



MAXIS BERHAD

A STABLE FIRST HALF FOR MAXIS WITH 3.6% YEAR ON YEAR REVENUE GROWTH TO RM4.4 BILLION, STRONG DATA GROWTH

- *Non-voice revenue prime growth driver, contributing 45.3% to mobile revenue*
- *Retaining an industry-leading EBITDA Margin of 50.4%*
- *13.8 million subscriptions, including revenue generating subscription base of 12.7 million*
- *Long-term partnership with Astro to bring the best of both worlds to Malaysian consumers*

MEDIA RELEASE

For immediate release

Kuala Lumpur, 30 August 2012

Maxis Berhad (Maxis), Malaysia's leading integrated communications service provider delivered a steady performance for its first half year results ended 30 June 2012, underpinned by strong data and IDD growth and the momentum building up from its aggressive market moves in the last two quarters.

Commenting on the Company's first half year results, Sandip Das, Chief Executive Officer (CEO), Maxis said, "Since the start of this year, we have launched major market moves across product categories and are encouraged with the response we have received from our customers. As a result, our performance in the first half of the year has been steady despite the tariff wars in the market. We registered the highest prepaid net additions in five quarters on the strength of the new Hotlink plan launched in March, offered a wide range of globally contemporary data products such as personal cloud storage and online book stores, a wide range of smart devices and made definitive inroads into the migrant market with attractive international calling tariffs. Our continued efforts to grow a data-friendly ecosystem has resulted in non-voice revenues climbing up to 45.3% of mobile revenues with 62% of the revenue coming from Internet and data services. Already, more than a third of our customers are using smartphones and we have 8.0 million active mobile Internet users giving us a solid base to drive future data growth. This quarter we strengthened our Maxis One Club loyalty programme offering attractive smartphone bundles to our customers. Our business has been built because of them, now we will bring more joy to their homes!"

"We have declared a second 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. We are pleased to have been able to achieve all these milestones despite tougher competition."

“When we embarked on our integrated services journey and introduced home services, we had two large milestones to cross: the first was achieved with the signing of the historic agreements with Tenaga Nasional Berhad and Telekom Malaysia Berhad, which allowed us access to millions of homes across the country. With the strategic partnership that we have now entered with Astro, Malaysia’s leading consumer media entertainment group, we are able to provide the best of Broadband, Voice and Television, wherever our customers are. We are delighted to have secured the most popular television and video content from the market leading service provider to deliver value-added fibre broadband proposition into the homes and soon our LTE 4G offerings as well. This will allow us to develop new and exciting services and multi-screen experiences seamlessly delivered across different network platforms to continue to attract new customers to our fixed and wireless platforms.”

During the first half of the year, Maxis registered a revenue of RM4,445 million, a 3.6% growth from RM4,291 million a year ago with non-voice revenue being the prime growth driver. EBITDA rose 2.0% to RM2,239 million from RM2,196 million last year. While delivering this growth, the Company continued to retain an industry-leading EBITDA Margin at a strong 50.4%.

Maxis delivered a normalised Profit After Tax (PAT) of RM1,107 million, increased by 1.4% from a year ago. Including the last mile broadband tax incentive of RM16 million reported in Quarter 1 2012 and RM10 million in Quarter 2 2012 as well as write-off of property, plant and equipment (after tax) adjustments of RM94 million in Quarter 2 2012, PAT for the first half of 2012 was RM1,039 million.

Maxis continued to lead the market with a total of 13.8 million subscriptions, including revenue generating subscription base of 12.7 million as at end of June 2012.

On a quarterly basis, Maxis posted a revenue of RM2,216 million, virtually on par with RM2,229 million achieved in the preceding quarter. EBITDA margin was at 49.9% against 50.8% in Quarter 1.

Maxis registered a normalised PAT of RM550 million in Quarter 2, a slight 1.3% decline from RM557 million registered in the previous quarter. Including the last mile broadband tax incentive of RM16 million reported in Quarter 1 2012 and RM10 million in Quarter 2 2012 as well as write-off of property, plant and equipment (after tax) adjustments of RM94 million in Quarter 2 2012, PAT for Quarter 2 was RM466 million.

Maxis has been making major market moves over the last two quarters to make its offers more attractive to all its customer segments and strengthen its market leadership.

- For postpaid service, the Company introduced 3 key initiatives that include reviving Maxis One Club integrated offers to reward loyal and high value customers, offering data passes to an industry-high of 63 countries under its ‘Roam and Relax’ campaign to give customers ‘peace of mind’ when roaming and HOT IDD132 promotion extension to postpaid subscribers. ‘Peace of mind’ roaming and measured tariff adjustments have improved overall customer service experience.

- The Company, on the basis of its infrastructure build up further strengthened its Hotlink market leadership by introducing the all in one Sabah and Sarawak Hotlink Plan.
- Early indicators are encouraging, Maxis Home Fibre Internet has been gaining good traction from attractively priced promotional plans launched on 18 May. As at end of Quarter 2 2012, Maxis Home had a total of over 57,000 customers on board, including 9,352 who are Home Fibre Internet and over 27,000 who are Home Wireless Internet subscribers, with the balance being ADSL and POTs subscribers.
- Maxis continued to seed smart devices in the market with the latest offering of the Samsung Galaxy SIII and new iPad to encourage its customers to upgrade their existing devices and enjoy a suite of data rich content.
- In line with its leadership in mobile content innovation, Maxis introduced myHealthy Heart app in partnership with Institut Jantung Negara to provide heart health related information; Malaysia's first integrated digital book service across devices, Maxis ebooks; as well as Loker, Malaysia's first and only personal cloud service enabling all Maxis customers to sync, store and share their personal digital content
- Maxis' Built for SME - Retail Solution is the only all-in-one solution available in Malaysia that provides a comprehensive suite of services for the retail SME sector that is reliable, competitively priced and simple to set up.

Maxis saw a steady Average Revenue per User (ARPU) and Minutes of Use (MOU). Postpaid MOU had increased quarter on quarter due to higher off net mobile and IDD rates. Meanwhile, Prepaid MOU remained stable.

For the first half of 2012, Maxis invested RM254 million in modernising and upgrading its network. Of the 5,200 3G sites we have extended HSPA+ (42Mbps) coverage to and industry leading 3,600 sites so that the latest Tablets and Smartphones run on the fastest speeds possible. In addition, LTE ready IP backhaul has increased to over 2,000 sites. The investment in the past 3 years has resulted in 95% 2G and 81% high speed 3G coverage of the population, giving Maxis the most advanced and widest network footprint in the country.

Further to the signing of active 3G Radio Access Network (RAN) sharing with U Mobile in October 2011, domestic roaming with UMobile has now been launched while RAN sharing will commence in September.

In July, Maxis signed an infrastructure and spectrum sharing agreement with REDtone to roll out future 4G LTE services. The combined spectrum will allow Maxis and REDtone to offer the fastest 4G broadband available in Malaysia and the region, of up to 150Mbps.

Moving into the second half of the year, Maxis expects the competition to intensify with more competitive offerings by the players to drive higher usages and subscriptions. "We remain focused on giving the best experience to our customers. In line with the growing demand for data and mobile internet, we will continue to offer innovative products, bring in the latest devices to the market, make smartphones adoption affordable and provide exciting content, applications, internet and bundle plans. Retention and customer loyalty

programs will continue to be enhanced to reward our loyal customers with offers that provide strong value propositions. On the Home services front, the partnerships that we have been building are steadily coming together. We are looking at exciting times ahead. We will start unfolding those services in the coming months.” concluded Sandip.

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