



President & Group Chief Executive Officer's Statement

Dear Shareholders,

Given the long-term nature of our investments, sustainability is a fundamental and important aspect of our operations. As a Group, advancing Asia is at the very core of our business strategy. We strive to achieve this through bringing affordable connectivity, innovative technology and world-class talent to the entire region, and our motivation has always been beyond ensuring short-term financial returns to our shareholders. Serving over 240 million customers* within our markets, places us in a strong position to transform lives and societies. This report details our approach towards obtaining a balanced sustainability scorecard through value creation in the four key areas of focus beyond short-term profits, nurturing our people, process excellence and responsibility towards planet & society.

BEYOND SHORT-TERM PROFITS

Commitment to Long-Term Investment in All Our Countries

Axiata is a long-term investor in all our countries with investments going back more than 19 years in Bangladesh, 18 years in Sri Lanka and 16 years in Cambodia. As a Group, we have contributed substantially to the Gross Domestic Product (GDP) of all 7 telco operating countries, amounting to around USD63.8 billion from 2008 to 2013. Added to this, we have created over 23,000 jobs directly and have indirectly created over a million jobs in these countries over the last six years. In parallel, we have spent over USD12.4 billion on capital investments across our footprint, building necessary telecommunications infrastructure and providing connectivity to more than 95% of the population in our operating countries. This makes Axiata the top foreign direct investor in Sri Lanka, and one of the top economic contributors in every country we operate in.

Commitment to Services Beyond Commercial Motivation - Towards Less Developed Communities

Today, the upsurge in demand for digital services, data and mobility is creating a valuable opportunity for telecommunications operators. With Asia accounting for 60% of the global mobile revenue growth, Axiata is well placed to capitalise on this trend, enabling our customers to gain a competitive advantage. In 2013, we continued to introduce innovative and attractive data services and applications to our customers bringing applicable mobile-based services to connect rural communities, thus bridging the digital divide and improving customer experience. 47.3% of our sites are located in rural areas of OpCo countries.

Statement from the President & GCEO

We also made strides in the development of digital services such as m-money, m-health, m-advertising, m-insurance and social networking that would benefit less affluent, unbanked or rural communities. EzCash, an m-money service operated by Dialog, allows those without access to banks to perform a wide array of financial transactions. In Indonesia, we collaborated with Western Union and mini market chain, Alfamart, to provide mobile-based remittance services to customers through XL-Tunai. Our m-insurance service has provided insurance coverage to more than 4.6 million customers for the first time in Indonesia, Sri Lanka and Bangladesh. Kolony and Circle allows non-smart phone users to communicate and interact on a social media platform in Malaysia and Bangladesh.

Commitment to the Development of the Global Mobile Industry

Over the years, Axiata has played an active role in GSMA's Mobile for Development efforts. The Group strongly believes the opportunity to work alongside our global peers in the GSMA will allow us to play a larger leadership role in shaping the priorities of the industry. Some of these initiatives include enabling relevant, impactful services that connect people, transform daily lives and improve sources of income. Dialog and Robi have already taken the initiative to work alongside the GSMA in partnering with m-agri, green power, m-women initiatives in Sri Lanka and Bangladesh.

Connecting Over
240 million
people





NURTURING OUR PEOPLE

Commitment to Nurturing Future Leaders

Our anchor Corporate Responsibility (CR) programme, the Axiata Young Talent Programme (AYTP), where we have pledged RM100 million for the development of local students in Malaysia has now matured into an iconic programme with over 270 participants. The AYTP has now been adopted and implemented by XL in Indonesia as the XL Future Leaders programme which has benefitted over 255 students.

Internally, talent development in particular has, and will remain, a leading focus of the Group, as we continue to hire, train and develop highly capable professionals nurturing them for leadership roles across Asia. I am pleased to note that Axiata's talent development engine is on track to deliver a pool of strong and well-equipped leaders with the appropriate skills to ensure they deliver performance and in turn, contribute positively to the development and economic progress in their countries and communities.

PROCESS EXCELLENCE

Commitment to Strong Governance and Culture of Integrity

As a Group, we strive to uphold strong governance, transparency and ethics for both internal processes as well as third party practices across the Group. We have been recognised with 4 awards at the Malaysia-ASEAN Corporate Governance Index 2013 awards. In Sri Lanka, Dialog topped the country's Corporate Accountability Index for the fifth year running in 2013. Robi has won the 5th Best Employer of the Year in the World HRD congress for its excellence in talent management and HR strategy.

Furthermore, the Group has adopted 'Uncompromising Integrity' and 'Exceptional Performance' as the two core values to be inculcated amongst all 13,000 Axiata employees.

PLANET & SOCIETY

Commitment to Greener Operations

In 2013, Axiata also established edotco, one of the first and largest independent communications infrastructure solutions and services company in Southeast Asia. With a network of over 13,000 sites in Malaysia, Bangladesh, Cambodia and Sri Lanka, this new business unit aims to improve not only cost efficiencies, but also to significantly reduce our CO₂ emissions, (40% by 2018) energy and waste consumption.

Commitment to Society

Each of our OpCos champion necessary CR initiatives in their respective markets beyond areas relevant to our business. Dialog, for example, connects 2,000 schools via its Nenesa television channel with content from the National Institute of Education. Robi, ensures that almost 50,000 passengers on trains benefit daily from their Clean Water project. Robi also provides solar power and livelihood support to more than 2,500 rural villagers in their Model Eco Villages. In Indonesia, XL, led by their staff and supported by customers, carried out effective relief programmes for people affected by floods and the volcano eruption in Indonesia in recent years. These are a few of the in-country CR initiatives that further enhance our overall national contribution in each of our markets.

CONCLUSION

We hope that both the Axiata Annual Report and the Sustainability & National Contribution Report for 2013 provides a detailed view of our overall financial performance, governance, transparency practices and corporate responsibility initiatives to all our stakeholders. This is our first report produced in accordance with the Global Reporting Initiative (GRI-G4-Core) guidelines, to quantify and benchmark our sustainability performance against global standards. It contains our achievements and our approach to sustainability as a Group and highlights some of the key challenges faced by the Group, and the industry as a whole. With our expansive footprint across Asia and our single-minded focus of advancing Asia, we continue to commit ourselves to making a difference through Axiata's core values of uncompromising integrity and exceptional performance.

DATO' SRI JAMALUDIN IBRAHIM

Managing Director/

President & Group Chief Executive Officer