



Henrik Clausen, CEO of DiGi



DiGi is a strong player in a growing Malaysian market

Malaysia is a large, diverse country



...and developing fast

- Population of 28.3 million
 - ~119% mobile penetration
 - ~60% broadband penetration
 - ~17.5 million internet users
- Projected 2011 GDP growth of ~5%

DiGi 3rd largest mobile operator

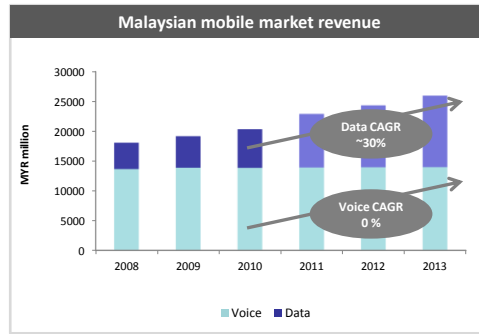
- 2010 revenue of USD 1.8 billion
- 9.3 million subscribers by 1H2011



The market is maturing with continued growth from data

Market expected to grow to MYR 25-26bn in 2013

...driven by data



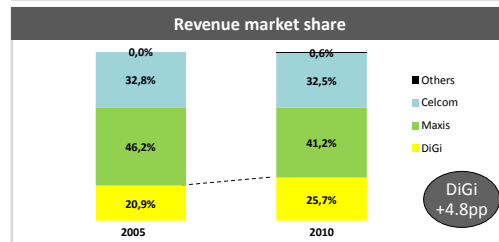
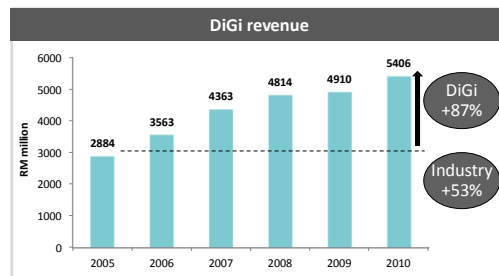
- Data will be the prime engine for industry growth driven by
 - broader network coverage and improved quality – from 3G and LTE
 - cheaper smartphones
 - new devices
 - advanced applications
- 40-45% of mobile device sales in Malaysia in 2011 will be smartphones



Outperforming competition to take revenue market share

Strong track record in revenue growth

...gaining 0.9pp revenue share in 2010

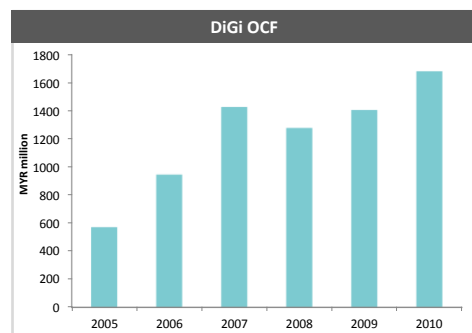


- DiGi almost doubled its revenue from 2005 to 2010
- 5pp revenue market share gain over 5 years
- New entrants have so far had limited success
- DiGi growth of 10% vs. industry growth of 3% in 1H2011



Solid operational performance has driven strong cash-flow

Grew OCF to more than MYR 1.7bn in 2010



...delivering significant shareholder value

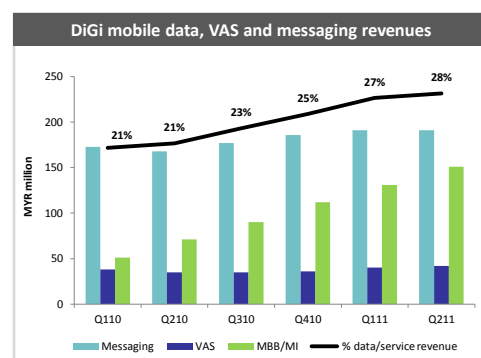
- MYR 6.8 billion cash returns since 2005
- Close to 30% absolute share price gain this year. And 40% last 18 months
- Current market capitalization of ~USD 8 billion
- EBITDA at 46% and OCF above MYR 1 billion in 1H 2011

Operating cash flow (OCF) = EBITDA before other items – CAPEX
excl. spectrum and licence fees



Strong track record in data despite late entry in 3G

Strong track record in growing data revenues



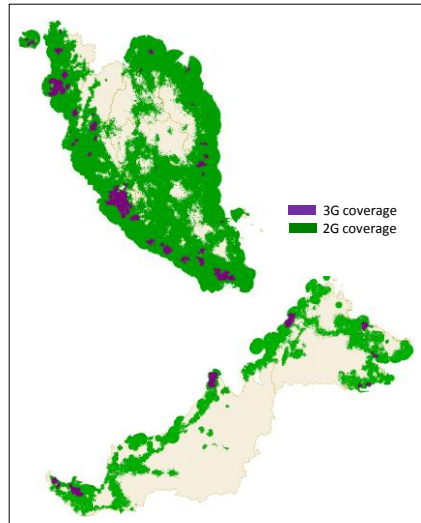
...through mobile internet penetration

- Launched 3G in Q2 2009, two years after Celcom and Maxis
- Grown market share on mobile internet and broadband to ~25% and ~15% respectively
- 5.3 million active mobile Internet users
- Still growth from underserved voice segments but data already most significant growth driver

MBB: Mobile broadband (large screen)
MI: Mobile Internet (small screen)



Optimizing rollout, offerings and distribution to win



Winning in the mobile data space...

- Targeted and well executed rollout has compensated for less coverage
 - DiGi currently at ~50% pop. coverage
 - vs. Celcom/Maxis at ~80%
- Successful go-to-market and marketing
 - “Broadband Done Right”
 - “Internet for All”
- Leveraging strong distribution control and solid execution on the ground
- Innovative and targeted offerings



For every screen
For everyone

Young or old or in-between, for all your Facebook-ing and Twitter-ing and Like-ing and LOL-ing and BBM-ing and surfing the net from your mobile, tablet or laptop, night or day. Prepaid or Postpaid, there's a DiGi Internet plan for all.

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DIGI PREPAID Internet Unlimited 15

For those who love logging in faster, smarter, but still want the internet.

RM15/week
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DIGI PREPAID BlackBerry Prepaid Social

For the mobile crowd who are always on the go.

RM1/day
To subscribe, dial *138*18

DIGI PREPAID Internet Unlimited 3

For the ones who only want a little bit of internet a day.

RM3/day
To subscribe, dial *138*18

BROADBAND Discover Day

For those always on the move and always have a home broadband line at home.

RM38/month

BROADBAND Prepaid Internet

For those who want to use the internet every day.

RM25/call pack

SMARTPHONES DG Smart Plan

For those who need more data for their smartphones.

RM68/month

DiGi Internet™
Internet For All™
Terms and conditions apply.
Enquiries: 018 221 1800 or digi.com.my/internet

DiGi
Always the smarter choice

Innovative and targeted offerings have driven uptake

- Small screen mobile Internet focus
- Leveraging prepaid stronghold
- Targeted offerings for high usage
 - smartphones and DiGi Smart Plans with data included
 - postpaid mobile broadband
- ...and for driving uptake and small usage
 - daily max cap and day plans
 - Opera Mini browser
 - prepaid mobile broadband





The Malaysian market continues to provide opportunities

- **Significant revenue opportunity from data**
 - improved network coverage and quality
 - higher penetration of smartphones and tablets
 - openness to new services and technology
 - political push for broadband penetration
- **Sizeable cost efficiency opportunities**
 - opportunities for sharing and partnerships
 - opportunities for access to holistic spectrum portfolio



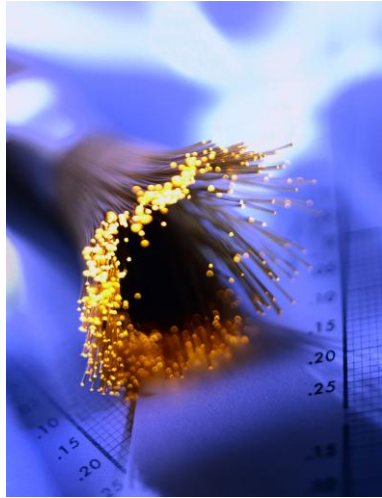
Comprehensive transformation for cost and capabilities



- Transforming our network
- Modernizing IT and processes
- Redefining distribution and go-to-market
- Becoming best on people



Network collaboration with Celcom progressing



- Agreement with Celcom signed in January 2011 covering site consolidation and transmission sharing
- Initial phase with >200 sites is well under way
- On track to achieve an estimated MYR 2.2 billion combined savings (over 10 years)
- Exploring additional initiatives to increase savings



Completely modernizing our network for cost and quality



- Replacing entire network with a low cost, LTE-ready, single RAN network
- Swap expected to be completed by end of 2012
- Highly efficient cost structure, improved coverage and quality, and a fully LTE enabled network
- Key driver in DiGi's ambition to secure CAPEX/sales ambition of maximum 10%



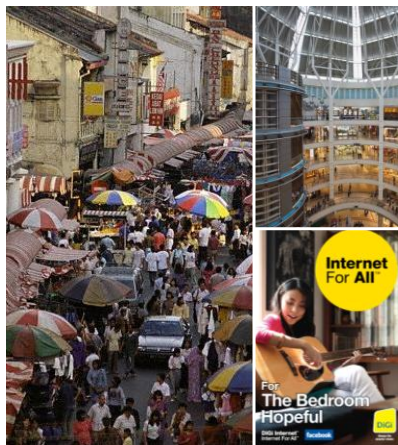
Simplifying the IS/IT landscape for cost and go-to-market



- Leverage Telenor Asian scale and global expertise to swap to convergent billing platform
- Phased consolidation of infrastructure, applications, and vendors
- Optimise operational model locally, regionally and globally
- Strengthen demand management, sourcing and vendor management based on Telenor best practices



Channel transformation for efficiency and customer experience



- Automate distribution management
- Explore Asian logistics partner
- Moving from service to sales-led retail
- Strengthen online sales and self-service



Continued focus on growth and operational efficiency



- Keeping strong growth momentum
 - > Estimated industry growth of ~5%
- Intensifying focus on operational efficiency
 - 2013 OPEX/sales < 26%
- Optimizing operating cash flow and shareholders' value creation
 - 2013 CAPEX/sales < 10%



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