

SWEET FINISH TO A CHALLENGING YEAR

DiGi delivered a good finish for FY 2013 with 5.8% revenue growth, gaining revenue market share whilst securing solid EBITDA margin at 45%. This was achieved in parallel with the completion of network modernisation and 3G/HSPA+ expansion to 80% population coverage. Operating Cash-Flow ("Ops CF") and Profit After Tax ("PAT") strengthened by 3.2% and 41.5% respectively, as a result of unwavering diligence and tenacity to drive efficiencies on all its value chain.

EXECUTIVE SUMMARY

Quarter 4, 2013 marked another positive milestone for the year with solid wrap on revenue growth and margins to deliver a clear finish line for DiGi.

Revenue continued to surge 1.9% q-o-q and 6.4% y-o-y to RM1,733 million, with service revenue strengthening 1.5% q-o-q and 5.7% y-o-y to RM1,577 million. The modernised network and wider 3G/HSPA+ coverage has contributed to strong growth on internet revenue and market share.

EBITDA margin and PAT margin rose to 47% and 32% respectively as a flow through from lower device subsidies, improved underlying OPEX to revenue and discontinuation of accelerated depreciation upon completion of network modernisation.

Capex spent for the final quarter was relatively lower, bringing the overall full year capex to revenue ratio of 11% and Ops Cash-Flow margin at 34%.

DiGi has delivered on its 2013 financial guidance. The healthy momentum gained in the quarter poise DiGi for a good start for year 2014.

RM million	Q413	Q313	Q-o-Q	Y-o-Y
Revenue	1,733	1,700	1.9%	6.4%
EBITDA	810	766	5.7%	11.7%
EBITDA margin	47%	45%	+1.7pp	+2.3pp
PAT	548	449	22.0%	122.8%
Capex	130	234	-44.4%	-49.0%
Ops CF	680	532	27.8%	44.7%
Cash-Flow margin	39%	31%	+7.9pp	+10.4pp
EPS (sen)	7.1	5.8	22.4%	121.9%
DPS (sen)	7.0	5.7	16.7%	133.3%

OPERATIONAL HIGHLIGHTS

	Q413	Q313	Q-o-Q	Y-o-Y
Total subscribers ('000)	10,995	10,827	1.6%	4.8%
• Prepaid	9,295	9,131	1.8%	5.3%
• Postpaid	1,700	1,696	0.2%	1.7%
Mobile Internet subscribers ('000)	6,654	6,520	2.1%	16.0%
ARPU	48	48	0.0%	2.1%
• Prepaid	41	41	0.0%	0.0%
• Postpaid	83	82	1.2%	0.0%
Minutes Of Use ("MOU")	256	260	-1.5%	-4.1%
• Prepaid	238	242	-1.7%	-2.9%
• Postpaid	363	360	0.8	-7.4%

Subscribers, ARPU, Usage and Pricing

During the quarter, DiGi launched a special year end "Thank You" campaign with amazing deals for smartphones, tablets, modems, calls and internet.

The relentless focus on the internet based subscriptions and usage campaigns supported by improved data network have seen encouraging effects on mobile internet subscribers and revenue contribution.

Internet take-up especially amongst the prepaid subscribers has been especially rewarding with increasingly affordable smartphones and tablets in the market.

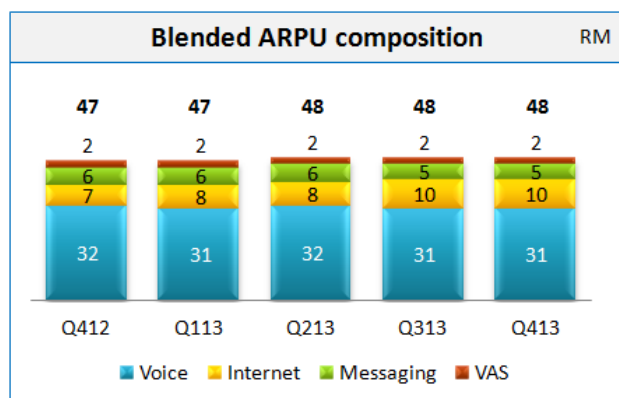
With subscriber base continued to expand modestly to 11 million, DiGi has also placed significant importance on enhancing its customers experience across all its value chains. Such initiatives have resulted in significant improvement on customer experience, where there are now more happy customers who would promote DiGi's services to their families and social network.

The ARPU development remained healthy throughout the quarters while expanding subscriber base. ARPU



uplift from incremental internet usage sufficiently complemented ARPU from less affluent markets and data shift effects on traditional mobile services.

Voice pricing has been kept relatively stable at 13 sen on the back of increasing competition on IDD market. However, the voice pricing will be susceptible to the next mobile termination rates (“MTR”) revision effective 1 January 2014.



Handset volumes to cater for year end sales and iPhone 5S demands

The current quarter recorded lower handset volumes sold compared to prior quarters which included SKMM Youth smartphones.

Both year end sales and iPhone 5S constituted the driving force behind the number of handsets sold for the quarter with smartphone penetration rising to 38.1%, an additional of 11.7 pp from the same quarter a year ago.

The combined effects of higher smartphone penetration, internet subscriptions and usage have resulted in mobile internet (“MI”) penetration continued to rise to 60.5%.

With improved data network experience and greater access to smartphones, MI subscribers consumed more data at much faster pace with higher data quota demands

3G/HSPA+ population coverage reached 80.1%

DiGi has expanded its 3G/HSPA+ population coverage extensively to 80%, and closing significantly the data network gap from 67%, a year ago.

The full scale modernised network has positioned DiGi for better network quality and speed to cater for its subscribers’ growing data demands.

Both own built and joint fibre network have progressively extended more than 3,200 km nationwide. The fibre network provides the underlying catalyst to support the “always-on” access, high-speed data connectivity experience and enabling expansion of LTE sites to more locations nationwide.

With network modernisation completed and sizeable 3G/HSPA+ network coverage established, LTE expansion will progress faster in 2014 while continuing on quality optimisation. This will enable DiGi to position itself favourably in delivering its *Internet For All* mission.

Another industry collaboration breakthrough

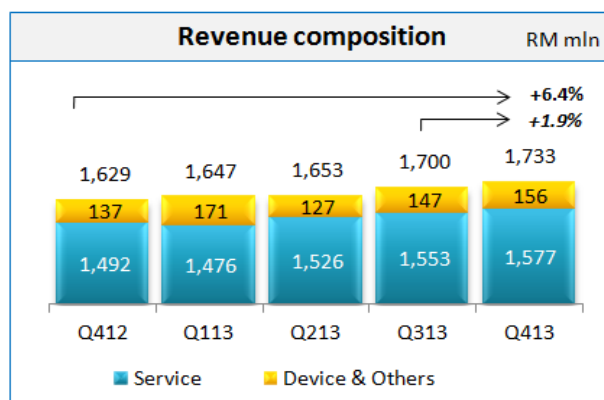
On 13 December 2013, DiGi together with Celcom signed a long term fibre collaborative deal with Telekom Malaysia (“TM”) to secure quick access to fibre infrastructure for future network capacity demands.

This forms an important part of the ongoing network collaboration between DiGi and Celcom to roll out more than 10,000 km of fibre network nationwide.

The collaborative deal provides a solid platform to capitalise on built and share infrastructure synergies to optimise costs and avoid infrastructure duplications.

Furthermore, this enhances DiGi’s ability to deliver affordable and high-quality internet connectivity to more Malaysians.

FINANCIAL HIGHLIGHTS



Stronger prepaid revenue amidst intensified competition

The topline FY 2013 service revenue grew 4.1%, registering a healthy growth on the back of tepid industry growth.

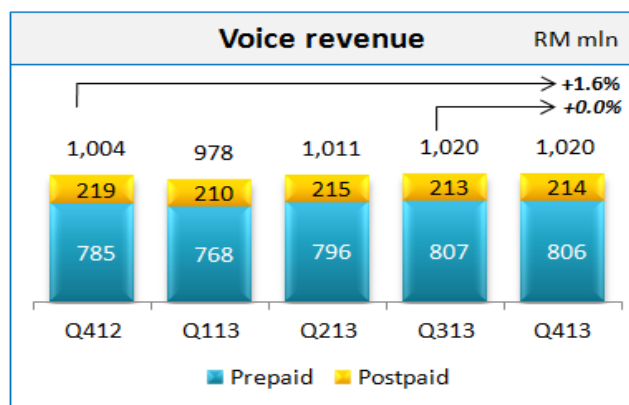
Prepaid revenue rose by 6.7% y-o-y and 1.7% q-o-q supported by solid growth on data revenue of 17.7% y-o-y and 6.4% q-o-q. Prepaid voice revenue remained resilient and registered modest growth of 2.7% y-o-y and flat q-o-q.

Postpaid revenue improved 3.3% y-o-y and 1.2% q-o-q aided by data revenue growth of 9.2% y-o-y and 1.8% q-o-q. Voice revenue declined by 2.3% y-o-y and remained flat q-o-q although compensated by higher data revenue.

For FY 2013, prepaid revenue grew 5.2% to RM4,400 million (2012: RM4,183 million) while postpaid revenue grew 1.4% to RM1,732 million (2012: RM1,708 million).

On the other hand, device and others revenue grew 27.9% to RM601 million (2012: RM470 million).

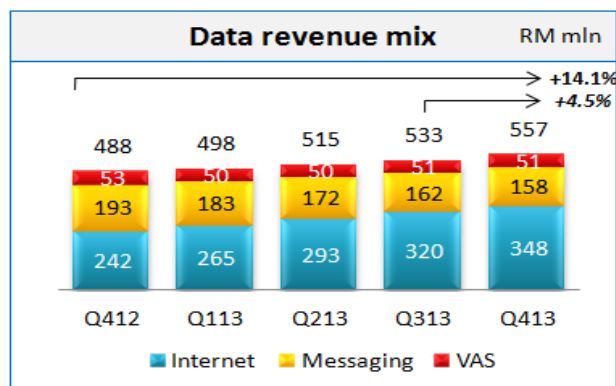
Voice revenue remained resilient q-o-q



The voice revenue remained relatively stable and resilient against rising data shift trends. Such challenge was managed through periodic usage campaigns and additional voice contributions from new subscriptions.

The impact of the new MTR effective on 1 Jan 2014, will likely to dilute the voice termination revenue and cost, though negligible impact to absolute margins.

Improved data speed fuelled internet growth

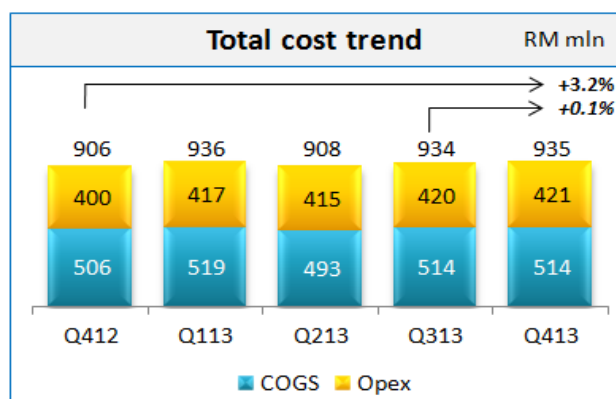


The internet revenue has escalated another 43.8% y-o-y and 8.7% q-o-q on the back of improved data speed and usage, rising mobile internet subscriptions and higher smartphone penetration to 38.1%.

The continuous drive on internet related campaigns and offers has spurred MI penetration rate to 72% for postpaid. Meanwhile, prepaid MI penetration dipped 1pp to 58% mainly due to the dilutive effect from larger prepaid subscriber base.

On the contrary, messaging revenue continued to decline 18.1% y-o-y and 2.5% q-o-q, due to gradual shift of messaging services to OTT applications. Such dilution was cushioned by incremental revenue from increased MI demand.

Cost continued to trend efficiently



Both cost of goods sold ("COGS") and Opex are kept constant q-o-q predominantly driven by strong cost

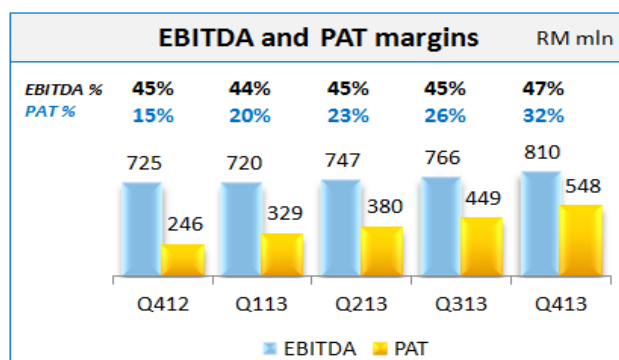


management discipline and efficiencies derived from post network modernisation.

FY 2013 opex to revenue ratio has improved to 24.9% from 25.5%, a year ago.

Such developments have led to sustainable efficiencies from the established network and operations as well as from on-going strategic industry partnerships.

Margins uplifted in the final quarter



EBITDA margin and PAT margin rose to 47% and 32% respectively as a flow through from lower device subsidies, improved OPEX to revenue and discontinuation of accelerated depreciation.

Profit after tax ("PAT") rose to RM548 million on the back of improved EBITDA, and discontinuation of accelerated depreciation upon completion of network modernisation.

The FY 2013 PAT continued to take advantage on last mile tax incentive to bring effective tax to 20% for the full year, resulting in 41.5% PAT growth.

Lower capex were spent for the quarter due to frontloading of the capex to earlier quarters. Thus, Ops Cash-Flow margin improved to RM680 million or 39%.

FY 2013 EPS improved by 41.3%

Balance sheet					RM mln
	Q412	Q113	Q213	Q313	Q413
Total Assets	4,014	3,809	3,923	3,788	3,752
Total Equity	261	396	480	556	661
Interest-bearing debts	1,080	928	927	951	749
Cash & cash equivalents	709	579	761	550	411

DiGi delivered 121.9% y-o-y and 22.4% q-o-q Earnings Per Share ("EPS") growth with additional 1.3 sen EPS to 7.1 sen during the quarter.

Total EPS improved by 41.3% to 21.9 sen, from 15.5 sen a year ago.

Total assets at end Quarter 4, 2013 stood at RM3,752 million, slightly lower than RM3,788 million at the end of previous quarter mainly due to settlement of interest-bearing debts.

Interest-bearing debt at the end of Quarter 4, 2013 was RM749 million, 21.2% lower compared to previous quarter's balance.

Balance sheet remained strong with net debt / EBITDA ratio kept below 0.3x.

The Board of Directors declared its 4th and final dividend of 7.0 sen per share (net) equivalent to RM544 million, payable to shareholders on 7 March 2014.

The total dividend payout for FY 2013 sums up to 21.3 sen, returning an equivalent 4.63% yield on average share price of RM4.60.

Overall, y-o-y total dividend payout (excluding special dividend of 8 sen in FY 2012) has improved by 16%.



2014 Ambition and Priorities

Although, 2013 has been a challenging year, DiGi has delivered its financial guidance and gained market share in a sensible manner.

2013 Guidance	Delivered
5% - 7% Revenue growth	5.8%
~1pp lower EBITDA & Ops Cash-Flow margin from 2012 levels (revised)	45% EBITDA margin
	34% Ops Cash-Flow margin

This has provided a good platform and momentum leading into FY 2014. DiGi believes that up trends are likely to continue though growth may not be as strong as before. The revenue growth will be fairly modest against rising market competition and cost.

Looking ahead, the key priorities will be to deliver *Internet For All*, driving greater customer focus across all value chains with sustainable revenue and market share growth.

Further to that, DiGi will increase its investment on sustainable competitive network and platforms to strategically capture growth opportunities, expand LTE and 3G/HSPA+ network, and develop more extensive fibre network nationwide to provide a good underlying network experience for its customers.

The capex to revenue ratio will be slightly higher while while maintaining a healthy Ops Cash-Flow margin.

With estimated industry revenue growth to be around 4%, DiGi aspires to deliver higher growth in the range of 4% to 6% and sustaining EBITDA margins at 2013 level.

DiGi is committed to continuously create value and deliver good returns to its shareholders.

The 2014 guidance is summarised in the table below.

2014 Guidance	Aims to deliver
Revenue growth	4% - 6%
EBITDA margin	Sustain at 2013 level

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

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@digicom.my

www.digicom.my

This report is to be read in conjunction with the announcement to Bursa Malaysia and all other disclosures related to our Quarter 4, 2013 results.

