



## **Celcom and DiGi pioneer extensive network sharing in Malaysia Expect significant cost savings and operational efficiency from one of the first in-depth network and infrastructure collaborations in this part of the world**

KUALA LUMPUR, 18 January 2011: Celcom Axiata Berhad ("Celcom") and DiGi Telecommunications Sdn Bhd ("DiGi") today signed a network collaboration agreement that will pave the way for the two leading operators in Malaysia to join forces to deploy a cohesive network.

The scope of this extensive collaboration will initially focus on the sharing of telecommunication sites, access transmission (microwave links), aggregation transmission and trunk fibre transmission. It is among the first in-depth sharing of network resources to be undertaken in this part of the world.

Signing on behalf of their respective companies were Dato' Sri Shazalli Ramly, Chief Executive Officer of Celcom and Henrik Clausen, Chief Executive Officer of DiGi. Also present from respective holding companies were Dato' Sri Jamaludin Ibrahim, Managing Director/President and Group Chief Executive Officer of Axiata Group Berhad and Jan Edvard Thygesen, Executive Vice President of Telenor ASA.

This agreement lays the foundation for both parties to consolidate and upgrade over 4,000 sites and fibre transmission network in subsequent phases, geared towards full implementation by 2015. This will begin with an initial phase covering 218 sites from each operator.

This unprecedented network collaboration is geared towards addressing the increase of data capacity requirements with the objectives of sharing investment, reducing cost and better asset utilization, a strategic move for the mature telecommunications industry to seek ways to be operationally efficient. Specifically, the sharing will remove duplication of base station sites, address escalating rental fees, reduce utility bills and transmission costs, optimise deployment of base stations per area, and redeployment of equipment between redundant and new sites.

Full realization of cash savings is estimated to be in the range of RM2.2 billion combined over 10 years. This is subject to further validation upon completion of the initial phase. Both parties, however, expect to see incremental savings as early as 2012

and gradually ramping up to an average annual savings of RM150–RM250 million combined after 2015.

This effort is initiated with customers in mind. The consolidated network strength of both Celcom and DiGi will enable their respective customers to be the ultimate beneficiary of improved quality of service from the upgrading of transmission to a much higher capacity.

Clausen explained, “We are deploying a smart network solution for the long term. Our collaborative effort will help us advance the industry towards having a telecommunications infrastructure that is sustainable and supports data growth in the country. Ultimately, benefits derived from cost and operational efficiency will be channelled towards accelerating our reach and providing better quality service for our customers.”

“With the trend shifting from voice to data, the collaboration signifies Celcom’s and DiGi’s commitment to address the capacity requirement towards a long term sustainable network, via infrastructure sharing rather than conventional capacity leasing. We look forward to increased operational efficiency which will eventually lead to enhancing the customer’s overall experience,” added Dato’ Sri Shazalli.

The agreement comes on the back of an intense 6-month technical and financial feasibility study on complex site identification, network planning and agreement on scope of collaboration for sharing of network resources that will have long-term economic and operational viability for both parties. Their respective holding companies, Axiata Group Berhad and Telenor Group, have already started working together on similar network collaborative initiatives in Bangladesh last year.