

**NEWS RELEASE
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CELCOM GOES AGILE TO ACCELERATE TRANSFORMATION

Substantial QoQ Retail tNPS increment of 9 points signifies greater achievement in Customer Experience, nurtured by culture and people

KUALA LUMPUR, 24 MAY 2018 – Celcom Axiata Berhad has shown a consistent growth since 2017, and the company believes firmly that its accelerated transformation of culture and people, customer experience, alongside cost optimisation measures are the key ingredients to its improvement.

Through its adaption of Agile way of working, the company is able to infuse a more collaborative environment among its employees, and further shaping the capability to anticipate, respond and deliver what the customers need, and beyond.

An #AgileCelcom will also pave the way for a more empowered workforce and self-organising teams that will encourage faster decision making, speedier product and service delivery, as well as overcome tailbacks in providing awesome customer experience.

In the media briefing held in Menara Celcom today Michael Kuehner, Chief Executive Officer of Celcom Axiata Berhad said, "We realised that we needed to create a sustainable competitive advantage for Celcom, and it has to start within our workforce. Therefore we introduced 'an Agile Celcom' to ensure that our own employees are living up to their purpose, becoming more responsive and innovative to the changing market."

The transformation towards being an agile company and putting the customers first has delivered encouraging early result, with a QoQ increase of its Retail Touchpoint Net Promoter Score (tNPS) score of 9 points, from in 68 in Q4 2017 to 77 in Q1 2018. The observed quarter also displayed a significant drop in customer complaints of 53% in comparison with Q1 2017.

Digital Customer Experience:

Digital transformation is another key enabler for Celcom to deliver awesome customer experience. The company is making great progress in digitising its touch points and marked a tremendous digital uptake growth of 54% from Q1 2017 to Q1 2018.

An example of the company's latest digital initiative is Celcom Life App – the new subscription management mobile app that provides convenience at customers' fingertips. Celcom also introduced its refreshed website recently, for a more streamlined and user friendly look, with an easier navigation system.

Celcom is all geared up to leverage on Artificial Intelligence (AI) in taking customer experience to greater heights. The application of AI in its operation foresees Celcom to be able to provide 24/7 customer service and complaint resolution, a personalised and predictive interaction with customers, increase efficiency and further enhance its reliability and consistency in service delivery.

Financial Highlights Q1 2018:

The observed quarter witnessed aggressive marketing initiatives from Celcom that also drove the positive results :

- Celcom's total revenue has been showing improvement of 2.3% YoY, with Q1 2018 record of RM1.636 billion compared to RM 1.599 billion in Q1 2017.
- Service revenue of RM1.504 billion in Q1 2018 marked 2.0% of YoY increase, ahead of industry growth.
- Celcom delivered EBITDA (earnings before interest, tax, depreciation and amortization) at RM518 million and PATAMI (profit after tax, amortisation and minority interests) at RM187 million.
- 47% of total revenue in the observed quarter contributed by data revenue. The company's data performance grew stronger from RM661 million in Q1 2017 to RM762 million in Q1 2018, displaying a significant growth of 15.4% YoY.
- Smartphone penetration increased from 66% in Q1 2017, to 75% as at Q1 2018.
- Increase in YoY data consumption from 5.0GB to 9.5GB per month, per data subscriber.
- Postpaid segments delivered higher average revenue per user (ARPU) of RM87 in Q1 2018, compared to RM81 in the same quarter last year.
- Prepaid YoY growth in ARPU from RM30 to RM34 comparatively in the Q1 last year and current year.

Continuous network enhancement:

Michael Kuehner also highlighted that Celcom's continuous network enhancement as another fundamental compartment in sustaining its growth in the market. Intense investment and labour are being put into delivering the expansion of its 4G population coverage to 88% in Q1 2018, and 76% for LTE-A.

"We have continuously set our focus on network as a contributor and it is evident with our latest achievement; Celcom is now delivering four-star rating for HD-rated YouTube video streaming in 20 major cities in Malaysia, compared to 18 cities in Q1 2017," he added.

Moving forward:

In the next quarter, driving culture and people transformation towards being an agile company will remain as Celcom's special focus area.

"We have begun challenging our "business-as-usual" way of working, and will continue to revolutionise our interactions and the delivery of great products as well as services for our customers. Look out for our updates soon!" he concluded.

For more info, visit: <https://www.axiata.com/investor/financial-reports/>

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