



NEWS RELEASE

For immediate publication

DiGi delivers solid growth in Q2 2014

Stronger network paves the way for quality internet experience and increased usage

SHAH ALAM, 17 July 2014 – DiGi.Com Berhad (DiGi) continued its healthy growth momentum in the second quarter of 2014, fuelled by increased demand for internet services on its modernised high-speed data network.

Revenue rose by 5.6% year-on-year to RM1,746 million, supported by solid growth on internet revenue which increased 39.6% compared to the same quarter last year, the company said when announcing its financial results today.

Henrik Clausen, Chief Executive Officer of DiGi explained that the steady growth in internet revenue was a result of its stronger customer and quality focus. “We’ve been persistent in driving quality experience on our brand new network, enhancing voice stability and ensuring effective data network management to give customers consistent and stable data speed, especially on commonly used mobile applications. Additionally, we continued to expand our 3G HSPA+ coverage to 82.7% of populated areas, and grew our fibre network to 4,400km to bring quality internet connectivity to more users in more areas across the country.

“In recent months, we’ve leveraged on our stronger network capability and wider coverage to reach out to more customers and drive consumption of internet. We’ve proactively made internet services part of our core offering across various customer segments. This includes introducing targeteded smartphone and service bundles, and flexible bite sized internet passes from as low as RM1 a day to encourage stronger internet adoption among our customers in addition to attracting new customers,” said Clausen.

During the quarter, DiGi grew its internet customers to 4.3 million. Smartphone penetration among its 10.9 million customers also increased to 41.9% from 30.4% a year ago.

For the quarter under review, DiGi’s stronger service revenue growth and efficient cost structure lifted earnings before interest, tax, depreciation and amortization (EBITDA) and profit after tax (PAT) by 6.4% and 31.3% year-on-year to RM795 million and RM499 million respectively. EBITDA margin improved to 46%.

Clausen added, “We’ve invested RM193 million in capital expenditure during the quarter (Q1 2014: RM202 million) to grow and improve our network, and we’re on track to spend up to RM900 million to continue strengthening our network position. Our ambition is to grow our 3G HSPA+ footprint to 86% of the population, increase our LTE sites to 1,500 nationwide and expand our fibre network by the end of this year to ensure customers continue to enjoy quality experience on our network. In tandem, we’ll also be introducing relevant and innovative new device and service offerings to further encourage internet usage on DiGi’s network.”



In view of a stronger earnings per share (EPS), DiGi announced that it will pay a second interim tax exempt dividend of 6.4 sen per ordinary share, an increase of 33.3% compared to the same quarter last year and equivalent to RM498 million or 99.7% payout ratio payable to shareholders on 5 September 2014.

About DiGi

DiGi provides mobile voice, internet, and digital services to 10.9 million customers in Malaysia. Through its mission of delivering '*Internet For All*', DiGi is committed to driving Malaysia's growth by building a mobile internet environment that enables true connectivity for all Malaysians, 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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