



# YOUR WORLD OF POSSIBILITIES

ANNUAL REPORT 2012



## WHAT'S INSIDE

- 1 ..... **Our Company**
- 2 ..... **Our Business in Brief**
  - Brand Mission and Vision
  - Our Brands and Business
  - Our Performance
  - How We Manage Our Business
- 4 ..... **Our Performance**

## HIGHLIGHTS

- 14 ..... Chairman's Statement
- 18 ..... CEO's Statement
- 22 ..... Financial Highlights
- 24 ..... Value Added Statement
- 25 ..... Group Quarterly Financial Performance
- 26 ..... Summarised Group Statement of Financial Position
- 27 ..... Segmental Analysis
- 28 ..... Operating Performance Indicators
- 29 ..... Investor Relations
- 31 ..... Financial Calendar

## OUR STRENGTH

- 32 ..... Our Achievements
- 34 ..... Event Highlights
- 38 ..... Corporate Information
- 39 ..... Corporate Structure
- 40 ..... Organisation Structure

## LEADERSHIP

- 42 ..... Board of Directors
- 44 ..... Directors' Profiles
- 50 ..... Senior Management
- 52 ..... Senior Management Profiles

## OUR BUSINESS IN ACTION

- 60 ..... Mobile and Data Services
- 62 ..... Business Solutions
- 64 ..... Home Services
- 66 ..... New Services
- 68 ..... Customer Service and Rewards
- 72 ..... Talent and People
- 76 ..... Outlook

## CORPORATE RESPONSIBILITY

- 78 ..... Corporate Responsibility

## FINANCIAL STATEMENTS

- 86 ..... Directors' Report
- 92 ..... Income Statements
- 93 ..... Statements of Comprehensive Income
- 94 ..... Statements of Financial Position
- 96 ..... Statements of Changes in Equity
- 100 ..... Statements of Cash Flows
- 103 ..... Notes to the Financial Statements
- 185 ..... Supplementary Information
- 186 ..... Statement by Directors
- 187 ..... Statutory Declaration
- 188 ..... Independent Auditors' Report to the Members of Maxis Berhad

## CORPORATE GOVERNANCE

- 190 ..... Audit Committee Report
- 195 ..... Statement on Corporate Governance
- 212 ..... Statement on Risk Management and Internal Control
- 216 ..... Directors' Responsibility Statement
- 217 ..... Risk Management
- 219 ..... Ethical Business Practices

## ANALYSIS OF SHAREHOLDINGS

- 222 ..... Size of Shareholdings
- 222 ..... Distribution Table According to Category of Shareholders
- 223 ..... Directors' Interest in Shares
- 224 ..... 30 Largest Shareholders
- 226 ..... Information on Substantial Shareholders

## OTHER INFORMATION

- 228 ..... List of Properties Held by Maxis Berhad
- 230 ..... Disclosure of Recurrent Related Party Transactions
- 249 ..... Additional Disclosures
- 250 ..... Material Contracts
- 255 ..... Glossary
- 258 ..... Maxis Centres
- 259 ..... Maxis Exclusive Partners

## ANNUAL GENERAL MEETING

- 268 ..... Notice of Annual General Meeting
- ..... Form of Proxy

CONTENTS

# WHAT'S INSIDE

## OUR COMPANY

Maxis is the only integrated communications service provider in Malaysia and the extensive range and reach of our services create a rich customer experience for both consumers and businesses.

We leverage on technology to innovate and offer mobile and fixed voice services, messaging, mobile Internet and wired and wireless broadband. We focus on giving our customers the best experience anytime, anywhere and across any device.

## PUSHING THE BOUNDARIES

We constantly explore new frontiers of telecommunications technology to bring the exciting benefits of this fast-paced and constantly evolving industry to our customers. The collective talent and skills of our people deliver clever and exciting innovations to enrich the lives of our customers.

Our high-speed network footprint is the largest in the country. Maxis has 95% 2G coverage and 82% 3G/HSPA coverage which means our customers can experience our services at home, at work or at play. We have always been at the forefront of technology since our foundation in 1995 with notable firsts in our history.

Maxis launched the first high-speed networks in Malaysia including 3G, 3.5G, 3.5G+ and we were the first to launch 4G LTE (Long-Term Evolution). We have taken the lead in active network sharing in the country. In October 2011, Maxis and U Mobile Sdn. Bhd. entered a landmark agreement to share Maxis' 3G radio access networks ("RAN"), making the partnership the first active 3G RAN sharing arrangement to be deployed in Malaysia.

The Maxis and REDtone International Bhd. infrastructure and spectrum sharing agreement signed in July 2012 will fast-track the roll-out of ultra high-speed 4G LTE networks throughout the country for both players. Through the combined spectrum, our customers will have the opportunity to access the highest broadband speeds in the country - up to 150 Mbps, with the latest 4G LTE technology.

Maxis pushes boundaries to bring innovative products and services to our customers. We were the first to bring the BlackBerry, Apple iPhone, Galaxy Tab, Windows 7 and Android smartphones to Malaysia. We also brought applications and solutions with relevant local content to enrich the lives of our customers such as Loker, ebooks, Islamic content and the EPI ECG Phone. We have created regional milestones with the Maxis 1Store, ONEMusic, Maxis Games and Maxis Movies.

We took a step further in providing integrated experiences to our customers with our Home Service. Maxis Home is a full suite of integrated services encompassing high-speed Internet via fibre, mobile and fixed wireless access, voice and value-added services. The signing of a strategic partnership with Astro on 30 August 2012, which combines the best of Maxis' broadband access with Astro's rich content, further strengthened the foundation for enhanced and richer Maxis Home service offerings to customers. Not surprisingly, Maxis' non-voice revenue contribution at 45.6% of mobile revenue is among the highest in the Asian region. Our active mobile Internet and wireless broadband users was close to 8 million in 2012. We also serve more than 50,000 businesses, providing a strong portfolio of integrated mobile, fixed and enterprise solutions.

## RECOGNITION FOR OUR EFFORTS

Maxis' growth and strong track record of enabling innovation, excellent customer experience and value to stakeholders have won the Company numerous key awards including FinanceAsia Asia's Best Companies (2012) Malaysia awards for Overall Best Managed Company. Maxis was also top three brand in Malaysia's Most Valuable Brands 2012 awards and best brand in telecommunications in "thebrandlaureate" awards.

We enjoyed our best ever showing at the 13th Customer Relationship Management and Contact Centre Association ("CCAM") Annual Awards, sweeping 20 awards including Best in-house Contact Centre, Best CRM and Best CSR awards for the third straight year. The record sweep is also the single best achievement by any organisation in the history of the CCAM awards.

Our Corporate Responsibility ("CR") initiatives were further recognised when we won the Social Empowerment Award for our flagship CR programme, Cyberkids, at the prestigious Asia Responsible Entrepreneurship Awards ("AREA") for South East Asia 2012.

We believe that reciprocity with the community is an integral part of our success at Maxis. Our CR efforts focus on three pillars to develop and enrich our community, customers and partners; create a great place to work and advocate environmentally friendly practices.

We work actively on community investment programmes such as the Maxis Cyberkids Programme and the Maxis Mobile Content Challenge to increase people's access to the digital platform. In addition, Maxis contributes to the nation's capacity-building efforts through scholarships to outstanding and deserving Malaysians to pursue their education in leading local and overseas universities.

Maxis was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") in November 2009.





## BRAND MISSION AND VISION

**MISSION:** To remain the nation's premier integrated communications service provider.

**VISION:** To bring the future to our customers' lives and businesses in a manner that is simple, personalised and enriching, by efficiently and creatively harnessing leading-edge technology and delivering a brand of service experience that is reliable and enchanting.

## OUR BRANDS AND BUSINESS

### OUR BRANDS

**Maxis:** Our main corporate brand encompassing postpaid, home and business services.

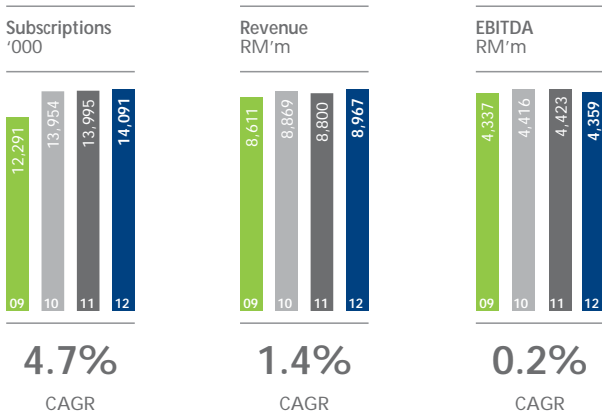
**Hotlink:** Our brand serving the prepaid consumer segment.

### OUR BUSINESS

We deploy the best technologies to offer communications and lifestyle services to consumers and businesses, connecting people and enriching their lifestyles wherever they are – at home, at work or at play. Our services are accessible and convenient. We enable growth and support our business customers to improve their efficiency and productivity. Our business also supports the nation's development agenda.

# OUR BUSINESS IN BRIEF

## OUR PERFORMANCE



## HOW WE MANAGE OUR BUSINESS

### SUSTAINABLE DEVELOPMENT

We invest prudently to ensure balanced growth between investing for the future and ensuring sustainable growth in the short and medium terms, while advocating environmentally friendly practices, developing and enriching our community, customers and partners, and creating a great place to work for our employees.

### GOVERNANCE

The Board of Maxis is committed to upholding the highest standards of corporate governance along the tenets of transparency, accountability, integrity and corporate performance as the prerequisites of a responsible corporate citizen. This is achieved through having a balanced Board with a fair representation of independent directors, involvement in corporate responsibility, performance-linked remuneration and KPIs for all employees, anti-corruption practices and advocating against anti-competitive behaviour.

### RISK MANAGEMENT

We manage risks based on the following principles – consider and manage risk enterprise-wide, integrate risk management into business activities, manage risks in accordance with the risk management framework, tailor responses to business circumstances, communicate risks and responses to management and ensure business continuity.



## Revenue **RM9.0 b**

Continued market leadership

Revenue growth of 1.9% YoY

Mobile revenues increased by RM91 million to RM8.5 billion primarily driven by growth in non-voice revenues

Enterprise fixed revenues increased by 12.2% or RM22 million to RM203 million

International Gateway revenues increased by 25.6% or RM40 million to RM196 million with a focus on more profitable routes

Home revenues grew by 82.4% or RM14 million to RM31 million

## Non-Voice <sup>(1)</sup> **45.6% OF MOBILE REVENUE**

Non-voice revenue grew 5.8% YoY to RM3.9 billion and its share of mobile revenue grew 2.1% points to 45.6%

Growth in non-voice revenue was driven by mobile Internet, fixed wireless broadband, content services and device sales. SMS declined slightly YoY while mobile Internet and other data services grew strongly. Non-SMS based mobile data now forms more than 63.6% of non-voice revenue

Wireless broadband revenue from postpaid and prepaid wireless broadband dongles and fixed wireless broadband services grew 6.8% YoY. While the dongle-based wireless broadband revenue was stable, fixed wireless broadband was the main contributor to growth during the year

## Subscriptions <sup>(2)</sup> **14.1 m**

Continued leadership in both postpaid and prepaid subscriptions

14.1 million subscriptions of which 12.9 million were revenue generating subscriptions

628,000 wireless broadband subscriptions

Mobile Internet users reached 7.8 million, a 4.1% increase YoY. 63% of our mobile base now are data users. Smartphone penetration reached 39% of which more than half are super smartphones, i.e. iPhone, BlackBerry, Android and Windows Mobile based phones

## EBITDA **RM4.4 b**

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of RM4.4 billion was lower by RM64 million or 1.4% YoY

EBITDA margin of 48.6% was lower by 1.7% points, and continues to be industry-leading

# OUR PERFORMANCE

**PAT**  
**RM1.9 b**

PAT (Profit After Tax) of RM1.9 billion was lower by RM671 million or 26.5% YoY

Excluding one-off last-mile broadband tax incentive (2012: RM32 million; 2011: RM352 million), accelerated depreciation and write-off of property, plant and equipment together with the related tax effects (2012: RM221 million; 2011: RM13 million) thereof, the comparable profit for the year was lower (2012: RM2,049 million; 2011: RM2,192 million) mainly due to lower EBITDA and higher net financing and amortisation costs

**CAPEX**  
**RM803 m**

Network expansion and modernisation continued to provide the best mobile Internet and wireless broadband experience. HSPA+ (High-speed Packet Access Plus) dual-carrier offering improved performance<sup>(3)</sup> was launched and works seamlessly with our largest HSPA network with 82% population coverage. Further network modernisation prepared us for the launch of 4G LTE on 1 January 2013. Investments in IT capabilities were made to enhance customer service capabilities, product formulation and billing agility

> 5,300 HSPA sites, of which > 5,200 sites are HSPA+ (21 Mbps) capable and > 3,800 sites are HSPA+ Dual Carrier supporting speeds up to 42 Mbps

Active 3G RAN sharing with U Mobile to bring forward capex investment returns went live on 1 September 2012 after the landmark agreement was signed on 21 October 2011

Launched our Tier-III certified data centre to support our managed services and cloud computing businesses

**Free Cash Flow**  
**RM2.1 b**

Net debt to EBITDA ratio at 1.46

Net debt to Equity ratio at 0.90

Closing cash balance of RM967 million

**Dividends**  
**RM3.0 b**

Dividends of RM3.0 billion declared/proposed for 2012

Payout ratio of 162%

Dividend per share of 40 sen. Dividend yield of 6.0% on RM6.65 (2012 closing price)

**NOTES:**

- (1) Non-voice revenues include SMS, ADS, Wireless Broadband, Fixed Wireless Broadband, VAS and outright device sales
- (2) Prepaid Wireless Broadband subscriptions are not included in the reported subscription base
- (3) HSPA and HSPA+ are supported on most devices while HSPA+ Dual Carrier is supported on the iPhone 5, iPad with Retina display and iPad mini, Nokia Lumia 820, 900 and 920, and with our dedicated Wireless Broadband dongles



# WHO WE ARE

We are a leading-edge, innovative technology company providing integrated communications services, connecting people, enriching lives and enabling growth for businesses anytime, anywhere and across any device.

We are a Malaysian company with a strong track record of supporting the sustainable development of the nation.

Our commitment and passion drive our focus to provide excellent customer experience.





# WHAT WE DO AND HOW WE DO IT

We put our customers first. Always. In everything we do, we uphold these values:

## SIMPLE

We strive to make technology simple and life easy for our customers

## TRUSTWORTHY

We honour our commitments by doing what we say

## CREATIVE

We look beyond the obvious, discover new insights and make something better

## BRAVE

We uncover new possibilities and step outside our comfort zone







# WHERE WE ARE

Our world-class high performance network covers more than 95% of the population in Malaysia with retail presence and operations in all 13 states and territories. In January 2013, we commercially rolled out the best in class 4G LTE network in selected areas and will continue to expand into other areas. Our data network is rated by independent agencies as the best in Malaysia.

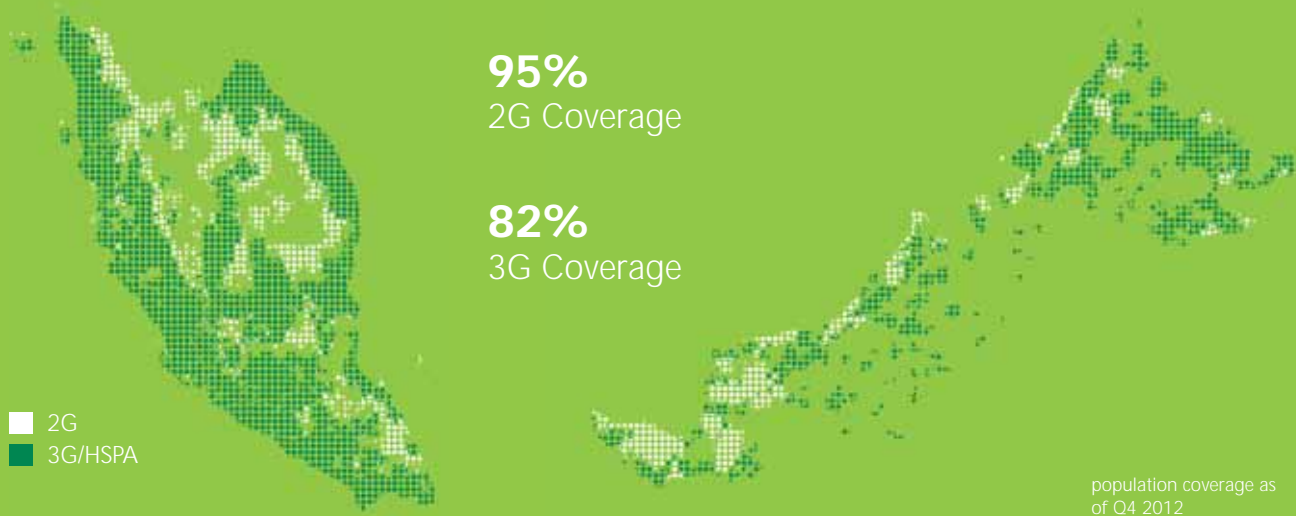
MELAKA



SARAWAK



## LARGEST HIGH-SPEED NETWORK FOOTPRINT





PENANG



SABAH



KEDAH



KELANTAN



# WHERE WE ARE HEADING

We aim to maintain leadership by building the best data network for the future and investing in the latest technology.

We constantly revamp our services to be competitive and relevant to customer needs. Our aim is to offer seamless Internet access and content to customers anytime, anywhere and across any device.

We want to be a multi service one-stop shop for our customers' growing needs. We are building bundled packages of home, Internet, voice and value-added services as well as evolving our distribution channels and retail presence for the future.

We are focused on delivering the best enterprise mobility solutions and managed services portfolio to be the preferred communications partner of our business customers.







**A STEADY  
FINANCIAL  
PERFORMER  
FOR THE  
YEAR**





## I AM PLEASED TO REPORT THAT MAXIS DELIVERED ANOTHER YEAR OF PROFITABLE GROWTH AND MAINTAINED MARKET LEADERSHIP IN 2012 AS CONSUMERS RESPONDED POSITIVELY TO OUR NEW MARKET INITIATIVES, INNOVATIVE PLANS AND SMART PHONE OFFERINGS. THIS ACHIEVEMENT IS COMMENDABLE GIVEN THAT WE ARE OPERATING IN A HIGHLY CHALLENGING ENVIRONMENT.

The last two years have seen intensifying price competition and the emergence of over-the-top ("OTT") players who are providing alternative communication access. At the same time, the roll-out of advanced data networks and bandwidth efficient technologies, widespread broadband availability and the proliferation of smart devices promise exciting new growth opportunities of which we are ready to benefit from.

2012 was a year of consolidation to stay competitive in the market and relevant to our customers, and of commitment to providing the best value and experience as we build the foundation for the next generation of integrated communications services.

We maintained our strategic focus to lead in the data space while protecting our core revenues, especially voice. We also continued to pursue opportunities in under-represented market segments and improve customer experience through providing peace of mind for international roaming customers, convenience and best-in-class service.

We are delighted to have been awarded the 2600 MHz spectrum by the Malaysian Communications and Multimedia Commission ("SKMM") in December for the purpose of rolling out a 4G LTE network. This is a quantum leap for telecommunications in Malaysia and a crucial milestone in our integrated journey.

We are grateful to the Government for providing an enabling environment that promotes investment in the latest technology for the benefit of all Malaysians. In the last two years of trialling 4G LTE technology in a live network environment, we acquired invaluable insight and learning in the design, planning and optimisation needed for such a network. We are proud of our team and our partners who were critical in building this capability that will bring even faster wireless connectivity across the nation.

In addition to giving our home and business customers superfast and richer Internet access, with 4G LTE, we will be bringing in the latest and most innovative services to improve and enrich their lives. We also see this as an opportunity to improve revenue growth and create substantial value for our shareholders.

Sabah and Sarawak represent long-term opportunities for our business and we continued to expand our presence in this region during the year, adding new 2G and 3G sites and improving network speeds for faster broadband and mobile Internet access. We also invested significantly in 4G LTE and in cutting-edge technologies such as NanoBTS and Femtocell to connect rural communities.

### FINANCIAL REVIEW AND DIVIDENDS

Group revenue for the year registered a steady 1.9% year-on-year growth to reach RM9.0 billion. Maxis delivered an EBITDA of RM4.4 billion with corresponding EBITDA margin of 48.6%. Profit for the year was RM1.9 billion after taking into account RM162 million of accelerated depreciation as we fast forward investments in our network and RM133 million in asset write-off.

The Board of Directors is pleased to recommend for shareholders' approval at the forthcoming Annual General Meeting a final single-tier tax-exempt dividend of 8.0 sen per share in respect of the financial year ended 31 December 2012. The four interim dividends paid and the recommended final dividend will bring the total dividend for 2012 to 40.0 sen per share. If approved the Company would have declared and delivered a total of 135.0 sen per share in cumulative dividends since the IPO, amounting to a total payout of RM10.1 billion to shareholders.

The Company has proposed to adopt a dividend policy that seeks to pay out not less than 75% of the consolidated net profit for each financial year provided such distribution would not be detrimental to its cash needs. Notwithstanding this, the payout ratios for 2011 and 2012 were 119% and 162% respectively. The Company will continue to adopt a progressive dividend policy through active capital management.

# CHAIRMAN'S STATEMENT

Continued

## THE BOARD'S COMMITMENT

The Maxis Board is fully committed to positioning Maxis for profitable and sustainable growth while maintaining the highest standards of ethics, corporate governance and corporate responsibility. You will find this discussed in greater detail on pages 78 to 82, 195 to 211 and 219 to 221 in this annual report.

Global trends and growing consumer concerns about the social and environmental impact of corporations are reshaping the business environment. In this environment, it is critical that the Board integrates sustainability considerations into our guidance and oversight of the Company's business strategy, ensuring the long-term interests of the business and the community and environment in which we operate and live.

We value the benefits of diversity on the Board in providing the necessary skills, experience, knowledge and expertise to help the Company address today's complex business challenges. We will continue to promote diversity in all its aspects.

## PUTTING ROBUST PARTNERSHIPS IN PLACE

As Maxis continues to move strongly beyond basic voice and SMS services, we see collaboration as strategic to our efforts to deliver value to our customers. Network sharing is key to the deployment of network infrastructure faster across the country while optimising industry investments and avoiding duplication.

## OUR ACTIVE RADIO ACCESS NETWORK ("RAN") SHARING PARTNERSHIP WITH U MOBILE, THE FIRST OF ITS KIND IN SOUTH EAST ASIA, SHIFTED INTO HIGH GEAR IN 2012. MAXIS NOW PROVIDES 3G RAN ACCESS OVER 1,600 SITES TO U MOBILE. OUR ARRANGEMENT INCLUDES ACCESS TO ROAMING ON MAXIS' NATIONWIDE 2G NETWORK TO ENSURE SEAMLESS SERVICES FOR U MOBILE SUBSCRIBERS.

In July 2012, we were the first to support the Government's call for spectrum sharing when we signed an important agreement with REDtone International Berhad to build common infrastructure. Between Maxis and REDtone, we now have a strong suite of LTE spectrum giving us the spread and opportunity to offer the best 4G LTE experience in Malaysia.

## OUR STRATEGIC PARTNERSHIP WITH ASTRO, WHICH WAS CEMENTED DURING THE YEAR, WILL TAKE CONVERGENCE TO A NEW LEVEL, ENABLING US TO PROVIDE THE BEST CONTENT ACROSS ANY DEVICE AND AT ANY LOCATION, WHETHER AT HOME, AT WORK OR ON-THE-GO.

We have also collaborated with independent software vendors to develop a suite of Business Mobility Solutions to help Malaysian businesses optimise the benefits arising from the convergence of integrated communications and IT services.

## CUSTOMER ENGAGEMENT

Everything we do is aligned with our aim to give our customers the best possible communications experience. This is more crucial than ever as market competition intensifies and more players move into high-speed broadband.

During the year we sharpened our focus on customer service excellence through standardisation, process and system improvements, and enhancing our multichannel service capabilities to make it easy and convenient for our customers to reach us.

## CORPORATE RESPONSIBILITY

We believe a strong sustainable performance leads to a strong financial future. Based on this, we have designed a Corporate Responsibility ("CR") framework to help drive our sustainability objectives across the organisation and manage our "triple bottom line" of economic, environmental and social impacts in ways that add value to the Company and all our stakeholders.

We have invested significantly to improve connectivity for underserved communities. In 2012, we extended coverage and lowered broadband costs in Sabah and Sarawak. We partnered with SKMM to provide WiFi access to 110 rural sites in Peninsular Malaysia and we operate 16 Community Broadband Centres ("CBC") nationwide to provide basic IT training to less privileged communities.

Our flagship community programme, Maxis Cyberkids, reached its first decade in 2012. This has been a highly successful initiative to familiarise teachers and students with IT skills and enable them to be catalysts for change in their own communities, with over 8,600 students and teachers from 1,500 schools nationwide having gone through the programme. Last year we included special education schools, for the hearing-impaired, for the first time.

We keep all our stakeholders updated about our sustainability agenda and 2012 saw the production of our second Sustainability Report.

### LONG-TERM GROWTH AND PROFITABILITY

We face many challenges to keep Maxis at the forefront of the communications industry. New frontiers are unfolding with the roll-out of more bandwidth efficient technologies, the introduction of an ever-growing range of exciting smart devices and the widening availability of broadband.

These are still early days for data. It is rapidly becoming a broader and more complex playing field as the demand for mobile Internet and other data services gathers strong momentum. The biggest challenge for our industry will be to have enough spectrum available to meet these needs.

The Company's future depends on our ability to capture some of the high-growth opportunities emerging from the new generation of technology and services. We expect to see the emergence of new mobile platforms in areas such as banking, health services, security and education.

We have strengthened our capabilities to arm us for long-term growth and profitability and will continue to set the pace of innovation in the way we do things and in the products and services we offer. As we move forward, we will be looking particularly at the communication and multimedia needs of families, groups, communities and businesses.

Our ability to offer integrated services and solutions is a key differentiator, together with our strategic focus on deepening our relationship with our customers. This will help us take advantage of the new opportunities to allow our customers, businesses and the nation realise the enormous benefits of the Internet revolution.

### ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank En. Asgari bin Mohd Fuad Stephens for his contribution as an Independent Director of Maxis over the past three and a half years. He has expressed his intention not to seek re-election and will retire at the conclusion of our fourth Annual General Meeting.

I would also like to extend my gratitude to Mr. Ghassan Hasbani and Dr. Zeyad AlEtaibi, who both resigned during the year, for their valuable contributions. I also welcome Mr. Alvin Hew, Mr. Krishnan Ravi Kumar and Dr. Ibrahim Kadi who were appointed as Directors during the year. The Board believes that the Company will benefit from the international experience and invaluable expertise of these three directors.

On behalf of the Board, management and staff of Maxis, I would like to record my enormous gratitude to Mr. Sandip Das for successfully piloting the Company through some very challenging times over the last six years. His tenure as Chief Executive Officer ends on 30 June 2013. He has requested for an early release from office. The Board has agreed to his request, and accordingly he will step down from his position as Chief Executive Officer and as a Director of Maxis with effect from 15 April 2013.

We are pleased to welcome Mr. Johan Dannelind as the new Chief Executive Officer with effect from 1 July 2013. We are confident that Maxis will continue to grow and further strengthen its market leadership under his stewardship.

Our people have been the cornerstone of our success as a Group, and I would like to thank all management and staff for their passion, professionalism, hard work and commitment to delivering outstanding service.

I take this opportunity to express my sincere gratitude to the Ministry of Information Communication and Culture ("KPKK"), the Ministry of Education ("KPM") and the Malaysian Communications and Multimedia Commission ("SKMM"). We greatly appreciate their support and are pleased to work with them in building a world-class communications and multimedia infrastructure for the nation.

I am immensely grateful to my fellow Board members for their guidance, foresight and commitment during the past year.

Finally, on behalf of the Board, management and staff of Maxis, I would like to thank our customers, business partners and shareholders for their continued confidence and trust.

**Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda**  
Chairman



## A LEADING INNOVATOR, TRANSFORMING LIVES

DEAR SHAREHOLDERS,

**OUR AMBITION IS TO CONTINUE BUILDING A FUNDAMENTALLY STRONG COMMUNICATIONS AND INTERNET BUSINESS, STAMPING OUR LEADERSHIP IN THE MARKET AND CREATING VALUE FOR OUR SHAREHOLDERS.**

Since our return to Bursa Malaysia in 2009, we have maintained our commitment to stay relevant to the expanding horizons of our customers' needs. We have worked tirelessly to build an ecosystem that is rapidly enabling us to offer integrated products and services, with mobility at the core of our offerings. In the process, we believe we have played a critical role in expanding the nation's high-speed information highway, which is now reaching out to geographically underserved regions. We have also contributed towards a more sustainable future for the communities we serve as part of our Corporate Responsibility efforts.



## GROWTH OPPORTUNITIES AND CHALLENGES

As Telcos, we are all acutely aware that while we see exciting growth opportunities arising from the demand for data services that has swept across our businesses, we are also grappling with the seemingly insatiable thirst for data consumption, which is placing asymmetric demands on our network. The near ubiquitous availability of the Internet, better broadband coverage and speeds, exciting content and most of all, an astonishing array of sophisticated and affordable smart terminal devices are all contributing to this mammoth appetite for data.

This passage of time is also particularly challenging as mobile phones are no longer primarily used as voice communications devices but are now being joined by tablets and other non-voice 'SIM-based' Internet devices, which are further pushing the limits of our network capacities. The situation has been exacerbated by non-traditional competitors in the form of over-the-top ("OTT") players, device manufacturers and content integrators who are threatening our traditional revenue streams. All this calls for a re-evaluation and re-invention of our core competence, our strategies and the role we will play in our customers' lives in the future.

In Malaysia, the demand for telecommunications continues to be promising. We see a favourable skew towards a growing younger generation, who are no different from their global counterparts in the manner in which they consume Internet content or are socially networked. Consumers in the metropolitan areas of Kuala Lumpur and other Malaysian cities are similar to those in progressive cities in the region, but populations in Sabah, Sarawak and the East Coast are also beginning to adopt a more connected lifestyle with the continued expansion of broadband coverage, thus further bridging the digital divide.

Telecommunications is at the very heart of our nation's development and economic agenda. Its role as a key enabler to improve the reach of 'Life Services' such as health, education and banking is becoming increasingly important. These factors make us optimistic about the demand for our services that will drive future growth. They also underline the significant responsibility we shoulder as the market leader.

## SUSTAINED LEADERSHIP WITH A BALANCED APPROACH

At Maxis, we are meeting these challenges by striking a balance between optimising our traditional strengths in legacy mobile operations and investing wisely to capture new growth opportunities in data and the digital world. We are getting more intimate with our customers, enriching their lives by staying close and relevant to their changing needs, investing in future networks and stoking our inherent DNA for innovation.

Over the last few years we have sustained our leadership position despite a tough economic environment, severe competition and a highly penetrated market with 141% mobile penetration. Once again we ended the year with industry leading subscriber numbers, revenues and strong EBITDA margins:

- Turnover of RM9.0 billion
- Non-voice revenue at 45.6% of total mobile revenue
- 14.1 million subscriptions
- EBITDA of RM4.4 billion with 48.6% margin

Given our market leadership, it is not unusual for other operators to have trained their sights on eroding our subscriber base through aggressive tariff strategies. It is to the credit of the Maxis team that we remained competitive and yet optimised our margins at industry leading levels. We labelled 2012 a 'year of fixes', as we remained focused on our strategic intent and made some major market moves across our business lines.

Postpaid has been the bedrock of our business and customer relationships, reflected in the disproportionate share we command of high-end customers in the market. Postpaid propositions were reinforced during the year with strong customer service initiatives that included 'Peace of Mind' roaming plans, attractive smartphone offers and upgrades, more attractive 'Maxis One Club' loyalty benefits and customised service bundles for families. Encouragingly, we saw our postpaid subscriber numbers grow towards the end of the year and bad debts at an all-time low, underlining a healthy product portfolio and clear customer endorsement.

Prepaid continues to be the most fiercely contested segment in the market. During the year, we lowered entry barriers and introduced plans that enabled our prepaid customers to select product mixes that best suited their voice, text and data needs. As a result, we retained prepaid leadership and drove revenue growth. Our prepaid brand, Hotlink, made inroads into the migrant market on the back of more attractive IDD rates. Focused marketing efforts in customising plans for customers in the East Coast, Sabah and Sarawak, targeted promotional activities, expansion of distribution into the interiors to match our network build-out, saw us make step jumps towards enhancing affinity towards our Hotlink brand.

# CEO'S STATEMENT

Continued

Five years ago, our non-voice business contributed a fourth of our overall mobile revenues. Today, it makes up for nearly half, at around 46%. Our success has been largely built around our robust ecosystem made up of strong partnerships and alliances with large international Internet-based players and local content developers, a strong suite of globally contemporary products, the roll-out of large HSPA data networks covering 82% of the population, data friendly tariff packages and the best range of smart devices in the market. As a result, 7.8 million of our subscribers use data in one form or another. This year alone, we introduced 'Loker' (individual cloud storage), 'ebooks' (digital books) and a host of exclusive 'Maxis-only' content. Our Maxis content portal 'MyLaunchPad' continues to gain popularity in the Malaysian website space, next only to online banking websites.

During the year, we also broadened our relationships with Enterprise and SME customers to help them improve productivity and efficiency of their businesses through customised Business Mobility Solutions and Built for SME solutions. We enhanced our client servicing capabilities, injecting fresh skills to address business 'verticals'. We have also reinforced our business support services to gain a more meaningful share of the government market.

## STRATEGIC INVESTMENTS FOR THE FUTURE

In 2012, we operationalised our pioneering active network sharing arrangement with U Mobile. This enabled us to monetise our network capacity and bring forward returns on our infrastructure investments. We also signed an infrastructure and spectrum sharing agreement with REDtone. Our overall capex spend in the year logically came down to RM803 million following three years of intensive 3G roll-out and network modernisation.

Having been successfully allocated 2x10 MHz of 2600 MHz LTE spectrum, Maxis now has a healthy spread of high-speed data-compatible spectrum that enables us to optimise network architecture and places us in a strategically strong position for the future. Here again, our partnership with REDtone has given us access of up to 2x20 MHz of contiguous spectrum to build a formidable LTE network.

Towards the end of the year, we took measured steps to roll-out our 4G LTE network in select areas.

**ON 1 JANUARY 2013, MAXIS BECAME THE FIRST TO COMMERCIALY LAUNCH 4G LTE SERVICE IN MALAYSIA AND ON 8 FEBRUARY 2013, WE UNVEILED OUR FIRST 4G LTE SMARTPHONES.**

This signals the next threshold in consumer data experience in Malaysia and we are excited to be leading the charge once again as we did with 3G technology.

**WE WANT TO INSPIRE OUR CUSTOMERS TO DO MORE WITH THEIR LIVES, PROFESSIONS AND BUSINESSES. OUR DREAM IS TO OFFER THEM SEAMLESS CONTENT ANYTIME, ANYWHERE AND ACROSS ANY DEVICE.**

Looking back, we knew that network access would be critical. Our tie-ups with Telekom Malaysia Berhad and Tenaga Nasional Berhad, supplemented by our own fixed/mobile roll-outs, have ensured that Maxis now has the largest broadband footprint providing customers access wherever they are – at home, at work or on-the-go. We have over 600,000 postpaid wireless broadband customers, in addition to a growing number of prepaid wireless broadband users and 7.8 million customers who access high-speed Internet on their mobile devices.

We saw encouraging take-up of our Home Wireless Internet product which offers a compelling alternative to ADSL-based fixed Internet access as well as being the best home Internet solution for an estimated 3.3 million households within our coverage that do not have access to fixed broadband. They now enjoy high-speed 3G Internet and many will soon have 4G LTE as well.

We spent a larger part of 2011 and 2012 understanding our Home business, perfecting home installations, integrating product bundles, sourcing high-quality content and creating new distribution channels. During the year, the much anticipated content deal was struck with Astro Malaysia Holdings Berhad, Malaysia's leading Pay TV service provider. Maxis customers can now view the finest TV channels and Video-On-Demand ("VOD") content as well as customised 'Maxis-only' content at home and on-the-go. We have connected over 25,700 homes with Fibre Internet, paving the way for an exciting new range of IPTV, Broadband and 'Life Services' going forward.

In the near future, we see the implementation of advanced Customer Relationship Management ("CRM") software, supported by convergent billing and other IT support systems playing a major role in customising integrated services for our customers.

## WELL-MANAGED COMPANY, STAKEHOLDER FOCUSED

While maintaining its leadership in the telecom world, Maxis continued to demonstrate all-round excellence as a corporation. The Maxis brand has become synonymous with Malaysia and was ranked among the top three in Malaysia's Most Valuable Brands Awards 2012. The brand reputation rests on the back of a strong customer service legacy. This year, Maxis was declared the Best Managed Company in Malaysia by FinanceAsia's Best Managed Companies poll conducted among bankers and investors across South East Asia.



The company also broadened its community activities and reinforced its commitment to a sustainability programme dedicated to its principal stakeholders - consumers, employees, shareholders and the community.

### MAXIS PEOPLE, OUR ORGANISATIONAL BACKBONE

We have been working at becoming more contemporary in character and progressive in our approach to meeting the demands of our customers. During the year, enormous effort was put into raising organisational understanding and competence in the areas of new learning across devices, customer service, online marketing and retail. These have been benchmarked against global best practices. There will be evidence of these measures in 2013 at the customer and street level.

We have established a separate Talent portfolio that has resulted in key changes and approaches to the people development process in the Company. Our competency framework is designed to prepare senior management for future leadership roles. At the entry and mid-management levels, the Leadership Development Engine ("LDE") programme is also being revamped to fast-track the development of a pool of high calibre, performance driven individuals who will take Maxis into the future.



### ACKNOWLEDGEMENTS

**WE ARE CONSTANTLY INSPIRED AND CHALLENGED BY OUR MAXIS CUSTOMERS. THEY DEMAND THE BEST FROM US. ALONG WITH MY COLLEAGUES, I WOULD LIKE TO THANK THEM FOR THEIR SUPPORT AND ASSURE THEM THAT THEIR FAITH IN US IS NOT MISPLACED. WE ARE DETERMINED, AS A COMPANY, TO STAY BY THEIR SIDE AND ENRICH THEIR LIVES.**

Maxis distributors and dealers are among the best in the business. This is evident year after year in the manner in which they compete in the market place. They are constantly re-engineering themselves in response to changing consumer expectations. Our leadership position in the market is the result of their sustained loyalty to the brand, their dedication, competence and hard work.

I am grateful to all the partners who help us deliver exceptional service and ensure we are worthy of the accolades we receive as a strong customer service company. We also thank the management and the field teams of Telekom Malaysia Berhad and Tenaga Nasional Berhad for their support.

We deeply appreciate the continuous guidance and encouragement of the Ministry of Information Communication and Culture of Malaysia ("KPKK") and the Malaysian Communications and Multimedia Commission ("SKMM").

My heartfelt gratitude to the Board of Directors and principal shareholders for their contribution in helping the Company manage stakeholder interests and expectations. We want to thank our outgoing Directors, Mr. Ghassan Hasbani, Dr. Zeyad AlEtaibi and

En. Asgari bin Mohd Fuad Stephens for their valuable contributions and expertise. I also welcome our new board members, Mr. Alvin Hew, Mr. Krishnan Ravi Kumar and Dr. Ibrahim Kadi. My special thanks to the Chairman for his wise counsel and engagement.

I welcome onboard Mr. Johan Dennelind. I am sure his Malaysian and international experience will help Maxis extend its market leadership position and reinforce its reputation as one of Malaysia's best-run companies and among the finest telcos globally.

**I HAVE BEEN PRIVILEGED TO LEAD AN OUTSTANDING TEAM OF PROFESSIONALS WHO ARE CUSTOMER-ORIENTED, PRINCIPLED, INNOVATIVE AND PROUD OF OUR BRAND HERITAGE. THEY WORK HARD TO PRODUCE STRONG RESULTS YEAR AFTER YEAR AND ARE NOT FAZED BY MARKET DIFFICULTIES. THEY ARE THE BACKBONE OF OUR RICH PAST AND PROMISING FUTURE. I THANK EACH ONE OF THEM FOR SUPPORTING ME DURING MY TENURE AS CEO OF MAXIS BERHAD.**

**Sandip Das**  
Chief Executive Officer

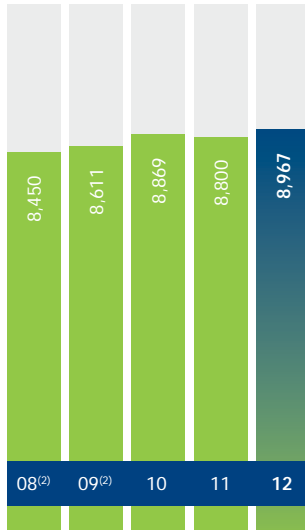
# FINANCIAL HIGHLIGHTS

	2012	2011	2010	2011-2012 YOY change
<b>FINANCIAL RESULTS</b>				
<b>FINANCIAL INDICATORS (RM'm)</b>				
Revenue	8,967	8,800	8,869	1.9%
EBITDA	4,359	4,423	4,416	(1.4%)
Profit from operations	2,864	3,232	3,343	(11.4%)
PBT	2,576	3,004	3,132	(14.2%)
PAT	1,860	2,531	2,295	(26.5%)
Profit attributable to equity holders of the Company	1,856	2,527	2,295	(26.5%)
<b>FINANCIAL RATIOS</b>				
EBITDA margin (%)	48.6%	50.3%	49.8%	
PBT margin (%)	28.7%	34.1%	35.3%	
PAT margin (%)	20.7%	28.8%	25.9%	
Interest cover ratio	8.4	12.1	13.9	
Earnings per share (sen)				
- basic	24.7	33.7	30.6	
- fully diluted	24.7	33.7	na	
Dividends per share (sen) <sup>(1)</sup>	40.0	40.0	40.0	
<b>FINANCIAL POSITIONS</b>				
<b>FINANCIAL INDICATORS (RM'm)</b>				
Equity attributable to equity holders of the Company	7,049	8,084	8,667	
Total assets	17,802	17,991	18,225	
Total borrowings	7,312	6,331	5,497	
<b>FINANCIAL RATIOS</b>				
Return on Invested Capital (%)	15.9%	20.5%	19.2%	
Return on Average Equity (%)	24.5%	30.2%	26.1%	
Return on Average Assets (%)	12.2%	15.4%	14.0%	
Gearing ratio	0.90	0.68	0.53	
Net assets per share (RM)	0.94	1.08	1.16	



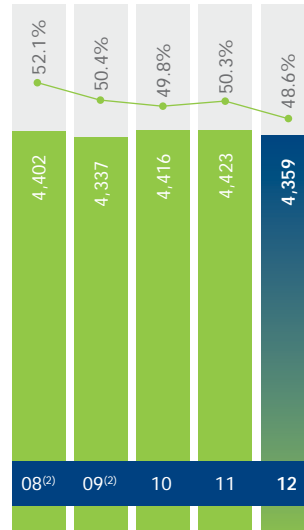
### Revenue

RM'm



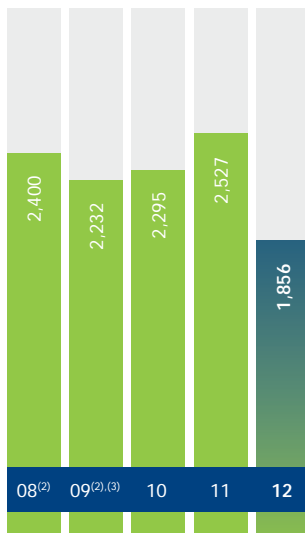
### EBITDA and EBITDA margin

RM'm



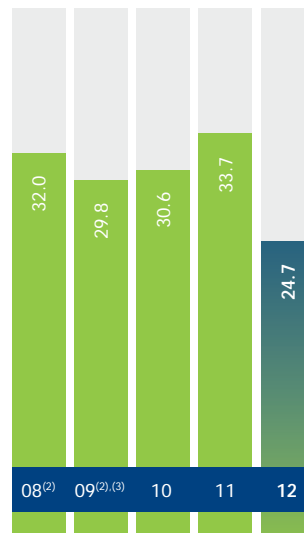
### Profit attributable to equity holders of the Company

RM'm



### Basic earnings per share

Sen

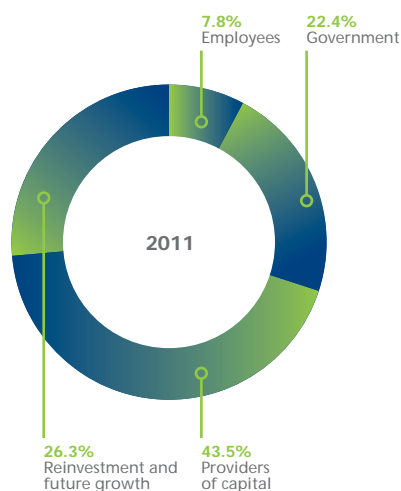
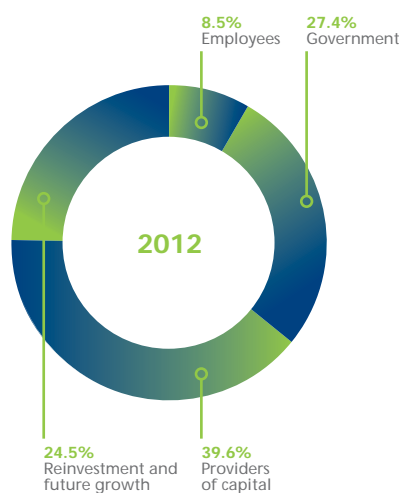


#### NOTES:

- (1) Dividends per share consists of interim and final dividends declared and proposed in respect of the designated financial years.
- (2) The information is prepared on the assumption that the business combination comprising the acquisitions of the Malaysian businesses by the Company from its immediate holding company which took place on 1 October 2009 had been effected on 1 January 2008. This is to provide a meaningful comparison of the financial and operational performance of the Group for the reported periods.
- (3) Includes one time costs of RM103 million comprising
  - (i) the discount for shares issued to retail investors in relation to the Listing of RM53 million, and
  - (ii) Maxis Listing and related expenses of RM50 million.

# VALUE ADDED STATEMENT

## VALUE DISTRIBUTED



	2012 RM'm	2011 RM'm
<b>VALUE ADDED</b>		
Revenue	8,967	8,800
Direct and operating expenses	(3,502)	(3,193)
Other operating income	87	54
<b>Total Value Added</b>	<b>5,552</b>	<b>5,661</b>
Reconciliation:		
Profit for the year	1,856	2,527
Add: Depreciation and amortisation	1,362	1,149
Finance costs	339	268
Government	1,519	1,270
Non-controlling interest	4	4
Staff costs	472	443
<b>Total Value Added</b>	<b>5,552</b>	<b>5,661</b>
<b>VALUE DISTRIBUTED</b>		
<b>Employees</b>		
Staff costs	472	443
<b>Government</b>		
Corporate tax	716	473
Service tax	218	222
Universal Service Provision contributions	442	437
Regulatory fees	143	138
<b>Providers of capital</b>		
Dividends <sup>(1)</sup>	1,856	2,189
Finance costs	339	268
Non-controlling interest	4	4
<b>Reinvestment and future growth</b>		
Depreciation and amortisation	1,362	1,149
Retained earnings	-	338
<b>Total Distributed</b>	<b>5,552</b>	<b>5,661</b>

### NOTE:

(1) The dividends for 2011 and 2012 were RM3.0 billion each year. The amounts disclosed above represent dividends that were declared and paid in those years. Such dividends were declared first out of current year profits and then retained profits brought forward and/or merger relief reserve if the current year profits were insufficient.

# GROUP QUARTERLY FINANCIAL PERFORMANCE

WHAT'S INSIDE

HIGHLIGHTS

OUR STRENGTH

LEADERSHIP

OUR BUSINESS IN ACTION

CORPORATE RESPONSIBILITY

	2012				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2012
<b>2012 FINANCIAL PERFORMANCE</b>					
<b>RM'm</b>					
Revenue	2,229	2,216	2,216	2,306	8,967
EBITDA	1,133	1,106	1,055	1,065	4,359
Profit from operations	838	694	708	624	2,864
PBT	767	630	632	547	2,576
PAT	573	466	443	378	1,860
Profit attributable to equity holders of the Company	572	464	442	378	1,856
Earnings per share - basic (sen)	7.6	6.2	5.9	5.0	24.7
Dividends per share (sen) <sup>(1)</sup>	8.0	8.0	8.0	16.0	40.0

	2011				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2011
<b>2011 FINANCIAL PERFORMANCE</b>					
<b>RM'm</b>					
Revenue	2,133	2,158	2,244	2,265	8,800
EBITDA	1,090	1,106	1,123	1,104	4,423
Profit from operations	805	818	814	795	3,232
PBT	741	757	746	760	3,004
PAT	540	552	538	901	2,531
Profit attributable to equity holders of the Company	539	551	537	900	2,527
Earnings per share - basic (sen)	7.2	7.3	7.2	12.0	33.7
Dividends per share (sen) <sup>(1)</sup>	8.0	8.0	8.0	16.0	40.0

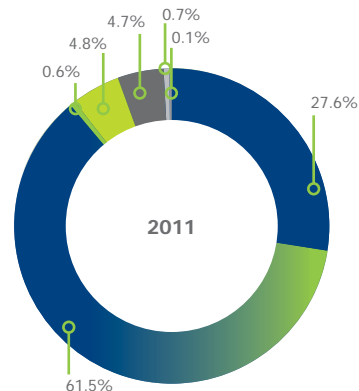
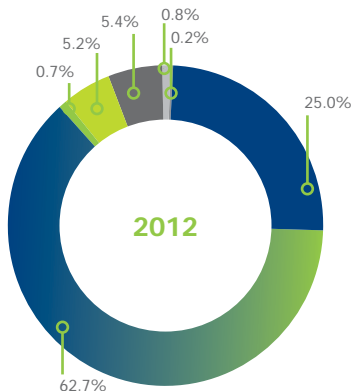
**NOTE:**

- (1) Dividends per share consists of interim and final dividends declared and proposed in respect of the designated financial periods/years.

# SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

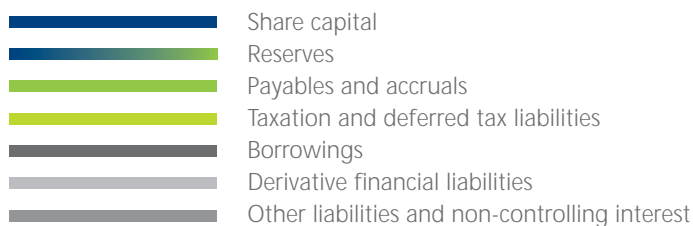
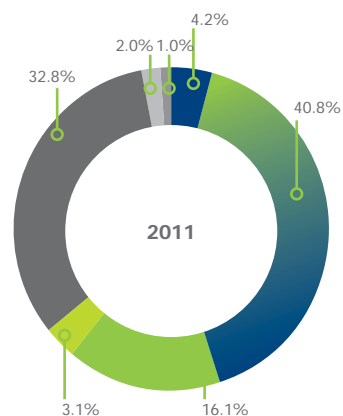
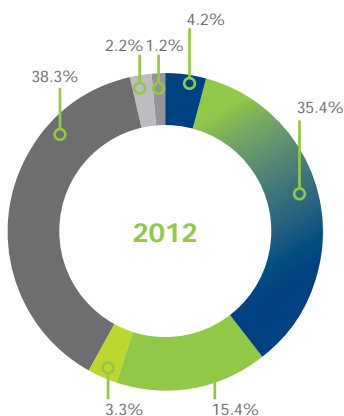
## TOTAL ASSETS

2012 RM'm	2011 RM'm
4,459	4,971
11,152	11,060
118	110
922	858
967	838
141	134
43	20
<b>17,802</b>	<b>17,991</b>



## TOTAL EQUITY AND LIABILITIES

2012 RM'm	2011 RM'm
750	750
6,299	7,334
2,752	2,889
583	557
6,812	5,909
398	366
208	186
<b>17,802</b>	<b>17,991</b>





# SEGMENTAL ANALYSIS

	2012 RM'm	2011 RM'm	2010 restated RM'm
<b>SEGMENT REVENUE <sup>(1)</sup></b>			
Mobile services	8,537	8,446	8,279
Enterprise fixed services <sup>(2)</sup>	203	181	168
International gateway services	196	156	405
Home services <sup>(2)</sup>	31	17	17
Other operations	-	-	-
Total	<u>8,967</u>	<u>8,800</u>	<u>8,869</u>
<b>SEGMENT EBITDA</b>			
Mobile services	4,308	4,346	4,275
Enterprise fixed services <sup>(2)</sup>	64	51	63
International gateway services	48	42	33
Home services <sup>(2)</sup>	(109)	(49)	15
Other operations	48	33	30
Total	<u>4,359</u>	<u>4,423</u>	<u>4,416</u>
<b>SEGMENT RESULTS <sup>(3)</sup></b>			
Mobile services	2,984	3,235	3,282
Enterprise fixed services <sup>(2)</sup>	27	25	35
International gateway services	29	22	9
Home services <sup>(2)</sup>	(187)	(57)	13
Other operations	11	7	4
Total	<u>2,864</u>	<u>3,232</u>	<u>3,343</u>

## NOTES:

- (1) Definition of each segment is detailed on pages 60 to 65 of this Annual Report.
- (2) Prior to 2011, "Home services" was reported together with "Enterprise fixed services" under the "Fixed services" segment. The comparative segment revenue and results prior to year 2011 have been restated to conform with segment reporting in 2012 and 2011.
- (3) Segment results represent profit from operations.

# OPERATING PERFORMANCE INDICATORS

## MOBILE PERFORMANCE INDICATORS

	RGS definition <sup>(1)</sup>		market definition		
	2012	2011 <sup>(2)</sup>	2012	2011 <sup>(2)</sup>	2010
<b>Number of mobile subscriptions ('000)</b>					
- Postpaid	2,596	2,638	2,642	2,676	2,673
- Prepaid	9,677	9,429	10,770	10,602	10,687
- Wireless Broadband <sup>(3)</sup>	628	673	679	717	594
- Total	12,901	12,740	14,091	13,995	13,954

	RGS definition <sup>(1)</sup>		market definition	
	2012	2011	2012	2010
<b>Monthly ARPU (RM) <sup>(1)</sup></b>				
- Postpaid	107	108	108	104
- Prepaid	37	36	36	36
- Wireless Broadband <sup>(3)</sup>	68	63	63	68
- Blended	53	52	52	50
<b>Average monthly MOU per subscription (minutes) <sup>(1) (4)</sup></b>				
- Postpaid	333	350	350	357
- Prepaid	134	139	139	124
- Blended	176	183	183	172
	2012	2011	2012	2010

## HOME PERFORMANCE INDICATOR

<b>Number of home subscriptions ('000)</b>			
- Home Fibre Internet	26	4	1

## CAPITAL EXPENDITURE

<b>Total capital expenditure (RM'm)</b>			
- Telecommunications network	594	903	1,289
- Others	209	112	155
Total	803	1,015	1,444

### NOTES:

- (1) With effect from 1 January 2011, in parallel with the market (old) definition, Maxis adopted a stricter definition of subscriptions for reporting purposes that is more reflective of the revenue generating base. The definitions of mobile subscriptions for Postpaid, Prepaid and Wireless Broadband are as follows:
- Postpaid and Wireless Broadband: subscriptions on the register excluding subscriptions that have been barred for more than 50 days.
  - Prepaid: subscriptions on the register excluding subscriptions that do not have any revenue contribution for more than 50 days.

Accordingly, the numbers of mobile subscriptions, monthly ARPU and average monthly MOU per subscription for the years 2012 and 2011 have been computed based on the RGS (new) definitions.

- (2) The fixed wireless Internet which was previously reported under Home services has been reclassified and reported under Mobile services.

- (3) Defined as customers who have subscribed to data plans via a modem.

- (4) Average monthly MOU per subscription excludes roaming partner minutes but includes free minutes.

## Commitment to Shareholders

Maxis being the only integrated communications service provider in Malaysia, is committed to creating value for its shareholders. Maxis believes in returning value to shareholders via a dividend policy of active capital management (see section on Dividend Policy).

Since its listing in November 2009, Maxis has declared interim dividends on a quarterly basis, and a final dividend in each financial year, providing cash returns to shareholders on a regular basis.

For 2012, Maxis declared/recommended dividends totaling RM3.0 billion (40.0 sen/share) to our shareholders, comprising:

- four interim dividends of RM600 million (8.0 sen/share) per quarter totaling RM2.4 billion (32.0 sen/share) for the year; and
- a recommended final dividend of RM600 million (8.0 sen/share) subject to shareholders' approval.

The total represents a dividend yield of 6.0% based on the closing price of RM6.65 as at end of 2012.

## Dividend Policy

Our full dividend policy, as stated in our IPO Prospectus dated 28 October 2009, is reproduced below for your reference:

"The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. It is the Company's intention to pay dividends to shareholders in the future. However, such payments will depend upon a number of factors, including Maxis' earnings, capital requirements, general financial conditions, the Company's distributable reserves and other factors considered relevant by the Board.

## Maxis Share Price Performance – 1 January 2012 to 31 December 2012



		2009	2010	2011	2012
Dividends (RM'm)	Interims	900	2,400	2,400	2,400
	Final	225	600	600	600
	<b>Total</b>	<b>1,125</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>
Dividend Per Share (sen)	Interims	12.0	32.0	32.0	32.0
	Final	3.0	8.0	8.0	8.0
	<b>Total</b>	<b>15.0</b>	<b>40.0</b>	<b>40.0</b>	<b>40.0</b>
Earnings Per Share (sen)		na	30.6	33.7	24.7
Payout Ratio (%)		na	130.7	118.7	161.6
Dividend Yield (%)		na	7.5	7.3	6.0

Continued

The Company has proposed to adopt a dividend policy of active capital management, and proposes to pay dividends out of cash generated by its operations after setting aside necessary funding for network expansion and improvement and working capital needs. As part of this policy, the Company targets a payout ratio of not less than 75% of its consolidated Profit After Tax under Malaysian GAAP in each calendar year beginning financial year ending 31 December 2010, subject to the confirmation of the Board and to any applicable law, licence and contractual obligations and provided that such distribution would not be detrimental to its cash needs or to any plans approved by its Board. Investors should note that this dividend policy merely describes the Company's present intention and shall not constitute legally binding statements in respect of the Company's future dividends which are subject to modification (including reduction or non-declaration thereof) at the Board's discretion.

As the Company is a holding company, its income, and therefore its ability to pay dividends, is dependent upon the dividends and other distributions that it receives from its subsidiaries. The payment of dividends or other distributions by the Company's subsidiaries will depend upon their operating results, financial condition, capital expenditure plans and other factors that either respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves. In addition, covenants in the loan agreements, if any, for the Company's subsidiaries may limit their ability to declare or pay cash dividends."

Notwithstanding the above, the payout ratios for 2010, 2011 and 2012 were 131%, 119% and 162% respectively.

## Investor Engagement

Maxis engages proactively and regularly with the investment community to share our strategy and vision and to discuss our operations, business and financial performance, whilst ensuring timely and fair dissemination of information. We value the relationship we have with our investors and communication with them is of primary importance to us.

The key spokespersons and representatives for Investor Relations of the Company are the Chief Executive Officer and the Chief Financial Officer (see Board of Directors' Profiles and Senior Management Profiles for their biographies) who engage with research analysts and institutional investors directly. From time to time, the Joint Chief Operating Officers also participate in these discussions. Such interaction is facilitated by an Investor Relations unit.

We maintain an ongoing dialogue with the investment community through a programme of Investor Relations activities. Some of these activities are described below.

### Announcement of Quarterly Financial Results

Every quarter, our financial results are released publicly through announcements to Bursa Malaysia. These announcements contain detailed financial statements, summary of financial and operational indicators and an analysis of performance.

Following this release, a conference call for analysts based in Malaysia and abroad will be held and on a semi-annual basis, a media briefing will be carried out to update members of the press and other media, both to provide clarification on questions which they may have.

The media briefing is usually led by the Chairman and analyst conference call by the CEO. For both events, the Joint COOs, CFO and other members of senior management are in attendance, reflecting the commitment to providing a high degree of clarity to the public and investment community.

The presentation material for the media briefing and analyst call is also made available publicly on the Maxis website. In the presentation material, key financial and operational indicators are depicted primarily in graphical form, with messages in point form, to facilitate ease of understanding and analysis.

### Meetings, Conferences and Roadshows

Maxis continues to attract strong interest from both the local and international investment communities.

In order to maintain regular contact and interaction with these parties, we engage in a variety of Investor Relations activities in addition to meetings with investors and analysts at our offices. These activities include participation in major investment conferences. In 2012, Maxis attended the annual Credit Suisse Asian Investment Conference in Hong Kong. We also undertook a non-deal roadshow covering the major financial market centres of Singapore and Hong Kong and held meetings at our office. These events provide an excellent opportunity to maintain regular contact with shareholders, to reach potential investors and to build rapport with international investors.

### Website

Our corporate website has a section on Investor Relations which provides relevant information of interest to investors such as announcements to Bursa Malaysia, financial results, presentation materials and annual reports. In addition, a list of press releases may be found in the adjacent Media Centre section of the website.

### Feedback and Enquiries

As part of our continuing improvement process, we welcome feedback on our Investor Relations initiatives and information provided, in order to further improve our interaction with the investment community. In this respect investors with useful suggestions, requests or clarification required are encouraged to contact us at [ir@maxis.com.my](mailto:ir@maxis.com.my). We look forward to the continued engagement.



# FINANCIAL CALENDAR

## 31 May 2012

Announcement of the unaudited consolidated results for the first quarter and three months ended 31 March 2012.

Announcement of the first interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 8 June 2012

Entitlement date for the final single-tier tax-exempt dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2011.

## 15 June 2012

Entitlement date for the first interim single-tier tax-exempt dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2012.

## 22 June 2012

Payment date for the final single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2011.

## 29 June 2012

Payment date for the first interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 30 August 2012

Announcement of the unaudited consolidated results for the second quarter and six months ended 30 June 2012.

Announcement of the second interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 14 September 2012

Entitlement date for the second interim single-tier tax-exempt dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2012.

## 28 September 2012

Payment date for the second interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 28 November 2012

Announcement of the unaudited consolidated results for the third quarter and nine months ended 30 September 2012.

Announcement of the third interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 14 December 2012

Entitlement date for the third interim single-tier tax-exempt dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2012.

## 28 December 2012

Payment date for the third interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 26 February 2013

Announcement of the consolidated results for the fourth quarter and audited results for the financial year ended 31 December 2012.

Announcement of the fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share and proposed final single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 15 March 2013

Entitlement date for the fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share for the financial year ended 31 December 2012.

## 29 March 2013

Payment date for the fourth interim single-tier tax-exempt dividend of 8.0 sen per ordinary share in respect of the financial year ended 31 December 2012.

## 11 April 2013

Notice of Annual General Meeting and issuance of Annual Report for the financial year ended 31 December 2012.

## 9 May 2013

Fourth Annual General Meeting.

# OUR ACHIEVEMENTS

## FinanceAsia Asia's Best Companies 2012 (Malaysia)

- Overall Best Managed Company
- Best Corporate Governance
- Best Investor Relations
- Best Corporate Social Responsibility
- Most Committed To A Strong Dividend Policy (2nd)
- Best CEO – Sandip Das
- Best CFO – Nasution bin Mohamed

## Malaysia's Most Valuable Brands 2012

3rd - Maxis

## "thebrandlaureate"

### The Grammy Awards for Branding

Best Brands Category  
Telecommunications - Maxis  
2011-2012

## Putra Brand Awards 2012

### The People's Choice

Gold – Communication Networks

## 13th Contact Centre Association of Malaysia ("CCAM") Excellence Awards 2012

### Gold Awards

- Best Video Category for Creative Presentation
- Best Contact Centre Telemarketer
- Best Contact Centre Support Professional MIS/IT (Under 100 seats)
- Best Contact Centre Manager (Under 100 seats)
- Best Head of Contact Centre (Open)
- Most Green Contact Centre (Open)
- Technology Innovation Contact Centre (Open)
- Process Excellence Contact Centre (Open)
- Corporate Social Responsibility Award
- Social Media Programme in Contact Centre (Open)
- CRM Programme Implementation Contact Centre (Open)
- Best In-House Outbound Contact Centre (Under 100 seats)
- Best In-House Inbound Contact Centre (Over 100 seats)
- Best of the Best In-House Contact Centre

### Silver Awards

- Best Contact Centre Telemarketer (Open)
- Best Contact Centre Team Leader (under 100 seats)
- Best Contact Centre Support Professional MIS/IT (Under 100 seats)
- Most Creative Contact Centre (Open)
- People Contact Centre (Open)

### Bronze Awards

- Best Contact Centre Support Professional MIS/IT (Over 100 seats)
- Best Contact Centre Manager (Over 100 seats)

## GoMobile 2012 Operators Awards

- Operator of the Year
- Best Mobile Content and Services
- Best Mobile Broadband

## PC.com 12th Readers Choice Awards 2011

- Best CSR Company of The Year
- Best Postpaid Telco

## Asia Responsible Entrepreneurship Awards ("AREA")

Social Empowerment Award

## National Annual Corporate Report Awards ("NACRA") 2012

Certificate of Merit

In recognition of the company's annual report having qualified for the final of NACRA 2012

## Malaysian Retailer Chains Association ("MRCA") Award 2012

Best Business Partner Award

## Game Axis Malaysia Survey Award 2011 Champion

Favourite Mobile Game Provider





## EVENT HIGHLIGHTS

**31 January 2012**

### **Appreciation Night for distributors and dealers**

Over 400 distributors and dealers from all over the country attended the dinner held in conjunction with Chinese New Year. The dinner celebrated long-standing partnerships with distributors and dealers.

**18 February 2012**

### **Maxis reinforced its commitment to the Kampung Tohor community by providing WiFi connectivity**

Maxis deployed WiFi connectivity in Kampung Tohor, Jelebu, one of the 56 sites in the states of Kelantan, Pahang, Terengganu and Negeri Sembilan entrusted to Maxis for the roll-out of WiFi access by SKMM.

**7 March 2012**

### **A new Hotlink Plan**

Maxis launched a new innovative all-in-one prepaid plan that gives its Hotlink customers access to the lowest rates in five integrated value propositions – Voice Calls, SMS, Surfing, IDD (International Direct Dialling) and Roaming – for just RM5.

**28 March 2012**

### **Maxis at the London 2012 Olympics**

Maxis was the Official Mobile Phone Services Provider for the Malaysian contingent participating in the London 2012 Olympic Games, reflecting its continued commitment to national sports and talent development.

**3 April 2012**

### **Maxis focused on digitising the SME Market**

Maxis launched Built for SME - Retail, the first all-in-one integrated solution in Malaysia for retail for small and medium enterprises ("SMEs"). The bundled product comprises an extensive suite of services beyond fixed and mobile solutions.

**4 April 2012**

### **Maxis clinched top awards at PC.com awards night 2012**

Maxis was named the winner yet again of the Best Postpaid Telco and Best CSR awards at the PC.com Awards Night 2012. The Best Postpaid Telco award was presented to Maxis for the seventh year in a row.

**12 April 2012**

### **Maxis launched Malaysia's first ebook service**

Maxis ebooks, Malaysia's first integrated digital book service, can be used across various devices offering access to a selection of over 300,000 international and local ebooks from over 40 categories.

**16 April 2012**

### **New Hotlink Prepaid Plan for Sarawak**

Hotlink launched the new Sarawak Plan, an innovative all-in-one prepaid plan that gives customers in Sarawak free voice calls as well as access to the lowest rates in five categories - Voice Calls, SMS, Surfing, IDD (International Direct Dialling) and Roaming.

**17 April 2012**

### **New Hotlink Prepaid Plan for Sabah**

Hotlink launched the Sabah edition of the new Hotlink Plan.

**17 April 2012**

### **Maxis was the first Malaysian company to organise an all-expenses paid golf competition for its customers at Stone Forest International Golf Course in Yunnan, China**

Maxis customers participated in their favourite game of golf and won over RM1 million worth of prizes with the Maxis Team Golf Tour ("MTGT") 2012.

**3 May 2012**

### **Maxis teamed up with the National Heart Institute of Malaysia ("IJN") for healthcare content**

Maxis and IJN forged the first ever partnership to deliver healthcare content services via mobile technology. Through this partnership, Maxis will provide heart health content to all its customers, which they can access via any mobile phone with SMS features, smart devices or the web.

**8 May 2012**

### **Maxis launched Business Mobility Solutions**

Maxis launched its Business Mobility Solutions developed in partnership with nine Independent Software Vendors ("ISVs"). These comprise customised products for enterprises to manage their costs and resources more effectively, increase productivity and improve their business processes through a wide range of mobile applications.

**10 May 2012**

### **Maxis awarded RM3.16 million in scholarships**

Maxis continued to demonstrate its commitment to education and leadership development by presenting the Maxis Scholarship for Excellence Awards worth a total of RM3.16 million to 22 outstanding young Malaysian students.



Maxis and The National Heart Institute of Malaysia ("IJN") partnered to bring healthcare content services via mobile technology to Maxis customers. (L to R) YBhg. Prof. Dato' Dr. Mohd Azhari Yakub, Deputy CEO of IJN; YM Raja Tan Sri Dato' Seri Arshad, Chairman of Maxis and Suren J. Amarasekera, Maxis Joint Chief Operating Officer.





Chairman of Maxis Berhad, YM Raja Tan Sri Dato' Seri Arshad speaking at the Maxis-Badminton Association of Malaysia ("BAM") partnership signing ceremony.

**11 May 2012**  
**Maxis became the Official Telecommunication Sponsor for the Badminton Association Of Malaysia**

Maxis continued its commitment to promoting sports development by partnering with the Badminton Association of Malaysia ("BAM") as its official telco sponsor.

**22 May 2012**  
**Maxis made High-speed Fibre Internet more affordable**

Maxis announced the lowest rates ever in the market for its Fibre Internet from Home service. This limited time promotion translated into more value for money with attractive bundles including free calls, unlimited download quota, value-added services, free devices and Internet security.

**24 May 2012**  
**Maxis launched first personal Cloud-Based service in Malaysia**

Maxis announced the launch of Loker, a personal cloud service which is available on multiple devices. Loker takes customer experience to a new level by simplifying their digital lifestyles.

**31 May 2012**  
**Maxis introduced Samsung's latest flagship Android smartphone**

Maxis strengthened its device ecosystem by introducing Samsung's brand new flagship Android smartphone, the Samsung Galaxy SIII for its customers.

**6 June 2012**  
**Maxis launched the Make A Difference ("MAD") Campaign**

Maxis launched the MAD Campaign for its employees to promote a culture of making a difference in four key thrust areas - People, Customers, Teamwork and Excellence.

**8 June 2012**  
**Maxis rewarded its One Club members with breakthrough offer**

Maxis offered Maxis One Club ("MOC") members the Samsung Galaxy SIII and the Apple iPhone 4S for the extraordinary price of just RM599, in conjunction with the Club's 10th year celebrations.

**22 June 2012**  
**Maxis introduced the third generation iPad**

Maxis offered the new iPad with WiFi and cellular models with a range of attractive data plans that allowed customers to connect to its fastest and widest data network.

**13 July 2012**  
**Maxis and REDtone entered into an Infrastructure Sharing Agreement to provide 4G Services in Malaysia**

Maxis and REDtone entered into an infrastructure and spectrum sharing agreement that will enable both players to fast-track their roll-out of ultra high-speed 4G networks throughout the country.

**27 July 2012**  
**Maxis introduced an integrated suite of Islamic content and services, available all year round**

Maxis offered its Muslim customers a new discovery point to access an integrated suite of Islamic content and services in conjunction with its Salam Ikhlas 2012 campaign.

**30 July 2012**  
**Maxis launched an integrated Digital Solution for advertisers**

Maxis launched its Best Integrated Go-To-Market ("B.I.G") Media which enables advertisers to reach out to Maxis' large customer base through a one-stop shop for both online and mobile advertising. Maxis B.I.G. Media integrates multiple digital platforms that allow advertisers to target consumers more cost effectively with content tailored to their specific interests.

**8 August 2012**  
**Maxis launched Hotlink Broadband, the fastest and most affordable Prepaid Broadband Service**

Maxis was the first operator to launch the fastest Prepaid Wireless Broadband service in Malaysia under the brand name of Hotlink Broadband. With no deposits or commitment required, customers can enjoy full flexibility in connecting to the Internet with a range of broadband passes and fastest surfing speed.

**9 August 2012**  
**Maxis rewarded customers during the festive Hari Raya Aidilfitri season with super savings**

Maxis rewarded its customers with its Super Savers Series for the festive Hari Raya Aidilfitri season. Hotlink enabled users to make longer calls and send more SMSes through the Super Savers Top Up, Super Savers Midnight and Super Savers Sunday promotional offers.

**15 August 2012**  
**Maxis employees celebrated Olympic achievements with its sports ambassadors**

Maxis paid special tribute to two of its Sports Ambassadors, national badminton player Dato' Lee Chong Wei and national diver Pandelega Rinong, for their achievements at the 2012 London Olympics. Maxis employees joined in the celebration with photo opportunities and autograph sessions with the sports stars.

Continued



Astro and Maxis signed a strategic partnership to bring the best of their combined offerings to Malaysian consumers (L to R) Liew Swee Lim, Astro's Chief Commercial Officer; YBhg. Dato' Rohana Rozhan, Astro's CEO; Sandip Das, Maxis' CEO and Mark Dioguardi, Maxis' Joint Chief Operating Officer.

**16 August 2012**  
**Panasonic, Maxis and Atrixx in strategic partnership to enhance business efficiency**

Panasonic Malaysia Sdn. Bhd., Maxis Berhad and Atrixx International Sdn. Bhd. signed a Collaborative Arrangement Agreement for a strategic partnership. The companies agreed to pool their resources, technology and knowledge in packaging integrated products and services. They will also work together on distribution to reduce costs for customers.

**16 August 2012**  
**Latest Hotlink Plans offer free calls to customers in Kelantan and Terengganu**

Hotlink launched all-in-one prepaid plans to give customers in Kelantan and Terengganu free voice calls as well as access to the lowest rates for Voice Calls, SMS, Surfing, IDD (International Direct Dialing) and Roaming.

**28 August 2012**  
**Maxis launched new centre in Kuala Lumpur International Airport ("KLIA")**

Maxis opened a new centre at KLIA offering a range of products and services to serve the diverse needs of KLIA's domestic and international travellers, employees as well as neighbouring townships in Sepang, Nilai and Cyberjaya.

**5 September 2012**  
**Astro and Maxis signed partnership to provide the best of TV, Radio, Broadband and Voice**

Astro, Malaysia's leading consumer media entertainment group and Maxis, Malaysia's only integrated communications service provider came together in a strategic partnership to bring the best of Astro TV and Radio, high-speed Internet and voice to Malaysian consumers and households.

**21 September 2012**  
**Maxis was first in Malaysia to introduce the Nano SIM**

Maxis introduced the new Nano SIM for customers in the Klang Valley who already had an iPhone 5 or who were planning to purchase the device.

**26 September 2012**  
**Hotlink sponsored charity football match in Kelantan**

Hotlink sponsored a charity football match in Kelantan featuring members of Kelab Rakan Pendengar ("KRP"), local celebrities as well as current and past Kelantan football stars.

**4 October 2012**  
**Maxis Postpaid Plan enables customers to Talk and Text More for less**

Maxis introduced TalkMore and TextMore, its brand new postpaid voice and text plans that allow customers to reduce their bills the more they talk or text. The plans come with bundled minutes and SMS and an automatic bill trigger capability which reduces call rates by 50%.

**5 October 2012**  
**Maxis customers witnessed a mission to the edge of space**

Maxis became a part of history as the local mobile broadcaster of Red Bull Stratos. The country's fastest and widest network allowed Maxis customers to witness this historic feat by Felix Baumgartner, aimed at proving that man can survive surpassing the speed of sound in freefall.

**17 October 2012**  
**Facility housing Maxis' Data and Cloud Computing Services received Malaysia's First Tier III certification**

Maxis was awarded the prestigious certification that validates its capability to provide high levels of business continuity and 24/7 connectivity for Malaysian enterprises. The data centre certification is supported by the Multimedia Development Corporation ("MDeC"), to enhance Malaysia's positioning as a world-class data centre hub.

**18 October 2012**  
**Maxis awarded RM5.68 million in scholarships to 27 outstanding undergraduate and postgraduate students**

Maxis presented its Scholarship for Excellence Awards worth a total of RM5.68 million to outstanding young Malaysian students as part of its on-going commitment to education, talent and leadership development.

**23 October 2012**  
**Maxis raised the bar in customer service with a record 20 Awards at 13th CCAM Annual Awards**

Maxis walked away with a record 20 awards at the 13th Customer Relationship Management and Contact Centre Association of Malaysia ("CCAM") Annual Awards. These included the Best In-House Contact Centre, Best CRM and Best CSR awards for the third straight year, and the Gold Awards for Best Social Media and Best In-House Outbound Centre for the second consecutive year.

**24 October 2012**  
**Maxis bonded with residents of adopted homes through fun activities**

Maxis staff and volunteers engaged with residents of its adopted homes – Independent Living and Training Centre ("ILTC") and Jenjarom Old Folks Home.

**29 October 2012**

**Maxis provided customers with affordable Broadband Services through the widest and fastest data network in the country**

Maxis continued to excite the market, giving customers more value for money, convenience and choice with the launch of its new and improved Maxis Home Wireless Internet and Maxis Wireless Broadband plans.

**2 November 2012**

**Maxis demonstrated its commitment to enhancing Malaysia's telecommunications sector as the preferred wholesale provider of 2G and 3G Services**

Maxis announced its status as preferred wholesale provider of 2G and 3G network infrastructure access. As one of the major highlights in its network sharing initiatives, the Company now provides 3G Radio Access Network ("RAN") access across over 1300 sites to U Mobile under a mutually beneficial multi-billion ringgit agreement ensuring greater efficiency in services delivery. This demonstrated the Company's continued commitment to the Government's call for greater cooperation on network sharing among industry participants.

**2 November 2012**

**Maxis reinforced commitment to bridging the digital divide by equipping ASEAN youth with ICT skills**

The successful conclusion of the ASEAN Cyberkids Camp marked another milestone in the Company's efforts to bridge the digital divide and enable integration and capacity-building among ASEAN school children.

**6 November 2012**

**Maxis continued to digitise the SME industry with its Built For SME Solutions – Logistics and Transportation**

Maxis launched the Built for SME Solution for the Logistics and Transportation industry, an integrated solution specifically for SMEs in the logistics and transportation sector. The bundled solution, the first of its kind in the country, comprises a diverse host of services beyond fixed and mobile solutions to help businesses run efficiently.

**10 November 2012**

**Maxis celebrated Deepavali with attractive offers and rewards for its customers**

Maxis rewarded its customers with more savings during the Deepavali festive period with discounted rates and free content, enabling customers to keep in touch with their loved ones and friends as well as celebrate the Festival of Lights with music and entertainment.

**23 November 2012**

**Maxis and Astro in the 'RM1,000,000 Money Drop' Game Show**

Maxis and Astro collaborated in the first of its kind partnership between a telco and a TV broadcaster for a game show. The '1,000,000 Money Drop' was the first interactive online game that played simultaneously with a live TV programme. Maxis customers had the chance to win the grand prize of a Toyota Vios and attractive weekly prizes.

**14 December 2012**

**Maxis iPhone 5 launch**

Maxis launched the much awaited iPhone 5. Thousands of eager customers joined members of the press and celebrities at the unique midnight launch event.

**1 January 2013**

**Maxis led the market yet again by becoming the first to launch 4G LTE in Malaysia**

Maxis rolled out its 4G Long-Term Evolution ("4G LTE") service offering to customers at the stroke of midnight.



**TOP**

Maxis reinforced its commitment to bridging the digital divide by equipping ASEAN students with technology and ICT skills at the ASEAN Cyberkids Camp 2012.

**BELOW**

Maxis was among the first to bring the much anticipated iPhone 5 to its customers. (From left) Fitri Abdullah, Maxis' Head of Enterprise and Government Business; Suren J. Amarasekera, Maxis' Joint Chief Operating Officer and T. Kugan, Maxis' Head of Product, Device, Innovation and Roaming, at Maxis' iPhone 5 launch.

## Board of Directors

**Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda**  
Chairman/  
Independent Non-Executive Director

**Robert William Boyle**  
Independent Non-Executive Director

**Dato' Mokhzani bin Mahathir**  
Independent Non-Executive Director

**Asgari bin Mohd Fuad Stephens**  
Independent Non-Executive Director

**Krishnan Ravi Kumar**  
Non-Executive Director

**Dr. Fahad Hussain S. Mushayt**  
Non-Executive Director

**Dr. Ibrahim Abdulrahman H. Kadi**  
Non-Executive Director

**Augustus Ralph Marshall**  
Non-Executive Director

**Chan Chee Beng**  
Non-Executive Director

**Alvin Michael Hew Thai Kheam**  
Non-Executive Director

**Sandip Das**  
Chief Executive Officer/Executive Director

## Senior Independent Director

**Dato' Mokhzani bin Mahathir**  
e-mail : [mmokhza@maxis.com.my](mailto:mmokhza@maxis.com.my)

## Company Secretary

**Dipak Kaur**  
(LS 5204)

## Head of Internal Audit

**Chow Chee Yan**  
(Profile as disclosed on page 54 of this Annual Report)

## General Counsel

**Stephen John Mead**  
(Profile as disclosed on page 54 of this Annual Report)

## Head of Regulatory

**Yap Chong Ping**

## Investor Relations

**Audrey Ho Swee Fong**  
Tel : + 603 2330 7000  
Fax : + 603 2330 0555  
e-mail : [ir@maxis.com.my](mailto:ir@maxis.com.my)

## Auditors

**PricewaterhouseCoopers**  
Level 10, 1 Sentral  
Jalan Travers  
Kuala Lumpur Sentral  
50706 Kuala Lumpur  
Malaysia  
Tel : + 603 2173 1188  
Fax : + 603 2173 1288

## Registered Office

**Maxis Berhad**  
(Company No 867573-A)  
Level 18, Menara Maxis  
Kuala Lumpur City Centre  
Off Jalan Ampang  
50088 Kuala Lumpur  
Malaysia  
Tel : + 603 2330 7000  
Fax : + 603 2330 0590  
Website : [www.maxis.com.my](http://www.maxis.com.my)

## Share Registrar

**Symphony Share Registrars Sdn. Bhd.**

Level 6, Symphony House  
Block D13, Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor  
Tel : + 603 7841 8000  
Fax : + 603 7841 8008

## Stock Exchange Listing

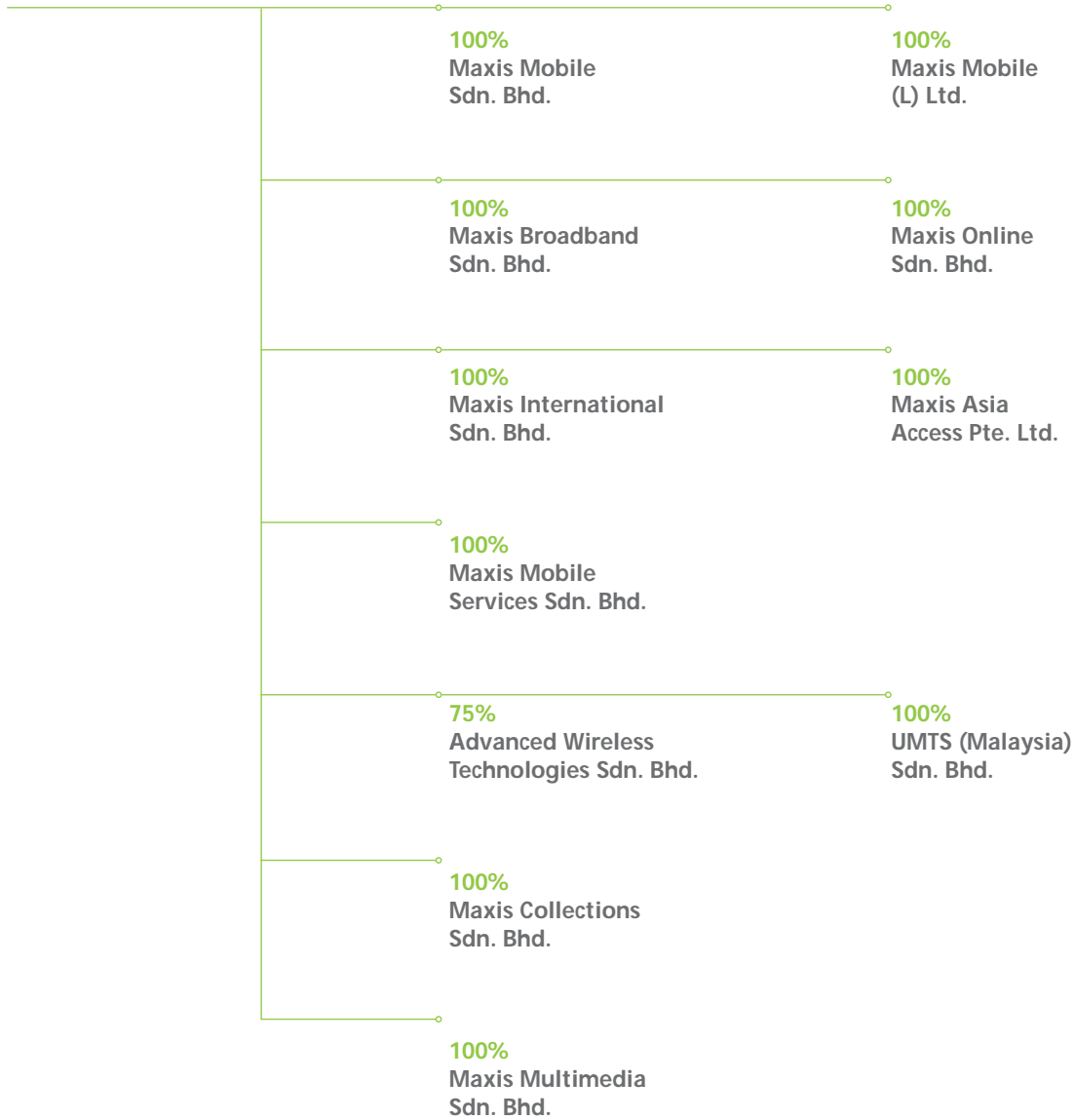
**Main Market of Bursa Malaysia Securities Berhad**  
Listed since 19 November 2009  
Stock Code : 6012

## Enquiries/Assistance pertaining to matters relating to the 2012 Annual Report and Fourth Annual General Meeting

Toll Free Number : 1800 828 001  
e-mail : [agm2013@maxis.com.my](mailto:agm2013@maxis.com.my)  
(valid from 11 April 2013 to 16 May 2013)



## MAXIS BERHAD



**NOTE:**

The above structure represents Maxis Berhad and its subsidiaries. Please refer to pages 139 and 140 of this Annual Report for principal activities of the subsidiaries.

# ORGANISATION STRUCTURE

## Chairman

## Board of Directors

◦ **Chief Executive Officer**  
Sandip Das



\* Reporting to the Audit Committee



WHAT'S INSIDE

HIGHLIGHTS

OUR STRENGTH

LEADERSHIP

OUR BUSINESS IN ACTION

CORPORATE RESPONSIBILITY

# BOARD OF DIRECTORS



1



4



5



8



9

**1 Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda**  
Chairman/Independent  
Non-Executive Director

**2 Robert William Boyle**  
Independent Non-Executive Director

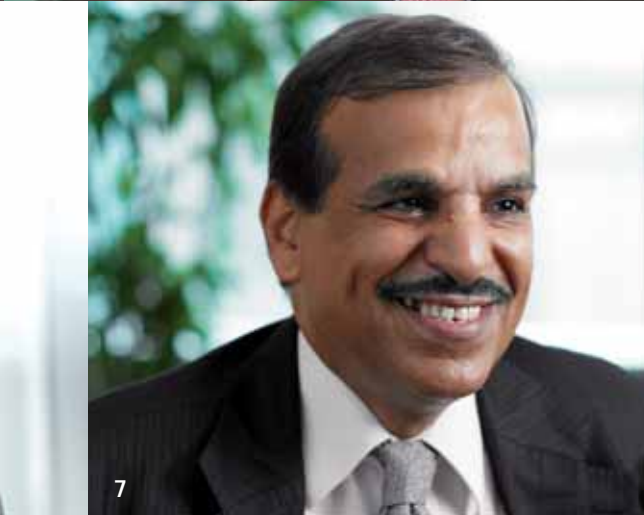
**3 Dato' Mokhzani bin Mahathir**  
Independent Non-Executive Director

**4 Asgari bin Mohd Fuad Stephens**  
Independent Non-Executive Director

**5 Krishnan Ravi Kumar**  
Non-Executive Director

**6 Dr. Fahad Hussain S. Mushayt**  
Non-Executive Director





**7 Dr. Ibrahim Abdulrahman H. Kadi**  
Non-Executive Director

**9 Chan Chee Beng**  
Non-Executive Director

**11 Sandip Das**  
Chief Executive Officer/  
Executive Director

**8 Augustus Ralph Marshall**  
Non-Executive Director

**10 Alvin Michael Hew Thai Kheam**  
Non-Executive Director

## DIRECTORS' PROFILES



**Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, aged 66, a Malaysian, was appointed as Chairman and Director of Maxis on 16 October 2009.**

He is presently a director of Khazanah Nasional Berhad, Yayasan DayaDiri and ACR Retakafu SEA Berhad. Raja Arshad is the chairman of Binariang GSM Sdn. Bhd., Ekuiti Nasional Berhad, Yayasan Raja Muda Selangor and Yayasan Amir. He is also the Chancellor of University Selangor. He was formerly executive chairman and senior partner of PricewaterhouseCoopers ("PwC"), Malaysia, chairman of the Leadership Team of PwC Asia 7, and chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad. His previous international appointments include being a member of the PwC Global Leadership Team, the PwC Global IFRS Board and the Standards Advisory Council of the International Accounting Standards Board.

His previous public appointments include being a member of the Securities Commission, the Malaysian Communications and Multimedia Commission, the Investment Panel of the Employees Provident Fund and the board of trustees of the National Art Gallery.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its council for 24 years, including three years as its president.

He sits as Chairman of the Nomination Committee.

Please refer to Note 7.



**Robert William Boyle, aged 65, a British citizen, was appointed as a Director of Maxis on 17 September 2009.**

He is a non-executive director of Witan Investment Trust plc, Centaur Media plc, Schroder AsiaPacific Fund plc and Prosperity Voskhod Limited, all London listed companies. Previously he was a senior partner of PwC in London, with experience in leading and participating in global teams on client and PwC projects, including chairing the PwC European Entertainment and Media and UK Telecommunications Groups. His expertise includes financial reporting, shareholder communications, risk management and corporate governance. During his career he has worked in France and Africa and been seconded to the UK civil service.

He holds a Master of Arts in Law from Oxford and is a Fellow of the Institute of Chartered Accountants of England and Wales.

He sits as Chairman of the Audit Committee and is a member of the Remuneration and Nomination Committees.



**Dato' Mokhzani bin Mahathir, aged 52, a Malaysian, was appointed as a Director of Maxis on 16 October 2009.**

He began work in 1987 as a wellsite operations engineer with Sarawak Shell Berhad and resigned in 1989 to pursue business opportunities in Kuala Lumpur. By investing in Tongkah Holdings Berhad (listed on the then Kuala Lumpur Stock Exchange), he ventured into the component manufacturing, oil and gas, finance and healthcare sectors. He held positions as the group chief executive officer of Pantai Holdings Berhad (healthcare), chairman of THB Industries Berhad (electronics) and group executive chairman of Tongkah Holdings Berhad (oil and gas, finance). A divestment exercise in 2001 saw him relinquish all positions and equity in these companies. Presently his portfolio of investments includes businesses in IT, oil and gas support services, structural steel engineering and fabrication, the automotive sector and property development. He is a non-independent executive director and executive vice-chairman of SapuraKencana Petroleum Berhad.

Through his private holding company, Kencana Capital Sdn. Bhd., he has investments in IT, property and other businesses. He is currently the chairman of Sepang International Circuit Sdn. Bhd., which hosts the FIA Formula One World Championship. He also serves as non independent non-executive director and chairman of Opcom Holdings Berhad.

He is a qualified petroleum engineer. He pursued his tertiary education at the University of Tulsa, Oklahoma in the USA, where he graduated with a Bachelor of Science in Petroleum Engineering.

He sits as Chairman of the Remuneration and Employee Share Option Scheme ("ESOS") Committees and is a member of the Audit and Nomination Committees.

Please refer to Note 7.



**Asgari bin Mohd Fuad Stephens, aged 52, a Malaysian, was appointed as a Director of Maxis on 16 October 2009.**

He is a director and founding member of Intelligent Capital Sdn. Bhd. ("Intelligent Capital"). He also serves as non-executive director on the boards of JayCorp Berhad and Privasia Technology Berhad. He has extensive experience in both public and private equity investing in Malaysia. He has been involved in several start-up companies as an angel investor and has been actively involved in building their businesses as a mentor. Several of these companies have gone public. He started his career working in general management in companies involved in a wide range of industries. He joined Usaha Tegas Sdn. Bhd. ("UTSB") in 1988 where he worked in various capacities. He left in 1990 to join the stockbroking industry. He returned to UTSB in 1992 before leaving in 1995 to co-found Kumpulan Sentiasa Cemerlang Sdn. Bhd. ("KSC"), an investment advisory and fund management group. He took a year off to work with the National Economic Action Council ("NEAC") in 1998.

After his period at the NEAC, he started two venture capital firms, Intelligent Capital and iSpring Venture Management Sdn. Bhd., while continuing to work with KSC. He was previously the chairman of the Malaysian Venture Capital Association.

He holds a Bachelor of Commerce (Honours) from the University of Melbourne in Australia and a Master of Business Administration degree from Cranfield University in the UK.

He is a member of the Audit, Remuneration and ESOS Committees.

Please refer to Note 8.



## DIRECTORS' PROFILES

Continued



**Krishnan Ravi Kumar, aged 48, a Singaporean, was appointed as a Director of Maxis on 26 November 2012.**

He joined Saudi Telecom Company ("STC") group as its group chief financial officer in May, 2012. He has over 25 years of experience working for multinational companies and has held a variety of positions at senior management level. He joined STC group from Olam International Ltd, a leading global integrated supply chain manager of agricultural commodities based in Singapore. At Olam, he was the group CFO and led the Finance, Accounting, Corporate Affairs and Strategic Investments functions of the Group. Apart from the CFO responsibilities, he was a member of the Executive Committee ("ExCo"), Risk Committee and Investment Committee in the company. He worked at Olam for more than 20 years in a variety of managerial positions, the last 14 years out of their corporate headquarters in Singapore.

He serves on the board of Binariang GSM Sdn. Bhd. and Maxis Communications Berhad (holding company of Maxis).

He obtained a Bachelor of Commerce degree from the University of Delhi, India in 1984 and a Degree in Cost Accountancy from The Institute of Cost and Works Accountants of India in 1985. He became a qualified Company Secretary with the Institute of Company Secretaries in India in 1989 and obtained a postgraduate Diploma in Business Management ("MBA") from Xavier Labour Relations Institute, India in 1990. In 2009, he completed the Advanced Management Program from Harvard Business School, Boston, USA.

Please refer to Note 7.



**Dr. Fahad Hussain S. Mushayt, aged 44, a Saudi citizen, was appointed as a Director of Maxis on 25 September 2009.**

He is the vice president of Corporate Strategy at STC. He joined STC in 2000 as a Senior Business Analyst in its Corporate Planning Department, and moved up later to be Strategic Planning Director and Business Development Director in 2001.

In July 2004, he was made Head of STC Strategic Investments Unit which he founded, reporting to the CEO. In this role, he initiated, managed, closed and subsequently oversaw in excess of US\$8 billion in investments by STC in KSA and globally.

In 2011, he was promoted to vice president of Corporate Strategy, reporting to the group CEO. His responsibilities included promoting the growth agenda of STC, and enhancing the company's competitive position through strategic and business planning. He also oversaw the establishment and implementation of the group's investment strategy, customer experience strategy, integrated broadband strategy, as well as the digitisation strategy among others.

Throughout his career at STC, he has been responsible for representing STC locally and internationally, maintaining and expanding relationships with the telecom industry and regulators in KSA and abroad.

Prior to joining STC, he spent two years with the Saudi Industrial Development Fund.

He has a B.Sc. degree in Operations Research from King Saud University, Riyadh and a M.Sc. in Economics from California State Polytechnic University, Pomona. He obtained a PhD in Political Economy and Public Policy from the University of Southern California L.A. He has also completed management programmes at INSEAD, London Business School and Stanford.

He was vice president of the Telecom Development Advisory Group of the International Telecommunications Union for three years. He sits on the board of many international and local companies including Maxis Communications Berhad (holding company of Maxis) and PT AXIS Telekom Indonesia.

He is a member of the Audit and Remuneration Committees.





**Dr. Ibrahim Abdulrahman H. Kadi, aged 59, a Saudi citizen, was appointed as a Director of Maxis on 26 November 2012.**

He is an ICT consultant with wide-ranging experience/expertise in technology, business, policy, regulatory and market perspectives. He has over 35 years of experience in academic, professional, industrial and regulatory fields. His areas of expertise include Communication Engineering, Knowledge Economy, Market Analysis, Security and Socio-economic Impact of Technology.

He currently serves as an independent member of the Risk Management Board Committee at the Saudi Stock Exchange Co. (Tadawul Riyadh, Saudi Arabia). He is also an independent director of Oger Telecom Limited ("OTL", Dubai UAE). He also serves on the Board of Maxis Communications Berhad (holding company of Maxis).

He was a senior advisor at the Communication & Information Technology Commission ("CITC"), the ICT regulatory authority in Saudi Arabia (2004-2011). He served earlier as the ITU Representative to the Arab States and Head of the ITU Arab Regional Office (2002-2003). He was a professor of communications at King Saud University (1984-2004).

He was vice president for Engineering and R&D of Advanced Electronics Company (1991-1994) and served as an executive

consultant for the following 10 years (1994-2004). He served in a number of industry boards and committees. He provided consultancy services to government agencies, private sector and international organisations, including Saudi Arabian Monetary Agency (Central Bank), Tadawul, National Commercial Bank ("NCB"), AEC, Al Zamil Group, STC, Gulf Cooperation Council ("GCC"), International Telecommunications Union ("ITU") and the International Finance Corporation ("IFC") of the World Bank.

He holds a PhD. from Stanford University (1984), a M.Sc. from the University of Michigan (1980), and a B.Sc. from Riyadh University (1978), all in Electrical Engineering (Communication). He has published over 130 research papers, general interest and literary works, and spoken at numerous national and international conferences. He is a member of the Saudi Computer Society, International Association for Cryptologic Research ("IACR"), Saudi Association for Mathematical Sciences ("SAMS"), and Saudi Economics Association ("SEA"). He is a senior member of the IEEE.

He is a member of the Nomination Committee.

Please refer to Note 7.



**Augustus Ralph Marshall, aged 61, a Malaysian, was appointed as a Director of Maxis on 7 August 2009.**

He has more than 30 years of experience in financial and general management. He is an executive director of Usaha Tegas Sdn. Bhd. ("UTSB"), the executive deputy chairman and group chief executive officer of Astro Holdings Sdn. Bhd. group [including his position as non-executive deputy chairman of Astro Malaysia Holdings Berhad (listed on the Bursa Malaysia Securities Berhad)] and an executive director of Tanjong Public Limited Company, in which UTSB has significant interests. He also serves as a non-executive director on the boards of several other companies in which UTSB also has significant interests such as Maxis Communications Berhad (holding company of Maxis) and Johnston Press plc (listed on the London Stock Exchange plc). In addition, he is a director in an independent non-executive capacity and the chairman of the audit committee of KLCC Property Holdings Berhad (listed on the Bursa Malaysia Securities Berhad) and a non-executive director of MEASAT Global Berhad.

He is an Associate of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants.

He is a member of the Remuneration Committee.

## DIRECTORS' PROFILES

Continued



**Chan Chee Beng, aged 57, a Malaysian, was appointed as a Director of Maxis on 7 August 2009.**

He has more than 30 years experience in investment banking, financial management and accounting including stints with Ernst & Young and Morgan Grenfell & Co. Ltd prior to joining the Usaha Tegas Sdn. Bhd. ("UTSB") Group in 1992 as head of corporate finance. He is presently an executive director of UTSB and serves on the boards of several other companies in which UTSB has significant interests such as Maxis Communications Berhad (holding company of Maxis) and Binariang GSM Sdn. Bhd., having an operational base in Malaysia; Bumi Armada Berhad ("BAB") (listed on Bursa Malaysia Securities Berhad), an offshore oil and gas service provider and Sri Lanka Telecom PLC (listed on the Colombo Stock Exchange) and Mobitel (Pvt) Ltd, having an operational base in Sri Lanka.

He is also Director of MEASAT Satellite Systems Sdn. Bhd. ("MSS"), a regional satellite operator and a director in a non-executive capacity on the board of MEASAT Global Berhad ("MGB"), the holding company of MSS, Powertek Energy Sdn. Bhd. (formerly known as Tanjong Energy Holdings Sdn. Bhd.), a wholly-owned subsidiary of 1Malaysia Development Berhad, which is involved in the business of power generation and related services and Yu Cai Foundation. He is a member of the audit and nomination committees of BAB and a member of the audit committee of MGB.

He holds a degree in Economics and Accounting from the University of Newcastle-upon-Tyne in the UK and is a Fellow of the Institute of Chartered Accountants in England and Wales.

He is a member of the Audit and Nomination Committees.



**Alvin Michael Hew Thai Kheam, aged 49, a Malaysian, was appointed as a Director of Maxis on 30 August 2012.**

He is the Managing Director of H2O Capital Limited – a boutique financial advisory firm – covering Greater China based in Taipei. His corporate experience covers commercial banking at TD Bank; investment banking at Lancaster Financial; business development and marketing at P&G in Switzerland, Vietnam, Southeast Asia and Australia; and top management and board experience at L'Oreal where he was the president of its companies in Malaysia and Taiwan. He was a board member of the European Chamber of Commerce in Taipei from 2006-2009 and currently sits on the board of the Taipei American School and chairs its governance committee, and is also on the Board of Advisors of Toro Development Limited incorporated in Hong Kong. In 2004, he was conferred the title of Chevalier de l'Ordre Nationale du Merite by French President Jacques Chirac in recognition of his business achievements.

He holds undergraduate degrees from Queen's University, Canada and an MBA from INSEAD France. He is certified with the Canadian Securities Institute and has attended executive programs at IMD, Stanford, USC and UCSF.

Please refer to Note 7.



**Sandip Das, aged 55, an Indian citizen, joined Maxis Communications Berhad ("MCB") group in January 2007 and upon listing of Maxis Berhad (Malaysia), was appointed as an Executive Director of the Company on 17 September 2009 and as its Chief Executive Officer on 1 October 2009.**

He is currently also the Chief Executive Officer and Executive Director on the Board of Maxis Communications Berhad and a Director on the Board of its subsidiaries in India. In addition, he serves on the Board of Directors of Sri Lanka Telecom PLC, Mobitel (Pvt) Ltd in Sri Lanka and Bridge Mobile Pte Ltd, a strategic alliance of regional telecommunication providers. He has been listed as one of the 100 most powerful people in the telecoms industry worldwide by Global Telecoms Business for three years running in the 2012, 2011 and 2010 GTB Power100 list.

He has more than 34 years of work experience in the consumer durable, automobile and telecommunications industries.

Prior to joining the Company, he was Deputy Managing Director and a Director on the Board of Hutchison Essar Limited (now known as Vodafone Essar Limited, India). Before working at Hutchison Essar Limited, he spent five years as franchise head of Al Futtaim Motors, the Toyota franchise of the Al Futtaim Group, in Dubai, UAE, and 10 years with Indian consumer durable giant Usha International, Shriram Group.

He holds a Masters of Business Administration degree from the Faculty of Management Studies, University of Delhi, and a Bachelor's degree in Mechanical Engineering from the Regional Engineering College (now the National Institute of Technology), Rourkela, India.

He is a member of the ESOS Committee.

NOTES:

1. The total number of Board meetings held during the financial year ended 31 December 2012 was six. The number of Board Meetings attended by the Directors in the financial year is set out on page 197 of this Annual Report.
2. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
3. None of the Directors have any conflict of interest with the Company.
4. None of the Directors have any convictions for offences within the past 10 years.
5. None of the Directors have any sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 December 2012.
6. For information on other directorships of public companies, please refer to their respective profiles.
7. The Directors, Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda, Dato' Mokhzani bin Mahathir, Krishnan Ravi Kumar, Dr. Ibrahim Abdulrahman H. Kadi and Alvin Michael Hew Thai Khem are standing for re-election as Directors of the Company. The Board has considered the assessment of the five Directors and collectively agree that they meet the criteria of character, experience, integrity, competence and time to effectively discharge their respective roles as Directors, as prescribed by Para 2.20A of the MMLR.
8. Asgari bin Mohd Fuad Stephens who retires in accordance with Article 114 (1) of the Company's Articles of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the Fourth Annual General Meeting.

## SENIOR MANAGEMENT



**1 Sandip Das**  
Chief Executive Officer/  
Executive Director

**2 Nasution bin Mohamed**  
Chief Financial Officer

**3 Suren J. Amarasekera**  
Joint Chief Operating Officer

**4 Mark Dioguardi**  
Joint Chief Operating Officer

**5 Mohamed Fitri bin Abdullah**  
Head of Enterprise and  
Government Business

**6 Sophia Lim**  
Head of Sales and Service

**7 Azmi bin Ujang**  
Head of Compliance, Regulatory  
and Government Affairs

**8 Chow Chee Yan**  
Head of Internal Audit

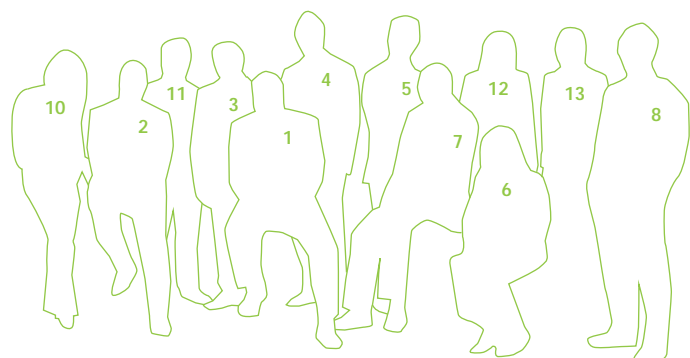
**9 Stephen Mead**  
General Counsel  
*(Not in group photo)*

**10 Kala Kularajah Sundram**  
Chief Talent Officer

**11 Zailani bin Ali**  
Head of Human Resources

**12 Mariam Bevi binti Batcha**  
Head of Corporate Affairs

**13 Dipak Kaur**  
Company Secretary







**14 Kugan Thirunavakarasu**  
Head of Product, Device,  
Innovation and Roaming

**15 Tan Lay Han**  
Head of Integrated Marketing,  
Go-to-Market and  
Customer Management

**16 Yap Chee Sun**  
Head of Network

**17 Jeff Chong**  
Head of Mobility Products and  
International Services

**18 Lee Chuan Yew**  
Head of Information Technology

**19 Ebru Dorman**  
Head of Home and Broadband

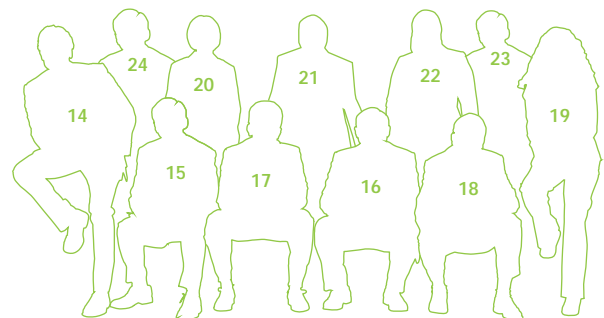
**20 Lai Choon Foong**  
Head of Mobility Finance,  
Procurement and ERM

**21 Tan Hoon San**  
Head of Finance, Planning and Tax

**22 Shanti Jusnita binti Johari**  
Head of Marketing Strategy

**23 Jayaraj Shanmugam**  
Head of Customer Service  
Channels

**24 Dushyan Vaithianathan**  
Head of Strategy and  
Transformation



## SENIOR MANAGEMENT PROFILES



**Sandip Das**  
Chief Executive Officer/  
Executive Director

Sandip joined Maxis Communications Berhad ("MCB") group in January 2007 and upon listing of Maxis Berhad (Malaysia), was appointed an Executive Director of the Company on 17 September 2009 and as its Chief Executive Officer on 1 October 2009.

His profile is contained in the "Directors' Profiles" section as set out on page 49 of this Annual Report.



**Nasution bin Mohamed**  
Chief Financial Officer

Nasution plays a strategic role in integrating resources across business functions in his capacity as Chief Financial Officer. Concurrently, he is responsible for finance and financial reporting, investor relations, corporate finance, treasury, legal, procurement, enterprise risk management, security and administration.

He joined Maxis in January 2011 and was appointed Chief Financial Officer on 15 April 2011, bringing with him over 19 years of wide business experience in Malaysia and overseas. Prior to joining Maxis, he was the Managing Director/CEO of Penerbangan Malaysia Berhad ("PMB"). Prior to PMB, he was an Executive Director at UDA Holdings Berhad. He started his career with KPMG in Australia and subsequently joined the Corporate Finance Division of Amanah Merchant Bank Berhad. He then moved on to Pengurusan Danaharta Nasional Berhad and later to KPMG Malaysia as Head of an Audit Department.

Nasution holds a Bachelor of Commerce degree from University of New South Wales, Australia and is a member of the Institute of Chartered Accountants in Australia ("ICAA").



**Suren J. Amarasekera**  
Joint Chief Operating Officer

Suren is responsible for the overall consumer mobile telephony business that includes postpaid, prepaid, product innovation, marketing strategy, brand and marketing management, sales, distribution, customer service, integrated products, Go-To-Market and customer management.

He joined Maxis in July 2011, bringing with him over 20 years of experience in the telecommunications industry. Prior to joining Maxis, he was the Chief Executive Officer of Mobitel, the mobile arm of telecommunications operator Sri Lanka Telecom. Before this he served in various senior management positions at Singapore Telecommunications ("SingTel") for 13 years with the initial half in Sri Lanka and the latter half at its head office in Singapore.

Suren holds a Master of Business Administration from University of Chicago, Booth School of Business, Illinois, USA and Master of Science and Bachelor of Science in Computer Systems Engineering from Syracuse University, New York, USA.



**Mark Dioguardi**  
Joint Chief Operating Officer

Mark is responsible for the Company's Network and Information Technology strategy and operations, the development, sales and growth of the SME, Enterprise, Government, Home and Broadband business as well as human resources.

Prior to his current appointment, he was Maxis' Chief Technology Officer. He has over 19 years of telecommunications experience across Australia, UK and Asia with companies such as Telstra and O2, and prior to joining Maxis in August 2009, he was with Telstra in Australia as the Executive Project Director for Ultra High-Speed Internet, and also as General Manager of Architecture for Next Generation Networks.

Mark holds a Masters of Business Administration from the Melbourne Business School and a Bachelor of Engineering (Honours) in Electronic and Electrical Engineering, both from the University of Melbourne, Australia.



**Mohamed Fitri bin Abdullah**  
Head of Enterprise and Government Business

Fitri has overall responsibility for the Corporate, Government, Small and Medium Enterprise ("SME") and Wholesale business segments, encompassing both fixed and mobile products.

He joined Maxis as Head of Enterprise Business in January 2006. His role was subsequently enlarged to include Carrier Business from January 2009 to October 2011. He has over 23 years of ICT experience. Prior to joining Maxis, he was with Hewlett-Packard Malaysia ("HP") for over nine years where he held various Regional and Country roles and positions in the Consulting and Systems Integration division. Before this he was a Consulting Manager with Ernst & Young Malaysia. He started his career with BULL Worldwide Information Systems, USA as a Principal Software Engineer in 1989.

Fitri holds a Bachelor of Science in Computer Science from Indiana State University, USA and a Master of Science in Computer Science from Arizona State University, USA. He also attended the Advanced Management Programme at Harvard University, USA in 2011.



**Sophia Lim Chooi Kuan**  
Head of Sales and Service

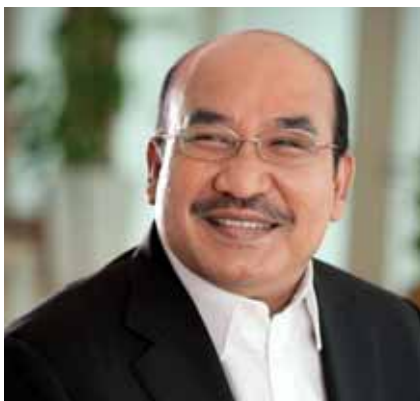
Sophia is responsible for leading and managing sales, operations and services functions through all channels covering retail stores, telephony and online, developing new customer touchpoints, besides raising the overall threshold of Maxis brand of service.

She joined Maxis in January 2011 with more than 25 years of Multi National Corporation ("MNC"), Fast Moving Consumer Goods ("FMCG") and consumer/pharmaceutical experience. Having managed Asia Pacific markets, she brings an in-depth understanding of consumer retail markets across Asia. Prior to Maxis, she was with the IDS Group, where she was the Country Managing Director for Singapore. She also held senior positions in MNCs, including Boots Healthcare Far East, Philips Malaysia, Bausch & Lomb Malaysia, Jordan AS and Diethelm Malaysia.

Sophia holds a Bachelor of Economics degree (Honours) from University of Malaya, Malaysia.

## SENIOR MANAGEMENT PROFILES

Continued



**Azmi bin Ujang**

Head of Compliance, Regulatory and Government Affairs

Azmi was appointed Head of Compliance, Regulatory and Government Affairs in May 2012 and ensures compliance with statutory requirements and internal policies. He is also responsible for regulatory matters and represents Maxis during key interactions with government and regulatory agencies.

He was the Head of Human Resources from February 2002 to May 2012. He has over 25 years of experience and joined Maxis in 1992, after having spent seven years at Standard Chartered Bank Berhad as a Covenanted Officer/National Officer in banking operations and human resources. Prior to this, he was a Dealer Representative at stock broking firm Seagrott & Campbell for a year.

Azmi holds a Bachelor of Science degree in Finance and a Master of Business Administration degree from Indiana State University, USA. He also attended the Advanced Management Programme at Harvard University, USA.



**Chow Chee Yan**

Head of Internal Audit

Chee Yan is responsible for managing the Internal Audit functions and the development and execution of the audit process from a strategic perspective.

He has over 31 years of experience which includes 13 years with the Schlumberger Group as International Financial Controller in Singapore, Indonesia and the USA. Prior to joining Maxis in June 2002, he was the Director of Risk Management of MEASAT Broadcast Network Systems Sdn. Bhd. He was previously with Ernst & Whinney in Singapore from 1981 to 1982 and Turquands Barton Mayhew in Manchester, UK from 1977 to 1981.

Chee Yan holds a Master of Business Administration degree from Cranfield University in the UK and is an Associate of the Institute of Chartered Accountants in England and Wales.



**Stephen John Mead**

General Counsel

Stephen is responsible for managing the legal requirements of Maxis which include litigation, developing legal strategies, overseeing due diligence activities, corporate governance, major financings and supervision of our inhouse legal function.

He has over 22 years of experience and prior to joining Maxis in June 2009, he was a mergers and acquisitions partner with Mallesons Stephen Jaques ("MSJ"), a leading legal firm in Australia. He has extensive general commercial legal experience, having acted for clients in a wide variety of legal issues. While at MSJ, he was seconded to Telstra Corporation Limited in Australia where he held several positions including that of Deputy General Counsel and Competition Counsel.

Stephen holds a LLB (Honours) qualification from the Queensland University of Technology in Australia.





**Kala Kularajah Sundram**  
Chief Talent Officer

Kala is responsible for driving talent management, leadership development and organisational effectiveness.

She joined Maxis in August 2010, bringing over 20 years of experience with her. She spent 14 years with Hay Group, where her last position was Regional Director of Reward Practice Business for Asia Pacific Africa. As part of this role, she also served in the Regional Leadership Team. Prior to joining the Hay Group, Kala worked for the Kuala Lumpur Stock Exchange (now known as Bursa Malaysia).

She holds a Master of Business Administration (Summa Cum Laude) degree from Boston University, USA, a CPA from the Australian Society of CPAs, and a Bachelor of Economics (Accounting) degree from Monash University, Australia.



**Kugan Thirunavakarasu**  
Head of Products, Devices,  
Innovation and Roaming

Kugan is responsible for maintaining Maxis' leadership in non-voice revenue through the development of innovative data products, services and sales of devices. He is also in charge of the international roaming portfolio.

He joined Maxis in 2003 bringing with him over 20 years of experience in telecommunications. He began his career with Ericsson Sweden, overseeing the North African market and Asia (Tunisia, Morocco, Egypt, India, and Japan) operations and later became Head of Product Marketing with Ericsson Thailand, responsible for the AIS (Advance Information Services) account. In 2000, he joined DiGi Telecommunications Malaysia as Head of Product Development and Management. He currently represents the Asia Pacific as a board member of the Mobile Entertainment Forum and is an Alternate Director in the Bridge Alliance.

Kugan holds a Bachelor of Electrical Engineering from University Technology Malaysia, and in July 2011 completed the Stanford Executive Programme in Stanford University, USA.



**Tan Lay Han**  
Head of Integrated Marketing,  
Go-to-Market and Customer  
Management

Lay Han is responsible for integrated product and segment propositions, go-to-market activities, geo-marketing, business intelligence, loyalty management, commercial management, as well as business performance across all products and services.

He joined Maxis in October 1999 as Head of Sales and Distribution and was appointed Head of Channel Distribution and Customer Service in February 2004, and Head of Consumer Marketing in September 2006. In September 2009, he became Head of Planning and in mid-2010, he took charge of the Business Transformation portfolio. Prior to joining Maxis, he was General Manager at Tanjong Golden Village Sdn. Bhd. (now TGV Cinemas Sdn. Bhd.). He was also involved in various business development projects for Tanjong plc. He was previously with BP Malaysia Sdn. Bhd. in various marketing and operations positions for nine years.

Lay Han holds a Bachelor of Engineering from RMIT (Royal Melbourne Institute of Technology) and Masters in Business Administration from Cranfield School of Management.

## SENIOR MANAGEMENT PROFILES

Continued



**Yap Chee Sun**  
Head of Network

Chee Sun is responsible for network planning and design, roll-out, operations and maintenance as well as optimisation of the entire network.

He joined Maxis in July 2005. He has over 23 years of experience in the telecommunications industry both locally and within the ASEAN region. Prior to Maxis, he was with LogicaCMG, where he was the Regional Operations Director. He spent his earlier days in mobile network operations and was seconded to Singapore Telecom's ventures in Indonesia and the Philippines.

Chee Sun holds a Bachelor of Engineering with First Class Honours from University of East London and completed the Stanford Executive Programme at Stanford University, USA, in July 2011.



**Dushyan Vaithiyathan**  
Head of Strategy and Transformation

Dushyan is responsible for the creation and implementation of the long range plan, evaluating business development initiatives at the corporate level, and driving transformation and strategic initiatives.

He joined Maxis in January 2013, bringing over 16 years of regional experience in consumer marketing, business strategy and corporate finance of which approximately nine years was spent in the telecommunications industry. Prior to joining Maxis, he was the Vice President for Business Development for Telenor ASA, Bangkok responsible for developing regional operating models, planning and managing cross border commercial initiatives and driving commercial business case developments in the region. Some of his senior assignments prior to Telenor include advisor to Managing Director and Executive Vice President of Unitech Wireless, Tamilnadu as well as Head of Consumer Marketing and Head of Voice Products and Services for DiGi Telecommunications.

Dushyan holds a Bachelor of Science degree in Chemistry and Law (combined honours) from University of Exeter, UK.



**Jeff Chong Koon Meng**  
Head of Mobility Products and International Services

Jeff leads the postpaid and prepaid business as well as IDD and international settlement and termination. He is also responsible for prepaid wireless broadband services.

He has over 20 years of experience in telecommunications. He joined Maxis in December 2005 as General Manager, Small Medium Enterprise ("SME") Business and became Senior General Manager spearheading Distribution and Regional Management in 2007. In May 2010, he took on the role of Vice President, Regional Sales and Services. Prior to Maxis, he was with DiGi Telecommunications Sdn. Bhd. for over 10 years in various roles and positions within the Sales, Marketing and Product division. He started his career with Edaran Tan Chong Motor Sdn. Bhd.

Jeff holds a Master of Business Administration from Charles Sturt University, Australia and a Bachelor of Economics degree (Honours) from National University of Malaysia ("UKM"). In July 2011, he completed the Stanford Executive Programme in Stanford University, USA.



**Lee Chuan Yew**  
Head of Information Technology

Chuan Yew is responsible for the overall management of the Information Technology Division and IT Transformation.

He has more than 25 years of experience. Before joining Maxis in February 2011, he served as Regional Chief Information Officer with Courts Asia Pte Ltd. Prior to that, he was Senior Technology Advisor in DHL Express Worldwide and held several senior positions in DHL's IT Services as well as Oracle Corporation and Unisys Corporation.

Chuan Yew holds a Bachelor of Science, majoring in Computer Science and Telecommunications, from LaTrobe University, Australia.



**Zailani bin Ali**  
Head of Human Resources

Zailani is responsible for implementing strategic HR initiatives and a seamless operating environment, geared towards creating an employee-oriented, high-performing workforce.

He brings with him more than 20 years of HR experience from various industries. He joined Maxis in October 2012 from ING Insurance Malaysia where he was Head of Human Capital and Corporate Support Services and member of the ING Global HR Business Council. Some of his senior assignments prior to ING Malaysia include Group HR Manager of DRB Hicom Group, Regional HR Manager of Bestfoods International, Head of Human Resource and Administration for DaimlerChrysler Malaysia and Vice President of Human Resource Corporate Bank, Citibank Kuala Lumpur.

Zailani holds a Bachelor of Business Degree from the National University of Malaysia and is a certified 360 coach from Assessment Plus, USA.



**Mariam Bevi binti Batcha**  
Head of Corporate Affairs

Mariam is responsible for the overall planning and implementation of corporate communications activities, providing strategic Public Relations ("PR") counsel to the senior management team, formulating communication policies and procedures, as well as developing and driving sustainable corporate responsibility activities.

She has over 21 years of experience and prior to joining Maxis in September 2010, she served as Vice President, Group Corporate Communications in Telekom Malaysia Berhad. Prior to that, she served as Head of Group Corporate Communications and Investor Relations in Amanah Capital Partners Berhad, and later as the General Manager of Group Corporate Communications in United Engineers (Malaysia) Berhad/UEM World Berhad.

Mariam holds a Bachelor of Business in Business Administration degree with Distinction from RMIT University in Melbourne, Australia and a Diploma in Public Relations from the Institute of Public Relations Malaysia ("IPRM").

## SENIOR MANAGEMENT PROFILES

Continued



**Lai Choon Foong**

Head of Mobility Finance,  
Procurement and Enterprise Risk  
Management

Choon Foong partners the Mobility business in providing strategic financial and management information and advice. She also manages the centralised procurement and enterprise risk management functions.

She has over 32 years of local and overseas working experience in audit, consulting, finance and procurement in the telecommunications, banking and government sectors as well as in professional firms. She has worked with the Australian Auditor General's office, Kassim Chan Deloitte Haskins & Sells auditing and consulting firm, Development & Commercial Bank, Coopers & Lybrand management consulting firm, Standard Chartered Bank and Malaysian Helicopter Services.

Choon Foong holds a Bachelor of Commerce degree from University of Melbourne and a Graduate Diploma in Computer Science from La Trobe University, Australia. She is a member of the Australian Society of CPAs and Malaysian Institute of Accountants.



**Tan Hoon San**

Head of Finance, Planning and Tax

Hoon San is responsible for financial reporting and planning, capital expenditure as well as effective tax planning, management and compliance.

He has over 28 years of working experience in internal and external audit and finance related roles in the telecommunications sector. He joined Maxis in 2000 from PricewaterhouseCoopers where he was a Senior Manager in the Audit Department.

Hoon San is a qualified Chartered Accountant and is a member of the Institute of Chartered Accountants England and Wales ("ICAEW"). He graduated from the London School of Economics and Political Science with a Bachelor of Science degree in Actuarial Science.



**Ebru Dorman**

Head of Home and Broadband

Ebru is responsible for Internet, voice, content and life services for the Home segment and wireless broadband services for the Postpaid segment.

She joined Maxis in February 2011 as Head of Strategy and has over 17 years of international experience in the telecommunications and financial services sectors across consumer and business segments. Prior to Maxis, she spent 10 years with Orange in international roles in marketing and sales, and most recently leading commercial transformation and Joint-Venture ("JV") integration in the UK. Prior to joining Orange, she worked at Morgan Stanley Strategic Ventures, Goldman Sachs and McKinsey & Company.

Ebru holds a Bachelor of Science degree in Industrial Engineering from Bosphorus University (Istanbul, Turkey), Master of Science degree in Industrial Engineering and Operations Research from University of California (Berkeley, USA) and Master of Business Administration degree from Harvard Business School (Boston, USA).





**Shanti Jusnya binti Johari**  
Head of Marketing Strategy

Shanti leads the market development and consumer understanding areas within Maxis. Her areas of focus include the management of MVNO business and the annual operation planning process.

She joined Maxis in September 2011 and has 16 years experience in the telecommunications industry. Prior to this, she was the Executive Vice President of SME business at Telekom Malaysia Berhad ("TM"), responsible for the end-to-end strategic development, profitability, growth and operations of TM's business in the SME market segment. She was also responsible for the strategic development and management of TM's overall domestic operations in the retail consumer, enterprise and wholesale market segments, and was key account manager for corporate and multinational sales.

Shanti holds an MBA in Strategic Management from University of Technology Malaysia and a Bachelors degree in Electronics Engineering from Vanderbilt University, USA.



**Jayaraj Shanmugam**  
Head of Customer Service Channels

Jayaraj leads multi-channel customer service and sales, as well as drives the development of seamless customer service and fulfilment. In addition to managing the contact centres, telesales channel and credit operations, he is also responsible for Maxis-Branded Stores and the online sales and services channel.

He joined Maxis in January 2012 and has more than 24 years experience covering various industries. Prior to Maxis, he was National Head of Customer Services at Aircel India. Before that, he was Divisional Vice-President, Ground Services at Jet Airways (India). When he was with Singapore Airlines, he had the opportunity to work in New Zealand, Switzerland, Russia, USA and Singapore. His last position with Singapore Airlines was General Manager, Russia Operations. He started his career as an Officer in the Singapore Armed Forces.

Jayaraj holds a Master of Business Administration in Marketing from Nanyang Technological University, Singapore and a Bachelor of Political Science (Honours) from National University, Singapore.



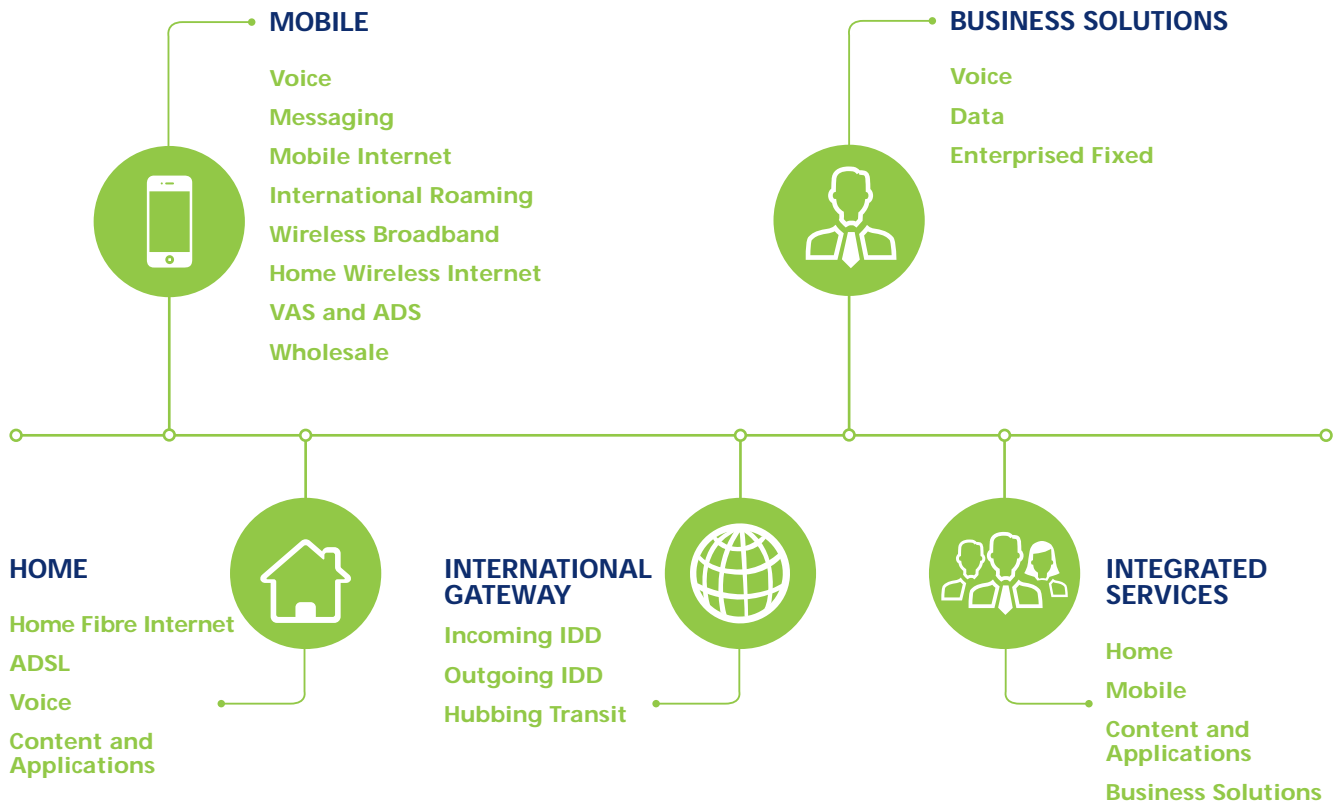
**Dipak Kaur**  
Company Secretary

Dipa in her capacity as Company Secretary is responsible for providing corporate secretarial support to Maxis and ensures adherence to Board policies and procedures.

She joined Maxis in 2001 bringing with her over 21 years experience and prior to 2001, spent six years at DMIB Berhad as company secretary/legal advisor and two years at Arab Malaysian Corporation Berhad.

Dipa earned her Bachelor of Laws degree from the University of Leicester, UK and a Masters in Law from the University of Malaya. She also obtained a Certificate of Legal Practice from the Legal Profession Qualifying Board, a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants and is a Graduate ICSA from the Malaysian Institute of Chartered Secretaries and Administrators. She was admitted to the High Court of Malaya as an Advocate and Solicitor in 1993.

# MOBILE AND DATA SERVICES



Cutting-edge innovation is the bedrock of our business; we lead the way in bringing the future to our customers. We do this by being first-to-market with services and applications that help our customers explore a new world of digital possibilities; by our unique insight into their lifestyles and preferences which allows us to customise our offerings; and by partnerships and collaborations that best serve our customers' interests.

## MOBILE SERVICES

Our mobile services make it easy for our customers to connect with the world around them and enable businesses to be more productive and efficient. We tailor a wide range of attractive and flexible plans around their needs and preferences. These cover voice, messaging services, mobile Internet, wireless broadband, business solutions, advanced data services and value-added services, and are delivered on the most advanced network with the widest footprint in Malaysia.

Although market conditions continued to be competitive and challenging in 2012, we maintained our leadership position and recorded steady growth through sustainable initiatives to transform our service portfolio while becoming more segment-focused. Devices and the mobile Internet were significant drivers for our business. Now, over 39% of our customers are smartphone users. We made several strategic marketing moves and despite some "price to market" corrections, we continued to record revenue growth of 1.1% YoY, bringing our total mobile revenue to RM8.5 billion. At the end of 2012, we have over 14.1 million mobile subscriptions.

## POSTPAID

For our postpaid customers, we offer a wide range of plans based on customers usage behavior.

## TalkMore and TextMore Plans

We have designed a menu of tariff plans to choose from for customers who like to communicate primarily via voice and SMS. Also available with smartphones, they provide a bundled package of voice minutes and SMS to all local operators, and customers can enjoy up to 60% discount off our normal rates.

## SurfMore Plans

These answer the needs of customers who like accessing the Internet on their phones. They include mobile Internet usage quotas, more than most of our other plans. With total spend of more than RM250 per month, customers enjoy a discount equivalent to their monthly commitment level. Smartphone device bundles are also provided with these plans.

## Mobile Internet Packages

Both Postpaid and Hotlink customers enjoy flexibility and choice with our Mobile Internet packages. According to their preferred usage, customers can choose from daily and monthly passes with predefined usage limits. Facebook fans can even opt for Facebook Internet Plans that enable them to surf the social networking site and connect with friends.

## Device-Related Plans

To give our customers the opportunity to experience the best of our services and do more with their devices, we bundle smartphones at attractive prices with a number of customised plans such as iValue Plans for iPhones and BlackBerry Internet Service ("BIS") plans for BlackBerry. These require customers to sign a contract for a specified period.

## Wireless Broadband

We enhanced our wireless broadband experience further in 2012 with the introduction of HSPA+ dual carrier which allows for speeds of up to 42 Mbps and on 1 January 2013 we introduced 4G LTE capabilities which offer speeds of up to 75 Mbps. Customers also get access to Loker, our cloud-based digital storage service, and Maxis WiFi Hotspots. In Q4 we expanded our modem range to include a wide selection of high-performance WiFi and USB modems to suit the different lifestyle needs of our customers, available free of charge for packages of RM68 and above. The combination of superior speed, wide network coverage, range of modems and competitively priced packages with data quota of up to 48 GB offers the best value in the market.

## Home Wireless Internet

Our Home Wireless Internet service is currently accessible to over five million households across Malaysia with plug-and-play convenience.

Our packages are competitively priced with up to 48 GB of data quota and bundled with up to 300 free allocated minutes to fixed and mobile numbers nationwide.

Customers also get to enjoy a free WiFi modem with strong indoor reception and free cordless DECT phone.

## PREPAID

We have made it very easy for our prepaid Hotlink customers to experience a convenient mobile lifestyle with a suite of basic voice, value-added services and advanced data services similar to those available to our postpaid customers. Some of the key prepaid initiatives in 2012 were:

### New Hotlink Plan

This offers the lowest rates on voice, messaging, mobile Internet, IDD and international roaming services all in one single plan. The geographical and segment-focused plan is proving very popular with regional customers in the East Coast, Sabah and Sarawak, as well as migrants and tourists. Our Hotlink customers can also enjoy many time-limited promotions offered throughout the year such as Super Savers Midnight and Long Call to extend their voice calls. To enjoy even lower rates, all they need to do is to maintain their credit limit above a predefined level.

### Hotlink Prepaid Data Passes

Offering convenience and empowering users, customers can choose from a wide range of daily, weekly or monthly mobile Internet passes to access the mobile Internet at high speeds on their mobile devices. They can also opt for dedicated Facebook passes. For BlackBerry users, we have a range of prepaid BlackBerry Internet Service ("BIS") plans.

### Hotlink Broadband

In August 2012, we launched a prepaid wireless broadband service. With zero deposit and no commitment, customers enjoy full flexibility in connecting to the

Internet with a range of broadband passes and surfing speeds up to 42 Mbps.

## POSTPAID AND PREPAID

### Hot IDD 132

Through this service, we offer both prepaid and postpaid customers the lowest overseas rates to 233 countries. Customers can choose to call at any time of the day, by keying in the prefix 132 in addition to the telephone numbers.

### International Roaming

One of our goals is to give our customers peace of mind, knowing that wherever they are, whether at home or abroad, they can trust us to give them the most affordable rates. We have international roaming arrangements with over 500 mobile operators in more than 200 countries. In 2012, we introduced our Roam and Relax campaign which offers affordable data roaming passes in over 60 countries. In 10 of these countries in the Asia Pacific, where we have a partnership with Bridge Alliance, customers who access data while roaming will automatically be subscribed to our Bridge DataRoam Unlimited Plus plan for cheaper data rates. These initiatives were complemented with the enhanced Maxis Roam app, which enabled customers to enjoy the best voice roaming rates while calling back to Malaysia and a 'Roaming Concierge' service.

### Value-Added Services

Our mobile services also offer one of the richest set of value-added services ("VAS") in Malaysia. Our customers have added flexibility and convenience with services such as call forwarding, call waiting, 3-way calling, multi-SIM 1 Line, and Multi-Line 1 SIM. In 2012, we added more EasyMenus to allow our customers to easily subscribe to our most popular services on any mobile devices via \*100#, \*200# and \*222#.



We have developed an innovative suite of communication services to help businesses and organisations work smarter and more efficiently. The need to manage costs, increase productivity and explore every possible opportunity to improve customer service has never been more critical. Our strong portfolio of integrated mobile, fixed and cloud products and services supported by our consultative approach address these needs for our customers in the Corporate, Government and SME segments.





Currently, we serve more than 50,000 businesses nationwide in the retail, transportation, financial services, manufacturing, oil and gas and ICT industries. 2012 was a transformative year for Maxis where we strengthened our offerings in mobile, fixed and cloud services as part of our strategy to be the leading integrated communications service provider in Malaysia.

We made investments in a Tier-III certified Data Centre infrastructure, Cloud computing technology, Managed Machine-to-Machine ("M2M") platform, Managed Services capability, fibre broadband services via collaboration with Telekom Malaysia Berhad's National High-Speed Broadband ("HSBB") initiative, VSAT Ku-Band access technology through our partnership with Measat and Unified Communications services. These efforts have enabled us to provide not only integrated communications offerings, but also differentiated industry-specific business solutions for our customers over and above our basic enterprise mobile offerings. Some of the key product offerings include:

#### "Maxis Business" Mobility Solutions



We were the first in Malaysia to partner with nine Independent Software Vendors ("ISVs") to launch this innovative service which leverages on M2M and Maxis Cloud technologies. It enables businesses to go mobile in critical business areas such as Customer Relationship Management, Sales Force Automation and Telemetry Services. Key business information and assets are now accessible securely on-the-go, over-the-air and across multiple device screens, enabling growth in ways yet to be imagined.

#### "Built for SME" Business Solutions



We have looked at the needs and priorities of SMEs in the retail, transportation and logistics sectors and designed one-stop shop communications solutions and business applications that include Mobile Voice, Hosted Voice, M2M, Fibre Broadband, Closed Circuit Television ("CCTV") and Enterprise Resource Planning ("ERP") via Maxis Cloud. A subscription-based model minimises the required initial capital investment.

#### Maxis Managed Services



This suite of integrated services provides comprehensive ICT solutions to fully manage the overall communications networks and infrastructure for businesses. With services such as Cloud Computing, Data Centre Hosting, Business Internet, Metro Ethernet, MPLS, Business Hosted Voice, Managed Security, Professional Services and other services, we help customers deal with increasingly complex ICT solutions so that they can focus on their core business.

#### Maxis Cloud



This provides an on-demand, real-time, fully-managed cloud computing service to both SMEs and enterprises so that they can implement a flexible and secure IT infrastructure that can grow with their business while easily meeting peak demand needs at much lower costs. Businesses can connect to Maxis Cloud via many of the access technologies offered.

#### WHOLESALE

Network sharing and wholesale services are about working smarter as an industry so that we can focus on what really matters to our customers, while at the same time driving operational efficiency. Network sharing has emerged as a new revenue source while enhancing utilisation of our network in areas that are currently underutilised.

Following the signing of a landmark agreement on 21 October 2011, active sharing of our 3G radio access network with U Mobile went live on 1 September 2012. The agreement is for an initial period of 10 years.

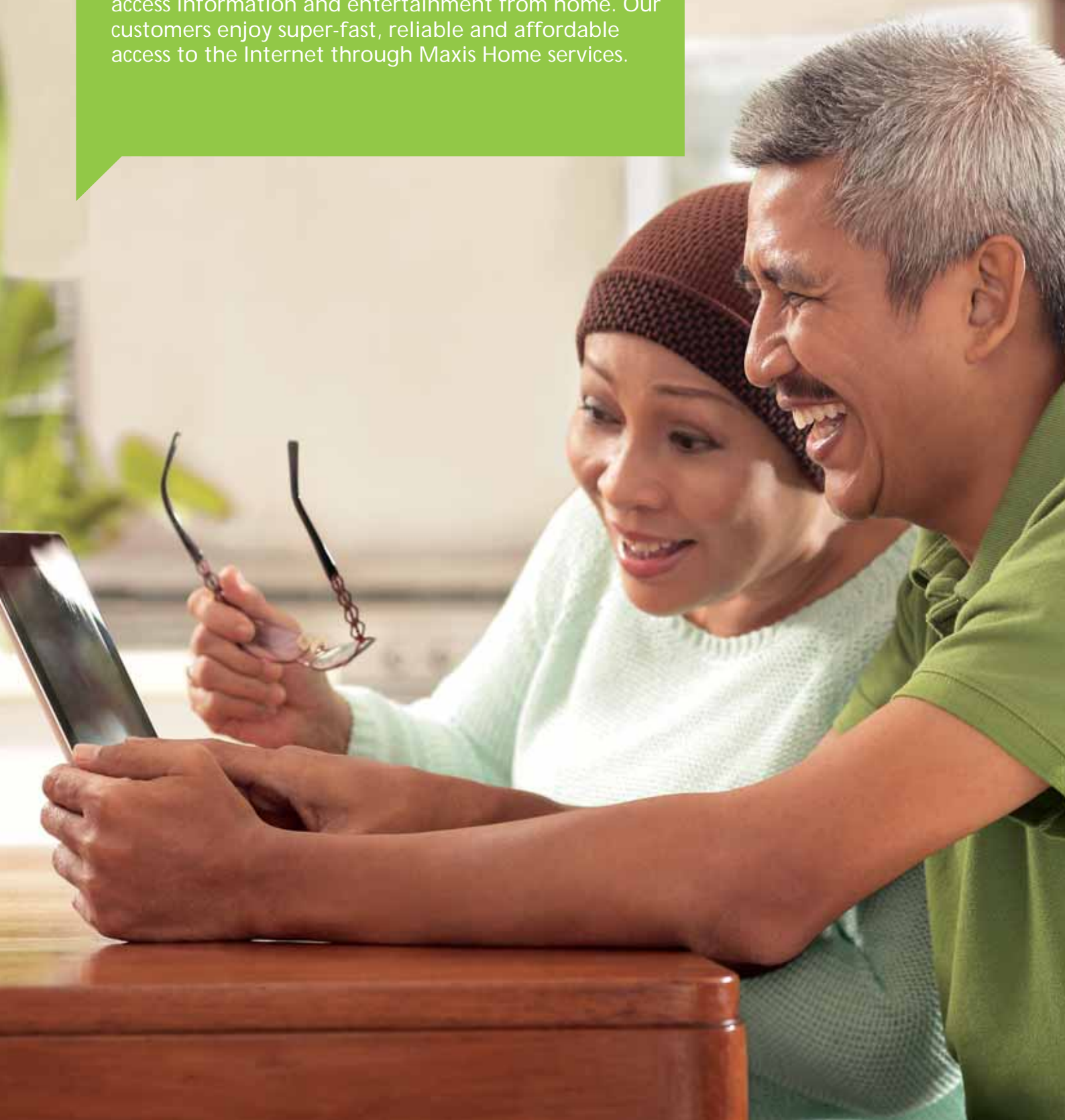
We signed a network collaboration agreement with REDtone Marketing on 13 July 2012, which allows us to offer even higher performing services on 4G LTE through access to double the spectrum.

#### MVNO

We strengthened our capabilities to host a range of mobile virtual network operator ("MVNO") business models. To date, we host two partners. iTEL, formerly known as OKTel, targets migrant workers mainly from Nepal and India and is now in its third year of operation. Salamfone, officially launched on 6 April 2011, offers Islamic-based applications and content to Muslim communities.

## HOME SERVICES

We have opened up a world of digital possibilities to our customers with our advanced and integrated communications services. We have erased technology boundaries so that we can keep them fully connected and offer them more choices when it comes to things that matter to them, such as being able to work or access information and entertainment from home. Our customers enjoy super-fast, reliable and affordable access to the Internet through Maxis Home services.



**In 2012 we saw accelerated growth in demand for Maxis Home services driven mainly by aggressive marketing campaigns and attractive packages for our Internet solutions. The signing of a strategic partnership with Astro on 30 August 2012, which combines the best of Maxis' Internet access with Astro's rich content, further strengthened the foundation for enhanced and richer Maxis Home service offerings for consumers. These joint offers were initially launched on our own built fibre footprint toward the end of 2012, and will be available across the full fibre footprint in the early part of 2013.**

#### Home Fibre Internet

Maxis' Home Fibre Internet service is now available to more than 1.3 million homes in the Klang Valley, selected areas of Penang, Johor Bahru, Ipoh, Melaka, Negeri Sembilan and Kedah through our own fibre optic infrastructure and the National High-speed Broadband ("HSBB") initiative. We introduced highly competitive packages in 2012, allowing consumers to access the Internet at speeds of 10 Mbps, 20 Mbps or 30 Mbps, depending on their needs. Existing Maxis mobile customers can enjoy further rebates on their Maxis Home Fibre Internet subscription. These packages come with free allocated voice minutes to Maxis Mobile numbers and selected IDD destinations, unlimited calls to Maxis fixed lines, free devices and value-added services.

#### Home Wired Internet

Our Home Wired Internet ("ADSL") and fixed line telephony ("POTS") services are available to customers in selected areas in the Klang Valley, Nilai, Seremban, Ipoh and Johor Bahru as part of the Home proposition in these areas. Current packages offer competitively priced ADSL broadband with speeds of up to 2 Mbps with additional package bundles of free Maxis Wireless Broadband. Customers can add on fixed line telephony for local, national, mobile and international calling. They can also opt for value-added services such as caller line identification presentation ("CLIP"), voicemail, call waiting, call forwarding, three-way calling and call barring.

#### INTERNATIONAL GATEWAY SERVICES

Maxis International offers voice termination services mainly to overseas telecommunications carriers and domestic wholesale companies for termination of traffic into and out of Malaysia and for our own outbound international traffic. All international voice traffic from the Company's mobile and fixed line operations passes through Maxis International's gateway. Maxis International currently has bilateral connections with 82 carriers in 34 countries. It has invested in a number of submarine cable systems to carry its international voice and data traffic. Maxis International derives revenues from outgoing international calls made by our own customers in Malaysia and settlements from overseas telecommunications operators for incoming calls which use our facilities. Maxis International in turn, incurs costs to overseas telecommunications operators for the use of its facilities when outgoing calls are made from Malaysia.





## WIDEST RANGE OF ADVANCED DATA SERVICES

We are relentless in our pursuit of innovation to give our customers a superior communications experience. Maxis takes pride in introducing complete service offerings with integrated solutions. We have been able to do so aided by our in-depth understanding of our customers' needs and by fostering strong partnerships. By leveraging on our partners' strengths, creativity and development competence, we provide our customers with innovative services that enrich their lives.





Among our latest innovations are:

### Loker

Maxis customers who sign up with Loker receive 5 GB free storage space, allowing them to sync, store and share digital content including photos, videos, music and contacts from their mobile phones, tablets, PCs and cameras. They can also share content on social networking sites such as Facebook, YouTube, Twitter and via email. Loker automatically backs up and syncs content whenever WiFi is available or via Maxis' 3G network.

Saved content will be differentiated under specific categories such as 'photos', 'videos' and 'contacts' for convenient navigation. Loker is available on iOS, Android and BlackBerry devices and tablets, as well as PCs and Macs and on Android-enabled cameras. There is also an option to upgrade the 5 GB storage space at any time to 10 GB at RM15 a month or 25 GB at RM25 a month. Over 68,000 customers have downloaded the Loker app for use on their smartphones.

### Maxis ebooks

Maxis ebooks, Malaysia's first digital book service, became available to customers with iPads and Android devices, giving them access to over 500,000 international and local best-sellers, novels, lifestyle and self-help books. The digital book service features a user-friendly interface that customers can download anytime and anywhere they want. This cloud-based digital bookstore includes multiple features such as a dictionary, tagging and a notes function. The Cempaka Education Group now uses Maxis ebooks in their classrooms.

### Health Services

Leveraging on our partnerships with key healthcare stakeholders such as Kumpulan Perubatan Johor, Institut Jantung Negara and local fitness personality Kevin Zahri, we introduced health tips in several different categories including diet, fitness, pregnancy and baby tips as well as healthy heart tips via SMS. Customers with smart devices can also opt to download the MyHealthyHeart app and visit the online portal, [health.mylaunchpad.com.my](http://health.mylaunchpad.com.my), for a range of health-related information.

Maxis also introduced the EPI ECG phone, the world's first ECG Mobile Phone, a touchscreen multimedia mobile phone and device capable of recording irregular heart rhythms. A customer can take an ECG reading as and when necessary by just holding the phone with three fingers. Within a few minutes, they will receive an interpretation via SMS from a 24-hour Heart Concierge Centre.

### Games and Social Networks

Maxis has expanded the games proposition to include online games and social networking games. In 2012, Maxis made Massive Multiplayer Online Gaming possible to customers with the launch of the web-based game, SuperStar Live. The Maxis gamers community now comprises two million Malaysians. In Social Networking, over 3.4 million Malaysians form the Battle of the Sexes ("BOTS") social network community.

### MyMaxis and Maxis Rewards

Featuring a user-friendly interface, both the MyMaxis and Maxis Rewards apps for smartphones enable customers to easily manage their accounts, discover new services and reap the benefits of being a customer. MyMaxis is an app for Maxis and Hotlink customers to retrieve account information, subscribe to value-added services and contact us through various channel options. The Maxis Rewards app gives postpaid customers exclusive promotions, deals and offers via location-based service technology and integration with iOS Passbook, enabling customers to get the best out of their devices.

### Maxis eKelas

Maxis and the Ministry of Education formed a smart partnership to provide a free online education service to 2,300 secondary schools across the country. Through this partnership, Maxis provides free access to its flagship education service, eKelas, by leveraging readily available school ICT infrastructure. This supplementary online learning service enriches the learning experience for students by encouraging different learning styles.

### PUTTING OUR CUSTOMER FIRST

More Malaysians choose Maxis to keep them connected to what is most important to them. Our highest priority is to keep these customers happy by making sure they enjoy every interaction with us. We keep them connected and informed. We take prompt action to put things right when there is a problem. We make sure they can get hold of us whenever they need to, from wherever they are. We are determined to be their first choice in all their mobile, fixed communications and multimedia needs.

Every day our customers use our services and solutions to make life easier and more interesting. This motivates and inspires us to constantly look for new and innovative ways of staying relevant to them, creating better experiences and delivering greater value.



## INNOVATIVE PROPOSITIONS, REAL VALUE IN OUR SERVICES

Customers expect a seamless experience when they shop, make purchases, request information and assistance or use our services. We understand their diverse needs and preferences and have adopted a multichannel approach to customer service. In 2012, we continued to build on this by extending the traditional customer touchpoints beyond conventional retail outlets and call centres, including online, social media and mobile customer service applications.

At the same time, we enhanced the mobile experience for customers with our 'Peace of Mind' initiatives on international roaming by extending our data roaming passes to over 60 countries and auto-enabling the passes for our customers when they use data roaming to safeguard them from bill shock. Customers who are roaming can obtain immediate support by calling our dedicated 'Roaming Concierge' service from overseas at no charge.

## MAXIS' RETAIL NETWORK

The Maxis brand in the community is one our customers have grown to trust and depend on. With 264 outlets throughout the country, including those operated by our Maxis Exclusive Partners, customers have easy access to a high level of service. Customer convenience is top priority at these outlets. Maxis-operated centres have special zones for 'experiential journeys of discovery' of Maxis products and services.

We have taken this service ethic a bit further in selected stores, where customers with special needs can interface with specially trained staff in designated sections of the store. Other customers will find that our mobile sales and service tools and simplified processes provide added convenience with reduced wait times at our physical stores.

They will also experience a wider range of mobile devices as we upgrade our point of sales and inventory management tools.

We also provide product familiarisation text messages and calls which keep customers abreast of the latest and best applications and services.

## REWARDING RELATIONSHIPS

Our strongest relationships are with customers who have been with us for a long time and we like to make them feel special and appreciated. In 2012 we sought to delight our subscribers in new and interesting ways. To our Maxis One Club valued postpaid customers, we offered exclusive privileges and deals.

Members of Maxis One Club enjoy priority customer service, special rewards and affinity programmes. Customers who have been with Maxis (postpaid) for more than a year with a minimum monthly usage of RM150 and above are automatically upgraded to Maxis One Club member status.

Our One Club members were among the first to get the best deals on iconic devices such as the Samsung Galaxy SIII, iPhone 4S and iPhone 5, the new iPad and Samsung Galaxy Note II. Overall, Maxis One Club launched more than six device programmes in 2012.

We offered members a free modem each when they signed up for Wireless Broadband packages from as low as RM18 monthly. Our Maxis Home Fibre Internet services gave them broadband access at the best price. In addition, our customers have benefited from our affinity programmes, such as Euro 2012 live viewing and futsal programmes, the Maxis Team Golf Tour ("MTGT") tournament and family movie days.

Maxis Rewards enabled Maxis and Hotlink customers to enjoy a wide range of deals with reputable merchants throughout the year. We also leverage on festive celebrations and occasions to bring limited offers at popular merchants and Maxis One Club customers were treated to special gifts and greetings. Hotlink customers continue to be rewarded each time they top-up. They are given up to three points of credit for every ringgit when the monthly cumulative top-up of RM30 or more is achieved. Customers can redeem their rewards points for free airtime and SMS.

They can also exchange the reward points for special gifts at regional carnivals such as Karnival Jom Heboh.

On their birthday, Hotlink customers can make unlimited free calls to other Hotlink and Maxis numbers plus get surprise treats on the anniversary of their stay with us every year.

## MAXIS SERVICE QUALITY AND CUSTOMER EXPERIENCE

Maxis is committed to improving the quality of service it delivers and building on its reputation for a great customer experience. Consistent with our brand promise, we aim to delight our customers in everything that we do. To this end we adopt a multi-pronged approach to improve the quality of the experience we deliver.

**Customers** – Understanding our customers is at the heart of everything we do. Understanding that while many things are common to all customers, different people have different needs. We aim to meet these needs by providing access to our products and services through a range of channels - face to face, via the telephone, online, and through smartphones.

**Culture** – Every member of the Maxis family has personal objectives linked to improving the customer experience, and all non-frontline staff have the opportunity every year to spend time serving our customers and providing feedback on improvements that can be made. Maxis believes that only by empowering all its team members to take ownership of the customer experience can we deliver what we aspire to. We know that our frontline staff are the face of our brand and must always strive to deliver friendly, relevant and well-informed service.

**Continuous Improvement** – We recognise that not everything we do is right every time and so we have a systematic process of feeding back on customer problems, whether these relate to our products, services or processes. Customer complaints and action plans around this are regularly given visibility at executive level and form the basis of a wide range of 'Fix-it' activities.



# CUSTOMER SERVICE AND REWARDS

Continued

**Delivering great products and services** – We adopt structured design principles to ensure that the customer journeys for our products are well thought through and easy for both our customers and frontline staff to understand. Our goal is to deliver an experience that never causes our customers problems or concerns.

**Wider Reach with Greater Convenience** – We have worked hard to extend our ability to effectively reach our customers. Maxis has the most comprehensive retail network among telecommunications providers in Malaysia with over 22,000 outlets and top-up points nationwide.

Among these, 33 are company-owned stores and another 583 are Maxis Exclusive Partners and Hotlink Exclusive Dealers' outlets that have exclusive arrangements to offer a broad range of Maxis products and services. The rest are non-exclusive stores and top-up points.

In 2012 we opened two new Maxis Centres in Sibul, Sarawak and at the Kuala Lumpur International Airport ("KLIA"), one of the busiest air transportation hubs in South East Asia.

We built in greater convenience for our Penang customers by upgrading our Queensbay Mall store. The store now offers customers a rich sensory engagement with live handsets, exciting multimedia and different zones.

In 2012, we committed to continuous training of our staff to give them a much greater understanding of our customers' diverse needs and expectations. We want them to be able to respond to customers quickly, intelligently and efficiently. At the same time we continue to streamline processes and procedures to allow a seamless and consistent customer-interface. The use of mobile-based terminals, a state of the art point of sale system and dedicated special needs counters at selected stores have given Maxis an innovation leadership reputation in the market.

Last year we continued to grow our non-traditional touchpoints, such as ATMs, online banking and self-serve kiosks, from 15,000 to nearly 20,000 to provide wider reach and more convenient payment options.

## EMPOWERING CUSTOMERS ONLINE

We have taken our customers "online" rather than make them wait in line. Online is now one of the key channels for our customers to get information on our latest products, services and promotions. In 2012, we continued to improve the way in which we engage our customers in the online space as we enhanced the reach, accessibility and the range of useful services. We made it easy for them to access our online portfolio with a single identity for all their accounts.

We gave our main websites a fresh new look with simpler navigation to allow for easy product and service discovery. In most instances, we have also launched mobile-friendly equivalents for the mobile web as over 20% of our 1.5 million unique visitors a month connect with us on their mobile devices. We have also introduced multiple languages to support our customers better.

Overall, our customers now have even more control. They can purchase products and services directly through the Maxis Online Store and have them delivered and they can also view, manage and pay for their subscriptions online.

Most of these functionalities and the ability to check the status of their usage charges in real-time are also available through our MyMaxis app available for most smartphone platforms.

We saw a healthy growth in our online community in 2012 with over one million fans and followers on Facebook and Twitter. We also engaged our customers in the excitement and scale of Maxis activities nationwide through corporate social responsibility activities, sports sponsorships and educational scholarships.

Our online channel of communication also provides us with important feedback to enable us to improve our service to customers. Our community engagement increased 10-fold last year compared to 2011.

## CUSTOMER SERVICE CONTACT CENTRE OF EXCELLENCE

In recognition of the quality of the service we provide to our customers, in 2012, Maxis was again recognised as the best customer service team across all industries in Malaysia for the third consecutive year by the Customer Relationship Management and Contact Centre Association of Malaysia ("CCAM"). We won the Gold Award in most of the Corporate award categories, including the overall "Best of The Best" in Malaysia.

This is the first time Maxis or any other organisation has won a record 20 awards in the history of this awards programme. Maxis was recognised for having the Best In-House Inbound Contact Centre above 100 seats, Best In-House Outbound Contact Centre below 100 seats (Sales), Best CRM Programme Implementation, Best Process Excellence, Technology Innovation Contact Centre, Best Social Media Programme, Best Green Contact Centre and Best Corporate Social Responsibility Programme.

During the year, we invested significantly in upgrading our Contact Centre to better meet our customers' changing lifestyle needs. They can now interact with us live through both conventional voice calls and social media. They can call us, text us or initiate online web chats with us. At the same time, they can communicate with us on a non-real time basis via our Maxis Forum, Twitter (@MaxisComms and @MaxisListens) and Facebook.

We also introduced the net promoter score and other customer experience indicators to track customer satisfaction trends to ensure that we continue to deliver a superior customer experience.

## LEAPING FORWARD IN NETWORK AND INFORMATION TECHNOLOGY LEADERSHIP

Our aim is to give our customers the best voice and data experience. We have continued to adopt the latest technologies and improve the coverage and quality of our network.





In line with this, we invested RM803 million in addition to the RM3.7 billion capital investments made from 2009 to 2011 to build a network footprint of 95% 2G coverage and 82% 3G coverage. We were the first to launch high-speed networks in Malaysia including 3G, 3.5G and 3.5G+.

Maxis had another historical first-to-market with the launch of its 4G LTE network on 1 January 2013. This ultra high-speed data network offers download speeds up to 10 times faster and works seamlessly with our existing 3G network.

Today our 3G HSPA+ network is already providing throughput speeds of up to 21 Mbps and over 71% of our 3G network is activated with HSPA dual-carrier capability which further ups the throughput speeds to 42 Mbps.

To further complement our high-speed mobile network and provide more value and convenience to our customers, we have built over 2,900 Maxis WiFi Hotspots across the country. This will enable our customers to have access to fast, affordable and reliable Internet services nationwide.

Our high-speed fibre broadband network for residential and business customers is capable of delivering speeds up to 30 Mbps and 32 Mbps respectively. IPTV services will be available over the same infrastructure and were launched initially in December ahead of a wider launch in Q1 2013.

With the exploding demand for data services, we have more than doubled our network capacity to 27.7 Gbps in 2012.

We also upgraded and introduced various control elements within our core network to allow us to harness and prioritise our data network in different ways. Ultimately, our customers will be able to enjoy our network in a whole new way based on their needs and requirements.

We are also moving to make our network more flexible as we modernise our radio access platform to be multi-technology capable. This is already happening across the nation starting with the Klang Valley, Penang, Johor Bahru, Sabah and Sarawak and it will eventually cover all other key cities and strategic areas. With this we will have the flexibility to seamlessly activate even more 4G LTE coverage. Alongside this we have introduced direct fibre and IP-based backhaul to 2,473 sites to support high-speed download capabilities required for 4G LTE service.

In our commitment to deliver communications services to more rural areas, we deployed 114 Femto and 78 nano-BTS leveraging our VSAT reach to rural communities in Pahang, Sarawak and Sabah, the first operator in Malaysia to do so. In urban areas, we were also the first to deploy Femto solutions to give our valued customers significantly better mobile connectivity in their offices and homes.

Many of the sales and service delivery advancements mentioned so far benefited directly from our investments in our IT capabilities. In addition, we have also invested in a modern data and billing platform which will enable us to launch more innovative integrated products and services more quickly.

At the same time, we have expanded our CRM capabilities to gain even deeper insights into customers' behaviour leading to improved retention programmes. We foresee making further investments in building up this capability going forward.

Maxis also complied with SKMM's Quality of Service ("QoS") Mandatory Standards for voice in 2012, being the only operator to have passed all tests in the first half of 2012. We are proud to have set mobile industry benchmarks and our network clearly stands out as the most advanced, widest, fastest and the most reliable in the country.

## PARTNERSHIPS TO DELIVER ON OUR CUSTOMER PROMISE

We believe in the power of strategic collaboration to bring the future to our customers. On 13 July 2012, Maxis Broadband and REDtone Marketing signed a network collaboration agreement for 2600 MHz LTE spectrum sharing. This collaboration is an important development, allowing us to gain the economies of scale and maximise our network utilisation.

Our customers will be the net beneficiaries through lower unit prices. It will also allow us to pool the limited LTE spectrum to provide one of the best LTE services in Malaysia and in the region.

During the year we successfully launched over 1,600 3G RAN sharing sites with U Mobile. This follows the landmark multi-billion ringgit network sharing arrangement signed by both parties in October 2011 which includes access to nationwide 2G roaming to ensure seamless services for U Mobile subscribers.

We were the preferred integrated communications service provider in 2012, successfully rolling out more than 3,200 VSAT sites to business customers in the oil and gas, tourism, education, financial, plantation and forestry sectors. We remained the incumbent industry leader for VSAT solutions including being the largest provider of data connectivity over satellite in Malaysia.

Our customers were our primary consideration when we entered into a strategic partnership with Astro (Malaysia's leading consumer media entertainment group) on 30 August 2012. This partnership brings together the best of content and entertainment with our full range of fibre, fixed and wireless Internet products and voice propositions.

### INSPIRING PEOPLE

As Malaysia's only integrated communications service provider, we believe that our cutting-edge products and services ultimately serve to bring people together. We know technology drives our business, but it is relationships that matter more, and at Maxis we're all about putting people at the heart of everything we do. We work hard at ensuring our customers across the globe stay connected at all times in the fastest, most efficient way. We are also fastidious about building and keeping strong links with every one of our customers and to do this, we rely on another group of people who are just as important to us – our employees.



## OUR WORKFORCE

We'd like to think that our people at Maxis are just as innovative as the new technology we employ to run a world-class, competitive company. We pride ourselves on an engaged workforce that is creative, customer-driven and focused on creating a trusted employee brand. Value, commitment to excellence and efficiency form the core of our organisational culture, and we believe it is not the values alone that make the difference, but how they are demonstrated. Our employees mirror these well-defined elements at work at all times – in their interactions with both customers and colleagues – and this forms the basis of the Maxis brand and ensures it continues to grow and thrive.

In 2012, we had in our employ a total of 3,483 people across Malaysia. Our skilled and technically competent employees ensured we remained at the forefront of our industry by implementing our stringent work values and offering our customers nothing less than exemplary service.

Our organisation also charted steady growth during the year, and we are proud to have been able to hire 100% of our highly-competent new recruits locally. In our effort to lead the way in ensuring a work environment that is inclusive for all, we are happy to report that our new employees comprised Gen Y (52%), Gen X (40%) and Baby Boomers (8%). Operating in a highly competitive market, we employ a relatively young workforce overall – more than 30% of our employees are below the age of 30. Our Gen Y employees are flexible, unafraid to take on new challenges and committed to grow in tandem with our company.

## CREATING OPPORTUNITIES FOR LEARNING

Our employees have more than just a job. As an organisation, we have put in place policies and programmes which allow every one of them to learn, grow and share.

We are strong advocates of continuing education and in providing our workforce with opportunities for self and career development. We constantly collaborate with global telecommunications experts in knowledge-sharing exercises and the Maxis Academy, our internal learning centre, hosts a myriad of training programmes throughout the year in an accessible and stimulating learning environment. Its mission is to inspire, educate and encourage and this reflects what we stand for as a company. Knowledge, skills and confidence bring positive change and when people thrive, everybody wins.

As a responsible corporate citizen, it is critical that we ensure sustainable growth, both for ourselves and for our nation. To this end, we have the Maxis Internship Programme which allows undergraduates to gain on-the-job exposure in the telecommunication industry. Established in 2006, this programme is open to Malaysian students studying locally and overseas. Annually, Maxis recruits 100 to 120 interns majoring in either Engineering, IT, Human Resources, Accounting and Finance, Psychology, Public Relations and Communications. This programme offers interested Malaysian students a useful glimpse into our fast-paced and ever-evolving industry and ultimately provides a potential talent pool for the Maxis Management Associate programme. In November 2012, we recruited 105 interns. We further offered positions to 22 more who came on board in December.

Closer to home, we offer newcomers to Maxis our On-Board with Maxis induction programme. This provides them with the opportunity to interact with senior leaders in an informal setting to allow the uninhibited sharing of ideas and experiences. The programme module includes an introduction to Maxis' operations as well as a unique opportunity for hands-on experience in serving customers at retail and call centres.

Our Maxis Scholarship for Excellence Awards offers scholarships to employees' children pursuing undergraduate studies. We also have the Maxis Young Achievers' Awards Programme which recognises employees' children who have achieved outstanding results in key public examinations.

In 2012 we introduced Maxis Career Guides. The Maxis Career Guides are our own employees that were identified through a rigorous selection process and were put through an intensive certification process. The programme was introduced to provide employees career counselling support, that will enable them to be better prepared for current and future challenges and help them make more informed decisions regarding their career advancement.

## NURTURING FUTURE LEADERS

To achieve our goal of being an outstanding global organisation and a leader in the communications sector, we believe in developing leaders internally who will serve our company in the long run. Leadership qualities need to be nurtured for us to move into the future of integrated play and Maxis provides various programmes to realise this vision.

The Maxis Management Associate Programme ("M-MAP") is a leadership-development initiative aimed at recruiting fresh graduates from top-ranking global universities. Initiated in November 2000, the programme underwent a complete revamp in 2010 and now comprises an intense two-year structured initiative which grooms able young Malaysians into becoming high-performing leaders within our organisation.



Continued



The programme exposes the Management Associates to the company's core businesses and functional areas and gives them the opportunity to interact with top management through projects around future business growth areas and job rotation programmes. Through these efforts, they gain breadth of knowledge and exposure that enables them to be highly effective in future management positions. The rotations revolve around four main aspects of the business, namely Customer Intimacy, Technical Expertise, Operational Excellence and Business Impact. Each rotation is for a duration of six months. Throughout the programme, senior leaders act as mentors and coach Management Associates in order to ensure continuity of a high level of consistency, compassion and competence.

The refreshed Maxis Leadership Development Engine ("LDE") programme was launched in April 2012. As the industry continues to evolve rapidly, we need to maintain our position by distinguishing ourselves from our competitors, not only in terms of technology and innovation but also in our ability to build and deploy an agile, and diverse pool of talent at all levels of the organisation. For us to

achieve our long-term ambition and be the leading integrated communications player, the refreshed LDE programme was designed to profile, select and develop the diversification required in our leaders. Since the launch of the programme, candidates have gone through a rigorous assessment process, using global best practice philosophy and methodology. A Talent Council made up of senior leaders within Maxis was established to provide stewardship to this Programme.

We recognise the critical value of coaching in strengthening leadership capabilities in the organisation. As such much focus is placed on formal coaching delivered by a panel of external professional executive coaches to its senior leaders, mid-level managers and emerging leaders. In addition to partnering with external experts, we have also strengthened our internal coaching capability.

Executive coaching continues to serve as a positive lever for enhancing strategy execution capabilities for Maxis. In 2012, 10 Senior Leadership Team ("SLT") members embarked on a globally recognised (International Coaching Federation) Executive Coaching Certification programme.

This was designed to produce senior level professionally certified internal coaches.

## RAISING PROFESSIONAL STANDARDS IN MAXIS

### The Chartered Institute of Personnel and Development ("CIPD", UK)

As part of raising the professional standards within our HR and Talent teams, Maxis partnered with CIPD, UK and now have chartered professional within the team.

Our partnership with CIPD UK was aimed at ensuring high levels of expertise within our HR and Talent teams and to recognise human resources as a vital segment in the success and growth of our organisation.



### Certified Internal Auditor ("CIA") programme

Global competition, the security risks of advanced technology and the effects of the economy are just a few of the factors that create new challenges for internal auditors. Professionally certified internal auditors are crucial to ensure that internal auditing activities are managed effectively and efficiently. In Malaysia, the requirements of Bursa Malaysia have made it mandatory for public-listed companies to set up an internal audit function.

In accordance with this, Maxis has enrolled candidates from within our Internal Audit team for the CIA certification programme at Sunway College, an authorised private test centre to administer the CIA examinations. They will undergo a two-year programme that consists of four parts covered over a duration of 60 hours. The programme commenced in July 2012.

Once qualified, our Certified Internal Auditors will help enhance corporate governance within our organisation, bring added value to the boardroom, protect stakeholders and allow us to work with the highest degree of proficiency, professionalism and ethics.

### SHARING OUR SUCCESS

We operate on the basis that an empowered, secure and happy workforce is the backbone of a successful organisation. A company that enables employees to enjoy a healthy work-life balance will have a healthier bottom line and long-term sustainability. To foster a productive and enabling work environment, we offer competitive salaries benchmarked against the market, as well as a comprehensive benefits package. We allow employees to customise their own benefits to best suit their personal and family needs at different stages of their lives using a special points system. We also believe that our employees are the best ambassadors for our brand. As such, they are eligible to purchase any of our services at reduced prices and receive voice and data rebates.

Our Employee Share Option Scheme ("ESOS"), which was introduced in 2011, is one of the ways we encourage participation in the company's growth, and how we reward performance, commitment and loyalty in the long run. We have also taken a big step to establish a Corporate Culture team in January 2012 with the objective of aligning all employees to the organisation's vision, values and business goals.

To create an atmosphere of employee engagement and involvement, our Make A Difference programme was set up to promote a culture of excellence and continuous improvement. This initiative saw a variety of improvement programmes implemented with cross-functional support to ensure higher collaboration within the organisation.

Finally, since we are in the business of communication, we believe it is vital to give our employees a say in how we implement policies, practices, and decisions that ultimately affect our work culture. Every year, Maxis measures the level of employee engagement and invites feedback through the Voice of Maxis. Other communication avenues are also made available via face-to-face interaction and online and electronic newsletters.

Outside of work, we are still a big, warm happy family. Our employees enjoy a healthy and interactive social calendar courtesy of special events like the Annual Dinner, treasure hunts, talents shows and family days that are designed to create closer comradeship. Volunteerism is encouraged to allow employees the opportunity to give back to society and create an equally positive impact outside of the workplace.

### A COMMITTED WORKFORCE

The strongest indicator of a company built for the future is the level at which our employees are committed to our success. Our workforce operates on our values which revolve around being Simple, Trustworthy, Creative and Brave. These principles define each one of our employees and our organisation as a whole. To us, they are the hallmarks of a well-defined brand that is committed to ensuring an interactive, bright and successful tomorrow.

## GLOBAL INDUSTRY TRENDS

The global Telecoms market is expected to continue on a growth trajectory, although at a slower momentum. The sources of growth are shifting from traditional voice to broadband and multimedia content. Operators also face complex challenges in protecting their existing core revenue streams while diversifying into broader Information and Communication ("ICT") services.

The industry ecosystem is being shaped by complex, interlinked trends, impacted by the digital evolution. This is leading to an explosion in data traffic coupled with a downward pressure on prices, resulting in a clear traffic-revenue disconnect. As a result investments in new and efficient technologies such as LTE are required. In order to rapidly monetise data network investments as technology life cycles become shorter, telecom operators are looking at new opportunities in lower margin adjacent businesses. Consequently, operators with traditionally high margins have had to contend with decreasing profitability margins while pursuing growth. Telecom operators are shifting their strategic focus accordingly, taking the inorganic route to build adjacent capabilities, and operating models are changing.

## ECONOMIC OUTLOOK

Malaysia's demographics, economy and overall risk profile present favourable demand conditions for telecoms services. The growing number of households, large youth segment, growing consumption-driven economy and increasing income levels in particular will help sustain demand.

Malaysia's population (29.1 million) is expected to grow at an average of 1.3% YoY.

Economic conditions are on a positive trend; GDP per capita is expected to grow at an annual rate of 6%. Overall, country ICT spend is witnessing a steady increase. Malaysia performs well relative to regional and global countries on related indices of ICT adoption and network readiness.

Small and Medium Enterprises ("SMEs") are the next growth driver for Malaysia's economy currently contributing 31% to GDP and expected to grow to 50% by 2020. This growth is being enabled by a strong commitment from the Government through various assistance programmes including support from agencies such as the SME Corporation Malaysia.

The Government has embarked on a transformation program to raise Malaysia's GDP per capita by over 50% to achieve its vision to become a high-income nation by the year 2020. Several policy reforms and programmes such as the Economic Transformation Programme ("ETP") and National Key Economic Areas ("NKEA") initiatives were introduced to spur the nation's economic growth.

This vision has been translated into ICT sector development initiatives impacting both demand and supply of ICT services. In addition, the Government is structurally shifting the balance towards a private consumption-led economy from the previous export-led economy. Telecommunications is seen as one of the key enablers of this transformation.

## CONSUMER DEMAND TRENDS

Malaysia is witnessing an increase in consumer sophistication and a shift towards digital behaviour, in line with global trends. There are around 17.5 million unique Internet users in Malaysia, spending an average of nine hours a week on social networks. Malaysia ranks #18 of countries on Facebook with 13.4 million users at 51% penetration.

The adoption of smart devices is growing exponentially led by smartphones and tablets. Smartphones are quickly becoming the leading

handset of choice, with Android emerging as the dominant OS. Smartphone penetration in Malaysia is expected to grow from its current 24% level to over 50% by 2016, driven by technology savvy Gen Y consumers and declining smartphone prices. Growth in tablets is expected to lead to a higher level of multi-screen usage. Along with growing Internet access and the social networking phenomenon, over-the-top ("OTT") services are growing with freemium or advertising-based business models. Customers are increasingly opting to use these services (e.g. WhatsApp, Viber, handset embedded VoIP and instant messaging ("IM") apps), which increases the risk of cannibalisation of traditional revenues.

In addition, cloud services for consumers and businesses are gaining traction with increasing personal and enterprise digital content consumption and storage.

A greater emphasis on cost and capex efficiency and flexible business models, offers prospects for attractive revenue streams based on cloud computing and data centre services for businesses.

## TELECOM MARKET OUTLOOK

Malaysia's telecoms market is growing increasingly competitive in both voice and data and is characterised by the proliferation of both new players and tailored offerings. Maxis retains its differentiated position in mobile voice and broadband, but faces increasing pressure on all fronts.

Malaysia's telecoms market is expected to continue growing at 5.6% CAGR to reach RM57.5 billion in 2017, with mobile data, fixed broadband and the Enterprise sector acting as the engines of growth. Voice revenues are stagnant. Mobile penetration is expected to reach 156% by 2017 mainly due to the proliferation of multi-SIMs. Growth is expected in under-penetrated regions such as the East Coast, Sabah and Sarawak and in the expansion of specific segments such as youth and retirees.



Fibre demand uptake will accelerate stimulated by the National Broadband Initiative. Demand for connectivity at home is expected to increase, especially in rural areas with no fibre coverage, leading to growth in wireless broadband, with subscriptions expected to reach 3.7 million in 2017 from 2.8 million in 2012.

The ICT market is expected to keep growing at a yearly rate of 8%; main areas of growth are cloud services, managed services, smart home services, location-based services and machine-to-machine. Telecom operators have opportunities to participate in vertical industries such as education, healthcare and financial services, where new mobile and technology trends could enable a more effective service delivery.

The Enterprise market presents high growth potential and is expected to increase at a yearly rate of 5% to reach RM11.8 billion by 2017.

### OUTLOOK

The operating environment is expected to remain challenging as the competitive landscape intensifies with more targeted offers from existing players and acquisition driven campaigns from new players. The Company will continue its focus on offering innovative consumer-relevant products and services with more granularity targeting customers' usage behaviour. It will also focus on expanding the rewards and benefits offered through its loyalty programmes. The Company will further develop its network, IT systems and channels while driving operational efficiency across all its operations. The outlook for the key operating segments is as detailed below:

#### MOBILE SERVICES

Revenue growth is expected to come from rising demand in data driven by the proliferation of smartphones, tablets and digital content. In an effort to cater to this demand and further encourage data uptake, the Company will focus on strengthening the network, seeding the base with smart devices and offering relevant content.

Growth is also expected to come from an intensified segment-based focus to grow under-represented segments with targeted offers through the most effective channels.

Underlying the growth is attention towards protecting core service revenues by continuing to offer innovative plans with competitive rates, convenience and excellent customer service.

Growth in Home Wireless Internet is expected to be driven by broadband demand from areas outside of the fixed broadband footprint which constitutes an estimated 3.3 million households in the country.

Wholesale revenue is also expected to grow as the number of MVNOs increase and as we continue to drive network sharing partnerships.

#### HOME SERVICES

Demand for high-speed broadband services is expected to come from integrated bundles consisting of Home Fibre Internet, content as well as mobile services, over a footprint of over 1.3 million households, and will be a key catalyst for growth.

#### ENTERPRISE FIXED SERVICES

The Enterprise Fixed business is expected to grow in all key segments, namely large Corporates, the Government and Public Sector, and Small and Medium Enterprise ("SME") as the demand for ICT and managed services, VSAT offerings along with Digital SME Solutions grow.



## CORPORATE RESPONSIBILITY

At Maxis, our focus is on making a positive impact, harnessing leading-edge technology and innovation to create value for the economy, society and environment in which we operate.



## CORPORATE RESPONSIBILITY

Corporate Responsibility ("CR") is an integral part of our overall corporate mission to be Malaysia's premier integrated communications service provider. Last year, we introduced the Maxis CR Framework, which underpins our commitment to creating business growth in a sustainable and responsible manner. Our CR strategy focuses on three strategic pillars: Developing and Enriching our Community, Customers and Partners; Creating a Great Place to Work and Advocating Environmentally Friendly Practices.

### DEVELOPING AND ENRICHING OUR COMMUNITY, CUSTOMERS AND PARTNERS

#### Responsible Conduct in the Marketplace

Our business and sustainability strategies are underpinned by our business principles and code of conduct which stress the importance of responsible, ethical and honest behaviour in everything we do. This means being a responsible employer, maintaining the health and safety of our employees and contractors, ensuring high standards of labour and environmental protection in our supply chain, and transparent and ethical business practices.

Under the Office of Business Practice, a comprehensive policy titled "Maxis Code of Business Practice" guides Board members, Management and employees in upholding the highest standards of ethical business conduct.

#### Corporate Governance

We continue to uphold our commitment to conduct business fairly, impartially and in full compliance with all laws and regulations. Corporate governance in Maxis is guided by the Malaysian Code of Corporate Governance and is steered by the Board of Directors, which ensures that the highest standards of conduct and integrity are always at the core of the Company.

In driving our CR agenda, Maxis has developed a CR governance structure that helps us to adopt a more strategic and embedded approach in our CR practices. Led by the CEO, Maxis' CR Steering Committee oversees the implementation of CR initiatives company-wide and determines the direction and strategic focus. At the operational level, the CR team within Corporate Affairs leads the implementation of flagship programmes for the community.

#### Engaging Our Stakeholders

Constructive and meaningful dialogue has always been a critical factor in our efforts to understand the needs and expectations of our stakeholders. We continue to create effective channels of communication with them to shape and review existing activities, help identify emerging issues and test new ideas.

Customers are at the heart of everything we do and we are conscious of our responsibility to provide them with quality products and services. We conduct an annual Brand Tracker exercise to monitor our performance in terms of customer satisfaction. Data is gathered through face-to-face and telephone interviews.

As a leader in the Malaysian ICT sector, Maxis is actively engaged in the policy-making process for technology and telecommunication and participates in various forums under SKMM to provide input and feedback on industry issues. The newly-established Compliance, Regulatory and Government Affairs team is dedicated to ensuring frequent two-way communications via regular reports and progress updates, meetings and participation in government programmes and initiatives. We also played an active role in the Radio Frequency ("RF") Industry Task Force led by SKMM and participated in forums aimed at educating the public about the safety of RF emissions.

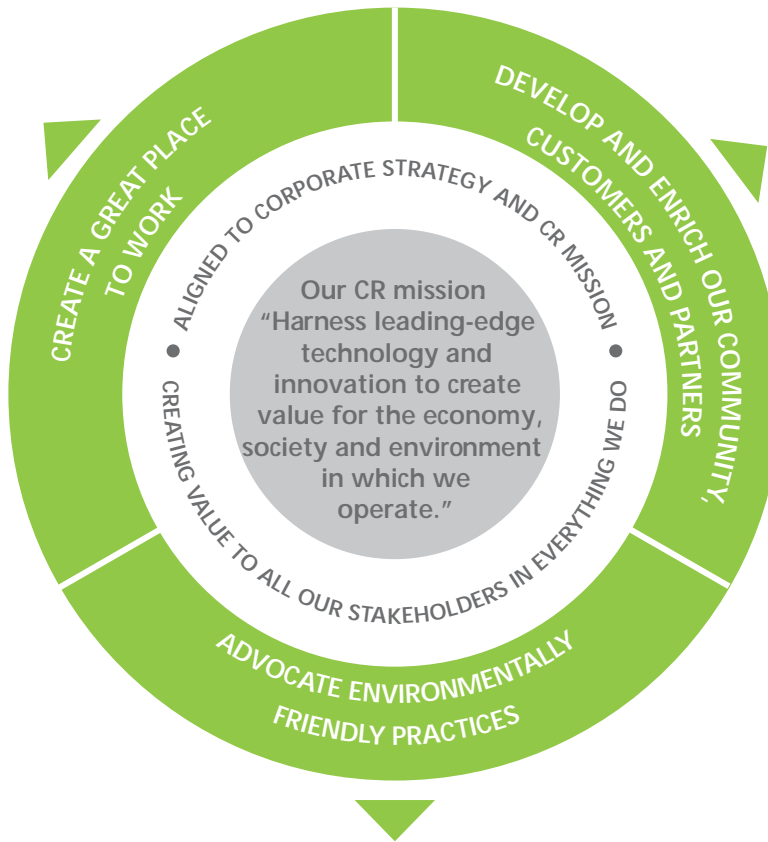
We engage our shareholders and the investing community in constant dialogue. Key investor relations activities include Annual General Meetings ("AGM"), Extraordinary General Meetings ("EGM"), one-on-one meetings, conference calls and investor conferences.

# POSITIVE IMPACT

Continued

## MAXIS CORPORATE RESPONSIBILITY FRAMEWORK

- Inclusive workplace
- Training and development
- Health and safety
- Benefits and rights



- Access to network and technology
- Enriching and responsible products and services
- Scholarships, sponsorships and community development
- Sustainable supply chain

- Resource efficiency
- Carbon management
- Waste management

- CR Mission
- CR Strategic Pillars
- CR Philosophies

### Maintaining Transparency and Ethics in Procurement

As part of our Supply Chain Management process, our vendors are required to sign a declaration that they will comply with our Code of Business Practice that outlines our expectations of high ethical business standards.

Supplier evaluation procedures ensure that purchasing decisions are based on the vendors' product or service suitability, commitment, pricing and quality. A highly competent multi-disciplinary team evaluates every vendor submission, scrutinising it for compliance to the relevant criteria and ensuring the Company gets best value for money to be spent. Suppliers are reviewed regularly for reliability and quality assurance.

### Developing and Growing Malaysian Vendors

We introduced the Vendor Development Programme ("VDP") to build capacity and empower suppliers. High standards and timely interventions under the VDP ensure that our local partners are global in outlook and have the capability to deliver and succeed in a competitive environment. From a small stable of 18 vendors in 2004, we now have 222 registered vendors as at 31 October 2012.

### Enriching and Responsible Products and Services

Many of our innovative services are making a positive impact on people's lives. In support of Health Services, in May 2012, we partnered with Institut Jantung Negara, a leading centre for cardiovascular and thoracic health in the region, to launch a mobile healthcare service to create awareness on heart health for Malaysians. We are also partnering with the Ministry of Education ("KPM") to roll out the Maxis eKelas service in 30 pioneer secondary schools to improve Maths and Science performance. It uses available school ICT infrastructure to provide online educational content and encourages an experiential and exploratory method of learning which is freely accessible online.

## Changing Lives of Our Communities Through Technology

### Connecting Underserved

**Communities** – Connectivity is important for rural transformation, particularly in areas of Sabah and Sarawak where a significant percentage of society lives in relatively inaccessible villages and longhouses. We are working with the Government to lower broadband costs for subscribers in these areas. These initiatives are being undertaken in tandem with the Government's Time Three ("T3") programme, funded by the national Universal Service Provision fund, to roll out broadband coverage in rural and remote areas.

### Strengthening Vulnerable

**Communities** – In July 2012, we adopted two homes in line with our strategy to make a real difference and bring about sustainable change in the community. We are working closely with the Independent Living and Training Centre ("ILTC") in Rawang and the Jenjarom Old Folks' Home in Banting to help meet their operational needs as well as to initiate programme and activities that would help develop their social and IT skills.

### Bridging the Digital Divide among

**Youth** – 2012 marked the 10th anniversary of our Maxis Cyberkids Programme. It equips teachers and students with computer skills, enhances their understanding and usage of the Internet and creates an appreciation of technology. In conjunction with the Maxis Cyberkids 10th Anniversary, we extended the programme to special education schools for the first time.

Working with the Special Education Division of KPM, we identified Sekolah Kebangsaan Pendidikan Khas Selangor ("SKPKS"), a school for the hearing-impaired, for the pilot programme. During the camp, we introduced customised learning programmes for teachers which they could use in their classrooms.

Since its inception, the Cyberkids programme has been implemented in 1,500 schools, reaching more than 8,600 students and teachers nationwide. In 2012, we held five Maxis Cyberkids Camps around the country, drawing a total of 233 participants from 19 schools.

Maxis together with SKMM and the Ministry of Information Communication and Culture ("KPKK") also played host to the ASEAN Cyberkids Camp 2012. A total of 76 participants, 24 Malaysians and 42 from other ASEAN countries and India, attended the camp. Student participants were aged between 13 to 17 years old and were accompanied by their teachers. They learnt how to use ICT in their daily teaching and learning activities and also shared cultural experiences.

### Nurturing Tomorrow's Leaders –

The Maxis Scholarship for Excellence Awards is a scholarship programme that promotes excellence and has enabled talented young Malaysians to benefit from an education at some of the most prestigious universities at home and abroad. Since the programme was launched in 2005, Maxis has invested RM37.9 million and awarded scholarships to 209 Malaysians. In 2012 alone, we awarded 49 scholarships to students pursuing both postgraduate and undergraduate courses locally and abroad, including children of our employees. We are the only telco in Malaysia to offer scholarships to our customers (and their children).

### Reaching out to the Community –

Maxis organised our first ever Caregivers' Appreciation event in September 2012, in recognition of their unwavering dedication and hard work. We played host to over 50 leaders, administrators and caregivers from more than 20 charity homes to thank them for devoting their time to caring for the community.

Bringing ourselves closer to the community in Sabah and Sarawak, we organised a special Christmas celebration for the residents of Cheshire Home, Persatuan Ibubapa Kanak-kanak Cacat Sarawak and Sarawak Children's Cancer Society. Apart from monetary contribution, Maxis organised games and activities and a sumptuous spread of Christmas treats for the children, adults and caregivers of the homes.

## CREATING A GREAT PLACE TO WORK

We are committed to creating a stimulating and innovative workplace that will help our employees develop to their full potential. We offer a highly competitive remuneration package with attractive salary schemes and a wide range of benefits. Apart from standard benefits such as annual leave, medical and insurance coverage, our employees enjoy special subsidies on Maxis products and services. We also provide a platform for our employees to make a positive difference in the communities around them. As at end of 2012, 199 Maxis volunteers clocked in 2,053 volunteer hours in various CR initiatives.

For talent development and training, please refer to the Talent and People section of this annual report.

# POSITIVE IMPACT

Continued

## Engaging Our People

We constantly look at ways to foster a strong sense of purpose and belonging among our employees because their commitment, productivity and focus are critical to our long-term sustainability. In January this year, we established a Corporate Culture team with the objective of aligning all employees to Maxis' vision, values and business goals. Every year, we measure the level of engagement and invite employees to give feedback via the Voice of Maxis survey. Other avenues provided for employees to post queries, air views and share ideas are townhalls, Managers' Communication sessions, Tea@23 and IdeaPost, an online forum.

### TOP

Maxis staff celebrated Christmas with the residents of one of its adopted homes, the Independent Living and Training Centre ("ILTC").

### BELOW

The Maxis Cyberkids Programme has been implemented in 1,500 schools, reaching out to more than 8,600 students nationwide.

## Ensuring Health and Safety

Our Occupational Safety and Health Management System offers comprehensive guidelines for ensuring the health, safety and wellbeing of our employees, contractors, agency staff and the public. Senior management and Heads of Department drive a strong health and safety culture throughout the Company.

## ADVOCATING ENVIRONMENTALLY FRIENDLY PRACTICES

Over the past three years, we have placed extra emphasis on addressing our direct operational impacts on the environment. Our strategic plan identifies three major focus areas:

### Increasing Energy Efficiency

Our dedicated energy management committee oversees energy-saving initiatives within the Maxis network. Various energy efficiency solutions are adopted at most of our base stations and the Technical Operations Centre ("TOC") such as solar technology, free cooling systems and energy efficient air-conditioners. Thirty-nine of our base stations are solar powered. For the period

between July 2011 and June 2012, our total energy savings amounted to RM3.6 million, well surpassing the savings target of RM3.1 million set for the entire 2012.

We are a strong advocate of network sharing so that resources are not duplicated. In 2012, more than 1,300 shared sites with U Mobile were launched as a result of our 3G Radio Access Network ("RAN") active sharing agreement. This contributes positively to our existing carbon footprint reduction initiatives and brought our sharing of sites with the industry from 54% in 2011 to 68% in 2012.

### Managing Carbon Emission

We have set a target to reduce 16,000 tonnes of direct and indirect CO2 emissions from January 2012 to December 2012. In 2011, we achieved a reduction of 25,000 tonnes against a target of 18,000 tonnes of CO2 emission. For the first half of 2012 alone, we managed to reduce our CO2 emissions by 24,390 tonnes, a 95% reduction year-on-year.

### Reducing Waste

Since 2009, Maxis employees have participated in WWF's Earth Hour campaign, during which all non-essential lighting and electrical equipment in Maxis key offices in Menara Maxis and Plaza Sentral are switched off for one hour.

## FURTHER INFORMATION

Please refer to the second Maxis Sustainability Report that details our sustainable practices in the marketplace, workplace, community and environment. The report covers the period from July 2011 to December 2012 and follows the Global Reporting Initiative ("GRI") framework, for sustainability reporting. Maxis' Sustainability Report 2011/2012 is available on our website at [www.maxis.com.my/sustainability](http://www.maxis.com.my/sustainability).







WHAT'S INSIDE

HIGHLIGHTS

OUR STRENGTH

LEADERSHIP

OUR BUSINESS IN ACTION

CORPORATE RESPONSIBILITY