

MEDIA RELEASE

Axiata sees PATAMI up 34.2% YoY and 5.8% YTD with revenue increase of 2.3% YTD to RM9.5 billion

- **XL's¹ transformation strategy showing early signs of progress, recording a positive quarter with QoQ revenue, and EBITDA of 2.4% and 6.6% respectively**
- **Celcom² posts first positive net adds since 3Q 2014**
- **Group data revenue continues to grow, up 31% YTD**
- **YTD PATAMI increased 5.8%, largely from Dialog³, Smart⁴ and Idea⁵**
- **Announces interim dividend of 8 sen per share**

Kuala Lumpur, 20th August 2015 – Axiata Group Berhad (Axiata) today announced its unaudited results for the second quarter of 2015. The Group saw improved performance amidst heightened competitive pressures and maturing markets.

Year-to-date (YTD) revenue for the Group was up 2.3% to RM9.5 billion from RM9.2 billion a year ago. The Group recorded earnings before interest, tax, depreciation and amortization (EBITDA) of RM3.5 billion, tapering slightly from a year ago due to marginal increase in operating costs. Group profit after tax (PAT) improved 2.8% YTD to RM1.2 billion from RM1.1 billion previously. Profit after taxation and minority interests (PATAMI) gained 34.2% year-on-year (YoY) to RM611 million with YTD growth of 5.8% to RM1.2 billion following strong contributions from Dialog, Smart and Idea.

Data growth remained strong and continued to drive service revenue, with all Operating Companies (OpCos) posting great traction in the segment. The Group's YTD data revenue grew 31.3%, now contributing 26.6% of service revenue due to the rapid proliferation of smartphones and increased mobile data usage.

INTERIM DIVIDEND

In light of Axiata's performance, the Board of Directors has declared an interim dividend of 8 sen per share for the financial year ending 31 December 2015.

¹ PT XL Axiata Tbk

² Celcom Axiata Berhad

³ Dialog Axiata PLC

⁴ Smart Axiata Co., Ltd

⁵ Idea Cellular Limited

GOOD RESULTS AT ALMOST ALL OPCOS; XL AND CELCOM SHOWING EARLY SIGNS OF PROGRESS

Malaysia

Celcom showed continued robust data revenue growth, up 28% YTD, fuelled by mobile internet which grew 60%. Service revenue dipped slightly mainly due to the decline in voice and SMS revenue as well as the impact of the implementation of Goods and Services Tax (GST) on 1st April 2015, which affected consumer spending and the quarter's performance industry-wide. Despite this, Celcom registered YTD service revenue of RM3.4 billion. Celcom's YTD total revenue, normalised EBITDA, and normalised PATAMI tapered 3.4%, 9.7% and 15.2%, respectively.

Indicating signs of recovery, during the quarter, Celcom saw consumers and dealers responding positively to the launch of new postpaid and prepaid products, resulting in 61,000 net subscriber adds. With the stabilisation of its IT transformation project, improved network quality, continuous data capex investment and the ongoing re-energising of the distribution channels, Celcom is regaining market confidence.

Indonesia

In Indonesia, XL demonstrated positive quarter-on-quarter (QoQ) growth, registering revenue growth of 2.4% while EBITDA increased 6.6%. XL's performance for the quarter is on track with promising early signs of its transformation agenda which has also resulted in material improvement in subscriber mix, higher blended average revenue per user, stabilising data yield and improvement in EBITDA margins.

XL's smartphone penetration has grown to 36% of its base as at end June 2015 with smartphone users growing 23% YoY, reaching 16.3 million subscribers. In line with the demand, XL will continue to focus on mobile internet leadership in Indonesia and 4G LTE is a key part of its strategy to meet consumer's demand for high-speed internet. XL has already begun rolling out its 4G LTE footprint with 232 sites as of end June 2015 with XL's initial 4G LTE coverage now extending to eight cities.

Sri Lanka

Dialog saw another excellent quarter despite the industry impacting introduction of a 25% bonus on mobile prepaid domestic calls effective 7th April 2015. Dialog posted strong YTD revenue, EBITDA and PAT growth of 6.3%, 19.6% and 32.9% respectively, with EBITDA margins up 4 percentage points to 34%. Dialog's mobile subscriber base surpassed the 10th million milestone while its TV business saw customers growing 37% YoY to 534,000.

Bangladesh

Robi⁶ in Bangladesh recorded 4.9% YTD revenue growth to BDT25.1 billion, mainly driven by data revenue and device sales. Heightened competition remained a major concern, impacting YTD EBITDA and PAT which narrowed by 2.4% and 14.4% respectively.

Cambodia

Operating in a highly competitive and crowded market, Smart continued to post strong YTD growth with revenue up 39.1%. Voice revenue increased 15% while data revenue grew 115%. To date, Smart has 2.3 million data subscribers, representing 32% of its total customer base.

REGIONAL AFFILIATES MAINTAIN STRONG GROWTH

India

Idea started its financial year 2016 with an outstanding performance, posting 16.4% growth for its YoY revenue to INR88.0 billion. EBITDA and PAT gained 28.9% and 27.8% respectively, resulting in a contribution of RM102 million to Group PATAMI for the quarter, a 55% YoY increase.

Singapore

M1's financial performance remained strong with operating revenue up 19.1% to SGD571.7 million YTD while EBITDA gained 1.4% and PAT, 3.8%. M1 contributed RM81 million, up 7% YTD to Group PATAMI.

COMMENTARY

Commenting on the quarter's results, Tan Sri Azman Hj. Mokhtar, Chairman of the Board, said, "It was an improved quarter for Axiata, demonstrating resilience of a well-diversified Group. I am pleased to see early signs of recovery at XL and Celcom as a result of their transformation efforts".

Dato' Sri Jamaludin Ibrahim, President & Group Chief Executive Officer of Axiata commented, "As the market and industry in general remain challenging, it is encouraging to see Celcom and XL showing early signs of progress. Celcom has added more than 60,000 net subscribers for the first time in three quarters post its IT transformation, successfully rolling out new products and better services. While Celcom's IT transformation issues are generally resolved and we are making significant progress in regaining some goodwill that was lost last year, there is still more to be done to see sustainable traction.

"XL's transformation strategy is on track as we saw XL recording a positive quarter on quarter growth in revenue and EBITDA of 2.4% and 6.6%, respectively. We remain firm in the belief that the transformation agenda is the right strategy for XL going forward in order to build a

⁶ Robi Axiata Limited

more sustainable and profitable business. Meanwhile, we have also clear and concrete plans to strengthen XL's balance sheet to reduce USD exposure".

Moving Forward

Jamaludin concluded, "We are experiencing currency volatility across Asia, and heightened political as well as regulatory concerns in Bangladesh and Sri Lanka. While there is much to be done, our business is resilient with performing OpCos and affiliates, and our strategy remains focused on delivering long-term, sustained growth and profitability".

To pave the way for Axiata's transition into a new generation telecommunications company, the Group has made significant progress in the digital services space through Axiata Digital Services (ADS), which focuses on creating new revenues from digital services in the areas of entertainment, commerce, money and advertising. Over the last six months, ADS has made six new investments. The Group's strategic and measured investments in this area is important in providing synergies, as well as creating longer term value through partnerships and acquisitions in the digital ecosystem.

- End -

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.

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.

The Group has expanded its portfolio of business which now includes a communications infrastructure solutions and services company called "edotco" and a digital services company, Axiata Digital Services.

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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