



NEWS RELEASE

For immediate publication

Digi stepping up to take a leading position as customers' choice in digital life

Builds Best for Internet network and digital services portfolio to drive stronger data momentum and creates opportunities for wider reach to broader customer segments looking for enriching digital experience

SHAH ALAM, 5 February 2016 – Digi.Com Berhad's (Digi) intense focus on driving innovation while strengthening its core capabilities positions it well to activate stronger data momentum and to capture growth opportunities from the rising demand for high-quality, next generation internet services. This is driven by the company's continuous investment in accelerating the expansion of its 4G LTE network, improving its IT and go-to-market structures, growing its large network of service touchpoints in stores and online, and delivering the best 360 internet offerings and experience to customers.

Digi closed the year with 12.1 million subscribers, growing internet subscribers to 7.5 million or 61.9% of its total customer base. The stronger internet subscribers fuelled by higher smartphone penetration of 59.2%, affordable mobile internet bundles with the latest digital services content positively contributed to 11.5% increase in internet revenue for the quarter.

In the final quarter of 2015, the Company's postpaid internet revenue rose 14.5% while postpaid service revenue strengthened 3.4% year-on-year. Similarly, prepaid internet revenue grew 9.7% from last year to RM338 million on the back of higher prepaid internet penetration at 58.9%.

Albern Murty, CEO of Digi said, "We have kept focused on delivering a strong network and quality customer experience across the board. In particular, we placed equal emphasis on expanding coverage and access to our network, and on the consistency and quality of our services. This made it significantly important to densify our network and overlay a large number of sites to dual band, 1,800Mhz and 2,600Mhz, to ensure customers experience high-speed internet consistently with improved outdoor and indoor coverage wherever they are. The overlay also enabled us to offer 4G LTE-A to customers, and provide greater capacity and capabilities for us to support next-generation services that our customers are increasingly consuming."

"With customers in mind, we diversified and improved our range of innovative digital services, offering them worry-free data access and giving them more good reasons to use the internet. These included the best music streaming with Digi Music Freedom, access to on-demand entertainment with iflix, free photo cloud storage on Capture, direct-billing on Google Play Store, self-service transactions on its MyDigi apps, among many more offerings," said Albern.

Digi saw its LTE subscribers grow to 2.3 million at end 2015, representing 19% of its total subscriber base. At this time, Digi's 4G LTE network serves more than 65% of the population supported by an expanded fibre network of 6,600km, bringing high-speed internet access to 131 major cities and towns, with key market centres averaging 95% population coverage. Its 4G LTE-A network now benefits 28.8% of Malaysians, reaching an average 50% population coverage in key market centres.

Service revenue for the quarter remained resilient at RM1,587 million on the back of stronger demand for Digi's 4G-LTE enabled smartphone bundles and incremental subscriptions from sim-only packages across postpaid and prepaid services although challenged by intense price competition. Earnings before interest, tax,



depreciation and amortisation (EBITDA) and profit after tax (PAT) leveled to RM701 million and RM382 million in the quarter as a consequence from strong competition, elevated cost from weak Malaysian currency and higher cost from high speed data network expansion.

Becoming our customers' favourite partner in digital life

Moving forward, Albern said Digi will remain focused on growth and value creation, with growth coming from its existing telco business, and driving data momentum from current and new digital services and verticals.

"We have an ambition to be our customers' favourite partner in digital life, and will continue building on our robust foundation to drive future internet revenue. With a strong emphasis on customer experience, our focus in 2016 will be to enable easy enjoyment of next generation services and advanced, innovative digital applications for our customers with competitive smart device bundles and plans made widely available through our network of service touchpoints in stores or online. Our leadership position on 4G LTE, capturing data growth and monetisation of data from different digital verticals will be key to driving for our business forward," said Albern.

Digi invested an additional RM288 million in Capex in Q4 2015, with a cumulative investment of RM904 million as planned to support its aggressive 4G LTE and 4G LTE-A network deployment nationwide. It plans to maintain its 2015 Capex level in 2016 to continue driving internet growth.

Digi will pay a fourth and final net dividend of 4.9 sen per ordinary share equivalent to RM381 million or 100% payout ratio to shareholders on 25 March 2016. A total of 22.0 sen dividend per share or an equivalent to RM1,711 million has been declared for the full year as a continued commitment to deliver shareholder value.

About Digi

Digi provides mobile voice, internet, and digital services to 12.1 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.

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