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CELCOM-HUAWEI PARTNERSHIP TO OFFER BIGGER, BETTER, MOBILE DIGITAL CONTENT TO CONSUMERS

Partnership to enhance Celcom's digital content library and add to Party Box – a new digital content store for mobile devices

KUALA LUMPUR, 20 August 2013 – Celcom Axiata Berhad, the first and foremost mobile telecommunications provider in Malaysia, has entered into a partnership with **Huawei**, a leading global ICT solutions provider to provide enhanced **mobile digital content for its customers**.

Under the terms of the agreement, Huawei will recruit more digital content partners into Celcom's pool while expanding Celcom's content library with more international content. This is a key benefit to Celcom's subscribers who will enjoy a **larger variety of world-class mobile digital content** especially from Huawei's large networks of content partners especially from **China, Indonesia, and Latin America**.

The partnership will also enable **quicker introduction of new products and content providers into the market** while ensuring that external content providers **adhere to industry regulations and service-level agreements**. As such, customers will have the **added convenience of a bigger and better mobile content selection** while being able to **control exactly the kinds of digital content they subscribe to or receive notifications from**.

Subsequently, Celcom's new wave of digital customer offerings will come under its brand new **Party Box**, a digital content store for mobile devices. It enables users to access downloadable content from Celcom's external digital partners including mobile apps, games, music, videos and more in an 'all-in-one' place.

Dato' Sri Shazalli Ramly, Chief Executive Officer of Celcom Axiata Berhad, said, "We are proud to partner with Huawei, a global leader with a wealth of knowledge and delivery experience, to position Celcom as the **Digital Territory Leader in Malaysia**. Celcom sees digital services as a

key driver of growth for the company and the Axiata Group in line with roadmaps set out by Axiata and implemented by our regional counterparts. As one of the key steps in this direction, this partnership will complement our expanding range of new media, digital lifestyle products and interactive services including some truly groundbreaking offerings for our customers that we will be unveiling very soon."

This renewable contract of up to five years is expected to significantly improve digital services earnings for Celcom through a **unique profit sharing model with Huawei**, targeting to achieve an **average annual revenue growth of 35% for Celcom over the next five years** representing an **additional RM11 million by the end of 2013**. The partnership is already expected to produce **more than 30% in incremental revenue for Celcom on the first year alone** whereas the **fifth year will see a projected RM300 million in incremental total revenue** beyond organic growth. Celcom's external digital business currently represents over **50% of total revenue under its Digital Services group**.

The agreement was ceremonially signed by **Dato' Sri Shazalli** and **Dr. Che Hai Ping, Chief Technology Officer and Vice President – Carrier Software & Core Network, Huawei**, who were accompanied by **En. Afizulazha Abdullah, Chief Digital Services Officer of Celcom Axiata Berhad** and **Mr. Mike Wang Hui, Chief Executive Officer of Huawei Malaysia Sdn Bhd** respectively.

The collaboration will see Huawei appointed as Celcom's **digital service business operation partner** for the majority of Celcom's digital content providers, **consolidating business and service operations** with the content providers on behalf of Celcom while supporting them with **development and commercialisation tools**. The agreement will also make it easier for Celcom to manage billing and enforce mutual service agreements with its external digital partners under one contract.

Huawei was selected due to its successful implementation of a **similar programme with XL Axiata in Indonesia** as well as its large ecosystems of international digital content providers internationally. Other key factors in the selection included Huawei's know-how in digital content, media and applications, service quality management, regulation compliance, and business continuity guarantees in line with its revenue sharing model with Celcom.

Commenting on the partnership, **Dr. Che** said, "We are proud to be partnering with Celcom to support them in developing and strengthening their mobile digital services portfolio. This is a

significant initiative for the Malaysian market, as it will not only bring a vast array of content and applications to the consumers, but it will also become the lynchpin in developing the local content provider community. Huawei is looking forward to a long and successful relationship with Celcom."

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