



Q209

ANALYST TELECONFERENCE

22nd July 2009

Quarter 2 – resilient in tough times



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DiGi

- 1% y-o-y revenue growth;
1% decline q-o-q
- 43.3% EBITDA margin
- strong operating cash-flow
- 49 sen/share net interim dividend



Focus & highlights

BlackBerry.

FOR A LOT LESS, ANYONE CAN NOW SLIP INTO A BlackBerry.

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- weak macro economy impacting customer spend
- continuous revenue & margin pressure; positive effects from cost efficiency program
- DiGi “*broadband done right*” well received
- strengthened segment offerings with *Blackberry* & lowest commitment plan *DG30*



Q209 key numbers

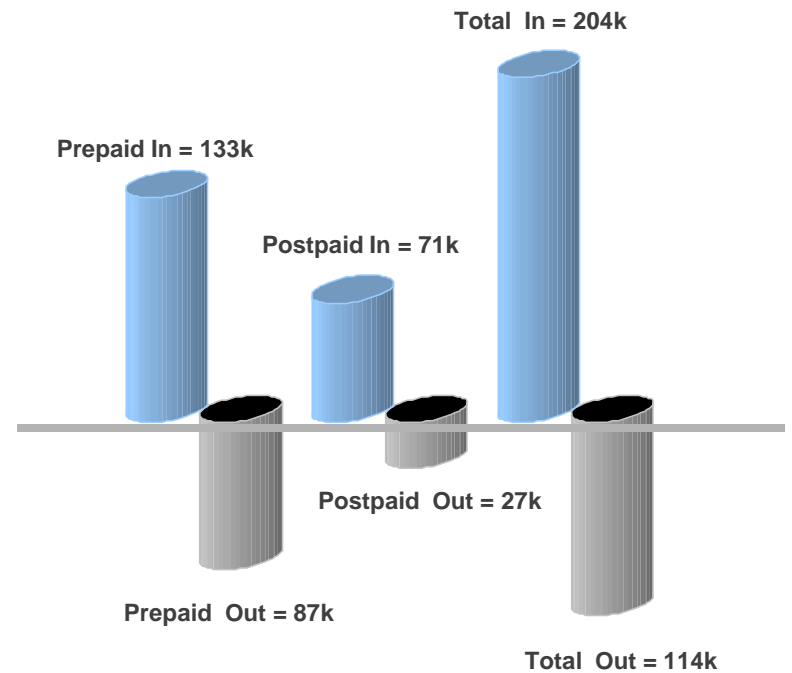
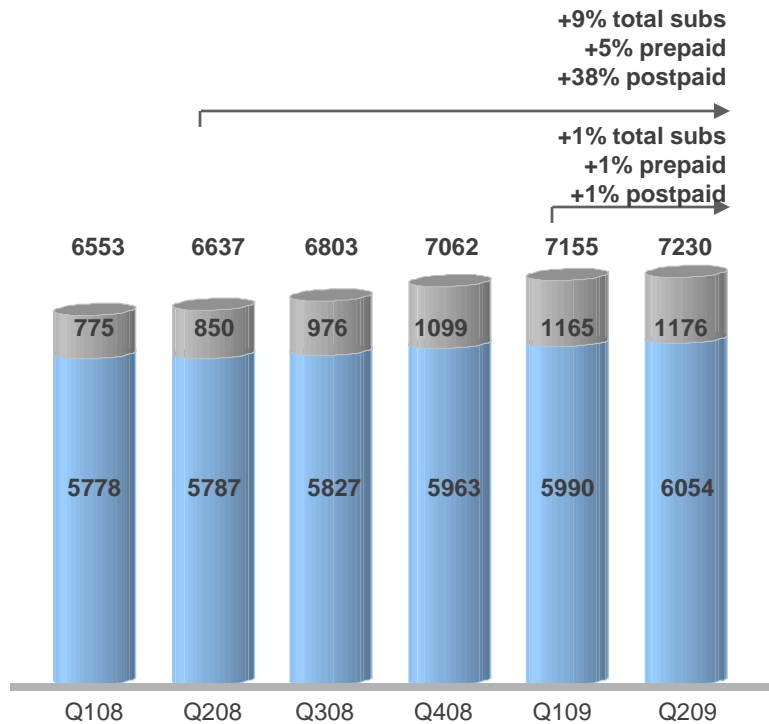
	Q209	Q-on-Q vs Q109		Y-o-Y vs Q208	
Customer base	7.2 mil	+1%	(7.2 mil)	+9%	(6.6mil)
Revenue	RM1,205 mil	-1%	(RM1,218 mil)	+1%	(RM1,194 mil)
EBITDA	RM522 mil	-4%	(RM544 mil)	-6%	(RM557 mil)
EBITDA margin	43.3%	-1.3pp	(44.6%)	-3.4pp	(46.7%)
PAT	RM235 mil	-15%	(RM275 mil)	-21%	(RM298 mil)
Cash-flow	RM385 mil	-3%	RM398 mil	+2%	RM376 mil



Moderate subscriber growth

- added 75k new customers
- slight rebound in prepaid acquisitions

- MNP net gainer
- postpaid involuntary churn still high



■ prepaid ('000) ■ postpaid ('000)

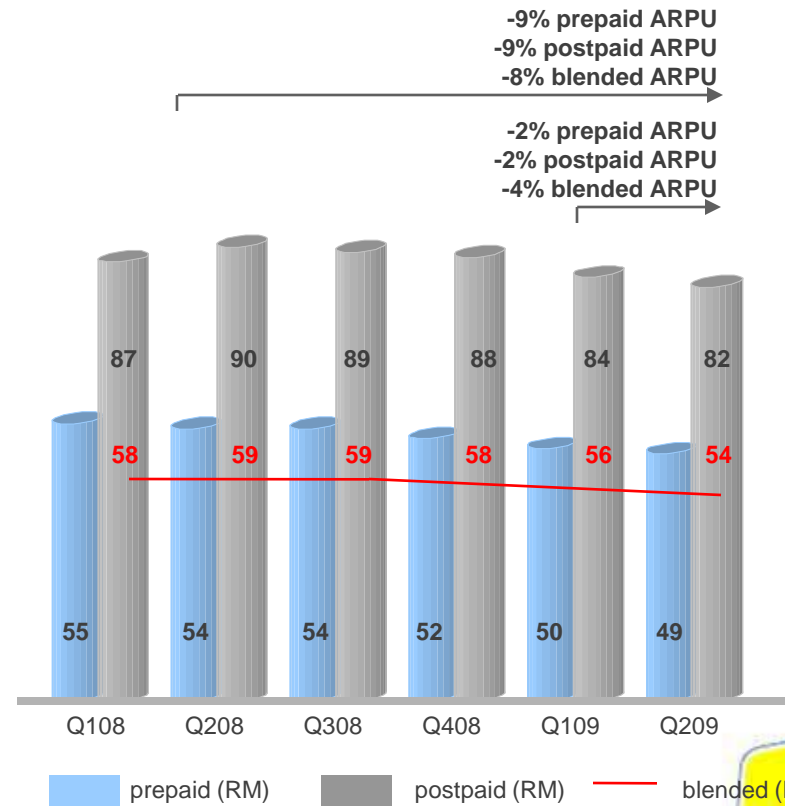
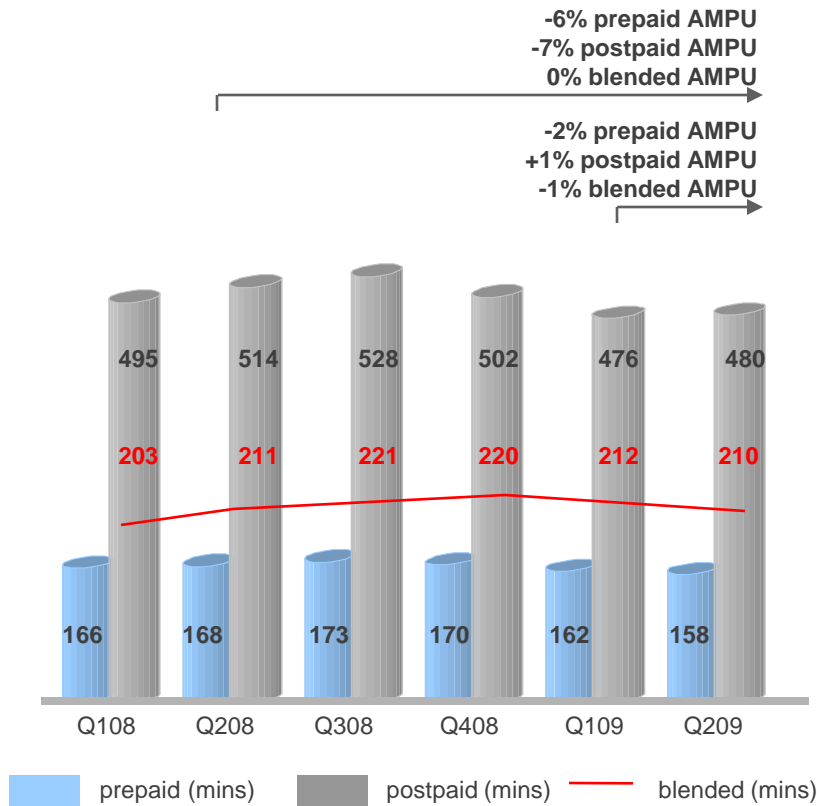
**broadband customers tabulated as postpaid subs*



Usage and ARPU affected by slowdown

- slight decline in overall usage; lower spend by low income segments

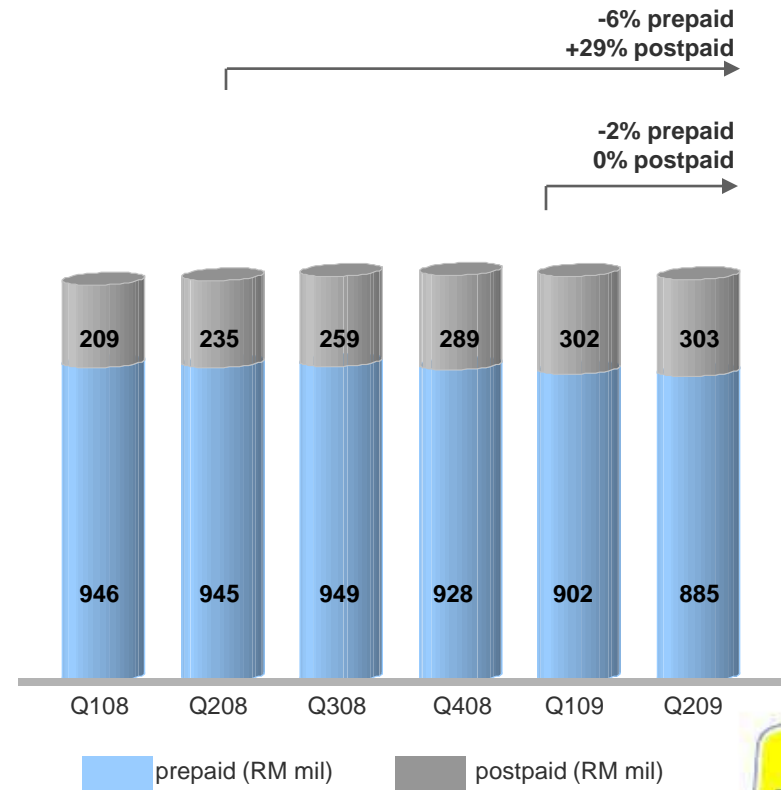
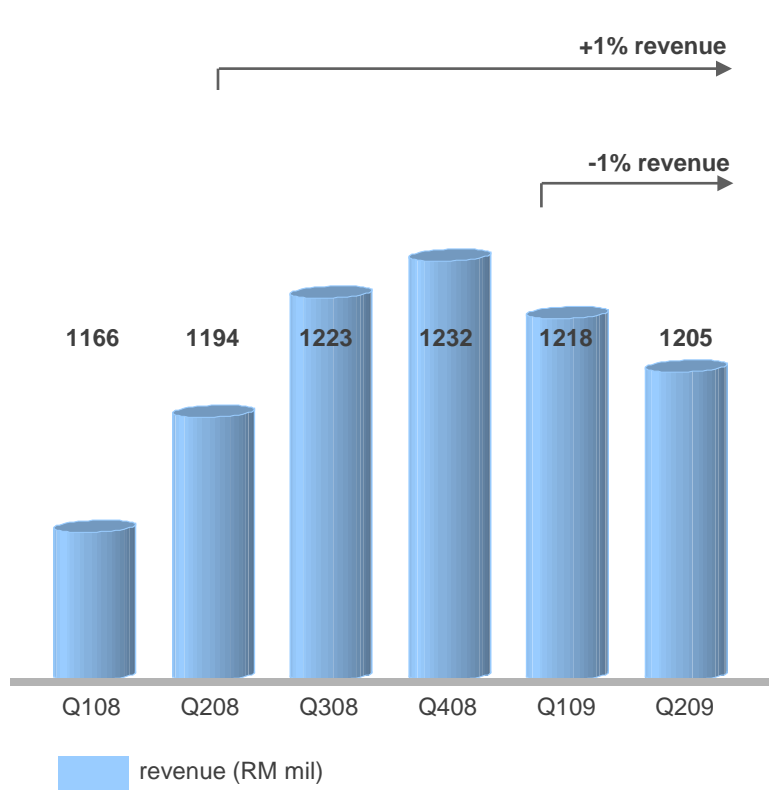
- average revenue per minute (ARPM) relatively stable



Revenue pressured by lower spend

- Q-o-Q, marginal postpaid revenue growth; data revenue declined 2%

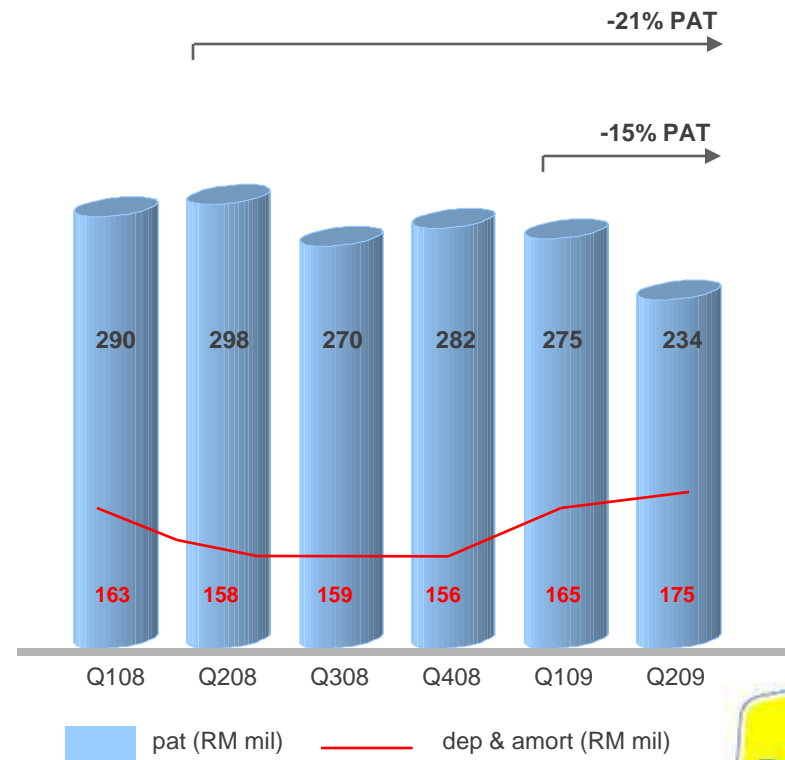
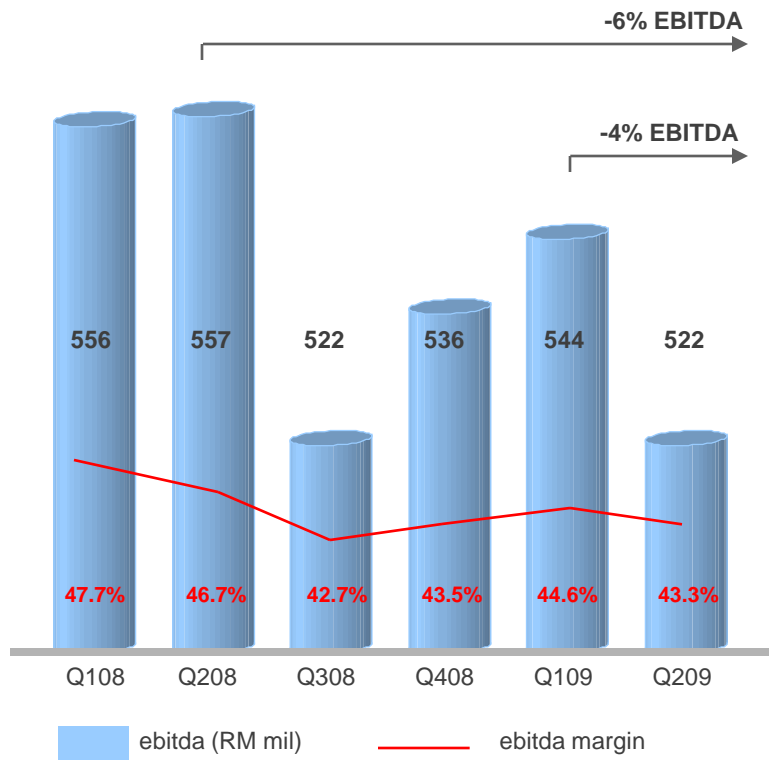
- Q-o-Q, prepaid revenue down 2%; data revenue down 6%



Lower EBITDA and PAT

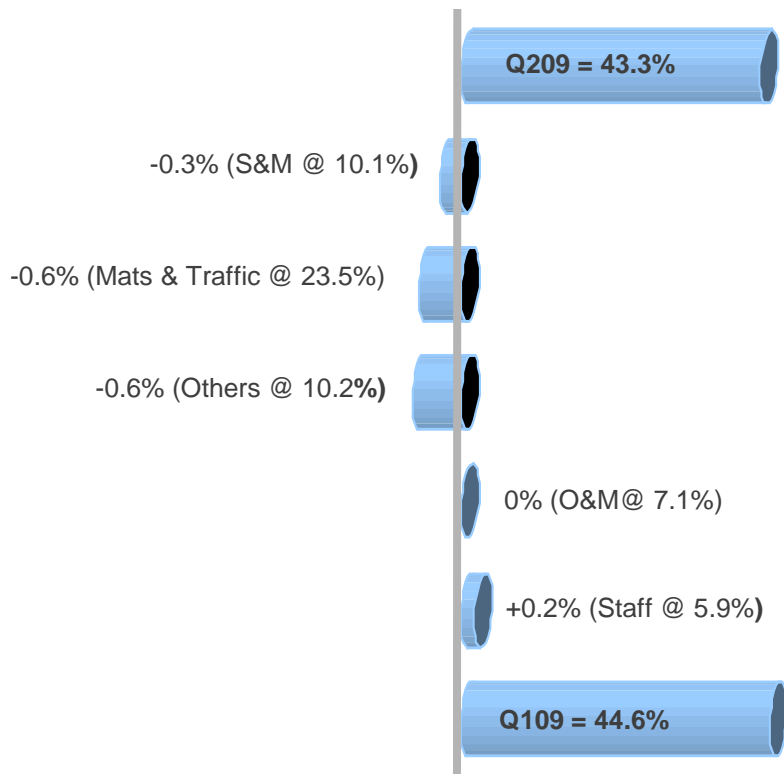
- q-o-q: lower margin due to higher leased lines costs & doubtful debts
- y-o-y: lower margin due to higher traffic & network expansion costs

- PAT impacted by 3G spectrum amortisation and accelerated depreciation in Q2



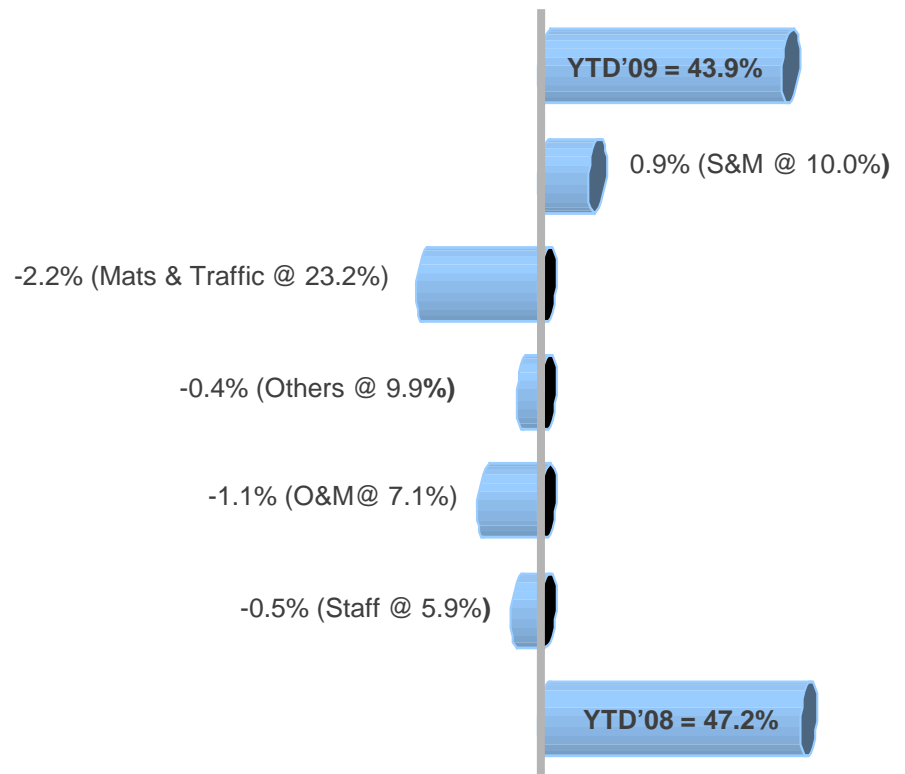
Key changes impacting EBITDA margin

Q-o-Q changes



@ denotes % of Q209 revenue

Y-o-Y changes



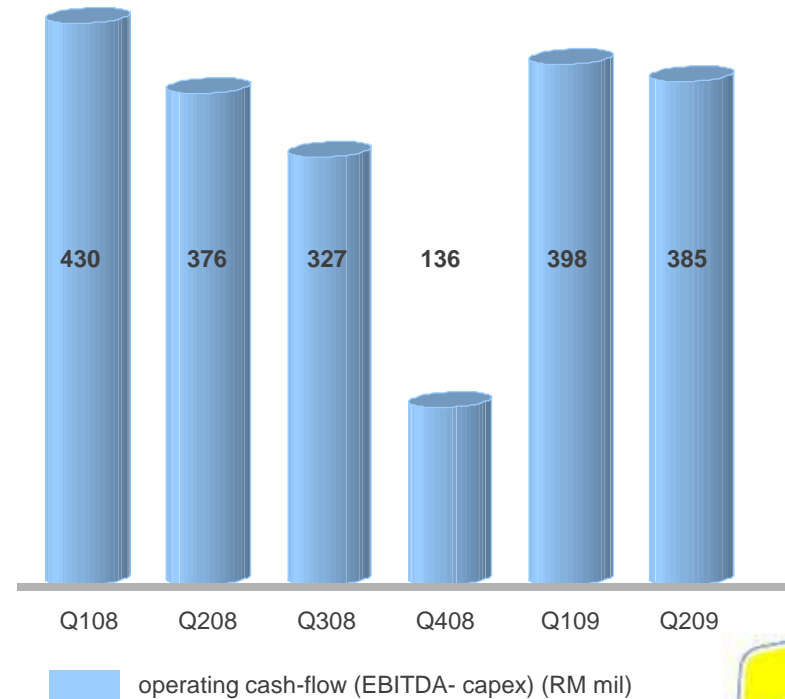
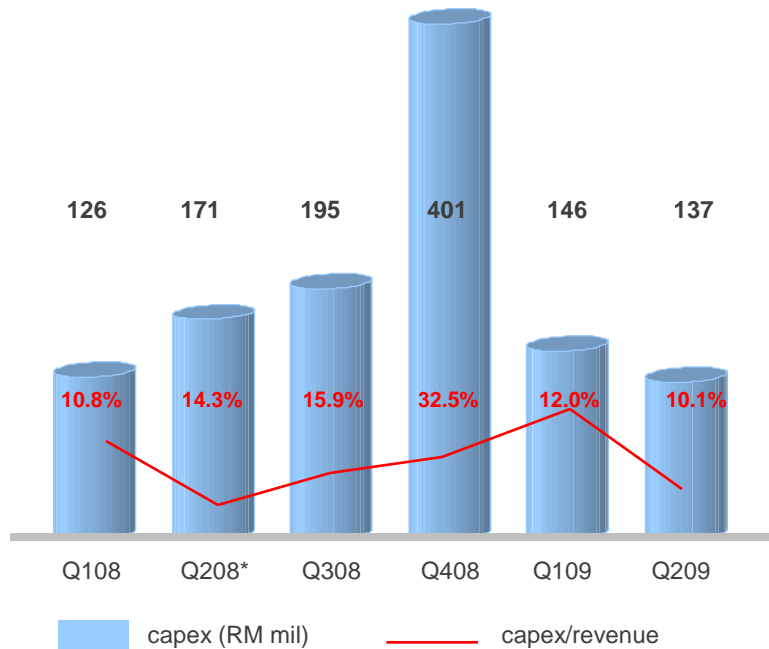
@ denotes % of revenue YTD '09



Increased capex efficiency

- capex prioritized & managed towards greater efficiency
- strategic network coverage & quality focus

- new prepaid billing platform enabling new exciting offerings
- expanding broadband footprint in key market centers



*Booked RM695mil in 3G spectrum license in total reported capex in Q208 & 2008



Updates on Capital Management roadmap

Balance Sheet Updates

- 49 sen/share net interim dividend
- additional funding secured through RM300mil 3 & 5 years MTN program
- average cost of borrowings including existing fixed rate term loan at ~5%
- executing on capital management roadmap


Key Financial Ratios

	Q209	FY2008
Total borrowings	#RM571.5 mil	RM397.8 mil
Cash & cash equivalents	RM398.1 mil	RM331.3 mil
ROE	25.6%	60.1%
ROCE	24.7%	64.3%
*FCF/share	49.5 sen	164.4 sen

* FCF = EBITDA – Capex (on 777.5 million shares)

#includes draw-down of RM475mil fixed rate term loan in Jan 2009 which is repayable on a bullet basis of RM150mil each in Jan 2012 and Jan 2013 and a final payment of RM175mil in Jan 2014

Near term financial outlook



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+ PREPAID
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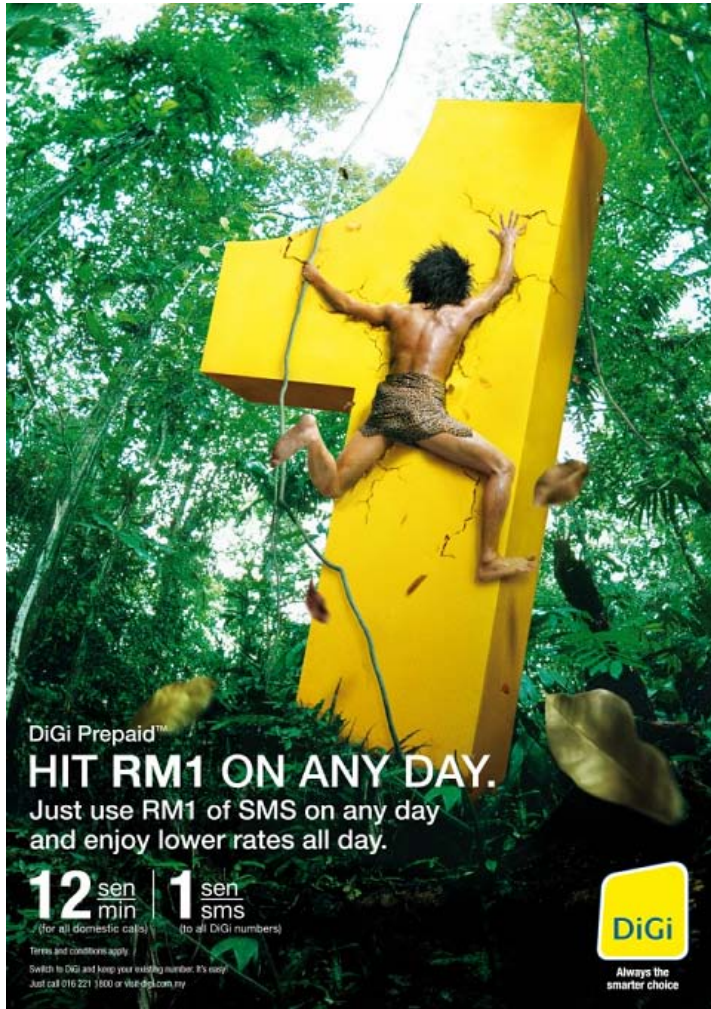
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- continued revenue & margin pressure; uplift from cost efficiencies
- capex lower than '08; investments higher in H209
- absolute operating CF equal or higher than '08 level



What's next



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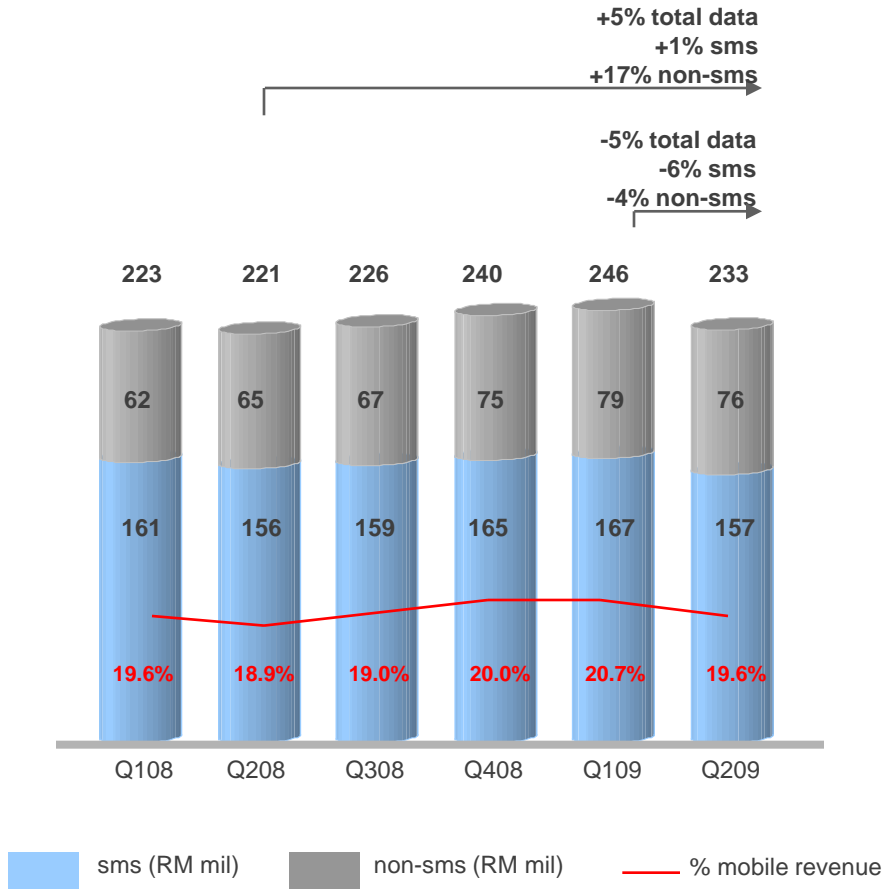
- low broadband penetration; large growth upside
- opportunities in postpaid; prepaid revamp
- on track to deliver cost efficiencies medium to long term
- solid & sustainable operating CF; executing on capital management roadmap



Appendices



Data revenue breakdown



Reported Profit & Loss

(RM mil)	Q209	Q109	Q408	Q308	Q208
EBITDA	521.5	543.5	536.3	521.7	557.2
Depreciation & Amortisation	(190.9)	(165.1)	(156.4)	(158.6)	(157.6)
EBIT	330.6	378.4	379.9	363.1	399.6
Net finance income	(6.7)	(5.9)	2.0	2.3	4.3
– <i>finance costs</i>	(9.4)	(9.8)	(3.0)	(2.4)	(3.0)
– <i>interest income</i>	2.7	3.9	5.0	4.7	7.3
PBT	323.9	372.5	381.8	365.4	404.0
Taxation	(89.4)	(97.0)	(99.6)	(95.5)	(105.6)
PAT	234.5	275.5	282.2	269.9	298.4
EPS (sen)	30.2	35.4	36.3	34.7	38.9

Opex breakdown

(RM mil)	Q209	Q109	Q408	Q308	Q208
Cost of materials	13.9	15.5	19.1	14.2	11.9
Traffic charges	269.1	263.6	292.9	268.5	244.8
Sales & Marketing	121.5	119.8	135.2	157.1	129.1
- <i>advertising & promotions</i>	42.2	41.6	53.4	72.8	56.6
- <i>commissions</i>	79.3	78.2	81.8	84.3	72.5
Staff Costs	70.5	73.4	48.5	65.0	64.2
Operations & Maintenance	85.0	86.3	84.6	82.8	73.7
Other expenses	125.0	122.6	116.9	120.2	114.5
- <i>USP fund and license fees</i>	66.9	64.0	72.2	72.1	73.2
- <i>provision for bad & doubtful debts</i>	15.6	11.0	10.4	8.7	7.5
- <i>others</i>	42.5	47.6	34.3	39.4	33.8
TOTAL	685.0	681.2	697.2	707.8	638.2

Cash-flow

(RM mil)	Q209	Q109	Q408	Q308	Q208
Cash at start	593.8	331.3	512.3	704.8	883.7
Cash-flow from operations	414.0	445.1	453.6	355.5	486.0
Changes in working capital	35.5	(314.1)	172.8	85.2	59.0
Cash-flow used in investing activities	(133.1)	(142.3)	(399.2)	(190.5)	(172.8)
- Capex	(136.9)	(146.1)	(400.8)	(194.7)	(181.0)
Cash-flow used in financing activities	(512.1)	273.8	(408.5)	(443.2)	(551.1)
Net change in cash	(195.7)	262.5	(181.0)	(192.5)	(178.9)
Cash at end	398.1	593.8	331.3	512.3	704.8
Operational cash-flow (EBITDA – Capex)	384.6	397.4	135.5	327.0	376.2

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