



# 2Q 2014 Results

**27 August 2014**

*Dato' Sri Jamaludin Ibrahim, President & Group CEO*

*Chari TVT, Group CFO*

# Executive summary:

Decent quarter and YTD results with strong performance from Smart and Robi but average performance from Celcom. PATAMI impacted by Axis acquisition (as expected) and forex losses



## ❖ Moderate revenue growth but PATAMI affected by Axis acquisition and forex losses

- YTD growth : Revenue +1.5% ; EBITDA -3.1% ; PATAMI -10.9%
- QoQ growth : Revenue +4.8% ; EBITDA -2.6% ; PATAMI -33.6%
- 2Q YoY growth : Revenue +2.2% ; EBITDA -6.5% ; PATAMI -30.5%

## ❖ Strong revenue growth at constant currency and stable YTD EBITDA

- YTD growth : Revenue +4.9% ; EBITDA +0.3% ; PATAMI -12.4%
- QoQ growth : Revenue +5.0% ; EBITDA -2.4% ; PATAMI -33.4%
- 2Q YoY growth : Revenue +5.7% ; EBITDA -3.4% ; PATAMI -34.4%

## ❖ Excellent performance by Idea

## ❖ YTD14 CAPEX RM1.8bn

## ❖ ROIC at 9.6% and ROCE at 8.2%

## ❖ 8 sen interim dividend



# Key Group highlights (1/3):

2Q 2014 : Strong performance by XL with Axis integration on track



- Challenging quarter, slight improvement QoQ
- Data revenue grew by 19% YTD
- Flat service revenue growth YTD, notwithstanding 'loss of revenue opportunities' arising from ongoing IT transformation, network issues in some areas and suspension of promotion via short codes



- 2Q14 marks the first full quarter impact on financials since completion of acquisition of Axis
- YTD revenue and EBITDA increased by 12% and 2% respectively, as efforts on integration remains well on track
- Significant integration milestones achieved, including technical integration, commercial integration and HR rationalisation
- Stable industry environment

Growth number based on results in local currency in respective operating markets

# Key Group highlights (2/3):

2Q 2014 : Strong performance by Dialog, Robi and Smart



- YTD revenue growth of 7% with voice increasing by 5%, excellent data growth of 54% whilst international revenue declined 12%
- TV revenue grew 30% YTD as subscribers increased to 390k
- Strong PAT growth of 15% YTD



- Strong performance with YTD revenue, EBITDA and normalised PAT growth of 7%, 14% and 8% respectively
- YTD EBITDA margin improved by 2.6pp to 39.8%
- Strong traction in data revenue (>100% YTD) after launch of 3G services
- Heightened competition



- Stellar YTD performance with revenue, EBITDA and PAT growth of 35%, 78% and 81% respectively
- YTD data revenue growth of 115% with data contributing 19% of total revenue
- Total subscribers increased by 35% to 5.9m



## Associates



- Outstanding YTD performance with revenue, EBITDA and PAT growth of 16%, 21% and 57% respectively



- YTD stable service revenue and strong profit growth



- Disposed entire shareholding (24%) for USD89.3mn (to be reflected in 3Q14)



# Group overall performance impacted by Axis and Celcom

## Strong performance at other OpCos

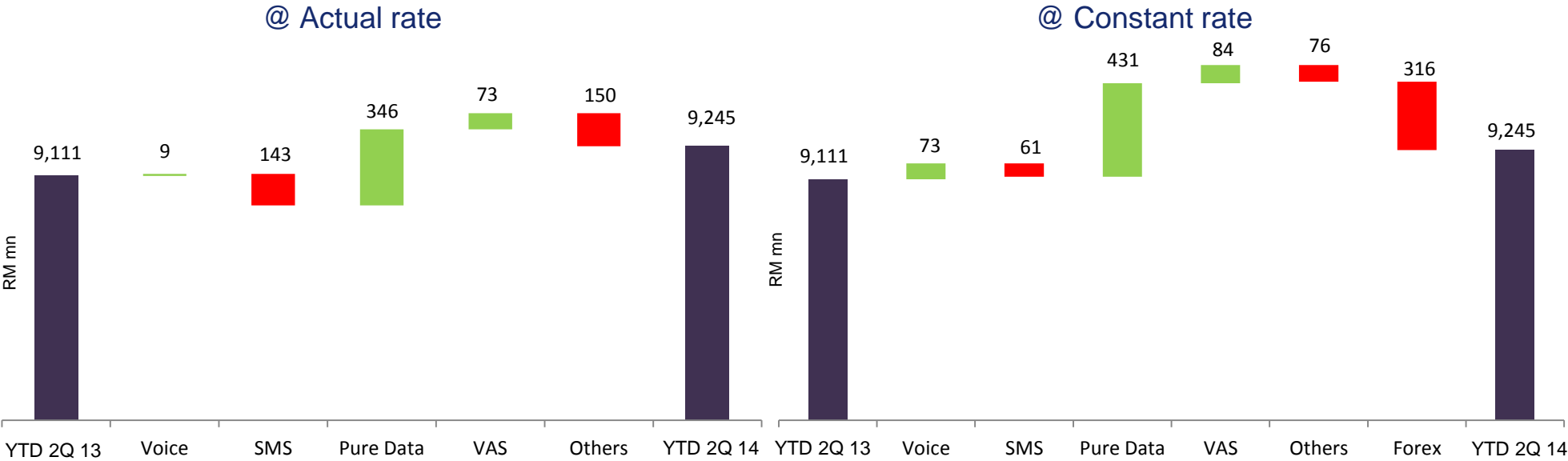
### Financial highlights

<u>RM mn</u>	<u>2Q14</u>	<u>YTD</u>	<u>QoQ growth</u>	<u>YoY growth</u>	<u>YTD growth</u>	<u>YTD growth (constant currency)</u>
Revenue	4,730	9,245	4.8%	2.2%	1.5%	4.9%
EBITDA	1,742	3,531	-2.6%	-6.5%	-3.1%	0.3%
EBITDA margin %	36.8%	38.2%	-2.8pp	-3.5pp	-1.8pp	-1.8pp
PAT	393	1,123	-46.1%	-44.4%	-18.7%	-20.6%
Normalised PAT	634	1,295	-3.9%	-10.6%	-9.2%	-9.0%
PATAMI	448	1,123	-33.6%	-30.5%	-10.9%	-12.4%
Normalised PATAMI	630	1,254	0.9%	-1.5%	-3.3%	-3.2%
ROIC %		9.6%	-	-	-1.1pp	9.5%
ROCE %		8.2%	-	-	-0.4pp	8.1%
Capex	739	1,774	-28.5%	-26.1%	-5.9%	
<i>% of revenue</i>	15.6%	19.2%				
Operating Free Cash Flow*	738	1,072	>100%	+43.8%	-0.2%	
<i>% of revenue</i>	15.6%	11.6%				

\*OFCF= EBITDA- Capex- Net Interest-Tax

Note: Group normalised items as per slide #9

# Group data revenue increase cushions decline in SMS



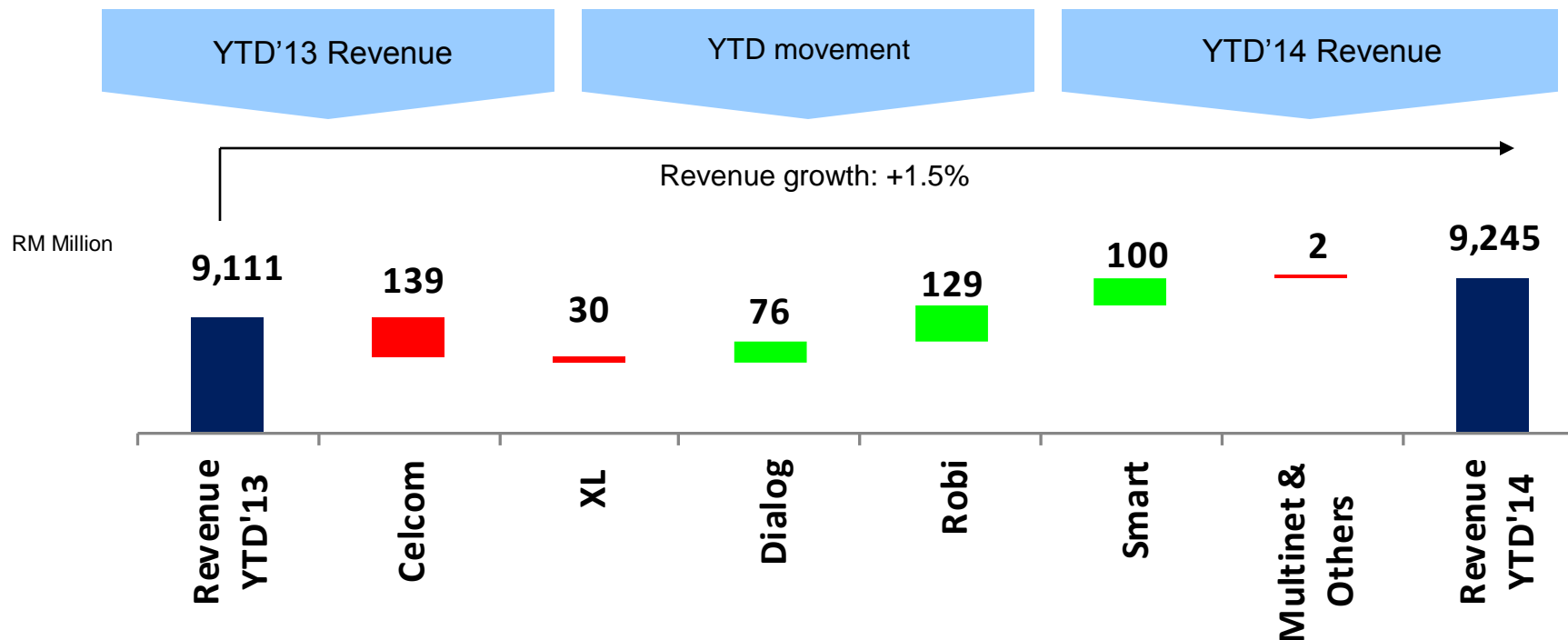
- Voice revenue dropped at Celcom. XL growth negatively impacted by forex. However, both have been compensated by growth at Robi, Dialog and Smart.
- SMS business dropped at Celcom. XL growth negatively impacted by forex.
- Data revenue has shown strong growth in all markets driven by increasing smartphone penetration and data usage. XL is leading the overall data revenue growth despite forex impact.



Note: Others include OpCos' non service revenue e.g. revenue from device sales, TowerCo, USP etc, and interconnect revenue at XL. Numbers may not add up due to rounding

# Group revenue : YTD'13→YTD'14

YTD revenue impacted by Celcom performance and XL's lower translated results, compensated by strong growth at all other OpCos

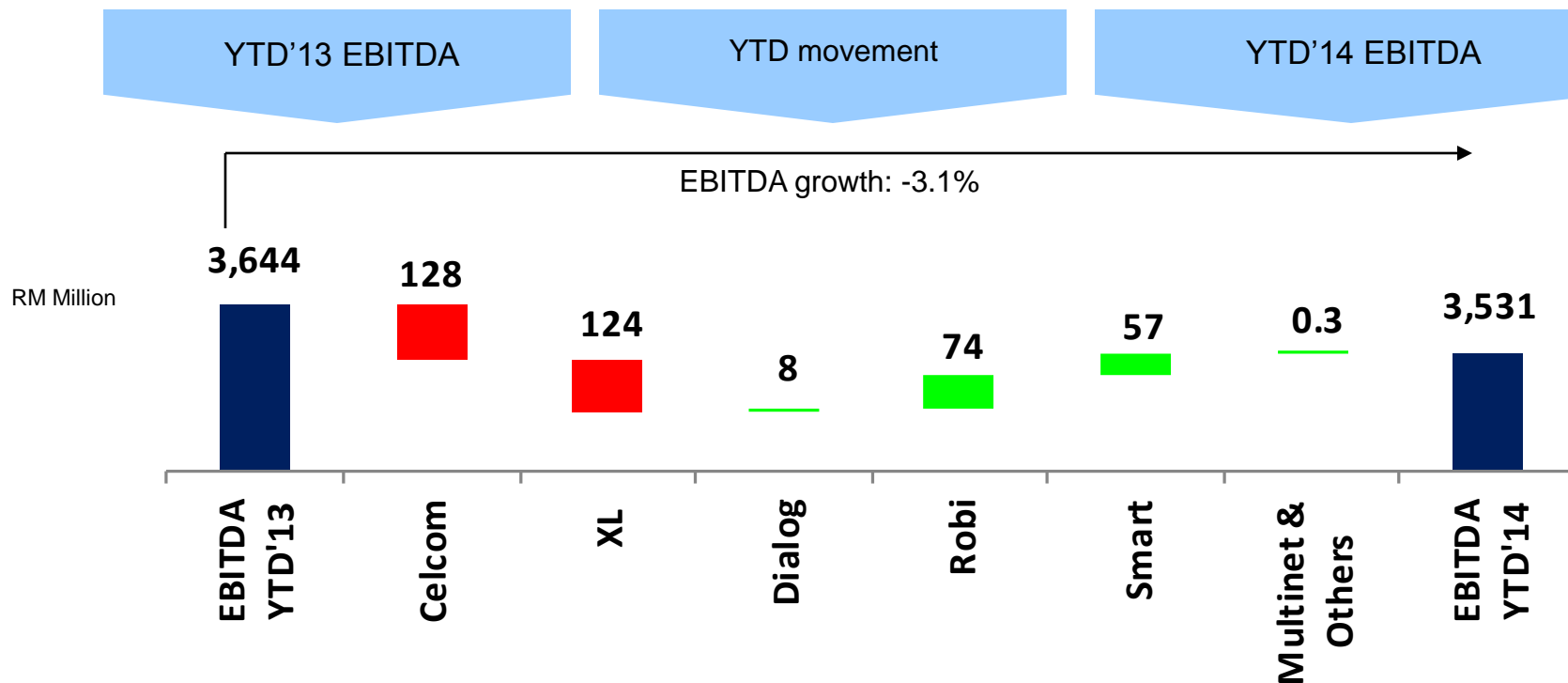


Revenue	YTD'13	YTD Growth Rates	Revenue	YTD'14
Celcom	3,990	(-139) -3.5%	Celcom	3,851
XL	3,252	(-30) -0.9%	XL	3,222
Dialog	749	(+76) +10.1%	Dialog	825
Robi	878	(+129) +14.6%	Robi	1,007
Smart	170	(+100) +58.9%	Smart	270
Multinet & Others	72	(-2) -2.8%	Multinet & Others	70
<b>GROUP</b>	<b>9,111</b>	<b>(+134) +1.5%</b>	<b>GROUP</b>	<b>9,245</b>



# Group EBITDA : YTD'13→YTD'14

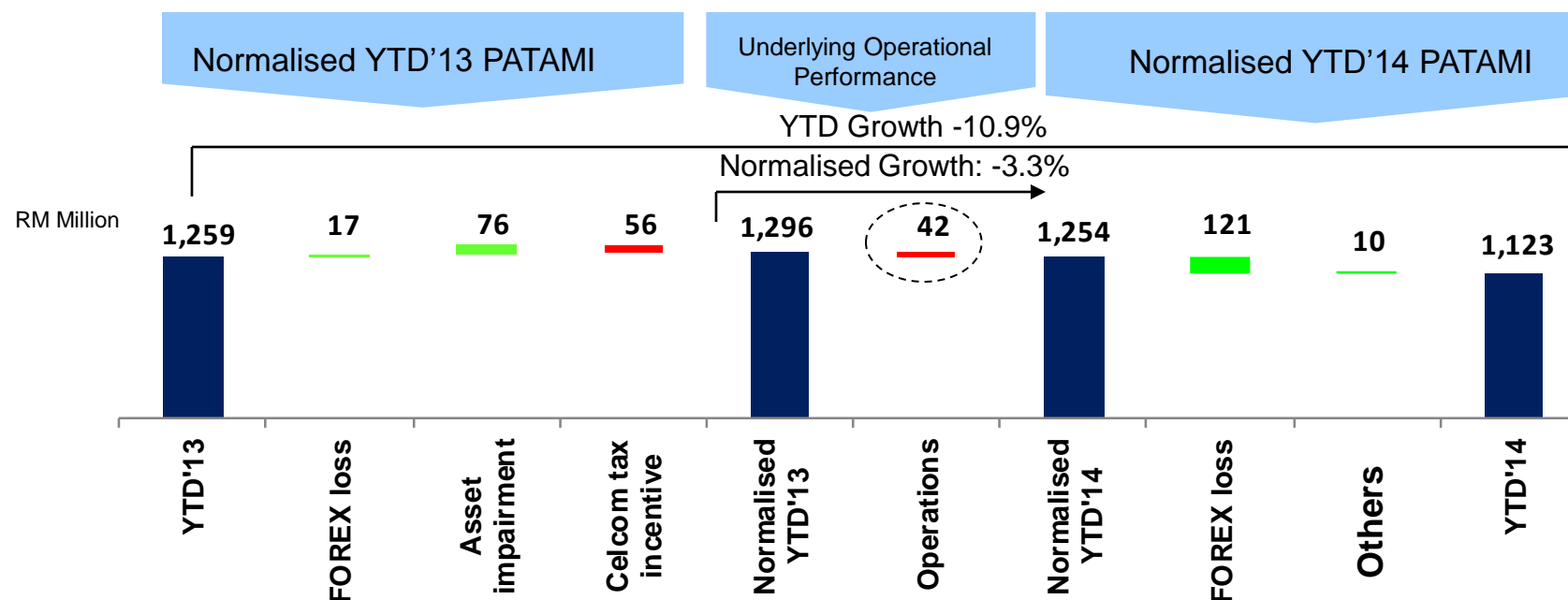
Robi and Smart partly compensated the EBITDA decline of Celcom (weaker performance) and XL (Axis integration costs)



EBITDA	YTD'13	YTD Growth Rates	EBITDA	YTD'14
Celcom	1,742	(-128) -7.4%	Celcom	1,614
XL	1,361	(-124) -9.1%	XL	1,237
Dialog	241	(+8) +3.4%	Dialog	249
Robi	316	(+74) +23.3%	Robi	390
Smart	54	(+57) +105.8%	Smart	111
Multinet & Others	(70)	(+0.3) +0.5%	Multinet & Others	(70)
<b>GROUP</b>	<b>3,644</b>	<b>(-113) -3.1%</b>	<b>GROUP</b>	<b>3,531</b>

# Normalised Group PATAMI : YTD'13 → YTD'14

Forex losses affected Group profitability, normalised performance 3.3% below YTD'13

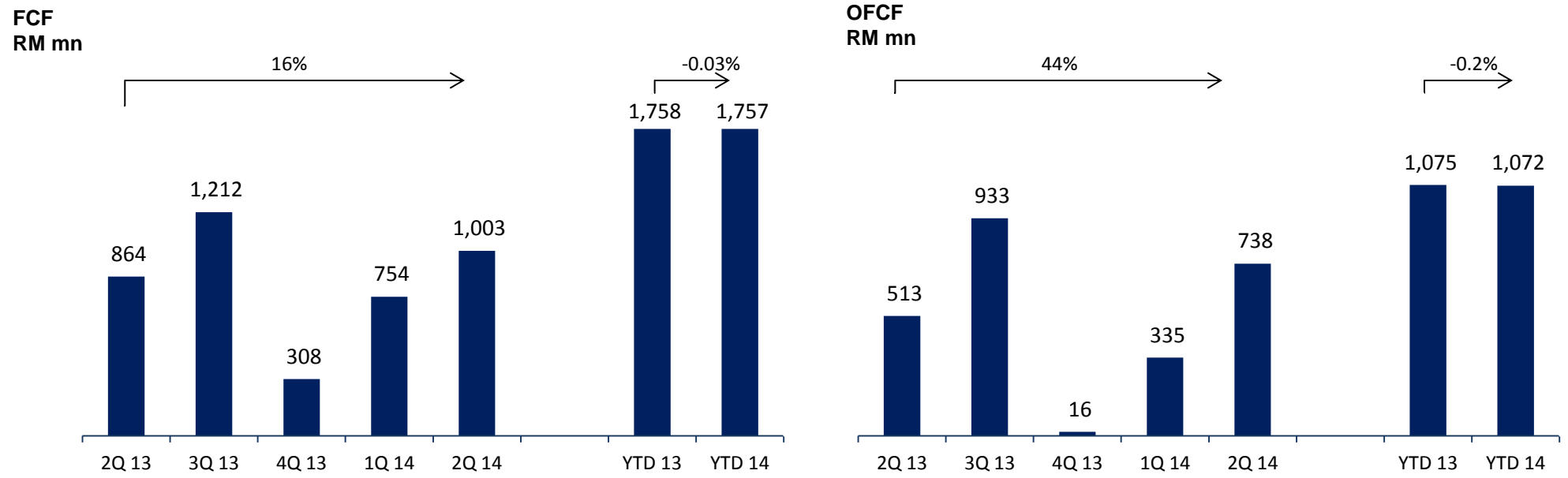


Norm PATAMI	YTD'13	YTD Growth Rates	Norm PATAMI	YTD'14
Celcom	991	(-70) -7.1%	Celcom	921
XL	158	(-148) -93.7%	XL	10
Dialog	70	(-11) -15.7%	Dialog	59
Robi	54	(+29) +52.4%	Robi	83
Smart	19	(+28) +147.4%	Smart	47
Associates & Others	4	(+130) +3703.4%	Associates & Others	134
<b>GROUP</b>	<b>1,296</b>	<b>(-42) -3.3%</b>	<b>GROUP</b>	<b>1,254</b>

OPERATIONAL CONTRIBUTION DECREASED BY RM42MN



# YTD'14 capex intensity of 19%



Capex ( RM mn )	YTD 2013	YTD 2014
Celcom	381	267
XL	1,127	867
Dialog	223	128
Robi	116	391
Smart	32	89
Others	8	32
<b>Total</b>	<b>1,886</b>	<b>1,774</b>

Note: Numbers may not add up due to rounding  
 FCF=EBITDA-Capex  
 OFCF= EBITDA- Capex- Net Interest-Tax

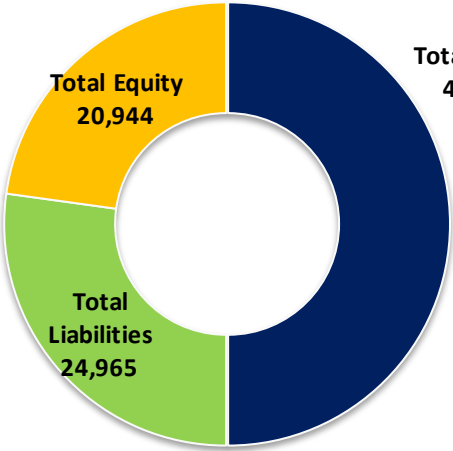


# Group statements of financial position

## Increase in Group balance sheet due to Axis integration

As at ended June'2014 Group Statements of Financial Position

RM' Million

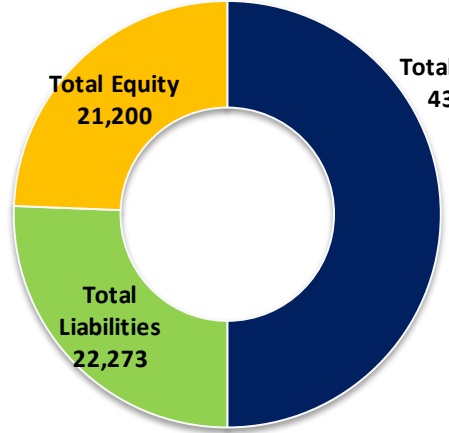


Total Assets  
45,909

○ Credit rating remained unchanged for the Group is Baa2 (Moody's) and BBB+ (S&P).

As at ended June'2013 Group Statements of Financial Position

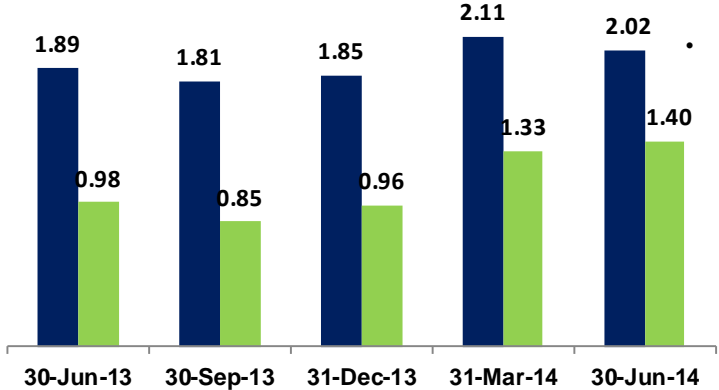
RM' Million



Total Assets  
43,473

- Cash & bank decreased by RM1.2bn (-21.4%) QoQ mainly due to dividend paid to shareholders in June'14 amounting to RM1.2bn
- Free Cash Flow (FCF) is RM1.8bn and Operating Free Cash Flow (OFCF) is RM1.1bn.

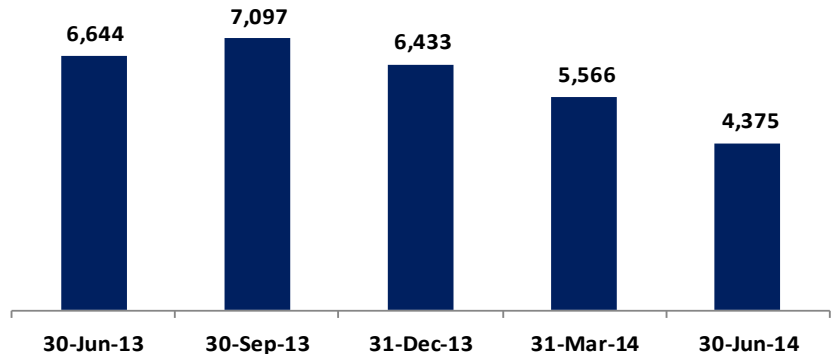
■ Gross debt to EBITDA ■ Net debt to EBITDA



• QoQ Net Debt to EBITDA increased to 1.4x from 1.3x mainly due to lower cash balance.

Cash and Bank

RM' Million



	FY2014 Headline KPIs*	Guidance
Revenue growth	10.1%	Mid-single digit
EBITDA growth	1.8%	In-line
ROIC (%)	9.3%	In-line
ROCE (%)	7.8%	In-line
Capex**	RM4.4bn	In-line

\*The above Headline KPIs are based on 2013 average forex rates for the respective currencies. However, based on Jan'14 average forex rates these Headlines KPIs are estimated to be Revenue 6.9%, EBITDA -1.0%, ROIC 9.0% and ROCE 7.5%

\*\* Capex is not a Headline KPI.

## Opportunities

- ❖ Continued improvement in service quality and cost savings with ongoing integration that is well on track for XL-Axis
- ❖ Growth in data revenue and improvement in data profitability
- ❖ Increasing ARPM for Idea
- ❖ e.Co – realise cost efficiencies in opex and capex

## Challenges

- ❖ IT transformation programme at Celcom
- ❖ Currency volatility particularly IDR



# Appendix



	QoQ Performance			YTD Performance		
	Revenue	EBITDA	Normalised PAT <sup>1</sup>	Revenue	EBITDA	Normalised PAT <sup>1</sup>
Group	↑ 5%	↓ -3%	↑ 1%	↑ 2%	↓ -3%	↓ -3%
Celcom	↑ 2%	↑ 2%	↑ 1%	↓ -3%	↓ -8%	↓ -3%
XL	↑ 10%	↓ -6%	↓ >-100%	↑ 12%	↑ 2%	↓ >-100%
Dialog	↑ 2%	↑ 12%	↑ 31%	↑ 7%	↓ -1%	↑ 15%
Robi	↑ 5%	↑ 4%	↑ 12%	↑ 7%	↑ 14%	↑ 8%
Smart <sup>2</sup>	↑ 7%	↑ 11%	↑ 15%	↑ 35%	↑ 78%	↑ 81%

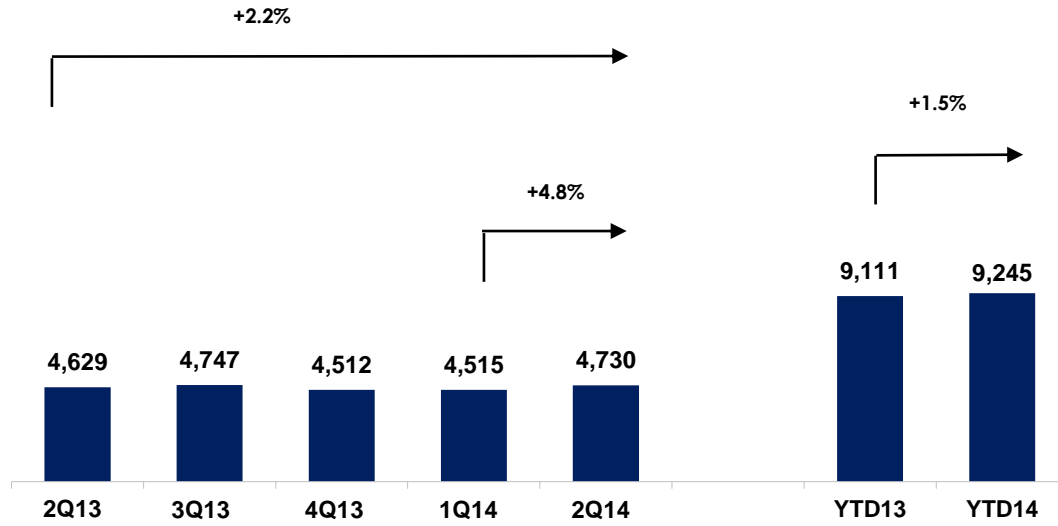
*Note:*

- Growth number based on results in local currency in respective operating markets
- 1. Group and Celcom: PATAMI and others: PAT. PAT/PATAMI normalised as per appendix
- 2. Smart based on proforma reported numbers





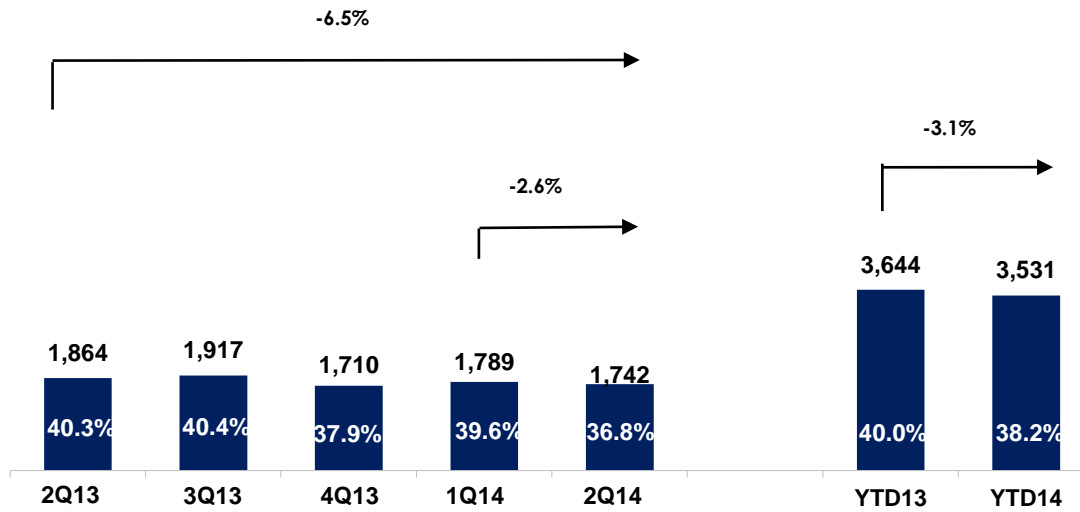
### Revenue (RM mn)



- Revenue growth QoQ driven by XL-Axis integration and MVNO revenues in Celcom
- At constant currency:
  - QoQ – revenue would increase by +5.0% (vs +4.8%)
  - YoY – revenue would increase by +5.7% (vs +2.2%)



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



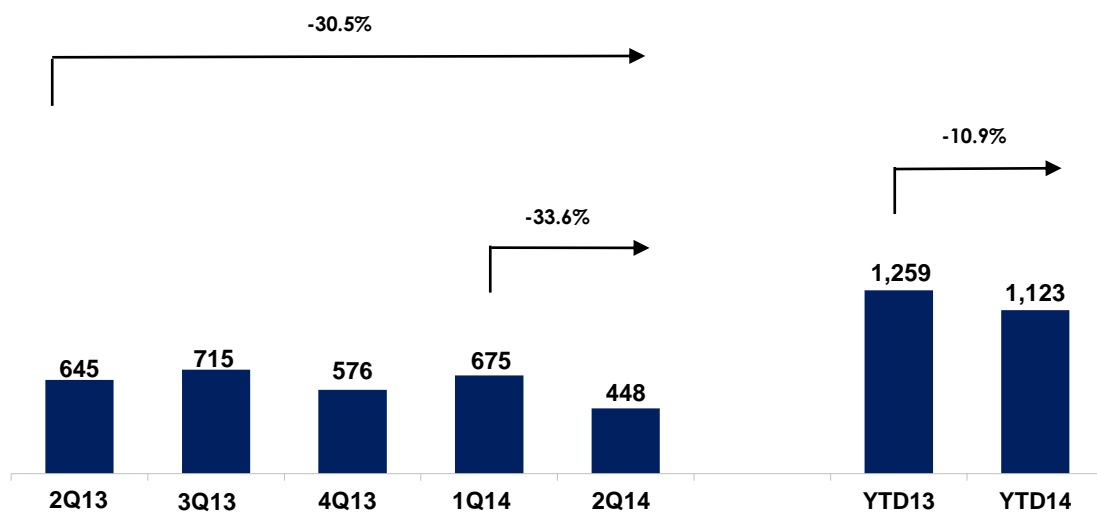
- EBITDA QoQ and YoY is affected by Axis acquisition and lower contribution from Celcom
- At constant currency:
  - QoQ – EBITDA would decrease by -2.4% (vs -2.6%)
  - YoY – EBITDA would decrease by -3.4% (vs -6.5%)



# Group financial performance

## PATAMI impacted by Axis acquisition and forex losses at XL

### PATAMI (RM mn)



- PATAMI QoQ and YoY is significantly impacted by lower EBITDA and forex losses at XL
- At constant currency:
  - QoQ – PATAMI would decrease by -33.4% (vs -33.6%)
  - YoY – PATAMI would decrease by -34.4% (vs -30.5%)



# Data continues to provide strong growth momentum, voice & SMS still >70% of service revenue

RM mn	2Q 13*	2Q 14	2Q 13 vs 2Q 14
Voice	2,420	2,405	-0.6%
% of Service revenue	62.2%	59.0%	- 3.3 pp
SMS	575	510	-11.3%
% of Service revenue	14.8%	12.5%	- 2.3 pp
VAS	232	281	+ 21.2%
% of Service revenue	6.0%	6.9%	+ 0.9 pp
Data	660	881	+ 33.3%
% of Service revenue	17.0%	21.6%	+ 4.6 pp
<b>Total Service revenue</b>	<b>3,887</b>	<b>4,077</b>	<b>+ 4.9%</b>
<b>Others**</b>	<b>742</b>	<b>653</b>	<b>-12.0%</b>
<b>% of Total Revenue</b>	<b>16.0%</b>	<b>13.8%</b>	<b>- 2.2 pp</b>
<b>Total Revenue</b>	<b>4,629</b>	<b>4,730</b>	<b>+ 2.2%</b>

Data revenue has grown 33% YoY, driving the “core mobile service” revenue increase by 5% YoY.

**Note:**

\* Revenue reclassified by Smart

\*\*Others include OpCo’s other revenue (including interconnect & roaming revenue at XL)

# Except for IDR, currencies at most OpCos appreciated against RM in 1H14

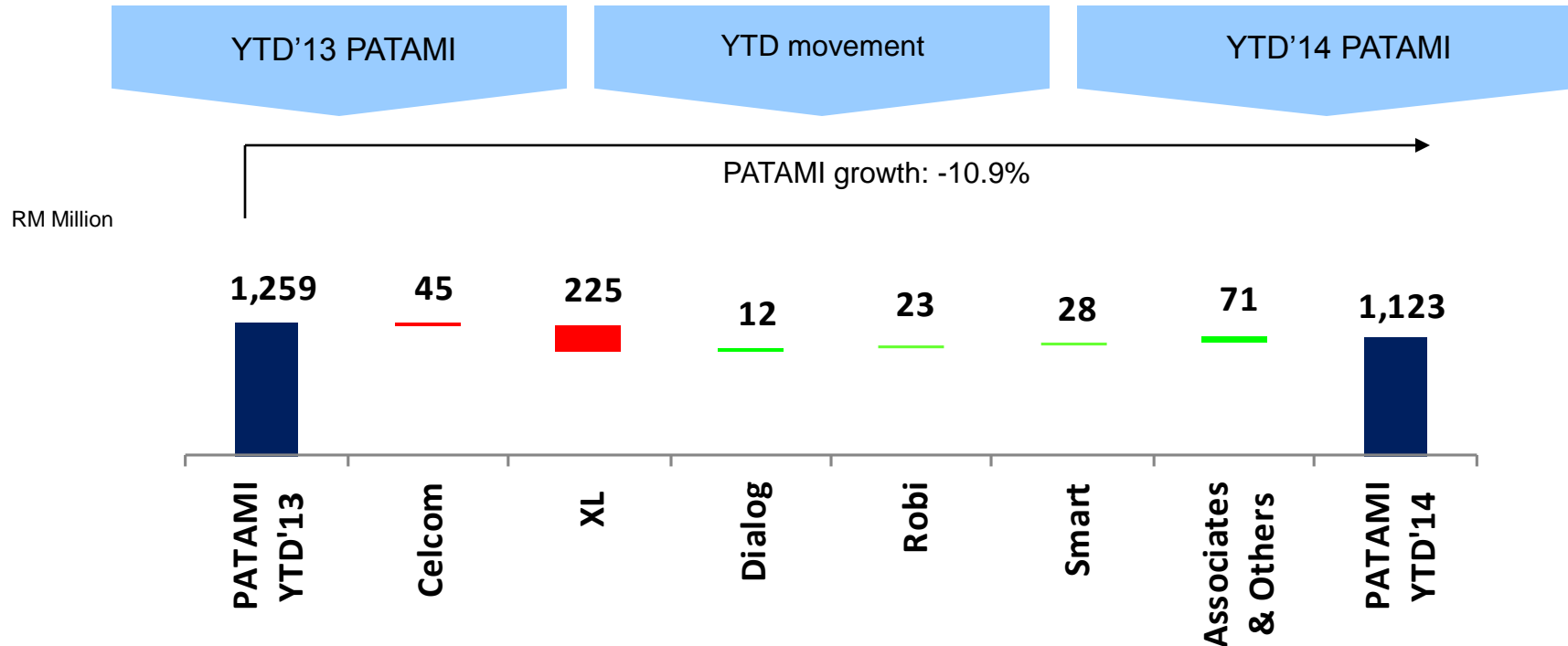
	OpCo Currency Vs RM, USD – Avg Q2'14 vs Q1'14		OpCo Currency Vs RM, USD – YTD June'14 vs YTD June'13	
Indonesia Rupiah, IDR	+0.36%	+2.30%	-11.71%	-16.90%
Sri Lanka Rupee, LKR	-1.75%	+0.15%	+3.06%	-3.00%
Bangladesh Taka, BDT	-1.87%	+0.03%	+7.20%	+0.90%
US Dollar, USD	-1.90%	+0.00%	+6.24%	+0.00%
Singapore Dollar, SGD	-0.64%	+1.28%	+4.71%	-1.45%
Pakistan Rupee, PKR	+3.43%	+5.43%	+3.43%	-2.65%
Indian Rupee, INR	+1.38%	+3.34%	-3.99%	-9.63%
Malaysia Ringgit, RM	+0.00%	+1.90%	+0.00%	-6.24%

**Impact to translated RM revenue is -0.2pp QoQ and -3.4pp YTD**



# Group PATAMI : YTD'13→YTD'14

YTD PATAMI decreased mainly from XL (due to lower EBITDA and forex losses) and Celcom (lower revenue)



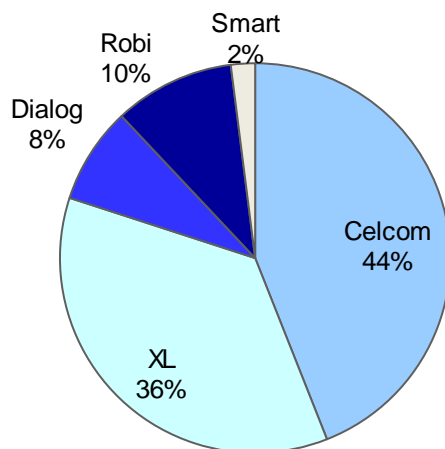
PATAMI	YTD'13	YTD Growth Rates	PATAMI	YTD'14
Celcom	969	(-45) -4.6%	Celcom	924
XL	140	(-225) -160.9%	XL	(85)
Dialog	53	(+12) +22.4%	Dialog	65
Robi	61	(+23) +36.6%	Robi	84
Smart	19	(+28) +147.6%	Smart	47
Associates & Others	17	(+71) +417.6%	Associates & Others	88
<b>GROUP</b>	<b>1,259</b>	<b>(-136) -10.9%</b>	<b>GROUP</b>	<b>1,123</b>

# Key OpCos revenue and EBITDA composition

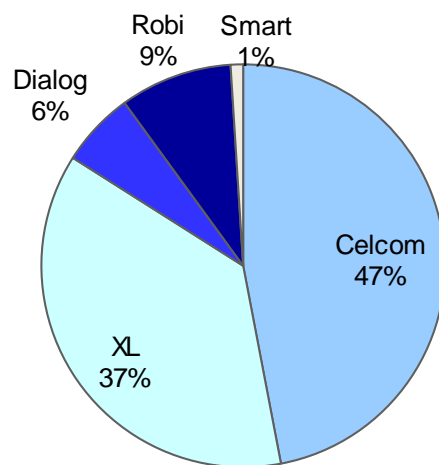
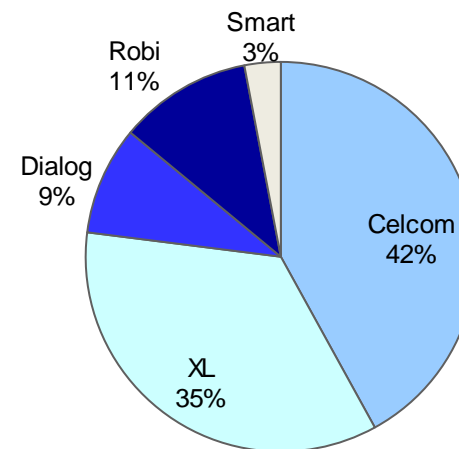
Robi, Dialog and Smart continues to increase contribution to Group; increasing resilience of the Group from a diversified portfolio

YTD 2013 REVENUE & EBITDA Breakdown (%)

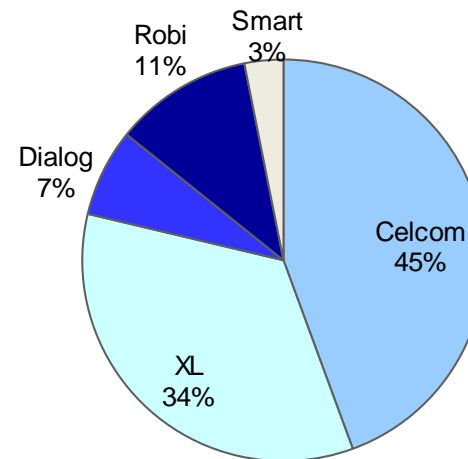
YTD 2014 REVENUE & EBITDA Breakdown (%)



REVENUE



EBITDA



Note : Contribution % was derived from Group consolidated figures of 5 OpCos



# Group borrowings & cash

As at 30 June 2014

## Group Borrowings

RM Million	Loan Currency	Conventional	Islamic	Total
Holdco & Non Opco	USD*	961	-	961
	CNY		522	522
	<b>Sub-total</b>	<b>961</b>	<b>522</b>	<b>1,483</b>
OpCos	USD	4,575	-	4,575
	Local	3,171	5,032	8,203
	<b>Sub-total</b>	<b>7,746</b>	<b>5,032</b>	<b>12,778</b>
<b>Total Group</b>		<b>8,707</b>	<b>5,554</b>	<b>14,261</b>

*\*As at 30 June 2014, Holdco & Non OpCos USD borrowings have been hedged to SGD; USD300mn to SGD421.3mn; RMB 1bn to USD157mn  
71% of the total Group USD loan exposure are hedged naturally or with financial institutions.*

## Group Cash Balance

RM Million	Currency	Amount
Holdco & Non Opco	USD	211
	Local	1,420
	<b>Sub-total</b>	<b>1,631</b>
OpCos	USD	42
	Local	2,702
	<b>Sub-total</b>	<b>2,744</b>
<b>Total Group</b>		<b>4,375</b>

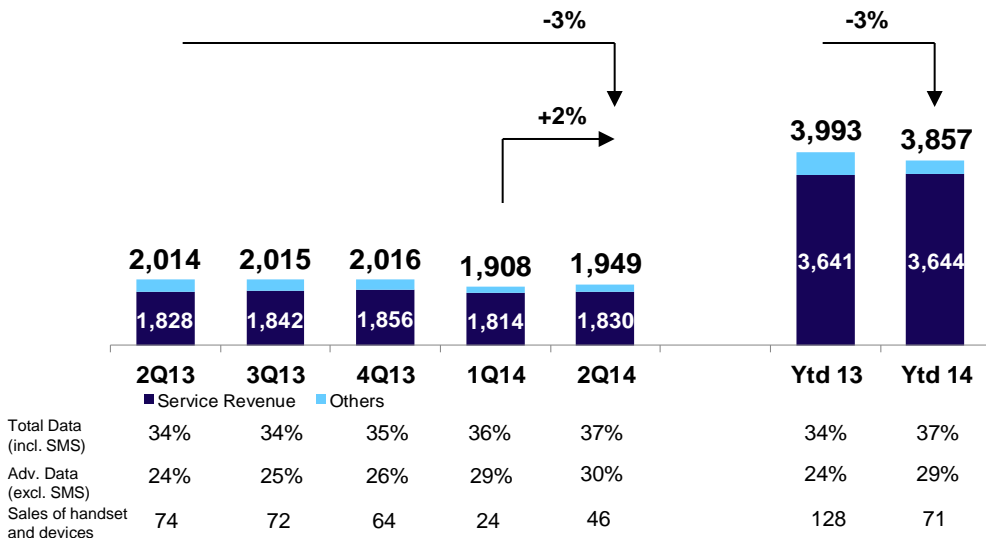


# Celcom : financial performance

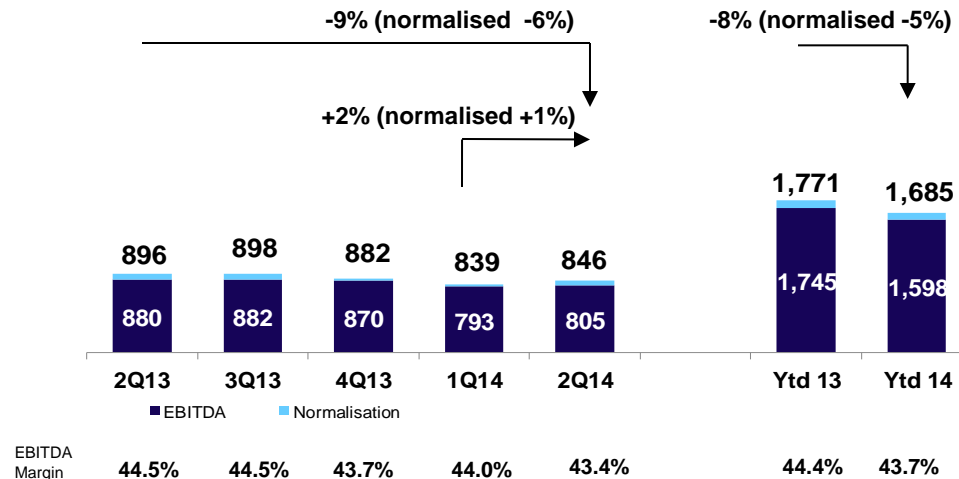
Healthy QoQ growth in service revenue on the back of growing data revenue



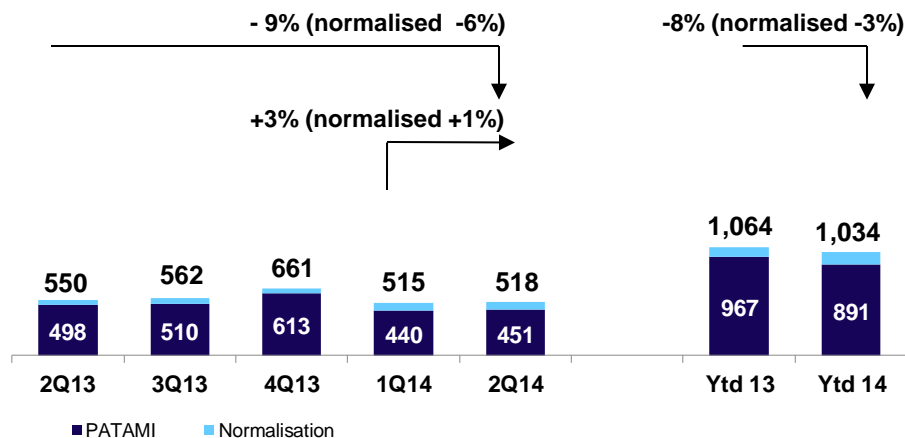
## Revenue (RM mn) & % of revenue (%)



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



## PATAMI (RM mn)\*



- Data revenue is growing encouragingly, cushioning the decline in basic voice and SMS revenue
- As such comparing to 1H13, service revenue grew 0.1% to RM3.6bil
- Increase in revenue flow through earnings that registered a 1% growth QoQ

1. EBITDA/PATAMI excludes one of gain on disposal of Edotco of RM1,009mil  
 2. Normalisation – excludes holding company charge, Escape, and interest/charges on Sukuk



# Celcom : financial performance

## Increase in cost associated with higher direct expenses

### Operating Expenses ^

% of Revenue	2Q13	1Q14	2Q14	YTD 13	YTD 14
Direct Expenses	25.2%	26.8%	27.8%	25.0%	27.3%
Sales & Marketing	7.9%	7.7%	7.8%	8.2%	7.7%
Network Costs	9.7%	10.1%	10.0%	10.0%	10.1%
Staff Costs	7.1%	7.7%	7.3%	6.7%	7.5%
Bad Debts	0.4%	0.0%	0.6%	0.4%	0.3%
Others	5.2%	3.7%	3.0%	5.4%	3.4%
<b>Total Expenses</b>	<b>55.5%</b>	<b>56.0%</b>	<b>56.6%</b>	<b>55.6%</b>	<b>56.3%</b>
<b>EBITDA Margin</b>	<b>44.5%</b>	<b>44.0%</b>	<b>43.4%</b>	<b>44.4%</b>	<b>43.7%</b>
Depreciation & Amortisation	11.6%	9.4%	10.0%	11.8%	9.7%

### Financial Position (RM mn)

	YTD Jun 13	YTD Jun 14
Capex	407	300
Cash & Cash Equivalents	2,259	1,593
Gross Debt	5,032	5,032
Net Assets	(1,972)	(1,827)
Gross debt / equity (x)	n/m	n/m
Gross debt / EBITDA(x)	1.4	1.5

#### QoQ

- Higher direct expenses – in tandem with higher sales of handset/devices
- Staff cost – lower ESOS payout

#### YTD

- Higher direct expenses – increase in third party cost sharing in tandem with the surge in content and MVNO revenue
- Staff cost – higher ESOS payout in 1H14 and salary increment
- Depreciation and amortisation – completion of accelerating depreciation for network modernization in end 2013

^ OPEX and EBITDA Margin excludes holding company charge and Escape

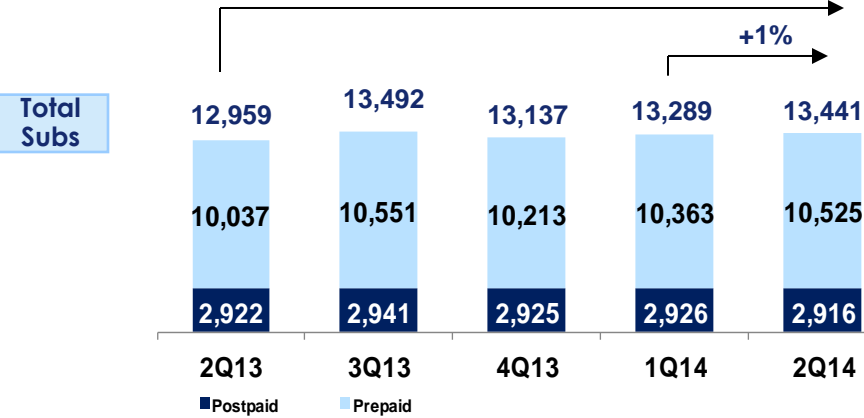
# Celcom : operational performance

## Blended ARPU remains stable



### Subscribers (000's)

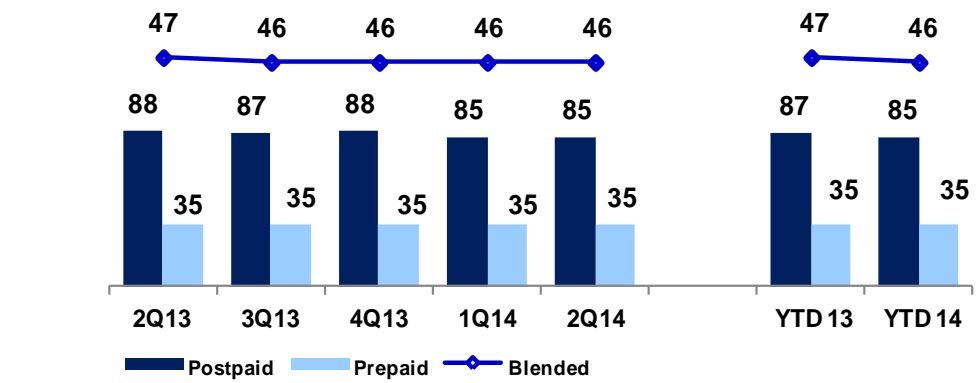
<b>Net Adds</b>	<b>-98</b>	<b>533</b>	<b>-354</b>	<b>152</b>	<b>152</b>
Prepaid	-123	514	-338	150	162
Postpaid	25	19	-16	1	-10



Broadband Subs <sup>^</sup>	1,088	1,174	1,226	1,228	1,302
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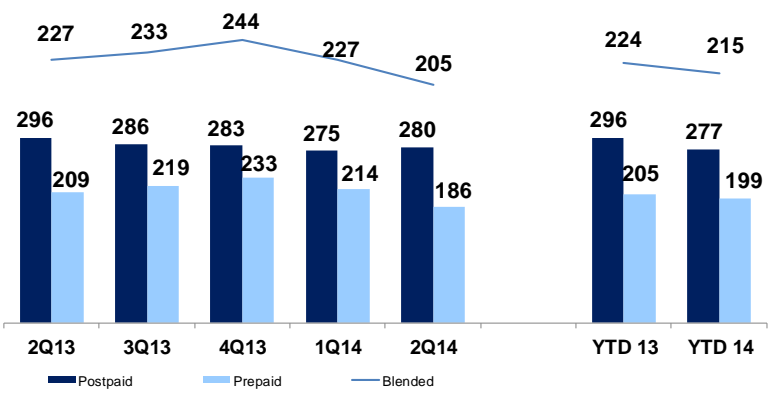
<sup>^</sup> Included as part of postpaid subscriber. ARPU and subscriber are based on postpaid monthly plan

### ARPU (RM)



Broadband ARPU <sup>^</sup>	60	57	54	53	51	60	52
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### MOU/sub (min)



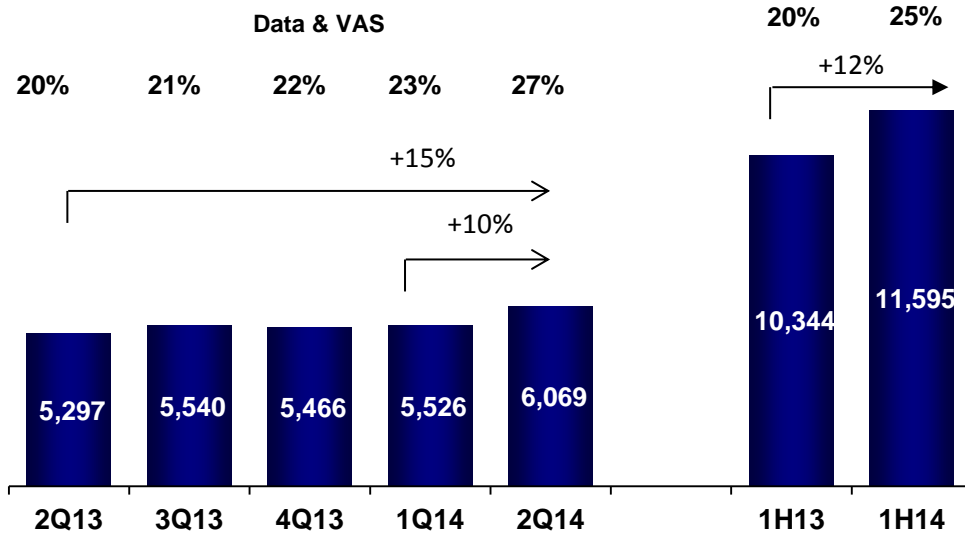
- Subscriber base grew moderately on the back of effective acquisition drive and retention initiatives
- MOU is trending downward in correlation with data transition across industry



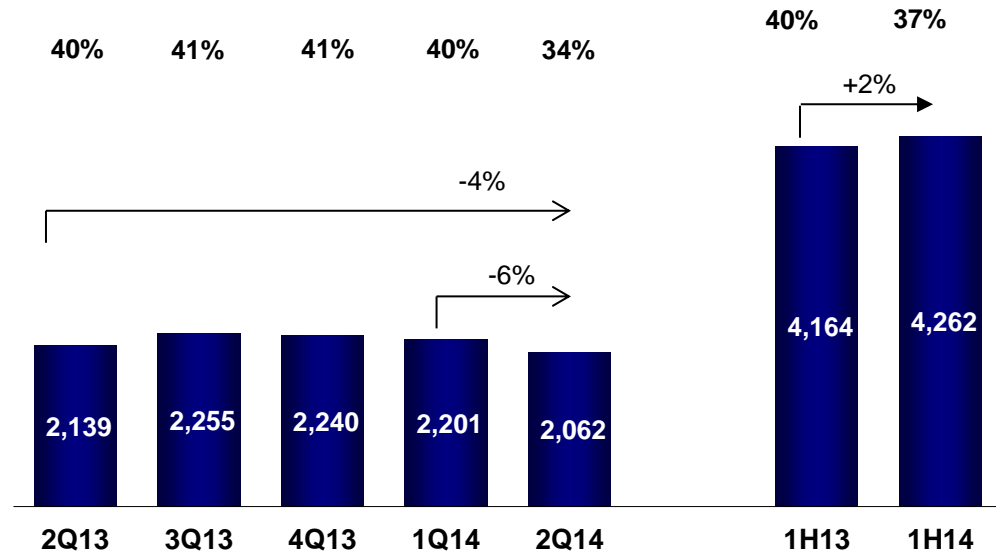
# XL : financial performance

Strong performance both YoY and QoQ driven by data

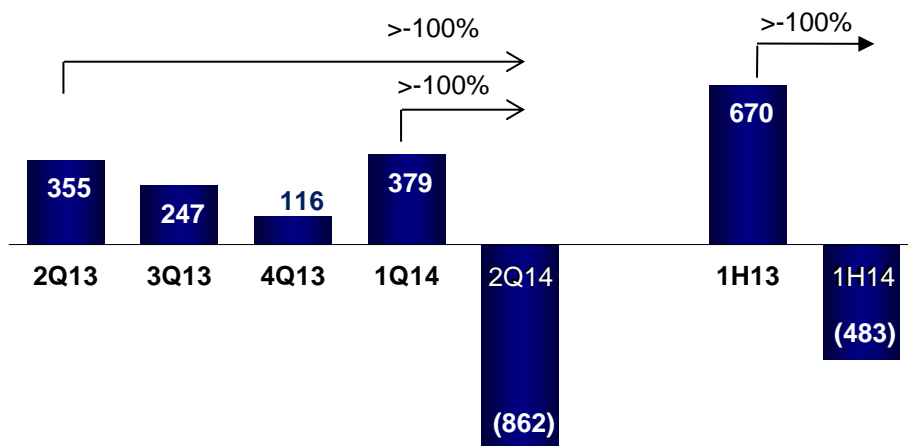
## Revenue (IDR bn) & Data as % of revenue (%)



## EBITDA (IDR bn) & EBITDA margin (%)



## PAT (IDR bn)



- Strong performance with total revenue increased 15% YoY and 10% QoQ
- Lower margin of 37% due to full impact from Axis' negative EBITDA
- Non-operational factors of the weakening of Rupiah and higher interest expense from additional loans related to the acquisition of Axis impacted PAT in 1H14

# XL : financial performance

Lower margin due to full impact from Axis' negative EBITDA

## Operating Expenses

% of Revenue	4Q13	1Q14	2Q14	1H13	1H14
Direct Expenses	15.8%	15.2%	14.5%	18.5%	14.8%
Sales and Marketing	5.7%	5.3%	5.6%	6.4%	5.5%
Network Cost	30.2%	32.5%	36.6%	27.1%	34.6%
Staff Cost	4.2%	4.9%	5.1%	4.6%	5.0%
Others	2.9%	2.0%	3.7%	2.5%	2.9%
<b>Total Expenses</b>	<b>58.8%</b>	<b>59.9%</b>	<b>65.5%</b>	<b>59.2%</b>	<b>62.8%</b>
EBITDA Margin	41.0%	39.8%	34.0%	40.3%	36.8%
Depreciation & Amortisation	27.0%	28.2%	28.2%	26.2%	28.2%

- Lower Direct Expense YTD mainly due to lower interconnect costs from lower off-net SMS traffic
- Sales and Marketing expenses decreased YTD as a result of XL's initiatives to deliver effective Advertising & Promotion in 1H 14
- Higher Network Cost in line with expansion of infrastructure in lease model to continue support data business as well as additional cost from Axis
- Higher Staff Cost YTD mainly due to transfer of employees from Axis

## Financial Position (IDR bn)

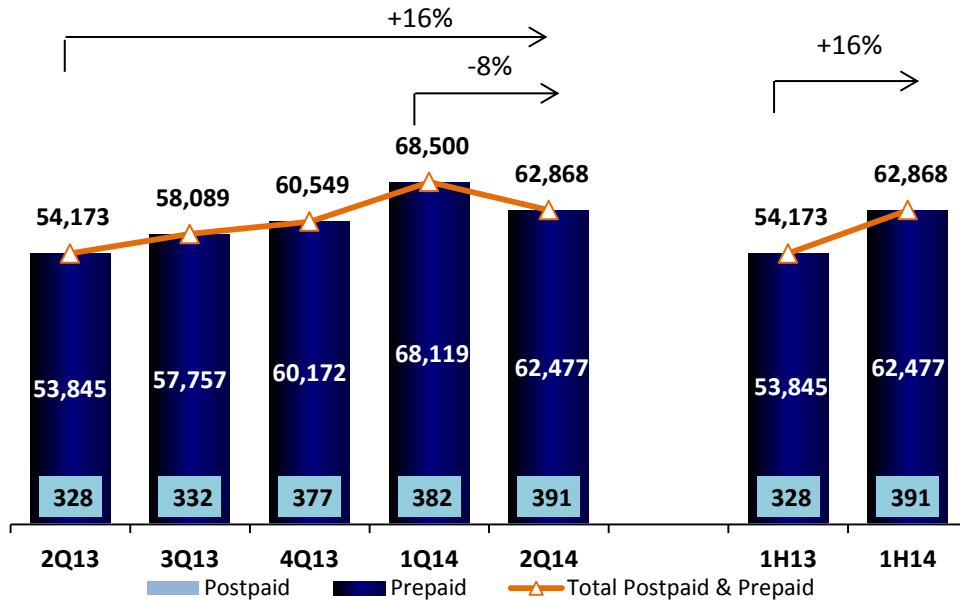
	1H13	1H14
Capitalized Capex	3,353	3,065
Cash and Cash Equivalents	1,902	2,490
Net Debts	15,181	27,795
Net Assets	14,938	13,053
Debt / Equity (x)	1.1	2.3
Debt / EBITDA (x)	1.9	3.5

\*\*Debt/EBITDA based on last 12 months trailing EBITDA

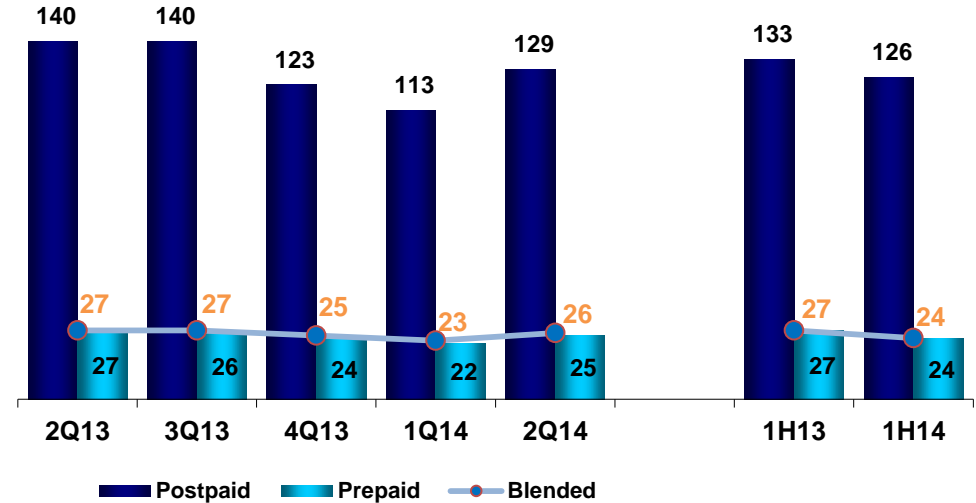
# XL : operational performance

## Positive traction in data adoption

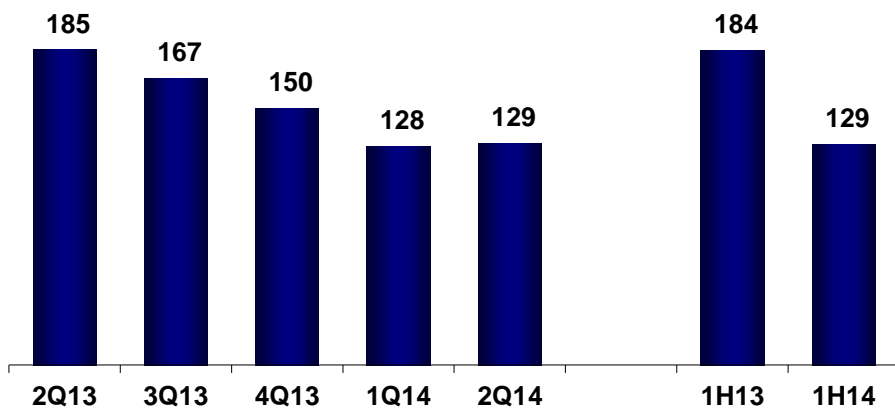
### Subscribers (000's)



### ARPU (IDR thousands)



### Outgoing MoU/subs/month (min)



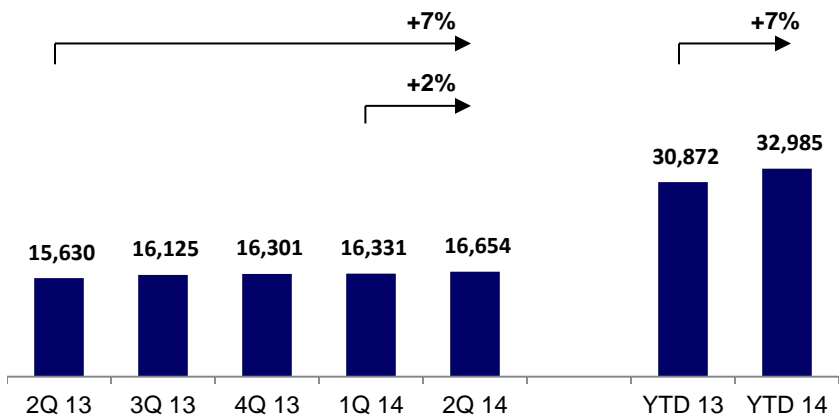
- Total subscribers grew by 16% YoY with data users reached 32.2 million or represent 51% of total subscribers
- Data traffic grew 158% YoY as data adoption remains strong



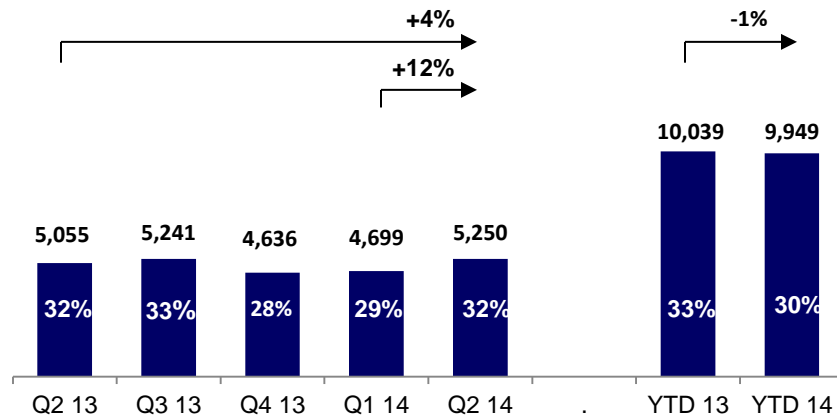
# Dialog : financial performance

Improvement across all key financial indicators on the back of increased revenue and lower operating costs

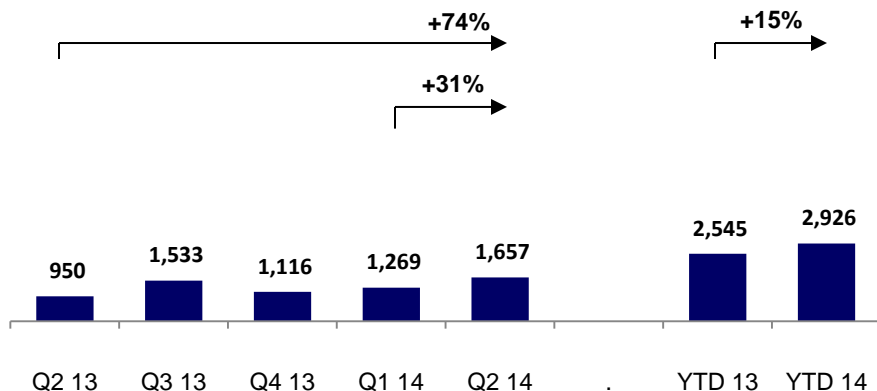
## Revenue (SLR mn)



## EBITDA (SLR mn) & margins (%)



## PAT (SLR mn)



- Revenue increased by 2% QoQ and 7% YTD. Mobile continued to be the main contributor with data revenue driving the growth
- EBITDA improvement driven by higher revenue and lower operating cost
- Group PAT registered strong growth on the back of higher EBITDA



# Dialog : financial performance

Lower total cost driven by decline in direct expenses, network opex and overheads

## Operating Expenses

% of Revenue	2Q13	1Q14	2Q14	YTD13	YTD14
Direct expenses	29.9%	30.6%	27.0%	28.8%	28.8%
Sales & Marketing	11.7%	12.3%	13.0%	12.5%	12.7%
Network costs	12.5%	12.9%	12.3%	12.3%	12.6%
Staff costs	8.6%	8.7%	8.6%	8.8%	8.7%
Bad debts	1.0%	1.5%	2.6%	1.0%	2.0%
Overheads	4.0%	5.2%	5.1%	4.0%	5.0%
<b>Total Expenses</b>	<b>67.7%</b>	<b>71.3%</b>	<b>68.5%</b>	<b>67.5%</b>	<b>69.8%</b>
<b>EBITDA Margin</b>	<b>32.3%</b>	<b>28.7%</b>	<b>31.5%</b>	<b>32.5%</b>	<b>30.2%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
D & A	18.8%	19.9%	18.1%	19.3%	19.0%

- Total cost to revenue improved by 2.8ppts QoQ; lower direct and network cost negated by higher bad debt provision and sales & marketing costs
- Higher total cost on a YTD basis largely due to increase in marketing spend, network cost, bad debt provision, and 1H13 also benefited from VAT credit

## Financial Position (SLR mn)

	30 June 13	30 June 14
<b>Capex</b>	<b>14,312</b>	<b>5,645</b>
<b>Cash &amp; Cash Equivalents</b>	<b>2,530</b>	<b>4,936</b>
<b>Gross Debt</b>	<b>22,422</b>	<b>27,576</b>
<b>Net Assets</b>	<b>37,086</b>	<b>40,273</b>
<b>Gross Debt / equity (x)</b>	<b>0.60</b>	<b>0.68</b>
<b>Gross Debt/ EBITDA (x)</b>	<b>1.12</b>	<b>1.39</b>

- Dialog maintains a structurally strong balance sheet with gross debt to EBITDA ratio at 1.39x

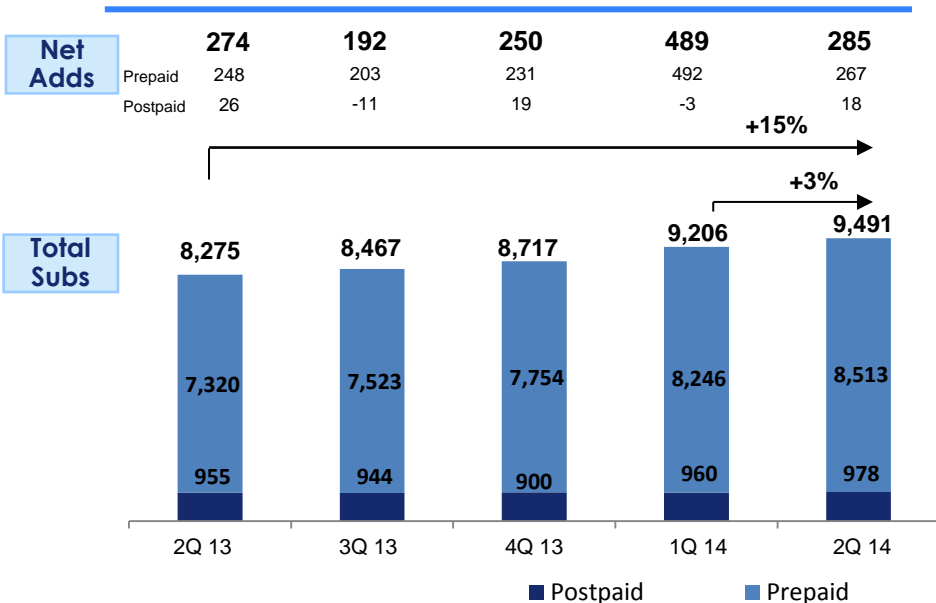




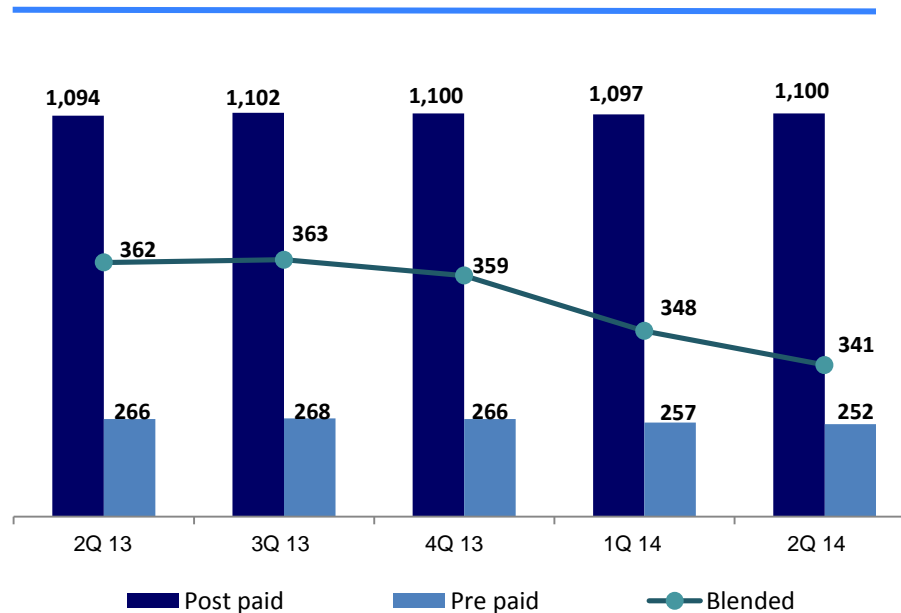
# Dialog : operational performance

## Mobile subscriber increased 15% YoY and 3% QoQ

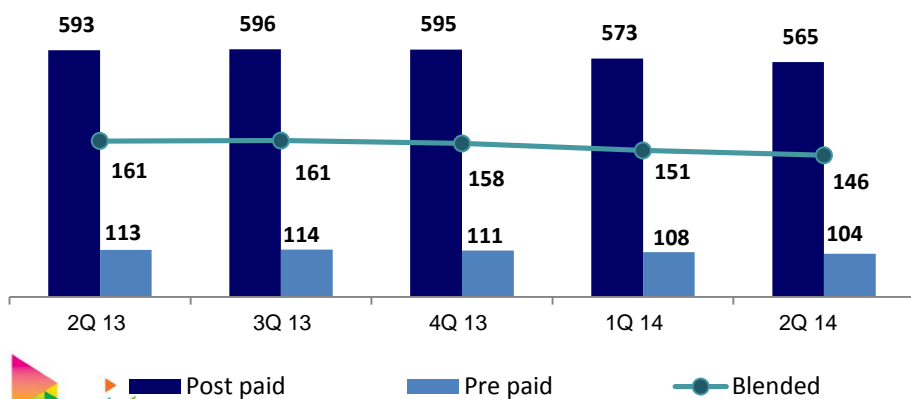
### Subscribers (000's)



### ARPU (SLR)



### MOUs (min)\*



- Prepaid segment driving the subscriber growth of 3% QoQ and 15% YoY
- Marginal decline in MOUs and ARPUs QoQ

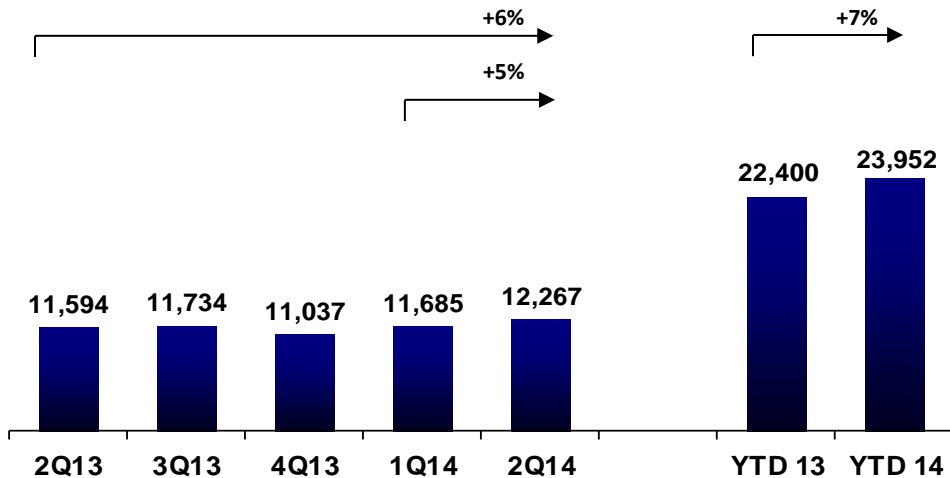
\* MoUs are based on outgoing min

# Robi : financial performance

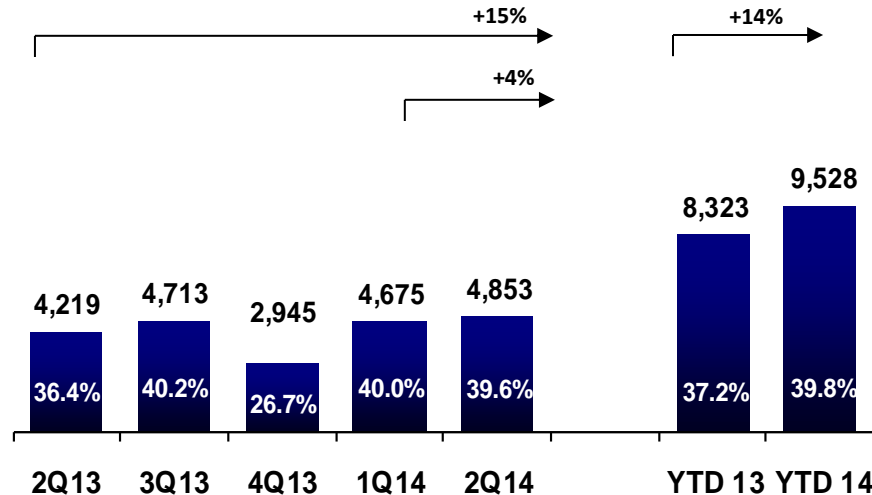
Strong YTD revenue growth momentum with higher EBITDA margin



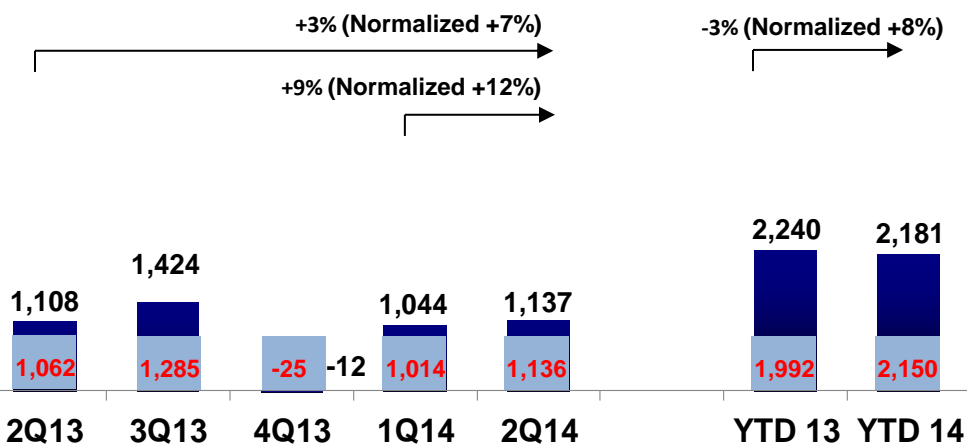
## Revenue (BDT mn)



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



## PAT (BDT mn)



- 5% QoQ and 6% YoY revenue growth driven by prepaid voice and data (data revenue grew 28% QoQ and 123% YoY)
- Revenue uplift and opex control helped to maintain EBITDA margin close to 40% in 2Q14
- Consistently better results with normalised PAT growing 12% QoQ and 7% YoY

PAT normalized with forex gain and loss. (2Q14 forex gain BDT 1.1mn, 1Q14 gain 59.6mn, 1H13 gain BDT 494.3mn)



# Robi : financial performance

## Maintained profitability amid lower direct expenses

### Operating Expenses

% of Revenue	2Q 13	1Q 14	2Q 14	YTD'13	YTD'14
Direct Expenses	40.0%	32.3%	31.1%	39.2%	31.7%
Sales & Marketing	3.7%	4.4%	5.2%	4.0%	4.8%
Network Costs	9.5%	11.6%	11.3%	9.3%	11.4%
Staff Costs	5.6%	5.5%	5.7%	5.4%	5.6%
Bad Debts	0.0%	0.0%	0.8%	0.0%	0.4%
Others	4.9%	6.2%	6.3%	4.9%	6.3%
<b>Total Expenses</b>	<b>63.7%</b>	<b>60.0%</b>	<b>60.4%</b>	<b>62.8%</b>	<b>60.2%</b>
EBITDA Margin	36.4%	40.0%	39.6%	37.2%	39.8%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	16.5%	19.6%	20.1%	17.0%	19.8%

### Financial Position (BDT mn)

	31-Dec-13	30-Jun-14
<b>Capex</b>	<b>12,820</b>	<b>9,929</b>
<b>Cash &amp; Cash Equivalents</b>	<b>4,779</b>	<b>4,924</b>
<b>Gross Debt</b>	<b>11,355</b>	<b>11,730</b>
<b>Net Assets</b>	<b>42,114</b>	<b>44,294</b>
<b>Gross debt / Equity (x)</b>	<b>0.27</b>	<b>0.26</b>
<b>Gross debt / EBITDA (x)</b>	<b>0.71</b>	<b>0.62</b>

#### Operating expenses:

- Direct expenses decreased QoQ due to lower subsidies as retail price for SIM raised to BDT200 vs BDT138 in 1Q14
- Sales & Marketing increased further in 2Q14 due to deferred market execution planning
- YTD network costs increased due to maintenance of NW infrastructure along with fiber optic lease expenses

#### Financial Position

- Aggressive capex rollout for 3G network expansion and enhancement of 2G experience



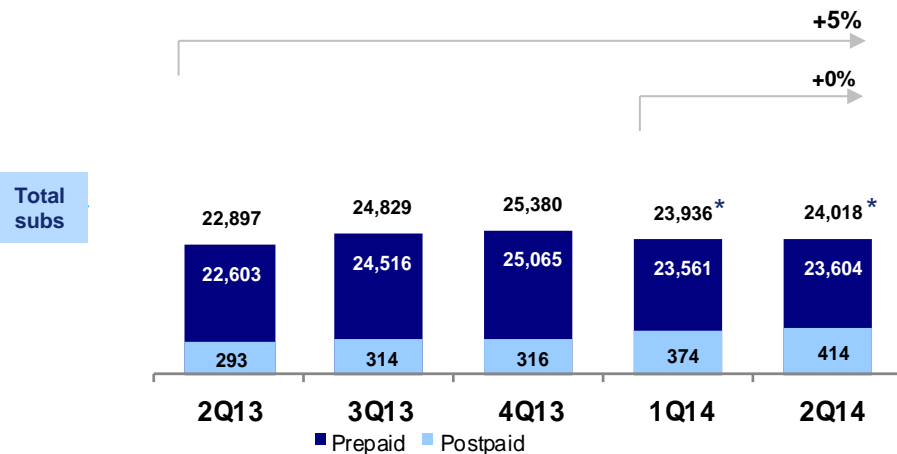
# Robi : operational performance

Subscriber growth continues, usage improves marginally

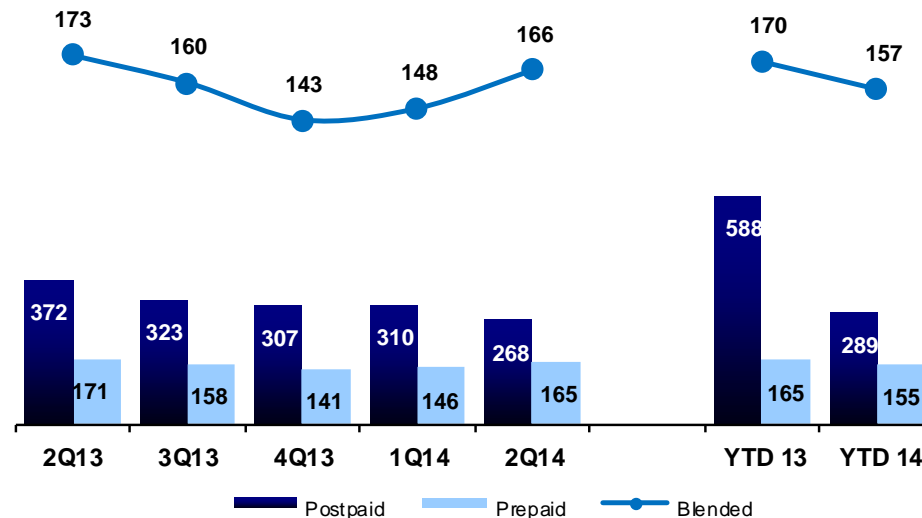


## Subscribers (000's)

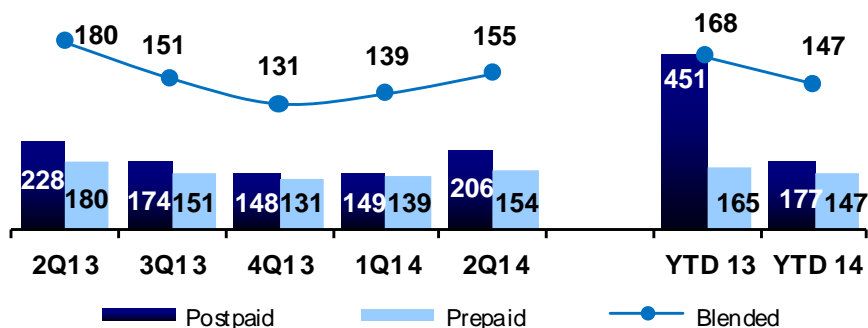
<b>Net Adds</b>	<b>1,493</b>	<b>1,933</b>	<b>551</b>	<b>-1,445</b>	<b>82</b>
Prepaid	1,458	1,912	549	-1,503	42
Postpaid	35	20	2	59	40



## ARPU (BDT)



## MOU/sub (min)













- ARPU, MoU/Sub stands at slight increasing trend from enhanced usage in line with growth momentum
- Bangla new year and Secondary School Certificate had positive impact, whilst these were partially offset by ICC Cricket World Cup and Fifa World Cup

Note: - ARPU, MoU/Sub are based on active subscriber base.  
\*1Q14 and 2Q14 Subs base adjusted as per BTRC revised definition of '90-days active' basis.


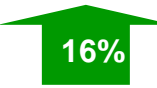
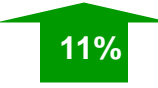









# Regional mobile : QoQ performance highlights

COMPANY	HIGHLIGHTS	QUARTER ON QUARTER PERFORMANCE							
	<p>Higher voice rate realisation and jump in Data contribution to 11.5% of service revenue grew “Average Realisation per Minute” by 3.3% whilst Value Added Services contribution improved sharply to 17.8% of overall service revenue.</p>	Revenue		Subs		EBITDA		PAT	
	<p>Launched several new high-speed fibre broadband services, including Singapore’s first 10Gbps broadband service on the national fibre network. During the quarter, fibre customer base grew to 94k.</p>	Revenue		Subs		EBITDA		PAT	

Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for 1Q15 vs 4Q15.

# Regional mobile : YTD performance highlights

COMPANY	HIGHLIGHTS	YTD PERFORMANCE							
	<p>During the quarter, Idea carried 165.2 billion minutes on its network, registering 12.2% YoY growth and 32.5 billion Megabytes of Mobile Data , YoY growth of 136%.</p>	Revenue	 <b>16%</b>	Subs	 <b>11%</b>	EBITDA	 <b>21%</b>	PAT	 <b>57%</b>
	<p>Postpaid customer base grew 32k YoY while prepaid customer base decreased 130k due to regulatory changes.</p>	Revenue	 <b>-2%</b>	Subs	 <b>-5%</b>	EBITDA	 <b>6%</b>	PAT	 <b>8%</b>

Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for 1Q15 vs 1Q14.

# Thank You

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