

## MEDIA RELEASE

**Axiata sees good quarterly traction with EBITDA and PATAMI up a robust 5% QoQ; exceptional growth in all emerging markets**

- **Group Revenue +5% (+8% at constant currency) and PATAMI +2% (+3% at constant currency) YTD; data grew 14% and continues to be growth driver**
- **Dialog, Robi and Smart<sup>1</sup> continue significant growth trajectory, with double digit revenue growth of 15%, 21% and 38% YTD respectively**
- **Data revenue for Celcom and XL up 16% and 13% YTD**
- **Overall performance affected by forex fluctuations**
- **Group announces interim dividend of 8 sen per share**

**Kuala Lumpur, August 30, 2013** – Axiata Group Berhad, (**Axiata**), today announced its unaudited results for the second quarter of 2013. Diligent execution of strategies across all operating companies (**OpCos**), has led to a strong quarter for the Group. The Group remained focused on delivering profitable revenue growth and managed to show healthier EBITDA growth despite significant investments in network. This marks a positive signal for the Group going into the second half of the year.

On a quarter-on quarter (**QoQ**) basis, revenue continued to show good traction up 3% driven by Celcom<sup>2</sup> and Robi<sup>3</sup>. Similarly, Earnings before Interest, Tax, Depreciation and Amortisation (**EBITDA**) showed healthy growth of 5% on the back of higher data usage at XL<sup>4</sup>. Profit after Tax and Minority Interests (**PATAMI**) was up 5% in the same period to RM645 million.

On a year-to-date basis (**YTD**), comparing first half 2013 to first half 2012, revenue was up 5% to RM9.1 billion. At constant currency, excluding the impact of foreign currency movements, revenue would have been higher at 8%. EBITDA dipped by 3% due mainly to data related costs at XL. PATAMI in the period was up 2% at RM1.3 billion, mainly due to the lower contribution from XL and unfavourable foreign exchange. At constant currency PATAMI growth would have been 3%. After adjusting for exceptional items, such as impairment, forex and other one-offs normalised PATAMI declined by 6%.

The Group remained focused on strengthening its core business to deliver profitable revenue growth and managed to show healthy EBITDA growth despite significant investments in network.

Regional mobile subscribers for the Group saw strong growth of 12% year-on-year (**YoY**) to almost 230 million, driven by XL and Idea.

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<sup>1</sup> Latelz Co., Ltd.

<sup>2</sup> Celcom Axiata Berhad

<sup>3</sup> Robi Axiata Limited.

<sup>4</sup> PT XL Axiata Tbk.

## **INTERIM DIVIDEND**

In the 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 2013.

## **CONTINUED FOCUS ON STRATEGY DELIVERS REVENUE GROWTH AND PROFITABILITY**

### **Malaysia**

Robust performance was seen at Celcom. Revenue for the quarter crossed the RM2 billion mark for the first time. On a YTD basis revenue grew 4% to RM4.0 billion mainly from the continuous growth of mobile internet. EBITDA growth continued to track revenue growth (4% for YTD and YoY) and, despite aggressive investment for data, margins held steady through smart spend measures and well managed network costs. PATAMI grew 2% YTD to RM1.1 billion.

The year saw strong growth in data services (excluding SMS and VAS), now contributing 16% to revenue, a growth of 16%. The uplift was driven by a positive response towards smart offerings of new products and services.

For the second half of 2013 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.

### **Indonesia**

XL saw positive traction in revenue growth after three tough quarters. Revenue grew 5% QoQ and EBITDA by 6% in the same period. Similarly PAT was up by a robust 20% in the quarter. The quarter saw XL consolidate on its market positioning. XL also regained its subscriber base in the quarter via a price optimisation strategy, which saw a 10% increase in subscribers QoQ.

On a YTD basis revenue saw growth of 1% despite declining voice and SMS revenue, driven by strong data traction with data revenue growth of 13% and non-voice now contributing 53% of total usage revenue.

XL continued to focus on data as the fastest growing segment with increased contribution to revenue. On a YTD basis, data revenue contributed 22% compared to 19% in the previous year. In addition, data traffic grew 88% with data subscribers now at 32 million or close to 59% of the total base.

To support the growing data demand, XL has invested in extensive data infrastructure to ensure superior data experience. The accelerated rollout of node Bs and investment in data infrastructure peaked in 2012. For 2013 XL will focus on capacity management, network optimisation and efforts to further increase network utilisation and data yields on capex spend to date.

## **Sri Lanka**

The Group's Sri Lankan operations, Dialog<sup>5</sup>, saw another excellent quarter recording strong YTD double digit growth of 15% in revenue of SLR30.9 billion. This was driven by steady revenue growth across all business segments particularly mobile. During the quarter, Dialog earned the distinction of becoming the first operator in South Asia to launch 4G FD-LTE High Speed Mobile broadband services. LTE is being rolled out on a demographically targeted, affordability driven methodology.

EBITDA in the corresponding period increased by 9% on the back of stronger growth in revenue. PAT in the period increased by more than 100%.

## **Bangladesh**

Robi continued to post outstanding double digit growth across all financial metrics. Revenue was up 21% to BDT22.4 billion due to strong voice as well as data growth. The quarter saw Robi become the undisputed number 2 player in Bangladesh based on revenue share.

EBITDA in the period also increased by 40%, driven by higher revenue and cost optimisation. Margins also held steady at 37.9%, an impressive feat in a growing business. Similarly, YTD PAT was up significantly by more than 100% to BDT2.2 billion driven by lower finance costs.

Robi saw strong subscriber growth of 19% YoY, following an aggressive acquisition drive and focused retention initiatives.

## **STRONG GROWTH CONTINUES AT REGIONAL AFFILIATES**

### **India**

Idea started the year with strong all round performances. Revenue grew an excellent 19% YTD and EBITDA by 45%. Similarly, PAT in the period was up 98%.

The first quarter of the fiscal year saw the highest 'Mobile Data' adoption with 12.6 million new data customers. Data, as a % of service revenue, improved by 3% YTD now contributing 7% to service revenue.

Idea starts the year in a position of strength with a cash profit of INR17.4 billion providing the company a strong hedge to face emerging headwinds from the challenging regulatory environment and the emerging triple play telecom opportunities in voice, data and video.

### **Singapore**

M1 saw a good quarter with service revenue up 7% YTD, to SGD407 million driven by growth in customer base and higher contribution from mobile data. PAT increased by 6% to SGD80.0 million.

Smartphone customers now account for 80% of the postpaid customer base and data usage on smartphones continued to grow. Revenue from non-voice services now accounts for 40% of service revenue.

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<sup>5</sup> Dialog Axiata PLC.

In the second quarter, M1 added 55 thousand customers bringing the total customer base to 2 million, of which 307 thousand were 4G customers. During the recent spectrum re-allocation exercise M1 secured 40 MHz of paired spectrum in the 1800 MHz and 2.5 GHz bands which will enable the company to further optimize its nationwide 4G network and to deploy LTE advanced technology when available.

## **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 achieved positive results, a confirmation that we can continue with this momentum into the second half of the year. Forex volatility is still a concern, but given the continued operational improvements this quarter, we are confident that the momentum will remain strong in Malaysia and regionally".

Dato' Sri Jamaludin Ibrahim, President & Group Chief Executive Officer of Axiata commented "I am happy with the Group's strong revenue growth, especially at Dialog and Robi. I am also pleased to see strong sequential quarter-on-quarter improvements across all major OpCos, posting improvements in almost all key financial metrics. At more than 70% of service revenue, voice and SMS still makes up the bulk of our business but momentum in data is growing fast. In light of this, we have remained aggressive in our investments in data, but monitoring closely to ensure our investments are targeted and done at the most opportune time and in line with the growing demand".

## **Moving Forward**

"Competition in Indonesia and currency volatility is still a concern but our business remains strong and we continue to execute strongly on our strategy to deliver long term growth. Based on the performance so far, at constant currency and barring any external factors that could materially affect our performance in the second half of the year, we expect the Group's full year revenue and EBITDA growth to be on track to meet our KPIs" added Dato' Sri Jamaludin Ibrahim.

## **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.

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, 'Smart' in Cambodia, 'Idea' in India and 'M1' in Singapore.

The Group, including its subsidiaries and associates, has close to 230 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, 2012 and 2013 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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