

MEDIA RELEASE

Axiata Profits Significantly up on the Back of Successful Execution of Strategies which Delivered all round Financial Performance

- **QoQ Revenue +10%, EBITDA +19%, PATAMI up sevenfold (Normalised PATAMI +23%)**
- **Celcom records one of its best quarters**
- **XL sees significant improvements**
- **Turnaround Plan continues to gain traction at AxB**

Kuala Lumpur, August 27, 2009 – Axiata Group Berhad, (formerly known as TM International Berhad) (“**Axiata**”), today announced its un-audited results for the second quarter of 2009. Increased group focus on operations and diligent execution of strategies across all operating companies (“**OpCos**”), from segment focus in Malaysia and maximization of yield in Indonesia to overall group-wide cost management, has led to an excellent quarter for the Group.

Profit after Tax and Minority Interests (“**PATAMI**”) was up seven-fold quarter on quarter (“**QoQ**”) to RM527 million, showing further signs of recovery seen in Q109. Normalised PATAMI expanded a significant 23% to RM422 million. The Group also posted strong RM3.2 billion revenue for the quarter, up 10% from the previous quarter, with growth seen in all key OpCos despite intensifying competition and a challenging economic environment. Regional mobile subscribers for the Group grew to almost 100 million in the same period. Prudent cost management saw Earnings before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) grew substantially by 19% in the same period to RM1.2 billion, due to stable margins at Celcom (Malaysia) Berhad (“**Celcom**”) and improved performance at PT Excelcomindo Pratama Tbk (“**XL**”) Dialog Group (“**Dialog**”) and Axiata (Bangladesh) Limited (“**AxB**”).

CONTINUED FOCUS ON STRATEGY DELIVERS REVENUE GROWTH AND PROFITABILITY

Malaysia

Excellent execution of segmented marketing in both prepaid and postpaid and the continued focus on mobile broadband saw Celcom recording the highest quarterly growth in two years. Despite a challenging macro environment, revenue grew strongly at 5% QoQ to RM1.5 billion, marking one of the best quarters for Celcom. EBITDA improved by 3% QoQ whilst PATAMI was RM367 million, an increase of 3% QoQ.

The quarter saw Celcom strengthening its leadership position in mobile broadband with 114 thousand net additions pushing total subscribers to 420 thousand representing an increase of 37% QoQ. In this quarter mobile broadband contributed 5% of revenue up from 4% in the last quarter.

Celcom is moving into the next phase of its transformation plan focusing on customer touch points and human capital. This will be done concurrently with an accelerated broadband push and continued cost management.

Indonesia

Maximisation of yield and strict cost management saw positive sequential improvements in Indonesia. The focus on quality subscribers that began in 1Q09 delivered improved revenue, up 14% through an increase in total outgoing minutes. Similarly strict cost management as well as a lower direct expense from SIM supply reduction initiatives, to curb calling card phenomena in Indonesia, resulted in a 31% increase in EBITDA QoQ . PATAMI in the period increased by >100% to IDR1, 012 billion helped by operational improvements and favourable foreign exchange (“**FOREX**”) gains.

Moving forward XL will continue to emphasise yield via quality revenue generating subscribers and improving network utilization and cost optimization.

Bangladesh

Overall improvement continued in AxB following the encouraging turnaround to date. Strong momentum continued in mobile revenue growth which led to total revenue improving for the third consecutive quarter. Concerted focus on cost management has sustained turnaround efforts with better overall performance. The quarter saw a marked increase in EBITDA up 53% QoQ. The significant increase in EBITDA was due to lower subscriber acquisition and related costs as well as efficient cost containment. Similarly PATAMI was up significantly by more than 100% to BDT598 million due to, prudent spending and cost management.

Aggressive marketing strategies will increase moving forward, to ensure sustainable improvements in Bangladesh.

FOCUS ON STABILISING OPERATIONS AND COSTS AMIDST CHALLENGING ENVIRONMENT

Sri Lanka

On-going cost reduction strategies at Dialog Group has seen further quarterly improvements in operations with Group revenue increasing 4% QoQ driven by growth in Dialog Mobile against a very challenging backdrop. Concurrently and amidst fierce competition, Dialog achieved 2% subscriber growth and improved MOUs by adopting more competitive pricing strategies. The focus on cost saw improvement in EBITDA up by 58% QoQ. However, network modernization efforts to improve future network capex and opex efficiency resulted in accelerated depreciation of SLR6 billion which impacted PATAMI.

Moving forward Dialog will continue the strict cost rescaling initiatives, which has already seen early savings in manpower costs of 11% QoQ from the VRS programme conducted last quarter.

Dialog is looking forward to becoming the first mobile operator to extend its GSM network in the newly liberated areas of the Northern Province to capitalize on growth opportunities.

STRONG GROWTH CONTINUES AT REGIONAL AFFILIATES

India

Idea continues strong momentum despite competitive pricing pressures from new entrants. Pro forma quarterly performance after adjustment for changes in interconnect rates showed excellent growth across all key measurements with revenue and EBITDA up 6% and 7% respectively. PAT was also up an impressive 11% for the quarter.

The Group is expecting to complete the Idea-Spice merger by 3Q 2009.

COMMENTARY

Commenting on the quarter's results Tan Sri Dato' Azman Hj. Mokhtar, Chairman of Axiata said "We are very pleased with the performance achieved this quarter. The Group's focus on operations and cost has garnered positive results, a resounding confirmation that we are on the right track. Although economic conditions appear to be improving volatility is still an issue. However, given the continued improvements this quarter, and our well positioned balance sheet, now de-levered through proceeds of the Rights Issue, we are confident that our momentum will remain strong in Malaysia and regionally."

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata commented "We are happy with the continued strong results, now for two consecutive quarters, with both the top line revenue growth and bottom line profit improvements. It should be particularly noted that for the quarter, all key OpCos, including Idea, showed improvements in almost all key financial metrics. The stellar results indicate that we are going down the right path with the strategies implemented at the beginning of the year. On the OpCos, we are especially pleased with the strong performance seen at Celcom and Idea, as well as the major turnaround at XL and AxB. The quarter also saw improvements at Dialog with improved EBITDA; however, there is still much room for improvement".

Moving Forward

"Based on the performance so far, we expect the Group's full year revenue and EBITDA growth to be towards the higher end of our KPIs, and for ROE to be moderately above what was earlier guided. This is of course subject to FOREX fluctuations or other external factors that could materially affect our performance in the second half of the year" added Dato' Sri Jamaludin Ibrahim.

With the uncertain economic environment, the overall focus for 2009 on EBITDA and cash has so far paid off. Given the improvement in demand and the strong revenue trend seen in the quarter, selective and new organic investments will also be made to increase revenue in 2009 and to pave the way for 2010.

About Axiata

Axiata is one of the largest Asian telecommunication companies, focused in high growth low penetration emerging markets. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India, Singapore and Iran. India and Indonesia are amongst the fastest growing markets in the world. In addition, the Malaysian group 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, 'AKTEL' in Bangladesh, 'HELLO' in Cambodia and 'Idea' in India, 'M1' in Singapore and 'MTCE' in Iran (Esfahan).

As of June 2009, the Group, including its subsidiaries and associates, has close to 100 million mobile subscribers in Asia. The Group revenue for the year 2008 was RM11.3 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 people, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009 Asia Pacific ICT Award for Best Telecom Group.

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Issued By:

Corporate Communications, Group Strategy, Axiata Group Berhad
Axiata Centre, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral
50470 Kuala Lumpur

For further information on Axiata visit www.axiata.com

For media enquiries, please contact:

Faridah Hashim

Manager, Media and External Relations

Tel: +603-2263 8881 Fax: +603-2278 7755

Email: faridah@axiata.com