



# FY 2013 Results

**20 February 2014**

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

*Chari TVT, Group CFO*

# Executive Summary:

Very strong performance at most opcos partly offset by XL performance, forex and investments in data; at constant currency Group exceeded all KPIs except for revenue.



- ❖ **Revenue affected by forex; EBITDA and PATAMI impacted by XL, investments in data and forex.**
  - FY growth : Revenue +4.1% ; EBITDA -2.1% ; PATAMI +1.5%
  - QoQ growth : Revenue -5.0% ; EBITDA -10.8% ; PATAMI -19.5%
  - Q4 YoY growth : Revenue +1.4% ; EBITDA -4.7% ; PATAMI +0.8%
  
- ❖ **Group posted stronger results @ constant currency. Most local currencies weakened against RM (especially IDR).**
  - FY growth : Revenue +6.7% ; EBITDA +0.6% ; PATAMI +2.2%
  - QoQ growth : Revenue -1.1% ; EBITDA -6.9% ; PATAMI -18.6%
  - Q4 YoY growth : Revenue +1.3% ; EBITDA -4.4% ; PATAMI +0.9%
  
- ❖ **Overall Group performance exceeded KPI at constant currency except for revenue.**
  - Revenue growth : +6.7% ; Actual (+4.1%) (KPI: 7.6%)
  - EBITDA growth : +0.6% ; Actual (-2.1%) (KPI: 0.2%)
  - ROIC : 10.7% ; Actual (10.7%) (KPI: 10.3%)
  - ROCE : 8.6% ; Actual (8.6%) (KPI: 8.3%)

## Key Group Highlights (1/2):

2013: Encouraging double-digit data revenue growth at Celcom and XL



- Overall revenue grew by 4%
- Data revenue grew by 16%; mobile Internet (small and mid-screen) data grew strongly by 57%
- Voice and SMS revenue declined by 2% and 12% respectively
- RM 2.1 billion profit was highest ever recorded at Celcom and also the highest in the industry



- XL revenue was flat with 0.3% growth whilst EBITDA declined 11%. The decline was mainly due to expansion of data infrastructure on lease model, managed services costs and introduction of SMS interconnect.
- Data revenue grew by 16% whilst Voice and SMS declined by 7% and 4% respectively.
- Subscriber base at XL increased to 61m (4% QoQ growth)

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

## Key Group Highlights (2/2):

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



- Double-digit revenue growth at 12%, EBITDA growth at 7% in 2013; PAT declined 14% due to end of tax holiday on revenue-based-tax
- Data revenue (excluding SMS and VAS) grew 59% while voice revenue grew 8% for the year
- Dialog appointed as the first and only authorised Partner and Service Provider for Apple iPhone in Sri Lanka



- Solid performance with double-digit revenue growth of 16%; EBITDA grew by 30% and PAT by >100%
- Acquired 5 MHz of 3G spectrum in Sep'13
- Increase in Axiata shareholding from 70% to 91.59% effective 18 July 2013 as we converted shareholder advances to equity
- Robi emerged as a significant contributor to Group revenue (10%) & EBITDA (9%)



- Revenue for the combined entity grew by 36% and EBITDA grew at >100%
- Smart / Hello integration completed with results well ahead of plans

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

# Group overall performance impacted by XL, forex and data investments

Excluding XL, group FY revenue growth is 11%; EBITDA 11%; PAT 24%



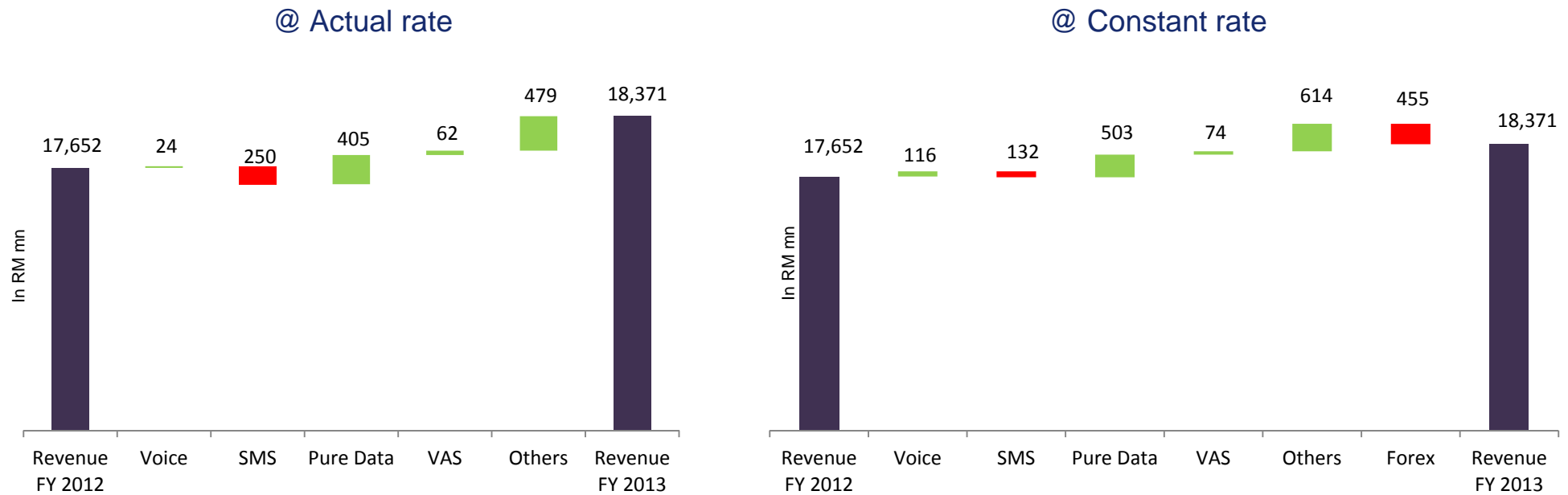
## Financial highlights

<u>RM mn</u>	<u>4Q</u>	<u>YTD</u>	<u>4Q YoY growth</u>	<u>QoQ growth</u>	<u>FY growth</u>	<u>FY growth (constant currency)</u>
Revenue	4,512	18,371	1.4%	-5.0%	4.1%	6.7%
EBITDA	1,710	7,271	-4.7%	-10.8%	-2.1%	0.6%
EBITDA margin %	37.9%	39.6%	-2.4pp	-2.5pp	-2.5pp	-2.4pp
PAT	586	2,739	-10.8%	-23.8%	-4.9%	-4.0%
Normalised PAT	657	3,035	-10.2%	-28.4%	-4.8%	-3.4%
PATAMI	576	2,550	0.8%	-19.5%	1.5%	2.2%
Normalised PATAMI	615	2,761	-5.7%	-25.7%	-0.9%	0.3%
Capex	1,402	3,993	4.6%	98.8%	-13.2%	
<i>% of revenue</i>	31.1%	21.7%				
Operating Free Cash Flow*	16	2,024	-88.4%	-98.2%	35.9%	
<i>% of revenue</i>	0.4%	11.0%				

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

Note: Group normalised items as per slide #26

# Groupwide data growth and voice/ SMS growth at Dialog, Robi & Smart more than offsets voice & SMS decline at Celcom & XL

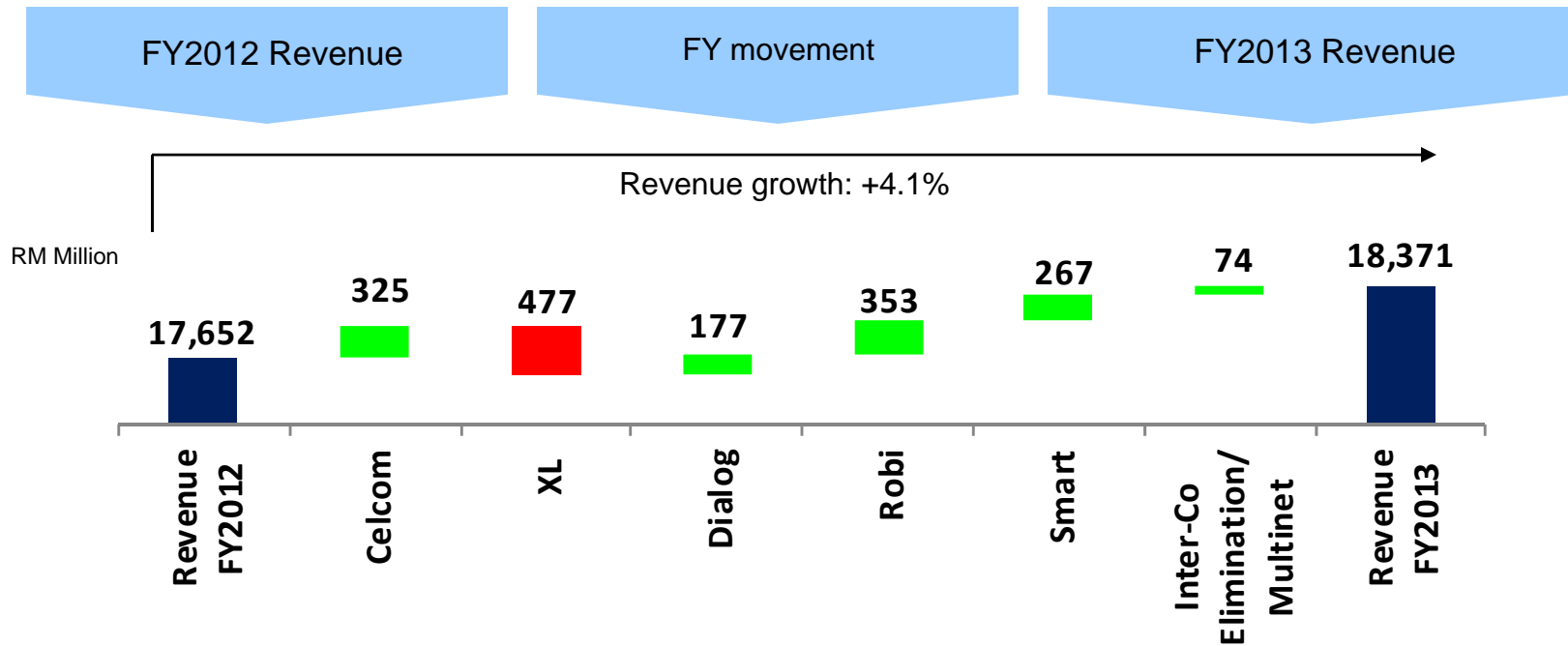


- Voice revenue dropped at Celcom and XL however it has been compensated by growth at Dialog, Robi and Smart
- SMS business in Malaysia and Indonesia have structural industry wide headwinds
- Data revenue has shown strong growth in all markets driven by increasing smartphone penetration and data usage. 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.  
 FY 2012 number is without Smart  
 Numbers may not add up due to rounding

# Group Revenue : FY2012→FY2013

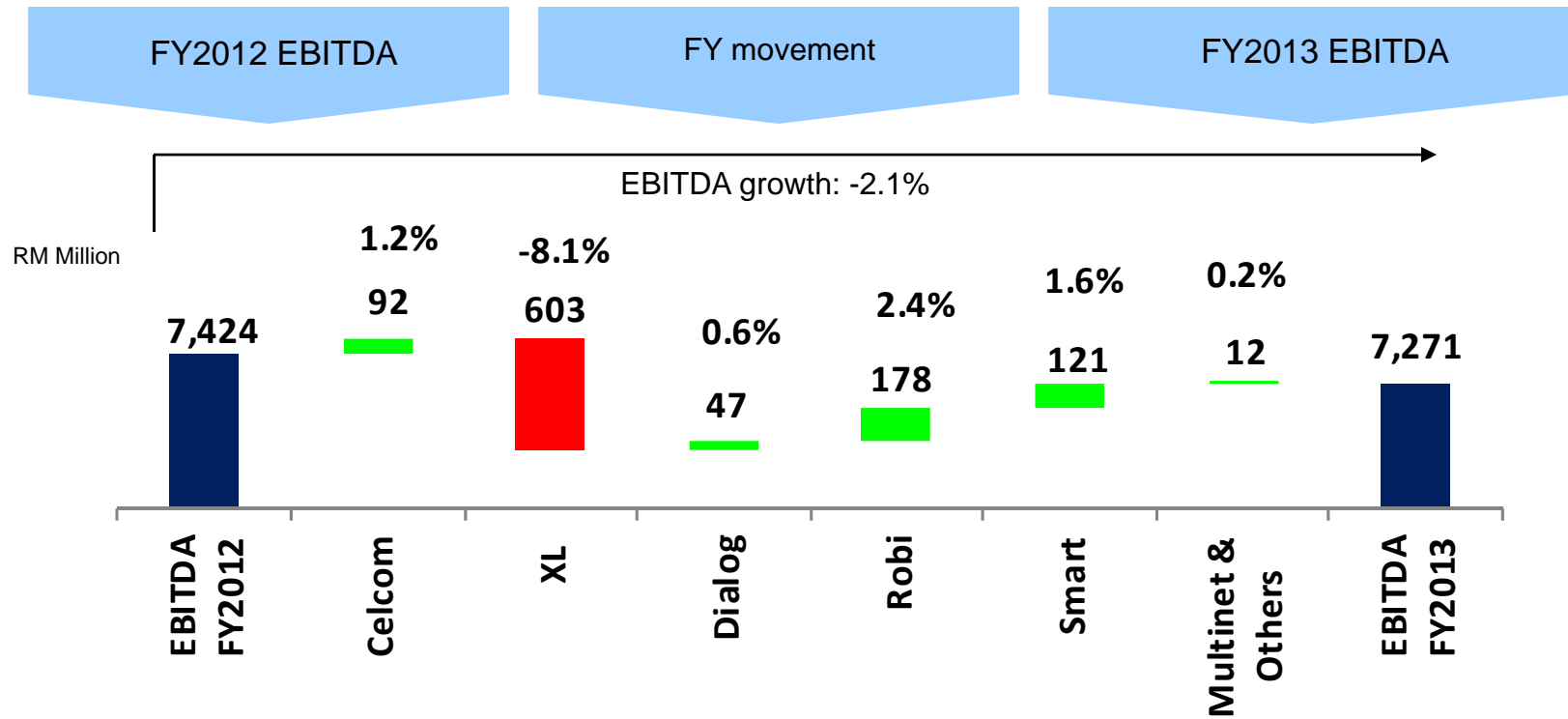
FY Revenue increased by 4.1% or 6.7% at constant currency



Revenue	FY2012	FY Growth Rates	Revenue	FY2013
Celcom	7,693	(+325) +4.2%	Celcom	8,018
XL	6,920	(-477) -6.9%	XL	6,443
Dialog	1,367	(+177) +12.9%	Dialog	1,544
Robi	1,470	(+353) +24.0%	Robi	1,823
Hello	129	(+267) +206.6%	Smart	396
Inter-Co Elimination/Multinet	73	(+74) +101.3%	Inter-Co Elimination/Multinet	147
<b>GROUP</b>	<b>17,652</b>	<b>(+719) +4.1%</b>	<b>GROUP</b>	<b>18,371</b>

# Group EBITDA : FY2012→FY2013

FY Group EBITDA declined by 2.1% but grew 0.6% at constant currency

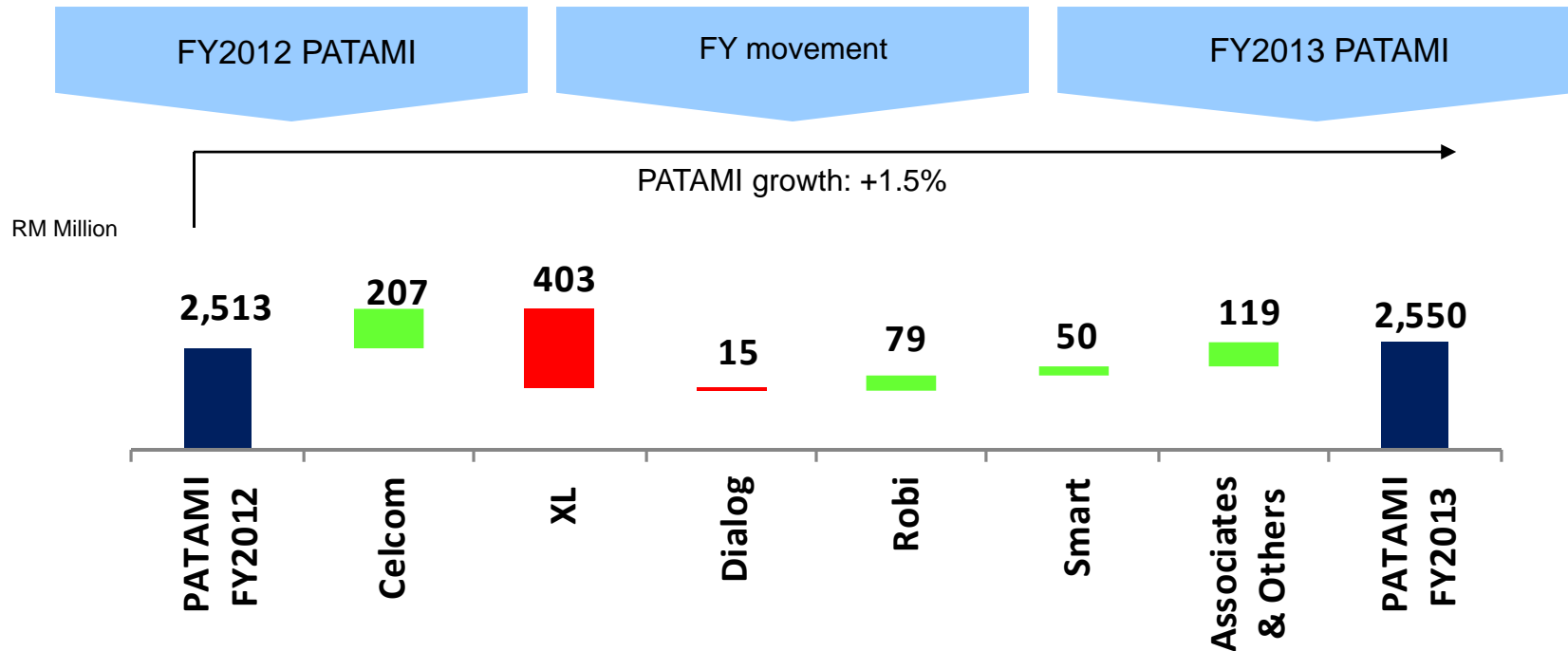


	EBITDA	FY2012	FY Growth Rates	EBITDA	FY2013
Celcom		3,360 (+92)	+2.7%	Celcom	3,452
XL		3,315 (-603)	-18.2%	XL	2,712
Dialog		437 (+47)	+10.7%	Dialog	484
Robi		456 (+178)	+39.0%	Robi	634
Hello		18 (+121)	+655.3%	Smart	139
Multinet & Others		(162) (+12)	+7.7%	Multinet & Others	(150)
<b>GROUP</b>		<b>7,424 (-153)</b>	<b>-2.1%</b>	<b>GROUP</b>	<b>7,271</b>



# Group PATAMI : FY2012→FY2013

FY PATAMI increased by 1.5% or 2.2% at constant currency

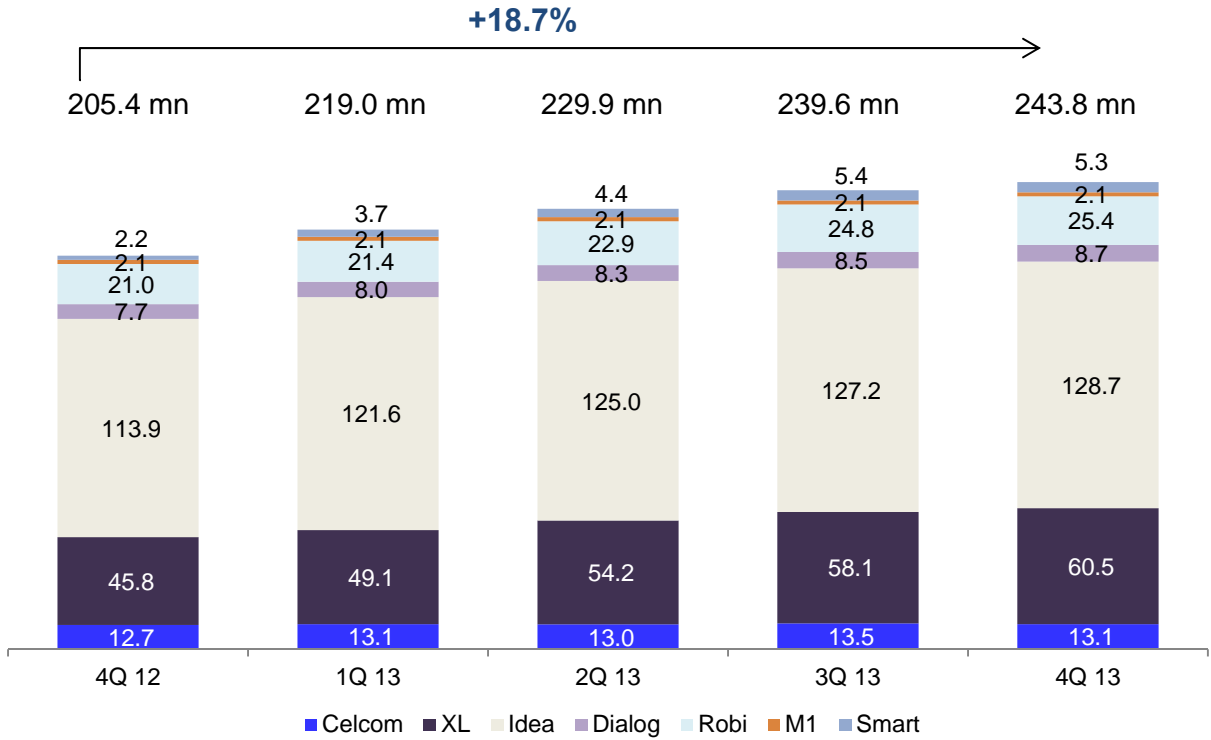


PATAMI	FY2012	FY Growth Rates	PATAMI	FY2013
Celcom	1,867	(+207) +11.1%	Celcom	2,074
XL	609	(-403) -66.2%	XL	206
Dialog	123	(-15) -11.9%	Dialog	108
Robi	35	(+79) +227.3%	Robi	114
<i>Hello</i>	(29)	(+50) +170.9%	Smart	21
Associates & Others	(92)	(+119) +130.6%	Associates & Others	27
<b>GROUP</b>	<b>2,513</b>	<b>(+37) +1.5%</b>	<b>GROUP</b>	<b>2,550</b>

# Group active subscriber base grew by 18.7%



## Subscribers (million)



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

## Data continues to provide growth momentum

RM mn	FY 2012*	FY 2013	FY 2012 Vs FY 2013
Voice	9,533	9,557	+ 0.2%
% of Service revenue	62.6%	61.8%	- 0.8 pp
SMS	2,475	2,225	-10.1%
% of Service revenue	16.3%	14.4%	- 1.9 pp
VAS	876	938	+ 7.1%
% of Service revenue	5.8%	6.1%	+ 0.3 pp
Data	2,347	2,752	+ 17.2%
% of Service revenue	15.4%	17.8%	+ 2.4 pp
<b>Total Service revenue</b>	<b>15,233</b>	<b>15,473</b>	<b>+ 1.6%</b>
<b>Others**</b>	<b>2,419</b>	<b>2,898</b>	<b>+ 19.8%</b>
<b>% of Total Revenue</b>	<b>13.7%</b>	<b>15.8%</b>	<b>+ 2.1 pp</b>
<b>Total Revenue</b>	<b>17,652</b>	<b>18,371</b>	<b>+ 4.1%</b>

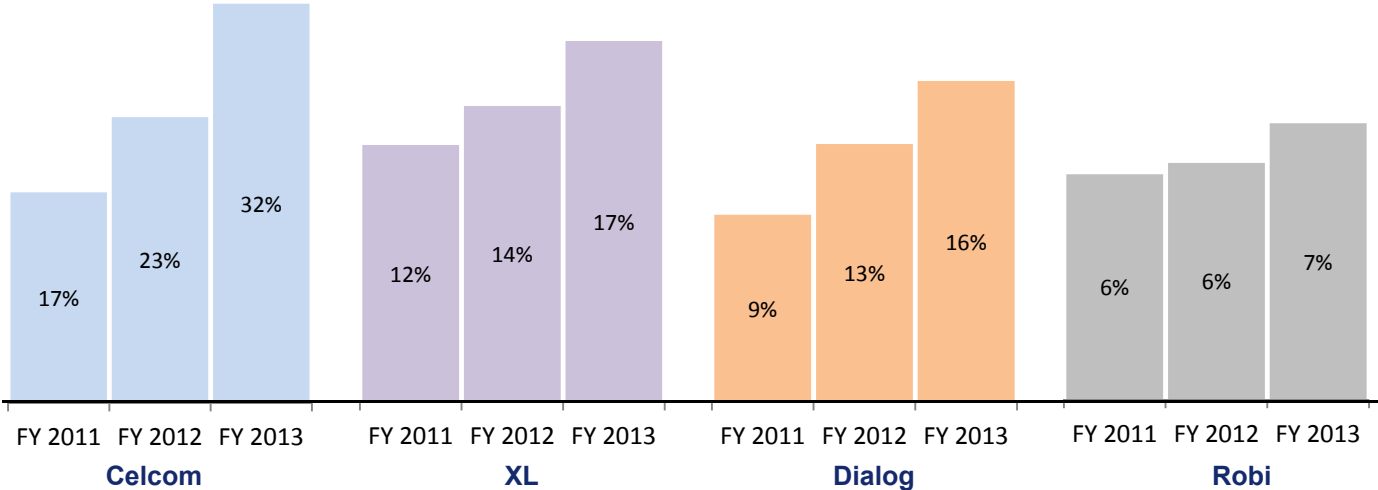
Data revenue has grown 17% FY, driving the “core mobile service” revenue increase by 2% FY.

**Note:**

\* Revenue reclassified by Celcom and Dialog and without SMART revenue

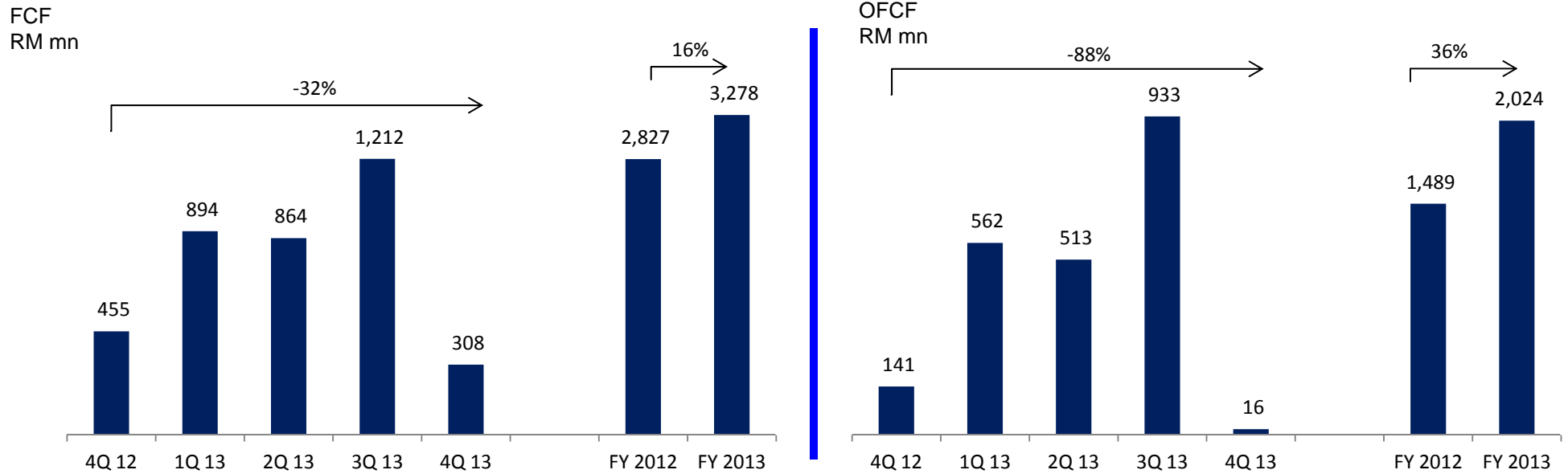
\*\*Others include OpCos' non service revenue e.g. revenue from device sales, TowerCo, USP etc, and interconnect revenue at XL

# Data is expected to grow faster across Axiata markets, facilitated by higher smartphone adoption



Smart phone penetration of major OpCos

# Capex spend RM 600 million lower than 2012; 22% of revenue in 2013 vs. 26% in 2012



Capex ( RM mn )	FY 2012	FY 2013
Celcom	1,015	856
XL	2,910	1,942
Dialog	396	531
Robi	227	496
Hello / Smart*	21	154
Others	28	14
<b>Total</b>	<b>4,598</b>	<b>3,993</b>

\* FY 2012 Capex for Hello only

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

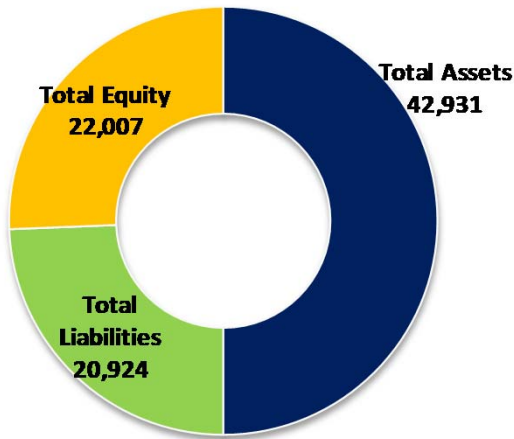
# Group Statements of Financial Position

Group cash balances of RM6.4bn after dividend payout of RM3.0bn in FY2013;  
Debt profile remain healthy



As at ended FY2012 Group Statements of Financial Position

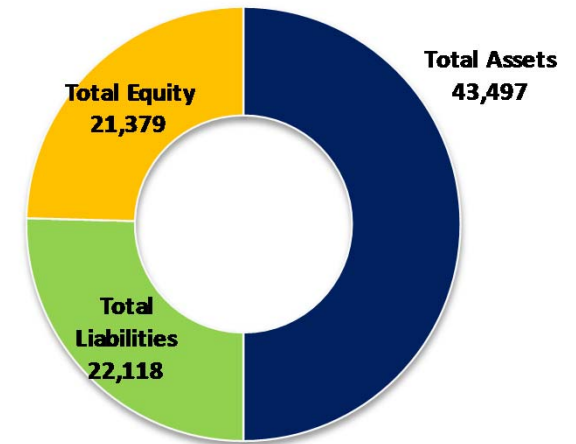
RM' Million



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

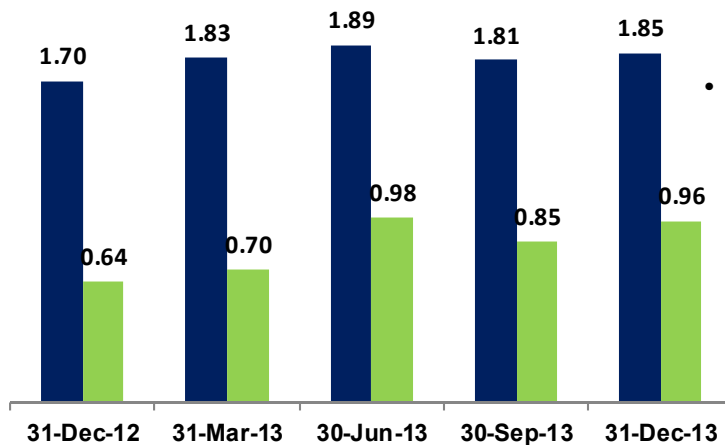
As at ended FY2013 Group Statements of Financial Position

RM' Million



- Cash & bank decreased by RM664mn (-9.4%) QoQ mainly due to interim dividend paid in October'13 (RM683mn).
- Free Cash Flow (FCF) is RM3.3bn (+16.0%) and Operating Free Cash Flow (OFCF) is RM2.0bn (+35.9%) from a year ago.

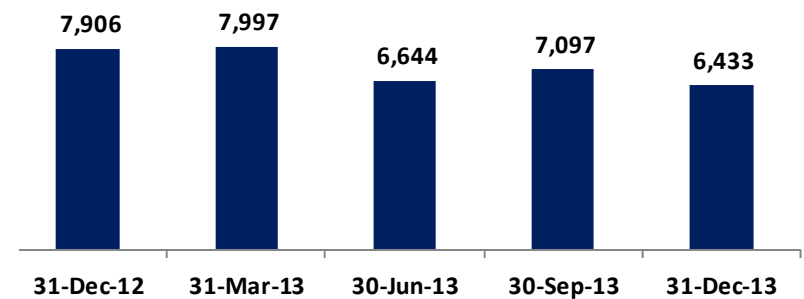
■ Gross debt to EBITDA ■ Net debt to EBITDA



- QoQ Net Debt to EBITDA increased to 1.0x from 0.9x mainly due to lower cash balance.

Cash and Bank

RM' Million



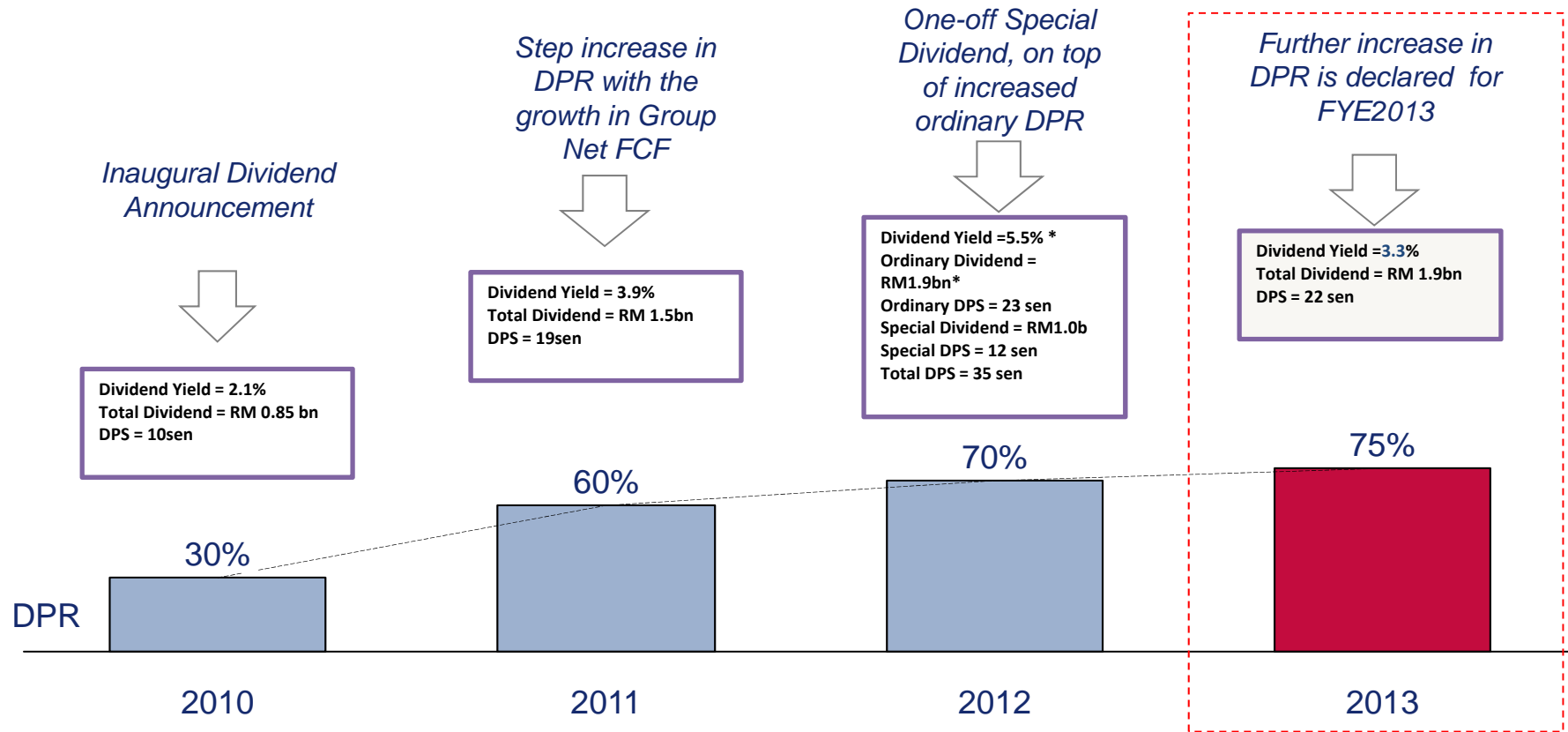
## FY2013 performance exceeded KPIs at constant currency except for revenue

	FY2013 @ FY YTD Rate	FY2013 @ Constant Currency	FY2013 Headline KPIs
Revenue growth	4.1%	6.7% ●	7.6%
EBITDA growth	-2.1%	0.6% ●	0.2%
ROIC (%)	10.7%	10.7% ●	10.3%
ROCE (%)	8.6%	8.6% ●	8.3%
Capex*	RM4.0bn	-	RM4.5bn

\*Capex is not a Headline KPI.

Note: Headline KPI's do not take into account potential currency fluctuations.

# Prudent and disciplined dividend payout



- Axiata declared 22 sen per share single tier dividend (including interim dividend of 8 sen per share paid last year), implying a dividend payout ratio of 75%, which marks a 5% increase from 2012’s ordinary dividend payout ratio of 70%.
- The increased DPR of 75% is based on Axiata’s strong financial performance, growth expansion strategies as well as dividends received from subsidiaries in FYE2013;
- Management is committed to sustain positive performance with financial discipline, efficient cash management and prudent investments and growth strategy moving forward.

\* Inclusive of the special dividend paid



# FY2014 Headline KPIs: Leverage data growth momentum and ensure swift & smart integration of Axis



## FY2014 Headline KPIs\*

<b>Revenue growth</b>	<b>10.1%</b>
<b>EBITDA growth</b>	<b>1.8%</b>
<b>ROIC (%)</b>	<b>9.3%</b>
<b>ROCE (%)</b>	<b>7.8%</b>
<b>Capex**</b>	<b>RM4.4bn</b>

*\*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

- **Increased revenue, service quality and cost savings with integration of Axis**
- **Growth in data revenue and improvement in data profitability**
- **e.Co – realize cost efficiencies in opex and capex**

## Challenges

- **Recently concluded spectrum auction in India provides certainty, albeit at a cost**
- **Voice & SMS substitution will continue in Malaysia & Indonesia**
- **Currency volatility, particularly IDR**



# Appendix



# Financial snapshot : 4Q 2013 and FY 2013

	Q o Q Performance			FY 2013 Performance		
	Revenue	EBITDA	Normalised PAT <sup>1</sup>	Revenue	EBITDA	Normalised PAT <sup>1</sup>
Group	↓ 5%	↓ 11%	↓ 26%	↑ 4%	↓ 2%	↓ 1%
Celcom	↑ 0.1%	↓ 1%	↑ 17%	↑ 4%	↑ 2%	↑ 7%
XL	↓ 1%	↓ 1%	↑ 58%	↑ 0.3%	↓ 11%	↓ 37%
Dialog	↑ 1%	↓ 12%	↓ 56%	↑ 12%	↑ 7%	↓ 5%
Robi	↓ 6%	↓ 37%	↓ 98%	↑ 16%	↑ 30%	↑ 70%
Smart	↑ 12%	↑ 34%	↑ >100%	↑ 36%	↑ >100%	↑ >100%

**Note:**

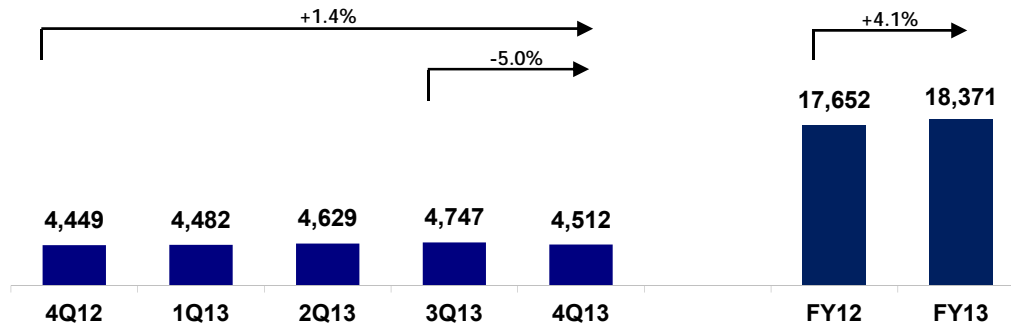
Growth number based on results in local currency in respective operating markets

1. Group and Celcom: PATAMI and others: PAT. PAT/PATAMI normalized as per appendix
2. Smart based on proforma reported numbers

# Group Financial Performance

## Moderate FY revenue growth

### Revenue (RM mn)



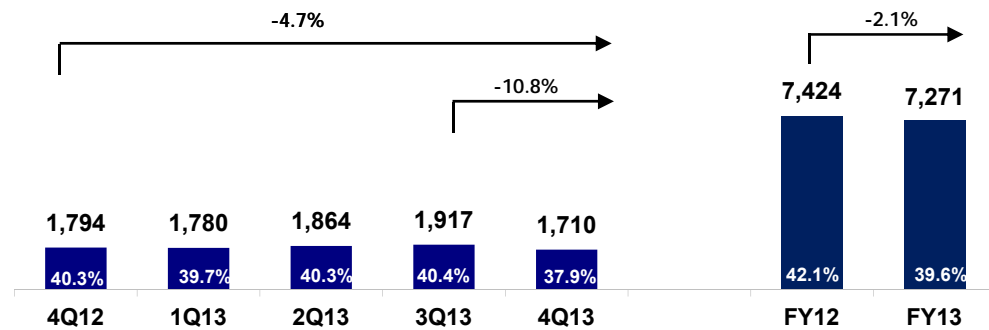
- Revenue growth contributed mainly by Robi, Celcom & Smart.
- At constant currency:
  - FY – revenue growth would have been higher at +6.7% (vs +4.1%)
  - QoQ – revenue declined would have been lower at -1.1% (vs -5.0%)
  - YoY – revenue growth would have been lower at +1.3% (vs +1.4%)

# Group Financial Performance

EBITDA impacted mainly due to higher costs at XL from data network expansion and implementation of SMS interconnect



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



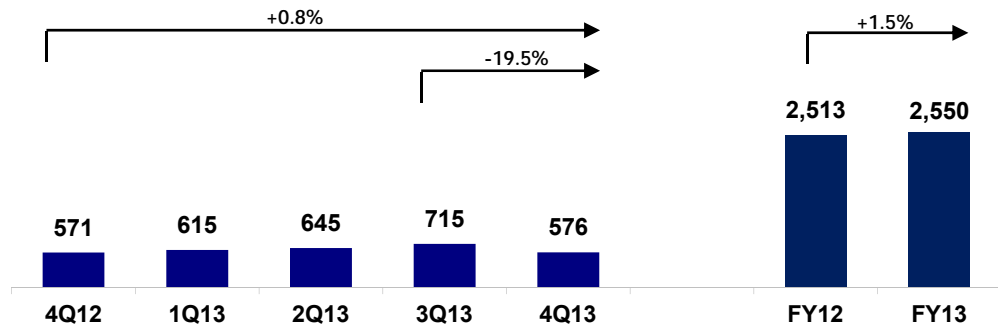
- FY EBITDA affected by higher costs at XL
- At constant currency:
  - FY – EBITDA increased would have been higher at +0.6% (vs -2.1%)
  - QoQ – EBITDA declined would have been lower at -6.9% (vs -10.8%)
  - YoY – EBITDA declined would have been lower at -4.4% (vs -4.7%)

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

# Group Financial Performance

## FY profitability impacted by XL performance and forex

### PATAMI (RM mn)



- Group PATAMI increased by 1.5% mainly from Celcom and Robi
- At constant currency:
  - FY – PATAMI increased would have been higher at +2.2% (vs +1.5%)
  - QoQ – PATAMI decreased would have been lower at -18.6% (vs -19.5%)
  - YoY – PATAMI increased would have been higher at +0.9% (vs +0.8%)



# Challenges and mitigating factors

Increasing competitive intensity, Voice & SMS substitution in Malaysia & Indonesia and data pricing / profitability remain key issues that need to be addressed



- **Aggressive competition in Indonesia has impacted profitability**
  - Cost management and successful integration of Axis will help XL lower its network capex and opex in medium to long term while concurrently increase service quality and network traffic.
- **SMS revenue continues to be under pressure in Malaysia & Indonesia**
  - Industry wide SMS revenue still under pressure, particularly in Malaysia & Indonesia. Increase in data traffic at profitable pricing is key for improving performance
- **Business disruption in Bangladesh**
  - Robi continuous to grow strongly despite revenue loss due to frequent strikes in FY 2013. Focus will be on enhanced distribution and customer centric product offerings
- **Recently concluded spectrum auction in India**
  - Idea has successfully obtained significant spectrum, albeit at a cost.
  - Industry pricing structure is expected to improve for operators to operate profitably
- **Currency volatility in operating footprint, particularly in Indonesia**
  - IDR was the worst performing currency in 2013.
  - Group continues to mitigate / minimize adverse impact





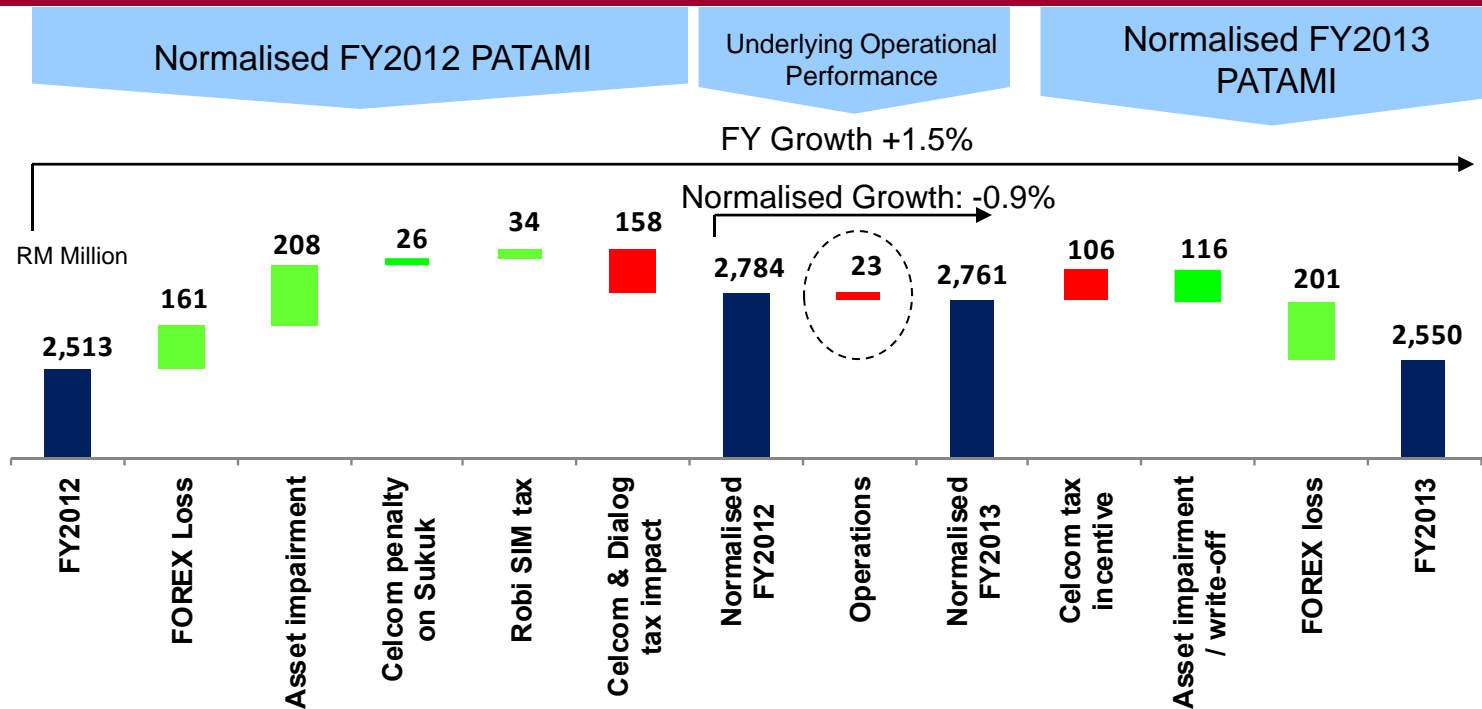
## Except for IDR, currencies at most OpCos appreciated against RM

	OpCo Currency Vs RM, USD – Avg Q4'13 vs Q3'13		OpCo Currency Vs RM, USD – FY2013 vs FY2012	
	Vs. RM	Vs. USD	Vs. RM	Vs. USD
Indonesia Rupiah, IDR	-10.13%	-9.25%	-8.18%	-9.96%
Sri Lanka Rupee, LKR	-0.31%	+0.67%	+0.54%	-1.41%
Bangladesh Taka, BDT	-0.90%	+0.06%	+6.94%	+4.87%
US Dollar, USD	-0.97%	+0.00%	+1.97%	+0.00%
Singapore Dollar, SGD	+0.50%	+1.48%	+1.86%	-0.11%
Pakistan Rupee, PKR	-4.77%	-3.84%	-6.52%	-8.33%
Indian Rupee, INR	-0.86%	+0.11%	-6.81%	-8.62%
Malaysia Ringgit, RM	+0.00%	+0.97%	+0.00%	-1.97%

**Impact to translated RM revenue is:-  
-2.6pp FY**

# Normalised Group PATAMI : FY2012 → FY2013

Normalised PATAMI decreased marginally -0.9% mainly from decrease in XL operations, off-setted by strong contribution from other OpCos

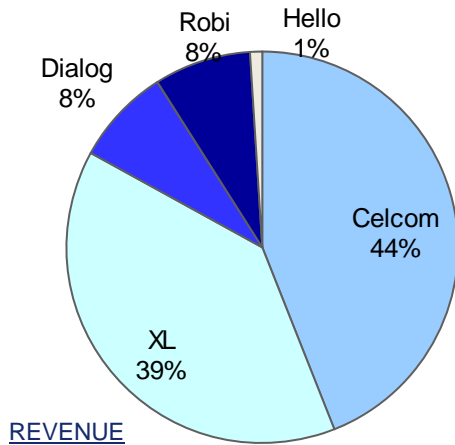


Norm PATAMI	FY2012	FY Growth Rates	Norm PATAMI	FY2013
Celcom	1,945	(+94) +4.8%	Celcom	2,039
XL	660	(-297) -45.0%	XL	363
Dialog	125	(-2) -1.6%	Dialog	123
Robi	57	(+65) +114.9%	Robi	122
Hello	(29)	(+81) +279.3%	Smart	52
Associates & Others	26	(+36) +136.4%	Associates & Others	62
<b>GROUP</b>	<b>2,784</b>	<b>(-23) -0.9%</b>	<b>GROUP</b>	<b>2,761</b>

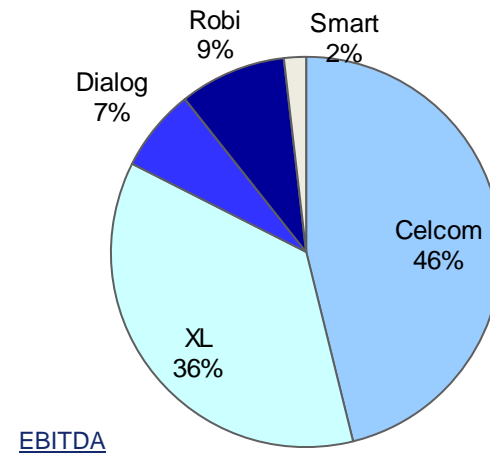
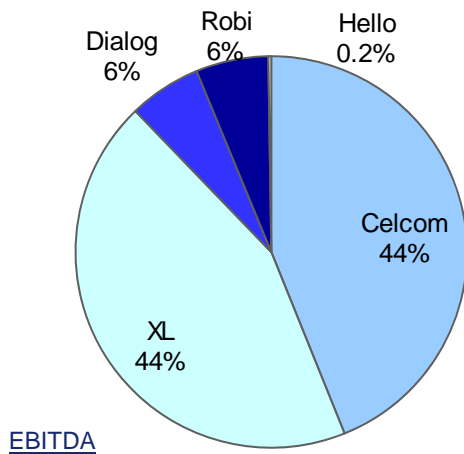
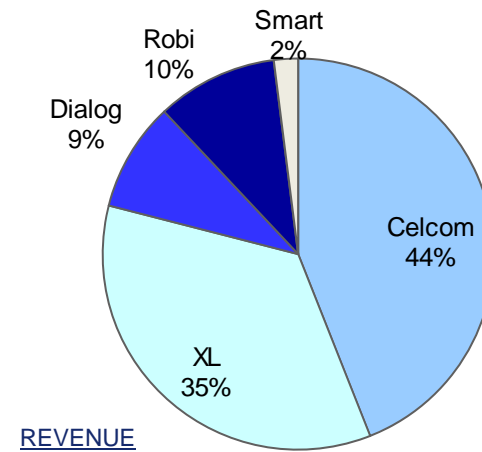
# Key OPCOs Revenue and EBITDA Composition

## Significant shift in OpCos contribution to Group Revenue & EBITDA; Robi now stands 3<sup>rd</sup> (previously Dialog), XL's share declined

FY2012 REVENUE & EBITDA Breakdown (%)



FY2013 REVENUE & EBITDA Breakdown (%)



Note : Contribution % was derived from Group consolidated figures

# Axiata Group Borrowings & Cash

## As at 31 December 2013

### Group Borrowings

RM Million	Loan Currency	Conventional	Islamic	Total
Holdco & Non Opco	USD*	1,813	-	1,813
	CNY**		549	549
	<b>Sub-total</b>	<b>1,813</b>	<b>549</b>	<b>2,362</b>
Opcos	USD	2,639	-	2,639
	Local	3,405	5,030	8,435
	<b>Sub-total</b>	<b>6,044</b>	<b>5,030</b>	<b>11,074</b>
<b>Total Group</b>		<b>7,857</b>	<b>5,579</b>	<b>13,436</b>

\*As at 31 December 2013, Holdco & Non Opcos USD borrowings have been hedged to RM and SGD; USD250mn to RM800.7mn and USD300mn to SGD421.3mn;

\*\*CNY 1bn to USD157mn

71% of the total group USD loan exposure are hedged

### Group Cash Balance

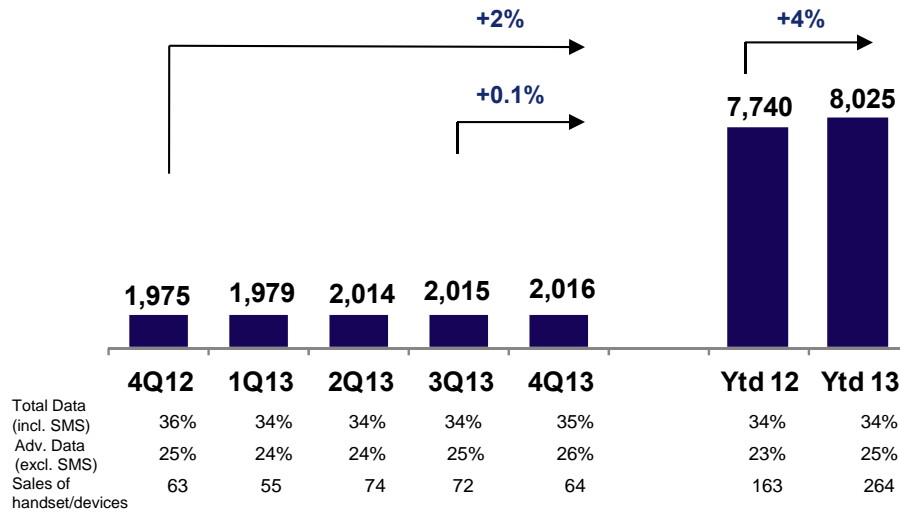
RM Million	Currency	Amount
Holdco & Non Opco	USD	8
	Local	2,355
	<b>Sub-total</b>	<b>2,363</b>
Opcos	USD	35
	Local	4,035
	<b>Sub-total</b>	<b>4,070</b>
<b>Total Group</b>		<b>6,433</b>

# Celcom: Financial Performance

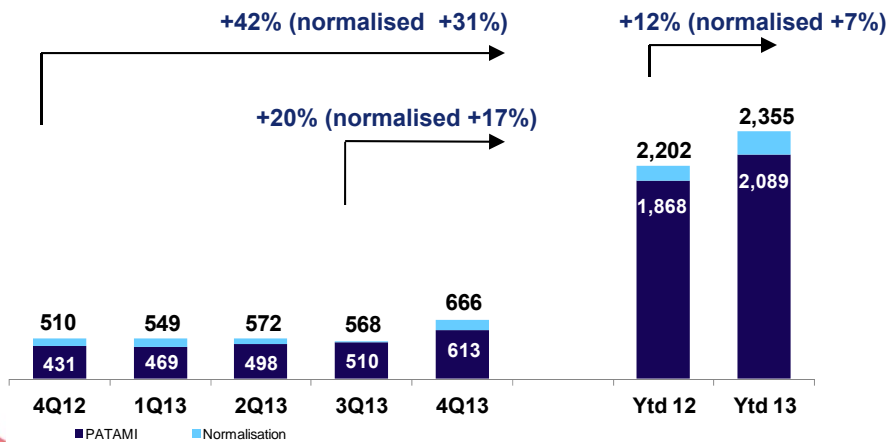
Revenue remained healthy above RM2bil for third consecutive quarters



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

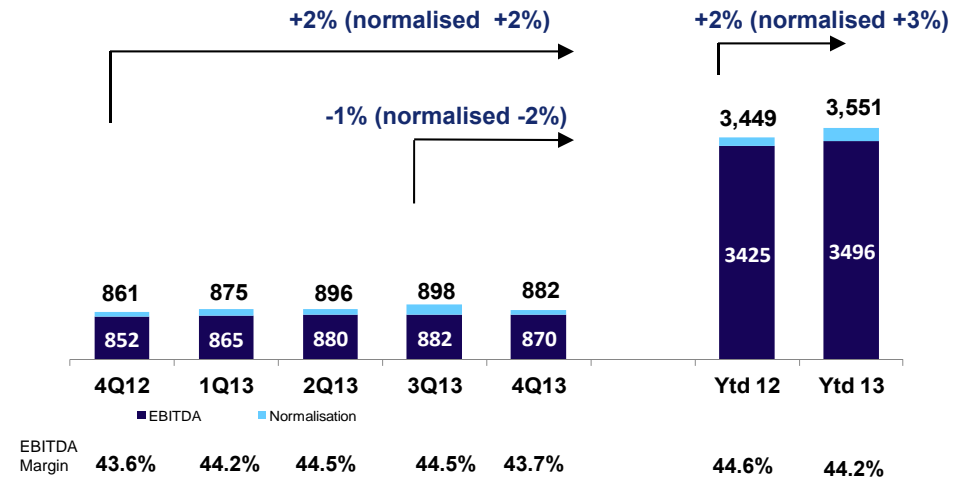


## PATAMI (RM mn)\*



\* Normalisation – excludes holding company charge, Escape, interest/charges on Sukuk and additional accelerated depreciation for modernisation

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



- Data revenue is consistently on the uptrend, riding on increasing demand for internet access and rapid adoption of smart-phone.
- Revenue was further pushed by the higher roaming revenue that seasonally peak during pilgrim season and year-end holiday.
- The above incremental was offsetted by the lower SMS and sales of handset/devices.
- EBITDA margin declined q-o-q in tandem with higher outgoing traffic, staff bonus and one-off bad debt provision.

# Celcom : Financial Performance

Annual EBITDA margin declined slightly due to sales of handset



## Operating Expenses ^

% of Revenue	4Q12	3Q13	4Q13	YTD 12	YTD 13
Direct Expenses	24.6%	25.8%	26.3%	24.5%	25.5%
Sales & Marketing	8.4%	7.9%	7.3%	8.8%	7.9%
Network Costs	10.5%	9.4%	8.8%	10.4%	9.5%
Staff Costs	8.3%	7.7%	8.1%	7.2%	7.3%
Bad Debts	0.6%	0.2%	0.8%	0.6%	0.4%
Others	3.9%	4.3%	5.0%	3.9%	5.0%
<b>Total Expenses</b>	<b>56.4%</b>	<b>55.5%</b>	<b>56.3%</b>	<b>55.4%</b>	<b>55.8%</b>
<b>EBITDA Margin</b>	<b>43.6%</b>	<b>44.5%</b>	<b>43.7%</b>	<b>44.6%</b>	<b>44.2%</b>
Depreciation & Amortisation	15.9%	10.4%	8.8%	13.0%	10.7%

## Financial Position (RM mn)

	YTD Dec 12	YTD Dec 13
Capex	949	923
Cash & Cash Equivalents	3,677	3,344
Gross Debt	5,030	5,030
Net Assets	(644)	(851)
Gross debt / equity (x)	n/m	n/m
Gross debt / EBITDA(x)	1.5	1.4

### Q-o-Q

- Higher direct expenses were mainly from interconnect out-payment and content provider cost in tandem with the surge in traffic during festivities and year-end holiday.
- Network and marketing cost continue to gain positive impact from focused and continuous smarter cost management such as leveraging of infra sharing and change in media mix.
- Staff cost has increased from higher staff bonus based on favorable year end performance.
- Higher bad debt due to additional provision made after a review exercise during the quarter

### Y-o-Y

- Major cost such as network, marketing and bad debt improved encouragingly. It was nevertheless been offsetted by the incremental cost from sales of handset/devices.

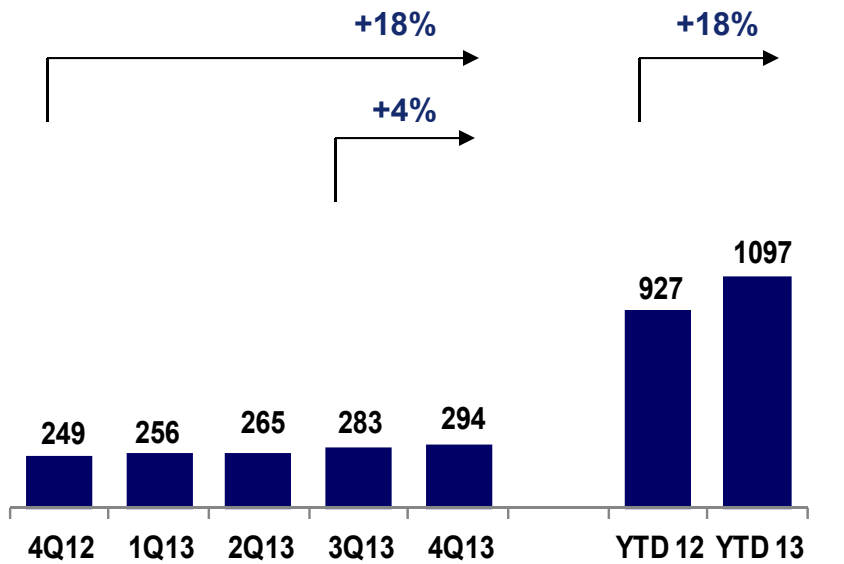
^ OPEX and EBITDA Margin excludes holding company charge and Escape

# Broadband Performance

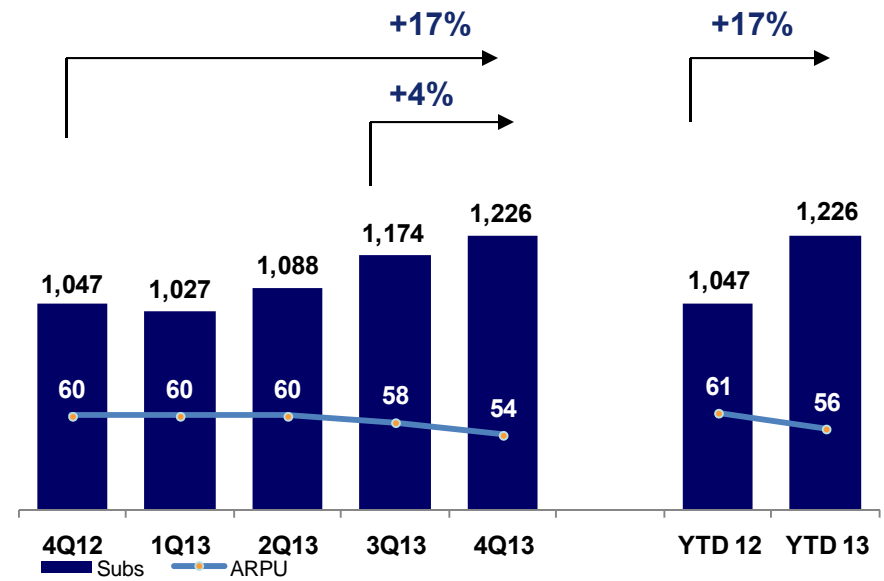
Growth momentum continues pushed by higher adoption of smart devices and tablets



REVENUE (RM Mn)



SUBSCRIBERS \* ( '000)



Mobile Internet revenue grew more than 50%

\* Subscribers and ARPU are based on postpaid monthly plan

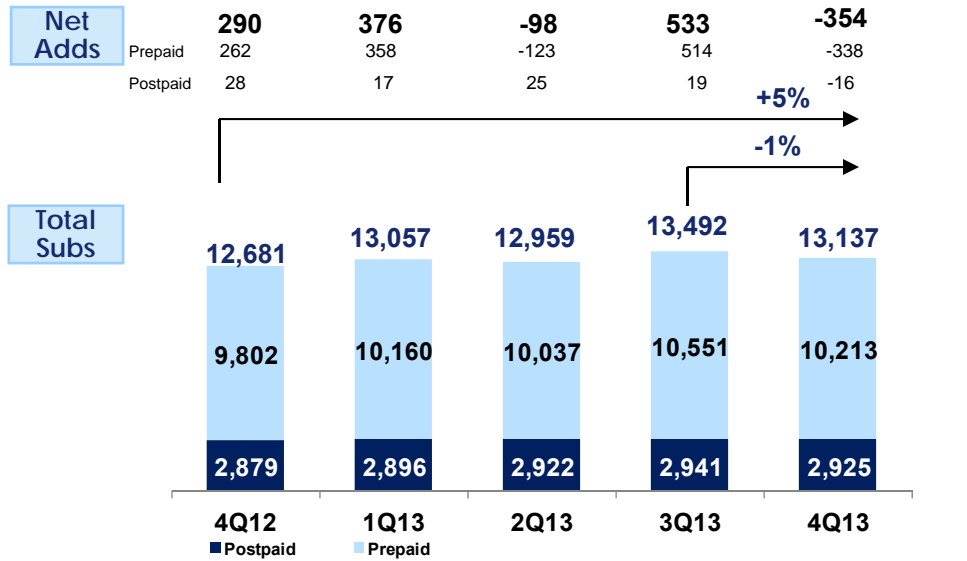


# Celcom : Operational Performance

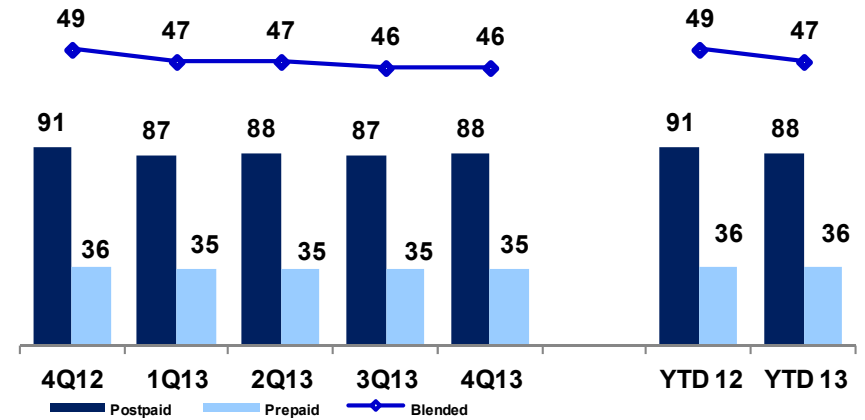
Subscriber grew 5% Y-o-Y despite slowing down of overall market penetration



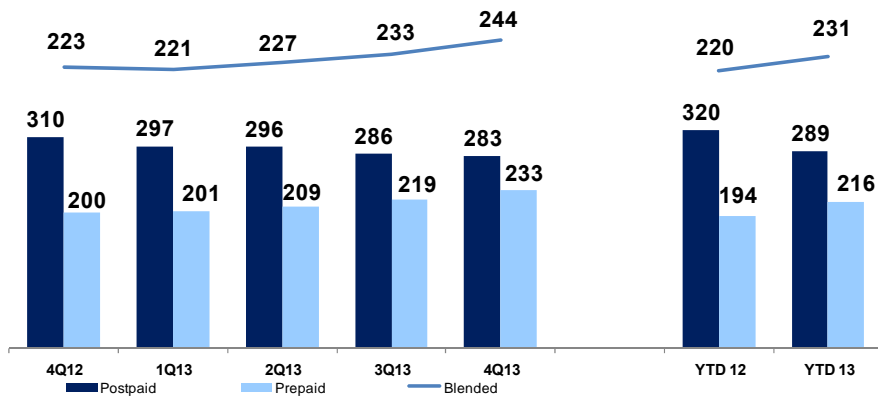
## Subscribers (000's)



## ARPU\* (RM)



## MOU/sub\* (min)



\*2012 MOU/sub and ARPU normalised for domestic roaming

- Subscriber base grew 5% Y-o-Y. Q-o-Q decline was from higher prepaid rotational churn.
- Blended MOU per sub continue to improve whilst ARPU remained fairly consistent.



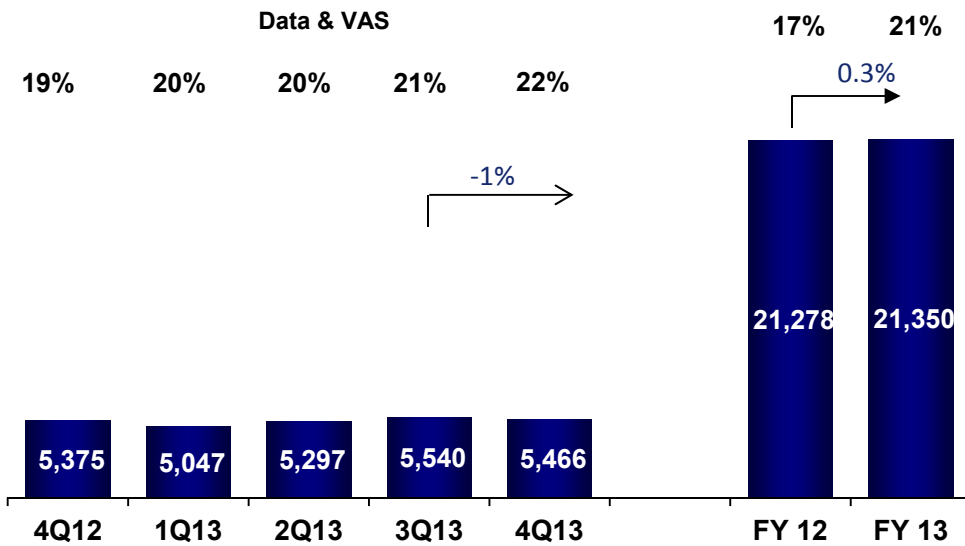


# XL : Financial Performance

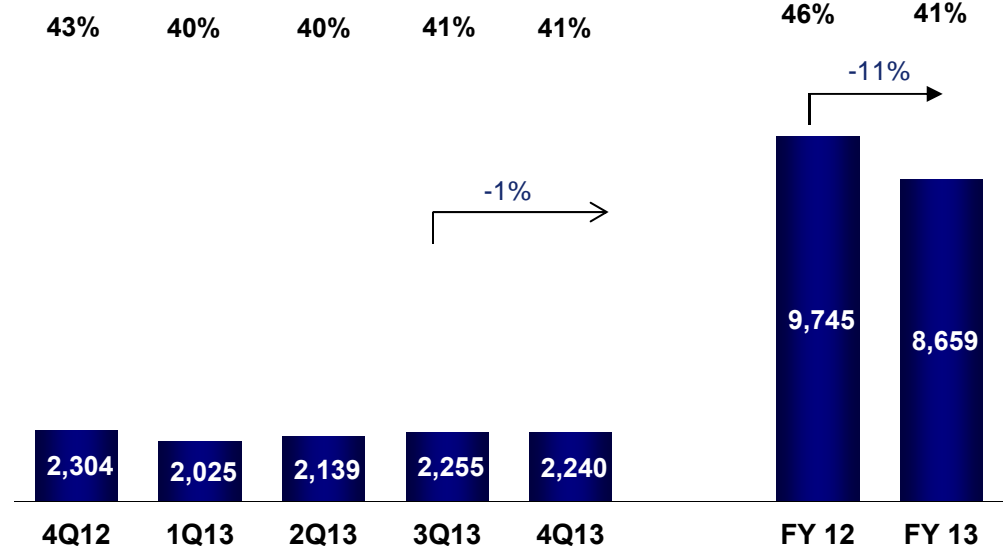
Stable performance with improved operation momentum throughout the year



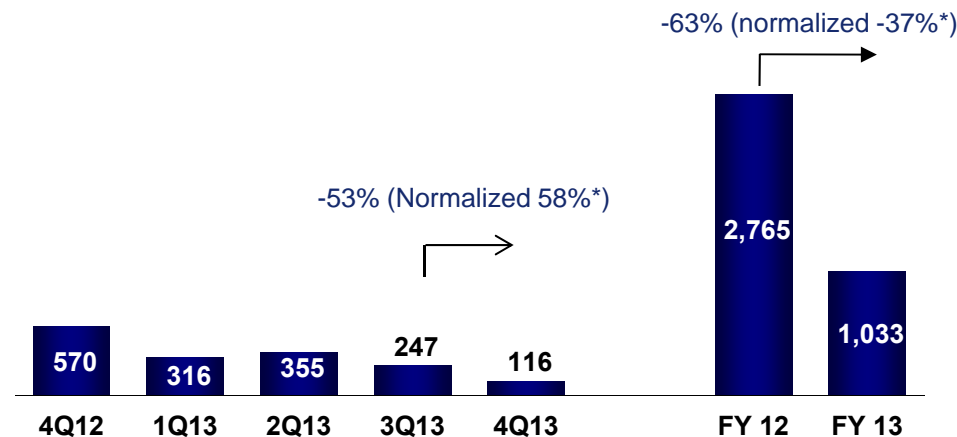
Revenue (IDR bn) and Data & VAS as % of revenue (%)



EBITDA (IDR bn) & EBITDA margin (%)



PAT (IDR bn)



- Stable revenue at Rp21.4 trillion in 2013 with revenue turnaround in 2Q 13 after two consecutive quarters of decline.
- Data & VAS the fastest growing services with 21% contribution of total revenue, increased from 17% the previous year.
- Lower EBITDA YoY mainly due to full year impact of SMS interconnect, managed services fee and investment in data infrastructure. Profitability was further impacted by forex loss due to the weakening of the Rupiah.
- In 2013, XL rolled out 15,068 Node Bs 15% increase YoY to support the growing data opportunity.

\* Normalized PAT excluding unrealized forex, accelerated depreciation



# XL : Financial Performance

Margins impacted by SMS interconnect, managed service fee and data infrastructure expansion



## Operating Expenses

% of Revenue	4Q12	3Q13	4Q13	FY 12	FY 13
Direct Expenses	17.3%	17.1%	15.8%	14.6%	17.5%
Sales and Marketing	6.9%	6.7%	5.7%	6.1%	6.3%
Network Costs	23.5%	28.3%	30.2%	24.5%	28.2%
Staff Cost	4.7%	4.2%	4.2%	4.4%	4.4%
Others	2.8%	2.5%	2.9%	3.2%	2.6%
<b>Total Expenses</b>	<b>55.3%</b>	<b>58.9%</b>	<b>58.8%</b>	<b>52.7%</b>	<b>59.0%</b>
EBITDA Margin	42.9%	40.7%	41.0%	45.8%	40.6%
Depreciation & Amortisation	24.3%	28.4%	27.0%	23.8%	27.0%

- Higher Direct Expense YoY mainly due to full year impact of SMS interconnection.
- Higher Sales & Marketing YoY mainly due to new offerings introduced in 2013 as well as XL's effort to improve its positioning.
- Higher Network Costs was driven by expansion of sites on an operating lease model to support the data growth. FY 13 reflected a managed service fee related to partnership agreement with Huawei as compared to nine months in FY 12.

## Financial Position (IDR bn)

	FY 12	FY 13
Capitalized Capex	9,036	6,932
Cash and Cash Equivalents	792	1,318
Net Debts	12,728	16,504
Net Assets	15,370	15,300
Debt / Equity (x)	0.9	1.2
Debt / EBITDA (x)	1.4	2.1

Debt/EBITDA based on last 12 months trailing EBITDA

FY 2013

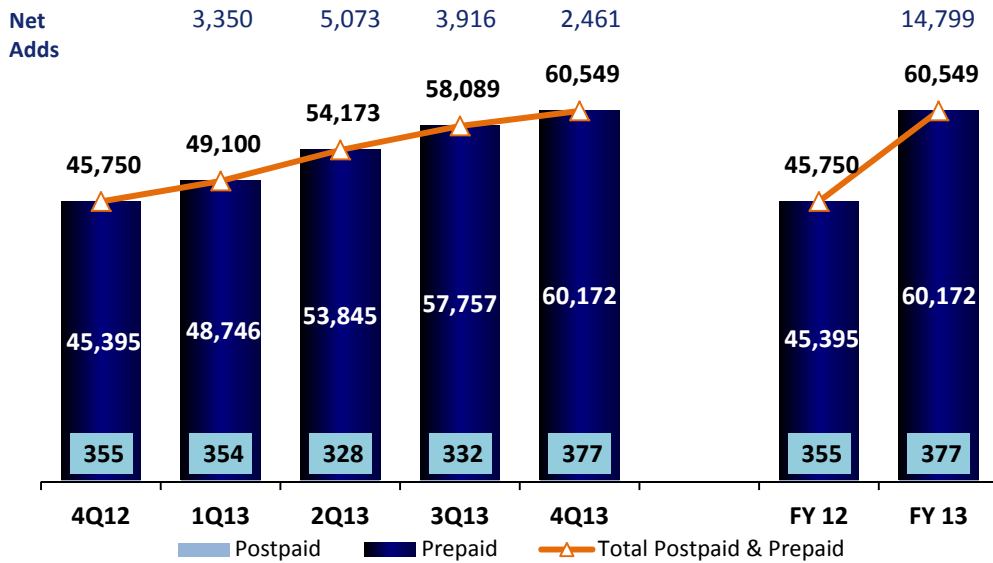


# XL: Operational Performance

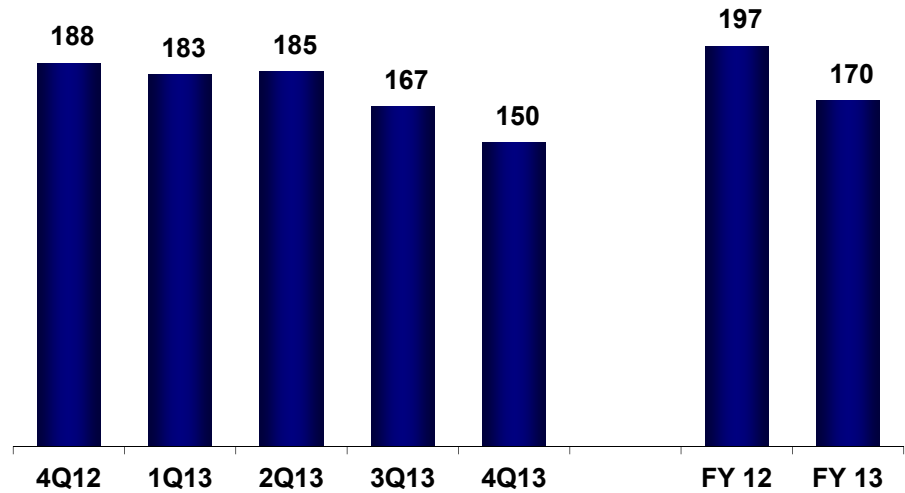
Continued momentum in subscribers, data subs and data traffic



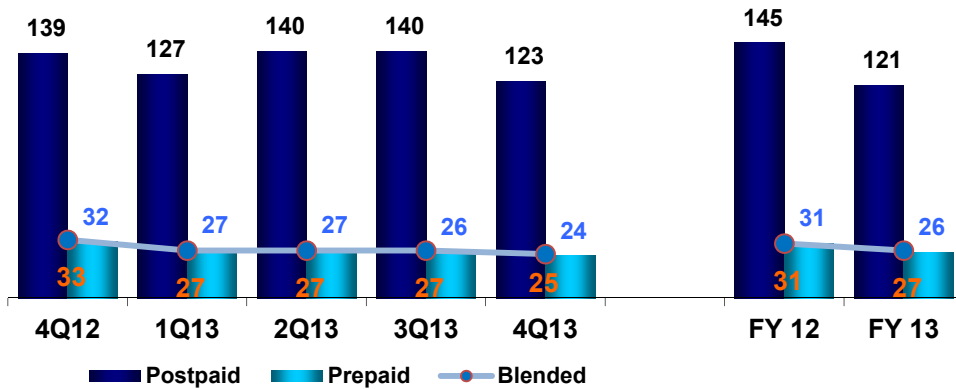
### Subscribers (000's)



### OG MoU/subs/month (minutes)



### ARPU (IDR thousands)



- Strong growth in subscribers with 32% growth YoY and data users reached 33 million subscribers, more than half of the total base.
- Data traffic grew 142% YoY as a result of strong data adoptions from data users. Lower MoU with changing behavior of substitution to data.

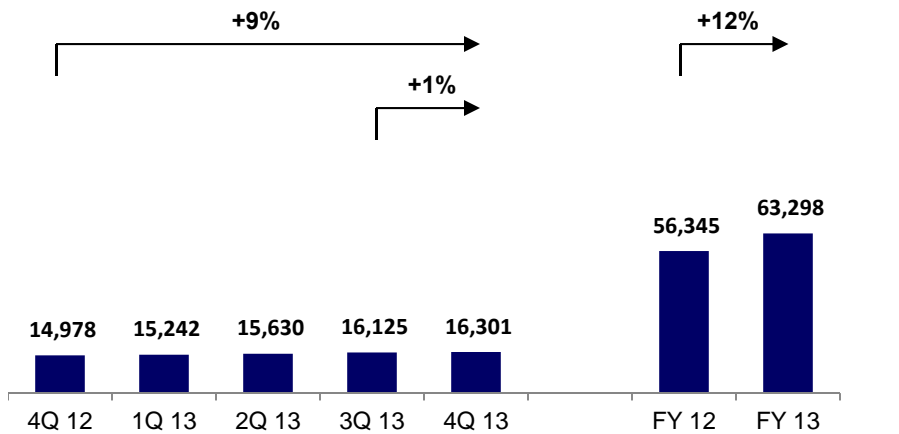


# Dialog Group : Financial Performance

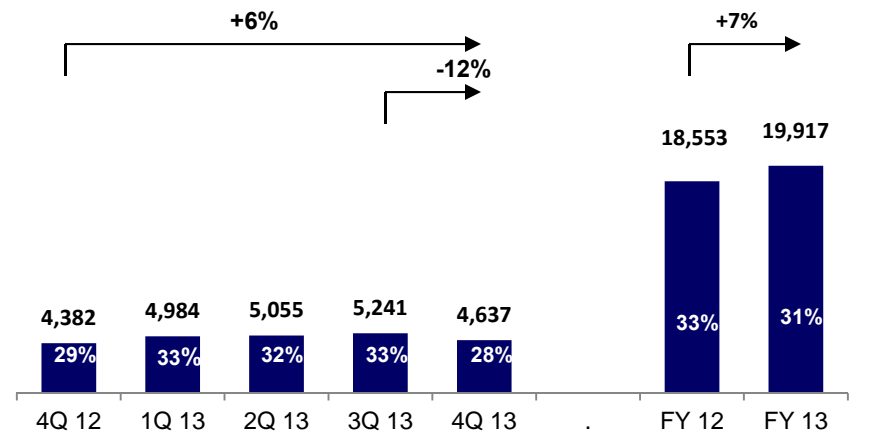
Core Mobile revenue dominates Group Revenue growth; PAT impacted by lower EBITDA and one-off impairment of DVBT assets



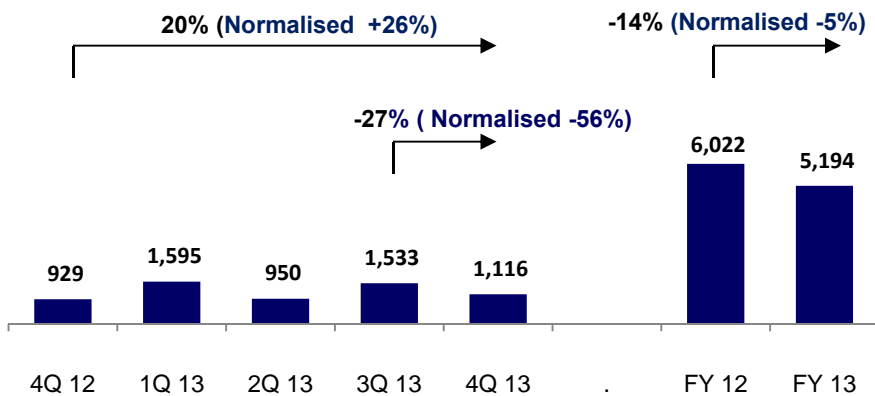
Revenue (SLR mn)



EBITDA (SLR mn) & margins (%)



PAT (SLR mn)



Performance normalised to

Q4 13: exclude translational forex gain of Rs 341mn

Q3 13: exclude translational forex loss of Rs 222mn

FY 13: exclude translational forex loss of Rs 735mn

FY 12: exclude translational forex loss of Rs2,491mn , deferred tax reversal of Rs 2,277mn and Suntel acquisition related costs of Rs343mn

- Revenue increased by 1% QoQ and 12% in 2013, on the back of strong growth in the mobile segment, driven by both Voice and Data revenues
- Steady FY EBITDA performance backed by strong growth in Revenue. QoQ EBITDA declined due to higher network opex.
- FY normalised PAT, declined marginally by 5% on the back of a 2% revenue based tax of Rs1.1bn with the Company tax holiday ending in 2012

FY 2013



# Dialog Group : Financial Performance

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



### Operating Expenses

% of Revenue	4Q 12	3Q 13	4Q 13	FY 12	FY13
Direct expenses	29.2%	28.6%	30.5%	29.1%	29.2%
Sales & Marketing	15.5%	11.9%	11.9%	13.0%	12.2%
Network costs	12.4%	12.4%	13.1%	11.8%	12.5%
Staff costs	8.9%	8.4%	8.3%	8.4%	8.6%
Bad debts	0.4%	1.3%	2.2%	0.5%	1.4%
Overheads	4.5%	4.9%	5.6%	4.2%	4.7%
<b>Total Expenses</b>	<b>70.8%</b>	<b>67.5%</b>	<b>71.6%</b>	<b>67.1%</b>	<b>68.5%</b>
EBITDA Margin	29.3%	32.5%	28.5%	32.9%	31.5%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	25.0%	18.8%	20.6%	20.5%	19.4%

- Higher QoQ direct expenses resulting from the aggressive sales drive on phone and devices.
- Higher FY network Opex in line with the increased rollout of data infrastructure and network expansion

### Financial Position (SLR mn)

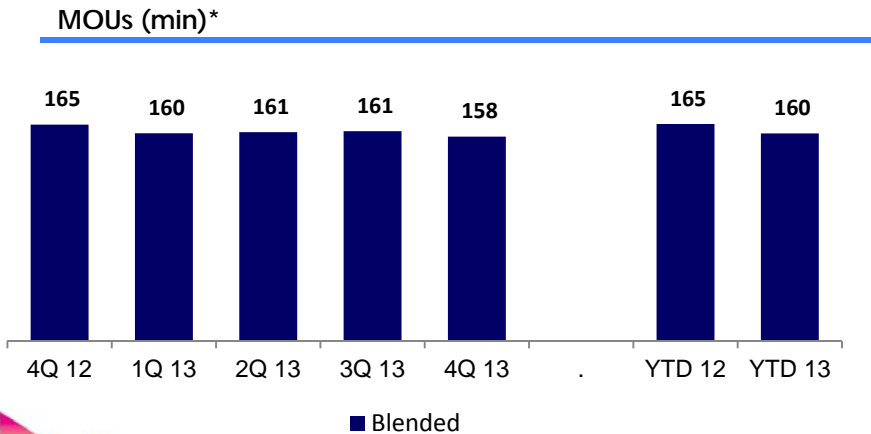
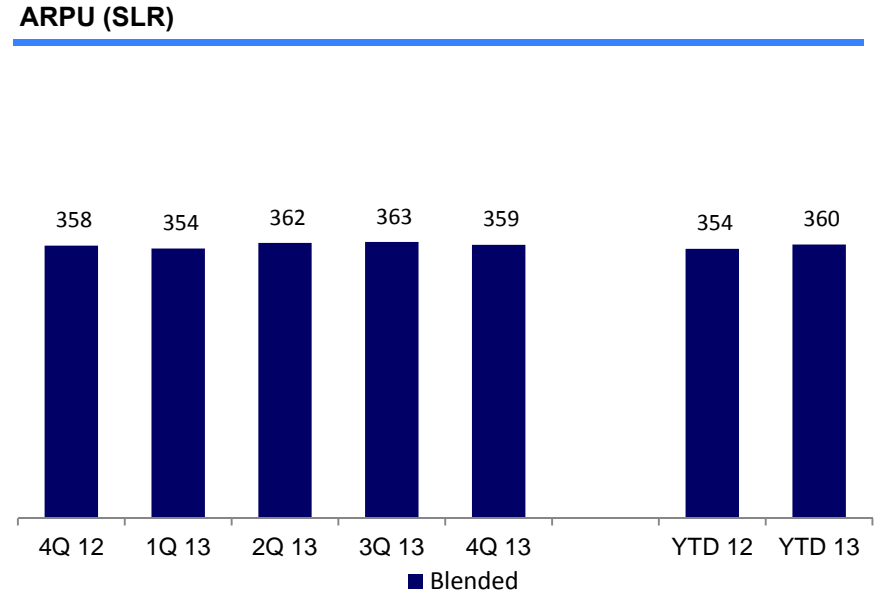
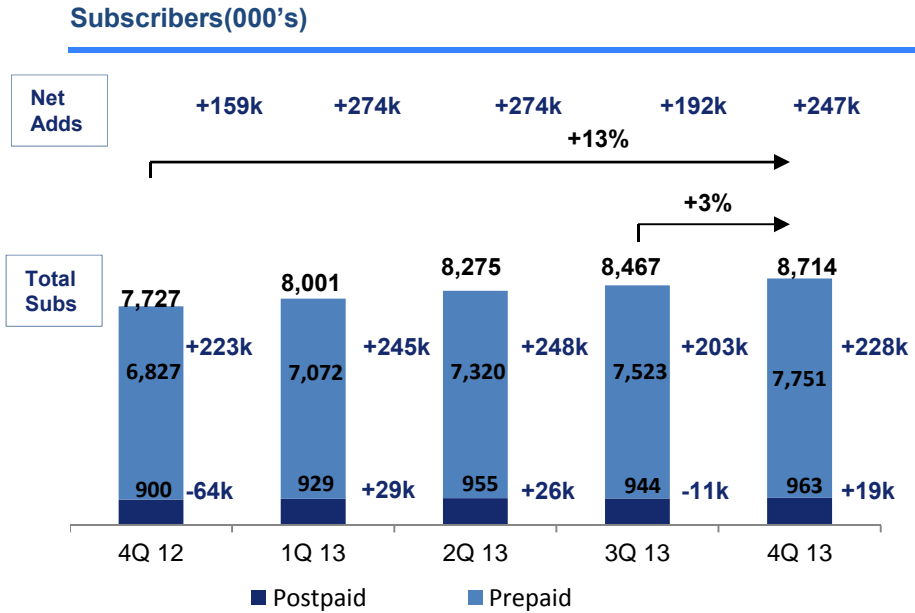
	31 Dec 12	31 Dec 13
Capex	17,409	28,299
Cash & Cash Equivalents	8,647	1,858
Gross Debt	23,892	27,587
Net Assets	37,182	39,735
Gross Debt / equity (x)	0.64	0.69
Gross Debt/ EBITDA (x)	1.29	1.39

- Cash balance end 4Q13 at Rs 1.9bn whilst FY13 Group FCF is negative at Rs3.2bn due to strategic investments
- Gross debt to EBITDA decreased to 1.39x as at end December 2013 from 1.29x as at end 2012



# Dialog: Operational Performance

## Mobile Subscriber Growth Continues - Stable Trend in MOUs and ARPUs



- Prepaid segment driving the subscriber growth of 3% QoQ and 13% YoY
- Steady YoY ARPU growth. Marginal drop in QoQ MoUs and ARPUs due to subscribers resorting to multiple SIM usage on the back of aggressive competition in the IDD space

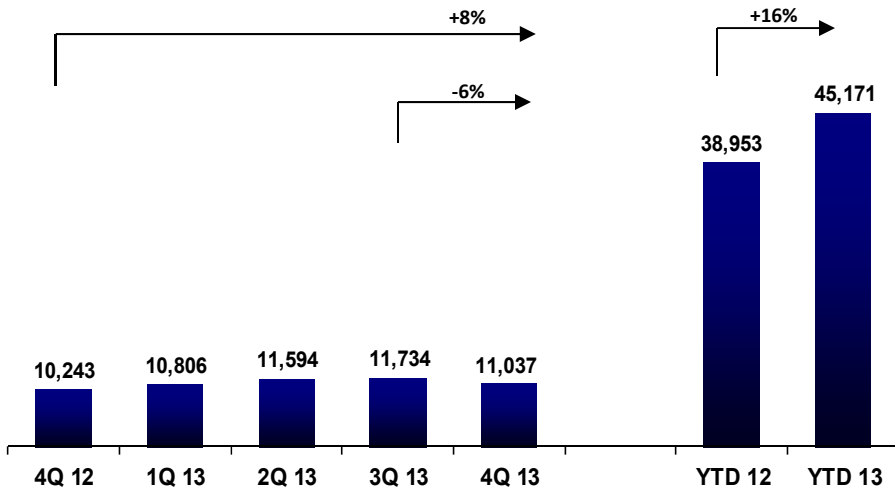
\* MoUs are based on outgoing min



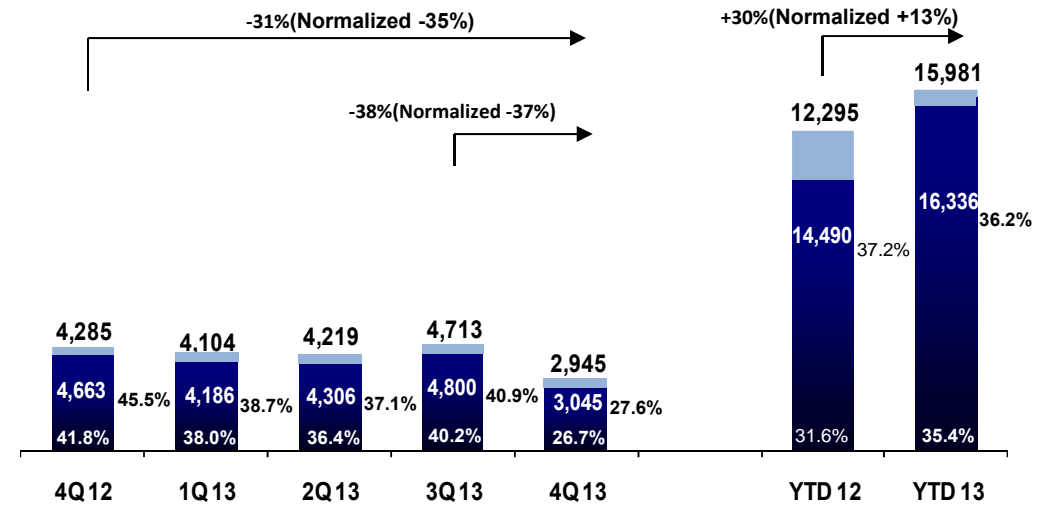
# Robi : Financial Performance

Solid YoY performance driven by revenue growth and cost optimization

Revenue (BDT mn)

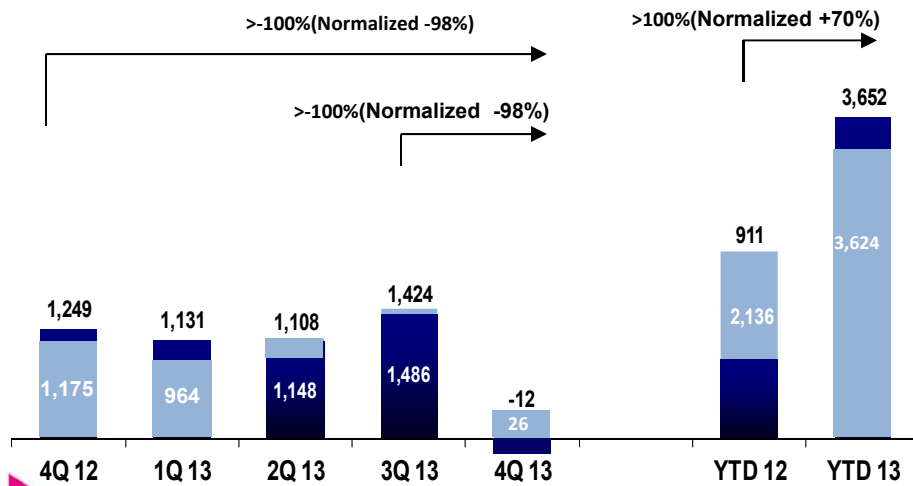


EBITDA (BDT mn) & Margins (%)



EBITDA normalized by SIM tax & late payment fees

PAT (BDT mn)



PAT Normalized by Forex, SIM Tax, Late payment fees & Swap losses

- FY 2013 revenue increased from both voice & non-voice incl. data . Political unrest impacted 4Q revenue growth.
- EBITDA, PAT YoY growth for SIM Tax reduction, finance cost optimization backed by Axiata Equity infusion.
- Higher subscribers acquisition in 4Q, marketing to focus 3G launching in Oct'13, festivals affected EBITDA, PAT for the quarter.

# Robi : Financial Performance

## Cost efficiency drive continued

### Operating Expenses

% of Revenue	4Q 12	3Q 13	4Q 13	YTD'12	YTD'13
Direct Expenses	27.9%	33.8%	36.9%	42.1%	37.2%
Sales & Marketing	4.2%	4.7%	5.1%	4.1%	4.5%
Network Costs	11.2%	9.8%	10.8%	10.3%	9.8%
Staff Costs	5.8%	5.3%	5.4%	5.5%	5.4%
Bad Debts	0.0%	0.0%	7.8%	0.0%	1.9%
Others	9.0%	6.2%	7.3%	6.4%	5.8%
<b>Total Expenses</b>	<b>58.2%</b>	<b>59.8%</b>	<b>73.3%</b>	<b>68.4%</b>	<b>64.6%</b>
<b>EBITDA Margin</b>	<b>41.8%</b>	<b>40.2%</b>	<b>26.7%</b>	<b>31.6%</b>	<b>35.4%</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>D &amp; A</b>	<b>18.1%</b>	<b>17.2%</b>	<b>20.4%</b>	<b>18.5%</b>	<b>17.9%</b>

### Financial Position (BDT mn)

	31 Dec 12	31 Dec 13
Capex	8,150	12,820
Cash & Cash Equivalents	4,649	4,779
Gross Debt	14,659	11,355
Net Assets	32,940	42,114
Gross debt / Equity (x)	0.45	0.27
Gross debt / EBITDA (x)	1.19	0.71

### Operating expenses:

- Direct Expenses QoQ- SAC increased for higher subscriber acquisition.
- Sales & Marketing- increased in 4Q for 3G roll out, human flag event (victory day) and other festivals.
- 4Q Bad debts- provided for against International Gateway (IGW) operators receivables on operational blockage issue and bill dispute concern.
- D & A impacted for amortization of 3G Licence acquisition costs and depreciation charge on increased PPE.
- Capex- aggressive in 2013 for 3G Network expansion.
- Debt/Equity- leveraged significantly for loan repayment, infusion of equity of USD 321Mn and earnings base.



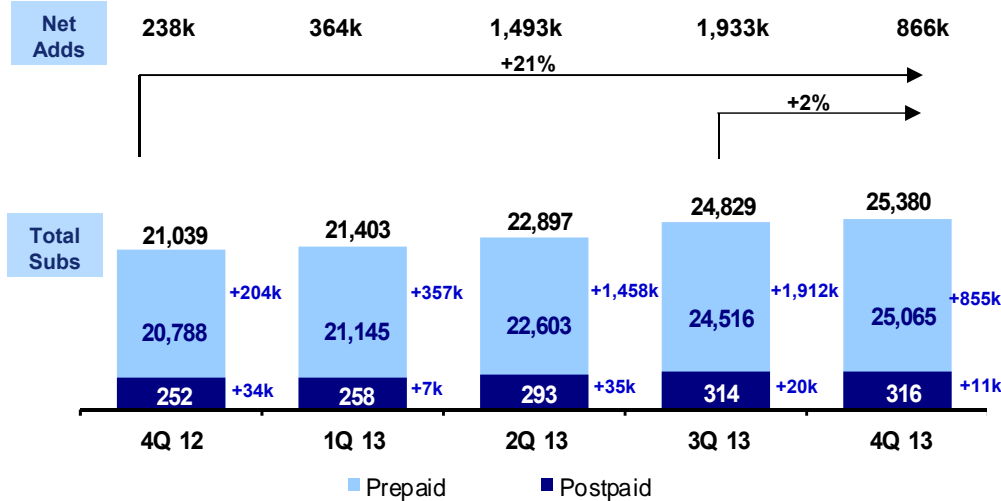


# Robi : Operational Performance

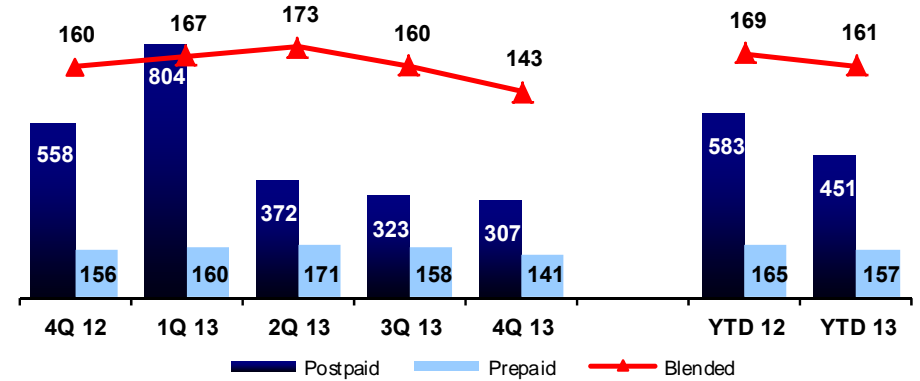
Subscriber growth level maintained despite challenging environment



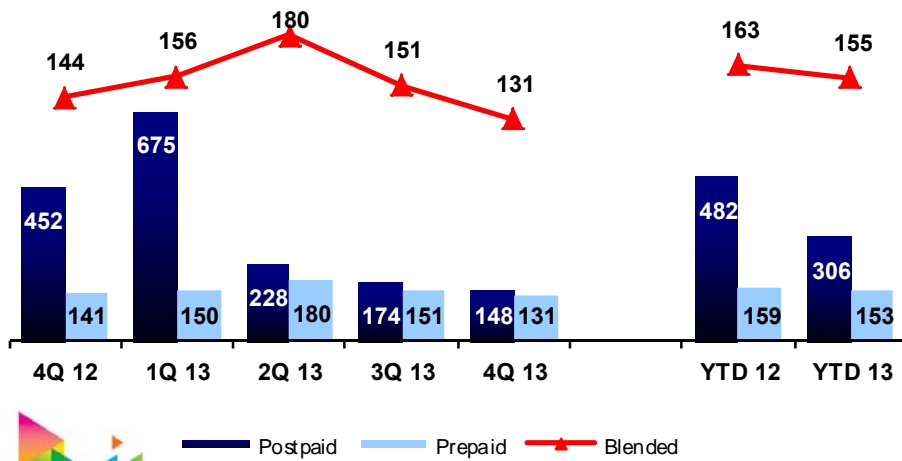
Subscribers (000's)



ARPU (BDT)



MOU/sub (min)



- Political stalemate severe throughout 4Q13 impacted country's business and economy:
  - market wide revenue drivers for usage (MoU/sub), ARPU has been impacted
  - sharp fall in subscribers market net adds despite all out efforts for maintaining market position.

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



Quality of subscribers improved, demonstrated by higher ARPU and lower churn



Network investment on the nationwide rollout of 3G radio network on 900MHz spectrum will be completed by end 1Q14



Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for Dec'13 quarter vs Sep'13 quarter.

# Regional Mobile: YTD Performance Highlights



COMPANY

HIGHLIGHTS

YTD ON YTD PERFORMANCE



Strong EBITDA growth despite higher network expansion and inflationary pressures



Recommended final dividend of 7.1 cents per share and special dividend of 7.1 cents per share taking full year payout to 21 cents per share



Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results based on CY'13 vs CY'12.

# Thank You

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**Axiata Group Berhad**