

MEDIA RELEASE

Axiata reports solid net profit of RM2.3 billion and declared dividend payout of 22 sen per share; YoY Q4 PATAMI grew by 3% to RM595 million

- **Group year-end cash position at RM5.1 billion**
- **Smart¹, Robi², Dialog³ and XL⁴ deliver excellent overall performance better than industry, with revenue growth of 36%, 9%, 6% and 10% respectively**
- **XL completes Axis integration and deliver results well ahead of schedule**
- **Gross Debt to EBITDA less than 2x reflecting prudent capital and financial management**

Kuala Lumpur, 25 February 2015 – Axiata Group Berhad, (**Axiata**), today announced its audited results for the financial year ended 31 December 2014

Group sustained underlying performance and strong cash position, paying out a dividend of 22 sen, amidst volatile markets, intense competition and a weakening Indonesian Rupiah.

FULL YEAR 2014 RESULTS

The Group saw a mixed year with stellar results from most operating companies but Celcom's⁵ previous exemplary track record was marred partly due to IT Transformation. Diligent execution of strategies by most OpCos resulted in the Group recording stable revenue growth of 1.9% year-on-year (**YoY**⁶), 4.4% at constant currency, to RM18.7 billion. Axiata had excellent performances from Dialog, Robi and Smart in particular. XL too, saw revenue up 10% on local currency basis. The Indonesian Rupiah declined by 9% against the Malaysian Ringgit in 2014. At constant currency, Group revenue growth would have been 4.4%, testament to the excellent performance by the Group's emerging market assets and a reflection of Axiata's resilience from a diversified portfolio.

The Group's earnings before interest, tax, depreciation and amortization (**EBITDA**) dipped by 3.7% to RM7.0 billion. Profit after taxation and minority interests (**PATAMI**) in the year was RM2.3 billion, down by 7.9% affected by Celcom's IT transformation related issues, Axis integration costs and the weakening IDR currency.

Data continued to be the main growth driver, up 31.5%YoY. Data revenue showed strong growth in all markets driven by increased smartphone penetration. Axiata is strengthening its core businesses further and making progress with strategic initiatives in the digital space and the tower business (edotco).

¹ Smart Axiata Co., Ltd

² Robi Axiata Limited

³ Dialog Axiata PLC

⁴ PT XL Axiata Tbk

⁵ Celcom Axiata Berhad

⁶ YoY refers to FY2014 vs. FY2013

Axiata ended the year in a position of strength with RM5.1 billion in cash and maintained a healthy balance sheet, a significant achievement amidst a volatile economic backdrop. Axiata's Gross Debt to EBITDA ratio is now at a very healthy 1.99x.

PROPOSED DIVIDEND

In light of the Group's good performance, Axiata maintained dividends of 22 sen per share (single tier including interim dividend of 8 sen per share paid last year), an 84% payout. The final dividend, based on the group's normalised PATAMI, is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Subject to actual 2015 overall financial performance, capital requirements, growth expansion strategies as well as dividends received from subsidiaries, Axiata will continue its current dividend policy.

DATA LEADS GROWTH AT CELCOM AND XL

Malaysia

After 31 consecutive quarters of excellent growth, Celcom saw challenges in the fourth quarter impacted by system related issues, a tightening of short code offerings as well as changing consumer behaviour with the increase of smartphone adoption.

Celcom's massive IT transformation exercise, a major undertaking and spanning all touch points from dealers, customer care to retail outlets, now at stabilisation stage, did have an impact on results but is set to ensure better customer experience whilst establishing a platform for growth in the long run.

Enhanced Smarter spend initiatives and continued focus on cost structures resulted in a decrease in operating expenses by 4% YoY.

Data continued to show good traction, the fastest growing segment. Despite the overall sluggish market, data grew an impressive 24%, now contributing 22% of YoY total revenue from 17% in 2013, fuelled by mobile internet revenue up 50%. Growth in the data segment was achieved on the back of an upsurge in smartphone penetration that climbed 15 percentage points to 47% from 32% a year ago.

To support the growing data demand, Celcom continues to enhance its focus on mobile data with innovative and attractive data services and applications. This will be alongside concerted efforts to enhance network quality. Celcom will invest about 25% of its capital expenditure for its 4G expansion and remains committed to enhancing network excellence alongside expanding and accelerating its LTE of network development nationwide.

Indonesia

XL posted an increase in gross revenue of 10% YoY to IDR23.6 trillion (RM6.5 billion) primarily driven by an increased customer base from the Axis integration as well as a surge in Data revenue of 42%. Data revenue contributed 29% to XL's total usage revenue

compared to 23% in the preceding year. In addition, XL achieved a 3% growth YoY each in Voice and SMS revenues.

Healthy growth in Data revenue was fuelled by higher Data traffic and an increase in smartphone penetration. Focus in making mobile internet services more accessible and convenient resulted in an increase of Data traffic growth of 127% YoY. Smartphone adopters increased to 16.1 million and comprising 27% of the total base.

EBITDA was stable at IDR8.6 trillion (RM2.4 billion) with EBITDA margin of 37% against 41% in 2013. Lower margin was expected due to the integration of Axis, progress of which is ahead of schedule. XL's focus on cost savings and business growth has already resulted in significant improvements in EBITDA and EBITDA margin in the fourth quarter of 2014. The year registered a loss of IDR891 billion (RM246 million) as a result of the Axis acquisition and a weaker Rupiah.

In line with XL's strategy of focusing on its core business, the year saw the completion of sale of 3,500 towers to PT Solusi Tunas Pratama Tbk. (**STP**). XL will lease back the towers from STP under favorable terms and conditions for a period of 10 years. The proceeds of IDR5.6 trillion (RM1.5 billion) will be used to pare down debt and improve capital position. Following the assessment of accounting treatment of this transaction, the lease back of most of the towers will be treated as finance lease with the gain from sale being recognized over the period of the lease, i.e. 10 years.

STELLAR GROWTH IN OTHER FOOTPRINTS

Sri Lanka

Dialog demonstrated strong revenue growth across businesses of mobile, digital pay television and fixed line. YoY revenue growth was 6%, due to strong performance of the mobile business segment driven by growth in data revenues up 57%. YoY EBITDA was up 5% at SLR20.9 billion (RM524 million), with margin of 31%.

YoY PAT was up an impressive 17% to SLR6.1 billion (RM153 million), driven by higher EBITDA and lower forex translation losses.

Bangladesh

Robi continued its strong growth trajectory with strong growth across all financial metrics, outperforming the industry. YoY revenue increased by 9% with data revenue growing by more than 120% and now accounting for 6% of total revenue against 3% in 2013. In tandem, EBITDA grew by an impressive 18% and margin improved by 2.9 percentage points to 38.3%. Following suit, PAT for the year was also up by 20% despite significant growth in related capex investments.

Cambodia

Smart continued to post stellar double digit growth across all financial metrics. In a competitive and crowded market, YoY revenue increased 36% and EBITDA by 61%. PAT during the period more than doubled.

Data revenue surged by 135% and now accounts for 22% of total revenue. Total data subscribers of 1.8 million now represent 27% of total subscriber base.

REGIONAL AFFILIATES CONTINUE STRONG PERFORMANCES

India

Idea reported all round strong performance for the 9 months FY14. YTD revenue increased 19%, on the back of increased subscribers, voice MOUs and growth in mobile data volume. EBITDA in the period was up by 28% and PAT increased by a significant 63%.

Singapore

M1 ended the year on a positive note with operating revenue up 6.8% to SGD1,076.3 million (RM2.8 billion) driven by bundled data offerings. Service revenue grew 1.4% to SGD831.1 million (RM2.1 billion), benefiting from growth in postpaid and fixed customer base, as well as higher revenue from mobile data. PAT increased 9.7% to SGD175.8 million (RM454.0 million).

Revenue from mobile grew 4.2% to SGD671.1 million (RM1.7 billion) due to higher postpaid revenue. Mobile data usage continued to grow with non-voice services revenue increasing 5.7 percentage points year-on-year to 47.3% of service revenue. With the launch of Singapore's first next-generation 4G network, enabling download speeds of up to 300Mbps M1 expects higher data usage for 2015.

The Board of Directors has recommended a final dividend of 11.9 cents per share, taking full year payout to a total of 18.9 cents per share.

COMMENTARY

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "2014 was a challenging year, especially at Celcom. Added to this the Group, as with most regional companies, was impacted by adverse forex movements. The Group has nonetheless delivered good dividends as a result of our overall healthy profitability. This is a reflection of prudent cash management as well as a diverse portfolio".

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "Smart, Robi and Dialog continued to do exceptionally well, performing better than the market. XL completed the integration with Axis well ahead of schedule and performed better than the industry in terms of overall performance. I am also happy to see the Group post healthy profit of RM2.3 billion with a very strong balance sheet which allowed us to increase dividend payout without compromising our ability to support future growth. Conversely, challenges continued both with forex losses as well as at Celcom, due to IT migration related issues.

Going in to 2015 the Group will be looking to regain momentum at Celcom, and XL. XL is now able to aggressively compete after the completion of Axis integration, whilst Celcom will be better placed, post IT transformation, to launch new products and better services.

Data remains a priority with accelerated growth expected across our markets. We will remain aggressive but targeted in our investments to capitalize on this" concluded Dato' Sri Jamaludin.

ABOUT AXIATA

Axiata is one of the largest Asian telecommunications 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 a stake in non-mobile telecommunication operations in 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 over 250 million mobile subscribers in Asia. The Group revenue for 2014 was RM18.7 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, 2013 and 2014 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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