

MEDIA RELEASE

Axiata Holds Steady amidst Exacting Market Conditions

- **Idea performed extremely well with Revenue and EBITDA growing 24% and 35% respectively**
- **Data continues to be main driver for Celcom and XL, up 19.5% and 29.2% respectively**
- **Robi continues to show double digit Revenue & EBITDA growth; forex fluctuations affected PAT**
- **Strengthening Ringgit against most currencies continues to affect revenues and EBITDA**
- **Group announces interim dividends of 4 sen per share**

Kuala Lumpur, August 23, 2011 – Axiata Group Berhad, (“**Axiata**”), today announced its unaudited results for the second quarter of 2011. Stable growth was seen amidst a challenging backdrop. Despite forex fluctuations, heightened competition and further voice and SMS data substitution as well as a general softening of the market, revenue held steady up 5% year-on-year (“**YoY**”)¹, to RM4 billion. At constant currency, revenue would have been up 7%. Earnings before Interest, Tax, Depreciation and Amortisation (“**EBITDA**”) declined by 3%, 1% at constant currency, due to the strengthening Ringgit as well as higher costs related to data. Correspondingly, EBITDA margin dipped 3.5 percentage points to 43.5%. Actual Profit after Taxation and Minority Interests (“**PATAMI**”) in the period was up 15%, to RM663 million.

1H (“**YTD**”)², revenue was up 4% to RM8 billion. At constant currency, revenue growth was 7.5% which was largely driven by higher data and broadband revenue from Celcom³ and XL⁴. EBITDA held steady at 0.1% to RM3.5 billion whilst at constant currency, EBITDA grew 2.8%. Higher costs incurred from network expansion to support data growth did affect margins which dipped by 1.8 percentage points. Underlying PATAMI, stripping off one off gains, was up 5.2% to RM1.2 billion from continued focus on operational improvements in all businesses. Impacted mainly by the one off gain from the share disposal in XL of RM338 million in 2010, actual PATAMI in the period was down by 19%.

Regional mobile subscribers for the Group saw strong growth up 27% YoY to 176 million making Axiata one of the largest telcos in the region.

INTERIM DIVIDEND

In light of Axiata’s strong cash position, the Board of Directors has declared an interim tax exempt dividend of 4 sen per share for the financial year ending 31 December 2011.

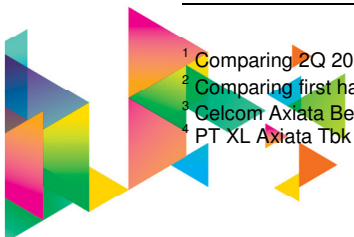
This follows the Group’s maiden dividend of 10 sen per share (single tier) for the financial year 2010, a 32% payout which was slightly over the 30% originally guided, paid out in June 2011.

¹ Comparing 2Q 2011 to 2Q 2010

² Comparing first half 2011 to first half 2010

³ Celcom Axiata Berhad

⁴ PT XL Axiata Tbk



POSITIVE DATA TRENDS CONTINUE AT CELCOM AND XL

Malaysia

Celcom showed steady growth amidst tough market conditions with revenue up by 3% and EBITDA by 0.1% YTD. Continuous improvement was seen in profitability, up 7% in the period to RM1 billion. The quarter saw positive revenue growth via the encouraging take up on devices and bundled offerings. Celcom has been fast to respond in mitigating the decline in voice and substitution to data with aggressive marketing campaigns for new products and services such as Kolony the new SMS based social networking platform which has attracted 1.8 million customers in less than three months. Investment in new programmes however, had a short term negative impact on margins during the quarter.

Continued and diligent focus on data business saw a strong YTD hike in total data of 19% YoY, now contributing 36% to revenue.

Indonesia

XL continued to perform well at a more moderated pace from 2010, posting growth in all financial indicators whilst maintaining strong EBITDA margin. Revenue and EBITDA were up 8% and 7% respectively YTD, and EBITDA margin remained stable at 52% from continuous and effective cost management. PAT rose by 15% in the same period to IDR1.5 trillion.

Total Data continued to show strong traction with a significant increase of 29% YTD, now contributing 38% to total revenue from 32% a year ago. In light of this, XL will be accelerating the roll-out of the data network footprint to accommodate the rapid growth of 3G handset penetration and usage.

To support the growing data business and adoption, XL continues to enrich its portfolio of innovative data offerings and services. Amongst others, XL launched its 'XL Play', the first of its kind in Indonesia, which has attracted 200 thousand subscribers in less than three months.

PROFITABILITY AND GROWTH IN SOUTH ASIAN OPERATIONS

Sri Lanka

Strong profitability was seen at Dialog⁵ with the Group posting a robust PAT of SLR 2.5 billion, up 22% YTD. Similarly, Dialog recorded strong performance in revenue to reach SLR22 billion, up 9% YTD driven by a healthy growth in mobile subscribers and an increased adoption of mobile broadband services. EBITDA in the period remained steady with a growth of 3% due to revenue gains.

Dialog continued to invest in strategic investments in High Speed Mobile Broadband and Optical Fibre Network (OFN) expansion projects to meet the increased take up of data which did have an impact on margins, slipping by 3 percentage points.

⁵ Dialog Axiata PLC

Bangladesh

Robi⁶ continued its strong growth trajectory with double digit growth in both revenue and EBITDA up a robust 20% and 19% respectively YTD. PAT however, declined mainly as a result of forex losses of BDT 974 million. Underlying performance remained healthy, with PAT up by 24% to BDT 539 million.

In a market focusing on volume, strong subscriber additions was seen up 37% YoY to 19.8 million.

STRONG PERFORMANCES AT ASSOCIATES

Singapore

Another solid quarter was posted by M1 with operating revenue increasing 6.5% YTD due to higher service revenue and handset sales. Non-voice services contributed to 35.2% of service revenue, up from 30.8% a year ago, driven by growth in the mobile broadband and smartphone customer base. EBITDA growth in the period was 0.2%. PAT increased by 6.6% to SGD85 million.

India

Idea continued its strong performance posting double digit growth for both Revenue and EBITDA, up 24% and 35% YoY respectively.

Idea opened the first quarter of their financial year with a 6.5% QoQ growth of Minutes on network, remaining among the top 10 global operators in terms of voice minutes of usage.

Idea has consistently gained revenue market share over the past two quarters and despite hyper competition, revenue and EBITDA were up by 7% and 12% respectively Quarter-on-Quarter (“**QoQ**”). PAT in the period was affected by the additional costs of the 3G roll out down by 35%.

Commentary

Axiata Chairman, Tan Sri Dato’ Azman Hj. Mokhtar said “Challenging market conditions look set to continue. Despite this performance has remained steady. We will continue to focus on our long term goal of ensuring strong profit and cash, whilst looking at more revenue growth opportunities”.

Dato’ Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata, said “Difficult operating conditions such as softening markets and the strengthening of the Ringgit against most other currencies have continued in the second quarter of the year. The latter has particularly affected our operations in Bangladesh. Despite these factors, performance from most operating companies has held firm. XL and Dialog in particular, have performed well against market. We have also seen good data performance, from Celcom and XL, which has mitigated the slower growth. Concurrently, the demand for data is growing and the challenges of voice and sms data substitution is accelerating especially in our more mature

⁶ Robi Axiata Limited

markets. To alleviate this, the Group has continued to invest in data initiatives in order to gear up our network which has seen short term pressure in our performance. We are confident that despite the short term pressure seen in this quarter's results, we will be well poised to capitalize on new revenue opportunities, especially in the data business in the longer term".

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 and Singapore. 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.

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, 'HELLO' in Cambodia, 'Idea' in India and 'M1' in Singapore.

The Group, including its subsidiaries and associates, has over 176 million mobile subscribers in Asia. The Group revenue for 2010 was RM15.6 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 talent, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009 and 2010 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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