



NEWS RELEASE

For immediate publication

Digi records healthy growth in 2014 fueled by solid momentum on data

- *Higher service revenue from increased smartphone and internet adoption, and traffic volumes*
- *Built-for-internet business and strong commitment to customer excellence*
- *Aspires to be the leading mobile internet provider for mass market*

SHAH ALAM, 9 February 2015 – Solid data growth fuelled Digi.Com Berhad (Digi) to a strong finish in 2014, with data revenues accounting for 40% of the Group's overall service revenues in the fourth quarter of 2014. Data revenue grew 17.4% from a year ago primarily driven by strong demand for internet services, proliferation of a wider range of smartphones, and continuous expansion of good quality coverage to more areas around Malaysia.

Internet subscribers grew 31% year-on-year to 6.4 million (2013: 4.9 million) from a stronger customer base of 11.4 million. The additional 1.5 million active internet subscribers accumulated during the year positively contributed to the increase in internet revenue, which rose 39.6% for the year, and paves the way for future service revenue. Smartphone penetration on Digi's network also steadily increased to 49.3% from 38.1% a year ago.

Digi's CEO Lars Norling explained that the Company's solid growth across revenue streams, particularly in internet revenue, was attributable to its deep focus on quality of service, and customer excellence. "The significant improvement in our network performance and coverage, our wide range of affordable smartphones bundles which included prominent smartphone launches, and our widest network of service touchpoints has positioned us well in accelerating access of quality internet services to more Malaysians nationwide. We have also made a stronger push in the market with extensive on ground activities to drive higher acquisition and usage.

"Our focused effort in making internet easily available and relevant to every customer has resulted in healthy increase in internet adoption and significantly higher data traffic on our network which grew 86% year-on-year," added Norling.

Digi maintained resilient growth across revenue, earnings before interest, tax, depreciation and amortisation (EBITDA), and profit after tax (PAT), for the full year under review. Revenue grew by 4.2% to RM7.0 billion in 2014 (2013: RM6.7 billion), while EBITDA and EBITDA margins held steady at RM3.2 billion and 45% respectively (2013: RM3.0 billion and 45%). PAT climbed to RM2.0 billion, 19.1% higher than a year ago (2013: RM1.7 billion).

Ambition to be the No.1 mobile internet provider for mass market

Moving forward, Norling said that Digi plans to maintain its 2014 capital expenditure (Capex) level in 2015 to continue driving internet growth. In 2014, Digi invested RM904 million in Capex to strengthen its infrastructure capabilities which included the delivery of a brand new convergent billing system, expansion of 3G population coverage to 86%, growth of LTE sites to nine market centers and increase in fibre network to more than 4,700km.

Digi Telecommunications Sdn Bhd 201283-M

Lot 10, Jalan Delima 1/1, Subang Hi-Tech Industrial Park

40000 Shah Alam, Selangor, Malaysia

T +603 5721 1800 F +603 5721 1048 www.digi.com.my



“The future is all about the internet. Our focus is to ensure everyone has access to quality, relevant, inspiring and value for money internet services. Towards this end we will continue to enhance our infrastructure and capabilities to deliver the best internet experience for customers, while taking a deeper customer-focused approach and commitment to service excellence.

“We aim to be the leading mobile internet provider for mass market by making access to the internet easy, seamless and enjoyable through our high-speed network, competitive smart device bundles and plans, and good user experience. In the coming months, we plan to grow our Postpaid business across consumer and business segments, while maintaining our leadership in Prepaid, building on Digi’s distinctive brand promise introduced in conjunction with our refreshed brand launch recently. We believe that the solid foundation we have built for a data business positions us strongly to deliver on our promise to customers and drive data growth,” Norling said.

The company announced that it will pay a fourth interim tax exempt dividend of 7.2 sen per ordinary share equivalent to RM560 million or 100% payout ratio to shareholders on 13 March 2015. Total dividend payout for the year increased by 22.1% (4.7 sen) to 26.0 sen.

Refreshed brand with strong internet and customer focus

Digi recently launched a refreshed brand identity with a promise to be the enabler of digital inspiration for customers, and commitment to deliver service excellence.

The refreshed brand which incorporates a new philosophy ‘*Let’s Inspire*’ builds on the solid data-focused operations established over the last four years to bring high-quality mobile internet services to a growing number of internet-loving customers, and introduces the Telenor logo representing affiliation to one of the world’s leading telecommunications companies.

Digi established four distinct propositions as the bedrock of its brand promise to give valued customers a differentiated experience - Digi Live, Digi Value, Digi Easy and Best for Internet.

About Digi

Digi provides mobile voice, internet, and digital services to 11.4 million customers in Malaysia. It is known as a game-changer for the Malaysian telecommunications industry with a solid history of product and service innovation. Over the years Digi has built a solid mobile internet business that enables true connectivity for all Malaysians, creates socio-economic development, helps businesses to grow through use of technology, and in doing help accelerate Malaysia’s growth. Digi continues to inspire Malaysians by giving customers’ access to fun and uplifting internet content, and empowering them to share what means most to them. Listed on Bursa Malaysia, it is part of global telecommunications provider Telenor Group and is a leader in driving progressive and responsible business practices. Digi was recognised as one of Forbes’ 100 World’s Most Innovative Companies in 2014. For more information about Digi, visit www.digi.com.my.

For media enquiries, contact Quah Yean Nie (ynquah@digi.com.my | +6014 669 0825).

With this release

1. Profile picture of Lars Norling, Digi’s CEO
2. Profile picture of Digi’s management team (Left to right): Haroon Bhatti, Chief Human Resource Officer; Christian Thrane, Chief Marketing Officer; Lars Norling, Chief Executive Officer; Albern Murty, Chief Operating Officer; Karl-Erik Broten, Chief Financial Officer unveiling the new logo



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