



**2008**

# **A Good And Challenging Year**

Johan Dannelind, CEO  
Stefan Carlsson, CFO

12<sup>th</sup> Annual General Meeting  
7<sup>th</sup> May 2009

# recap '08



# Economic & market highlights



economic slowdown



increased competition, more players & MNP launched



margin & tariff pressure



broadband taking off

# DiGi's key focus

- taking “value” further with “*Prepaid I Like™*”
- “I ♥ ” postpaid value propositions for different segments
- nurture & develop unique DiGi brand & culture
- getting ready for recession; cost & cash-flow optimisation



DG 157432 Heart Campaign Simple\_A3\_Star  
FA size: 37cm x 26.1cm

VIDEO 1



I  SIMPLE

**New DiGi Postpaid Plans**  
**Simple flat rate to all networks.**

**DiGi Postpaid**

Requires 016 221 1888 or digi.com.my



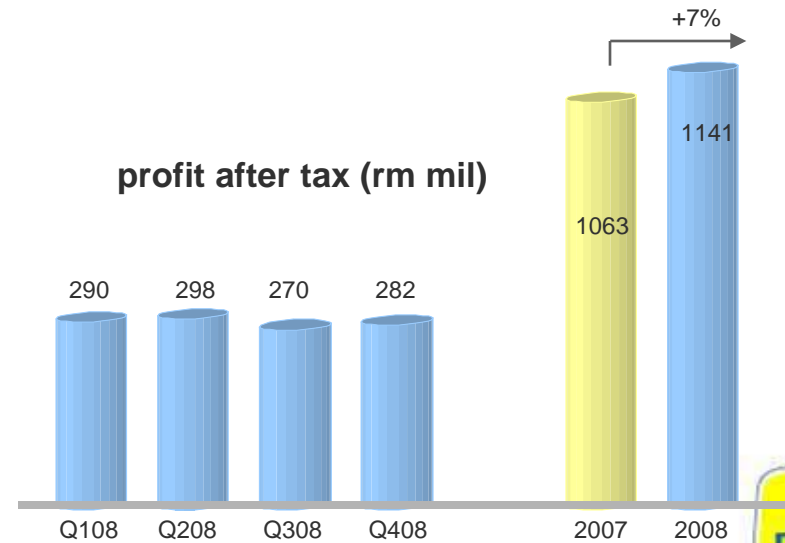
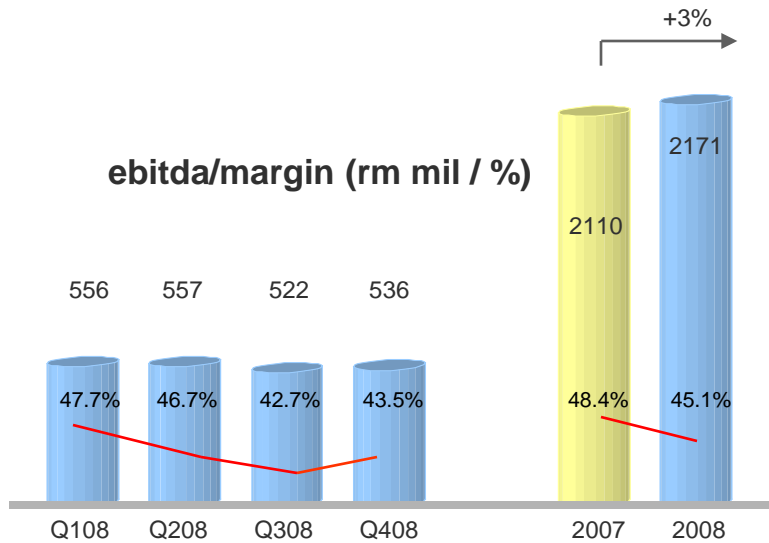
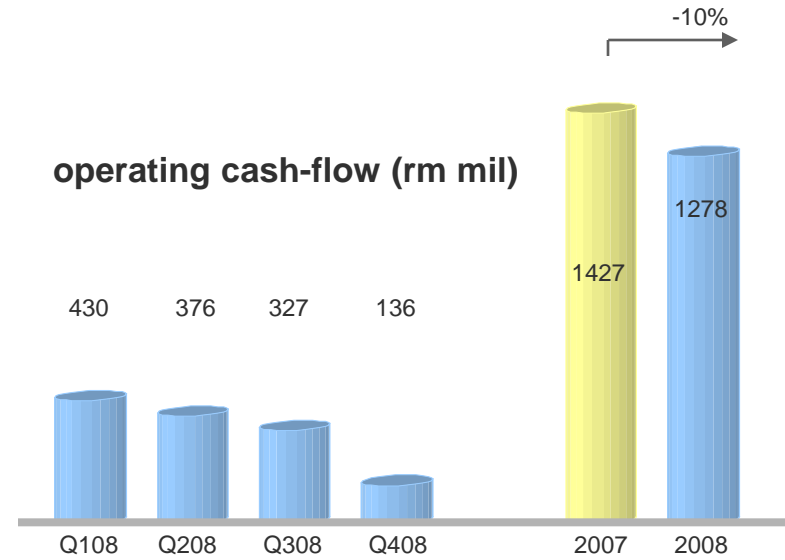
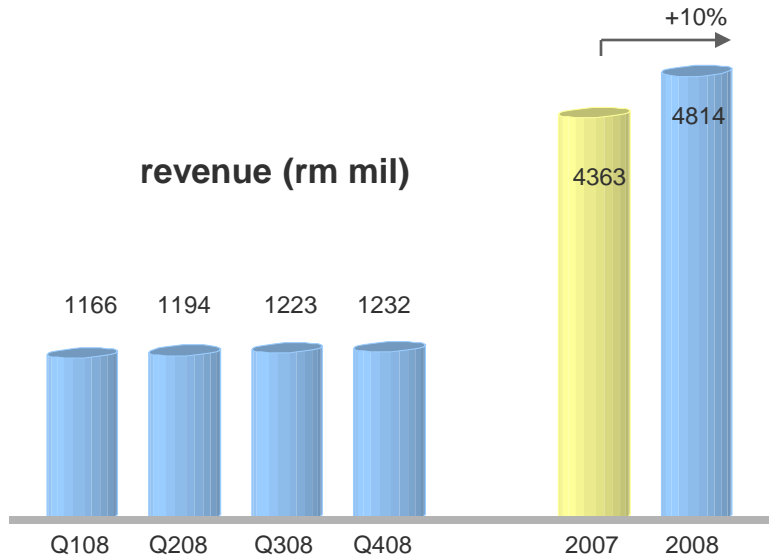
Always the  
smarter choice



# '08 financials

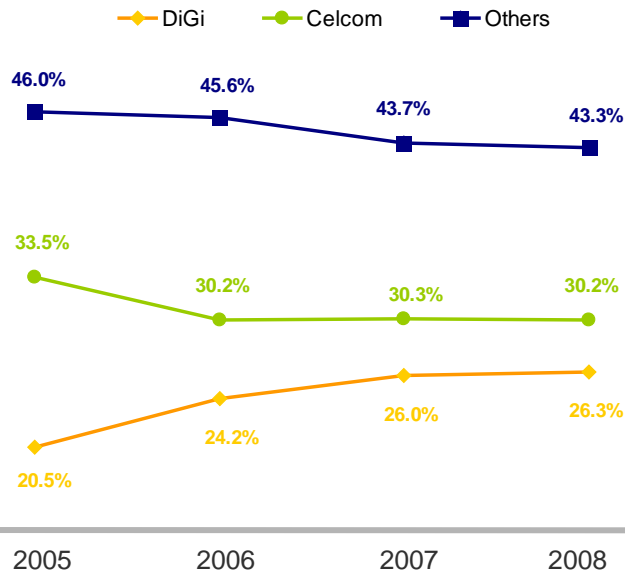


# Met financial guidance

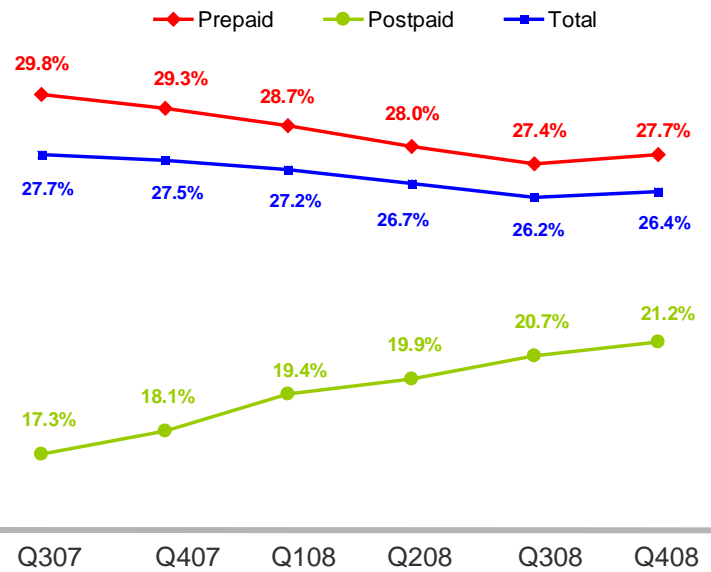


# Steady mobile market share (excluding broadband)

mobile revenue market share\*



DiGi prepaid & postpaid subscriber market share\*



\*DiGi's internal estimate from Q207 based on total subscriber data published by MCMC



# Strong shareholders' value creation

## Comparative Returns

## Dividend (net sen/share)

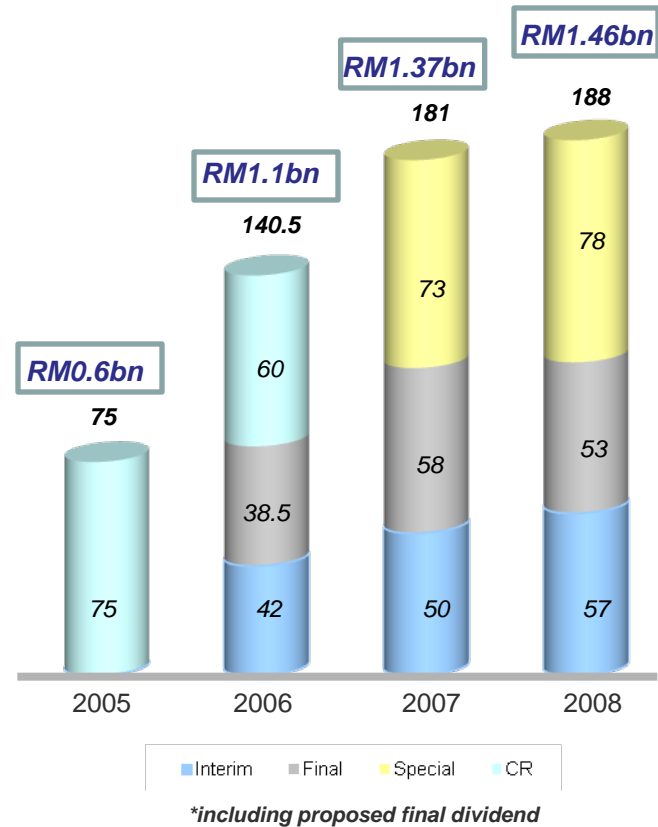
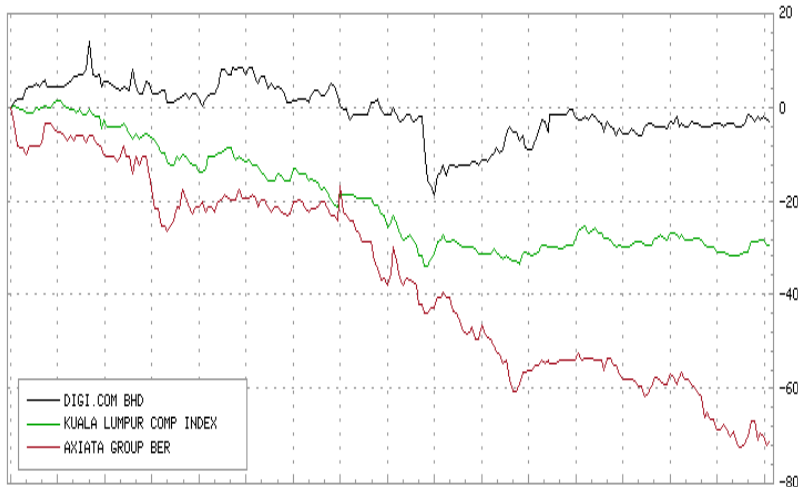
COMPARATIVE RETURNS Page 1/18

Range **4/25/08 - 3/31/09** Period **D** Daily 340 Day Period

| Securities         | Crcny | Prc Appr | Total Ret | Difference | Annual Eq |
|--------------------|-------|----------|-----------|------------|-----------|
| 1 DIGI MK Equity   | MYR   | -10.92 % | -3.18 %   | 26.06 %    | -3.41 %   |
| 2 KLCI Index       | MYR   | -32.26 % | -29.24 %  |            | -31.02 %  |
| 3 AXIATA MK Equity | MYR   | -71.21 % | -71.21 %  | -41.97 %   | -73.73 %  |

(\* = No dividends or coupons)

cumulative net payout RM4.4bn to-date\*



# Q109 snapshot



# Q109 a challenging quarter



## ■ Macro/Political

- new Ministry & Minister
- lower GDP growth forecasts
- exports still falling; slower pace of investments
- rising unemployment; weakness in consumer spending

## ■ Market

- no major shift in core tariffs
- more tactical & segmented market activities
- increased focus on mobile broadband



# Focus and highlights

**better speed for less**  
**BROADBAND DONE RIGHT**

Now in Klang Valley!

For as little as RM2 a day, you get consistent speed with our advanced 14.4 Mbps HSPA network and generous usage volume. So you'll keep on smiling. Just some of the things that make our broadband a little nicer.

| Plan    | Monthly Fee | Usage Volume   | Average Speed                      |
|---------|-------------|--|------------------------------------|
| UNCOVER | RM60        | 3 GB<br>Additional usage at RM40 for 10 MB. Max. capped at RM170.  | Download: 7MB<br>Upload: 200 MBps  |
| EXPLORE | RM110       | 10 GB<br>Additional usage at RM40 for 10 MB. Max. capped at RM170. | Download: 7MB<br>Upload: 200 MBps  |
| EXTREME | RM150       | 30 GB<br>Max. capped at RM170.                                     | Download: 7 MBps<br>Upload: 1 Mbps |

Terms and conditions apply.  
Enquiries: 016 299 3333 / 1 800 68 3333 or digi.com.my/broadband

**DiGi**  
Always the smarter choice

- slower subscribers growth; postpaid growth still good
- impact from lower spend by low income segments across customer base
- DiGi “*broadband done right*” launched
- strong youth focus; music & lifestyle promotions (*Music Telegrams, IM, DiGi Rap*)
- ongoing cost efficiency program



# Q1 holding up well in tough times



Prepaid I Like™  
**Activate and reload RM10,  
get RM30 FREE.**

You can use the RM30 for talktime, SMS, music and game downloads.  
Get better value. Switch to DiGi and keep your number.

Terms and conditions apply.  
Enquiries: 016 221 1800 or digi.com.my

**DiGi**  
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smarter choice


- 4% y-o-y revenue growth;  
1% decline q-o-q
- 44.6% EBITDA margin
- RM146 mil capex
- RM398 mil operating cash-flow



# Looking ahead



# Medium term focus



**New Prepaid I Like™**  
**Like something,  
get more of it.**

Choose any one of the following and save more.  
Super FnF™ | Super SMS™ | Super Talk™ | Super Long Life™

**DiGi Prepaid**

**DiGi**  
Always the  
smarter choice

- re-invigorate prepaid
- mass/enterprise postpaid important growth driver
- expand broadband & 3G footprint
- continue cost efficiency program



# 2009 financial outlook



- continued revenue pressure; postpaid key revenue driver
- margin pressure from tariff & 3G/broadband ; positive uplift from cost efficiency program
- capex likely lower or around '08 level due to efficiencies & savings
- absolute operating CF equal or higher than 2008 level



## Questions from MSWG



- Q1. The transfer of the 3G spectrum from Time dotCom Bhd (TdC) to the DiGi Telecommunications Sdn Bhd (DTSB), a wholly-owned subsidiary of the Company was completed during the year under review. What would be the capital expenditure for the roll-out of its 3G services in the next 12 months? How significant would be the contribution from the new services?
- Q2. The Chairman reported the Group's EBITDA margin decreased to 45.1% due to competitive price pressure, higher traffic and network operating costs as well as increased sales and marketing expenses. Would there be any further deterioration in its EBITDA margin in 2009?
- Q3. What is the nature of the allowances for doubtful debts amounting to RM33.28 million (2007: RM21.56 million)?



- Q4. It was noted that tax savings effect for the Group amounted to approximately RM177 million (2007: RM178 million) arising from the utilization of capital allowances by a subsidiary. Would there be anymore such tax savings in the future?
- Q5. As at 31 December 2008, the Group's trade receivables balance included exposure to foreign currency denominated in USDs and Special Drawing Rights (SDR) amounting to RM14.5 million (2007: RM8.1 million) and RM24.1 million (2007: RM12.2 million) respectively. Trade and other payables balances included exposure to foreign currency denominated in USDs and SDR amounting to RM108.8 million (2007: RM93.9 million) and RM31.5 million (2007: RM4.3 million) respectively. How significant is the Group's exposure to foreign currency risk in the course of its normal business activities? What is the Board's hedging strategy in mitigating the risks?



- Q6. The Company's short-term investment in cash management fund – unit trust fund amounted to RM10.3 million (2007: nil). What is the rationale for the investment given the volatile market environment? Please refer to Note 16 on page 85.
- Q7. In Note 24(ii), it was disclosed that a non-cash transaction for a trade-in value amounted to RM10.7 million by swapping of assets with a vendor, for new assets. What is the nature of this transaction?
- Q8. In January 2009, the Group has drawn down an unsecured fixed rate term loan of RM475.0 million. This facility comprises 3 tranches with different repayment periods, amounts and interest rates respectively. What are the purposes of the term loan and its utilization status?



# Disclaimer

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**thank you**  
**terima kasih**