

## TM PERFORMANCE FOR 1H2019

Telekom Malaysia Berhad (TM) today announced its financial results for the first half ended 30 June 2019.

- **Financial and Operational Highlights 1H 2019 (Year-to-Date (YTD) June 2019 vs Year-to-Date (YTD) June 2018):**
  - ❖ Group Revenue of RM5.55 billion, 4.1% lower against 1H2018 – in line with market guidance- mainly due to lower contribution from all lines of products except data services.
  - ❖ Group Reported Earnings Before Interest and Tax (EBIT) for 1H2019 grew 75.0% YTD at RM777.9 million, from RM444.5 million in 1H 2018, on the back of lower operating cost, from the Group's various cost optimisation initiatives.
  - ❖ Group Reported Profit After Tax and Non-controlling Interests (PATAMI) rose 63.1% YTD to RM422.5 million compared to RM259.1 million.
  - ❖ The total capital expenditure (CAPEX) was in line with guidance at 8.1% of revenue or RM450.0 million.
  
- **unifi updates:**
  - ❖ Increased YTD convergence penetration to 56% of TM Households
  - ❖ Higher net addition for unifi with more than 2.16 million broadband customer base, comprising 1.34 million unifi and 823k Streamyx customers. Completed Broadband upgrade programme in April 2019.
    - unifi customer base continues to grow as more customers are moving up the value chain by having triple-play services (3P).
  - ❖ #khabarbaik customer experience related initiatives in 1H2019:
    - Streamlined all Streamyx packages to a new unifi Lite plan at a discounted price at RM69/month for existing Streamyx customers.
    - Introduced unifi Air to elevate the internet experience of existing Streamyx customers residing in TM's LTE coverage areas
    - Launched an All-in-one app; myunifi for a hassle-free experience in managing unifi account.
    - Implemented 24-hour unifi installation initiative to enable new customers to set an appointment within 24 hours after registration.
  
- **TM ONE updates:**
  - ❖ Enabling digital transformation of industry verticals and Public Sector to be IR4.0 ready
  - ❖ Completed its Twin Core Data Centre with the launch of Klang Valley IP Core Data Centre (KVDC) in Cyberjaya.
  - ❖ Started to enable the delivery of 21<sup>st</sup> century education to schools nationwide.
  - ❖ Launched Ten (10) Transformative Smart Solutions (10T) to enable a more Digital Society, Digital Business and Digital Government.
  - ❖ Established cross-industry strategic digital collaborations to facilitate partners' digital transformation journey:
    - Collaborated with the Government to accelerate awareness on Industry4WRD Readiness Assessment (RA) programme and the national initiative for Industry Revolution 4.0 (IR4.0).
    - Partnered with Petronas Dagangan Berhad (PDB) to upgrade over 1,000 Petronas stations nationwide with the next generation network infrastructure.
    - Appointed by E&P O&M Services Sdn Bhd (EPOMS), a wholly owned subsidiary of PETRONAS Carigali Sdn Bhd, as the official technology collaborator in providing end-to-end digital solutions for a more connected workforce and data management, and to digitalise its Operations and Maintenance (O&M) solutions.

- Strategic Partnership with Ministry of Rural Development for Desa Pintar Programme to enhance internet coverage in rural areas towards empowering rural entrepreneurs to market their products and services via digital platforms.

- **TM GLOBAL updates:**

- ❖ TM as the National Telecommunication Infrastructure Provider continues to serve as the industry backbone, connecting Malaysia to the world via its solid infrastructure.
- ❖ Strengthening its position as the trusted accelerator of business growth, TM GLOBAL serves more than 100 licensed operators in Malaysia including all major telcos leveraging on its extensive backhaul coverage and existing collaborations.
- ❖ TM GLOBAL connects Malaysia to the world via more than 20 direct connectivity of its submarine cables systems - spanning over 190,000 km - to more than 60 countries.
- ❖ Under its regional hub's Content Localisation initiative, TM GLOBAL has brought 18 global players to localise their content in Malaysia.

**Dato' Noor Kamarul Anuar Nuruddin, Group Chief Executive Officer, TM, commenting on the results:**

"We continued to face challenges in 1H 2019. However, our cost optimisation efforts continue to show results and we will keep the momentum on profitability going. We shall navigate the challenges on revenue through stronger focus on customers. We will also continue to serve as a strategic partner of the National Fiberisation Connectivity Plan (NFCP) backed by our solid network infrastructure."

Our CAPEX is well within guidance as we continue to optimise investment for growth and quality improvement to better serve our customers.

We will place stronger focus on our customers and this is evidenced in a number of initiatives that we have implemented thus far. We recently announced our latest #khabarbaik on the introduction of unifi Air, the new unifi Lite entry package and Streamyx repricing to reward existing customers and attract new ones onboard. We also pledged our commitment on improved service delivery, such as the implementation of 24-hour installation for new unifi sign-up, within 2-hour customer support, and a new myunifi app. The announced (copper) network upgrade is also ongoing in our commitment to enhance the overall broadband customer experience.

On TM ONE, we look forward to more collaborations with strategic partners and customers in the enterprise and public sector towards enabling digitalisation and smart solutions. This is true to our role as the enabler of Malaysia's Digital Nation aspiration in this era of IR4.0."

**Prospects for the Financial Year Ending 31 December 2019**

The Group's performance improvement initiatives and efficient cost management continue to stabilise our profitability. Our focus remains toward our customers, and to strengthen the Group's performance by investing to improve customer experience, increase customer acquisitions across all segments and grow our revenue.

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**Issued by:**

Group Brand and Communication  
Telekom Malaysia Berhad  
Level 9 (North Wing), Menara TM,  
Jalan Pantai Baharu  
50672 Kuala Lumpur

**For inquiries, please contact:**

1	Asma Abdul Aziz Assistant General Manager Media Management & External Communications Group Brand and Communication	Tel: (03) 2240 3840 HP: (013) 364 1830 Email: <a href="mailto:asma_aa@tm.com.my">asma_aa@tm.com.my</a>
2	Saiful Azni Matmor Manager Media Management & External Communications Group Brand and Communication	Tel: (03) 2240 2617 HP: (013) 360 3496 Email: <a href="mailto:msaiful@tm.com.my">msaiful@tm.com.my</a>