

## MEDIA RELEASE

### **Axiata Records 45.9% Increase in PATAMI on the back of Highest Quarterly Revenue exceeding RM5 billion**

- **Highest Group revenue recorded at RM5.1 billion, up 7.6% QoQ driven by better OpCos performance and weaker ringgit**
- **PATAMI up by 45.9% to RM891 million benefiting from one-off tower gains at XL<sup>1</sup> and foreign exchange gains**
- **YTD data revenue growth up by 30.6%, demonstrating Group-wide targeted investment into data paying off**
- **Transformation strategy at XL continues to show signs of progress; USD debt exposure successfully mitigated**
- **Celcom<sup>2</sup> records consecutive positive net adds; regaining market confidence**
- **Dialog continues to outperform the market**

**Kuala Lumpur, 27<sup>th</sup> November 2015** – In announcing its unaudited results for the third quarter of 2015, Axiata Group Berhad (Axiata) today posted encouraging traction in all its key metrics attributable to the steady operational performance at most of its Operating Companies (OpCos), execution of turnaround strategies, and stronger revenue growth which benefitted also from the weaker ringgit.

Amidst stiff competition and regulatory challenges within the region, quarter-on-quarter (QoQ) results demonstrated better performance with revenue up by 7.6% to reach RM5.1 billion; earnings before interest, tax, depreciation and amortization (EBITDA) up by 8.7% to RM1.9 billion; and profit after taxation and minority interests (PATAMI) up by 45.9% to RM891 million.

Year-to-date (YTD) revenue for the Group grew by 4.5% to RM14.5 billion, whilst EBITDA and PATAMI increased by 1.7% to RM5.3 billion and 18.2% to RM2.1 billion respectively. PATAMI of RM2.1 billion registered for the period included recognition of gains from the disposal of towers in Indonesia in December 2014.

The Group's two largest OpCos recorded continued consecutive quarters of growth, with Celcom regaining market confidence, as demonstrated by the increase in net subscriber additions while XL posted improved topline numbers QoQ.

Demonstrating Group-wide targeted investment into data paying off, overall data growth continues to be seen across all OpCos, with YTD data revenue growing 30.6% and increasing

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<sup>1</sup> PT XL Axiata Tbk

<sup>2</sup> Celcom Axiata Berhad

by 12.1% QoQ, with Smart<sup>3</sup>, Robi<sup>4</sup> and Dialog<sup>5</sup> registering growth of 12.6%, 14.8% and 18.7% respectively.

The Group's cash position remains strong at RM4.4 billion, with a healthy gross-Debt to EBITDA ratio of 1.92x. As a result of initiatives taken to mitigate currency volatility, the Group reduced its exposure to USD debt, particularly in Indonesia.

## **PROGRESS CONTINUES AT CELCOM AND XL**

### **Malaysia**

Celcom's performance remains challenging but has generally stabilized and showing signs of regaining market confidence. Celcom posted its second consecutive positive net subscriber additions this year, gaining 169,000 subscribers QoQ on the back of its successful new product launch of Magic SIM. Similarly, Celcom rebounded from its two consecutive quarters of decline to record its first improvement in service revenue of 0.7% this quarter. Given its smartphone penetration base of 59%, QoQ data revenue grew 8.8%, while YTD mobile data revenue and mobile internet revenue grew 25.7% and 58.1% respectively.

### **Indonesia**

XL's new strategy continues to show encouraging traction and results, recording revenue growth of 4.0%. This was driven by higher QoQ service revenue of 5% on the back of a solid performance recorded in both voice and data revenue which saw an increase of 11% and 5% respectively. EBITDA grew by 9.8% whilst EBITDA margin strengthened further by 2 percentage points to 37.5%. Subscriber mix improved with corresponding YTD blended ARPU increasing by 28%.

In addition, XL had also proactively strengthened its financial position through a series of balance sheet management initiatives, and as a result reduced its USD debt exposure to mitigate forex volatility. XL repaid and refinanced a total of USD580 million of all of its unhedged USD debt over the two quarters. As of end October 2015, XL's remaining USD debt is now fully hedged until maturity.

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

<sup>4</sup> Robi Axiata Limited

<sup>5</sup> Dialog Axiata PLC

## **Sri Lanka**

Overall, Dialog's performance QoQ and YTD has been consistently excellent and continues to outperform the market, registering YTD growth in revenue of 7.8% and EBITDA of 18.2%. EBITDA margin increased by 3 percentage points to 33.8%, backed by revenue growth and cost management initiatives.

Revenue QoQ grew 6.0% supported by an increase in subscribers for both mobile (10%) and TV (46%). QoQ mobile data revenue grew by 18.7% while YTD increased by 63.0%.

## **Bangladesh**

Robi performed moderately well in face of stiff competition, recording higher QoQ revenue, up by 3.5% and normalised EBITDA, up by 12.1%. Performance for the quarter was driven mainly by seasonal Eid festivities which delivered accelerated growth in data revenue and device sales.

Whilst competition continues to intensify in the Bangladesh market, Robi successfully increased its subscriber base by 13.6% YoY to 28.4 million.

## **Cambodia**

In face of aggressive competition, Smart's YTD performance was exceptionally strong despite a somewhat challenging quarter.

YTD revenue, EBITDA and PAT grew by 33.8%, 60.7% and 58.7% respectively. Revenue for Smart can be attributed to the increase in both voice and data with data revenue doubling, contributing 31.3% to total revenue. Total data subscribers grew 44.6% to 2.3 million.

## **STEADY CONTRIBUTIONS TO PATAMI FROM REGIONAL AFFILIATES**

### **India**

Idea<sup>6</sup>'s performance in its second quarter 2016 financial year remains steady with outstanding increase in YTD revenue, EBITDA and PAT by 15.6%, 25.8% and 17.2% respectively. Idea contributed RM279 million to Axiata's YTD PATAMI, an increase of 45.5% over the same period last year.

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<sup>6</sup> Idea Cellular Limited

## **Singapore**

M1<sup>7</sup> posted higher YTD revenue, EBITDA and PAT by 16.3%, 1.8% and 2.8% respectively. With its consistent financial performance, M1 contributed RM119m to Axiata's YTD PATAMI, an increase of 7%.

## **COMMENTARY**

Tan Sri Azman Hj. Mokhtar, Chairman of the Board said, "Given the challenging regional and global headwinds impacting consumer sentiment and business investment, the Group posted an overall steady set of results".

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata commented, "This has been a steady but encouraging quarter for the Group. Dialog and Smart have performed exceptionally well. Celcom is regaining customers steadily while XL has started to reap benefits from the ongoing implementation of its transformation program".

## **Moving Forward**

Jamaludin added, "Our focus is on Celcom's recovery and XL's transformation agenda. I am encouraged by the positive traction achieved so far but certainly a lot more needs to be done.

Data will remain a priority and is expected to drive significant growth across the Axiata markets as smartphone penetration trends upwards. We are confident our aggressive investment in data will produce results in the medium term."

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<sup>7</sup> M1 Limited

## **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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