

**MAXIS BERHAD**

**3Q 2012 RESULTS**  
**28 NOVEMBER 2012**



# 3Q12 RESULTS

## Initiatives gaining traction

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### Steady financial performance despite aggressive market initiatives

Revenue	+1.9% growth YTD YoY; +3.1% growth QoQ for prepaid revenue All core business segments grew QoQ
Non-voice	45.4% contribution YTD, an increase of 2.5% pts YoY
EBITDA	YTD EBITDA margin of 49.5%

### Market moves continued to gain traction this quarter

Prepaid	RGS* increased for 5 straight quarters
Postpaid	RGS* increased QoQ Launch of new bundled packages to further stimulate voice and text Retention plans bearing fruit WBB subs increased with "double quota" campaign
Home	Fibre subs grew; stronger share of netadds

### Continued commitment to dividends

Third interim dividend of 8 sen/share (RM600m)

# 3Q12 RESULTS



RM million

	2Q12	3Q12	Growth QoQ	YTD11	YTD12	Growth YoY
Revenue	2,216	2,216	0.0%	6,535	6,661	+1.9%
EBITDA	1,106	1,055	-4.6%	3,319	3,294	-0.8%
EBITDA Margin	49.9%	47.6%	-2.3pp	50.8%	49.5%	-1.3pp
PAT	466	443	-4.9%	1,630	1,482	-9.1%
PAT Margin	21.0%	20.0%	-1.0pp	24.9%	22.2%	-2.7pp

EBITDA margin impacted by higher device sales

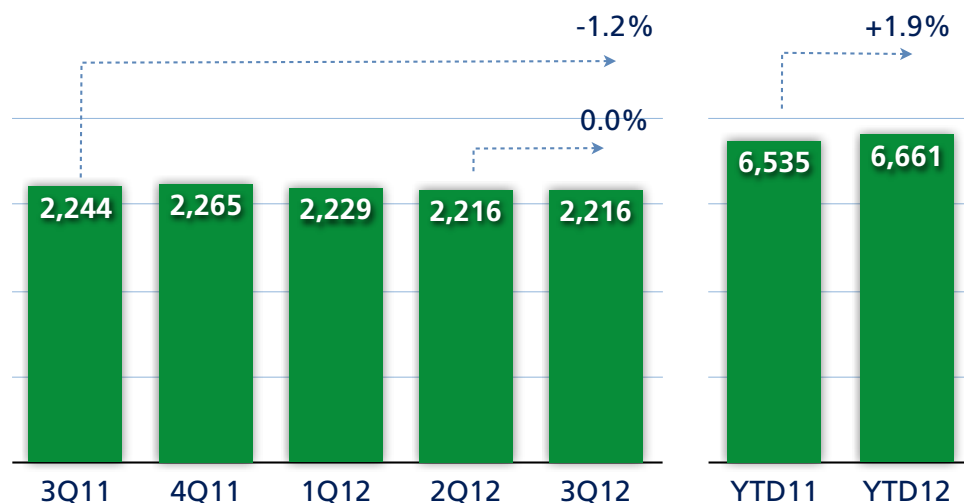
PAT affected by accelerated depreciation for network modernisation

# REVENUE

Topline sustained despite aggressive market moves



Revenue (RM mn)



Steady topline

1.9% growth YTD YoY

QoQ growth across all core business segments

Voice stimulation initiatives beginning to show results

Non-voice revenue remained prime driver of growth

Revenue contribution from U Mobile collaboration commenced

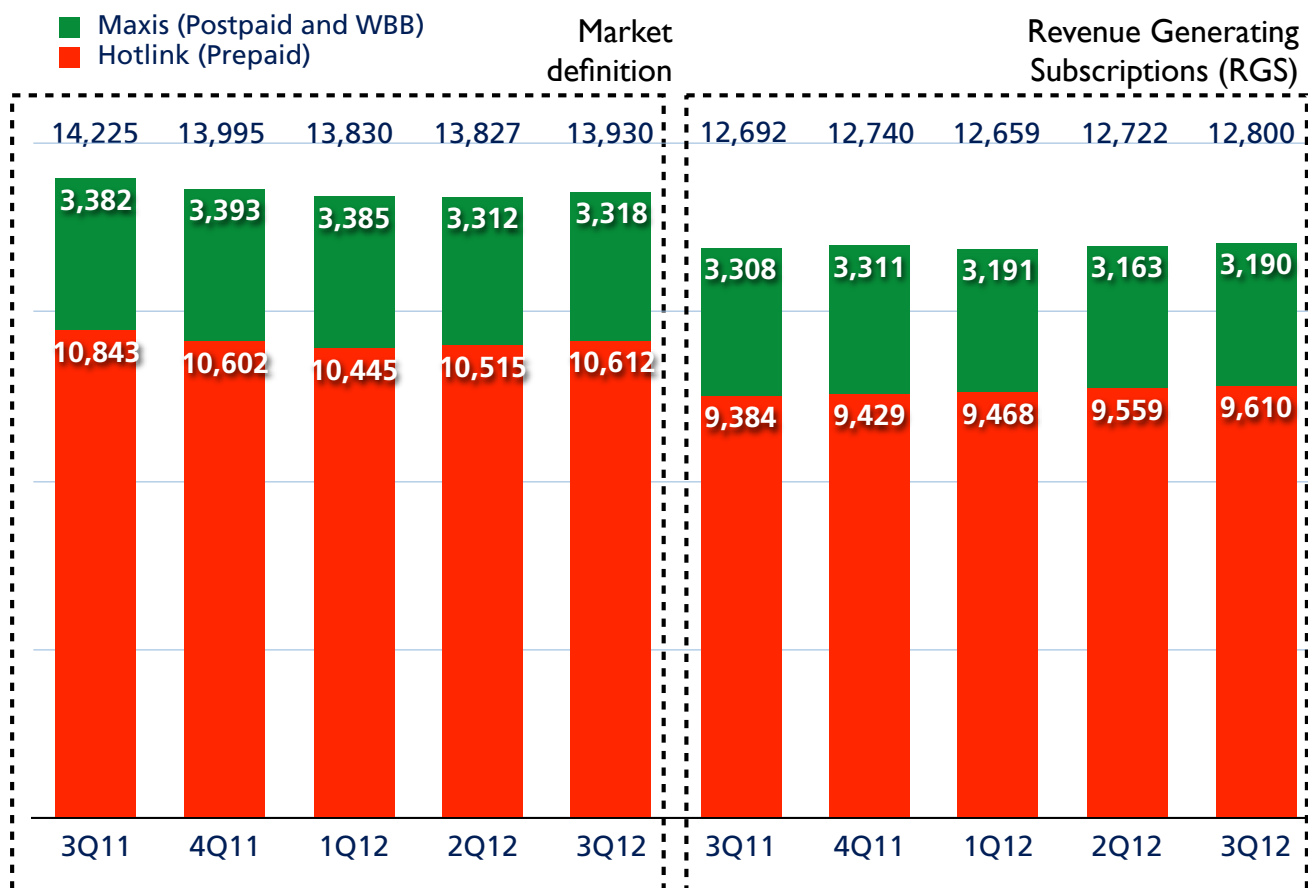
RM mn	3Q11	4Q11	1Q12	2Q12	3Q12	Growth QoQ
Mobile	2,163	2,170	2,133	2,101	2,120	0.9%
Fixed	44	46	45	50	53	6.0%
Home	4	4	5	6	9	50.0%
International Gateway	33	45	46	59	34	-42.4%
<b>Revenue</b>	<b>2,244</b>	<b>2,265</b>	<b>2,229</b>	<b>2,216</b>	<b>2,216</b>	<b>0.0%</b>

# MOBILE SUBSCRIPTIONS

## Growing quality



### Mobile Subscriptions ('000)



**WBB Definition:** WBB now includes Home Wireless Internet (Fixed Wireless Broadband "FWBB"); subscription numbers restated for previous quarters

Prepaid RGS steadily growing over 5 quarters

Postpaid rejuvenation and retention plans gaining ground; Highest growth in postpaid RGS since 4Q11

# ARPU & MOU

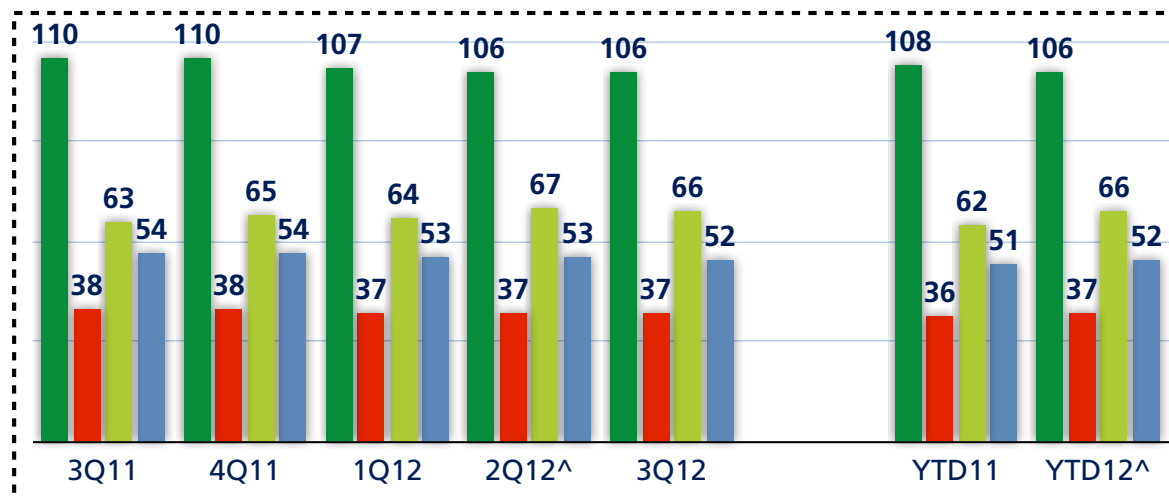
## ARPU holding firm



### ARPU (RM/month)

■ Postpaid ■ Prepaid ■ WBB ■ Blended

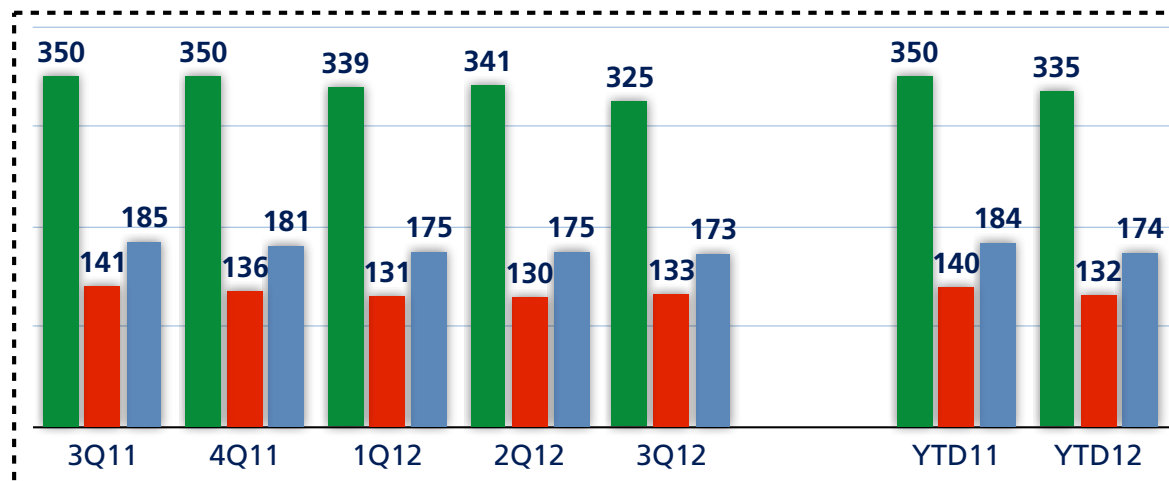
RGS



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

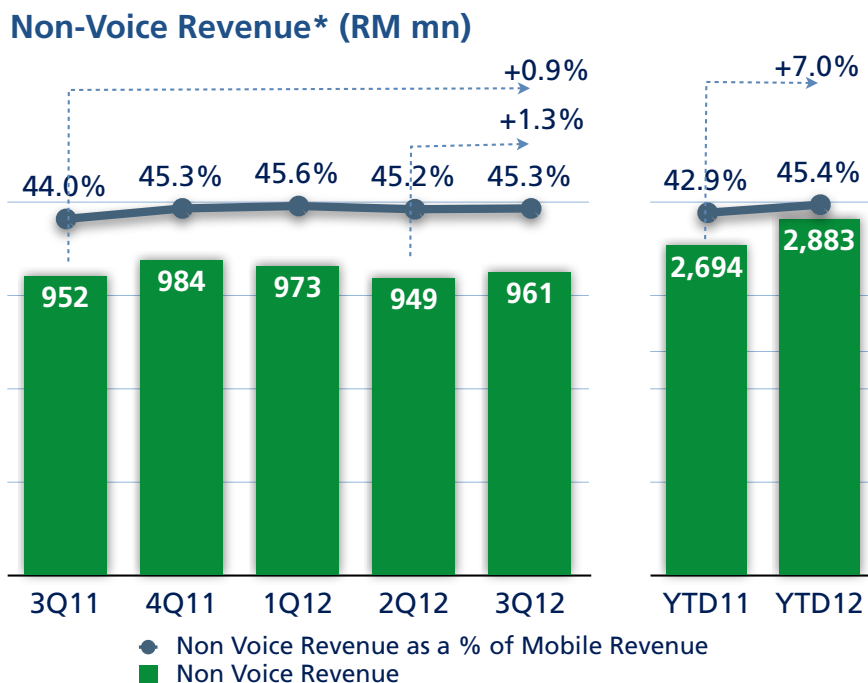
Steady ARPUs QoQ despite aggressive price initiatives and severe competitive pressures at low end

### Minutes of Usage



# NON-VOICE REVENUE

## Driving overall revenue growth



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

Data initiatives continue to prop overall revenue

YTD YoY growth of 7.0% on back of growth in mobile internet and WBB

3Q12 non-voice contribution 45.3% of mobile revenue, of which

Mobile internet / VAS	19.8%
SMS	16.7%
WBB	6.1%
Devices	2.7%

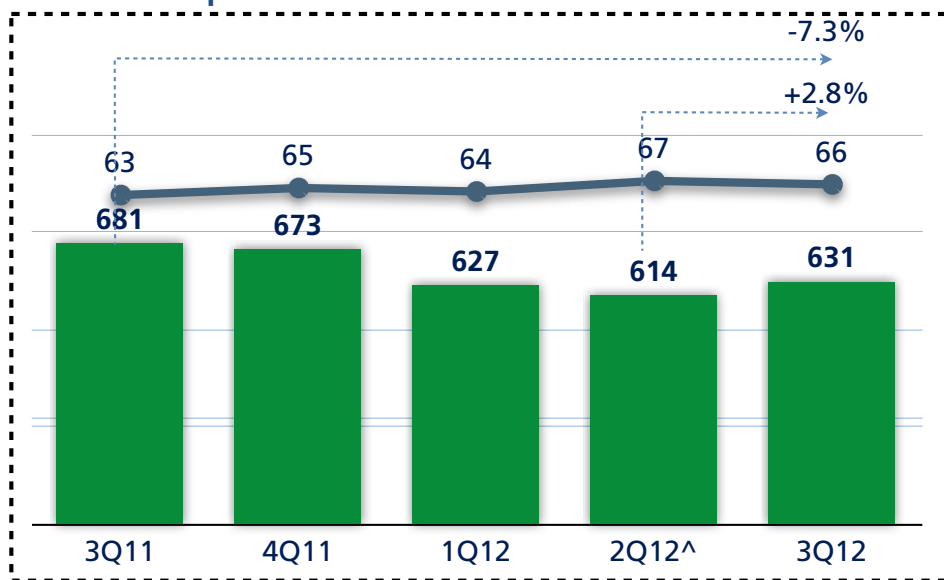
Internet & data services (non-SMS) continued to dominate; contributed 63% of 3Q12 non-voice revenue

# WIRELESS BROADBAND

## Promotional plans underpin growth



WBB Subscriptions & ARPU RGS



● WBB ARPU (RM) ■ WBB Subs ('000s)

^ Normalised WBB ARPU as Reported WBB ARPU included one-off adjustments

WBB subscriptions include subscriptions on postpaid data plans using USB, WiFi and FWBB modems and tablets

WBB Revenue (RM mn)



Growth in WBB subscriptions driven by Home Wireless Internet (FWBB)

39k subs as at end 3Q12, increase of 50% since end 2Q12

"Double quota" plans leveraging off-peak capacity

Refreshed WBB propositions launched on 29 October

Better value for money and convenience; widest choice of modems

WBB revenue impacted by one-off revenue adjustment of RM14m in 2Q12



# HOME UPDATE

Solid momentum,  
'Home' IPTV bundles to be launched in 4Q12



MAXIS FIBRE INTERNET™  
**WHY SETTLE  
FOR LESS?**

**10**

**Mbps**

**FROM RM148/MONTH**

LIMITED  
TIME  
OFFER

**20 Mbps**

FROM  
RM198/MONTH

**30 Mbps**

FROM  
RM248/MONTH

- Unlimited quota
- Free installation
- Free allocated minutes

**DOUBLE THE SPEED. DOUBLE THE VALUE.**

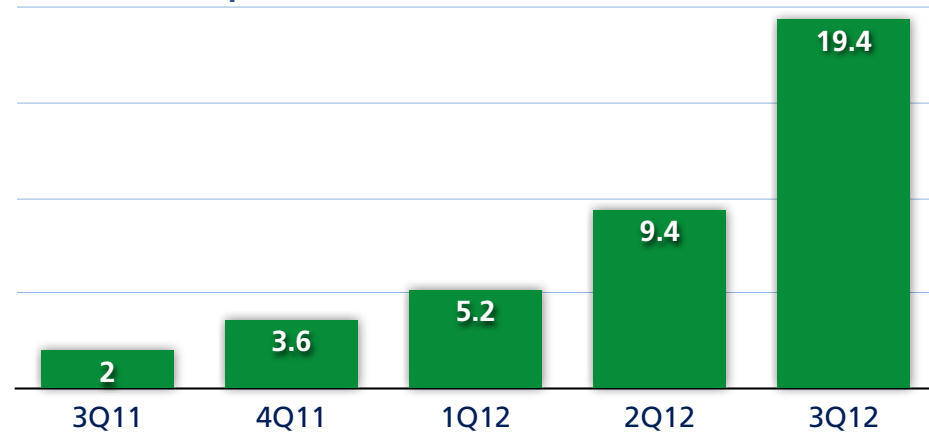
When it comes to internet speed, we believe no one should settle for less. That's why our new fibre internet plans offer amazing speeds at affordable prices. Now everyone can live life in the super fast lane. For faster fibre internet plans, sign up today at your nearest Maxis centre or visit [maxis.com.my/home](http://maxis.com.my/home) for more information.

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Home Subscriptions ('000)



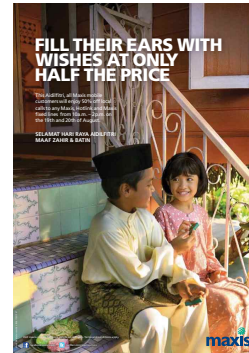
Solid momentum for Home Fibre Internet continued as a result of promotional plans

**19.4k homes connected as at 3Q12, subscriber base more than doubled since end 2Q12**

Even faster packages at 20 Mbps and 30 Mbps launched on 19 October

IPTV and fibre bundles with Astro to be launched on Maxis' own fibre footprint by end 4Q12

# INITIATIVES



New plans and promotions

Peace of mind

# ALL-ROUND MARKET MOVES

## Gaining traction



**MAXIS BRINGS YOU THE NEW SAMSUNG GALAXY NOTE 10.1 FOR ONLY RM699**

**EXCLUSIVELY FOR MAXIS ONE CLUB MEMBERS**

**ADVANCE PAYMENT WAIVED\***  
Offer valid till 30 Sept'12

Samsung Galaxy Note 10.1  
RRP: RM2,199

• CALL 1800 82 1123 • LOG ON TO MAXIS.COM.MY  
• VISIT YOUR NEAREST MAXIS OUTLET TODAY

The new Samsung Galaxy Note 10.1 is perfect for business and family. Its Multiscreen feature lets you watch and write or surf and draw at the same time. You can even make calls or SMS too.

As a Maxis One Club member, this privilege is yours when you sign up with Malaysia's fastest and widest network for just RM128/month (complete with 6GB data and RM30 talktime). Also available at RM999 for RM98/month (3GB data and RM30 talktime).

A new Value First 30 postpaid line and a specified data plan on 24 months contract are required for this privilege. One tablet per member. While stocks last. Other terms and conditions apply.  
\*If you have been with us for more than a year, you may also be eligible.

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Download **LOKER**, the new Maxis cloud storage app and enjoy **FREE** storage space with every purchase of a Samsung Galaxy Note.  
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Low device price, low monthly commitment, more data
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Enjoy faster browsing with our fastest and widest network

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1H12 initiatives increased retention and corrected yields

IDD132, New Hotlink Plan plus tailored plans for East Malaysia, "peace of mind" roaming plans, rejuvenated Maxis One Club smartphone offers

3Q12 initiatives targeted larger postpaid base

New competitive tariff plans for voice and text, "double quota" plans for WBB, regional prepaid plan for East Coast

Market initiatives bearing fruit

+3.1% QoQ growth in prepaid revenues

Prepaid RGS on upward trend for 5 straight quarters

Increase in postpaid RGS with highest growth since 4Q11

Take-up of smartphones remains strong

Solid momentum for Home with stronger share of net adds



# LEADING NETWORK INFRASTRUCTURE



**GET YOUR BUSINESS UP TO SPEED WITH MALAYSIA'S FASTEST FIBRE INTERNET**

Maxis Business Fibre Internet offers the fastest speed in the country – 32Mbps. The benefits of subscribing to such a cost-effective service not only boosts productivity, it enables businesses to reach its full potential through our comprehensive suite of fibre-based solutions. Ready to move forward? Call us.

**MAXIS BUSINESS FIBRE INTERNET DYNAMIC IP PLAN**

Data speed	4Mbps	8Mbps	16Mbps	32Mbps
Price/month	RM168	RM208	RM308	RM488

**MORE TO ENJOY WITH OUR DYNAMIC IP PLAN**

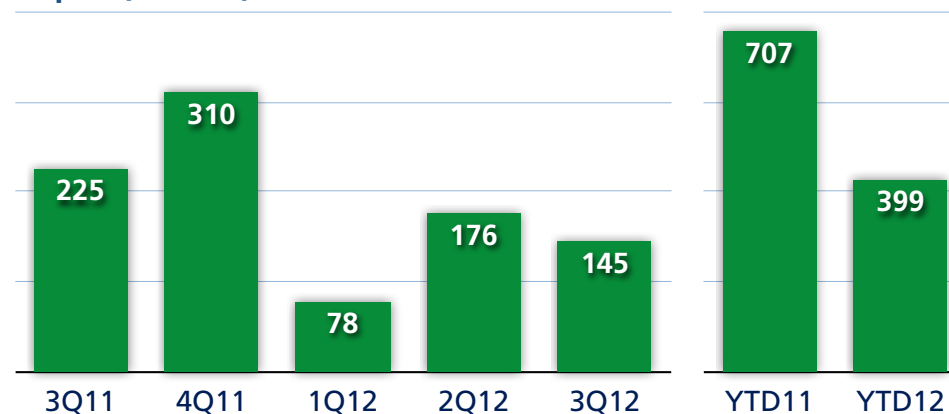
- Free calls within your company (fixed to mobile and vice versa)
- Free devices worth up to RM549

For more details on Maxis Business Fibre Internet and our other end-to-end business solutions, call us at 1800 82 1919 or visit [maxis.com.my/business](http://maxis.com.my/business)

**BUSINESS SOLUTIONS**  
MADE FOR YOU

**maxis**

Capex (RM mn)



## Network modernisation ongoing

Ready for LTE launch

Lowers overall operational costs and simplifies network architecture across 2G, 3G and LTE

Prudent approach adopted

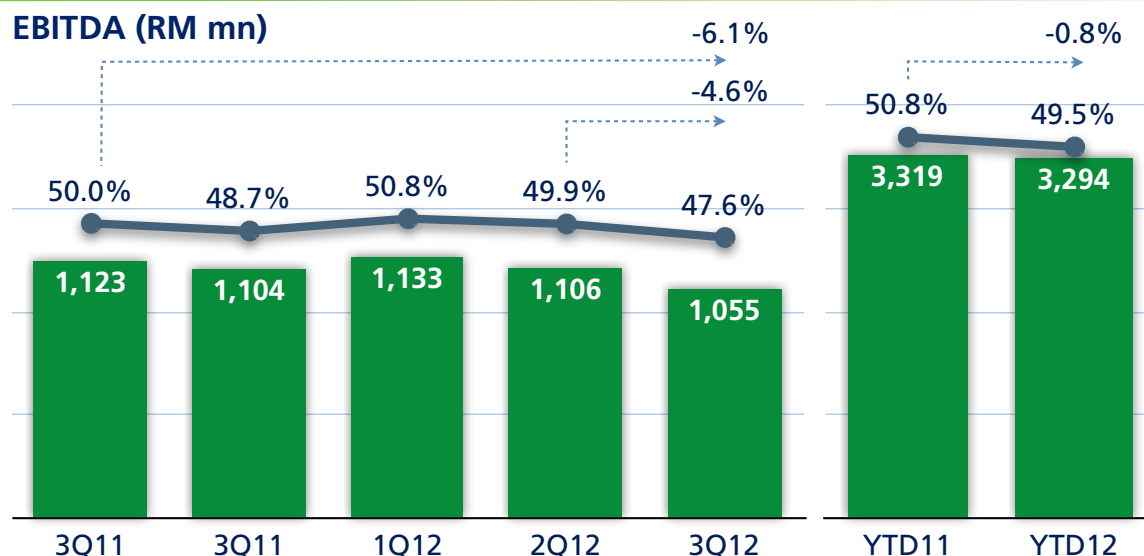
## Monetising network investment

Revenue contribution from 2G domestic roaming with U Mobile commenced

3G RAN sharing with U Mobile launched in early October

Capex to accelerate in 4Q12; overall 2012 capex expected to be below guidance

# EBITDA



YTD EBITDA margin of 49.5% despite strong competition and aggressive market initiatives

3Q12 EBITDA impacted by higher device expenses

## COST STRUCTURE

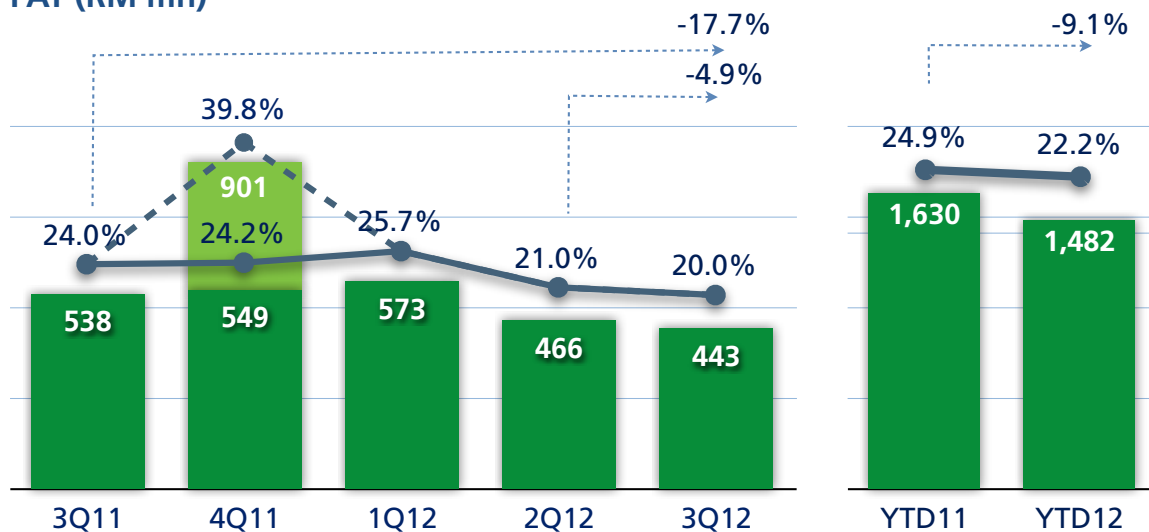
% of Revenue	3Q11	4Q11	1Q12	2Q12	3Q12
Direct Expenses	31.5%	31.7%	32.9%	32.3%	33.5%
Sales & Marketing	4.6%	5.0%	3.5%	4.8%	4.3%
Staff-Related Costs	5.1%	5.2%	5.5%	5.3%	5.7%
Bad Debts	1.2%	1.6%	1.2%	1.0%	1.0%
G&A and Others	7.6%	7.8%	6.1%	6.7%	7.9%
<b>Total Expenses</b>	<b>50.0%</b>	<b>51.3%</b>	<b>49.2%</b>	<b>50.1%</b>	<b>52.4%</b>
<b>EBITDA Margin</b>	<b>50.0%</b>	<b>48.7%</b>	<b>50.8%</b>	<b>49.9%</b>	<b>47.6%</b>
	100.0%	100.0%	100.0%	100.0%	100.0%

# PAT

## Steady profits despite market moves



PAT (RM mn)



3Q12 PAT impacted by accelerated depreciation of RM35m

Estimated accelerated depreciation as follows:

4Q12 RM89m  
(Total of RM124m for 2012)  
2013 RM55m

Network modernisation ongoing on a prudent basis; Accelerated depreciation beyond 2013 will be dependent on future modernisation plan

# CASH FLOWS



RM mn	1Q12	2Q12	3Q12	YTD12
Cash flow from operating activities	788	755	1,018	2,561
Cash flow used in investing activities	(132)	(253)	(219)	(604)
Purchase of property, plant & equipment	(77)	(181)	(143)	(401)
Purchase of intangible assets	(55)	(72)	(76)	(203)
Cash flow before financing activities	656	502	799	1,957
Cash flow used in financing activities	322	(1,255)	(713)	(1,646)
Dividends paid	(600)	(1,200)	(600)	(2,400)
Debt drawdown	2,450	-	-	2,450
Debt repayment	(1,450)	-	-	(1,450)
Payment of finance costs	(75)	(53)	(115)	(243)
Others	(3)	(2)	2	(3)
<b>Net change in cash</b>	<b>978</b>	<b>(753)</b>	<b>86</b>	<b>311</b>
Opening Cash Balance	838	1,816	1,063	838
<b>Closing Cash Balance</b>	<b>1,816</b>	<b>1,063</b>	<b>1,149</b>	<b>1,149</b>

RM mn		2Q12	3Q12
Gearing Level			
Debt #		7,341	7,238
Cash		1,063	1,149
Net debt		6,278	6,089
Total equity		7,327	7,246

## Ratios

Net debt to EBITDA *	1.40x	1.39x
Net debt to Equity	0.86x	0.84x

# Incl. derivative financial instruments for hedging

\* YTD12 annualised

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

# SUMMARY



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Initiatives gaining traction in Prepaid, Postpaid and Home segments

YTD12 revenue up 1.9%, non-voice 45.4% of YTD mobile revenues, YTD EBITDA margin of 49.5% despite strong competition and aggressive market initiatives

Ready for LTE launch, network modernisation ongoing on a prudent basis

Monetising network investment, revenue contribution from 2G domestic roaming with U Mobile commenced, 3G RAN sharing launched in October

IPTV and Fibre bundles with Astro to be launched on Maxis' own fibre footprint by end 4Q12

Continued focus on cash flows with commitment to dividends



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# **APPENDIX**

# Consolidated Income Statement



RM mn	2Q12	3Q12	QoQ chg	YTD11	YTD12	YoY chg
<b>REVENUE</b>	<b>2,216</b>	<b>2,216</b>	<b>0.0%</b>	<b>6,535</b>	<b>6,661</b>	<b>+1.9%</b>
Direct Expenses	(716)	(743)		(2,046)	(2,193)	
Indirect Expenses	(394)	(418)		(1,170)	(1,174)	
Total Opex	(1,110)	(1,161)		(3,216)	(3,367)	
<b>EBITDA</b>	<b>1,106</b>	<b>1,055</b>	<b>-4.6%</b>	<b>3,319</b>	<b>3,294</b>	<b>-0.8%</b>
Margin	49.9%	47.6%		50.8%	49.5%	
Depreciation	(247)	(287)		(761)	(792)	
Amortisation	(42)	(54)		(104)	(133)	
Others	(123)	(6)		(17)	(129)	
<b>EBIT</b>	<b>694</b>	<b>708</b>		<b>2,437</b>	<b>2,240</b>	
Interest Expense	(79)	(90)		(223)	(251)	
Interest Income	15	14		30	40	
<b>PBT</b>	<b>630</b>	<b>632</b>		<b>2,244</b>	<b>2,029</b>	
Tax	(164)	(189)		(614)	(547)	
<b>PAT</b>	<b>466</b>	<b>443</b>	<b>-4.9%</b>	<b>1,630</b>	<b>1,482</b>	<b>-9.1%</b>
Margin	21.0%	20.0%		24.9%	22.2%	