



Q3 2010
analyst briefing

Agenda

- overview
- performance update
- financial review
- Q&A



Q3 in brief

- strong data growth supported by expanding smartphone portfolio & smart bundles
- voice revenue impacted by new termination rates
- continuous execution of operational efficiency program; stable opex & solid EBITDA for the quarter
- closing 3G/HSPA network gap with ongoing investment in coverage, quality & backhaul
- low YTD capex resulting in high operating cash-flow; operating cash-flow will be lower in Q4 on higher capex spend



Q3 financial highlights

NEW PACK!
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easy
PREPAID

FREE Calls + SMS to your **Buddyz™** everyday.

Buddyz™
FREE CALLS + SMS to your Buddyz™ everyday

It's awesome when you have Buddyz™ who always back you up, even when you have the craziest ideas. Great things happen when Buddyz™ come together.

More Messaging
FREE SMS to all networks with every RM10 reload

Surfing Fun
Unlimited Mobile Internet

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Always the smarter choice

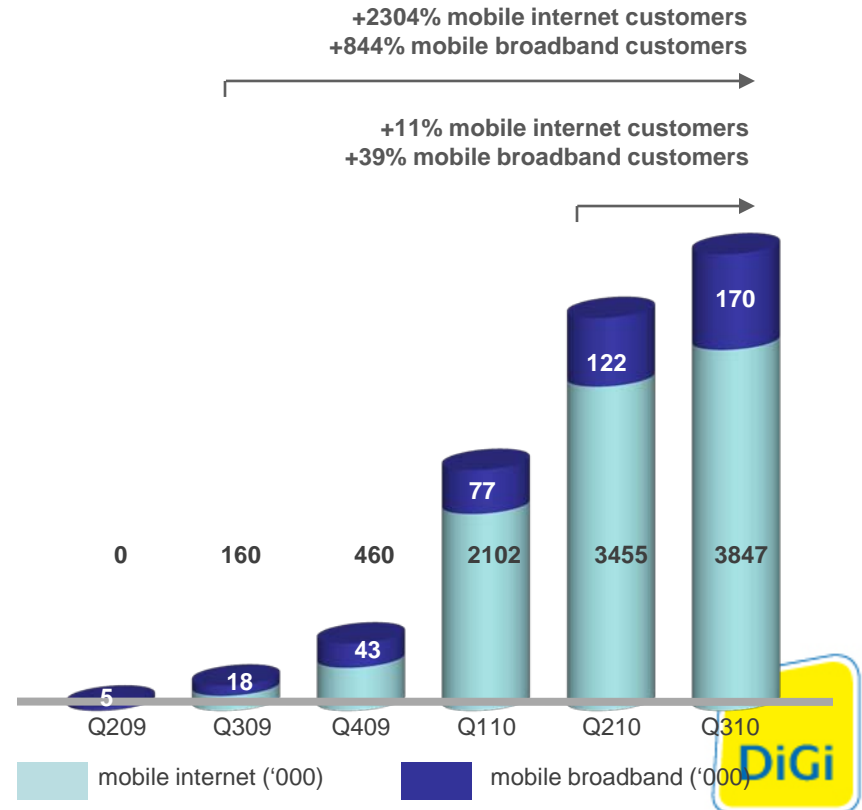
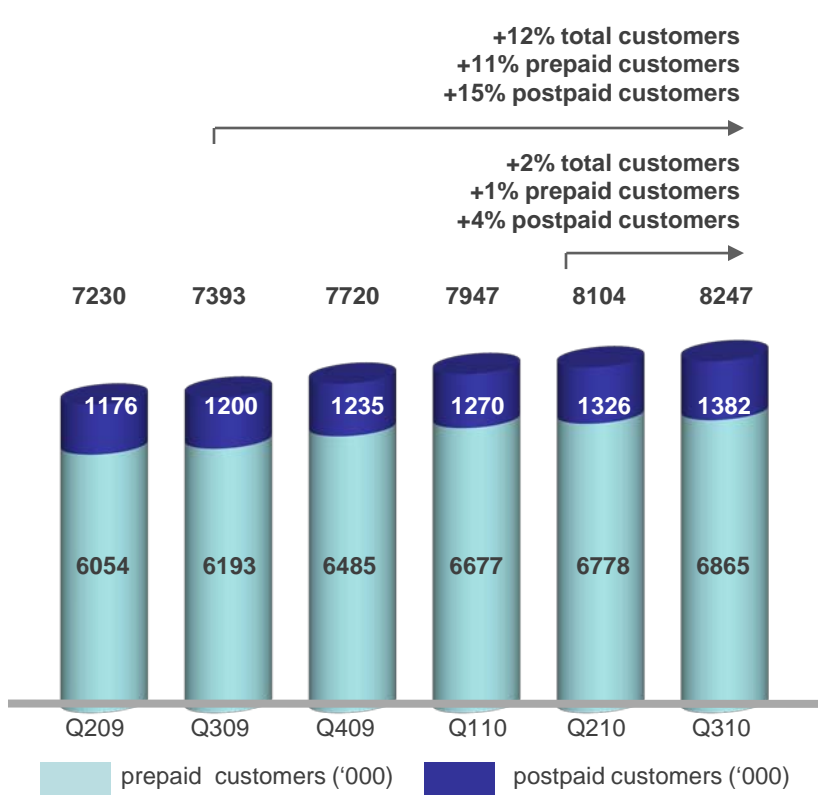
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- 1.2% revenue growth q-o-q
(3.5% adjusted for MTR)
9.0% revenue growth y-o-y
- 43.9% EBITDA margin
- 4.0% PAT growth q-o-q
12.2% PAT growth y-o-y
- RM400 mil OpCF
- 50 sen/share net third interim dividend



Strong increase in data users

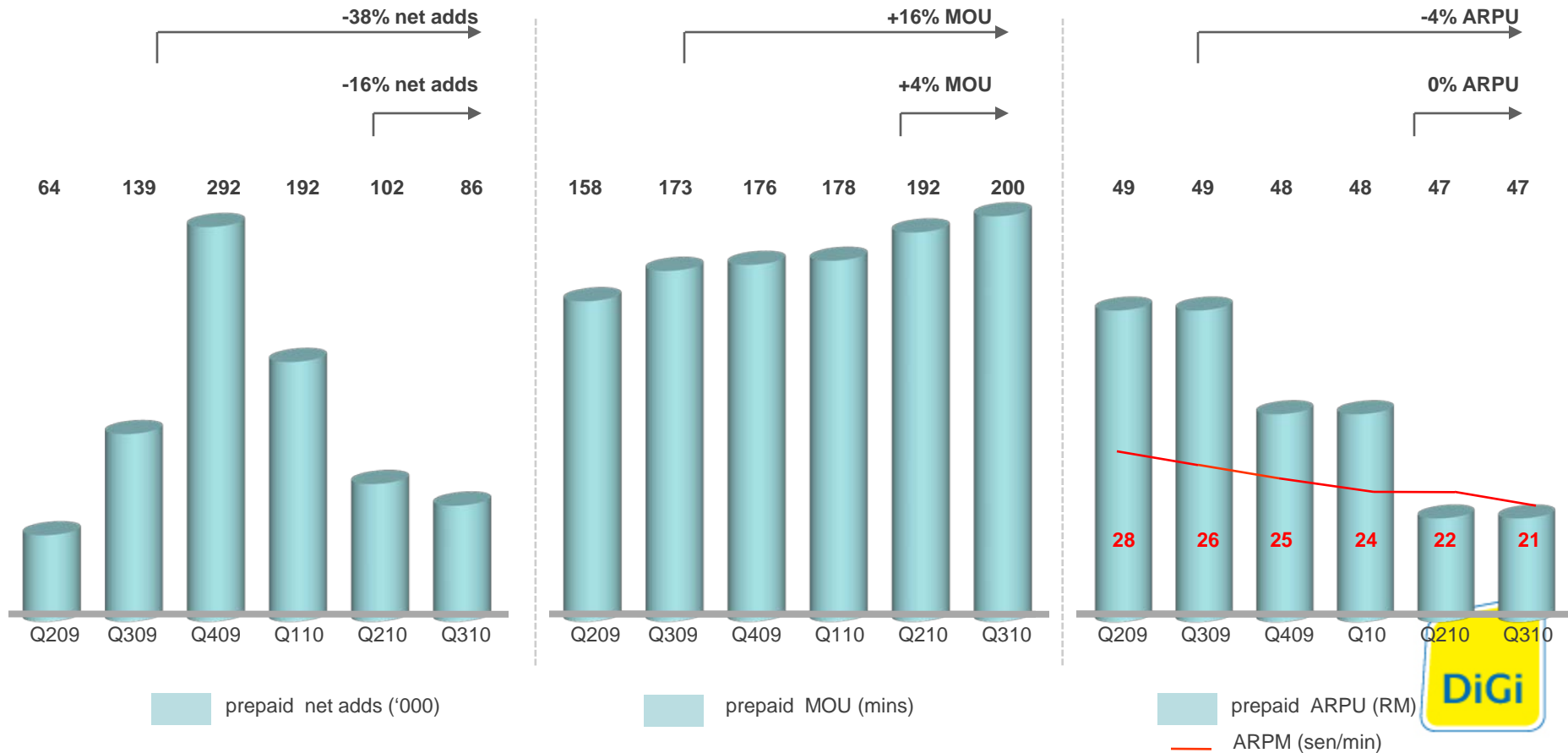
- added 48k new broadband users; small screen users up by 392k
- cumulative subscriber base increased by 143k



* mobile internet & mobile broadband customers included in prepaid & postpaid customers respective

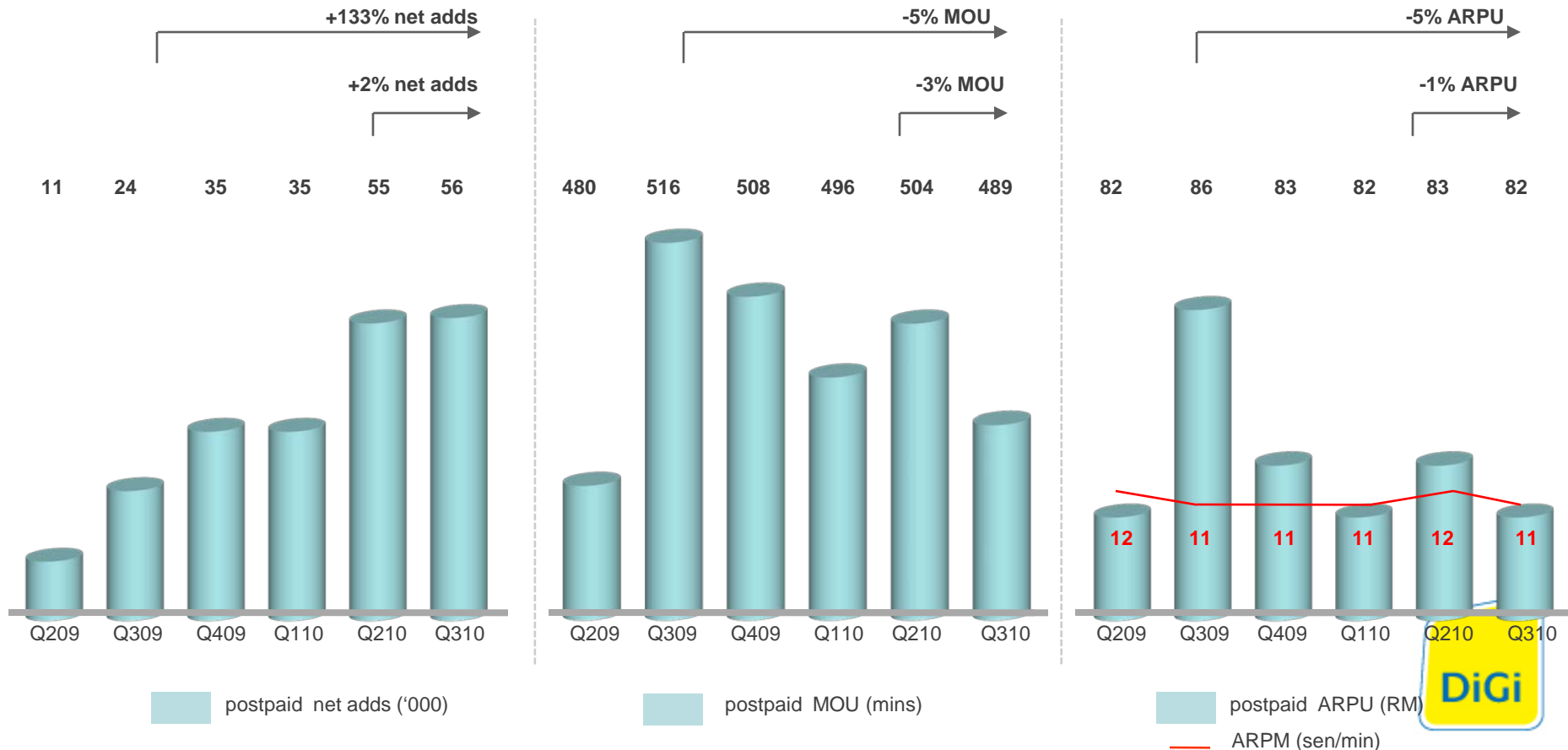
Prepaid usage trend improving

- added 86k new customers; added 324k new prepaid mobile internet users
- usage & ARPU boosted by festive; dilution in ARPM from new MTR



Data compensates for slightly lower postpaid voice

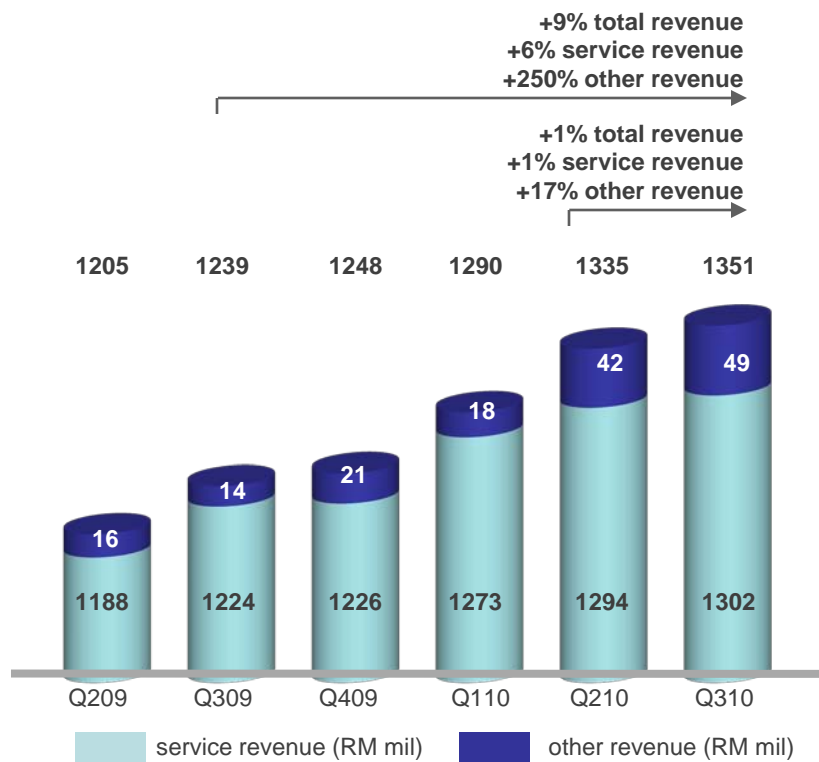
- added 56k new postpaid customers
- strong mobile broadband uptake; added 18k new broadband customers
- usage & ARPU lower on business closure from festive; ARPM impacted by new MTR



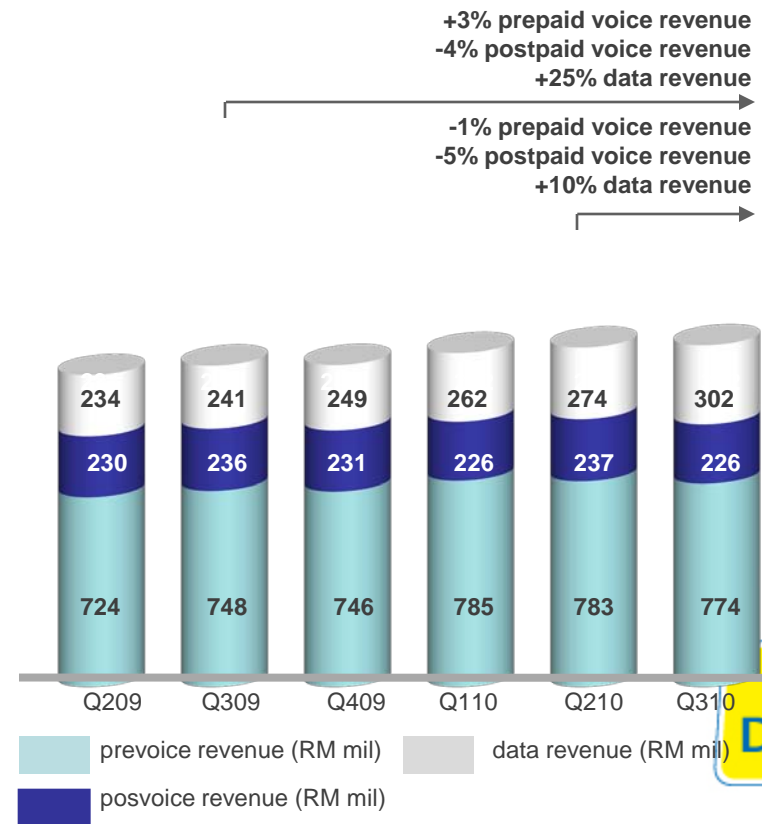
Q3 revenue impacted by new MTR

- +3.5% q-o-q revenue growth on old MTR
- good data growth compensate for lower voice revenue

- upfront handset subsidies replaced by monthly discounts on contracts

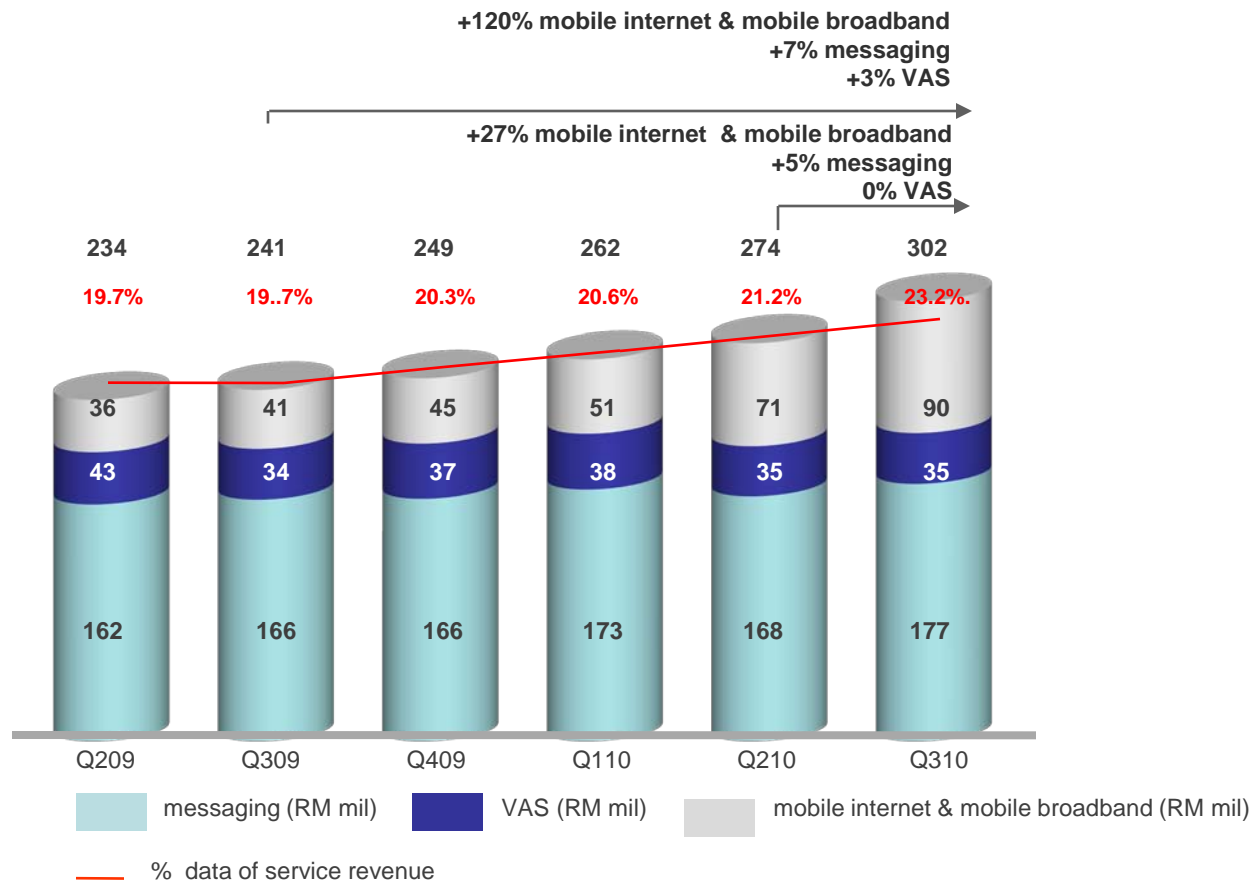


* handset sales included in other revenue



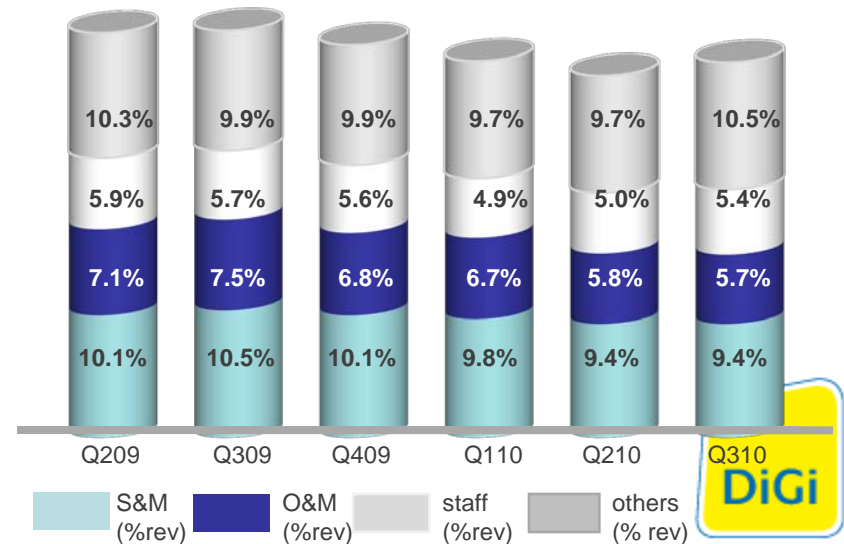
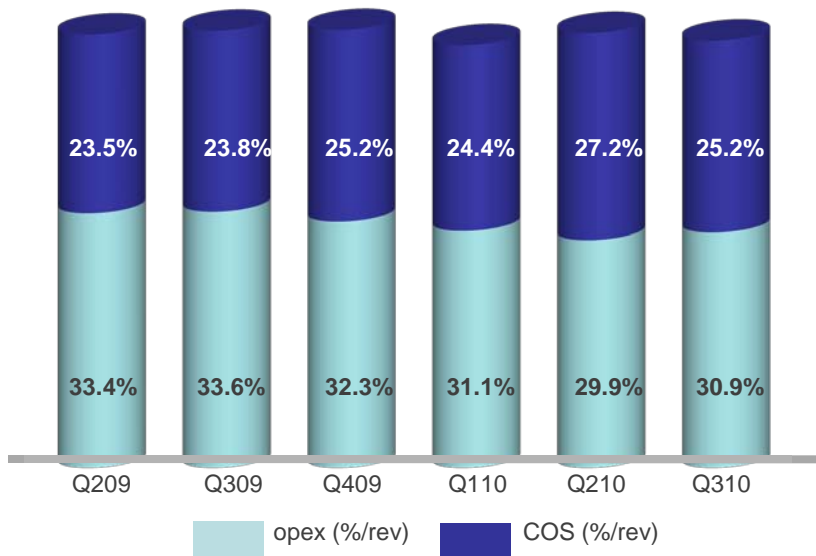
Faster data growth in Q3

- data traffic growth driven by smart phones & increased point of sales
- 3G/HSPA network coverage now in 11 key market centres



Opex/revenue stable

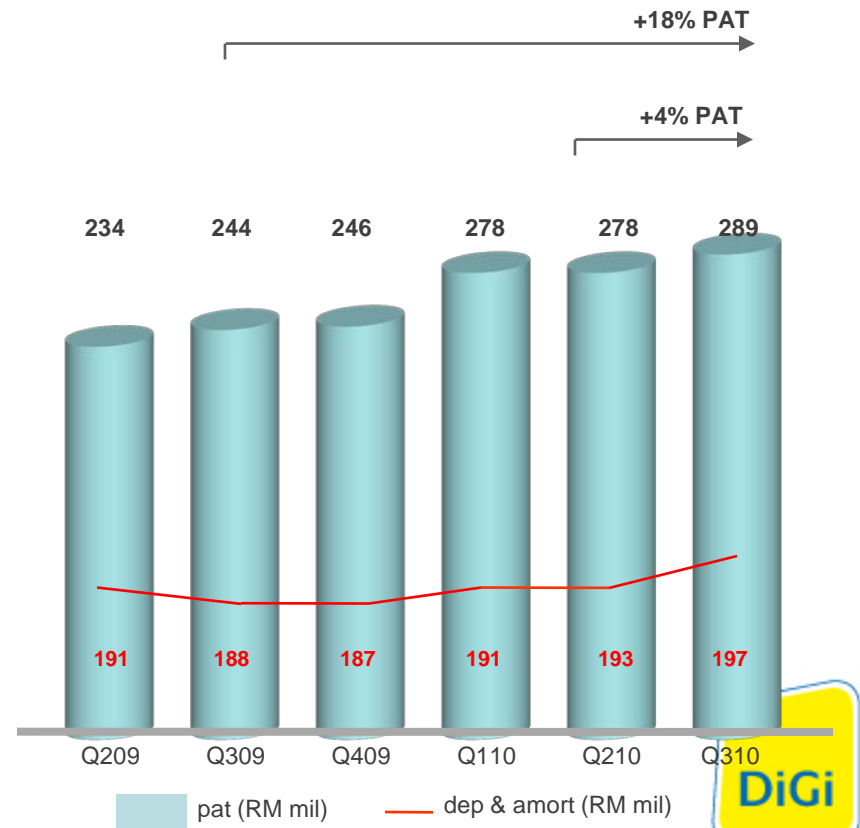
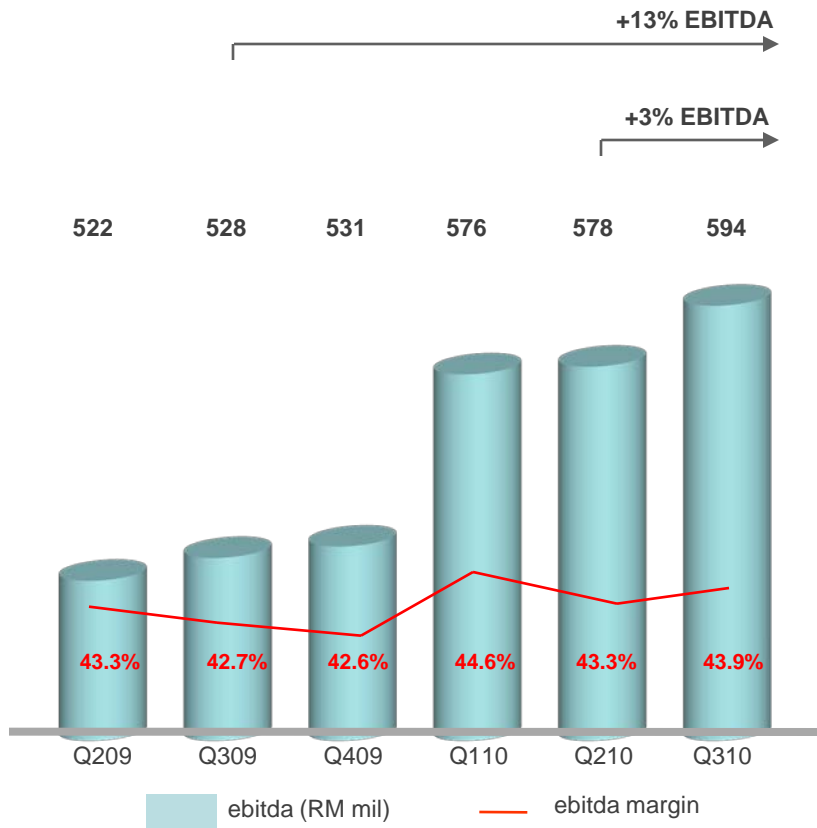
- further efficiencies in A&P and O&M expenses
- one-off staff hand-set program main driver for staff cost increase
- higher credit loss allowances due to clean up of customer base; implemented measure to improve collection & customer quality



Solid EBITDA

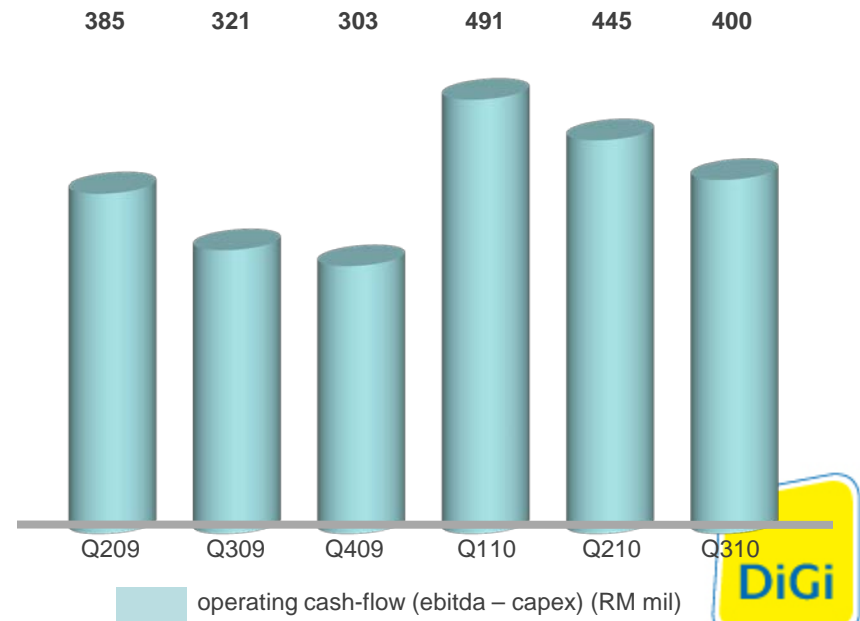
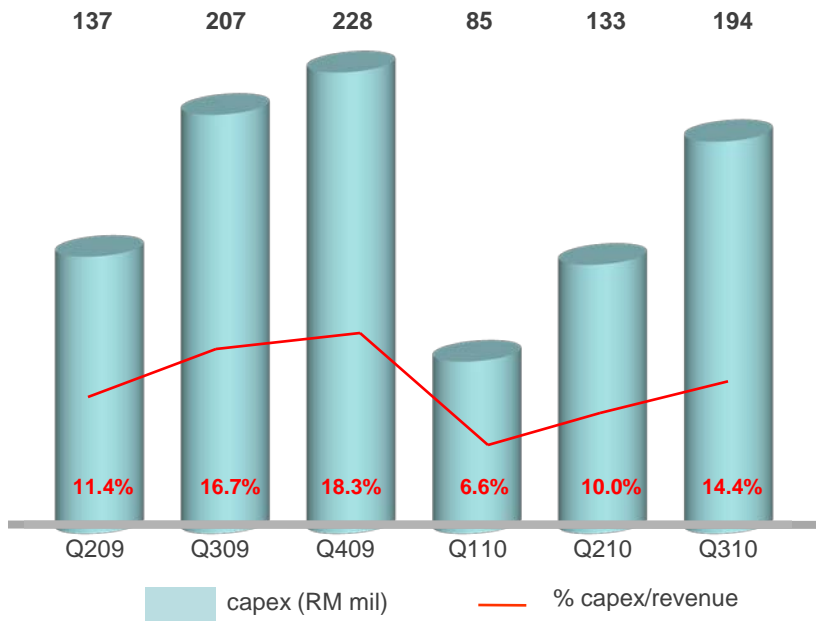
- margin drivers in Q3: higher revenues from data & improved OPEX efficiency

- PAT in-line with EBITDA development



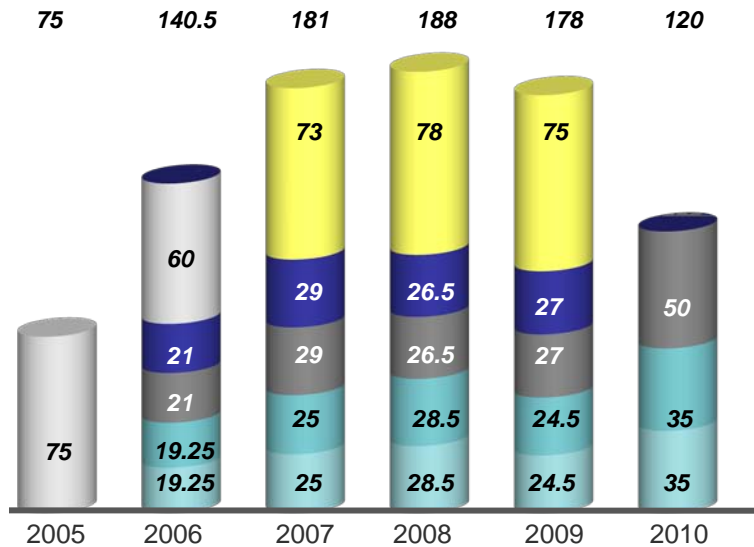
Accelerating 3G/HSPA network roll-out

- 3G/HSPA network population coverage to reach ~50% at end 2010
- maintaining selective 2G capacity & quality investments
- good momentum on networking sharing initiatives
- Q4 capex will be high; full year capex in-line with guidance



Capital management update

cumulative net payout
~RM6.8bil*



capital return
 special dividend
 1st interim
 2nd interim
 3rd interim
 4th interim

*all figures denote net dividend/share in sen

For period 2006-2009, have split interim & final payout to quarterly payout on equal proportion

*including Q310 dividend payment

(RM mil)	Q310	Q210	Q110	2009
Interest-bearing debts	1,022.7	1,022.5	1,122.2	921.7
Cash & equivalents	888.8	680.4	682.5	430.1
ROE#	82.5%	80.3%	80.7%	65.8%
Net debt-to-EBITDA	0.23x	0.59x	0.77x	0.23x
Net debt-to Equity	0.10x	0.25x	0.32x	0.32x
Payout ratio	134.4%	98.0%	98.0%	138.3%
Capital Structure	9:91	20:80	25:75	25:75

annualised ; Q310 has not taken into account payment of 3rd interim dividend declared



Regulatory update

- spectrum re-farming

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Best Bonuses Reload Bonus™ 4X/year up to 12% for each payout. Birthday Bonus™ 50% more.

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RM2/hari

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Kadar terendah ke semua rangkaian
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GANJARAN MUDAH
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4x* Tahunan sehingga 12% lebih setiap bonus

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RM5/bulan

Untuk aktivasi, hantar: GN BS FD ke 2000.
Streaming konten: YouTube dan penggunaan BlackBerry sebagai modem komputer akan dikenakan caj tambahan maksimum RM5 sehari. Tertakuk kepada terma dan syarat.

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- grow mobile broadband, mobile internet & youth
- continuous leverage on successful operational efficiency focus; including exploring network sharing
- maintain network investment on data, capacity & quality
- improve operating cash-flow to support increased shareholder returns



Financial outlook

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Getting extra talktime is **SO EASY**

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- 2010 update
 - *full year revenue growth in-line with YTD growth*

- preliminary 2011 outlook:
 - *deliver above industry revenue growth*
 - *drive margin improvement*
 - *capex in-line with 2010*
 - *targeting higher opCF to support increased shareholder returns*



Appendices



YTD 2010 key numbers

	YTD2010	YTD2009	Y-o-Y vs 2009
Customer base	8.2 mil	7.4 mil	+10.8%
Revenue	RM3,977 mil	RM3,662 mil	+8.6%
EBITDA	RM1,748 mil	RM1,593 mil	+8.9%
EBITDA margin	44.0%	43.5%	+0.5pp
PAT	RM846 mil	RM754 mil	+12.2%
Operating cash-flow	RM1,336 mil	RM1,103 mil	+21.1%

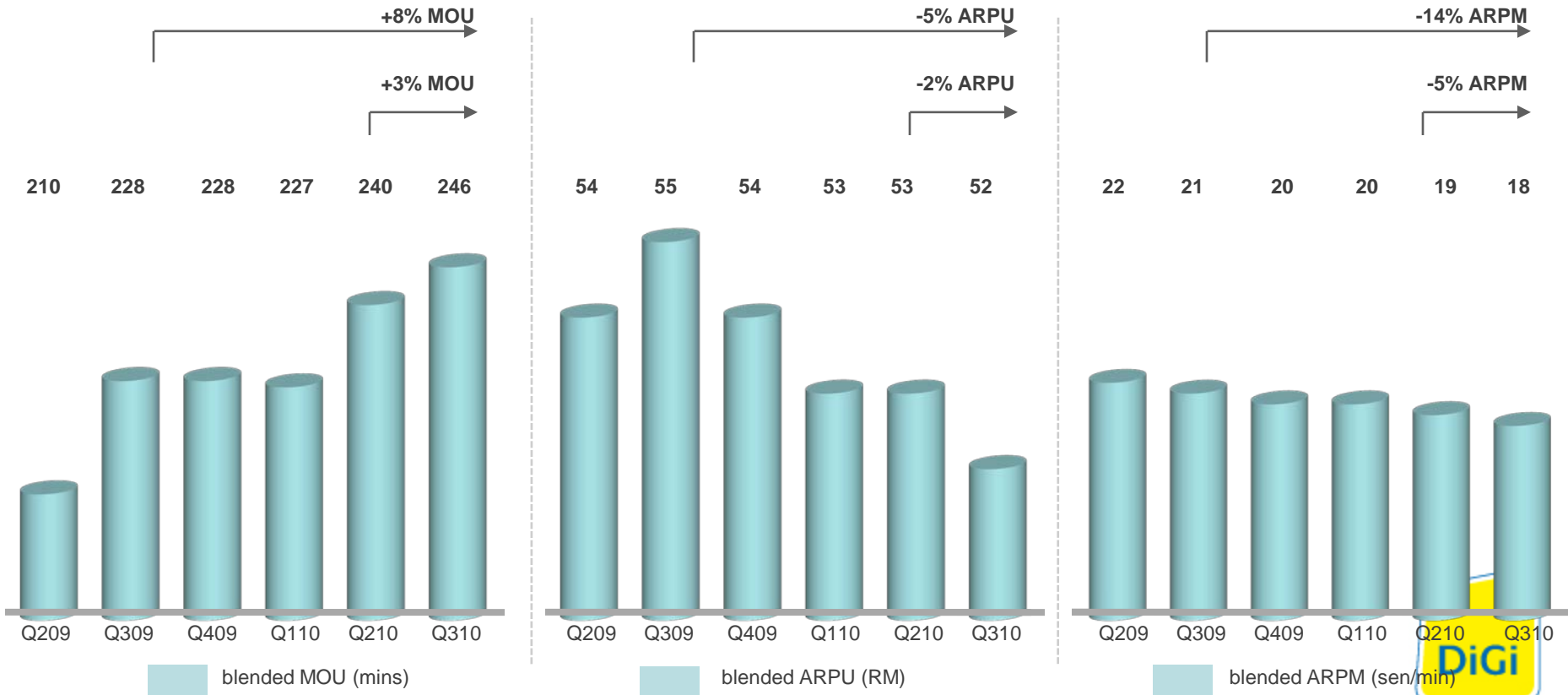


YTD 2010 key numbers (cont'd)

	YTD2010	YTD2009	Y-o-Y vs 2009
Prepaid ARPU	RM47	RM49	-4.0%
Postpaid ARPU	RM83	RM84	-1.1%
Blended ARPU	RM53	RM55	-3.6%
Prepaid Revenue	RM2,849 mil	RM2,694 mil	+5.8%
Postpaid Revenue	RM1,020 mil	RM923 mil	+10.5%
Data Revenue	RM838 mil	RM721 mil	+16.2%



Blended MOU, ARPU & ARPM



Reported Profit & Loss

(RM mil)	Q310	Q210	Q110	Q409	Q309	Q209
EBITDA	593.8	578.4	575.8	531.2	528.4	521.5
Depreciation & Amortisation	(196.7)	(192.7)	(190.6)	(186.8)	(188.3)	(190.9)
EBIT	397.1	385.7	385.2	344.4	340.1	330.6
Net finance (costs)/income	(6.7)	(7.7)	(6.7)	(7.5)	(6.9)	(6.7)
– <i>finance costs</i>	(12.9)	(12.9)	(10.2)	(11.3)	(10.1)	(9.4)
– <i>interest income</i>	6.2	5.2	3.5	3.8	3.2	2.7
PBT	390.4	378.0	378.5	336.9	333.2	323.9
Taxation	(101.1)	(99.6)	(100.2)	(90.5)	(89.1)	(89.4)
PAT	289.3	278.4	278.3	246.4	244.1	234.5
EPS (sen)	37.2	35.8	35.8	31.7	31.4	30.2

COS & OPEX breakdown

(RM mil)	Q310	Q210	Q110	Q409	Q309	Q209
COS	341.1	363.7	314.6	313.9	294.9	283.0
- cost of materials	49.1	56.5	15.5	19.8	12.9	13.9
- traffic charges	292.0	307.1	299.1	294.1	282.0	269.1
OPEX	418.0	398.9	401.8	403.1	416.4	402.0
- sales & marketing	127.2	125.9	126.5	125.6	130.7	121.5
- staff costs	72.4	66.8	63.2	69.4	70.1	70.5
- operations & maintenance	76.8	77.5	86.9	84.5	92.6	85.0
- other expenses	141.6	128.7	125.2	123.6	123.0	125.0
• USP fund and license fees	77.5	74.6	72.3	69.2	65.5	66.9
• credit loss allowances	18.4	14.3	18.0	18.4	25.5	15.6
• others	45.7	39.8	34.9	36.0	32.0	42.5
TOTAL	759.1	762.6	716.4	717.0	711.3	685.0

Cash-flow

(RM mil)	Q310	Q210	Q110	Q409	Q309	Q209
Cash at start	680.4	682.5	430.2	617.7	398.1	593.8
Cash-flow from operations	486.6	529.4	494.3	480.1	453.6	414.0
Changes in working capital	172.6	(31.0)	59.1	89.7	51.3	35.5
Cash-flow used in investing activities	(178.8)	(128.4)	(81.2)	(223.9)	(204.3)	(133.1)
- Capex	(194.1)	(133.2)	(84.6)	(227.9)	(207.5)	(136.9)
Cash-flow used in financing activities	(272.1)	(372.1)	(219.9)	(533.4)	(81.0)	(512.1)
Net change in cash	208.4	(2.1)	252.3	(187.5)	219.6	(195.7)
Cash at end	888.8	680.4	682.5	430.2	617.7	398.1
Operational cash-flow (EBITDA – Capex)	399.7	445.2	491.2	303.3	320.9	384.6

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