

# Agenda

---

Quick summary

Henrik Clausen, CEO

---

Financials

Terje Borge, CFO

---

Updates & Outlook

Henrik Clausen, CEO

---

Q&A

---





## Investor Update

### Q112 Earnings Conference Call

**Promosi**  
**DiGi SUPER RELOAD SOCIAL**

**20% + RM200**  
masa berbual\*  
percuma untuk dimenangi



Super padat! Lebih seronok, lebih kawan dan lebih nilai.  
RM pelanggan berpeluang memenangi wang tunai RM200 yang akan diveditkan ke Simpa MasterCard. Cuma isi senarai DiGi Super Reload Social RM15. Dapatkan Simpa MasterCard sekarang!

RELOAD	PERCUMA
<b>RM15</b>	<b>RM75</b>
	<ul style="list-style-type: none"> <li>• RM15 kredit</li> <li>• 250 SMS</li> <li>• 100 MMS</li> <li>• 100 f t SMS</li> </ul>

Dapatkan DiGi You're

Terdapat kepada semua pelanggan DiGi.  
Dapatkan Simpa MasterCard anda di DiGi Pengira/Centre atau Akaun Bank.  
\*Tidak boleh dipergunakan bagi penarikan tunai dan pembelian perkhidmatan.

Terdapat pada semua dan surat.  
Pendaftaran: 016-221 1821 atau digi.com.my

**DiGi**  
Peninggi pilihan yang lebih bijak

## Q1 – sustained top-line growth with stable margin

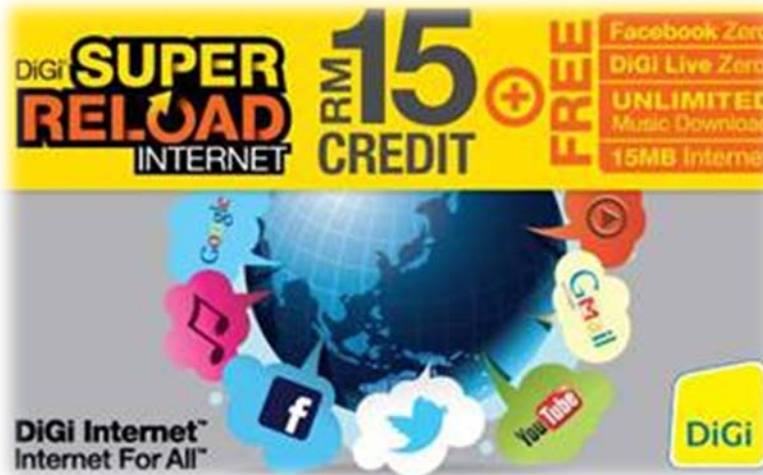
- ✓ maintained revenue growth in a seasonally low quarter
- ✓ stable EBITDA margin on continued good cost control
- ✓ 5.9 sen net /share 1<sup>st</sup> interim dividend\*
- ✓ proposed new capital management initiative

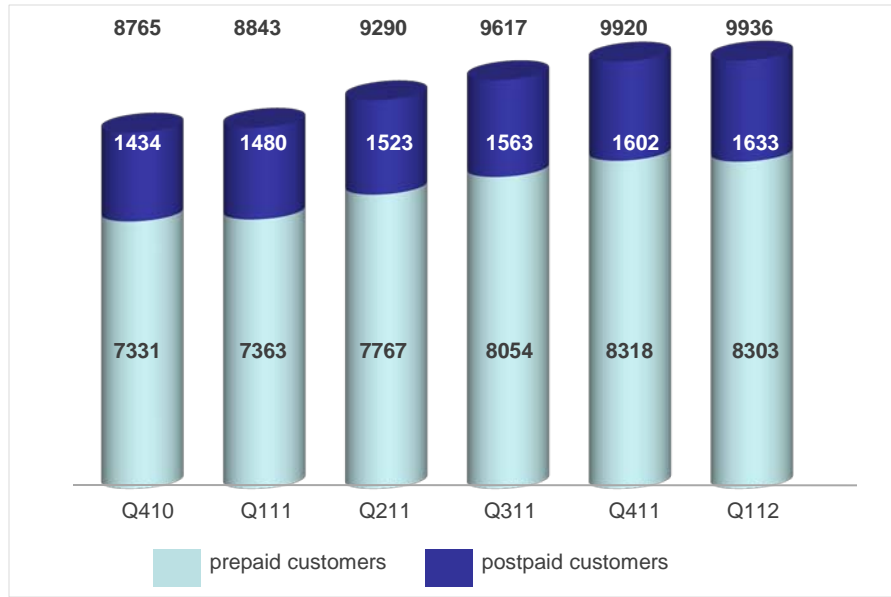


\* Dividend adjusted for 10-for-1 share split

## Q1 financial highlights

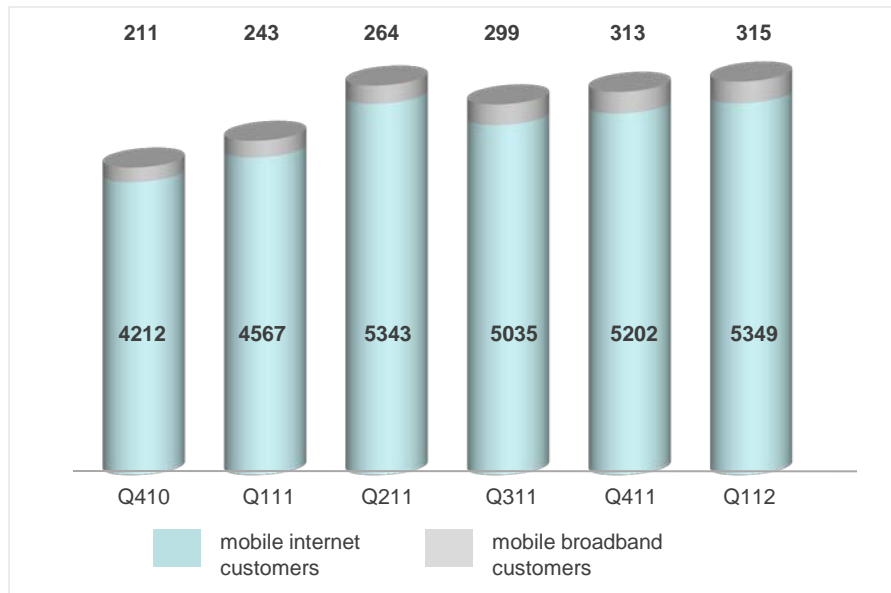
- ✓ +1.6% q-o-q revenue growth  
+9.6% y-o-y
- ✓ 47.0% EBITDA margin  
+1.1ppt y-o-y
- ✓ -18.5% q-o-q PAT decline  
-3.0% y-o-y
- ✓ RM619mil OpCF  
+7.7% y-o-y





## High rotational churn in Q1

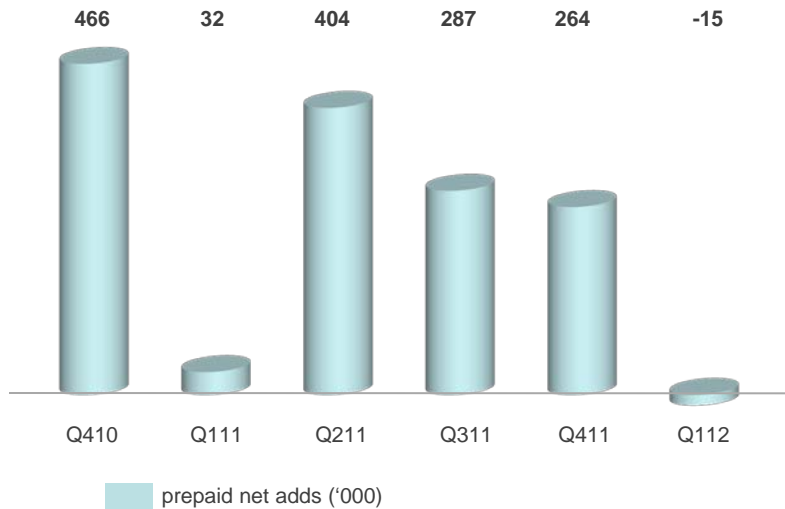
- added 16k new customers of which 2k are new broadband customers
- high rotational churn this quarter due to high net additions last quarter
- +2.8% growth in small screen users to 5.3 million



\*mobile internet & mobile broadband customers included in prepaid & postpaid customers respectively

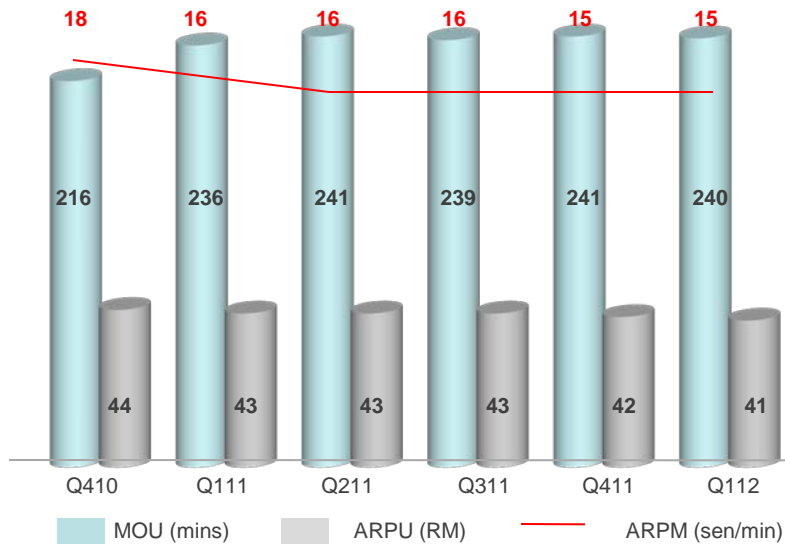
# stricter definition to exclude non-data revenue generating customers effective Q311

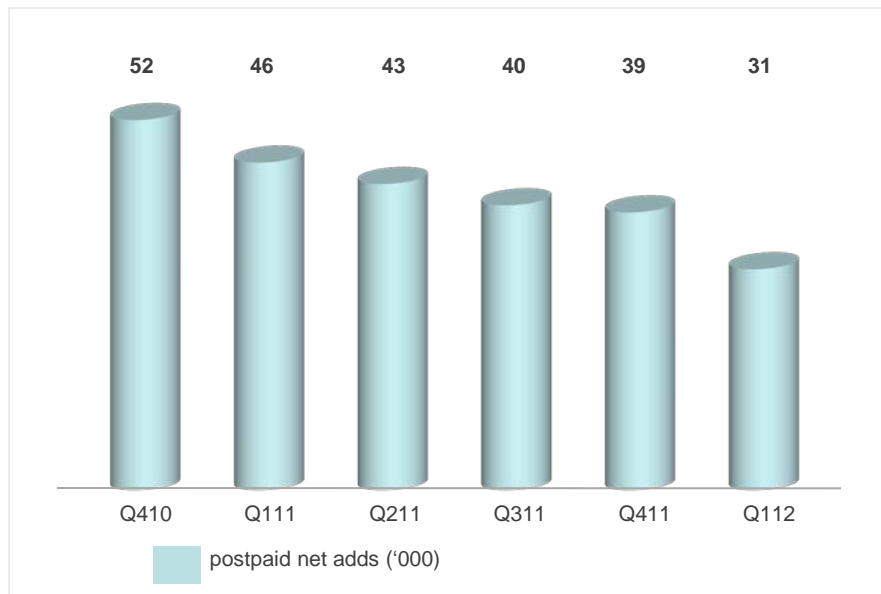




## Competition increasing within prepaid

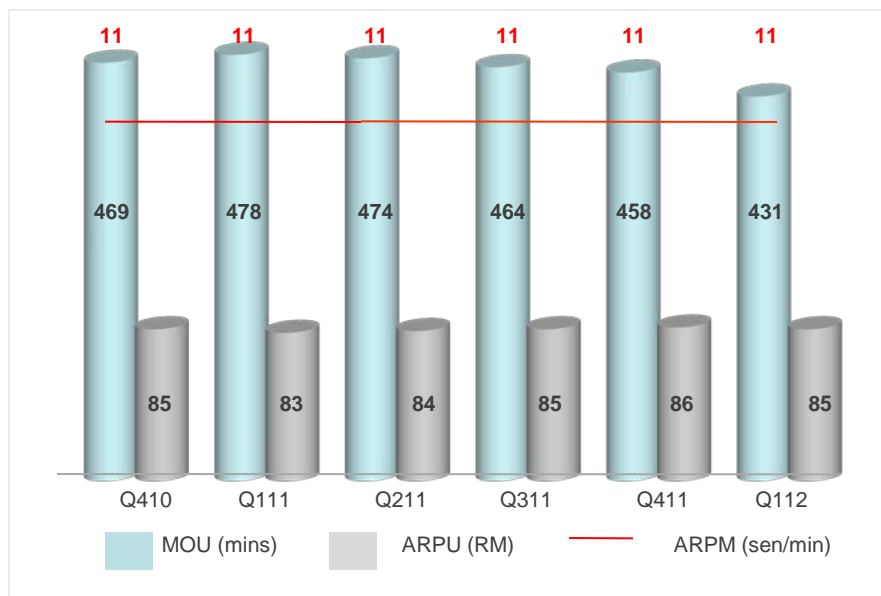
- flat prepaid customer base due to lower seasonal sales in Q1 and high churn due to high Q4 acquisitions
- ARPU decline mainly driven by price competition in IDD segment

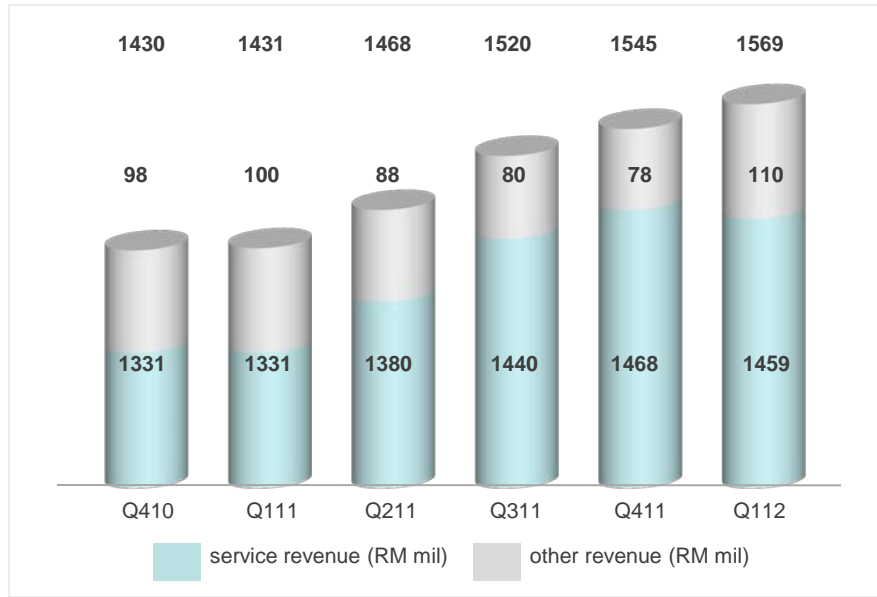




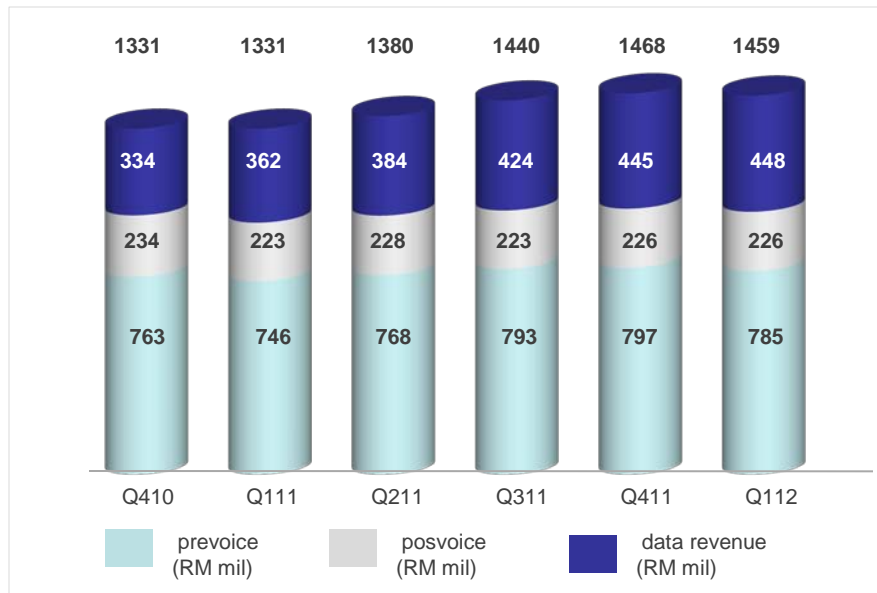
## Handset bundles supporting postpaid growth

- added 31k new customers; all in core postpaid
- conscious decision to slow-down broadband acquisition
- slightly lower ARPU mainly due to festive business closures





\* handset sales included in other revenue



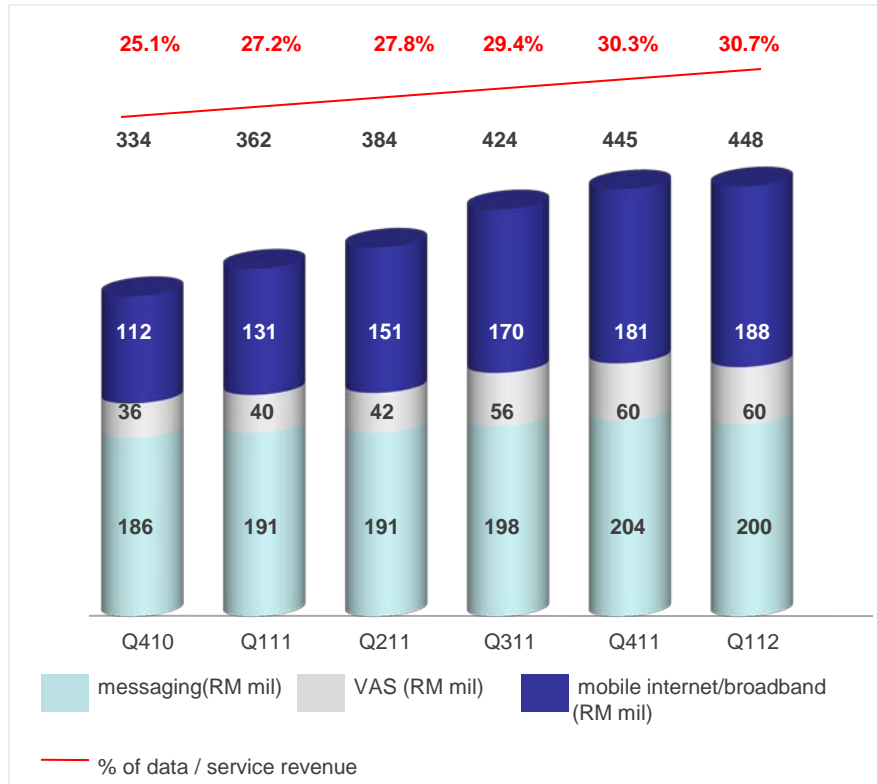
## Total revenue up by 1.6% in Q1

- Q1 data growth driven by mobile internet
- Q1 voice revenue partially impacted by Q4's seasonally higher festive driven usage
- higher q-o-q bundled handset sales aimed at driving data revenue growth

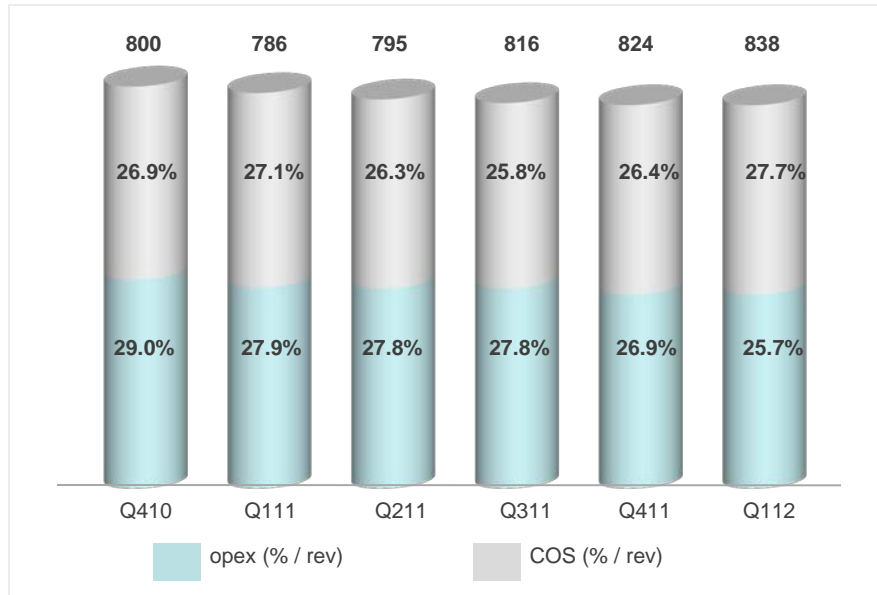




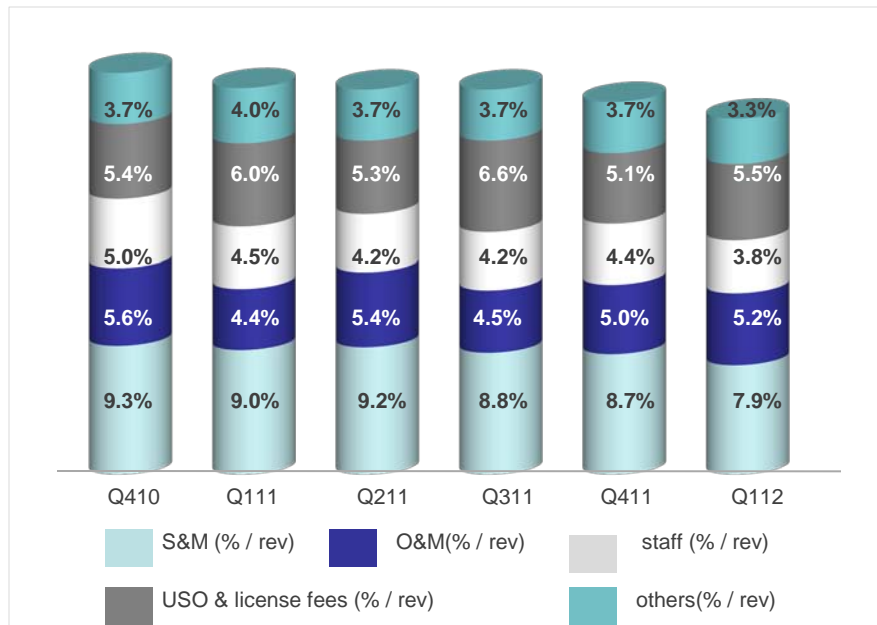
## Executing on mobile internet growth opportunities



- mobile data now close to 31% of service revenues
  - 22% of overall customers are smart-phone users
  
- continued positive customer response to ***Internet for All*** Smart Plans & device bundles

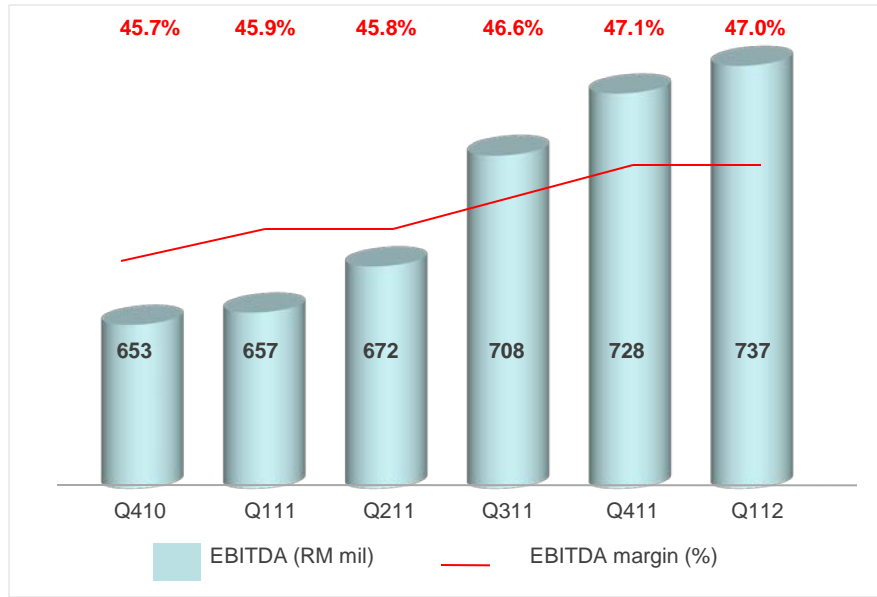


\* numbers at the top refers to total cost for the respective quarters in RM million



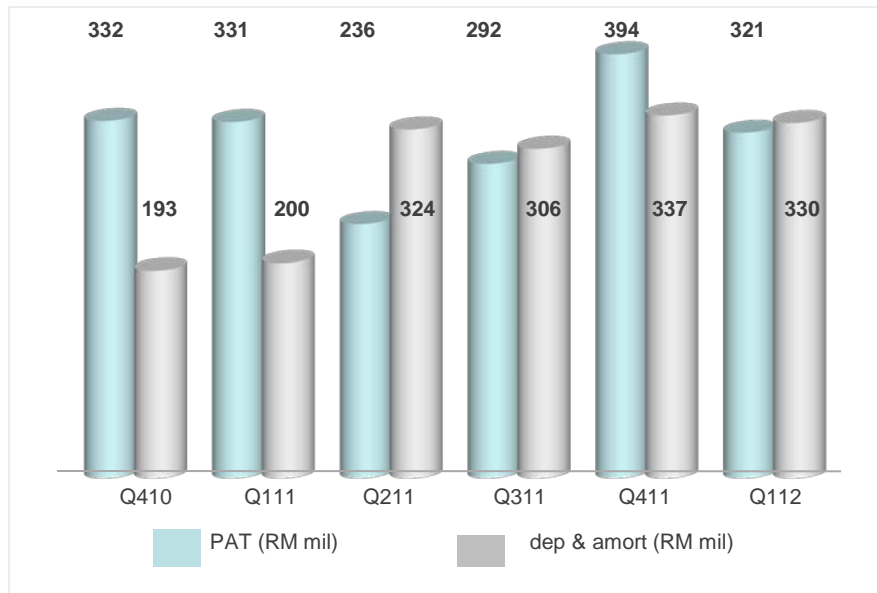
## Disciplined spending leading to lower q-o-q Opex

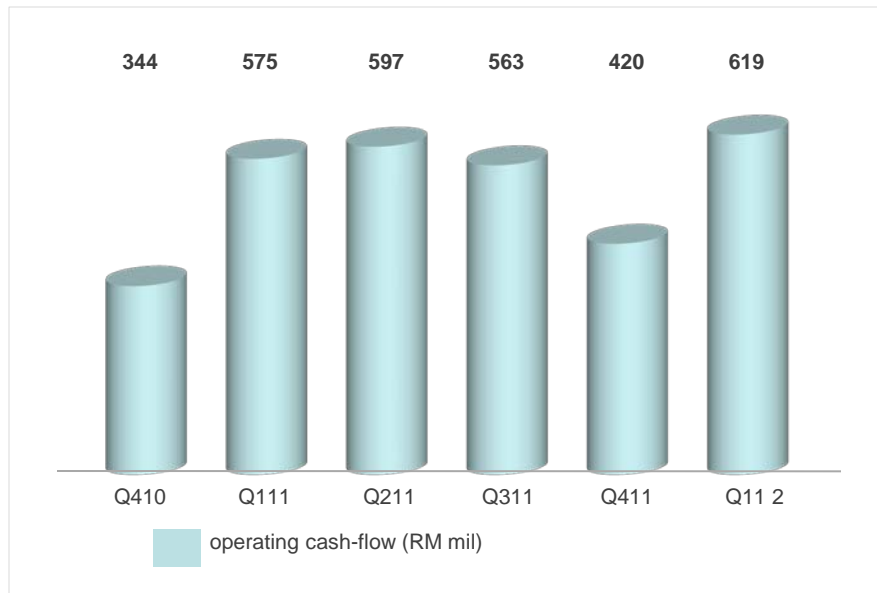
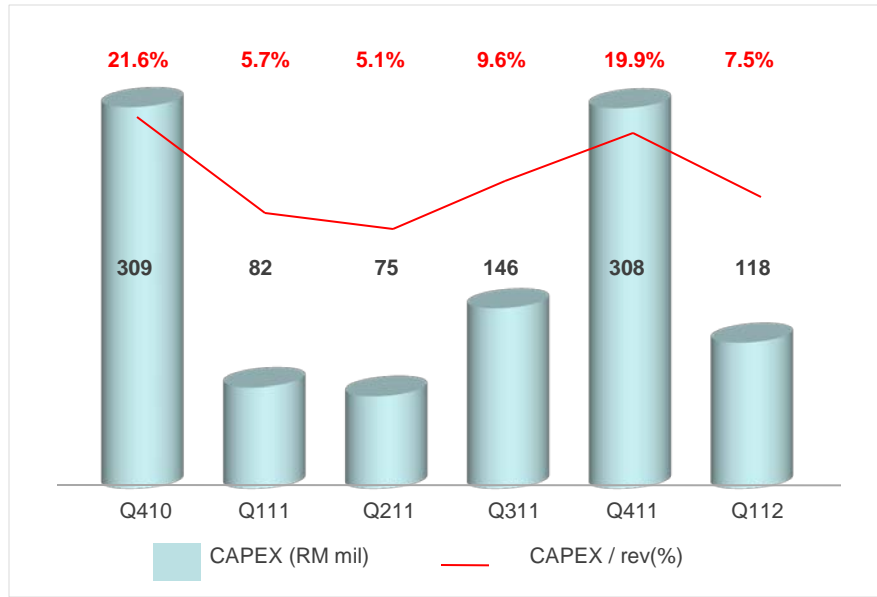
- +1.7% q-o-q increase in total cost base versus 1.6% revenue increase
  - +6.6% q-o-q increase in COS
  - -3.0% decline in OPEX
- increase in COS mainly driven by higher uptake of bundles handsets
- lower q-o-q OPEX:
  - lower expenses across-the-board except for higher O&M expenses and USO provision



## Stable sequential EBITDA margin

- +1.2% q-o-q improvement in EBITDA ; stable margin
- lower PAT in Q1 vis-à-vis the exceptionally high Q4 PAT
  - *mobile broadband tax incentives resulted in significantly lower effective tax rate in Q4*
- depreciation & amortisation charges in-line with guidance

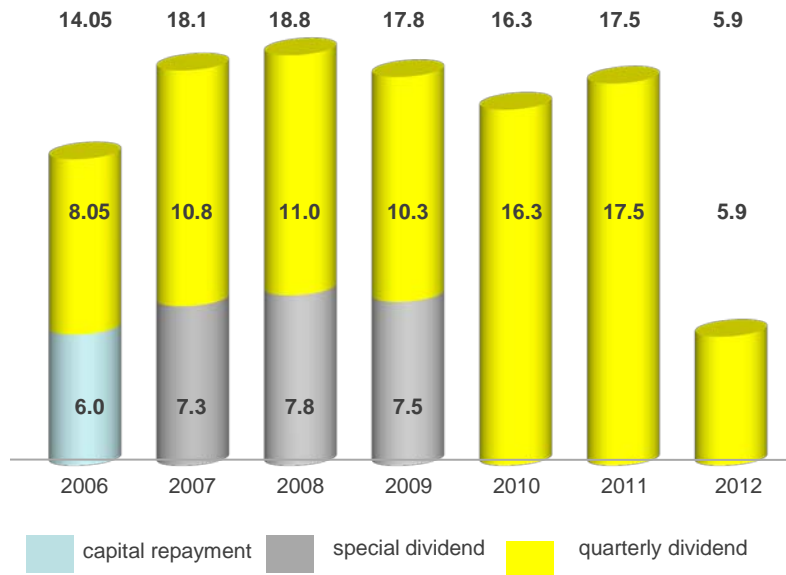




## Investing in a Tomorrow Network for growth & customer experience

- network collaboration
  - *completed first 200 site sharing; targeting to complete site consolidation by end 2013*
  - *commenced Phase 1 joint-fiber aggregation & trunk roll-out*
  
- network modernisation
  - *successfully upgraded ~500 sites*
  - *so far better network quality with higher capacity*
  - *aim to complete upgrade by end 2012*
  
- maintaining 2012 capex guidance





*\*all figures denote net dividend/share in sen and asjusted for 10-for-1 share split*

## Delivering higher shareholder value

- declared 1<sup>st</sup> interim dividend of 5.9 sen net/share payable to all shareholders payable on 8 June 2012
- announcing proposed new capital management initiative

(RM mil)	Q112	Q411	Q311	Q211
Interest-bearing debts	1,021.3	670.9	670.9	1,023.5
Cash & equivalents	1,517.8	1,098.2	987.1	1,015.7
Payout ratio	143.1%	128.2%	98.5%	98.7%

(RM mil)	Q112	2011	2010	2009
Total Return to Shareholder (TRS)	19.9%	56.5%	12.0%	0.7%
*ROE	104.6%	88.9%	87.5%	65.8%

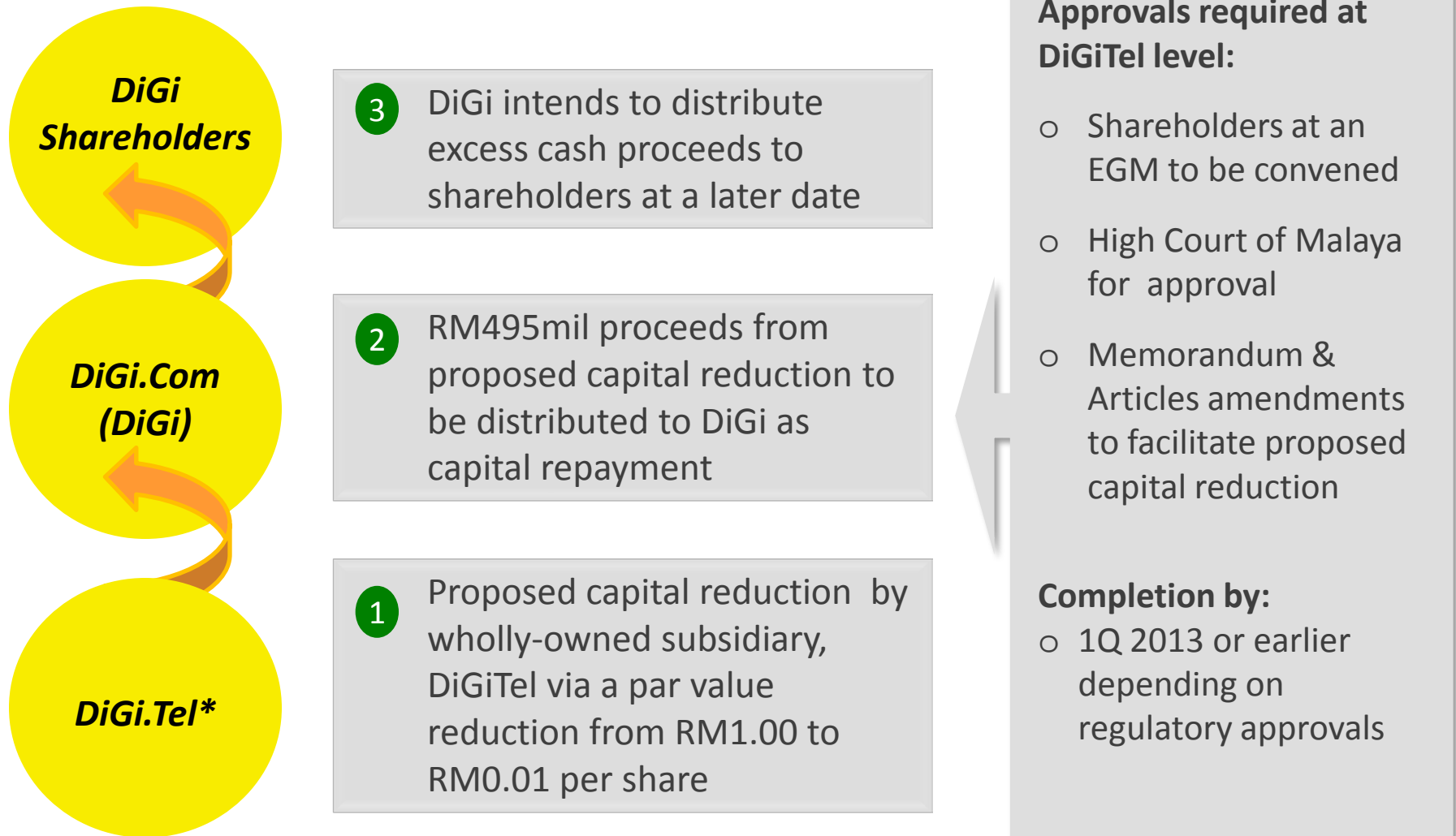
*\*ROE - annualised*

*•TRS based on simple share price appreciation to 31 Mar 2012 annualised (source: Bloomberg)*



## Proposed new capital management initiative

*Part of our planned capital management initiative to return excess cash to shareholders & increase capital efficiency*



## EENIE, MEENIE, MINEY, MO, PICK YOUR TABLET AND LET'S GO

With or without voice, the choice is yours,  
with tablet-friendly plans by DiGi.

Which **Samsung GALAXY Tab** would you like?  
Whichever you pick, enjoy your new tablet with the  
best tablet-friendly plans by DiGi.



**Samsung GALAXY Tab 8.9**  
+6GB Broadband  
**RM99**/mth  
with EPP  
RRP RM1699

Save up to RM499

**Samsung GALAXY Tab 7.0 Plus**  
+ DG Smart Plan™ 68  
**RM111.70**/mth  
with EPP  
RRP RM1699

Save up to RM770\*

**Samsung GALAXY Tab 7.7**  
+ DG Smart Plan™ 68  
**RM126.30**/mth  
with EPP  
RRP RM2099

Save up to RM820\*

**DiGi Internet™**  
Internet For All™

EPP price is over a period of 24 months.  
\*Inclusive of RM6 rebate upon registration of Auto Billing.  
Terms and conditions apply.  
Enquiries: 016 221 1500 or digi.com.my/getatab

**DiGi**

Always the  
smarter choice

## Other updates

- **Regulatory**
  - *spectrum*
  - *access pricing*



## DG SMART PLAN™

INTRODUCES

Samsung GALAXY Nexus

## FASTER SWIPES.

WAY FASTER THAN FLIPPING PAGES.

The first Android smartphone with the Ice Cream Sandwich OS, for faster and smoother navigation. Perfect with the value-for-money plan that offers 3GB of Mobile Internet at RM38\*\*/month. Be faster. Be smarter. Only with DG Smart Plan™.

THE SMARTER PLAN FOR SMARTPHONES.



Samsung GALAXY Nexus  
+ DG Smart Plan™ 68  
RM128.85\*/month with EPP  
(RP 344.99)

Save up to RM856\*\*

Surf SMART	Call SMART	Save SMART	Roam SMART
RM 38** Monthly Internet plan (3GB)	No minimum call usage	100% rebate Internet plan†	RM36 Monthly International Roaming

DiGi Internet™  
Internet For All™

\*EPP price is only valid with DG Smart Plan™ 68 (3GB, 24 months contract).  
†Rebate of 100% monthly rebate upon Auto Billing subscription. While rebate lasts.  
Terms and conditions apply.

Enquiries: 018 221 1800 or [digi.com.my/nexus](http://digi.com.my/nexus)

DiGi

Always the  
smarter choice

## 2012 opportunities & priorities

- defend strongholds & fully capitalize on mobile data opportunities
- build network capabilities to support mobile data growth
- further explore industry collaboration/partnerships
- continue to leverage on 'Group' scale & global initiatives
- optimising shareholder returns

DiGi



# Only one Internet plan gives you the best value.

- Only DiGi Smart Plan™ gives you more rebates monthly the more you spend on your bill.
- Doesn't tie you down to any minimum call amount.
- Protects you against nasty data roaming bills in more than 30 countries.

## DiGi SMART PLAN™

*Still* **^** The smarter plan for smartphones.

RM

3

Start SMART

Rebate starts at  
**RM 60 38**  
Monthly  
Minimum Pay: 1.00

Call SMART

No minimum  
call usage

Save SMART

**100%**  
rebate

DON'T WORRY  
ROAM DiGi

**RM 36**  
/day

**DiGi Internet®**  
Internet For All™

Downloadable Data: 100MB free, up to 1GB at 100MB per day.

\*Maximum of 100MB free daily, up to 1GB at 100MB per day. Maximum of 100MB free daily, up to 1GB at 100MB per day. Maximum of 100MB free daily, up to 1GB at 100MB per day. Maximum of 100MB free daily, up to 1GB at 100MB per day.

Enquiries: 012-22 1622 or digi@mydigi.com.my

**DiGi**

Always the  
smarter choice.

## 2012 outlook maintained

- mid-to-high single digit revenue growth
- sustained EBITDA & operating cash-flow margins
- capex RM700 million - RM750 million



Q & A

# Appendices

## Y-o-Y key numbers

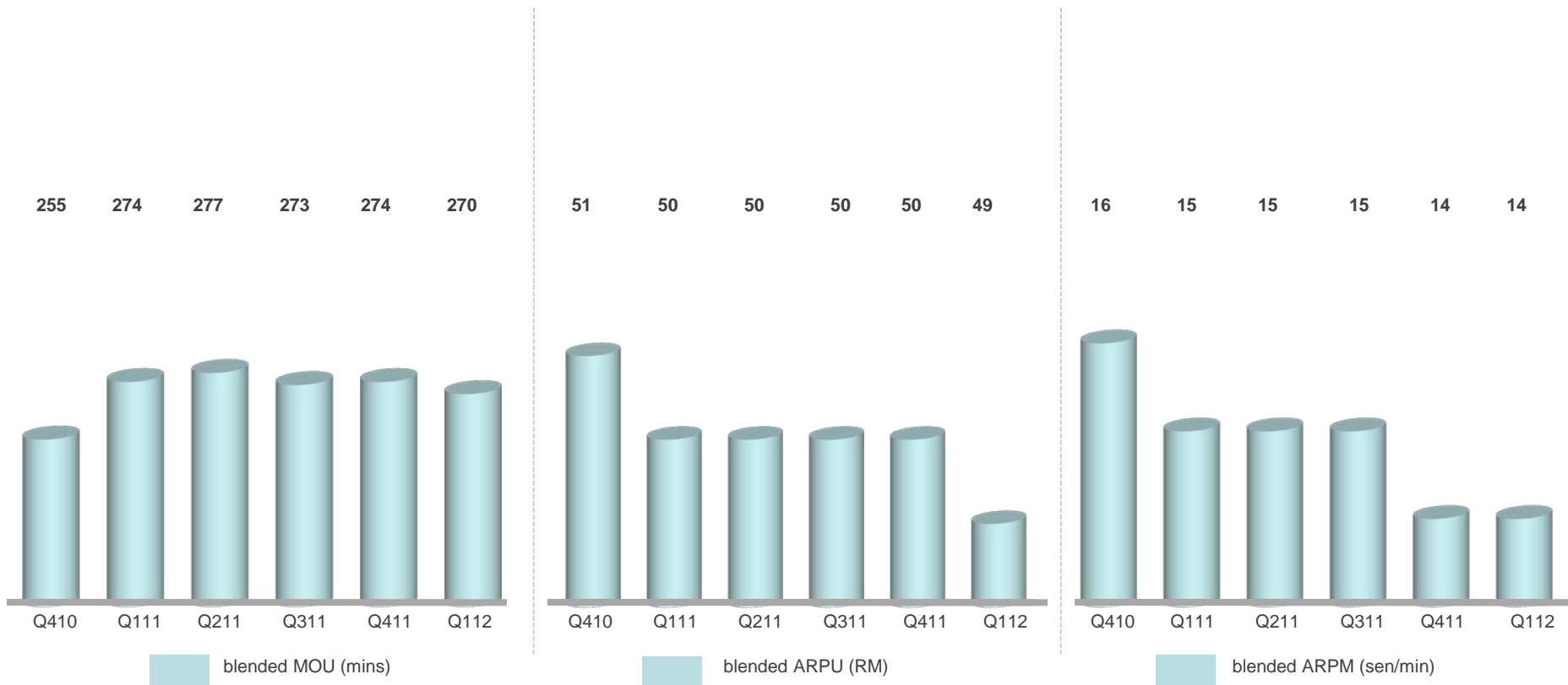
	Q112	Q111	Q-o-Q vs 2011
Customer base	9.9 mil	8.8 mil	+12.5%
Revenue	RM1,569 mil	RM1,431 mil	+9.6%
EBITDA	RM737 mil	RM657 mil	+12.2%
EBITDA margin	47.0%	45.9%	+1.1ppt
Profit After Tax	RM321 mil	RM331 mil	-3.0%
Operating CF	RM619 mil	RM575 mil	+7.7%

## Y-o-Y key numbers

	Q112	Q111	Q-o-Q vs 2011
Prepaid ARPU	RM41	RM43	-4.7%
Postpaid ARPU	RM85	RM83	+2.4%
Blended ARPU	RM49	RM50	-2.0%
Prepaid Revenue	RM1,032 mil	RM952 mil	+8.4%
Postpaid Revenue	RM427 mil	RM379 mil	+12.7%
Data Revenue	RM448 mil	RM362 mil	+23.8%



## Blended MOU, ARPU & ARPM



## Reported P&L

(RM mil)	Q112	Q411	Q311	Q211	Q111	Q410
EBITDA	736.9	727.6	708.3	671.9	657.2	653.4
Depreciation & Amortisation	(330.1)	(337.3)	(306.1)	(323.8)	(200.5)	(193.3)
EBIT	406.8	390.3	402.2	348.1	456.7	460.1
Net finance (costs)/income	(1.0)	(1.0)	(3.7)	(22.8)	(9.5)	(9.8)
- <i>finance costs</i>	(9.4)	(10.4)	(9.7)	(30.6)	(15.4)	(15.7)
- <i>interest income</i>	8.4	9.4	6.0	7.8	5.9	5.9
PBT	405.8	389.3	398.5	325.3	447.2	450.3
Taxation	85.2	4.9	(106.1)	(89.0)	(115.8)	(118.2)
PAT	320.6	394.2	292.4	236.3	331.4	332.1
*EPS (sen)	4.1	5.1	3.8	3.0	4.3	4.3

• EPS adjusted for completion of 10-for-1 share split in Nov 2011



## COS & OPEX breakdown

(RM mil)	Q112	Q411	Q311	Q211	Q111	Q410
<b>COS</b>	<b>434.6</b>	<b>407.7</b>	<b>392.8</b>	<b>386.4</b>	<b>387.4</b>	<b>384.8</b>
- cost of materials	116.8	82.6	85.8	90.9	96.1	96.6
- traffic charges	317.8	325.1	307.0	295.5	291.3	288.2
<b>OPEX</b>	<b>403.5</b>	<b>416.1</b>	<b>422.9</b>	<b>408.2</b>	<b>398.8</b>	<b>414.7</b>
- sales & marketing	123.9	134.0	133.8	134.7	128.2	133.2
- staff costs	59.1	67.9	63.1	61.5	63.7	71.5
- operations & maintenance	81.9	77.7	69.5	79.9	63.0	80.4
- other expenses	138.6	136.5	156.5	132.1	143.9	129.6
• USP fund and license fees	86.3	79.0	101.0	77.3	85.4	77.2
• credit loss allowances	11.0	15.7	11.3	10.9	6.7	8.2
• others	41.3	41.8	44.2	43.9	51.8	44.2
<b>TOTAL</b>	<b>838.1</b>	<b>823.8</b>	<b>815.7</b>	<b>794.6</b>	<b>786.2</b>	<b>799.5</b>



## Cash-flow

(RM mil)	Q112	Q411	Q311	Q211	Q111	Q410
<b>Cash at start</b>	<b>1,098.1</b>	<b>987.1</b>	<b>1,015.7</b>	<b>1,000.2</b>	<b>850.6</b>	<b>888.8</b>
Cash-flow from operations	636.7	588.8	554.5	609.4	593.5	427.9
Changes in working capital	46.8	107.4	140.2	(193.1)	(32.2)	169.7
Cash-flow used in investing activities	(108.4)	(297.5)	(140.0)	(63.3)	(74.2)	(222.4)
- Capex	(117.5)	(308.5)	(145.5)	(74.6)	(81.8)	(308.6)
Cash-flow used in financing activities	(155.4)	(287.7)	(583.3)	(337.5)	(337.5)	(413.4)
Net change in cash	419.7	111.0	(28.6)	15.5	149.6	(38.2)
<b>Cash at end</b>	<b>1,517.8</b>	<b>1,098.1</b>	<b>987.1</b>	<b>1,015.7</b>	<b>1,000.2</b>	<b>850.6</b>
<b>Operational cash-flow</b> <b>(EBITDA – Capex)</b>	<b>619.3</b>	<b>419.1</b>	<b>562.8</b>	<b>597.3</b>	<b>575.4</b>	<b>344.9</b>



# Disclaimer

This presentation and the following discussion may contain forward looking statements by DiGi.Com Berhad (“DiGi”) related to financial trends for future periods.

Some of the statements contained in this presentation or arising from this discussion which are not of historical facts are statements of future expectations with respect to financial conditions, results of operations and businesses, and related plans and objectives. Such forward looking statements are based on DiGi’s current views and assumptions including, but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not and, should not be construed, as a representation as to future performance or achievements of DiGi. In particular, such statements should not be regarded as a forecast or projection of future performance of DiGi. It should be noted that the actual performance or achievements of DiGi may vary significantly from such statements.





**thank you**

**see you next quarter**