



Investor Update
Q212 Earnings Conference Call

Agenda

Quick summary

Henrik Clausen, CEO

Financials

Terje Borge, CFO

Updates & Outlook

Henrik Clausen, CEO

Q&A





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Q2 - steady performance in a challenging quarter

- ✓ sustained q-o-q revenue growth
- ✓ sustained EBITDA margin at Q1 level
- ✓ 5.9 sen net /share 2nd interim dividend



Q2 - financial highlights

- ✓ +0.7% q-o-q revenue growth
+8.6% YTD
- ✓ 47.6% EBITDA margin
+1.4 pp YTD
- ✓ +0.9% q-o-q PAT growth
+13.6% YTD
- ✓ RM575 mil OpCF
+1.8% YTD



The smarter prepaid plan for smartphones.

With all-in-one Internet, Calls and SMS, so you can surf, call and SMS with zero commitment and zero surprise charges.

4x More Internet • Calls • SMS With every reload

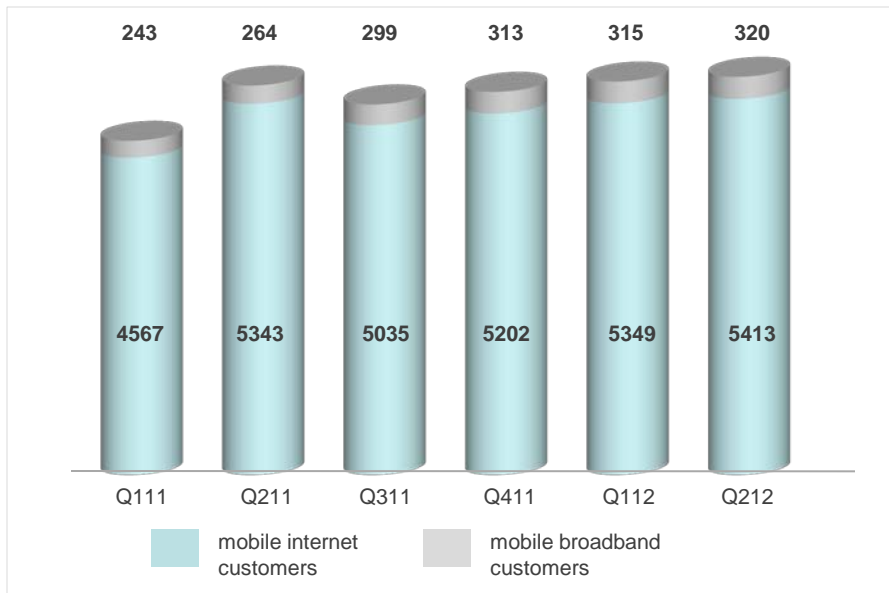
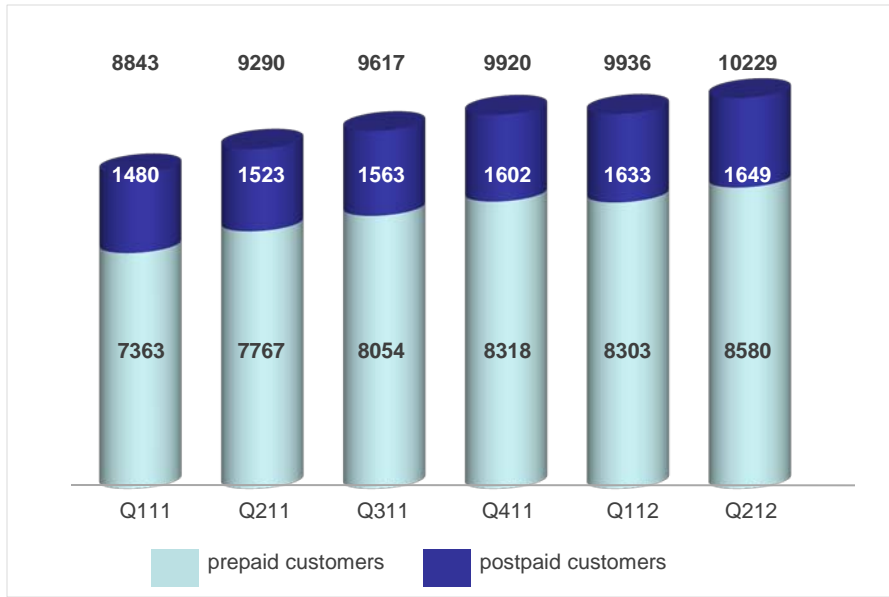
0 Commitment Reload only when you need to

0 Surprise Charges No nasty after-quota charges

DG Prepaid SmartPlan™ RELOAD VALUE:

Reload	Data	Call	SMS	MMS
RM10	100MB	20min	20	20
RM30	300MB	60min	60	60
RM50	500MB	100min	100	100
RM100	1.5GB	150min	150	150

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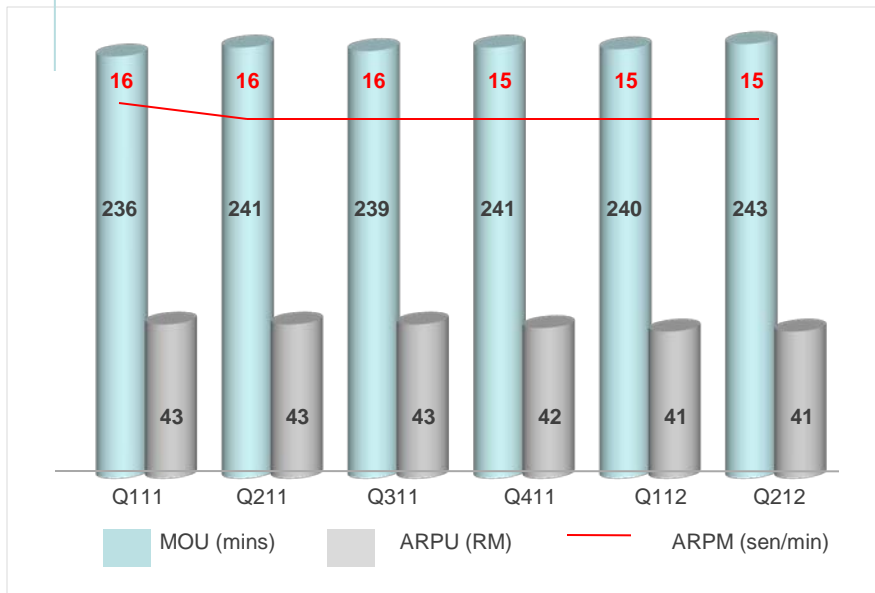
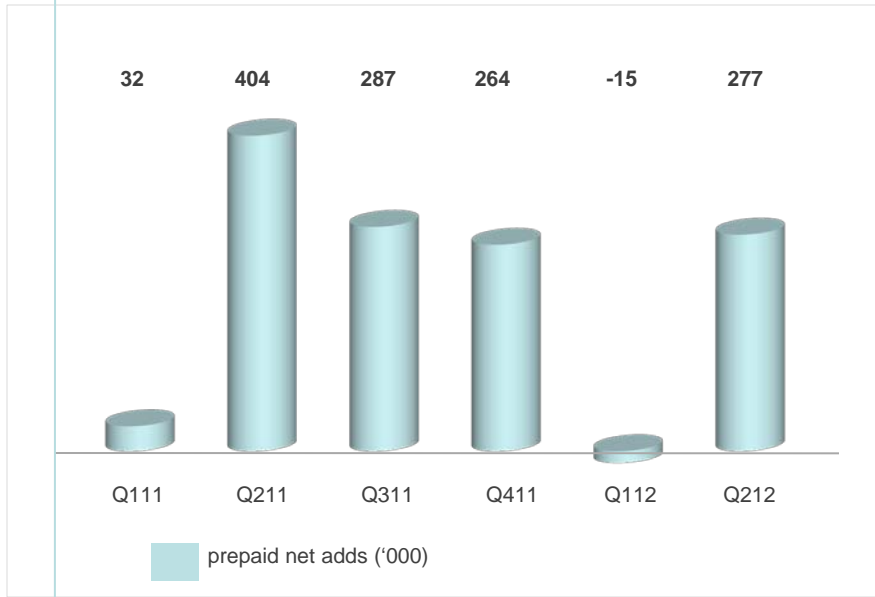
*mobile internet & mobile broadband customers included in prepaid & postpaid customers respectively

Crossed 10 million customer mark

- driving customer growth through bundled offerings & targeted on-ground execution
- added 293k new customers of which:
 - 277k new prepaid customers
 - 16k new postpaid customers
- +1.2% growth in small screen users to 5.4 million



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

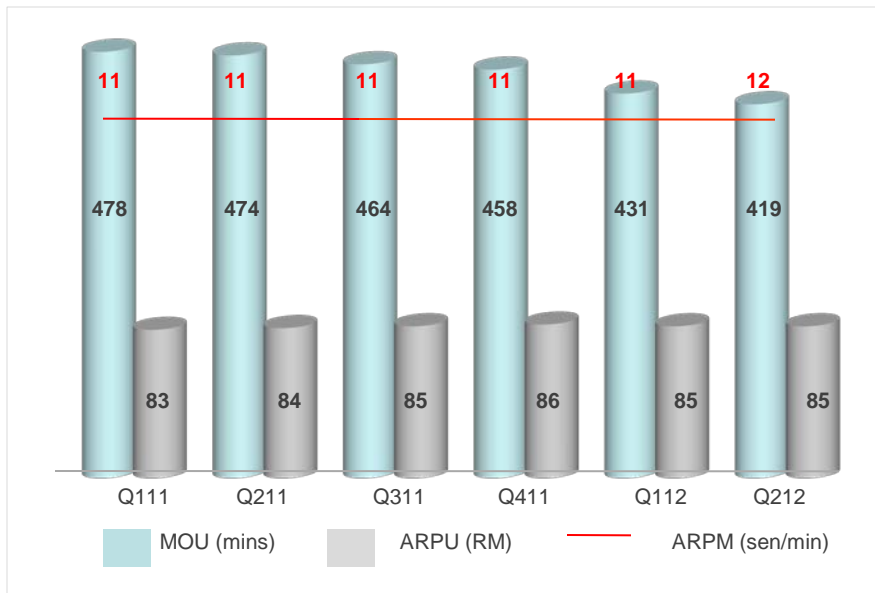
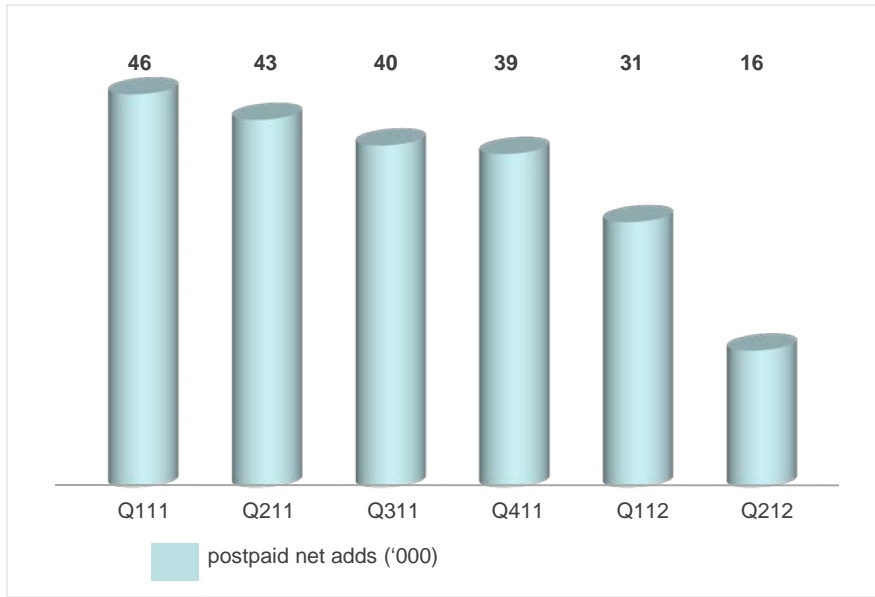


Prepaid holding up well in spite of increasing competition

- added 277k new prepaid customers including 9k new broadband customers
 - *good acquisition traction from new prepaid plans*

- stable q-o-q ARPU & ARPM; driven by usage & reload campaigns





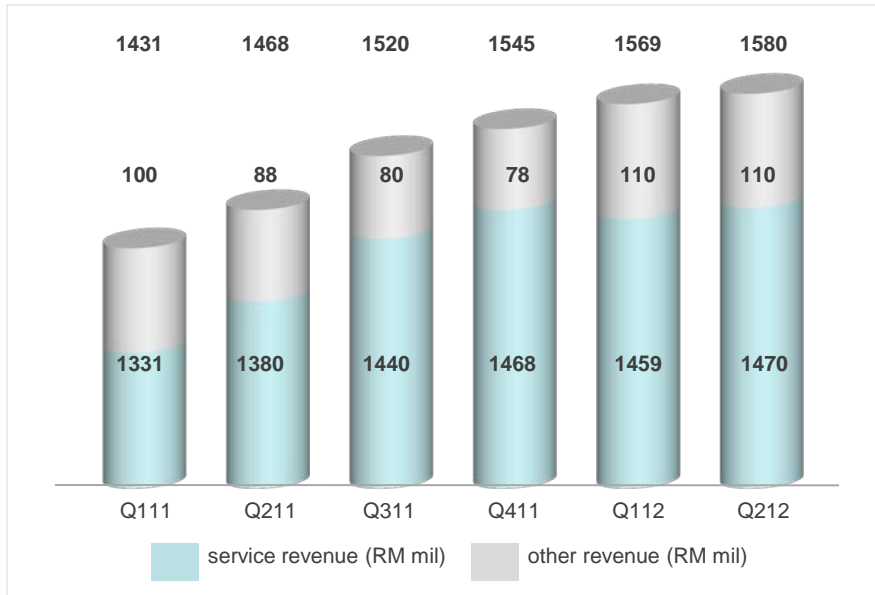
Postpaid increasingly driven by bundled offerings

- added 16k new customers; all in core postpaid
 - *focus on re-contracting higher end customers*

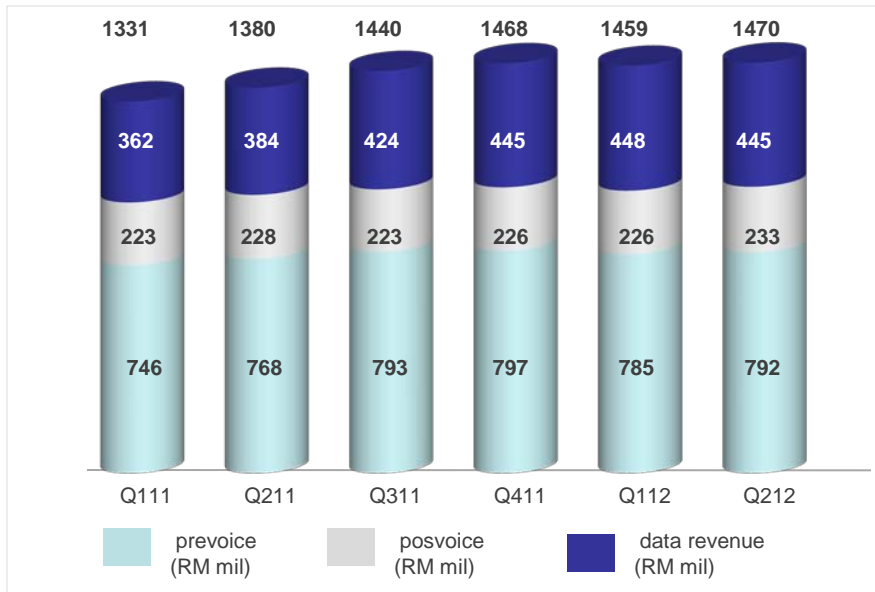
- stable q-o-q ARPU; MOU decline caused by data shift

- expects higher subscriber & revenue momentum in 2H with wider network coverage and quality & capacity improvements





* handset sales included in other revenue

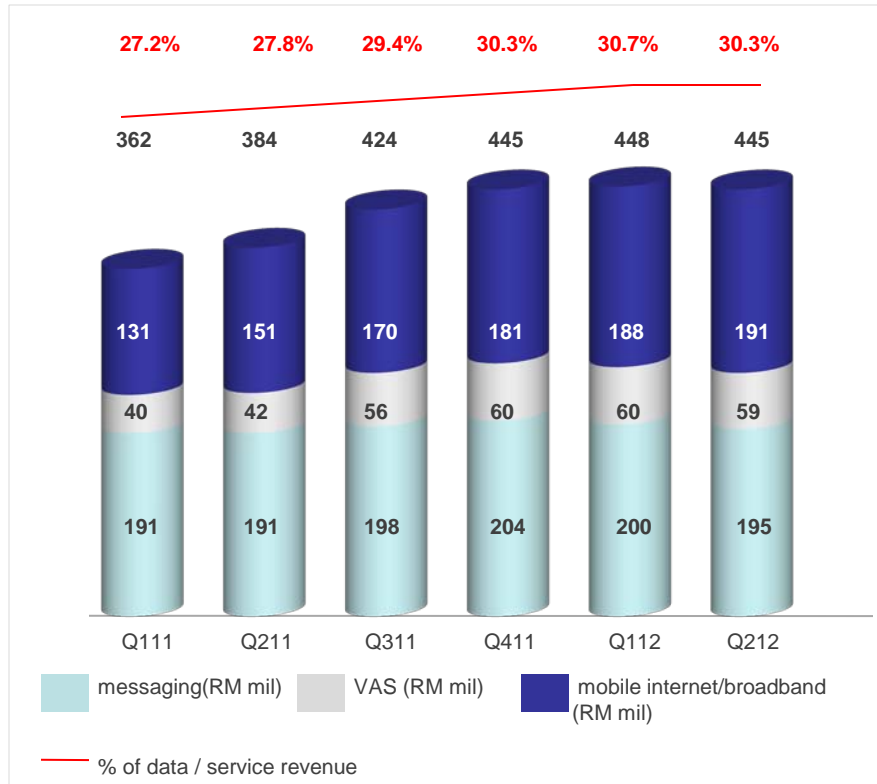


Total revenue up by 0.7% in Q2

- q-o-q voice revenues rebounded from various initiatives to sustain voice revenues
- Q2 data revenues adversely impacted by regulatory changes on bulk SMS & lower mobile broadband revenues
- handset sales similar level to Q1:
 - slower iPhone take-up; partially made up by Samsung S III launch in June



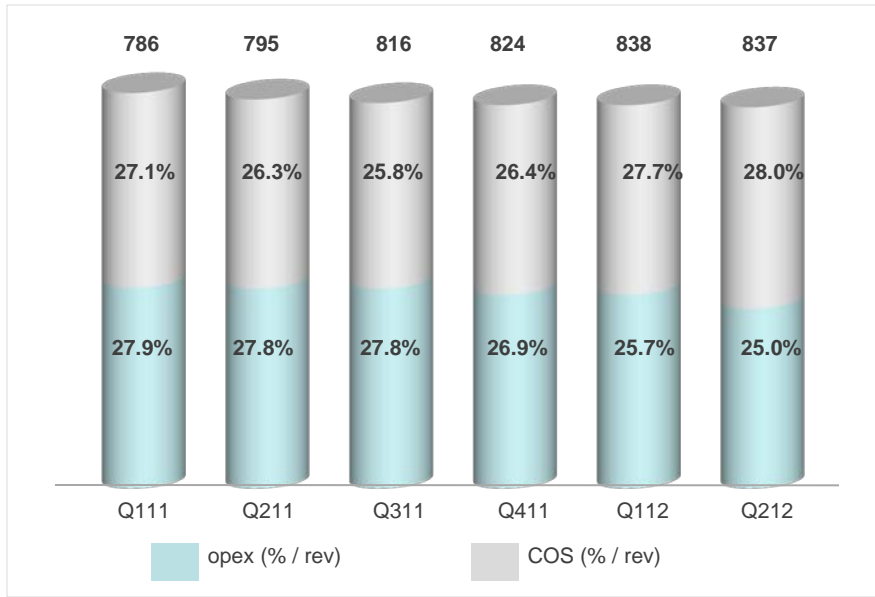
Stable data revenues in Q2



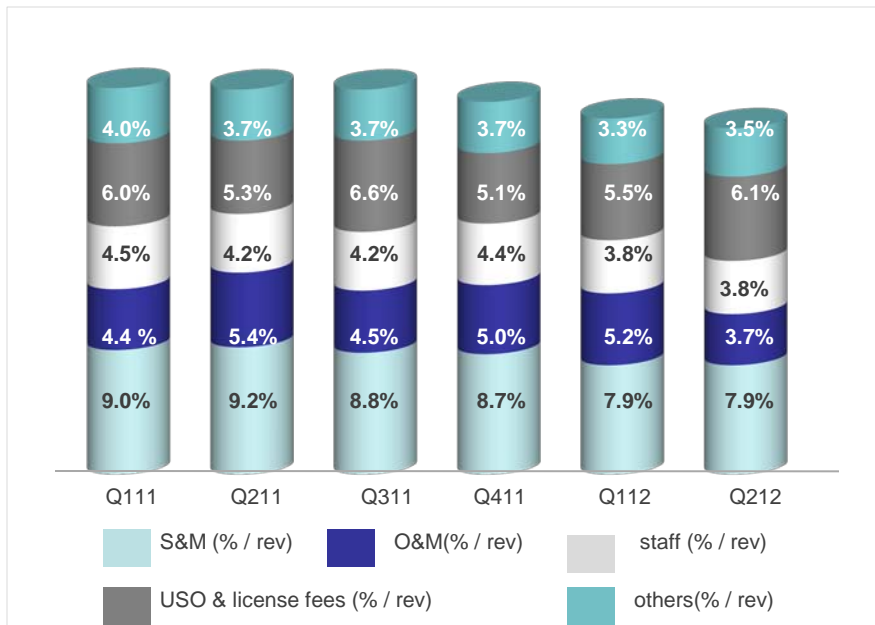
- mobile data contributions stable at 30% of service revenue
 - *messaging & VAS revenues adversely impacted by regulatory restrictions on outgoing bulk SMS*
 - *lower broadband revenues attributed to higher churn & deliberate decision to reduce sales of new subscriptions*

- positive customer response to new prepaid internet plans & smart phone bundles continued to drive mobile internet usage
 - *overall customers on smart-phone increased to 23.5% this quarter (Q1: 22.2%)*





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



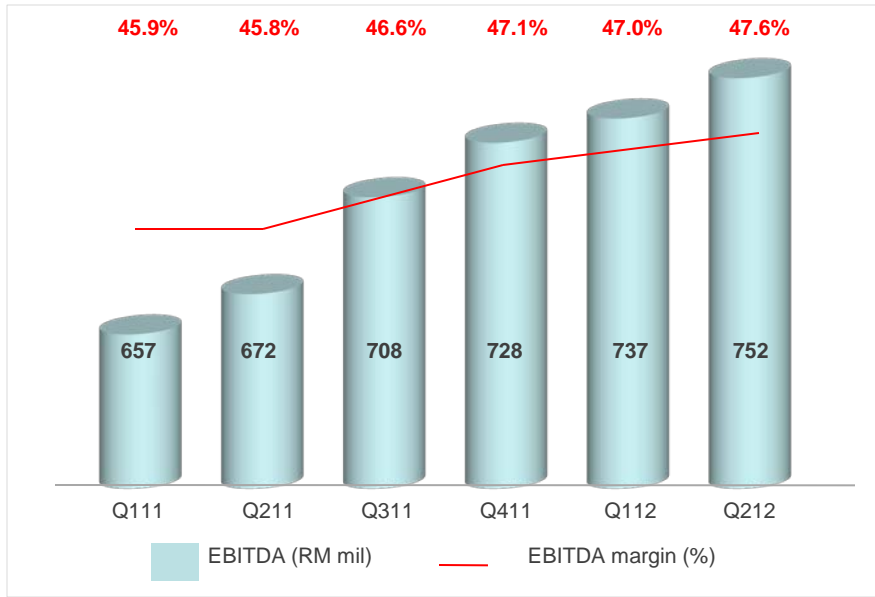
Stable cost base

- total cost base flat q-o-q vis-à-vis 0.7% rise in revenue
 - +1.6% q-o-q increase in COS
 - -2.0% decline in OPEX

- increase in COS mainly driven by higher international traffic related expenses

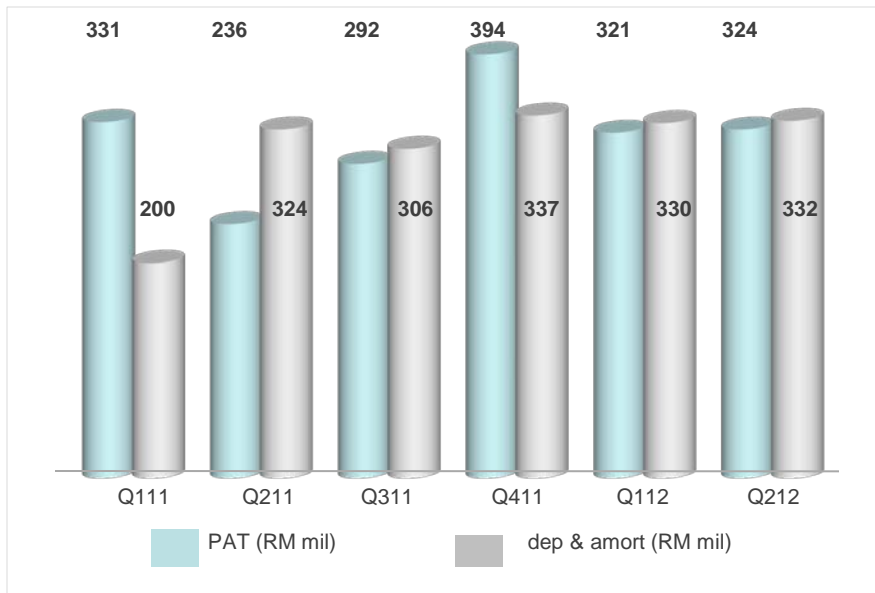
- lower q-o-q OPEX driven mainly by a reversal of prior years accruals for site rentals

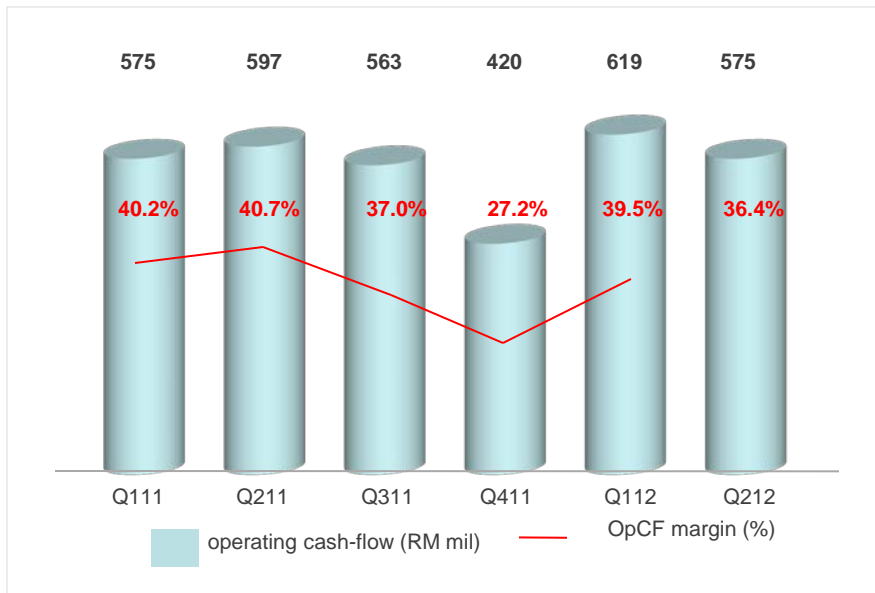
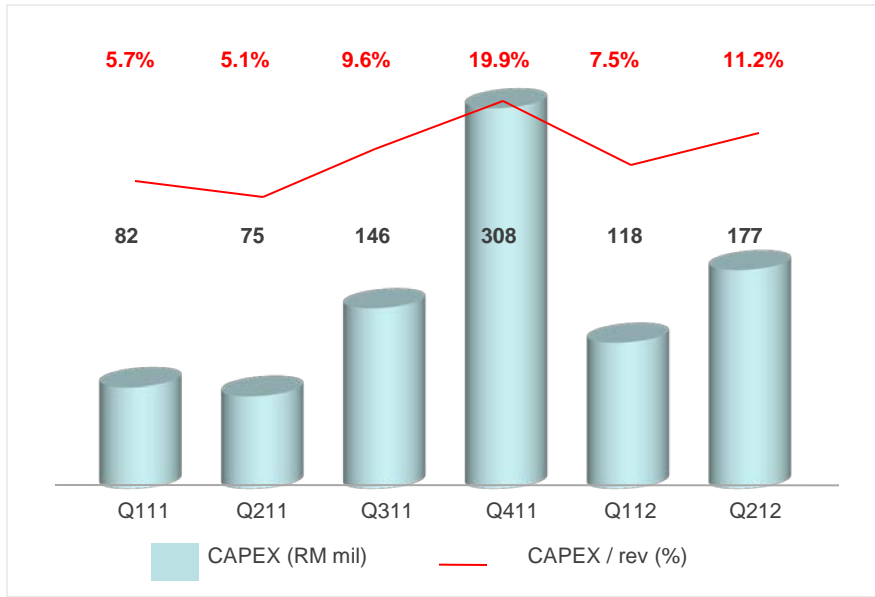




Sustained EBITDA margin

- EBITDA (+2.0% q-o-q) & EBITDA margin (+0.6pp) improvements driven by revenue improvement & flat cost base
- Q2 PAT on par with previous quarter
 - *mobile broadband tax incentives still applicable this quarter*
- depreciation & amortisation charges in-line with guidance





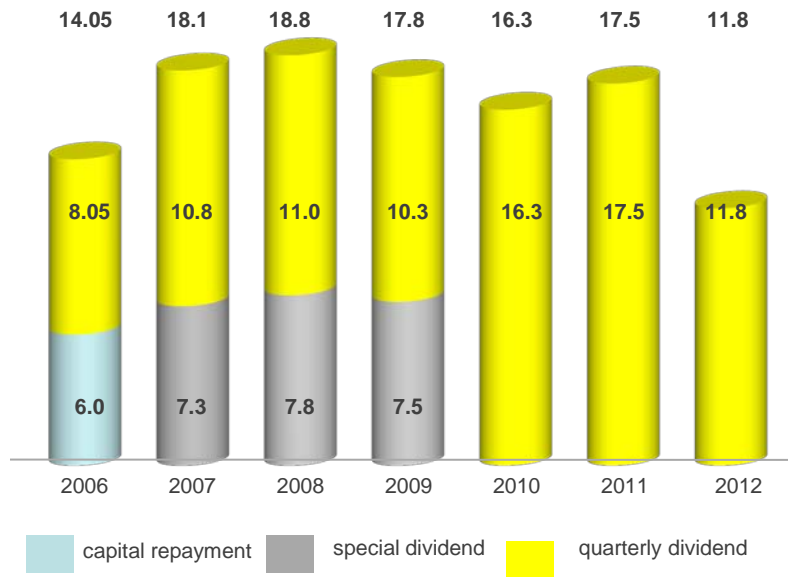
Our Tomorrow Network: successfully upgraded 1,647 sites

- network collaboration:
 - *gaining momentum on subsequent phases; focus on sites with highest savings potential*
 - *work-in-progress on Phase 1 joint-fiber aggregation & trunk roll-out*

- network modernisation:
 - *approaching targeted swap run-rate; have commenced work nationwide*
 - *Klang Valley upgrades & optimisation completion by end August & entire network by end-2012*
 - *significant quality & capacity improvements post upgrades & optimisation*

- maintaining 2012 capex guidance





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

Capital management update

- declared 2nd interim dividend of 5.9 sen net/share payable to all shareholders payable on 7th Sept 2012
- received High Court approval confirming proposed capital distribution; proceeding to complete lodgment of order with CCM for proposed capital distribution to take effect

(RM mil)	Q212	Q112	Q411	Q311
Interest-bearing debts	1,021.6	1,021.3	670.9	670.9
Cash & equivalents	1,516.6	1,517.8	1,098.2	987.1
Payout ratio	141.5%	143.1%	128.2%	98.5%

(RM mil)	Q212	Q112	2011	2010
Total Return to Shareholder (TRS)	20.0%	19.9%	56.5%	12.0%
*ROE	118.7%	104.6%	88.9%	87.5%

*ROE - annualised

•TRS based on simple share price appreciation of the first six month ended 30 June 2012 annualised (source: Bloomberg)



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Other updates

- **Regulatory**
 - *spectrum*
 - *LTE trials*
-



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2012 opportunities & priorities

- drive data growth through best smart plan propositions & by growing mobile internet uptake
- Tomorrow Network: complete upgrades & deliver excellent customer experience
 - *further explore industry collaboration/partnerships*
- continue to leverage on 'Group' scale & global initiatives
- optimising shareholder returns

THE LEGENDARY CONCERT

DiGi LIVE

Menyinari anda dengan bintang-bintang legenda

Saksikan pemerlapan barisan bintang hebat, Zainal Abidin, Sheila Majid, Amy Search dan Jamal Abdillah bersinar pada 30 Jun ini di Stadium Merdeka.

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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

	Q212	Q211	Y-o-Y
Customer base	10.2 mil	9.3mil	+9.7%
Revenue	RM1,580mil	RM1,468 mil	+7.6%
EBITDA	RM752 mil	RM672 mil	+11.9%
EBITDA margin	47.6%	45.8%	+1.8ppt
Profit After Tax	RM324 mil	RM236 mil	+37.3%
Operating CF	RM575 mil	RM597 mil	-3.7%

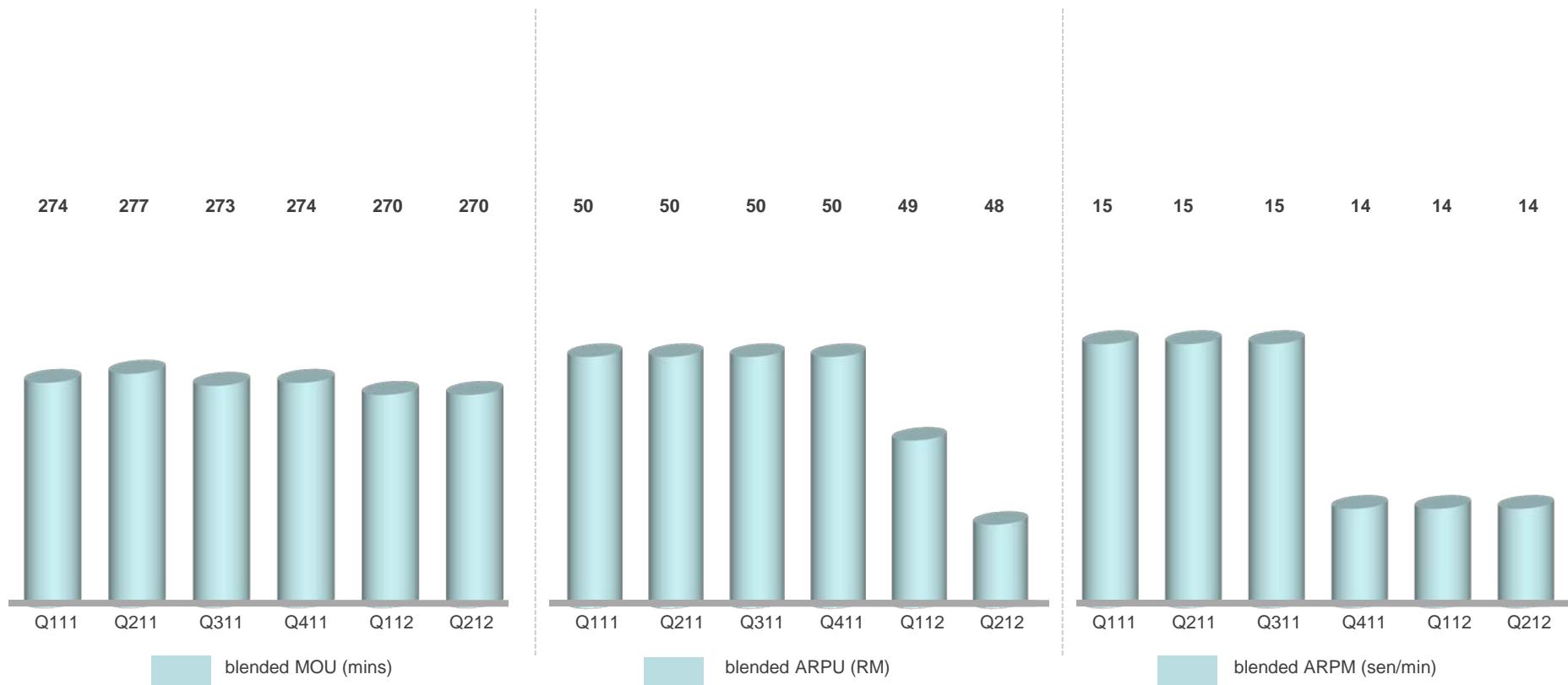


Y-o-Y key numbers

	Q212	Q211	Q-o-Q vs 2011
Prepaid ARPU	RM41	RM43	-4.7%
Postpaid ARPU	RM85	RM84	+1.1%
Blended ARPU	RM48	RM50	-4.0%
Prepaid Revenue	RM1,034mil	RM986 mil	+4.9%
Postpaid Revenue	RM436 mil	RM395 mil	+10.4%
Data Revenue	RM445 mil	RM384 mil	+15.9%



Blended MOU, ARPU & ARPM



Reported P&L

(RM mil)	Q212	Q112	Q411	Q311	Q211	Q111
Revenue	1,579.7	1,569.4	1545.4	1520.0	1468.0	1430.6
EBITDA	752.4	736.9	727.6	708.3	671.9	657.2
Depreciation & Amortisation	(332.0)	(330.1)	(337.3)	(306.1)	(323.8)	(200.5)
EBIT	420.4	406.8	390.3	402.2	348.1	456.7
Net finance (costs)/income	(1.1)	(1.0)	(1.0)	(3.7)	(22.8)	(9.5)
- finance costs	(14.1)	(9.4)	(10.4)	(9.7)	(30.6)	(15.4)
- interest income	13.0	8.4	9.4	6.0	7.8	5.9
PBT	419.3	405.8	389.3	398.5	325.3	447.2
Taxation	95.1	85.2	4.9	(106.1)	(89.0)	(115.8)
PAT	324.2	320.6	394.2	292.4	236.3	331.4
*EPS (sen)	4.2	4.1	5.1	3.8	3.0	4.3

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



COS & OPEX breakdown

(RM mil)	Q212	Q112	Q411	Q311	Q211	Q111
COS	441.6	434.6	407.7	392.8	386.4	387.4
- cost of materials	104.6	116.8	82.6	85.8	90.9	96.1
- traffic charges	337.0	317.8	325.1	307.0	295.5	291.3
OPEX	395.6	403.5	416.1	422.9	408.2	398.8
- sales & marketing	125.0	123.9	134.0	133.8	134.7	128.2
- staff costs	60.2	59.1	67.9	63.1	61.5	63.7
- operations & maintenance	58.2	81.9	77.7	69.5	79.9	63.0
- other expenses	152.2	138.6	136.5	156.5	132.1	143.9
• USP fund and license fees	96.2	86.3	79.0	101.0	77.3	85.4
• credit loss allowances	8.2	11.0	15.7	11.3	10.9	6.7
• others	47.8	41.3	41.8	44.2	43.9	51.8
TOTAL	837.2	838.1	823.8	815.7	794.6	786.2



Cash-flow

(RM mil)	Q212	Q112	Q411	Q311	Q211	Q111
Cash at start	1,517.8	1,098.1	987.1	1,015.7	1,000.2	850.6
Cash-flow from operations	681.6	636.7	588.8	554.5	609.4	593.5
Changes in working capital	(59.2)	46.8	107.4	140.2	(193.1)	(32.2)
Cash-flow used in investing activities	(164.9)	(108.4)	(297.5)	(140.0)	(63.3)	(74.2)
- Capex	(177.3)	(117.5)	(308.5)	(145.5)	(74.6)	(81.8)
Cash-flow used in financing activities	(458.7)	(155.4)	(287.7)	(583.3)	(337.5)	(337.5)
Net change in cash	(1.2)	419.7	111.0	(28.6)	15.5	149.6
Cash at end	1,516.6	1,517.8	1,098.1	987.1	1,015.7	1,000.2
Operational cash-flow <i>(EBITDA – Capex)</i>	575.1	619.3	419.1	562.8	597.3	575.4



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thank you

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