



**PRESS RELEASE  
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## **CELCOM DOUBLED INDUSTRY GROWTH IN ALL KEY AREAS**

*Growth in all key areas: Revenue – 15%, EBITDA – 16% and PATAMI – 24%*

**KUALA LUMPUR, 3 JUNE 2010 – Celcom Axiata Berhad** [formerly known as Celcom (Malaysia) Berhad] today announced strong results, recording an **unprecedented 16 consecutive quarters of positive growth** in the first quarter of 2010. The leading telecommunications service provider in the country sustained **double digit growth on a year-on-year (YoY) basis** in all key indicators with **Revenue** up **15%** to RM1.7 billion; **EBITDA** (Earnings Before Interest, Tax, Depreciation and Amortisation) increased by **16%**, whilst **PATAMI** (Profit After Tax and Minority Interests) and **Subscribers** recorded an increment of **24%** and **13%** respectively.

Amidst increasing competition, Celcom retained its position as the leading mobile broadband provider with a total of **635,000 subscribers**, recording the strongest quarterly net additions in mobile broadband ever. The overall broadband revenue growth of **127% YoY**, contributed to **8%** of total revenue. As compared to the previous quarter, broadband revenue grew by 14%. In tandem, a strong growth was recorded in overall **non voice revenue, now contributing over 30% to total revenue**, from 25% a year ago.

The Enterprise segment witnessed continued growth, contributing close to 9% to total revenue. This segment's presence was strengthened and has become the leading provider to large corporations, multinational corporations (MNCs) and also the government sector. Continued focus was also placed on Small Medium Enterprises (SMEs) community in the country, providing customised business solutions and services to assist them to bridge the communications technology gaps. Its recent collaboration with SME Corporation Malaysia will further strengthen the segment's position as the preferred wireless telecommunications provider amongst the SME community.

On a quarter-on-quarter (QoQ) basis, Celcom continued to show positive performance with revenue up by 0.2% against an exceptional Q4'09. Continued focus on costs management saw EBITDA up by 2% with margins improving by 0.7 percentage points QoQ to 45.4%. PATAMI showed a robust increase of 7% from RM412 million to RM441 million.

"The EBITDA margin growth is attributed to better management of costs through our cost saving initiatives and smart spending measures that transcend over long term and sustainable. We will continue exploring various best in class practises, benchmarking against the best in the industry to drive cost lower, bringing about a high performance culture, ultimately raising stakeholders' values," said Dato' Sri Shazalli Ramly, Chief Executive Officer of Celcom.

Taking this opportunity, Dato' Sri Shazalli also expressed his gratitude to all Celcom employees, including the best management team in the country, whom he described as a dedicated pool of individuals who are experts in their respective areas. "Without their commitments and faith in the turnaround mission, I do not think we will be able to witness continuous achievements," he added.

### **Moving forward**

To sustain its current momentum for the rest of the year, Celcom will continue expanding its coverage and capacity, substantially increasing its investments in network infrastructure, to meet consumers' demand for better access and faster connectivity. Focusing on maintaining its leadership in the broadband segment, about 40% of capex allocated for major expansion of broadband capacity. We are committed to maintain our leading position in 3G coverage for Malaysia. To this end, there will be an addition of almost 1,0003G sites (Node B) to ensure better service availability.

Additionally, a new prepaid billing platform (NGIN) will be deployed to replace its current IN to address the limitations of current offering and capability; at the same time, facilitate introduction of new products and capability, and one of them include the multi-payment option products that ultimately offer flexibility to the customers.

"The strong and stable foundation established via the Performance Improvement Programmes three years ago continued to flourish and show positive results. Having embarked on the transformation journey, we remain on track to maintain the current drive, strengthening the

various segments we currently dominate and continuing to exceed industry standard in all other areas. Internally, programmes aiming to deliver the best-in-class customer experience are put in place to take Celcom to the next playing field," said Dato' Sri Shazalli, adding that the company is gearing towards more personalised servicing by knowing the customers better through various Customer Lifecycle Management (CLM) tools and infrastructures.

Celcom will continue its aggressive marketing strategy and will introduce more innovative campaigns to the market with a segmentation-based approach the like of the Celcom Sale campaign held last quarter. The second quarter kicked off with the launch of the "BLUE VS THE REST" campaign that aims to ignite the football fever amongst Celcom's customers and also the general public. Various initiatives are lined up under this campaign including the "Blue Bear and RM10,000 Daily Giveaway" that rewards our loyal customers with RM10,000 each.

### **Awards and Achievements**

For its outstanding achievements in operational profits and strategic initiatives, Celcom was bestowed with the much coveted *Service Provider of the Year Award* at the 2010 Frost & Sullivan Malaysia Telecoms Awards, on top of the *Mobile Service Provider of the Year Award* and the *Broadband Service Provider of the Year Award*.

Celcom was also acknowledged with numerous other awards and accolades, and they are:

- *Best Mobile Carrier Award* at the 13<sup>th</sup> Telecom Asia Awards 2010
- *Best Market Performer* and *Best New Business Line for Mobile Broadband* at the Inaugural Axiata Group Awards 2009
- *Silver Medal for Best Contact Centre in Asia Pacific under 50 Agents* and *Bronze Medal for Best Customer Service Agent in Asia Pacific* awarded by the Contact Centre World APAC Region Conference
- *Malaysia's No. 1 Telco Brand ranked 4<sup>th</sup> Most Valuable Brand* at the Malaysia's 30 Most Valuable Brands (MMVB) Award 2009.

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