

MEDIA RELEASE

Axiata posts profits of RM585 million in Q1, 2015 and sees healthy revenue growth of 5%

- **Axiata revenue increases 5% YoY to RM4.8 billion**
- **Dialog¹ and Robi² continue strong growth trajectory with YoY revenue up 6% and 4% respectively**
- **Smart posts stellar double digit growth across all financial metrics**
- **Idea finishes their financial year³ with double digit growth across all financial metrics**

Kuala Lumpur, 19 May, 2015 – Axiata Group Berhad (Axiata) today announced its un-audited results for the first quarter of 2015. The Group saw good top-line performance, in a seasonally slow quarter, amidst heightened competitive pressures and maturing markets. Almost all the Group's operating companies (OpCos) posted robust revenue growth, despite an exacting start to the year, with Smart performing exceptionally well. Revenue for the Group was RM4.8 billion, up 5% year-on-year (YoY). EBITDA (earnings before interest, tax, depreciation and amortisation) dipped by 3% to RM1.7 billion due to higher network costs at Celcom⁴ and XL⁵. PATAMI (profit after taxation and minority interests) was also impacted in the period, down from RM675 million to RM585 million. This was due to a more challenging quarter at Celcom and XL, a weakening Rupiah and increased depreciation costs arising from growth driven capital expenditure.

Group's data revenue continues to grow exceptionally well with all OpCos posting great traction in the segment. The quarter saw the Group investing more than RM1 billion in capex, primarily towards strengthening the data network.

The Group's cash position remained robust at RM5.7 billion.

DATA DRIVES PERFORMANCES AT CELCOM AND XL

Malaysia

Challenges continued at Celcom due to its IT transformation project which is now at the final stages of being resolved. The IT transformation is aimed at achieving competitive advantage and delivering the best customer experience to customers in the long term. YoY revenue grew 1% whilst EBITDA and PATAMI declined 8% and 12% respectively, impacted primarily by higher devices sale and change in the revenue mix. Initiatives have been put in place to boost sales and revenue, focusing on re-energising the distribution channels and introducing new data packages.

¹ Dialog Axiata PLC

² Robi Axiata Limited

³ Idea's financial year ended 31st March, 2015

⁴ Celcom Axiata Berhad

⁵ PT XL Axiata Tbk

Data was the fastest growing segment with double digit 36% YoY growth. Data revenue accounted for 26% of total revenue compared to 19% in the previous year.

To support the growing demand for data related products, Celcom will continue its aggressive investments in data network.

Indonesia

XL saw a slow start to the year with revenue of IDR5.5 trillion with flat growth YoY. This was partly due to a reduction in tower rental revenue following the sale and leaseback of the towers in Q4'2014. Voice revenue remained stable but data segment posted growth of 29% YoY. Data revenue now accounts for 32% of XL's total service revenue compared to 26% a year ago. XL's continued focus in making mobile internet services more accessible and convenient resulted in an increase of data traffic of 92% YoY. Smartphone adopters in XL's network increased 54% to 17.2 million, representing a smartphone penetration rate of 33%.

EBITDA was down 15% YoY to IDR 1.9 trillion with EBITDA margin at 34%. The lower EBITDA was due to lower tower rental revenue as well as higher operating costs arising from the integration of Axis as well as higher network expansion costs. Similarly, PAT was impacted as a result of lower EBITDA, higher depreciation charges from growth driven by capital expenditure and the weakening Rupiah.

XL will continue to expand its business beyond voice and SMS to provide rich digital content and applications. During the quarter, XL invested IDR1.2 trillion in capex on efforts to expand its data infrastructure and mobile services, funded by internally generated funds.

OUTSTANDING PERFORMANCE IN EMERGING MARKETS

Sri Lanka

Dialog's performance continued to shine, with revenue up 6% YoY to reach SLR17.3 billion, an impressive performance especially for a market leader. This was driven by healthy growth in the mobile business and increased adoption of data whereby data revenues increased by 62%, now accounting for 11% of total revenue. EBITDA in the period increased by an impressive 27% due to excellent cost management and control, particularly network costs. PAT in the period was up an excellent 56%.

Bangladesh

Robi continued its strong growth trajectory amidst country wide political unrest. Revenue in the period was up 4% despite the turmoil and stiff market competition. This was mainly driven by strong data growth of 171%. EBITDA in the period remained flat due to higher sales and marketing expenses. This had an impact on PAT which declined in the period.

Cambodia

Smart continued to post excellent growth in all financial metrics. In a highly competitive market, revenue was up a stellar 40% YoY driven by data growth of more than 100%. Total data subscribers increased to 2.1 million, representing 31% of the overall subscriber base. EBITDA in the period improved by an excellent 71%. PAT in the period also saw double digit growth at 72%.

MATERIAL CONTRIBUTIONS FROM ASSOCIATES

India

Idea finished the year strongly as one of the fastest growing Indian mobile operators with a 19% full year revenue growth, nearly double the industry growth rate. EBITDA in the year increased 30% whilst PAT was up an impressive 62%. This was despite a challenging

competitive environment and regulatory concerns. Idea contributed RM97 million to Group PATAMI in the quarter.

Singapore

M1 reported a positive start to the year with revenue up 23% YoY to SGD294.8 million in the quarter. Non voice revenue rose 6.9 percentage points and now accounts for 52% of service revenue. EBITDA in the period was also up 2%. PAT increased a healthy 7% to SGD45.7 million. In the quarter, M1 contributed RM42 million to Group PATAMI.

Commentary

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "In spite of some cyclical challenges, I am pleased to see the Group deliver overall healthy revenue growth, a reflection of our diverse and dynamic portfolio".

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "The first quarter continued to be challenging for Celcom, affecting the Group's results, as strong foundations are being put in place for data leadership and regaining any lost ground. However, I am happy to note that there are many positive signs as they resolve most of the IT systems issues whilst recovering dealer confidence. I am confident that with these initiatives in place, Celcom will be back on track to finish the year in a position of strength.

XL has been focusing on transformation plans with new branding, product, channel and acquisition strategies. Smart continued its exemplary growth momentum posting double digit increase across all financial metrics. Our associate Idea, also finished the year on an excellent note, as the fastest growing Indian mobile operator for the second year in a row, with a revenue growth nearly double the industry growth rate.

Aggressive Push for Data Growth

"Data growth remains encouraging with all OpCos, as we put in place strategies to accommodate this fast growing segment. As a Group we have already spent more than RM1 billion in capex in the quarter, primarily for investments in data. This has had implications on the short term results but we are confident to reap the benefits in the longer term. We have faced challenges before and successfully turned around in a relatively short time" concluded Dato' Sri Jamaludin Ibrahim.

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 group 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 260 million mobile subscribers in Asia. The Group revenue for 2014 was RM18.7 billion. The Group provides employment to over 25,000 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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