

MEDIA RELEASE

Axiata Group registers PATAMI of RM2.6 billion, and pays dividend of 22 sen per share

- **Group announces dividend payout of 22 sen per share, a 75% payout and a 5 percentage points increase over last year**
- **Celcom¹ grew faster than the market on revenue and continues to register record profits, highest in the industry**
- **Dialog² and Robi³ see significant growth trajectory, with double digit revenue growth of 12% and 16% respectively**
- **Profits at Robi and Smart⁴ more than doubled while Idea's profits increased by almost 80%**
- **Celcom and XL⁵ see continued robust data performance, both still posting double digit data revenue growth of 16%**

Kuala Lumpur, 20 February 2014, Axiata Group Berhad ("**Axiata**") today reported strong results for the financial year ended 31 December 2013. Despite volatile markets, intense competition and emerging market challenges, the Group managed to sustain underlying performance for the 5th consecutive year. Most Operating Companies ("**OpCos**") performed well with the Group posting solid revenue growth of 4.1%. PATAMI ("**profit after tax and minority interests**") grew 1.5% despite forex impact of RM201 million as well as significant capex and opex investments in data and new initiatives.

FULL YEAR 2013 RESULTS

The Group is strengthening its core businesses further and making progress with strategic initiatives in the digital space. Diligent execution of strategies by all OpCos resulted in the Group recording revenue growth of 4.1% year-on-year (**YoY**⁶) to RM18.4 billion. Weakening currencies as well as increased challenges at XL did however impact revenue.

The Indonesian Rupiah declined by 8% against the Malaysian Ringgit in 2013. At constant currency Group revenue growth would have been 6.7%.

Excluding XL, which saw flat revenue due to intense competition, Group revenue would have been up 11.1%, testament to the excellent performance by Celcom, Dialog, Robi and Smart. The Group's EBITDA ("**Earnings before Interest, Tax, Depreciation and Amortisation**") dipped by 2.1% to RM7.3 billion. At constant currency, EBITDA would have been stable at 0.6%.

¹ Celcom Axiata Berhad
² Dialog Axiata PLC
³ Robi Axiata Limited
⁴ Smart Axiata Co., Ltd
⁵ PT XL Axiata Tbk
⁶ YoY refers to FY2013 vs. FY2012

PATAMI in the period was up 1.5% or 2.2% at constant currency mainly due to strong performance of Celcom and Robi.

Group's total subscriber base expanded to close to 244 million, up 19% from a year ago, with strong growth at XL and Idea, making the Group one of the largest telcos in the region.

Axiata ended the year in a position of strength with RM6.4 billion in cash and maintained healthy balance sheet, a significant achievement amidst a volatile economic backdrop. Axiata's Gross Debt to EBITDA ratio is now at 1.85x.

PROPOSED DIVIDEND

In light of the Group's strong performance, Axiata announced an accumulative increase payout in dividends of 22 sen per share (single tier including interim dividend of 8 sen per share paid last year), a 75% payout which marks a 5 percentage point increase from 2012's ordinary dividend payout ratio of 70%. The final dividend, based on the group's normalised PATAMI, is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

In the future the group will continue maintaining healthy dividend payout subject to a number of factors. This includes actual 2014 overall financial performance, capital requirements, growth expansion strategies as well as dividends received from subsidiaries.

POSITIVE DATA TRENDS CONTINUE AT CELCOM AND XL

Malaysia

Celcom closed the year with another excellent performance. Subscribers surpassed 13 million making Celcom the no 1 player in the industry in terms of subscribers. Revenue remained healthy, growing faster than the market, up a robust 4% YoY to RM8 billion driven by data and mobile broadband. Non-voice grew 3% YoY amounting to a 34% contribution to revenue.

Celcom defended its market dominance in mobile broadband closing the year with 1.2 million subscribers, a growth of 17% YoY. The year saw strong growth in data services (excluding SMS and VAS), now contributing 17% to revenue, a growth of 16% from 2012. The uplift was driven by increased smartphone penetration and positive response towards attractive offerings of data services. Smartphone users increased by 48% YoY, with mobile data excluding dongles growing 47%. At 6 million, data users now represent 46% of Celcom's total subscribers.

Celcom continued to generate healthy cash balance and saw 12% PATAMI growth, highest in the industry, to RM2.1 billion. EBITDA for the period rose 3% to RM3.6 billion, from aggressive pursuit of smart spend initiatives and cost saving measures.

For 2014, Celcom will enhance its focus on mobile data. Work has already begun on improving network quality and capacity for better customer data experience which saw Celcom investing RM923 million for capex mainly on network modernization, LTE and IT transformation.

Indonesia

XL saw a very challenging 2013 with increased competition and forex pressures. Despite this XL recorded stable revenue of IDR21.4 trillion, up by 0.3%, driven by strong data traction with data revenue growth of 16% YoY. Non-voice revenue contributed 54% of total usage revenue, an increase from 50% a year ago.

Data remains the fastest growing segment and key contributor with 23% contribution to usage revenue compared to 20% in the previous year. In addition, data traffic saw high growth of 142% YoY with data subscribers now at 33 million or more than half of the total base.

In 2013, investment in data infrastructure, to capture the growing opportunity in data, remained a key strategy although this did have a short term impact on financials. In FY2013, XL rolled out 15% more 3G base stations from the year before and now offers the second largest 3G coverage in Indonesia. In addition, XL continued its effort to upgrade its network through modernization in majority 2G and 3G sites across Indonesia, to deliver better network speed, capacity and improve cost efficiency.

XL recorded a YoY growth of 32% of customers and ended the year with 60.5 million subscribers.

In 2013, EBITDA stood at IDR8.7 trillion with EBITDA margin at 41% and PAT at IDR1.0 trillion.

DOUBLE DIGIT REVENUE GROWTH MOMENTUM CONTINUES

Sri Lanka

Dialog continues to post strong growth. Performance during 2013 was underpinned by a healthy momentum in revenue, up 12% in 2013, an impressive performance especially for a market leader. Growth was driven by the strong performance in the mobile business. Group EBITDA for the FY2013 was recorded at SLR 19.9 billion, an increase of 7%. Group EBITDA margin for FY2013 declined marginally, by 2 percentage points, to 31% due to costs related to the modernisation of the company's network. PAT declined by 14% due to revenue based tax provision of SLR1.1 billion.

Data revenue, continued to grow up by 59% with voice usage continuing to increase, posting a robust growth of 8%.

In light of Dialog's strong performance, the Board of Directors of Dialog announced a cash dividend of SLR0.29 per share to shareholders, 45% of 2013 consolidated net income. The dividend is subject to Dialog shareholders' approval.

Bangladesh

Robi continued its strong growth trajectory with double digit growth across all financial metrics. Despite competition and political unrest, revenue growth continued surging by 16% on the back of both voice and data. In tandem, EBITDA grew by an impressive 30% with stable margins despite aggressive drive for growth. Following suit, PAT for the period was also up by more than 100%.

Smart

Post-merger, Smart saw impressive growth in all KPIs. Revenue for the combined entity was up 36% and EBITDA by more than 100%. PAT in the period more than doubled.

REGIONAL AFFILIATES

India

Idea ended calendar year⁷ (CY) 2013 with strong all round performance. Continuing its trajectory of expanding market share, Idea posted impressive revenue growth of 17% in CY 2013 v/s CY 2012. EBITDA in the period also rose 37% despite higher network expansion and inflationary pressures. Idea also improved EBITDA margin by 4.3 percentage points to 30.5% on the back of cost optimization measures and scale benefits. PAT in the period increased by almost 80%.

Data adoption saw strong traction with data revenue as a percentage of service revenue improving by almost 4 percentage points. The company added 4.6 million new 3G users in 2013 with data subscribers now at 8.7 million.

Singapore

M1 ended the year on a positive note with service revenue up 6% YoY to SGD819.8 million, driven by growth in postpaid and fixed customer base as well as higher revenue from mobile data. Operating revenue declined 6% to SGD1.0 billion due to lower handset sales. PAT increased 9% YoY to SGD160.2 million.

Mobile data usage continued to grow and revenue from non-voice services up 4.0 percentage points YoY to 42% of service revenue. As at end FY2013, mobile customer base was 2.11 million and postpaid customers grew by 35,000.

M1 expects growth in 2014 to be driven by mobile data and fixed services. Mobile data will be driven by customers upgrading their smartphone plans and increasing adoption of smartphones by prepaid customers. With the planned network investment for the year such as the upgrade of the 4G network to LTE-Advanced, M1 is well-placed to capitalise on these opportunities.

COMMENTARY

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "It has been a good year for Axiata with the group continuing to deliver stable financials and performance amidst a challenging environment. A significant amount of work and investment have been done in the year to shape our future. This and the healthy dividend payout go a long way towards enhancing value for shareholders."

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "The Group faced a challenging 2013 due to competition, adverse forex movements and data

⁷ From January-December 2013

investments in Indonesia. Nevertheless, I am pleased to note that the Group still managed to end the year in a position of strength, sustaining our growth momentum now for the 5th consecutive year. 2013's performance is testament to the Group's flexibility at navigating our way through increasingly difficult market conditions. Our OpCos have mostly performed very well across key metrics. I am particularly pleased with all-round excellent performances by Celcom, Dialog, Robi, Smart and Idea. Robi, and Smart in particular, saw significant double digit growth and managed to double their profits. Idea increased profits by almost 80%. The continued achievements seen in 2013 have enabled us to progressively increase our dividends at group level".

Outlook for 2014

'2014 will be an important year for Axiata as we progress in our transformation beyond a traditional telco. Our strategy to deliver long-term growth by enhancing the efficiencies of the core business and creating new growth platforms in the digital space is tracking well. Despite the exacting market conditions, at constant currency we managed to exceed our headline KPIs in 2013, except for revenue which was impacted by competitive challenges and substantial forex loss in Indonesia. At the same time, competition has intensified and regulatory challenges continue, which makes the ability to adapt crucial. However, our healthy balance sheet, strong cash flow generation and continued underlying performances from our OpCos puts us on solid footing to face the upcoming challenges.

We will continue to focus and invest on data which will be the main driver for growth. This will have an impact in the short term but necessary in order to sustain business growth in the burgeoning data space. Both Celcom and XL in particular, have seen data's contribution to revenue continuously grow year on year and we expect this to continue in 2014" concluded 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. In addition, the Malaysian grown holding company has stakes in non-mobile telecommunication operations in Thailand and Pakistan.

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 244 million mobile subscribers in Asia. The Group revenue for 2013 was USD5.8 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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