



# 3Q 2014 Results

24 November 2014

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# Executive summary:

Quarter and YTD results impacted by lower Celcom performance and forex losses at XL;  
strong performance from Smart and Dialog



## ❖ Revenue stable but profitability down

- YTD growth : Revenue +0.3% ; EBITDA -5.9% ; PATAMI -11.2%
- QoQ growth : Revenue -1.6% ; EBITDA -2.4% ; PATAMI 40.9%
- 3Q YoY growth : Revenue -2.0% ; EBITDA -11.3% ; PATAMI -11.7%

## ❖ However at constant currency, revenue moderate growth

- YTD growth : Revenue +4.2% ; EBITDA -2.3% ; PATAMI -12.8%
- QoQ growth : Revenue -0.4% ; EBITDA -1.2% ; PATAMI 41.3%
- 3Q YoY growth : Revenue +2.6% ; EBITDA -7.2% ; PATAMI -13.1%

## ❖ YTD14 CAPEX RM2.7bn

## ❖ ROIC at 9.2% and ROCE at 7.8%

## ❖ Sale of 24% stake in Samart for USD89.3m



# Key Group highlights (1/3):

3Q 2014 : Challenging quarter for Celcom and XL, however data growth is encouraging



- IT related issues impacted Celcom's revenue, EBITDA, and PAT (-1%, -5%, -5% QoQ respectively); technical problems all resolved in October 2014 and working on dealer confidence
- 2-year journey for Celcom's IT transformation completed which has increased our ability to launch new products more aggressively and faster than before, and provide superior services
- YTD data revenue grew 20% and small screen data grew 41%



- Successfully completed integration of Axis at end of 3Q14, well ahead of schedule and better than expected financial performance
- YTD revenue increased by 11% fueled by strong data revenue growth of 43%, whilst voice and SMS grew 4%
- Announced sale of 3,500 towers to STP, where proceeds are used to repay debt and improve capital structure, gross debt/EBITDA improve by 1Q15

# Key Group highlights (2/3):

3Q 2014 : Strong performance by Dialog, Robi and Smart



- YTD revenue growth of 6% largely attributed to higher voice (+4%) and data (+55%) revenue
- Strong PAT growth of 13% YTD driven by higher EBITDA and stronger SLR
- TV revenue grew 29% YTD as subscriber base reaches 410k (+36% YTD)



- YTD revenue and EBITDA growth of 6% and 10% respectively in spite of heightened competition in 3Q14
- YTD EBITDA margin improved by 1.7pp to 39.9%



- Strong YTD performance with revenue, EBITDA and PAT growth of 37%, 74% and 197% respectively
- YTD data revenue growth of 119% with data contributing 21% of total revenue
- Total data subscribers increased to 1.6m, i.e 27% of subscriber base

## Associates



- Stellar YTD performance with revenue, EBITDA and PAT growth of 18%, 25% and 63% respectively



- YTD stable service revenue, EBITDA growth of 7% and outstanding PAT growth of 10%



- Disposed entire shareholding (24%) for USD89.3mn

# Group overall performance impacted by Celcom and XL

## Strong performance at other OpCos

### Financial highlights

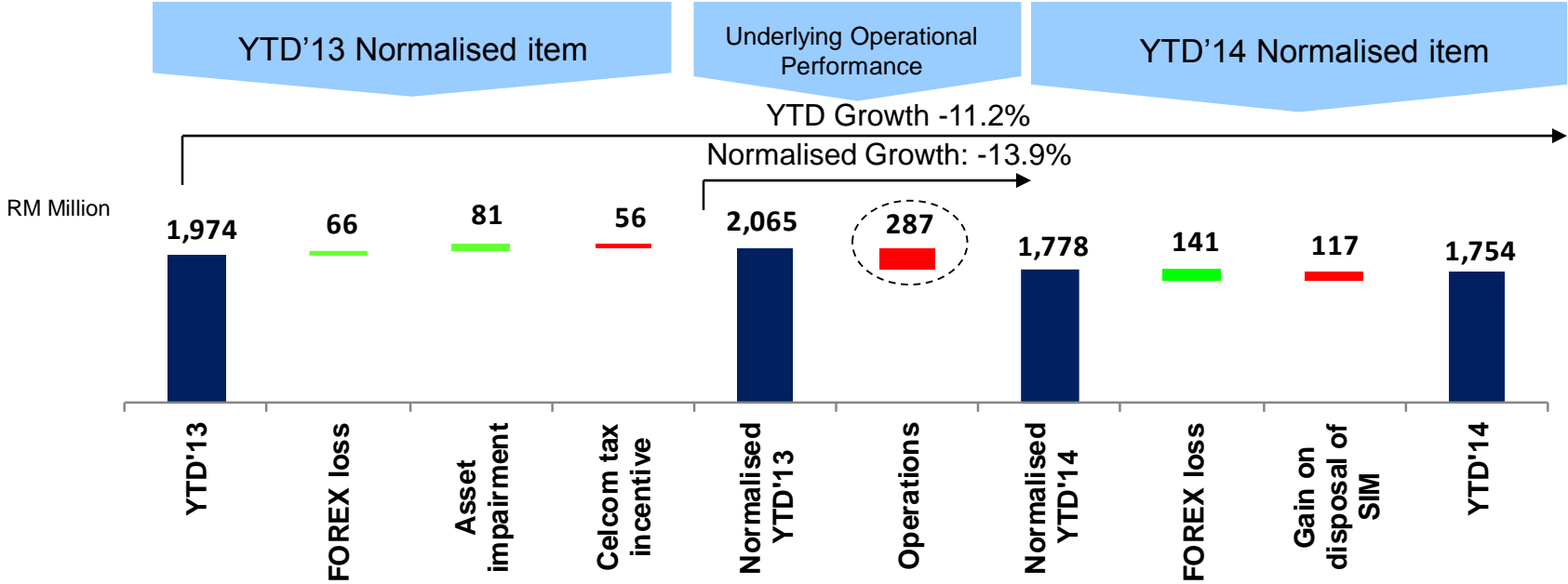
<u>RM mn</u>	<u>3Q14</u>	<u>YTD</u>	<u>QoQ growth</u>	<u>YoY growth</u>	<u>YTD growth</u>	<u>YTD growth (constant currency)</u>
Revenue	4,653	13,898	-1.6%	-2.0%	0.3%	4.2%
EBITDA	1,700	5,231	-2.4%	-11.3%	-5.9%	-2.3%
EBITDA margin %	36.5%	37.6%	-0.3pp	-3.9pp	-2.5pp	-2.5pp
PAT	607	1,731	54.4%	-21.1%	-19.6%	-21.6%
Normalised PAT	544	1,829	-12.7%	-34.7%	-19.1%	-19.7%
PATAMI	631	1,754	40.9%	-11.7%	-11.2%	-12.8%
Normalised PATAMI	534	1,778	-13.7%	-30.5%	-13.9%	-14.4%
ROIC %		9.2%	-	-	-1.5pp	9.1%
ROCE %		7.8%	-	-	-0.8pp	7.7%
Capex	975	2,749	31.9%	38.3%	6.1%	
<i>% of revenue</i>	21.0%	19.8%				
Operating Free Cash Flow*	450	1,522	-39.0%	-51.8%	-24.2%	
<i>% of revenue</i>	9.7%	11.0%				

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

Note: Group normalised items as per slide #7

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

Unfavourable forex losses affected Group profitability, normalised performance recorded -13.9%



	Norm PATAMI	YTD'13	YTD Growth Rates	Norm PATAMI	YTD'14
Celcom	1,570	(-242)	-15.4%	Celcom	1,328
XL	224	(-238)	-106.3%	XL	(14)
Dialog	107	(-15)	-14.0%	Dialog	92
Robi	96	(+34)	+35.4%	Robi	130
Smart	34	(+43)	+126.5%	Smart	77
Associates & Others	34	(+131)	+385.3%	Associates & Others	165
<b>GROUP</b>	<b>2,065</b>	<b>(-287)</b>	<b>-13.9%</b>	<b>GROUP</b>	<b>1,778</b>

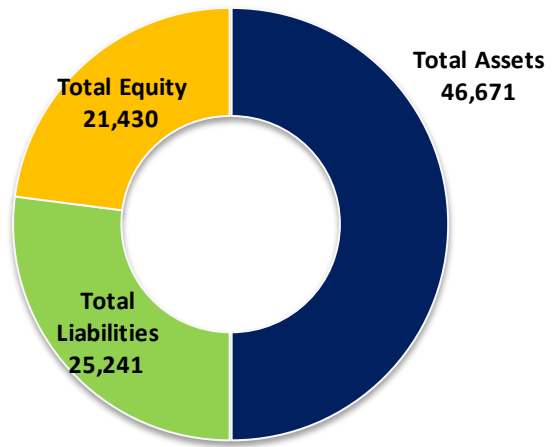


# Group statements of financial position

## Healthy balance sheet with gross debt to EBITDA of 2x

As at ended Sept'2014 Group Statements of Financial Position

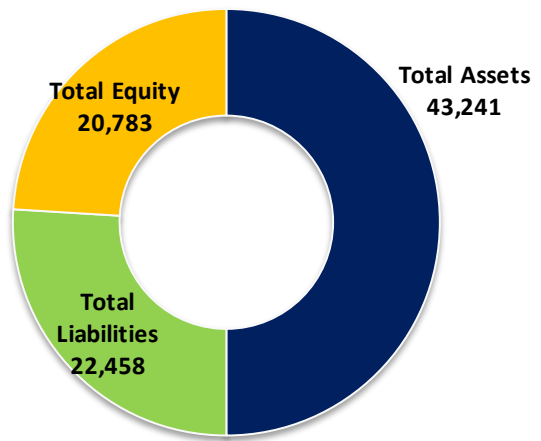
RM' Million



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

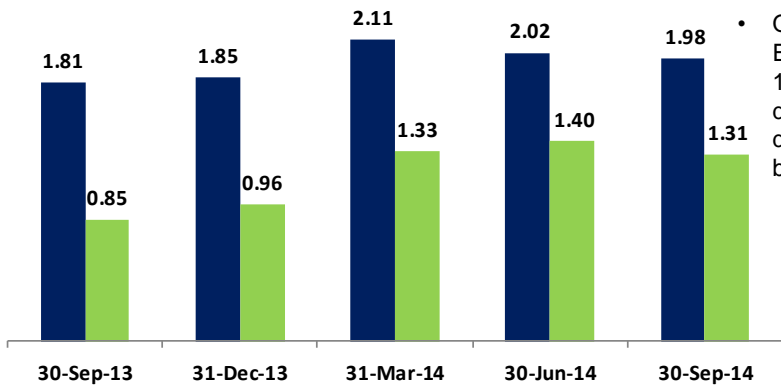
As at ended Sept'2013 Group Statements of Financial Position

RM' Million



- Cash & bank increased by RM286mn (+6.5%) QoQ mainly due to proceeds from disposal of Samart (+RM263mn)
- Free Cash Flow (FCF) is RM2.5bn and Operating Free Cash Flow (OFCF) is RM1.5bn.

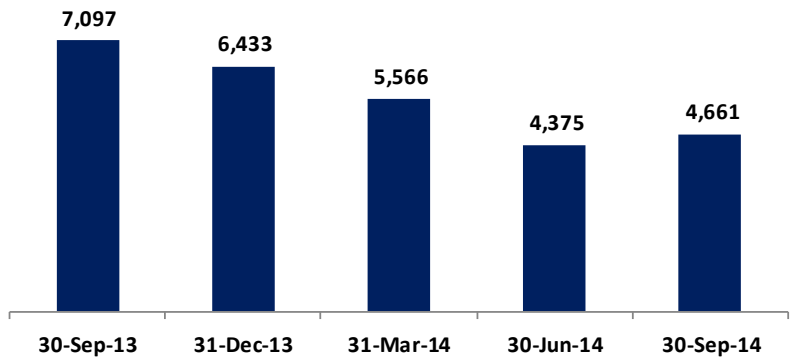
■ Gross debt to EBITDA    ■ Net debt to EBITDA



• QoQ Net Debt to EBITDA decreased to 1.3x from 1.4x mainly due to lower gross debt and higher cash balance.

Cash and Bank

RM' Million





	FY2014 Headline KPIs*	Guidance
Revenue growth	10.1%	Mid-single digit
EBITDA growth	1.8%	Potentially flat
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

- ❖ **Regain growth momentum at Celcom post IT transformation; new products and better services**
- ❖ **Improved competitive edge post XL-Axis integration**
- ❖ **Growth in data revenue and improvement in data profitability**

## Challenges

- ❖ **Sluggish industry growth in Malaysia**
- ❖ **Heightened competition in Bangladesh**
- ❖ **Currency volatility particularly IDR**



# Appendix



	QoQ Performance			YTD Performance		
	Revenue	EBITDA	Normalised PAT <sup>1</sup>	Revenue	EBITDA	Normalised PAT <sup>1</sup>
Group	-2%	-2%	-14%	0.3%	-6%	-14%
Celcom	-1%	-5%	-5%	-4%	-7%	-6%
XL	-0.4%	0.0%	70%	11%	-2%	>-100%
Dialog	2%	4%	2%	6%	1%	13%
Robi	-1%	0.2%	15%	6%	10%	-5%
Smart	10%	9%	20%	37%	74%	>100%

*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

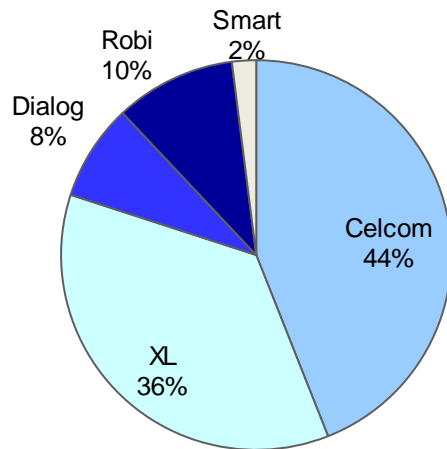


# Key OpCos revenue and EBITDA composition

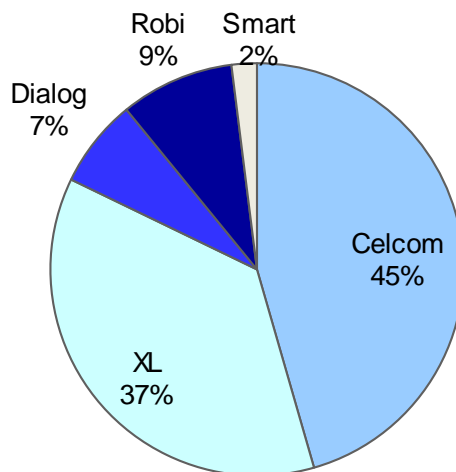
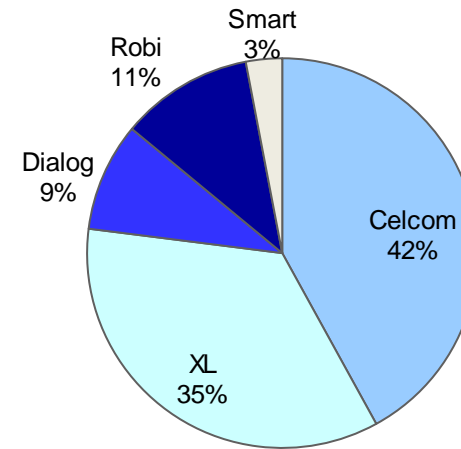
Robi, Dialog and Smart continues to increase contribution to Group; increasing resilience of the Group from a diversified portfolio

YTD 2013 REVENUE & EBITDA Breakdown (%)

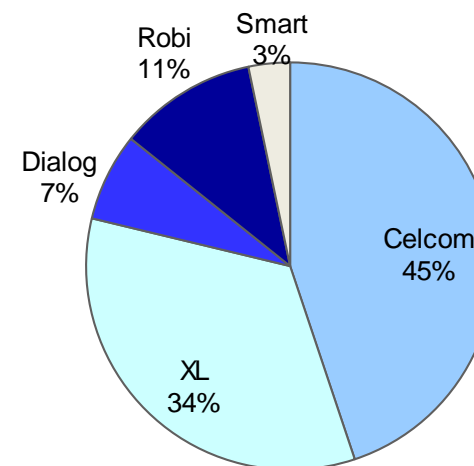
YTD 2014 REVENUE & EBITDA Breakdown (%)



REVENUE



EBITDA



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

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

	YTD Sep 13	YTD Sep 14	YTD	Q3 13*	Q3 14	YoY
Voice	7,220	7,084	-1.9%	2,463	2,318	-5.9%
% of Service revenue	62.0%	59.5%	-2.5 pp	61.7%	58.2%	-3.5 pp
SMS	1,716	1,481	-13.7%	580	489	-15.7%
% of Service revenue	14.7%	12.4%	-2.3 pp	14.5%	12.3%	-2.2 pp
VAS	700	786	+12.2%	230	243	+5.4%
% of Service revenue	6.0%	6.6%	+0.6 pp	5.8%	6.1%	+0.3 pp
Data	2,004	2,562	+27.9%	719	931	+29.5%
% of Service revenue	17.2%	21.5%	+4.3 pp	18.0%	23.4%	+5.4 pp
<b>Total Service revenue</b>	<b>11,640</b>	<b>11,913</b>	<b>+2.3%</b>	<b>3,992</b>	<b>3,981</b>	<b>-0.3%</b>
Others	2,219	1,985	-10.5%	755	672	-11.1%
% of Total Revenue	16.0%	14.3%	-1.7 pp	15.9%	14.4%	-1.5 pp
<b>Total Revenue</b>	<b>13,859</b>	<b>13,898</b>	<b>+0.3%</b>	<b>4,747</b>	<b>4,653</b>	<b>-2.0%</b>

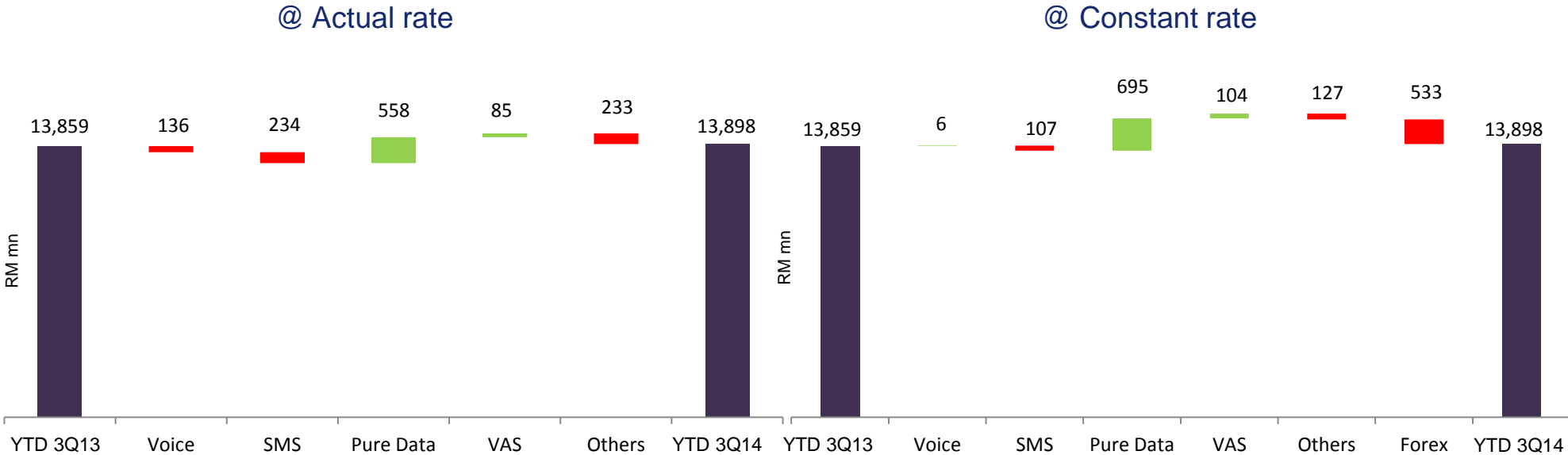
Data revenue has grown 28% YTD and 30% YoY, however the increase is insufficient to address the decline in voice and SMS revenues.

**Note:**

\* Revenue reclassified by Smart

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

# Group data revenue increase cushions decline in voice and 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.

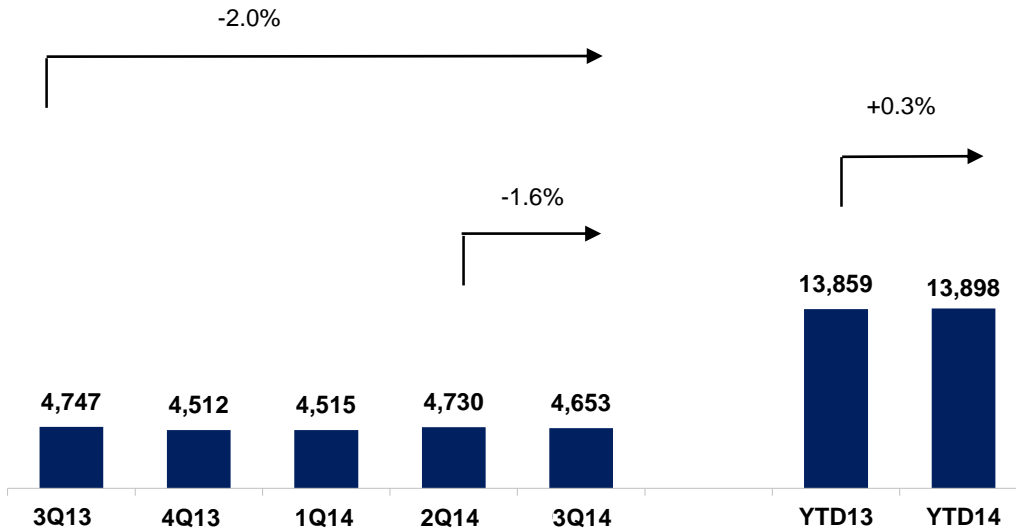


Note: Others include OpCos' non service revenue e.g. revenue from device sales, TowerCo, USP etc, and interconnect revenue at XL. Numbers may not add up due to rounding

# Group financial performance

## QoQ decline due to Celcom and XL; stable growth YTD

### Revenue (RM mn)

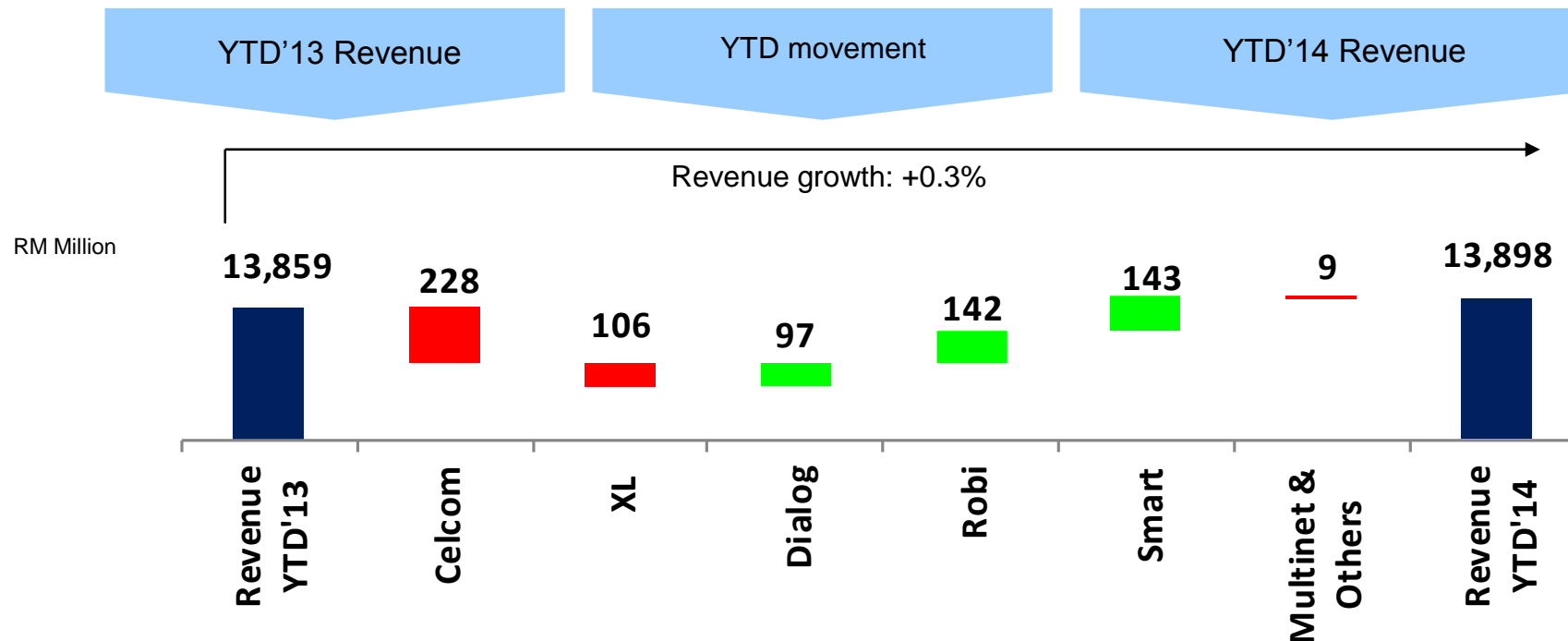


- Revenue QoQ is affected by Celcom (lower voice and SMS) and XL (RM translation and lower voice).
- Revenue YoY is affected by Celcom (lower voice and SMS) and XL (RM translation).
- At constant currency:
  - QoQ – revenue would decrease by -0.4% (vs -1.6%)
  - YoY – revenue would increase by +2.6% (vs -2.0%)



# 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

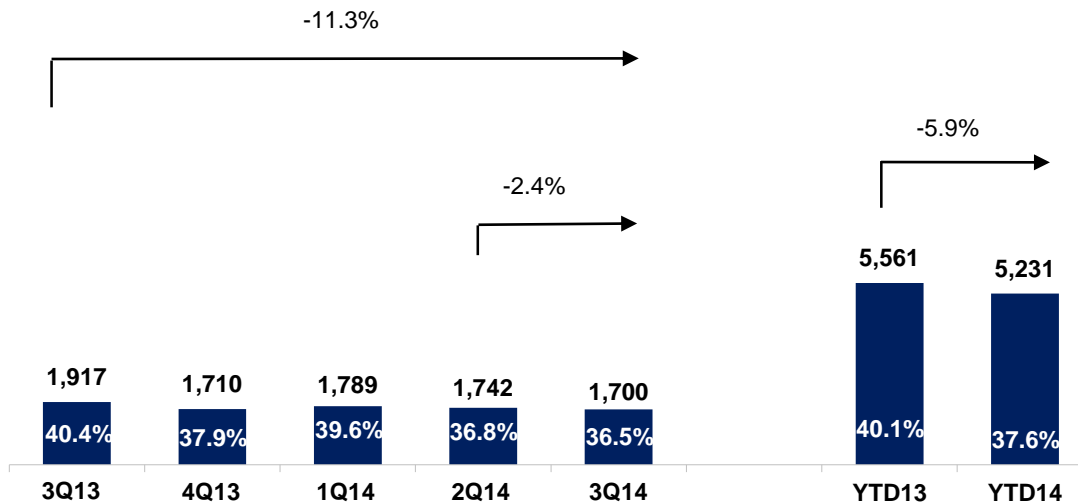


Revenue	YTD'13	YTD Growth Rates	Revenue	YTD'14
Celcom	6,006	(-228) -3.8%	Celcom	5,778
XL	4,948	(-106) -2.2%	XL	4,842
Dialog	1,145	(+97) +8.5%	Dialog	1,242
Robi	1,366	(+142) +10.3%	Robi	1,508
Smart	277	(+143) +51.7%	Smart	420
Multinet & Others	117	(-9) -7.7%	Multinet & Others	108
<b>GROUP</b>	<b>13,859</b>	<b>(+39) +0.3%</b>	<b>GROUP</b>	<b>13,898</b>

# Group financial performance

QoQ and YTD EBITDA decrease mainly due to Celcom and XL

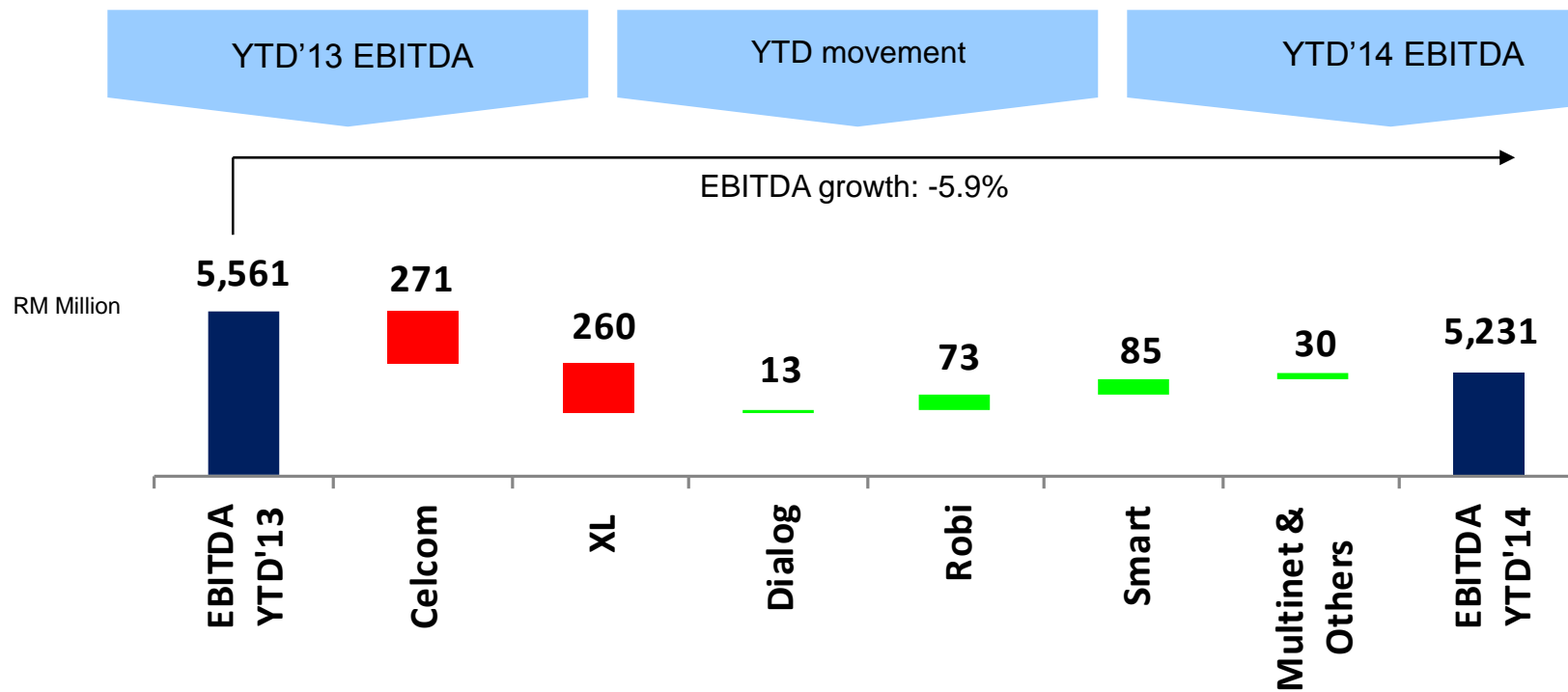
## EBITDA (RM mn) & Margin (%)



- EBITDA QoQ is affected by lower revenue contribution and higher network related costs from Celcom and RM translation from XL.
- EBITDA YoY is affected by Axis integration and forex translation while Celcom experienced lower service revenue from Voice & SMS, higher network related costs and content provider charges.
- At constant currency:
  - QoQ – EBITDA would decrease by -1.2% (vs -2.4%)
  - YoY – EBITDA would decrease by -7.2% (vs -11.3%)

# Group EBITDA : YTD'13→YTD'14

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



EBITDA	YTD'13	YTD Growth Rates	EBITDA	YTD'14
Celcom	2,614 (-271)	-10.4%	Celcom	2,343
XL	2,076 (-260)	-12.5%	XL	1,816
Dialog	370 (+13)	+3.6%	Dialog	383
Robi	512 (+73)	+14.3%	Robi	585
Smart	90 (+85)	+95.0%	Smart	175
Multinet & Others	(101) (+30)	+29.7%	Multinet & Others	(71)
<b>GROUP</b>	<b>5,561 (-330)</b>	<b>-5.9%</b>	<b>GROUP</b>	<b>5,231</b>

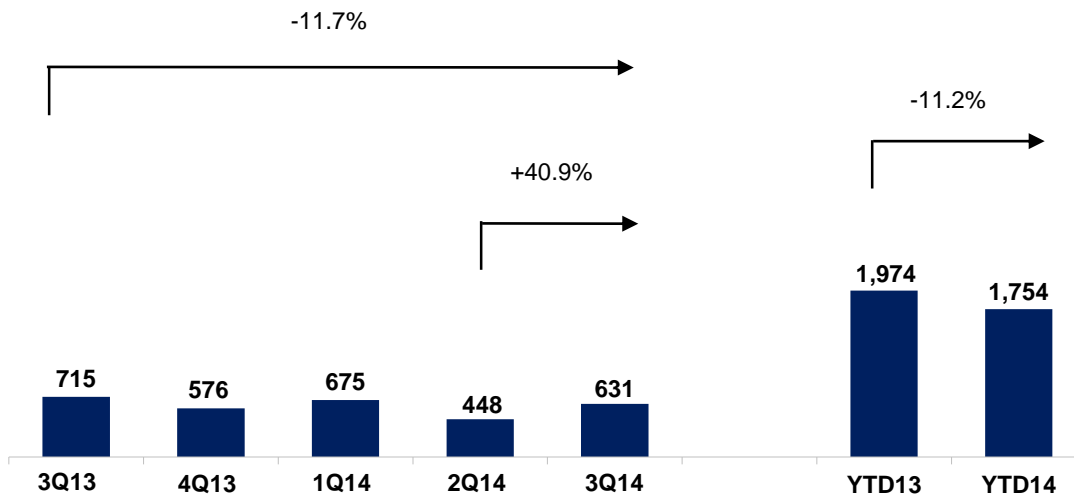


# Group financial performance

Higher QoQ PATAMI mainly due to lower XL forex losses and gains from Smart disposal



## PATAMI (RM mn)

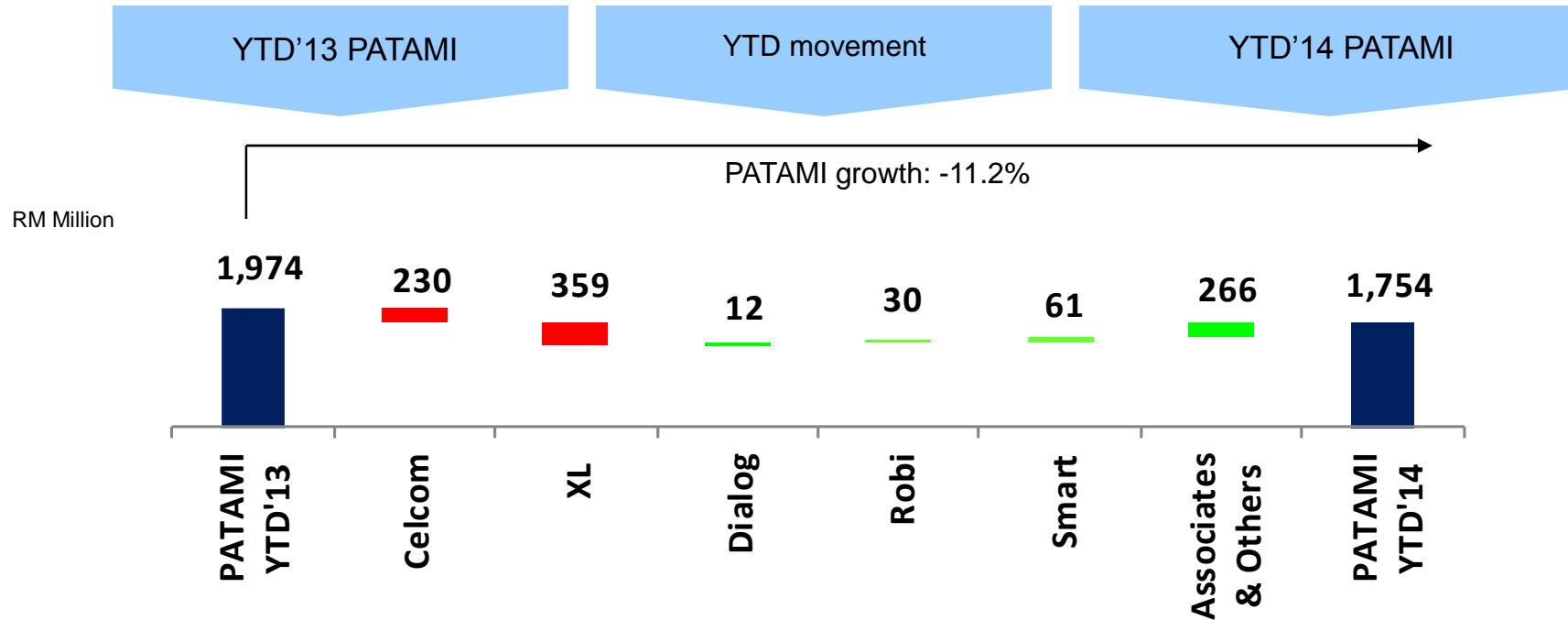


- PATAMI QoQ increased mainly due to lower forex losses from XL and gains from disposal of Smart.
- PATAMI YoY is significantly impacted by lower EBITDA from Celcom, lower EBITDA and forex losses at XL, partly off-set by gains from disposal of Smart and higher contribution from Idea.
- At constant currency:
  - QoQ – PATAMI would increase by 41.3% (vs 40.9%)
  - YoY – PATAMI would decrease by -13.1% (vs -11.7%)



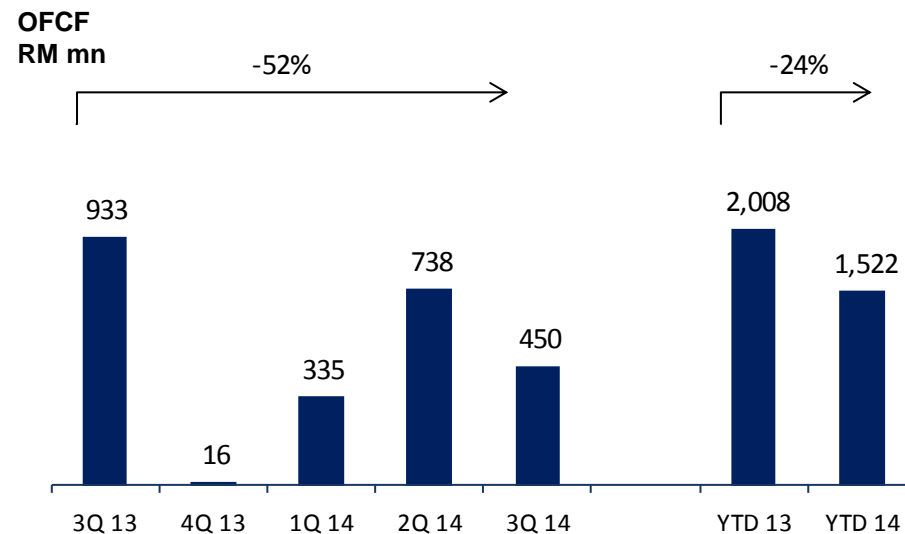
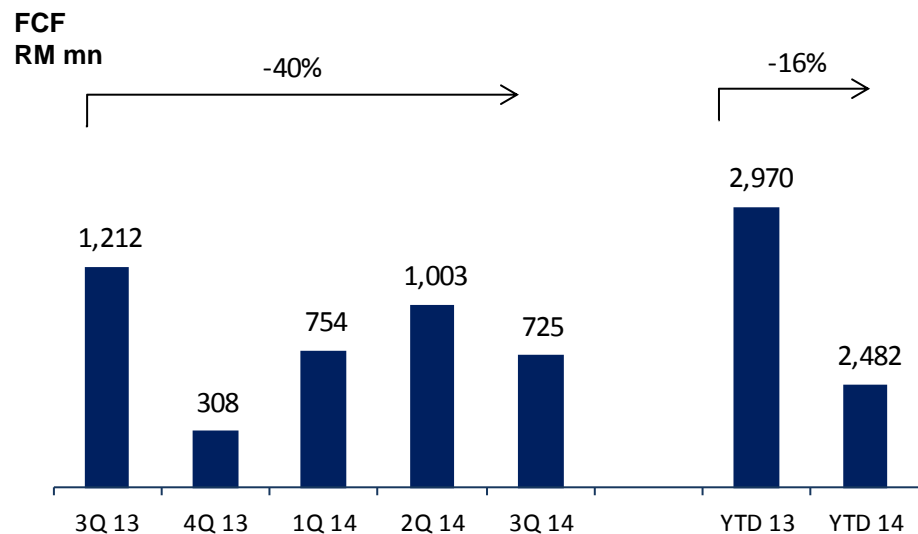
# Group PATAMI : YTD'13→YTD'14

YTD PATAMI decreased mainly from XL (Axis integration and forex losses) and Celcom (lower revenue)



PATAMI	YTD'13	YTD Growth Rates	PATAMI	YTD'14
Celcom	1,561	(-230) -14.8%	Celcom	1,331
XL	189	(-359) -189.6%	XL	(170)
Dialog	85	(+12) +14.7%	Dialog	97
Robi	103	(+30) +29.8%	Robi	133
Smart	16	(+61) +368.4%	Smart	77
Associates & Others	20	(+266) +1330.0%	Associates & Others	286
<b>GROUP</b>	<b>1,974</b>	<b>(-220) -11.2%</b>	<b>GROUP</b>	<b>1,754</b>

# YTD 2014 capex intensity of 20%



Capex ( RM mn )	YTD 2013	YTD 2014
Celcom	473	472
XL	1,455	1,249
Dialog	329	235
Robi	234	592
Smart	86	135
Others	13	66
<b>Total</b>	<b>2,591</b>	<b>2,749</b>

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



# Group borrowings & cash

As at 30 September 2014

## Group Borrowings

RM Million	Loan Currency	Conventional	Islamic	Total
Holdco & Non Opco	USD*	997	-	997
	CNY		-	-
	<b>Sub-total</b>	<b>997</b>	<b>-</b>	<b>997</b>
Opcos	USD	4,780	-	4,780
	Local	3,027	4,987	8,014
	<b>Sub-total</b>	<b>7,807</b>	<b>4,987</b>	<b>12,794</b>
<b>Total Group</b>		<b>8,804</b>	<b>4,987</b>	<b>13,791</b>

*\*As at 30 Sep 2014, Holdco & Non Opcos USD borrowings have been hedged to SGD; USD300mn to SGD421.3mn  
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	58
	Local	1,037
	<b>Sub-total</b>	<b>1,095</b>
Opcos	USD	56
	Local	3,510
	<b>Sub-total</b>	<b>3,566</b>
<b>Total Group</b>		<b>4,661</b>

# Except for IDR, currencies at most OpCos appreciated against RM in YTD14

	OpCo Currency Vs RM, USD – Avg Q3'14 vs Q2'14		OpCo Currency Vs RM, USD – YTD Sep'14 vs YTD Sep'13	
Indonesia Rupiah, IDR	-2.51%	-1.16%	-11.73%	-14.78%
Sri Lanka Rupee, LKR	-1.03%	+0.33%	+1.99%	-1.53%
Bangladesh Taka, BDT	-1.05%	+0.32%	+4.31%	+0.71%
US Dollar, USD	-1.36%	+0.00%	+3.57%	+0.00%
Singapore Dollar, SGD	-1.22%	+0.15%	+3.07%	-0.49%
Pakistan Rupee, PKR	-3.44%	-2.11%	+2.59%	-0.95%
Indian Rupee, INR	-2.60%	-1.26%	-2.41%	-5.77%
Malaysia Ringgit, RM	+0.00%	+1.36%	+0.00%	-3.57%

**Impact to translated RM revenue is -1.2pp QoQ and -3.9pp YTD**



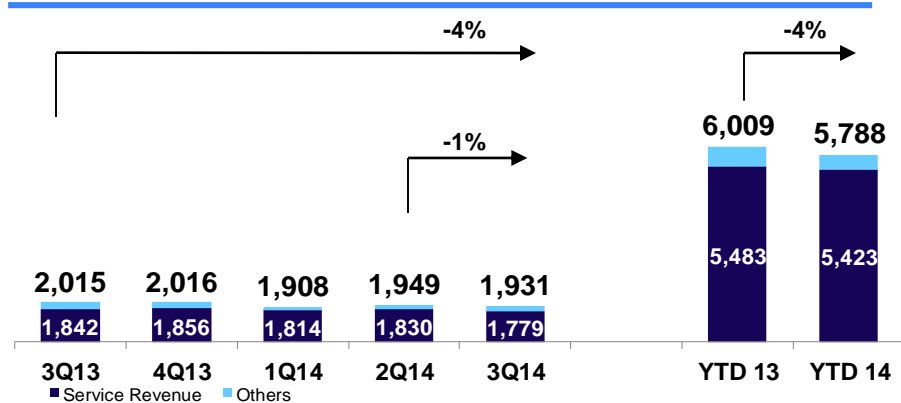


# Celcom : financial performance

A challenging quarter during stabilisation period of IT transformation

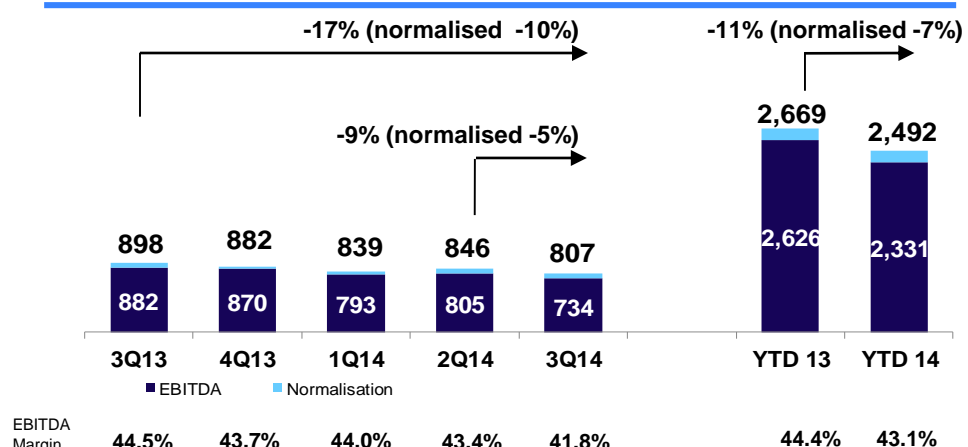


## Revenue (RM mn) & % of revenue (%)



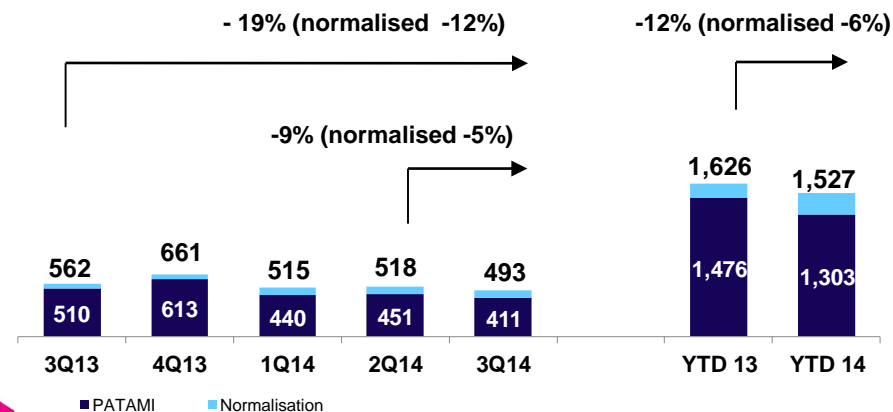
	3Q13	4Q13	1Q14	2Q14	3Q14	YTD 13	YTD 14
Total Data (incl. SMS)	34%	35%	36%	37%	37%	34%	37%
Adv. Data (excl. SMS)	25%	26%	29%	30%	30%	25%	30%
Sales of handset and devices	72	64	24	46	48	200	119

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



	3Q13	4Q13	1Q14	2Q14	3Q14	YTD 13	YTD 14
EBITDA Margin	44.5%	43.7%	44.0%	43.4%	41.8%	44.4%	43.1%

## PATAMI (RM mn)\*



- A slight drop in revenue as result of limitation to launch new products
- Revenue was also impacted by aggressive action taken in response to new regulation on mobile content services
- Lower revenue flow through earnings that registered a drop Q-o-Q

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



### Operating Expenses ^

% of Revenue	1Q14	2Q14	3Q14	YTD 13	YTD 14
Direct Expenses	26.8%	27.8%	27.9%	25.3%	27.5%
Sales & Marketing	7.7%	7.8%	6.7%	8.1%	7.4%
Network Costs	10.1%	10.0%	10.3%	9.8%	10.1%
Staff Costs	7.7%	7.3%	7.6%	7.0%	7.6%
Bad Debts	0.0%	0.6%	0.5%	0.3%	0.4%
Others	3.7%	3.0%	5.3%	5.1%	4.0%
<b>Total Expenses</b>	<b>56.0%</b>	<b>56.6%</b>	<b>58.2%</b>	<b>55.6%</b>	<b>56.9%</b>
<b>EBITDA Margin</b>	<b>44.0%</b>	<b>43.4%</b>	<b>41.8%</b>	<b>44.4%</b>	<b>43.1%</b>
Depreciation & Amortisation	9.4%	10.0%	9.2%	11.3%	9.5%

#### QoQ

- Lower sales and marketing – ongoing initiatives to manage cost efficiently
- Higher other cost – cost associated with USP projects being recognised in the quarter

#### YTD

- Higher direct expenses – increase in third party cost sharing in tandem with higher revenue contributed by the related segment
- Staff cost – higher ESOS payout

### Financial Position (RM mn)

	YTD Sep 13	YTD Sep 14
Capex	513	504
Cash & Cash Equivalents	3,069	2,067
Gross Debt	4,986	4,987
Net Assets	-1,465	-1,477
Gross debt / equity (x)	n/m	n/m
Gross debt / EBITDA(x)	4.2	4.9

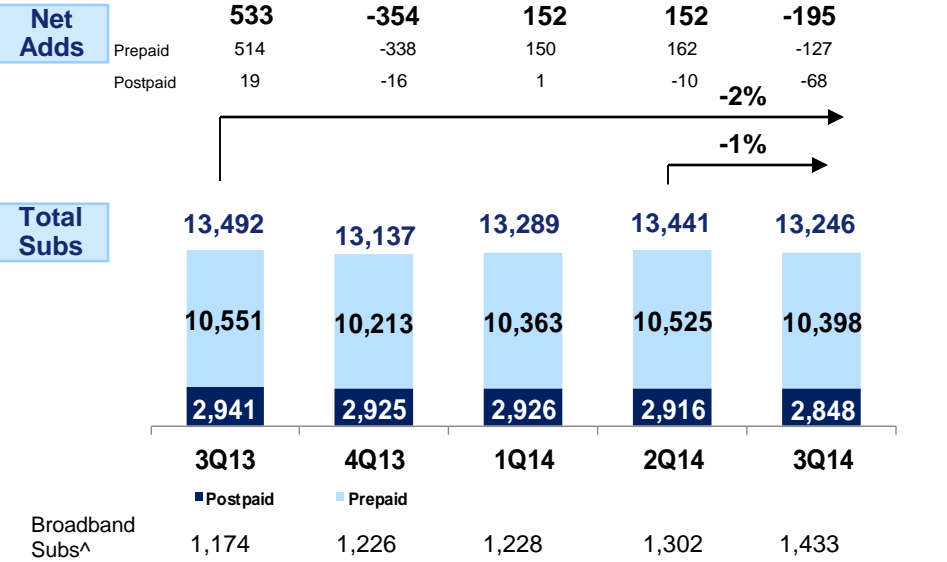
^ OPEX and EBITDA Margin excludes holding company charge and Escape

# Celcom : operational performance

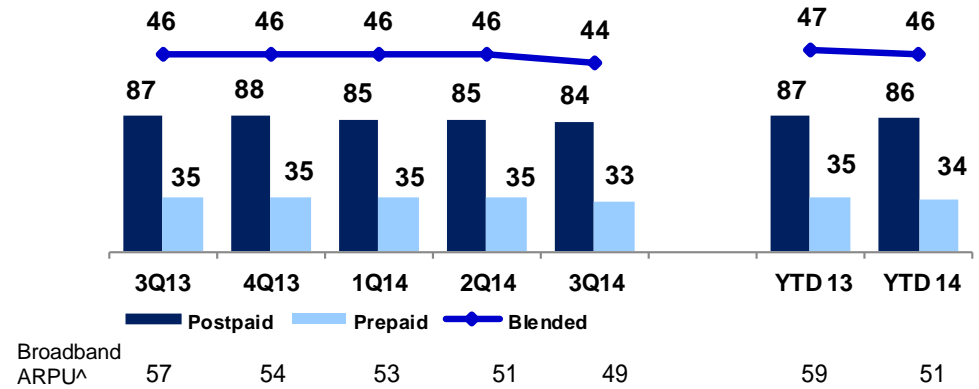
## Blended ARPU remains stable



### Subscribers (000's)

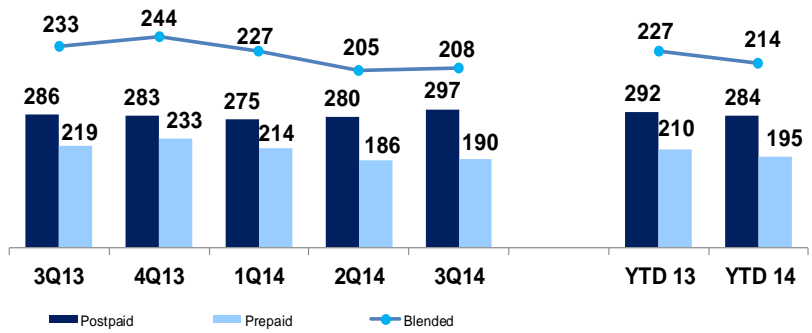


### ARPU (RM)



^ Included as part of postpaid subscriber. ARPU and subscriber are based on postpaid monthly plan

### MOU/sub (min)



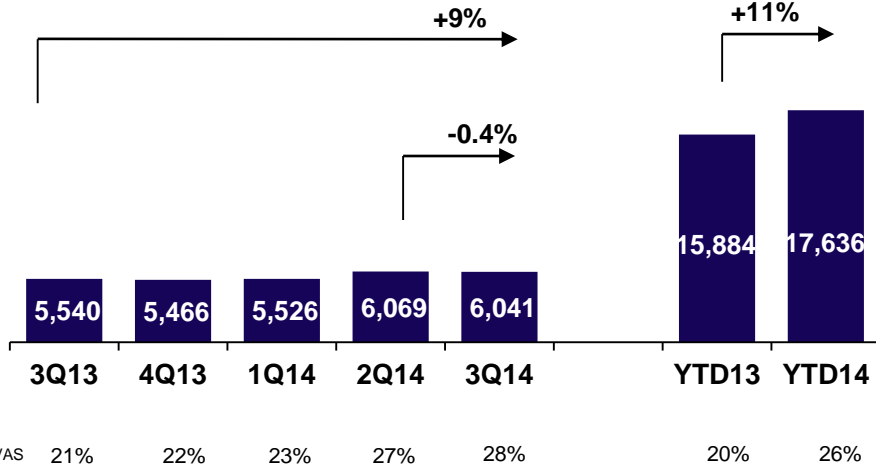
- YTD ARPU remained consistent YoY
- MOU registered an uplift of 1% QoQ due to higher usage during festivities



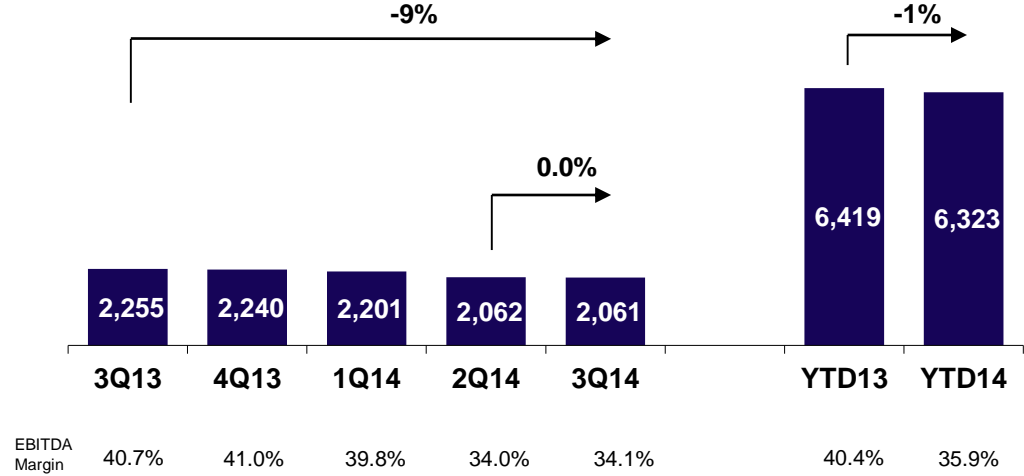
# XL : financial performance

## YoY revenue growth driven by higher data revenue

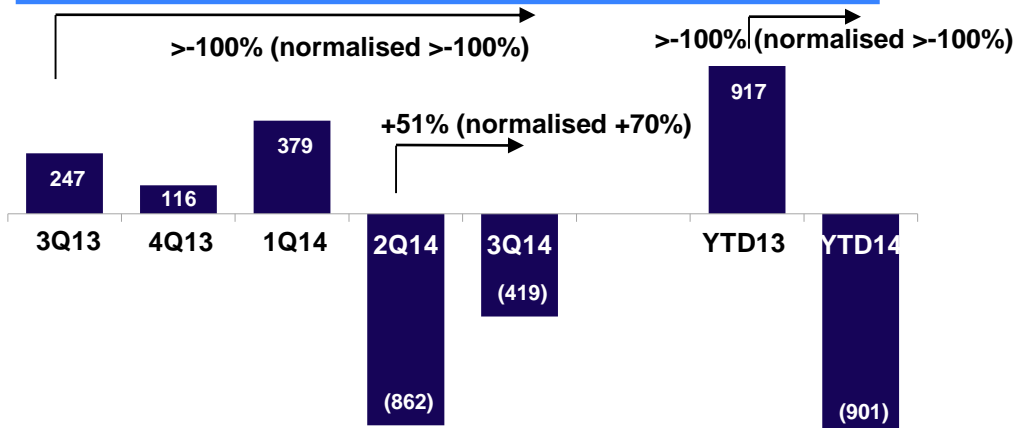
### Revenue (IDR bn) & % of revenue (%)



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



### PAT (IDR bn)



- Revenue grew by 11% YoY with higher data contribution. Data revenue grew by 43% YoY as the adoption remained strong with data traffic up 136% YoY
- EBITDA declined by 2% YoY while EBITDA margin stood at 36%. The decline is mainly due to full impact from Axis' negative EBITDA that XL has accounted since 19 March 2014

# XL : financial performance

Margins impacted by higher network cost and negative EBITDA from Axis

## Operating Expenses

% of Revenue	3Q13	2Q14	3Q14	YTD13	YTD14
Direct Expenses	17.1%	14.5%	14.0%	18.0%	14.6%
Sales and Marketing	6.7%	5.6%	6.3%	6.6%	5.7%
Network Cost	28.3%	36.6%	37.5%	27.6%	35.6%
Staff Cost	4.2%	5.1%	5.0%	4.5%	5.0%
Others	2.5%	3.7%	2.3%	2.5%	2.7%
Total Expenses	58.9%	65.5%	65.1%	59.1%	63.6%
EBITDA Margin	40.7%	34.0%	34.1%	40.4%	35.9%
Depreciation & Amortisation	28.4%	28.2%	31.6%	27.0%	29.3%

- Direct expenses – decreased due to decline in interconnect costs from lower off-net SMS traffic
- Sales and Marketing expenses – declined due to lower A&P in 9M14 as XL delivers more effective Sales and Marketing spend
- Network cost – increased as XL continued to rollout network infrastructure in a leased model to support data business, as well as additional cost from Axis
- Depreciation and amortization – increased due to impact from Axis acquisition as well as continuous investment in Data infrastructure in 9M14

## Financial Position (IDR bn)

	YTD13	YTD14
Capitalized Capex	4,899	4,359
Cash and Cash Equivalents	2,117	3,147
Net Debts	15,424	27,266
Net Assets	15,204	13,963
Debt / Equity (x)	1.2	2.2
Debt / EBITDA (x)	2.0	3.6

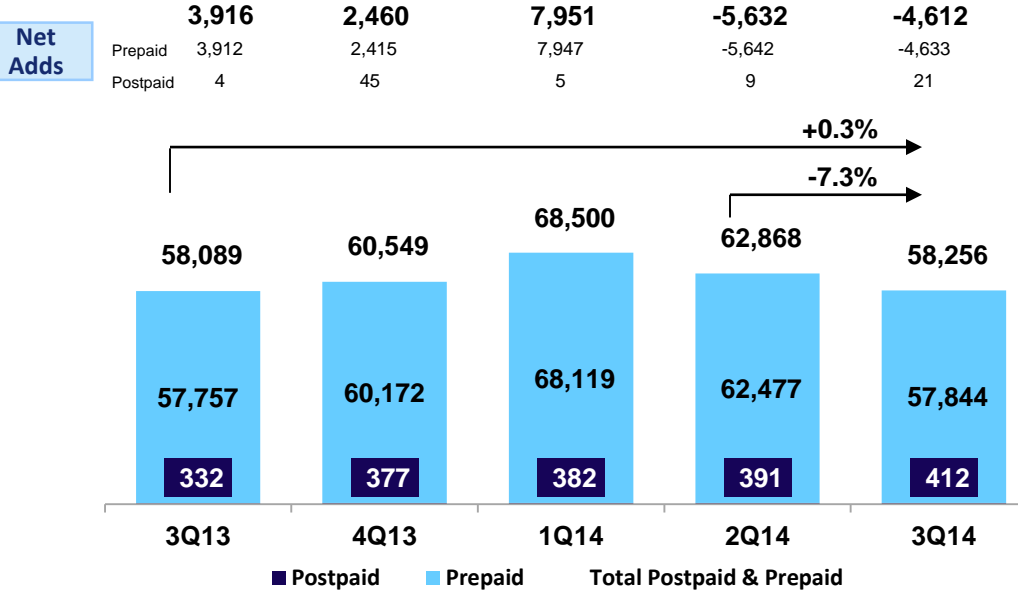
\*\*Debt/EBITDA based on last 12 months trailing EBITDA

# XL : operational performance

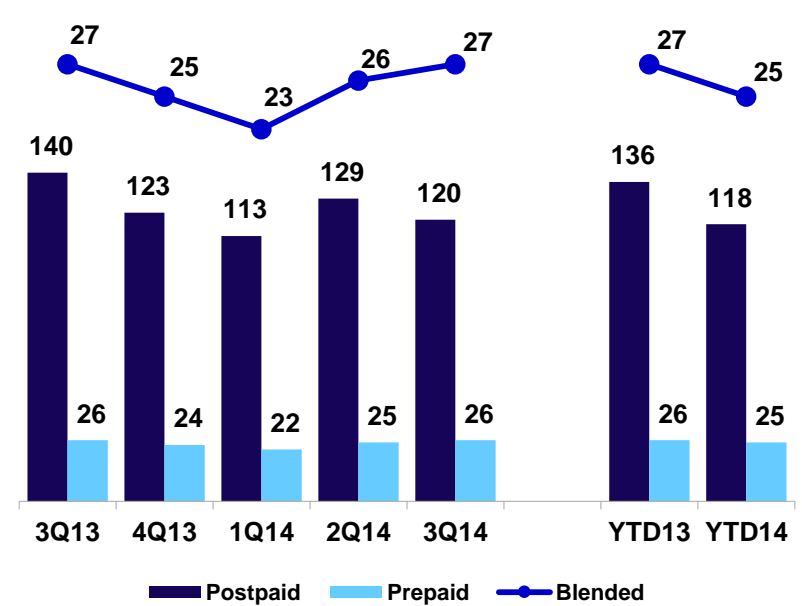
Fast rising data adoption, with data subscribers now 53% of total



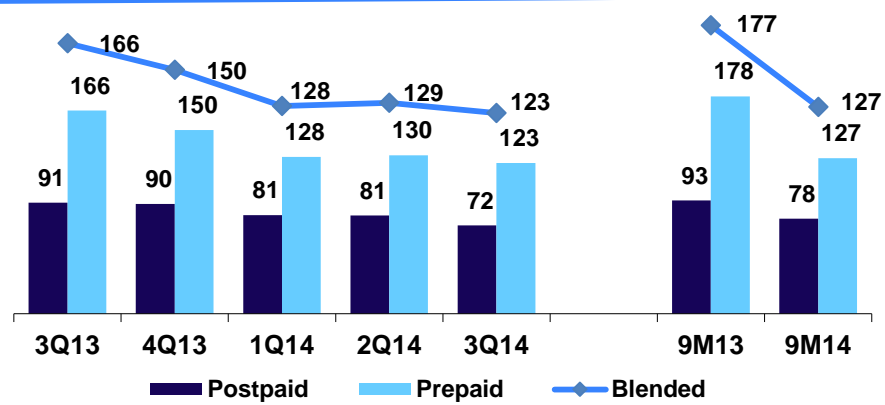
## Subscribers (000's)



## ARPU (IDR thousands)



## MOU/sub (min)



- Total data subscribers reached 31.2 million or 53% of the total base while ARPU increased by 4% QoQ
- Lower MOU due to data substitution

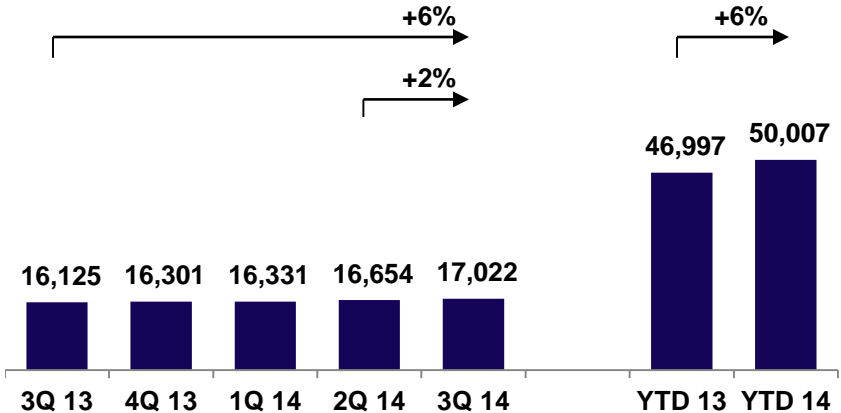


# Dialog : financial performance

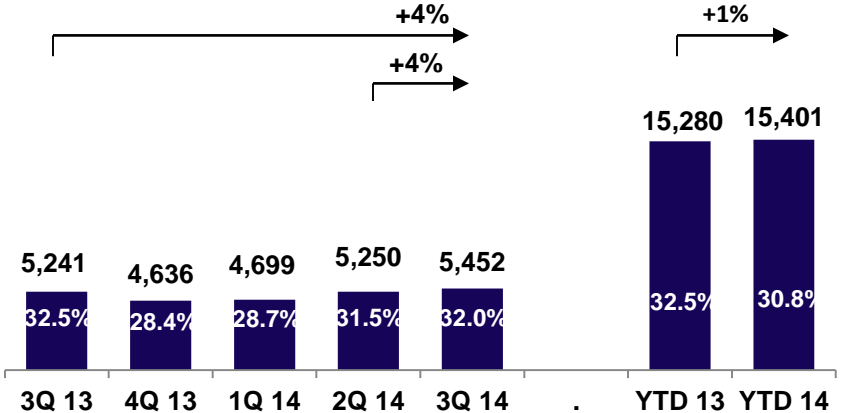
## Improvement in profitability underpinned by growth in revenue



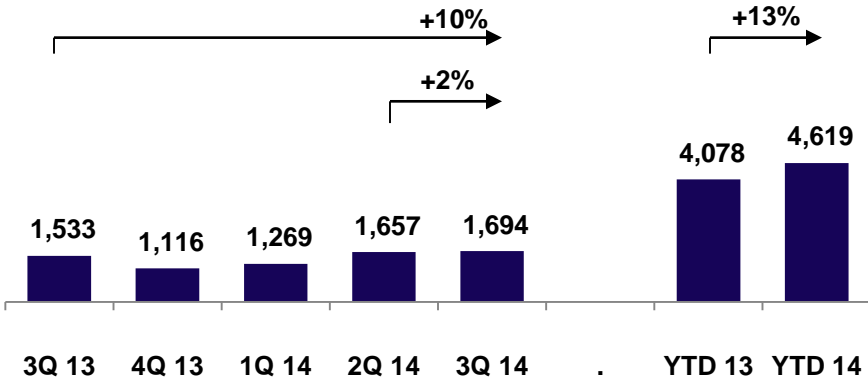
### Revenue (SLR mn)



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



### PAT (SLR mn)



- Revenue grew by 2% QoQ and 6% YTD, Mobile continued to be the main contributor with data revenue driving the growth
- EBITDA improvement driven by growth in revenue
- Group PAT registered strong growth on the back of higher EBITDA and favorable forex impact



# Dialog : financial performance

3Q 2014 EBTIDA margins up 0.5pp QoQ, due to lower bad debt provision and marketing spend



## Operating Expenses

% of Revenue	3Q 13	2Q 14	3Q 14	YTD 13	YTD 14
Direct expenses	28.6%	27.0%	28.9%	28.8%	28.8%
Sales & Marketing	11.9%	13.0%	12.4%	12.3%	12.6%
Network costs	12.4%	12.3%	12.3%	12.3%	12.5%
Staff costs	8.4%	8.6%	8.4%	8.6%	8.6%
Bad debts	1.3%	2.6%	0.5%	1.1%	1.5%
Overheads	4.9%	5.0%	5.5%	4.4%	5.2%
Total Expenses	67.5%	68.5%	68.0%	67.5%	69.2%
EBITDA Margin	32.5%	31.5%	32.0%	32.5%	30.8%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	18.8%	18.9%	19.0%	19.1%	19.3%

## Financial Position (SLR mn)

	YTD13	YTD14
Capex	13,466	9,667
Cash & Cash Equivalents	1,938	7,268
Gross Debt	25,243	27,584
Net Assets	38,620	42,045
Gross Debt / equity (x)	0.65	0.66
Gross Debt/ EBITDA (x)	1.24	1.34

- Total cost to revenue improved by 0.5pp QoQ due to drop in bad debt provision resulting from focused collection efforts and lower marketing spend
- Growth in total cost on a YTD basis largely due to increase in marketing spend, network cost and benefit of VAT credit in YTD13

- Group maintains a structurally strong balance sheet with gross debt to EBITDA ratio at 1.34x as at end of Sep 2014



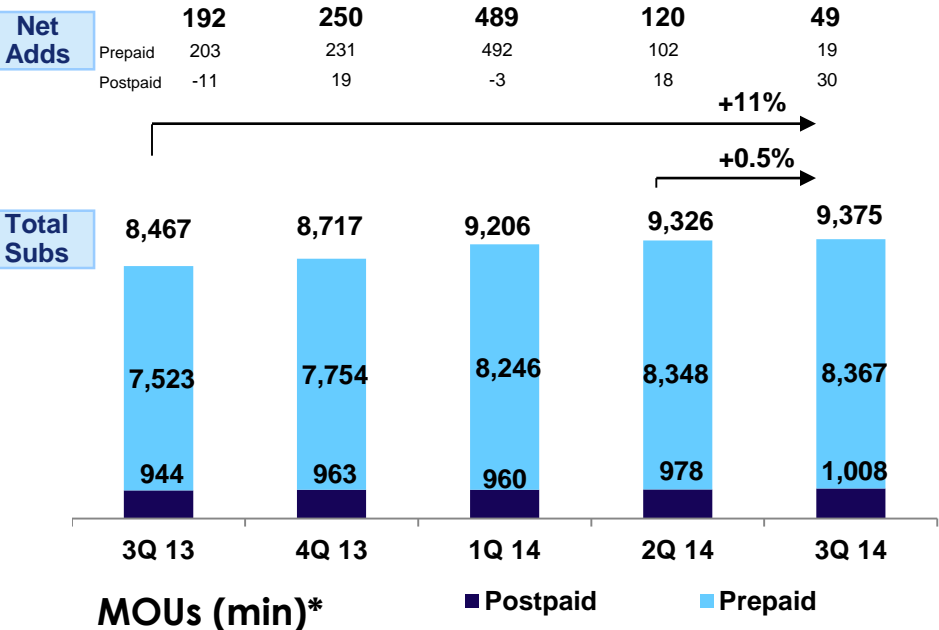


# Dialog : operational performance

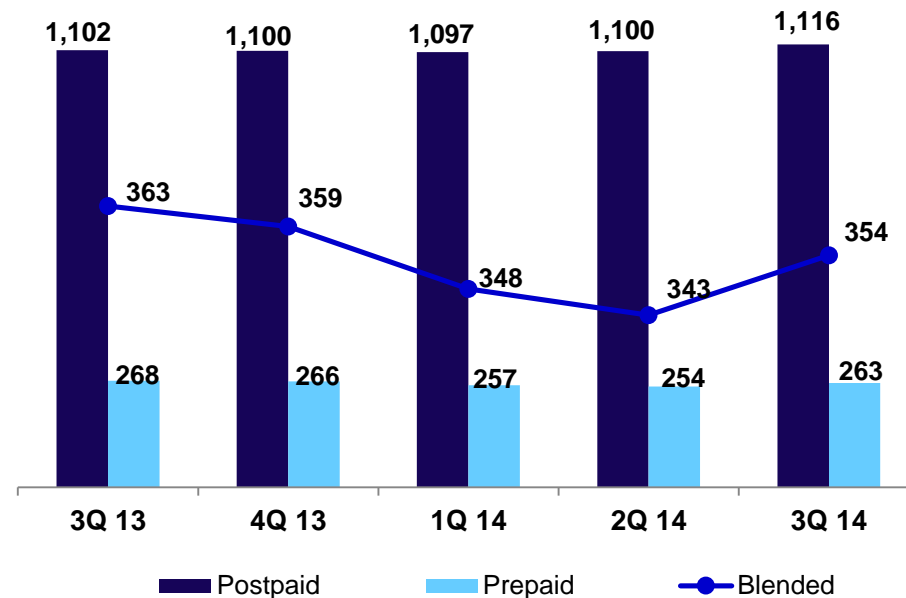
Mobile subscriber growth continues – increase in MOUs & ARPUs QoQ



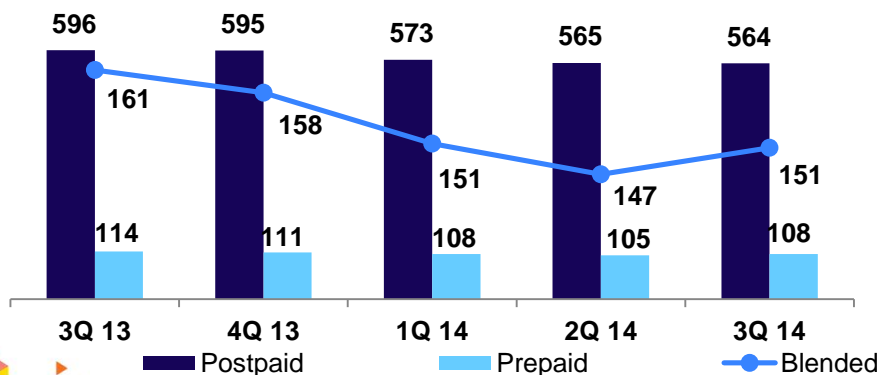
## Subscribers (000's)



## ARPU (SLR)



## MOUs (min)\*



\* MOUs are based on outgoing min

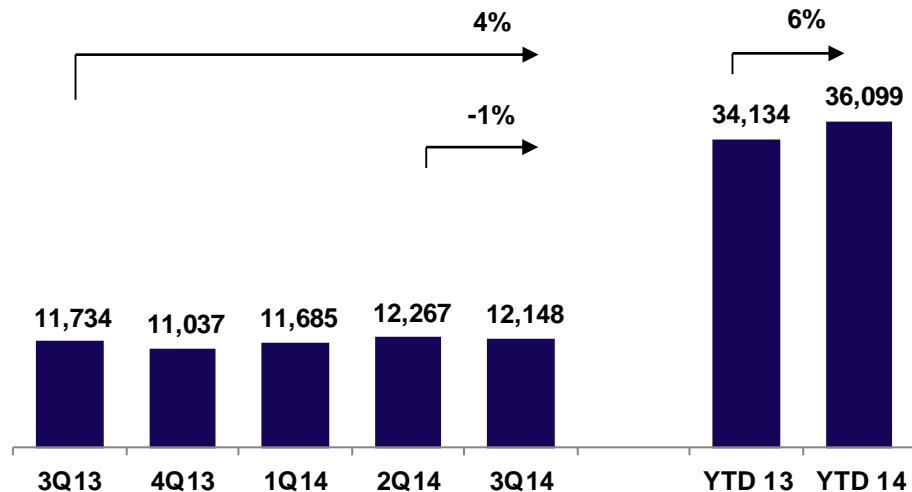
- Prepaid segment driving the YoY subscriber growth of 11%
- On a QoQ basis both MOUs and ARPUs increased by 3% in line with promotions launched to induce usage



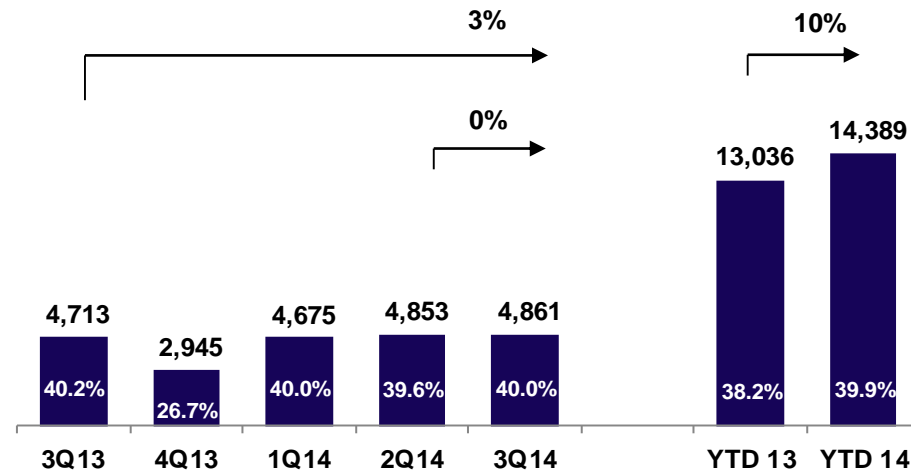
# Robi : financial performance

Double digit EBITDA growth driven by revenue growth and smart spending

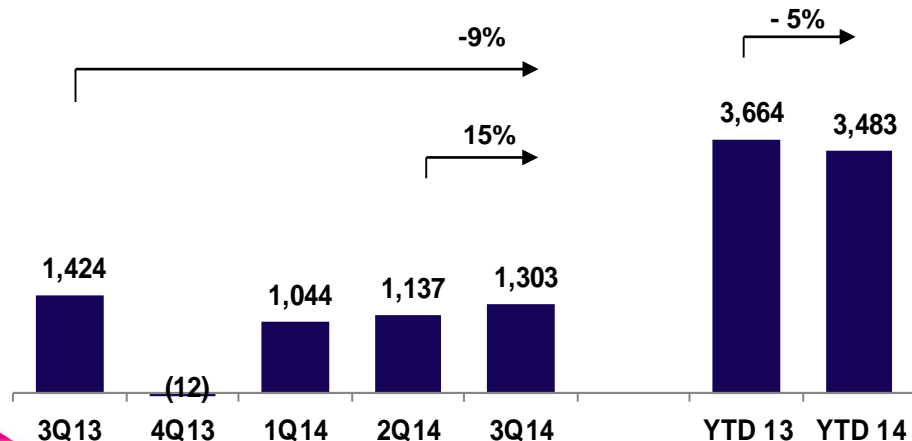
## Revenue (BDT mn)



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



## PAT (BDT mn)



- Data revenue growth is promising. Higher device revenue mitigates QoQ voice revenue decline
- YTD 6% revenue growth and smart spending helped to lift EBITDA margin to 40% (+1.7pp)
- Higher depreciation for higher 3G Capex investment, lower interest income impacting YTD PAT

# Robi : financial performance

## Lower direct expenses drives EBITDA margin expansion

### Operating Expenses

% of Revenue	3Q13	2Q14	3Q14	YTD 13	YTD 14
Direct expenses	33.8%	31.1%	34.3%	37.4%	32.6%
Sales & Marketing	4.7%	5.2%	5.1%	4.2%	4.9%
Network Costs	9.8%	11.3%	10.4%	9.4%	11.1%
Staff Costs	5.3%	5.7%	4.7%	5.4%	5.3%
Bad Debts	0.0%	0.8%	-0.2%	0.0%	0.2%
Others	6.2%	6.3%	5.6%	5.3%	6.1%
Total Expenses	59.8%	60.4%	60.0%	61.8%	60.1%
EBITDA Margin	40.2%	39.6%	40.0%	38.2%	39.9%
Depreciation and Amortisation	17.2%	20.1%	21.0%	17.1%	20.2%

### Financial Position (BDT mn)

	YTD 13	YTD 14
Capex	6,500	14,451
Cash and Cash Equivalents	7,344	6,465
Gross Debt	14,538	11,577
Net Assets	42,125	45,597
Gross Debt / equity (x)	0.35	0.25
Gross Debt / EBITDA (x)	0.84	0.60

Extensive Capex investment to capture 3G market and offer better 2G experience to customers

#### QoQ

- Higher direct expenses – due to increased acquisition cost by higher lifting (2.4mn vs 1.8mn) and higher handset sale

#### YTD

- Lower direct expenses – mainly for change in SIM tax. Higher sales and market expenses due to increased marketing activities
- Higher network cost from 2G and 3G site expansion, electricity & fuel price hike
- Depreciation and amortization – due to higher investment in 3G Capex and license amortization

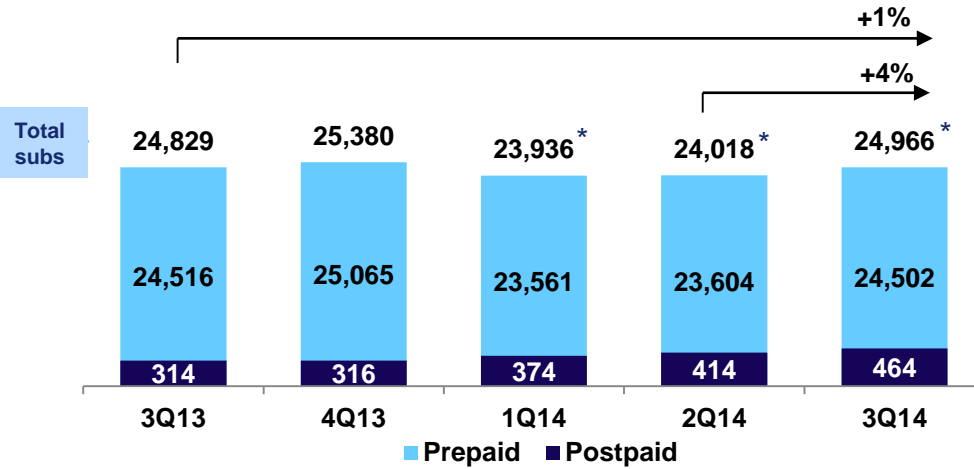


# Robi : operational performance

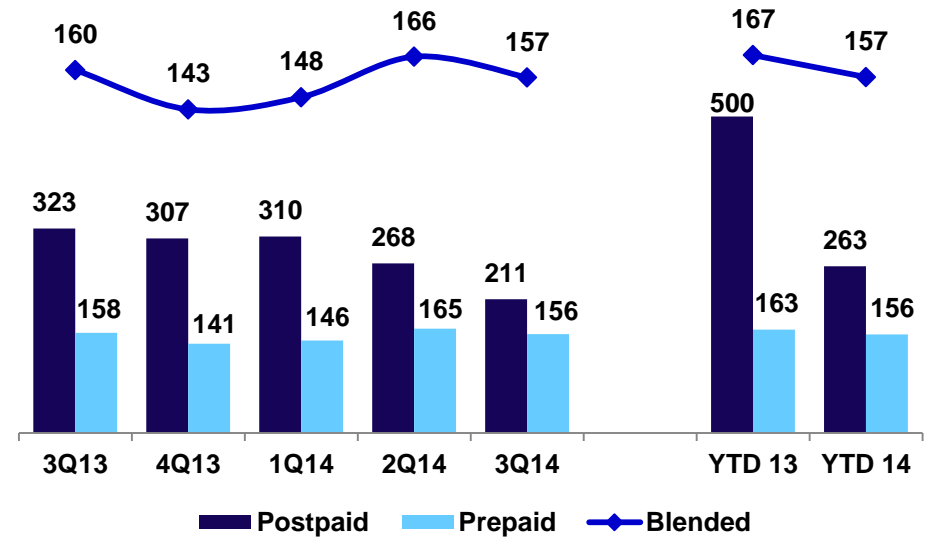
## Focus on subscribers acquisition and retention

### Subscribers (000's)

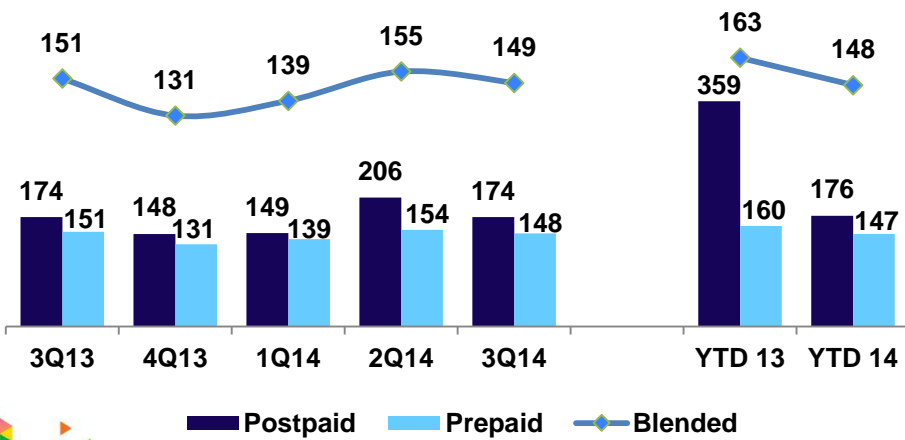
<b>Net Adds</b>	<b>1,993</b>	<b>551</b>	<b>-1,445</b>	<b>82</b>	<b>948</b>
Prepaid	1,912	549	-1,503	42	898
Postpaid	20	2	59	40	50



### ARPU (BDT)



### MOU/sub (min)



- YTD ARPU declined due to subscribers acquisition in rural areas.
- QoQ MOU declined due to Ramadan impact. This is in line with industry MOU drop during 3Q14.

Note: - ARPU, MOU/Sub are based on active subscriber base.  
 \* 2014 Subs base adjusted as per BTRC revised definition of '90-days active' basis

## COMPANY

## HIGHLIGHTS

## QUARTER ON QUARTER PERFORMANCE



During 2QFY15, Idea carried 162.5bn minutes on its network, less pronounced seasonal quarterly decline of 1.7%, vs 5.8% minute decline in 2Q vs 1QFY14. In line with the emerging digital connectivity demand, mobile data volume exploded to 39.4bn MB on its 2G + 3G platform at 21.3% QoQ growth.



Introduced 4G smartphone plans to offer customers a wider choice and larger data bundles. On track to complete the upgrade of 4G network to LTE-Advanced nationwide. During the quarter, fibre customer base grew to 98k.



Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for 2QFY15 vs 1QFY15.

# Regional mobile : YTD performance highlights

COMPANY

HIGHLIGHTS

YTD PERFORMANCE



Robust revenue growth on back of increase in voice MOUs and growth in mobile data volume.

Revenue

18%

EBITDA

25%

PAT

63%



Postpaid customer base grew 22k YoY while prepaid customer base declined due to regulatory changes.

Revenue

0.1%

EBITDA

7%

PAT

10%

Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for 1HFY15 vs 1HFY14.

# Thank You

[www.axiata.com](http://www.axiata.com)

**Axiata Group Berhad**