Henrik Clausen, CEO of DiGi

DiGi is a strong player in a growing Malaysian market...

...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

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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

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

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

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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