

MEDIA RELEASE

Axiata Posts Strong YoY Revenue and EBITDA Growth of 12.8% and 20.4% respectively from Earlier-Than-Expected Consolidation of Ncell; PAT Impacted by Operational Performance at some OpCos and Higher Than Usual D&A and Forex Losses

Kuala Lumpur, 25 August 2016 – With its diverse portfolio of businesses across Asia, Axiata Group Berhad (Axiata) registered improved revenue and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) on a year-on-year (YoY) and year-to-date (YTD) basis primarily due to the earlier-than-expected consolidation of its new acquisition, Ncell¹, in April 2016.

Total revenue for the Group grew by 12.8% to RM5.3 billion YoY while EBITDA was up by 20.4% to RM2.1 billion. YTD revenue rose 9.1% to RM10.3 billion and EBITDA increased by 14.0% to RM3.9 billion. Profit After Tax (PAT), however, was at RM633 million as compared to RM1.2 billion, a decrease of 45.7% YTD mainly due to operational performance at some Operating Companies (OpCos), incremental depreciation and amortisation (D&A), net finance costs and forex losses.

The Group's cash balance is at RM8.1 billion and gross debt/EBITDA at 2.46x after consolidating Ncell's annualised EBITDA.

PROPOSED DIVIDEND

In light of Axiata's performance, the Board of Directors has declared an interim dividend of 5 sen per share for the financial year ending 31 December 2016.

ASEAN MARKETS

The quarter remained challenging for Celcom² in Malaysia and XL³ in Indonesia whilst Smart⁴ in Cambodia continued to post overall strong performance.

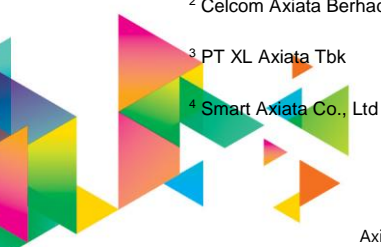
Celcom gained on its postpaid subscriber numbers to register 57,000 new customers from the continued positive traction of its First Gold 80 package. On a YTD basis, Celcom's revenue, normalised EBITDA and normalised PATAMI dipped 10.2%, 13.3% and 23.3% respectively.

¹ Ncell Private Limited

² Celcom Axiata Berhad

³ PT XL Axiata Tbk

⁴ Smart Axiata Co., Ltd



XL posted an YTD service revenue growth of 0.2% due to a strong 22.4% increase in data. Total revenue was down 2.2% due to lower interconnection revenue. YTD EBITDA and PAT increased by 9.8% and over 100% respectively.

On the upside, Smart recorded an increase in revenue, EBITDA and PAT at 8.6%, 8.6% and 29.2% respectively. Total data subscribers grew by 45.9% YoY to 3.3 million, whilst YTD data revenue contributed 39.2% to total revenue.

SOUTH ASIA MARKETS

Dialog⁵ in Sri Lanka remains the market leader, maintaining its strong YTD growth with an increase in revenue, EBITDA and PAT at 20.4%, 18.3% and 27.5% respectively. Robi's⁶ data subscribers grew by 4.6% YTD to 13.3 million, driving data revenue growth up by 24.8%. YTD Revenue and normalised EBITDA decreased by 3.4% and 10.6% respectively. Normalised PAT was lower by 43.1%, impacted by higher depreciation, net finance cost and revised tax rate.

In completing the acquisition of Ncell ahead of schedule on 11 April 2016, the Group has consolidated 2.5 months of Ncell's results. Ncell's YTD revenue, EBITDA and PAT growth registered at 1.4%, 6.8% and 44.5%, respectively.

The Group's associates, Idea⁷ in India and M1⁸ in Singapore, account for 18.1% of its YTD normalised PATAMI.

AXIATA'S NEW BUSINESSES

With its entry into the Myanmar tower market in late 2015, edotco Group's⁹ portfolio of managed and operated towers now spans across five markets in Asia – Malaysia, Bangladesh, Cambodia, Sri Lanka, and Myanmar. It is also in the process of starting up operations in Pakistan. As at 30 June 2016, total tower count is close to 16,800, registering a ~28% increase over 2 years, with a colocation ratio of 1.5x across the markets. Making it the 12th largest independent tower company in the world.

In the half year of 2016, Axiata Digital¹⁰ further grew its portfolio with both investments, joint ventures and partnerships bringing the total to 26 digital brands under its management. Axiata Digital made its first investment into India through assisted e-commerce player, StoreKing in April 2016. In the mobile music space, Yonder Music is now live in three markets with over 400,000 users. Recently, WSO2.Telco, an Axiata Digital joint venture, announced that India's

⁵ Dialog Axiata PLC

⁶ Robi Axiata Limited

⁷ Idea Cellular Limited

⁸ M1 Limited

⁹ edotco Group Sdn Bhd

¹⁰ Axiata Digital Services Sdn. Bhd.

six leading mobile network operators are using the WSO2.Telco digital enablement hub to deliver mobile authentication services for over 800 million consumers.

COMMENTARY

Axiata Chairman, Tan Sri Azman Hj. Mokhtar said, “In spite of a challenging industry environment in several core markets, Axiata's good spread of portfolio assets contributed significantly to the Group's solid performance. The inclusion of Ncell further demonstrates the positive effects of our strategy to reposition the Group portfolio for growth and diversification. This is evident with over 67% of Axiata's revenue being generated outside of Malaysia today, making the portfolio both more resilient and positioned for growth in selected markets”

Tan Sri Jamaludin Ibrahim, President & Group Chief Executive Officer of Axiata said, “The second quarter of 2016 delivered mixed results for the Group. On one hand, the completion and consolidation of Ncell ahead of our mid-year schedule provided the Group with immediate financial accretion. Annualising Ncell's contribution, gross debt/EBITDA is at 2.46x which is below our debt covenant. Also, XL's balance sheet post completion of its rights issue exercise and tower sale is also at a healthy level. We recognise Celcom's results came in below our expectations impacting our results at mid-year.”

MOVING FORWARD

“We have taken several initiatives to regain our market position. The management refresh at Celcom will accelerate the momentum already built over the last few months by the present team, and with a mandate to further introduce new and long lasting initiatives to completely turnaround the company I am optimistic this will result in a stronger recovery that is sustainable. At XL, its transformation agenda remains the right strategy for the long term albeit with some short-term challenges from the decline in revenue from legacy services. We are determined to remain on track on our strategies but we will need to considerably improve our execution.”

End

About Axiata

As one of the largest Asian telecommunication companies, Axiata today operates in ten countries, servicing approximately 290 million subscribers. With a diverse portfolio in mobile network operations, communications infrastructure services and digital services, the Group pieces together the best in connectivity, technology and people in its vision of Advancing Asia.

Axiata has controlling stakes in market leading mobile operators in South East Asia and South Asia. Axiata Group of companies operate under the brand name of 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia and 'Ncell' in Nepal. Further to this, the Group also holds strategic interests in 'Idea' in India and 'M1' in Singapore.

'edotco', the Group's infrastructure company, operates in six countries to deliver telecommunications infrastructure services, amassing a portfolio of over 16,000 towers and 12,000 km of fibre. It aims to be one of the top regional tower companies and is committed to responsible and sustainable business operations.

Axiata Digital (AD), its digital services arm, captures the rapid growth in internet-based businesses through its portfolio of 24 digital brands, servicing growing demands in mobile money, mobile advertising, e-commerce, entertainment and education.

As a committed and long-term investor, Axiata provides employment to 25,000 people within its operations. In line with its sustainability goals, the Group actively supports and drives young talent development; disaster response and recovery; as well as green initiatives.

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