

MEDIA RELEASE

Axiata Posts double digit PATAMI growth of 10%

- **Axiata PATAMI increases 10% YoY to RM675 million; up 11% in constant currency terms**
- **Dialog¹, Robi² and Smart³ continue strong growth trajectory and outperform their respective markets**
- **Celcom⁴ and XL⁵ post YoY data growth of 16% and 29% respectively**
- **Axis acquisition successfully completed**
- **Idea posts stellar results finishing their financial year⁶ with double digit growth across all financial metrics**

Kuala Lumpur, 27 May, 2014 – Axiata Group Berhad (Axiata) today announced its unaudited results for the first quarter of 2014. The Group saw moderate top-line performance and solid profitability, in a seasonally slow quarter, amidst heightened competitive pressures and maturing markets. Almost all the Group's operating companies (OpCos) posted very strong results, with Robi and Smart performing exceptionally well. Revenue for the Group was RM4.5 billion, up 1% year-on-year (YoY) which at constant currency would have been 4%. EBITDA growth (Earnings Before Interest, Tax, Depreciation and Amortisation) remained steady at 1%, 4% at constant currency, to RM1.8 billion. Continued focus on cost management saw stable margins at 39.6%. Bottom line profits showed excellent growth, with PATAMI (Profit after Taxation and Minority Interests), up by 10% YoY to RM675 million. At constant currency PATAMI would have been higher at 11%.

Regional mobile subscribers grew 18% to 258 million making Axiata one of the largest telcos in the region.

STABLE YoY PERFORMANCES AT CELCOM AND XL DRIVEN BY DATA

Malaysia

Celcom saw service revenue of RM1.8 billion registering a slight growth despite challenges. Overall revenue was impacted due to reduction in device sales and lower USP revenue. However, PATAMI in the period was up marginally at RM515 million.

¹ Dialog Axiata PLC

² Robi Axiata Limited

³ Smart Axiata Co., Ltd

⁴ Celcom Axiata Berhad

⁵ PT XL Axiata Tbk

⁶ Idea's financial year ended March 31 2014



Data growth remained strong, the fastest growing segment with double digit 16% YoY growth. Data revenue accounted for 19% of total revenue compared to 16% in the previous year. In addition, data traffic grew a strong 57%.

To support the growing demand, Celcom will enhance its focus on mobile data with innovative and attractive data services and applications. This will be alongside smart spending and cost management programmes. The LTE roll-out is also on track and expected to reach around 2000 in Q4 2014.

Indonesia

Encouraging improvements were seen at XL in the first quarter. The company delivered strong performance outperforming the market in the 1Q 14 with a revenue growth of 1% QoQ amidst a seasonally slow quarter for the industry. This was also the best first quarter growth compared to the past three years. On a YoY basis revenue and EBITDA were up 10% and 9% respectively. EBITDA margin remained stable at 40% and PAT rose by 20% in the same period.

Data remains the fastest growing segment with revenue up by 30% YoY. Data adoption remains strong as traffic increased 176% YoY with total Data users reaching 37.5 million as of March 2014 or 55% of the total base. Data services contributed 26% to total usage revenue, an increase from 22% in the previous year.

The quarter saw XL officially complete the acquisition of Axis, with XL and Axis now formally becoming a single entity. The consolidation of Axis financials is effective from the date of acquisition, 19 March 2014, which means 12 days impact of Axis has been taken into account in the first quarter. Post-merger, XL aims to carefully execute the integration plans with minimum disruption to customers and operations. The integration process will be prioritised focusing on billing & service migration, traffic migration and network integration.

OUTSTANDING PERFORMANCE BY ROBI AND SMART

Sri Lanka

Dialog continued to record steady performance, with revenue up 7% YoY to reach SLR16.3 billion, an impressive performance especially for an incumbent. This was driven by healthy growth in the mobile business and an increased adoption of data with data revenue up by 57%. EBITDA in the period did decline 6% due to a one-off regulatory refund recorded in Q1 2013. PAT was also impacted due to lower EBITDA and increased depreciation.

Bangladesh

Robi continued its strong growth trajectory supported by political stability and steady economic recovery recording revenue growth of 8% YoY amidst stiff market competition. This was driven by prepaid voice and data services. Data revenue more than doubled in the same period. In line with this, EBITDA was up 14% YoY. However, PAT declined due to higher depreciation from capex roll-out.

Cambodia

Smart continued to post excellent growth in all financial metrics. In a highly competitive and crowded market, revenue was up a stellar 39% YoY and EBITDA by more than 100%. PAT in the period more than doubled.

EXCELLENT PERFORMANCES AT ASSOCIATES

India

Idea finished the year strongly as the fastest growing Indian mobile operator with a 16% YoY revenue growth, nearly double the industry growth rate. This was despite a challenging competitive environment and regulatory concerns. Idea contributed RM58 million, or 9%, to Group PATAMI. EBITDA in the period increased 33% whilst PAT in the period was up an impressive 91%.

The company's 3G plans are on track. In the February 2014 spectrum auction, Idea won a total of 65.2 MHz of spectrum. This included 5 MHz of 900 MHz spectrum in Delhi and a total of 60.2 MHz of 1800 MHz spectrum in 11 other service areas. This gives Idea options to expand its data network footprint using 3G in Delhi and LTE 1800 in the other service areas.

Singapore

MI reported a positive start to the year with service revenue increasing 2% YoY to SGD203.9 million driven by growth in mobile data usage. Non voice revenue rose 5.6 percentage points to 45% of service revenue. EBITDA in the period was also up 3%. PAT increased a healthy 4% to SGD42.8 million.

Commentary

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "I am happy to see the performance of the Group continue to demonstrate the resilience of our core operations due to strong execution across a balanced portfolio of investments. We maintain our focus on capital discipline and returns to shareholders".

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "It has been a steady start to the year with almost all OpCos posting strong results. In a seasonally low quarter, the Group did see encouraging revenue and EBITDA growth. PATAMI however, was strong with the Group posting double digit growth of 10% due to strong growth at Robi, Smart and Idea, further aided by currency stability. Our performance continues to hold against competition and SMS substitution as we continue to make progress in strengthening our high performance core business. Bangladesh and Cambodia continue to do extremely well, posting strong growth across all financial metrics. Idea, finished the year on an excellent note as the fastest growing major Indian mobile operator with a revenue growth, nearly double the industry growth rate. Group's data growth remains encouraging with all OpCos seeing great traction in the segment. I am particular encouraged by the positive results at XL, highest in the industry for the quarter, after a challenging 2013".

A Year of Continued Data Growth

"Data will continue to be a key growth driver for 2014. The Group will continue to focus on its core business whilst driving new growth segments. The mobile Internet is growing, fuelled by increasing smartphone penetration and better networks" concluded Dato' Sri Jamaludin Ibrahim.

About Axiata

Axiata is one of the largest Asian telecommunications companies. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. In addition, the Malaysian group 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, 'Smart' in Cambodia, 'Idea' in India and 'M1' in Singapore.

The Group, including its subsidiaries and associates, has close to 258 million mobile subscribers in Asia. The Group revenue for 2013 was USD5.8 billion. The Group provides employment to over 20,000 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 talent, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009, 2010, 2011, 2012 and 2013 Asia Pacific ICT Award for Best Telecom Group and the Telecom Asia Best Regional Mobile Group 2010 and 2011 for its operations in multiple Asian markets.

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Issued By:

Corporate Communications, Group Strategy, Axiata Group Berhad
Axiata Centre, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral
50470 Kuala Lumpur

For further information on Axiata visit www.axiata.com

For media enquiries, please contact:

Faridah Hashim

Head Corporate Communications

Tel: +603-2263 8881 Fax: +603-2278 7755

Email: faridah@axiata.com