



# **1<sup>st</sup> Quarter 2010 Results**

## **Analyst and Investor Briefing**

**27 May 2010**

# AGENDA



## Results Highlights

Malaysia – Celcom

Indonesia – Excelcomindo

Sri Lanka – Dialog

Bangladesh – Robi

Other Regional mobile assets

Moving Forward

# Key Performance Highlights

Sustained momentum through execution of strategies

- **Momentum continued from an exceptional quarter showing strong signs of sustainability**
- **Dialog recorded a turnaround in profitability after 6 quarters of continued losses**
- **XL posted another exceptional quarter whilst Celcom maintained leadership in mobile broadband with highest net adds ever**
- **Efforts on CMP (Cost Management Programme) has started to show results with improved profitability**
- **Regional mobile subscribers grew 37% to 130 million subscribers**
- **Idea posted strong finish in their financial year amidst challenges in the sector. M1 showed positive overall performance**



**Sustainable and improved performance in Celcom and XL with turnaround in Dialog. Short term pressure in Robi from acquisition drive in pursuit of growth**



**Continued growth momentum from exceptional 4Q 2009 with further improvement in margins. Strongest net adds in mobile broadband ever**



**Consistent with its strategy in 2009, all financial indicators showed continued growth through successfully monetizing of minutes**



**Turnaround program with prime focus on cost re-scaling achieved its second major milestone turning profitable after 6 consecutive quarters of losses**



**Capturing growth via acquisition drive impacted short term margins and profitability**

**Idea and M1 showed strong performance**



**Continued growth shown with strong performance in 4<sup>th</sup> Quarter results**



**M1 saw strong quarter with improved revenue and profitability**

# Group Performance Highlights

Strong Q o Q performance at Celcom and XL with turnaround in Dialog. Short term pressure at Robi in pursuit of growth.

	Q o Q Performance			Y o Y Performance		
	Revenue	EBITDA	PATAMI	Revenue	EBITDA	PATAMI
Group	↑ 2%	↑ 3%	↑ 65%	↑ 31%	↑ 52%	↑ >100%
Celcom	↑ 0.2%	↑ 2%	↑ 7%	↑ 15%	↑ 16%	↑ 24%
XL	↑ 3%	↑ 9%	↑ 18%	↑ 42%	↑ 92%	↑ >100%
Dialog	↑ 2%	↑ 18%	↑ >100%	↑ 16%	↑ >100%	↑ >100%
Robi	↓ 2%	↓ 33%	↓ 91%	↑ 35%	↑ 11%	↑ >100%

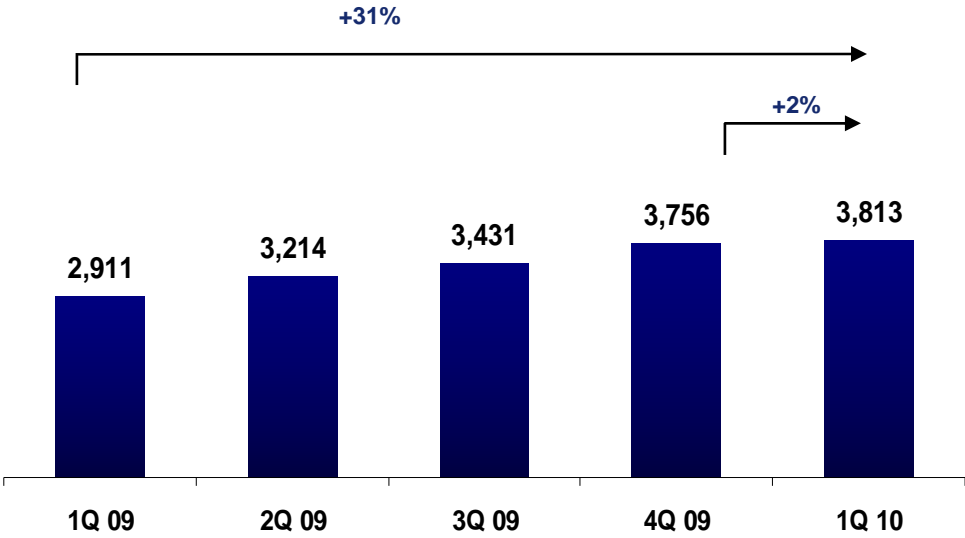
Note: QoQ denotes 4Q09 vs 1Q10 . YoY denotes 1Q09 vs. 1Q10

# Group Financial Performance

Operational improvements fuelled Y o Y growth in Celcom, XL, Dialog and Robi



## Revenue (RM mn)



- Q o Q revenue increased by 2% driven by continued operational improvements by all key operating companies. Y o Y revenue increased 31%

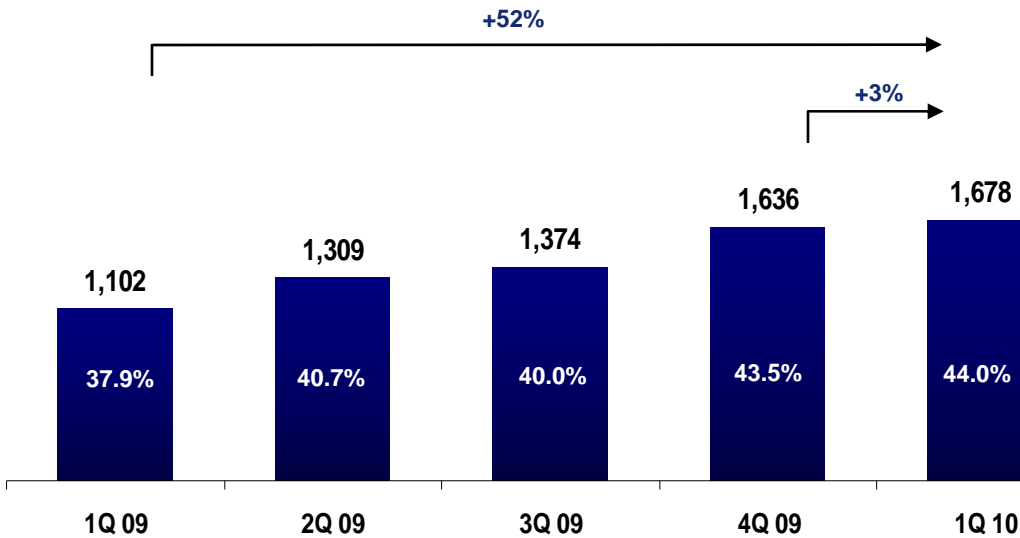
\* Note :Revenue adjusted for FRS118 where other income on rental of tower of the Group now classified as part of operating revenue

# Group Financial Performance

Emphasis on cost management saw increase in margins at Celcom, XL and Dialog



## EBITDA (RM mn) & Margins (%)



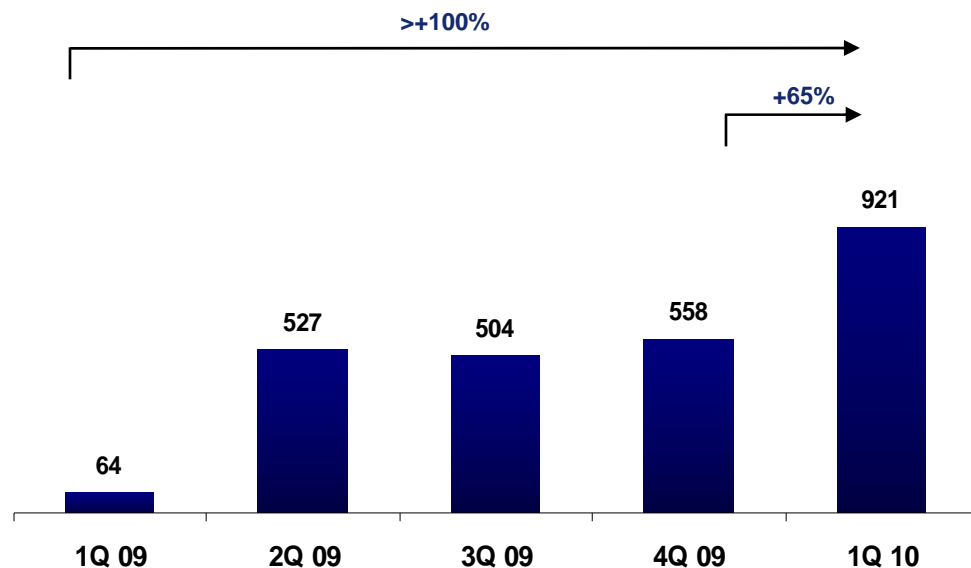
- EBITDA improved 3% Q o Q with growth in XL, Dialog and Celcom. Group EBITDA increased 52% Y o Y

\* Note :Revenue adjusted for FRS118 where other income on rental of tower of the Group now classified as part of operating revenue. EBITDA further impacted by FRS117 with change of leasehold land from operating to finance lease

# Group Financial Performance

Continued operational execution delivered better profitability in Celcom and XL with turnaround at Dialog.

## PATAMI (RM mn)



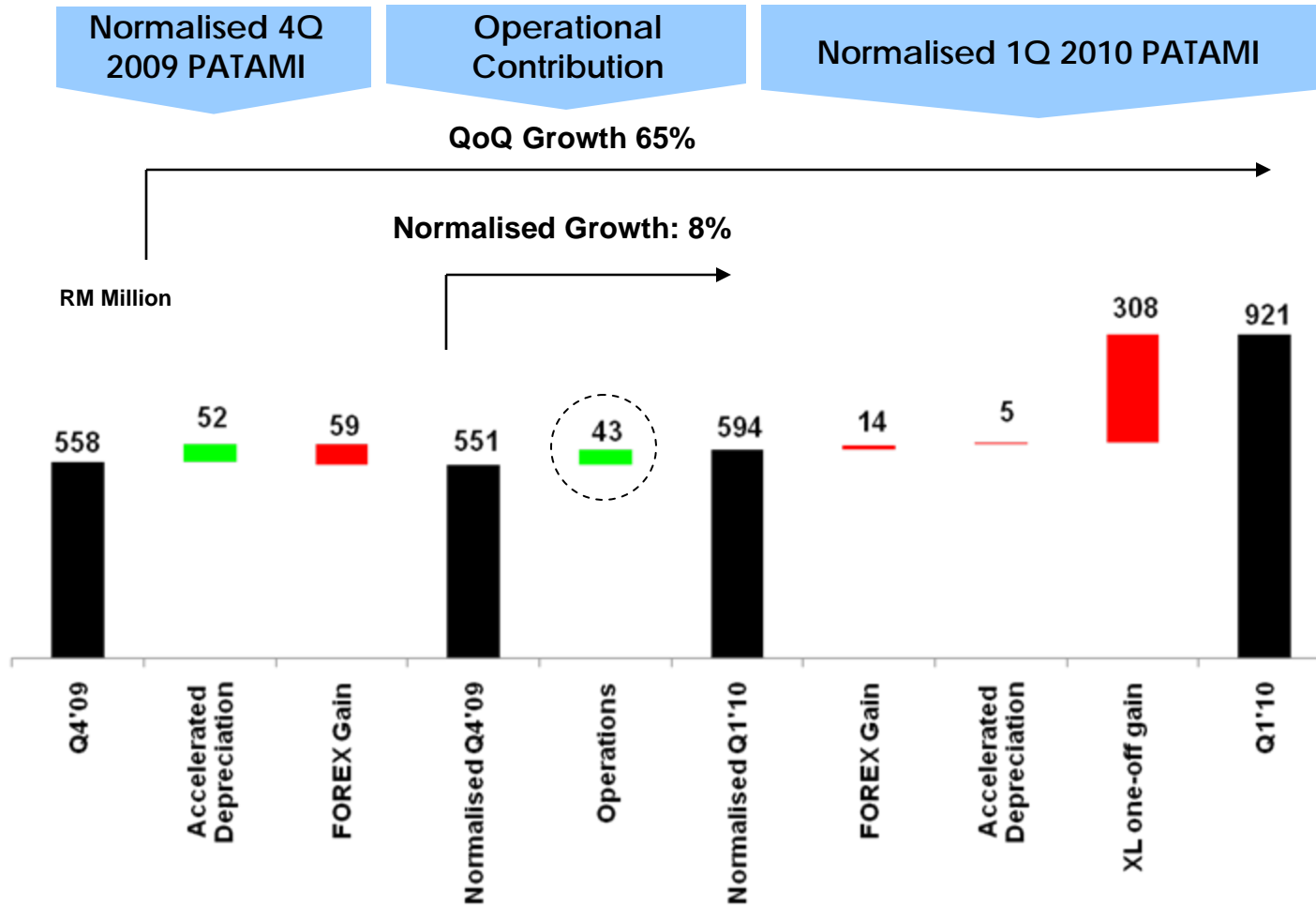
- Increased profitability from operational improvements and cost management at Celcom, XL and Dialog
- 1Q 10 also saw gain on disposal of XL shares





# Normalised Group PATAMI : 4Q 2009 vs. 1Q 2010

Operational contribution increased by 8%



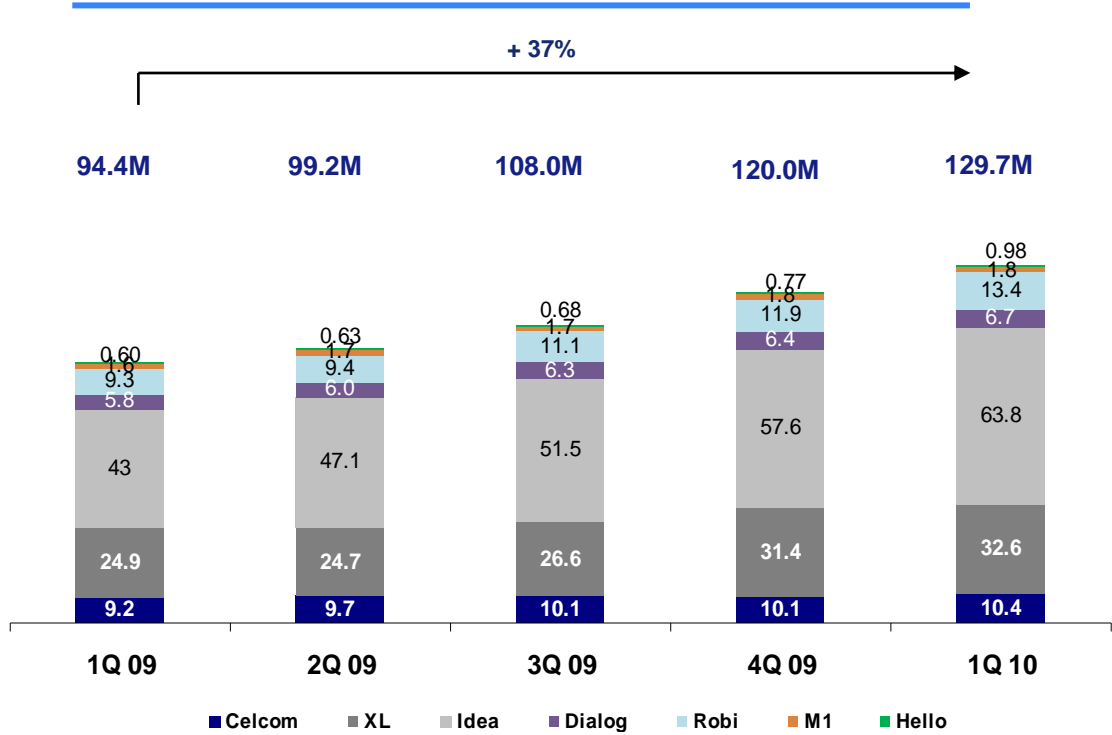
**OPERATIONAL CONTRIBUTION INCREASED BY RM43MN**

# Net Subscribers Addition

Regional subscriber base now at 129.7 million



## Subscribers (million)



- Strong growth in regional mobile subscribers with 37% growth Y o Y to 130 million

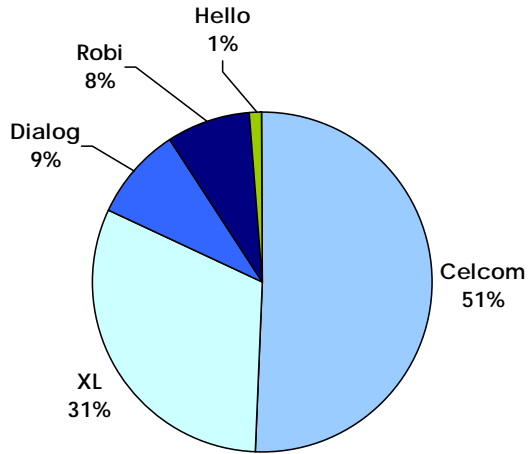


# Group Revenue and EBITDA Composition

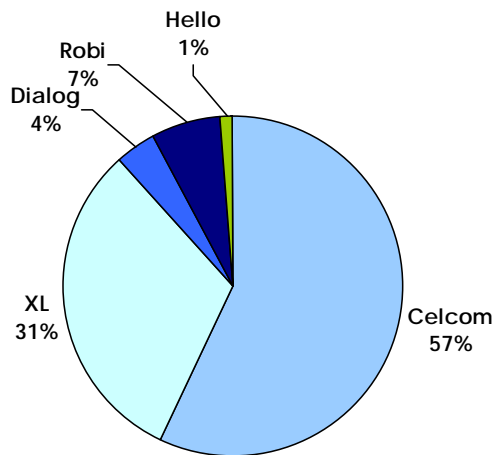
Celcom and XL contributes 83% of Revenue and 89% of EBITDA



YTD Mac 09 REVENUE & EBITDA Breakdown (%)

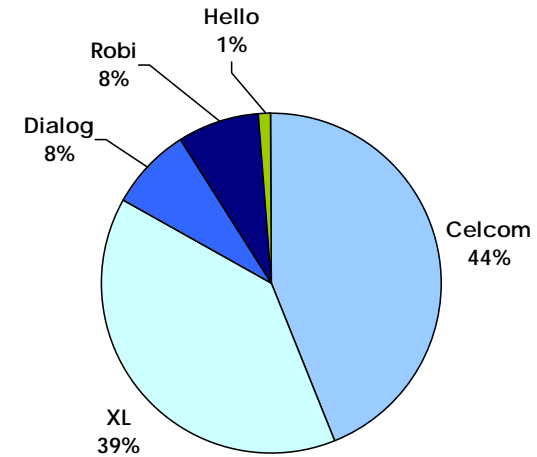


REVENUE

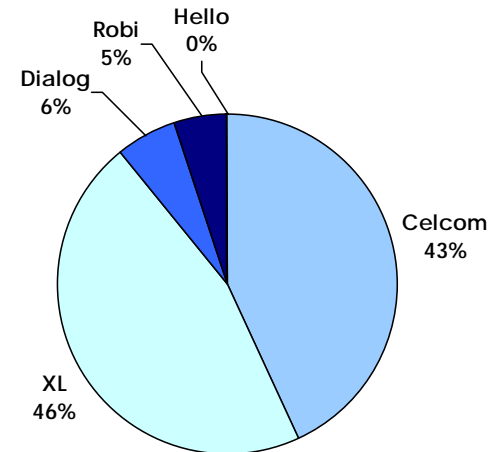


EBITDA

YTD Mac 10 REVENUE & EBITDA Breakdown (%)



REVENUE

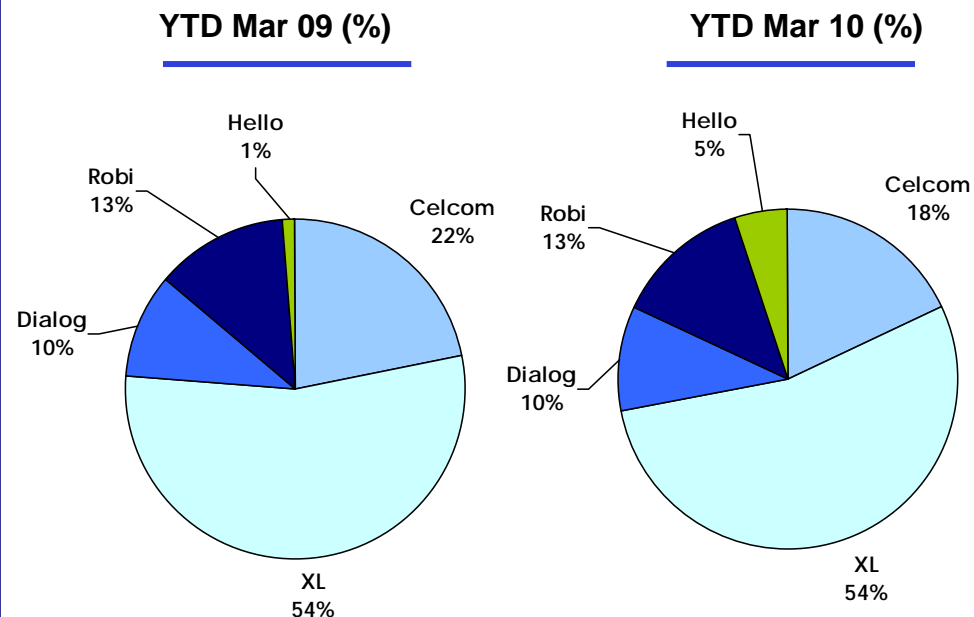


EBITDA

# Group Capex and Financial Leverage

RM Million	31-Dec-09	31-Mar-10
Cash & Bank	2,006	2,849
Gross Debt	12,323	11,986
Net Debt	10,317	9,137
Net Assets	18,880	19,782
Gross debt / equity (x)	0.65	0.61
Gross debt / EBITDA (x)	2.27	1.79
Net debt / EBITDA (x)	1.90	1.36
Net assets per share (RM)	2.15	2.19

Capex	YTD Mar 09	YTD Mar 10	Y o Y
RM Million	1,053	477	-55%



# AGENDA

## Results Highlights

**Malaysia – Celcom**

**Indonesia – Excelcomindo**

**Sri Lanka – Dialog**

**Bangladesh – Robi**

**Other Regional mobile assets**

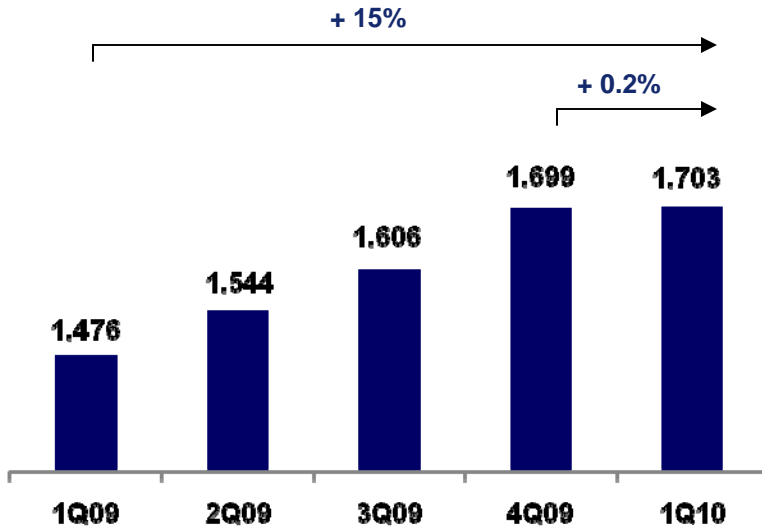
**Moving Forward**

# Celcom : Financial Performance

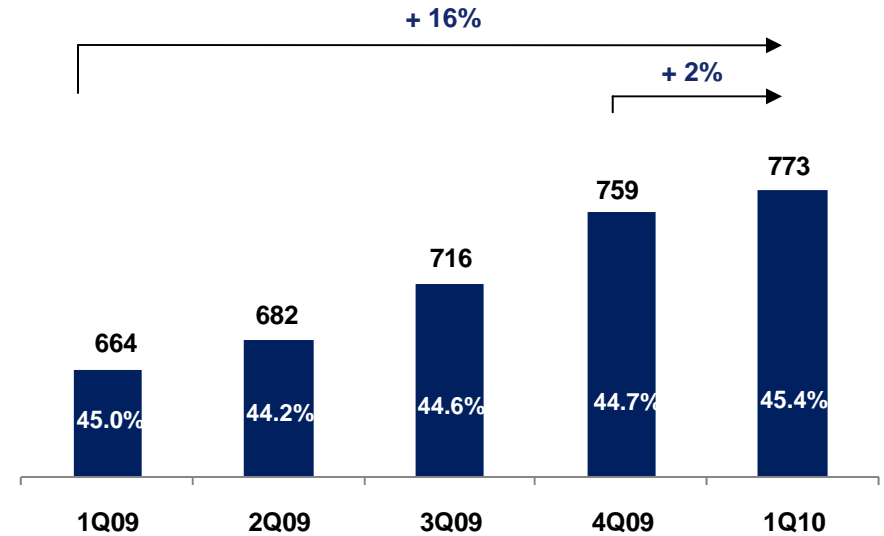
Maintaining revenue growth from an exceptional quarter with improvement in margins



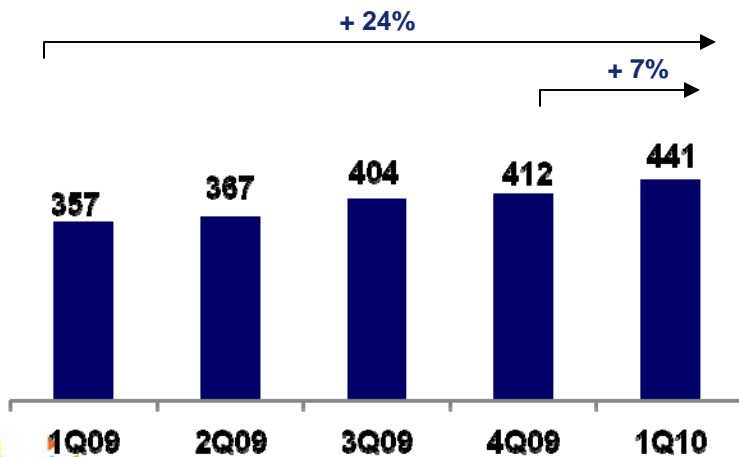
Revenue (RM mn)



EBITDA (RM mn) & Margins (%)



PATAMI (RM mn)



- Sustaining momentum from an exceptional 4Q 09 with further growth driven by strong performance in broadband
- Registered a double digit Y-o-Y growth in all key indicators
- Further growth in EBITDA and PATAMI on the back of continuous cost saving initiatives and smart spending measures.

Note : 4Q 09 PATAMI and EBITDA exclude holding company charge of RM23m



### Operating Expenses

% of Revenue	1Q 09	4Q 09	1Q 10
Direct Expenses	23.3%	22.3%	22.6%
Sales & Marketing	10.5%	9.7%	11.3%
Network Costs	11.7%	9.6%	9.6%
Staff Costs	5.4%	8.7%	6.3%
Bad Debts	0.8%	2.4%	1.8%
Others	3.4%	2.6%	3.0%
<b>Total Expenses</b>	<b>55.0%</b>	<b>55.3%</b>	<b>54.6%</b>
<b>EBITDA Margin</b>	<b>45.0%</b>	<b>44.7%</b>	<b>45.4%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
D & A	13.6%	13.8%	10.9%

### Financial Position (RM mn)

	31 Dec 09	31 Mar 10
Capex	773.3	87.5
Cash & Cash Equivalents	713.7	1,481.7
Gross Debt	31.5	32.4
Net Assets	2,288.7	2,732.6
Gross debt / equity (x)	0.01	0.01
Gross debt / EBITDA*(x)	0.01	0.01

\*Annualized EBITDA

\*Note: EBITDA and costs for Q409 excluding holding company charge of RM23m

### Expenses

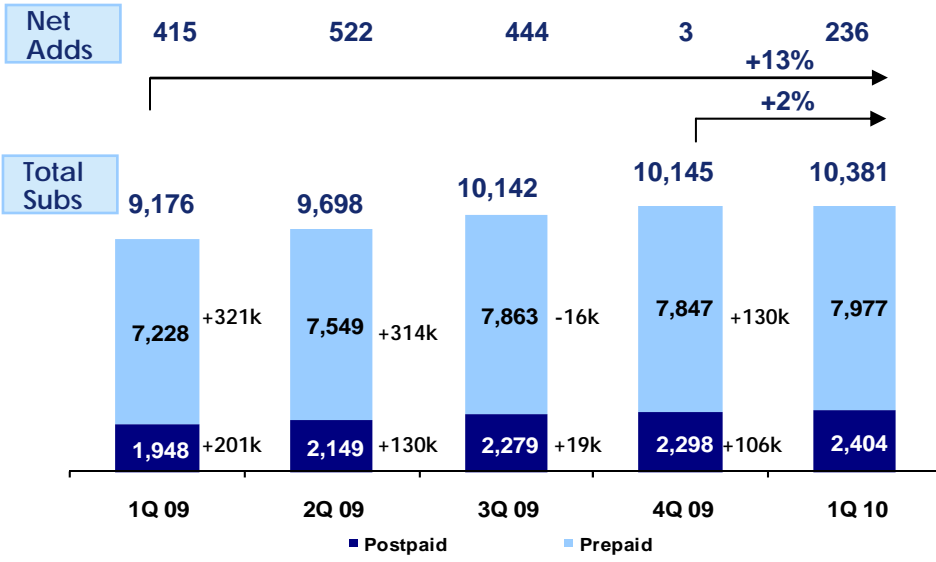
- Higher direct expenses contributed by higher outpayment charges
- Increased Marketing cost with aggressive promotional activities – ‘Celcom Sale 2010’
- Lower staff cost as higher bonus provision and one-off charge for Alternative Career Program was taken up in 4Q09
- Higher depreciation in 4Q09 was due to accelerated depreciation of network assets to be replaced
- Initiatives on bad debt management through credit management systems and auto debit showed encouraging results



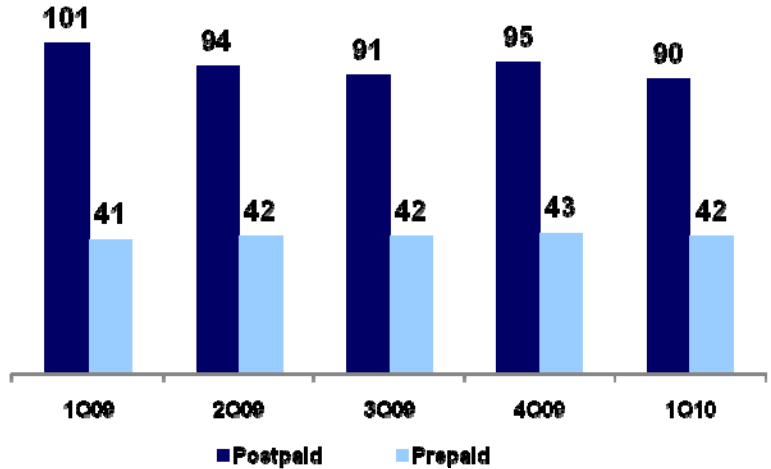
# Celcom : Operational Performance

Growth in mobile broadband drove net adds

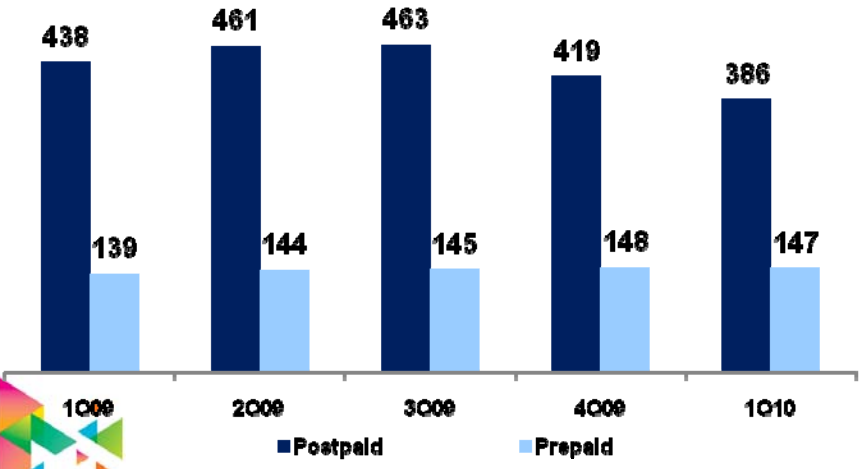
Subscribers(000's)



ARPU(RM)



MOUs (min)



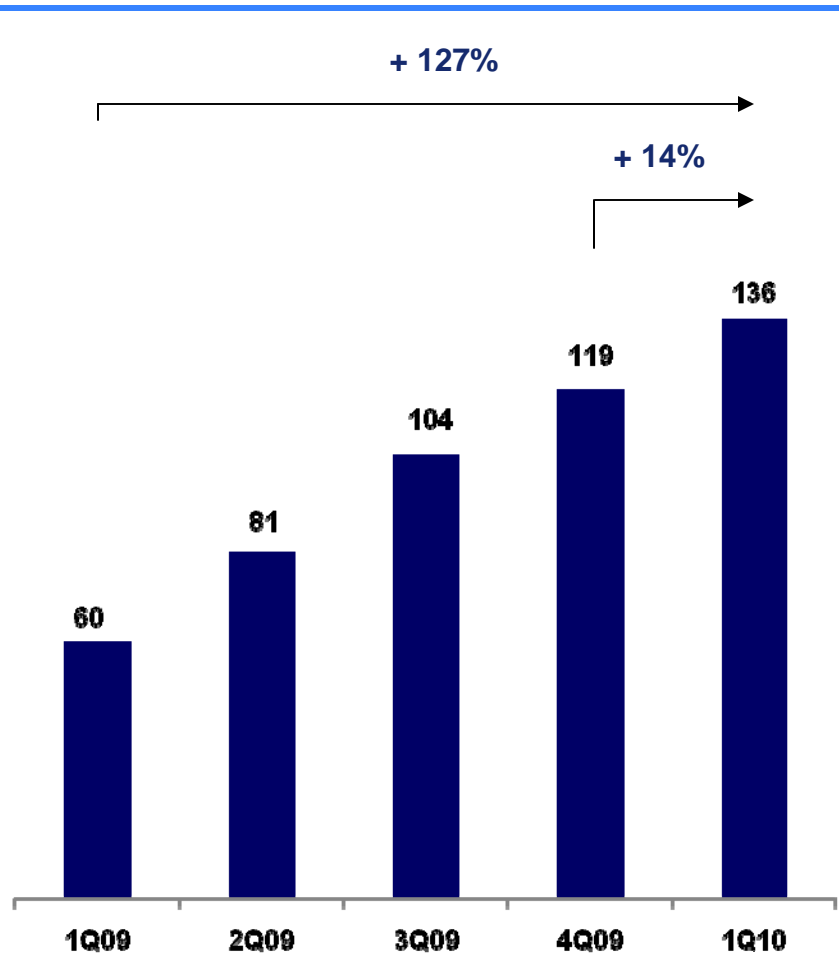
- 236K net adds in 1Q 2010 driven by strong growth in mobile broadband
- Prepaid ARPU and usage remained fairly consistent backed with various promotional offerings whilst postpaid usage contracted due to seasonality



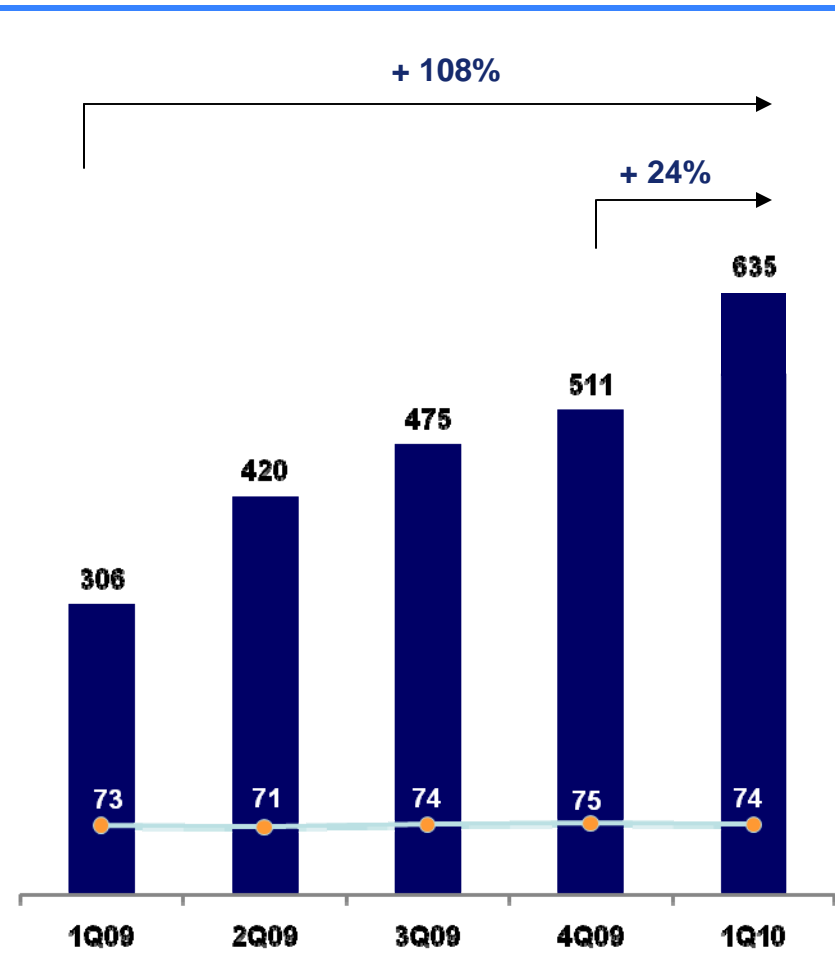
# BROADBAND PERFORMANCE

## Strong growth with highest quarterly net adds

REVENUE (RM Mn)



SUBSCRIBERS \* ( '000)



■ Subs ● ARPU

\* Subscribers and ARPU are based on monthly unlimited plan only

# AGENDA

Results Highlights

Malaysia – Celcom

**Indonesia – Excelcomindo**

Sri Lanka – Dialog

Bangladesh – Robi

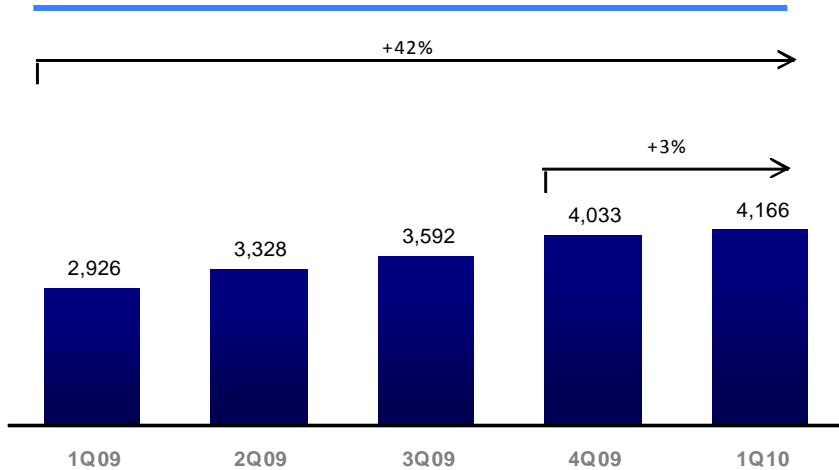
Other Regional mobile assets

Moving Forward

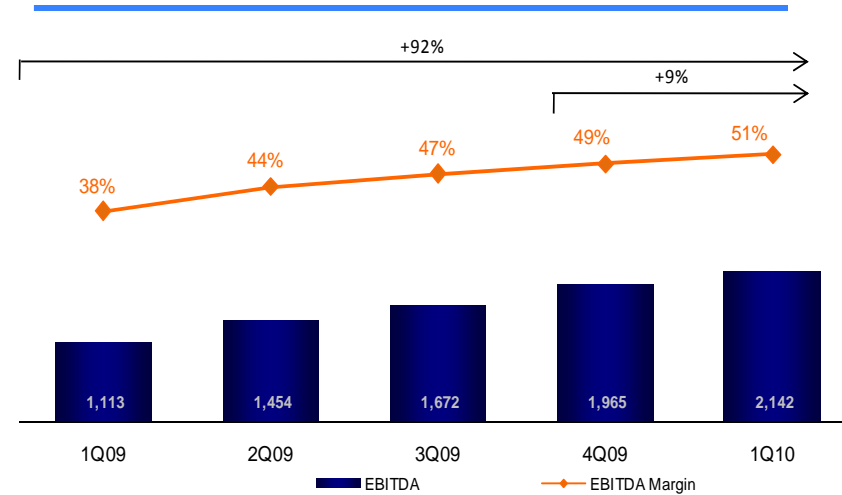
# XL : Financial Performance

## Growth in all financial indicators

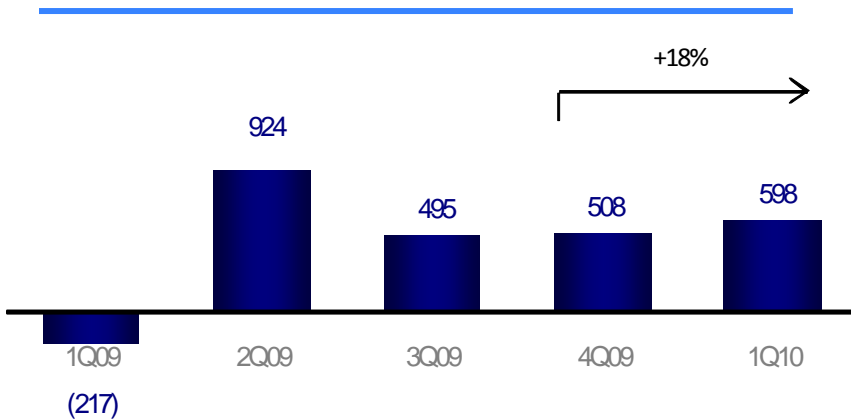
Revenue before disc (IDR bn)



EBITDA (IDR bn)



PAT (IDR bn)



- Revenue increased 3% QoQ and 42% YoY with strongest revenue growth for 1Q in the last 5 years. The increase was attributable to innovative products offered and rapid growth of data services.
- Robust growth in EBITDA and PATAMI were driven by revenue growth and cost management implementation across all components.
- XL's 1Q10 normalized net income was Rp. 578 billion (excluding unrealized forex impact).



# XL : Financial Performance

Higher margin due to strong cost management in all elements

## Operating Expenses

% of Revenue	1Q09	4Q09	1Q10
Direct Expenses	17.0%	14.0%	13.2%
Sales & Marketing	8.1%	6.6%	6.3%
Network Costs	25.3%	20.4%	20.0%
Staff Costs	6.1%	4.2%	4.9%
Bad Debts	0.4%	0.3%	0.1%
Others	4.2%	3.6%	2.8%
Total Expenses	61.1%	49.1%	47.1%
EBITDA Margin	38.1%	48.7%	51.4%
D & A	30.4%	24.7%	23.4%

- Lower direct expenses due to reduced interconnection and starter pack costs. XL managed interconnection cost payout and interconnection routing, and redesigned the started pack.
- Lower Sales & Marketing expenses due to implementation of strategic advertising and lower sales commission despite higher revenue which was due to distribution channel restructuring.
- Lower Network cost due to cost-efficiency.
- Lower Support & Overhead costs due to prudent cost management across all components.
- Lower depreciation expense due to lower Capex spending.

## Financial Position (IDR bn)

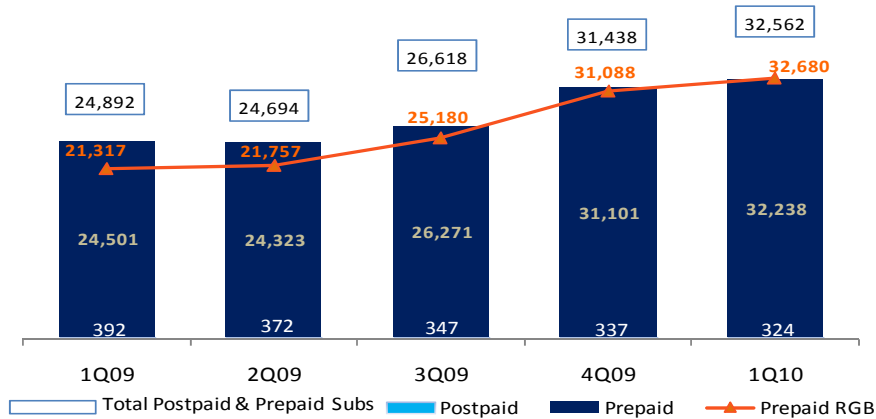
	31 Dec 09	31 Mar 10
Capex	4,197	734
Cash and Cash Equivalents	748	1,383
Net Debts	12,716	11,723
Net Assets	8,803	9,402
Debt / Equity (x)	1.5	1.4
Debt / EBITDA (x)	2.2	1.8



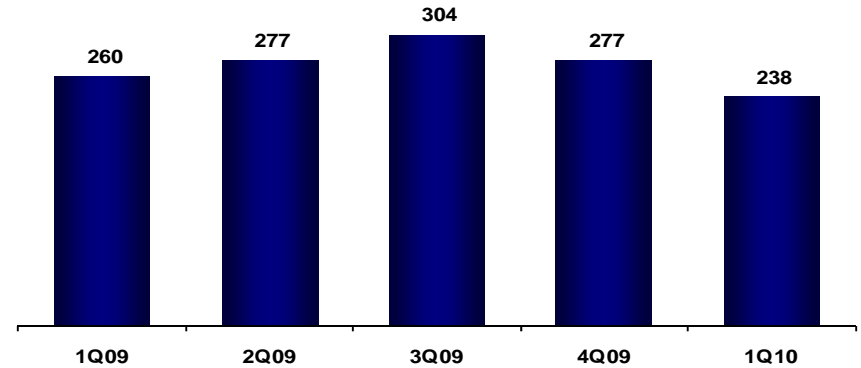
# XL: Operational Performance

All subscribers are now Revenue Generating Base Subscribers

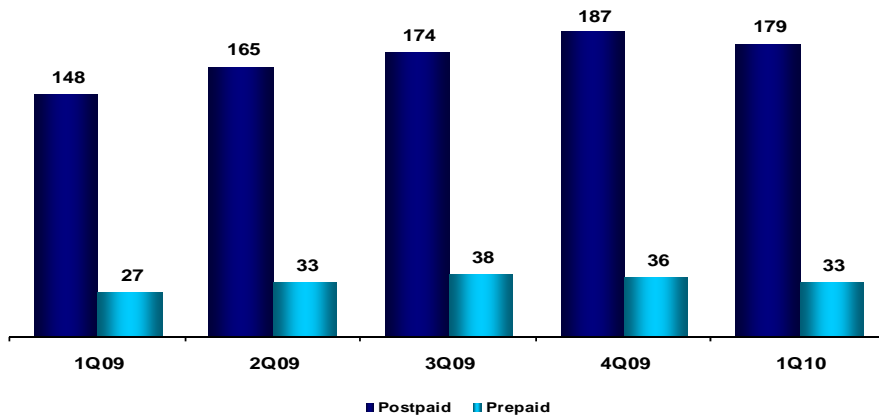
Subscribers(000's)



OG MoU/subs/month (min)



ARPU(IDR thousands)



- Prepaid RGB (Revenue Generating Base), which is the number of unique subscribers during a month creating one or more revenue generating events, increased 5% QoQ and 53% YoY in line with XL's focus to improve the quality of subscriber base. Currently, all subscribers are RGB subscribers.
- Lower OG MoU/subs/month by 14% QoQ due to seasonality and 8% YoY due to higher tariff in 1Q10. However, prepaid ARPU increased by 22% YoY and postpaid ARPU increased by 21% YoY due to higher voice tariff and higher data usage.



# AGENDA

Results Highlights

Malaysia – Celcom

Indonesia – Excelcomindo

**Sri Lanka – Dialog**

Bangladesh – Robi

Other Regional mobile assets

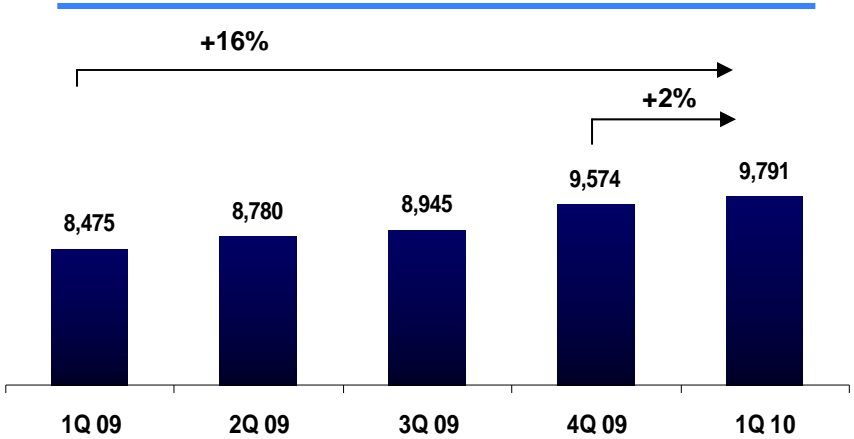
Moving Forward

# Dialog Group : Financial Performance

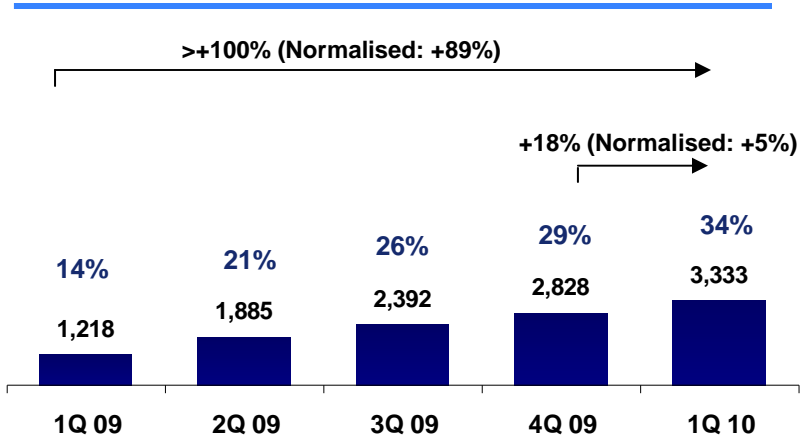
Turnaround in Profitability with Robust revenue growth & aggressive cost re-scaling



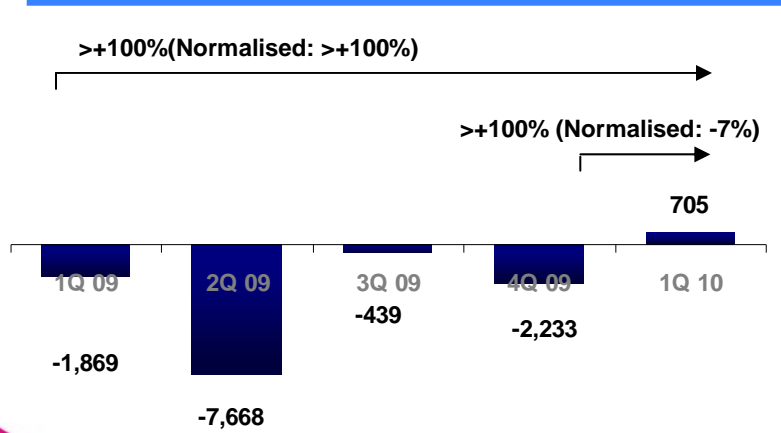
Revenue (SLR mn)



EBITDA\* (SLR mn) & margins (%)



PAT (SLR mn)



- Revenue grew by 16% YoY driven by mobile business despite aggressive competition. Revenue increased by 2% QoQ with additions of 364,809 (net) new subscribers.
- Normalised EBITDA improved by 89% YoY with EBITDA margin at 34% in 1Q 10
- Turnaround in 1Q PATAMI from a loss through better performance and cost re-scaling with 20% reduction in non operating costs compared to 1Q 09.

\* EBITDA has been restated to incl. revenue from site sharing income classified under other operating income



### Operating Expenses

% of Revenue	1Q 09	4Q 09	1Q 10
Direct Expenses	8.0%	5.4%	5.2%
Sales & Marketing	15.4%	13.4%	12.3%
Network Costs	33.5%	29.4%	32.8%
Staff Costs	14.8%	14.8%	7.3%
Bad Debts	4.3%	0.5%	2.6%
Others	10.0%	7.4%	6.3%
<b>Total Expenses</b>	<b>86.0%</b>	<b>70.9%</b>	<b>66.5%</b>
EBITDA Margin	14.0%	29.1%	33.5%
	100.0%	100.0%	100.0%
D & A	25.6%	51.2%	24.3%

### Financial Position (SLR mn)

	31 Dec 09	31 Mar 10
Capex*	9,647	1,623
Cash & Cash Equivalents	5,295	3,279
Gross Debt	31,965	28,695
Net Assets	28,109	28,721
Gross debt /equity (x)	1.13	1.00
Gross debt /EBITDA (x)	4.07	2.15

- Direct Costs decreased in 1Q 10 due to decrease in cost of phone accessories, scratch cards resulting from lower acquisition cost.
- Reduction in sales & marketing cost due to focused advertising and reduced sales promotion.
- Staff Costs decreased due to savings resulting from rightsizing. 4Q09 included an one-off VRS charge of Rs.550Mn.
- Network Costs increased QoQ due to increase in VGF cost / Origination cost in line with increase in International Traffic.
- 1Q 10 Group Operating Costs (excluding depreciation and non-recurring charges) dropped by 13% relative to 1Q 09, primarily driven by reduction in operating overheads, administration and manpower related expenses.

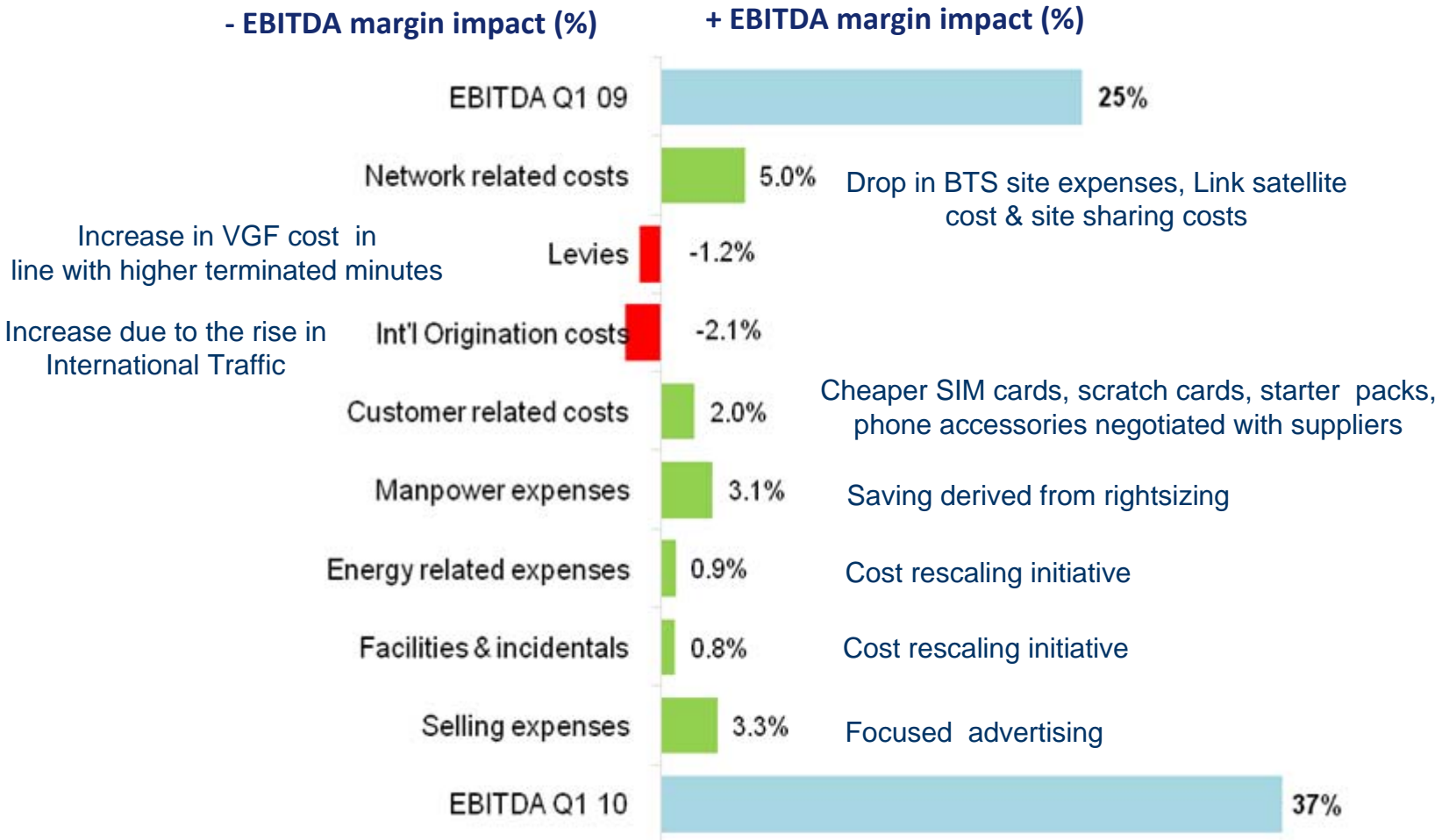
\* Capex includes CWIP additions + direct addition:



# Dialog Company: Cost Re-scaling on the backdrop of aggressive marketing has resulted in significant improvement in margins in Q1'10



## EBITDA Margin\* Movement Q1'09 to Q1'10



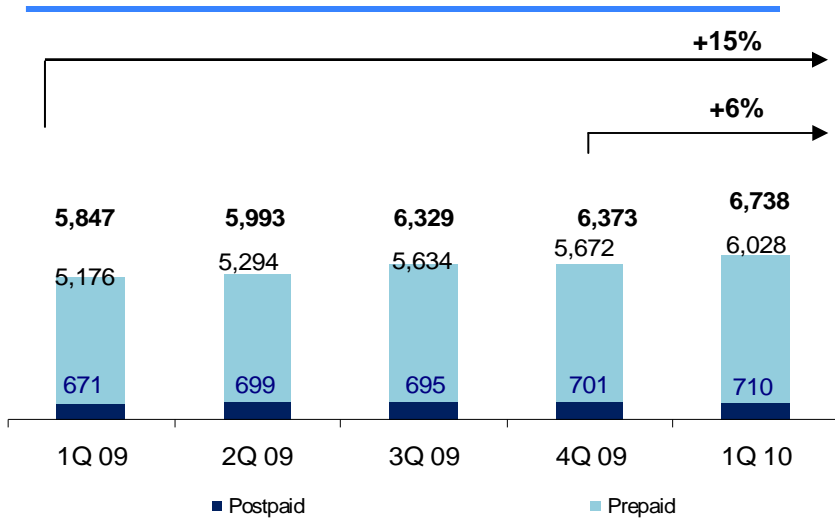
\* Q1 2010 reported performance has been compared against normalised performance in Q1 2009



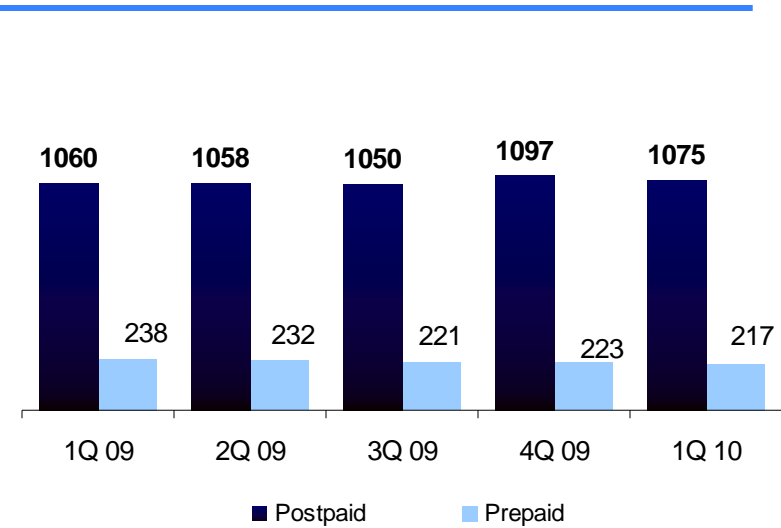
# Dialog: Operational Performance

Continued mobile subscriber growth amidst competitive environment

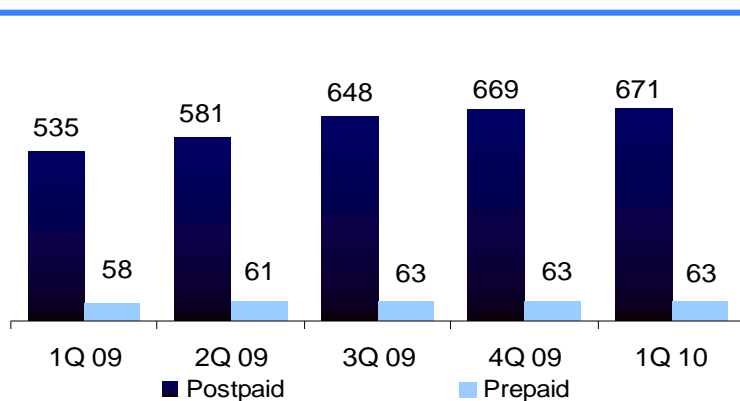
Subscribers(000's)



ARPU (SLR)



MOUs (min)\*



- Mobile subscribers increased by 15% YoY, and 6% QoQ despite aggressive competition across the sector
- ARPU and MOUs remained stable Q o Q

\* MoUs are based on outgoing min



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Other Regional mobile assets

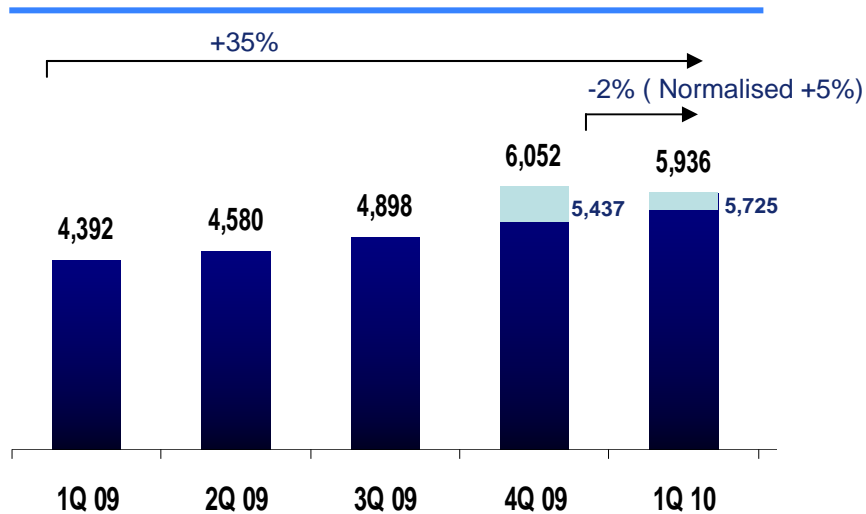
Moving Forward

# Robi: Financial Performance

Strong Revenue growth YoY by focus on quality customer acquisition and retention.

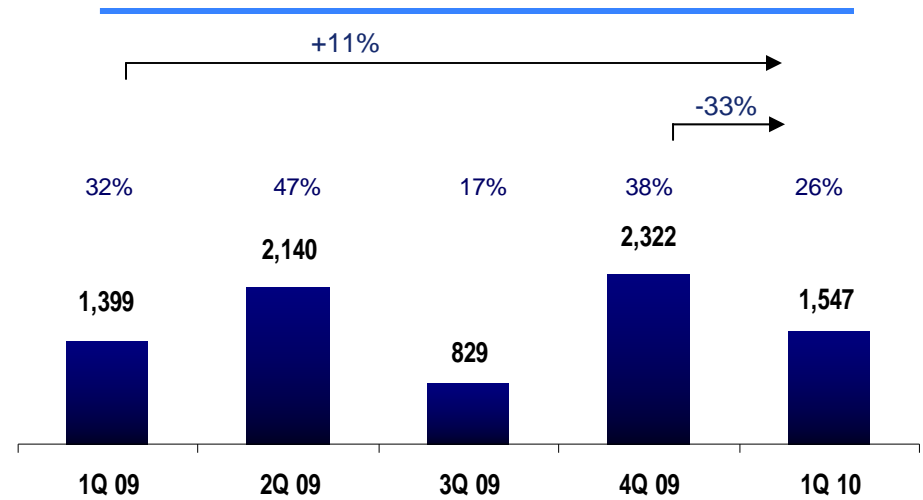


Revenue (BDT mn)

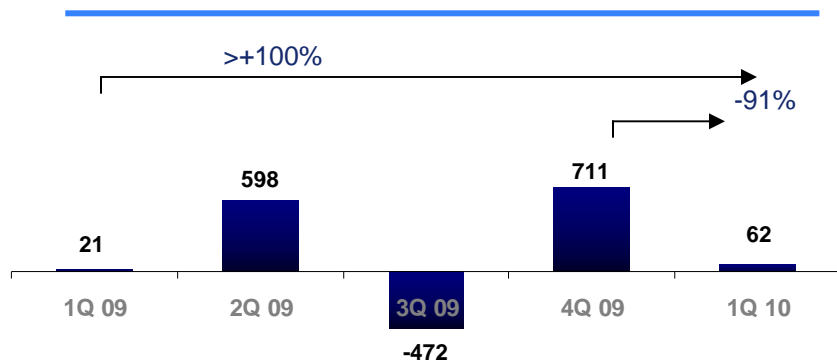


Normalised for International Gateway (IGW) Revenue recognised from 4Q 09 with finalisation of agreements at year end

EBITDA (BDT mn) & Margins (%)



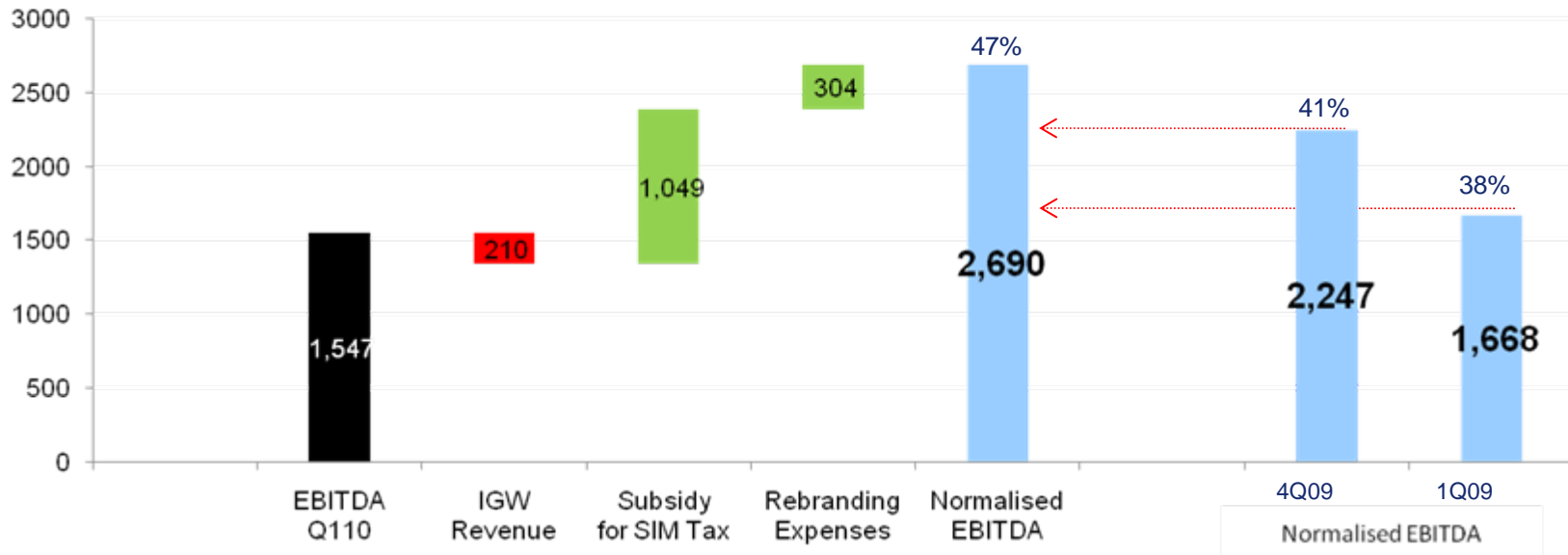
PAT (BDT mn)



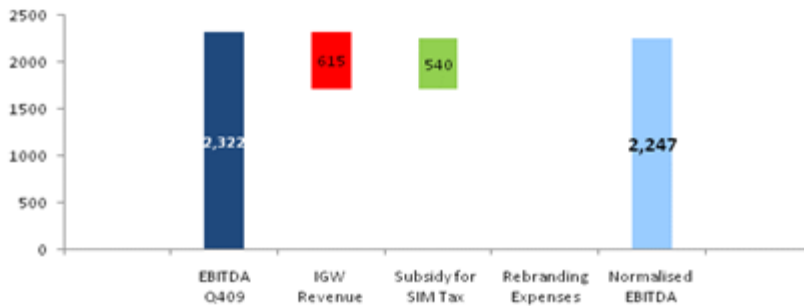
- YoY revenue growth from Revenue Generating Base (RGB) focus via quality acquisition and retention. QoQ Revenue declined due to one off recognition of FY09 IDD/IGW revenue in Q409. On a normalised basis QoQ improved 5%
- YoY EBITDA & PAT growth follows revenue growth. QoQ profitability impacted by rebranding costs and higher SAC following more aggressive acquisition.



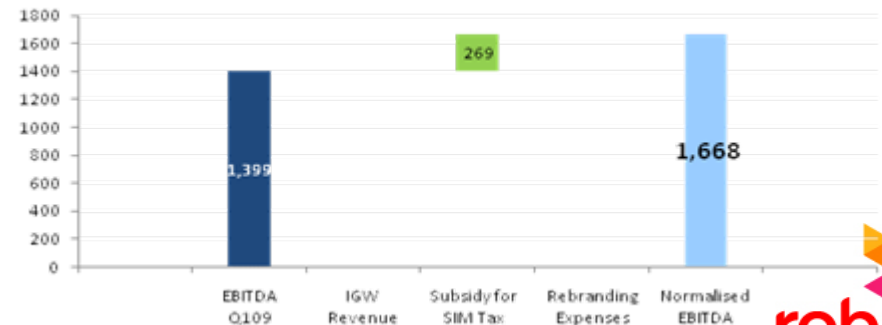
## 1Q 10 Normalised EBITDA (BDT M) and EBITDA%



### Q409 Normalised EBITDA (BDT M)



### Q109 Normalised EBITDA (BDT M)



### Operating Expenses

% of Revenue	1Q 09	4Q 09	1Q 10
Direct Expenses	44.8%	38.5%	47.3%
Sales & Marketing	2.8%	4.3%	6.8%
Network Costs	11.3%	9.5%	9.5%
Staff Costs	5.4%	6.2%	6.5%
Bad Debts	0.1%	0.3%	0.2%
Others	3.7%	2.9%	3.7%
<b>Total Expenses</b>	<b>68.1%</b>	<b>61.6%</b>	<b>73.9%</b>
EBITDA Margin	31.9%	38.4%	26.1%
	100.0%	100.0%	100.0%
D & A	22.0%	18.3%	18.3%

- **Direct Expenses increased due to higher SAC in 1Q10.**
- **Sales & Marketing costs increased due to rebranding costs**
- **Network costs as % of revenue improved YoY due to careful planning and optimization.**

### Financial Position (BDT mn)

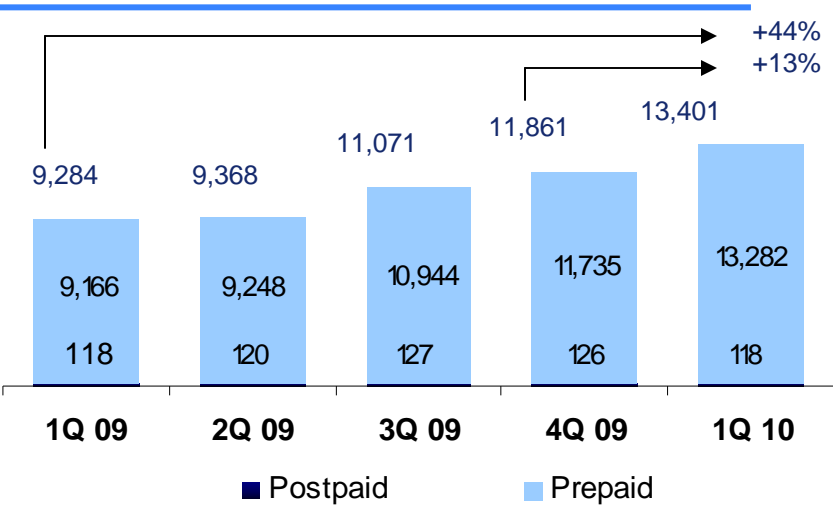
	31 Dec 09	31 Mar 10
<b>Capex</b>	<b>6,640</b>	<b>1,311</b>
<b>Cash &amp; Cash Equivalents</b>	<b>3,082</b>	<b>3,600</b>
<b>Gross Debt</b>	<b>17,258</b>	<b>17,100</b>
<b>Net Assets</b>	<b>15,704</b>	<b>15,766</b>
<b>Gross debt / equity (x)</b>	<b>1.10</b>	<b>1.08</b>
<b>Gross debt / EBITDA (x)</b>	<b>2.58</b>	<b>2.76</b>

# Robi : Financial Performance

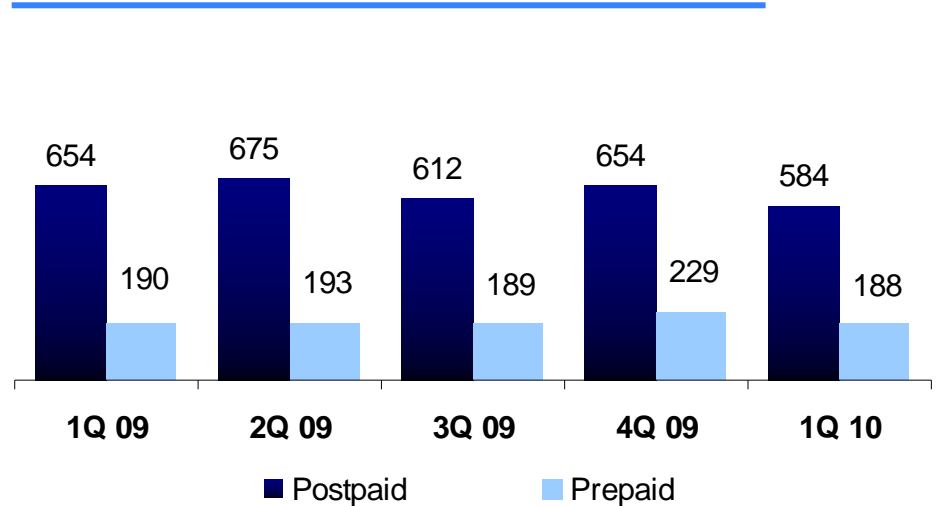
Strong YoY subscriber growth from improvement in distribution channels and nationwide strategies.



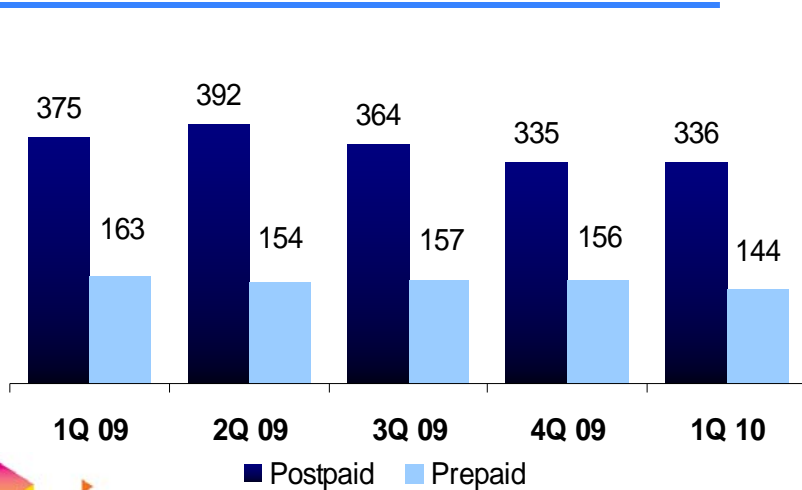
Subscribers(000's)



ARPU(BDT)



MOU/sub (min)



- Strong subscriber growth YoY of 44% by improving distribution and nationwide strategies, with focus on RGB and retention.
- Prepaid MoU/Sub and ARPU declined due to penetration into marginal subscriber base.
- Postpaid ARPU affected by withdrawal of call setup charge.



# AGENDA

Results Highlights

Malaysia – Celcom

Indonesia – Excelcomindo

Sri Lanka – Dialog
















Bangladesh – Robi

Other Regional mobile assets

Moving Forward



# Regional Mobile : Performance Highlights

COMPANY	HIGHLIGHTS	QUARTER on QUARTER PERFORMANCE OVERVIEW				
	Strong 4Q finish amidst challenging sector conditions	Revenue  6%	Subs  11%	EBITDA  13%	PAT  57%	
	Competitive pressure from increased number of competitors. Continued cost control saw lower losses at Hello	Revenue  8%	Subs  18%	EBITDA  29%	PAT  12%	
	Higher service revenue, handset sales and data revenue. Handset costs impacted EBITDA	Revenue  15%	Subs  2%	EBITDA  3%	PAT  6%	

^ Idea and wholly owned subsidiaries on a consolidated basis. Subscribers includes Spice

## **AGENDA**

**Results Highlights**

**Malaysia – Celcom**

**Indonesia – Excelcomindo**

**Sri Lanka – Dialog**

**Bangladesh – Robi**

**Other Regional mobile assets**

**Moving Forward**



- Focus on sustainable performance with emphasis on revenue growth opportunities including mobile broadband
- Continued diligence on cost management and capex efficiency



- Broadband dominance through aggressive broadband offerings and services
- Focusing on high quality in customer touch point experience
- Further implementation and various kick-off action plans for high transformation agendas



- Continued strategy of providing choice to its subscribers by launching innovative products that encourage and monetize usage.
- Encourage further adoption of data service and stimulating usage through offering of attractive data services and applications.



- Focus on mobile with effort on maintaining mobile revenue market share
- Further emphasis on cost re-scaling



- Continued improvements in distribution, customer service and network quality to drive further growth, supported by nationwide strategies, product simplicity and innovation

Headline KPIs	2010
Revenue growth	12.1%
EBITDA growth	14.1%
ROIC (%)	10.7%
Capex*	RM3.6bn

\* Capex is not a Headline KPI

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# Thank You

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