



## NEWS RELEASE

For immediate publication

### **Higher mobile internet customers fuel DiGi's continued growth in Q3 2014**

*Solid increase in mobile internet customers will help stimulate future service revenue*

**SHAH ALAM, 20 October 2014** – DiGi Telecommunications Sdn Bhd (DiGi) powered ahead to make internet services on its modernised high-speed data network available to more Malaysians, fueling a marked increase in its mobile internet customers.

For the quarter ended 30 September, DiGi's mobile internet customers\* surged to 6.0 million, up 26.5% compared to the same period last year. This came on the back of a significant increase in smartphone penetration on its network to 47% (Q3 2013: 34%) and an enlarged customer base of 11.3 million (Q3 2013: 10.8 million).

Lars Norling, Chief Executive Officer of DiGi said that the company leveraged on its stronger network capabilities and wider coverage to reach out to more customers and drive greater consumption of internet. "We continued to expand our 3G coverage to 84% of populated areas during the quarter, and increased the number of LTE sites to bring quality internet connectivity to more users in more areas across the country. Our persistent quality focus has resulted in a more consistent internet experience and this further encouraged data traffic growth by 90% compared to the same period last year.

"Growth during the quarter was also driven by higher subscription of a wide variety of affordable smartphones and service bundles across all customer groups. Initiatives to lower barrier of entry with targeted smartphones bundles including flexible bite-sized internet plans helped drive stronger internet adoption. We also actively introduced trial promotions to encourage new customers to experience our brand new network. Our ability to push for higher smartphone and mobile internet adoption particularly for prepaid services helped lift incremental data demand, in addition to paving the way for increased service revenue in the coming months," explained Norling.

During the quarter, DiGi successfully completed the migration of both postpaid and prepaid customers onto a modernised billing platform. Norling added, "This important milestone will give us the edge to deliver more flexible and innovative products and services, have better customer insights with real time intelligence, support dynamic charging functionalities, and improve lead time to support go-to-market launches."

For the quarter under review, DiGi's revenue grew by 3.3% year-on-year to RM1,756 million as a result of continued growth on internet revenue, which improved 40.3% compared to the same quarter last year.

Earnings before interest, tax, depreciation and amortization (EBITDA) stood at RM789 million at a margin of 45%, while profit after tax (PAT) increased 8.5% year-on-year to RM487 million aided by growth in service revenue and efficient cost structure.

\* Customers with internet usage of at least 150Kb for the last three months

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For the quarter, DiGi recorded higher capital expenditure (Capex) primarily to deliver on its planned billing migration, expansion of 3G coverage to 84% and acceleration of LTE sites to support growth demand for internet services. It is on track to invest up to RM900million Capex allocated for the year to secure competitive infrastructure capabilities, including expansion of high speed data coverage footprint to 86%.

Looking forward Norling said, "Our priority is to deliver stronger customer and quality focus. I am confident that the network and IT capabilities we have built will allow us to bring better internet experience and improved product and service innovations to our customers across the country. We will also continue to accelerate adoption and usage of the internet by making relevant and affordable device and digital service offerings easily accessible to more people, in line with our mission of enabling Internet For All."

DiGi announced that it will pay a third interim tax exempt dividend of 6.2 sen per ordinary share, equivalent to RM482 million or 99.0% payout ratio compared to the same quarter last year, payable to shareholders on 5 December 2014.

#### **About DiGi**

DiGi provides mobile voice, internet, and digital services to 11.3 million customers in Malaysia. Through its mission of delivering '*Internet For All*', DiGi is committed to driving Malaysia's growth by building a mobile internet environment that enables true connectivity for all Malaysians, creates socio-economic development, and helps businesses grow. DiGi continues to be a game-changer for the Malaysian telecommunications industry with a solid history of product and service innovation, and is a leader in driving progressive and responsible business practices. Listed on Bursa Malaysia, it is part of global telecommunications provider Telenor Group. DiGi was recently recognized in the Forbes World's Most Innovative Companies 2014 list. For more information about DiGi, please visit [www.digi.com.my](http://www.digi.com.my).

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