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CELCOM TO INVEST RM100 MILLION IN CAPEX TO ENSURE CONNECTIVITY IN FLOOD-PRONE EAST COAST STATES

*Telco's ongoing commitment aims to build a more resilient network
in areas worst hit by floods*

KUALA LUMPUR, 15 JANUARY 2015 – **Celcom Axiata Berhad**, the first and foremost mobile telecommunications provider in the country, will invest **RM100 million** to ensure **continuous connectivity for its valued customers** in flood risk areas in the East Coast of Peninsular Malaysia particularly Kelantan, Terengganu and Pahang.

Celcom acknowledges its critical role in **keeping its network up and running** during catastrophic conditions, and reaffirms **its commitment to be at the forefront in maintaining its communications services and increasing network restoration efforts** in the face of disaster.

Chief Executive Officer of Celcom Axiata Berhad, Dato' Sri Shazalli Ramly said the telco recognised the importance of full connectivity in times of crisis – not only for residents within the affected areas, but also to the relief teams and organisations working round the clock to deliver aid. This is also to ensure that they are able to get in touch with their family and friends for the much needed physical and emotional support.

"The recent floods have been reported as one of Malaysia's worst flooding incidents. It is a wake-up call to all of us on the **importance of effective flood mitigation planning** and **immediate disaster response** to alleviate the devastating effects of floods.

"Celcom's priority to ensure reliable network connectivity and our customers are the heart of our business. Our employees' dedication to serve our customers is deeply embedded in our Company's longstanding tradition of delivering the best customer experience. We are proud that our team of committed technicians were the first to enter the flood-affected areas to deploy all conceivable measures for network restoration," said Dato' Sri Shazalli.

“Since 2006, we have invested in excess of RM1 billion a year in CAPEX and operational expenditure (OPEX), and have been making continued progress in implementing preparation and prevention initiatives to ensure that we are able to address challenges that the floods could bring every year.

“Our preparedness and relief activities to meet the needs of our customers and the affected communities exemplify the **evolution of our approach to flood mitigation during a 10-year period.** We will continue to make **strategic investments in the next five years to improve our network resilience** in flood-prone areas in the country,” Dato' Sri Shazalli added.

The recent intense flooding in the East Coast of Peninsular Malaysia had affected several of Celcom's network base stations in the areas which led to service disruptions in the flood-hit region. Albeit the limitations, Celcom managed to sustain its services in the affected areas, to ensure that its customers remained connected throughout the disaster situation.

During the floods, a total of 434 sites were affected and efforts were made to restore them progressively. As of 7 January 2015, Celcom managed to significantly reduce the number of affected sites to 44 with 33 sites in Kelantan and 11 sites in Pahang. However, due to the nature of damages caused by the floods and landslides, 20 sites took longer to restore including five submerged sites, three vandalised sites and seven sites that were affected by power outages. It took Celcom a week to restore these sites. Meanwhile, 31 affected sites took three to four weeks to restore due to lack of access to the areas which was caused by landslides.

By 9 January 2015, the telco had already restored its network in most parts of the flood affected areas. By then, there were 20 affected sites including 15 sites in Kelantan and five sites in Pahang. Nevertheless, three sites took a longer time to be restored as they were affected by landslides and inaccessible roads due to road submersion.

By 12 January 2015, the number of affected sites had decreased to five sites in Kelantan including PLKN Batu Jong which was submerged in flood waters, and Aring 5_T3, Aring 6_Hot Site, Aring TMR 123_T3 and Felda Aring 10 which were vandalised during the floods.

Thanks to Celcom's proactive and dedicated round the clock maintenance support for communication connectivity to the affected communities, the telco **successfully recovered and restored its network in all flood affected areas by 13 January 2015.**

Amongst the efforts undertaken to ensure connectivity during the floods included deploying cellular on wheels (COW) and mobile generators to base stations affected by power outages, replacing damaged equipment, establishing an Emergency Operations Centre (EOC) with a 24 – hour emergency team on standby, and coordinating with local authorities to overcome logistical challenges due to lack of access to affected sites.

The efforts are part of Celcom's **Disaster Relief Programme**, an initiative that was **established in 2006**. The programme was activated since the onset of the floods and Celcom played a key role in mobilising **funds, providing logistics support, as well as equipment, manpower and technical expertise** to ensure the continuous connectivity, realising the importance of communications in times of emergency.

To date, Celcom has provided a relief **in excess of RM5 million** for the recent flood situation, demonstrating the telco's **commitment toward enabling its customers to continue to stay connected with their loved ones** and **making employees' safety a priority**.

During the floods, 972 Celcom dealers were affected while Blue Cube at KB Mall which was temporarily closed has resumed its business as normal effective 2 January 2015. Currently, Celcom Centre in Temerloh is temporarily closed until further notice.

In the interim, Celcom teams had customised some of its plans to provide complimentary and value-added services to ensure continual connectivity in communications to those affected by the disaster.

The customised plans comprised a complimentary 200 minutes and 200 SMS, to connect to all Celcom numbers until 31 December 2014 and an additional RM10 for affected customers who purchased RM10 reloads at Flood Relief Centres until 5 January 2015.

Celcom had also rendered assistance by lifting the call barring service for its customers and staff waiver lines from 24 December 2014, to facilitate the telecommunication services.

Additionally, Celcom established an **Employee Disaster Relief Fund** for immediate purchase of basic needs to assist affected Celcom employees and their families. Efforts were made to relocate its employees and their family members to safer locations.

Celcom also actively engaged in providing basic disaster relief aid to the flood victims. The telco visited 600 flood victims from 198 families who had been seeking shelter at SMK Sri Tumpat 2 in Kelantan and provided them with necessities including food and mineral water, phone chargers, power banks, phone calls, internet access, 77 pieces of pre-paid SIM cards and free RM10 reloads.

The Celcom Crisis Committee was fully activated throughout the flood situation and was in constant communication with all relevant parties to ensure continuous connectivity.

Celcom undertook the responsibility in keeping its stakeholders, especially its customers well informed during the period by regularly updating its official website and social media pages and broadcasting SMS to its targeted audience.

Following an initiative by the Malaysian Communications and Multimedia Commission (MCMC), Celcom is also participating in the *Tabung Kemanusiaan Komunikasi dan Multimedia Malaysia (TKKMM) untuk Bantuan Mangsa Banjir*. The SMS donation drive is an initiative within the telco industry. All funds will go through TKKMM and be handed over to the flood victims at the end of January 2015. Those wishing to donate can contribute by sending an SMS as below:

Type BANJIR 1 / BANJIR 3 / BANJIR 5 / BANJIR 10 / BANJIR 20 / BANJIR 30/ BANJIR 40 / BANJIR 50 and send to 13999

Moving forward, Celcom's significant investments are set to improve the telco's network architecture and operational processes to enhance its network capabilities during floods. This includes restoring its base transceiver stations (BTS) and providing technology solutions such as COW (cellular on wheels), RAMO (Rapid Assembly Mobile) and amphibious vehicles for recovery efforts. Celcom's partnership with Huawei and Ericsson will also upgrade its network to provide enhanced connectivity, supporting its goal of extending its reach to the rural areas. Additionally, Celcom is seeking approval for the 900MHz frequency band from the Government as part of its commitment to expand its network coverage especially the roll out of its 2G and 3G technologies.
