

MEDIA RELEASE

Axiata Delivers Another Strong Performance into 2010 with 1Q PATAMI of RM921 million

- **Dialog records a turnaround in profitability after six quarters of losses**
- **XL posts another strong quarter whilst Celcom maintains leadership in mobile broadband with highest net additions ever**
- **Idea shows robust finish in their financial year amidst exacting sector conditions**
- **Group wide focus on costs and profitability continues to show significant gains with EBITDA up 52% and PATAMI up by more than 100% (year on year)**

Kuala Lumpur, 27th May, 2010 – Axiata Group Berhad (**Axiata**), today announced strong results for the first quarter of 2010 which saw positive trends continuing across Operating Companies showing clear signs of sustainability.

The Group reported revenue of RM3.8 billion, up 31% year-on-year (**YoY**) due to continued momentum at all of the major operating companies. Similarly, Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) was up 52%, to RM1.7 billion. EBITDA margin improved by an impressive 6.1 percentage points in the same period, due to strong performances at PT XL Axiata Tbk. (**XL**), Dialog Group (**Dialog**) and Celcom Axiata Berhad (**Celcom**). Profit after Taxation and Minority Interests (**PATAMI**) increased by more than 100%, to RM921 million. Excluding the gain of RM308 million, from the disposal of XL shares and other one-off items, normalized PATAMI was up by more than 100% to RM594 million.

The Cost Management Programme (**CMP**), implemented in 2Q09, showed continued traction in the quarter, with sequential improvements in EBITDA, up 3% quarter-on-quarter (**QoQ**). Profitability was also up by 8% QoQ.

Regional mobile subscribers grew 37% to 130 million.

ACCELERATED PERFORMANCE AT CELCOM AND XL

Malaysia

Momentum was sustained at Celcom, continuing to show double digit growth on a YoY basis in all key indicators. Revenue was up 15% whilst EBITDA increased by 16%. In tandem, Profit After Tax (**PAT**) was up 24% in the same period.

On a QoQ basis, Celcom continued to show positive performance. Despite coming off an exceptional 4Q09, which recorded the highest ever quarterly growth, revenue growth was marginal, but still up by 0.2%. Continued focus on costs saw EBITDA up by 2% with margins improving by 0.7 percentage points QoQ to 45.4%. PAT showed a robust increase of 7% to RM441 million.



After moderated growth in 4Q09, mobile broadband surged again with the highest ever net additions of 124,000, a strong 24% increase QoQ. The quarter saw Celcom retain its leadership status in mobile Broadband amidst increasing competition, with a total of 635,000 broadband subscribers, now contributing 8% to total revenue. Strong growth was seen overall in non voice services, with data now contributing 30% to revenue, from 25% a year ago.

Moving forward Celcom will continue to focus on maintaining its leadership in broadband with an increased emphasis on other mobile data services.

Indonesia

Following a very successful 2009, XL started the year strongly, with impressive performances in all financial metrics. Revenue and EBITDA were up 42% and 92% respectively YoY. PAT rose by more than 100% in the same period.

QoQ, revenue was up 3% to IDR4,166 billion, representing the strongest 1Q growth in five years. Tightly managed Opex and Capex saw EBITDA rising by 9% QoQ, and strong EBITDA margin expansion to 51%. PAT in the quarter was up 18% to IDR598 billion.

Consistent with its strategy since early 2009, XL continued to successfully monetize minutes as reflected in the 17% increase in effective revenue per minute. The quarter saw XL being the first operator in Indonesia to offer minutes, SMS and data access in a single bundle. Accordingly, XL saw subscribers rising by 31% YoY to 33 million.

Data service revenue continued to grow in the quarter, with 12.4 million subscribers, contributing 7% to total revenue, an increase of 58% QoQ.

XL continued to maintain its healthy balance sheet with a Net Debt to Equity ratio of 1.2 x from 4.6 x a year ago.

XL will continue its proven strategy of providing choice to its subscribers by launching innovative products that encourage and monetise usage.

TURNAROUND AND GROWTH IN SOUTH ASIAN OPERATIONS

Sri Lanka

The turnaround programme at Dialog, with a prime focus on cost rescaling, achieved another major milestone. The Group saw a fifth consecutive growth in EBITDA and turned profitable for the first time in six quarters. PAT was up by more than 100% to SLR705 million YoY, through better performance and cost re-scaling which saw a 20% reduction in non operating costs compared to 1Q 09. Revenue grew by 16% YoY, driven by mobile business, despite aggressive competition, and EBITDA improved by more than 100% in the same period.

On a QoQ basis, revenue was up 2% on the back of active subscriber addition. Dialog continued to demonstrate significant enhancements to operating cost structure as witnessed by a strong 18% EBITDA growth.

The Group grew its subscriber base to 6.74 million, an increase of 15% YoY.

Moving forward, the strategy will remain to focus on mobile operations, and rationalising its cost structure.

Bangladesh

A focus on quality acquisition and retention saw double digit growth in all key metrics at Axiata Bangladesh. Revenue was up a strong 35% YoY, and EBITDA by 11%. Strong subscriber growth was also seen, up by 44% with PAT improving by more than 100% to BDT62 million.

An aggressive acquisition drive did see short term pressure on profitability in the quarter. PAT was impacted due to the rebranding costs, with the launch of the new name Robi, as well as higher subscriber acquisition costs.

STRONG PERFORMANCES AT ASSOCIATES

India

Idea posted a strong quarter to finish their financial year with a PAT of INR2.7 billion up 57%, despite a challenging environment of hyper competition and the start up costs of 9 new circle launches. Idea contributed RM39 million to Group profits.

Idea's healthy balance sheet, as well as its improving operational efficiencies, provides a solid base to support the group during the current market of hyper competition. Coming off the recent 3G auction Idea has strengthened its position as a dominant player with the right strategy in a selective bidding process, winning 11 licences in well entrenched circles.

Singapore

M1 reported a strong start to the year with operating revenue increasing 34% YoY due to higher service revenue and handset sales. EBITDA remained stable at SGD77 million.

M1's total customer base stood at 1.796 million as at 31 March 2010 with 38,000 net additions for the quarter. Non-voice services continued to grow, contributing 29.8% of service revenue, up from 25.1% a year ago. This was primarily driven by an increased focus on data usage.

Commentary

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "The quarter's results are an excellent start to the year. The foundations put in place in the last two years are showing continued traction. It is particularly pleasing to see regional assets outside of Malaysia continue to grow, now contributing 56% to the Group revenue, versus 49% last year. This emphasises the growing importance of Axiata's regional portfolio and its exposure to fast growing mobile markets in Asia".

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "We are very pleased with the results this quarter, especially coming off an exceptional quarter at the end of last year. The numbers show strong signs of sustainability as well as continued improvements - Celcom and XL continue to do well, whilst one of the highlights of the quarter was Dialog's major sign of turnaround. The Group's strategy as well as the

strategies of the OpCos, were clearly executed well. Even disregarding the significant gains from the sale of XL shares and other one-off items, the underlying profit performance of the group for the quarter was one of the best quarterly profits seen. The sustainability seen this quarter provides a very positive signal for the start of 2010”.

LAYING THE FOUNDATIONS FOR A SUSTAINABLE FUTURE

The previous year saw the Group consolidating, enhancing the foundations and creating a new and distinct company.

“Moving forward we will be focused on our next growth path, with an emphasis on sustainable performance, building strong leadership positions in key strategic areas such as mobile data and broadband where we will be investing aggressively. Our CMP will continue to ensure we remain competitive. The results this quarter are certainly a step in the right direction” concluded Dato’ Sri Jamaludin Ibrahim.

About Axiata

Axiata is one of the largest Asian telecommunication companies, focused on high growth low penetration emerging markets. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India, Singapore and Iran. India and Indonesia are amongst the fastest growing markets in the world. In addition, the Malaysian-grown holding company has stakes in non-mobile telecommunication operations in Thailand and Pakistan.

The Group’s mobile subsidiaries and associates operate under the brand name ‘Celcom’ in Malaysia, ‘XL’ in Indonesia, ‘Dialog’ in Sri Lanka, ‘Robi’ in Bangladesh, ‘HELLO’ in Cambodia, ‘Idea’ in India, ‘M1’ in Singapore and ‘MTCE’ in Iran (Esfahan).

The Group, including its subsidiaries and associates, has over 130 million mobile subscribers in Asia. The Group revenue for 2009 was RM13.1 billion. The Group provides employment to over 25,000 people across Asia. Axiata’s vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and people, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009 Asia Pacific ICT Award for Best Telecom Group and most recently the Best Regional Mobile Group 2010 for its operations in multiple Asian markets by Telecom Asia.

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