



result briefing Q4 2010

Henrik Clausen, CEO

Terje Borge, CFO

28th Jan 2011

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Strong momentum in Q4

- ✓ solid revenue growth; driven by strong uptake of smart bundled offerings
- ✓ double-digit data growth; stable voice revenue
- ✓ improved EBITDA margin; strong operating cash-flow
- ✓ 43 sen/share net 4th interim dividend

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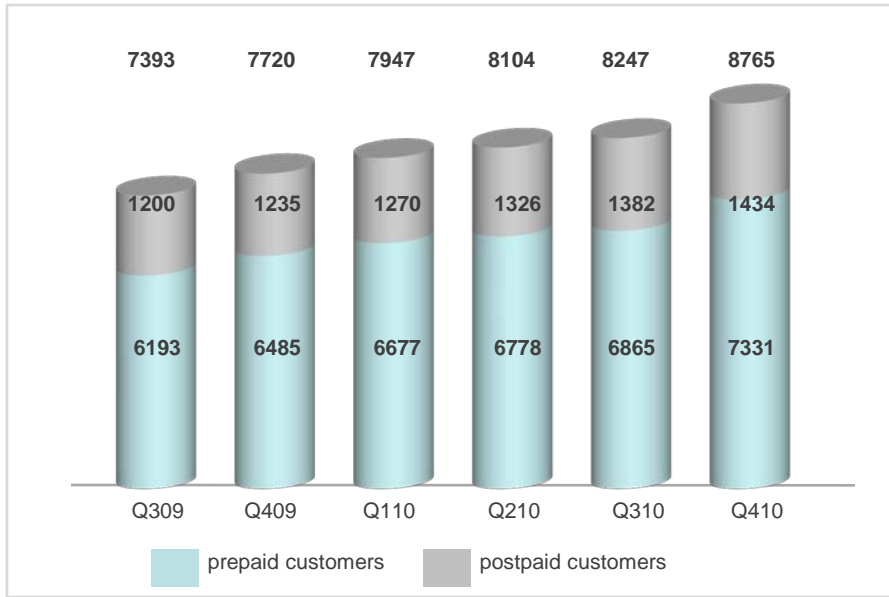
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Q4 2010 financial highlights

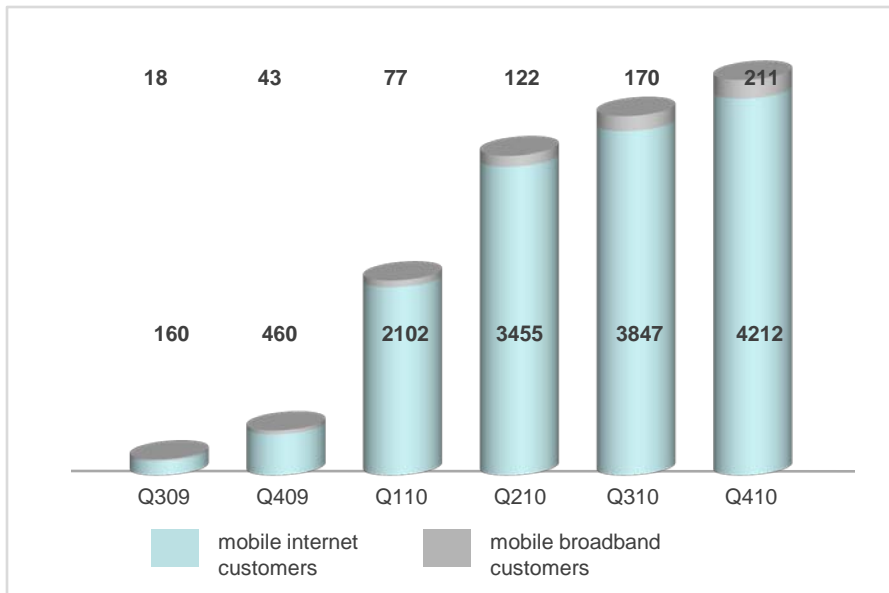
- ✓ +5.8% revenue growth
- ✓ 45.7% EBITDA margin
- ✓ +14.9% PAT growth
- ✓ RM344 mil OpCF





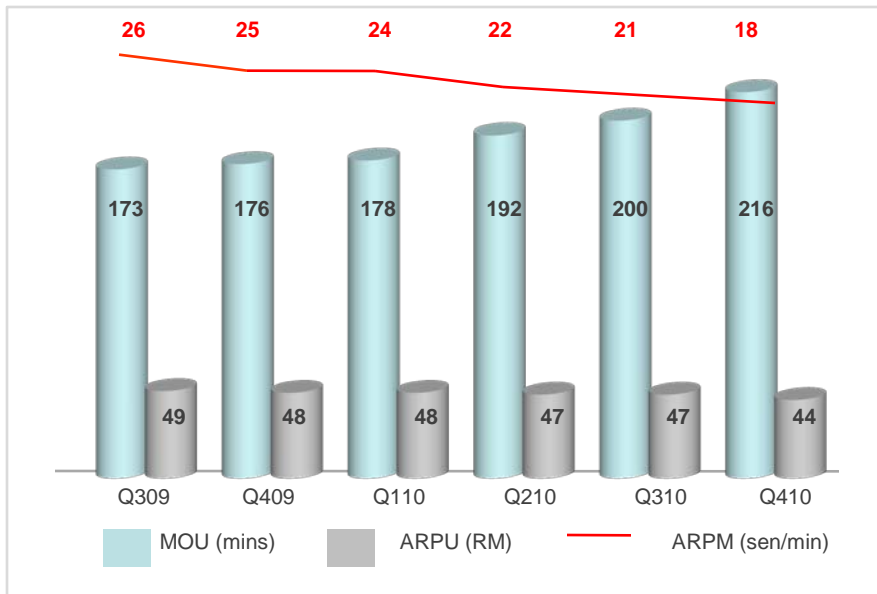
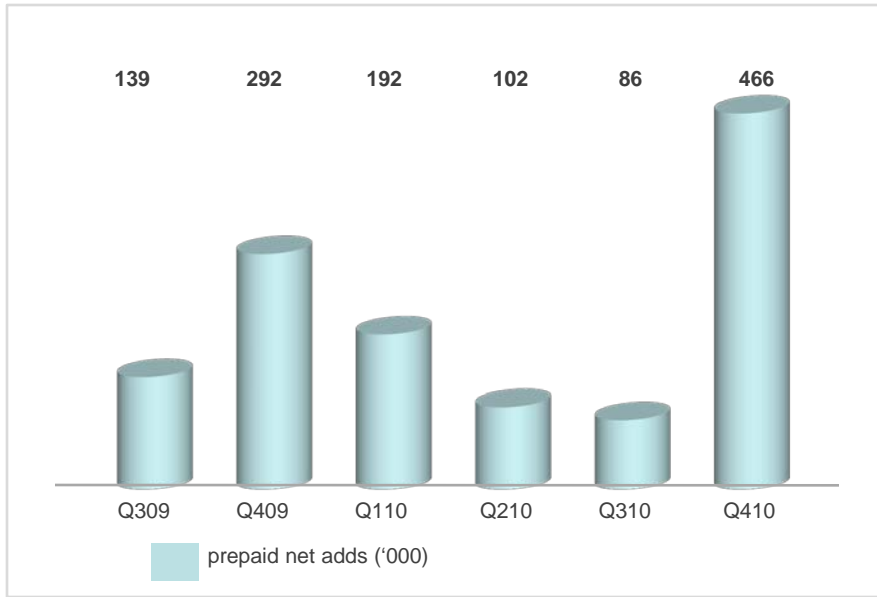
Strong prepaid & data customer growth

- added 518k new customers; strong rebound in prepaid net adds
- added 41k new broadband users; small screen users up by 365k
- bundled smart offerings driving postpaid acquisition momentum



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

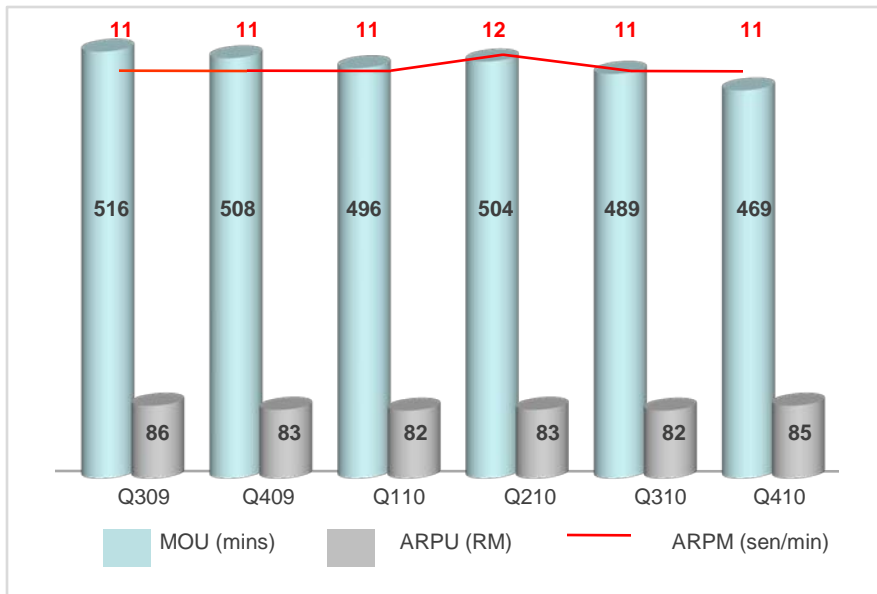
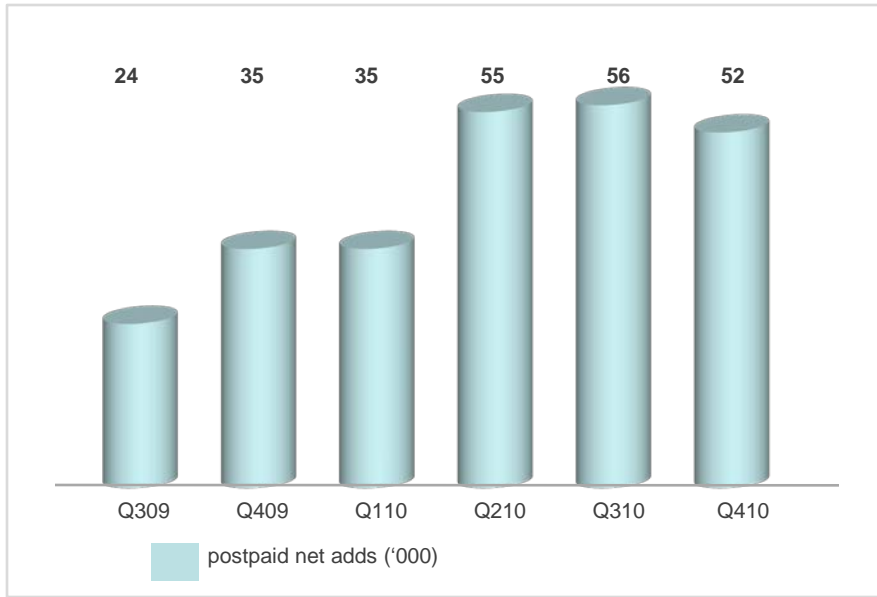




Prepaid – competitive pressure

- high up-take of DiGi Easy Prepaid
- added 466k new prepaid customers; of which 26k are new prepaid mobile broadband users
- increased usage not compensating for price competition; further dilution in ARPM

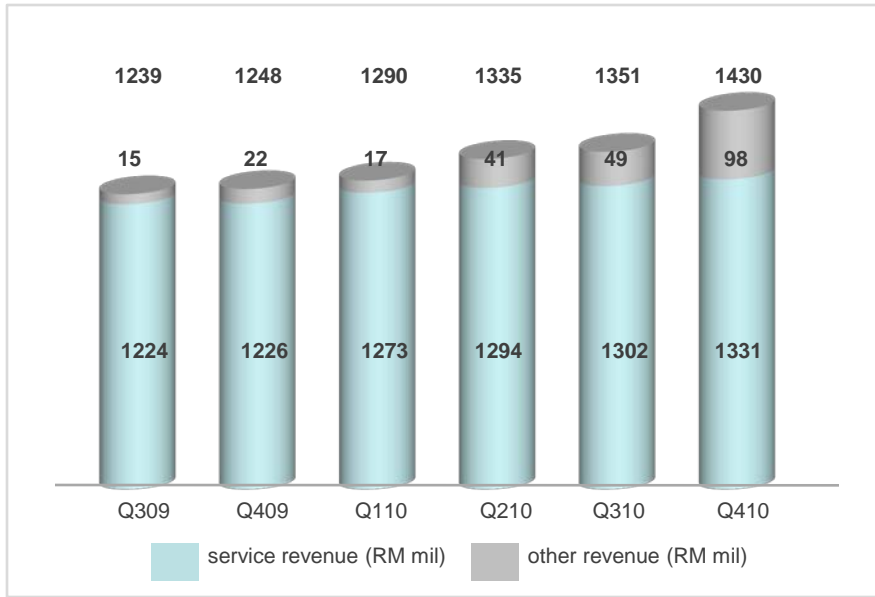




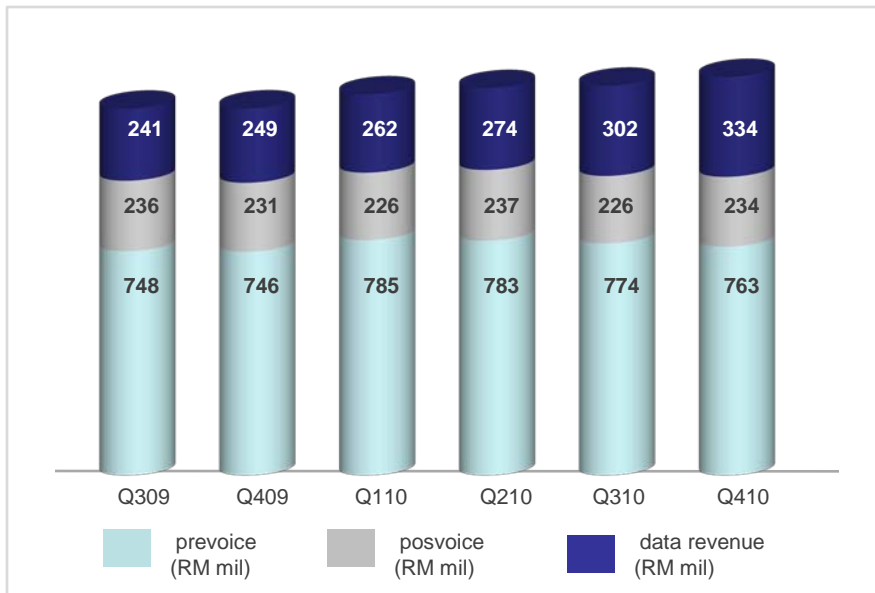
Postpaid trend strengthening

- added 52k new postpaid customers
- stable mobile broadband uptake; added 15k new broadband customers
- ARPU improvement driven by increased mobile internet usage





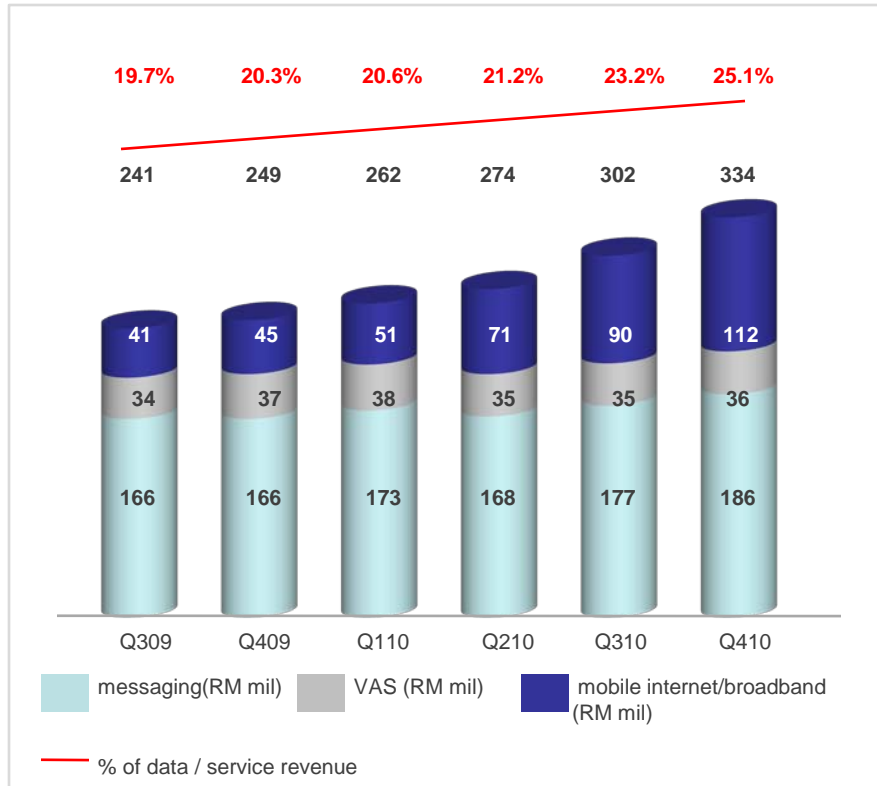
* handset sales included in other revenue



Q4 revenue boosted by data & handset/devices

- +5.8% q-o-q revenue growth
- +10.1% growth in 2010
- service revenue improvement due to increased usage; higher smart-phones penetration positive driver
- good take-up of handset/device bundles

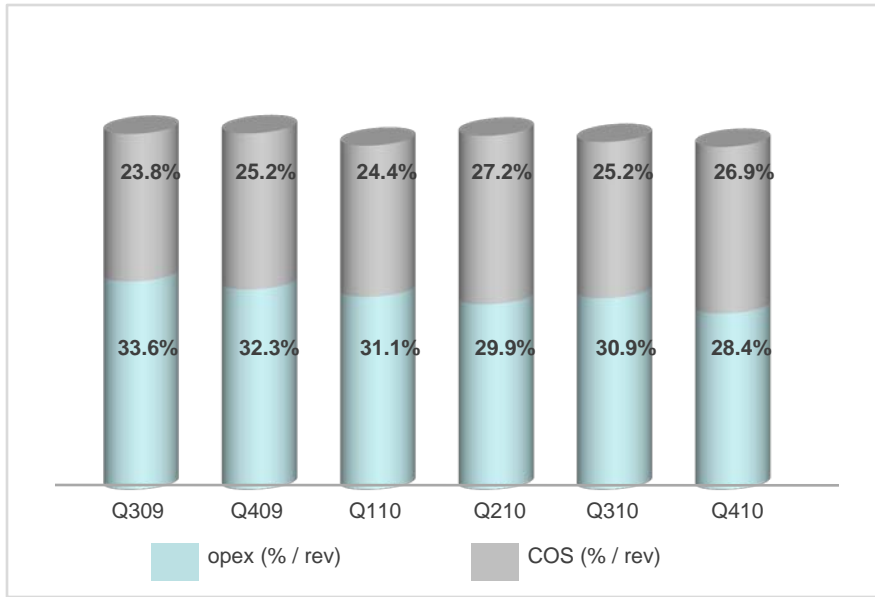




Data revenue accelerating

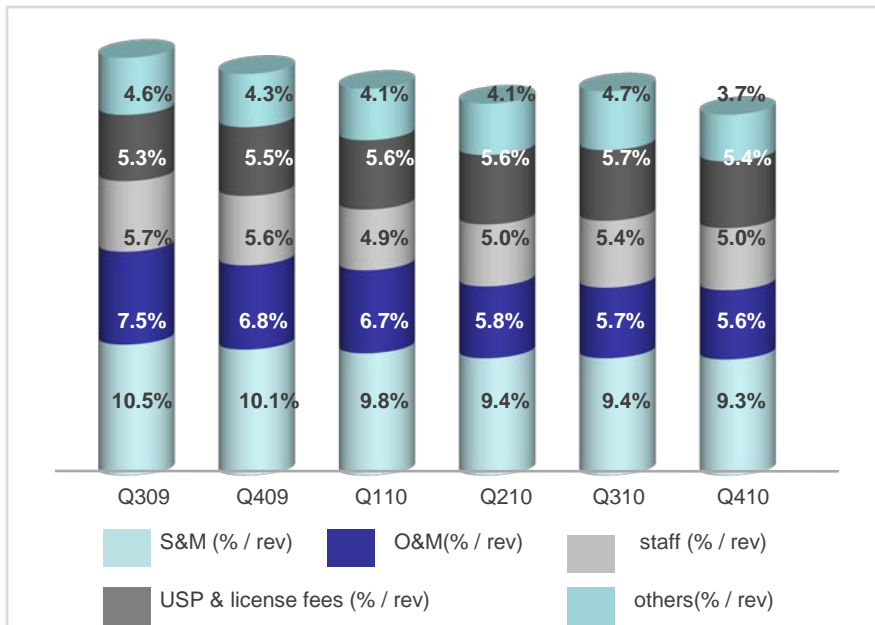
- +10.7% q-o-q data revenue growth
- +20.8% growth in 2010
- mobile internet & mobile broadband growth drivers:
 - *smart-phone penetration*
 - *simple & affordable data tariffs*
 - *improved network coverage, quality & capacity*
 - *13% overall customers are smart-phone users*
- resilient messaging revenue due to tariff rebalancing

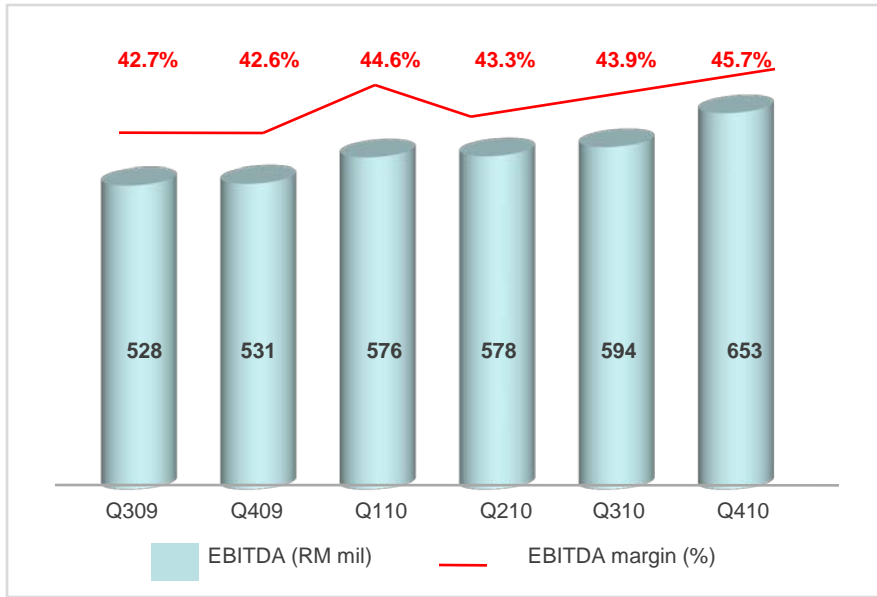




OPEX/revenue trending down

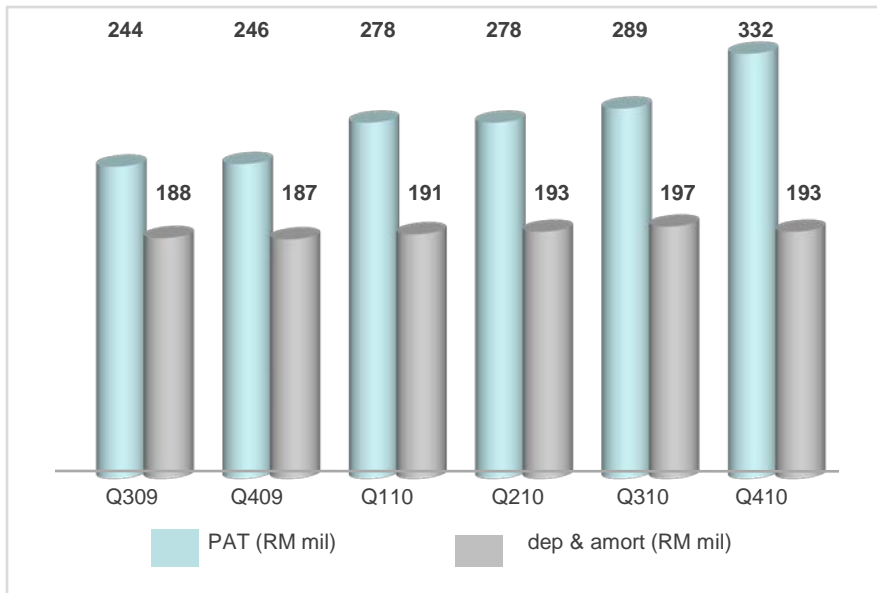
- OPEX flat y-o-y whilst revenue grew 10%
- improvement in OPEX/revenue due to strong revenue performance & effective cost focus including lower credit losses from improved collection
- increased in COS driven mainly by handset/devices related costs

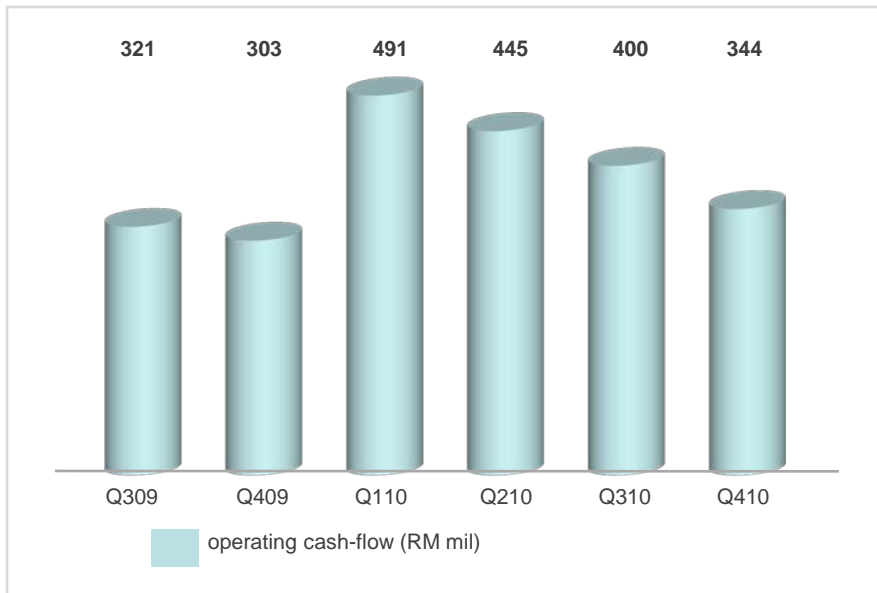
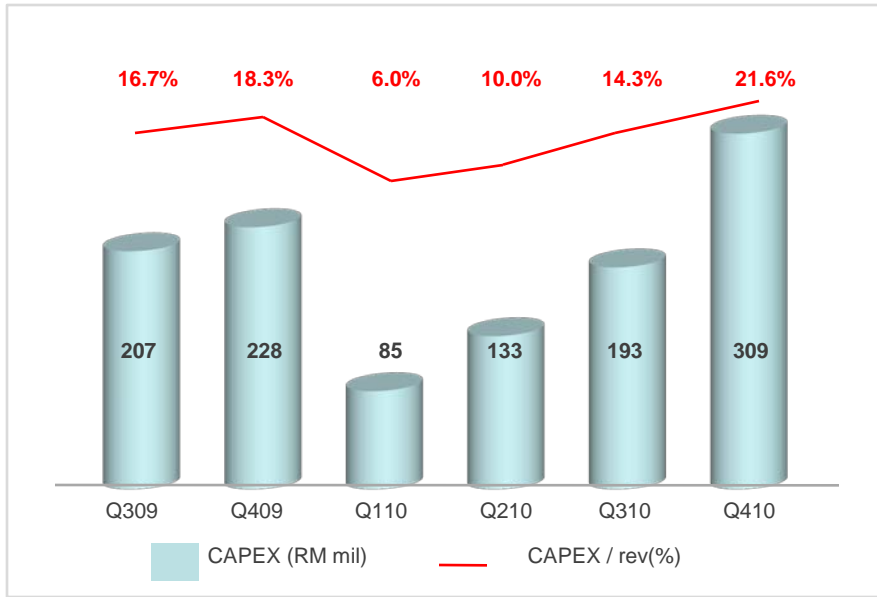




Solid EBITDA

- margin drivers in Q4: higher revenue base & lower credit loss allowances
- PAT boosted by one-off other income this quarter

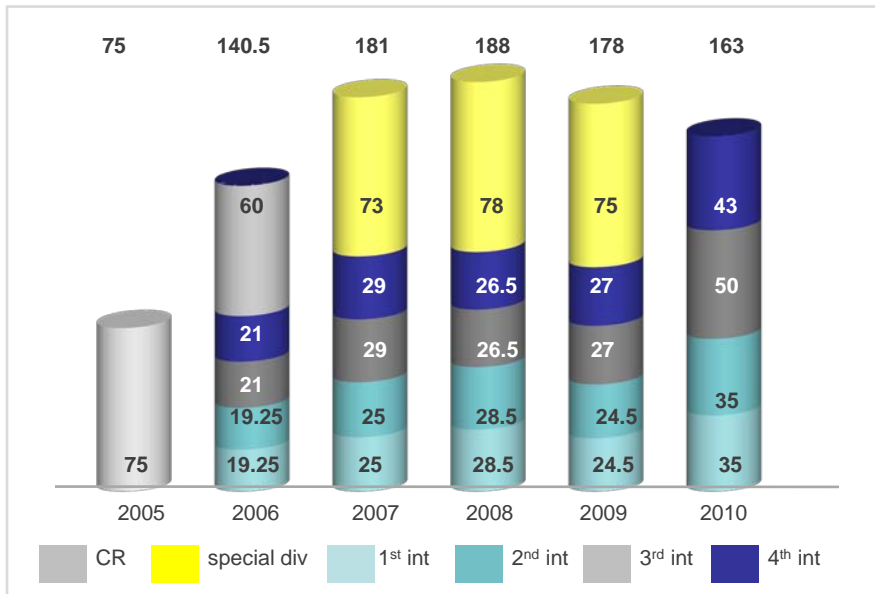




50% population coverage on 3G/HSPA network

- met 3G/HSPA site roll-out commitment for Q4 and 2010
- continue selective 2G capacity & quality investments
- signed Network Collaboration Agreement with Celcom on infrastructure sharing





**all figures denote net dividend/share in sen*

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

43 sen 4th interim dividend

- ~RM6.8bil cumulative net payout since 2005 including 4th interim dividend
- high cash balance to 'normalise' in 2011; some big payments due to be paid
- long-term capital structure: net-debt-to-equity in the range of 35/65 to 45/55

(RM mil)	2010	2009	2008	2007
Interest-bearing debts	1,023.0	921.8	397.8	300.0
Cash & equivalents	850.6	440.7	341.6	577.1
Payout ratio	100.0%	138.3%	128.1%	126.0%
Capital Structure	11:89	25:75	9:91	25:75



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DiGi-Celcom Network Collaboration

- sharing of sites, access, aggregation & trunk fibre transmission
 - initial phase covering 218 sites each
 - subsequent phases to consolidate & upgrade over 4,000 sites & fibre transmission network

- RM2.2bn cash (combined) savings over 10 years
 - some incremental savings from 2012
 - gradual ramp up to average annual savings of RM150-RM250 million (combined) post-2015

- savings from both OPEX & CAPEX avoidance
 - reduced sites & all associated costs
 - joint-build & more efficient design of transmission routes



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Key priorities

- keep strong growth momentum:
 - *DiGi Internet (mobile & smart screens)*
 - *defend strongholds; broaden reach in under-penetrated segments*

- intensify operational efficiency focus including leverage on network sharing

- optimise OpCF & shareholders value creation



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Financial outlook

- **2010 recap**
 - *solid revenue, margin & OpCF performance*

- **2011 outlook - maintained**
 - *high single digit revenue growth*
 - *drive margin improvement*
 - *Capex similar to 2010 level*
 - *targeting higher OpCF*



Appendices



Y-o-Y key numbers

	2010	2009	Y-o-Y vs 2009
Customer base	8.8mil	7.7 mil	+14.2%
Revenue	RM5,406mil	RM4,910 mil	+10.1%
EBITDA	RM2,401mil	RM2,125 mil	+13.0%
EBITDA margin	44.4%	43.3%	+1.1pp
PAT	RM1,178mil	RM1,000 mil	+17.8%
Operating cash-flow	RM1,681mil	RM1,406mil	+19.6%

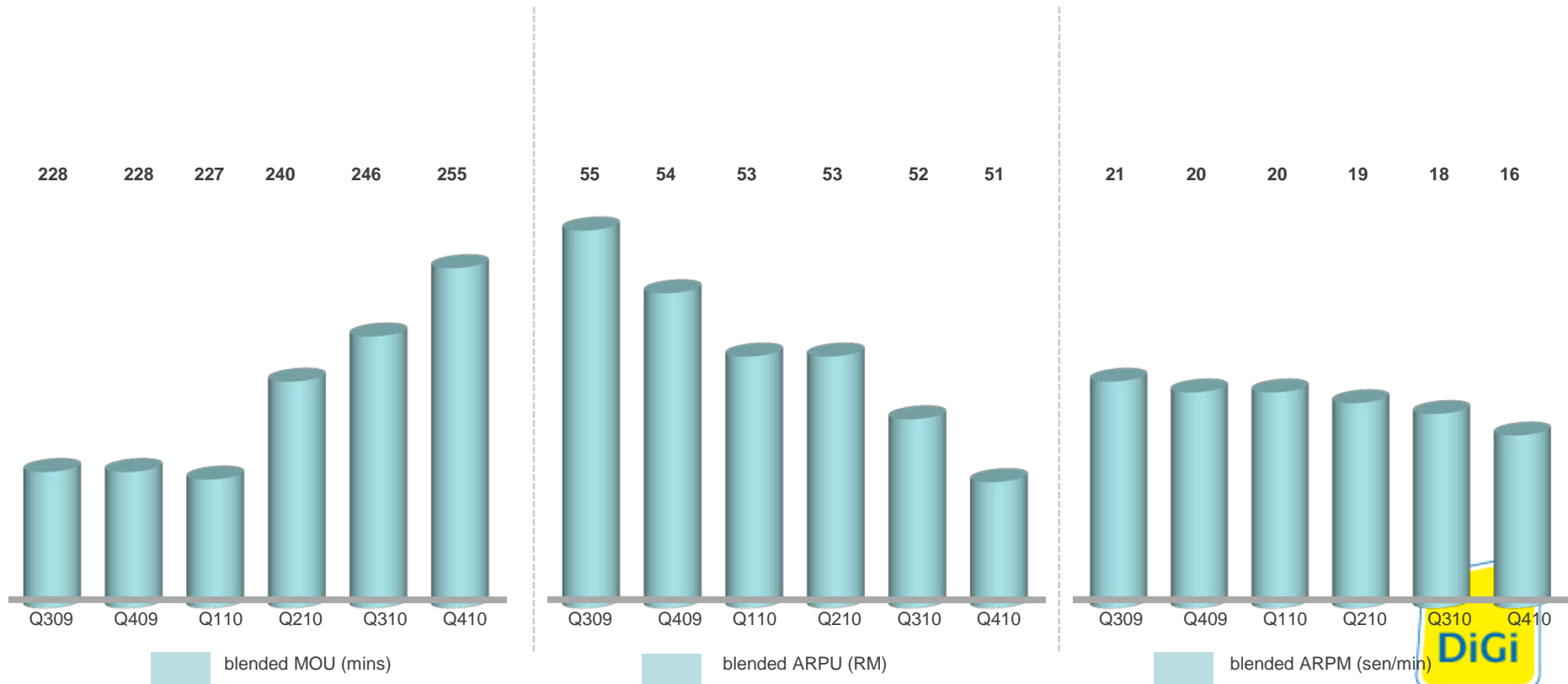


Y-o-Y key numbers

	2010	2009	Y-o-Y vs 2009
Prepaid ARPU	RM46	RM49	-6.1%
Postpaid ARPU	RM83	RM84	-1.2%
Blended ARPU	RM52	RM55	-5.5%
Prepaid Revenue	RM3,803 mil	RM3,603 mil	+5.5%
Postpaid Revenue	RM1,397mil	RM1,240mil	+12.7%
Data Revenue	RM1,172 mil	RM970 mil	+20.8%



Blended MOU, ARPU & ARPM



Reported P&L

(RM mil)	Q410	Q310	Q210	Q110	2010	2009
EBITDA	653.4	593.8	578.4	575.8	2401.4	2124.6
Depreciation & Amortisation	(193.3)	(196.7)	(192.7)	(190.6)	(773.3)	(731.1)
EBIT	460.1	397.1	385.7	385.2	1628.1	1393.5
Net finance (costs)/income	(9.8)	(6.7)	(7.7)	(6.7)	(30.9)	(27.0)
- <i>finance costs</i>	(15.7)	(12.9)	(12.9)	(10.2)	(51.7)	(40.6)
- <i>interest income</i>	5.9	6.2	5.2	3.5	20.8	13.6
PBT	450.3	390.4	378.0	378.5	1597.2	1366.5
Taxation	(118.2)	(101.1)	(99.6)	(100.2)	(419.1)	(366.0)
PAT	332.1	289.3	278.4	278.3	1178.1	1000.5
EPS (sen)	42.7	37.2	35.8	35.8	151.5	128.7



COS & OPEX breakdown

(RM mil)	Q410	Q310	Q210	Q110	2010	2009
COS	384.8	341.1	363.7	314.6	1404.2	1170.9
- cost of materials	96.6	49.1	56.5	15.5	217.7	62.1
- traffic charges	288.2	292.0	307.1	299.1	1186.5	1108.8
OPEX	414.7	418.0	398.9	401.8	1633.4	1623.6
- sales & marketing	133.2	127.2	125.9	126.5	512.8	497.6
- staff costs	71.5	72.4	66.8	63.2	273.9	283.4
- operations & maintenance	80.4	76.8	77.5	86.9	321.6	348.4
- other expenses	129.6	141.6	128.7	125.2	525.1	494.2
• USP fund and license fees	77.2	77.5	74.6	72.3	301.5	265.6
• credit loss allowances	8.2	18.4	14.3	18.0	58.9	70.4
• others	44.2	45.7	39.8	34.9	164.7	158.2
TOTAL	799.5	759.1	762.6	716.4	3037.6	2794.5



Cash-flow

(RM mil)	Q410	Q310	Q210	Q110	2010	2009
Cash at start	888.8	680.4	682.5	430.2	430.2	331.3
Cash-flow from operations	427.9	486.6	529.4	494.3	1938.3	1792.8
Changes in working capital	169.7	172.6	(31.0)	59.1	370.4	(137.6)
Cash-flow used in investing activities	(222.4)	(178.8)	(128.4)	(81.2)	(610.8)	(703.6)
- Capex	(308.6)	(194.1)	(133.2)	(84.6)	(720.5)	(718.4)
Cash-flow used in financing activities	(413.4)	(272.1)	(372.1)	(219.9)	(1277.5)	(852.7)
Net change in cash	(38.2)	208.4	(2.1)	252.3	420.4	98.9
Cash at end	850.6	888.8	680.4	682.5	850.6	430.2
Operational cash-flow <i>(EBITDA – Capex)</i>	344.9	399.7	445.2	491.2	1681.0	1406.2

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