



Q1 2010
analyst briefing

Q1 in brief

- strong growth momentum; especially for prepaid & mobile internet
- brand strengthening across segments
- cost efficiency program delivering targeted savings
- exceptional cash-flow
- stepping up to new dividend policy



Q1 financial highlights



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- 3% q-o-q revenue growth
- 44.6% EBITDA margin
- 13% q-o-q PAT growth
- RM491 mil OpCF
- 35 sen/share net first interim dividend



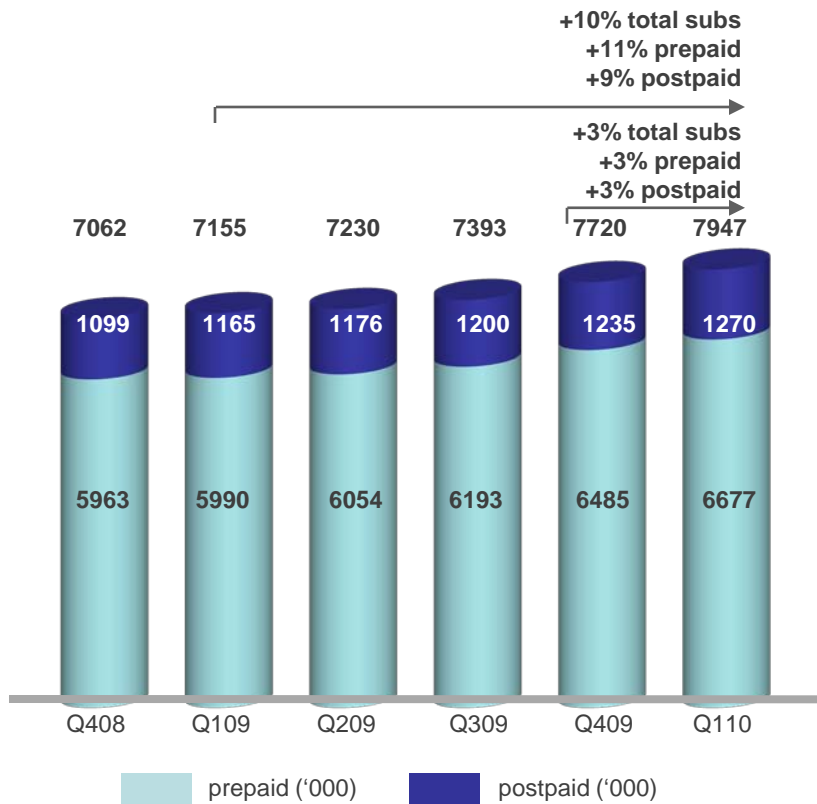
Q1 key numbers

	Q110	Q-on-Q vs Q409		Y-o-Y vs Q109	
Customer base	7.9 mil	+3%	(7.7 mil)	+10%	(7.2mil)
Revenue	RM1,290 mil	+3%	(RM1,248 mil)	+6%	(RM1,218 mil)
EBITDA	RM576 mil	+8%	(RM531 mil)	+6%	(RM544 mil)
EBITDA margin	44.6%	+2.0pp	(42.6%)	0.0pp	(44.6%)
PAT	RM278 mil	+13%	(RM246 mil)	+1%	(RM275mil)
Operating cash-flow	RM491 mil	+62%	(RM303 mil)	+24%	(RM397mil)

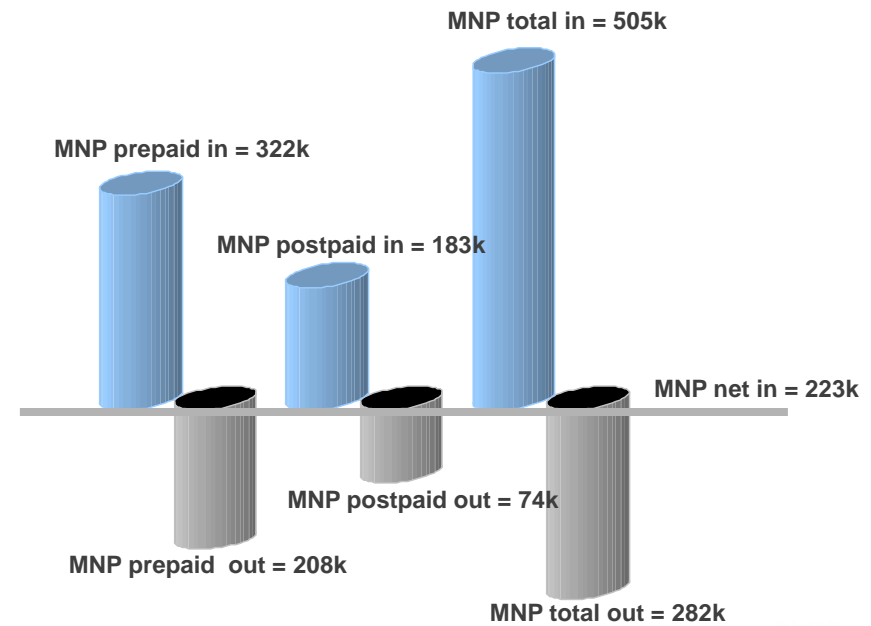


Healthy customer acquisitions

- added 227k new customers
- maintaining positive prepaid momentum
- stable postpaid growth
- >1.5m mobile internet customers; 77k broadband customers

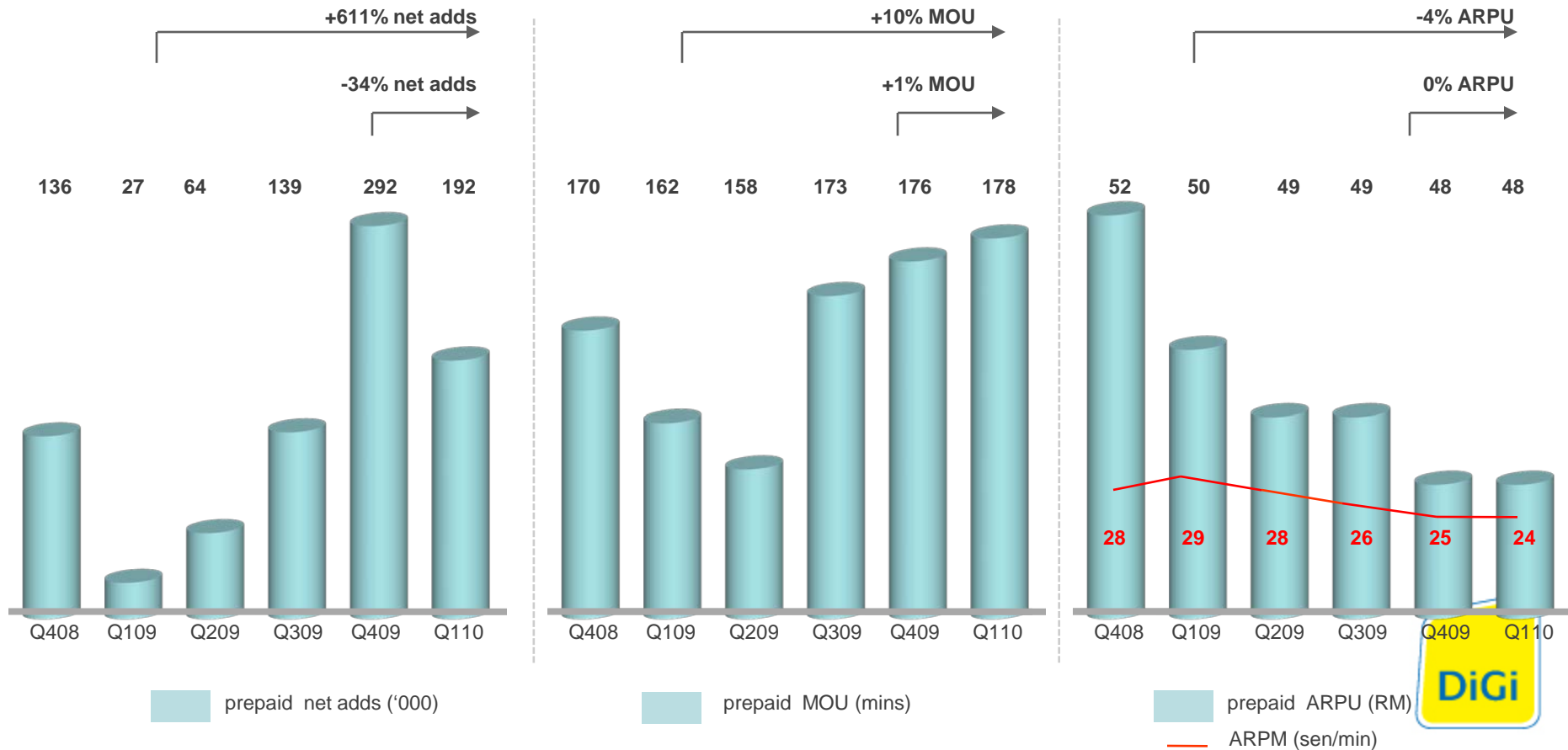


*broadband customers included in prepaid & postpaid subs



Prepaid showing strength

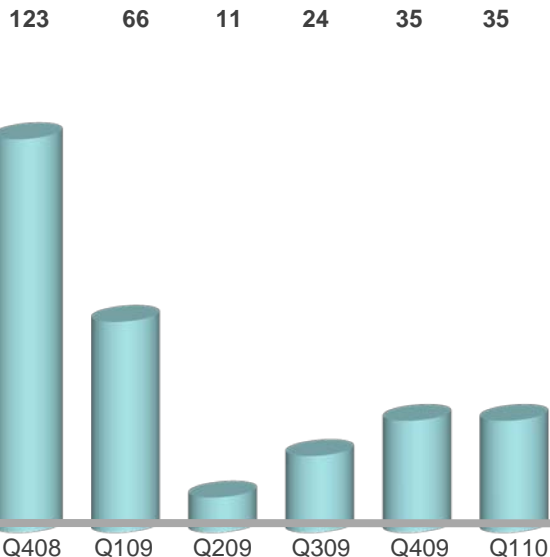
- added 192k new customers
- lower net adds this quarter on higher rotational churn
- “Prepaid Easy” offering gaining traction
- ARPU stable from increased usage



Steady progress in postpaid

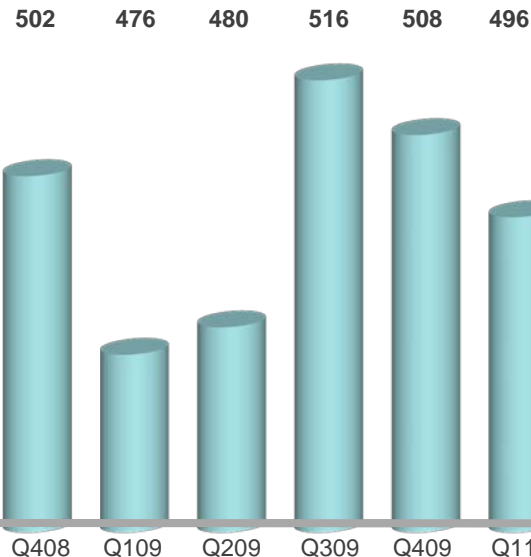
- added 35k new customers; customer base quality improving
- slight dilution in ARPU due to biz festive closures
- future growth anchored by smartphones/iPhone & attractive data plans

-47% net adds
0% net adds



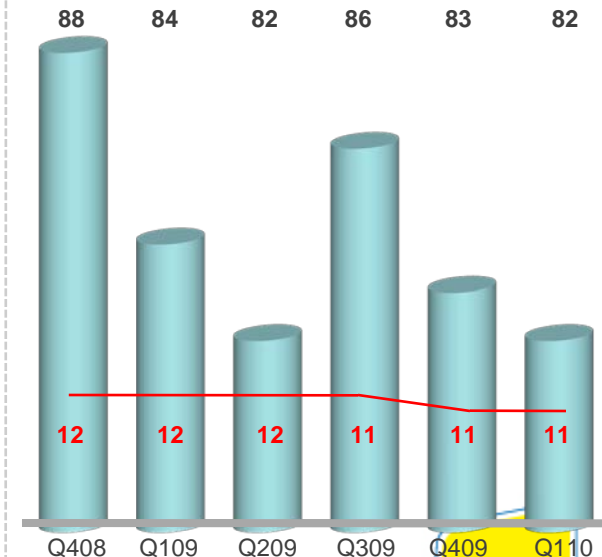
postpaid net adds ('000)

+4% MOU
-2% MOU



postpaid MOU (mins)

-2% ARPU
-1% ARPU



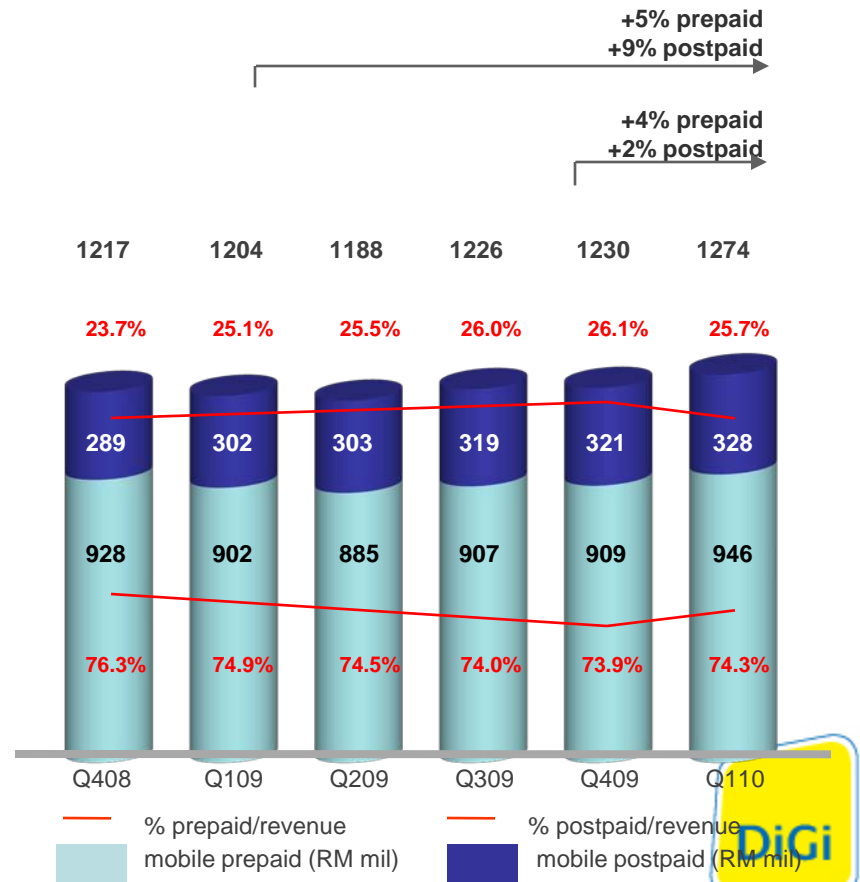
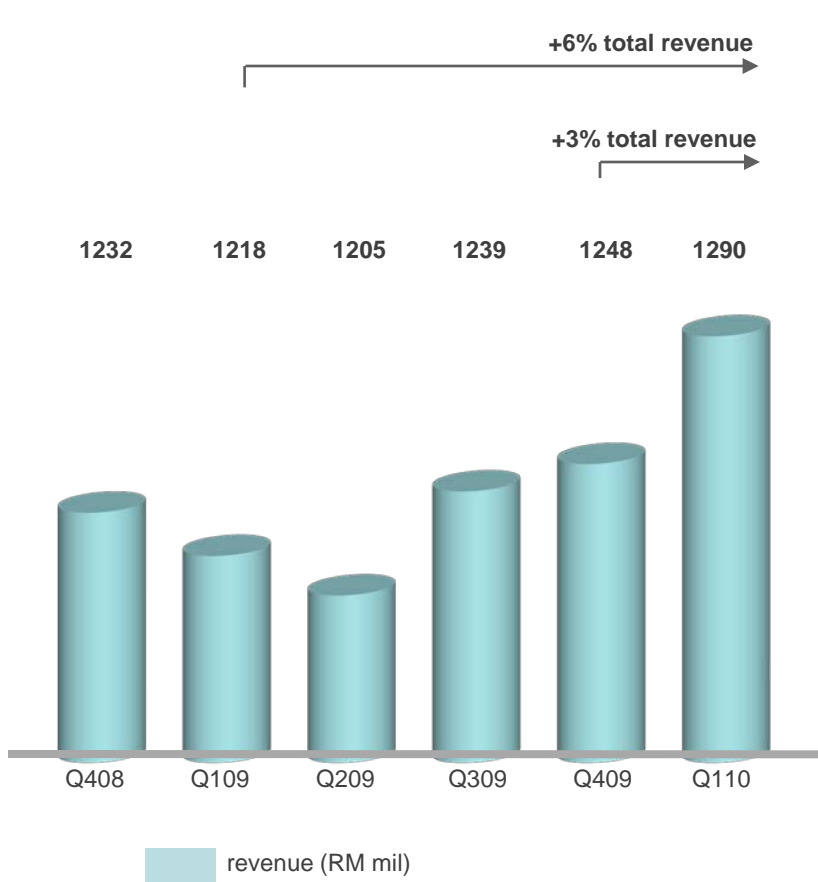
postpaid ARPU (RM)
ARPM (sen/min)

DiGi

Strong Q1 revenue; driven mainly by prepaid

- q-o-q, prepaid revenue grew by 4%; postpaid revenue grew by 2%

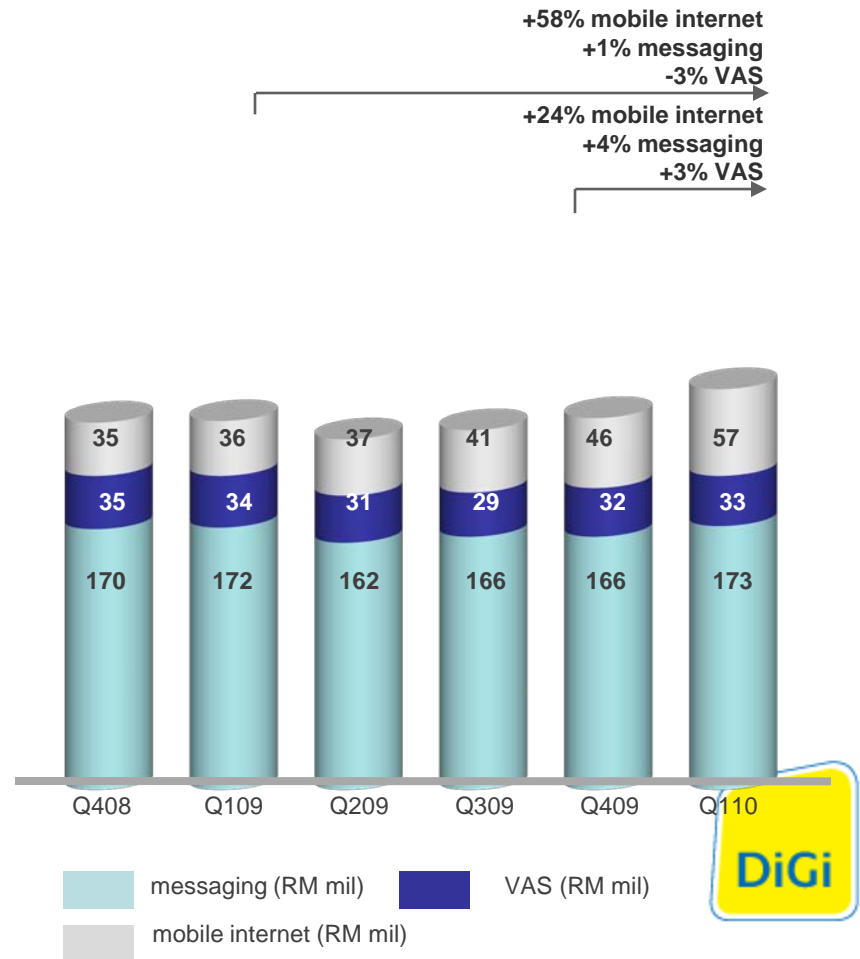
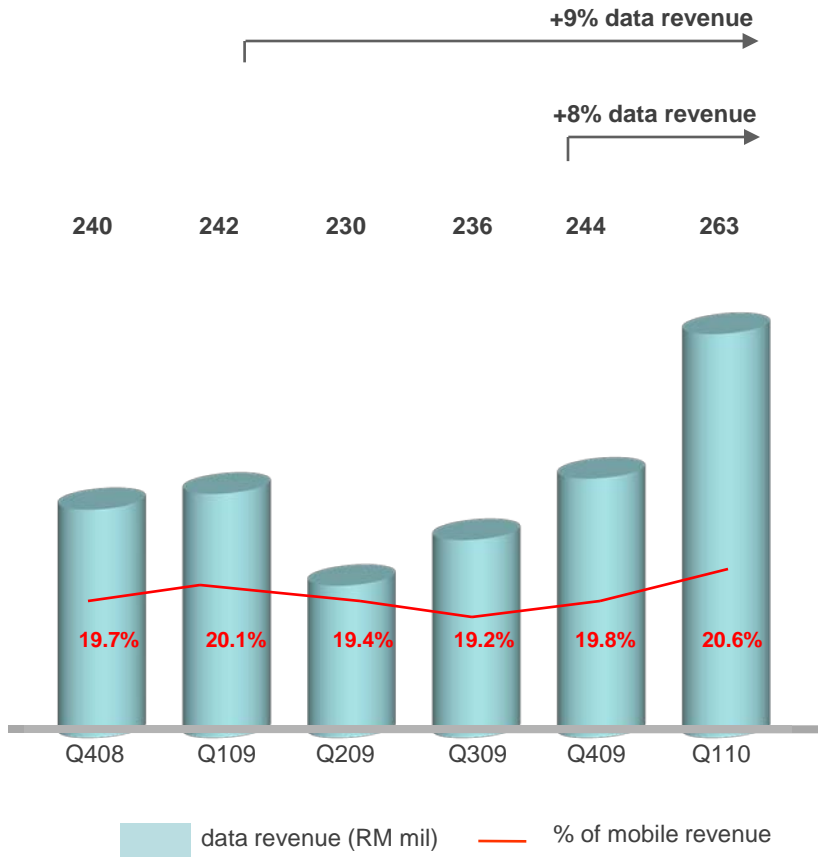
- postpaid revenue aided by mobile broadband revenue



Data growth driven by mobile internet/applications

- growth driven by larger 3G customer base, more smartphones & attractive data plans

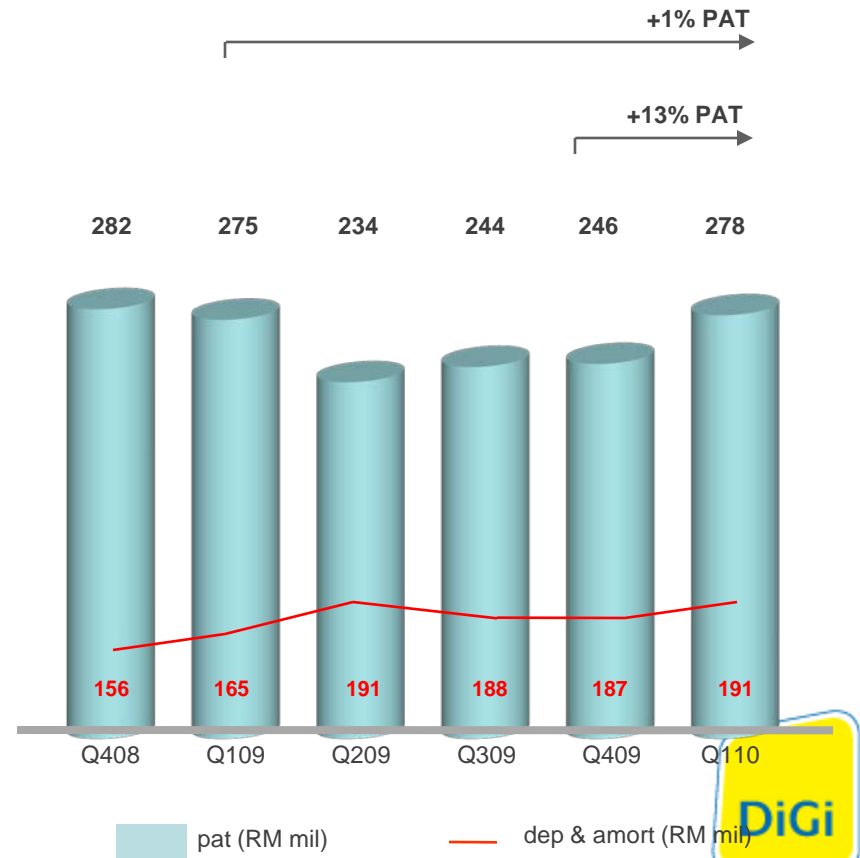
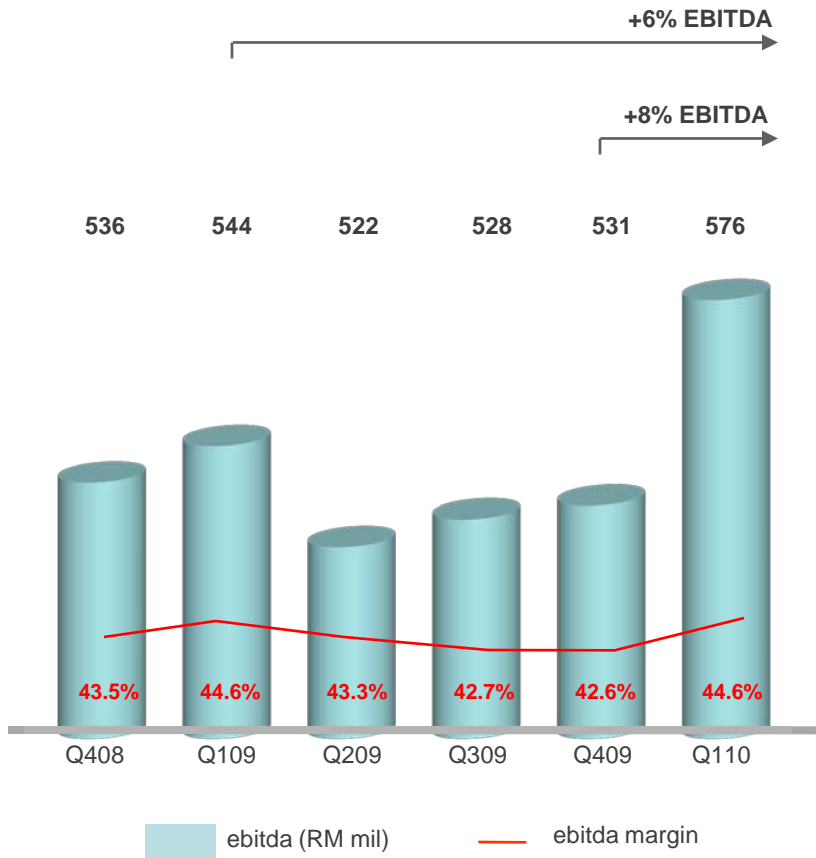
- mobile internet footprint extended to Kuching & Ipoh



Significant increase in EBITDA and PAT

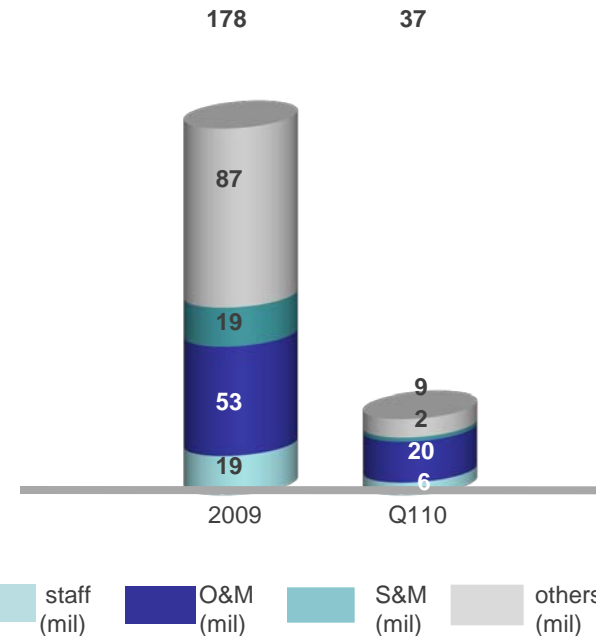
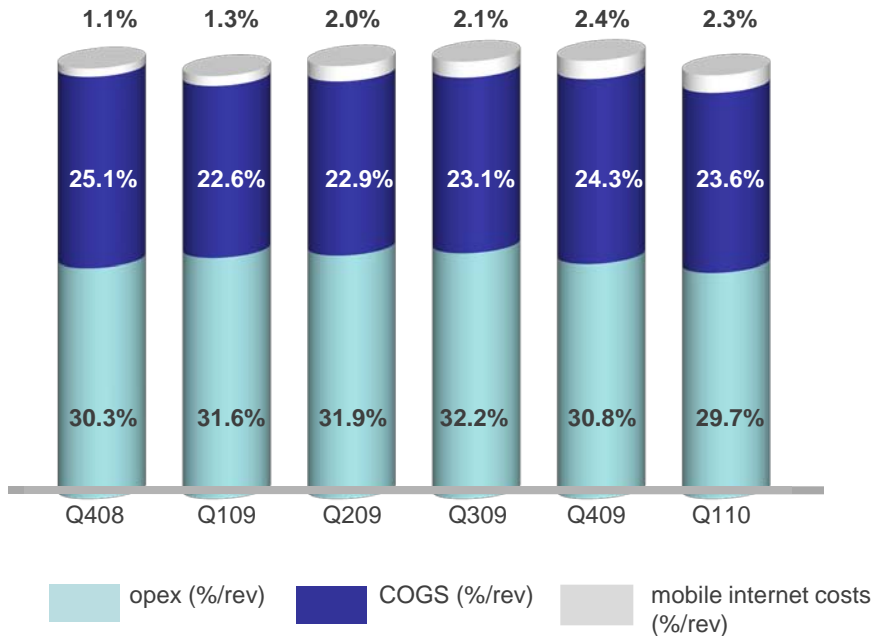
- margin improvement from higher revenue base & cost control

- higher PAT from higher EBITDA



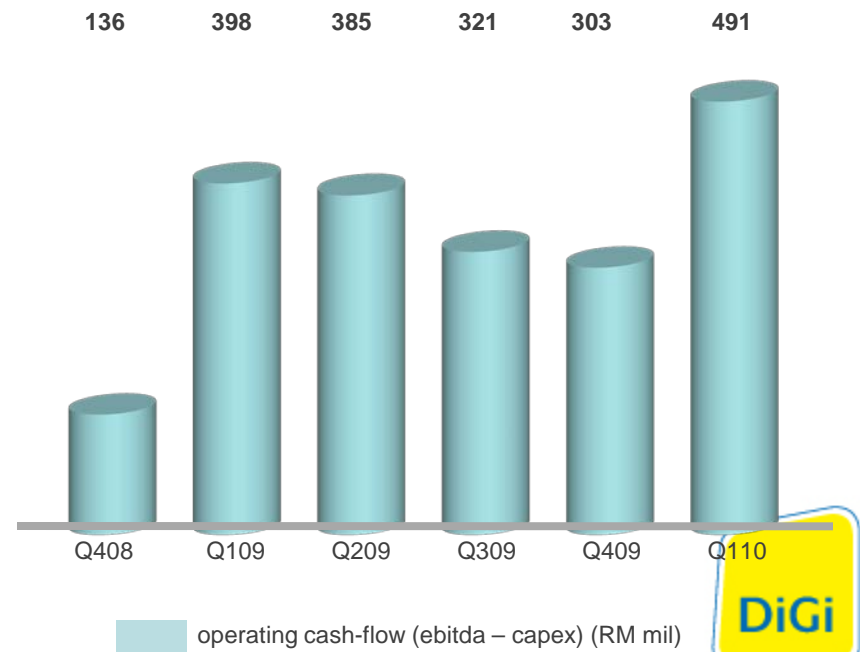
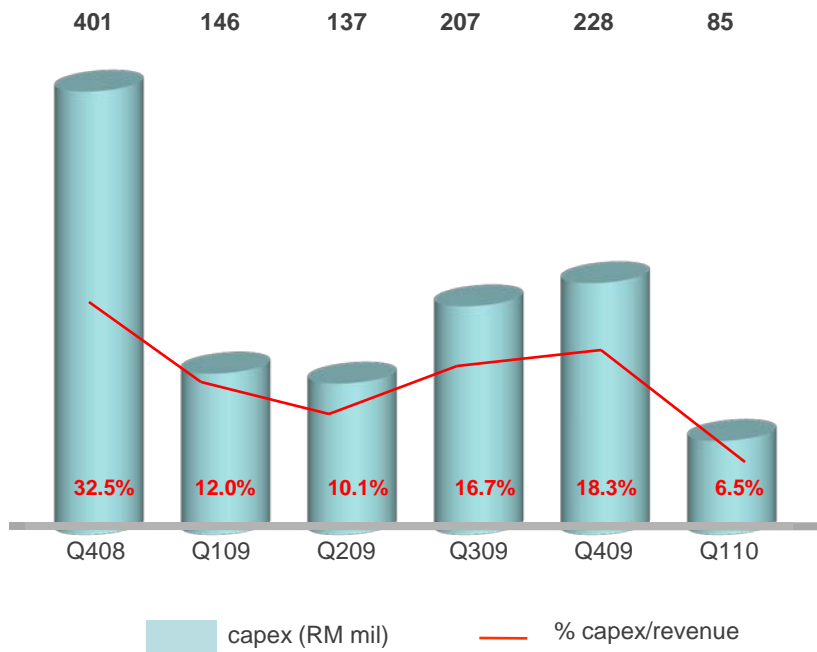
Good results from operational efficiency program

- opex efficiency initiatives show sustainable results
- stable mobile internet cost margin impact
- on track to deliver targeted 2010 savings



Investing in network quality & data growth

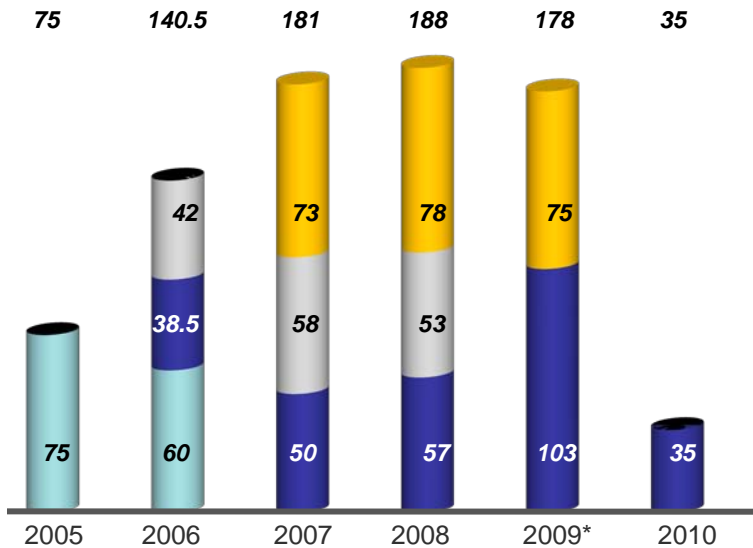
- overall low capex in Q1
- mobile internet investment program on track
- prioritising capacity & quality on 2G
- overall capex to accelerate in 2H10



Capital management update

cumulative net payout RM6.1 bil to-date*

(all figures denote net dividend/share in sen)



capital return interim final special dividend

2009 – commence quarterly dividend payment in Q409

* includes 2010 interim dividend

(RM mil)	Q110	2009	2008	2007
Interest-bearing debts	1,122.2	921.7	397.8	300.0
Cash & cash equivalents	682.5	430.1	331.3	577.1
Interest coverage ratio	35.6x	34.3x	123.8x	97.2x
#ROE	80.7%	65.8%	60.1%	67.4%
Net debt-to-EBITDA	#0.19x	0.23x	0.03x	net cash
#Net debt-to-Equity	0.32x	0.32x	0.04x	net cash
*OpCF/share (sen)	252.7	180.9	164.4	190.3
#OpFCF yield	11.3%	8.1%	7.3%	8.5%

annualised

* OpCF = EBITDA – Capex,

based on RM22.40 share price



Verbal updates

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- market
- regulatory



Strategic priorities

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- excellent service & brand experience
- profitable growth in key segments & capture data growth
- deliver operational efficiency through further cost & asset optimisation
- enhance cash-generation & optimise balance sheet



2010 outlook – updates

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The advertisement shows a child in a white shirt painting a large globe on a light blue wall. The globe is partially painted yellow. A child in a blue and white costume is also painting the globe. A yellow bucket is on the floor. The background is a light blue wall with a white baseboard.

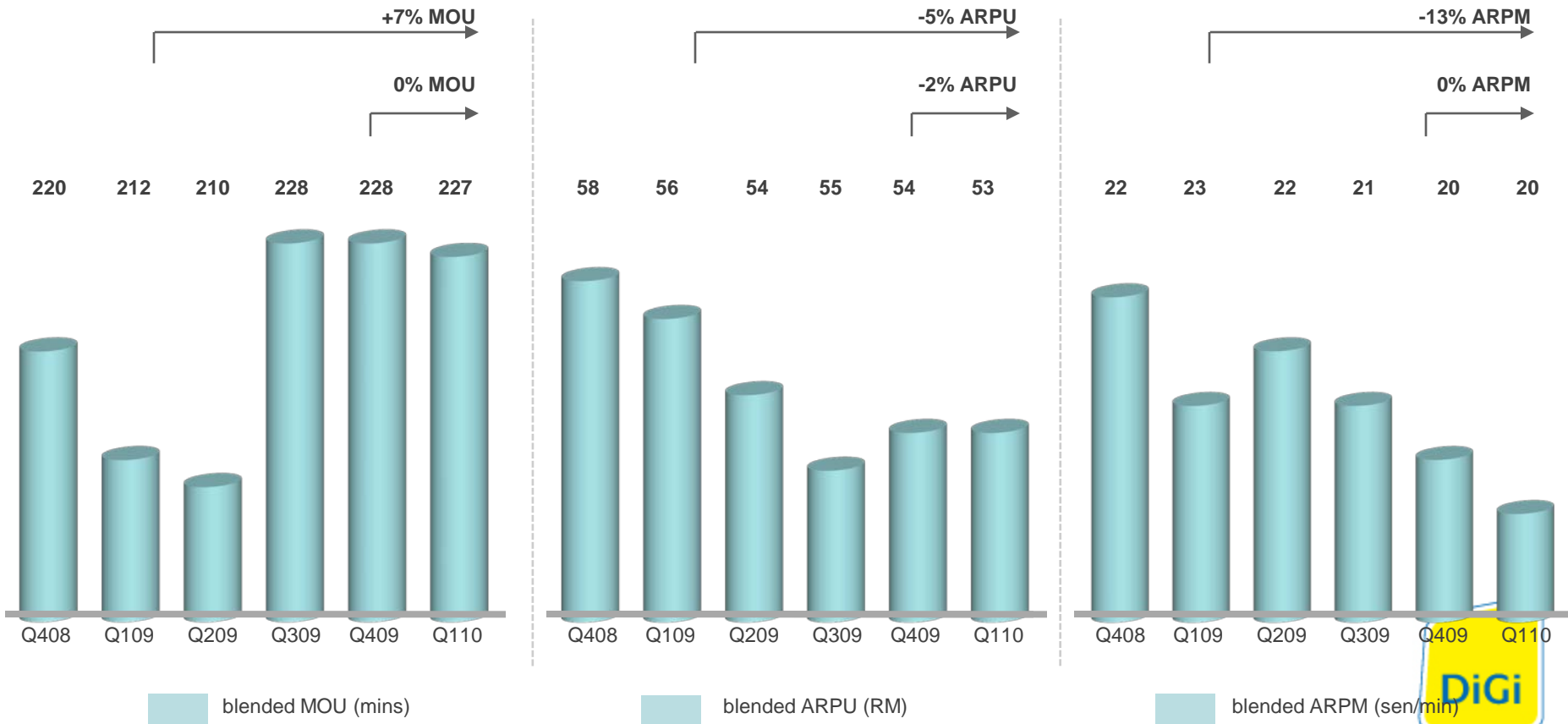
- industry revenue growth ~5%; DiGi aims to be above
- EBITDA margin further pressured by handset subsidies
- capex around '09 level
- absolute operating CF above '09 level (> 28% OpCF margin)



Appendices



Blended MOU, ARPU & ARPM



Reported Profit & Loss

(RM mil)	Q110	Q409	Q309	Q209	Q109	Q408
EBITDA	575.8	531.2	528.4	521.5	543.5	536.3
Depreciation & Amortisation	(190.6)	(186.8)	(188.3)	(190.9)	(165.1)	(156.4)
EBIT	385.2	344.4	340.1	330.6	378.4	379.9
Net finance (costs)/income	(6.7)	(7.5)	(6.9)	(6.7)	(5.9)	2.0
– <i>finance costs</i>	(10.2)	(11.3)	(10.1)	(9.4)	(9.8)	(3.0)
– <i>interest income</i>	3.5	3.8	3.2	2.7	3.9	5.0
PBT	378.5	336.9	333.2	323.9	372.5	381.8
Taxation	(100.2)	(90.5)	(89.1)	(89.4)	(97.0)	(99.6)
PAT	278.3	246.4	244.1	234.5	275.5	282.2
EPS (sen)	35.8	31.7	31.4	30.2	35.4	36.3

COGS & Opex breakdown

(RM mil)	Q110	Q409	Q309	Q209	Q109	Q408
COGS	314.6	313.9	294.9	283.0	279.1	312.0
- cost of materials	15.5	19.8	12.9	13.9	15.5	19.1
- traffic charges	299.1	294.1	282.0	269.1	263.6	292.9
OPEX	401.8	403.1	416.4	402.0	402.1	385.0
- sales & marketing	126.4	125.6	130.7	121.5	119.8	135.2
• advertising & promotions	41.0	40.5	47.8	42.2	41.6	53.4
• commissions	85.4	85.1	82.9	79.3	78.2	81.8
- staff costs	63.2	69.4	70.1	70.5	73.4	48.5
- operations & maintenance	86.9	84.5	92.6	85.0	86.3	84.6
- other expenses	125.3	123.6	123.0	125.0	122.6	116.9
• USP fund and license fees	72.3	69.2	65.5	66.9	64.0	72.2
• bad & doubtful debts provision	18.0	18.4	25.5	15.6	11.0	10.4
• others	35.0	36.0	32.0	42.5	47.6	34.3
TOTAL	716.4	717.0	711.3	685.0	681.2	697.2

Cash-flow

(RM mil)	Q110	Q409	Q309	Q209	Q109	Q408
Cash at start	430.2	617.7	398.1	593.8	331.3	512.3
Cash-flow from operations	494.3	480.1	453.6	414.0	445.1	453.6
Changes in working capital	59.1	89.7	51.3	35.5	(314.1)	172.8
Cash-flow used in investing activities	(81.2)	(223.9)	(204.3)	(133.1)	(142.3)	(399.2)
- Capex	(84.6)	(227.9)	(207.5)	(136.9)	(146.1)	(400.8)
Cash-flow used in financing activities	(219.9)	(533.4)	(81.0)	(512.1)	273.8	(480.5)
Net change in cash	252.3	(187.5)	219.6	(195.7)	262.5	(181.0)
Cash at end	682.5	430.2	617.7	398.1	593.8	331.3
Operational cash-flow (EBITDA – Capex)	491.2	303.3	320.9	384.6	397.4	135.5

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