

**NEWS RELEASE
FOR IMMEDIATE RELEASE**

CELCOM EPITOMISES A GLC IN FULL-SPEED TRANSFORMATION

Stellar financial year results with highest y-o-y revenue growth of 7% and industry-leading PATAMI of RM2.2 billion; agenda of enhanced network quality, 4G LTE expansion, and comprehensive IT transformation well underway

- Surpassed entire industry with the highest revenue growth of 7% y-o-y, putting total 2012 revenue at RM7.74 billion.
- EBITDA and PATAMI were the highest in the company's history: EBITDA grew 7.1% y-o-y to reach RM3.45 billion while PATAMI stood at RM2.2 billion with a 5.1% y-o-y growth
- Mobile broadband leadership was further solidified with 1.05 million subscribers and a 20.5% growth in revenue (contributing 12% of total revenue) while voice segment increased by 3.6% y-o-y
- Ongoing transformation agenda covering IT systems, segmented marketing approach, revamped retail outlets, new digital services, talent and productivity development, and 1Malaysia products well on track

KUALA LUMPUR, 4 March 2013 – Celcom Axiata Berhad, the first and foremost mobile telecommunications provider in the country, has epitomised a **government-linked company at the forefront of transformation** with **stellar 2012 financial results** and an ongoing agenda of **enhanced network quality, expansion into 4G LTE, and IT initiatives** set to revolutionise its operations and customer experience.

For 2012, the telco recorded **RM7.74 billion in revenue**, outperforming the entire industry with the **highest revenue growth of 7% year-on-year (y-o-y)** driven by a surge in data revenue whilst sustaining its voice segment. Revenue in the **fourth quarter alone stood at RM1.98 billion**, making it the **27th consecutive quarter of growth** for the company despite a challenging outlook for the industry and the termination of a domestic roaming arrangement.

Celcom's earnings before interest, taxes, depreciation and amortisation (EBITDA) and profit after tax, amortisation and minority interests (PATAMI) for 2012 increased significantly and is the **highest ever in the history of the company**. **EBITDA grew 7.1% y-o-y to RM3.45 billion** with a **margin of 44.6%**, while **PATAMI stood at RM2.2 billion** representing a **y-o-y growth of 5.1%**.

Celcom closed with more than **701,000 new subscribers** reaching a total of **12.7 million** at the end of 2012 with a quarter-on-quarter growth of 5.9%. Mobile broadband subscribers grew by 110,000 from a year ago – a figure rejuvenated with the introduction of **PortaWiFi** – cementing Celcom's position as the market-share leader with **1.05 million subscribers**.

Celcom's innovative device bundles on Celcom First Voice and Data plans coupled with new launches of in-demand devices throughout the year resulted in an upward surge in smartphone and tablet adoption on the network, which hosts a total of **2.86 million smartphones** at the end of 2012 compared to 2.26 million a year before, a remarkable **growth of 26.5%**. On the other hand, **tablets grew to almost 202,500** from 85,600 last year.

Concurrently, the company saw an increase in **non-voice revenue to RM2.74 billion** representing 35.4% of total revenue propelled by **mobile broadband revenues which grew by 20.5%** and surpassed expectations through a higher take-up of prepaid and bundled plans. The company still secured a **3.6% y-o-y growth in the voice segment** via a successful voice resuscitation programme that has arrested a declining global trend through enhanced customer experience, better pricing strategies, and attractive campaigns.

Commenting on Celcom's stellar results, **Dato' Sri Shazalli Ramly, Chief Executive Officer of Celcom Axiata Berhad**, said, "2012 has been an outstanding year for Celcom, not just in our stellar financial performance, but also in the **comprehensive transformation agenda** we have fervently executed throughout the year in our quest for excellence and enhanced service delivery. We have seen great progress with proof in our financial figures and are already setting the pace for GLC transformation."

"Celcom's network quality, IT systems, customer experience touch points, products and services, even our people and talent are all part of the transformation agenda which is well underway. Customers and stakeholders can also look forward to new exciting digital services that will be empowered by our widest, fast and stable nationwide network and Celcom Territory advantages, especially the new opportunities presented by our **nationwide rollout of Celcom 4G LTE**," Dato' Sri Shazalli added.

Performance Highlights		
	(RM mil)	(RM mil)
Year-on-year		
	2011	2012
Revenue	7,230	7,740 (+7.0%)
EBITDA	3,221	3,449 (+7.1%)
PATAMI	2,095	2,202 (+5.1%)
Quarter-on-quarter		
	Q3'12	Q4'12
Revenue	1,938	1,975 (+1.9%)
EBITDA	881	862 (-2.2%)
PATAMI	583	510 (-12.6%)

Key highlights throughout 2012 that helped build Celcom's performance momentum include:

- **Celcom First** – a comprehensive umbrella of services including voice, data, WiFi, and home that lets Celcom customers step up to bold, more innovative and advantageous experiences. This was kick-started in June with the launch of Celcom First Voice, a range of superior voice plans that allows customers to step up to bold, more innovative and advantageous services that offers seamless flat rates within a postpaid/prepaid hybrid, representing a first in the industry. This was followed closely with the subsequent rollouts of Celcom First Data and Celcom First WiFi in the second half of the year.
- **PortaWiFi** – an easy-to-use and affordable personal mobile WiFi hotspot device with data speeds of up to 21Mbps that can be shared between multiple users at home, at work, or on the go. PortaWiFi is the first from Celcom to be recognised as a **1Malaysia People's**

Product and has also been introduced to service businesses who wish to provide WiFi access for their customers through a simple, plug-and-play solution.

- Celcom's successful issuance of a **RM5 billion Sukuk Murabahah** in nominal value was the largest rated Sukuk Murabahah issuance based on a tawarruq arrangement in the Malaysian debt capital market as of 2012. The issuance was assigned the highest rating of AAAs by Malaysian Rating Corporation Berhad (MARC), reflecting CTX's and Celcom's robust credit.
- **Voice resuscitation initiatives** such as the **Whatchuwant? campaign** drove usage upwards through customised bundles according to customers' usage tiers. The campaign's saw an overwhelming response of 1.77 million subscriptions for its first wave alone and subsequently collaborated with MTV Asia to give customers the chance to be on the globally-popular Pimp My Ride TV show. Brand and voice usage was further enhanced by **Xpax's 28 sen per 10-minute calling tier** as well as the introduction of **HD Voice** and the **Xpax Call Frenzy** and **Talk-a-Thon 2** campaigns.
- Celcom's prepaid segment enjoyed aggressive promotions under **Xpax's Time to Muxic** banner, which rewarded customers with promotions tied with leading performers from the local and international music scenes. Among the key concert sponsorships were Jennifer Lopez, Siti Nurhaliza, The Wanted, Swedish House Mafia, and Celcom's own Xplay club series for young adults.
- Celcom's **smarter-spend programme** which was continued over 2012 brought in more than RM1.3 billion in total savings, aided by solid **asset and working capital management initiatives** that boosted the year's performance.

Celcom's Transformation Agenda

In line with network quality enhancements and the allocation of the national 2600MHz spectrum, Celcom is now **LTE-enabled with the fastest and widest mobile network in the country**. In 2012, Celcom undertook several platform upgrading initiatives to cater for the growth in data services whilst investing in new technologies and innovative ways of powering its base stations.

The introduction of 4G LTE offerings will enhance Celcom's existing 3G/HSPA+ sites which already support speeds of up to 42Mbps which cover 83.7% of the population. **Celcom 4G LTE is slated to be introduced in the second quarter of 2013** and will grow coverage outwards from urban centres in **Kuala Lumpur, Johor, and Penang**.

Celcom will also continue to invest in core IT solutions to support its expanding infrastructure, including **Next Generation Intelligent Network (NGIN), Next Generation Packet Core (NGPC), Business Intelligence (BI) platforms, Business Support Systems (BSS)**, as well as **next-best activity (NBA) customer relationship management solutions** that help deliver highly personalised and relevant customer offerings.

Celcom has achieved a new degree of operational and go-to-market efficiency through **Project Zoom**, a unique process of **market management by district** that caters to diverse customers identified through market segmentation. The company has also **revamped its branding for its Blue Cube stores and appointed dealers**, visible in the stores' brand new look

and feel. These newly-designed customer touch-points provide an improved experience and consistency across all outlets in line with Celcom's focus on customer experience.

Moving forwards, emphasis will be given **to new digital services** such as digital payment, digital advertising and digital shopping with a spotlight on mobile content and value-added services on **The Cube** – Celcom's own branded multimedia channel – and the **Air Cash** mobile remittance and money transfer service. In anticipation of the explosive growth of digital services, Celcom has embarked on its **Data Ubiquity** campaign which is the provision of fast and convenient data connections to customers across multiple fixed and mobile devices wherever and whenever they are. This will be supported by **infrastructure-sharing initiatives with industry players**, the **ongoing addition of new transmission sites** and the introduction of more **Celcom WiFi hotspots** throughout Malaysia.

Celcom will also continue its talent development and productivity excellence initiatives including its **Group Accelerated Development Programme** (GADP) and **Celcom Accelerated Development Programme** (CADP) which will build a high-performance workforce by identifying and nurturing talent. Both these programmes include initiatives such as **employee wellness programmes, a Young Talent Programme, 360 degree performance evaluation and ranking, and skill development training** for new, current, and even potential employees.

- End -
