SOLID Y-O-Y REVENUE AND EARNINGS GROWTH

DiGi secured stronger y-o-y growth of 7.4% and 5.6% for revenue and service revenue, respectively. This was delivered through stronger subscriber base of 10.8 million on expanded 3G population coverage and improved network quality. Mobile internet ("MI") revenue continued to drive q-o-q growth, proliferated by increasing smartphone users in the network whilst delivering EBITDA margin at 45%.

EXECUTIVE SUMMARY

Overall, Quarter 3, 2013 performance marked another significant milestone for DiGi with solid y-o-y revenue growth, extending its 3G coverage to 76.1% and final completion of its network modernisation nationwide.

Revenue continued to strengthen by 2.8% q-o-q to RM1,700 million, with service revenue gaining 1.8% q-o-q to RM1,553 million, sustainably gaining revenue market share to 28.0%.*

EBITDA gained 7.1% y-o-y and 2.5% q-o-q in tandem with revenue growth, whilst PAT rose by 42.5% y-o-y and 18.2% q-o-q due to higher qualifying last mile tax incentive claims and tapered accelerated depreciation on final completion of the network modernisation.

The expansion of 3G coverage ahead of schedule has resulted in higher capex in the current quarter, though full year capex commitment remained intact at 11% to revenue.

With the modernised network and wider 3G coverage, DiGi will be in a better position to ride on the growth momentum to achieve its revenue guidance albeit pressure on top line margins due to higher handset bundles demand.

RM million	Q313	Q213	Q-o-Q	Y-o-Y
Revenue	1,700	1,653	2.8%	7.4%
EBITDA	766	747	2.5%	7.1%
EBITDA margin	45%	45%	-0.1pp	-0.1pp
PAT	449	380	18.2%	42.5%
Capex	234	186	25.8%	56.0%
Operating Cash-flow	532	561	-5.2%	-5.8%
Cash-flow margin	31%	34%	-2.6pp	-4.4pp
EPS (sen)	5.8	4.9	18.4%	41.5%
DPS (sen)	5.7	4.8	18.8%	-52.5%

** Estimated Revenue Market Share ("RMS") calculated based on Q113- Q313 results performance*

OPERATIONAL HIGHLIGHTS

	Q313	Q213	Q-o-Q	Y-o-Y
Total subscribers ('000)	10,827	10,548	2.6%	5.1%
• Prepaid	9,131	8,862	3.0%	5.6%
• Postpaid	1,696	1,686	0.6%	2.4%
Mobile Internet subscribers* ('000)	6,520	6,343	2.8%	17.3%
ARPU	48	48	0.0%	0.0%
• Prepaid	41	42	-2.4%	0.0%
• Postpaid	82	83	-1.2%	0.0%
Minutes Of Use ("MOU")	260	267	-2.6%	-1.9%
• Prepaid	242	247	-2.0%	0.4%
• Postpaid	360	374	-3.7%	-9.1%

❖ *(Q213 MI subscribers re-stated to exclude complimentary promotional prepaid MI usage)*

Subscribers, ARPU, Usage and Pricing

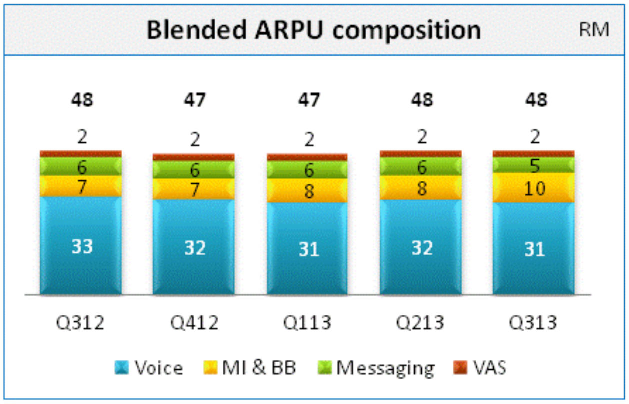
In line with the *"Internet For All"* mission, DiGi has introduced more entry-level and mid-end smartphone bundles to drive greater internet adoption in the market.

The consistent internet-focused marketing activities gained traction, with stronger positive net adds of 279K subscribers, leading to 10.8 million subscribers.

Although, incessantly expanding its reach to new and secondary markets, blended ARPU remained resilient at RM48. This was attributed to DiGi's relentless drive on relevant product offerings delivered through good distribution network to the market.

MI ARPU continued to rise with additional smartphone adoption as well as increasing MI demand on supplementary devices such as tablets that brought incremental ARPU per account.

The higher prepaid subscriber base coupled with pro-longed business closure during festive period has resulted in lower voice ARPU with MOU reduced from 267 to 260, though APPM remained stable at 13 sen.



More affordable handset mix to reach greater mass

DiGi took the opportunity to capture the affordable smartphone bundles demand through the SKMM Youth Program to drive mobile internet adoption. These smartphone bundles gained mass popularity and have resulted in higher volumes of handsets being sold.

The increased handset sales was managed prudently with priority focused on delivering best value to customers, securing healthy service revenue commitments with rationale subsidy levels.

This has increased smartphone penetration by 3.6 pp to 34.0%.

Network fully swapped and 3G coverage expanded to 76.1%

DiGi has reached its final completion on the network modernisation nationwide, an important journey that it has started since Year 2012.

The modernised network has delivered greater stability and improved quality for both voice and data services, with Minutes per Drop ("MPD") rate improved by 59%.

During the quarter, DiGi has expanded its 3G population coverage extensively to 76.1% ahead of schedule, and continuously narrowing the gap with its 2G coverage.

Concurrently, the network has also been equipped with HSPA+ nationwide while gradually extending LTE coverage to other parts of Malaysia.

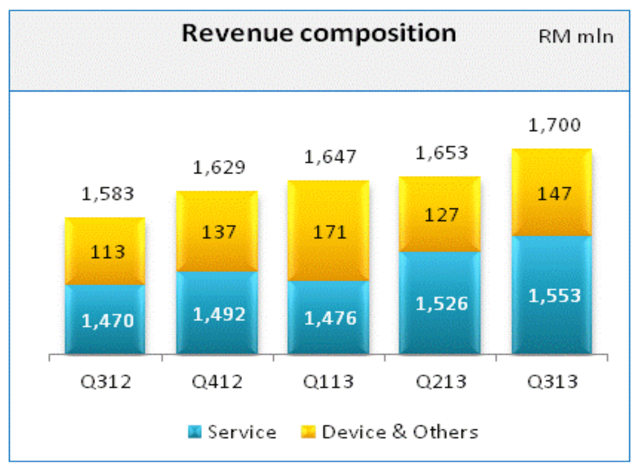
"Customer 1st Day" Thank you, Dear Customer

On 23 September 2013, more than 1,500 DiGi employees, including the top management, took the streets of Kuala Lumpur to engage with DiGi's customers and the public. The main objective of the event was to showcase appreciation to the customers for their continuous support for DiGi.

The on-ground event was also joined by Telenor Board of Directors and Group Executive Management to gauge a better perspective of the local market and business environment.

The event fostered better appreciation and understanding of the markets in which DiGi serves and drove increasing focus on customer centricity in its end-to-end value chain.

FINANCIAL HIGHLIGHTS



Higher service revenue mainly from prepaid

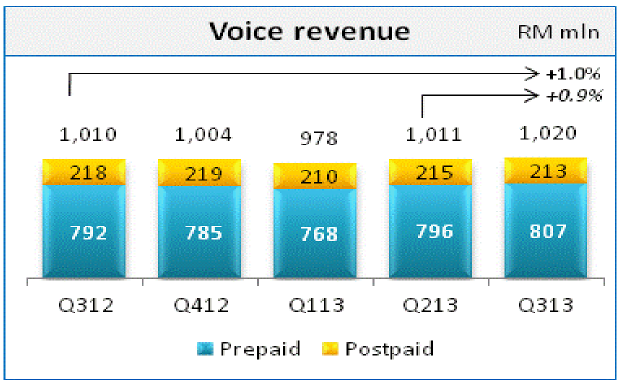
Revenue recorded a higher mid single digit growth y-o-y driven by stable ARPU on a larger subscriber base. The service revenue growth continued to benefit from the improved network quality and 3G coverage expansion.

Prepaid revenue rose by 6.6% y-o-y and 2.4% q-o-q supported by solid growth on data revenue of 20.9% y-o-y and 5.1% q-o-q. Prepaid voice revenue remained resilient and registered modest growth of 1.9% y-o-y and 1.4% q-o-q.

Postpaid revenue improved 3.3% y-o-y and 0.2% q-o-q aided by data revenue growth of 8.9% y-o-y and 0.9% q-o-q. Voice revenue declined by 2.3% y-o-y and 0.9% q-o-q although compensated by higher data revenue.

The service revenue growth was proliferated by higher demand on handset bundles. The device and others revenue increased by 30.1% y-o-y and 15.7% q-o-q to RM147 million.

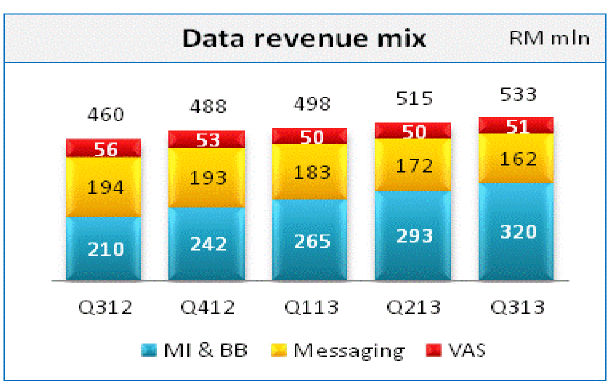
Voice revenue remained resilient with modest growth



The additional subscribers in the network contributed to modest growth for the voice revenue.

Prepaid voice revenue growth was also stimulated by targeted usage campaigns and re-calibration of prepaid rewards scheme.

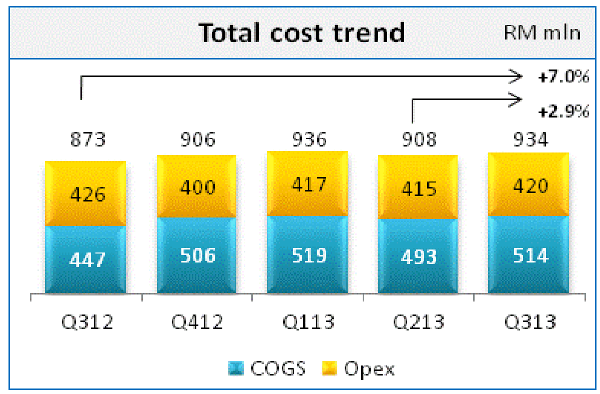
Data revenue continued to grow 15.9% y-o-y



The combined MI and broadband ("BB") revenue has escalated another 52.4% y-o-y and 9.2% q-o-q.

However, messaging revenue declined 16.5% y-o-y and 5.8% q-o-q, due to gradual shift of messaging services to OTT applications. The revenue dilution was cushioned by additional revenue from increased MI demand.

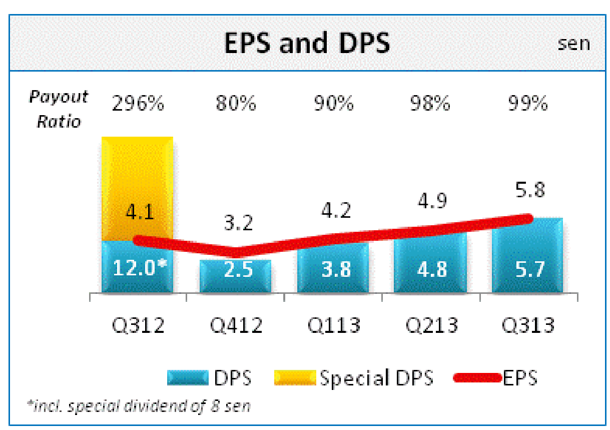
Higher direct cost with opex kept stable



Cost of goods sold ("COGS") increased by 15.0% y-o-y and 4.3% q-o-q from higher handset related expenses and traffic cost. The weakening of MYR has also resulted in higher IDD traffic cost.

Despite the increased revenue, opex has been managed efficiently at RM420 million or 24.7% against revenue. The current quarter's opex also included additional Public Cellular Blocking Service ("PCBS") charges of RM1.50 per subscriber per annum which is a new regulatory payment for IMEI blocking.

PAT rose 42.5% y-o-y and 18.2% q-o-q



EBITDA has improved 7.1% y-o-y and 2.5% q-o-q supported by stronger service revenue and more efficient opex spent.

The relatively higher handset sales and IDD margins erosion from weakening MYR have resulted in EBITDA margin suppressed at 45%.

Profit after tax ("PAT") rose to RM449 million on the back of higher qualifying last mile tax incentives, improved EBITDA and tapered accelerated depreciation charges to RM16 million (Q213: RM46 million, Q312: RM120 million).

Higher capex were spent on frontloading 3G coverage and final completion of network modernisation. Thus, Ops Cash-Flow margin declined to RM532 million or 31%.

Looking ahead for the remaining quarter, DiGi foresees continuous growth momentum from MI revenue with managed handset bundles to drive improved EBITDA and PAT margins on the back of weakening IDD margin.

Committed to deliver shareholders' value

Balance sheet RM mln

	Q312	Q412	Q113	Q213	Q313
Total Assets	4,708	4,014	3,809	3,923	3,788
Total Equity	949	261	396	480	556
Interest-bearing debts	1,083	1,080	928	927	951
Cash & cash equivalents	1,453	709	579	761	550

DiGi delivered 41.5% y-o-y and 18.4% q-o-q Earnings Per Share ("EPS") growth with additional 0.9 sen EPS to 5.8 sen during the quarter.

Total assets at the end of Quarter 3, 2013 stood at RM3,788 million, slightly lower than RM3,923 million at the end of previous quarter mainly due to settlement of prior year's Universal Service Obligation ("USO") payment during the quarter.

Interest-bearing debt at the end of Quarter 3, 2013 was RM951 million, 2.7% higher compared to previous quarter's balance.

The Board has declared its 3rd interim dividend of 5.7 sen per share (net) equivalent to RM443 million, payable to shareholders on 6th December 2013.

Updates on the Business Trust assessment

As highlighted earlier, DiGi has commenced its assessment on the Business Trust opportunity as one of its capital management initiatives.

Since this is a new and fairly complex structure, the assessment process may require some time to ensure all aspects of the structure have been considered before reverting on the recommendation.

DiGi has always been committed to optimise its shareholders' returns, as such, DiGi is constantly exploring all possible capital management initiatives to return excess cash to shareholders and increase capital efficiency sustainably.

This is evidenced through the various capital management initiatives over the years where DiGi demonstrated sustainable value creation for its shareholders.

Revenue on-track but lower margins

DiGi delivered solid Year-To-Date ("YTD") revenue growth of 5.7% y-o-y ahead of industry's estimated growth of 4.5% and within its full year's guidance.

YTD EBITDA margin, however, suppressed at 45% and Ops Cash-Flow margin at 32% due to higher demand on handset bundle sales, weakening IDD margins and higher capex on 3G coverage ahead of schedule.

The remaining final quarter will be exciting and challenging given that DiGi has completed its network modernisation and secured higher 3G population coverage to compete in the market.

DiGi is confident to continue the growth momentum on its service revenue and earnings with higher contributions from MI combined with continued efficiency efforts to improve the EBITDA. This, together with lower capex spent will uplift the Ops Cash-Flow margins for the remaining quarter.

The 2013 full year guidance is now updated as follows:

- 5% - 7% revenue growth
- ~1pp dilution on EBITDA & Ops Cash-Flow margin from 2012 levels (revised)

These targets are internal management targets which will be reviewed periodically by the Board. Hence, these internal targets have not been reviewed by our external auditors

The investment on capex will be managed within 11% against revenue.

DiGi remains committed to consistently deliver strong returns to our shareholders.

CONTACT US

DIGI.COM
INVESTOR RELATIONS
Lot.10, Jalan Delima 1/1
Subang Hi-Tech Industrial Park
40000 Shah Alam
Selangor Darul Ehsan
Malaysia

Email:
Investor_Relations@digi.com.my

www.digi.com.my