

MAXIS BERHAD

2Q 2013 RESULTS

6 AUGUST 2013



1H13 KEY HIGHLIGHTS

Market initiatives making steady progress



THE WIDEST RANGE OF 4G LTE DEVICES
ONLY ON MALAYSIA'S FASTEST AND WIDEST DATA NETWORK

MAXIS 4G

NOKIA LUMIA 920
HTC ONE XL
SAMSUNG GALAXY S4 LTE
HTC ONE
BLACKBERRY Q10
4G LTE USB MODEM

WORRY FREE SURFING
NO EXCESS CHARGES AFTER QUOTA

Choose from the latest smart devices and experience the speed of Malaysia's first 4G LTE network. You can get unbeatable smartphone deals with our TalkMore™ and SurfMore™ plans.

For more details on our plans and coverage area, visit maxis.com.my/4GLTE

Speeds are on best effort basis depending on factors such as location, coverage, distance from communications tower and number of simultaneous users. Typical average speeds are up to 30 Mbps. Other terms and conditions apply.

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maxis.com.my/4GLTE

Steady 1H13 YoY growth driven by solid non-voice contribution

4.0% total revenue growth YoY

2.1% service revenue* growth YoY

2.1% EBITDA growth YoY

1H13 EBITDA margin at 49.5%

+7.5% non-voice revenue growth YoY

1H13 non-voice revenue at 47.7% of mobile revenue

Continuous investment in future data revenue

Expanding 4G LTE coverage footprint & device offerings

Accelerating 3G HSPA+ coverage

Network modernisation on track

Integrated strategy on track

Refined organisation structure

Take-up of smart devices remains strong

Dividend declared

Second interim dividend of 8 sen/share (RM600m)

* Service revenue defined as total revenue less device revenue

2Q13 & 1H13 KEY NUMBERS



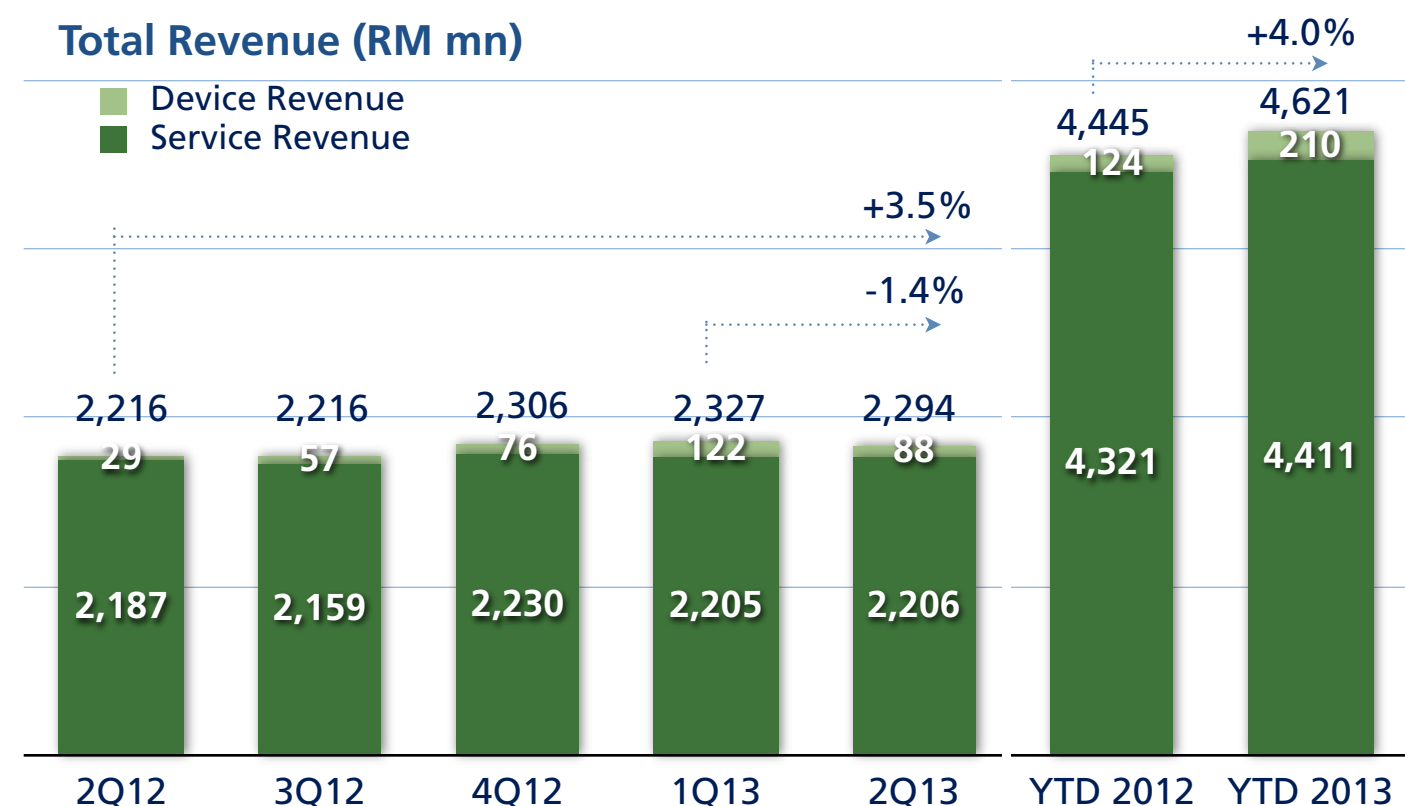
RM mn

	2Q13	1Q13	Growth QoQ	1H13	1H12	Growth 1H YoY
Total Revenue	2,294	2,327	-1.4%	4,621	4,445	+4.0%
Service Revenue	2,206	2,205	+0.1%	4,411	4,321	+2.1%
EBITDA	1,165	1,122	+3.8%	2,287	2,239	+2.1%
EBITDA Margin	50.8%	48.2%	+2.6pp	49.5%	50.4%	-0.9pp
PAT	530	476	+11.3%	1,006	1,039	-3.2%
PAT Margin	23.1%	20.5%	+2.6pp	21.8%	23.4%	-1.6pp
Normalised PAT*	560	521	+7.5%	1,081	1,105	-2.2%
Normalised PAT Margin*	24.4%	22.4%	+2.0pp	23.4%	24.9%	-1.5pp

**Normalised for last mile broadband tax incentive of RM16m in 1Q12 & RM10m in 2Q12*

REVENUE

Growth across all business segments



Grew top-line revenue and service revenue in 1H13

4.0% growth coming across all core business segments

2.1% service revenue growth; growth in data and wholesale partly offset declines in voice and messaging

QoQ decline in mobile revenue was mainly driven by lower device revenue

Non-voice continued to be primary revenue contributor

1H13 contribution at 47.7% of mobile revenue (1H12: 45.4%)

RM mn	2Q12	3Q12	4Q12	1Q13	2Q13	Growth QoQ	Growth 1H13
Mobile	2,101	2,120	2,183	2,184	2,151	-1.5%	2.4%
Enterprise Fixed	50	53	55	63	58	-7.9%	27.4%
Home	6	9	11	14	16	14.3%	>100%
International Gateway	59	34	57	66	69	4.5%	28.6%
Total Revenue	2,216	2,216	2,306	2,327	2,294	-1.4%	4.0%
Service Revenue*	2,187	2,159	2,230	2,205	2,206	+0.1%	2.1%

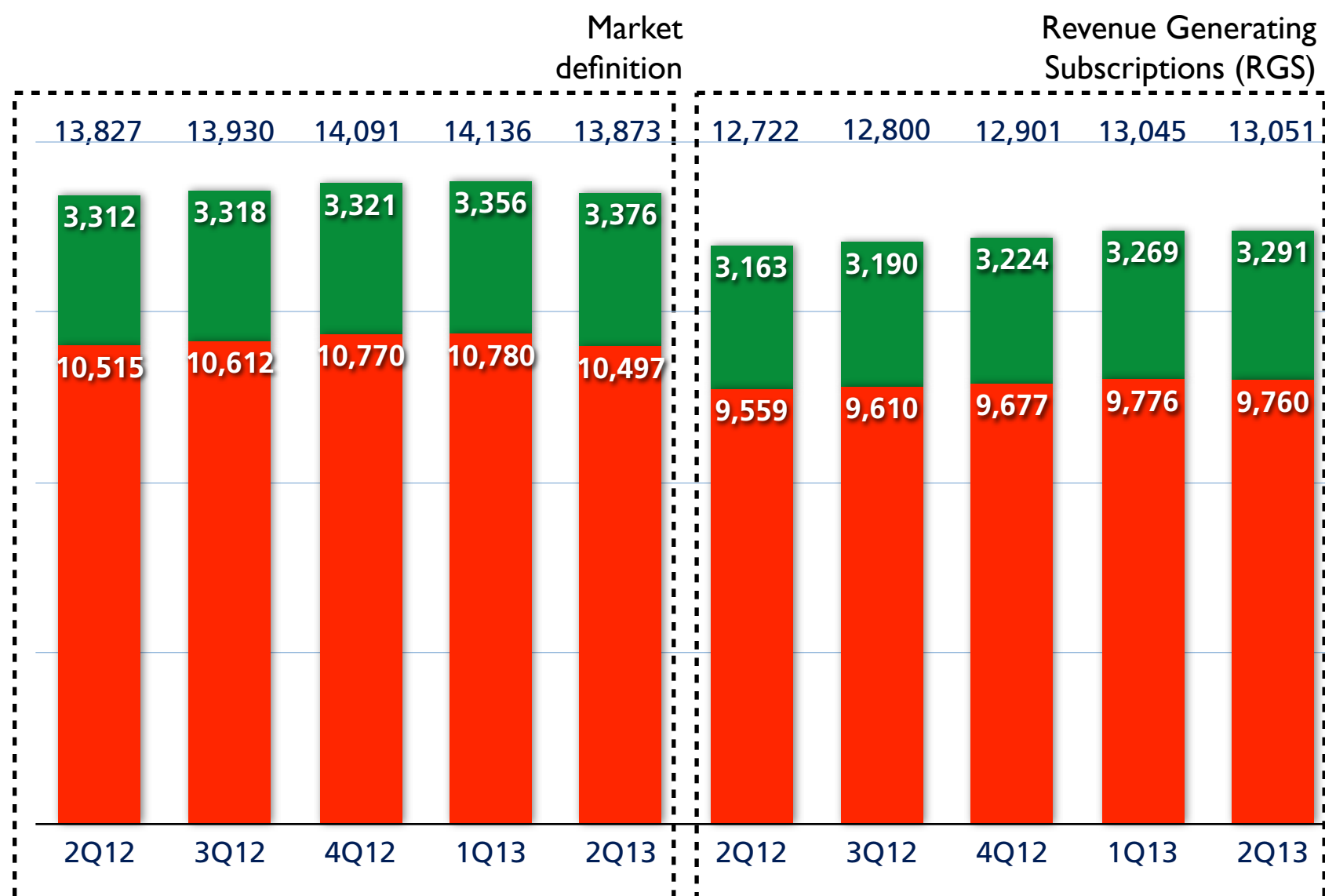
* Service revenue defined as total revenue less device revenue

MOBILE SUBSCRIPTIONS

Prioritizing quality acquisition and retention



Mobile Subscriptions ('000)



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)

Focus is on retaining and acquiring quality customers

Postpaid RGS grew for the fourth consecutive quarter; driven by attractive bundled offerings and Maxis One Club smartphone offers

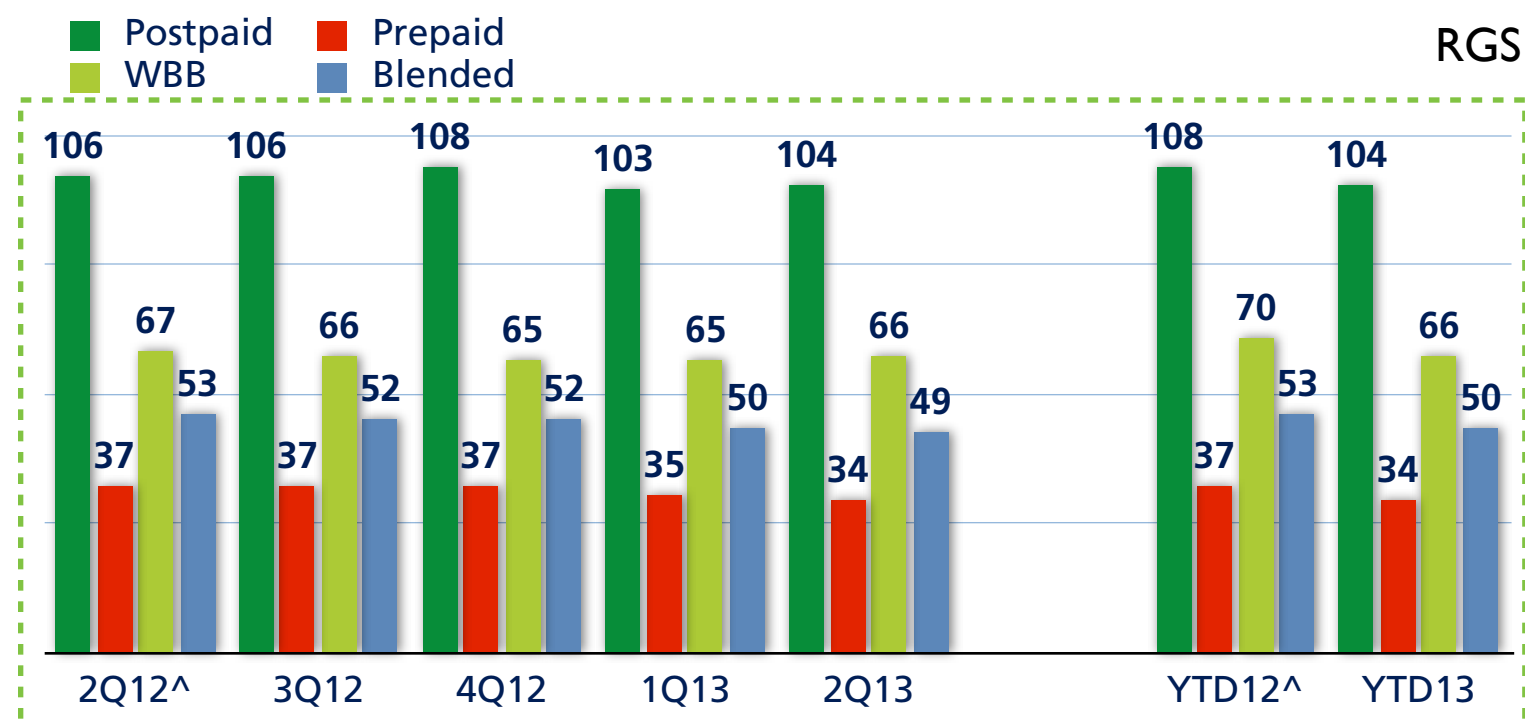
Prepaid base impacted mainly by Hotlink Youth Club SIM expiry

ARPU & MOU

Trends reflecting data shift



ARPU (RM/month)

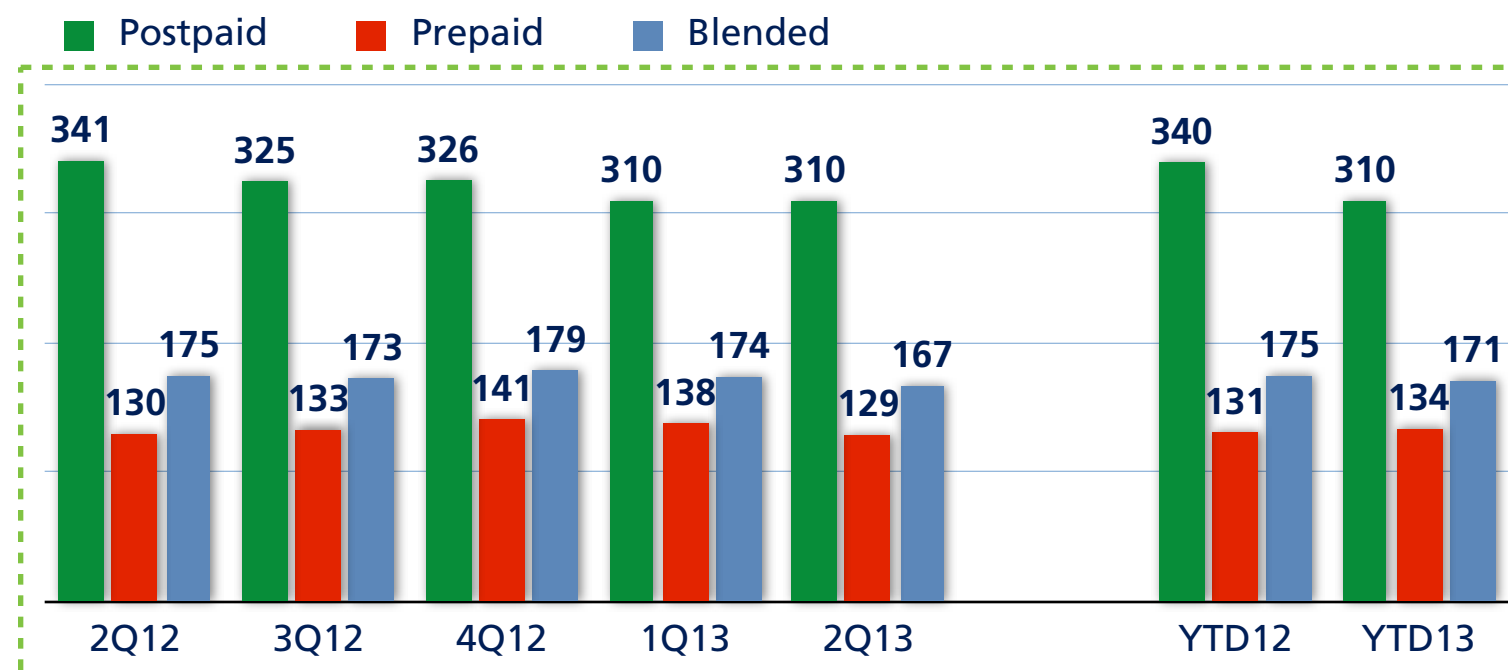


Postpaid ARPU supported by data

Prepaid ARPU impacted by lower voice usage

[^] Postpaid and WBB ARPUs normalised as Reported ARPU included one-off adjustments

Minutes of Usage*



MOUs reflecting continuous data shift

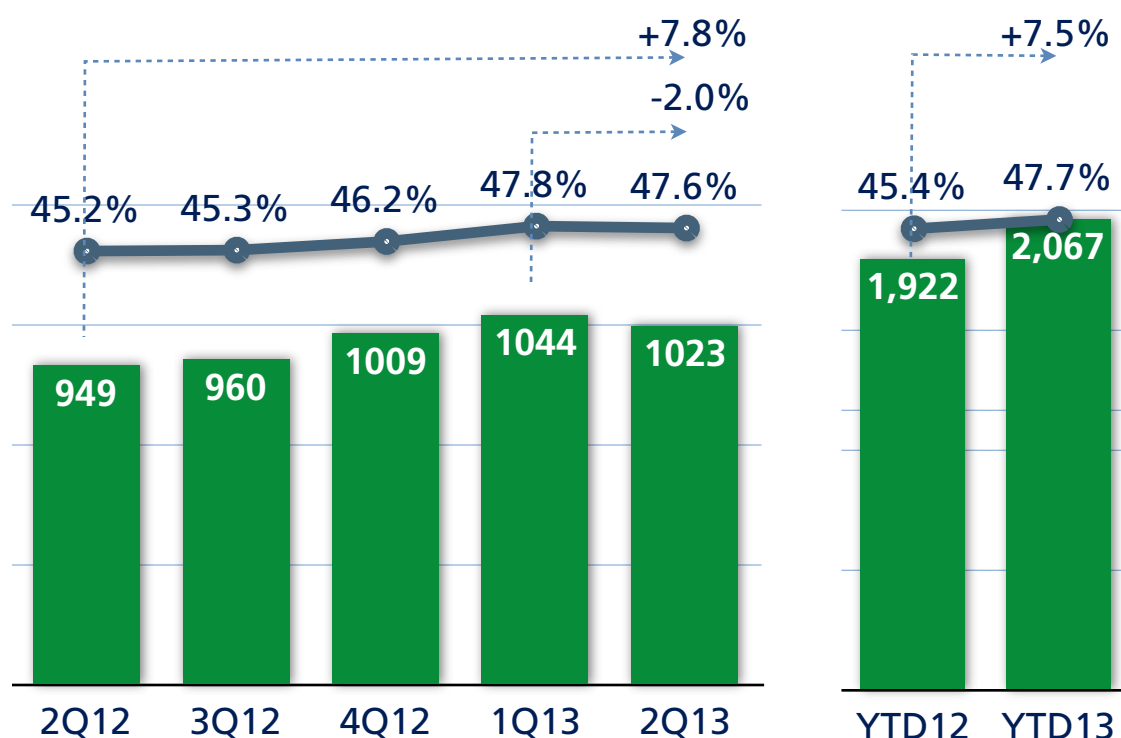
* Minutes of Usage (MOU): Maxis' on-net MOU is calculated based on outgoing calls only

NON-VOICE REVENUE

Solid contributions from mobile internet



Non-Voice Revenue* (RM mn)



○ Non Voice Revenue as a % of Mobile Revenue

■ Non Voice Revenue

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

+7.5% non-voice revenue growth in 1H13 on the back of mobile internet usage

1H13 non-voice contribution at 47.7% of mobile revenue:

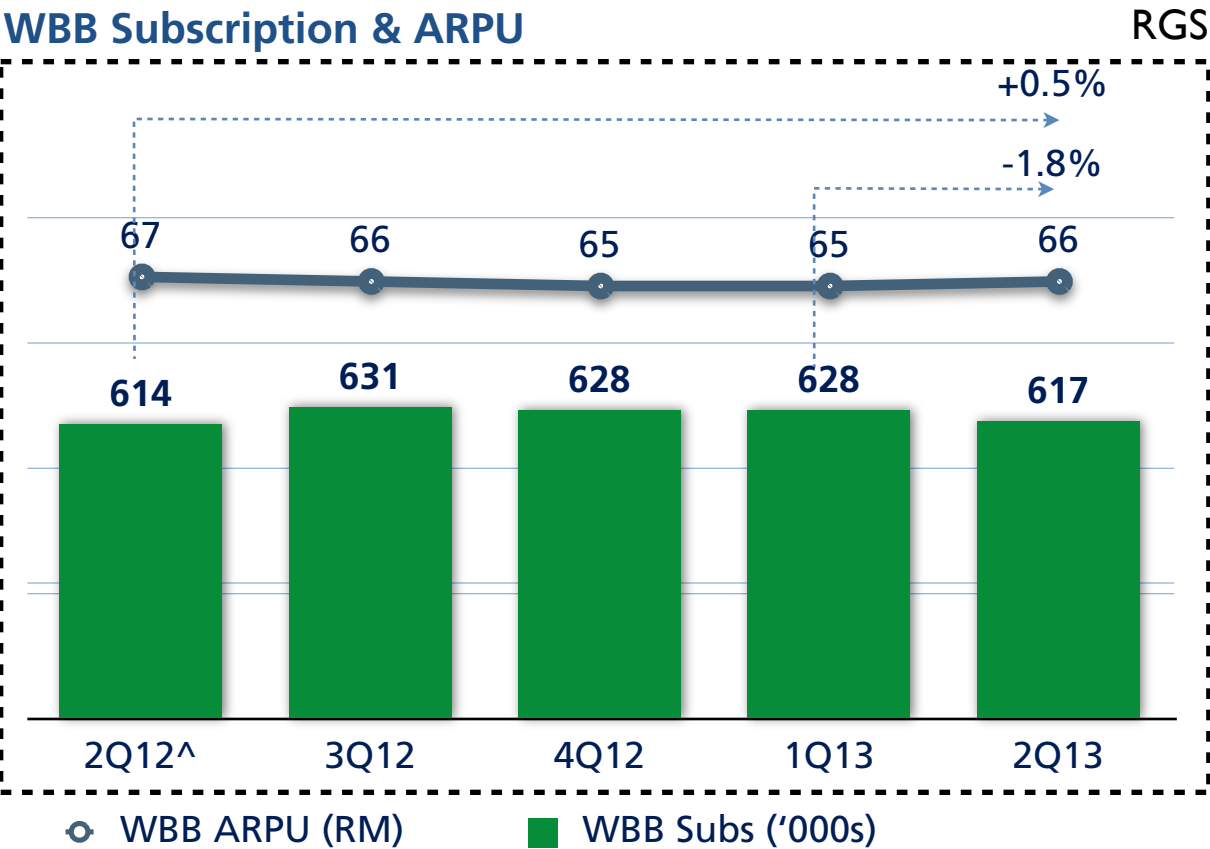
	1Q13	2Q13
Mobile Internet/VAS	21.4%	23.0%
Messaging	14.6%	13.9%
WBB	6.2%	6.6%
Devices	5.6%	4.1%

Non-voice service revenue net of devices grew +3.3% in 1H13 and +1.4% QoQ

+5.8% internet & data revenue (non-SMS) net of device in 2Q13; now at 68% of non-voice revenue (1Q13: 65%)

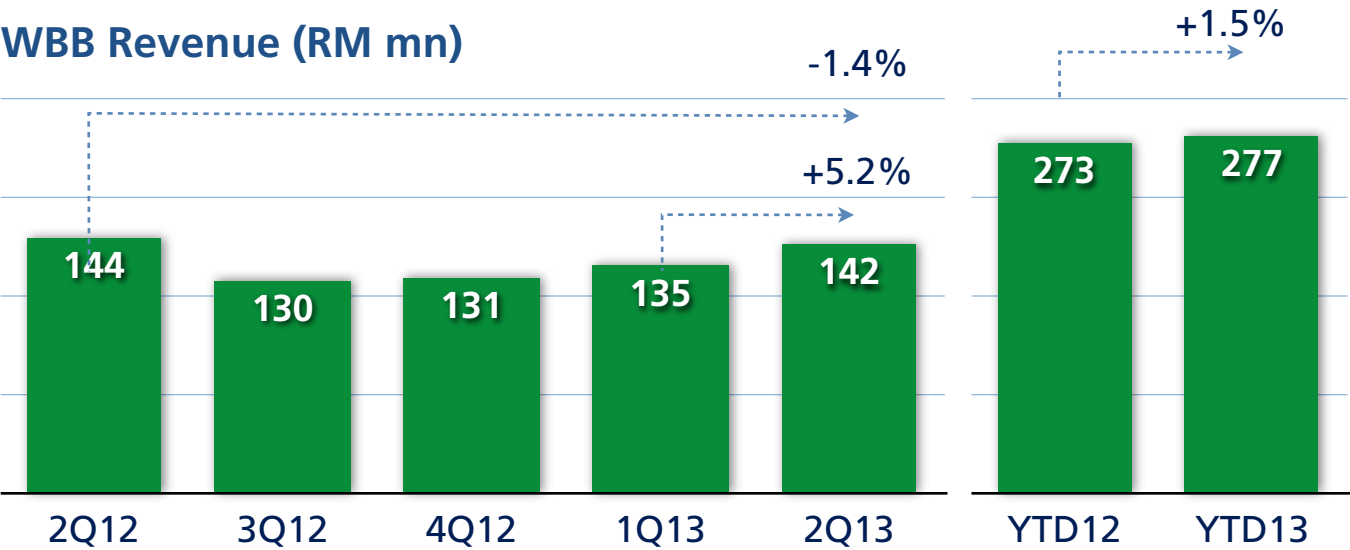
WIRELESS BROADBAND

Initiatives to reinvigorate segment gaining traction



^ Normalised WBB ARPU; Reported WBB ARPU includes one-off adjustments

Overall, pick-up in subscription fees and usage levels for both WBB and FWBB



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

HOME SEGMENT

Steady growth in fibre subscriptions; more to come



CREATE YOUR OWN PERSONAL WIFI HOTSPOT

Enjoy free 21 Mbps WiFi modems with Maxis for faster downloads, uploads and video streaming across multiple devices. Create your personal WiFi hotspot anytime, anywhere. Share the Internet with your friends and family at home, in your car or even at your favourite cafe.

STAY CONNECTED TO MALAYSIA'S FASTEST AND WIDEST DATA NETWORK. ANYTIME. ANYWHERE. ANY DEVICE.

RM350 FREE
21 Mbps MIFI modem
with convenient rechargeable battery that lasts up to 8 hours. For multiple device connection via WiFi.

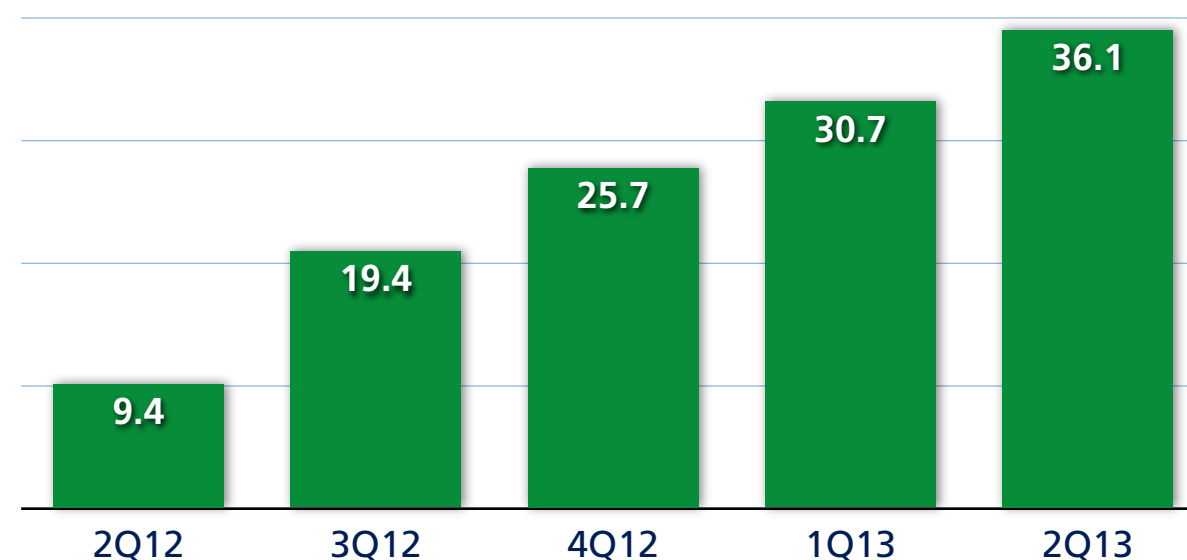
RM350 FREE
21 Mbps MIFI modem
including free car and home adapters. For multiple device connection via WiFi, can also operate as a USB modem.

Terms and conditions apply.
* 21 Mbps with standard bandwidth speeds of 100Kbps and above. 12.5 Mbps USB, 42 Mbps USB and 21 Mbps 4G LTE USB modems are also available. Service provided on a best effort basis. The actual coverage area for Mifi and 4G LTE modems is subject to local network conditions and coverage.

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Home Subscriptions ('000)



Steady growth in subscriptions to 36.1k home connected as at end 2Q13

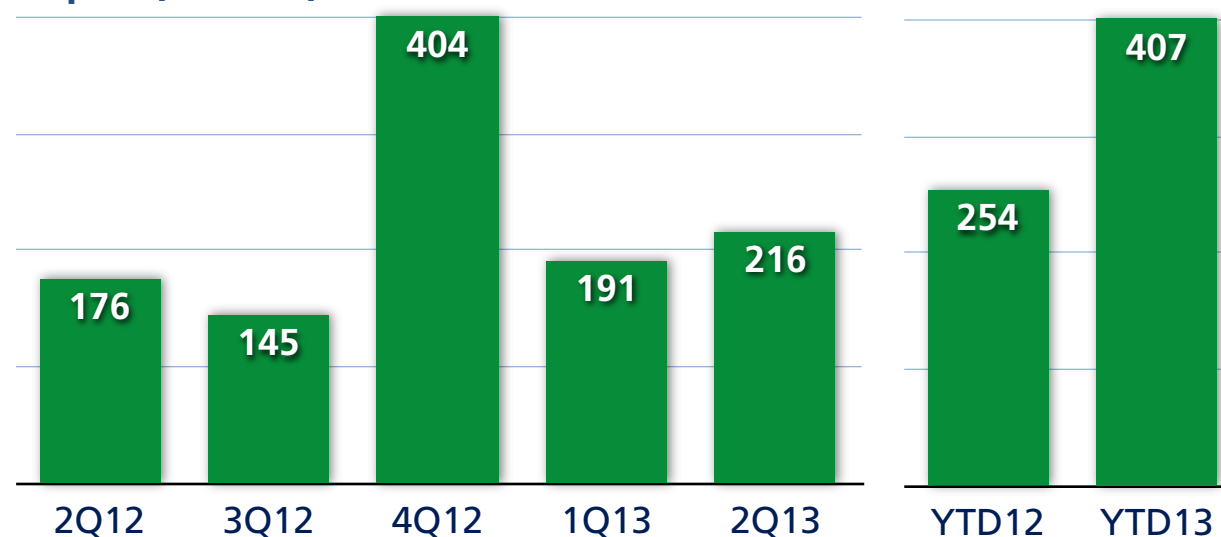
IPTV bundles is now on stronger footing following sales and installation fine tuning

INVESTING IN FUTURE DATA REVENUE

Maintained 4G LTE leadership



Capex (RM mn)



Maintained 4G LTE coverage footprint and device offerings leadership

4G LTE available in Klang Valley; extended coverage to Penang, Johor Bahru, Kota Kinabalu & Kuching

Expanded 4G LTE device offerings to include Samsung Galaxy S4 LTE, BlackBerry Q10, HTC One XL, Nokia Lumia 920 & HTC One

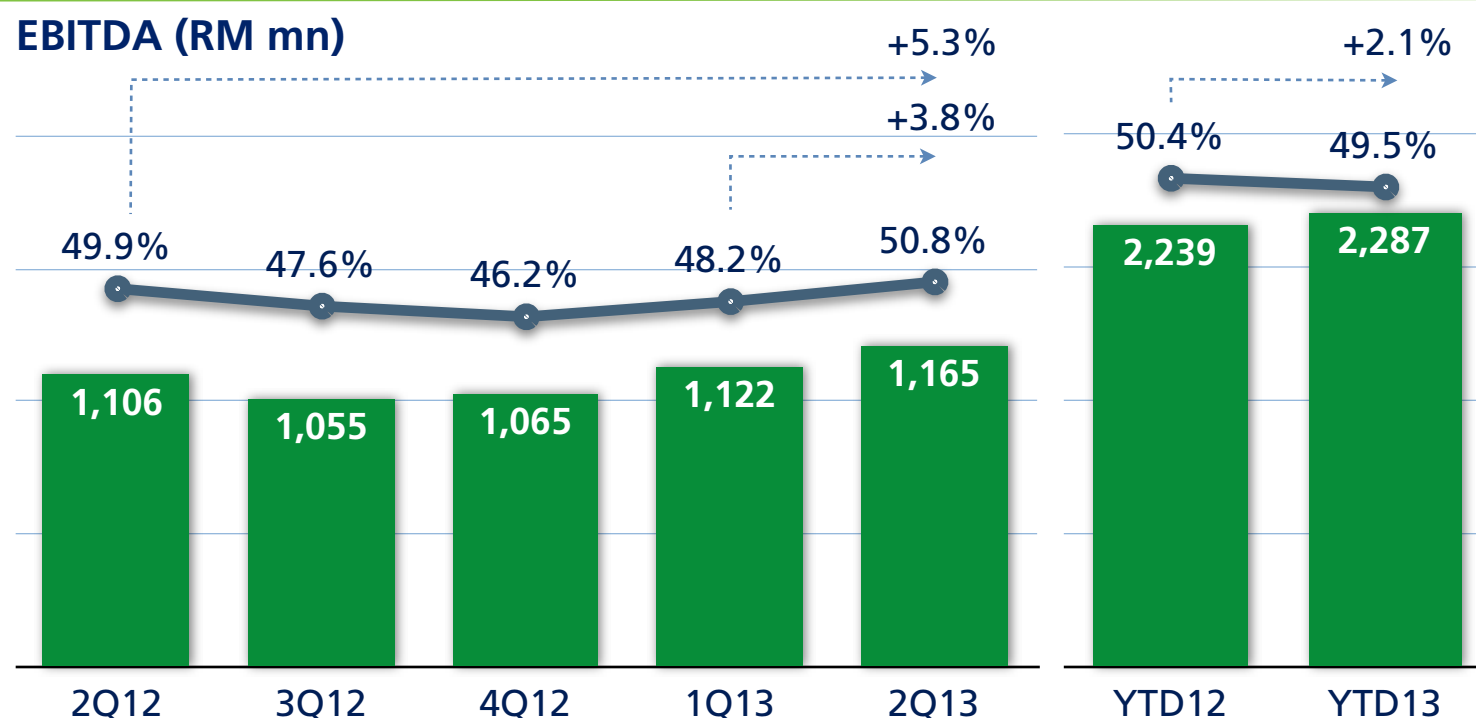
Accelerating 3G HSPA+ coverage; network modernisation ongoing

3G HSPA+ sites increased to almost 5,500 sites; of which more than 4,000 are capable of up to 42Mbps

Capex to accelerate in 2H 2013 as planned; supporting network and major IT initiatives

EBITDA

Positive uplift continues



1H13 EBITDA margin at 49.5%; reflecting positive results from continued cost discipline

QoQ higher EBITDA margin back above 50% on:

Lower sales and marketing spend; a result of targeted spend approach

Lower device-related expenses

COST COMPOSITION

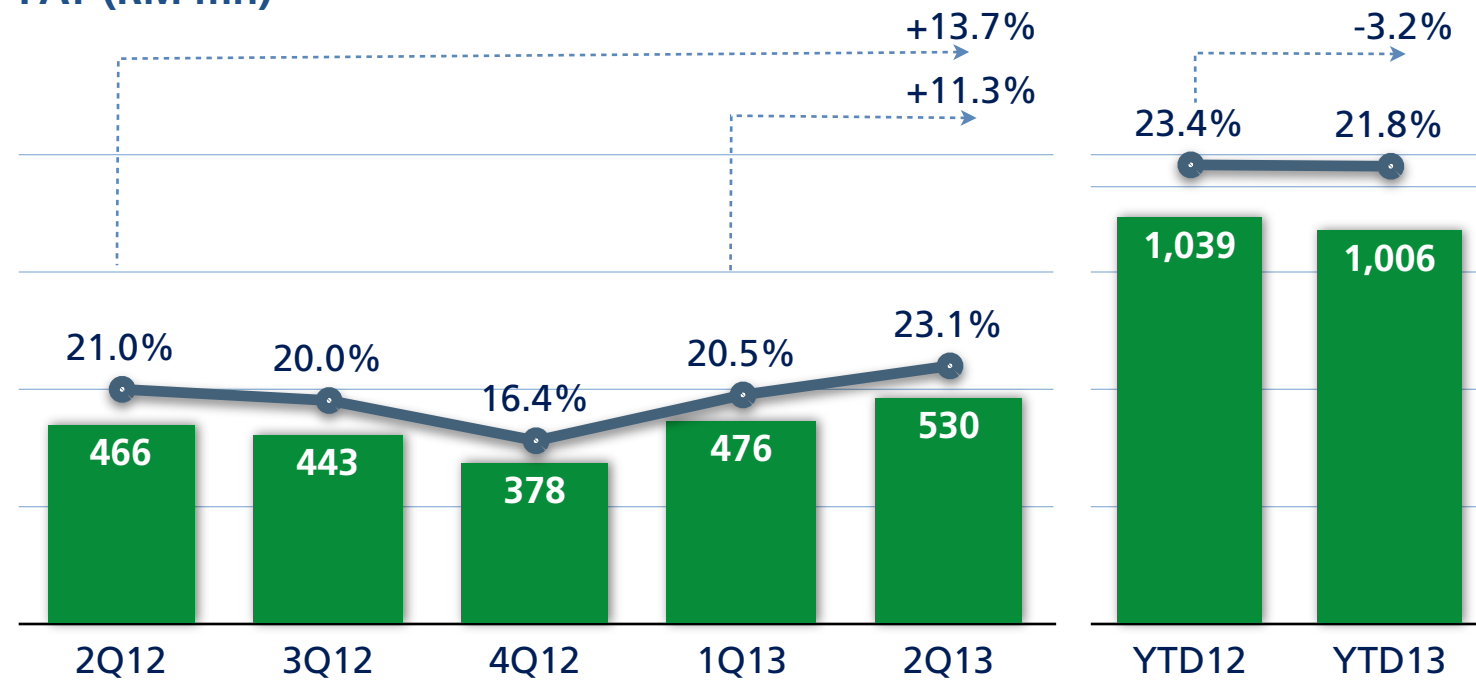
% of Revenue	2Q12	3Q12	4Q12	1Q13	2Q13	1H12	1H13
Direct Expenses	32.3%	33.5%	35.3%	34.4%	34.3%	32.6%	34.4%
Sales & Mktg	4.8%	4.3%	4.6%	3.9%	3.2%	4.1%	3.5%
Staff-Related Costs	5.3%	5.7%	5.6%	5.8%	4.8%	5.4%	5.3%
Bad Debts	1.0%	1.0%	0.4%	0.9%	0.7%	1.1%	0.8%
G&A and Others	6.7%	7.9%	7.9%	6.8%	6.2%	6.4%	6.5%
Total Expenses	50.1%	52.4%	53.8%	51.8%	49.2%	49.6%	50.5%
EBITDA Margin	49.9%	47.6%	46.2%	48.2%	50.8%	50.4%	49.5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

PAT

Up on higher EBITDA



PAT (RM mn)



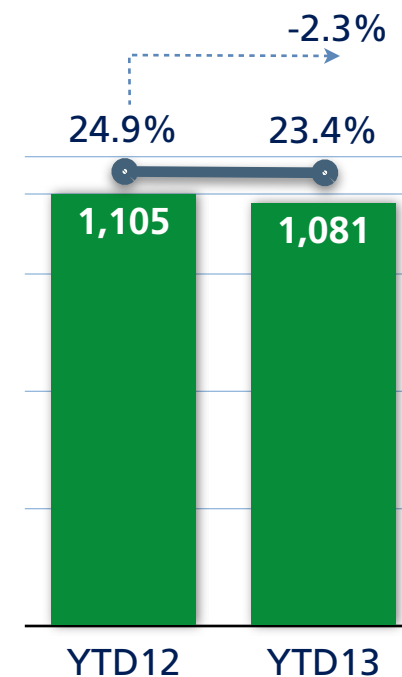
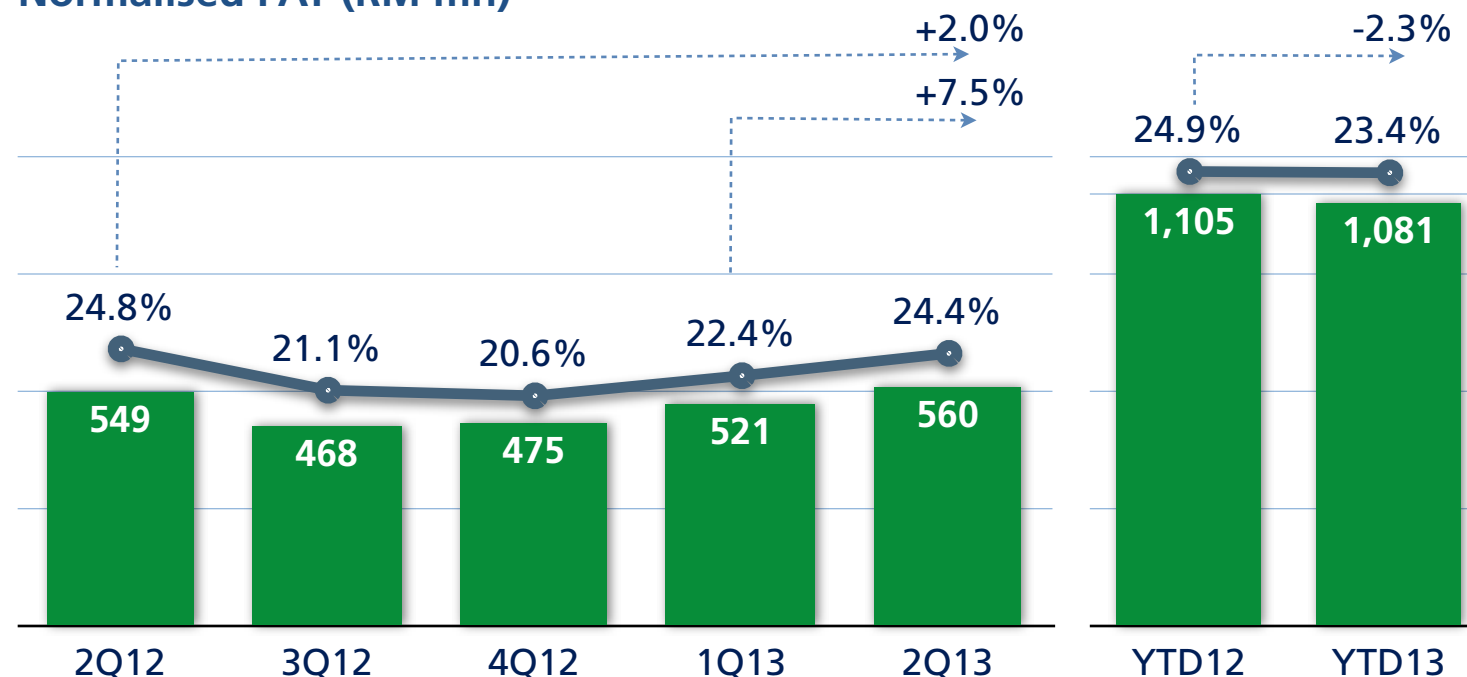
Higher QoQ PAT on the back of higher EBITDA

Normalised 1H13 PAT of RM1,081m; after accounting for:

Accelerated depreciation amounting to RM75m (net of tax)

Higher financing & amortisation costs

Normalised PAT (RM mn)



CASH FLOWS

Healthy cash flow



RM mn	4Q12	1Q13	2Q13	1H13	1H12
Cash flow from operating activities	860	727	1,189	1,916	1,543
Cash flow used in investing activities	(386)	(192)	(179)	(371)	(385)
Purchase of property, plant & equipment	(317)	(115)	(121)	(236)	(258)
Purchase of intangible assets	(69)	(77)	(58)	(135)	(127)
Cash flow before financing activities	474	535	1,010	1,545	1,158
Cash flow used in financing activities	(656)	(715)	(1,263)	(1,978)	(933)
Dividends paid	(600)	(600)	(1,200)	(1,800)	(1,800)
Debt drawdown	-	-	-	-	2,450
Debt repayment	-	-	(4)	(4)	(1,450)
Payment of finance costs	(56)	(115)	(60)	(175)	(128)
Others	-	-	1	1	(5)
Net change in cash	(182)	(180)	(253)	(433)	225
Opening Cash Balance	1,149	967	787	967	838
Closing Cash Balance	967	787	534	534	1,063

RM mn	1Q13	2Q13
Gearing Level		
Debt #	7,343	7,463
Cash	787	534
Net debt	6,556	6,929
Total equity	6,949	6,286

Ratios

Net debt to EBITDA *	1.46x	1.49x
Net debt to Equity	0.94x	1.10x

Incl. derivative financial instruments for hedging

* YTD13 annualised

Second interim dividend of RM600m (8 sen per share)

CONTINUING LEADERSHIP PROMISING FUTURE



**WE COULDN'T HAVE
WON AGAIN WITHOUT YOU.**

It's good to be the Best Communication Network for the fourth time in a row. It's even better to know that we're winning the trust and confidence of our customers. That, to us, is worth more than gold. Expect even more innovation in the coming year, from mobile internet and home services to business solutions and customer rewards.

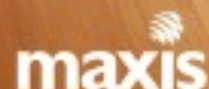
Putra Brand Awards, Best Communication Network:
2010 GOLD • 2011 GOLD • 2012 GOLD • 2013 GOLD

COMMITTED TO YOUR DREAM



PUTRA
BRAND AWARDS

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Steady 1H13 YoY growth driven by solid non-voice contribution

4.0% revenue growth; 2.1% service revenue growth
2.1% EBITDA improvement; 49.5% EBITDA margin
47.7% non-voice revenue

Continuous investment in future data

Expanding 4G LTE coverage footprint & device offerings
Accelerating 3G HSPA+ coverage
Network modernisation on track

Integrated strategy on track

Refined organisation structure
Take-up of smart devices remains strong

Continued focus on cash flow with commitment to progressive dividend policy

THANK YOU

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APPENDICES

Consolidated Income Statement



RM mn	1Q13	2Q13	QoQ chg	1H12	1H13	HoH chg
REVENUE	2,327	2,294	-1.4%	4,445	4,621	+4.0%
Direct Expenses	(801)	(787)		(1,450)	(1,588)	
Indirect Expenses	(404)	(342)		(756)	(746)	
Total Opex	(1,205)	(1,129)		(2,206)	(2,334)	
EBITDA	1,122	1,165	+3.8%	2,239	2,287	+2.1%
Margin	48.2%	50.8%		50.4%	49.5%	
Depreciation	(313)	(277)		(505)	(590)	
Amortisation	(57)	(63)		(79)	(120)	
Others	(7)	(9)		(123)	(16)	
EBIT	745	816		1,532	1,561	
Interest Expense	(88)	(88)		(161)	(176)	
Interest Income	9	7		26	16	
PBT	666	735		1,397	1,401	
Tax	(190)	(205)		(358)	(395)	
PAT	476	530	+11.3%	1,039	1,006	-3.2%
Margin	20.5%	23.1%		23.4%	21.8%	