



NEWS RELEASE

For immediate publication

DiGi's modernised network paves the way for future data growth

- *Completes nationwide network modernisation exercise; expands 3G footprint to 76%*
- *Driving stronger customer and quality focus*

Shah Alam, 28 October 2013: DiGi.Com Berhad (DiGi) has completed its nationwide network modernisation exercise, achieving a key milestone in its business transformation agenda that will enable the Company to deliver on its mission of *Internet For All*.

In tandem, DiGi has equipped its network nationwide with HSPA+, and exceeded the rollout of its 3G footprint to 76.1% from approximately 60% a year ago, while driving continuous improvements on network quality and customer focus throughout the organisation.

“Data is a significant growth area for DiGi,” said DiGi’s chief executive officer Henrik Clausen when announcing the Company’s third quarter financial results. “Our internet customers have increased steadily from 5.8 million a year ago to almost 6.8 million today. With the final completion of our network modernisation nationwide, we believe our customers will now be able to fully enjoy a network that delivers greater stability and quality, over a larger footprint.

“A strong data network is a necessary building block to ensure we deliver the right internet experience to our growing base of customers, and will give us the impetus to drive stronger data adoption in the longer term. To this end, our focus on driving significant enhancements to our network performance has resulted in improvements in Drop Call Rate and Minutes Per Drop by 33% and 59% respectively,” Clausen added.

In the quarter under review, DiGi posted steady growth across revenue, EBITDA and PAT. DiGi’s revenue strengthened by 7.4% to RM1,700 million in the third quarter of 2013 compared to the same quarter last year. This was fuelled by stronger prepaid service revenue, from a larger subscriber base of 10.8 million customers. Internet revenue continued to deliver solid growth, increasing 52.4% to RM320 million from the corresponding quarter last year.

Earnings before interest, tax, depreciation and amortisation (EBITDA) and EBITDA margin were RM766 million and 45% respectively, up 7.1% from the same quarter last year. Profit-after-tax (PAT) was the strongest over the past five quarters at RM449 million, 42.5% higher than the same quarter last year.

Henrik said, “On the back of significant improvements in network quality and 3G footprint, growth for the quarter was strongly buoyed by our focus on driving adoption and usage of mobile internet through affordable smart plan and device bundles. Initiatives introduced during the quarter such as entry-level smartphones and bundles, targeted bite-sized plans, and new roaming packages bundled with value rewards and internet have been gaining traction with subscribers. These initiatives further encouraged

internet usage and have resulted in improved smartphone adoption to 34.0% of our total customer base.

“In the coming months we will drive a deeper focus on driving a truly customer focussed business by building on innovations we have introduced to the market such as the new MyAndroid hub retail space concept, and other relevant digital and connected services. In addition we will invest in accelerating the rollout of 3G coverage, expanding our LTE footprint to key urban centers with a target of achieving 1,500 sites by end 2014, and rolling out fiber to deliver high-speed mobile internet services to our customers,” added Clausen.

DiGi announced that it will pay a third interim tax exempt dividend of 5.7 sen per ordinary share equivalent to RM443 million or 99% payout ratio payable to shareholders on 6 December 2013.

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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