12 sen per share

- **Group sees strong growth in operating cashflow of 5% despite heavy investment in data network**
- **The total estimated dividend to be paid for financial year ended 2012 will likely exceed RM3 billion, almost double the RM1.6 billion last year.**
- **All operating companies perform very well with increased revenue share in all respective markets**
- **XL, Dialog and Robi see strong double digit revenue growth of 15%, 24% and 27% respectively**
- **Strong Data revenue growth at Celcom and XL of 17% and 50% respectively; data traffic more than doubled at XL**

Kuala Lumpur, 21 February 2013, Axiata Group Berhad (**Axiata**) today reported strong results for the financial year ended 31 December 2012 – an all-round performance in terms of revenue and profit growth across all Operating Companies (**OpCos**), exceeding all key targets set for the year. All OpCos gained revenue share, marking another excellent year for the Group.

FULL YEAR 2012 RESULTS

Excellent execution by all OpCos on strategies saw strong topline growth across the board and the Group recording revenue growth of 7.3% in 2012. Excluding forex impact, at constant currency, revenue growth would have been double digit or 11.7%. The robust performance was on the back of continuous growth from all key markets. Revenue at Celcom¹, XL², Dialog³ and Robi⁴ was up 7%, 15%, 24% and 27% respectively.

The Group's EBITDA (**Earnings before Interest, Tax, Depreciation and Amortisation**) grew 4.2% to RM7.4 billion, an impressive 8.3% at constant currency, driven by the higher revenue and continued focus on cost management. Margins dipped by 1.2 percentage points due to aggressive network roll-out at Celcom and XL to accelerate the growth in data. Margins were also impacted following the introduction of SMS interconnection at XL.

PAT (**Profit after Tax**) in the period was up 6.2% to RM2.9 billion whilst actual PATAMI (**Profit after Taxation and Minority Interests**) was up by a strong 7.1% to RM2.5 billion. Excluding FOREX, at constant currency, PAT increased by 9.4% and PATAMI 10.0%. After adjusting for exceptional items, such as impairment, forex and other one-offs, normalised PAT was up by 7.3% and PATAMI by a strong 9.7%.

¹ Celcom Axiata Berhad
² PT XL Axiata Tbk
³ Dialog Axiata PLC
⁴ Robi Axiata Limited

Group's total subscriber base expanded to over 215 million, up 8.3% from a year ago, solidifying the Group as one of the largest telcos in the region.

Proposed Dividend

In light of the Group's strong performance, Axiata announced an accumulative increase in payout in dividends of 23 sen per share (single tier including interim dividend of 8 sen per share paid last year), with, a dividend yield of 3.6% for financial year ended 31 December 2012, based on a 6 month VWAP. This is a 70% payout which is an increase from the 60% payout last year. In addition to the 70% payout, Axiata announced a one-off special dividend of RM 1 billion, which will result in an additional 12 sen per share.

Based on the above, the combined dividend is 35 sen per share for financial year ended 31 December 2012. The total estimated dividend to be paid for financial year 2012 will likely exceed RM3 billion, almost double the RM1.6 billion last year.

The final dividend and one-off special dividend, based on the group's normalised PATAMI, is subject to the approval of the shareholders at the forthcoming Annual General Meeting ("AGM").

POSITIVE DATA TRENDS CONTINUE AT CELCOM AND XL

Malaysia

Strong performance was seen at Celcom. Even in a mature market, revenue grew by 7% in 2012 to RM7.7 billion pushed by the increase in advance data and dynamic local voice and SMS pricing. Similarly, EBITDA was up 7.1% and, despite aggressive investment for data, margins held steady through optimised spend measures and well managed network costs. The year also saw Celcom recording the highest ever PATAMI of RM2.2 billion, a growth of 5.1%.

The year saw strong growth in data services (excluding SMS), now contributing 23% to revenue, a growth of 17%. The uplift was driven by positive response towards aggressive offerings of smart phones and services. Voice usage continued to increase, posting a robust growth of 4%, on the back of voice stimulation initiatives and bundling offerings.

Indonesia

XL finished the year on a strong footing with positive performances across all services, recording strong revenue growth of 15% in 2012 to IDR21.3 trillion. This was driven by growth in data at 50% followed by SMS at 16% and Voice at 6%. EBITDA grew by 4% with EBITDA margin at 46%. Investment for data, which saw XL accelerating capex spending in the year, did have an impact on PAT which declined by 2% to IDR2.8 trillion.

Data was the fastest growing segment in the year, up by 50%, with an increased contribution of 15% in 2011 to 20% in 2012 with usage more than doubling. XL finished the year with a solid foundation to capture future data opportunities through its strategic investment, successfully enhancing its end-to-end data infrastructure.

In light of 2012's strong performance, XL has proposed to increase the dividend payment to 40% of 2012 normalised net income, subject to approval of its shareholders.

STRONG GROWTH CONTINUES

Sri Lanka

Dialog delivered strong double digit growth across all financial metrics. Performance during 2012 was underpinned by a healthy momentum in revenue, up an impressive 24% in 2012, an outstanding performance, especially for a market leader. Growth was driven by the strong performance in the mobile business. Group EBITDA for the FY 2012 was recorded at SLR 18.6 billion, a significant increase of 13% relative to the corresponding period in 2011. Group EBITDA Margin for FY 2012 declined marginally, by 3 percentage points, to 33% due to costs related to the modernisation of the company's network. Underpinned by the positive EBITDA growth, PAT grew by 23% to SLR 6.0 billion in FY 2012.

Data revenue, (excluding SMS and VAS), continued to show robust growth up by 53%. Voice usage continued to increase, posting a robust growth of 11%.

Positive free cash flow was maintained at Dialog on the back of strong EBITDA performance and despite investments in High Speed Broadband infrastructure. Accordingly, Dialog continued to maintain a structurally strong balance sheet with the Gross Debt to EBITDA ratio increasing marginally to 0.82x as at end of 2012 from 0.74x as at end of 2011.

In light of Dialog's strong performance, the Board of Directors of Dialog announced a cash dividend of SLR0.33 cents per share to shareholders, 45% of 2012 consolidated net income, an increase of 32% from 2011. The dividend is subject to Dialog shareholders' approval

Bangladesh

Robi continued its strong growth trajectory with double digit growth in all financial metrics. Despite competition, revenue growth continued, for the eleventh consecutive quarter, surging by 27% driven by voice and VAS from an enhanced subscriber base. In tandem, EBITDA grew by 28% with improved margins despite aggressive drive for growth. Robi accounted for 20% of Axiata's EBITDA growth in 2012.

PAT for the period showed a healthy increase on 2011, due to higher EBITDA and favourable forex exchange.

2012 was a tremendous year for Robi, performing much better than market, in terms of both subscriber and revenue growth. This was driven by several initiatives which included a more regionalised focus on business strategy, the revamp of Robi's brand proposition, offering innovative products as well as effective cost management.

During the year, Robi continued to leverage on its scale, emerging as one of the lowest cost producers of minutes in the world, despite regulatory and operational constraints.

REGIONAL AFFILIATES

India

Idea continues to improve revenue market share and despite intense competition, revenue and EBITDA were up by 15.7% and 16.0% respectively on a year-to-date basis. . PAT in the period increased by 45.2%.

Idea continues to invest in long term value creators especially on its network, launching 2,961 new sites (2G+3G) and expanding its optical fibre network. Data continues to gain traction now with 21.7 million subscribers, of its existing 114 million base, adopting data services, contributing 5.7% to service revenue. The active 3G subscriber base for the company now stands at 4.1 million.

In the recently concluded 1800MHz November 2012 spectrum auction, Idea won back spectrum in all 7 service areas for a period of 20 years, ensuring continuity of services to more than 8 million Idea customers as well as a pan-India presence for the company.

Following the strong performance, Idea's share price increased by 26% in 2012.

Singapore

M1 finished the year strongly with service revenue at SGD771.6 million up 3% in 2012, driven by growth in mobile customer base and higher contribution from fixed services. PAT for the full-year decreased 10.7% to SGD146.5 million due to higher handset subsidies. However, PAT for the latest quarter increased 14.4% quarter-on-quarter to SGD37.9 million, reversing the declines seen in the previous quarters. Free cash flow for FY2012 remained healthy at SGD152.3 million.

Revenue from non-voice services rose 2.0 percentage points to 37.6% of revenue, driven by continued growth in smartphone and mobile broadband customer base. Smartphone customers now accounts for 75% of total postpaid customer base.

The Board of Directors of M1 has recommended a final dividend of 6.3 cents per share, and in addition, a special dividend of 1.7 cents per share, taking full year payout to 90% of net profit after tax for 2012.

COMMENTARY

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "2012 was certainly an eventful year for Axiata. I am happy that the Group performed very well last year and exceeded all its KPIs. I am also happy to note that in 2012 Axiata's share price grew 28%, with total shareholders return (TSR) at 32.7%⁵, outperforming the Kuala Lumpur Composite Index for the third consecutive year. This, alongside the increased dividends, goes a long way towards value creation for shareholders".

Dato' Sri Jamaludin Ibrahim, President & Group Chief Executive Officer of Axiata added "It has been a great year for Axiata. A stellar year. I am very pleased with the Group's excellent growth in revenue and profitability despite competition and forex impact. In fact, if not for the appreciation of the Ringgit, the Group would have registered a double digit growth of 12% for

⁵ Based on Bloomberg data, between 30/12/11 and 31/12/12

revenue and 10% for PATAMI. I am also very pleased that all OpCos performed well, gaining revenue share in their respective markets”.

“2012 has been a year of investment for Axiata. Investment in data has already been reflected in enhanced quality of service which has seen a steady growth in data and revenue contribution in total, now at 21%. Celcom, XL and Dialog in particular, saw strong data growth of 17%, 50% and 53% respectively.

We have also lately seen increased competition, especially in Indonesia, and this will continue to be one of our biggest challenges in 2013. Whilst this is a concern, we have proven for the last many years that we are able to overcome such challenges and perform well amidst such conditions.

Moving forward, the Group will remain focused on our long-term transformation strategy. This includes a new approach to the current business, by defending and growing our traditional services whilst also, investing in new businesses. This will have an impact on margins in the short term, but we are confident of success in the longer term” concluded Dato’ Sri Jamaludin.

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 215 million mobile subscribers in Asia. The Group revenue for 2012 was USD5.7 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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