

Financial Results

4Q 2015 & FY2015

4 February 2016



No.1 4G LTE

MaxisONE Share

More reasons to get your family on MaxisONE plan

Why keep all the fun to yourself? Enjoy unlimited calls and SMS for all plans and allocate up to 8GB of data to any line you wish. Subscribe to new phone lines for your loved ones now from only RM48/mth. Only with MaxisONE plan, the best mobile plan for your family.

Unlimited Calls & SMS to any number, anytime	Unlimited Social Chat on all chat apps 	Unlimited Music Streaming on free Spotify Premium with zero data charges	Up to 8GB Sharable data
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maxis



2015 – A winning year led by solid revenue growth

- Winning market share; solid prepaid and improving core postpaid performances
- Bundling and all-in-one pricing attracting high ARPU customers; mitigating voice and SMS revenue decline
- 4G LTE network leadership and product/service innovations as strong differentiators
- Solid EBITDA development, both absolute and relative
- Fourth interim dividend of 5 sen net per share; full year pay-out at 20 sen net per share



Strong numbers across the board

+3.8%
Service Revenue

FY15 RM8,539 mn
FY14 RM8,229 mn

+4.1%
EBITDA

FY15 RM4,425 mn
FY14 RM4,251 mn

+0.9%
PAT

FY15 RM1,960 mn
FY14 RM1,943 mn

+6.2%
Prepaid Revenue

FY15 RM4,184 mn
FY14 RM3,940 mn

+2.7%
Core Postpaid Revenue

FY15 RM3,657 mn
FY14 RM3,560 mn

+21.0%
Capex

FY15 RM1,304 mn
FY14 RM1,078 mn

Notes:

EBITDA normalised for unrealised forex losses

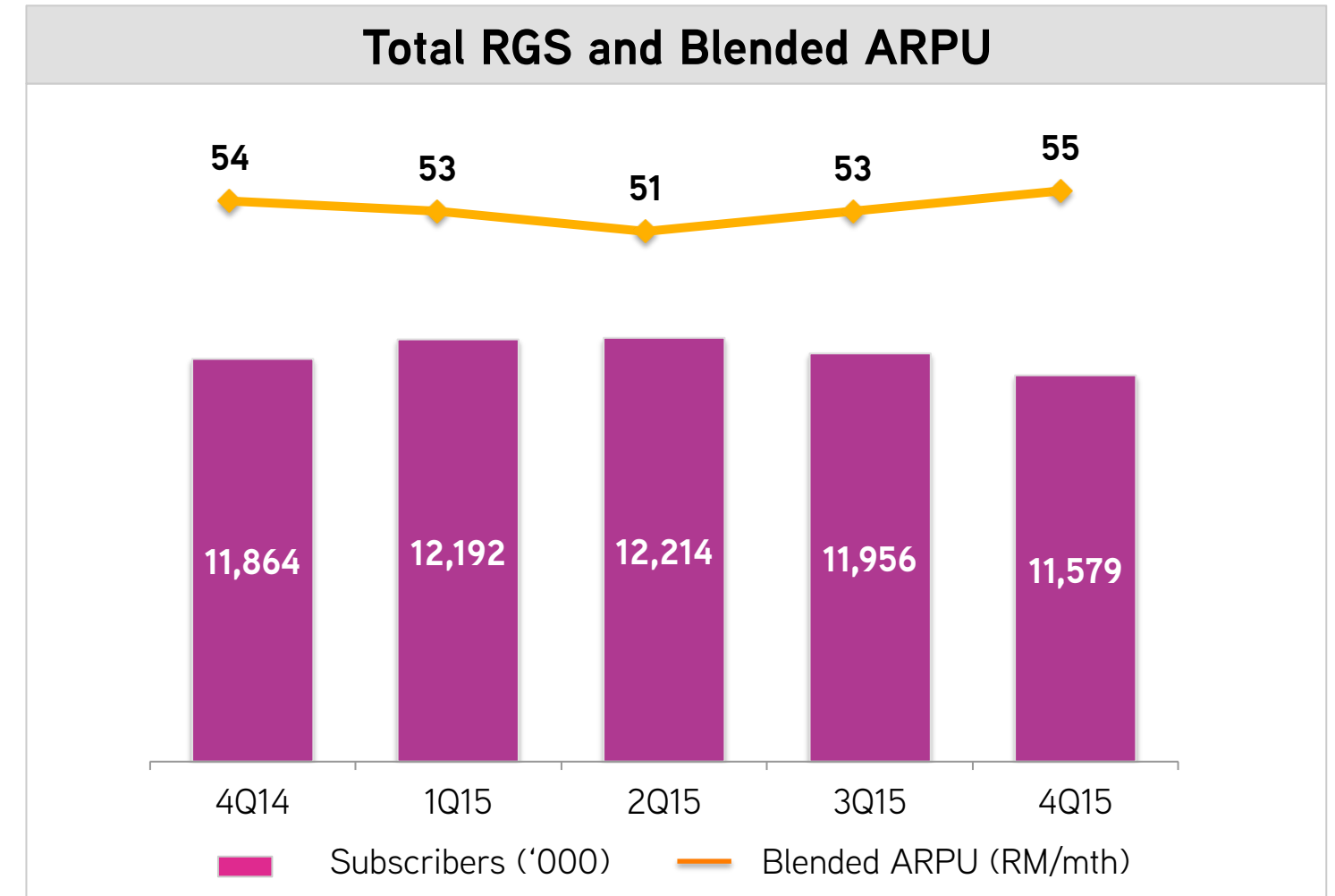
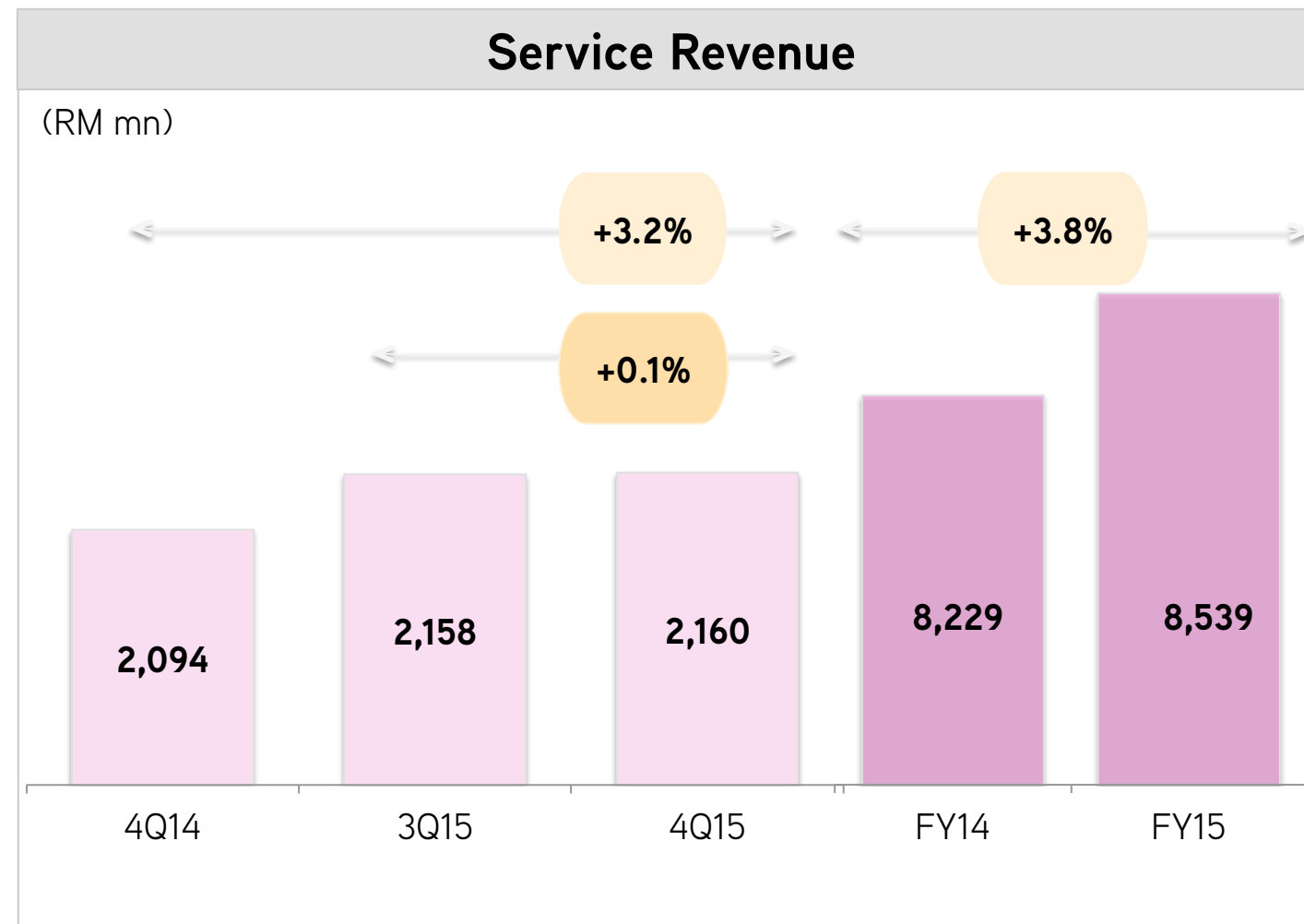
PAT normalised for accelerated depreciation, unrealised forex losses and reversal of contract obligations (where applicable)

Core postpaid excludes wireless broadband

Capex excludes USP projects



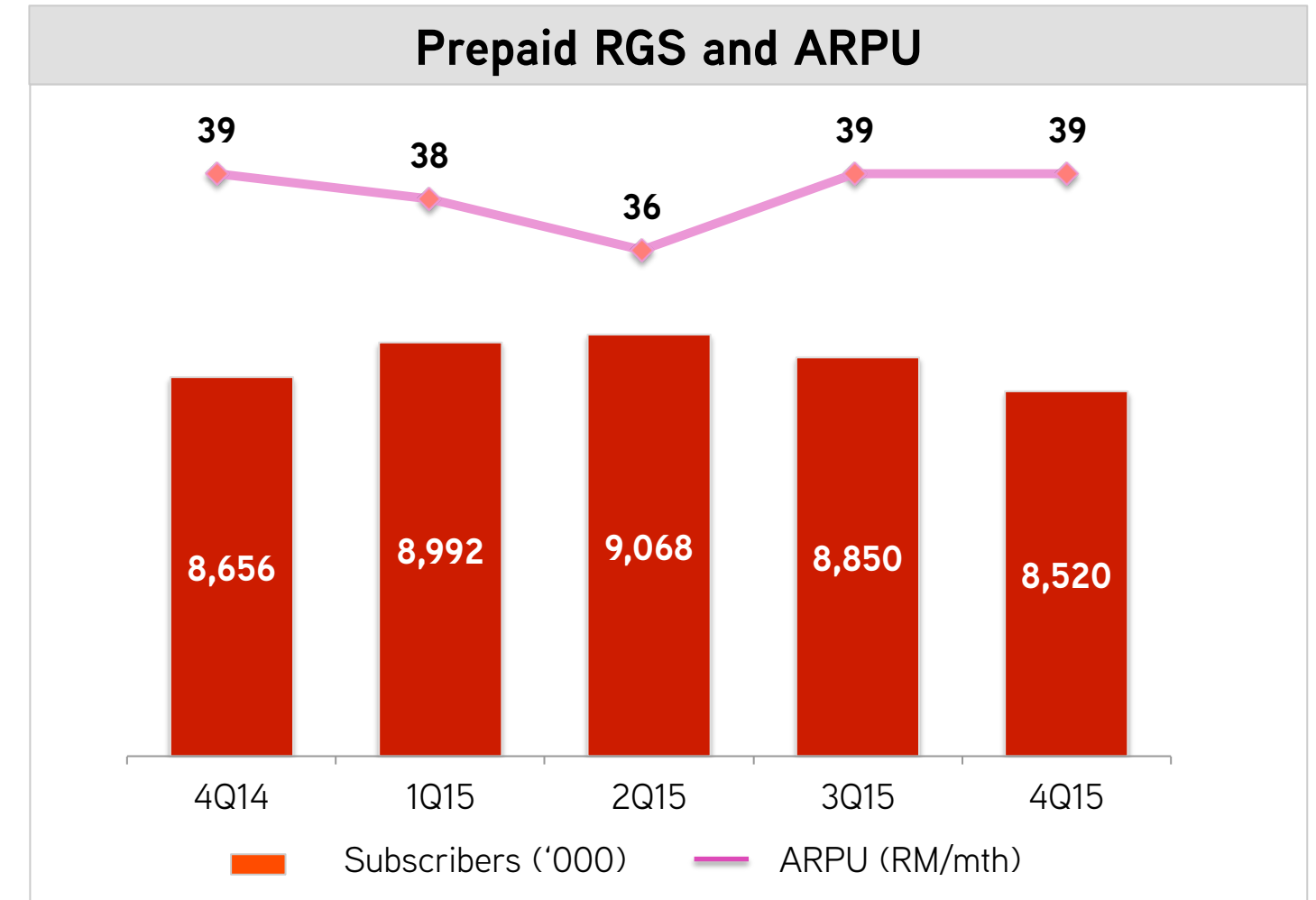
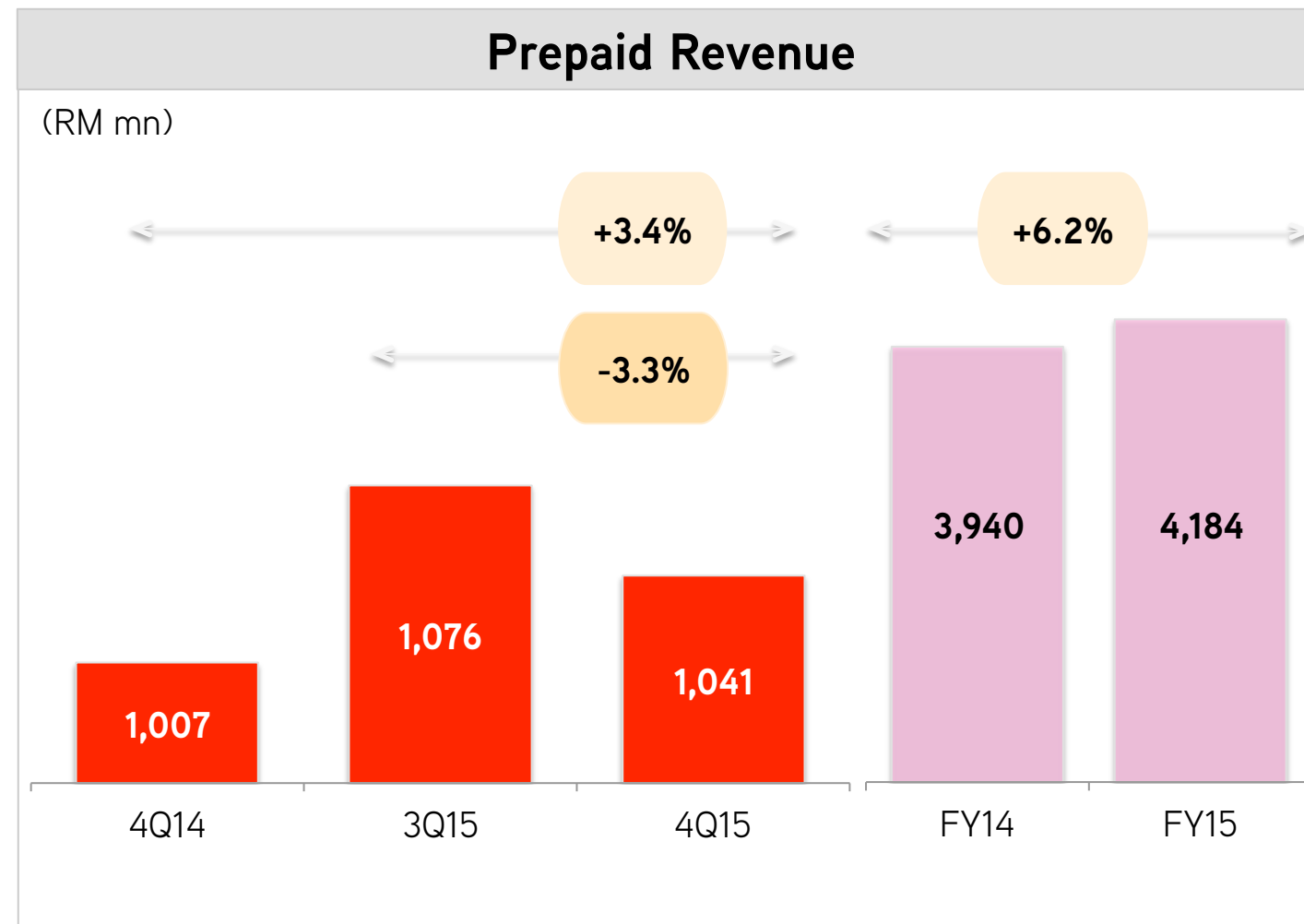
Delivered solid service revenue growth in a competitive environment



- Solid year-on-year growth fueled by strong prepaid contribution and improving core postpaid
- 2H15 overall subscription base impacted by high rotational churn and intense price competition; focus remained on acquiring high ARPU customers



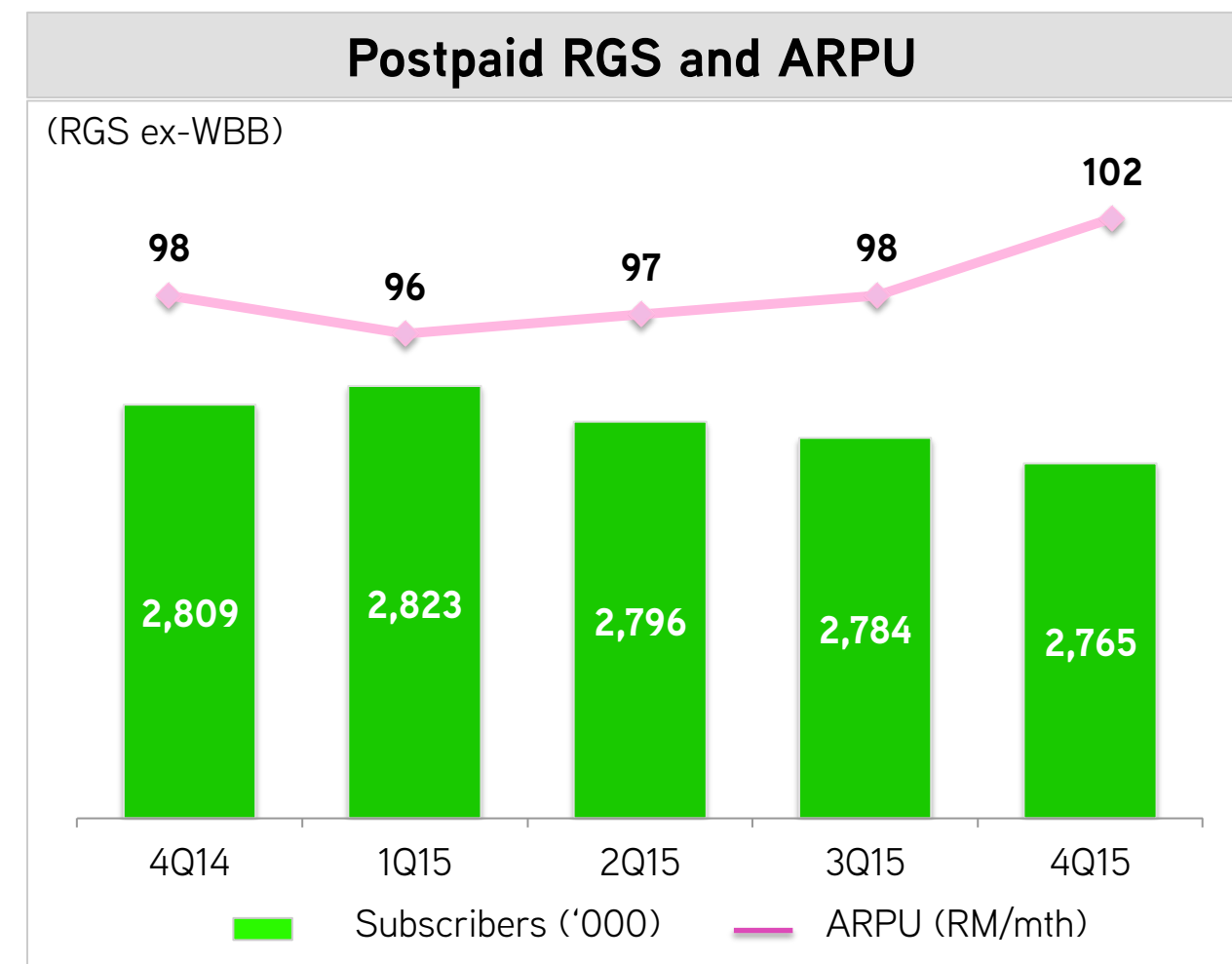
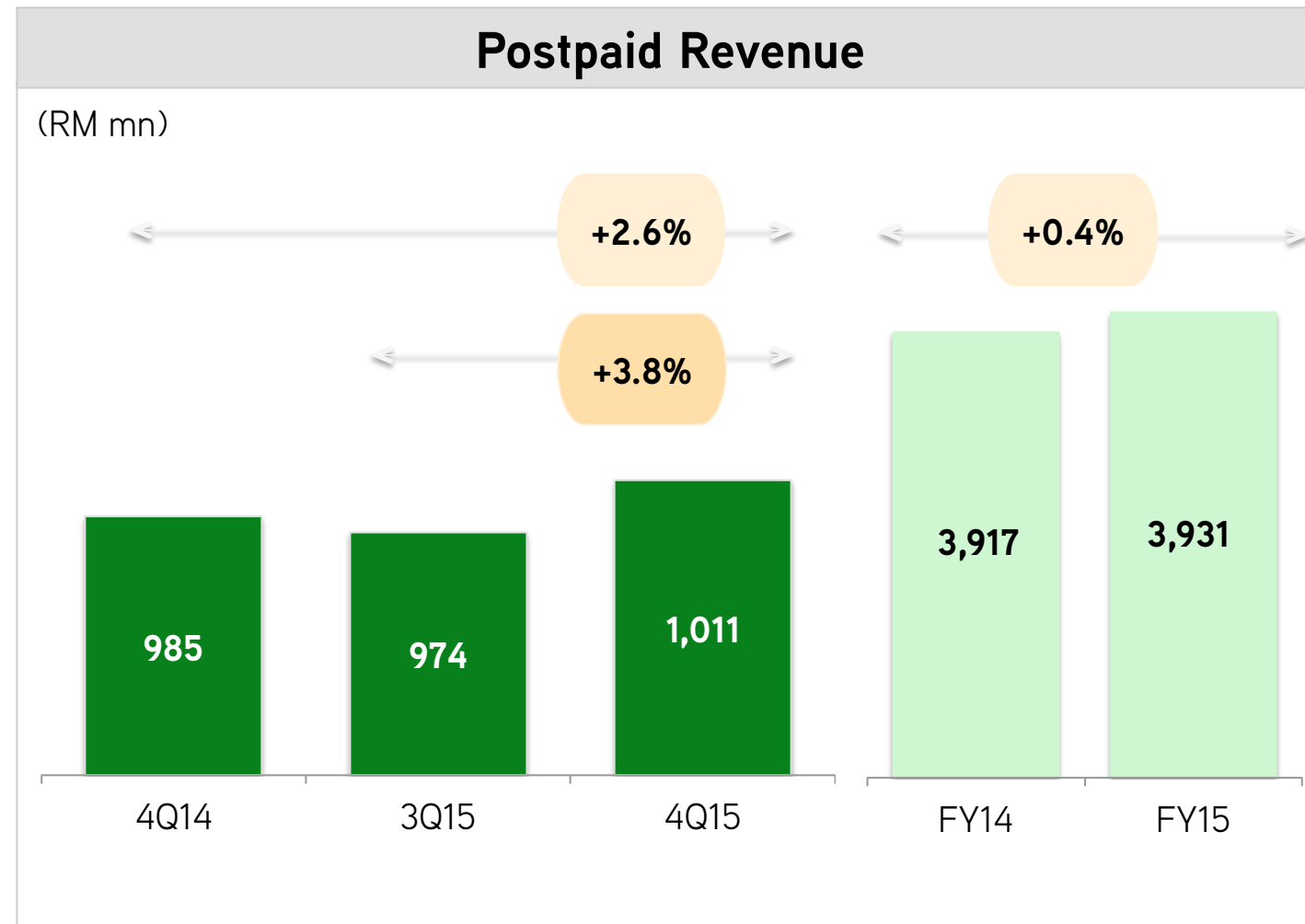
Strong prepaid; 6.2% yoy revenue growth



- Strong prepaid revenue momentum on the back of rising data usage and larger share of foreign worker segment
- ARPU supported by strong mobile internet uptake
- 2H15 subscription base impacted by high rotational churn and price-focused competition



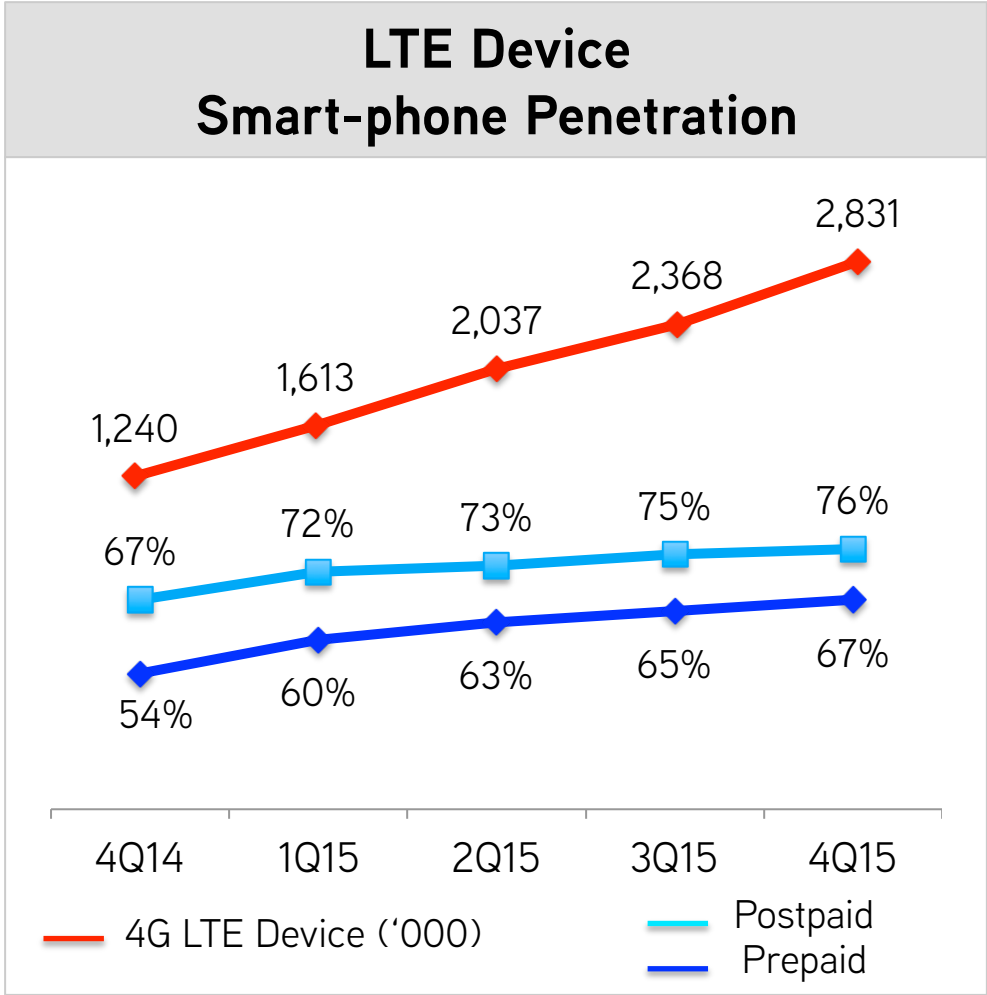
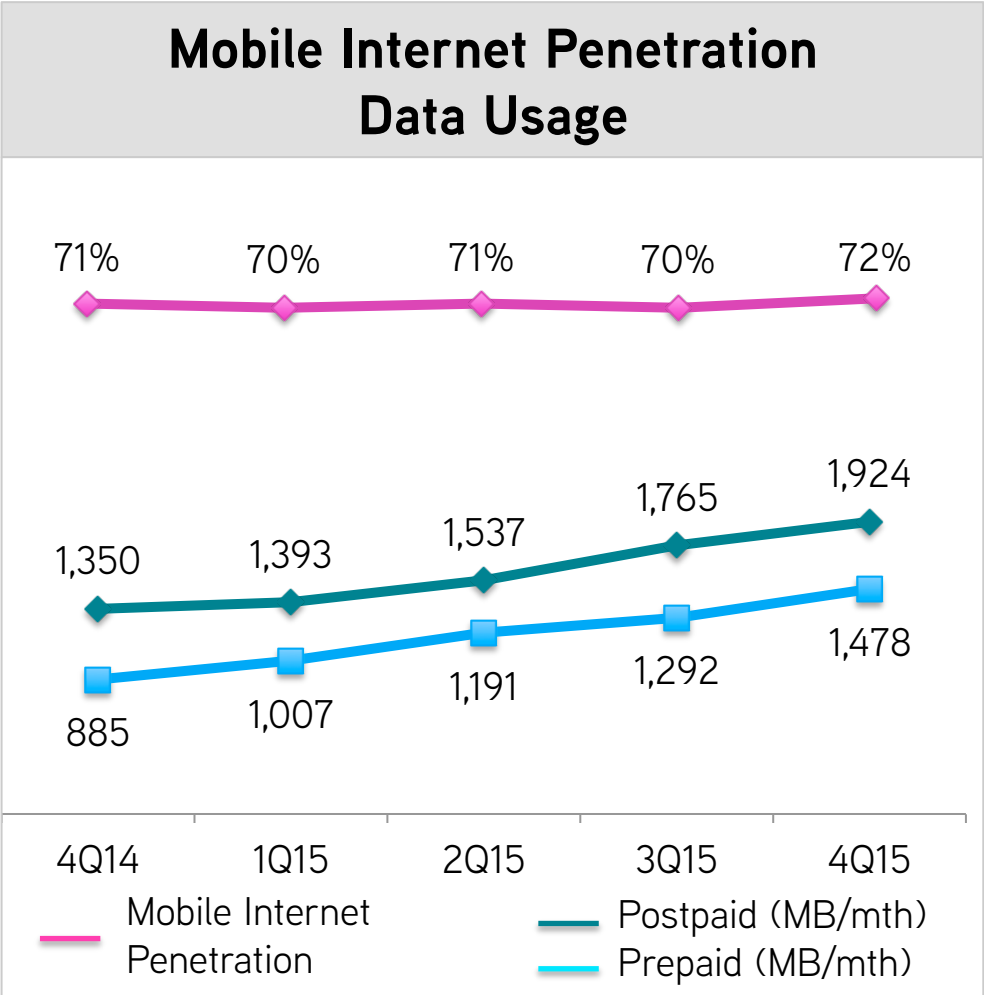
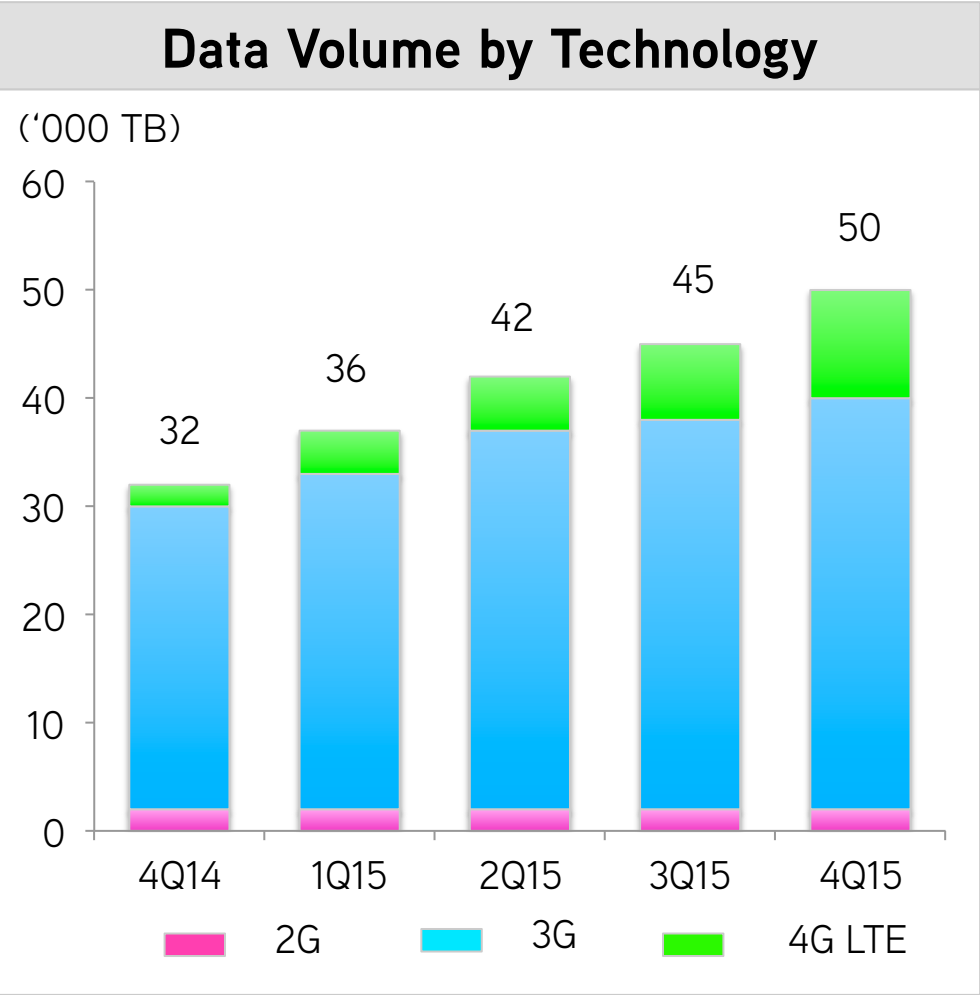
Improved subscriber mix; added more than 100k high-value MaxisOnePlan customers in 4Q



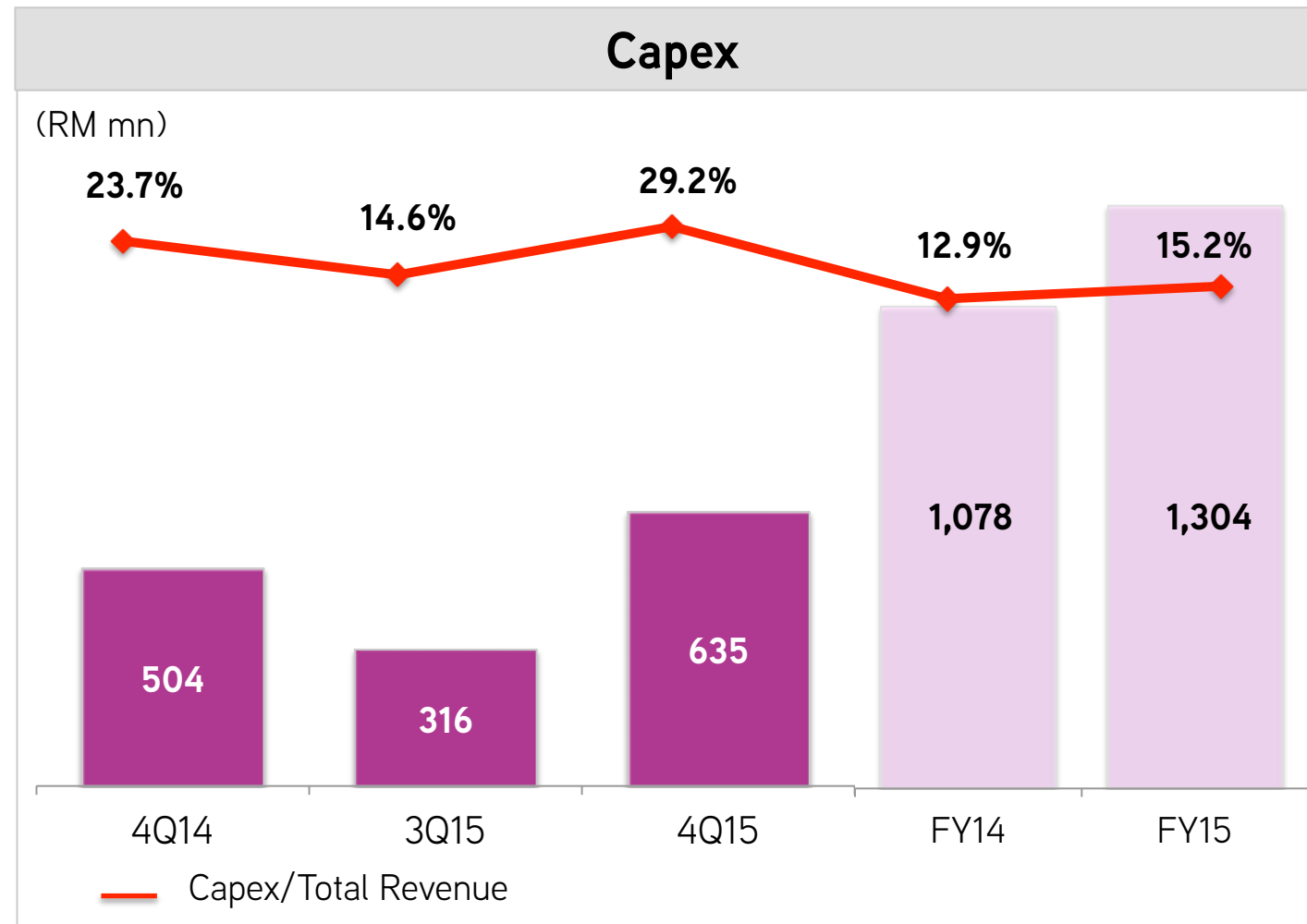
- Continued strong MaxisONE Plan adoption; 623k subscribers with stable ARPU of ~RM150/month
- Bundled revenue approaching 50% of postpaid revenue base
- Subscription base impacted by price-focused competition



High performing network and rising 4G adoption driving data usage



Accelerated 4G LTE roll-out; widest population coverage

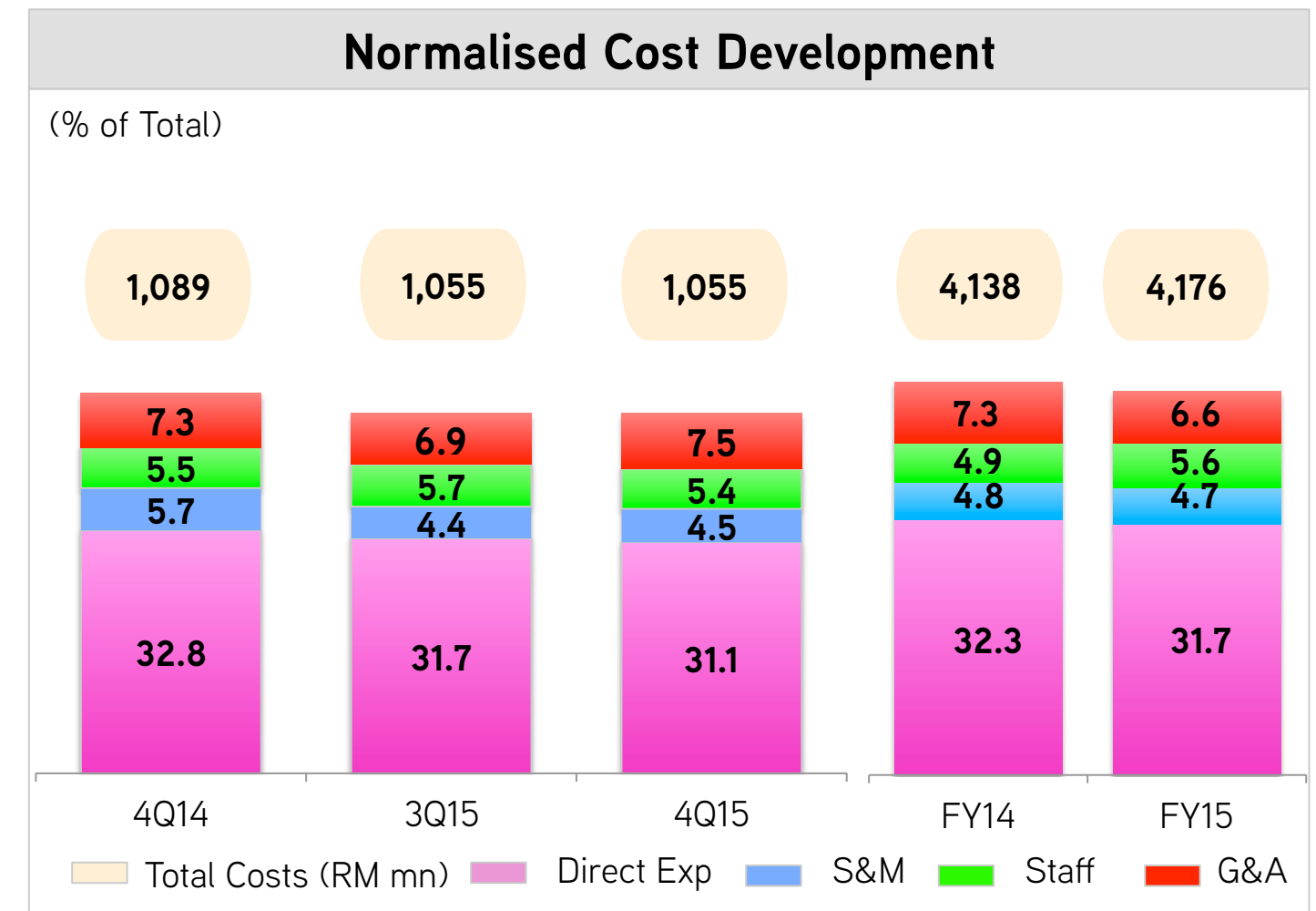
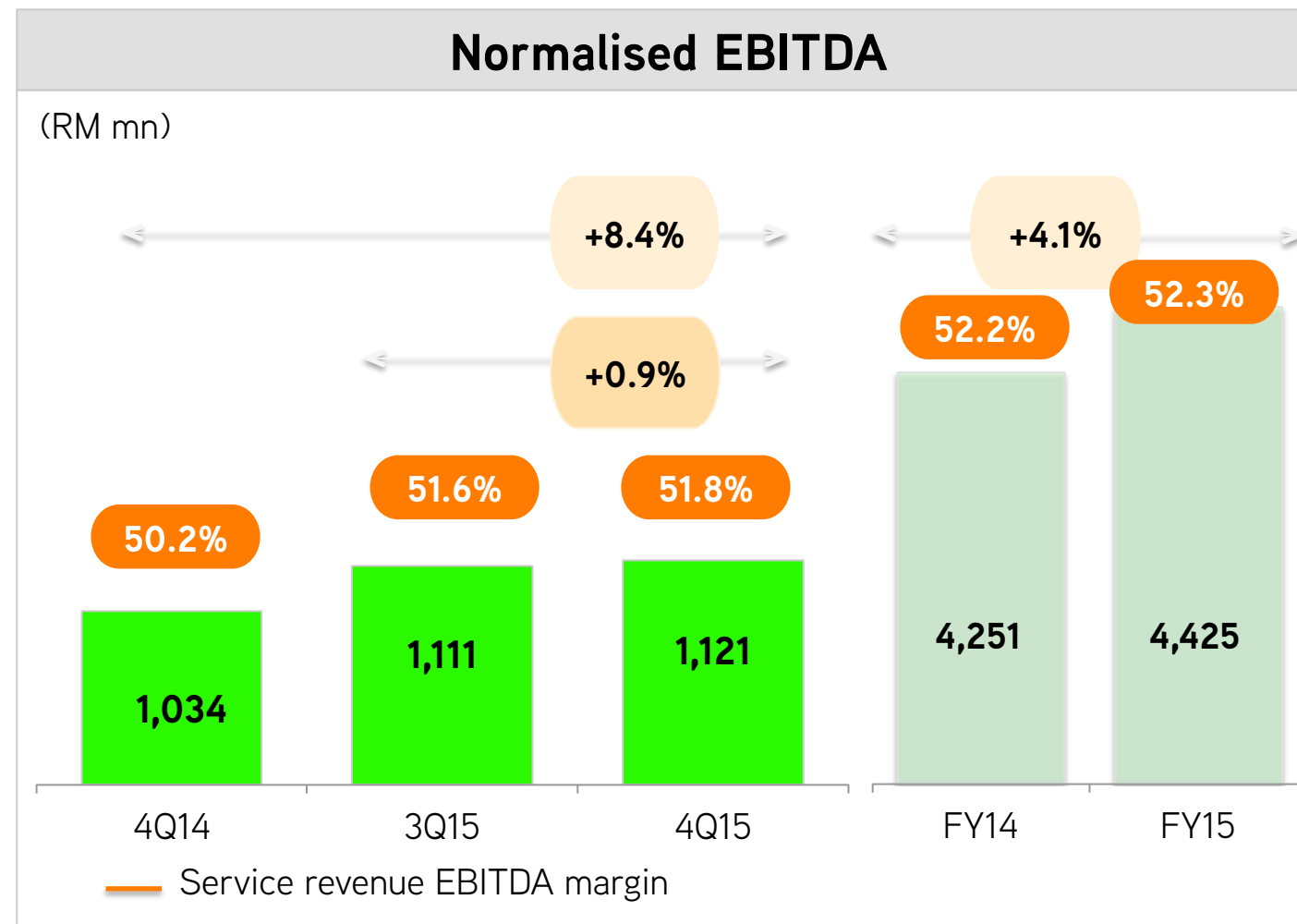


Network Population Coverage		
	4Q14	4Q15
2G	95%	96%
3G	88%	92%
LTE	33%	71%
2G & 3G Modernisation	78%	88%

- 71% 4G LTE pop coverage based on stringent -98dBm quality criteria; average 20Mbps outdoor and 10Mbps indoor speed
- Modernised network backed by superior fibre backhaul in excess of 13,000 km



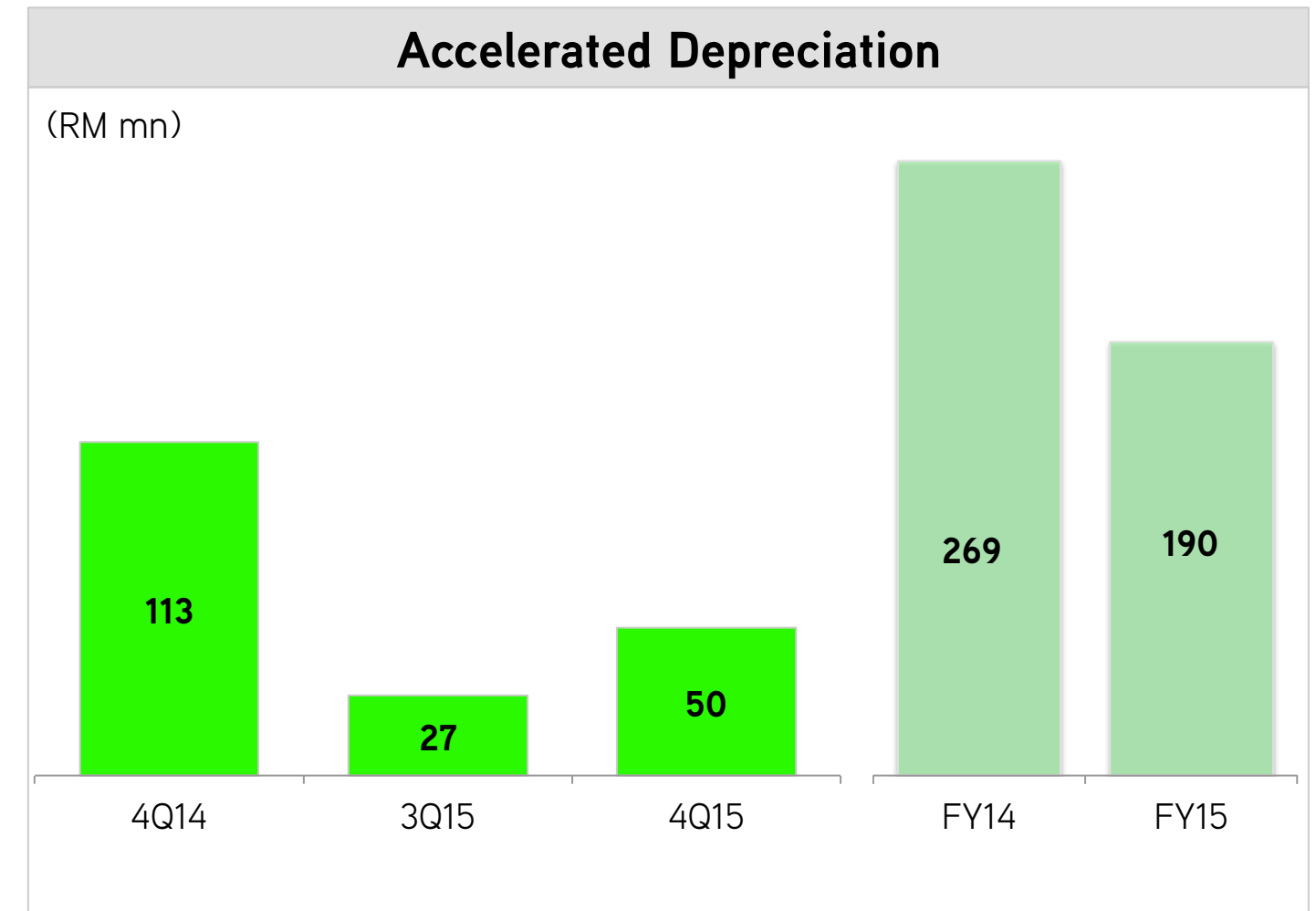
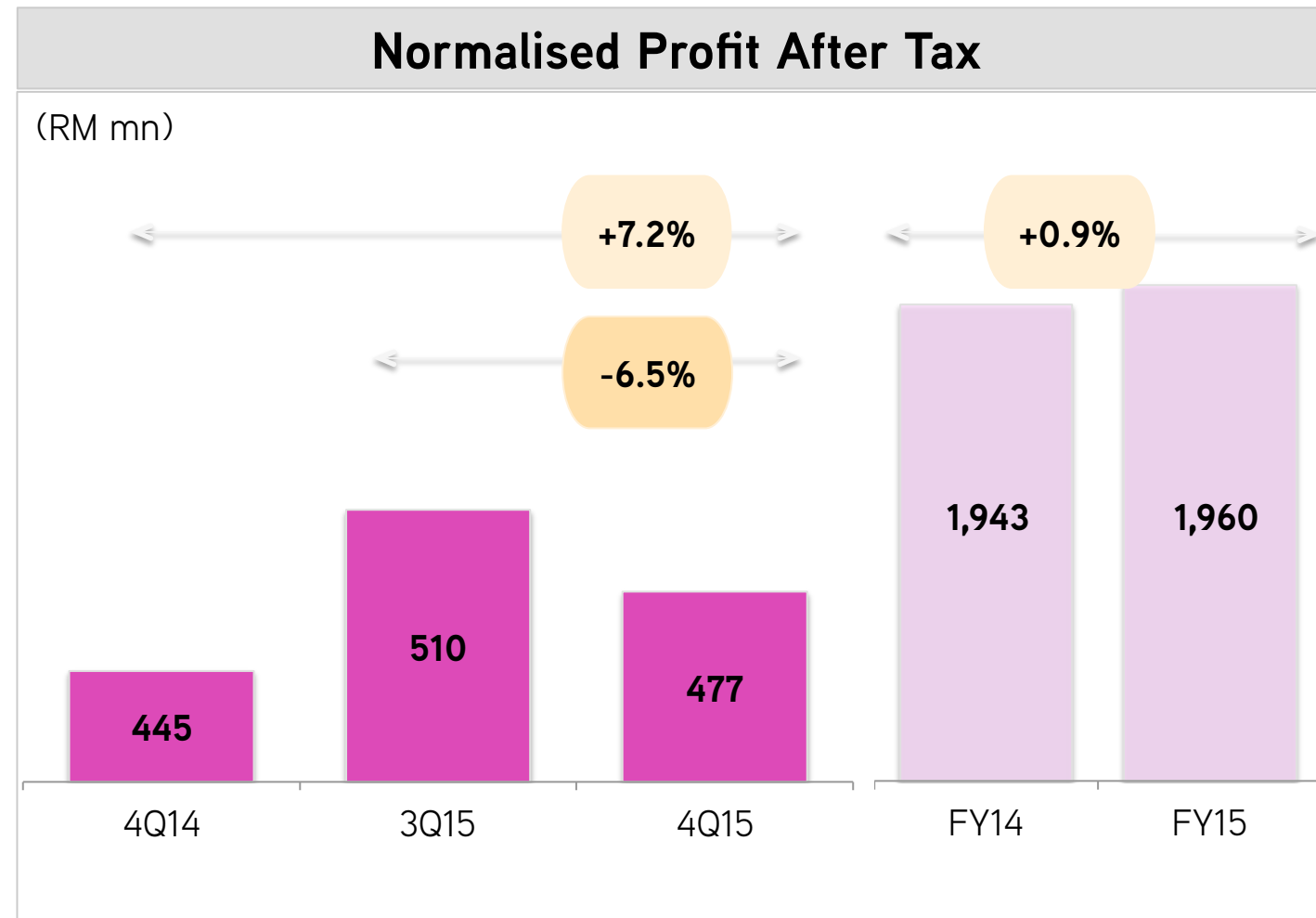
Underlying EBITDA stable excluding unrealised forex impact



- 52.3% YTD normalised service revenue EBITDA margin; excludes RM94 million unrealised forex losses (2014: RM44 million)
- Increased staff costs driven by incentive programs



Profit after tax



- YTD PAT excludes RM143 million accelerated depreciation net of tax (2014: RM185 million of accelerated depreciation and reversal of contract obligations)
- Also excludes RM71 million unrealised forex losses (2014: RM33 million)




Spectrum reallocation

- Notices received on 1 Feb 2016 on 900 MHz and 1800 MHz spectrum reallocation
 - 900 MHz would be reduced to 2x10 MHz and 1800 MHz to 2x20 MHz
 - Conversion from annual Apparatus Assignment fee to Spectrum Assignment (SA) fee
- In a press announcement on the same day, MCMC noted the following:
 - SA fee being determined and will be seen in the perspective that all players need to have sufficient capex to introduce and expand services
 - Will address optimal use of other relevant spectrum bands such as the 700 MHz, 2300 MHz, 2600 MHz, etc by end of 2016
- Will make further announcement upon detailed review and further clarity



FY2016 Priorities and Outlook

- 1 Becoming the preferred choice for digital experience seekers
- 2 Build the best network for superior “Always On” data experience
- 3 Embarking on digitalisation transformation
- 4 Continued focus on operational efficiency and excellence



Service revenue, absolute EBITDA and base capex at similar levels to FY2015



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NOW



q & a

HOTLINK

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not when you're told.

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every year from as low as RM35/mth. Join the Zerolution today.

thank you



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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 PAT:** Adjusting for accelerated depreciation, unrealised forex losses and reversal of contract obligations (where applicable) net of tax effects of RM110 million in 4Q14, RM88 million in 3Q15 and RM37 million in 4Q15
- **Free Cash Flow:** Cash Flow from Operations – Cash Flow from Investing Activities – Interest paid – Finance lease repayment
- **Revenue generating subscriber/subscription (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



Reported Consolidated Income Statement

Reported (RM mn)	1Q15	2Q15	3Q15	4Q15	QoQ chg	FY2014	FY2015	YoY chg
REVENUE	2,149	2,110	2,166	2,176	+0.5%	8,389	8,601	+2.5%
Direct Exp	(713)	(650)	(689)	(676)		(2,707)	(2,728)	
Indirect Exp	(389)	(359)	(456)	(338)		(1,453)	(1,542)	
Total Exp	(1,102)	(1,009)	(1,145)	(1,014)	-11.4%	(4,160)	(4,270)	+2.6%
EBITDA	1,047	1,101	1,021	1,162	+13.8%	4,229	4,331	+2.4%
Margin	48.7%	52.2%	47.1%	53.4%	+6.3pp	50.4%	50.4%	0.0pp
Depreciation	(294)	(296)	(265)	(299)		(1,155)	(1,154)	
Amortisation	(61)	(67)	(71)	(79)		(249)	(278)	
Others	(6)	(2)	(9)	(10)		(9)	(27)	
EBIT	686	736	676	774	+14.5%	2,816	2,872	+2.0%
Interest Exp	(110)	(117)	(125)	(116)		(424)	(468)	
Interest Inc	14	12	15	15		44	56	
PBT	590	631	566	673	+18.9%	2,436	2,460	+1.0%
Tax	(178)	(188)	(144)	(203)		(711)	(713)	
PAT	412	443	422	470	+11.4%	1,725	1,747	+1.3%



Normalised Consolidated Income Statement

Normalised (RM mn)	1Q15	2Q15	3Q15	4Q15	QoQ chg	FY2014	FY2015	YoY chg
REVENUE	2,149	2,110	2,166	2,176	+0.5%	8,389	8,601	+2.5%
Direct Exp	(713)	(650)	(687)	(678)		(2,707)	(2,728)	
Indirect Exp	(353)	(356)	(368)	(377)		(1,431)	(1,448)	
Total Exp	(1,166)	(1,000)	(1,055)	(1,055)	0.0%	(4,138)	(4,176)	+0.9%
EBITDA	1,083	1,110	1,111	1,121	+0.9%	4,251	4,425	+4.1%
Margin	50.4%	52.6%	51.3%	51.5%	+0.2pp	50.7%	51.4%	+0.7pp
Depreciation	(237)	(240)	(238)	(249)		(886)	(964)	
Amortisation	(61)	(67)	(71)	(79)		(249)	(278)	
Others	(6)	(2)	(9)	(10)		(9)	(27)	
EBIT	779	801	793	783	-1.3%	3,107	3,156	+1.6%
Interest Exp	(110)	(117)	(125)	(116)		(424)	(468)	
Interest Inc	14	12	15	15		44	56	
PBT	683	696	683	682	-0.1%	2,727	2,744	+0.6%
Tax	(201)	(205)	(173)	(205)		(784)	(784)	
PAT	482	491	510	477	-6.1%	1,943	1,960	+0.9%

Notes:

EBITDA normalised for unrealised forex losses

PAT normalised for accelerated depreciation, unrealised forex losses and reversal of contract obligations (where applicable)



Cash Flow Statement

RM mn	1Q15	2Q15	3Q15	4Q15	FY2014	FY2015
Cash flow from operating activities	856	841	1,109	1,267	4,107	4,073
Cash flow used in investing activities	(256)	(398)	(429)	(796)	(1,232)	(1,879)
Purchase of property, plant & equipment	(146)	(317)	(357)	(692)	(978)	(1,512)
Proceeds from disposal of PPE	-	1	-	1	4	2
Purchase of intangible assets	(110)	(82)	(72)	(105)	(258)	(369)
Cash flow before financing activities	600	443	680	471	2,875	2,194
Cash flow used in financing activities	(796)	(221)	(934)	(478)	(2,152)	(2,429)
Dividends paid	(600)	(976)	(375)	(376)	(3,002)	(2,327)
Debt drawdown	350	840	-	-	2,150	1,190
Debt repayment	(421)	-	(421)	-	(921)	(842)
Payment of finance costs	(129)	(92)	(139)	(101)	(391)	(461)
Others	4	7	1	(1)	12	11
Net change in cash	(196)	222	(254)	(7)	723	(235)
Opening Cash Balance	1,531	1,335	1,557	1,303	808	1,531
Closing Cash Balance	1,335	1,557	1,303	1,296	1,531	1,296

RM mn	3Q15	4Q15
Debt#	9,105	9,130
Cash	1,303	1,296
Net Debt	7,802	7,834
Total Equity	4,117	4,220

Ratios	3Q15	4Q15
Net debt to EBITDA*	1.85x	1.81x
Net debt to Equity	1.89x	1.86x

Includes derivative financial instruments for hedging; excludes vendor financing

* Based on annualised YTD EBITDA



Key Financial Data

REVENUE BREAKDOWN

(RM mn)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Total Revenue	2,327	2,294	2,239	2,224	2,119	2,082	2,065	2,123	2,149	2,110	2,166	2,176
- Service	2,143	2,136	2,127	2,108	2,037	2,049	2,049	2,094	2,127	2,094	2,158	2,160
- Mobile	2,066	2,062	2,051	2,024	1,953	1,958	1,954	1,992	2,024	1,989	2,050	2,052
- EntFixed	63	58	58	61	59	62	64	68	65	64	63	61
- Integrated Ser	14	16	18	23	25	29	31	34	38	41	45	47
- Non-Service	184	158	112	116	82	33	16	29	22	16	8	16
- Device	125	95	43	56	40	5	2	7	9	6	4	12
- Hubbing	59	63	69	60	42	28	14	22	13	10	4	4
EBITDA Margin on Service Revenue	53.0%	54.4%	49.6%	46.4%	53.0%	53.5%	52.7%	48.6%	49.8%	53.9%	47.5%	53.7%
(RM mn)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Mobile Revenue*	2,066	2,062	2,051	2,024	1,953	1,958	1,954	1,992	2,024	1,989	2,050	2,052
- Prepaid	1,069	1,047	1,055	1,008	969	972	992	1,007	1,052	1,015	1,076	1,041
- Postpaid	997	1,015	996	1,016	984	986	962	985	972	974	974	1,011

Note:

Commencing 1Q15, further breakdowns of mobile revenue are not disclosed as we are not applying fair value to new bundled plans including the MaxisONE Plan



Key Financial Data

REPORTED - FINANCIALS

(RM mn)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Total Revenue	2,327	2,294	2,239	2,224	2,119	2,082	2,065	2,123	2,149	2,110	2,166	2,176
Total Expenses	1,205	1,129	1,187	1,253	1,046	996	995	1,123	1,102	1,009	1,145	1,014
- <i>Direct</i>	801	787	738	763	707	652	652	696	713	650	689	676
- <i>Indirect</i>	404	342	449	490	339	344	343	427	389	359	456	338
EBITDA	1,122	1,165	1,052	971	1,073	1,086	1,070	1,000	1,047	1,101	1,021	1,162
PBT	666	735	667	428	657	634	643	502	590	631	566	673
PAT	476	530	474	292	488	451	451	335	412	443	422	470
EBITDA Margin	48.2%	50.8%	47.0%	43.7%	50.6%	52.2%	51.8%	47.1%	48.7%	52.2%	47.1%	53.4%
PAT Margin	20.5%	23.1%	21.2%	13.1%	23.0%	21.7%	21.8%	15.8%	19.2%	21.0%	19.5%	21.6%

REPORTED - COSTS

(RM mn)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Total Expenses	1,205	1,129	1,187	1,253	1,046	996	995	1,123	1,102	1,009	1,145	1,014
Direct Expenses	801	787	738	763	707	652	652	696	713	650	689	676
Indirect Expenses	404	342	449	490	339	344	343	427	389	359	456	338
- <i>S&M</i>	91	77	87	108	71	100	107	122	103	110	94	98
- <i>Staff Costs</i>	135	111	218	154	117	115	66	116	124	115	124	117
- <i>Bad Debts</i>	20	16	8	21	12	9	15	18	4	10	9	6
- <i>G&A</i>	158	138	136	207	139	120	155	171	158	124	229	117

Key Financial Data

NORMALISED - FINANCIALS

(RM mn)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Total Revenue	2,327	2,294	2,239	2,224	2,119	2,082	2,065	2,123	2,149	2,110	2,166	2,176
Total Expenses	1,203	1,125	1,078	1,141	1,044	1,019	986	1,089	1,066	1,000	1,055	1,055
- <i>Direct</i>	801	787	738	759	707	652	652	696	713	650	687	678
- <i>Indirect</i>	402	338	340	382	337	367	334	393	353	350	368	377
EBITDA	1,124	1,169	1,161	1,083	1,075	1,063	1,079	1,034	1,083	1,110	1,111	1,121
PBT	728	779	776	662	698	671	709	649	683	696	683	682
PAT	523	563	556	468	519	479	500	445	482	491	510	477
EBITDA Margin	48.3%	51.0%	51.9%	48.7%	50.7%	51.1%	52.3%	48.7%	50.4%	52.6%	51.3%	51.5%
PAT Margin	22.5%	24.5%	24.8%	21.0%	24.5%	23.0%	24.2%	21.0%	22.4%	23.3%	23.5%	21.9%

NORMALISED - COSTS

(RM mn)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Total Expenses	1,203	1,125	1,078	1,141	1,044	1,019	986	1,089	1,066	1,000	1,055	1,055
Direct Expenses	801	787	738	759	707	652	652	696	713	650	687	678
Indirect Expenses	402	338	340	382	337	367	334	393	353	350	368	377
- <i>S&M</i>	91	77	87	108	71	100	107	122	103	110	94	98
- <i>Staff Costs</i>	135	111	116	113	117	115	66	116	124	115	124	117
- <i>Bad Debts</i>	20	16	9	21	12	9	15	18	4	10	9	6
- <i>G&A</i>	156	134	128	140	137	143	146	137	122	115	141	156



Key Operational Data

CUSTOMERS (RGS30)

('000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Mobile Subs	11,532	11,310	11,003	11,048	11,076	11,146	11,338	11,864	12,192	12,214	11,956	11,579
- Prepaid	8,289	8,054	7,759	7,797	7,822	7,903	8,120	8,656	8,992	9,068	8,850	8,520
- Postpaid	2,634	2,664	2,683	2,721	2,749	2,781	2,786	2,809	2,823	2,796	2,784	2,765
- WBB	608	592	561	530	505	462	432	398	377	351	322	294

ARPUs (RGS30)

(RM/mth)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Postpaid	103	104	101	101	97	98	95	98	96	97	98	102
Prepaid	41	40	42	42	40	40	40	39	38	36	39	39
Blended	57	57	58	58	55	56	55	54	53	51	53	54

SMART PHONE PENETRATION

(%)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Blended	25	29	33	38	43	48	54	57	62	65	67	69
- Prepaid	20	23	27	32	38	43	50	54	60	63	65	67
- Postpaid	49	53	56	59	61	64	67	67	72	73	75	76

Notes:

WBB subscriptions defined as subscriptions on data plans using USB modems and tablets

Commencing 1Q15, postpaid MOU is no longer disclosed as we are not applying fair value to new bundled plans including the MaxisONE Plan

Smart-phone defined as any devices with growing apps store and active developers



Key Operational Data

CUSTOMERS (Market Definition)

('000)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Mobile Subs	14,136	13,873	13,213	12,893	12,602	12,401	12,415	12,913	13,260	13,269	13,110	12,694
- Prepaid	10,780	10,497	9,845	9,528	9,238	9,042	9,081	9,624	9,979	10,051	9,927	9,567
- Postpaid	3,356	3,376	3,368	3,365	3,364	3,359	3,334	3,289	3,280	3,218	3,174	3,127
WBB	673	663	636	596	569	532	495	440	412	385	357	325
Mobile Internet Users	7,900	8,000	6,900	7,300	7,100	7,500	7,600	8,800	9,000	9,100	9,000	8,800
Home Connections	31	36	43	52	59	66	72	80	89	99	107	118

ARPUs and MOUs (Market Definition)

(RM/mth)	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15
Postpaid ARPU	102	103	100	101	96	97	94	97	95	96	97	102
Prepaid												
- ARPU	32	31	33	33	33	34	35	35	35	33	35	35
- MOU (min/mth)	125	119	116	117	118	124	131	133	126	131	134	129
Blended ARPU	46	46	48	49	48	50	50	50	48	47	49	50

Notes:

WBB subscriptions defined as subscriptions on data plans using USB modems and tablets – included in postpaid subscriptions

Commencing 1Q15, postpaid MOU is no longer disclosed as we are not applying fair value to new bundled plans including the MaxisONE Plan

