

# Welcome to D'House



**our story so far**



# Born and bred in Malaysia

The Internet doesn't just come in one size

Get Internet on your mobile phone or PC.  
Experience the difference with Malaysia's newest Turbo 3G™ network (14.4 Mbps HSPA). Now available to DiGi prepaid, postpaid and broadband customers in Klang Valley, Penang and Kota Kinabalu.

Internet done right  
DiGi Internet// Broadband : 3G : WiFi

DiGi

- providing mobile services in Malaysia since 1995; prepaid pioneer
- RM4.9bn revenue in 2009; revenue market share ~25%
- ~ 2800 employees
- 49% owned by Telenor Group
- current market capitalisation RM17.5bn



# Telenor Group

## Majority positions

## Market position

 <b>Norway</b> Telenor Mobil	1
 <b>Sweden</b> Telenor Sweden	3
 <b>Denmark</b> Sonofon	2

 <b>Bangladesh</b> Grameenphone	1
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 <b>Thailand</b> DTAC	2
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 <b>Pakistan</b> Telenor Pakistan	2
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 <b>Malaysia</b> DiGi	3
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 <b>Hungary</b> Pannon	2
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 <b>Montenegro</b> Promonte	1
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 <b>Serbia</b> Telenor Serbia	2
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 <b>Ukraine</b> Kyivstar 	1
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## Nordic

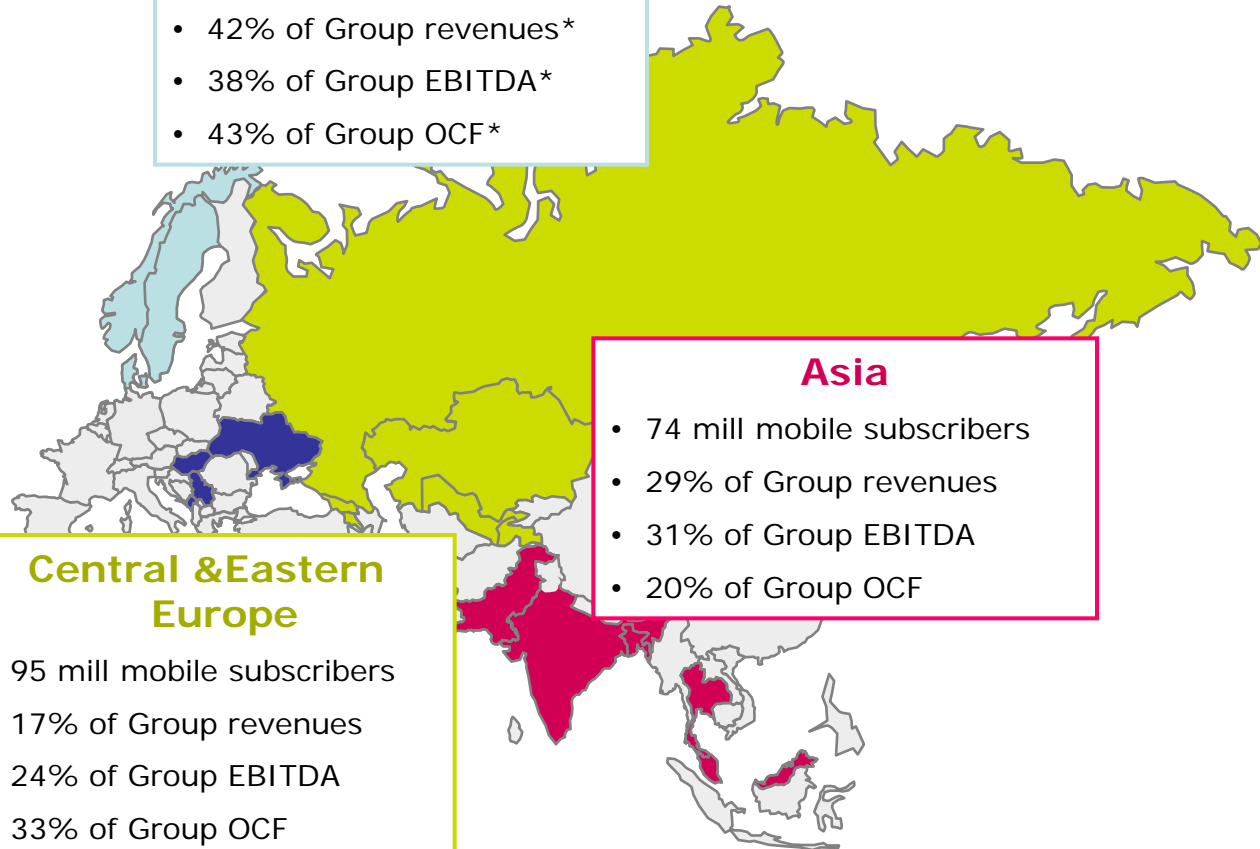
- 7 mill mobile subscribers
- 42% of Group revenues\*
- 38% of Group EBITDA\*
- 43% of Group OCF\*

## Market position

2

## Minority positions

**Russia**  
VimpelCom



\* Nordic consists of the mobile and fixed operations. Subscriber figures as at the end of Q4 2009.

\* Revenues, EBITDA and Operating Cash Flow (OCF) before other items pr Q3 2009 (excl. eliminations, incl. Kyivstar). OCF defined as EBITDA less capex

# DiGi in 2004 – a pretty tough starting point

**Celcom - resourceful incumbent who wants to regain no 1 position**

- revenue RM4.3bn
- EBITDA margin @ 46%
- revenue market share ~32%



**DiGi - weak #3, should be gone – but still breathing market cap 1b USD**

- revenue RM2.2bn
- EBITDA margin @ 44%
- revenue market share ~16%

**Huge coverage gap**  
**Weak Brand attraction**  
**Maturing market**  
**No post paid position**  
**Low end reputation**



**Maxis - shining superstar, defense by attacking all segments**

- Revenue RM5.7bn
- EBITDA margin @ 57%
- revenue market share ~52%



**DiGi**

# A remarkable transformation since 2004

**Celcom** ■ – resourceful incumbent who wants to regain no. 1 position

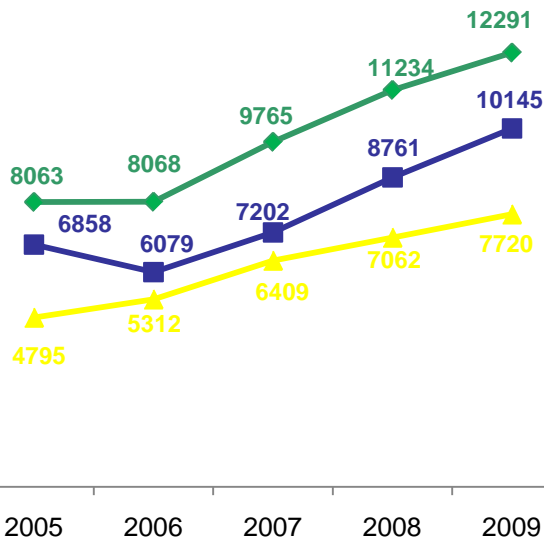
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**DiGi** ■ - weak #3, should be gone; but still breathing market cap US\$1b

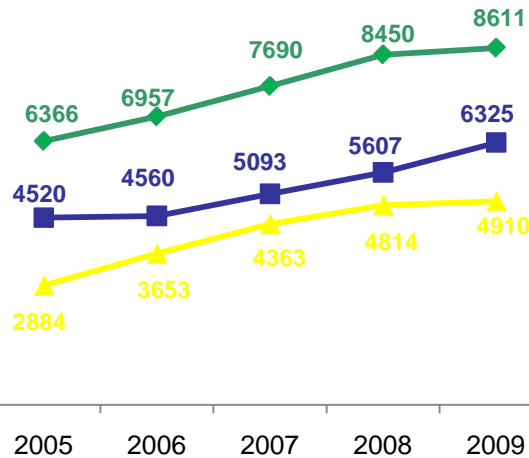
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**Maxis** ■ - shining superstar, defense by attacking all segments

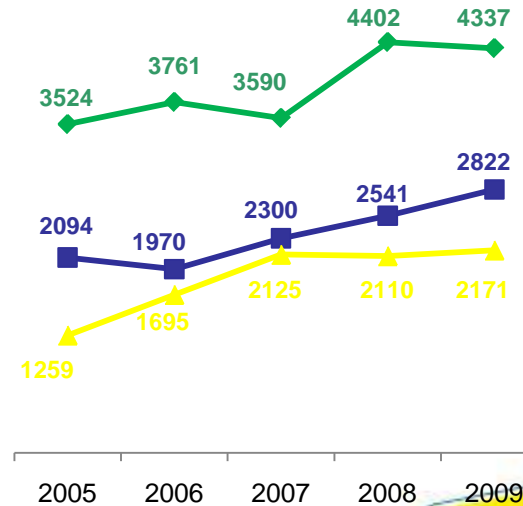
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- EBITDA 57%
- revenue market share 52%



Subscriber (mil)



Revenue (RMmil)



EBITDA (Rmmil)

DiGi

# We changed our culture, structure & mind-set

- break old structure; set new organisation benchmark
- de-emphasize organisational hierarchy; reduce management levels
- higher expectations on managers; reward high performance
- increased responsibilities on individual basis; independent from promotions, grading & titles



# 2009 – a year of transition

- economy in recession; customer confidence improving towards latter part of the year
- industry growth & the year when mobile internet took off & DiGi finally entered the arena
- targeted cost savings achieved; EBITDA margin impacted by higher traffic costs, bad debts & mobile internet expansion costs
- capital discipline led to above guidance Operating Cash Flow of RM1.4bil

Note: **RM1799 ONLY**  
 With pre-installed Windows 7

**Absolute nonsense!**  
 just get it FREE from DiGi!

It's true. Here's all you have to do:

1. Sign up for a broadband plan.
2. Join the "DiGi Telecommunications" fan page on [www.facebook.com/myDiGi](http://www.facebook.com/myDiGi)
3. Upload a creative picture of yourself using broadband by DiGi internet.

**And voila!**  
 You could be one of the daily netbook winners!

Contact valid only for those who sign up from 1 Nov to 8 Dec 2009. Terms and conditions apply.

**DiGi Internet**  
 Broadband/3G/WiFi

Figures: 016 296 3333 / 1 800 96 3333 or [digi.com.my/Internet](http://digi.com.my/Internet)

**DiGi**  
 Always the smarter choice

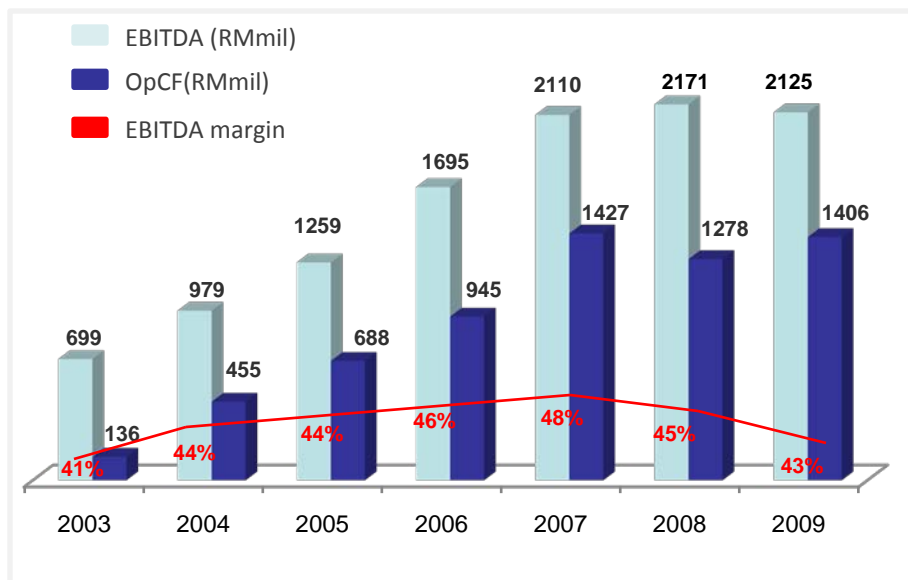
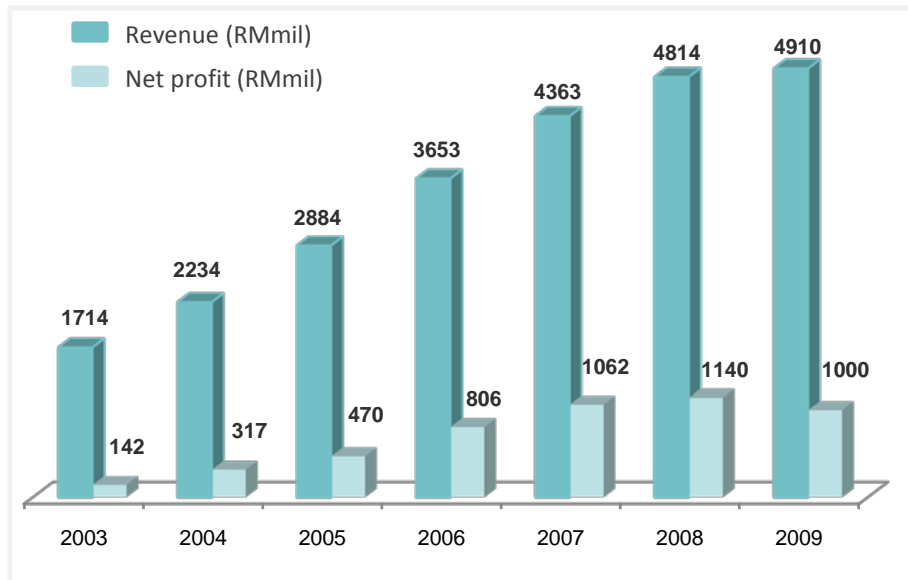
# Fought well despite lack of wide 3G coverage



- in 2009, broadband stood for 25% of total market growth
- excluding broadband, DiGi defended revenue market share well
- Celcom gained market share
- Maxis lost substantial revenue market share to Celcom and some to DiGi



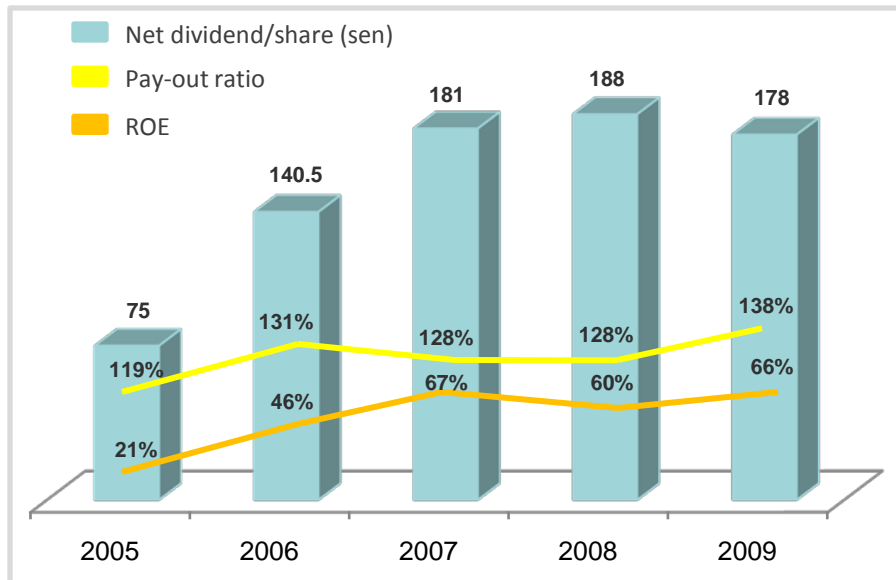
# Strong financial performance



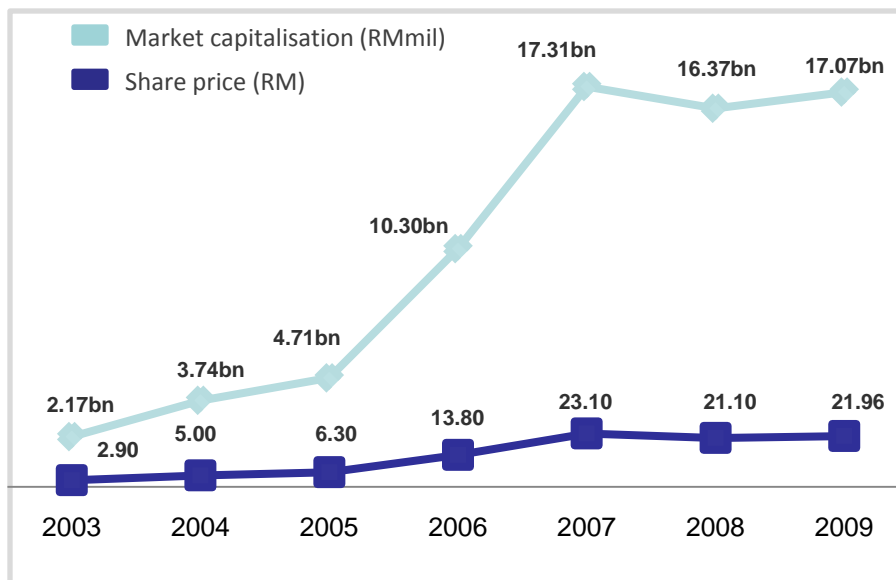
- CAGR revenue growth in excess of 16% from 2003-2009
- net profit grew more than 7-fold in the same period
- EBITDA above RM2bn mark since 2007; margin stable at mid-40's
- generating strong operating cash-flow in excess of RM1bn since 2007



# Committed to shareholder value creation



- grew market capitalisation RM12.3bn or >262%
- RM5.8bn cash returned to shareholders since 2005



- committed to a higher dividend payout ratio from 2010; to be paid quarterly
- continue to work on optimal capital structure for the long term



**what's next**



# DiGi today

- closed coverage & quality gap; first to launch Turbo 3G (HSPA 14.4Mbps) mobile internet network
- smart devices a key component to grow data revenue
- more complete services portfolio for key target segments
- fit for fight to compete for growth & market share

**RM48**  
Only ~~RM58~~ /month  
for unlimited fun.

**Get instant unlimited Internet on your DiGi Postpaid**

- No extra charges. Guaranteed • Likely Average Speed: 700kbps (download) / 200kbps (upload)
- Seamless high speed Internet nationwide • Easy sign-up. **DiGi INTERNET to 2000**

Just start surfing to experience the difference with Malaysia's newest Turbo 3G™ network (14.4 Mbps HSPA) in Klang Valley, Penang and Kuala Lumpur, and via EDGE nationwide.

Device Partner  
**NOKIA**

**Internet done right**  
DiGi Internet// Broadband : 3G : WiFi

RM48/month promo is valid until 31 December 2008. Terms and conditions apply. Enquiries: 014 221 1800 or digi.com.my/Internet

**DiGi**  
Always the smarter choice

# What drives us?

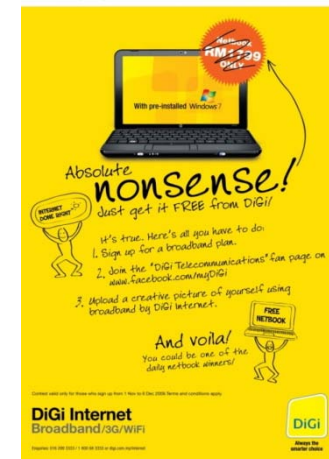


Every day we go the extra mile,  
in small and big ways,  
to exceed  
our customers' expectations,  
by delivering mobile and internet  
services that are;  
**“Made for me”, “Make it easier”,  
and offer the “Best deal”**



# Entering a new phase

- still growth in voice but at a slower pace; still organic growth in the market
- growing demand for mobile data access & services; driven by internet & services innovations & increased adoption/availability of smart devices inclusive net books/smart phones
- continued price pressure; operational efficiency important



# Mid-term strategic focus

Broadband that stops suddenly. Don't you just hate that?

For YouTube videos that don't stop half way.  
For Facebook and Twitter without getting cut off.  
That's why DiGi Internet™ ensures Likely Average Speed of 700kbps on our Turbo 3G™ network.

Because on the Net, consistency rules.

GET BETTER SPEED FOR LESS.  
SIGN UP FOR DISCOVER OR EXPLORE BROADBAND PLAN.

From <b>RM58</b> per month	<b>FREE</b> modem (Excludes Peripherals)	Turbo 3G™ Network	Likely Average Speed of <b>700</b> kbps	<b>RM500</b> Tax Relief (See Annual Statement)
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DiGi Internet™ runs on Turbo 3G™ in Klang Valley, Penang, Johor, Kota Kinabalu, Kuching and via EDGE nationwide.

**DiGi Internet™**  
Broadband/3G/WiFi  
Internet Done Right™

Enquiries: 016 299 3333 / 1 800 68 3333 or [digi.com.my/internet](http://digi.com.my/internet)

**DiGi**  
Always the smarter choice

- continued segment & CRM focus
- grow mobile internet business
- be truly customer & value centric
- drive operational efficiency through further cost & asset optimisation
- enhance cash-generation & optimise balance sheet



# Mobile internet driving growth



- est. market size of mobile broadband RM3bil to RM4bil in 3 years
- mobile internet revenue contribution visible in 2010; significant from 2011
- >500k mobile internet customers currently; ~10% on mobile broadband
- most advanced 14.4 HSPA network deployed across Malaysia; strong Telenor Group synergies



# Operational efficiency on the agenda



**Roam with DiGi.**

Join Telenor's network of mobile providers with over 160 million customers worldwide.

part of  telenor group

 **DiGi**  
Always the smarter choice

- continued focus on cost efficiency & asset optimisation to improve cash flow and return on capital
- ongoing execution of capital management roadmap; balance sheet optimal in 2010



# 2010 outlook



BlackBerry.

## Unlimited work meets unlimited play.

All-in-one DG Smart Plan™ for BlackBerry smartphones.  
Who wants in?

**• LOW-COST ENTRY**  
RM58/month for BlackBerry® unlimited email, IM, social networking & web browsing

**• ZERO COMMITMENT**  
on calls and SMS

**• GREAT SAVINGS**  
for monthly total bills exceeding RM100

Switch to DiGi with your BlackBerry smartphone and keep your existing number.

**Internet done right**  
DiGi Internet// Broadband : 3G : WiFi

BlackBerry® Curve™ 9330 Smartphone

DiGi  
Always the smarter choice

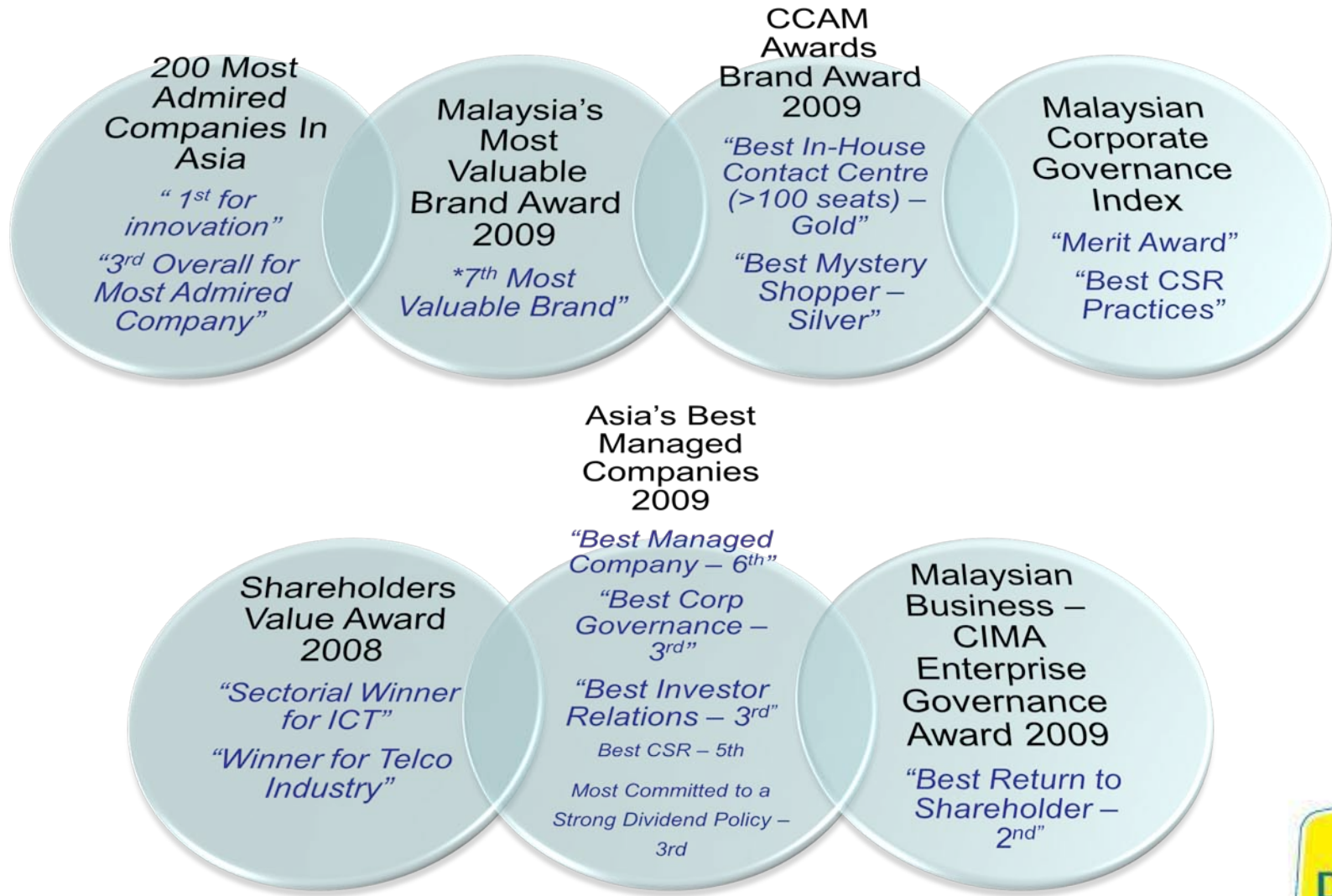
Engines: 016 221 1800 or digi.com.my/blackberry

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- industry revenue growth ~5%; DiGi aims to be above
- EBITDA margin under pressure but aiming to improve margin with further cost optimisation
- capex around '09 level
- absolute operating CF above '09 level (> 28% OpCF margin)



# Accolades



*Mange Takk ~ Terima Kasih ~ Thank You*



**“Deep Green  
is our way of embedding  
sustainability into our business”**

