# 3Q 2013 Results

**27 November 2013**

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

*James Maclaurin, Group CFO*

# Executive Summary: 3Q 2013

## Improving performance at XL contributes to continuingly outstanding performance across all other OpCos

- Overall results showed good revenue traction, EBITDA and PAT impacted by data investments and forex:
  - YTD growth : Revenue +5.0% ; EBITDA -1.2% ; PAT -3.1%
  - QoQ growth : Revenue +2.5% ; EBITDA +2.9% ; PAT +8.8%
  - Q3 YoY growth : Revenue +4.6% ; EBITDA +2.7% ; PAT -4.8%

- Group posted stronger results @ constant currency. Most local currency weakened against RM (except for BDT).
  - YTD growth : Revenue +7.0% ; EBITDA +0.8% ; PAT -2.4%
  - QoQ growth : Revenue +2.5% ; EBITDA +3.0% ; PAT +8.9%
  - Q3 YoY growth : Revenue +6.0% ; EBITDA +4.3% ; PAT -4.6%

- YTD 11.9% Revenue, 13.5% EBITDA and PAT 25.6% growth across all OpCos excluding XL

- Annualised ROIC at 11.2% and ROCE at 8.9%

# Key Group Highlights (1/2):
## 3Q 2013: Operating companies performed well despite challenges in SMS

- **Overall revenue grew by 4% YTD**
- **SMS revenue dropped by 10% YTD whilst data revenue grew by 17% in the same period**
- **Mobile Internet (small and mid-screen) data grew strongly by 68% YTD**
- **Escape has >1.2m hits within a month of launch**

- **XL saw stronger QoQ growth of 5% in both revenue and EBITDA. Growth is broad based with all 3 key service lines contributing to growth. Data, Voice and SMS grew QoQ by 10%, 3% and 6% respectively.**
- **EBITDA margin also increased for second consecutive quarter largely driven by volume growth.**
- **Subscriber base at XL increased to 58m (7% QoQ growth)**

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

# Key Group Highlights (2/2):

## 3Q 2013: Operating companies performed well with double-digit revenue growth in Dialog, Robi and Smart

Dialog

- Strong double-digit revenue growth at 14% (YTD) and EBITDA growth at 8% (YTD)
- Data revenue (excluding SMS and VAS) grew 58% while voice revenue grew 7% (YTD)
- DBN and DTV YTD revenue grew 22% and 20% respectively

robi

- Outstanding double-digit revenue growth of 19%; EBITDA grew by 63% and PAT by >100% (YTD)
- Robi was awarded 3G license in the recently concluded auctions and was early to launch 3G services in September.

Smart

- Revenue for the combined entity grew by 36% YTD and EBITDA grew at >100% YTD
- Strong growth in data revenue (>100% YTD) driven by higher penetration of smart phones (>30%)

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

# Strong QoQ performance especially PAT and PATAMI; OFCF growth underpinned by slower capex run rate in Indonesia

## Financial highlights

| RM mn | 3Q | YTD | 3Q YoY growth | QoQ growth | YTD growth |
|---|---|---|---|---|---|
| Revenue | 4,747 | 13,859 | 4.6% | 2.5% | 5.0% |
| EBITDA | 1,917 | 5,561 | 2.7% | 2.9% | -1.2% |
| EBITDA margin % | 40.4% | 40.1% | -0.7pp | 0.1pp | -2.5pp |
| PAT | 770 | 2,152 | -4.8% | 8.8% | -3.1% |
| Normalised PAT | 919 | 2,377 | 9.8% | 23.9% | -3.1% |
| PATAMI | 715 | 1,974 | 0.7% | 10.9% | 1.7% |
| Normalised PATAMI | 826 | 2,146 | 13.1% | 24.7% | 0.6% |
| Capex | 705 | 2,591 | -33.5% | -29.5% | -20.5% |
| *% of revenue* | *14.9%* | *18.7%* | | | |
| Operating Free Cash Flow* | 933 | 2,008 | 92.3% | 81.7% | 49.0% |
| *% of revenue* | *19.7%* | *14.5%* | | | |

## Based on OpCo figures, as per Appendix slides

**OpCo local currency QoQ growth**

| | Celcom | XL | Dialog | Robi |
|---|---|---|---|---|
| Revenue | 0.1% | 5% | 3% | 1% |
| EBITDA | 0.2% | 5% | 4% | 12% |
| EBITDA margin | 0.0pp | 0.3pp | 0.2pp | -3.8pp |
| PAT | 2% | -31% | 61% | 29% |
| Normalised PAT | -1% | 83% | -3% | 29% |

**OpCo local currency YTD growth**

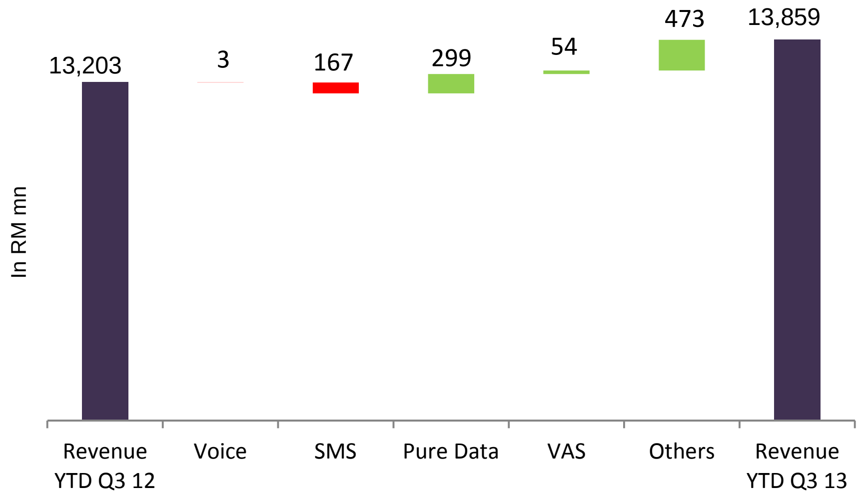
| | Celcom | XL | Dialog | Robi |
|---|---|---|---|---|
| Revenue | 4% | -0.1% | 14% | 19% |
| EBITDA | 3% | -14% | 8% | 63% |
| EBITDA margin | -0.5pp | -6.4pp | -1.8pp | 10.3pp |
| PAT | 2% | -58% | -20% | >100% |
| Normalised PAT | -0.2% | -35% | -11% | >100% |

Note: OpCos PAT, except Celcom : PATAMI

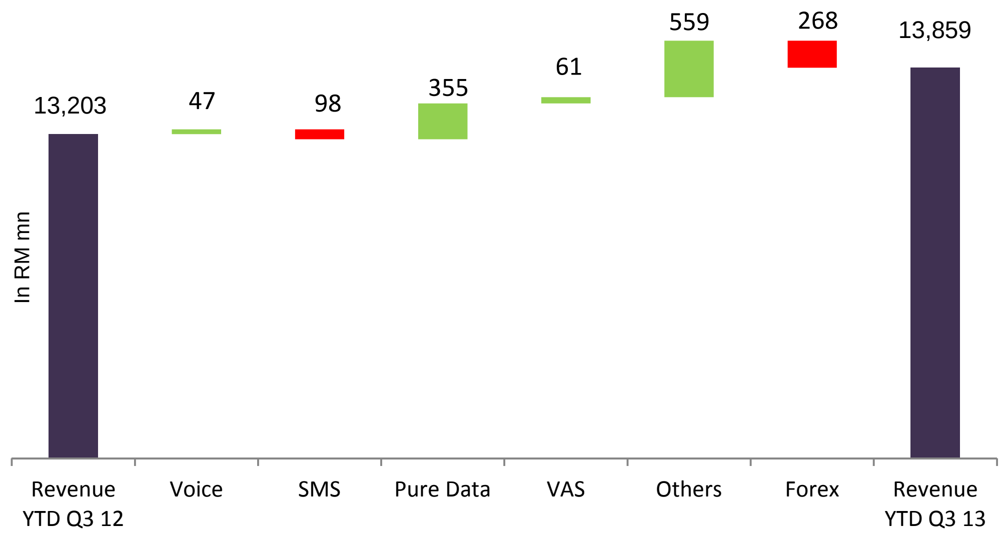
*OFCF= EBITDA- Capex- Net Interest-Tax

# On a YTD basis, groupwide data growth and voice/ SMS growth at Dialog, Robi & Smart more than offsets voice & SMS decline at Celcom & XL

@ Actual rate




@ Constant rate




- Voice revenue dropped at Celcom and XL however it has been compensated by growth at Dialog, Robi and Smart
- SMS business in Malaysia and Indonesia have structural industry wide headwinds
- Data revenue has shown strong growth in all markets driven by increasing smartphone penetration and data usage. Celcom is leading the overall data revenue growth

*Note: Others include OpCos' non service revenue e.g. revenue from device sales, TowerCo, USP etc, and interconnect revenue at XL.*
*YTD Q3 12 number is without Smart*
*Numbers may not add up due to rounding*

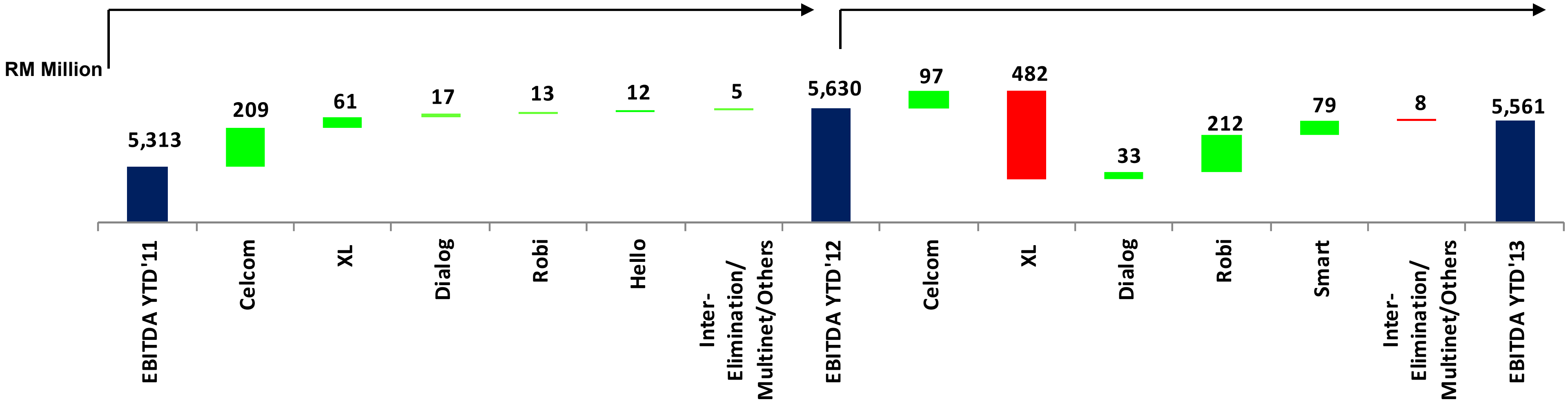
# Group EBITDA : YTD'11→YTD'12→YTD'13
## Robi was the largest contributor to group EBITDA growth on a YTD basis

**YTD'11 to YTD'12**

**EBITDA growth: +6.0% ; +RM317mn**

**YTD'12 to YTD'13**

**EBITDA growth: -1.2% ; -RM69mn**



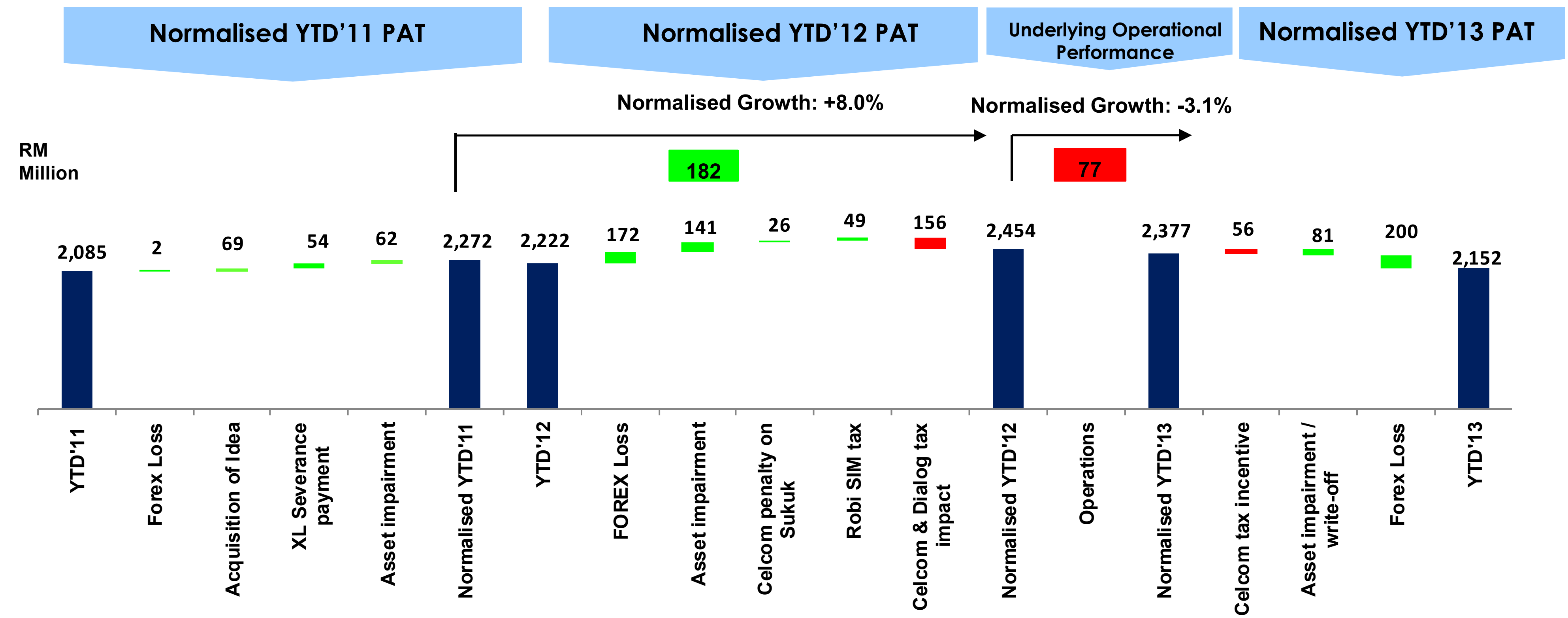

| EBITDA | YTD'11 | YTD Growth Rates | | EBITDA | YTD'12 | YTD Growth Rates | | EBITDA | YTD'13 |
|---|---|---|---|---|---|---|---|---|---|
| Celcom | 2,308 | (+209) | +9.1% | Celcom | 2,517 | (+97) | +3.9% | Celcom | 2,614 |
| XL | 2,497 | (+61) | +2.4% | XL | 2,558 | (-482) | -18.9% | XL | 2,076 |
| Dialog | 320 | (+17) | +5.3% | Dialog | 337 | (+33) | +9.8% | Dialog | 370 |
| Robi | 287 | (+13) | +4.6% | Robi | 300 | (+212) | +70.7% | Robi | 512 |
| *Hello* | (1) | (+12) | +2219.2 | *Hello* | 11 | (+79) | +681.6% | Smart | 90 |
| Inter-Elim/Multinet/Others | (98) | (+5) | +5.1% | Inter-Elim/Multinet/Others | (93) | (-8) | -7.5% | Inter-Elim/Multinet/Others | (101) |
| GROUP | 5,313 | (+317) | +6.0% | GROUP | 5,630 | (-69) | -1.2% | GROUP | 5,561 |

**YTD'11 to YTD'12 EBITDA INCREASED BY RM317MN**
**YTD'12 to YTD'13 EBITDA DECREASED BY RM69MN**

Note: YTD'12 EBITDA are restated figures for reclassification of Celcom device subsidy cost.

# Normalised Group PAT : YTD11 → YTD12 → YTD13

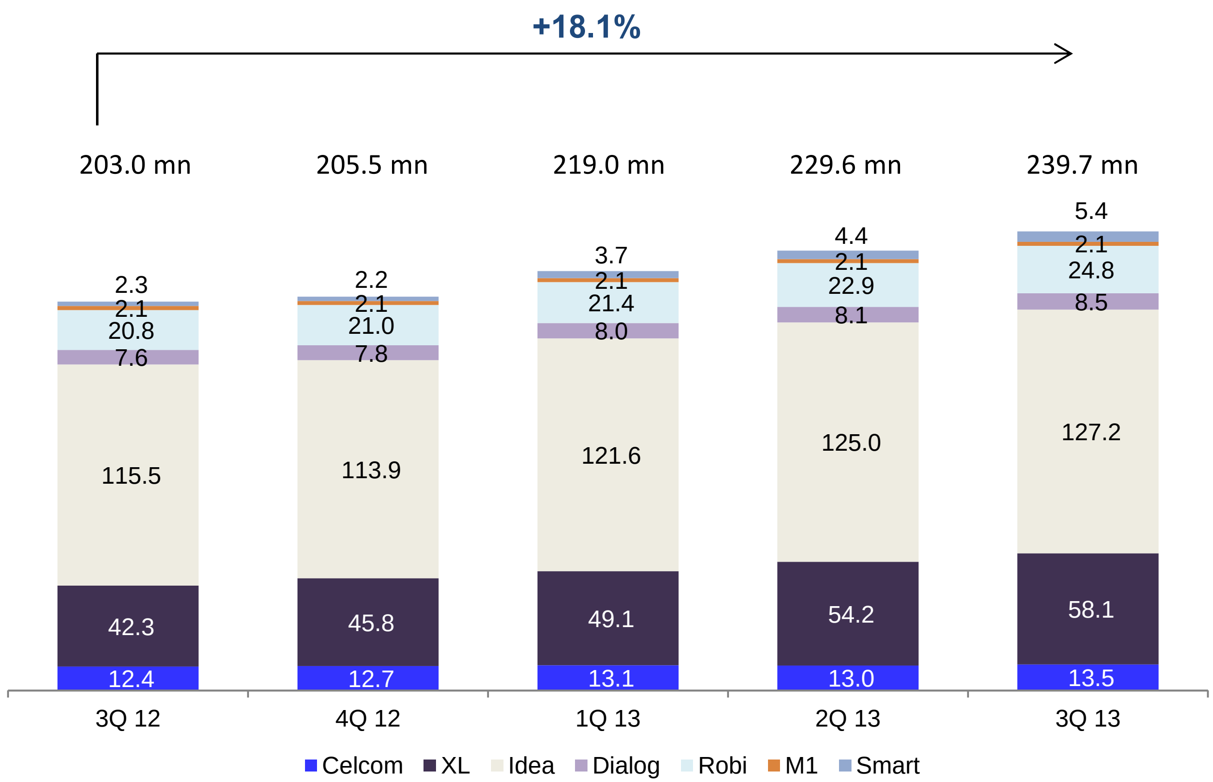
## Normalised PAT YTD -3.1% mainly driven by lower contribution from XL




| Norm PAT | YTD'11 | YTD Growth Rates | | Norm PAT | YTD'12 | YTD Growth Rates | | Norm PAT | YTD'13 |
|---|---|---|---|---|---|---|---|---|---|
| Celcom | 1,312 | (+148) | +11.3% | Celcom | 1,460 | (+116) | +7.9% | Celcom | 1,576 |
| XL | 831 | (-23) | -2.8% | XL | 808 | (-369) | -45.7% | XL | 439 |
| Dialog | 103 | (+31) | +30.1% | Dialog | 134 | (-8) | -6.0% | Dialog | 126 |
| Robi | 24 | (+14) | +58.3% | Robi | 38 | (+99) | +260.5% | Robi | 137 |
| *Hello* | (32) | (+5) | +15.6% | *Hello* | (27) | (+46) | +170.4% | Smart | 19 |
| Associates & Others | 34 | (+7) | +20.6% | Associates & Others | 41 | (+39) | +95.1% | Associates & Others | 80 |
| GROUP | 2,272 | (+182) | +8.0% | GROUP | 2,454 | (-77) | -3.1% | GROUP | 2,377 |

# Group active subscriber base grew by 18.1% with strong growth at XL and Idea

## Subscribers (million)




**XL subscribers include 33.7m data subscribers, predominantly small and mid screen**

**Smart figures beginning 1Q13, Hello figures for prior periods*

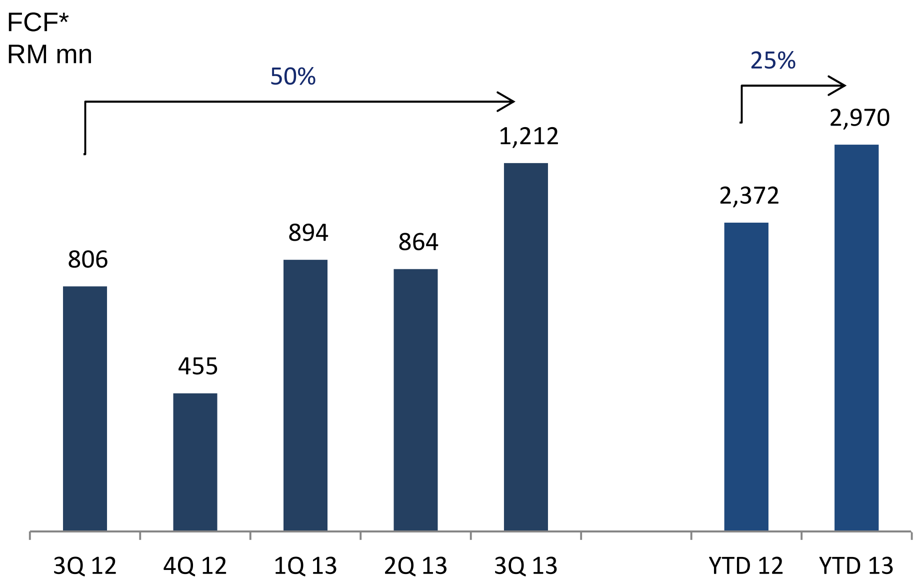
# Data continues to provide growth momentum, voice & SMS still >70% of service revenue

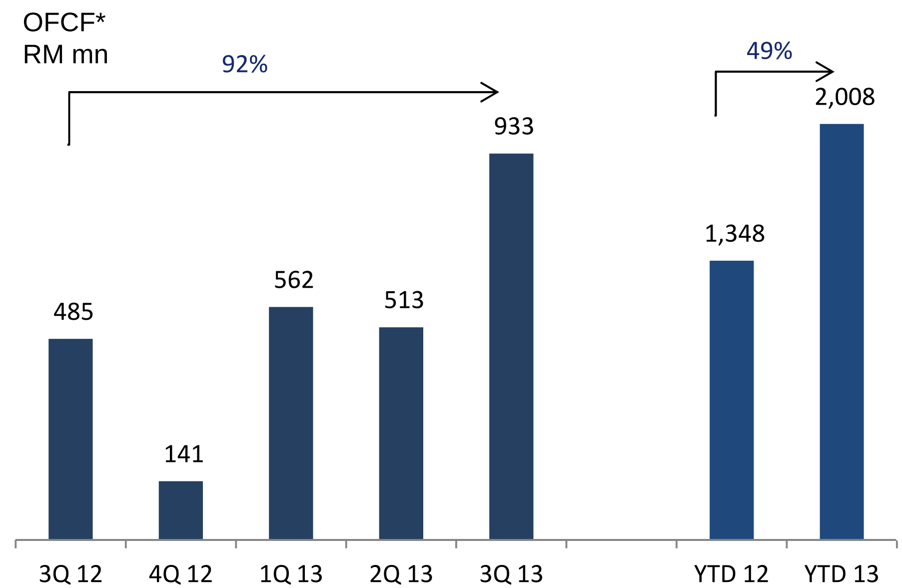
| RM mn | 3Q 12* | 3Q 13 | 3Q 12 vs 3Q 13 |
|---|---|---|---|
| Voice | 2,422 | 2,454 | + 1.4% |
| % of Service revenue | 62.2% | 61.5% | - 0.7 pp |
| SMS | 654 | 580 | -11.2% |
| % of Service revenue | 16.8% | 14.5% | - 2.3 pp |
| VAS | 217 | 230 | + 6.1% |
| % of Service revenue | 5.6% | 5.8% | + 0.2 pp |
| Data | 600 | 727 | + 21.2% |
| % of Service revenue | 15.4% | 18.2% | + 2.8 pp |
| Total Service revenue | 3,892 | 3,992 | + 2.6% |
| Others** | 647 | 755 | + 16.7% |
| % of Total Revenue | 14.3% | 15.9% | + 1.6 pp |
| Total Revenue*** | 4,539 | 4,747 | + 4.6% |

**Data revenue has grown 21% YoY, driving the "core mobile service" revenue increase by 3% YoY.**

**Note:**
*Revenue reclassified by Celcom and Dialog and without SMART revenue
***Others include OpCo's other revenue (including interconnect & roaming revenue at XL)*
***Restated for XL's revenue (Net VAS revenue)

# Capex spend within target for the full year



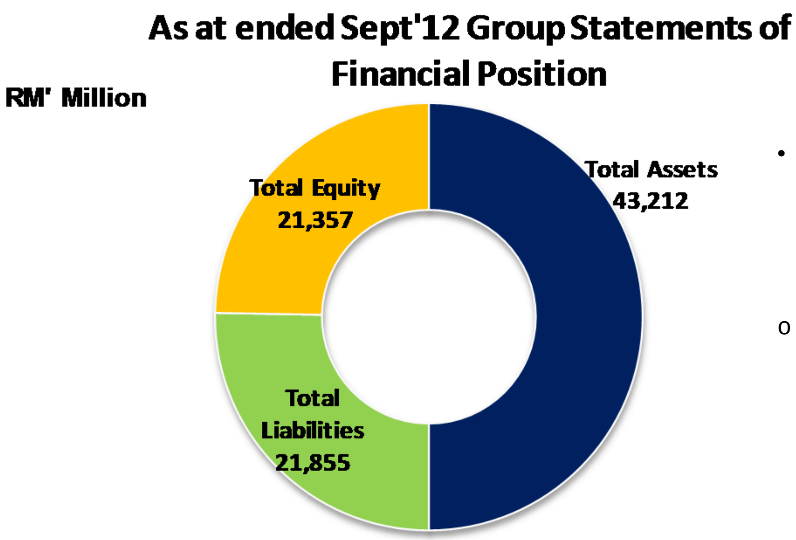




| Capex ( RM mn ) | YTD SEP 12 | YTD SEP 13 |
|---|---|---|
| Celcom | 633 | 473 |
| XL | 2,208 | 1,455 |
| Dialog | 235 | 329 |
| Robi | 145 | 234 |
| Hello / Smart** | 19 | 86 |
| Others | 19 | 13 |
| **Total** | **3,258** | **2,591** |

* Restated figures
** YTD SEP 12 Capex for Hello only

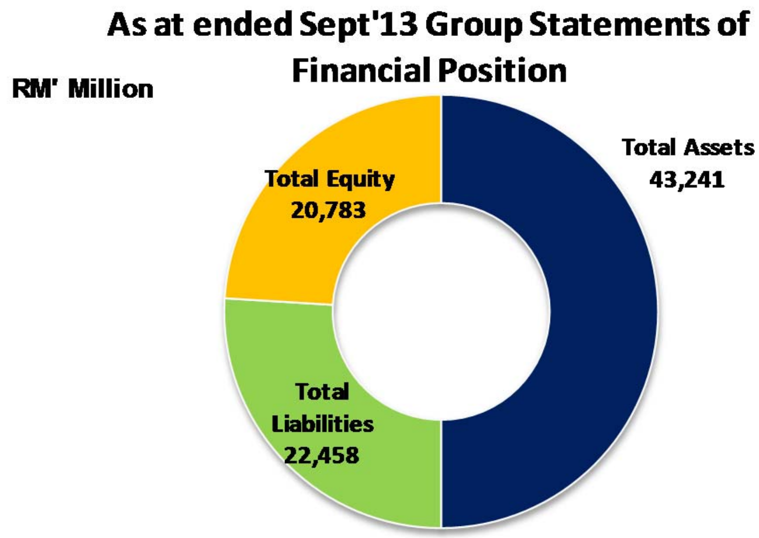
Note: Numbers may not add up due to rounding
FCF=EBITDA-Capex
OFCF= EBITDA- Capex- Net Interest-Tax

# Group Statements of Financial Position
## Strong cash balance of RM7.1bn

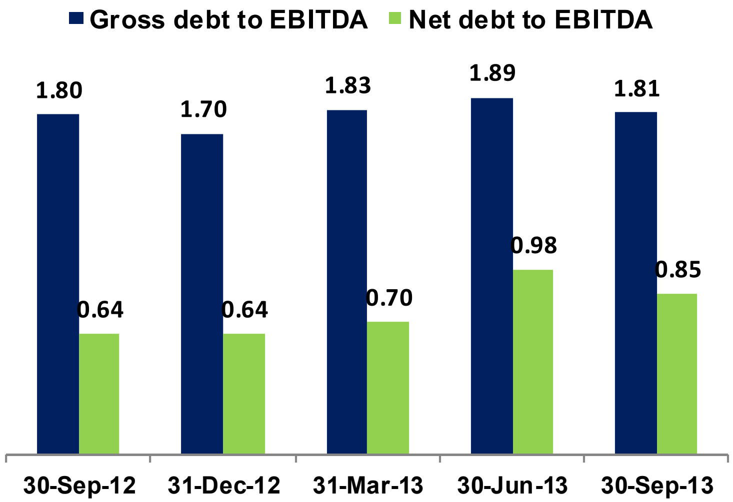



- Gross debt decreased by RM370mn QoQ mainly from XL (RM521mn) largely due to debts repayment.

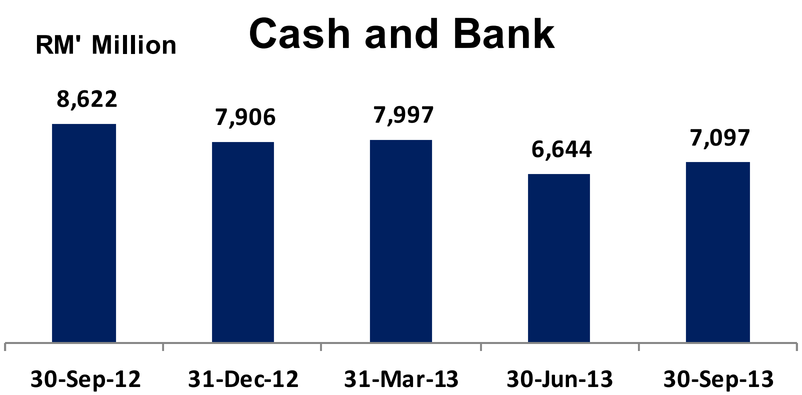
o Credit rating remained unchanged for the Group is Baa2 (Moody's) and BBB+ (S&P).




- Cash & bank increased by RM453mn QoQ mainly coming from Celcom (RM810mn) due to increase in cash from operating activities offset by decrease in Robi (-RM310mn) mainly due to higher spending in PPE.
- Free Cash Flow (FCF) is RM3.0bn. Operating Free Cash Flow (OFCF) is RM2.0bn, improved by RM0.9bn QoQ.




o QoQ Net Debt to EBITDA decreased to 0.85x from 0.98x mainly due to higher annualised EBITDA and cash balance.



# FY2013 Headline KPIs on track
## Focus on revenue growth through continued investment in data business

| | FY2013 Headline KPIs | Guidance |
|---|---|---|
| Revenue growth | 7.6% | Slightly lower |
| EBITDA growth | 0.2% | Under some pressure |
| ROIC (%) | 10.3% | In-line |
| ROCE (%) | 8.3% | In-line |
| Capex* | RM4.5bn | Slightly lower |

*Capex is not a Headline KPI.

# Appendix

# Financial snapshot : 3Q 2013 and YTD 2013

axiata

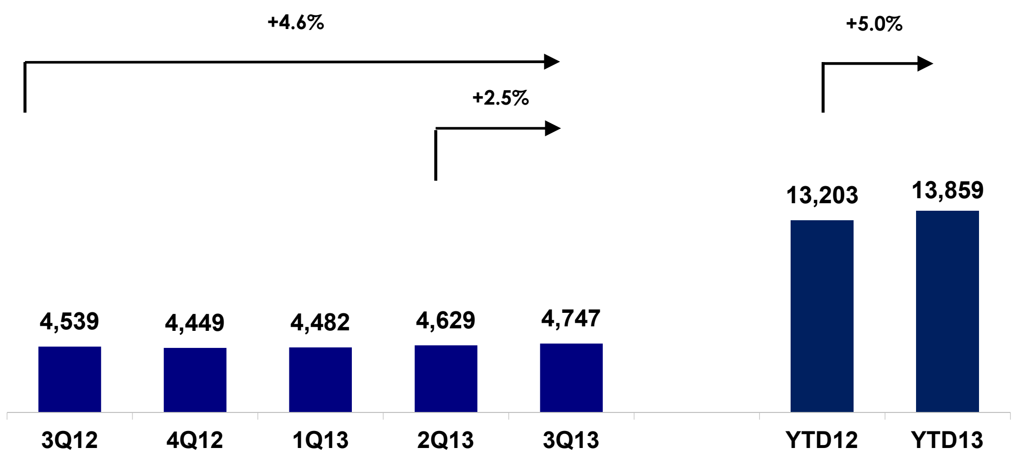
| | Q o Q Performance | | | YTD 2013 Performance | | |
|---|---|---|---|---|---|---|
| | Revenue | EBITDA | Normalised PAT[1] | Revenue | EBITDA | Normalised PAT[1] |
| **Group** | ↑ 3% | ↑ 3% | ↑ 25% | ↑ 5% | ↓ 1% | ↑ 1% |
| **Celcom** | ↑ 0.1% | ↑ 0.2% | ↓ 1% | ↑ 4% | ↑ 3% | ↓ 0.2% |
| **XL** | ↑ 5% | ↑ 5% | ↑ 83% | ↓ 0.1% | ↓ 14% | ↓ 35% |
| **Dialog** | ↑ 3% | ↑ 4% | ↓ 3% | ↑ 14% | ↑ 8% | ↓ 11% |
| **Robi** | ↑ 1% | ↑ 12% | ↑ 29% | ↑ 19% | ↑ 63% | ↑ >100% |

*Note:*
Growth number based on results in local currency in respective operating markets
1. *Group and Celcom: PATAMI and others: PAT. PAT/PATAMI normalized as per appendix*

# Group Financial Performance

## Positive quarterly and YTD growth momentum despite forex impact

### Revenue (RM mn)

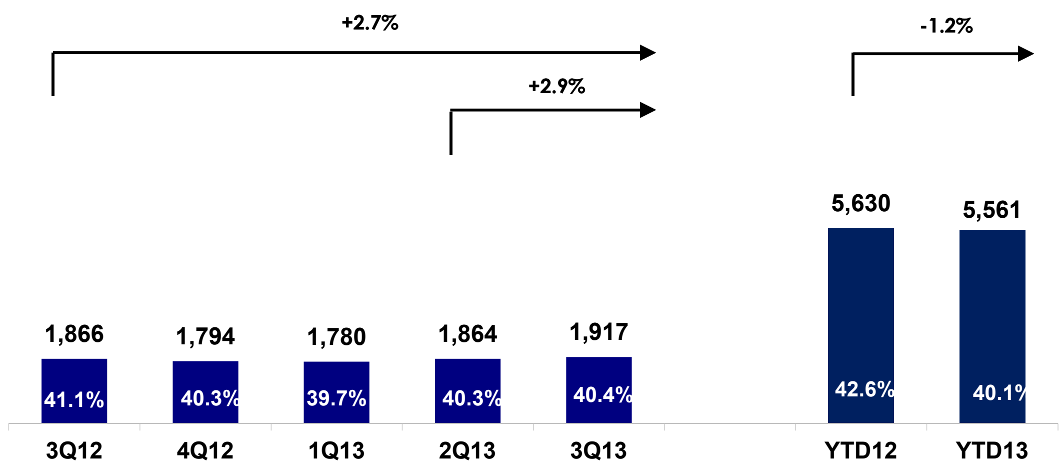



- **Revenue growth contributed mainly by Celcom, Robi & Smart.**
- **At constant currency:**
  - **YTD – revenue growth would have been higher at +7.0% (vs +5.0%)**
  - **QoQ – revenue growth remained flat at +2.5% (vs +2.5%)**
  - **YoY – revenue growth would have been higher at +6.0% (vs +4.6%)**

# Group Financial Performance

## QoQ growth supported by XL's Q3 recovery, YTD impacted by weak 1H XL performance and forex

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

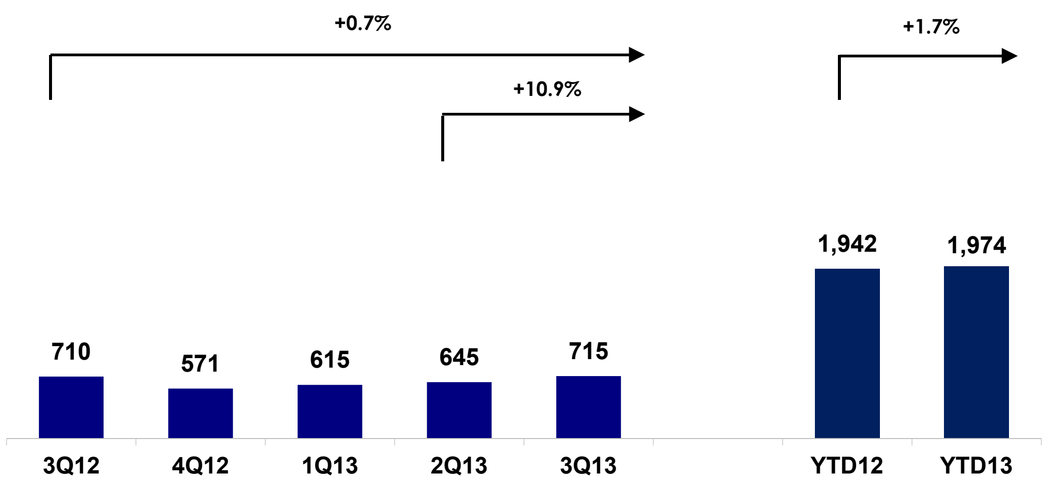



- **EBITDA YTD impacted due to XL as a result of increased in total cost**
- **At constant currency:**
  - **YTD – EBITDA increased would have been higher at +0.8% (vs -1.2%)**
  - **QoQ – EBITDA increased would have been higher at +3.0% (vs +2.9%)**
  - **YoY – EBITDA increased would have been higher at +4.3% (vs +2.7%)**

Note: 1Q12 - 4Q12 EBITDA are restated figures for impact on XL net VAS revenue and reclassification of Celcom device subsidy cost.

# Group Financial Performance
## Double digit QoQ growth

### PATAMI (RM mn)




- **Group PATAMI increased by 1.7% mainly from Celcom and Robi**
- **At constant currency:**
  - **YTD – PATAMI increased would have been higher at +2.3% (vs +1.7%)**
  - **QoQ – PATAMI increased by +10.9% (vs +10.9%)**
  - **YoY – PATAMI increased would have been higher at +0.8% (vs +0.7%)**

# Challenges and mitigating factors

**Increasing competitive intensity, continuing data network investments in Indonesia and structural challenges in SMS markets in Malaysia and Indonesia**

- **Continuing competition in Indonesia has put profitability under pressure**
  - XL reacted to competitive pressure by adjusting its prices and packages to regain market positioning. We are regaining scale benefit with profitability improving in Q2 and Q3.

- **SMS revenue continues to be under pressure in Malaysia while in XL SMS revenues have improved**
  - Industry wide SMS revenue still under pressure in Malaysia, with revenue decline in Celcom this quarter. However, apart from Celcom, SMS revenue posted growth in all other opcos QoQ.

- **Data Prices in Sri Lanka**
  - Data pricing remains a concern in Sri Lanka driven by competition. Dialog will continue to play its market leadership role in providing good quality data experience to its customers. Data represents 6% of Dialog group revenue.

- **Business disruption in Bangladesh**
  - Robi continuous to grow strongly despite 57 lost working days to hartals (politically motivated national strikes) YTD.

- **Spectrum auction in India**
  - Recommended spectrum floor prices for auction by Telecom Commission have been accepted by EGoM. Auctions for 1800 and 900 spectrum most likely in January 2014.

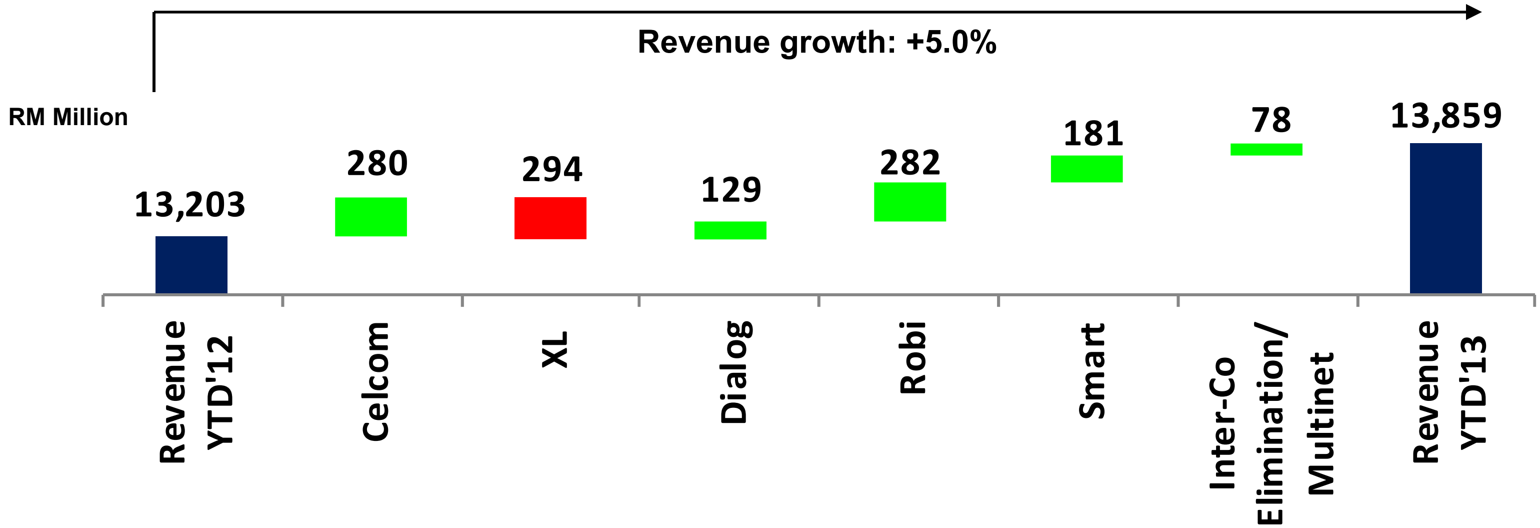
# YTD Local currencies weakened against RM except for BDT and USD

| | OpCo Currency Vs RM, USD – Avg Q3'13 vs Q2'13 | | OpCo Currency Vs RM, USD – YTD Sep'13 vs YTD Sep'12 | |
|---|---|---|---|---|
| | Vs. RM | Vs. USD | Vs. RM | Vs. USD |
| Indonesia Rupiah, IDR | -2.55% | -7.69% | -6.29% | -7.20% |
| Sri Lanka Rupee, LKR | +1.40% | -3.95% | -0.40% | -1.37% |
| Bangladesh Taka, BDT | +5.68% | +0.11% | +6.07% | +5.04% |
| US Dollar, USD | +5.57% | +0.00% | +0.98% | +0.00% |
| Singapore Dollar, SGD | +3.89% | -1.59% | +1.58% | +0.59% |
| Pakistan Rupee, PKR | +1.13% | -4.20% | -6.83% | -7.74% |
| Indian Rupee, INR | -5.21% | -10.21% | -6.30% | -7.21% |
| Malaysia Ringgit, RM | +0.00% | -5.57% | +0.00% | -0.98% |

**Impact to translated RM revenue is -2.0pp YTD**

# Group Revenue : YTD'12→YTD'13
## YTD Revenue increased by +5.0%

YTD'12 Revenue | YTD movement | YTD'13 Revenue



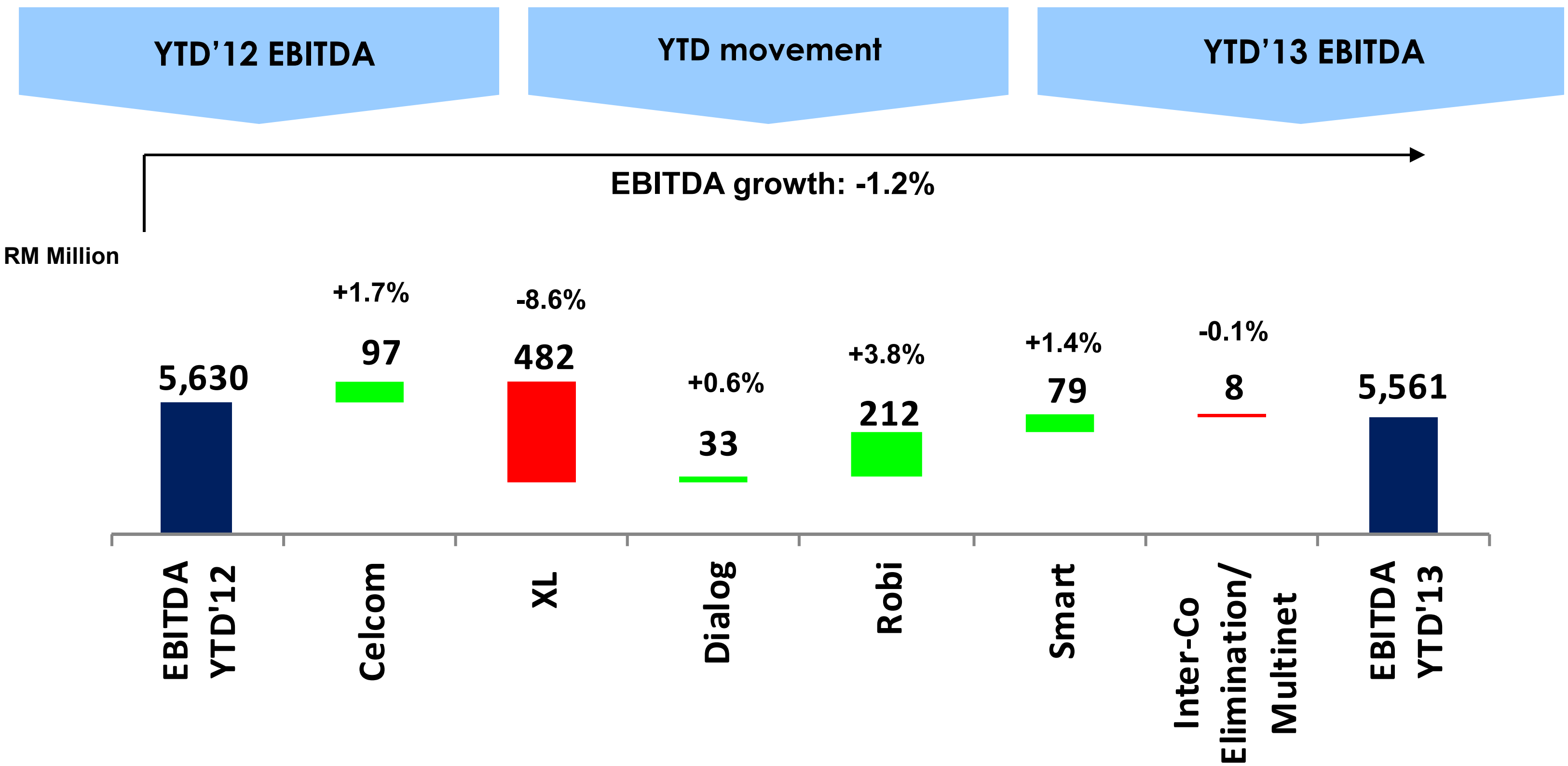

Note: YTD'12 Revenue are restated figures for impact on XL net VAS revenue.

| Revenue | YTD'12 | YTD Growth Rates | | Revenue | YTD'13 |
|---|---|---|---|---|---|
| Celcom | 5,726 | (+280) | +4.9% | Celcom | 6,006 |
| XL | 5,242 | (-294) | -5.6% | XL | 4,948 |
| Dialog | 1,016 | (+129) | +12.7% | Dialog | 1,145 |
| Robi | 1,084 | (+282) | +26.1% | Robi | 1,366 |
| *Hello* | 96 | (+181) | +188.5% | Smart | 277 |
| Inter-Co Elimination/Multinet | 39 | (+78) | +196.4% | Inter-Co Elimination/Multinet | 117 |
| GROUP | 13,203 | (+656) | +5.0% | GROUP | 13,859 |

**REVENUE INCREASED BY RM656MN**

# Group EBITDA : YTD'12→YTD'13

## Excluding XL EBITDA grew +7.4% YTD, but decreased -1.2% after XL inclusion




Note: YTD'12 EBITDA are restated figures for reclassification of Celcom device subsidy cost.

| EBITDA | YTD'12 | YTD Growth Rates | | EBITDA | YTD'13 |
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| Celcom | 2,517 | (+97) | +3.9% | Celcom | 2,614 |
| XL | 2,558 | (-482) | -18.9% | XL | 2,076 |
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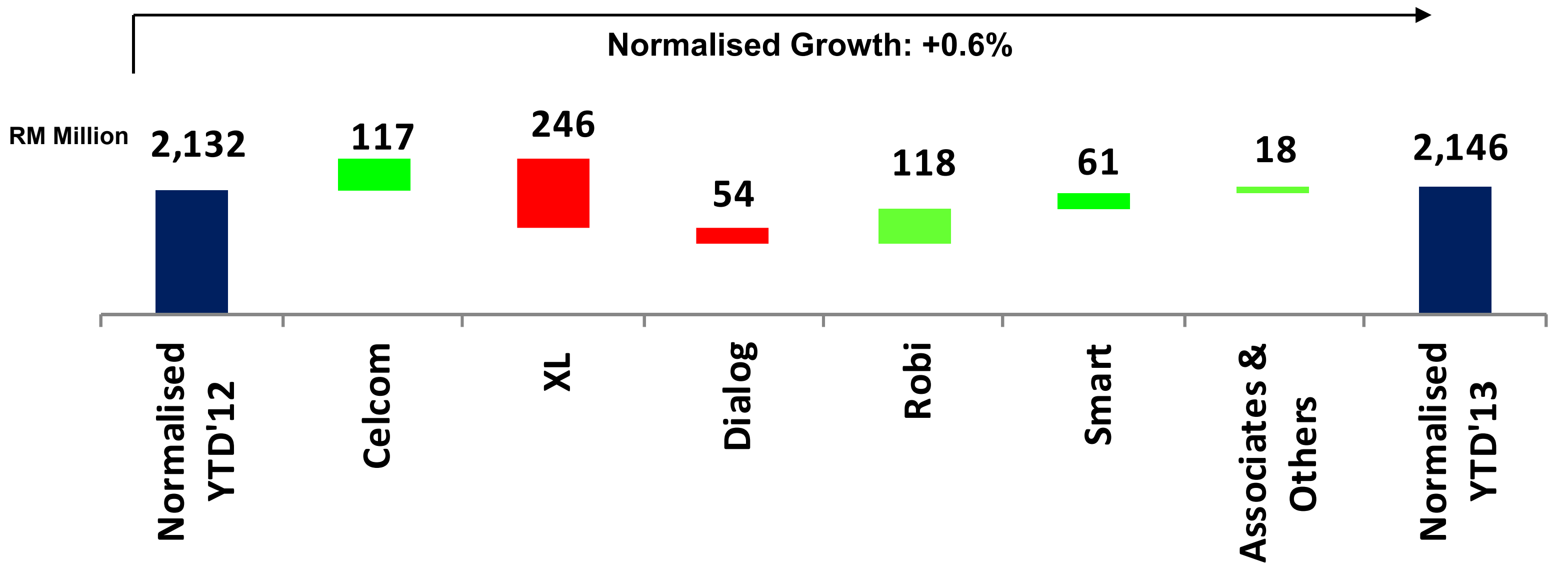
| GROUP | 5,630 | (-69) | -1.2% | GROUP | 5,561 |

**EBITDA DECREASED BY RM69MN**

# Normalised Group PATAMI : YTD’12→YTD’13

## Adjusting for exceptional items, YTD normalised PATAMI increased by +0.6%

| Normalised YTD’12 PATAMI | YTD movement | Normalised YTD’13 PATAMI |
|---|---|---|

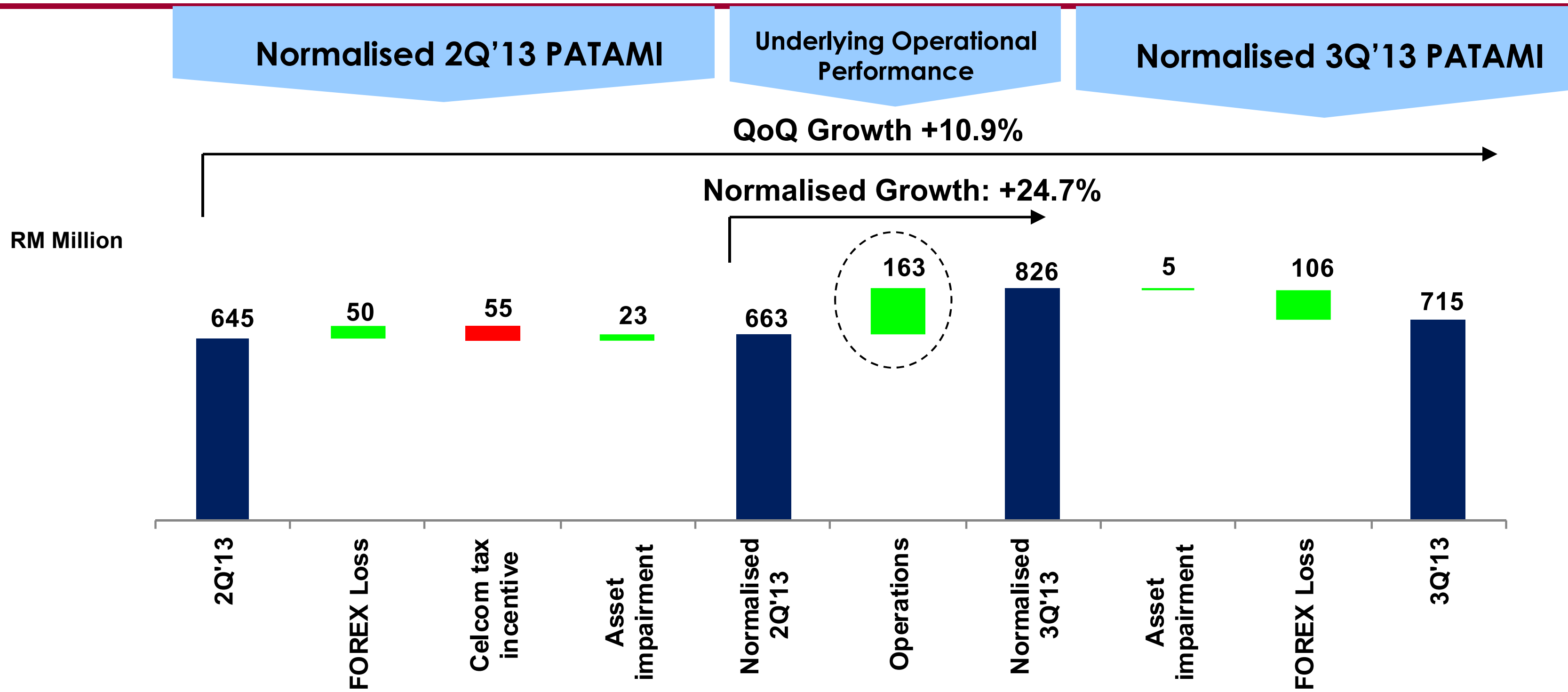



| Norm PATAMI | YTD'12 | YTD Growth Rates | | Norm PATAMI | YTD'13 |
|---|---|---|---|---|---|
| Celcom | 1,453 | (+117) | +8.1% | Celcom | 1,570 |
| XL | 538 | (-246) | -45.7% | XL | 292 |
| Dialog | 161 | (-54) | -33.5% | Dialog | 107 |
| Robi | (22) | (+118) | +537.9% | Robi | 96 |
| *Hello* | (27) | (+43) | +159.3% | Smart | 16 |
| Associates & Others | 29 | (+36) | +124.7% | Associates & Others | 65 |
| GROUP | 2,132 | (+14) | +0.6% | GROUP | 2,146 |

**OPERATIONAL CONTRIBUTION INCREASED BY RM14MN**

# Normalised Group PATAMI : QoQ 2Q'13 → 3Q'13

## Strong normalised PATAMI QoQ also from higher contribution from Celcom and XL



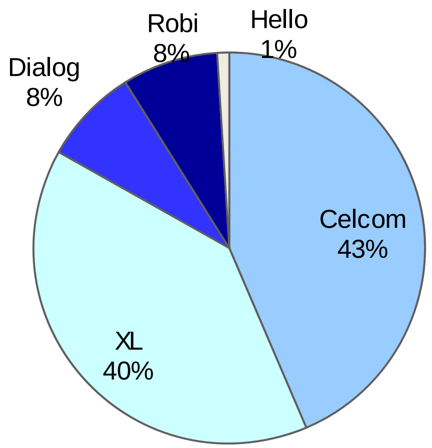

| Norm PATAMI | 2Q'13 | QoQ Growth Rates | | Norm PATAMI | 3Q'13 |
|---|---|---|---|---|---|
| Celcom | 473 | (+124) | +26.2% | Celcom | 597 |
| XL | 103 | (+20) | +19.4% | XL | 123 |
| Dialog | 35 | (+3) | +8.6% | Dialog | 38 |
| Robi | 30 | (+11) | +36.7% | Robi | 41 |
| *Hello* | 15 | (-18) | -120.0% | Smart | (3) |
| Associates & Others | 7 | (+23) | +328.6% | Associates & Others | 30 |
| GROUP | 663 | (+163) | +24.7% | GROUP | 826 |

**OPERATIONAL CONTRIBUTION INCREASED BY RM163MN**

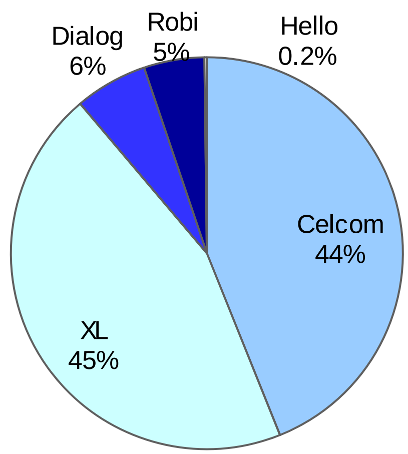
# Key OPCOs Revenue and EBITDA Composition

## Significant shift in OpCos contribution to Group Revenue & EBITDA ; Robi is now 3rd in position with XL further declined in percentage

### YTD 2012 REVENUE & EBITDA Breakdown (%)

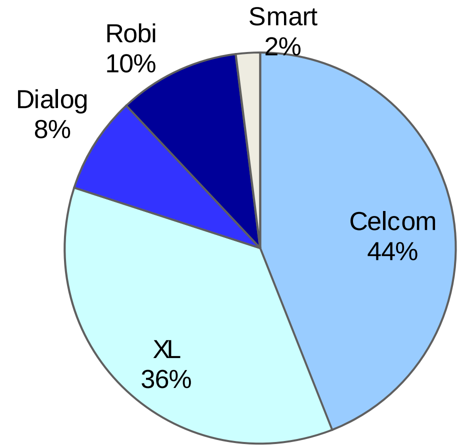



**REVENUE**

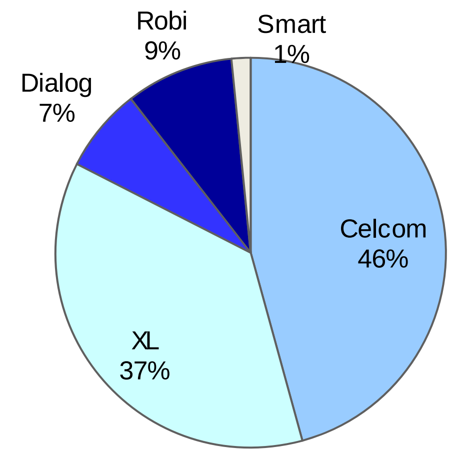



**EBITDA**

### YTD 2013 REVENUE & EBITDA Breakdown (%)




**REVENUE**




**EBITDA**

Note : Contribution % was derived from Group consolidated figures
YTD'12 Revenue restated for impact on XL net VAS revenue. EBITDA restated for reclassification of Celcom device subsidy cost.

# Axiata Group Borrowings & Cash
## As at 30 September 2013

### Group Borrowings

| RM Million | Loan Currency | Conventional | Islamic | Total |
|---|---|---|---|---|
| **Holdco & Non Opco** | USD* | 1,799 | - | 1,799 |
| | CNY | | 525 | 525 |
| | **Sub-total** | **1,799** | **525** | **2,324** |
| **Opcos** | USD | 2,275 | - | 2,275 |
| | Local | 3,830 | 4,987 | 8,817 |
| | **Sub-total** | **6,105** | **4,987** | **11,092** |
| **Total Group** | | **7,904** | **5,512** | **13,416** |

***As at 30 September 2013, Holdco & Non Opcos USD borrowings have been hedged to RM and SGD; USD250mn to RM800.7mn and USD300mn to SGD421.3mn; RMB 1bn to USD157mn***

***75% of the total group USD loan exposure are hedged naturally or with financial institutions.***

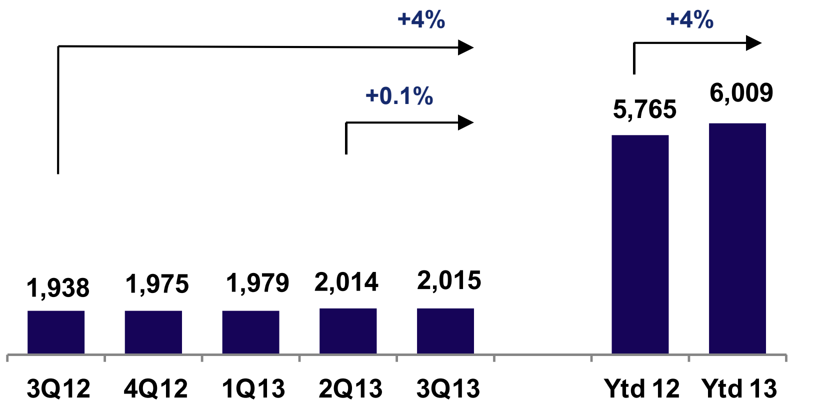
### Group Cash Balance

| RM Million | Currency | Amount |
|---|---|---|
| **Holdco & Non Opco** | USD | 90 |
| | Local | 2,965 |
| | **Sub-total** | **3,055** |
| **Opcos** | USD | 21 |
| | Local | 4,021 |
| | **Sub-total** | **4,042** |
| **Total Group** | | **7,097** |

# Celcom: Financial Performance

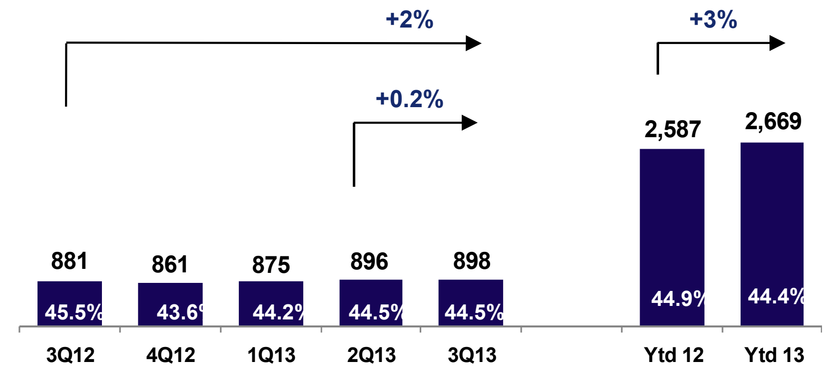
## Revenue grew marginally with healthy and stable margin

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

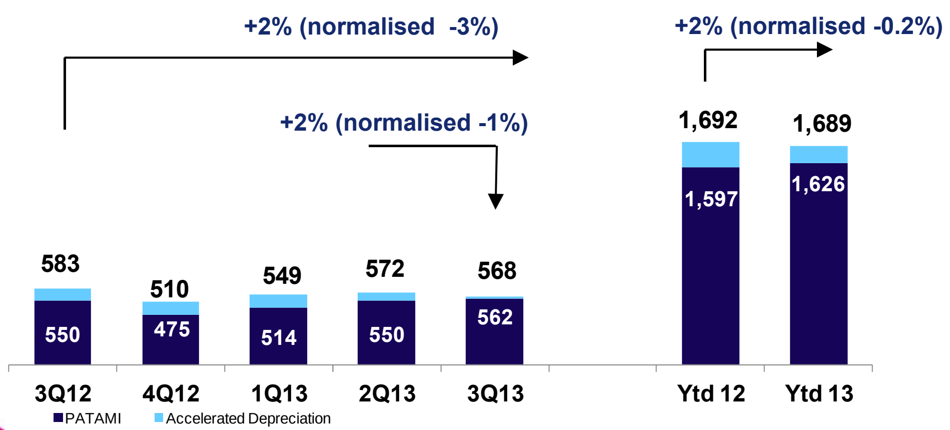



| | 3Q12 | 4Q12 | 1Q13 | 2Q13 | 3Q13 | Ytd 12 | Ytd 13 |
|---|---|---|---|---|---|---|---|
| Total Data (incl. SMS) | 35% | 36% | 34% | 34% | 34% | 34% | 34% |
| Adv. Data (excl. SMS) | 24% | 25% | 24% | 24% | 25% | 23% | 25% |
| Sales of handset/devices | 41 | 63 | 55 | 74 | 72 | 100 | 200 |

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




### PATAMI (RM mn)*




- Data revenue continue to contribute positively in sustaining revenue growth. It offset the decline in SMS which was affected by the usage of OTT.
- EBITDA margin sustain at 44.5% whilst PATAMI registered a slight decline due to lower net finance income.

* *(1) PATAMI and EBITDA exclude holding company charge, interest/charges on Sukuk and HQ tax relief if any*
*(2) Normalisation – excludes additional accelerated depreciation for modernisation*
*(3) Restate of Q2 number due to late adjustment on ESOS to be consistent with the Group*

# Celcom : Financial Performance

## EBITDA margin stabilised QoQ; YoY was impacted by higher sales of handset

### Operating Expenses^

| % of Revenue | 3Q12 | 2Q13 | 3Q13 | YTD 12 | YTD 13 |
|---|---|---|---|---|---|
| Direct Expenses | 25.3% | 25.2% | 25.9% | 24.5% | 25.3% |
| Sales & Marketing | 8.3% | 7.9% | 7.9% | 8.9% | 8.1% |
| Network Costs | 10.2% | 9.7% | 9.4% | 10.3% | 9.8% |
| Staff Costs | 7.4% | 7.1% | 7.7% | 6.8% | 7.0% |
| Bad Debts | 0.4% | 0.4% | 0.2% | 0.6% | 0.3% |
| Others | 3.0% | 5.2% | 4.3% | 3.9% | 5.0% |
| Total Expenses | 54.5% | 55.5% | 55.5% | 55.1% | 55.6% |
| EBITDA Margin | 45.5% | 44.5% | 44.5% | 44.9% | 44.4% |
| Depreciation & Amortisation | 12.1% | 11.6% | 10.4% | 12.1% | 11.3% |

### Financial Position (RM mn)

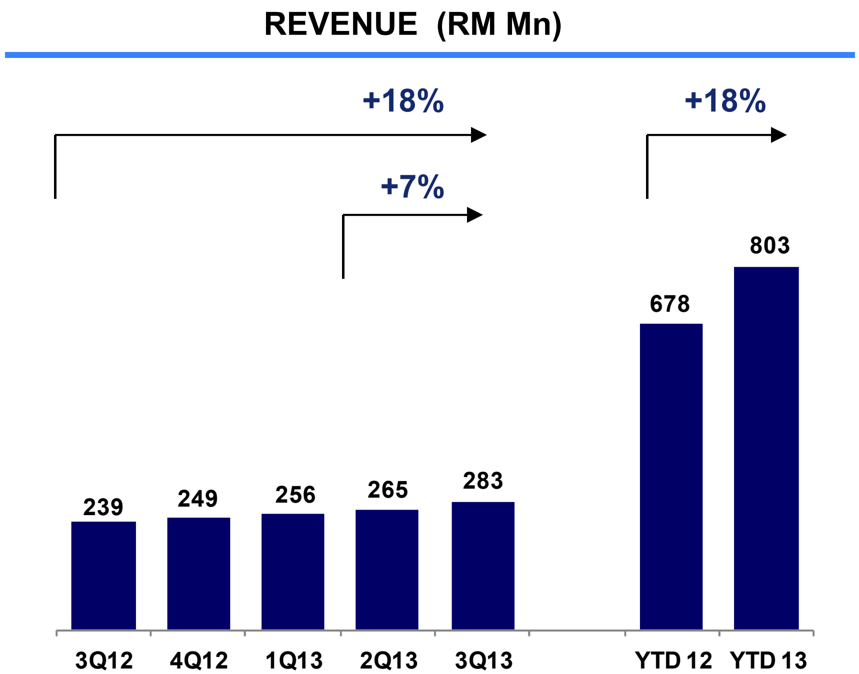
| | YTD Sep 12 | YTD Sep 13 |
|---|---|---|
| Capex | 517.6 | 512.8 |
| Cash & Cash Equivalents | 6,050.7 | 3,068.9 |
| Gross Debt | 5,020.4 | 4,986.3 |
| Net Assets | 2,138.7 | (1,465.2) |
| Gross debt / equity (x) | 2.3 | n/m |
| Gross debt / EBITDA(x) | 1.5 | 1.4 |

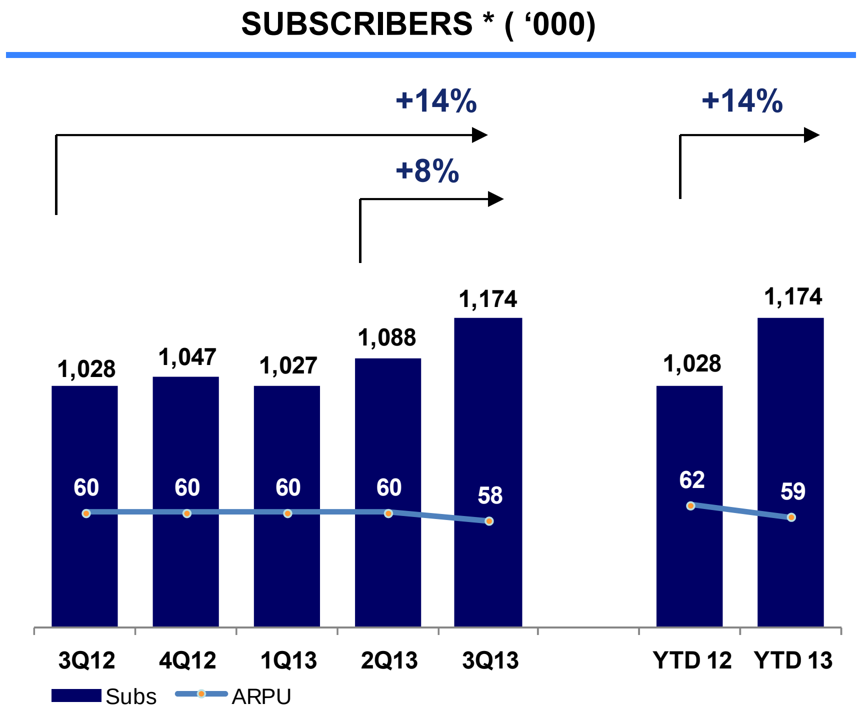
- Network cost continue to record improvement, a positive outcome from continuous initiatives under smarter cost management
- Celcom will continue with its smarter cost saving initiatives to all line of expenses in sustaining the margin

*^ OPEX and EBITDA Margin excludes holding company charge*

# Broadband Performance

## Retaining a stronghold in broadband market on the back of remarkable growth in mobile internet revenue



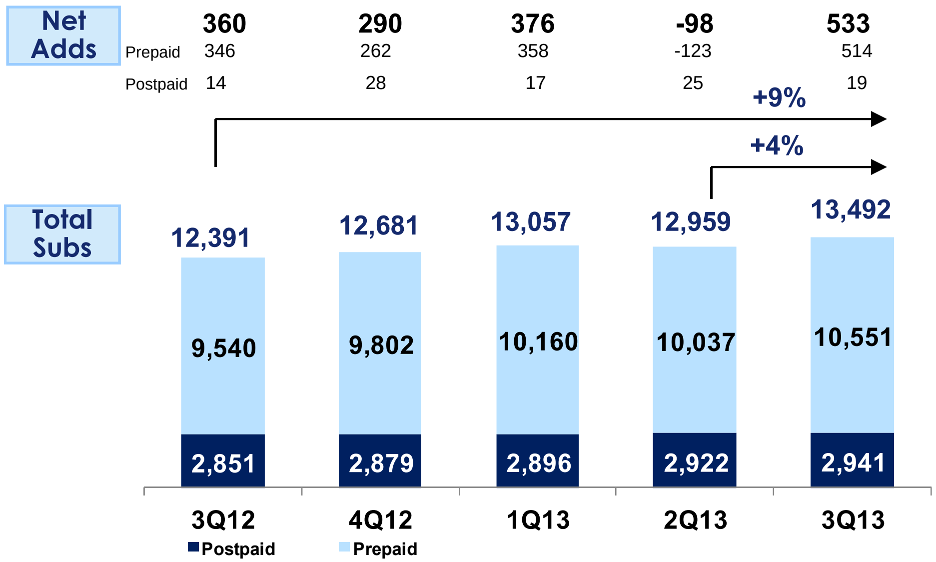

*Mobile Internet revenue grew 68% YTD -o-YTD*

** Subscribers and ARPU are based on postpaid monthly plan*

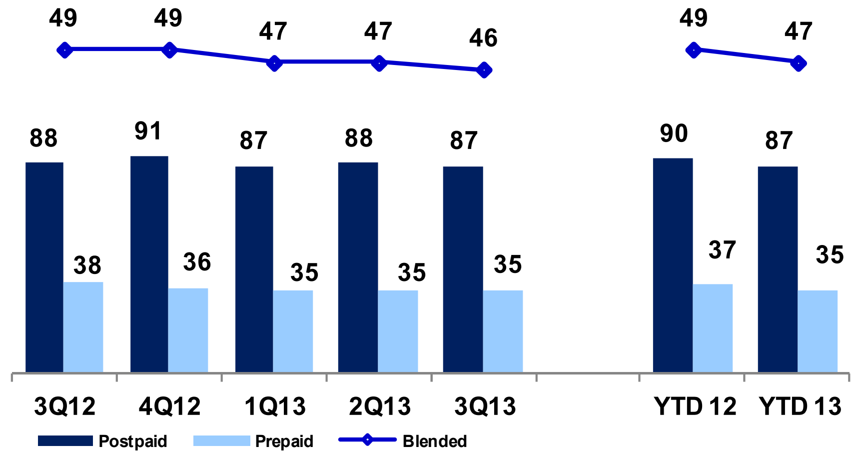
# Celcom : Operational Performance

## Positive traction in subscriber base pushed by attractive new offerings

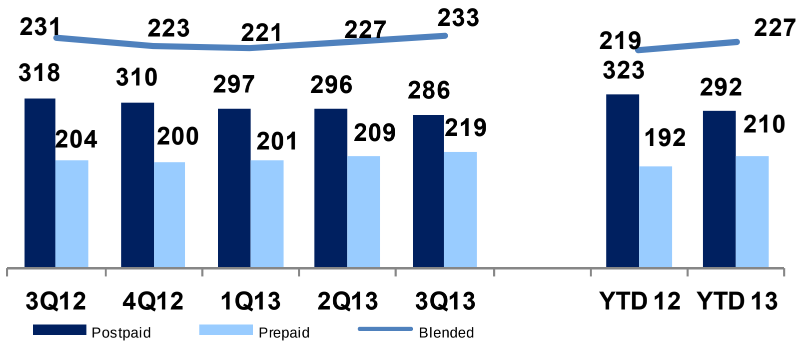
### Subscribers (000's)




### ARPU* (RM)




### MOU/sub* (min)



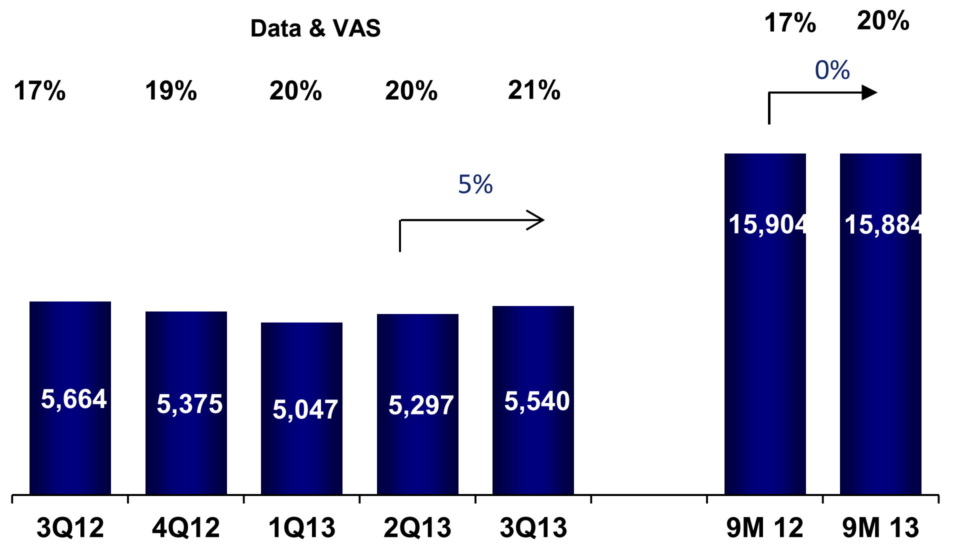

- Growth in subscriber base was driven by the encouraging response towards new offering of XPax24 and Celcom Frenz.
- The net adds of 533k was the highest since 2012.
- Blended MOU per sub (exclude domestic roaming) improved with aggressive usage stimulating initiatives albeit pressure on voice segment from steadfast growth in data usage.

*2012 MOU/sub and ARPU normalised for domestic roaming

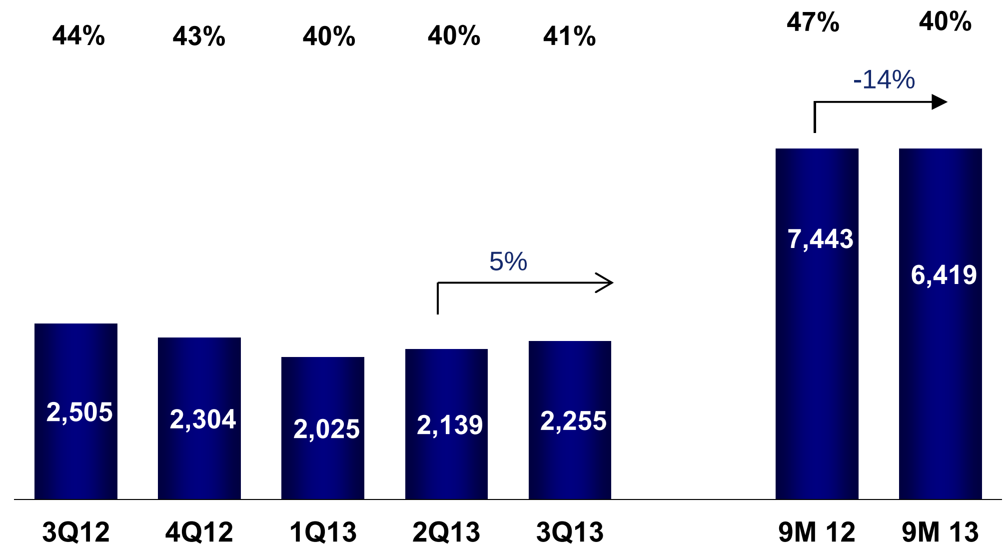
# XL : Financial Performance

## Positive momentum in all segments drives consecutive growth

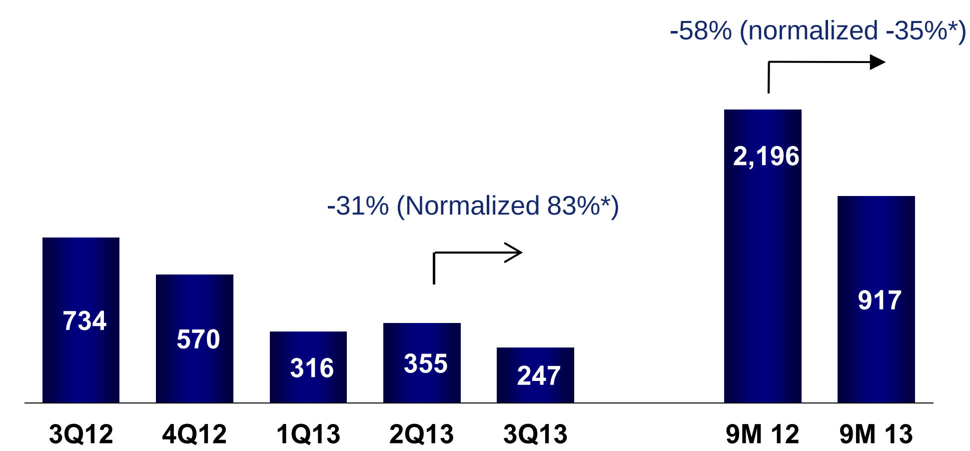
### Revenue (IDR bn) & Data as % of revenue (%)




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




### PAT (IDR bn)




- **Positive momentum continued in 3Q13 resulted in revenue improvement QoQ**
- **Demand for Data & VAS remained strong with 20% contribution from total revenue, increased from 17% last year**
- **Lower EBITDA YoY mainly due to introduction of SMS interconnect in June 2012 and investment in data infrastructure**
- **As of 9M 13, XL had installed 14,722 Nodes Bs with a 39% increase YoY, aligned with XL strategy to focus on data infrastructure**

* Normalized PAT excluding unrealized forex transaction, accelerated depreciation

# XL : Financial Performance

## Pressure on margin due to SMS interconnect and infrastructure expansion

### Operating Expenses

| % of Revenue | 3Q12 | 2Q13 | 3Q13 | 9M 12 | 9M 13 |
|---|---|---|---|---|---|
| Direct Expenses | 16.0% | 18.4% | 17.1% | 13.6% | 18.0% |
| Sales and Marketing | 6.2% | 6.4% | 6.7% | 5.9% | 6.6% |
| Network Costs | 24.9% | 27.2% | 28.3% | 24.8% | 27.6% |
| Staff Cost | 3.7% | 4.5% | 4.2% | 4.3% | 4.5% |
| Others | 3.3% | 2.6% | 2.5% | 3.3% | 2.5% |
| Total Expenses | 54.2% | 59.1% | 58.9% | 51.9% | 59.1% |
| EBITDA Margin | 44.2% | 40.4% | 40.7% | 46.8% | 40.4% |
| Depreciation & Amortisation | 22.7% | 26.2% | 28.4% | 23.6% | 27.0% |

- **Higher Direct Expense YoY mainly due to introduction of SMS interconnection fee that started in June 2012**
- **Higher Sales & Marketing YoY partly due to higher Advertising and Promotion from repositioning efforts in the first half and during Lebaran season**
- **Higher Network Costs was due to expansion infrastructure to continue support data business. It was also impacted by managed service fee effective April 2012, reflected a full 9 months in 9M 13 as compared to 6 months in 9M 12**

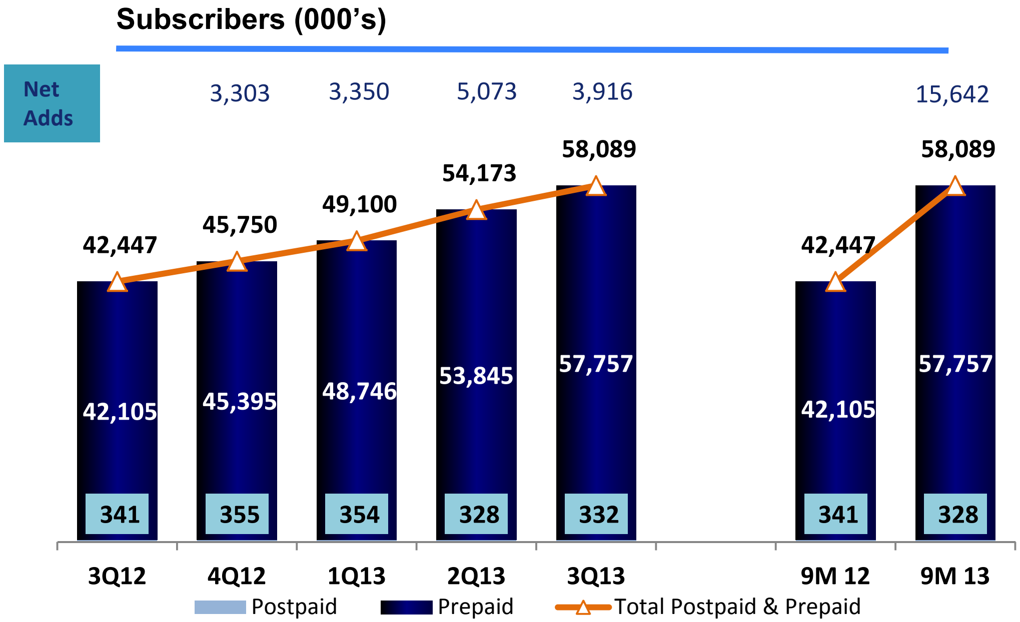
### Financial Position (IDR bn)

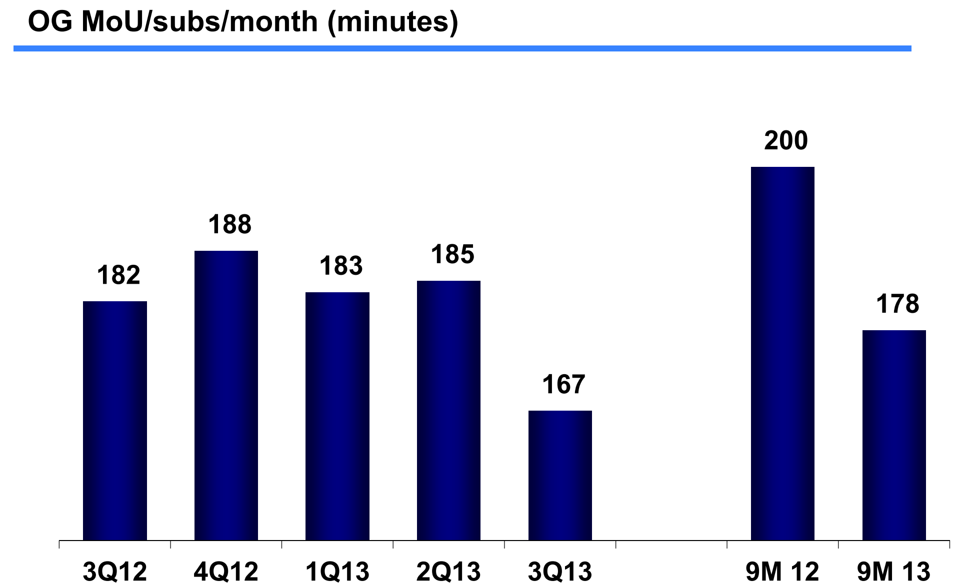
| | 9M 12 | 9M 13 |
|---|---|---|
| Capitalized Capex | 7,051 | 4,899 |
| Cash and Cash Equivalents | 2,170 | 2,117 |
| Net Debts | 12,452 | 15,424 |
| Net Assets | 14,803 | 15,204 |
| Debt / Equity (x) | 1.0 | 1.2 |
| Debt / EBITDA (x) | 1.5 | 2.0 |

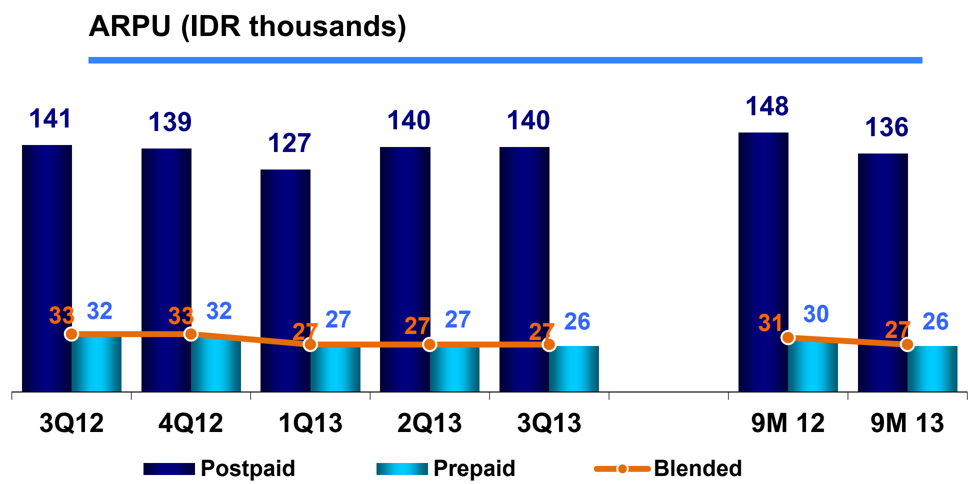
**Debt/EBITDA based on last 12 months trailing EBITDA

# XL: Operational Performance

## Another positive subscriber growth with an increase in data users and data traffic



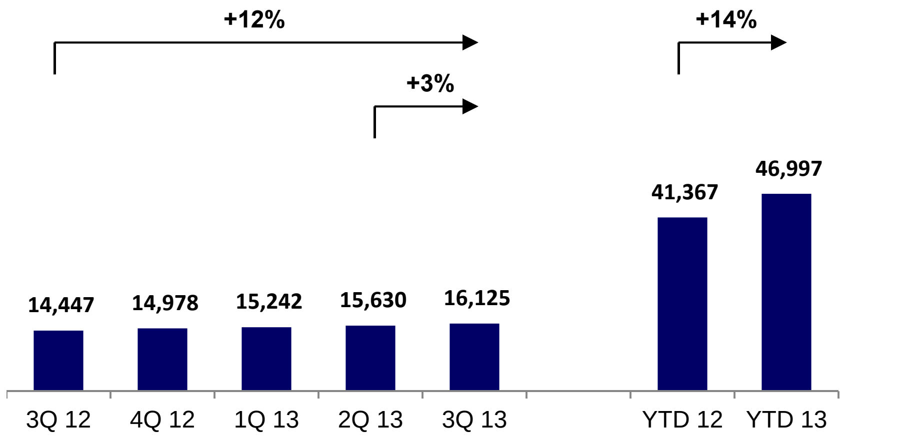



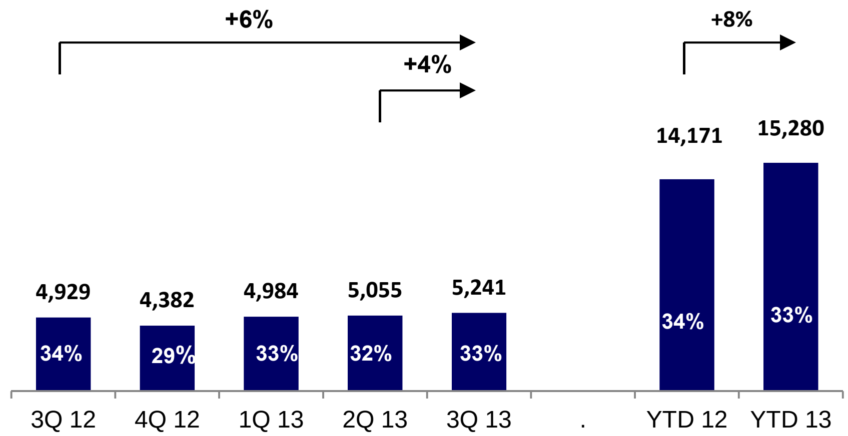



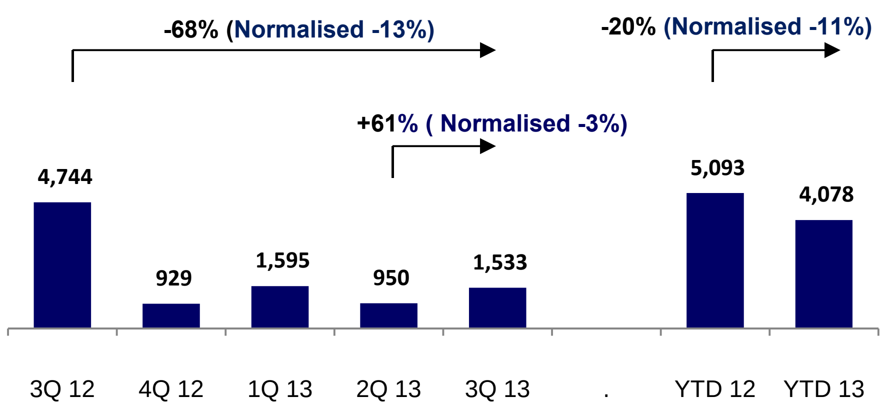

- Total Subscribers grew by 37% YoY with Data users grew by 34% YoY reached 33.7 million or about 58% of total subscribers
- Data traffic grew 125% YoY as data adoption remained strong

# Dialog Group : Financial Performance

## All key financial metrics improved QoQ ; Normalised PAT impacted by higher depreciation




- **Revenue increased by 3% QoQ and 14% YTD, on the back of strong growth in the mobile segment, driven by both Voice and Data revenues**
- **Steady EBITDA performance backed by strong growth in Revenue**
- **YTD PAT impacted by higher depreciation charges arising from expansion in 3G/data infrastructure, YTD Performance is inclusive of Rs826mn tax provision computed on the basis of 2% of revenue**

**Performance normalised to**
Q3 13: exclude translational forex loss of Rs 222mn
Q2 13: exclude translational forex loss of Rs 856mn
YTD 13: exclude translational forex loss of Rs 953mn
YTD 12: exclude translational forex loss of Rs2,491mn , deferred tax reversal of Rs 2,277mn and Suntel acquisition related costs of Rs343mn

# Dialog Group : Financial Performance

## Higher YTD Cost structure driven by increases in Marketing and Network Cost

### Operating Expenses

| % of Revenue | Q3 12 | Q2 13 | Q3 13 | YTD 12 | YTD 13 |
|---|---|---|---|---|---|
| Direct expenses | 30.7% | 30.3% | 28.6% | 29.1% | 28.7% |
| Sales & Marketing | 10.4% | 11.3% | 11.9% | 12.1% | 12.3% |
| Network costs | 12.0% | 12.5% | 12.4% | 11.6% | 12.3% |
| Staff costs | 8.3% | 8.6% | 8.4% | 8.3% | 8.6% |
| Bad debts | 0.9% | 1.0% | 1.3% | 0.5% | 1.1% |
| Overheads | 3.6% | 4.0% | 4.9% | 4.1% | 4.4% |
| Total Expenses | 65.9% | 67.7% | 67.5% | 65.7% | 67.5% |
| EBITDA Margin | 34.1% | 32.3% | 32.5% | 34.3% | 32.5% |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| D & A | 19.2% | 18.8% | 18.8% | 18.9% | 19.1% |

- Higher QoQ sales & marketing costs due to promotional campaigns carried out during the quarter
- Higher YTD network Opex in line with the increased rollout of data infrastructure and network expansion

### Financial Position (SLR mn)

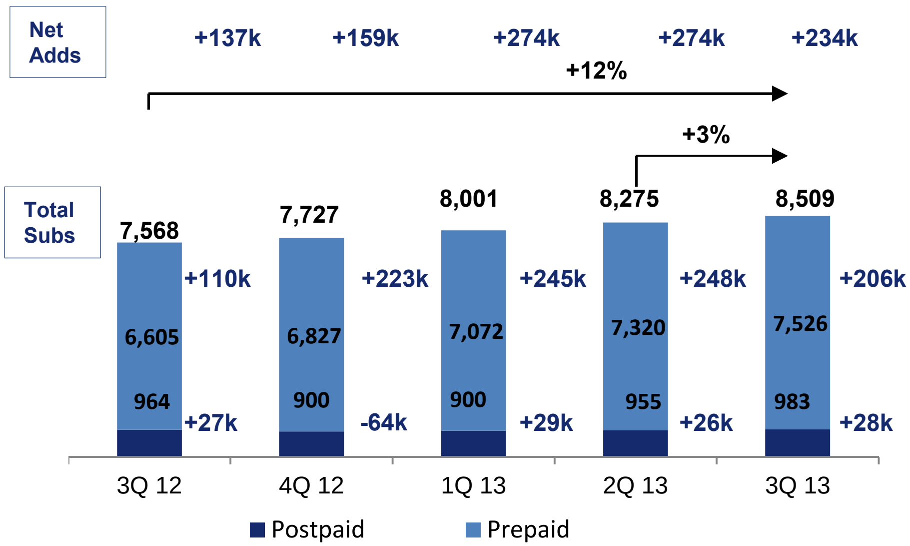
| | 31 Dec 12 | 30 Sep 13 |
|---|---|---|
| Capex | 17,409 | 20,439 |
| Cash & Cash Equivalents | 8,647 | 1,938 |
| Gross Debt | 23,892 | 25,243 |
| Net Assets | 37,182 | 38,620 |
| Gross Debt / equity (x) | 0.64 | 0.65 |
| Gross Debt/ EBITDA (x) | 1.29 | 1.24 |

- Cash balance end Q3 2013 at Rs 1.9bn whilst YTD Group FCF is negative at Rs5.2bn due to strategic investments
- Gross debt to EBITDA decreased to 1.24x as at end September 2013 from 1.29x as at end 2012

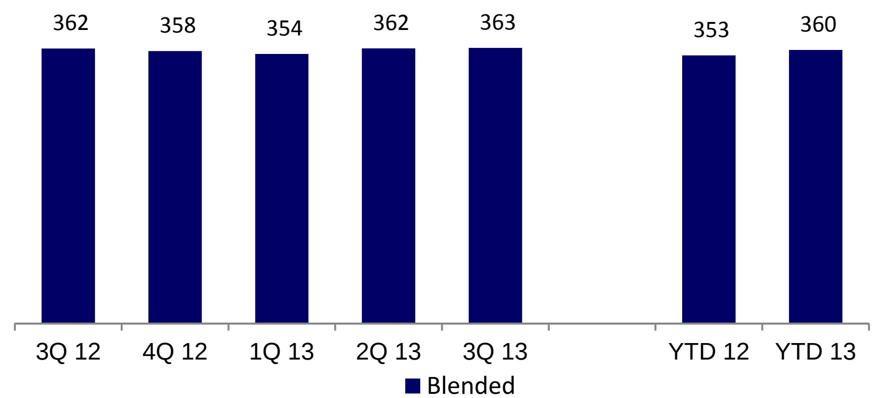
# Dialog: Operational Performance

## Stable MOUs and marginal increase in ARPUs QoQ

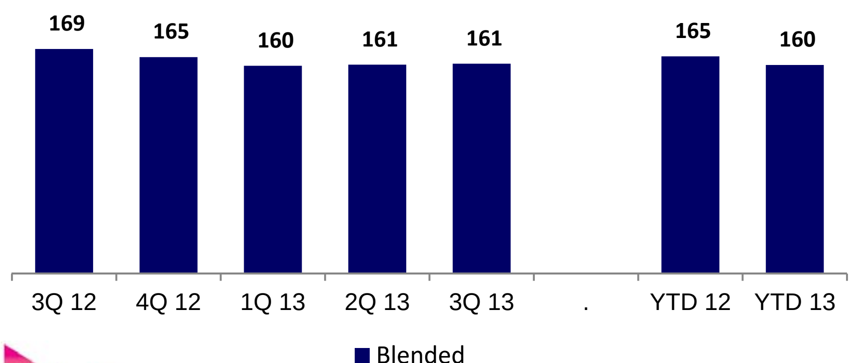
### Subscribers(000's)




### ARPU (SLR)




### MOUs (min)*



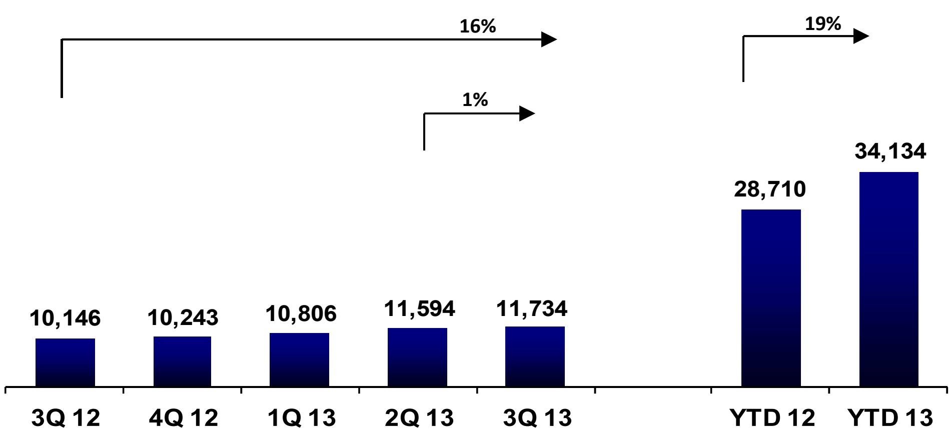

- **Prepaid subscriber growth of 3% QoQ and 14% YoY, driving the total subscriber growth**
- **QoQ MoUs remained flat while ARPUs increased marginally**

*** MoUs are based on outgoing min**

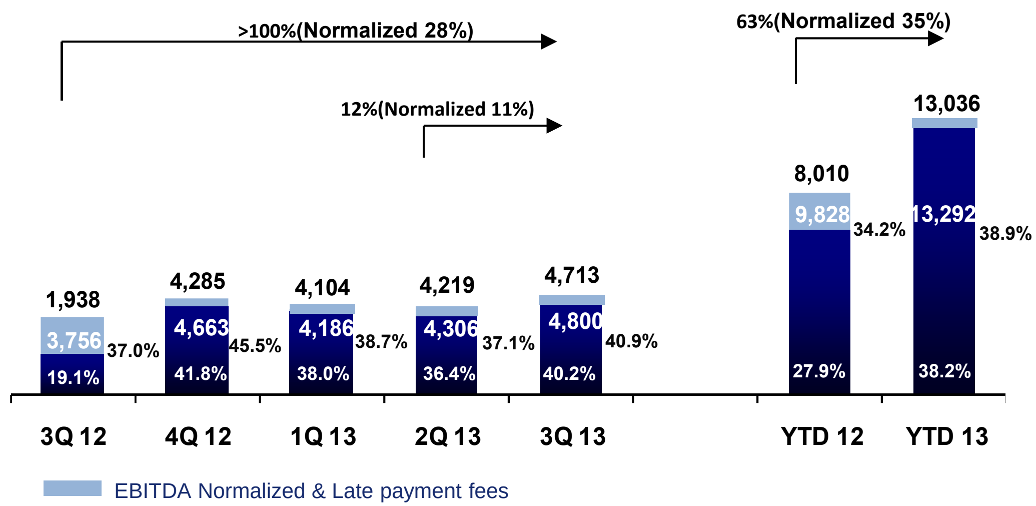
# Robi : Financial Performance

## Performance mainly attributed to cost optimization

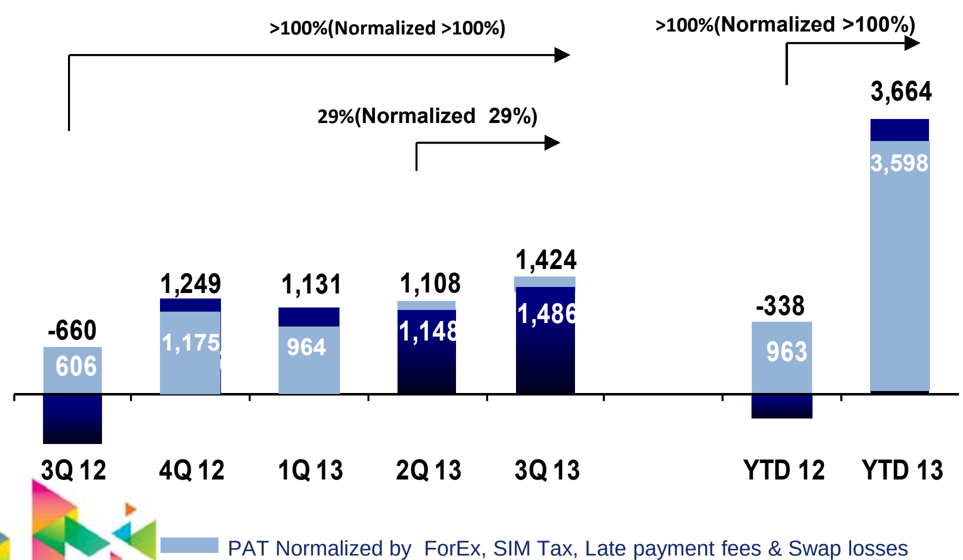
### Revenue (BDT mn)




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




### PAT (BDT mn)




- 3Q revenue growth mainly from Value Added Services incl. Data, 8.9% of total revenue grew by 15%.
- EBITDA grew by 12% to margin of 40.2% on improved operational performance and cost management.
- Turned around PAT by >100% growth YoY, much lower finance costs incl. forex gain over the period backed bottom line significantly.

# Robi : Financial Performance

## 3Q Cost structure led by lower Subs Acquisition Costs- SAC

### Operating Expenses

| % of Revenue | 3Q 12 | 2Q 13 | 3Q 13 | YTD'12 | YTD'13 |
|---|---|---|---|---|---|
| Direct Expenses | 56.7% | 40.0% | 33.8% | 47.1% | 37.4% |
| Sales & Marketing | 3.8% | 3.7% | 4.7% | 4.1% | 4.2% |
| Network Costs | 9.6% | 9.5% | 9.8% | 9.9% | 9.4% |
| Staff Costs | 5.5% | 5.6% | 5.3% | 5.7% | 5.4% |
| Bad Debts | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Others | 5.2% | 4.9% | 6.2% | 5.1% | 5.3% |
| Total Expenses | 80.9% | 63.6% | 59.8% | 72.1% | 61.8% |
| EBITDA Margin | 19.1% | 36.4% | 40.2% | 27.9% | 38.2% |
| | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| D & A | 17.8% | 16.5% | 17.2% | 18.7% | 17.1% |

### Financial Position (BDT mn)

| | 31 Dec 12 | 30 Sept 13 |
|---|---|---|
| Capex | 8,150 | 6,500 |
| Cash & Cash Equivalents | 4,649 | 7,344 |
| Gross Debt | 14,659 | 14,538 |
| Net Assets | 32,940 | 42,125 |
| Gross debt / Equity (x) | 0.45 | 0.35 |
| Gross debt / EBITDA (x) | 1.19 | 0.84 |

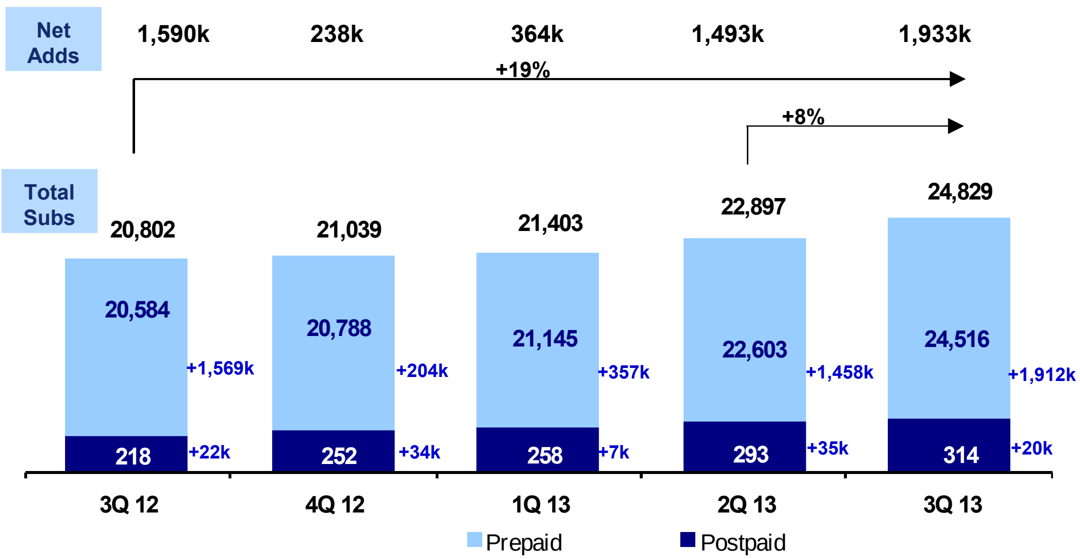
**Operating expenses:**

- Direct Expenses- 3Q decreased due to reduced SIM tax (BDT 300 from BDT 605 w.e.f 16 May-13 onwards) & planned acquisition.
- Sales & Marketing- aggressive scale of A&P to create demanding market exposure, Ramadan and Eid festival was in 3Q.
- Network cost- increased QoQ for increasing consumption of 'Power & Electricity' incl. Genset fuel.
- Others- 3Q increased for managed/outsourced services for support functions.

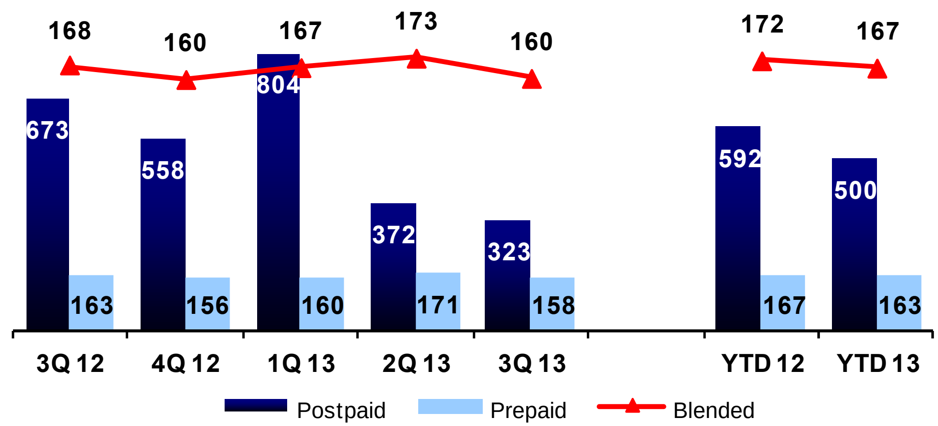
# Robi : Operational Performance

## Sub base growing with market: Rural penetration, retention drive continued

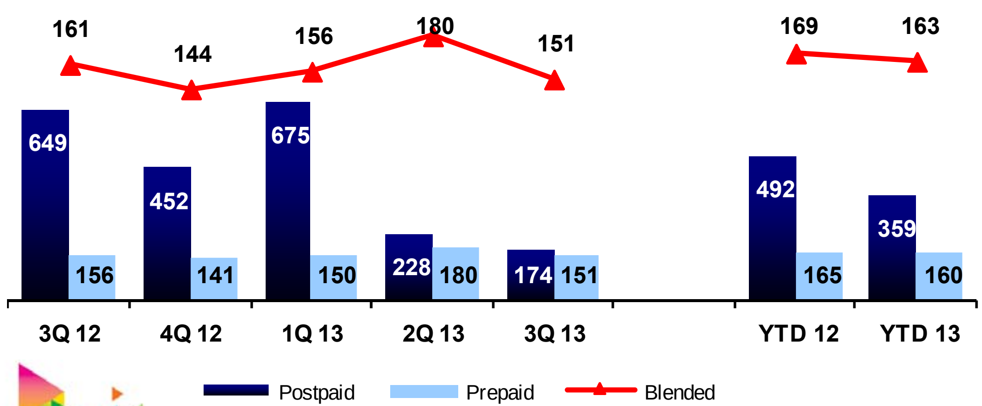
### Subscribers (000's)




### ARPU (BDT)




### MOU/sub (min)




- **Net adds- 3Q increased for aggressive acquisition drive and focused retention initiatives like 'Winback'.**
- **ARPU- dipped in 3Q over last two quarters with impact of competitive promo offer with free minutes affecting effective pricing, rural penetration. Seasonality cause of Ramadan in 3Q (Muslim's fasting month) also led lower usage- MoU/Sub.**

Note: ARPU, MoU/Sub are based on active subscriber base. Total Subs means active subscribers to date.

# Regional Mobile: QoQ Performance Highlights

| COMPANY | HIGHLIGHTS | QUARTER ON QUARTER PERFORMANCE | | | |
|---|---|---|---|---|---|
| | | Revenue | Subs | EBITDA | PAT |
| Smart | PAT impacted by billing system impairment in 3Q. Normalised PAT grew 7% QoQ | 2% | 23% | 6% | 91% |
| !dea | Seasonal slowdown in the quarter more pronounced with increasing proportion of rural subscribers | 3% | 2% | 5% | 3% |
| m1 | With majority of customers now on Smartphones, data usage on smartphones continues to grow | 1% | 1% | 1% | 1% |

Note: Idea and wholly owned subsidiaries on a consolidated basis..

# Regional Mobile: YTD Performance Highlights

| COMPANY | HIGHLIGHTS | YTD ON YTD PERFORMANCE | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Smart | Subscriber increase driven bySIM card sales push and attractive promotions | Revenue | ↑ 36% | Subs | ↑ 68% | EBITDA | ↑ >100% | PAT | ↑ >100% |
| !dea | Growth in VAS services contribution further improving overall ARPM | Revenue | ↑ 19% | Subs | ↑ 10% | EBITDA | ↑ 42% | PAT | ↑ 92% |
| m1 | Network upgrade projects are on schedule. Remain committed to enhancing customer experience and improving service offerings. | Revenue | ↓ 3% | Subs | ↑ 4% | EBITDA | ↑ 6% | PAT | ↑ 10% |

Note: Idea and wholly owned subsidiaries on a consolidated basis. Smart based on proforma numbers

# Thank You

www.axiata.com

**Axiata Group Berhad**