

MAXIS BERHAD

MAXIS REGISTERS 1.9% YTD GROWTH WITH NINE MONTHS' REVENUE AT RM6,661 MILLION WITH INDUSTRY-LEADING EBITDA MARGIN OF 49.5% Growth in All Core Business Segments

- *Retaining an industry-leading EBITDA Margin of 49.5% despite strong competition and aggressive market initiatives*
- *13.9 million subscriptions, with revenue generating subscription base of 12.8 million*
- *Non-voice revenue contributing 45.4% to mobile revenue*
- *Declared a third interim dividend of eight sen per share amounting to RM600 million*

MEDIA RELEASE

For immediate release

Kuala Lumpur, 28 November 2012

Maxis Berhad (Maxis), Malaysia's leading integrated communications service provider announced its financial results for the nine months ended 30 September 2012. **The company registered an overall growth in all its core business segments during the period under review.**

Commenting on the financial results, Sandip Das, Chief Executive Officer (CEO), Maxis said, "We are pleased that this quarter we have shown growth across all our core businesses. We are now well positioned to strengthen future revenue streams, having launched several tariff initiatives for our customers, over the last nine months, in the areas of IDD rates, roaming, mobile Internet, postpaid and prepaid. All of which are beginning to bear fruit. It is also reassuring to see that revenue generating subscribers growing in both postpaid and prepaid categories.

Maxis continues to lead innovation in the industry constantly introducing globally contemporary data products and improving overall consumer data experience on its networks, resulting in strong non voice revenues which now stand at 45.4% of mobile revenues. Large number of our customers use smartphones which we continue to seed in the market and access internet actively, as a result of which nearly 63% of our non-voice revenue comes from net usage. In addition, improved values offered on traditional voice packages are stimulating usage leading to growth in voice revenues. This quarter revenues have also begun to stream in from our wholesale arrangements with U Mobile."

"True to our continued commitment to dividend, we have declared a third interim dividend of eight sen per share amounting to RM600 million to our shareholders this quarter, successfully maintaining our track record of consistent dividend pay-out with the previous quarters," added Sandip.

For the nine months ended 30 September 2012, Maxis recorded 1.9% growth in revenue to RM6,661 million from RM6,535 million a year ago on the back of higher revenue from all business segments. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) stood at RM3,294 million with EBITDA Margin at industry-leading 49.5%, despite strong competition and aggressive market initiatives. Maxis registered a Profit after tax (PAT) of RM1,482 million, 9.1% lower as compared to RM1,630 million a year ago.

In the quarter under review, Maxis posted a revenue of RM2,216 million, while its EBITDA stood at RM1,055 million and EBITDA margin was at 47.6%. Maxis' registered a PAT of RM443 million, 4.9% lower as compared to RM466 million in 2Q 2012.

PAT performance for both the nine months and 3Q 2012 was impacted by accelerated depreciation for network modernisation. Additionally, PAT for the nine months ended 30 September was also impacted by asset write-off amounting to RM125 million.

Maxis continued to lead the market with a total of 13.9 million subscriptions, including revenue generating subscription base of 12.8 million as at end of September 2012. For the quarter under review, Maxis' RGS postpaid base grew by 27k, while prepaid RGS registered 51k net additions.

Maxis has been making aggressive market moves aimed at improving revenue growth and customer experience. These moves include significant tariff adjustments, more value for money offers, loyalty and retention initiatives, and introduction of new regional offers. **These major market moves implemented over the last nine months continued to gain traction and bring in positive results.** The following initiatives were undertaken for the quarter under review:

- The initiatives for postpaid subscribers in the quarter included attractive bundled offers for Maxis One Club members and continued 'Roam and Relax' campaign to give customers peace of mind when roaming. In addition, we launched new competitive tariff plans namely TalkMore which come with bundled minutes and SMS, and an automatic bill trigger capability which reduces call rates by 50%.
- Prepaid subscribers in East Coast can now enjoy a dedicated regional Hotlink plan following the launch of dedicated East Malaysia offer in 2Q 2012. Hotlink campus edition was introduced and prepaid wireless broadband was re-launched under the Hotlink brand while enhancing affordability and availability. Other initiatives for the prepaid customers include top-up campaign to drive users to talk and SMS more, supersaver midnight where customers can buy voice bundles for as low as RM1 for 30 minutes after midnight and Super Sunday where customers make calls for as long as 1 hour for only RM1 by dialing a prefix 131
- Home wireless internet (Fixed wireless broadband (FWBB)) registered a strong take-up with 39k subscriptions as at end of 3Q 2012, an increase of 50% from previous quarter. Maxis' wireless broadband (WBB) subscriptions now include postpaid FWBB subscriptions as well. Overall WBB subscriptions stood at 631k as at end of 3Q 2012.

- Solid momentum for Home Fibre Internet continued as a result of the attractively priced 10Mbps package. Number of homes connected more than doubled quarter-on-quarter reaching 19.4k as at 3Q 2012.
- In the Government, Enterprise and SME segment, Maxis continued to be aggressive in the SME space through sales and marketing activities following the launches of various integrated solutions for this market in the two previous quarters.

Maintaining its network advantage and continuing to modernise and upgrade its network, Maxis invested close to RM400 million in the first nine months of 2012. The Company expects to increase its capex spend to support new IT initiatives and on-going network investments in 4Q 2012. Notwithstanding that, overall 2012 capex is expected to be below guidance. **Already, Maxis has the most advanced and widest network footprint in the country with 95% 2G and 81% high speed 3G coverage of the population and is now ready for LTE launch.**

“Moving into the last quarter of the year, we are **continuing with our market moves, focusing our efforts on delivering innovative product offerings, integrated propositions, delivering a superior customer experience as well as driving operational efficiency and network utilisation. Retention and customer loyalty programmes remain a major theme.**

Already in early 4Q 2012, we have brought a number of new offerings to market including TextMore and SurfMore plans for postpaid customers and even faster speed Home Fibre Internet plans with 20 and 30Mbps packages. We then further enhanced our broadband offerings with new WBB plans offering more internet quota at better prices, choice of free high performance modems to suit customers’ needs and lifestyle, and free value-added services. The 2G domestic roaming with U Mobile was also successfully launched as planned.

On the Home services front, the Astro and Maxis partnership is progressing well with both parties working towards launching Astro B.yond IPTV riding on Maxis own fibre footprint by end 4Q 2012. We also look forward to the launch of LTE services as soon as the spectrum allocation is awarded by the Government.

Overall, we are looking at exciting times ahead,” concluded Sandip.

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