

## MEDIA RELEASE

### Axiata sees good sequential improvement with QoQ PATAMI improving 11%

- Dialog<sup>1</sup>, Robi<sup>2</sup> and Smart<sup>3</sup> continue significant growth trajectory, with double digit revenue growth of 14%, 19% and 36% YTD<sup>4</sup> respectively

**Kuala Lumpur, 27 November 2013** – Axiata Group Berhad, (**Axiata**), today announced its unaudited results for the third quarter of 2013. Building on its steady performance in key markets, especially with excellent growth in Sri Lanka, Bangladesh and Cambodia, Axiata posted healthy year-to-date (YTD) revenue and higher PATAMI (**Profit after Taxation and Minority Interests**). On a quarter-on-quarter<sup>5</sup> (QoQ) basis, strong growth momentum was seen across all operating companies (**OpCos**), with XL<sup>6</sup> in particular posting an encouraging 5% growth in both revenue and EBITDA (**Earnings Before Interest, Tax, Depreciation and Amortisation**).

## YEAR-TO-DATE PERFORMANCE

Continued stable performances were seen across the Group, recording healthy revenue growth despite forex fluctuations and increased competition. This was on the back of the Group's robust data growth and higher active subscribers and usage in Sri Lanka, Bangladesh and Cambodia. The acquisition of Smart in Cambodia also had an impact with revenue growing significantly by 36% mainly from its prepaid segment. Group revenue was up 5% YTD to RM13.9 billion. At constant currency, revenue growth would have been higher at 7%. EBITDA dipped by 1.2% in the same period partly due to the strengthening Ringgit against local currencies. At constant currency EBITDA growth would have been 0.8%. The strengthening Ringgit against most local currencies, higher costs incurred to support the aggressive network expansion for data as well as a change in revenue mix, did have an impact on margins, which dipped 2.5 percentage points to 40.1%.

PATAMI, was RM2.0 billion, a growth of 1.7%. At constant currency increase would have been higher at 2.3%. Normalised PATAMI, adjusted for exceptional items, was up by 0.6%.

Strong growth was seen in regional mobile subscribers with an 18% increase YTD, led by XL and Idea, to almost 240 million.

## QUARTER-ON-QUARTER RESULTS

On a QoQ basis, Group performance reflected strong sequential improvement. Axiata saw a revenue growth of 3% QoQ, driven by sustained operational improvements by all key OpCos. EBITDA improved by 3%, in the same period, on the back of positive contributions from all key OpCos. Similarly, PATAMI for the quarter was up a strong 11%, 25% on a normalised basis.

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<sup>1</sup> Dialog Axiata PLC

<sup>2</sup> Robi Axiata Limited

<sup>3</sup> Smart Axiata Co., Ltd

<sup>4</sup> YTD refers to YTD2013 vs YTD2012

<sup>5</sup> QoQ refers to Q32013 vs Q22013

<sup>6</sup> PT XL Axiata Tbk

## **DATA LEADS GROWTH AT CELCOM AND XL**

### **Malaysia**

Celcom<sup>7</sup> maintained steady growth amidst competitive market conditions with revenue up by 4% YTD, driven primarily by data. EBITDA in the period was up by 3% with EBITDA margin still healthy at 44% due to continuous focus on smart spend.

Growth in non-voice services remained strong. Data now contributes 17% to revenue, supported by increased usage and encouraging take up of smartphones and tablets. At 3.8 million subscribers, smart phone users now make up 28% of the network. Data consumption increased 65% between Q3 last year vs. Q3 this year. With focus remaining on data for future growth, Celcom will continue to prioritise this segment with the accelerated roll-out of LTE and IT capability geared towards the changing environment. This will also be accompanied by innovative data offerings and services such as the recently launched Escape service which provides entertainment across multiple devices including smart phones, tablets and PCs.

### **Indonesia**

XL saw positive growth trends continue, now for two consecutive quarters, recording a 5% QoQ increase in revenue of IDR5.5 trillion driven by strong data traction. Data revenue growth was 15% YTD. In the same period, non-voice revenue contributed 54% of total usage revenue. Data revenue contributed 23% compared to 19% in the previous year. In addition, data traffic grew 125% year on year with data subscribers now at 33.7 million subscribers or about 58% of the total base.

As of Q313, smartphone devices grew significantly by 55% compared to last year, reached 9.2 million users or 16% of the total base. Data represents a tremendous opportunity for XL and investments are still being prioritized to enhance service experience in data potential areas with XL investing IDR5.8 trillion in paid capex towards network modernisation. This did have an impact on EBITDA which dipped 14% YTD. EBITDA margin in the period was at 40% and PAT at IDR917 billion.

## **STELLAR GROWTH IN SOUTH ASIAN OPERATIONS**

### **Sri Lanka**

The Group's Sri Lankan operations Dialog demonstrated strong revenue growth across all businesses, Mobile, International, Digital Pay Television, Tele-infrastructure and Fixed Line businesses. Robust double digit YTD revenue growth of 14% was posted primarily from strong performance of the mobile segment driven by both voice and data revenues. On the backdrop of strong revenue growth, EBITDA increased 8% at SLR15.3 billion, with margin of 33%.

YTD PAT was impacted by higher depreciation charges arising from expansion in 3G and data infrastructure.

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<sup>7</sup> Celcom Axiata Berhad

## **Bangladesh**

Robi continued to post outstanding double digit growth across all financial metrics. Strong growth was achieved despite competitive pressure, with revenue up 19% on a YTD basis. Healthy revenue growth was mainly from data now contributing 2% of total revenue, a hike of 45%. EBITDA was also up a significant 63% in the same period with Robi the highest contributor to Group EBITDA growth.

Similarly, PAT in the period was extremely strong at more than 100%. Amidst aggressive market competition, Robi continued to grow subscriber base with a 19% YTD increase.

## **REGIONAL AFFILIATES**

### **India**

Idea maintains growth in its second quarter, despite intense competition and saw an additional 13.1 million subscribers added to its base, the highest incremental VLR subscriber share in the industry. Idea continued to post strong growth with revenue was up an impressive 19% and EBITDA by 42% on a YTD basis. PAT was up 92% in the period.

Mobile data continued to gain traction, with 14.7 million new data customers. Data revenue improved by 3%, now contributing 9% of total service revenue from a year ago in the same quarter.

### **Singapore**

M1 continued its steady increase in customer base, despite the highly saturated market, adding 73,000 mobile customers and 33,000 fibre customers as at end September 2013. With the majority of customers now on smartphones, data usage continued to grow and revenue from non-voice services for the quarter grew 4.3 percentage points YTD to 42% of service revenue.

Service revenue was up 6% on a YTD basis, driven by the growth in customer base and higher revenue from mobile data. PAT up 19% to SGD39.5 million in the same period.

## **COMMENTARY**

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "The performance of the Group continues to demonstrate the resilience of our core operations and focused execution despite currency volatility and a difficult operating landscape. We will maintain the positive momentum by focusing on operational fundamentals and improving profitability and cash generation, whilst looking at new opportunities in the market."

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "I am pleased to see sequential improvements across all OpCos, especially XL and Robi. We continue to make progress in strengthening our high performance core business and create next-generation growth engines in the digital space. The Group saw strong QoQ revenue and EBITDA recovery aided by XL. Normalised PATAMI was particularly strong, with the Group posting double digit growth of 25%. The Group's data growth remains encouraging with all OpCos seeing further traction in the segment. To support growth opportunities in data, we have embarked on several initiatives which include our IT transformation, across the Group, as well as investment in data network.

We have been aggressively investing in data network in the last two years. Moving forward, we are transforming further to provide convergence and digital services which include digital

entertainment, digital commerce, m-payment and m-advertising services. To this end, we have already launched 'Escape', the digital OTT (over the top) entertainment services at Celcom in August; acquired the biggest e-commerce company in Sri Lanka, 'Anything.lk'; and launched our digital partnership with SK Telekom in Indonesia. This will have an impact on EBITDA in the short term but we are confident of success in the longer term as the group transforms into a mobile lifestyle company beyond voice."

## **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 240 million mobile subscribers in Asia. The Group revenue for 2012 was USD 5.7 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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