



## NEWS RELEASE

For immediate publication

### **Digi accelerates expansion of high-speed internet in key market centers nationwide**

- Committed to rapidly expand 4G LTE network nationwide while keeping a strong focus on network quality
- Build on *Best for Internet* position with affordable plans and innovative digital service offerings

**SHAH ALAM, 13 July 2015** – Digi.Com Berhad (Digi) has fast-track rollout of its 4G LTE high speed internet network across five key market centers to more than 65% of the population to enable more customers to enjoy reliable, high-speed internet on-the-go consistently. A significant focus has also been placed on delivering quality experience on its network primarily with the overlay of 1800 Mhz and 2600 Mhz spectrum for LTE to enable more customers to enjoy access on the LTE-enabled devices they currently own, in addition to boosting capacity and improving indoor coverage.

“We understand customers demand reliable and consistent experiences on our network, and this has been our core focus,” said Digi’s Chief Executive Officer Albern Murty. “Over the years we’ve ploughed significant investments into building a brand new network, and in rapidly rolling out our high speed network in more areas around Malaysia while keeping a strong focus on quality of service to ensure more customers can enjoy the best mobile internet experience.

“The improved quality on our network forms the bedrock that will fuel adoption and is the catalyst for future growth. The strength of our network today combined with our dynamic backend system that enables activation of tailored plans allows us to bring relevant service innovation affordably to our growing data-loving customers. At the same time, we’re also aggressively bringing our services to the unconnected looking for consistent internet experience at great value especially in new areas, with our far-reaching coverage today.”

Digi continues to invest in delivering a superior network with RM200 million spent during the quarter primarily to boost data network coverage and quality. Over RM2.3 billion has been spent as capital expenditure in the last 3 years.

As of the second quarter, nationwide 4G-LTE population coverage is approximately 35% while 3G coverage stood at 86.6%. Consequently, Digi has seen customer base growing to 11.8 million primarily bolstered by a solid increase in its postpaid subscribers. Internet subscribers also steadily rose to 57.9% or 6.8 million of its total customers, with the quantum of smartphones on its network expanding to 57.1% in the second quarter.

The steady increase in smartphone and internet penetration on its network in the preceding quarters has helped lift internet revenue by 24% compared to the same period last year, and today contribute 31.9% to the Company’s overall service revenue.

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For the quarter under review, service revenue rose 1.3% to RM1,589 million year-on-year (Q2 2014: RM1,588 million) on the back of effects from the implementation of Goods and Services Tax (GST) and intense competition. Earnings before interest, tax, depreciation and amortisation (EBITDA) moderated to RM788 million from RM795 million from a year ago. PAT tapered to RM464 million during the quarter (Q2 2014: RM499 million) as a result of moderated EBITDA and progressively higher depreciation and amortisation charges as well as higher tax expenses.

“For the second half of the year, we will build on the solid 4G LTE momentum with an ambition to continue expanding our reach to more areas nationwide to ensure even more customers enjoy quality experience on our network. We will also continue to strengthen our products and services value proposition, and introduce new digital innovation to encourage adoption and stimulate usage on our high-speed network, and do this while we deepen our customer relationship towards delivering sustainable growth”.

The Company maintains its commitment to deliver shareholder value with the announcement of a second interim tax exempt dividend of 5.9 sen per ordinary share equivalent to RM459 million or 99% payout ratio to shareholders on 4 September 2015.

#### **About Digi**

Digi provides mobile voice, internet, and digital services to 11.8 million customers in Malaysia. It is known as a game-changer for the Malaysian telecommunications industry with a solid history of product and service innovation. Over the years Digi has built a solid mobile internet business that enables true connectivity for all Malaysians, creates socio-economic development, helps businesses to grow through use of technology, and in doing help accelerate Malaysia's growth. Digi continues to inspire Malaysians by giving customers' access to fun and uplifting internet content, and empowering them to share what means most to them. Listed on Bursa Malaysia, it is part of global telecommunications provider Telenor Group and is a leader in driving progressive and responsible business practices. Digi was recognised as one of Forbes' 100 World's Most Innovative Companies in 2014. For more information about Digi, visit [www.digi.com.my](http://www.digi.com.my).

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#### **With this release**

1. Profile picture of Albern Murty, Digi's CEO



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