



# 4Q 2014 Results

25 February 2015

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

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# Executive summary: Financials

Mixed results impacted primarily by Celcom system issues, Axis acquisition and forex losses; partly offset by strong overall performance at Robi, Dialog, Smart and Idea



❖ **Modest revenue growth in FY14, improved in 4Q14**

- FY growth : Revenue +1.9% ; EBITDA -3.7% ; PATAMI -7.9%
- QoQ growth : Revenue +3.4% ; EBITDA +4.0% ; PATAMI -5.7%
- 4Q YoY growth : Revenue +6.7% ; EBITDA +3.4% ; PATAMI +3.4%

❖ **However constant currency, FY14 revenue growth fared better**

- FY growth : Revenue +4.4% ; EBITDA -1.2% ; PATAMI -9.2%
- QoQ growth : Revenue +1.7% ; EBITDA +2.2% ; PATAMI -6.9%
- 4Q YoY growth : Revenue +5.2% ; EBITDA +2.0% ; PATAMI +2.0%

❖ **FY14 was a challenging year, the Group performed below headline KPIs**

❖ **However maintained healthy net profit of RM2.35bn, cash of RM5.1bn and gross debt/EBITDA of 1.99x**

❖ **Total dividend declared 22 sen including 8 sen interim dividend for FY14, consistent with dividend policy**





## Key Group highlights (1/5):

After 8 years of exemplary growth & strong performance, Celcom saw challenges in 2014 **axiata**



- After 8 years of unstoppable growth and strong performance, 2014 was a challenging year as Celcom's revenue, normalised EBITDA, and normalised PATAMI is -3.5%, -6.4%, and -12.4% respectively.
- IT transformation affected customer services and ability to introduce new product offerings but will give Celcom long term competitive advantage.
- Strong data revenue growth (+24%), fuelled by mobile internet (+50%).



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



## Key Group highlights (2/5):

After flat growth, XL posted strong growth again and is now well positioned for the longer-term



- Revenue increased by 10.4% attributable to a surge in data (+42%), VAS (+50%) and Axis customer base.
- Integration of Axis completed ahead of schedule, with EBITDA breakeven in <12 months, much better than previously guided. In 4Q14, XL re-launched Axis brand to complement XL brand.
- Completed 3,500 tower sale to STP in 4Q14, and proceeds of Rp5.6trn (USD460m) will be used to pare down debt and improve capital position.



# Key Group highlights (3/5):

Dialog and Robi continued growth momentum & performed better than industry



- Revenue, EBITDA and PAT growth of 6.3%, 4.9% and 17.2% respectively, despite 9% decline in termination revenue which diluted EBITDA by 3%.
- Data grew 57%, now contributing 9% to revenue.



- Revenue, EBITDA and PAT growth of 9.4%, 18.3% and 20.4% respectively, outperforming industry.
- Revenue growth driven by data (+120%), device revenue and interconnect revenue; EBITDA margin improved by 2.9pp to 38.3%.

# Key Group highlights (4/5):

Smart continued to be the best performer in the industry



- **Very strong performance with revenue, EBITDA and PAT growth of 36.3%, 60.5% and 188.3% respectively.**
- **Revenue driven by voice (+19%) and data (+135%).**
- **Prepaid revenue grew 43%, contributing 76% to total revenue.**
- **Total data subscribers increased to 1.8m, i.e 27% of subscriber base.**



### Associates



- Stellar YTD performance with revenue, EBITDA and PAT growth of 19%, 28% and 63% respectively contributing RM243m (FY13: RM109m) to Axiata PATAMI



- Operating revenue increased 7%, EBITDA growth of 7% and outstanding PAT growth of 10% contributing RM145m (FY13: RM133m) to Axiata PATAMI

# Financials

Mixed results impacted primarily by Celcom system issues, Axis acquisition and forex losses; partly offset by strong overall performance at Robi, Dialog, Smart and Idea

## Financial highlights

<u>RM mn</u>	<u>4Q14</u>	<u>FY14</u>	<u>QoQ growth</u>	<u>YoY growth</u>	<u>FY growth</u>	<u>FY growth (constant currency)</u>
Revenue	4,813	18,712	3.4%	6.7%	1.9%	4.4%
EBITDA	1,767	6,999	4.0%	3.4%	-3.7%	-1.2%
EBITDA margin %	36.7%	37.4%	0.2pp	-1.2pp	-2.2pp	-2.2pp
PAT	614	2,344	1.0%	4.7%	-14.4%	-16.0%
Normalised PAT	480	2,309	-11.9%	-22.0%	-19.7%	-20.5%
PATAMI	595	2,349	-5.7%	3.4%	-7.9%	-9.2%
Normalised PATAMI	461	2,239	-13.7%	-20.8%	-15.4%	-16.1%
ROIC %		9.0%	-	-	-1.7pp	8.9%
ROCE %		7.6%	-	-	-1.0pp	7.5%
Capex	1,268	4,017	30.0%	-9.6%	0.6%	
<i>% of revenue</i>	26.3%	21.5%				
Operating Free Cash Flow*	141	1,663	-68.6%	>+100%	-17.8%	
<i>% of revenue</i>	2.9%	8.9%				

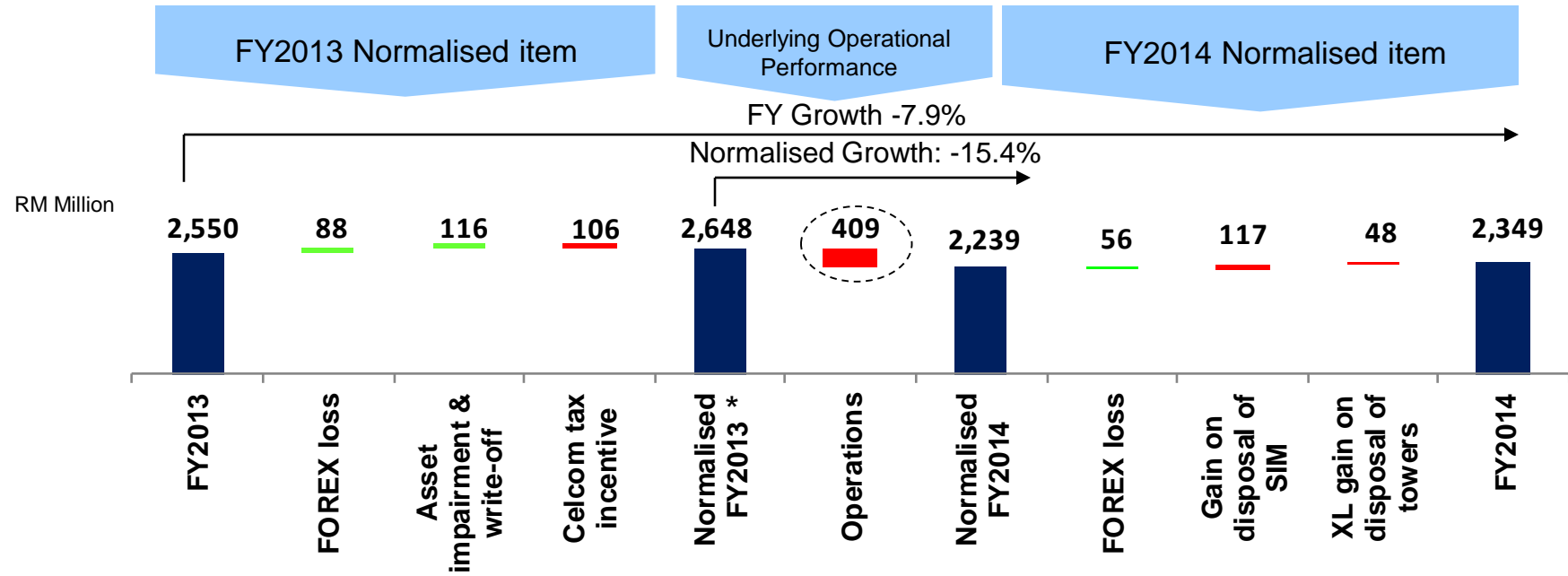
\*OFCF= EBITDA- Capex- Net Interest-Tax

Note: Group normalised items as per slide #9



# Normalised Group PATAMI : FY2013 → FY2014

Normalised performance lower by 15.4% due to Celcom and XL



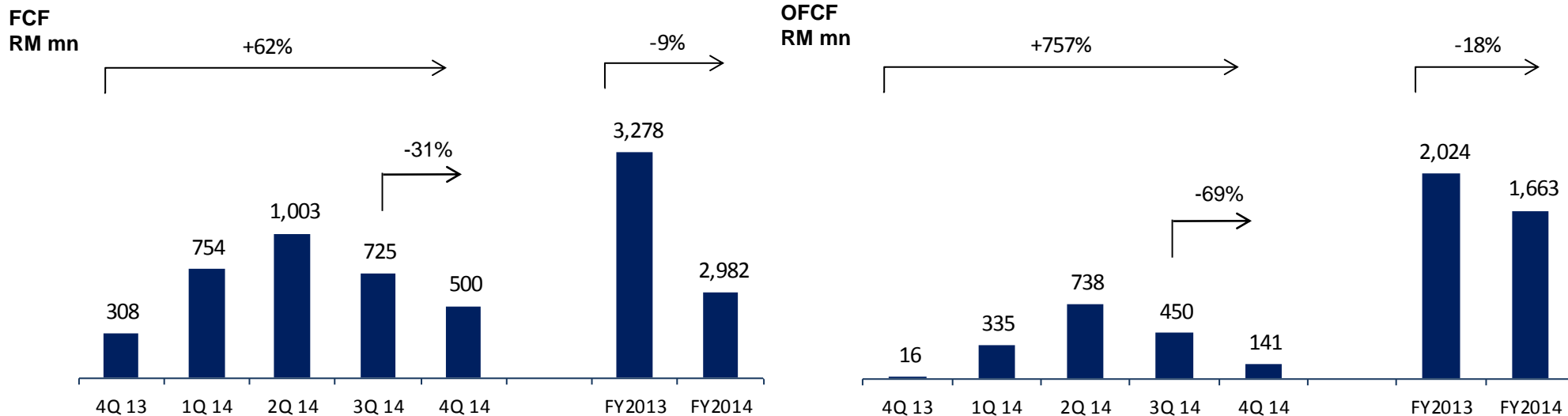
Norm PATAMI	FY2013	FY Growth Rates	Norm PATAMI	FY2014
Celcom	2,038	(-316) -15.5%	Celcom	1,722
XL	272	(-288) -105.9%	XL	(16)
Dialog	123	(+7) +5.4%	Dialog	130
Robi	121	(+51) +41.7%	Robi	172
Smart	52	(+40) +77.1%	Smart	92
Associates & Others	42	(+97) +233.6%	Associates & Others	139
<b>GROUP</b>	<b>2,648</b>	<b>(-409) -15.4%</b>	<b>GROUP</b>	<b>2,239</b>

OPERATIONAL CONTRIBUTION DECREASED BY RM409MN

\* For comparative purposes only

# Capital expenditure maintained, lower than planned

## Capex intensity stable at 22%



Capex ( RM mn )	FY2013	FY2014
Celcom	856	787
XL	1,942	1,690
Dialog	531	392
Robi	496	842
Smart	154	224
Others	14	83
<b>Total</b>	<b>3,993</b>	<b>4,017</b>

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

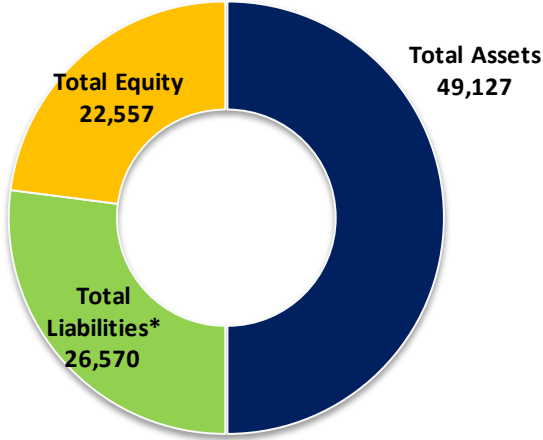


# Group statements of financial position

Group cash balance of RM5.1bn

## As at ended Dec'2014 Group Statements of Financial Position

RM' Million

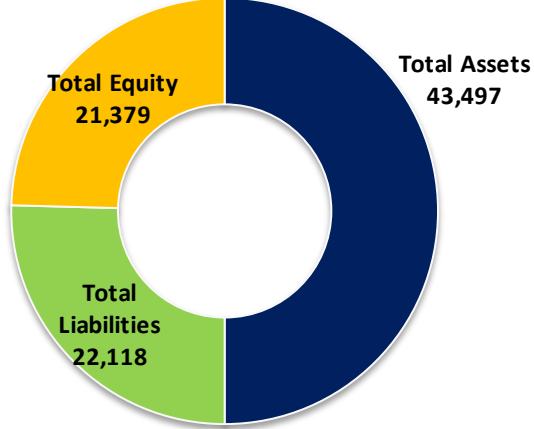


○ Credit rating remained unchanged for the Group is Baa2 (Moody's) and BBB+ (S&P).

\* Total debts of RM13,893mn

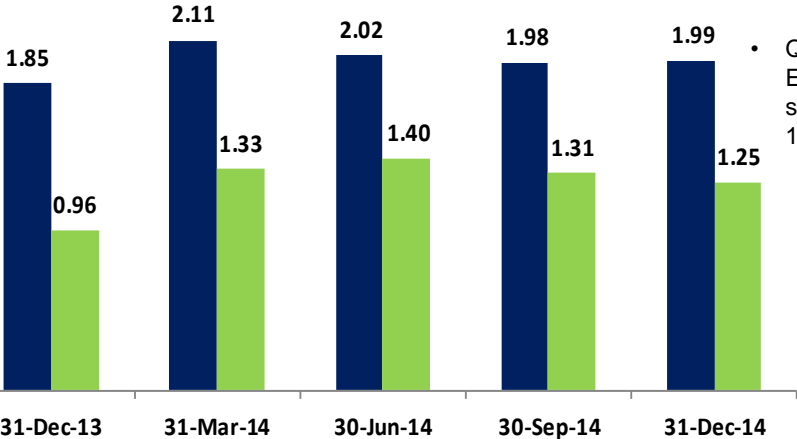
## As at ended Dec'2013 Group Statements of Financial Position

RM' Million



- Cash & bank increased by RM455mn (+9.8%) QoQ mainly coming from proceeds from disposal of XL towers (+RM1.5bn), partly off-set by lower OFCF and interim dividend paid to shareholders in Oct'14 (-RM686mn)
- Free Cash Flow (FCF) is RM3.0bn and Operating Free Cash Flow (OFCF) is RM1.7bn.

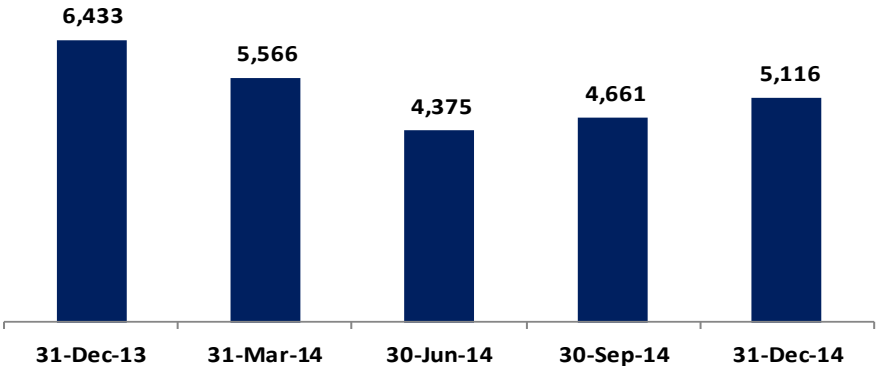
■ Gross debt to EBITDA    ■ Net debt to EBITDA



• QoQ Net Debt to EBITDA decreased slightly to 1.25x from 1.31x

## Cash and Bank

RM' Million



# FY14 headline KPIs: below expectation

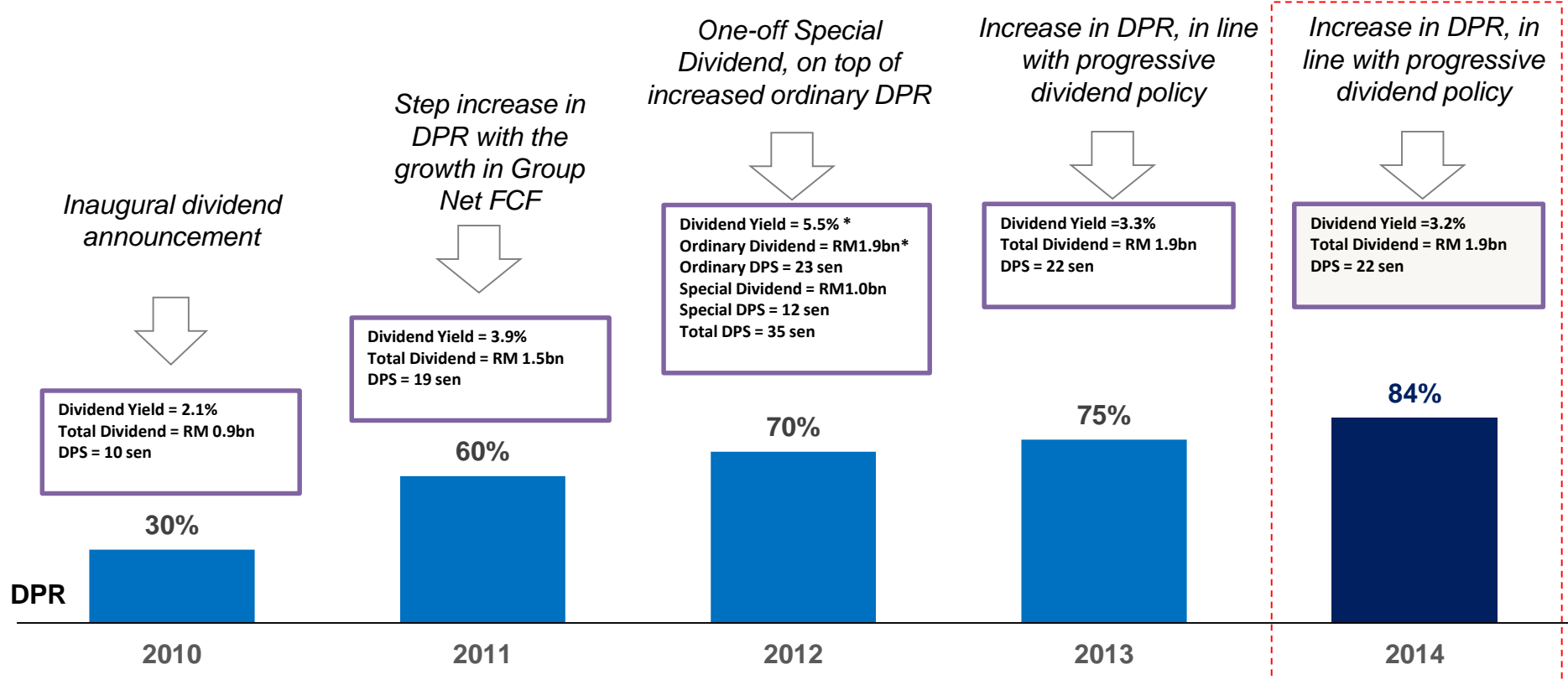
Internal and external factors affected KPIs

	FY2014 @ FY Rate	FY2014 @ Constant Currency	FY2014 Headline KPIs*
Revenue growth	1.9%	4.4%	10.1%
EBITDA growth	-3.7%	-1.2%	1.8%
ROIC (%)	9.0%	8.9%	9.3%
ROCE (%)	7.6%	7.5%	7.8%
Capex**	RM4.0bn	RM4.1bn	RM4.4bn

\*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.

# Progressive dividend payout policy maintained



- 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 84%, which marks a 9% increase from 2013's ordinary dividend payout ratio of 75%.
- The increased DPR of 84% is based on Axiata's financial performance, capital requirements, growth expansion strategies as well as dividends received from subsidiaries in FY14.
- 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

## FY15 Headline KPIs\*

<b>Revenue growth</b>	<b>4.0%</b>
<b>EBITDA growth</b>	<b>4.0%</b>
<b>ROIC (%)</b>	<b>8.7%</b>
<b>ROCE (%)</b>	<b>7.7%</b>

**Planned capex = RM4.8bn (Capex is not a headline KPI)**

*\*The above Headline KPIs are based on 2014 average forex rates for the respective currencies.*

## Opportunities

- ❖ **Regain growth momentum at Celcom post IT transformation; new products and better services**
- ❖ **XL leveraging on two brands – XL and Axis – for optimal market segmentation and the additional spectrum from Axis**
- ❖ **More affordable smartphones to support strong data growth**
- ❖ **Diligent efforts to improve cost and capex efficiencies eg. carrier collaboration, LCN/RCN**
- ❖ **edotco is moving in the right direction**

## Challenges

- ❖ **Slower industry growth in Malaysia**
- ❖ **Heightened political and regulatory risks in Bangladesh and Sri Lanka**
- ❖ **Currency volatility particularly IDR**



# Appendix





	QoQ Performance			FY Performance		
	Revenue	EBITDA	Normalised PAT <sup>1</sup>	Revenue	EBITDA	Normalised PAT <sup>1</sup>
Group	↑ 3%	↑ 4%	↓ -14%	↑ 2%	↓ -4%	↓ -15%
Celcom	↑ 1%	↑ 5%	↓ -3%	↓ -4%	↓ -11%	↓ -12%
XL	↓ -2%	↑ 12%	↑ >100%	↑ 10%	↓ -0.4%	↓ >-100%
Dialog	↑ 2%	↑ 1%	↓ -13%	↑ 6%	↑ 5%	↑ 17%
Robi	↑ 10%	↓ -7%	↓ -30%	↑ 9%	↑ 18%	↑ 20%
Smart	↑ 6%	↑ 10%	↓ -58%	↑ 36%	↑ 61%	↑ >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

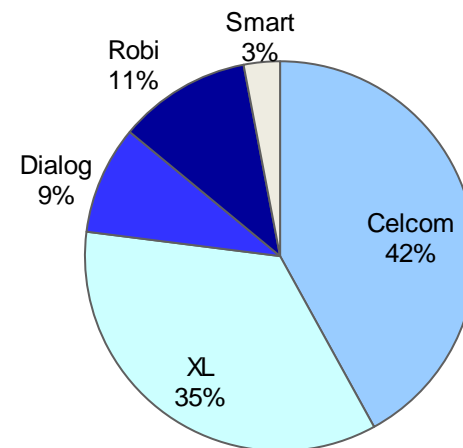
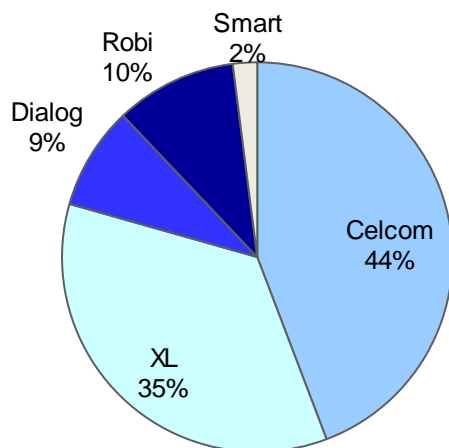


# Key OpCos revenue and EBITDA composition

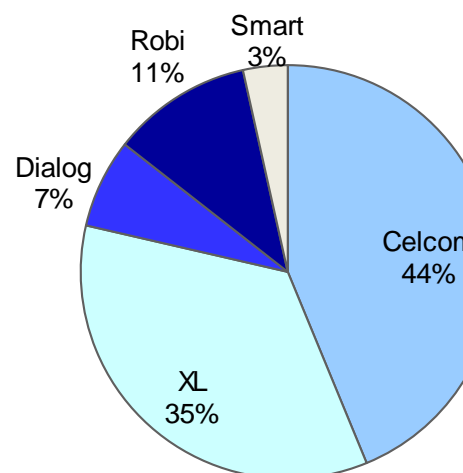
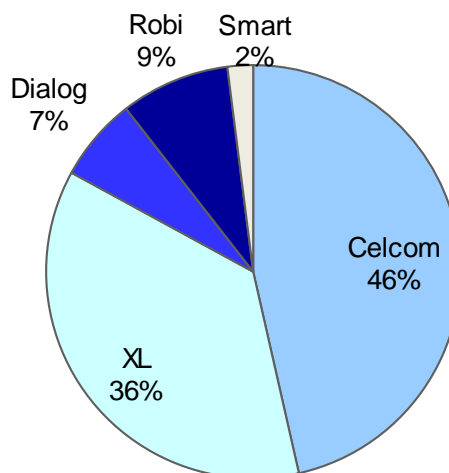
Robi and Smart continues to increase contribution to Group; increasing resilience of the Group from a diversified portfolio

FY 2013 REVENUE & EBITDA Breakdown (%)

FY 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

	FY2013*	FY2014	FY	Q4 13	Q4 14	YoY
Voice	9,583	9,415	-1.8%	2,363	2,332	-1.3%
% of Service revenue	61.9%	58.9%	-3.1 pp	61.7%	57.1%	-4.6 pp
SMS	2,223	1,956	-12.0%	508	475	-6.4%
% of Service revenue	14.4%	12.2%	-2.1 pp	13.3%	11.6%	-1.6 pp
VAS	938	1,039	+10.7%	238	253	+6.5%
% of Service revenue	6.1%	6.5%	+0.4 pp	6.2%	6.2%	-0.0 pp
Data	2,726	3,586	+31.5%	722	1,024	+41.8%
% of Service revenue	17.6%	22.4%	+4.8 pp	18.8%	25.1%	+6.2 pp
<b>Total Service revenue</b>	<b>15,471</b>	<b>15,997</b>	<b>+3.4%</b>	<b>3,831</b>	<b>4,084</b>	<b>+6.6%</b>
Others**	2,900	2,715	-6.4%	681	729	+7.0%
% of Total Revenue	15.8%	14.5%	-1.3 pp	15.1%	15.2%	+0.0 pp
<b>Total Revenue</b>	<b>18,371</b>	<b>18,712</b>	<b>+1.9%</b>	<b>4,512</b>	<b>4,813</b>	<b>+6.7%</b>

Data revenue grew 32% for FY2014 and 42% YoY.

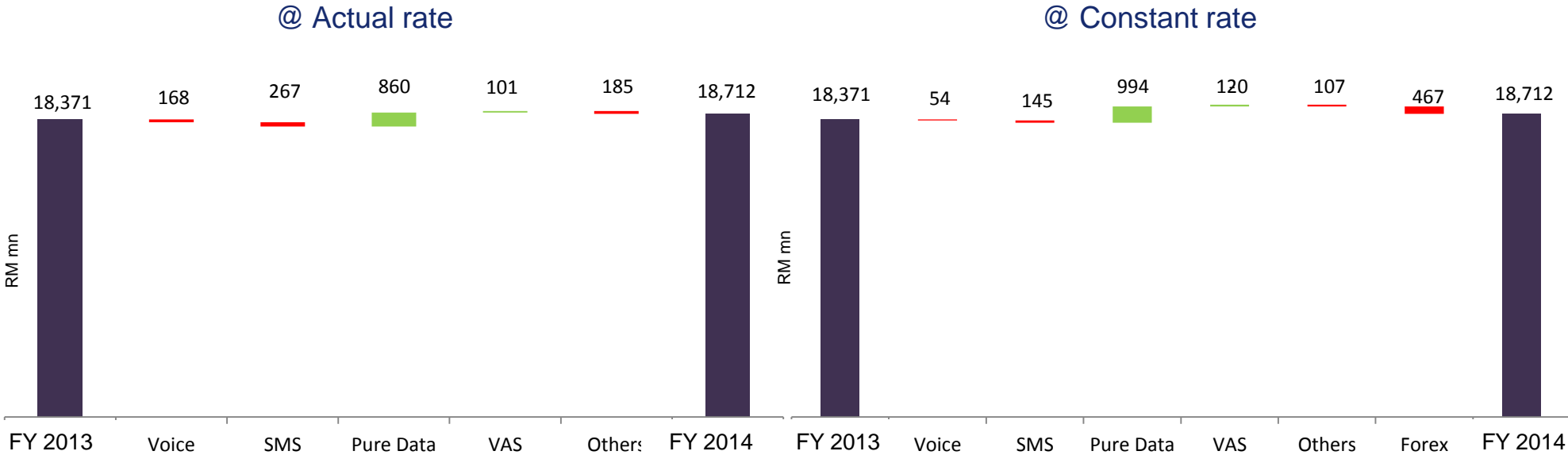
**Note:**

\* Revenue reclassified by Smart

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

Number may not add up due to rounding

# Group data revenue increase cushions decline in voice and SMS

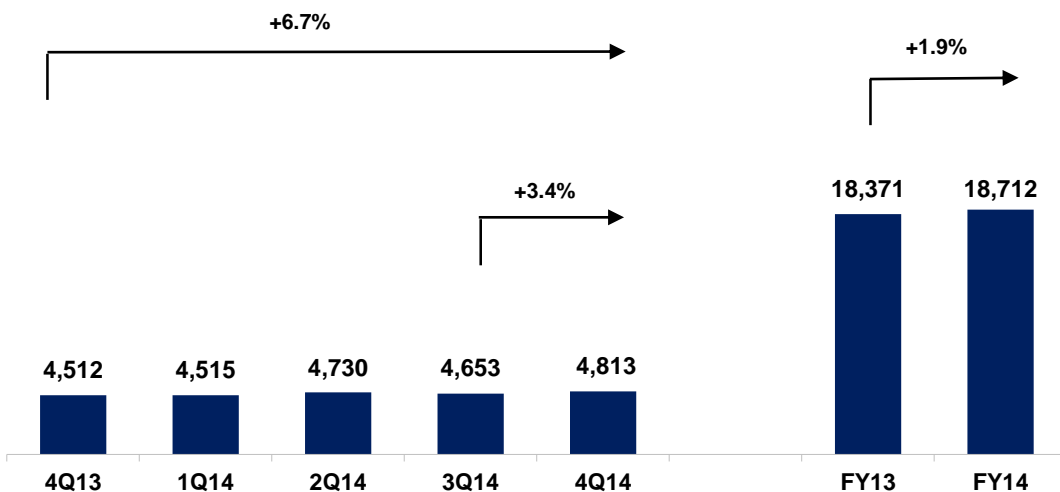


- Voice revenue dropped at Celcom. XL growth negatively impacted by forex. However, both have been compensated by growth at Robi, Dialog and Smart.
- SMS business dropped at Celcom. XL growth negatively impacted by forex.
- Data revenue has shown strong growth in all markets driven by increasing smartphone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



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

### Revenue (RM mn)

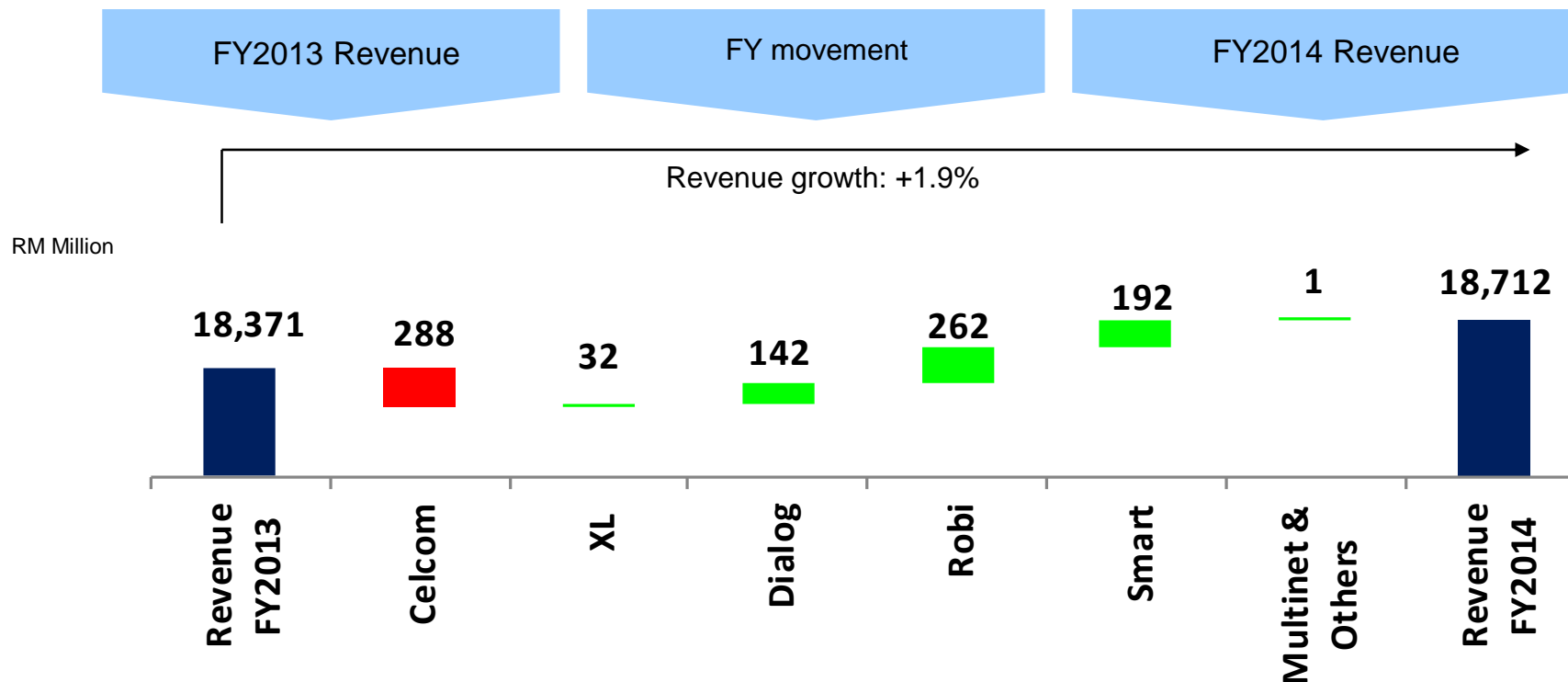


- Revenue QoQ increased attributed to Robi (device sales and data) and Dialog (TV and mobile).
- Revenue YoY increased mainly due to XL (better top line including Axis integration) and Robi (device sales, data and voice).
- At constant currency:
  - QoQ – revenue would increase by +1.7% (vs +3.4%)
  - YoY – revenue would increase by +5.2% (vs +6.7%)



# Group revenue : FY2013→FY2014

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

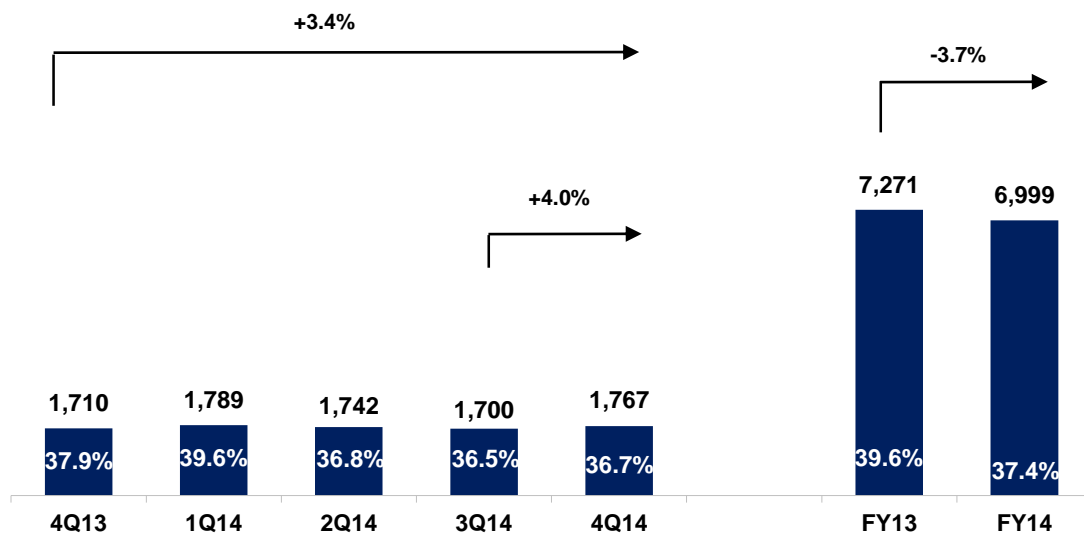


Revenue	FY2013	FY Growth Rates	Revenue	FY2014
Celcom	8,018	(-289) -3.6%	Celcom	7,729
XL	6,443	(+32) +0.5%	XL	6,475
Dialog	1,544	(+142) +9.2%	Dialog	1,686
Robi	1,823	(+262) +14.4%	Robi	2,085
Smart	396	(+192) +48.4%	Smart	588
Multinet & Others	147	(+1) +0.9%	Multinet & Others	148
<b>GROUP</b>	<b>18,371</b>	<b>(+341) +1.9%</b>	<b>GROUP</b>	<b>18,712</b>

# Group financial performance

QoQ EBITDA increase mainly due to Celcom and XL. However Celcom and XL contributed mainly to decrease in FY EBITDA

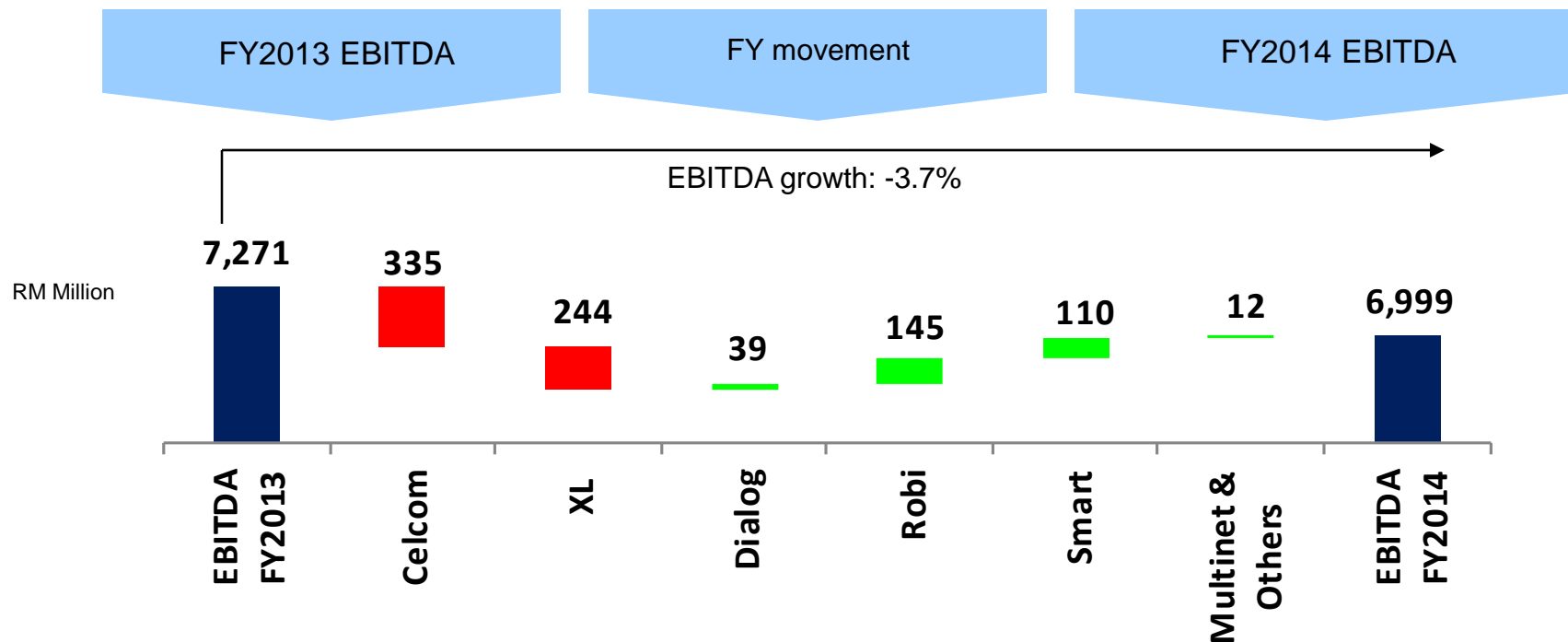
## EBITDA (RM mn) & Margin (%)



- EBITDA QoQ increased mainly due to XL (higher VAS and data revenue, and lower network costs) and Celcom (higher data revenue).
- EBITDA YoY increased mainly due to Robi (higher revenue and lower debt provision) and Dialog (higher revenue and lower regulatory costs).
- At constant currency:
  - QoQ – EBITDA would increase by +2.2% (vs +4.0%)
  - YoY – EBITDA would increase by +2.0% (vs +3.4%)

# Group EBITDA : FY2013→FY2014

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



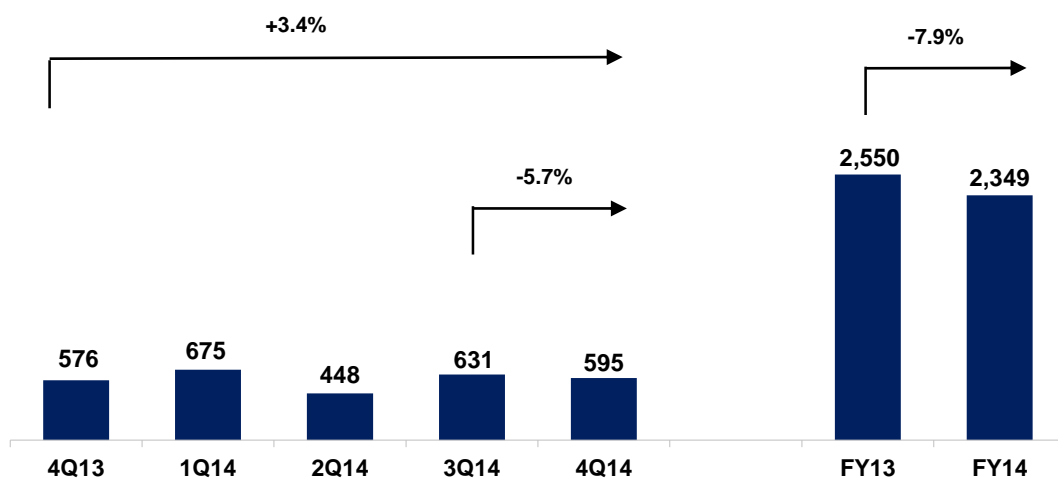
EBITDA	FY2013	FY Growth Rates	EBITDA	FY2014
Celcom	3,452 (-335)	-9.7%	Celcom	3,117
XL	2,712 (-244)	-9.0%	XL	2,468
Dialog	484 (+39)	+8.1%	Dialog	523
Robi	634 (+145)	+22.9%	Robi	779
Smart	139 (+111)	+80.1%	Smart	250
Multinet & Others	(150) (+12)	+7.9%	Multinet & Others	(138)
<b>GROUP</b>	<b>7,271 (-272)</b>	<b>-3.7%</b>	<b>GROUP</b>	<b>6,999</b>



# Group financial performance

Lower QoQ PATAMI mainly due to gains from disposal of Samart in 3Q14, partly off-set by higher XL EBITDA and gains from disposal of towers in 4Q14

## PATAMI (RM mn)

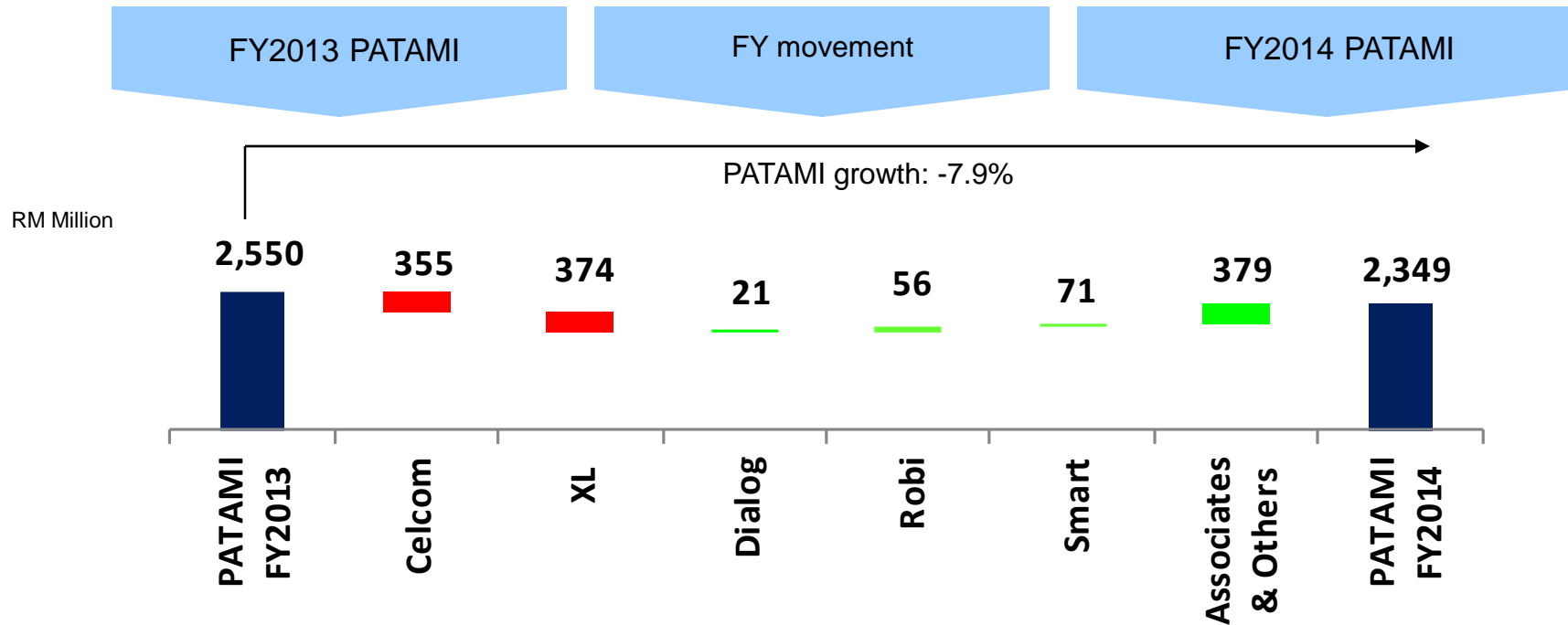


- PATAMI QoQ decreased mainly due to gains from disposal of Samart in 3Q14 but partly off-set by higher XL EBITDA and gains from disposal of towers in 4Q14.
- PATAMI YoY increased mainly due to net forex gains and higher Robi contribution.
- At constant currency:
  - QoQ – PATAMI would decrease by -6.9% (vs -5.7%)
  - YoY – PATAMI would increase by +2.0% (vs +3.4%)



# Group PATAMI : FY2013→FY2014

FY PATAMI decreased mainly from XL (lower EBITDA and forex losses) and Celcom (lower revenue)



PATAMI	FY2013	FY Growth Rates	PATAMI	FY2014
Celcom	2,074	(-354) -17.1%	Celcom	1,720
XL	206	(-374) -181.7%	XL	(168)
Dialog	108	(+21) +19.4%	Dialog	129
Robi	114	(+56) +49.2%	Robi	170
Smart	21	(+71) +344.0%	Smart	92
Associates & Others	27	(+378) +1415.6%	Associates & Others	405
<b>GROUP</b>	<b>2,550</b>	<b>(-201) -7.9%</b>	<b>GROUP</b>	<b>2,349</b>

# Group borrowings & cash

As at 31 December 2014

## Group Borrowings

RM Million	Loan Currency	Conventional	Islamic	Total
Holdco & Non Opco	USD*	1,050	-	1,050
	CNY	-	-	-
	<b>Sub-total</b>	<b>1,050</b>	<b>-</b>	<b>1,050</b>
Opcos	USD	4,882	-	4,882
	Local	2,937	5,026	7,961
	<b>Sub-total</b>	<b>7,819</b>	<b>5,026</b>	<b>12,843</b>
<b>Total Group</b>		<b>8,869</b>	<b>5,026</b>	<b>13,893</b>

\* As at 31 Dec 2014, Holdco & Non Opcos USD borrowings have been fully hedged – USD300mn to SGD421.3mn, and from floating to fixed rate. 60% of total group external USD loan and interest exposure are hedged naturally or with financial institution.

## Group Cash Balance

RM Million	Currency	Amount
Holdco & Non Opco	USD & other FCY	171
	Local	337
	<b>Sub-total</b>	<b>508</b>
Opcos	USD	273
	Local	4,335
	<b>Sub-total</b>	<b>4,608</b>
<b>Total Group</b>		<b>5,116</b>

# Except for IDR, currencies at most OpCos appreciated against RM in FY14

	OpCo Currency Vs RM, USD – Avg Q4'14 vs Q3'14		OpCo Currency Vs RM, USD – Avg FY2014 vs FY2013	
Indonesia Rupiah, IDR	+1.10%	-4.04%	-8.91%	-12.32%
Sri Lanka Rupee, LKR	+4.85%	-0.49%	+2.76%	-1.08%
Bangladesh Taka, BDT	+5.42%	+0.06%	+4.54%	+0.63%
US Dollar, USD	+5.36%	+0.00%	+3.89%	+0.00%
Singapore Dollar, SGD	+1.78%	-3.40%	+2.59%	-1.25%
Pakistan Rupee, PKR	+3.80%	-1.49%	+4.38%	+0.48%
Indian Rupee, INR	+3.04%	-2.20%	-0.64%	-4.35%
Malaysia Ringgit, RM	+0.00%	-5.36%	+0.00%	-3.89%

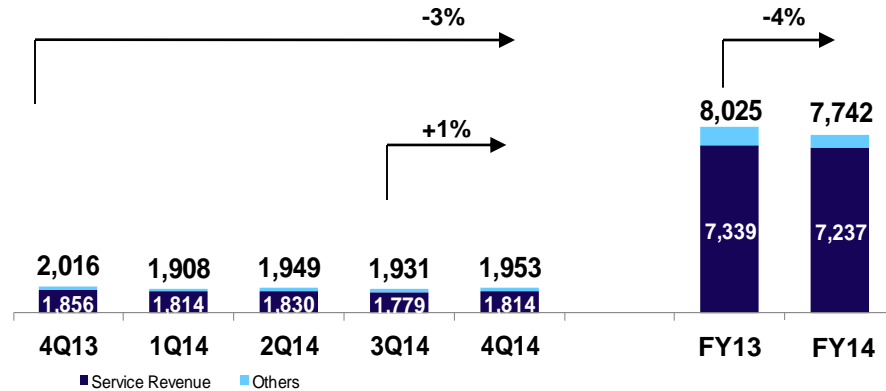
**Impact to translated RM revenue is +1.7pp QoQ and -2.5pp FY**



# Celcom : financial performance

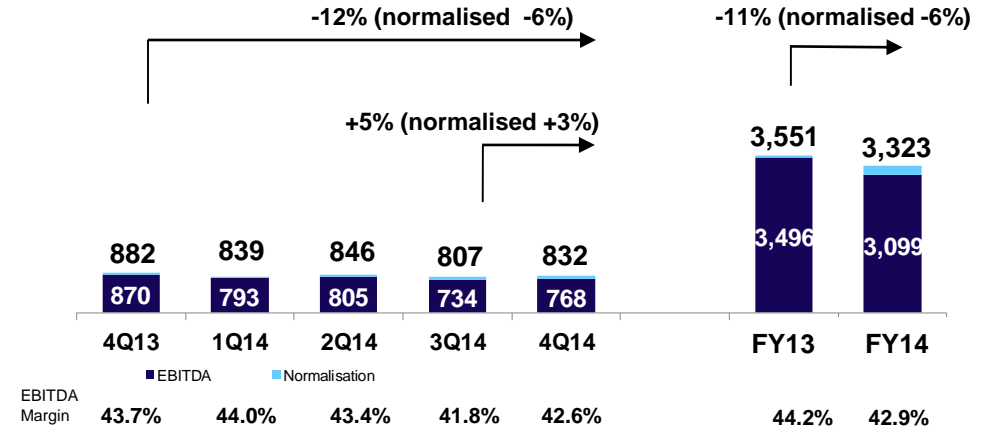
A positive take up in 4Q14 whilst stabilisation of IT transformation is in progress

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



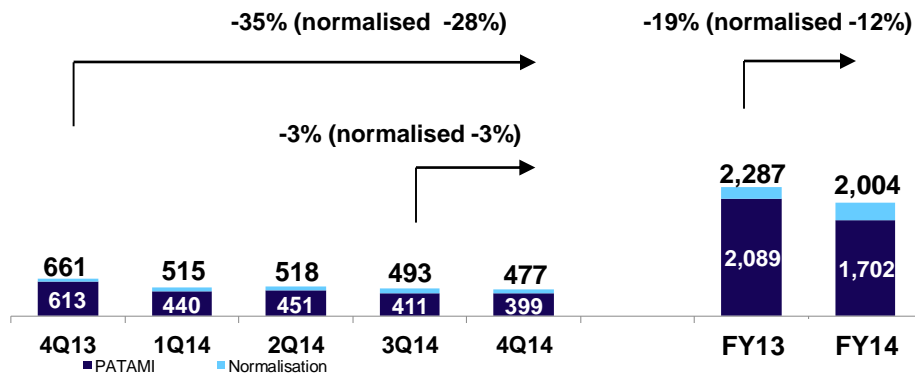
	4Q13	1Q14	2Q14	3Q14	4Q14	FY13	FY14
Total Data (incl. SMS)	35%	36%	37%	37%	39%	34%	37%
Adv. Data (excl. SMS)	26%	29%	30%	30%	33%	25%	30%
Sales of handset and devices	64	24	46	48	61	264	180

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



	4Q13	1Q14	2Q14	3Q14	4Q14	FY13	FY14
EBITDA Margin	43.7%	44.0%	43.4%	41.8%	42.6%	44.2%	42.9%

## PATAMI (RM mn)\*



- Data revenue grew strongly QoQ on the back of higher mobile internet take up. This compensated the decline in voice revenue.
- Sales of handset/devices up 27% QoQ in conjunction with the release of iPhone 6 during the quarter.
- Higher revenue flow through delivers QoQ EBITDA improvement.

\*  
 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

# Celcom : financial performance

Margin improved QoQ mainly from effective management of marketing cost

## Operating Expenses<sup>^</sup>

% of Revenue	4Q13	3Q14	4Q14	FY13	FY14
Direct Expenses	26.3%	27.9%	27.7%	25.5%	27.5%
Sales and Marketing	7.3%	6.7%	6.1%	7.9%	7.1%
Network Cost	8.8%	10.3%	10.6%	9.5%	10.2%
Staff Cost	8.1%	7.6%	7.5%	7.3%	7.6%
Bad Debts	0.8%	0.5%	0.9%	0.4%	0.5%
Others	5.0%	5.3%	4.6%	5.0%	4.1%
Total Expenses	56.3%	58.2%	57.4%	55.8%	57.0%
EBITDA Margin	43.7%	41.8%	42.6%	44.2%	42.9%
Depreciation & Amortisation	8.8%	9.2%	10.2%	10.7%	9.7%

### QoQ

- Sales and marketing cost continue to improve with continuous initiatives in managing cost efficiently.
- Higher other cost in 3Q14 was associated with USP projects completed in the quarter.

### YTD

- Despite improvement in marketing cost, EBITDA margin was impacted by the change in revenue mix and Celcom's commitment in providing the best customers experience and network quality.

## Financial Position (RM mn)

	FY13	FY14
Capex	923	845
Cash and Cash Equivalents	3,350	2,032
Gross Debt	5,036	5,026
Net Assets	-850	-1,074
Gross Debt / Equity (x)	n/m	n/m
Gross Debt / EBITDA (x)	1.4	1.5

<sup>^</sup> OPEX and EBITDA Margin excludes holding company charge, impact of Edotco disposal and Escape

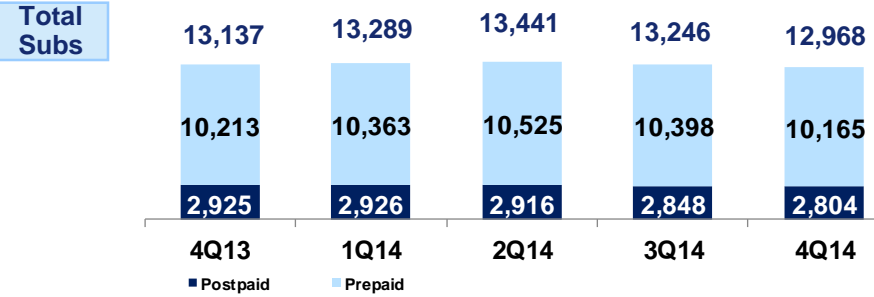
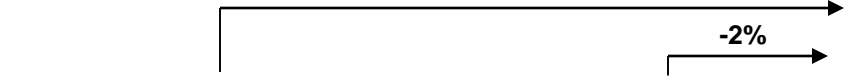
# Celcom : operational performance

## Focusing on quality acquisition and retention



### Subscribers (000's)

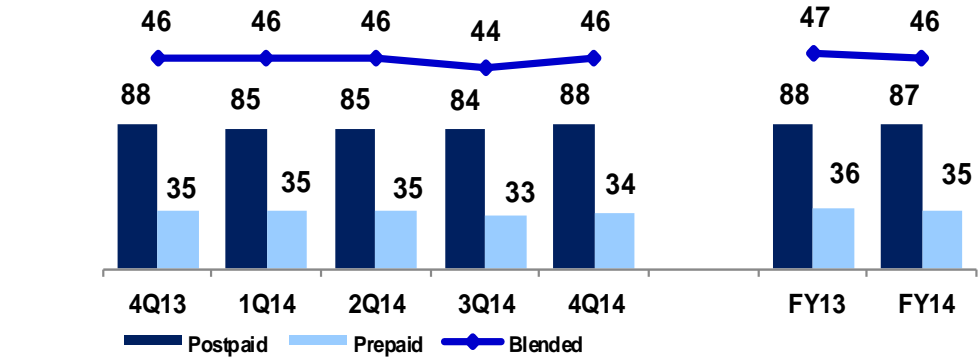
<b>Net Adds</b>	<b>-354</b>	<b>152</b>	<b>152</b>	<b>-195</b>	<b>-278</b>
Prepaid	-338	150	162	-127	-233
Postpaid	-16	1	-10	-68	-44



Broadband Subs^	1,226	1,228	1,302	1,433	1,489
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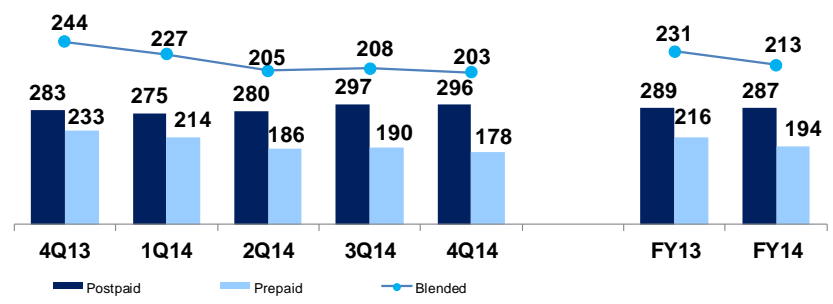
^ Included as part of postpaid subscriber. ARPU and subscriber are based on postpaid monthly plan

### ARPU (RM)



Broadband ARPU^	54	53	51	49	46	58	50
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### MOU/sub (min)



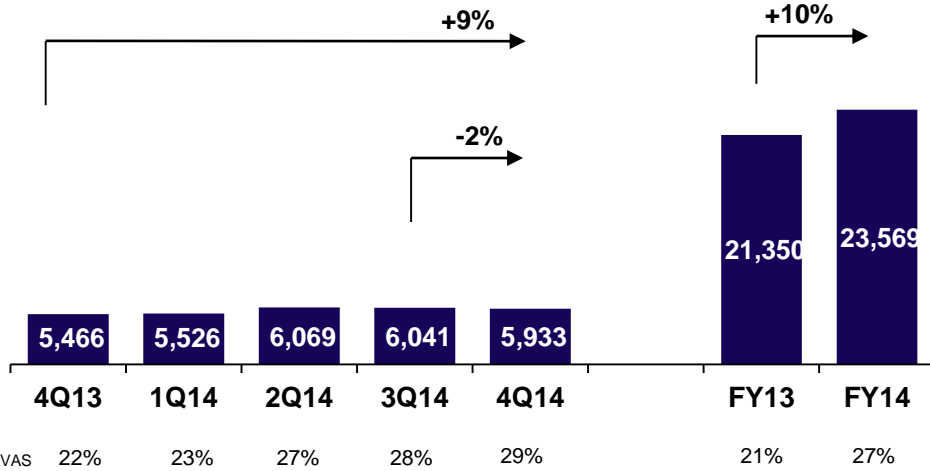
- Improvement in ARPU in tandem with seasonally higher usage during year end holiday.
- Lower MOU as result of data substitution.



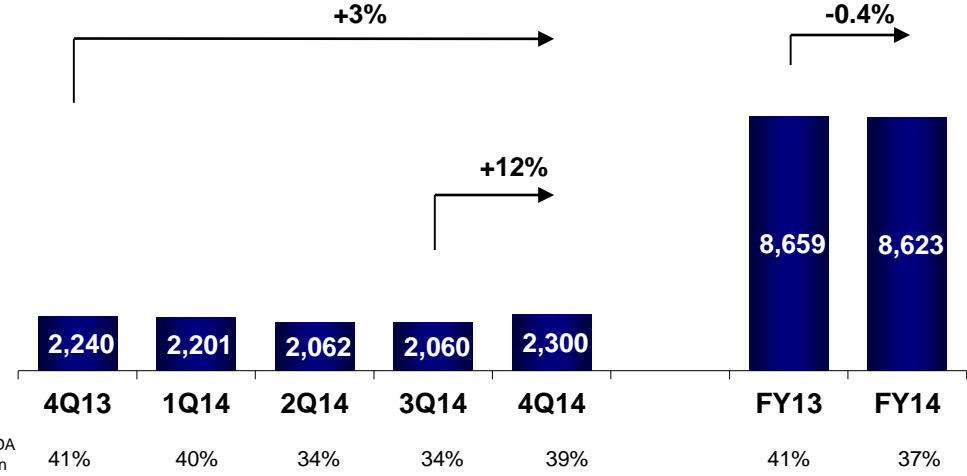
# XL : financial performance

## YoY revenue growth driven by higher data revenue

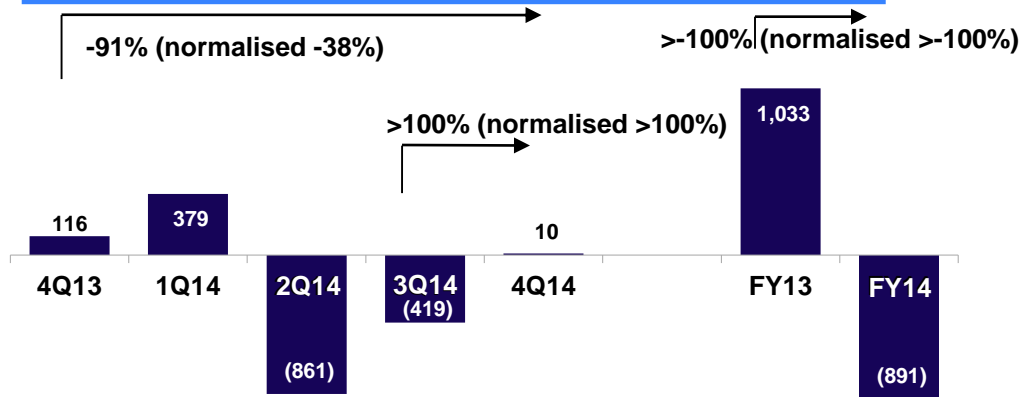
### Revenue (IDR bn) & % of revenue (%)



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



### PAT (IDR bn)



- Revenue grew by 10% YoY with higher data contribution. Data revenue grew by 42% YoY as adoption remained strong with data traffic increasing 127% YoY.
- EBITDA was stable at Rp 8.6 trillion while EBITDA margin stood at 37%.



# XL : financial performance

Margins impacted by higher network cost and negative EBITDA from Axis

## Operating Expenses

% of Revenue	4Q13	3Q14	4Q14	FY13	FY14
Direct Expenses	15.8%	14.1%	13.3%	17.5%	14.2%
Sales and Marketing	5.7%	6.3%	6.9%	6.3%	6.0%
Network Cost	30.2%	37.5%	32.9%	28.2%	34.9%
Staff Cost	4.2%	5.0%	4.7%	4.4%	4.9%
Others	2.9%	2.3%	3.3%	2.6%	2.8%
Total Expenses	58.8%	65.1%	61.0%	59.0%	48.9%
EBITDA Margin	41.0%	34.1%	38.8%	40.6%	36.6%
Depreciation & Amortisation	27.0%	31.6%	30.1%	27.0%	29.5%

- Direct expenses – decreased YoY due to decline in off-net SMS traffic and subsequently lower interconnect costs.
- Sales and Marketing expenses – increased QoQ due to higher sales commission but compensated by lower advertising & promotion spend.
- Network cost – increased YoY as XL continued to rollout network infrastructure (lease model) to support data growth, as well as additional cost from Axis integration.
- Depreciation and amortisation – increased YoY due to impact from Axis acquisition, as well as continuous investment in data infrastructure in FY14.

## Financial Position (IDR bn)

	FY13	FY14
Capitalized Capex	6,932	5,749
Cash and Cash Equivalents	1,318	6,951
Net Debts	16,504	22,677
Net Assets	15,300	13,961
Debt / Equity (x)	1.2	2.1
Debt / EBITDA (x)	2.1	3.4

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

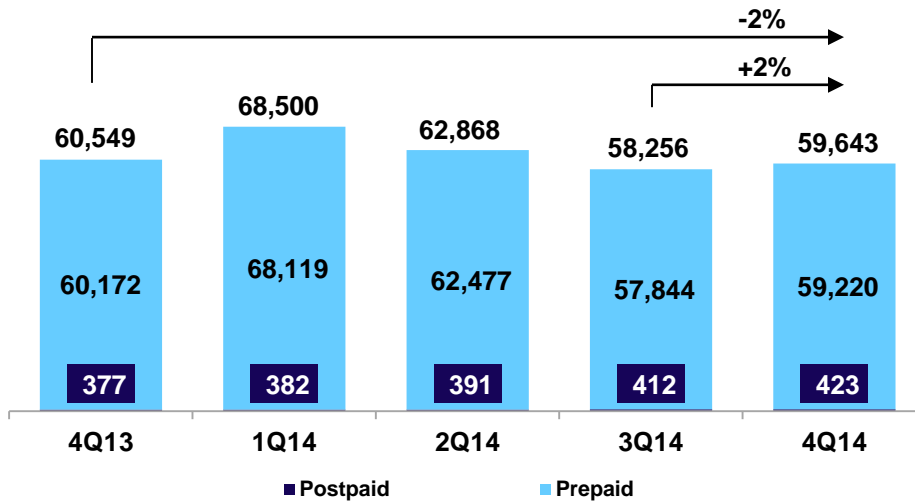


# XL : operational performance

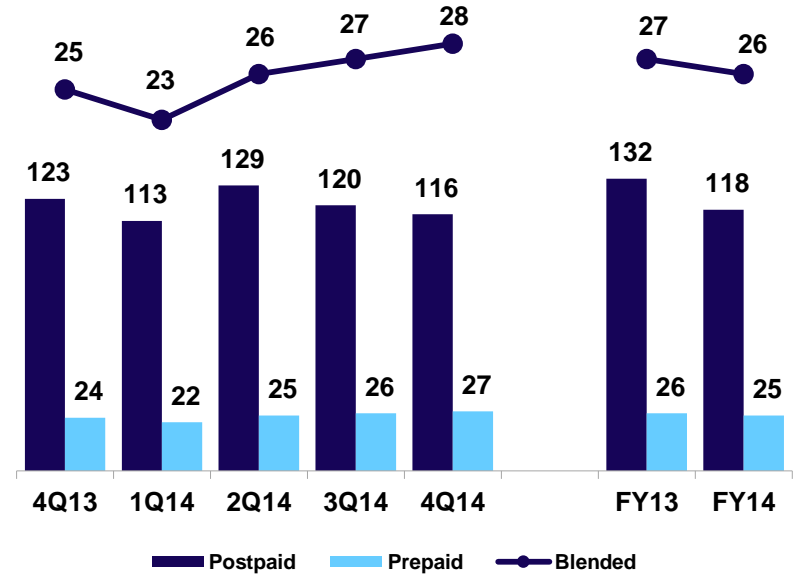
More than 50% data subscribers; higher data adoption rate

## Subscribers (000's)

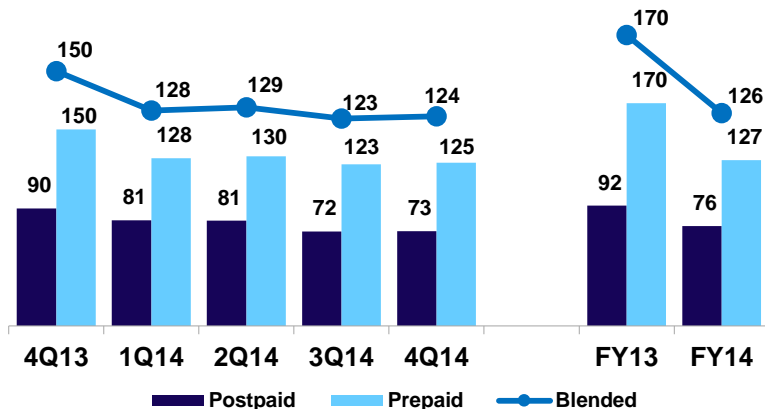
<b>Net Adds</b>	<b>2,460</b>	<b>7,951</b>	<b>-5,632</b>	<b>-4,612</b>	<b>1,387</b>
Prepaid	2,415	7,947	-5,642	-4,633	1,376
Postpaid	45	5	9	21	11



## ARPU (IDR thousands)



## MOU/sub (min)



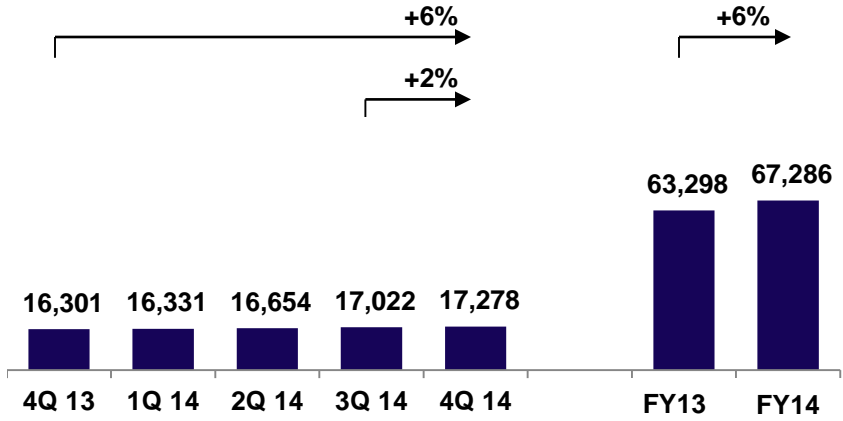
- Total data subscribers reached 30.5m or 51% of the total base while ARPU increased by 4% QoQ.
- Lower MOU as a result of data substitution.

# Dialog : financial performance

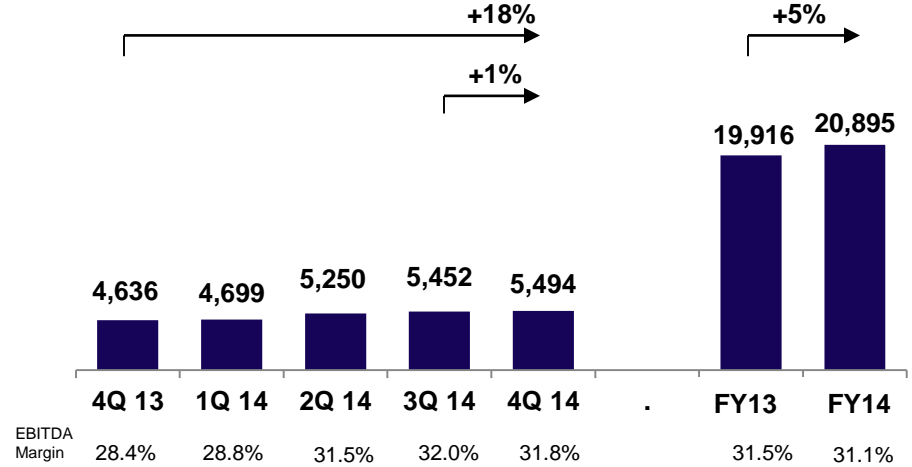
YoY PAT improvement driven by higher EBITDA and lower forex translation losses



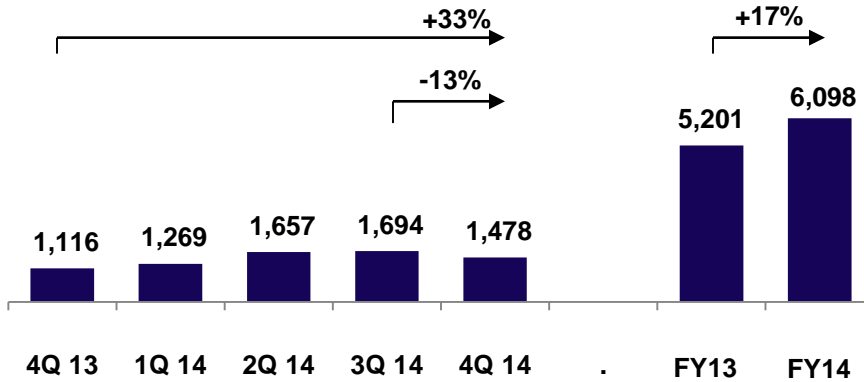
## Revenue (SLR mn)



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



## PAT (SLR mn)



- Revenue grew by 2% QoQ and 6% YoY, driven by growth in mobile voice and data, television and fixed revenues.
- EBITDA improvement driven by growth in revenue.
- PAT increased 17% YoY on the back of strong EBITDA performance and decrease in forex translational losses; PAT decreased 13% QoQ due to forex translational loss of Rs290m recorded in 4Q14.



### Operating Expenses

% of Revenue	4Q 13	3Q 14	4Q 14	FY13	FY14
Direct expenses	30.5%	28.9%	27.7%	29.2%	28.5%
Sales & Marketing	11.9%	12.4%	13.5%	12.2%	12.8%
Network costs	13.1%	12.3%	12.6%	12.5%	12.5%
Staff costs	8.3%	8.4%	8.5%	8.6%	8.5%
Bad debts	2.2%	0.5%	0.5%	1.4%	1.3%
Overheads	5.6%	5.5%	5.4%	4.7%	5.3%
<b>Total Expenses</b>	<b>71.6%</b>	<b>68.0%</b>	<b>68.2%</b>	<b>68.5%</b>	<b>68.9%</b>
<b>EBITDA Margin</b>	<b>28.4%</b>	<b>32.0%</b>	<b>31.8%</b>	<b>31.5%</b>	<b>31.1%</b>
Depreciation & Amortisation	20.6%	19.0%	19.4%	19.5%	19.3%

- EBITDA margin declined 0.2ppts QoQ due to higher network cost and marketing spend, on the back of promotional campaigns carried out during 4Q14.
- EBITDA margin declined 0.4ppts in FY14 due to higher marketing spend on sponsorship and promotional campaigns, and expiration of VAT credit recognised during FY13.

### Financial Position (SLR mn)

	FY13	FY14
Capex*	21,224	15,204
Cash & Cash Equivalents	3,218	10,774
Gross Debt**	27,587	27,874
Net Assets	39,735	44,832
Gross Debt / equity (x)	0.69	0.62
Gross Debt/ EBITDA (x)	1.39	1.33
Net Debt/ EBITDA (x)	1.29	0.92

- Group maintains a structurally strong balance sheet with net debt to EBITDA ratio at 0.92x.

\* FY13 capex is excluding spectrum acquisition and license renewal capex of Rs7,075Mn

\*\* Gross debt excludes book overdraft balances

# Dialog : operational performance

## Mobile subscriber growth continues

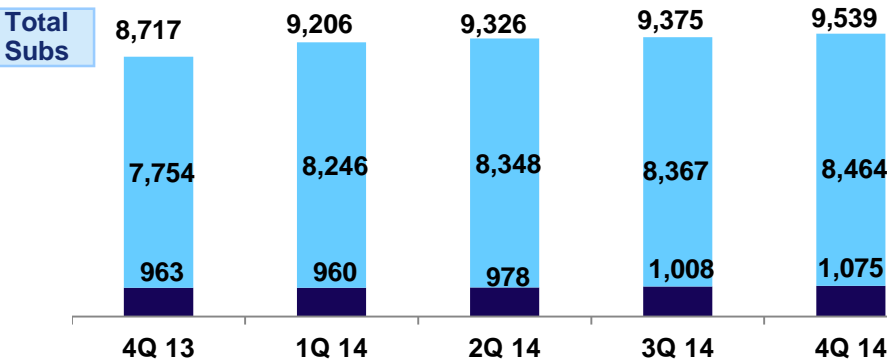


### Subscribers (000's)

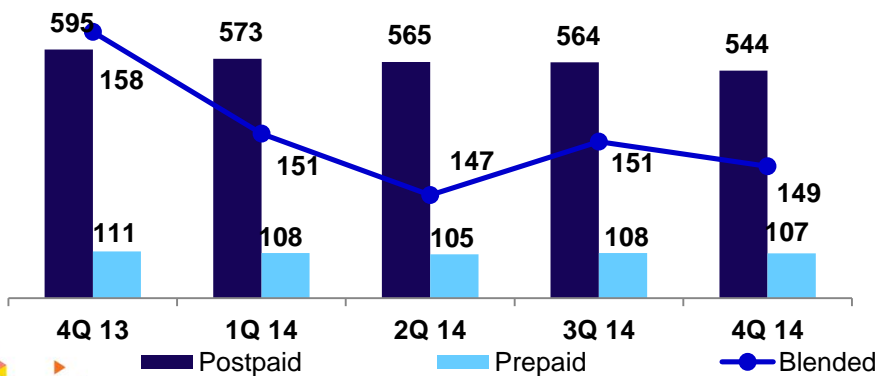
<b>Net Adds</b>	<b>250</b>	<b>489</b>	<b>120</b>	<b>49</b>	<b>165</b>
Prepaid	231	492	102	19	98
Postpaid	19	-3	18	30	67

+9%

+2%

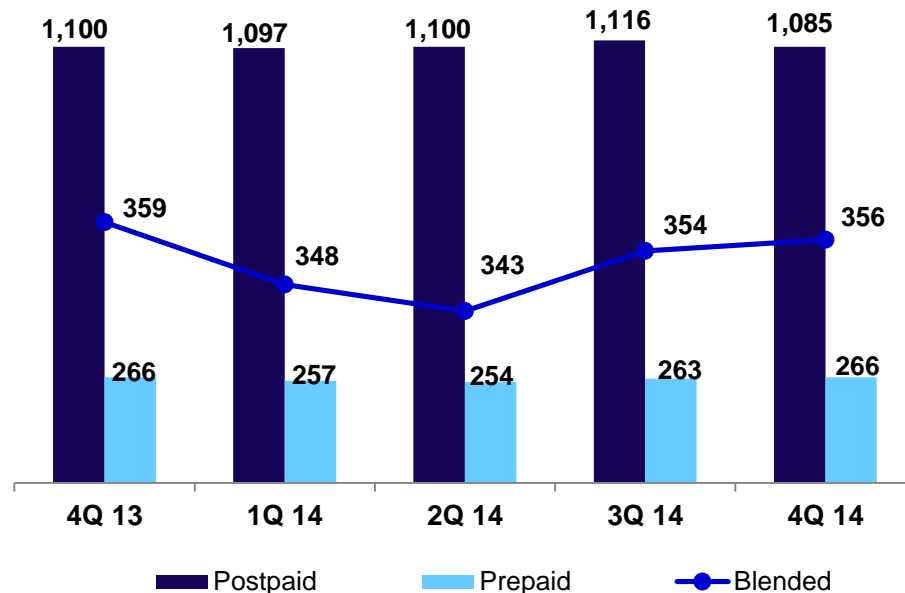


### MOUs (min)\*



\* MOUs are based on outgoing min

### ARPU (SLR)



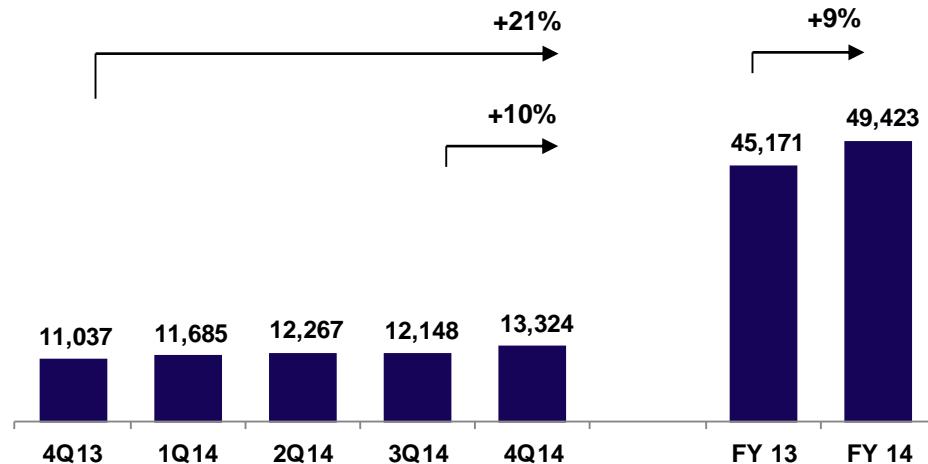
- Prepaid segment driving the YoY subscriber growth of 9%.
- MoUs and ARPUs remained stable QoQ.



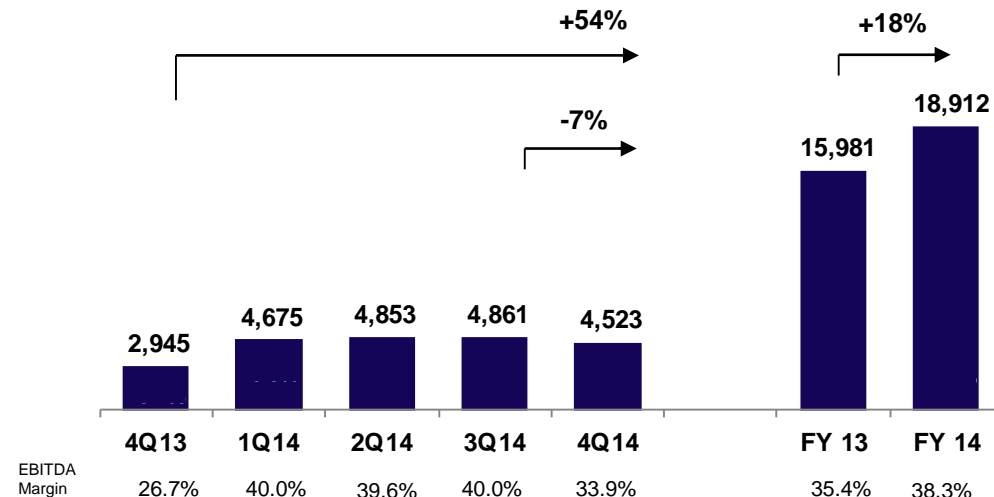
# Robi : financial performance

YoY PAT growth driven by revenue growth coupled with smart spending

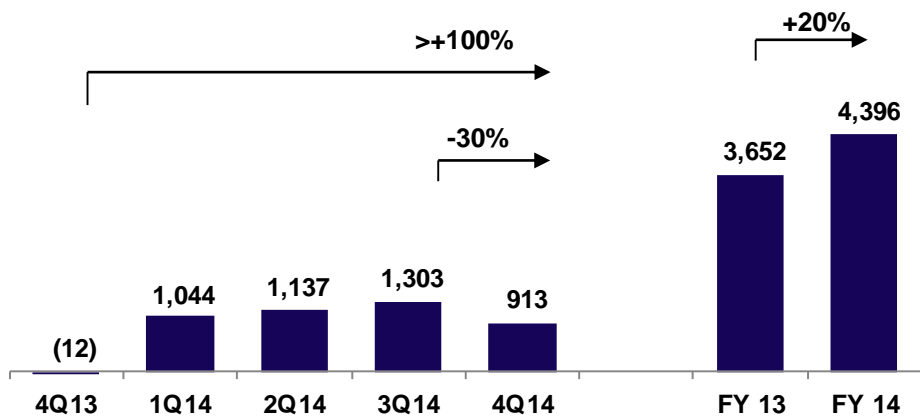
## Revenue (BDT mn)



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



## PAT (BDT mn)



- FY14 revenue growth driven by growth in data revenue (+120%), device revenue and interconnect revenue.
- Smart spending during the year contributed to 2.9 ppts EBITDA margin improvement.



### Operating Expenses

% of Revenue	4Q 13	3Q 14	4Q 14	FY13	FY14
Direct expenses	36.9%	34.3%	39.3%	37.2%	34.4%
Sales & Marketing	5.1%	5.1%	5.7%	4.5%	5.1%
Network costs	10.8%	10.4%	10.3%	9.8%	10.9%
Staff costs	5.4%	4.7%	5.5%	5.4%	5.4%
Bad debts	7.8%	-0.2%	0.5%	1.9%	0.3%
Others	7.3%	5.6%	4.7%	5.8%	5.7%
<b>Total Expenses</b>	<b>73.3%</b>	<b>60.0%</b>	<b>66.1%</b>	<b>64.6%</b>	<b>61.7%</b>
<b>EBITDA Margin</b>	<b>26.7%</b>	<b>40.0%</b>	<b>33.9%</b>	<b>35.4%</b>	<b>38.3%</b>
Depreciation & Amortisation	20.4%	21.0%	20.6%	17.9%	20.3%

### Financial Position (BDT mn)

	FY13	FY14
Capex	12,820	20,986
Cash & Cash Equivalents	4,779	2,746
Gross Debt	11,355	9,033
Net Assets	42,114	45,096
Gross Debt / equity (x)	0.27	0.20
Gross Debt/ EBITDA (x)	0.71	0.48

Continuous capex investment to enhance 3G market competitiveness and provide better 2G experience.

#### QoQ

- Higher direct expenses – due to higher device sales.
- Higher market spending to support product promotion.

#### YTD

- Lower direct expenses – mainly due to change in SIM tax.
- Higher network cost due to 2G and 3G site expansion, electricity and fuel price hike.
- Depreciation and amortisation – due to higher investment in 3G capex and license amortisation.

#### Balance sheet

- Healthy balance sheet structure with strong leverage position for funding.



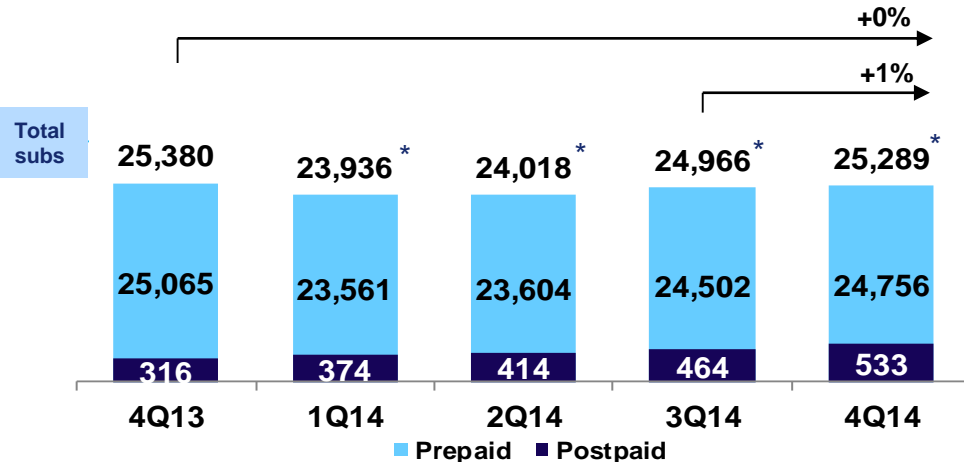
# Robi : operational performance

## Strong focus on subscriber acquisition and retention

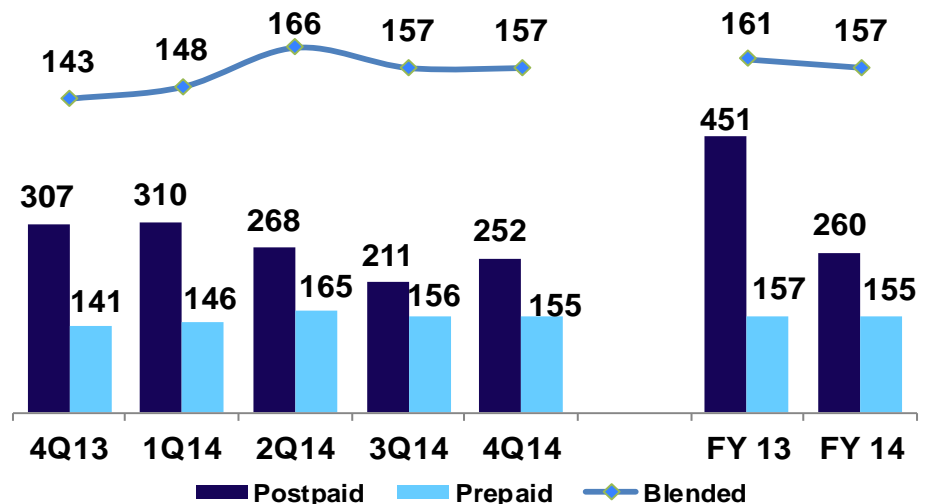


### Subscribers (000's)

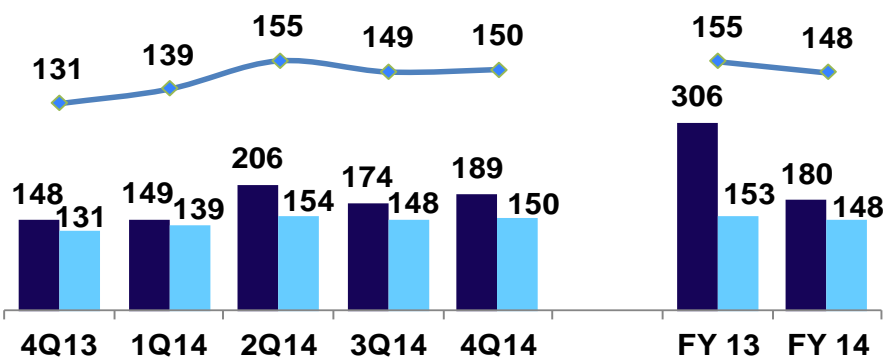
<b>Net Adds</b>	<b>551</b>	<b>-1,445</b>	<b>82</b>	<b>948</b>	<b>323</b>
Prepaid	549	-1,503	42	898	254
Postpaid	2	59	40	50	69



### ARPU (BDT)



### MOU/sub (min)



- FY14 ARPU and MOU/sub declined due to acquisition of subscribers in rural areas.
- QoQ MOU increased due to Ramadan impact in 3Q14, which is in line with industry MOU.

Legend: Postpaid (dark blue bar), Prepaid (light blue bar), Blended (blue line with diamond)

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





# Regional mobile : QoQ performance highlights

## COMPANY

## HIGHLIGHTS

## QUARTER ON QUARTER PERFORMANCE



During 3QFY15, Idea carried 170.7bn minutes on its network, registering 5.1% QoQ growth; and 46.1bn MB of mobile data on its 2G+3G platform, registering 16.9% QoQ growth. Subscriber base increase 17% to 150mn while ARPU increased by Rs.10 to Rs.179.



Launched in December 2014, Singapore's first next-generation 4G network (LTE-Advanced), enables download speed of up to 300Mbps. During the quarter, fibre customer base grew to 103k.



Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for 3QFY15 vs 2QFY15.

# Regional mobile : YTD performance highlights

COMPANY

HIGHLIGHTS

YTD PERFORMANCE



Robust revenue growth on back of increase in subscribers (+17%), voice MOUs (+16%) and mobile data volume (+127%).

Revenue

19%

EBITDA

28%

PAT

63%



Recommended a final dividend of 11.9 cents per share, taking full year payout to a total of 18.9 cents per share (vs 21.0 cents per share in FY13).

Revenue

7%

EBITDA

7%

PAT

10%

Note: Idea and wholly owned subsidiaries on a consolidated basis. Idea results for 9MFY15 vs 9MFY14.

# Thank You

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**Axiata Group Berhad**