



**1st Quarter 2007
Analyst Teleconference**

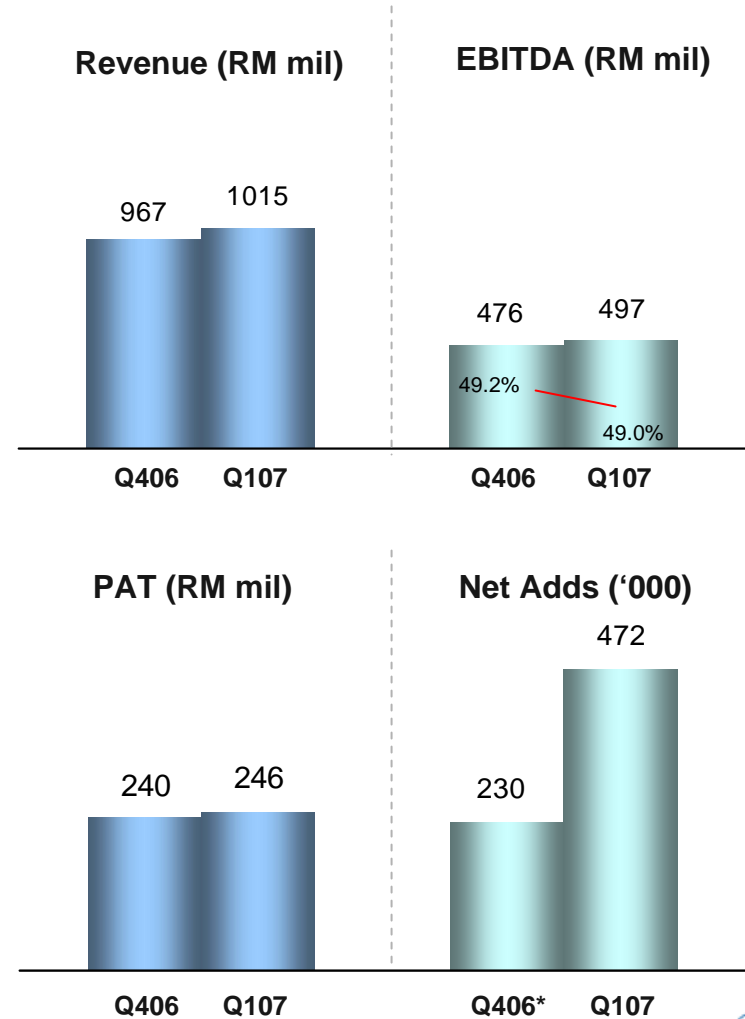
3 May 2007

DiGi in Q107

- **RM1bn revenue milestone**
 - driven by higher usage and growing customer base
 - EBITDA margin stayed very strong

- **High marketing pace**
 - added 472k new customers
 - “Fu-Yoh” targets youth segment
 - steady progress in postpaid acquisition

- **Strong focus on customer satisfaction**
 - segmented market approach
 - narrowed coverage gap
 - focus on network quality and capacity

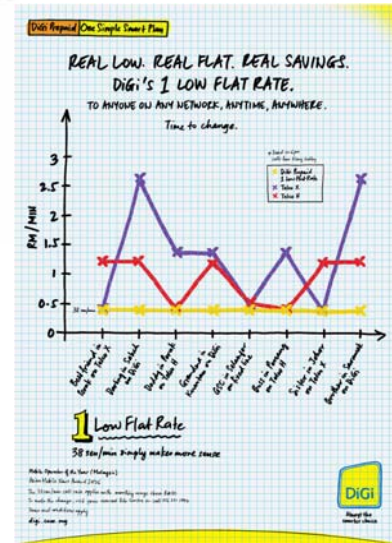


* Before prepaid termination



Strong acquisition & innovative stance

- Taking Prepaid to the next level - *1 low flat rate key long term value proposition*
- “Fu-Yoh” targets youth segment
- Making Postpaid more convenient - *FnF and Family Unlimited Plans*
- “Yellow Coverage Fellow” enhancing coverage and quality perception



Mobile remittance service announced

- International mobile remittance from cash to cash/account, all done via mobile phone
- Partnership with Citigroup
- Targeting migrants in Malaysia – RM5 billion est. migrant remittances per year
- One of the first announcements globally, service to be launched mid-year 2007



DiGi to offer remittance service

Tie-up with Citibank will enable users to send money abroad via mobile phones



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DiGi.Com Bhd users will soon be able to send money to neighbouring countries via mobile phones, through its collaboration with lender Citibank Bhd.

The service, which is mainly targeted at migrant workers in the country, is expected to be officially launched during the second quarter of 2007.

The service offers huge potential for both companies. Malaysia has an estimated total migrant remittance of more than RM5 billion yearly, and less than half of the re-

mittances are flowing through formal channels due to high charges.

Both DiGi and Citibank will have a revenue share from each transaction made, giving them an additional revenue stream. The collaboration could also boost DiGi's subscriber base due to its popularity among migrants.

There are some two million foreign workers in Malaysia at present. DiGi as at end of last year had 5.3 million subscribers.

Speaking at the signing of a memorandum between both parties in Kuala Lumpur yesterday, DiGi chief executive

officer Morten Lundal said the remittance service is easy and safe.

Customers need only to go through a one-off registration at a DiGi centre, followed by "depositing" the cash into an "account".

The customers, who need not be a Citibank account holder, can then send the money to loved ones staying in Malaysia or selected foreign countries, via mobile phones.

"The mobile phone is becoming more than just a phone and it offers limitless opportunities to make life better.

"We are working hard to

give our customers peace of mind that their loved ones at home are and when necessary," said Lundal.

Country head of Citigroup Corporate and Investment Banking in Malaysia Sanjeev Nanavati said the partnership has revolutionised the person-to-person money transfer industry.

"Citigroup and DiGi are both recognised as innovators in our respective industries and we are proud to be leading this initiative," Sanjeev said.

Details on the remittance deal are still being finalised.

DiGi

Q107 key numbers

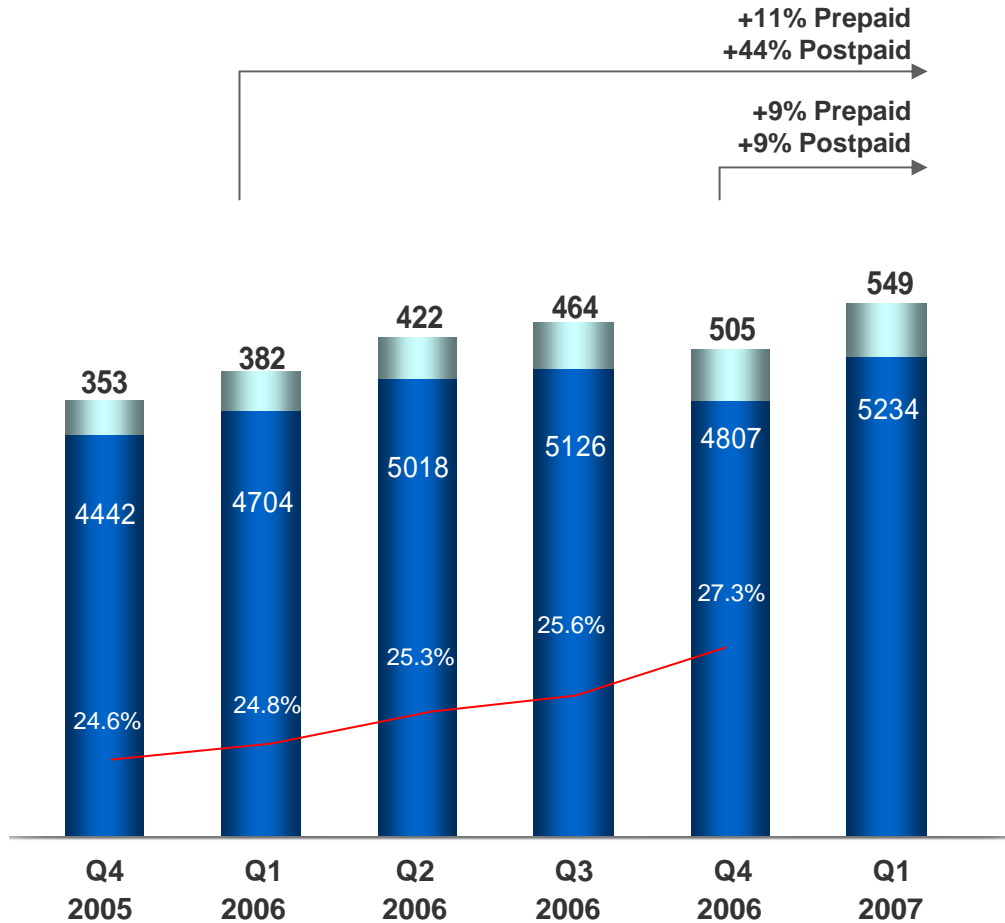
	Q107	Q-on-Q vs Q406	Y-o-Y vs Q106
Customer base	5.8 mil	+9% (5.3 mil)	+14% (5.1 mil)
Revenue	RM1,015 mil	+5% (RM967 mil)	+18% (RM861 mil)
EBITDA	RM497 mil	+4% (RM476 mil)	+27% (RM390 mil)
EBITDA margin	49.0 %	-0.2pp (49.2%)	+3.7pp (45.3%)
PAT	RM246 mil	+3% (RM240 mil)	+33% (RM185 mil)
EPS	32.8 sen	31.9 sen	24.6 sen



Very high net additions this quarter

Customers

- Added 472k new customers
- Prepaid acquisition supported by 1LFR and additional value propositions
- Steady progress in postpaid acquisition



+11% Prepaid
+44% Postpaid

+9% Prepaid
+9% Postpaid

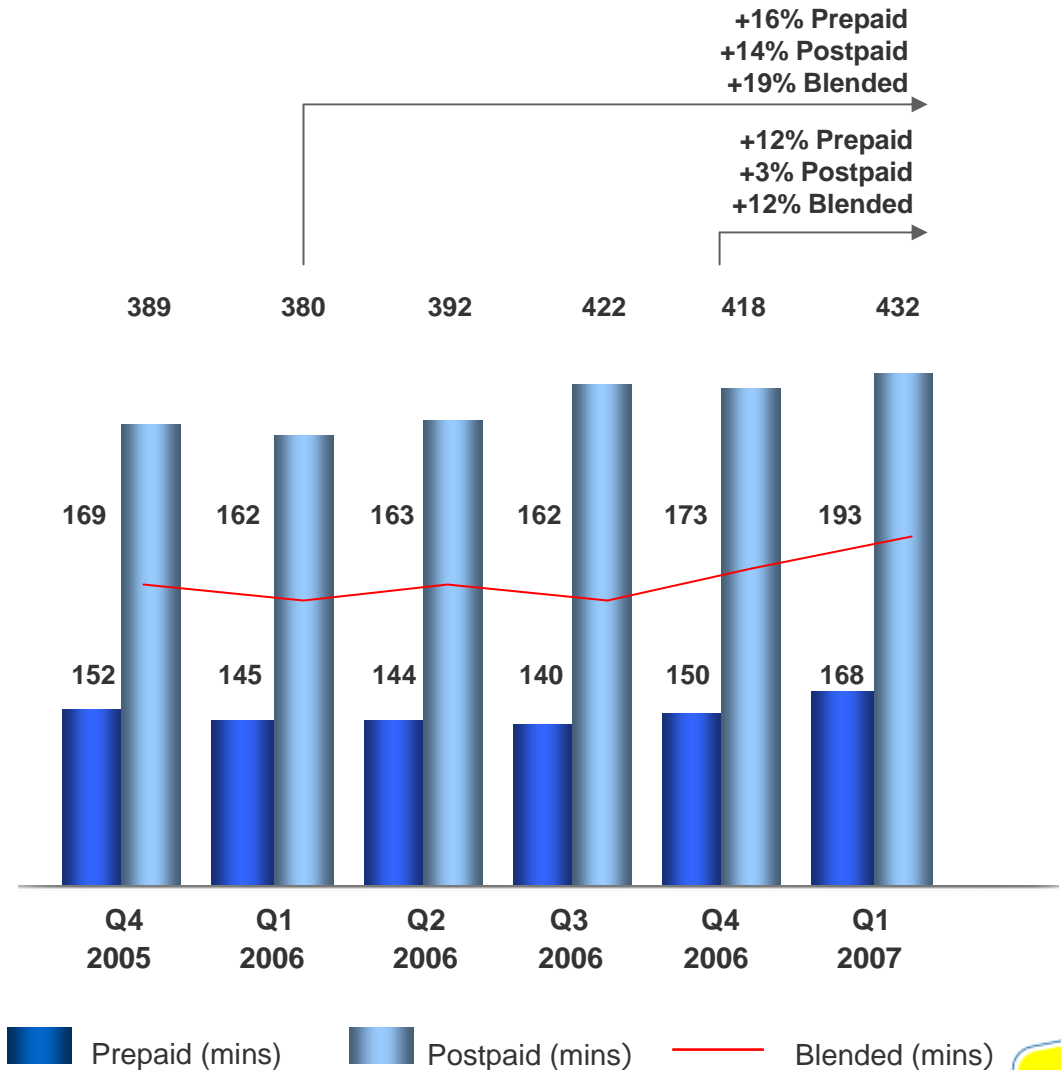
Prepaid ('000) Postpaid ('000) Subscriber market share (%)



Higher MOU for both prepaid and postpaid

AMPU

- Driven by higher overall usage across all segments
- Positive impact from:
 - inter-segment termination charge
 - lower base after prepaid registration (*on average subscriber base*)

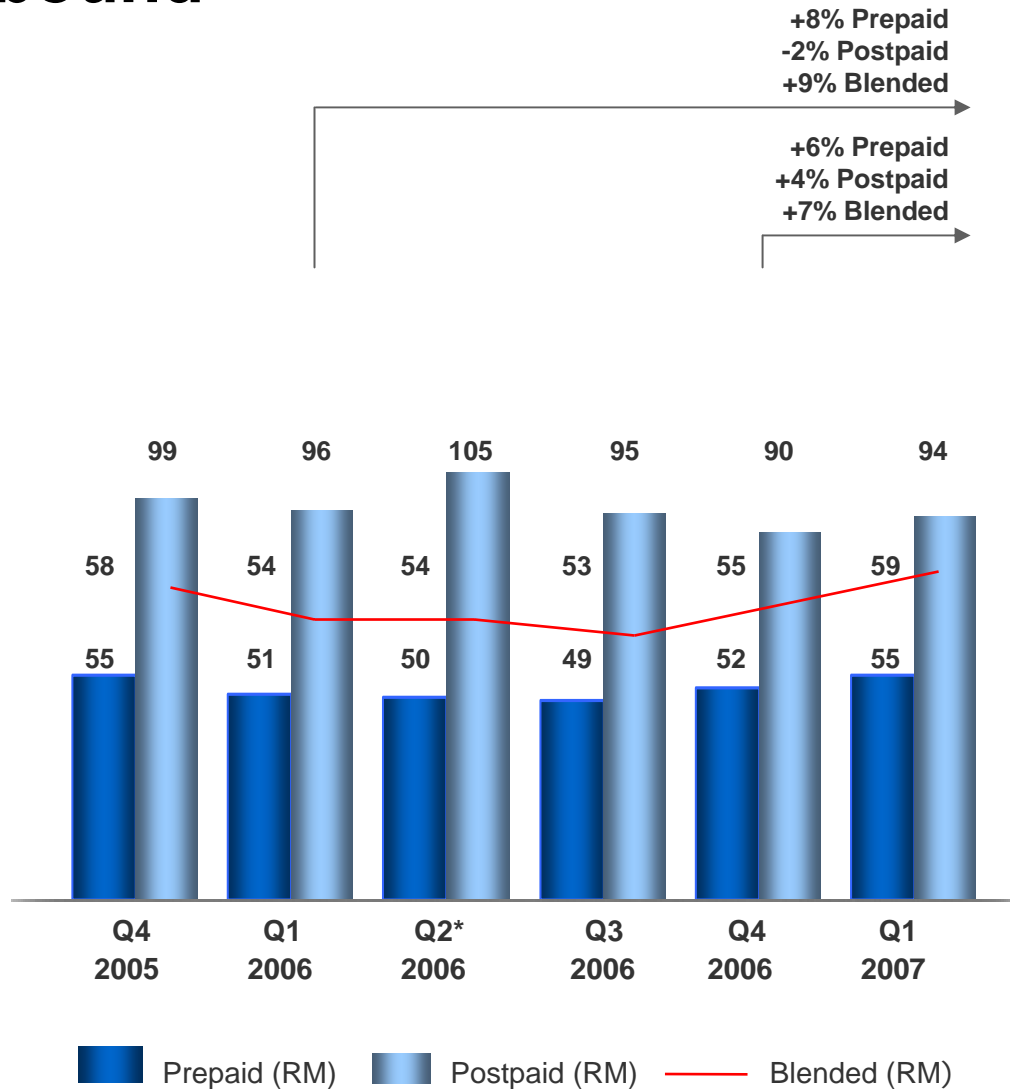


Strong ARPU rebound

ARPU

- Prepaid higher from festive usage and bonus airtime
- Postpaid mass gaining traction

* (Including one-time adjustment of RM12 mil for postpaid (RM10 on postpaid and RM1 blended ARPU))

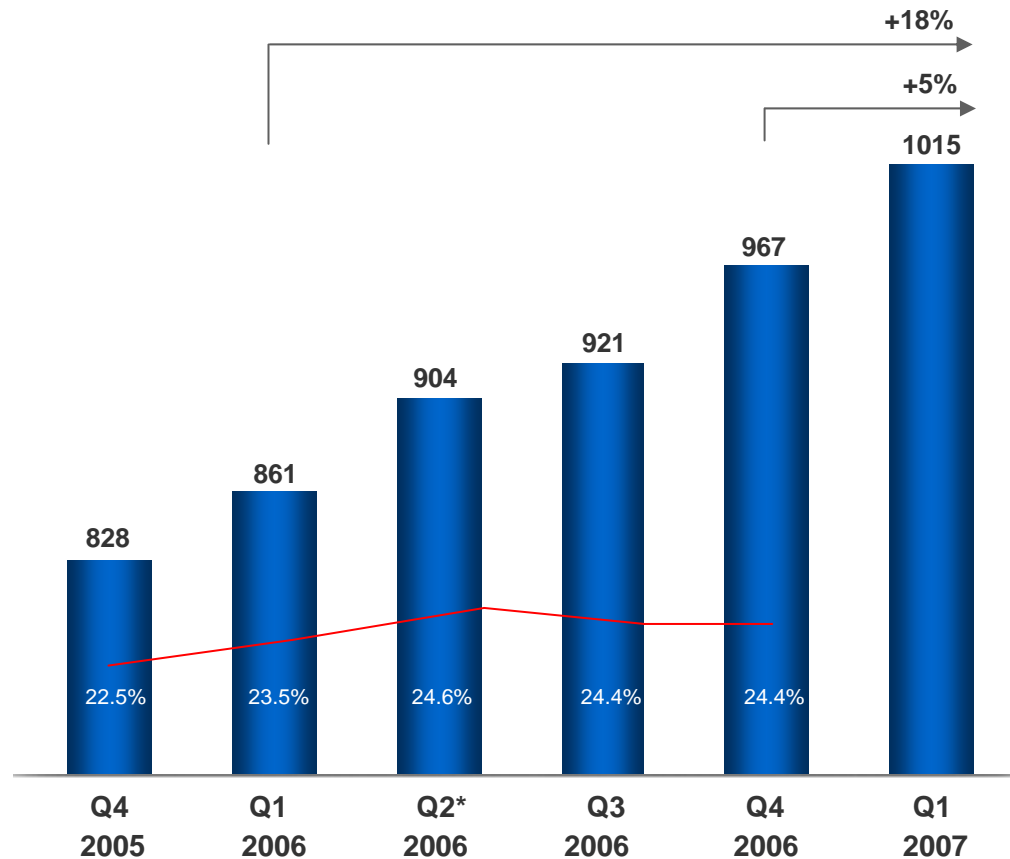


Maintained strong growth momentum

Revenue

- Prepaid revenue grew 6% q-o-q
- Postpaid revenue grew 15% q-o-q
- Driven by growing customer base and generally higher usage

* (Q206 revenue included an one-time adjustment of RM12 mil for postpaid)



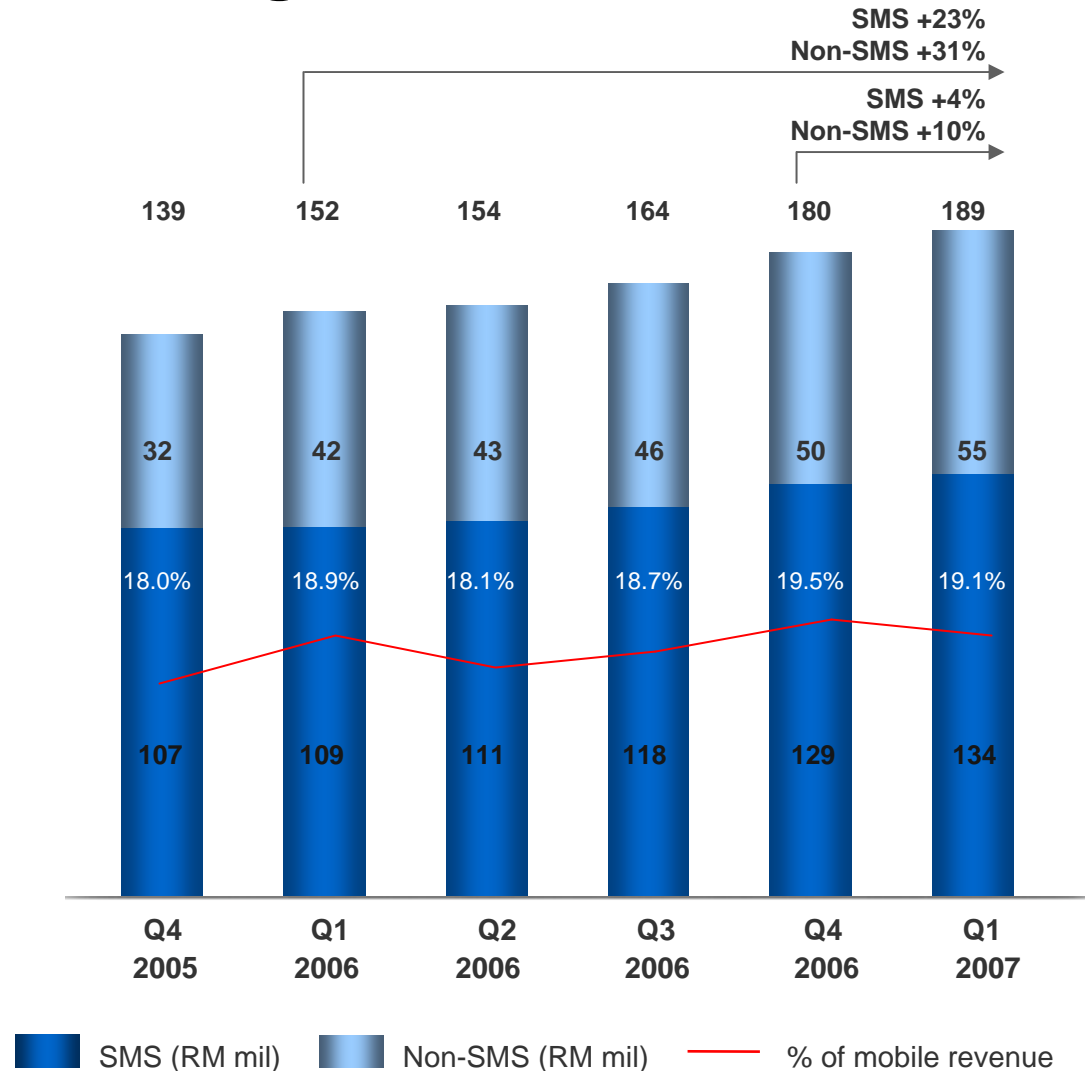
■ Revenue (RM mil) — Est. Mobile Revenue Market share (%)



Higher non-SMS earnings

Data revenue

- GPRS/EDGE usage up on enhanced value propositions
- Caller Tunes service getting significant and profitable

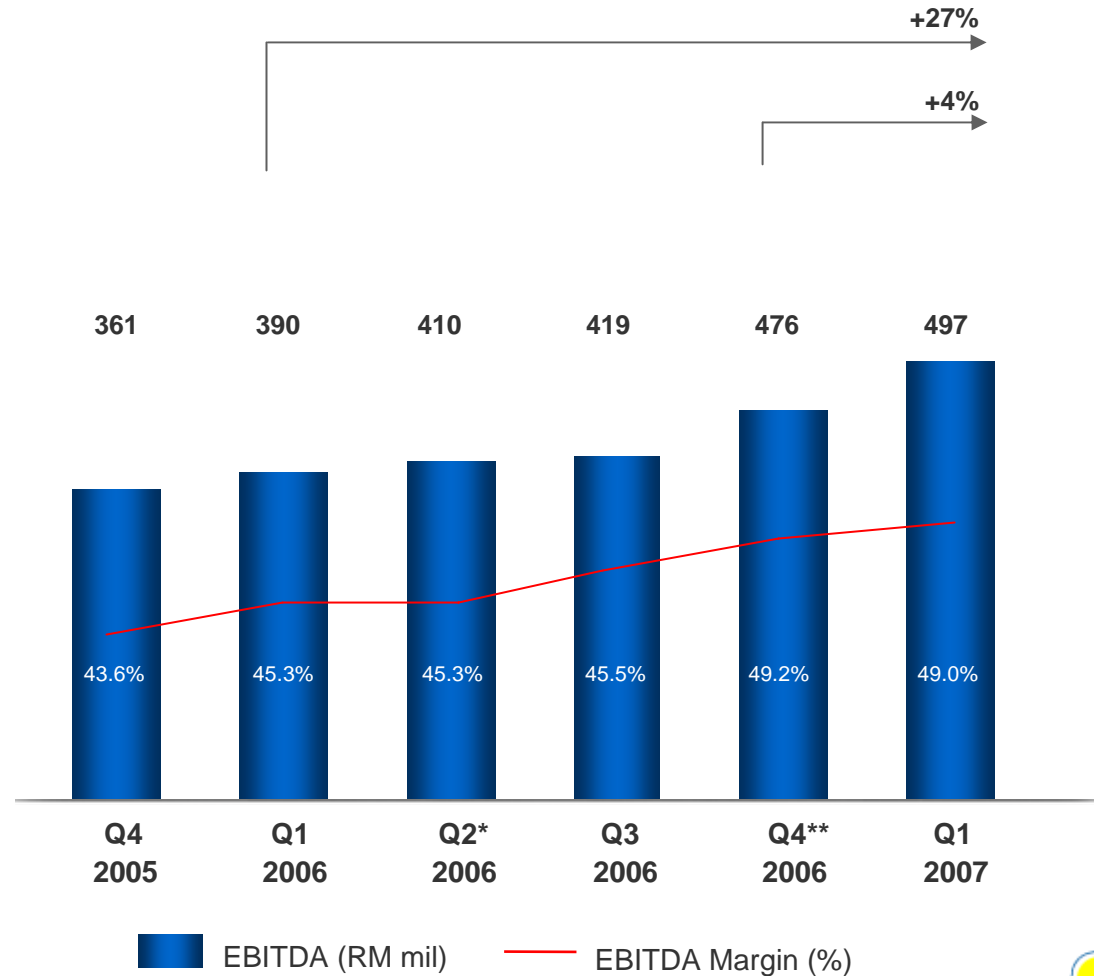


Very high EBITDA margin

EBITDA

- In-line with strong revenue growth
- Low S&M spend in Q1
- Cost control starts to take effect (*on semi-fixed costs*)

•Q206 normalised EBITDA RM398mil
 **Q406 normalised EBITDA margin 46.6%

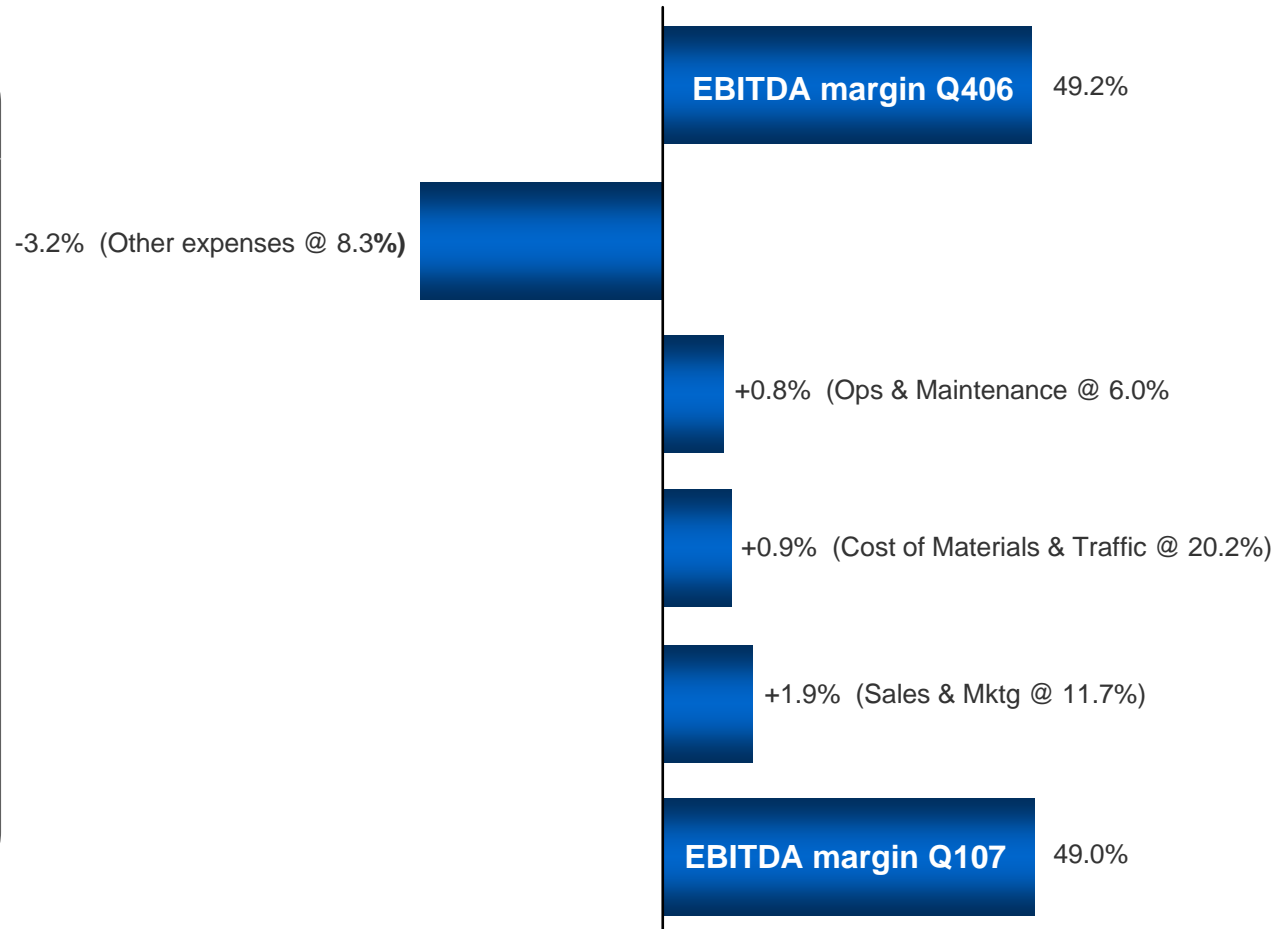


Key changes impacting q-o-q EBITDA margin

EBITDA margin

Normalised regulatory fees off-set by:

- lower A&P expenses
- lower operations and maintenance costs
- lower materials & traffic costs



@ denotes % of revenue in Q107



Very strong PAT

PAT

- Lower q-o-q growth due to adjusted deferred tax expenses in Q406
- No accelerated depreciation impact from this quarter

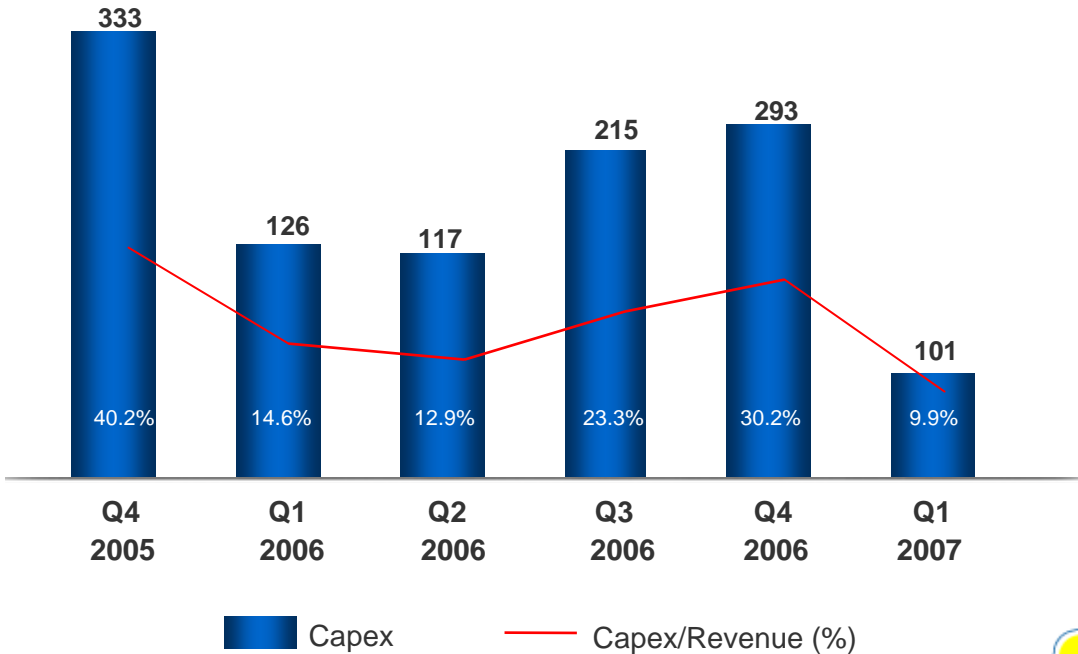
(RM mil)	Q107	Q406	2006	2005
EBITDA	497.2	475.8	1694.7	1259.3
Depreciation & Amortisation	(160.8)	(184.5)	(627.8)	(583.5)
EBIT	336.4	291.3	1066.9	675.8
Net finance income/(cost)	2.6	2.7	20.2	(14.2)
- Finance costs	(3.4)	(4.4)	(15.8)	(32.4)
- Interest income	6.0	7.1	36.0	18.2
PBT	339.0	294.0	1087.1	661.6
Taxation	(93.0)	(54.4)	(281.4)	(190.6)
PAT	246.0	239.6	805.7	471.0
EPS (sen)	32.8	31.9	107.4	62.8



Focus on quality, capacity and new technology

Capex

- Low Capex in Q1 due to change in focus from coverage to quality and significant capacity upgrade
- Upcoming migration to IP-based next generation network and new IN platform



Increasing cash balance

Free cash-flow

- Payment of RM315 mil final dividend pending shareholders approval
- High operational cash flow amid unusually low capex in Q1

(RM mil)	Q107	Q406
Cash at start	869.5	1138.8
Cash-flow from operations	458.6	355.2
Changes in working capital	(296.2)	108.1
Cash-flow used in investing activities	(94.0)	(282.6)
- Capex	(100.9)	(292.6)
Cash-flow used in financing activities	0.0	(450.0)
Net change in cash	68.4	(269.3)
Cash at end	937.9	869.5
Operational cash-flow (EBITDA – Capex)	396.3	183.2



Solid but underleveraged balance sheet

Key ratios

- Improving ROE and ROCE q-o-q
- Higher cash balance from strong operating cash-flow

RM mil	31 Mar 2007	31 Dec 2006
Capex	100.9	750.2
Capex/Revenue	9.9%	20.5%
Total borrowings	300.0	300.0
Cash & cash equivalents	937.9	869.5
Total assets	4106.9	4076.1
ROE	12.3%	19.8%
ROCE	12.6%	43.8%
Current ratio	0.9x	0.7x
Net debt/equity (x)	net cash	net cash
Net debt/EBITDA (x)	net cash	net cash
FCF per share (sen)	52.8 sen	24.4 sen
Net assets/share (RM)	RM2.66	RM2.34

Verbal updates

- **Regulatory**
- **Telenor ownership**
- **Balance sheet initiatives**
- **Industry update**



Industry updates - challenges and opportunities



Mature markets; high penetration in western world

Fight for emerging market telecom assets

More competition & more regulation = lower prices

WiFi, WiMAX, & HSPA creating fixed price IP business models; challenging mobile concept

Slower than expected revenue growth of new data services



High penetration also in Malaysia but still remaining growth

DiGi to remain focused on Malaysia

Possibly, but DiGi geared to face such challenges

Likely long time for big market impact due to low PC penetration; fragmented industry structure; early in tech life cycle, dependency on handsets/PC cards

In DiGi, data revenue @ 19%, optimistic about further growth



DiGi going forward

Build up brand attraction before MNP



Push and fine-tune segmented offerings

Maintain high pace in service innovation

Operational excellence

Continued spectrum expansion efforts

Fundamental revamp of technology platform

Upgrading guidance for 2007

	Previous guidance	New guidance
Revenue growth (%)	high single digit	mid-teens
EBITDA margin (%)	mid-40's	mid-40's
Capex	at 2006 level	RM800-900 mil
PAT / EPS growth (%)	mid-teens <i>(without one-off adjustments)</i>	mid-teens

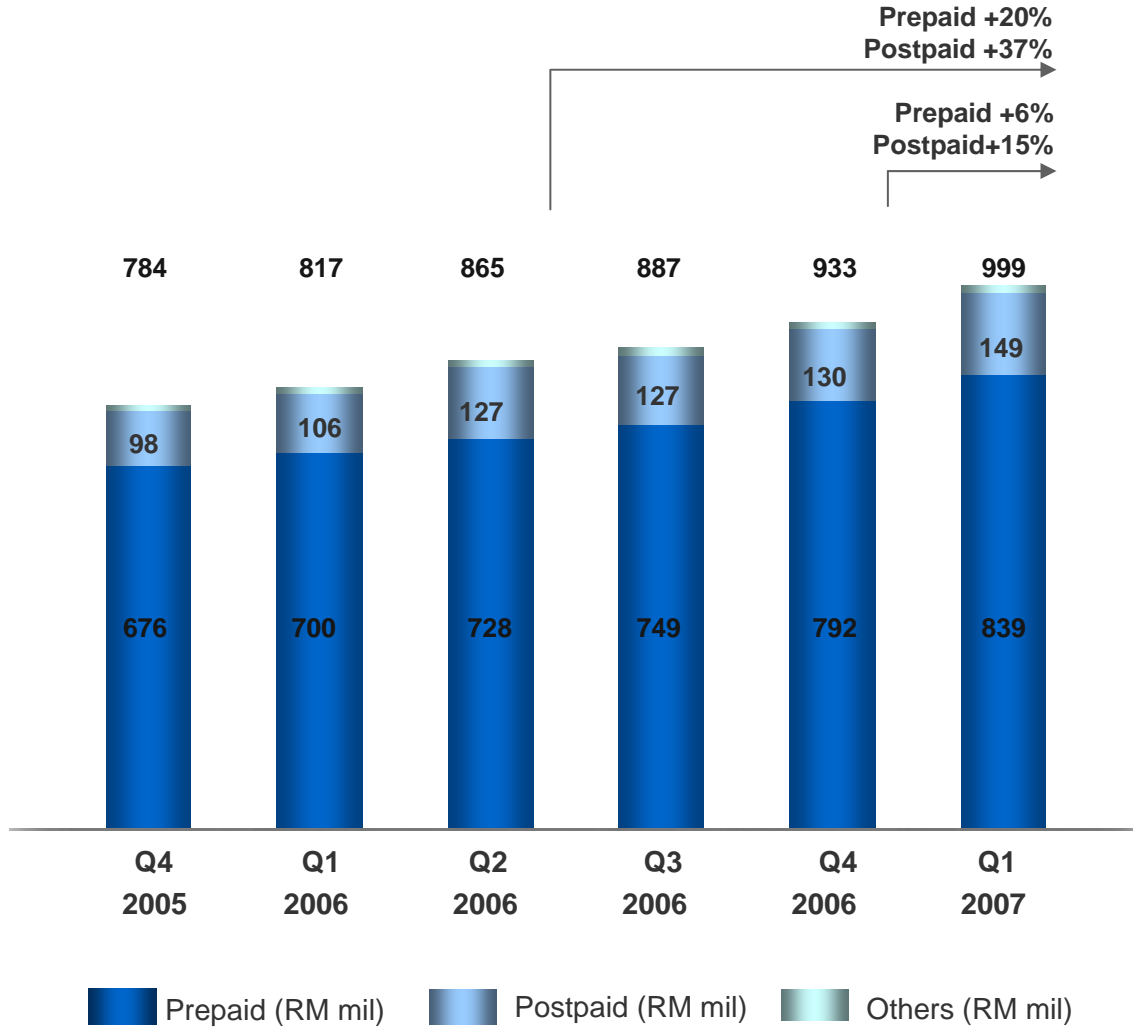




thank you

see you next quarter

Breakdown of mobile revenue



Opex breakdown

(RM mil)	Q107	Q406	% chg
Cost of materials	15.4	21.4	+28.0
Traffic charges	189.5	182.4	-3.9
Sales & Marketing	118.3	130.7	+9.5
- Advertising & promotions	51.9	62.3	+16.7
- Commissions	66.4	68.4	+2.9
Staff Costs	49.5	42.3	-17.0
Operations & Maintenance	61.1	65.7	+7.0
Other expenses	86.3	57.0	-51.4
- USP fund and license fees	55.1	32.6	-69.0
- provision for bad & doubtful debts	4.5	5.0	+10.0
- others	26.7	19.4	-37.6
TOTAL	520.1	499.5	-4.1
EBITDA margin	49.0%	49.2%	-0.2pp



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