



2Q 2013 Results

30 August 2013

Dato' Sri Jamaludin Ibrahim, President & Group CEO

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Executive Summary: 2Q 2013

Strong QoQ growth aided by modest performance improvement at XL in 2Q 2013



- ❖ Overall results showed good revenue traction but EBITDA and PAT impacted by adverse pricing and data investments at XL and forex:
 - YTD growth : Revenue +5.2% ; EBITDA -3.2% ; PAT -2.2%
 - QoQ growth : Revenue +3.3% ; EBITDA +4.7% ; PAT +4.7%
 - 2Q YoY growth : Revenue +4.8% ; EBITDA -3.9% ; PAT -8.0%

- ❖ Group posted stronger results @ constant currency. Most local currencies weakened against RM (except for BDT).
 - YTD growth : Revenue +7.6% ; EBITDA -0.9% ; PAT -1.0%
 - QoQ growth : Revenue +3.7% ; EBITDA +5.2% ; PAT +5.1%
 - 2Q YoY growth : Revenue +7.1% ; EBITDA -1.7% ; PAT -6.9%

- ❖ Annualised ROIC at 10.7% and ROCE at 8.6%.

- ❖ The Board of Directors has declared an interim tax exempt dividend under single tier system of 8 sen per share for the financial year ending 31st December 2013.

Key Group Highlights (1/2):

1H 2013: Operating companies performed well despite challenges in data profitability



- Celcom announced the launch of Escape (an OTT play), for 1st September 2013.
- Moderate growth in revenue (4% YTD) despite loss of domestic roaming revenues in September 2012. Excluding domestic roaming, 1H2013 revenue growth would have been 7%.



- XL's results improved in 2Q13 due to data growth and revenue traction from gradual price optimization strategy
- QoQ revenue increased 5% due to overall growth indicating a modest recovery

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

Key Group Highlights (2/2):

1H 2013: Operating companies performed well despite challenges in data profitability, with double-digit revenue growth in Dialog, Robi and Smart



- Strong double-digit revenue growth at 15% (YTD) and EBITDA growth at 9% (YTD)
- Data revenue (excluding SMS and VAS) grew 57% while voice revenue grew 5% (YTD)



- Strong progress in all aspects of business
- Outstanding double-digit revenue growth of 21%; EBITDA grew by 37% and PAT by >100% (YTD)



- Successful integration of Smart and Hello delivering results ahead of schedule
- Revenue for the combined entity grew by 38% YTD and EBITDA grew at >100% YTD
- More than 100% growth in data revenue driven by Smart Exchange

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

Results at a glance:

QoQ shows positive traction across all metrics

Financial highlights

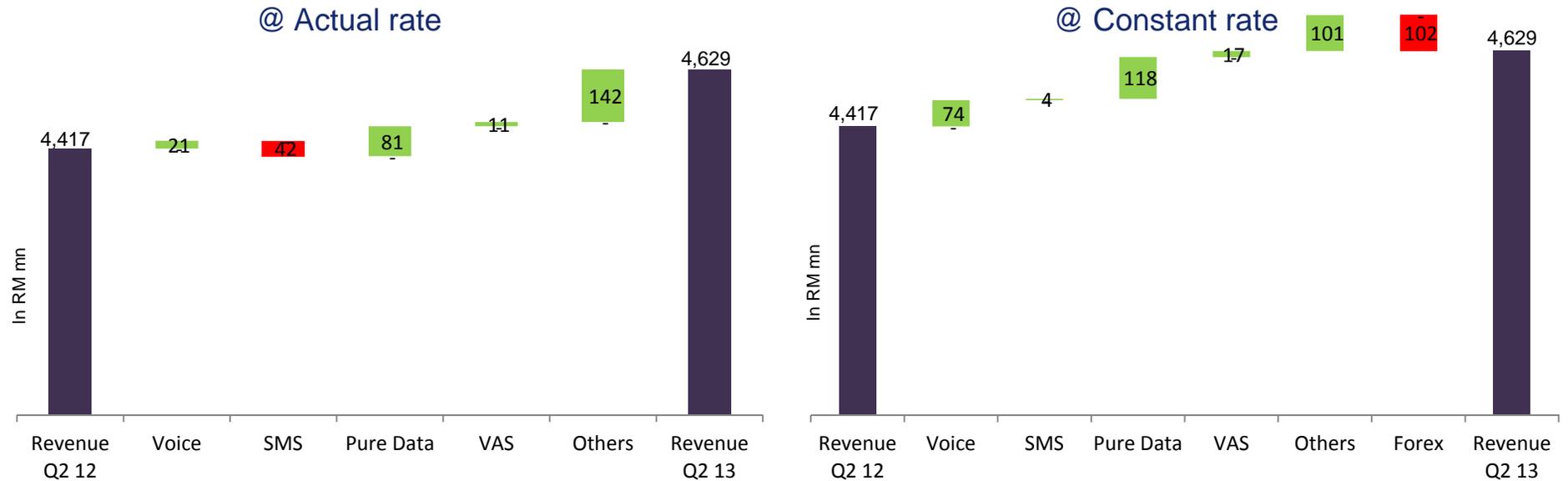
<u>RM mn</u>	<u>2Q</u>	<u>1H</u>	<u>2Q YoY growth</u>	<u>QoQ growth</u>	<u>1H growth</u>
Revenue	4,629	9,111	4.8%	3.3%	5.2%
EBITDA	1,864	3,644	-3.9%	4.7%	-3.2%
EBITDA margin %	40.3%	40.0%	-3.6pp	0.6pp	-3.4pp
PAT	707	1,382	-8.0%	4.7%	-2.2%
Normalised PAT	742	1,458	-11.1%	3.6%	-9.8%
PATAMI	645	1,259	-3.3%	4.9%	2.2%
Normalised PATAMI	663	1,320	-7.5%	0.7%	-5.9%
Capex	1,000	1,886	-15.2%	13.0%	-14.2%
<i>% of revenue</i>	21.6%	20.7%			
Operating Free Cash Flow*	513	1,075	23.1%	-8.7%	24.6%
<i>% of revenue</i>	11.1%	11.8%			

Based on OpCo figures, as per Appendix slides

<u>OpCo local currency QoQ growth</u>				
	Celcom	XL	Dialog	Robi
Revenue	2%	5%	3%	7%
EBITDA	3%	6%	1%	3%
EBITDA margin	0.6pp	0.3pp	-0.4pp	-1.6pp
PAT	8%	12%	-40%	-2%
Normalised PAT	5%	20%	13%	19%
<u>OpCo local currency YTD growth</u>				
Revenue	4%	1%	15%	21%
EBITDA	4%	-16%	9%	37%
EBITDA margin	-0.1pp	-7.9pp	-1.8pp	4.5pp
PAT	2%	-54%	>100%	>100%
Normalised PAT	2%	-51%	-6%	>100%
Note: OpCos PAT, except Celcom : PATAMI				

*OFCF= EBITDA- Capex- Net Interest-Tax

5% YoY revenue driven by strong overall performance

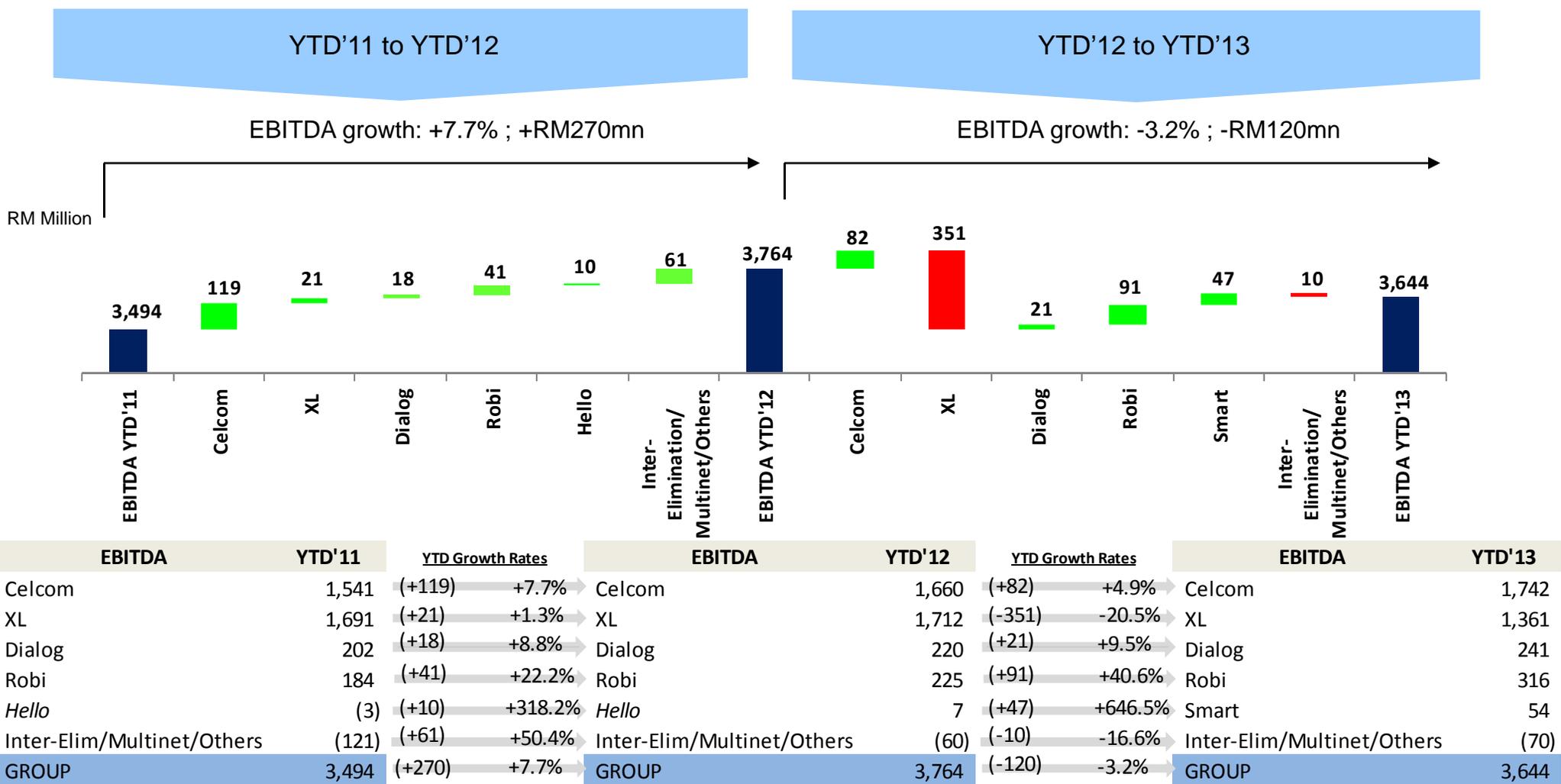


- Voice revenue is showing strong growth at Robi and Smart driven by higher sub base
- SMS business in Malaysia and Indonesia have structural industry wide headwinds. Celcom had a SMS revenue decline QoQ. However in other countries SMS business showed a growth
- YoY data revenue has shown strong growth in most markets driven by increasing smartphone penetration and data usage. Celcom is leading the overall data revenue growth while SMART grew most in percentage terms
- “Others” impacted by handset revenues, transmission revenue and USP

Note: Others include interconnect revenue at XL, device revenue and USP revenue at Celcom.
Numbers may not add up due to rounding

Group EBITDA : YTD'11→YTD'12→YTD'13

EBITDA on a declining trend mainly due to lower contribution from XL



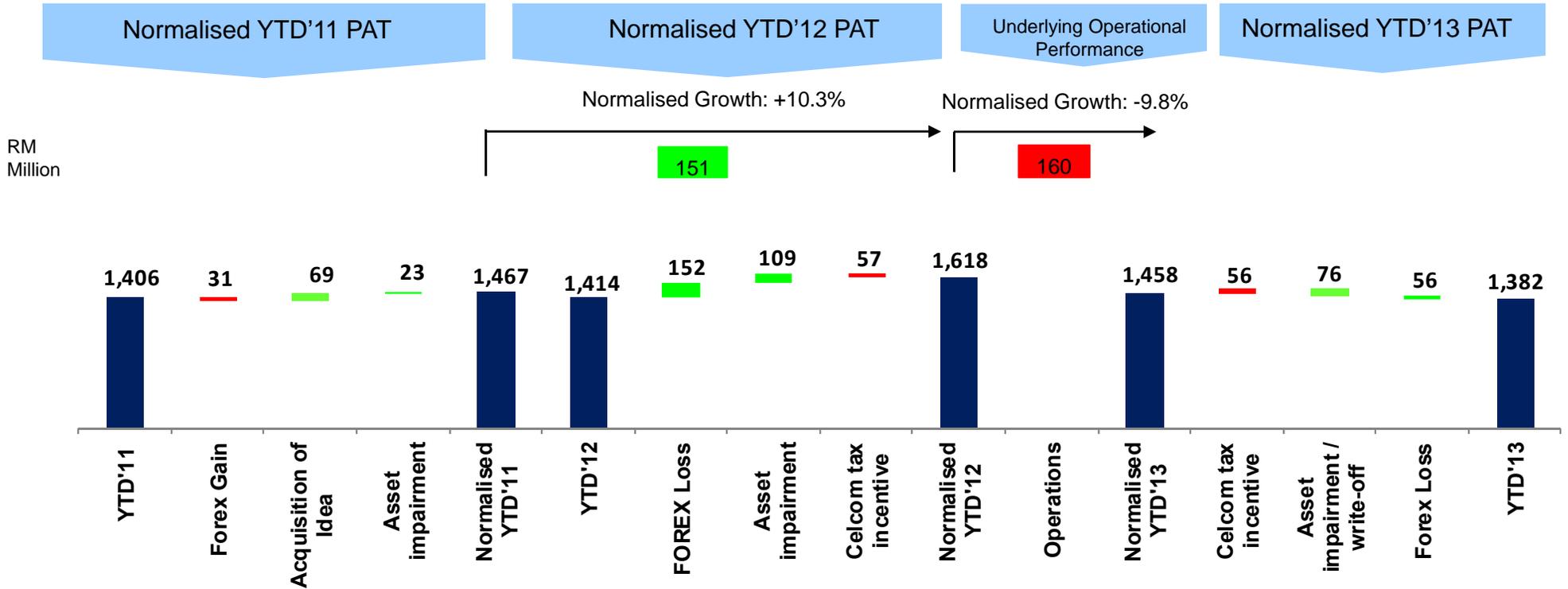
YTD'11 to YTD'12 EBITDA INCREASED BY RM270MN
 YTD'12 to YTD'13 EBITDA DECREASED BY RM120MN

Note: YTD'12 EBITDA are restated figures for reclassification of Celcom device subsidy cost.



Normalised Group PAT : YTD11 → YTD12 → YTD13

Normalised PAT on declining trend mainly caused by lower contribution from XL

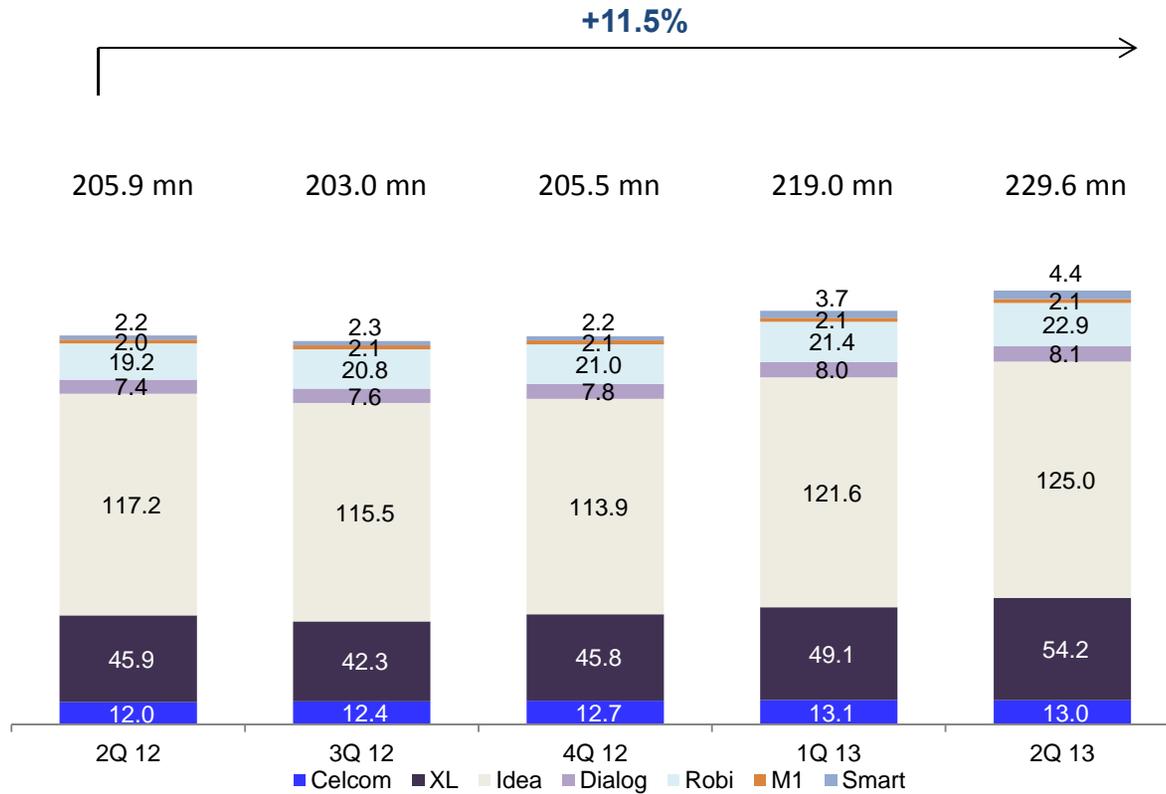


Norm PAT	YTD'11	YTD Growth Rates	Norm PAT	YTD'12	YTD Growth Rates	Norm PAT	YTD'13
Celcom	888	(+79) → +8.9%	Celcom	967	(+11) → +1.1%	Celcom	978
XL	509	(+49) → +9.6%	XL	558	(-304) → -54.5%	XL	254
Dialog	63	(+22) → +34.9%	Dialog	85	(-3) → -3.5%	Dialog	82
Robi	23	(-10) → -43.5%	Robi	13	(+64) → +492.3%	Robi	77
Hello	(24)	(+6) → +25.0%	Hello	(18)	(+40) → +222.2%	Smart	22
Associates & Others	8	(+5) → +62.5%	Associates & Others	13	(+32) → +246.2%	Associates & Others	45
GROUP	1,467	(+151) → +10.3%	GROUP	1,618	(-160) → -9.8%	GROUP	1,458

Group active subscriber base grew by 11.5% with strong growth at XL driven by renewed push on “Value Positioning”



Subscribers (million)



*Smart figures beginning 1Q13, Hello figures for prior periods

Data continues to provide growth momentum, voice & SMS still >70% of business

RM mn	2Q 12*	2Q 13	2Q 12 vs 2Q 13
Voice	2,394	2,415	+ 0.9%
% of Service revenue	62.7%	62.1%	- 0.6 pp
SMS	618	577	-6.7%
% of Service revenue	16.2%	14.8%	- 1.4 pp
VAS	221	232	+ 5.1%
% of Service revenue	5.8%	6.0%	+ 0.2 pp
Data	586	666	+ 13.8%
% of Service revenue	15.3%	17.1%	+ 1.8 pp
Total Service revenue	3,819	3,890	+ 1.9%
Others**	598	739	+ 23.7%
% of Total Revenue	13.5%	16.0%	+ 2.5 pp
Total Revenue***	4,417	4,629	+ 4.8%

Data revenue has grown 14% YoY, driving the “core mobile service” revenue increase by 2% YoY.

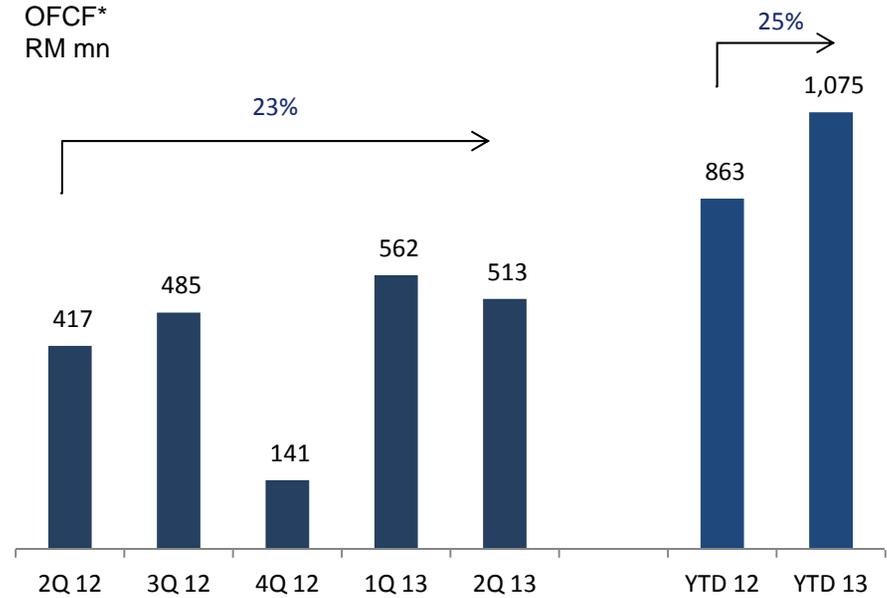
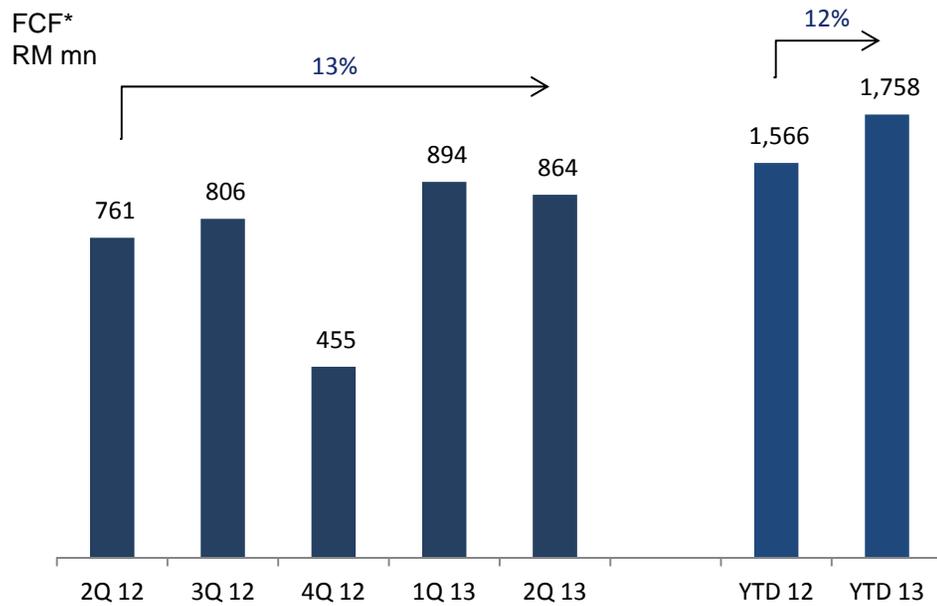
Note:

*Revenue reclassified by Celcom and Dialog and without SMART revenue

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

***Restated for XL's revenue (Net VAS revenue)

Capex spend on target for the full year



Capex (RM mn)	1H 12	1H 13
Celcom	279	381
XL	1,688	1,127
Dialog	116	223
Robi	85	116
Hello / Smart**	15	32
Others	16	8
Total	2,198	1,886

* Restated figures
 ** 1H 12 Capex for Hello only

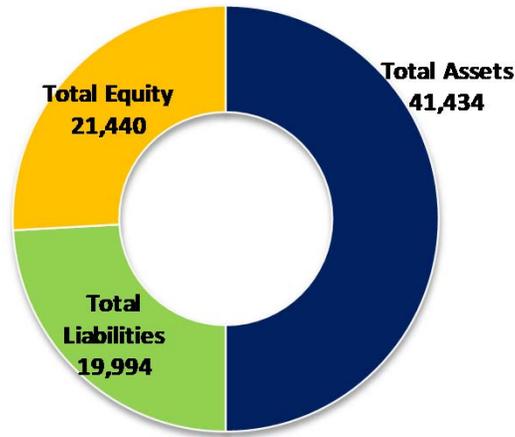
Note: Numbers may not add up due to rounding
 FCF=EBITDA-Capex
 OFCF= EBITDA- Capex- Net Interest-Tax

Group Statements of Financial Position

Group cash balances and ratios in line with plan; 2012 final dividend (RM2.3bn) paid June 2013.

As at ended June'12 Group Statements of Financial Position

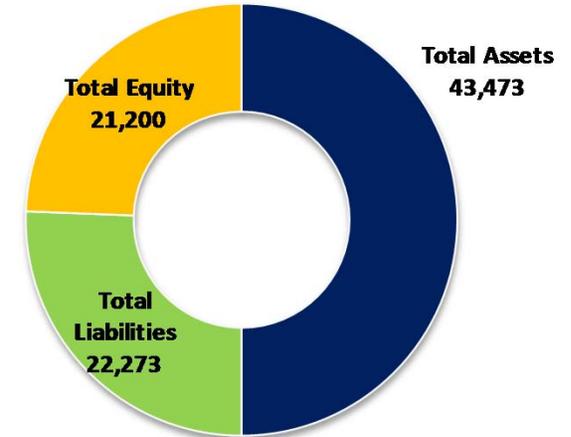
RM' Million



- Gross debt increased by RM785mn QoQ mainly coming from XL (RM770mn) largely due to new borrowings.
- Credit rating remained unchanged - for the Group is Baa2 (Moody's) and BBB (S&P).

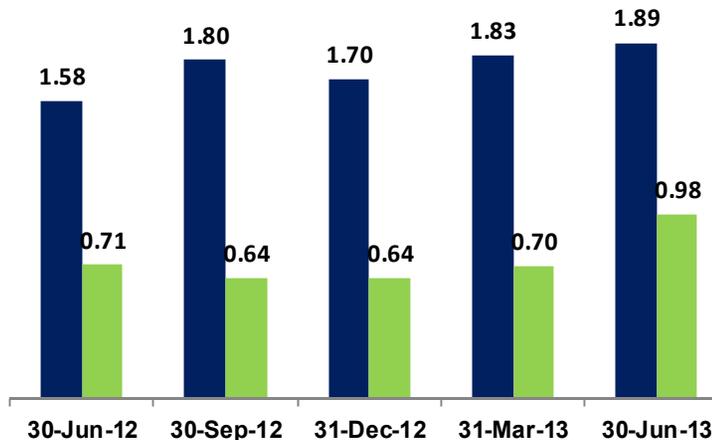
As at ended June'13 Group Statements of Financial Position

RM' Million



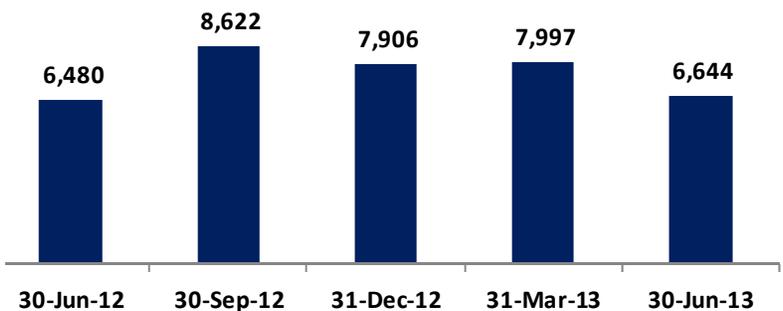
- Cash & bank decreased by RM1.4bn QoQ due to dividend paid to shareholders in June'13 amounting to RM2.3bn.
- Free Cash Flow (FCF) is RM1.8bn; Operating Free Cash Flow (OFCF) is RM1.1bn.

■ Gross debt to EBITDA ■ Net debt to EBITDA



- QoQ Net Debt to EBITDA increased to 1.0x from 0.7x mainly due to reduction in cash balance.

RM' Million Cash and Bank



FY2013 Headline KPIs on track

Focus on revenue growth through continued investment in data business



	FY2013 Headline KPIs	Guidance
Revenue growth	7.6%	In-line
EBITDA growth	0.2%	In-line
ROIC (%)	10.3%	In-line
ROCE (%)	8.3%	In-line
Capex*	RM4.5bn	RM4.5bn

*Capex is not a Headline KPI.



Appendix



Financial snapshot : 2Q 2013

Good traction on all metrics QoQ

	Q o Q Performance			1H 2013 Performance		
	Revenue	EBITDA	Normalised PAT ¹	Revenue	EBITDA	Normalised PAT ¹
Group	↑ 3%	↑ 5%	↑ 1%	↑ 5%	↓ 3%	↓ 6%
Celcom	↑ 2%	↑ 3%	↑ 5%	↑ 4%	↑ 4%	↑ 2%
XL	↑ 5%	↑ 6%	↑ 20%	↑ 1%	↓ 16%	↓ 51%
Dialog	↑ 3%	↑ 1%	↑ 13%	↑ 15%	↑ 9%	↓ 6%
Robi	↑ 7%	↑ 3%	↑ 19%	↑ 21%	↑ 40%	↑ >100%

Note:

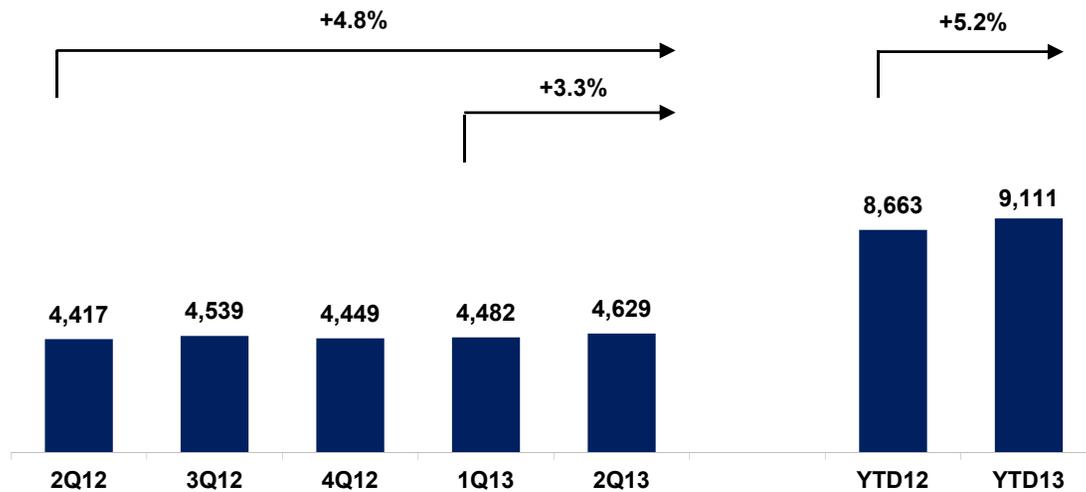
Growth number based on results in local currency in respective operating markets

1. Group and Celcom: PATAMI and others: PAT. PAT/PATAMI normalized as per appendix

Group Financial Performance

Strong YTD Revenue, all OpCos registering growth

Revenue (RM mn)



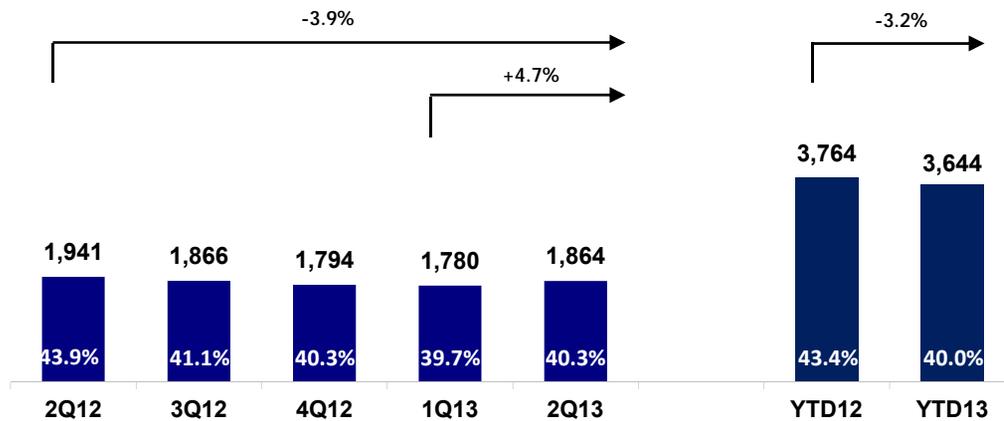
- Revenue growth contributed mainly by Celcom, Robi & Smart.
- At constant currency:
 - YTD – revenue growth would have been higher at +7.6% (vs +5.2%)
 - QoQ – revenue growth would have been higher at +3.7% (vs +3.3%)
 - YoY – revenue growth would have been higher at +7.1% (vs +4.8%)

Group Financial Performance

EBITDA growth contribution of 6.1% YTD across all Opco's (excluding XL).
 XL EBITDA contribution declined by 9.3%



EBITDA (RM mn) & Margin (%)



- QoQ EBITDA growth driven by Celcom and higher data usage at XL
- At constant currency:
 - YTD – EBITDA decline would have been lower at -0.9% (vs -3.2%)
 - QoQ – EBITDA increase would have been higher at +5.2% (vs +4.7%)
 - YoY – EBITDA decline would have been lower at -1.7% (vs -3.9%)

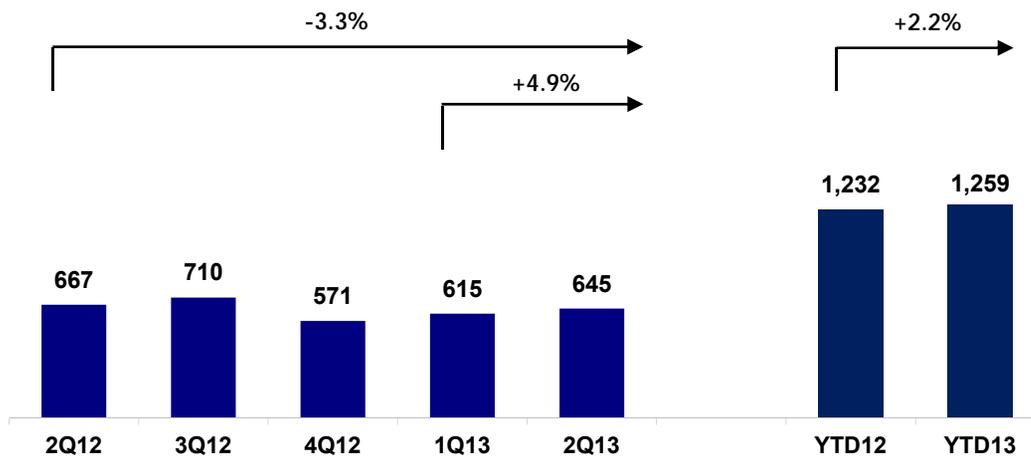
Note: 1Q12 - 4Q12 EBITDA are restated figures for impact on XL net VAS revenue and reclassification of Celcom device subsidy cost.

Group Financial Performance

YTD and YoY PATAMI affected by XL lower contribution, however, in 2Q XL has shown modest recovery



PATAMI (RM mn)



- PATAMI growth mainly impacted by lower XL contribution
- At constant currency:
 - YTD – PATAMI increase would have been higher at +3.2% (vs +2.2%)
 - QoQ – PATAMI increase would have been higher at +5.3% (vs +4.9%)
 - YoY – PATAMI decrease would have been lower at -2.3% (vs -3.3%)

Challenges and mitigating factors

Increasing competitive intensity, continuing data network investments in Indonesia and structural challenges in SMS markets in Malaysia and Indonesia



- **Continuing competition in Indonesia has put profitability under pressure**
 - XL has reacted to competitive practice by adjusting its prices and packages to regain market positioning. XL has been able to regain its subscriber base over last couple of months. However profitability remains a challenge
- **SMS revenue continues to be under pressure in Malaysia**
 - Industry wide SMS revenue still under pressure in Malaysia, with revenue decline in Celcom this quarter. However, apart from Celcom, SMS revenue posted growth in all other opcos QoQ.
 - To ensure stability of SMS revenue, both XL and Celcom are concentrating on bundled offerings.
- **Data Prices in Sri Lanka**
 - Although Sri Lanka's data market is growing rapidly, we are witnessing uncompetitive pricing by certain competition. Dialog will continue to play its market leadership role in providing good quality data experience to its customers
- **3G in Bangladesh**
 - 3G Auctions in Bangladesh are expected to be conducted in the coming weeks. Industry is still discussing terms with government
- **Capital call by Idea**
 - Idea has recently issued a notice for a capital call for ~600m USD. Axiata has an option to subscribe to its share, which may result in a cash outflow of ~120m USD in 3Q 2013

Local currencies weakened against RM except for BDT

	OpCo Currency Vs RM, USD – Avg Q2'13 vs Q1'13		OpCo Currency Vs RM, USD – YTD June'13 vs YTD June'12	
	Vs. RM	Vs. USD	Vs. RM	Vs. USD
Indonesia Rupiah, IDR	-1.26%	-0.87%	-6.23%	-5.84%
Sri Lanka Rupee, LKR	-0.37%	+0.02%	-2.47%	-2.07%
Bangladesh Taka, BDT	+1.10%	+1.50%	+4.55%	+4.99%
US Dollar, USD	-0.40%	+0.00%	-0.41%	+0.00%
Singapore Dollar, SGD	-1.32%	-0.93%	+1.34%	+1.76%
Pakistan Rupee, PKR	-1.02%	-0.62%	-7.94%	-7.56%
Indian Rupee, INR	-3.27%	-2.89%	-5.59%	-5.20%
Malaysia Ringgit, RM	+0.00%	+0.40%	+0.00%	+0.41%

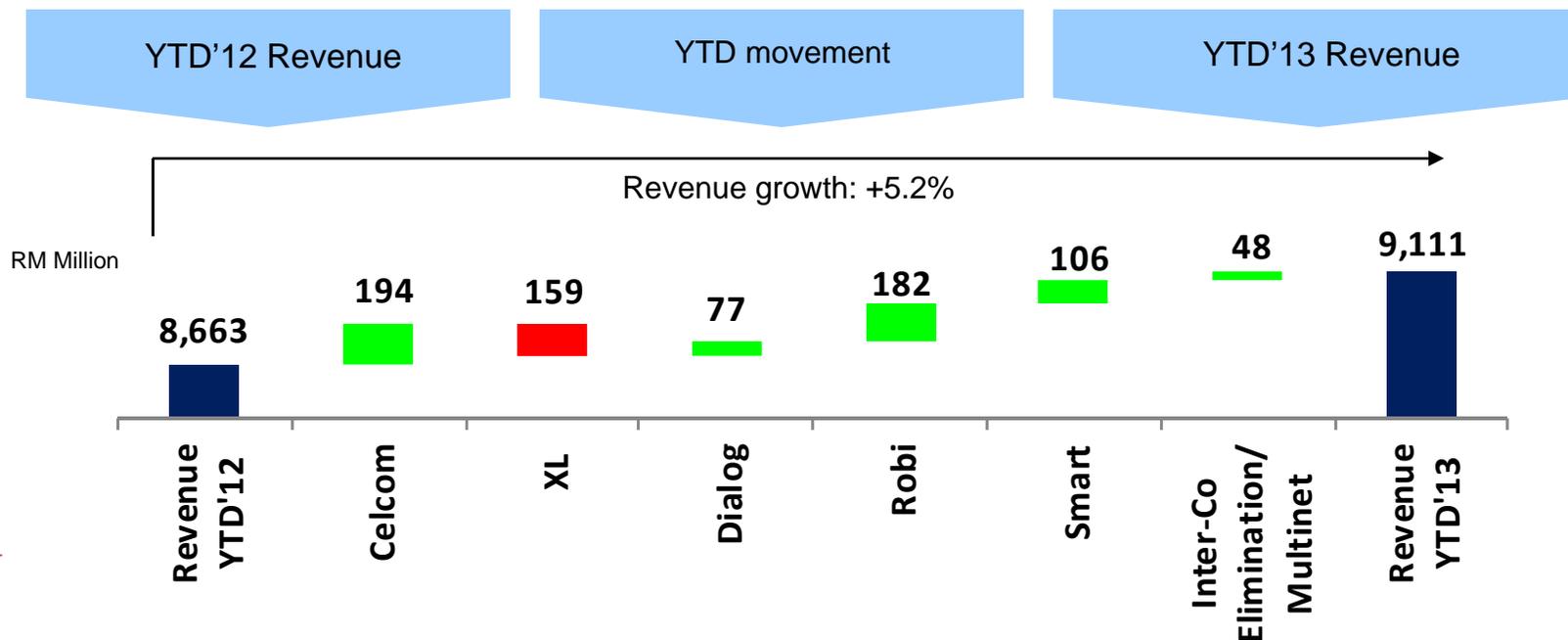
Impact to translated RM revenue is:-

- -0.4pp QoQ
- -2.4pp YTD



Group Revenue : YTD'12→YTD'13

YTD Revenue grew by +5.2%



Note: YTD'12 Revenue are restated figures for impact on XL net VAS revenue.

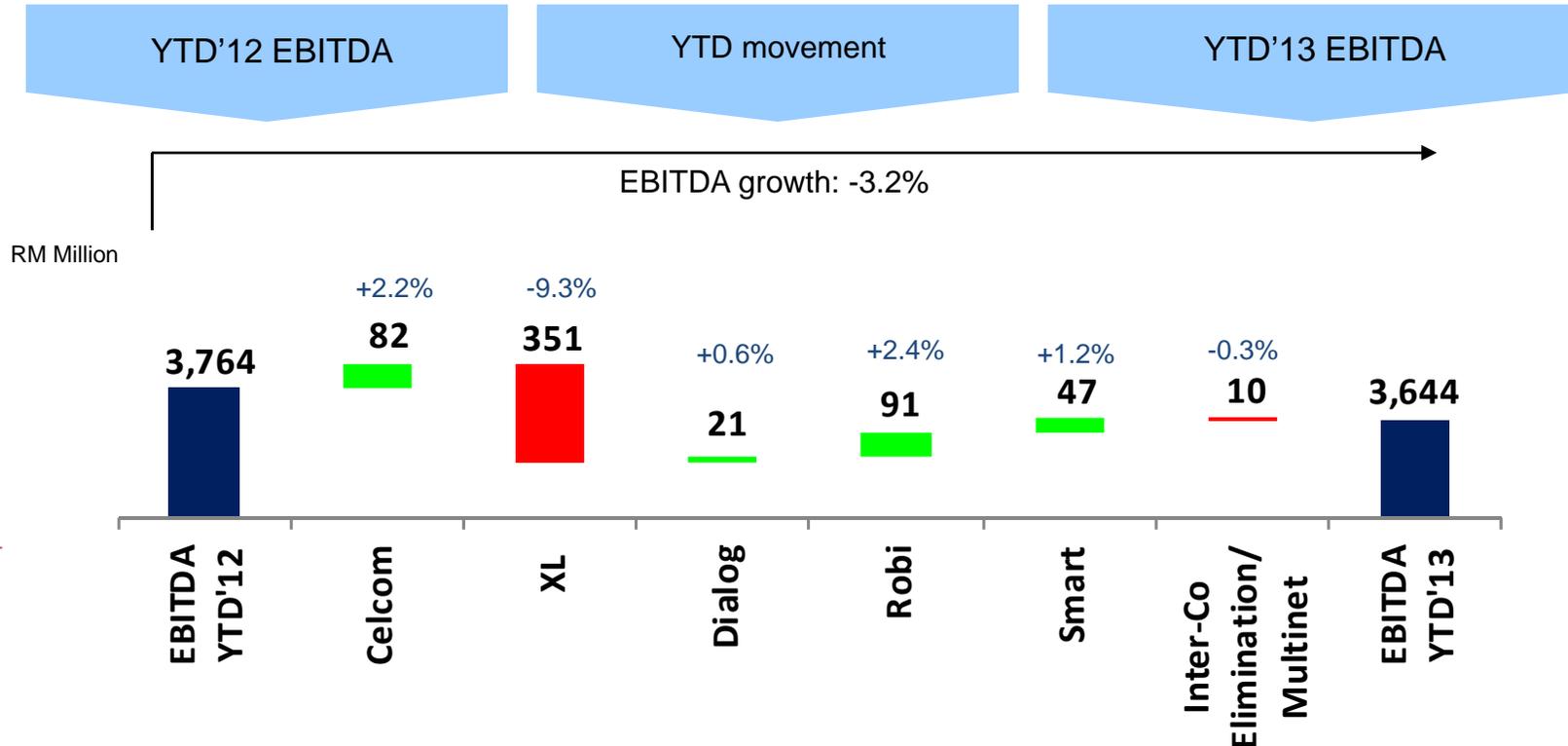
Revenue	YTD'12	YTD Growth Rates	Revenue	YTD'13
Celcom	3,796	(+194) +5.1%	Celcom	3,990
XL	3,411	(-159) -4.7%	XL	3,252
Dialog	672	(+77) +11.4%	Dialog	749
Robi	696	(+182) +26.2%	Robi	878
Hello	64	(+106) +164.6%	Smart	170
Inter-Co Elimination/Multinet	24	(+48) +195.3%	Inter-Co Elimination/Multinet	72
GROUP	8,663	(+448) +5.2%	GROUP	9,111

REVENUE INCREASED BY RM448MN



Group EBITDA : YTD'12→YTD'13

EBITDA for all Opcos excluding XL grew by 6.1% YTD but declined by -3.2% after XL inclusion



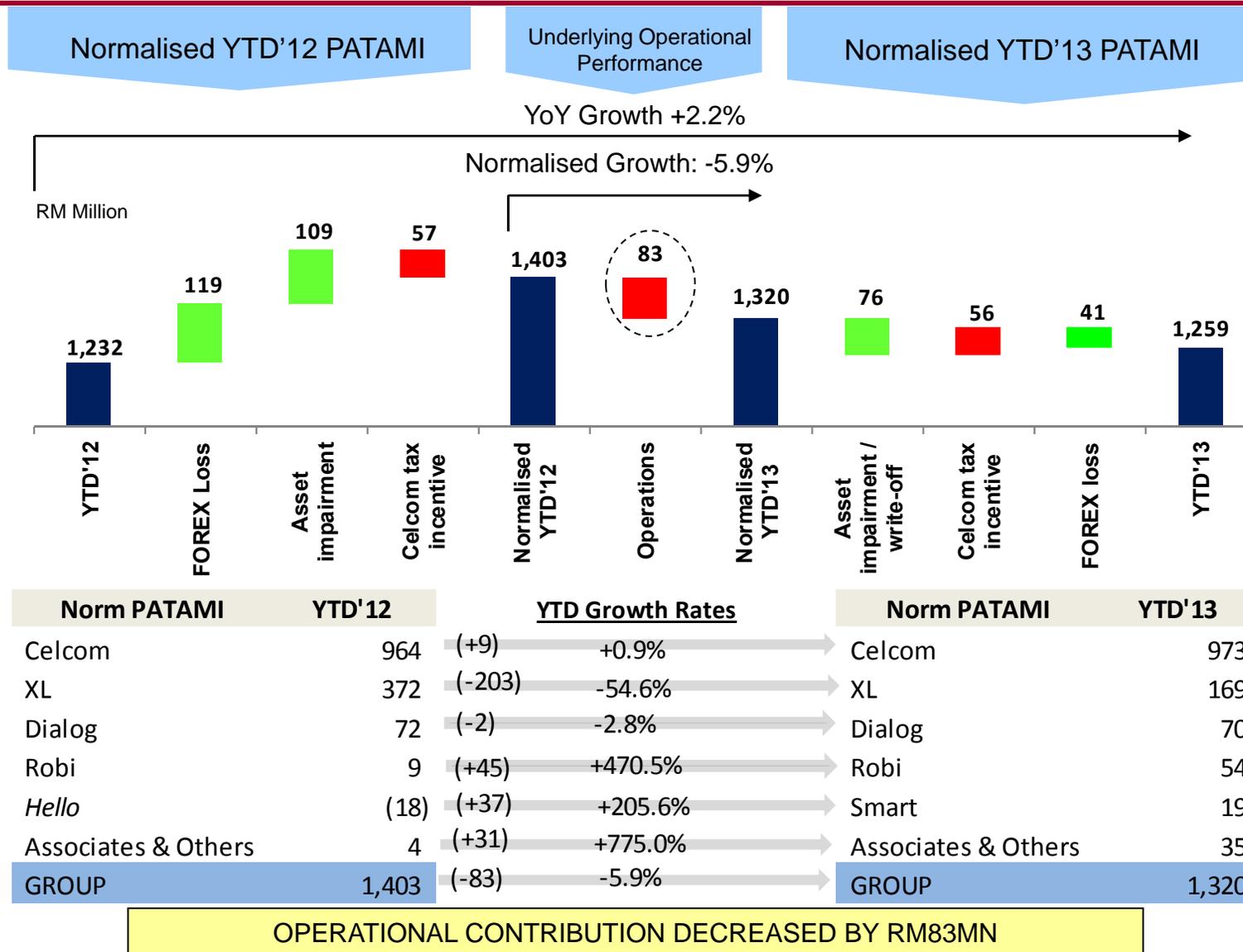
Note: YTD'12 EBITDA are restated figures for reclassification of Celcom device subsidy cost.

EBITDA	YTD'12	YTD Growth Rates	EBITDA	YTD'13
Celcom	1,660 (+82)	+4.9%	Celcom	1,742
XL	1,712 (-351)	-20.5%	XL	1,361
Dialog	220 (+21)	+9.5%	Dialog	241
Robi	225 (+91)	+40.6%	Robi	316
Hello	7 (+47)	+646.5%	Smart	54
Inter-Co Elimination/Multinet	(60) (-10)	-16.6%	Inter-Co Elimination/Multinet	(70)
GROUP	3,764 (-120)	-3.2%	GROUP	3,644

EBITDA DECREASED BY RM120MN

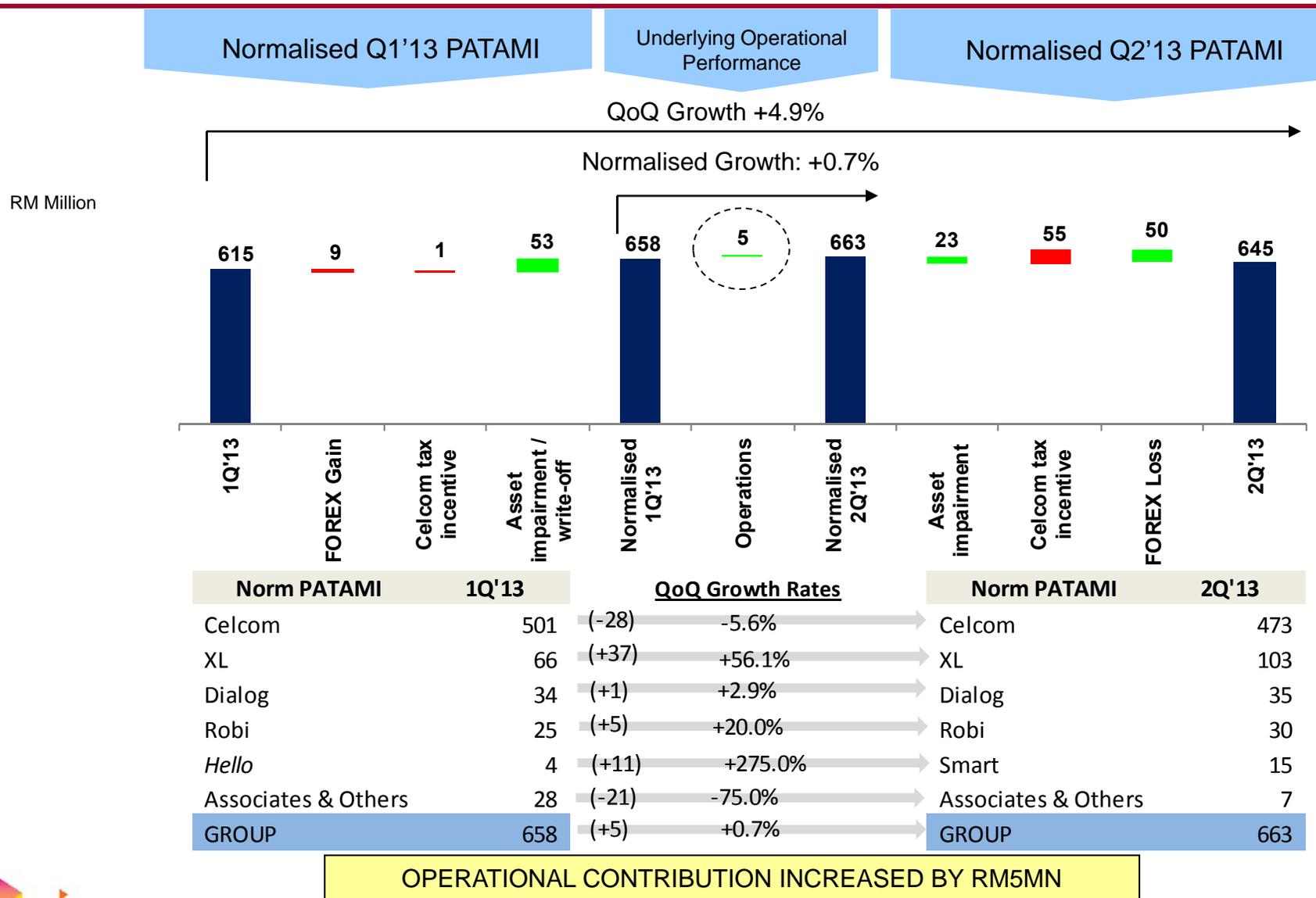
Normalised Group PATAMI : YTD'12 → YTD'13

PATAMI growth impacted by lower contribution from XL



Normalised Group PATAMI : QoQ 1Q13 → 2Q13

Positive PATAMI growth of +0.7% mainly due to higher contribution from XL

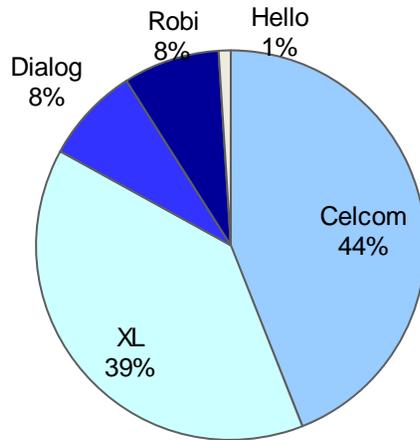


Key OPCOs Revenue and EBITDA Composition

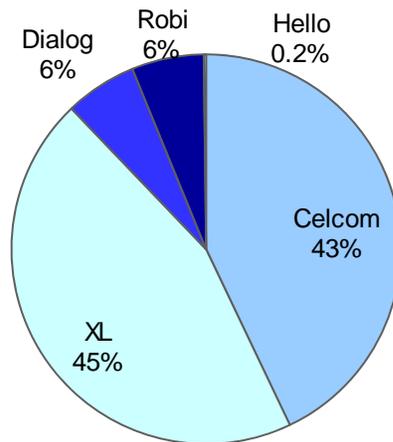
XL contribution to Group Revenue and EBITDA has declined whilst Robi and Smart has increased



YTD 2012 REVENUE & EBITDA Breakdown (%)

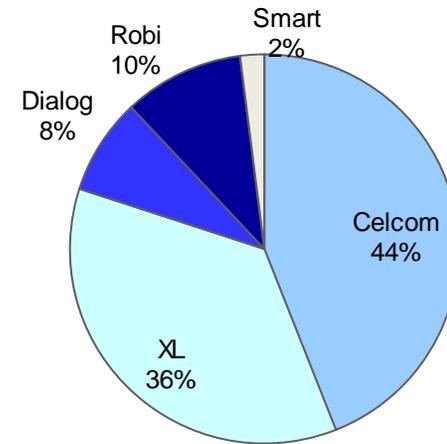


REVENUE

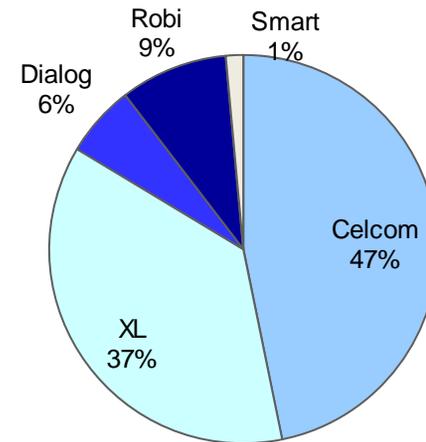


EBITDA

YTD 2013 REVENUE & EBITDA Breakdown (%)



REVENUE



EBITDA

Note : Contribution % was derived from Group consolidated figures
 YTD'12 Revenue restated for impact on XL net VAS revenue. EBITDA restated for reclassification of Celcom device subsidy cost.

Axiata Group Borrowings & Cash

As at 30 June 2013

Group Borrowings

RM Million	Loan Currency	Conventional	Islamic	Total
Holdco & Non Opco	USD*	1,736	-	1,736
	CNY		517	517
	Sub-total	1,736	517	2,253
Opcos	USD	1,974	-	1,974
	Local	4,527	5,032	9,559
	Sub-total	6,501	5,032	11,533
Total Group		8,237	5,549	13,786

**As at 30 June 2013, Holdco & Non Opcos USD borrowings have been hedged to RM and SGD; USD250mn to RM800.7mn and USD300mn to SGD421.3mn; RMB 1bn to USD157mn
65% of the total group USD loan exposure are hedged naturally or with financial institutions.*

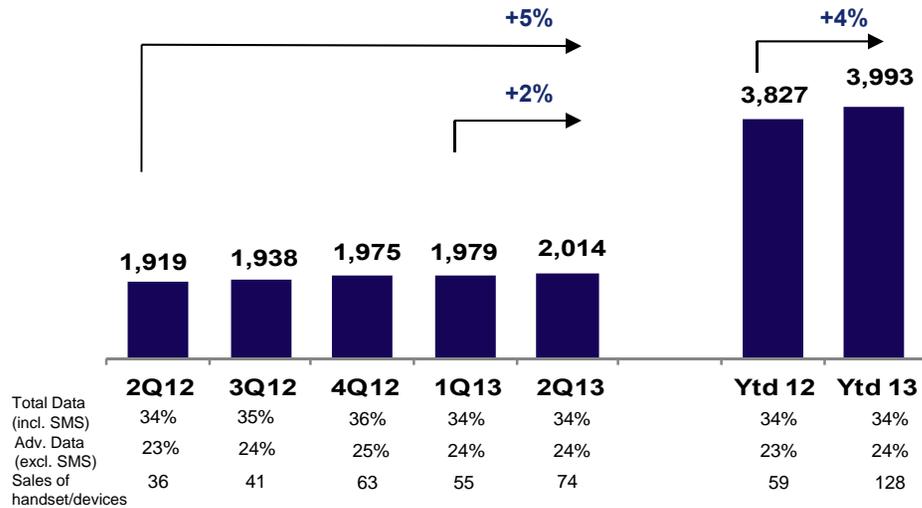
Group Cash Balance

RM Million	Currency	Amount
Holdco & Non Opco	USD	14
	Local	3,071
	Sub-total	3,085
Opcos	USD	25
	Local	3,534
	Sub-total	3,559
Total Group		6,644

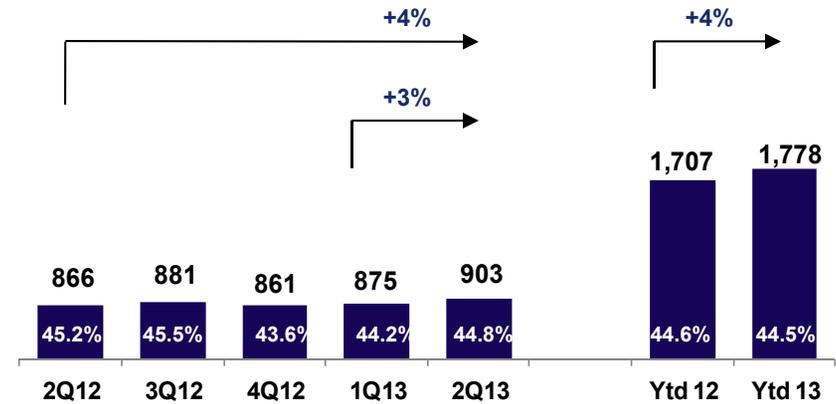
Celcom: Financial Performance

Data continues to drive revenue growth

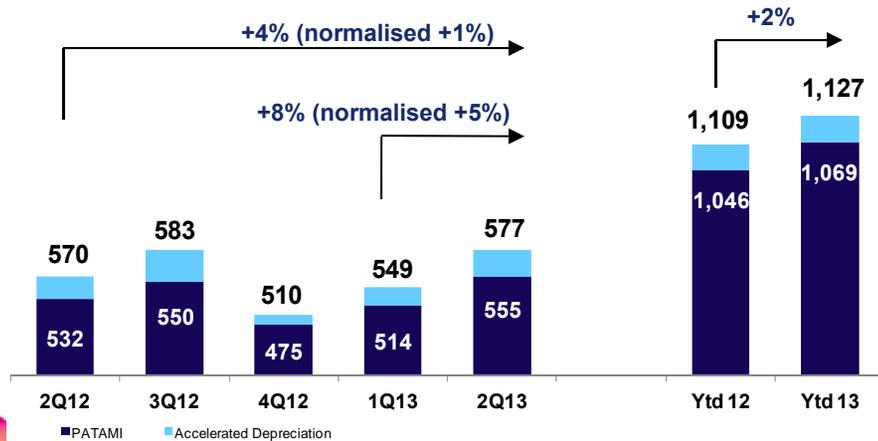
Revenue (RM mn) & Data as % of revenue (%)



EBITDA (RM mn) & Margins (%) *



PATAMI (RM mn)*



- Albeit revenue loss from domestic roaming, cumulative YTD revenue grew encouragingly. Excluding the impact from domestic roaming, growth was higher at 7%
- The revenue uplift was mainly from the continuous growth of mobile internet and higher sales of handset/devices
- EBITDA rose by 3% to margin of 44.8% on better operational performance and costs management.

* (1) PATAMI and EBITDA exclude holding company charge, interest/charges on Sukuk and HQ tax relief if any
 (2) Normalisation – excludes additional accelerated depreciation for modernisation

Celcom : Financial Performance

Effective cost management cushioned the incremental cost from sales of handset



Operating Expenses[^]

% of Revenue	2Q12	1Q13	2Q13	YTD JUN 12	YTD JUN 13
Direct Expenses	24.1%	24.8%	25.2%	24.1%	25.0%
Sales & Marketing	9.0%	8.5%	7.9%	9.2%	8.2%
Network Costs	10.3%	10.2%	9.7%	10.4%	10.0%
Staff Costs	6.8%	6.2%	6.8%	6.6%	6.5%
Bad Debts	0.3%	0.4%	0.4%	0.8%	0.4%
Others	4.4%	5.7%	5.2%	4.4%	5.4%
Total Expenses	54.8%	55.8%	55.2%	55.4%	55.5%
EBITDA Margin	45.2%	44.2%	44.8%	44.6%	44.5%
Depreciation & Amortisation	12.3%	12.0%	11.6%	12.1%	11.8%

- A higher direct expenses correlated with sales of handset/devices
- Sales and marketing cost continue to record positive improvement with overall cost in line
- Staff cost increased from Q113 mainly due to provision for performance bonus
- Depreciation amount remains almost unchanged q-o-q

Financial Position (RM mn)

	YTD Jun 12	YTD Jun 13
Capex	278.6	418.8
Cash & Cash Equivalents	4,641.4	2,259.0
Gross Debt	4,215.0	5,031.5
Net Assets	1,641.7	(1,971.8)
Gross debt / equity (x)	2.6	n/m
Gross debt / EBITDA(x)	1.2	0.7

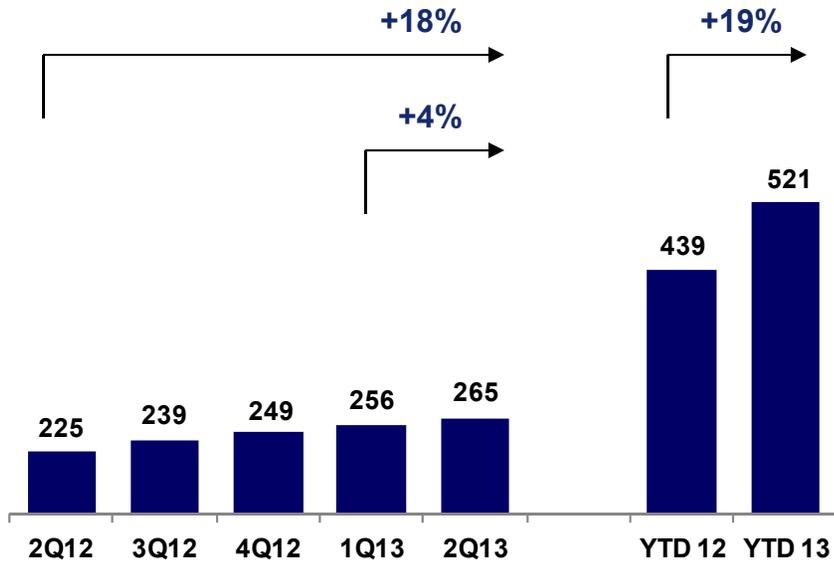
[^] OPEX and EBITDA Margin excludes holding company charge

Broadband Performance

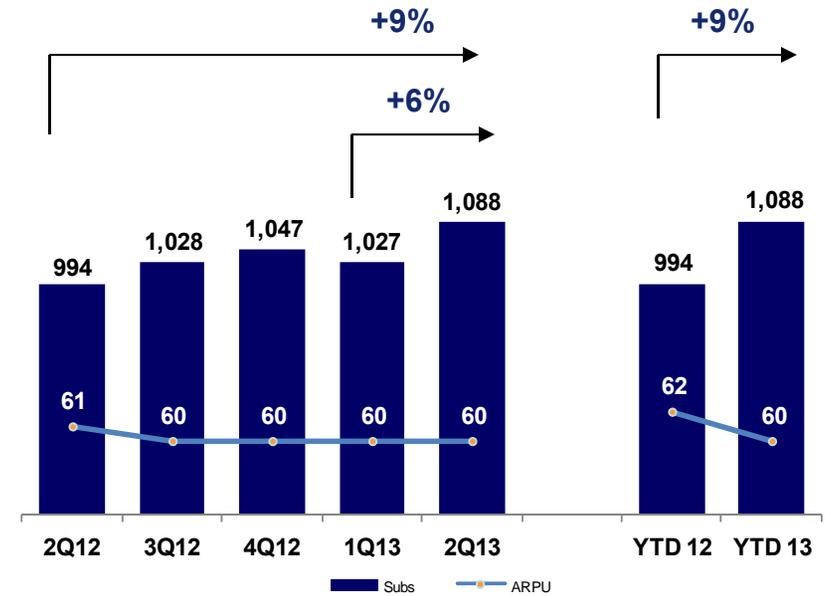
Momentum continues with positive take up of mobile internet subscription



REVENUE (RM Mn)



SUBSCRIBERS * ('000)



* Subscribers and ARPU are based on postpaid monthly unlimited plan only

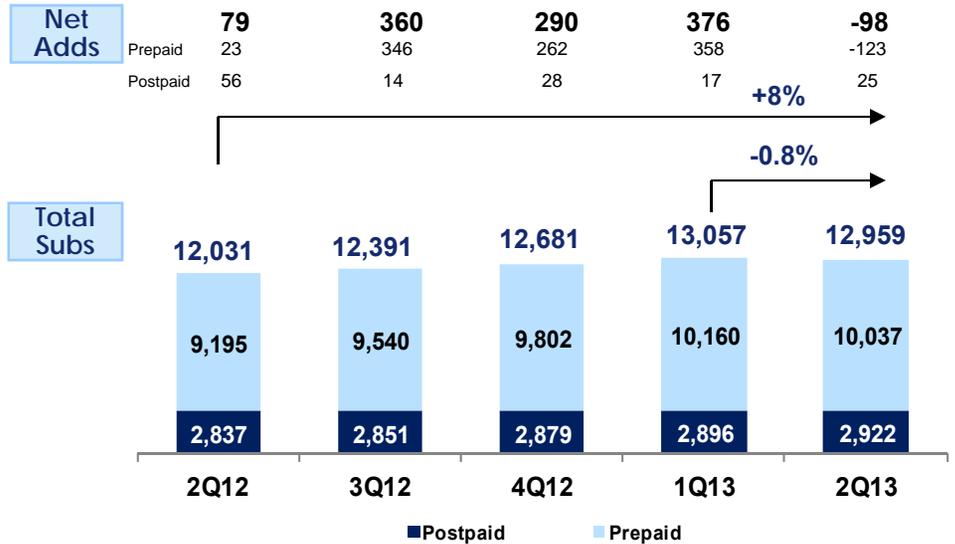


Celcom : Operational Performance

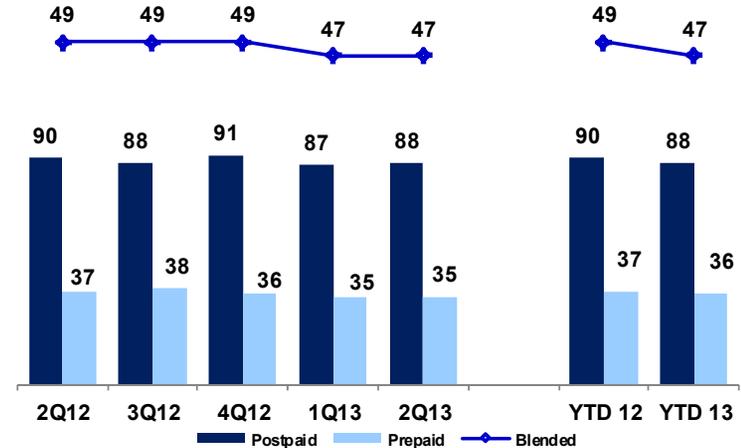
Subscriber base up 8% YoY driven by continuous growth in postpaid subscribers



Subscribers (000's)

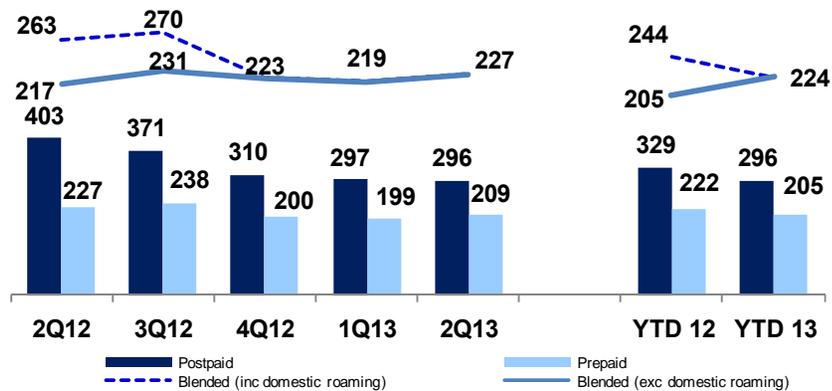


ARPU (RM)

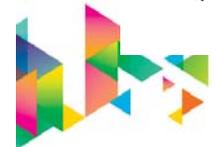


*2012 ARPU normalised for domestic roaming

MOU/sub (min)



- Customer base declined slightly, impacted by the rotational churners in prepaid segment
- ARPU remained consistent for both prepaid and postpaid.
- MOU per sub (exclude domestic roaming) improved y-o-y spurred by effective initiatives implemented in reviving traditional voice usage .

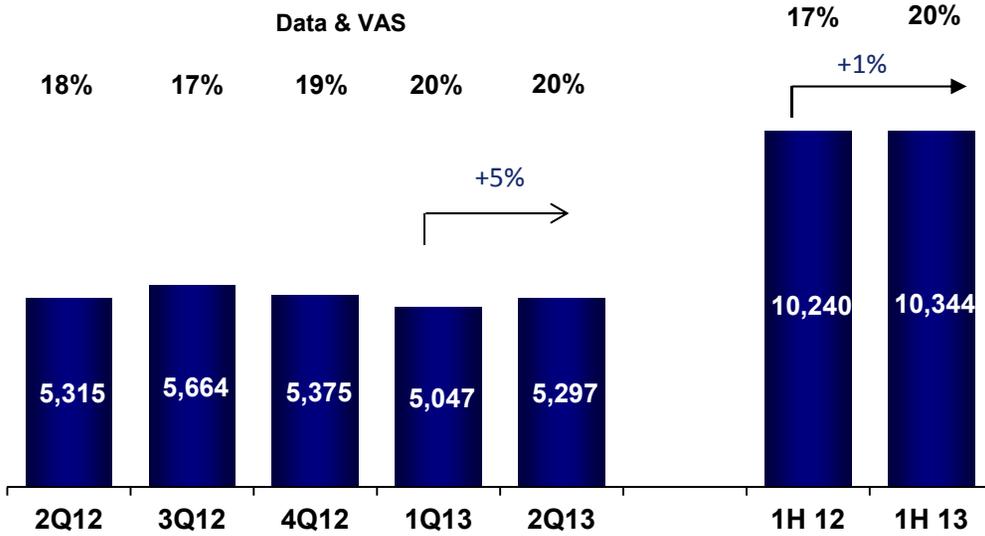


XL : Financial Performance

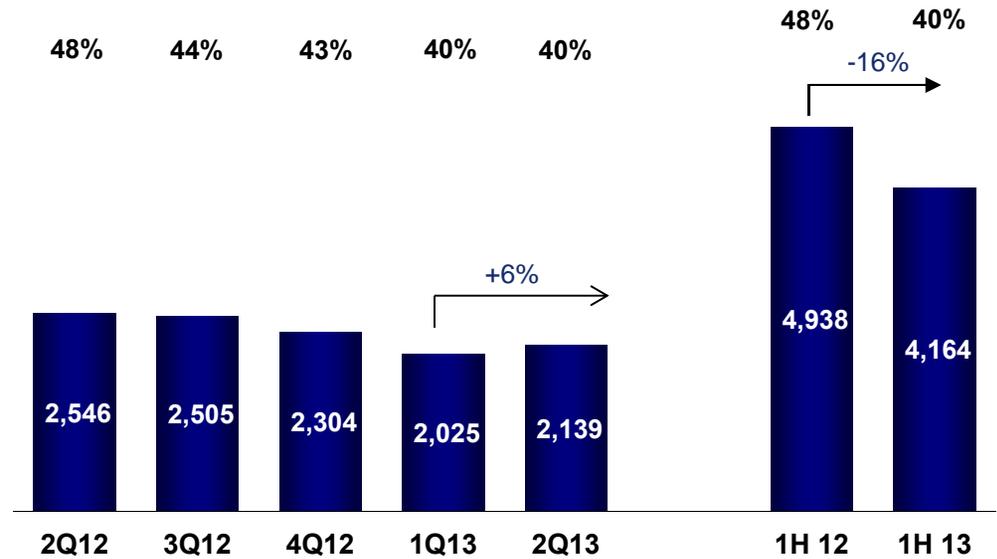
Continuous operational improvement led to modest Revenue growth



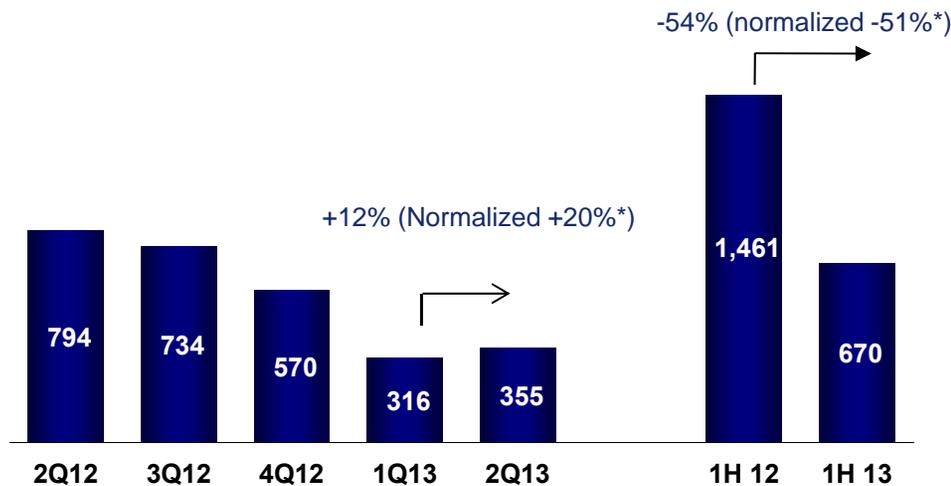
Revenue (Rp bn) & Data as % of revenue (%)



EBITDA (IDR bn) & EBITDA margin (%)



PAT (IDR bn)



- Operational improvement led to improvement in 2Q revenue performance
- Positive revenue growth in 1H13 driven by data revenue growth of 13% YoY.
- Lower EBITDA YoY mainly affected by introduction of SMS interconnect in June 2012 and higher investment in data infrastructure.
- Continued focus on data growth supported by 14,186 installed Nodes B as at 2Q 13, a 61% increase from a year ago.

* Normalized PAT excluding unrealized forex transaction, accelerated depreciation



XL : Financial Performance

Lower margin from SMS interconnect and network expenses from data infrastructure



Operating Expenses

% of Revenue	2Q12	1Q13	2Q13	1H12	1H13
Direct Expenses	13.5%	18.7%	18.4%	12.3%	18.5%
Sales and Marketing	5.5%	6.5%	6.4%	5.7%	6.4%
Network Costs	24.7%	27.1%	27.2%	24.7%	27.1%
Staff Cost	4.2%	4.7%	4.5%	4.7%	4.6%
Others	3.1%	2.5%	2.6%	3.3%	2.5%
Total Expenses	51.0%	59.4%	59.1%	50.6%	59.2%
EBITDA Margin	47.9%	40.1%	40.4%	48.2%	40.3%
Depreciation & Amortisation	23.6%	26.3%	26.2%	24.1%	26.2%

- Higher Direct Expense YoY and QoQ mainly due to introduction of SMS interconnection fee starting in June 2012.
- Higher Sales & Marketing YoY partly due to higher Sales Commissions as well as higher Advertising and Promotion with efforts to improve positioning through new offerings since 1Q 13.
- Higher Network Costs was due to expansion infrastructure to continue support data business. It was also impacted by managed services fee effective April 2012.

Financial Position (IDR bn)

	1H 12	1H 13
Capitalized Capex	5,345	3,353
Cash and Cash Equivalents	883	1,902
Net Debts	11,835	15,181
Net Assets	14,059	14,938
Debt / Equity (x)	0.9	1.1
Debt / EBITDA (x)	1.3	1.9

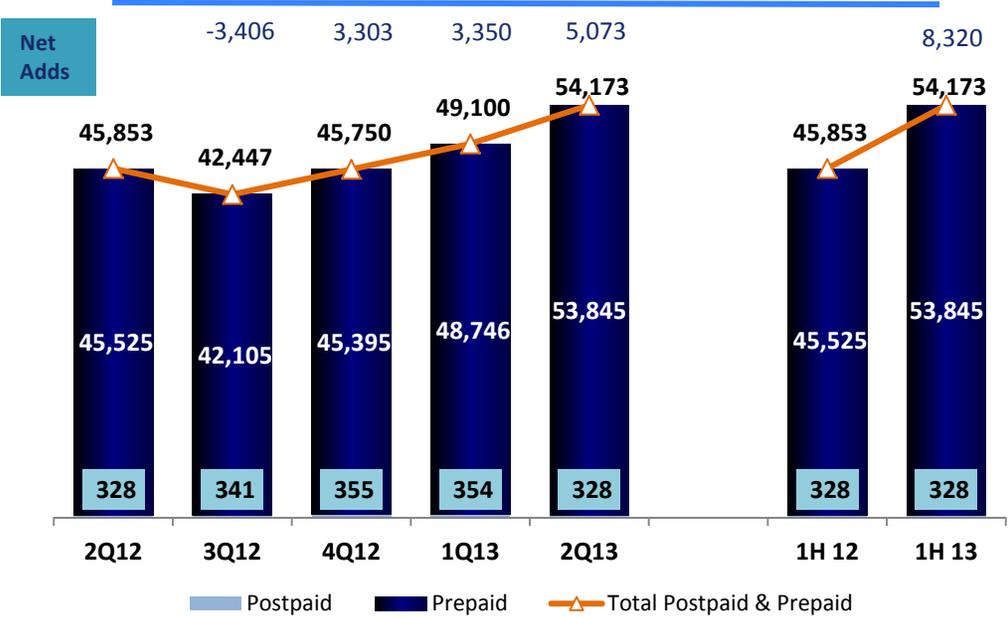
**Debt/EBITDA based on last 12 months trailing EBITDA



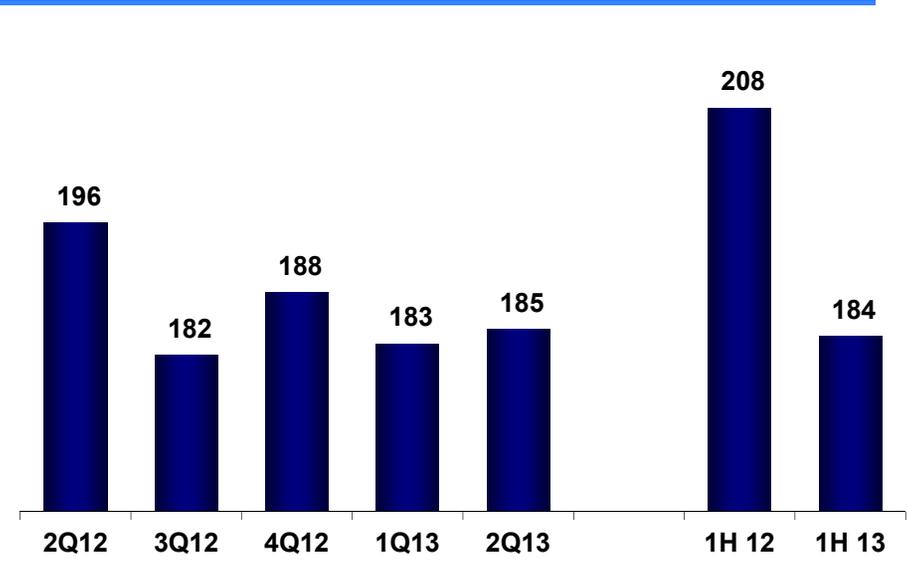
XL: Operational Performance

Positive subscriber growth driven by increase in Data users

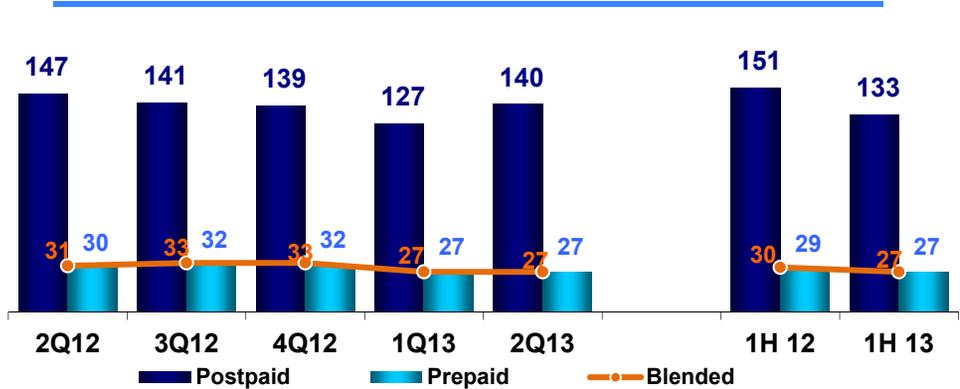
Subscribers (000's)



OG MoU/subs/month (minutes)



ARPU (IDR thousands)



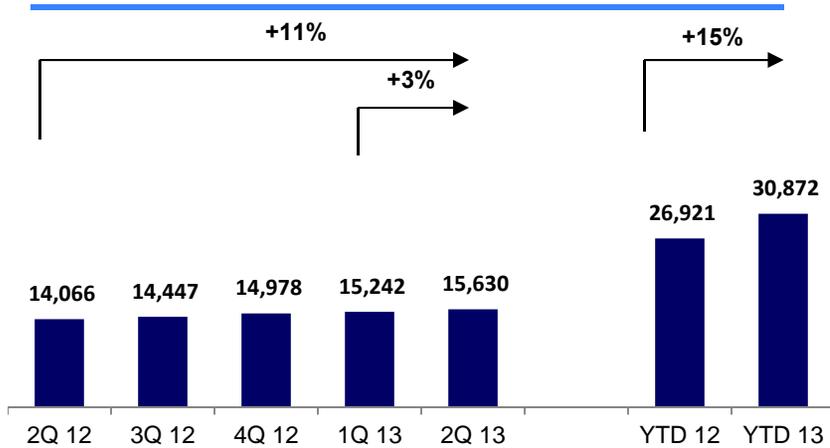
- Total Subscribers grew 18% YoY with Data users growing by 21% constituting 59% of total subscribers.
- Data traffic grew 88% YoY as data adoption remains strong.

Dialog Group : Financial Performance

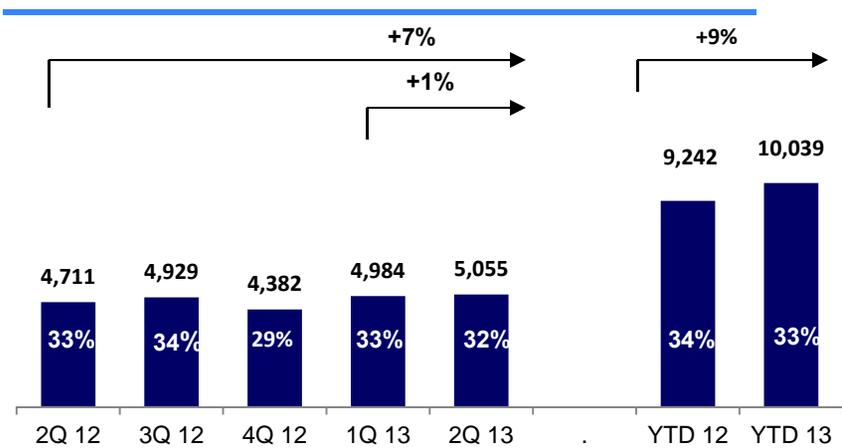


All key financial metrics except PAT improved both QoQ and YTD; 2Q13 PAT impacted by translational Forex losses. Normalised PAT Improved 13% QoQ

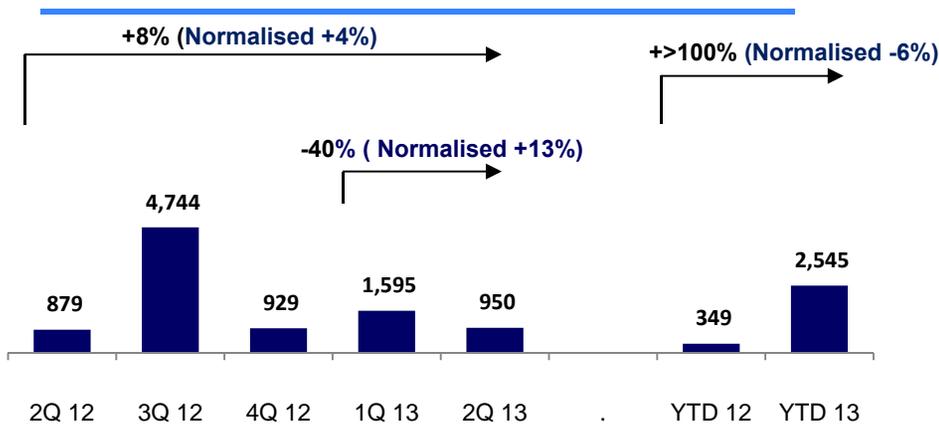
Revenue (SLR mn)



EBITDA (SLR mn) & margins (%)



PAT (SLR mn)



- Revenue increased by 3% QoQ and 15% YTD, on the back of strong growth in the mobile segment
- Steady EBITDA performance backed by strong growth in Revenue
- Q2 PAT impacted by a non cash translational forex loss of Rs856mn following a 2.8% depreciation of SLR against USD
- 1H 2013 performance is inclusive of 2% revenue based tax provision of Rs553mn

Performance normalised to

2Q 13: exclude translational forex loss of Rs 856mn
 2Q 12: exclude translational forex loss of Rs 865mn
 1H 13: exclude translational forex loss of Rs 851mn
 1H 12: exclude translational forex loss of Rs2,938mn and Suntel acquisition related costs of Rs343mn



Dialog Group : Financial Performance

Higher Cost in line with expanding infrastructure for data growth



Operating Expenses

% of Revenue	2Q 12	1Q 13	2Q 13	1H 12	1H 13
Direct expenses	29.3%	27.8%	30.3%	28.1%	28.8%
Sales & Marketing	12.0%	13.3%	11.3%	12.3%	12.5%
Network costs	11.7%	12.1%	12.5%	12.3%	12.3%
Staff costs	8.6%	8.9%	8.6%	8.3%	8.8%
Bad debts	0.5%	1.0%	1.0%	0.4%	1.0%
Overheads	4.4%	4.2%	4.0%	4.3%	4.1%
Total Expenses	66.5%	67.3%	67.7%	65.7%	67.5%
EBITDA Margin	33.5%	32.7%	32.3%	34.3%	32.5%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	18.9%	19.8%	18.8%	18.7%	19.3%

- QoQ cost to revenue increased by 0.4ppts to record at 67.7% due to higher network cost in line with the increased rollout of data infrastructure.
- 1Q results included TDC refund of Rs429mn
- Higher YTD sales and marketing spend on promotions of new products, usage stimulation and loyalty campaigns

Financial Position (SLR mn)

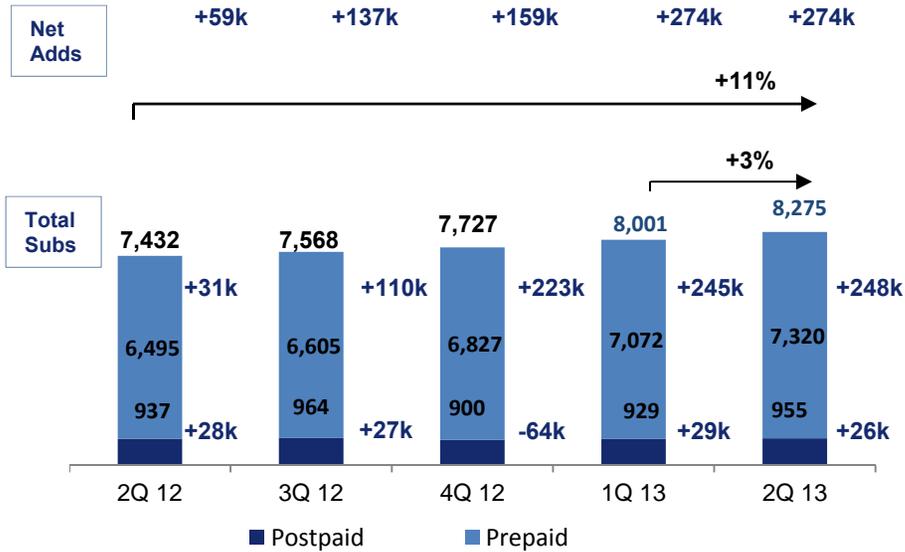
	31 Dec 12	30 June 13
Capex	17,409	14,312
Cash & Cash Equivalents	8,647	2,530
Gross Debt	23,892	22,422
Net Assets	37,182	37,086
Gross Debt / equity (x)	0.64	0.60
Gross Debt/ EBITDA (x)	1.29	1.12

- Cash balance end 2Q 2013 reduced to Rs2.5bn whilst 1H 2013 Group FCF is negative at Rs4.3bn due to strategic investments in the quarter
- Gross debt to EBITDA decreased to 1.12x as at end June 2013 from 1.29x as at end 2012

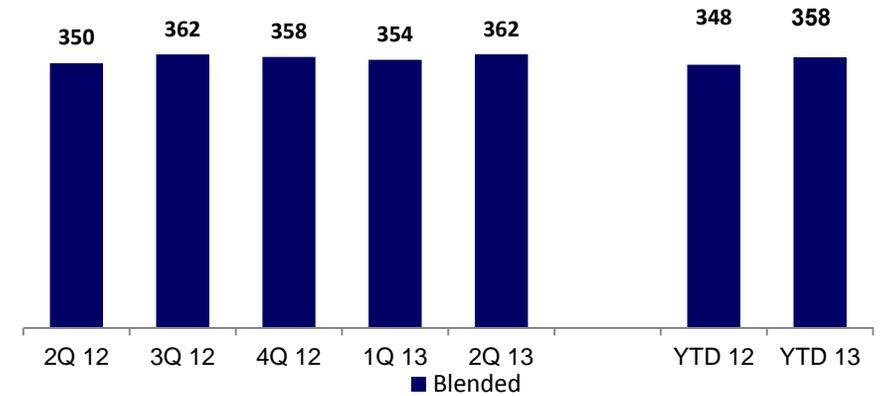
Dialog: Operational Performance

Stable ARPUs and marginal increase in MOUs QoQ

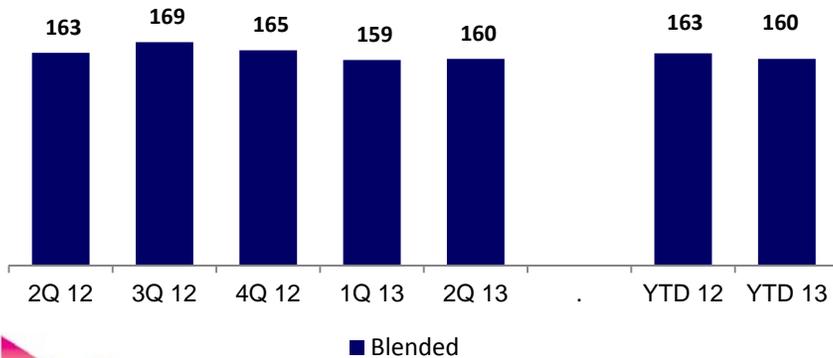
Subscribers(000's)



ARPU (SLR)



MOUs (min)*



- Prepaid segment driving the total subscriber growth of 3% QoQ and 11% YoY
- ARPUs increased by 2% QoQ

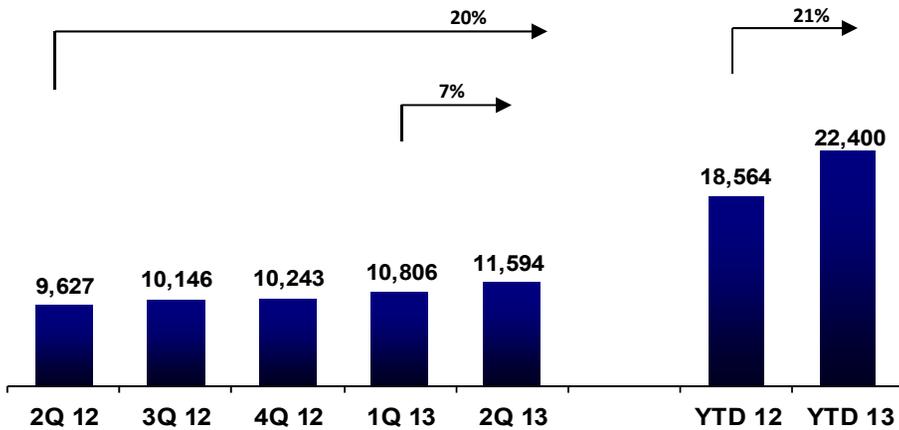
* MoUs are based on outgoing min

Robi : Financial Performance

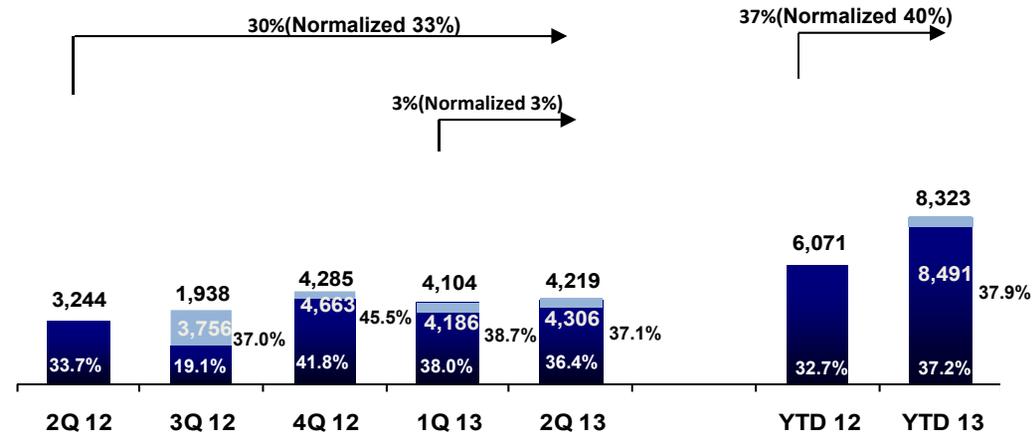
Solid growth in Revenue and EBITDA; YoY PAT has recovered strongly



Revenue (BDT mn)

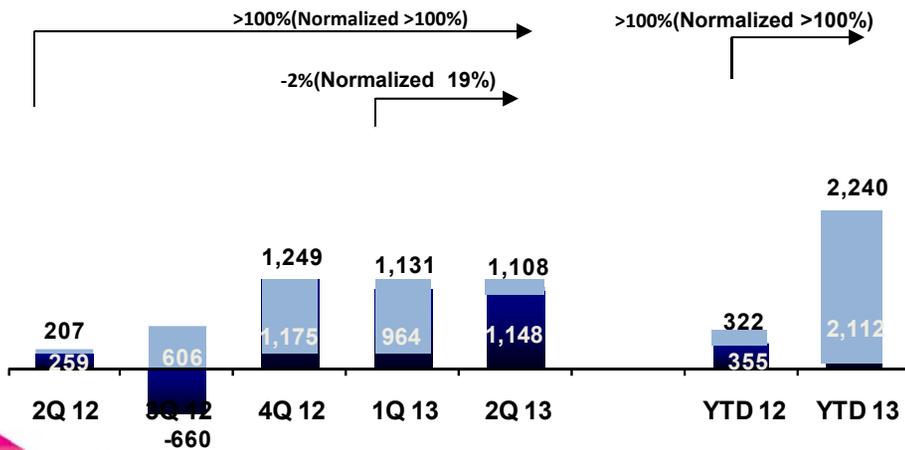


EBITDA (BDT mn) & Margins (%)



EBITDA Normalized by SIM Tax (3Q'12 BDT 1,818m) and Late payment fees (4Q'12 BDT 377m, 1Q'13 BDT 81m and 2Q'13 BDT 86m)

PAT (BDT mn)



PAT Normalized by Forex, SIM Tax, Late payment fees and Swap losses

- Strong 1H13 Revenue performance driven by prepaid voice, Value Added Services (VAS) incl. Data.
- Higher SAC, Interconnect costs in 2Q impacted EBITDA margin last quarter. YoY EBITDA growth attributed to revenue achievement.
- 1H13 PAT was driven by lower finance costs. 2Q PAT had impact of 'Write off' (BDT 43Mn net) in Network Asset swap/exchange transaction.



Robi : Financial Performance

Cost structure optimisation led to improvement in EBITDA Margin YoY

Operating Expenses

% of Revenue	2Q 12	1Q 13	2Q 13	YTD'12	YTD'13
Direct Expenses	41.1%	38.4%	40.0%	41.9%	39.2%
Sales & Marketing	3.8%	4.3%	3.7%	4.3%	4.0%
Network Costs	10.0%	9.1%	9.5%	10.1%	9.3%
Staff Costs	6.3%	5.2%	5.6%	5.8%	5.4%
Bad Debts	0.1%	0.1%	0.0%	0.0%	0.0%
Others	4.9%	4.9%	4.9%	5.1%	4.9%
Total Expenses	66.3%	62.0%	63.6%	67.3%	62.8%
EBITDA Margin	33.7%	38.0%	36.4%	32.7%	37.2%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	18.7%	17.5%	16.5%	19.2%	17.0%

Financial Position (BDT mn)

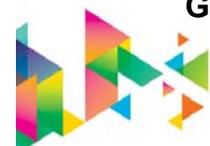
	31 Dec 12	30 June 13
Capex	8,150	3,467
Cash & Cash Equivalents	4,649	15,128
Gross Debt	14,659	13,668
Net Assets	32,940	40,701
Gross debt / Equity (x)	0.45	0.34
Gross debt / EBITDA (x)	1.19	0.82

Operating expenses:

- Direct Expenses- 2Q increased due to higher channel commissions & interconnect costs.
- Network cost- increased QoQ mainly due to 'Power & Electricity' because of higher consumption incl. Genset fuel (Electricity load sharing).
- Staff Costs- 2Q increased due to yearly salary review effective from Apr'13 & related costs.

Financial Position

- Capex- Return based deployment.
- Capital Gearing- Improved over the period for reduced debts and increased shareholders' fund.
- Gross Debt/EBITDA- Improved for higher EBITDA (annualized).

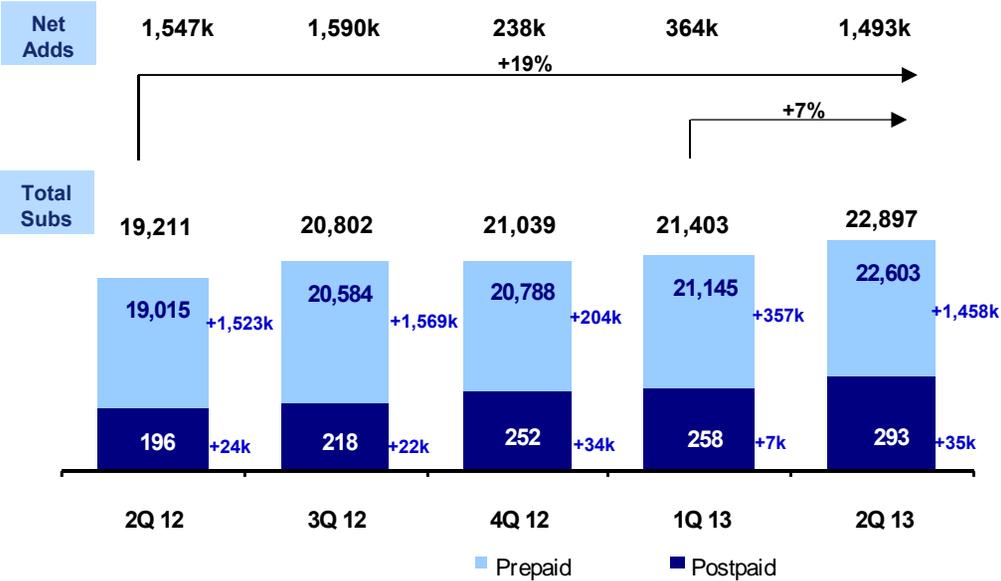


Robi : Operational Performance

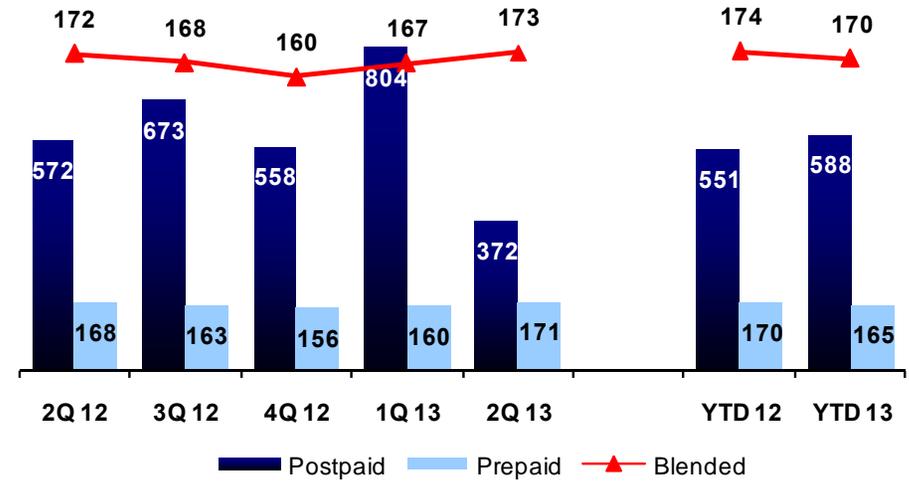
Total Subscribers grew 19% YoY: Rural Penetration and retention drive continued



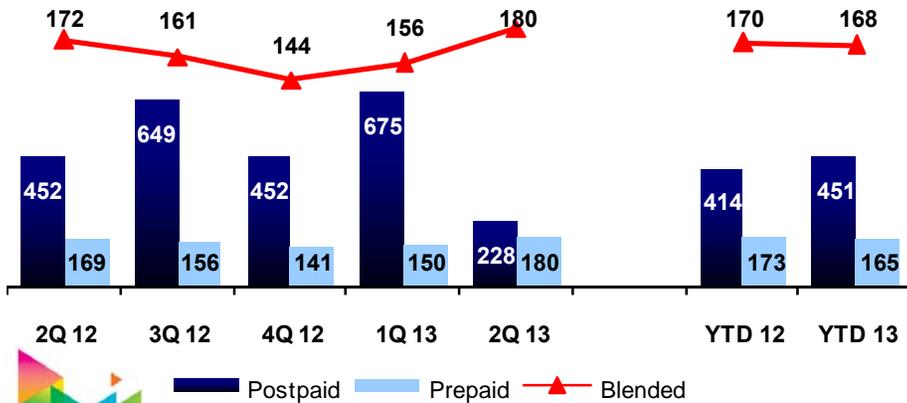
Subscribers (000's)



ARPU (BDT)



MOU/sub (min)



- Net adds increased in 2Q followed by aggressive acquisition drive and focused retention initiatives like 'Winback'.
- QoQ MoU/Sub and ARPU increased from enhanced usage because of strengthened market drive with affordable campaign/initiatives mainly in prepaid segment.

Note: ARPU, MoU/Sub are based on active subscriber base. Total Sub means active subscribers to date.



Regional Mobile: QoQ Performance Highlights



COMPANY

HIGHLIGHTS

QUARTER ON QUARTER PERFORMANCE



Key marketing campaigns include bonus minutes and attractive tariff plans



Growth driven by robust voice and mobile data revenue



Data usage on smartphones continues to grow



Note: Idea and wholly owned subsidiaries on a consolidated basis. Smart based on proforma numbers.

Regional Mobile: YTD Performance Highlights



COMPANY

HIGHLIGHTS

YTD ON YTD PERFORMANCE



Ongoing subscriber acquisition drives and retention initiatives



Strong revenue growth coupled with scale benefits and better cost management supporting



Interim dividend of 6.8 cents per share



Note: Idea and wholly owned subsidiaries on a consolidated basis.

Thank You

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