

MEDIA RELEASE

Axiata More than Triple Profits, surging 232% YoY to RM1.65 Billion

- **Group exceeds all targets and turns free cashflow positive for the first time**
- **Celcom records one of its best quarters with 6% QoQ revenue growth; Mobile Broadband subscribers grew 124% YoY**
- **XL outperforms rivals, recording one of its best yearly and quarterly performances; 2009 PAT was IDR 1.7 trillion**
- **AxB registers major turnaround showing profitability;**
- **Dialog delivers significant headway in re-scaling cost structure, with four consecutive quarters of EBITDA improvement**

Kuala Lumpur, 24th February, 2010 – Axiata Group Berhad, (formerly known as TM International Berhad) (“**Axiata**”), today announced strong results for the year ended 31 December 2009 – an all round performance in terms of revenue and profit growth across all Operational Companies (“**OpCos**”). Almost every aspect of the Group’s and OpCos’ strategies were meticulously executed as planned, which saw positive quarterly trends continuing across OpCos and the Group ending the year on a position of strength. Excellent performances were particularly seen from Malaysian, Indonesian and Bangladesh operations contributing to the Group’s marked increase in actual Profit after Tax and Minority Interests (“**PATAMI**”), of 232% year on year (“YoY”). Both PT XL Axiata Tbk. (“**XL**”) and Axiata (Bangladesh) Limited (“**AxB**”) showed positive Profit After Tax (“**PAT**”) from losses in 2008.

YEAR TO DATE RESULTS

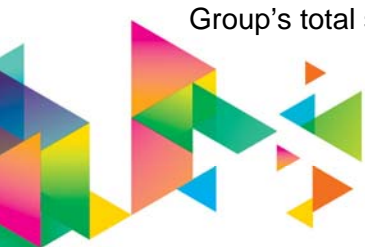
Concerted focus during the year saw positive Group revenue trends, recording an impressive double digit growth of 15% YoY to RM13.1 billion. Growth was driven by continuous improvement in performance from all OpCos, particularly XL and AxB, on the back of relentless cost management.

The Group's Earnings before Interest, Tax, Depreciation and Amortization (“**EBITDA**”) grew 18% to RM5.2 billion, whilst margin increased by 1 percentage point, to 39.3% YoY. This was due to exceptional performances in XL and AxB, where margin improved by 3 and 5 percentage points respectively.

Actual PATAMI surged by 232%, to reach RM1.65 billion, on the back of relentless profit and cost management. After adjusting for exceptional items, such as forex and finance costs related to the Idea acquisition, normalized PATAMI was still up by an impressive 44%.

The Group turned Free Cash Flow positive for the first time, up 265% to RM2.1 billion. Balance sheet was also significantly strengthened in the year, with Axiata’s Gross Debt to EBITDA ratio now at 2.4 x from 4.6 x, far below the original target of 3 x.

Group’s total subscriber base expanded to 120 million, up 34% from a year ago.



ACCELERATED PERFORMANCE AT CELCOM AND XL

Malaysia

Momentum continues at Celcom, now in an unprecedented 15th consecutive quarter of growth. Excellent execution of segmented marketing, in prepaid and postpaid, as well as continued focus on mobile broadband, saw Celcom recording the highest quarterly revenue growth of 6%, up 13% YoY to RM6.3 billion. Similarly, EBITDA improved by 11% in the same period. Amidst a competitive environment, EBITDA margin, excluding additional Universal Service Provision (“**USP**”) and ESOS charges, improved by 0.1 percentage point and PAT was RM1.5 billion, an increase of 19%.

The year also saw strong growth in non voice services, with data now contributing 30% to revenue, from 22% a year ago. Mobile broadband saw particular traction, surpassing 500,000 customers. With an overall growth of 124%, Celcom is the undisputed leader in the industry with mobile broadband now contributing close to 6% to Celcom revenue, from only 2% last year.

Careful execution and discipline delivered network cost savings, with network costs, as percentage of revenue, down to 10.3% from 11.7% YoY.

Celcom closed the year with 10.1 million subscribers, a growth of 16% growth.

Moving forward Celcom will be focusing on its transformation plan, emphasising on customer touch points and human capital. This will be done concurrently with continued emphasis on quality revenue generating subscribers and improving network utilization as well as efficient capex management.

Indonesia

Maximisation of yield and strict cost management, saw strong performance in all financial metrics at XL. The focus on quality subscribers, begun in early 2009, delivered a 14% hike in revenue, whilst strict cost management saw EBITDA growth of 21% YoY. PAT turned profitable, IDR1.7 trillion from a loss of IDR15 billion in 2008.

Diligent focus on cost management, which included direct expenses as well as sales and marketing, saw impressive margin improvement to 45%, from 42% last year.

XL has outperformed many of its rivals during the year, and subscribers grew from 26 million to 31 million. The group’s focus on revenue generating base (RGB) saw improved ARPU, through better quality customers.

Furthermore, XL also strengthened its Balance Sheet in 2009. Healthy operational momentum combined with smart Capex spending resulted in positive Free Cash Flow for XL. XL has used both the proceeds of the IDR 2.8 trillion Rights Issue, completed in December, as well as the generated internal free cash to repay a significant amount of debt, reducing outstanding debt by nearly 30%. Gross Debt to EBITDA ratio has significantly improved from 3.5 x in 2008 to less than 2.2 x in 2009, putting XL in excellent shape to continue growing its business.

Non voice revenue saw strong growth with a 32% increase. Alongside the emphasis on yield, moving forward XL will be focusing on this new growth segment.

TURNAROUND PLAN GAINS TRACTION

Bangladesh

2009 was a turnaround year for AxB. AxB has now recorded five consecutive quarters of growth, with this quarter the highest to date. The quarter saw double digit growth of 24% in revenue, 36% YoY, from successful focus on distribution channels via a brand focus and regional push strategy.

Despite the competitive regulatory challenges, AxB recorded significant EBITDA margin improvement to 34% in FY09, as compared to 29% in FY08, as a result of high revenue growth and continuous cost management efforts such as lower network and direct costs costs.

Profitability showed the greatest improvement, with AxB turning to a profit of BDT857million in FY09 from a loss of BDT1.18 billion a year ago

YoY subscribers showed strong growth of 36% to 11.86 million subscribers on the back of focussed attention on customer retention and reactivation of inactive customers, supported by innovative plans and tariffs.

Sri Lanka

Dialog is still facing some external challenges with revenue marginally down by 1% YoY. However, EBITDA improved 4%, representing the fourth consecutive quarter of improvement on the back of the bold cost restructuring program which is showing consistent quarter by quarter progress.

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

India

Despite a challenging environment, Idea saw revenue up an impressive 26% YoY, with EBITDA up 23% in the same period. For 2009, Idea contributed RM45 million to Group profits.

The quarter saw increasing price pressures in the market with competition intensifying. After flat growth in 3Q09, Idea saw revenue and EBITDA, up 6% and 0.6% respectively QoQ, reflecting the resilience of the company's business model. 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.

Commentary

Axiata Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "2009 was certainly an eventful year for Axiata and we are very pleased with the positive trends seen. The Group de-leveraged its balance sheet via the successful Rights Issue and delivered four consecutive quarters of strong financials, amidst increasing competition and a volatile economic backdrop. The year's results are a very positive step towards the Group's ultimate goal of becoming a regional champion".

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata added "The results speak for themselves. Our eighteen months of hard work since the demerger are paying off. The results demonstrate the impact of our focused strategy, and subsequent diligent execution.

"We are particularly pleased with the excellent results of Celcom, XL and AxB, as well as the encouraging trends seen at Dialog, which reflects the success of the Group's concerted focus on targeted revenue growth and cost management as well as the Group's ability to accelerate performance in an increasingly competitive operating landscape. We are also happy to see our affiliates, Idea and M1, producing solid and strong quarterly results. We started the year cautiously, given the uncertain economic environment, with a strong emphasis on cost management, resulting in improved EBITDA margin across most OpCos".

LAYING THE FOUNDATIONS FOR A SUSTAINABLE FUTURE

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

"2009 was a watershed year for the group, executing our new post de-merger strategy with clockwork precision to end the year on a high. We have a new name and brand identity. We further strengthened our management teams across most OpCos and we improved our operating model further, especially in the areas of performance management, HR management, financial disciplines and governance. Our cost reduction programmes are on track and we continue to explore further ways to reduce cost. In 2009 our CMP (cost management programme), showed tangible results especially in procurement and technology, with over RM700 million in savings. Moving forward we will be maintaining our tight focus on capital discipline in order to sustain the year's strong performances.

"Axiata has always had compelling growth drivers, based on our existing positions in countries with expanding economies and low penetration. This combined with the organic foundations and strategies we have put in place puts us in a strong position to game change and propel Axiata to the next level", 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, 'AKTEL' 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 120 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.

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