

MAXIS BERHAD

1Q 2012 RESULTS
31 MAY 2012



1Q12 RESULTS

Solid financials, continued leadership



An advertisement for HotLink by Maxis. It features a group of five young adults (three men and two women) smiling and posing together outdoors. The text "HOTLINK" is at the top in a red, stylized font. Below it, in large red letters, is the slogan "MORE TALK, MORE TEXT, MORE SURF, MORE IDD CALLS, MORE DATA ROAMING." A smaller line of text below the slogan says: "Subscribe to Hotlink 5 and enjoy the lowest talk and text rates to any Hotlink or Maxis number with no minimum usage. You also get to enjoy the lowest surf, IDD and data roaming rates with Malaysia's largest 3G network." At the bottom, there are several red boxes with white text detailing the Hotlink 5 offer: "HOTLINK 5", "TALK 12 SEN MIN", "TEXT 1 SEN SMS", "FREE 30MB", "SURF 300MB", "LOWEST TO THE WORLD", and "LOWEST TO THE WORLD". The Maxis logo is at the bottom right, and the website "hotlink.com.my" is at the bottom left.

Steady YoY growth

+4.5% revenue growth YoY, -1.6% QoQ

+3.9% EBITDA growth YoY, +2.6% QoQ

+6.1% PAT growth YoY, +1.5% QoQ normalised

45.5% non-voice revenue contribution

Leading subscriptions

13.8m total subscriptions

Major market moves

Aggressive all-in-one prepaid plan

Strong migrant thrust including IDD

Integrated postpaid plan with surf-text-talk

Peace of mind roaming rates

Strong take-up of smartphones

Continued commitment to progressive dividend policy

First interim dividend of 8 sen/share (RM600m)

1Q12 RESULTS



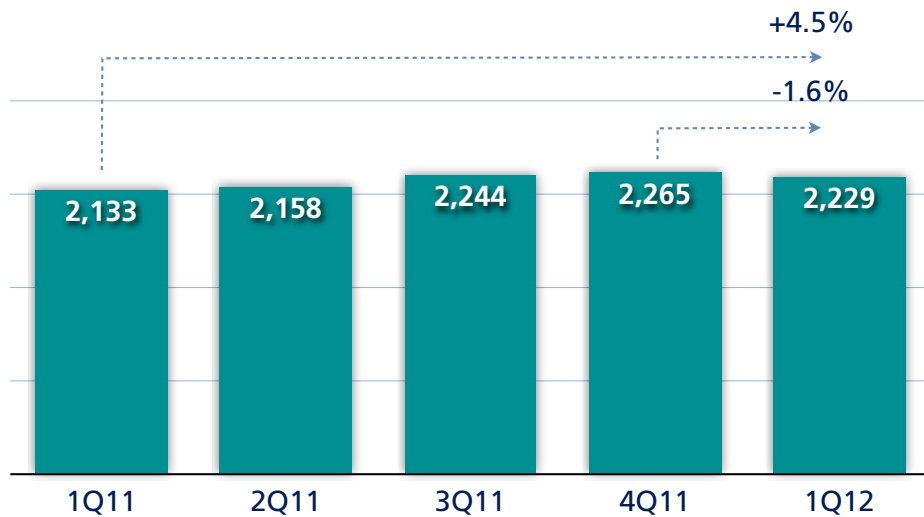
RM million						
	4Q11	1Q12	Growth QoQ	1Q11	1Q12	Growth YoY
Revenue	2,265	2,229	-1.6%	2,133	2,229	+4.5%
EBITDA	1,104	1,133	+2.6%	1,090	1,133	+3.9%
EBITDA Margin	48.7%	50.8%	+2.1pp	51.1%	50.8%	-0.3pp
Normalised PAT*	549	557	+1.5%	540	557	+3.1%
PAT	901	573	-36.4%	540	573	+6.1%
PAT Margin	39.8%	25.7%	-14.1pp	25.3%	25.7%	+0.4pp

*Normalised for last mile broadband tax incentive of RM352m in 4Q11 and RM16m in 1Q12

REVENUE



Revenue (RM mn)



4.5% YoY growth

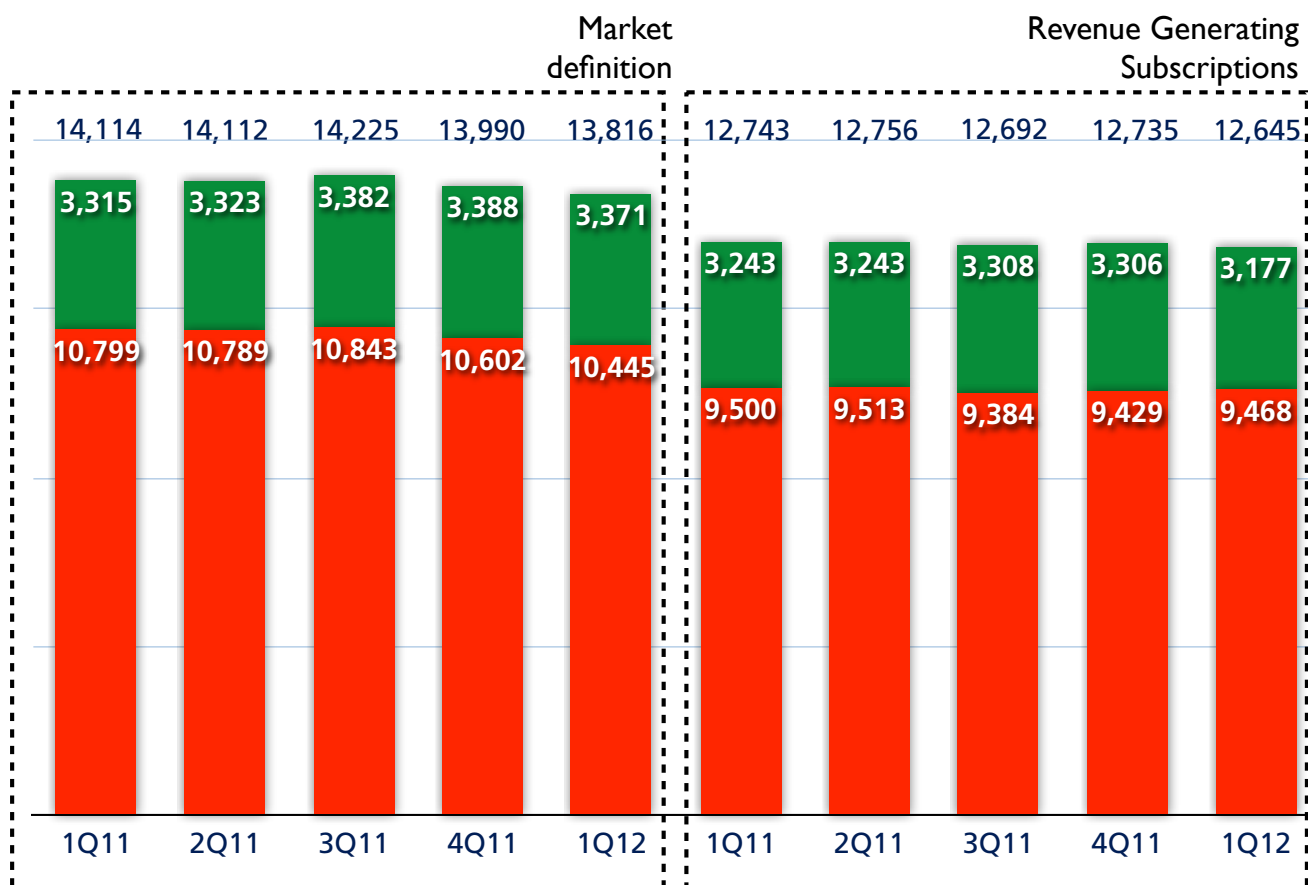
Revenue growth underpinned by continuing non-voice performance

Lowest seasonal impact in last 5 years

MOBILE SUBSCRIPTIONS



Mobile Subscriptions ('000)



Revenue Generating Subscription (RGS) numbers benefited from strong prepaid initiatives launched end 1Q12

More subscriber share win-back initiatives underway

RGS Definition (adopted from 1Q11): Reflects more stringent subscription definition. For postpaid and WBB, base excludes subs barred for >50 days prior to reporting date, and for prepaid, base excludes subs not generating any revenue for >50 days prior to reporting date

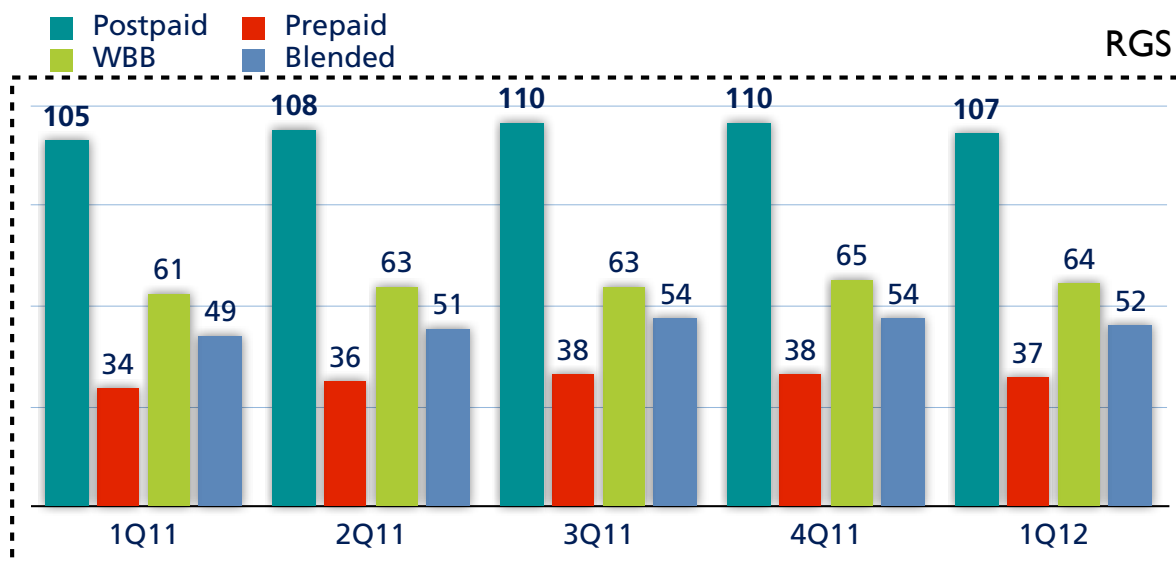
■ Maxis (Postpaid and WBB)
■ Hotlink (Prepaid)

ARPU & MOU

Increase in ARPU YoY



ARPU (RM/month)



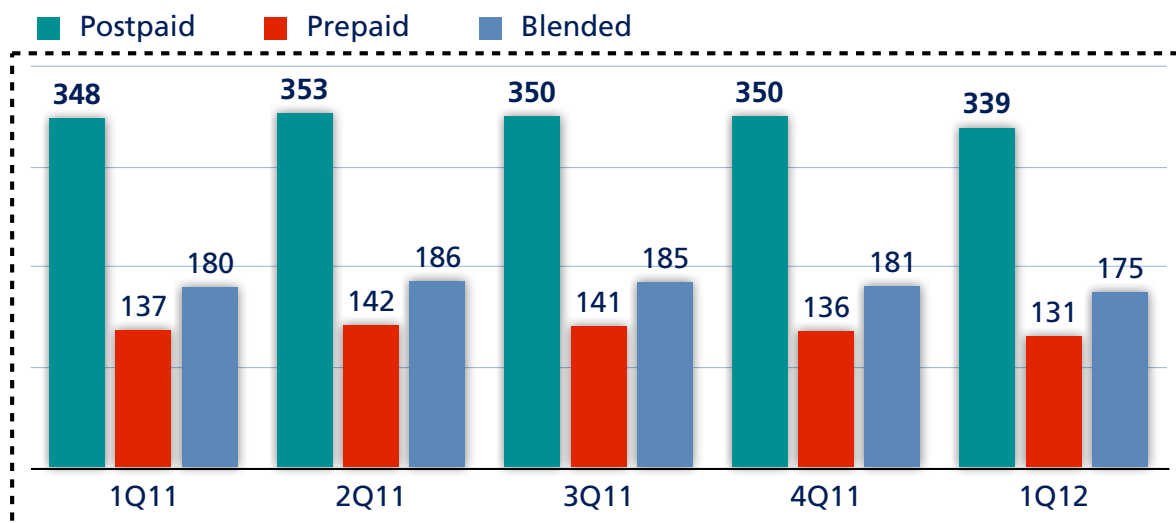
RGS

Postpaid driven by mobile internet

Prepaid driven by voice and SMS

WBB driven by take-up of higher commitment plans

Minutes of Usage

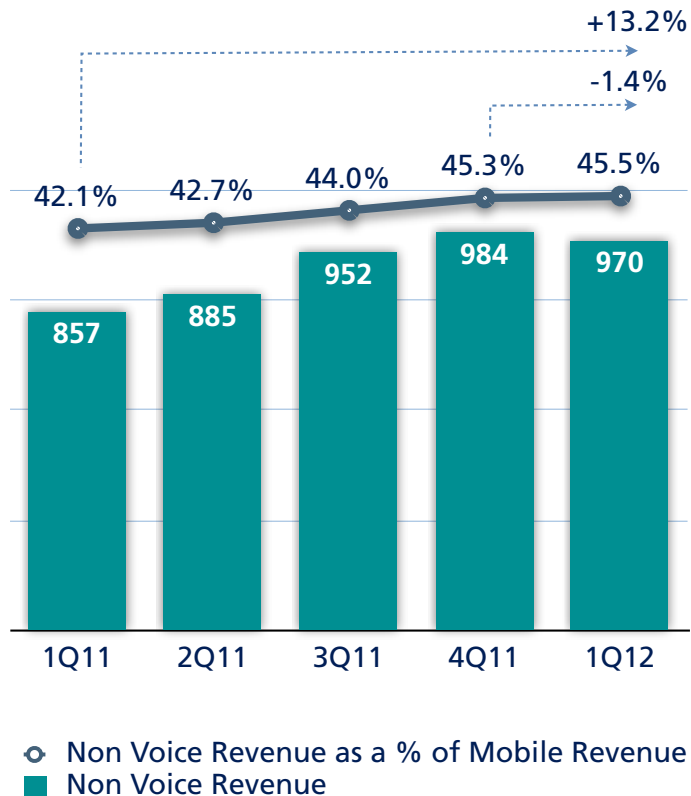


* Minutes of Usage (MOU): Maxis' on-net MOU is calculated based on outgoing calls only

NON-VOICE REVENUE



Non-Voice Revenue* (RM mn)



Strong YoY growth of 13%

QoQ growth impacted by 1Q seasonality and "peace of mind" roaming initiatives

Adoption of data sachets increasing amongst prepaid base

Non-voice now contributes 45.5% of mobile revenue

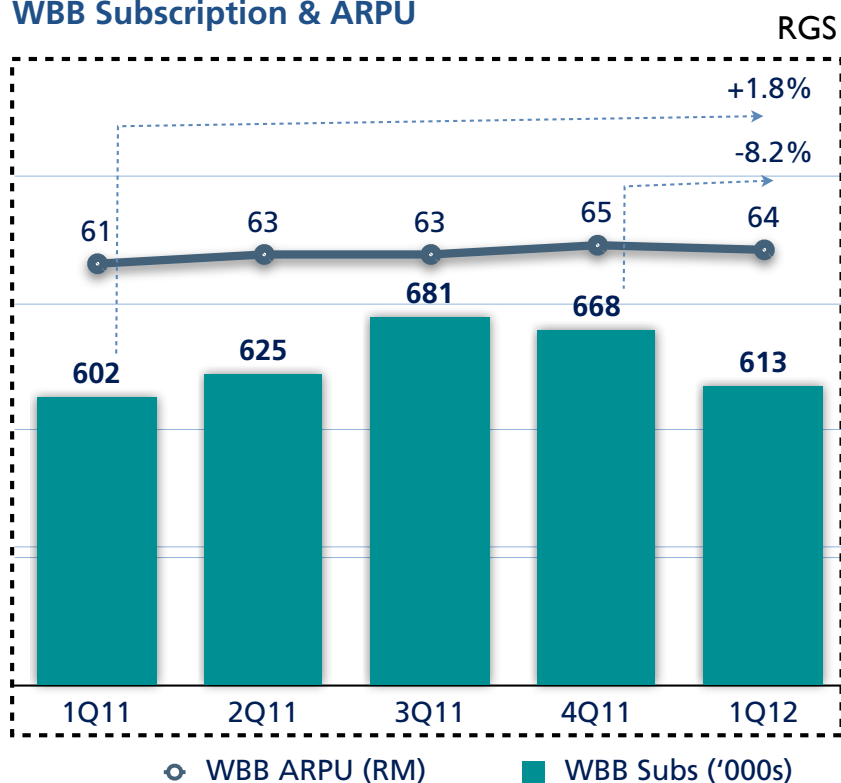
Internet and data services (non-SMS) now contribute 62% of non-voice revenue

* Non-voice revenue refers to non-voice mobile revenue

WIRELESS BROADBAND



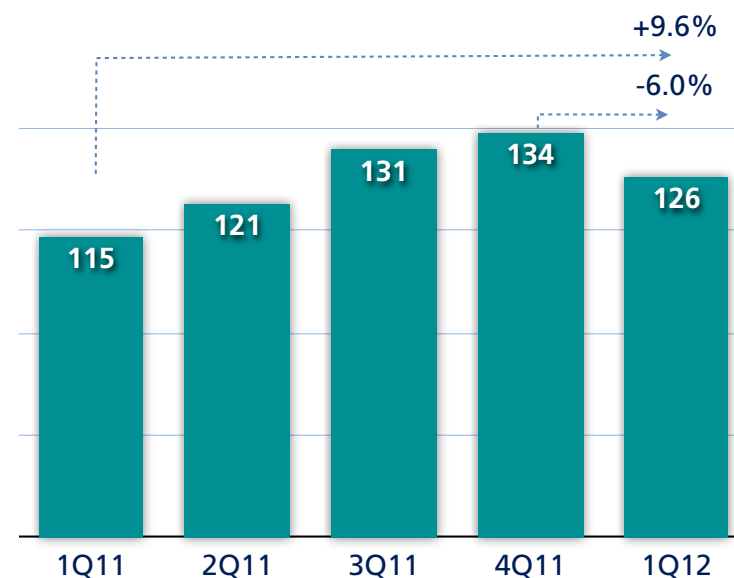
WBB Subscription & ARPU



Introduction of improved fixed broadband slowed down “fixed substitution” market for WBB

WBB subscriptions are defined as subscriptions on postpaid data plans using USB modem and tablets

WBB Revenue (RM mn)



Competition continues to be intense at the lower end tariff segment

ARPU remained stable with YoY revenue growth of 10%

MAJOR MARKET MOVES IN 1Q12



HOTLINK

LOWEST RATES TO SURF

RM2 A DAY WITH 100 MB

Talk, tweet, post and Like with the lowest daily pass from Hotlink! Priced at RM2, it comes packed with 100 MB and zero commitment. Everyone can get online every day and stay there, only with Hotlink!

PREPAID MOBILE INTERNET PASSES

SUBSCRIBE TODAY AND YOUR WALLET

DAILY			WEEKLY		
RM2	100MB	1 DAY	RM6	500MB	1 WEEK
RM3	500MB	1 DAY	RM12	2500MB	1 WEEK

FACEBOOK INTERNET PLANS

RM4	100MB	2 DAYS	+ FREE! MOBILE ACCESS
RM6	200MB	5 DAYS	
RM10	500MB	10 DAYS	

hotlink.com.my/internet

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Aggressive all-in-one prepaid plan

New Hotlink Plan with attractive pricing for voice, SMS, surfing, IDD and roaming

Strong migrant thrust including IDD

Competitive pricing for IDD rates for both postpaid and prepaid

Driving migrant and tourist market

Integrated postpaid and new data plans

Bundled offers targeting smartphone users

Data sachets for prepaid users

Competitive roaming rates

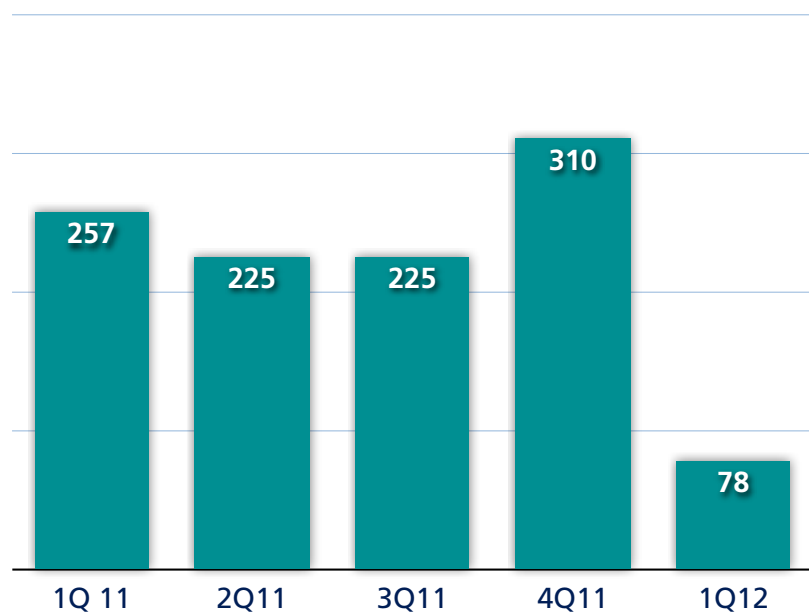
Covering most number of countries

"Peace of mind" experience

LEADING NETWORK INFRASTRUCTURE



Capex (RM mn)



3G and FTTH investments largely complete

1.2 million homes

5,200 3G sites (3,400 at 42 Mbps)

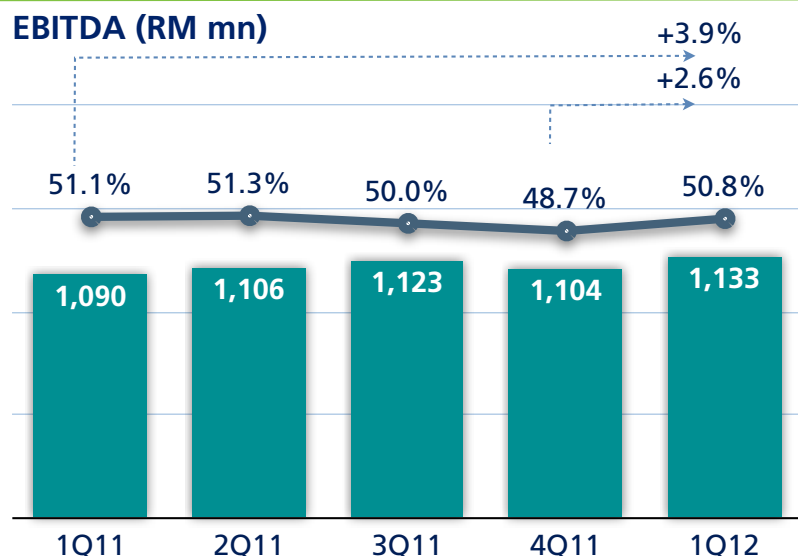
UMobile active RAN sharing progress on track ramping up to 1,300 sites by September

Capex deferred to later half of 2012, overall capex still within guidance

Network readiness for LTE migration

EBITDA

Margin maintained above 50%



COST STRUCTURE

% of Revenue	1Q 11	2Q11	3Q11	4Q11	1Q12
Direct Expenses	32.3%	30.1%	31.5%	31.7%	32.9%
Sales & Marketing	3.6%	3.4%	4.6%	5.0%	3.5%
Staff-Related Costs	5.3%	5.5%	5.1%	5.2%	5.5%
Bad Debts	1.1%	1.6%	1.2%	1.6%	1.2%
G&A and Others	6.6%	8.1%	7.6%	7.8%	6.1%
Total Expenses	48.9%	48.7%	50.0%	51.3%	49.2%
EBITDA Margin	51.1%	51.3%	50.0%	48.7%	50.8%
	100.0%	100.0%	100.0%	100.0%	100.0%

Continued cost discipline

QoQ higher margin on improved opex

Effect of sales and marketing spend

Improvement in bad debt provision levels reflecting stringent controls

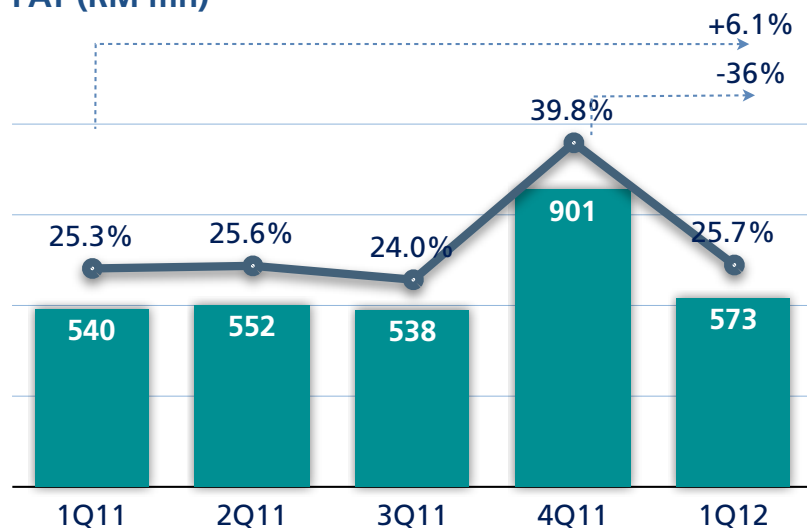
Lower G&A reflecting expense discipline

PAT & PATAMI

Stable margins with good YoY growth



PAT (RM mn)

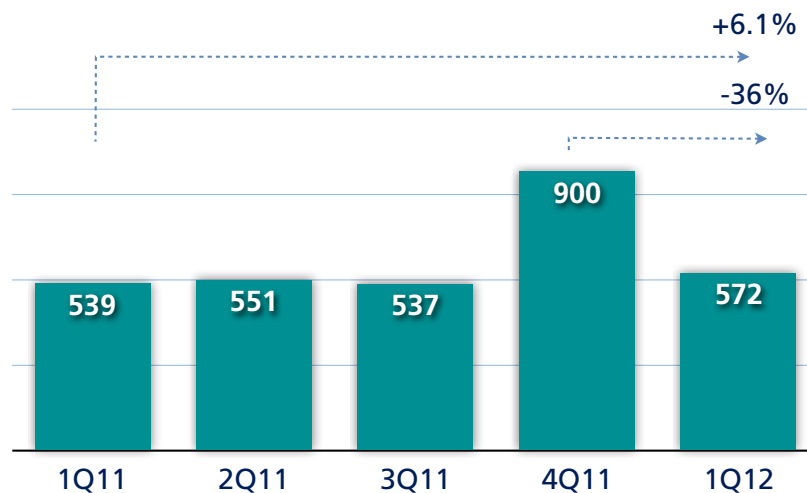


Higher YoY PAT on the back of higher EBITDA

Last mile broadband tax incentive for 2011 and prior years spiked 4Q11 PAT by RM352m

Normalised PAT for 1Q12 RM557m, up by +1.5% QoQ

PATAMI (RM mn)



CASH FLOWS

Continued focus on cash flows



RM mn	1Q11	2Q11	3Q11	4Q11	1Q12
Cash flow from operating activities	903	871	961	977	788
Cash flow used in investing activities	(284)	(254)	(256)	(372)	(132)
Purchase of property, plant & equipment	(243)	(210)	(220)	(316)	(77)
Payments for handset subsidies	(41)	(44)	(36)	(56)	(55)
Cash flow before financing activities	619	617	705	605	656
Cash flow used in financing activities	(204)	(443)	(1,276)	(683)	322
Dividends paid	(600)	(600)	(1,200)	(600)	(600)
Debt drawdown	472	227	-	1,000	2,450
Debt repayment	-	-	-	(1,000)	(1,450)
Interest paid	(62)	(66)	(73)	(73)	(64)
Others	(14)	(4)	(3)	(10)	(14)
Net change in cash	415	174	(571)	(78)	978
Opening Cash Balance	898	1,313	1,487	916	838
Closing Cash Balance	1,313	1,487	916	838	1,816

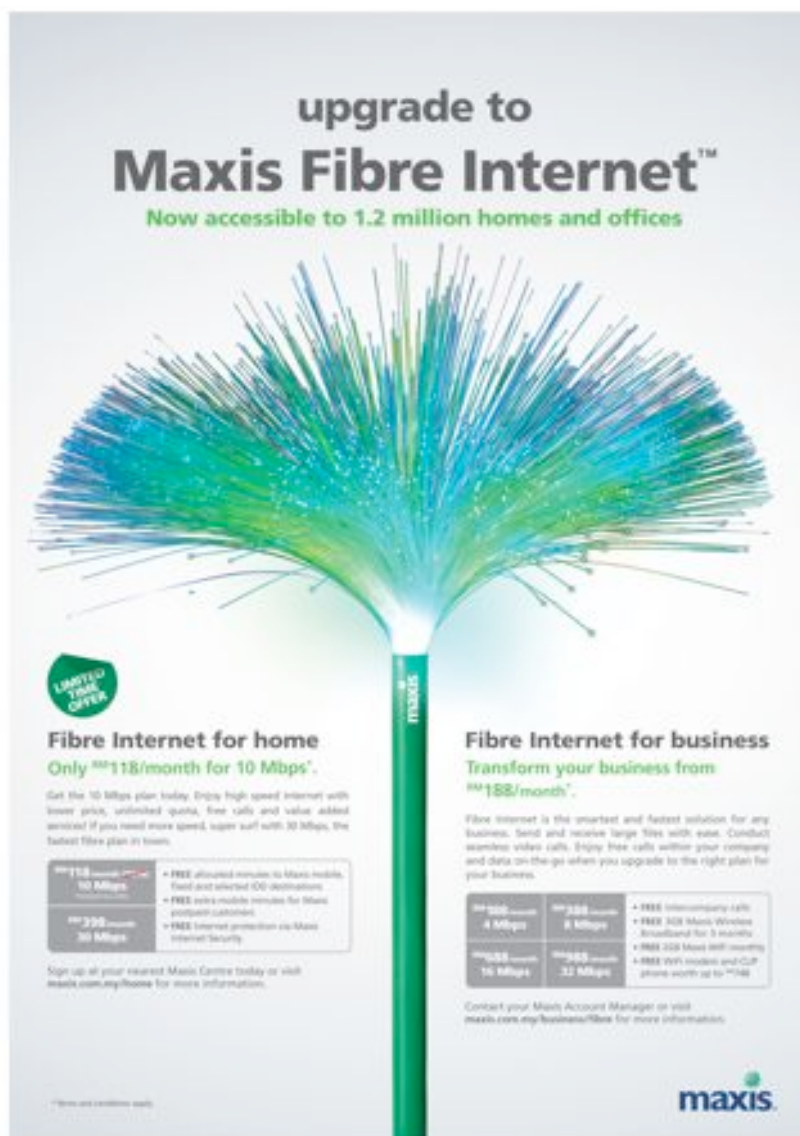
RM mn	4Q11	1Q12
Gearing Level		
Debt #	6,331	7,273
Cash	838	1,816
Net debt	5,493	5,457
Total equity	8,088	8,118

Ratios

Net debt to EBITDA *	1.24x	1.20x
Net debt to Equity	0.68x	0.67x

Incl. derivative financial instruments for hedging
* 1Q12 annualised

**First interim dividend of RM600m
(8 sen/share)**



upgrade to
Maxis Fibre Internet™
Now accessible to 1.2 million homes and offices

Fibre Internet for home
Only **RM118/month** for 10 Mbps*.

Get the 10 Mbps plan today. Enjoy high speed internet with lower price, unlimited quota, free calls and value added services. If you need more speed, upgrade with 30 Mbps, the fastest fibre plan in town.

Plan	Speed	Features
RM118/month	10 Mbps	• FREE allocated minutes to Maxis mobile, fixed and selected 3rd destinations • FREE extra mobile minutes for Maxis postpaid customers • FREE Internet protection esp. Maxis Internet Security
RM338/month	30 Mbps	

Sign up at your nearest Maxis Centre today or visit maxis.com.my/home for more information.

Fibre Internet for business
Transform your business from **RM188/month***.

Fibre internet is the quickest and fastest solution for any business. Send and receive large files with ease. Conduct seamless video calls. Enjoy free calls within your company and data on-the-go when you upgrade to the right plan for your business.

Plan	Speed	Features
RM228/month	4 Mbps	• FREE intercompany calls • FREE 3GB Maxis Wireless Broadband for 5 months
RM338/month	8 Mbps	
RM538/month	16 Mbps	• FREE 2GB Maxis 3G/4G monthly
RM738/month	32 Mbps	• FREE WiFi modem and G-P phone worth up to RM148

Contact your Maxis Account Manager or visit maxis.com.my/business/fibre for more information.

maxis

Home Fibre Internet sales picking up

5.2k homes connected as at 1Q12

Other initiatives planned

Fixed WBB product introduced

14.1k subs as at end 1Q12

Plan for multiscreen content proposition well underway

CONTINUING LEADERSHIP AND PROMISING FUTURE



Promising start to the year: Q1 YoY growth, revenue up 4.5%, profit up 6.1%, non-voice 45.5% of mobile revenues

Strategic investment in data networks and ecosystems yielding results, major market share win-back initiatives building momentum, postpaid and WBB initiatives underway

Home fibre internet business picking up, full suite of services launching soon

Leading network infrastructure, ready for LTE migration, within capex guidance

Continued focus on cash flows with commitment to progressive dividend policy

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APPENDICES

Consolidated Income Statement



RM mn	4Q11	1Q12	QoQ chg	1Q11	1Q12	YoY chg
REVENUE	2,265	2,229	-1.6%	2,133	2,229	+4.5%
Direct Expenses	(717)	(734)		(688)	(734)	
Indirect Expenses	(444)	(362)		(355)	(362)	
Total Opex	(1,161)	(1,096)		(1,043)	(1,096)	
EBITDA	1,104	1,133	+2.6%	1,090	1,133	+3.9%
Margin	48.7%	50.8%		51.1%	50.8%	
Depreciation	(250)	(258)		(252)	(258)	
Amortisation	(33)	(37)		(26)	(37)	
Others	(26)	0		(7)	0	
EBIT	795	838		805	838	
Interest Expense	(45)	(82)		(73)	(82)	
Interest Income	10	11		9	11	
PBT	760	767		741	767	
Tax	141	(194)		(201)	(194)	
PAT	901	573	-36.4%	540	573	+6.1%
Margin	39.8%	25.7%		25.3%	25.7%	

Revenue Breakdown



RM mn	1Q11	2Q11	3Q11	4Q11	2011	1Q12
Mobile	2,038	2,075	2,163	2,170	8,446	2,130
Fixed	43	48	44	46	181	45
Home	4	5	4	4	17	8
International Gateway	48	30	33	45	156	46
Revenue	2,133	2,158	2,244	2,265	8,800	2,229