



Results 4Q 2014 / 6 February 2015



Ending FY2014 with positive operational momentum

STRONG CUSTOMER TRACTION +559k RGS* QoQ

- Strong product portfolio;
#Hotlink and MaxisONEPlan
- Worry free propositions
- Distribution/retail network
transformation

SERVICE REVENUE STRENGTHENS

+2.2% QoQ

- +1.5% prepaid revenue
- +2.4% postpaid revenue
- +8.4% MI revenue

DIVIDEND UPHELD

- 8 sen/share 4th interim
- 8 sen/share proposed final

TRANSFORMING INTO A DIGITAL DATA COMPANY

8.8 million

MOBILE INTERNET USERS

1.24 million

LTE DEVICES

57%

SMART-PHONE PENETRATION

>75%

2G & 3G MODERNISED
POPULATION COVERAGE

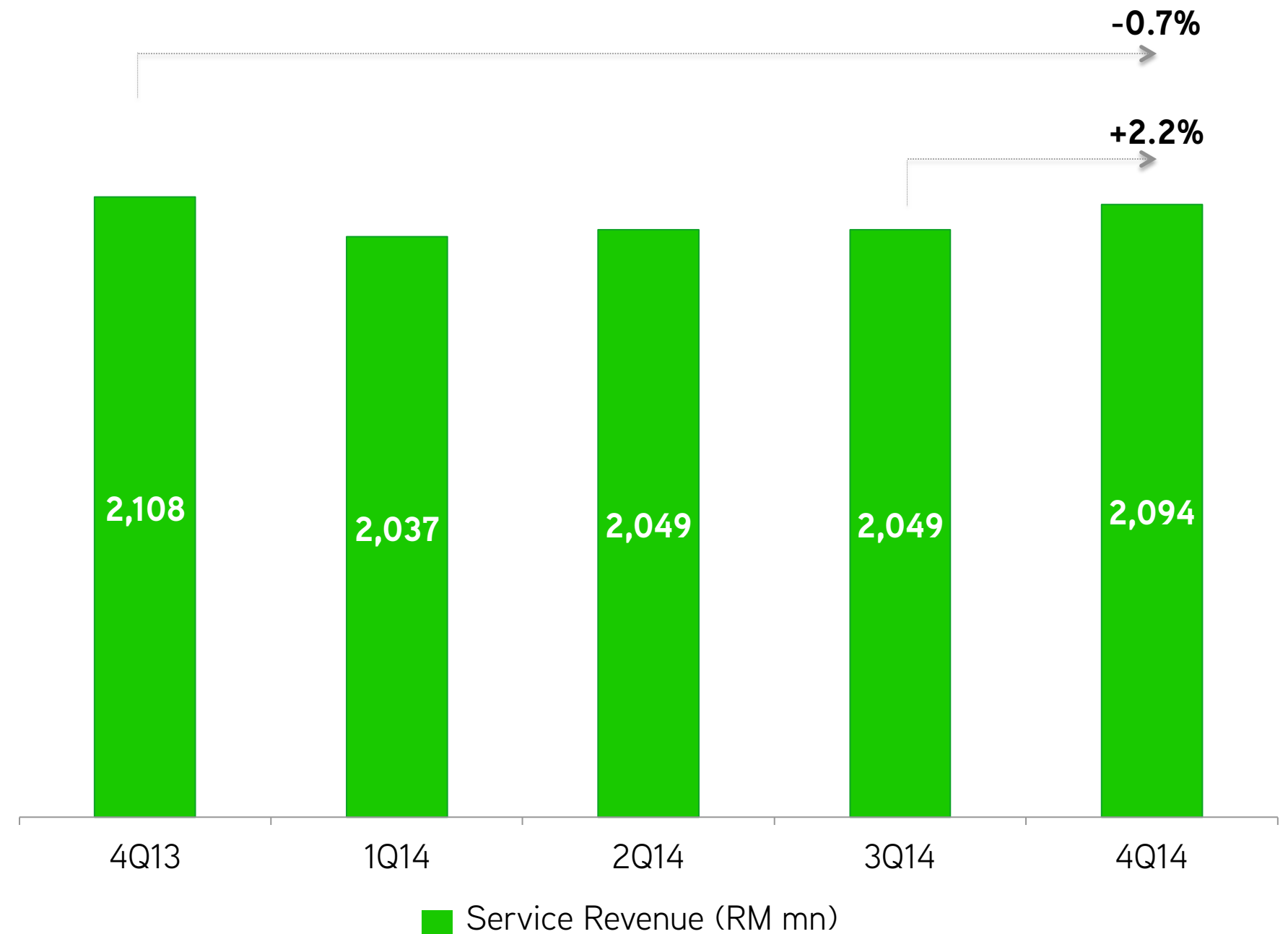
33%

LTE POP COVERAGE



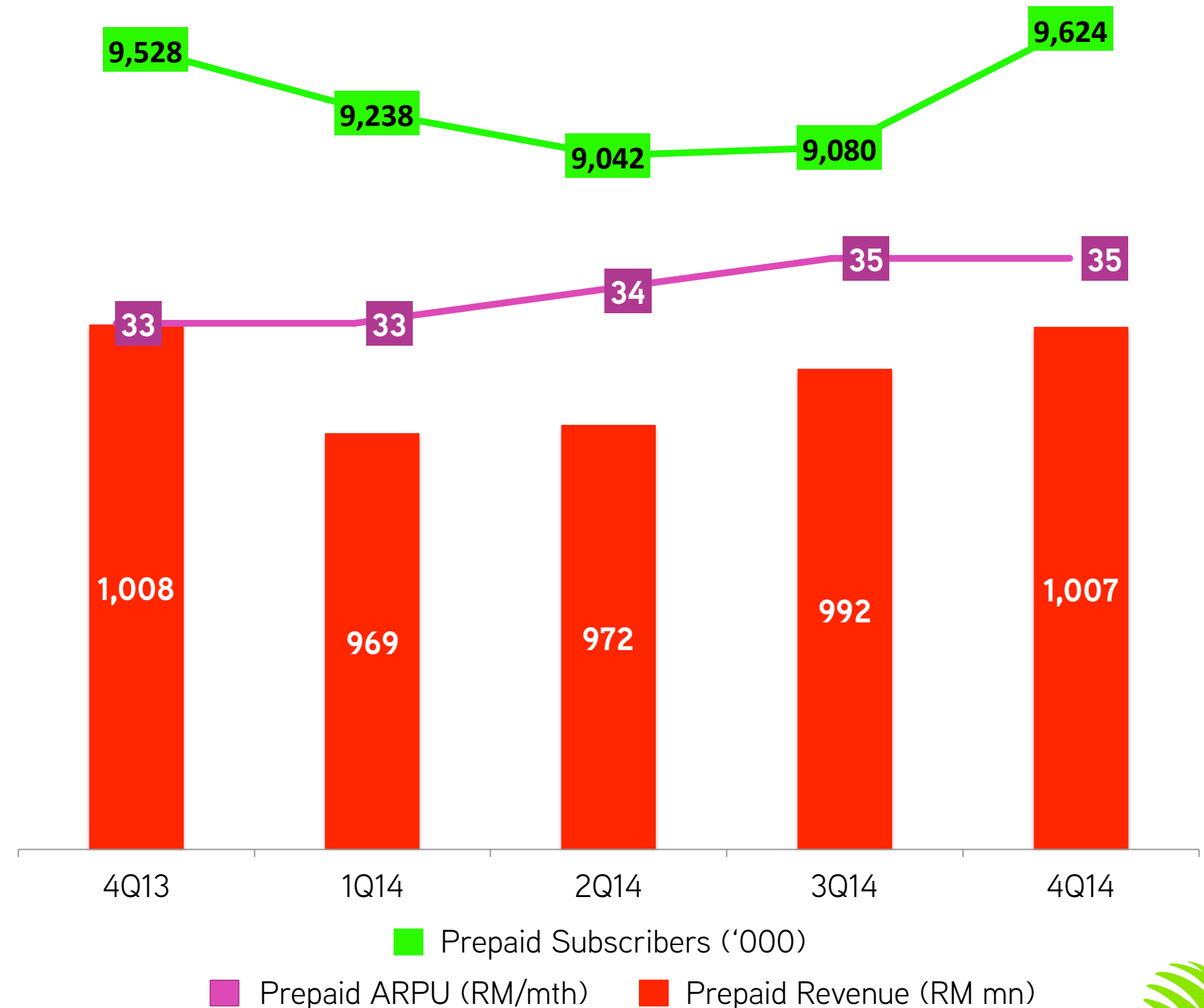
Solid end to the year

- Positive revenue impact from prepaid RGS growth and MaxisONE Plan
- Mobile internet revenue +8.4% QoQ
- Bundled plans mitigating voice/SMS decline
- Fixed Enterprise and Integrated Services (formerly Home) growing at steady pace



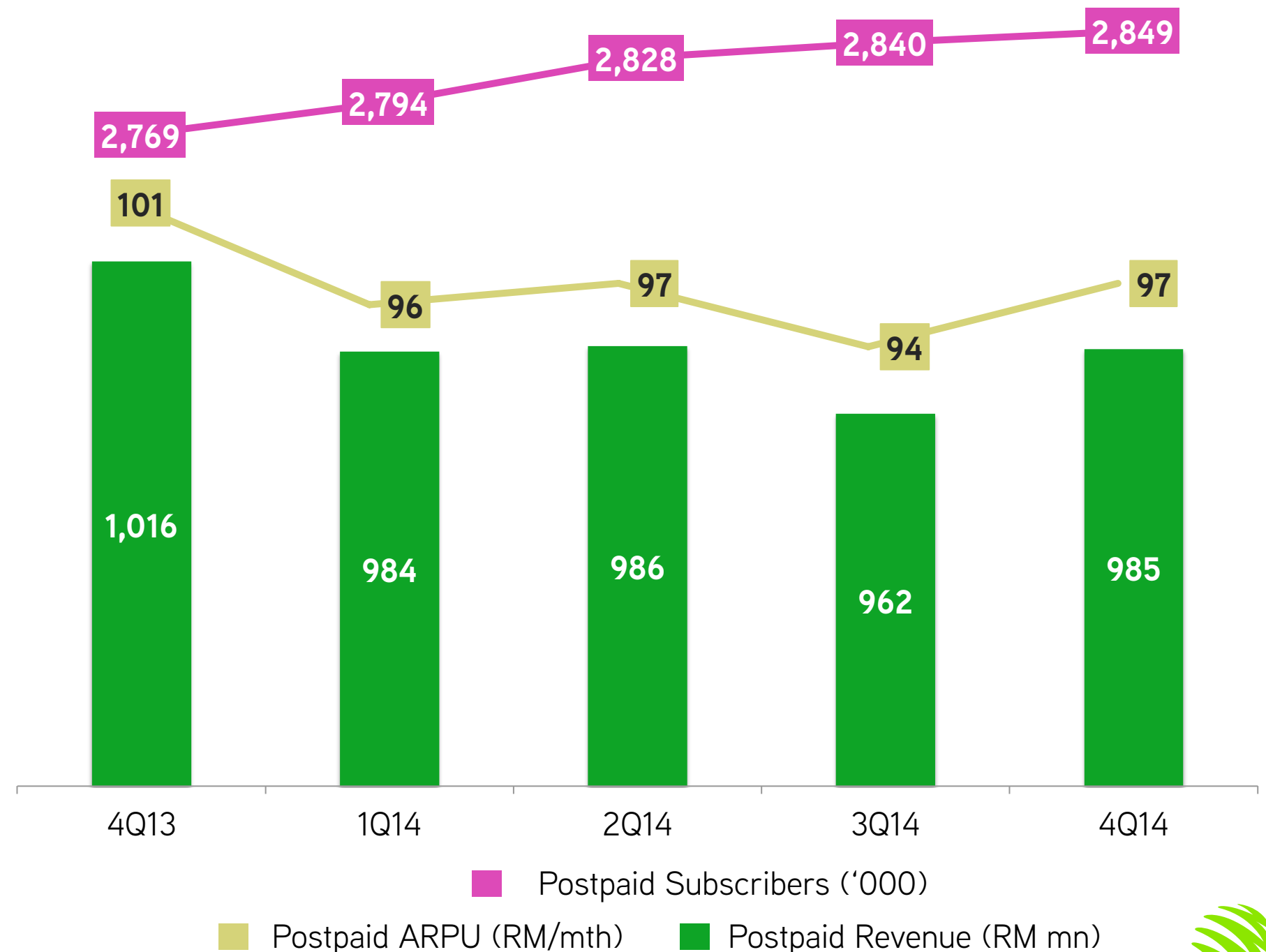
3rd consecutive quarter of prepaid revenue uptrend supported by RGS growth and stable ARPU

- Added 536k revenue generating subscribers (RGS)
 - #Hotlink now >50% of RGS base
 - Under-served segments gaining traction
- Strong MI uptake compensating SMS decline
 - MI now at 25% of prepaid revenue base (2013: 19%)
- Overall usage up on favourable seasonality



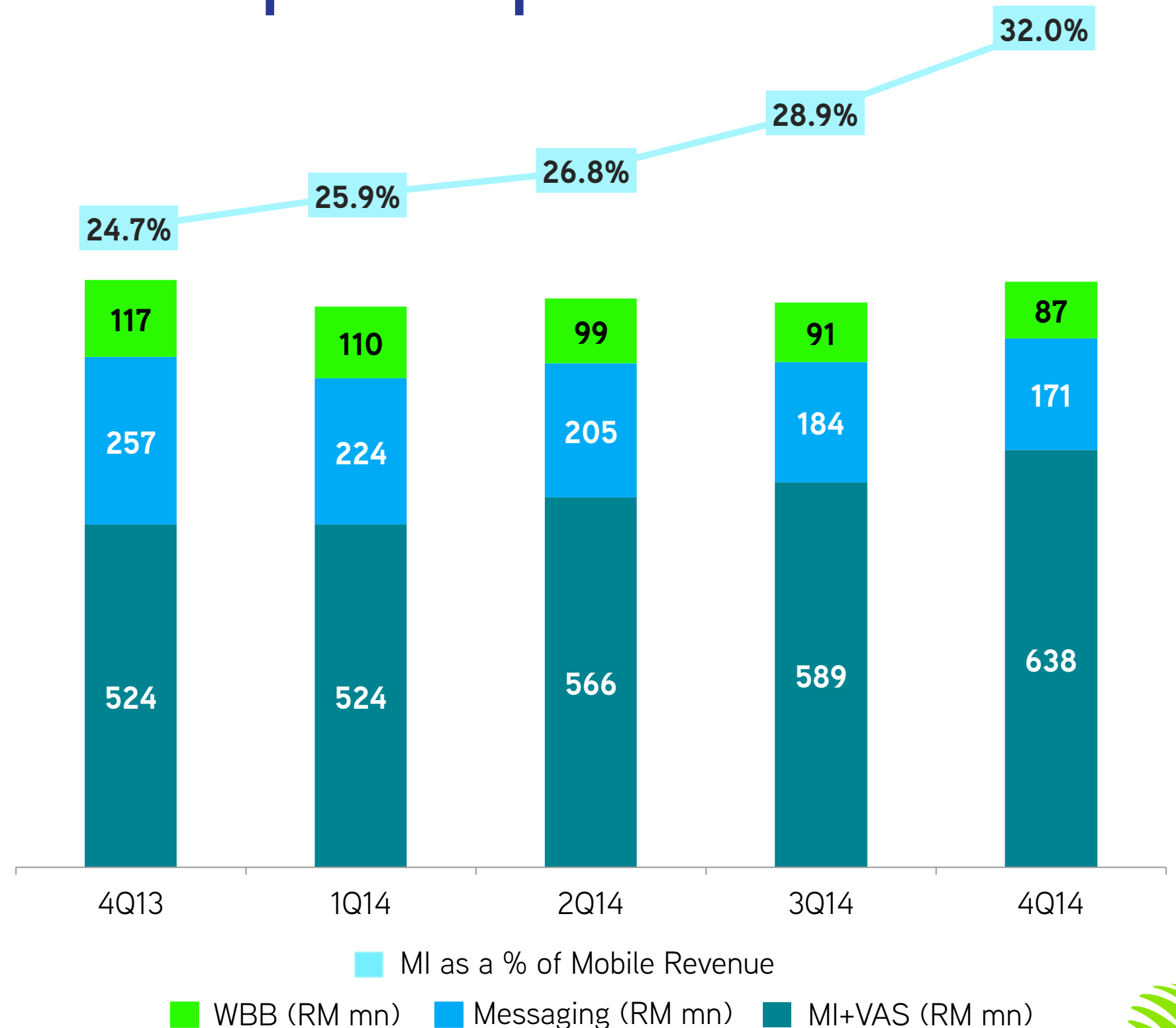
MaxisONE Plan and seasonality contributing to postpaid improvement

- MaxisONE Plan continued to have strong subscriber traction and good ARPU contribution
 - Subscriber base >250k
 - ARPU ~RM150
- Data penetration and usage rising
 - MI revenue +7.4% QoQ; despite RM16 million pay-per-use data re-pricing impact
 - Data consumption/user reached 1.3G this quarter
- Roaming revenue up on favourable seasonality



Mobile internet revenue accelerating on worry free propositions and higher smart-phone penetration

- Mobile internet share of mobile revenue at 32%; 8.8 million mobile internet users
- Blended smart-phone penetration at 57%; up 3% points QoQ; driven by strong prepaid up-take
 - Postpaid @ 67%
 - Prepaid @ 54%
- Messaging & WBB continued to decline in-line with industry trend



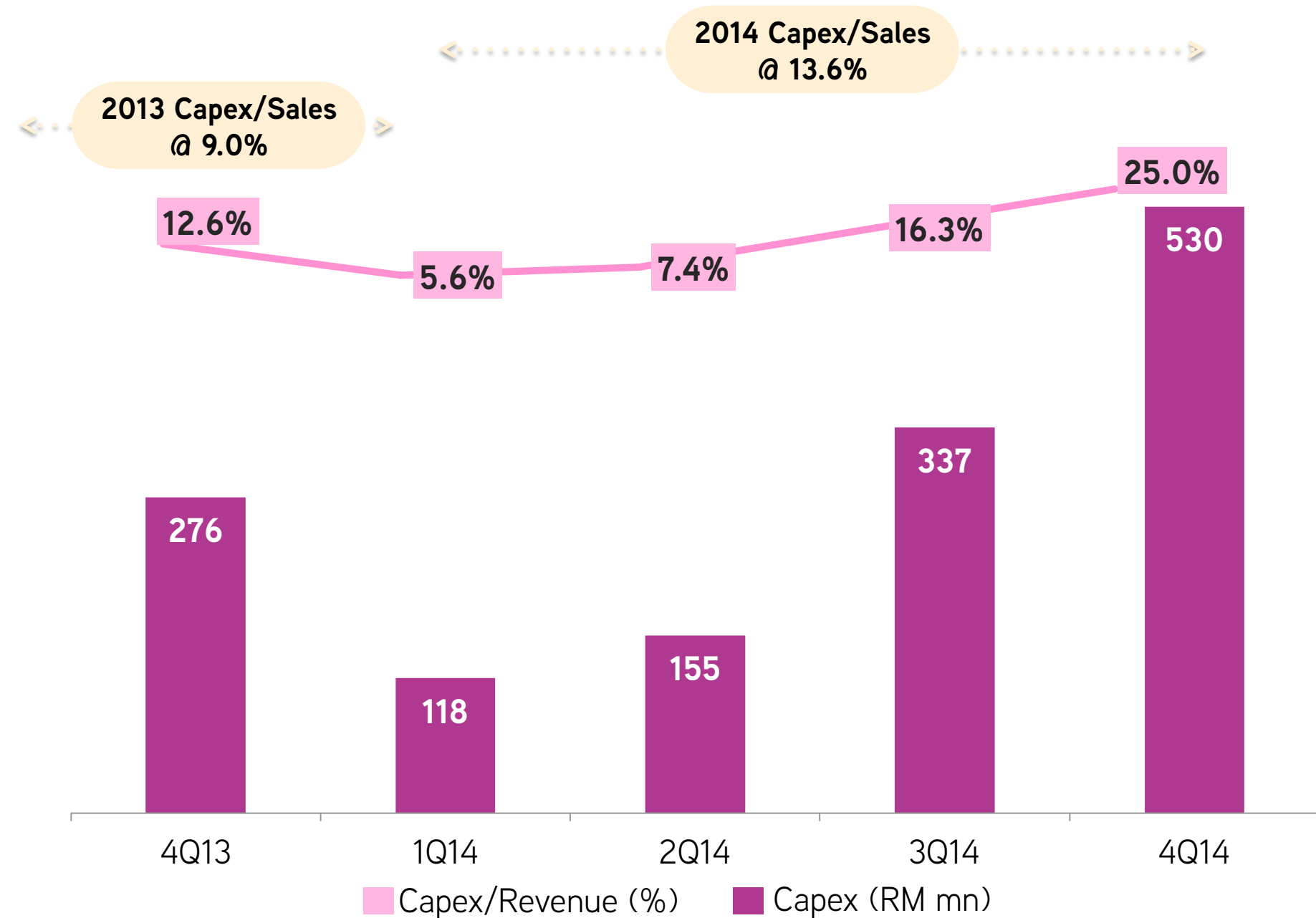
Continued strong focus on unmatched customer experience

- 1 Distribution transformation
- 2 Seamless retail experience
- 3 Self serve
- 4 Continuous service experience enhancement



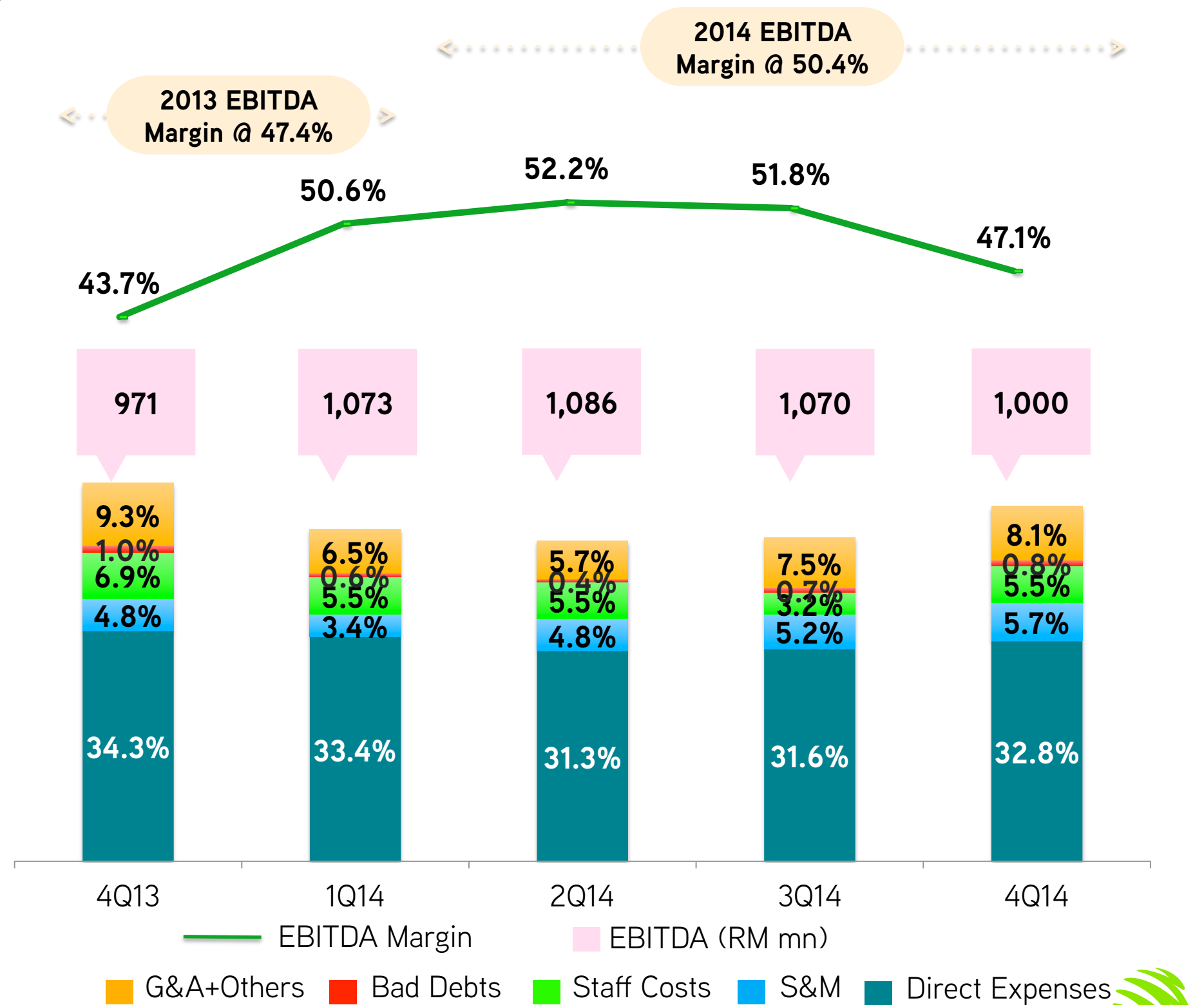
Investment to support commitment towards best network experience

- 4G LTE approaching 1/3 population coverage
- 2G and 3G modernised population coverage >75%
 - Covering selected market centres and secondary towns
- Continued to see significant improvement in network quality; strong performance in DCR, CSSR and data quality



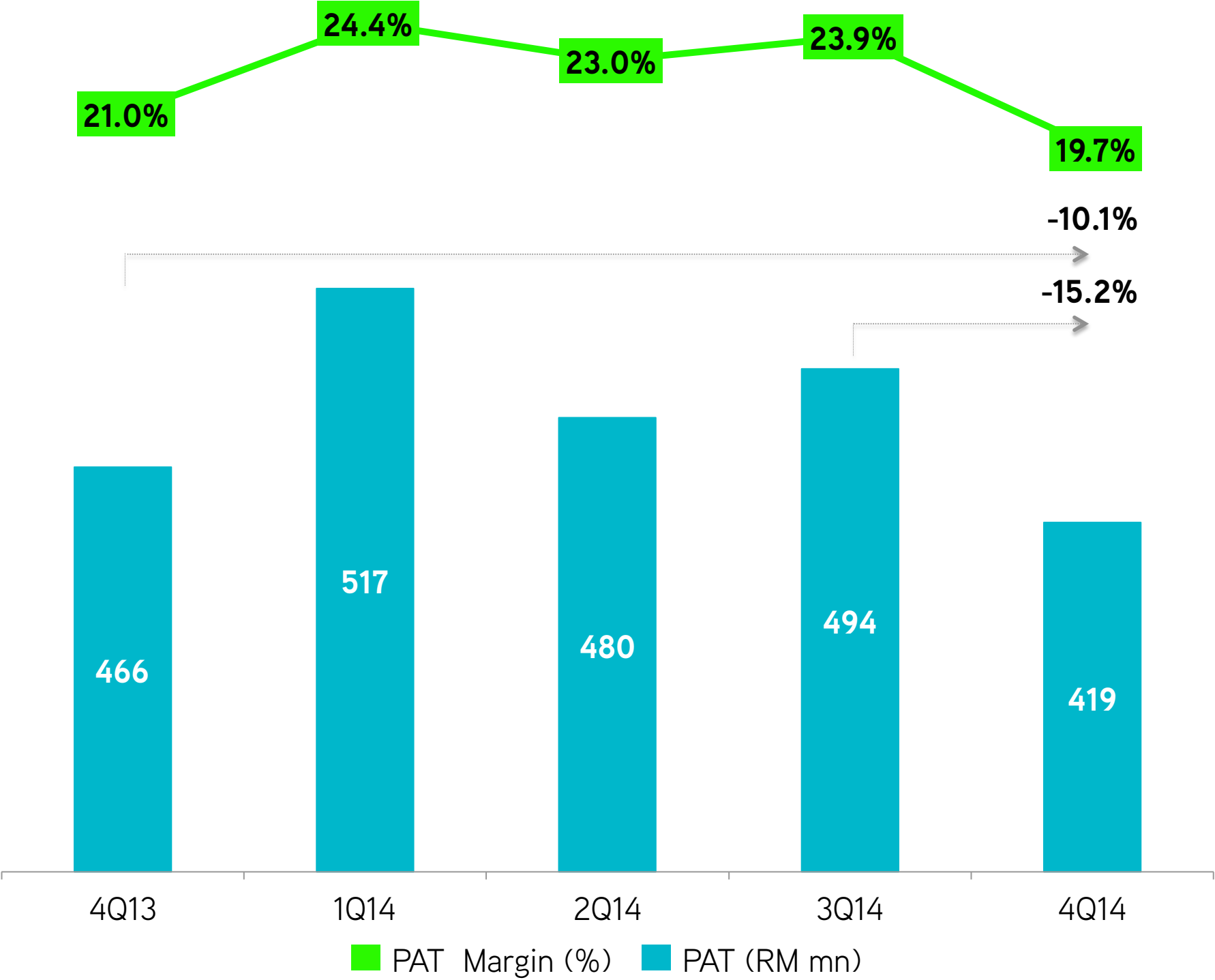
EBITDA and margin development in-line with higher spend to grow business

- 48.6% service revenue EBITDA margin
 - Comparative margin in 3Q14 was 52.7%
 - RM44 million of staff cost reversal in 3Q14
- Higher traffic related costs and sales and marketing spend as guided
- Higher G&A due to a weaker Ringgit



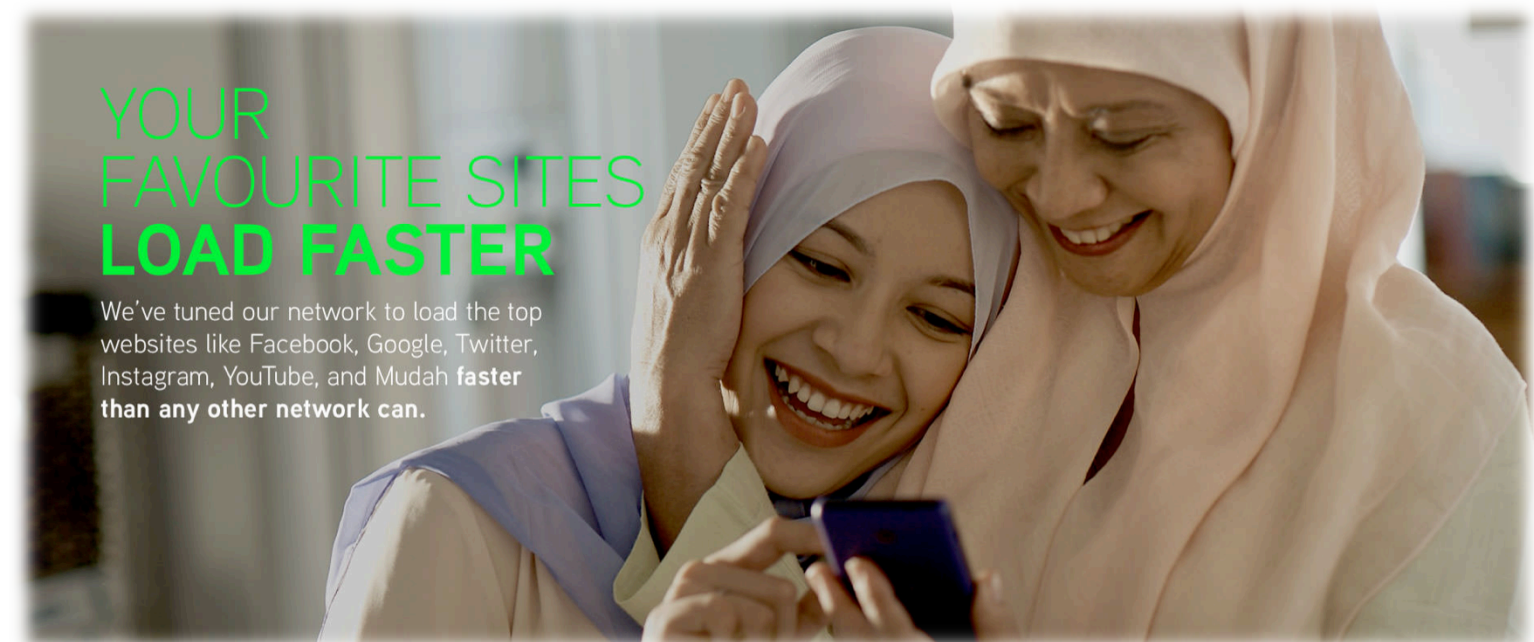
Profit After Tax

- Lower PAT in-line with lower EBITDA this quarter
- 4Q PAT includes RM84 million in accelerated depreciation net of tax



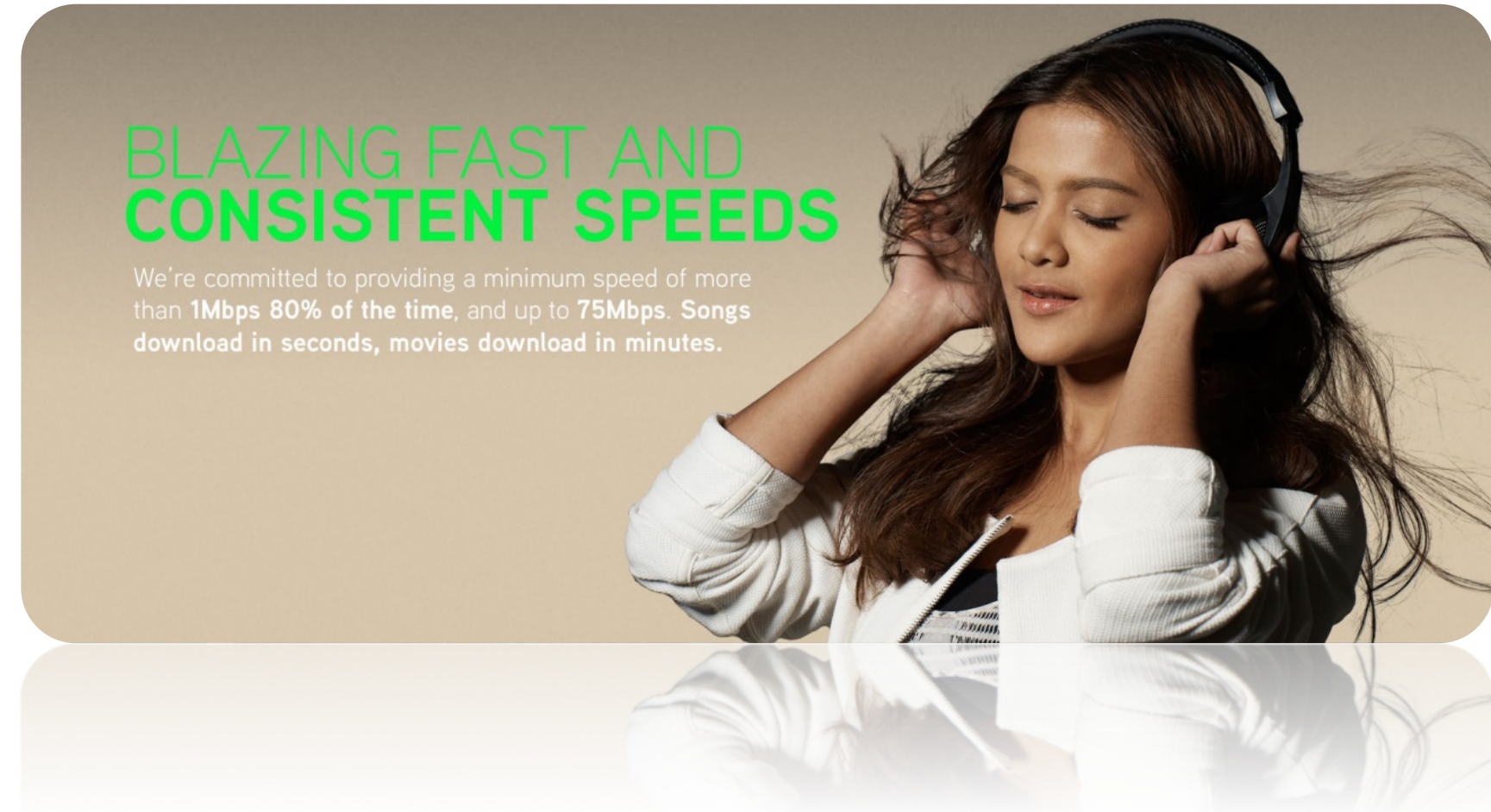
FY2014 – A transformation year; summing it up ...

- Entering 2014; lots to change
- Strong progress in stabilizing and turning-around business
- Operational indicators trending up
- Service revenue back to positive growth
- Solid end to the year; positive momentum going into 2015



FY2015 – Priorities

- 1 Accelerate data adoption and monetisation; it's all about the Internet
- 2 Commitment to superior network and service experience
- 3 Re-shape distribution/retail network
- 4 Continuous focus on operational efficiency and excellence



FY2015 – Outlook

- Service revenue growth at low single digits
- EBITDA at similar level to FY2014
- Base capex spend ~RM1.1 billion
- Dividend as per policy; target payout ratio of not less than 75% of consolidated PAT



thank you

1 Internet plan. 0 limits
at home and on-the-go.



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APPENDICES



Important definitions/notations

- **Service Revenue:** Group revenue excluding device & hubbing revenues
- **EBITDA margin on Service Revenue:** EBITDA that has been adjusted for costs solely related to the provision of service revenue defined above
- **Normalised EBITDA margin:** Normalised for one-off items in 3Q13, 4Q13 and 2Q14 amounting to RM102 mil, RM110 mil and RM22 mil respectively
- **Normalised PAT:** Normalised for one-off items after accounting for tax effects of RM76 mil in 3Q13, RM174 mil in 4Q13, RM29 mil in 1Q14, RM29 mil in 2Q14, RM43 mil in 3Q14 and RM84 million in 4Q14
- **Revenue generating subscribers (RGS30):** Defined as active line subscriptions and exclude those that does not have any revenue generating activities for more than 30 days
- **WBB subscription:** Subscriptions on data plans using USB modems and tablets
- **FBI:** Free basic internet
- **Smart-phone:** Any devices with growing apps stores and active developers
- **DCR:** Drop call rate
- **CSSR:** Call set up success rate



Consolidated Income Statement

RM mn	Reported 3Q14	Reported 4Q14	QoQ chg	Normalised 3Q14	Normalised 4Q14	QoQ chg	Reported FY2013	Reported FY2014	YoY chg
REVENUE	2,065	2,123	+2.8%	2,065	2,123	+2.8%	9,084	8,389	-7.7%
Direct Exp	(652)	(696)		(653)	(696)		(3,089)	(2,707)	
Indirect Exp	(343)	(427)		(342)	(427)		(1,685)	(1,453)	
Total Opex	(995)	(1,123)	+12.9%	(995)	(1,123)	+12.9%	(4,774)	(4,160)	-12.9%
EBITDA	1,070	1,000	-6.5%	1,070	1,000	-6.5%	4,310	4,229	-1.9%
Margin	51.8%	47.1%		51.8%	47.4%		47.4%	50.4%	
Depreciation	(268)	(334)		(211)	(221)		(1,101)	(1,155)	
Amortisation	(60)	(61)		(60)	(61)		(265)	(249)	
Others	2	(5)		2	(5)		(119)	(9)	
EBIT	744	600	-19.4%	801	713	-11.0%	2,825	2,816	-0.3%
Interest Exp	(114)	(113)		(114)	(113)		(358)	(424)	
Interest Inc	13	15		13	15		29	44	
PBT	643	502	-21.9%	700	615	-12.1%	2,496	2,436	-2.4%
Tax	(192)	(167)		(206)	(196)		(724)	(711)	
PAT	451	335	-25.7%	494	419	-15.2%	1,772	1,725	-2.7%



Cash Flow Statement

RM mn	1Q14	2Q14	3Q14	4Q14		FY2014	FY2013
Cash flow from operating activities	447	1,178	1,146	1,336		4,107	3,477
Cash flow used in investing activities	(155)	(91)	(389)	(597)		(1,232)	(801)
Purchase of property, plant & equipment	(100)	(21)	(338)	(519)		(978)	(540)
Proceeds from disposal of PPE	-	-	2	2		4	6
Purchase of intangible assets	(55)	(70)	(53)	(80)		(258)	(267)
Cash flow before financing activities	292	1,087	757	739		2,875	2,675
Cash flow used in financing activities	(109)	(725)	(634)	(684)		(2,152)	(2,834)
Dividends paid	-	(1,801)	(600)	(601)		(3,002)	(3,001)
Debt drawdown	-	1,150	1,000	-		2,150	500
Debt repayment	-	-	(921)	-		(921)	(4)
Payment of finance costs	(117)	(74)	(114)	(86)		(391)	(346)
Others	8	(0)	1	3		12	17
Net change in cash	183	362	123	55		723	(159)
Opening Cash Balance	808	991	1,353	1,476		808	967
Closing Cash Balance	991	1,353	1,476	1,531		1,531	808

RM mn	3Q14	4Q14
Debt#	8,785	8,798
Cash	1,476	1,531
Net Debt	7,308	7,267
Total Equity	4,985	4,738

Ratios	3Q14	4Q14
Net debt to EBITDA*	1.70x	1.72x
Net debt to Equity	1.47x	1.53x

Includes derivative financial instruments for hedging; excludes vendor financing

* Annualised

- Operating cash flow benefitted from positive working capital changes from intensified network modernisation programme in the later part of 2014



Key Financial Data

REPORTED

(RM'000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	FY2013	FY2014
Total Revenue	2,327	2,294	2,239	2,224	2,119	2,082	2,065	2,123	9,084	8,389
Total Expenses	1,205	1,129	1,187	1,253	1,046	996	995	1,123	4,774	4,160
- Direct	801	787	738	763	707	652	652	696	3,089	2,707
- Indirect	404	342	449	490	339	344	343	427	1,685	1,453
EBITDA	1,122	1,165	1,052	971	1,073	1,086	1,070	1,000	4,310	4,229
PBT	666	735	667	428	657	634	643	502	2,496	2,436
PAT	476	530	474	292	488	451	451	335	1,772	1,725
EBITDA Margin	48.2%	50.8%	47.0%	43.7%	50.6%	52.2%	51.8%	47.1%	47.4%	50.4%
PAT Margin	20.5%	23.1%	21.2%	13.1%	23.0%	21.7%	21.8%	15.8%	19.5%	20.6%

NORMALISED

(RM'000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	FY2013	FY2014
Total Revenue	2,327	2,294	2,239	2,224	2,119	2,082	2,065	2,123	9,084	8,389
Total Expenses	1,205	1,129	1,085	1,143	1,046	1,018	995	1,123	4,562	4,182
- Direct	801	787	738	759	707	652	652	696	3,085	2,707
- Indirect	404	342	347	384	339	366	343	427	1,477	1,475
EBITDA	1,122	1,165	1,154	1,081	1,073	1,064	1,070	1,000	4,522	4,207
PBT	726	775	769	660	696	672	700	615	2,930	2,683
PAT	521	560	550	466	517	480	494	419	2,097	1,910
EBITDA Margin	48.2%	50.8%	51.5%	48.6%	50.6%	51.1%	51.8%	47.1%	49.8%	50.1%
PAT Margin	22.4%	24.4%	24.6%	21.0%	24.4%	23.1%	23.9%	19.7%	23.1%	22.8%



Key Financial Data

FINANCIALS

(RM'000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	FY2013	FY2014
Total Revenue	2,327	2,294	2,239	2,224	2,119	2,082	2,065	2,123	9,084	8,389
- Service	2,143	2,136	2,127	2,108	2,037	2,049	2,049	2,094	8,514	8,229
- <i>Mobile</i>	2,066	2,062	2,051	2,024	1,953	1,958	1,954	1,992	8,203	7,858
- <i>EntFixed</i>	63	58	58	61	59	62	64	68	240	252
- <i>IntSer(Home)</i>	14	16	18	23	25	29	31	34	71	119
- Non-Service	184	158	112	116	82	33	16	29	570	160
- <i>Device</i>	125	95	43	56	40	5	2	7	319	54
- <i>Hubbing</i>	59	63	69	60	42	28	14	22	251	106
EBITDA Margin on Service Revenue	53.0%	54.4%	49.6%	46.4%	53.0%	53.5%	52.7%	48.6%	50.9%	51.9%
Mobile Revenue	2,066	2,062	2,051	2,024	1,953	1,958	1,954	1,992	8,203	7,858
- <i>Voice</i>	1,147	1,134	1,148	1,126	1,096	1,088	1,090	1,096	4,554	4,371
- <i>Data</i>	919	928	903	898	857	870	864	896	3,648	3,487
Mobile Revenue	2,066	2,062	2,051	2,024	1,953	1,958	1,954	1,992	8,203	7,858
- <i>Prepaid</i>	1,069	1,047	1,055	1,008	969	972	992	1,007	4,179	3,941
- <i>Postpaid</i>	997	1,015	996	1,016	984	986	962	985	4,023	3,917
Data	919	928	903	898	857	870	864	896	3,648	3,487
- <i>MI+VAS</i>	466	495	506	524	524	566	589	638	1,990	2,317
- <i>Messaging</i>	320	298	275	257	223	205	184	171	1,151	784
- <i>WBB</i>	133	135	122	117	110	99	91	87	507	386

Key Operational Data

CUSTOMERS (Market Definition)

('000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Mobile Subs	14,136	13,873	13,213	12,893	12,602	12,401	12,415	12,913
- Prepaid	10,780	10,497	9,845	9,528	9,238	9,042	9,081	9,624
- Postpaid	3,356	3,376	3,368	3,365	3,364	3,359	3,334	3,289
WBB	673	663	636	596	570	531	494	440
Mobile Internet Users	7,900	8,000	6,900	7,300	7,100	7,500	7,600	8,800
Home Connections	31	36	43	52	59	66	72	80

ARPUs and MOUs (Market Definition)

('000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	FY2013	FY2014
Postpaid										
- ARPU	102	103	100	101	96	97	94	97	101	96
- MOU	307	307	298	293	278	283	278	286	301	281
Prepaid										
- ARPU	32	31	33	33	33	34	35	35	32	34
- MOU	125	119	116	117	118	124	131	133	119	126
Blended										
- ARPU	46	46	48	49	48	50	50	50	47	49
- MOU	160	156	153	155	154	161	165	168	156	162



Key Operational Data

SMART PHONE PENETRATION

(%)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Blended	25	29	33	38	43	48	54	57
- <i>Prepaid</i>	20	23	27	32	38	43	50	54
- <i>Postpaid</i>	49	53	56	59	61	64	67	67

