



MAXIS BERHAD

INITIATIVES DELIVERING SOLID GROWTH, MAXIS LEADS THE MARKET WITH 4.1% QUARTER-ON-QUARTER REVENUE GROWTH IN 4Q 2012; FULL YEAR REVENUE OF RM8,967 MILLION

- *Retaining an industry-leading EBITDA margin of 48.6% despite strong competition and aggressive market initiatives*
- *Market leadership with 14.1 million subscriptions*
- *Non-voice revenue continued to grow, contributing 45.6% to total mobile revenue*
- *Strong dividend pay-out of 40 sen per share amounting to RM3 billion for the full year*

MEDIA RELEASE

For immediate release

Kuala Lumpur, 26 February 2013

Maxis Berhad (Maxis), Malaysia's leading integrated communications service provider saw its aggressive market moves delivering solid results.

Maxis recorded a revenue of RM8,967 million for the financial year ended 31 December 2012, a 1.9% growth from RM8,800 million in 2011 on the back of higher revenue from all business segments. The Company maintained an industry-leading EBITDA margin at 48.6%, despite strong competition and aggressive market initiatives. Subscription base crossed 14.1 million subscribers with growth in postpaid over the last two quarters and prepaid over the last three quarters.

In 4Q 2012, Maxis led the market with 4.1% quarter-on-quarter revenue growth with non-voice revenue growing 5.1% and contributing 46.2% to total mobile revenue.

In line with the overall strategy of investing for the future, including network modernization, Maxis incurred RM803 million capex in 2012 and launched 4G LTE on 1 January 2013. The investment has resulted in acceleration of depreciation of network equipment amounting to RM125 million. This, together with other one-off asset write-off of RM133 million, impacted Profit After Tax (PAT), ending 2012 at RM1,860 million, which excluding these one-off items, results with a normalized PAT of RM2,049 million. In addition, last year's PAT also benefitted from a cumulative one-off last mile broadband tax incentive of RM352 million.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was stable at RM4,359 million from a year ago.

Chief Executive Officer Sandip Das said, “2012 was a year of executing a balanced strategy to optimise core business while investing for the digital future. We initiated aggressive market moves including competitive tariff adjustments, value for money offers, exclusive loyalty initiatives, and introduction of new segmented offers. In addition, we made significant inroads towards our mission of becoming the leading integrated communications service provider in the country. These market moves were well received by our customers, achieved significant traction and brought in positive results more visibly in the later part of the year. While the market remains extremely competitive, it was pleasing to see the results of the efforts put in by the Maxis team to retain overall leadership in subscriber and revenue terms.

While we continued to be the leader in providing the fastest and widest 3G network in the country, it has always been our endeavour to provide our customers with services that are globally contemporary. The launch of the first 4G LTE service in Malaysia on 1 January 2013 bears testimony to this. Throughout the year, we also introduced numerous innovative services including Loker (personal cloud storage), eBook, my Healthy Heart, and cloud computing for enterprise customers.

With our partnership with TM and our own network build, Maxis has the largest broadband access footprint in the country. During the year, we made high speed broadband more affordable with both our fibre and wireless based offerings. Furthermore, with our strategic partnership with Astro, our customers can soon enjoy the rich content offerings anytime, anywhere and across any terminal device in a whole new way.

The strong eco-system of partnerships we have built provides a strong platform to offer future innovative services for our customers. In addition, we continued to seed the market with smart devices, building a solid base to drive future data services. Already, non-voice contributes 45.6% of our total mobile revenues, of which 64% comes from internet and data services.

During 4Q 2012, we declared a fourth interim dividend of 8 sen per share amounting to RM600 million to our shareholders, successfully maintaining our track record of consistent dividend pay-out. We are also recommending for shareholders’ approval at the forthcoming Annual General Meeting a final single-tier tax-exempt dividend of 8 sen per ordinary share in respect of the financial year ended 31 December 2012, bringing the total dividend pay-out to 40 sen per share amounting to RM3 billion for 2012.

As a whole, we had a solid year, reflecting our ability as a company to optimise our financial performance in a maturing voice business and staying ahead of the curve by continuing to invest in future digital services to enrich customers’ lives and businesses. We continued to improve customer experience across all touch points to deliver an enchanting brand of service experience true to our vision.”

Other highlights for 2012 included the following:

Delighting Customers – Postpaid propositions were reinforced with the introduction of 'Peace of Mind ' roaming plans, attractive smart phone offers and upgrades, as well as strengthening of the 'Maxis One Club' loyalty benefits.

On the prepaid front, Maxis stayed true to its integrated proposition by offering customers an all-in-one, simple solution for all forms of mobile communication needs that gives customers access to the lowest rates in all five categories - Voice Calls, SMS, Surfing, IDD (International Direct Dialling) and Roaming. Other initiatives included focused marketing efforts in customising plans for East Coast, Sabah, Sarawak, targeted promotional activity, expansion of distribution into the interiors to match our network build-outs.

Home Services Gaining Traction – As at end of 2012, we had connected 25.7k homes with FTTH paving the way for an exciting new range of IPTV, broadband, content and life services going forward.

Continuing to Push Broadband Penetration – Maxis also introduced compelling wireless broadband packages in the market with great choice of home and on-the-go modems and super-sized quotas. We streamlined our wireless broadband (WBB) subscriptions to include Home Wireless Internet (also known as Fixed Wireless Broadband "FWBB"). We now have 628k wireless broadband subscriptions including postpaid dongles, WiFi, FWBB modems and tablet plan subscriptions.

Becoming a Solutions Partner for our Business Customers – To help our Corporate and SME customers do their businesses more efficiently, we introduced a range of innovative integrated services including Business Mobility Solutions and Built for SME Solutions.

Taking Network Leadership to a New Level – Maxis has always been a strong advocate of infrastructure sharing. In 2012, we operationalised our pioneering active Radio Access Network (RAN) sharing arrangement with U Mobile, monetising and bringing forward returns on our infrastructure investments. We also signed an infrastructure and spectrum sharing agreement with Redtone in July 2012.

PROSPECTS FOR 2013

“We are focused on driving growth in our core business while investing in future digital services with continued investment in our infrastructure to meet ever growing customer demand for data access and higher speeds. As Malaysia’s only integrated communications service provider, we are well placed to offer integrated offerings to families, communities and businesses. Leveraging on our successful track record in seeding the market with smart devices, we want to broaden the base of data users, particularly the youth segment. Our efforts to grow market share and revenues in the East Coast, Sabah, Sarawak, the migrant and tourist segments will also continue.

On the Home services front, after piloting Astro B.yond IPTV with Maxis Home Fibre Internet service in Maxis’ own fibre footprint in December 2012, we look forward to a full launch end of 1Q 2013.

After the launch of 4G LTE service on 1 January 2013, we introduced for the first time 4G LTE smartphones to the market. We look forward to growing the eco-system with more 4G smart devices, exciting content and services for an even richer digital experience for our customers.

With LTE, we now have a strong suite of data spectrum, giving us the opportunity to cater to the growing needs of our customers and providing them with the best digital services in Malaysia," concluded Sandip.

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