



## NEWS RELEASE

Kuala Lumpur  
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### **TM DELIVERS REVENUE GROWTH OF 11.0% YoY TO RM2.384 BILLION; PROFIT UP 53.5% TO RM250.6 MILLION YoY FOR 1Q 2012**

*Internet & Multimedia revenue growth of 24.3% YoY  
Normalised EBITDA improved 7.6% to RM784.6 million; Normalised EBITDA margin stood at 32.6%  
PATAMI up 53.5% to RM250.6 million YoY  
Broadband customers increased 11.4% YoY to 1.97 million, maintaining leadership position  
UniFi take up remains strong at 30% with 365,000 customers activated to date*

Telekom Malaysia Berhad (TM) today announced that Group revenue for the first quarter ended 31 March 2012 rose 11.0% YoY to RM2.384 billion from RM2.148 billion in the corresponding period last year. The growth was mainly attributed to positive growth across all key products – internet and multimedia, data, voice and other telecommunications related services.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) grew by 7.1% YoY from RM730.9 million in 1Q2011 to RM782.6 million in Q12012 attributable to higher operating revenue. Normalised EBITDA was also higher by 7.6% YoY, at RM784.6 million. EBITDA margin was at 32.5% whilst Normalised EBITDA margin stood at 32.6%. Group Profit After Tax And Minority Interest (PATAMI) rose 53.5% to RM250.6 million YoY as compared to RM163.3 million in the corresponding quarter in 2011 due to higher revenue and higher unrealised forex gain on US Dollar (USD) debt.

"We are pleased to report an encouraging start to the year with a commendable 11.0% growth in operating revenue, and 7.1% growth in EBITDA YoY. Our PATAMI also grew by 53.5% YoY. In the first quarter, we saw our internet revenue grow to RM563.4 million, representing a 24.3% YoY growth, on the back of an 11.4% increase in customers for both Streamyx and UniFi. Collectively, our broadband customer base grew to 1.97 million in 1Q2012 from 1.77 million in the same period last year. In fact, I'm also pleased to note that we have just crossed the 2 million broadband customers threshold as of last week, solidifying TM's position as Malaysia's broadband champion." said Dato' Sri Zamzamzairani Mohd Isa, Group Chief Executive Officer, TM.

#### Key Take-aways

1. Revenue growth of 11.0% to RM2.384 billion led by revenue growth from Internet and multimedia, data services, voice and other telecommunications related services.
2. Normalised EBITDA grew 7.6% YoY to RM784.6 million; Normalised EBITDA margin stood at 32.6%
3. PATAMI grew 53.5% to RM250.6 million.
4. Quote: "We are pleased to report an encouraging start to the year...."  
(cont'd in body)
5. TM's broadband customers base up 11.4% to 1.97 million in 1Q2012 as compared to 1.77 million in 1Q2011, maintaining leadership position as Malaysia's Broadband Champion.

Dato' Sri Zam went on to comment, "UniFi continued to perform above our expectations in the 1<sup>st</sup> quarter of 2012. In terms of coverage, we rolled out to 1.2 million premises covering 78 exchange areas. In terms of take-up, we had activated 315,745 customers, which represents a net addition of 33.5% or 79,244 customers QoQ or more than 250,000 customers YoY."

"To date, we have activated 365,000 customers on the back of 1.22 million premises passed over 81 exchange areas. This translates into a take-up rate of 30% against premises passed. Our HyppTV service which is available as part of UniFi's triple play service now offers 88 channels with 12 High Definition (HD) channels consisting of 19 free channels, 34 premium channels, 17 Video-On-Demand (VOD) genres and 18 interactive channels. We are on track to meet our PPP obligation of 1.34 million premises passed by the end of this year."

"Our business segments continue to record strong growth in revenue and business generation especially in our Retail and Global Lines of Business. We will remain focused on expanding our UniFi coverage and capitalise on the strong take-up we are still experiencing to date. The emphasis on customer service and product differentiation is clearly helping us strengthen our leadership and expand into new market segments. The KPIs that we have set for this financial period appear attainable based on our current achievement, although the external environment continues to pose a challenge due to the volatility in the global markets and increased competition in the broadband space."

"We had previously mentioned our emphasis on a new growth area for TM, which is ICT/BPO, and we are poised to tap into this growing sector with our offerings in areas such as cloud computing and managed services. In fact, leveraging on the foundation we have laid with our regional connectivity and capabilities, we recently launched our first regional data centre facility in Hong Kong. This is in line with the Group's aspiration to be a regional ICT/BPO powerhouse via our ICT/BPO arm, VADS Berhad (VADS)," Dato' Sri Zam elaborated.

### **Prospects for the Next Financial Year Ending 31 December 2012**

The Company's focus for 2012 will still be maintaining its position as Malaysia's Broadband Champion anchoring on Streamyx and UniFi as its key broadband products, delivering an enhanced and integrated digital lifestyle to all Malaysians. The Company is intensifying its efforts to pursue quality improvement programmes towards delivering a better customer experience.

TM remains committed to its obligations under the Public Private Partnership (PPP) Agreement with the Government. In line with the Company's continued commitment to provide fair and equitable opportunities for other service providers, TM has signed with the fourth access seeker in March 2012 to provide HSBB (Access) and HSBB

#### **6. HSBB highlights: 1Q 2012**

- Strong growth of UniFi customers to 315,745 in 1Q2012.
- Successfully rolled out UniFi to 1.2 million premises passed covering 78 exchange areas.

#### **Updates**

- To date, UniFi customers have reached 365,000.
- On track to increase the service coverage to a total of 95 exchange areas by end 2012 for a total of 1.34 million premises passed.

7. "Our business segments continue to record strong growth in revenue and business generation especially in our Retail and Global Line of Business..." (cont'd in body)

8. TM emphasising on ICT/BPO as a new growth area and recently launched its first regional data centre facility in Hong Kong in line with aspiration to be a regional ICT/BPO powerhouse.

9. TM signed with 1 new access seeker to provide HSBB (Access) and HSBB (Transmission) services in March 2012.

(Transmission) services on a wholesale arrangement. Thus far, TM has signed HSBB services agreement with 25 property developers to deploy HSBB network infrastructure and services to new housing development areas.

The Malaysian telecommunications market is expected to remain highly competitive, with rapidly maturing voice revenue, intense internet competition and an undisputed preference for mobile services. However, despite these challenges and a global economic environment that remains uncertain, the broadband market is expected to expand to RM6.0 billion while the overall telecommunications market is forecasted to grow to RM29.1 billion in 2012 from RM28.0 billion (*source: IDC Tracker 1H2011*) As such TM is optimistic on its ability to ride on that growth and maintain its broadband leadership moving forward with its value adding products and services.

Against this backdrop and with a promising economic outlook, the Company's efforts will be focused on creating value for its stakeholders. However, despite the global economic uncertainty, industry liberalisation, regulatory changes and intensely competitive telecommunication landscape, the Board of Directors expects TM's business environment for the financial year ending 31 December 2012 to remain positive.

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## **About TM**

Telekom Malaysia Berhad (TM), Malaysia's broadband champion and leading integrated information and communications group, offers a comprehensive range of communication services and solutions in broadband, data and fixed-line. As a market leader, TM is driven by stakeholder value creation in a highly competitive environment. The Group places emphasis on delivering an enhanced customer experience via continuous customer service quality improvements and innovations, whilst focusing on increased operational efficiency and productivity.

Leveraging on our extensive global connectivity, network infrastructure and collective expertise, TM is well positioned to propel Malaysia as a regional Internet hub and digital gateway for South-East Asia. TM remains steadfast in its transformation into a new generation communications provider to deliver an enhanced and integrated digital lifestyle to all Malaysians, and opening up possibilities through connection, communication and collaboration, towards our shared vision of elevating the nation into a high-income economy.

As a model corporate citizen committed to good governance and transparency, TM continues its pledge to ensure the integrity of our processes, people and reputation as well as the sustainability of our operations. Our Corporate Responsibility (CR) ethos reinforces responsible behaviour in the four main domains of the marketplace, workplace, the community and the environment. With a focus on ICT, the Group further promotes 3 major platforms i.e. education, community/nation-building and environment, through our Reaching Out programmes.

TM is also a multiple corporate awards winner, having been recognised consistently for our high standards in Corporate Governance as well as the Anugerah CSR Perdana Menteri for Best Workplace Practices two years consecutively, in 2009 and 2010. TM was most recently honoured with 5 National Annual Corporate Report Awards (NACRA) 2011, notably the Challenge Trophy for the Overall Excellence Award for Most Outstanding Annual Report of the Year - Platinum Award; and 4 Frost and Sullivan Malaysia Excellence Awards 2012, including Service Provider of the Year and Best Broadband Service Provider of the Year.

For further information on TM, visit [www.tm.com.my](http://www.tm.com.my).

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