



NEWS RELEASE

Kuala Lumpur
26 November 2014

**TM TURNS IN STEADY YTD SEPTEMBER 2014 PERFORMANCE –
GROUP REVENUE UP 5.6% YTD TO RM8.1 BILLION;
PROFIT BEFORE TAX IMPROVED 15.7% YTD TO RM851.8 MILLION**

Key Highlights:

- **Group Revenue grew 5.6% YTD to RM8.1 billion**
- **Group Reported Operating Profit (EBIT) hits RM964.9 million**
- **Group Profit Before Tax (PBT) 15.7% higher YTD to RM851.8 million**
- **Reported Group Profit (PATAMI) stood at RM613.5 million**
- **Maintains position as Malaysia’s broadband champion;**
 - **Broadband customer base growth 1.3% YOY to 2.2 million**
 - **Robust UniFi take up rate at growth of 15.3% YOY with close to 700,000 customers**

Telekom Malaysia Berhad (TM) today announced a 5.6% growth in Group Revenue to RM8.1 billion for the first nine (9) months ended 30 September 2014 against RM7.6 billion in the corresponding period last year; on the back of higher revenue contribution from Internet and other telecommunications services. Internet services turned in a revenue of RM2.2 billion, a growth of 10.1% from RM2.0 billion recorded in last year corresponding period, in line with an increased broadband customer base.

Group Reported Operating Profit (Earnings Before Interest and Tax (EBIT)) was RM964.9 million Year-to-Date (YTD), lower by 2.8% against last year primarily due to higher operating cost. Group Reported Profit Before Tax (PBT), however, was higher by 15.7% YTD to RM851.8 million, against RM736.3 million in the corresponding period last year due to lower net finance cost.

Group Reported Net Profit or Profit After Tax And Minority Interest (PATAMI) stood at RM613.5 million due to the absence of tax incentives in 2014.

Commenting on the YTD September 2014 financial results, Tan Sri Zamzamzairani Mohd Isa, Group Chief Executive Officer, TM, said: "The first nine months of 2014 continues to show growth. We recorded Group Revenue of RM8.1 billion YTD, an increase of 5.6% against the corresponding period last year. Our Group Profit Before Tax rose 15.7% YTD to RM851.8 million whilst our Group Reported Operating Profit (EBIT) was RM964.9 million, 2.8% lower from last year. Our PATAMI stood at RM613.5 million impacted by the absence of tax incentives. Our capex/revenue ratio showed improvement, reducing from 14.5% for YTD Sept 2013 to 11.7% this year."

Tan Sri Zam went on to comment, "In the broadband space, we recently initiated a clean-up of our Streamyx database, which comprises the termination of internal service lines across our various Digital Subscriber Line (DSL) products. This cleanup impacted our 3Q 2014 customer numbers, by approximately 90,000. Notwithstanding, we are happy to note that our total Broadband customer base still recorded a 1.3% increase YoY to 2.2 million, with UniFi continuing to drive this growth. UniFi recorded close to 700,000 customers activated as at September 2014 with a net add of about 27,000 or 4.0% sequentially and 15.3% YoY. UniFi is now available via 1.565 million ports and to date, we have more than 712,000 UniFi customers. This translates into a take up rate of about 45%. High speed broadband in non-UniFi areas is also growing strongly with high take up of Streamyx 8Mbps. As of today, 48% of our total broadband customers are subscribing to 4Mbps and higher packages. With respect to our 4G broadband offering for communities in rural and sub-urban areas, we recently expanded the coverage of our TMgo service to Gerik, Perak, in addition to Kedah and Melaka. We also opened our first TMgo Experiential Centre in Gerik as part of our effort in bringing 4G broadband experience to the local communities as well as to increase the awareness among the public on the availability of our TMgo service offering."

"On 30th September 2014, we announced the completion of our investment into Packet One Networks (Malaysia) Sdn Bhd (P1), with TM now emerging the new holding company for P1 with a shareholding of 55.3%; whilst our partners; Green Packet Berhad has 31.1% and SK Telecom Co Ltd at 13.6%. Subsequently, the new board of directors and management team for P1 were appointed. We are excited to welcome P1 into the TM family and believe this is a key piece towards becoming the No. 1 converged communications service provider and in delivering our customer promise of Life and Business Made Easier. We look forward to sharing more updates with you in the months to come," he said.

TM has continuously added on new content offerings aimed at providing our customers with more value and enhanced TV viewing experience for their whole family. The newly added content is testament to our continuous effort in providing the best content and viewing experience to satisfy our growing customers' needs and preferences, be it entertainment, edutainment or sports content. Via HyppTV, TM launched HyppSensasi (available on Channel 116) – its first, homegrown general entertainment channel showcasing unique and exclusive locally produced Bahasa Malaysia programmes in High Definition (HD) on its platform. Together with the launch of HyppSensasi, HyppTV also unveiled six (6) other unique new channels - Comedy Central HD (Channel 609), CinemaWorld HD (Channel 650), Motorvision HD (Channel 712), Star Chinese Movies (SCM) (Channel 228), Playbox HD (Channel 833) and NHK World HD (Channel 414).

Continuing on its 'Business Made Easier' aspiration to be the preferred ICT partner for SMEs in Malaysia, TM is proving its commitment to assist SMEs achieve better business performance by introducing several cost effective communication tools and solutions such as Shop-in-a-Box SurePay, a point of sales payment solutions. The month also witnessed VADS entering into partnership to enable the rapid delivery of cloud services to SMEs. VADS is now able to provide a solution that delivers speedy provisioning and billing of the Office 365 platform, as well as bundle with any additional cloud services planned in the future.

Prospects for the Current Financial Year Ending 31 December 2014

The outlook for telecom industry for 2014 remains positive, with data and broadband continuing to be the key driver for growth. TM expects a good year ahead with domestic demand continuing to be the key driver for growth, together with improving external demand and strong private investments.

Besides the innovative consumer products and services offerings highlighted earlier; through strategic partnerships, TM is also striving to provide innovative solutions to its business customers. Malaysia's broadcasting industry recently witnessed the signing of a landmark agreement between TM and MYTV Broadcasting Sdn Bhd (MYTV) that will spearhead the digital transformation of Malaysia's broadcasting industry landscape. The collaboration will ensure that the required infrastructure and ancillary services are put in place to ensure a smooth and successful implementation of the digital terrestrial television (DTT) transformation project to help realise the national vision to create a dynamic broadcasting sector that offers more choices in entertainment, interactive TV as well as high-quality informative programmes.

TM will stay the course and continue to focus on executing our Performance Improvement Programme 3.0 (PIP 3.0) ongoing transformation journey towards becoming an Information and Innovation Exchange, which will enable us to meet our commitment of delivering our promise of 'Life Made Easier' and 'Business Made Easier' with TM.

#END#

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 and Corporate Responsibility. TM has most recently been honoured with the Platinum Award for the Overall Excellence Award for Most Outstanding Annual Report of the Year for National Annual Corporate Report Awards (NACRA) in 2014, as well as in 2013, 2011 and 2006, and the Industry Excellence Award for Main Board Companies under the Trade & Service category for the 18th consecutive year. In addition, TM has been awarded the NACRA 2014 Platinum Award for Best Corporate Social Responsibility Reporting, and the Anugerah CSR Perdana Menteri for Best Workplace Practices in 2009 and 2010. TM is also the winner of the Best Sustainability Report Award (SRA) in Malaysia for 2 consecutive years at the 2013 Sustainability Reporting Awards organised by The National Centre for Sustainability Reporting (NCSR) based in Indonesia. TM was named Telecom Service Provider of the Year for the 3rd time at the 2014 Frost & Sullivan Malaysia Excellence Awards as well as the Best Broadband Service Provider of the Year for the 8th time and the Data Communications Service Provider of the Year for the 10th consecutive year.

On the regional front, TM was also recognised as the Fixed Broadband Provider of the Year award at 2013 Frost & Sullivan Asia Pacific ICT Awards again for the 2nd year running. TM was also awarded the Asia Pacific's Best Wholesale Ethernet Service Provider for two consecutive years in 2011 and 2012 by Metro Ethernet Forum for its commitment in keeping pace with global Ethernet standards. Additionally, the Company was also accorded the Best Broadband Carrier award in the 2012 Telecom Asia Awards.

For further information on TM, visit www.tm.com.my.

Issued by:

Group Brand & Communication
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

Asma Abdul Aziz
Assistant General Manager

Tel: (03) 2240 3840
HP: (013) 364 1830
Email: asma_aa@tm.com.my

Saiful Azni Matmor
Manager

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