



**NEWS RELEASE**

Kuala Lumpur

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## **TM DELIVERS REVENUE GROWTH OF 1.7% YoY TO RM2.4 BILLION FOR 1Q 2013**

### **Key Highlights of 1Q 2013:**

- **Revenue growth of 1.7% YoY to RM2.4 billion**
- **Reported EBIT increased by 9.6% YoY to RM298.0 million; Normalised EBIT increased by 9.5% YoY to RM300.1 million;**
- **PATAMI hits RM213.2 million; Normalised PATAMI grew by 27.6% YoY to RM234.0 million**
- **Strong revenue growth from Internet services at 14.4% YoY to RM644 million driven by UniFi growth and HyppTV content**
- **UniFi take up remains strong with customer base up 68.4% YoY to more than 532,000 customers.**
- **Overall broadband customer base grew by 6.8% YoY to 2.11 million**

Telekom Malaysia Berhad (TM) today announced its financial results for the first quarter ended 31 March 2013, where Group Revenue rose 1.7% YoY to RM2.42 billion from RM2.38 billion in the corresponding period last year. The growth was mainly driven by Internet and Data services, particularly UniFi.

Earnings Before Interest and Tax (EBIT) grew by 9.6% YoY from RM272.0 million in 1Q2012 to RM298.0 million in 1Q2013 attributable to higher revenue. Normalised EBIT increased by 9.5% YoY to RM300.1 million.

Group Profit After Tax And Minority Interest (PATAMI) was lower by 14.9% to RM213.2 million in 1Q2013 primarily due to unrealised forex loss on borrowings of RM18.6 million as compared to a gain of RM67.9 million in the corresponding quarter last year. Normalised PATAMI, excluding mainly unrealised forex loss on USD borrowings grew by 27.6% YoY to RM234.0 million.

Dato' Sri Zamzamzairani Mohd Isa, Group Chief Executive Officer, TM, said: "Overall, we continue to show good progress on our business transformation efforts, amidst a heightened competitive environment. We are pleased to report a steady performance for the first quarter of the year with a 1.7% growth in operating revenue, and 9.6% growth in EBIT YoY. We recorded healthy growth particularly in Internet and Data services, with UniFi being the key driver - growing 68.4% to more than 532,000 customers in 1Q2013 from a year ago.

To date, we have activated over 560,000 customers on the back of more than 1.4 million premises passed over 104 exchange areas. This translates to almost 40% take-up rate. In the first quarter, our Internet services turned in a revenue of RM644 million, a growth of 14.4% YoY from RM563 million recorded in 2012, on the back of a 6.8% growth in broadband customer base. Data revenue increased by 13.8% YoY to RM585 million in the current quarter from RM514 million in 1Q2012 driven by new circuits installations and upgrade to higher bandwidth.

With this, Internet and Data revenue now contribute 51% of the Group's total revenue, as compared to 45% a year ago. Collectively, our broadband customer base grew to 2.11 million in 1Q2013 from 1.97 million in the same period last year, a growth of 6.8%."

TM also recorded continued improvement in its capex efficiency, with total capex spend/revenue ratio improving from 12.0% for 1Q2012 to 9.7% this quarter as a result of higher revenue and lower capex incurred. Total capex spent for 1Q2013 was RM236 million, lower against the corresponding quarter last year, which stood at RM287 million.

Dato' Sri Zam went on to comment, "Traditionally, our 1<sup>st</sup> quarter performance is reflective of the seasonal nature of the business. Nevertheless, we believe we have secured a footing for better earnings by focusing on enhancing competitiveness, customer experience and cost efficiencies. We hope to keep up the momentum towards the later part of the year with continued growth in our core areas. In the meantime, we remain committed to our mission to being Trusted Broadband Champion for the nation, coupled with continued enhancement of our services to customers. Our Performance Improvement Programme (PIP) 3.0 will be our priority for 2013 where we will focus on the key initiatives for the longer term growth for the Company. In January this year, we expanded the coverage of our high speed broadband (HSBB) access to non-HSBB (UniFi) areas by improving the quality of our copper infrastructure and introduced our new 8Mbps bandwidth for Streamyx and Business Broadband packages. This new bandwidth offering complements TM's existing broadband packages of 1Mbps, 2Mbps and 4Mbps."

"To remain competitive in the prevailing environment, we have introduced several exciting 'value for money' package offerings from as low as RM30 a month for our HyppTV service in our effort to provide customers with more value and enhanced TV viewing experience for their whole family. The newly launched packages is testament to our continuous effort in satisfying customers' viewing needs and preferences, be it entertainment, edutainment or sports content. In addition to the existing *HyppTV Platinum Pack* and *HyppTV Ruby Pack*, we now give HyppTV viewers more options with the all new *HyppTV Mega Pack* which is the combination of *HyppTV Platinum Pack* and *HyppTV Ruby Pack*, bundling Entertainment, Lifestyle, Edutainment and News content, making it a complete pack for the whole family; *HyppTV Sports Pack* and the new *HyppTV Platinum Pack* featuring a revised and enhanced channel line-up from the existing *HyppTV Platinum Pack*, focusing more on edutainment and entertainment content. We are currently running the commercial trial of HyppTV over Broadband and HyppTV Everywhere services which will certainly give a boost to both our UniFi and Streamyx customers when the services are made available in Q3 this year," he elaborated.

TM is not only strengthening its domestic sectors, but also regionally, where TM is also focusing on its ICT/Business Process Outsourcing (BPO) and Global businesses. Currently, TM offers the most holistic and seamless end-to-end solutions in the market, cutting across connectivity, ICT infrastructure (including Cloud Services), Value-Added Services (VAS) and BPO Services. TM brings together people, processes and technologies to enable more effective and dynamic use of information technology and communication. The ultimate aim is to empower businesses with value-based innovative solutions and services by offering expertise so that customers can focus on their core business.

## **Prospects for the Current Financial Year Ending 31 December 2013**

TM's outlook for 2013 remains positive on the back of more than 560,000 UniFi customers to date. We foresee higher take-up of broadband services with the introduction of Streamyx 8Mbps and the future expansion of UniFi based on demand (demand driven). We also foresee higher HyppTV viewers and we are pleased to highlight that HyppTV had recently won the "Best Live Online TV Service 2013" award at the TV Connect Industry Awards in Mayfair, London.

TM had launched UniFi BIZ30 and BIZ50 in November 2012 to cater for the increased demand for bandwidth amongst the SMEs. In April 2013, TM had also signed an agreement with UEM Land Berhad to provide UniFi ready homes to more than 4,000 residences in Nusajaya to enhance a digital lifestyle, embracing TM's vision of 'Life Made Easier with UniFi'. TM remains committed to be the Trusted Broadband Provider for the country.

To sustain market leadership, TM has introduced a Performance Improvement Programme 3.0 (PIP3.0) early this year which focuses on continued growth and institution building towards greater efficiency and productivity. As Malaysia's leading new generation communications provider, TM aspires to be the key catalyst for economic growth.

Barring unforeseen circumstances, the Board of Directors expects TM's growth prospects for the current financial year 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 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; while more recently in 2012, TM received 2 NACRA awards, namely Overall Excellence for Best Annual Report – Silver Award and Industry Excellence Award for Main Board Companies under the Trade & Service category. In addition, TM bagged 4 Frost and Sullivan Malaysia Excellence Awards 2012, including Service Provider of the Year and Best Broadband Service Provider of the Year. TM was also named the Fixed Broadband Provider of the Year award at 2012 Frost & Sullivan Asia Pacific ICT Awards. This year, TM was awarded as Telecom Service Provider of the Year at the 2013 Frost & Sullivan Malaysia Excellence Awards for the second year running and the Data Communications Service Provider of the Year award for the 9<sup>th</sup> consecutive years.

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

**Issued by:**

Group Corporate Communications  
Telekom Malaysia Berhad  
Level 8 (South Wing), Menara TM  
Jalan Pantai Baharu  
50672 Kuala Lumpur

**Should you have any inquiries, please call:**

Izlyn Ramli  
Vice President

Tel: (03) 2240 2699  
HP: (019) 500 0248  
Email: [izlyn@tm.com.my](mailto:izlyn@tm.com.my)

Asma Abdul Aziz  
Assistant General Manager

Tel: (03) 2240 3840  
HP: (013) 364 1830  
Email: [asma\\_aa@tm.com.my](mailto:asma_aa@tm.com.my)

Saiful Azni Matmor  
Manager

Tel: (03) 2240 2617  
HP: (013) 360 3496  
Email: [msaiful@tm.com.my](mailto:msaiful@tm.com.my)