

AXIATA GROUP BERHAD (“AXIATA”) – HEADLINE KEY PERFORMANCE INDICATORS (“KPIs”) FOR FINANCIAL YEAR ENDING (“FY”) 31 DECEMBER 2016 (“FY2016”) AND ACHIEVEMENT OF HEADLINE KPIs FY2015

Axiata wishes to announce its FY2016 Headline KPIs

These Headline KPIs have been set and agreed by the Board of Directors and Management of Axiata Group (“**Group**”) and shall not be construed as forecasts, projections or estimates of the Group or representations of any future performance, occurrence or matter as they are merely a set of targets/aspirations of future performance aligned to the Group's strategy and which have been derived on the assumptions that the Group shall operate under the normal business environment under which they had been determined.

FY2016 Headline KPIs

	Headline KPIs (based on Bloomberg* estimate in mid Oct'15 for 2016 forex)	Headline KPIs (based on constant currency)
Revenue Growth (%)	12.2%	9.8%
Earnings before Interest, Tax, Depreciation and Amortisation (“ EBITDA ”) Growth (%)	16.0%	13.7%
Return on Invested Capital (“ ROIC ”) (%)	6.8%	6.6%
Return on Capital Equity (“ ROCE ”) (%)	6.1%	6.0%

*1 USD = RM4.2

In establishing the FY2016 Headline KPIs, the Management of Axiata has taken into consideration the following assumptions and challenges:-

1. No material increase in competition in the mobile market space of the Group's major operating countries
2. No material regulatory changes impacting the operating companies ('OpCos')
3. No material change in currency volatility, liquidity shortages and interest rates in the Asia-Pacific region in general, and in the Southeast Asia in particular
4. No material change in CAPEX budget spending in all operating companies
5. Timing of NCell / M&A consolidation and integration into Axiata
6. Excludes divestment impact
7. Overall global and domestic economy as well as consumer spending

Moving Forward

In FY2016, the Group will continue to face challenges and remains cautious in executing its business strategies including integration of Ncell in Nepal. Amongst the key risks facing operating companies include regulatory challenges (e.g. pricing and fee structure uncertainties as a result of spectrum reallocation in Malaysia etc.), political risks, intense competition and foreign currency fluctuations. Moving forward, the Group will continue to focus on its long-term transformation strategy which includes new approach to current business, venturing into new businesses adjacent to current business, selectively acquiring new assets and managing existing business via data leadership and enhancing data profitability by focusing on pricing, smart investments, network capacity utilisation and other cost saving initiatives including forex mitigation strategies.

FY2015 Headline KPIs Achievements

Below are the Axiata Group FY2015 achievements against the 2015 Group Headline KPIs:-

	FY2015 Headline KPIs	FY2015 Achievement @ Constant Currency	FY2015 Achievement @ Actual Currency
Revenue Growth (%)	4.0%	-0.2%	6.3%
Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") Growth (%)	4.0%	-2.2%	4.1%
Return on Invested Capital ("ROIC") (%)	8.7%	7.7%	7.7%
Return on Capital Equity ("ROCE") (%)	7.7%	6.6%	6.7%

FY2015 has been a challenging year for the Group primarily due to slowing industry growth in Malaysia as well as intense competition in most countries that we operate in. Despite strong performance from OpCos in Sri Lanka, Bangladesh and Cambodia, the Group performance was adversely impacted by operational performance in Malaysia and Indonesia. Within Malaysia, Celcom's overall recovery was hampered by a flat growth market. On the other hand, XL's transformation agenda is well on track and continues to gain momentum.

Amidst this backdrop, at constant currency, the Group recorded flat revenue growth and EBITDA decline of 2.2% year-on-year. ROIC and ROCE stood at 7.7% and 6.6% respectively.

At actual currency, Group performance was positively impacted by the depreciation of Ringgit Malaysia against all currencies of the OpCos. Accordingly, the Group recorded FY2015 revenue growth of 6.3% and EBITDA growth of 4.1%. ROIC and ROCE stood at 7.7% and 6.7% respectively.