



NEWS RELEASE

For immediate publication

DiGi registers close to 10% growth in Q1-2012 on the back of strong momentum of transformation programme

Building blocks in place for next phase of growth and to drive Internet For All mission

Shah Alam, 25 April 2012: DiGi.Com Berhad maintained solid revenue growth of 9.6% in the first quarter of 2012 compared to the same quarter last year, mainly driven by data revenue which accounted for close to 31% of total revenue. This growth comes on the back of continued momentum in its business transformation programme that will bring the Company closer towards enabling access to the internet for more Malaysians, it said when announcing its first quarter 2012 financial results today.

“We have seen a steady increase in demand for mobile internet with 5.3 million mobile internet users as of 31 March 2012. We believe we will continue to see a significant increase in the number of active mobile internet customers in the coming years, and we will focus our investments on building the right infrastructure and services to enable us to truly deliver the promise of mobile internet to more Malaysians,” said Henrik Clausen, CEO of DiGi.

The bedrock of DiGi’s transformation programme is the complete modernisation of the company’s voice and data network; approximately 500 sites have been successfully swapped, and plans are in place for a higher swap rate in the coming quarters. The transformation programme also includes the holistic modernisation of information systems and information technology infrastructure, and distribution channels.

By end 2012, DiGi aims to complete the rollout of its new unified mobile network - The *Tomorrow Network* - capable of delivering 2G, 3G and 4G/LTE from a single base station site. This will enable the swift rollout of 4G/LTE services once the necessary spectrum is made available, bringing high-speed internet and next generation services to more Malaysians through larger coverage.

In addition, the initial roll-out phase of the advanced network collaboration with Celcom-Axiata has also been completed. Upon conclusion of the entire project, both parties will eventually share more than 4,000 sites nationwide. Furthermore, Phase 1 of a joint aggregation and trunk fiber roll-out has also commenced, which will enable both parties to carry higher traffic volumes going forward.

For the quarter under review, DiGi recorded RM1.569 billion in revenue, marking a 1.6% growth compared to the Q4-2011. This growth was mainly driven by an increase in mobile internet subscribers during the quarter, and good traction in the sales of its bundled handsets and smart-plans. Current quarter’s earnings before interest, tax, depreciation and amortisation (EBITDA) and EBITDA margin stood at RM737 million and 47% respectively, mainly attributing to the Company’s good cost discipline in the quarter under review. DiGi also managed to deliver strong operating cash flow of RM619 million during the quarter.

DiGi will pay a first interim tax exempt dividend of 5.9 sen per ordinary share for the financial year ended 31 December 2012 on 8 June 2012.

New Capital Management Initiative

The Company also announced today that its wholly-owned subsidiary DiGiTel will undertake a proposed capital reduction via a par value reduction from RM1.00 to RM0.01 per share. The RM495 million proceeds arising from the proposed capital reduction will be distributed as capital repayment to DiGi.Com Berhad with the intention to distribute excess cash proceeds to shareholders at a later date to be determined.

Clausen explained, “This initiative is part of DiGi’s long term capital management roadmap and it demonstrates our commitment towards optimizing shareholder value.”

About DiGi

DiGi provides mobile voice and internet services. It is committed to driving Malaysia's growth by building a mobile internet environment that enables true connectivity, creates socio-economic development, and helps businesses grow. DiGi continues to be a game-changer for the Malaysian telecommunications industry, with a solid history of product and service innovation, and is a leader in driving progressive and responsible business practices. Listed on Bursa Malaysia, it is part of global telecommunications provider Telenor Group. For more information about DiGi, please visit www.digi.com.my.

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