COMMITMENT TO
BEYOND
SHORT-TERM
PROFITS

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Introduction

Axiata believes that financial performance and business excellence go hand in hand in ensuring a sustainable business. We measure success beyond financial targets and place great emphasis on the impact our investments have on the communities in the countries in which we operate.

Being a long-term investor in all our OpCo countries, we have contributed to the socio-economic development of each market. The connectivity we have created has contributed in bridging the digital divide and in providing high-quality digital services to rural and under-served communities. Our digital services have helped communities connect and access banking and insurance products, medical services and the social media through innovative and more affordable digital platforms.

Every year, we continue to add value to the global digital community and shape the way global products and services evolve. Through these innovations we will empower people through digital services, networks and products and help them to reap the benefits of sophisticated digitised societies.

Context	Approach	Goal	
Context Industry and regional context	**Approach** Increase coverage and technology (2G,3G,4G) and applicable products and services	**Goal** Study SROI aspects from our network investment in each market	**Network Quality**
Context Current evolution of the industry	**Approach** Emphasising on the possibility to introduce innovative and attractive data services via ADS	**Goal** Launching mapped out new ADS projects across our markets	**Digital Inclusion**
Context Current evolution of the industry	**Approach** ADS focuses on creating platforms such as Ideamart and MIFE for innovations, while each OpCo continues to research new possibilities	**Goal** Launching mapped out new ADS projects across our markets	**Product Innovation & Research**

Beyond Short-Term Profits

IMPROVEMENTS

49%
Coverage in **Rural Areas**

8.3 million
Total Subscribers Insured in Bangladesh and Indonesia

INNOVATIONS

New Digital Inclusion Projects.

M-Commerce for different niche markets

M-Advertising via applications and services

M-Money An alternate to banking and increases savings.

4i

INVESTMENTS

RM4 billion
Investment in Capex

USD28.9 million
funding for Digital Services Since 2013

RM100 million
committed for ADIF

IMPACT

Providing access to a **Digital Ecosystems** for 450 million people

8.3 million	Insured
2.9 million	Access to Banking
312,000	Access to Specialists
2,000	Developers Supported in Sri Lanka

Our Network & Products

Our OpCo's champion various products and services that are inclusive for many who are otherwise unable to access the services of a digital ecosystem. Few examples are listed down following the 4A inclusion model[5] followed by Dialog in Sri Lanka.

Inclusion by Products

Affordability

Smart : provides **cheapest call** and **data rates in Cambodia**

Dialog and Robi : affordable **smart phones** for **less than USD100**

Accessibility

All OpCos : **online** access to the **Customer centre** via chat, email forums

Celcom : some of customer centres are **accessible** to **disabled persons**

Availability

Smart : makes **4G available** in Cambodia as first operator, followed by **iPhone6 launch**

XL and Robi : provides a **local number** for **roaming customer where incoming calls become free**

Applicability

Robi and Celcom : provides **social media** access to **feature phones**

Dialog : has value added services such as **'Say it in English'**

Inclusion by Coverage

OpCo	celcom	XL axiata	Dialog	robi	Smart
Population Coverage	95%	90%	96%	99%	97%
BTS Sites	6,880	21,500	2,850	7,100	1,700
BTS Sites in Rural Areas	3,500	8,700	1,750	4,600	910

5   http://www.dialog.lk/dlg/browse/aboutPromo.jsp?id=onlinefld70041

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USD93 billion
GDP Contribution from 2008 to 2014

LONG-TERM INVESTMENT

Axiata is a long-term investor in all our countries with investments stretching beyond 20 years in Bangladesh, 19 years in Sri Lanka and 17 years in Cambodia. The long-term sustainability of all our business operations is key to our success as a regional telecommunications champion. We have made significant economic contributions in these countries, amounting to approximately USD93 billion GDP Contribution from 2008 to 2014. We have also expanded employment opportunities these countries, amounting to 1.5 million employment opportunities created.

In 2013, we commissioned an independent study of our contribution to the economy in each of our OpCo countries. The National Contribution Report on page 070 details the findings of our long-term economic and social contribution.

SERVICES BEYOND COMMERCIAL MOTIVATION

Investment for Coverage

In 2014, we continued to introduce innovative and attractive data services and applicable mobile-based services for our customers in rural communities.

Our products and services are catered to both the urban and rural communities equally, with focus on being inclusive irrespective of social or economic differences. Approximately more than 19,500 of our sites (49%) are located in rural areas of the OpCo countries. Approximately 450 million lives across Asia are connected through our multiple networks.

Investment on Technology

In each of our markets, we have made a special effort to serve and connect diverse groups of customers. Our approach to sustainability is not only about expanding into new markets; it is also about providing affordable products using high quality technology to meet the diverse needs of our socially diverse groups of customers.

Today, inclusion means more than having network coverage and a mobile phone to connect on that network. Technology has evolved to such an extent that one's productivity and output is linked to the type of digital device one owns: there is a difference in what a customer could achieve with a smart phone as against a feature phone.

DIGITAL INCLUSION AND DIGITISED ECOSYSTEMS

For our operations the definition of 'inclusion' means making high-end products affordable and accessible to under-served communities and enabling them to exploit the potential of high-quality digital ecosystems. Our efforts at inclusion are explained using 4 key parameters of inclusion. This is the model first introduced by our Sri Lankan OpCo Dialog. This model introduces the concepts of affordability, accessibility, availability and applicability (Page 027) in to the product planning process.

At Axiata, we embrace a vision of responsibility that goes beyond profit-making. Our Digital services are to broaden business opportunities for creating new markets, operational efficiency, effective access to capital, and adding long-term value that benefits our people, our shareholders, the communities, and the economies in which we operate.

In 2014, Axiata continued to strengthen access to digital services such as m-money, m-health, m-advertising, m-insurance and social networking. More than 20 million people across the region already subscribe to these new initiatives. These pioneer initiatives have facilitated digital inclusion in their respective countries and helped reduce the digital divide. The initiatives have enabled groups of society, generally excluded from the benefits of digital development and new products, to be connected and to engage in activities such as banking, insurance, e-learning, social media and specialist health services.

GLOBAL MOBILE DEVELOPMENT

Axiata has played a very active role in GSMA's Mobile for Development efforts. The opportunity to work alongside our global peers in the GSMA allows us to play an important role in shaping the priorities of the industry at the global level. Axiata's focus on initiatives that provide relevant and transformative services to help improve sources of income and empower lives, is having an impact on global digitisation initiatives and in creating digitised societies in other parts of the world.

As a Group, we have supported GSMA on two key global programmes. In 2014, GSMA partnered with Child Helpline International commemorating the 25th anniversary of the United Nations Convention on the Rights of the Child (CRC) with the objective of promoting child helplines across the globe. This includes measures to strengthen relationships between national mobile operators and their in-country helplines further collaborating on issues such as a safer Internet for children.

Axiata also became the founding signatory of the Humanitarian Connectivity Charter which includes several best practices the industry would aspire to take up in providing better solutions for issues arising before, during and after a disaster. Page 063 contains more information on the charter.

Individual OpCos continue to work with GSMA for projects on specific topics such as m-women, green-power, m-agri etc. Dialog in Sri Lanka and Robi in Bangladesh have current programmes in partnership with GSMA. In Bangladesh, BRAC Bangladesh, in partnership with Robi, was awarded a GSMA mWomen Innovation Fund grant to create a mobile learning service aimed at improving employability for rural adolescent girls.

Axiata Digital Innovation Fund

The Axiata Digital Innovation Fund (ADIF), launched in 2014, seeks to assist Malaysian companies discover their full digital potential. As part of our efforts in growing digital ecosystems and in Advancing Asia, we believe we have a responsibility to help other digital service entities access new markets, new sources of funding and new technology.

Axiata's 13 million customers in Malaysia and 260 million* in across Asia provides unique opportunities for these companies to grow their networks and forge new partnerships. So far, Axiata has committed RM100 million for this fund.

• ADIF is in support of the Malaysian Government's objective to build up the capabilities of local technology companies. ADIF will aid companies in the digital services space with innovative products and revenue generating, but require support to grow in terms of funding, know-how and market access.

• These Malaysian digital services entrepreneurs will have unprecedented access to funding and regional partnership opportunities with Axiata.

• The programme also supports the Malaysian government's call for the transformation of the nation into a developed and high-income economy that is sustainable and inclusive by creating a pool of knowledge workers in high-value jobs.

Providing opportunities for
Malaysian digital entrepreneurs
to reach
260 million
customers
across 8 countries

* Includes Idea & M1

Beyond
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DIGITAL INCLUSION AND DIGITISED ECOSYSTEMS

eZ Cash
SLR8.5 million
in 333,000 transactions for 2014

2.5 million
transactions using XL Tunai in 2014

M-Money

Axiata has pioneered M-Money platforms as part of its goal to create digitised ecosystems. M-Money platforms across our OpCos enable customers to send and receive money, pay utility bills, top up their accounts, and purchase goods from a variety of merchants, through an application on their mobile phones. M-money programmes have proven to be value adding especially in rural markets where most our customers are excluded from conventional banking practices. In most instances, M-money payments would also contribute to a considerable saving for the subscribers as the regular over the counter payment systems would also include a travelling cost as well.

Digital Inclusion through eZ Cash

In June 2012 Dialog launched eZ Cash. This mobile money service enables those with limited access to banking facilities, and even those with regular access to banking services, to use a mobile platform for a broad range of financial transactions. eZ Cash connects close to two million Sri Lankan mobile users with 16,500 merchants and service providers through the country's largest mobile payment and transaction gateway. Within the first 12 months of launching eZ cash saw 330,000 transactions. By December 2014, eZ Cash had 1.6 million subscribers. For 2014 alone, the total transaction value conducted through the eZ Cash platform was SLR8.5 billion in 2014.

eZ Cash

In June 2012 Dialog launched eZ Cash. This mobile money service enables the unbanked and banking population access to a mobile platform for a broad range of financial transactions. eZ Cash currently expands it's platform across three mobile networks and connects close to two million Sri Lankan mobile users with 19,700 merchants and service providers island wide making it the largest mobile payment and transaction gateway. Transaction costs have reduced as a result and efficiencies have increased.

After the launch of eZ Cash in Sri Lanka 2.9 million transactions had been conducted within the first 12 months. By December 2014, eZ Cash had 1.6 million subscribers. For 2014 alone, the total transaction value conducted through the eZ Cash platform was LKR8.5 billion.

In 2015, eZ Cash beat global competition and won the Global Award for the Best Mobile Money Service at the World Mobile Congress in Barcelona. eZ Cash was recognised as the first mobile money solution in the world to offer end-to-end interoperability across multiple service providers. Mobile subscribers of Dialog, Etisalat and Hutch have seamless access to the full portfolio of eZ Cash services, bringing together a combined subscriber base of over 14 million Sri Lankans who could potentially transact electronically via eZ Cash.

XL Tunai

XL Tunai is our mobile money service in Indonesia that allows customers to perform a range of financial transactions through their mobile phones. The service facilitates a variety of services including the purchase of credit towards their bills, payments to merchants, and cash transfers locally and globally. At the end of 2014 there were 1.3 million registered users and the total transaction volume for the year was 2.5 million. XL Tunai is guaranteed by Otoritas Jasa Keuangan the financial services authority Indonesia and this provides additional security to XL customers who wish to use this platform.

More than

19 million

monthly visits accessing more than

2 million
Products

More than

40,000 people

benefit from Guru.lk services

M-Commerce

Axiata's M-Commerce platforms enable customers across Asia to use their mobile devices for a variety of commercial and business transactions. Reducing costs and facilitating commerce, these services have created new opportunities for diverse groups of stakeholders.

Elevenia

Elevenia is a joint venture between XL and SK Planet and is one of the fastest growing e-marketplaces in Indonesia. It has over 7,000 registered users and last year alone registered over 19 million monthly visits. The market place provides access to over two million products by over 18,000 merchants. Elevenia is the only e-market place in Indonesia to provide supporting physical facilities such as meeting rooms, PC zones, photo studios and training rooms. Elevenia was recognised as the 'Great Performing e-Commerce Website' at the Digital Marketing Awards in Indonesia in 2014

E-Commerce in Malaysia

Our e-commerce initiatives in Malaysia has been adapted for a comparatively different niche from Indonesia or Sri Lanka. In our attempt to make specific digitally enabled products accessible to our customers in Malaysia, 3 key e-commerce platforms were launched:

Bachabooku: Bachabooku is an ebook store offering a comprehensive collection of ebooks and emagazines to our Malaysian customers. The site provides reading access to the latest entertainment, lifestyle, and contents from a range of local and international publishers. Prices are 30 – 50% cheaper than regular bookstores.

Buzzaar: Buzzaar is an online store which offers Malaysian specialty products from each state across the nation (Example: Kek Lapis (cake) from Sarawak, Handicraft from Sabah). Buzzaar provides a unique space for SME's in Sabah and Sarawak to find a market for their products.

The Crescent: The Crescent is an integrated Islamic lifestyle infotainment and shopping online marketplace in one destination. It attracts the Malay Muslim demographics age 20 – 40 at sub-urban areas. You will find Islamic products such as Muslim-compliant clothing; beauty & personal care; fashion & prayer accessories; tudung/Hijab as well as Islamic art.

Digital marketplace in Sri Lanka

wow.lk: In 2008 Anything.lk started as a daily deal company in Sri Lanka. Since the collaboration with Dialog, the functions of daily deals have expanded to creating a better service under the name wow.lk. Currently, wow.lk has expanded and includes a wow mall as well. The wow mall is the incorporation of Anything.lk Retail Store and Dialog's ibuy.lk. The online mega mall shelves over 3,000 products, from over 60 recognised businesses and delivers to all parts of Sri Lanka. The wow.lk platform ensures safe transactions and a warranty for goods where applicable.

Beyond a digital market place 'guru.lk': Online learning is an increasingly effective way to reach out to students in rural and remote areas with challenges in accessibility. In Sri Lanka, Dialog launched its first educational platform 'e-teacher' in 2012. This has since been revamped and launched as 'guru.lk'. Dialog users can pay for the courses they have registered through Dialog Mobile, eZ cash or by credit card. In 2014, guru.lk advanced beyond formal educational content and introduced lifestyle courses such as, cookery (anyone can cook), auto (auto advice) and speaking English making it more applicable to a wider audience. Last year over 42,000 customers benefited from guru.lk services.

Beyond
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DIGITAL INCLUSION AND DIGITISED LIFESTYLES

6 million
in Bangladesh and
1.5 million
in Indonesia insured
via M-insurance

M-Insurance

Customers in several of the OpCo countries now have access to life insurance free or for a nominal charge, as a result of being subscribers to one of Axiata's networks. Many of these subscribers have previously never had access to insurance and may never have even considered it. It adds a new dimension to the digital ecosystems we are putting in place across Asia.

M-insurance in our markets

In Bangladesh, Robi has launched an innovative service to offer free life insurance coverage for all of its prepaid subscribers. This is a joint effort between Bima and Robi to create value added services for mobile subscribers, who would otherwise have no access to life insurance. The life insurance policy is a cumulative life insurance package offered to all Robi prepaid customers. Each registered subscriber is entitled to his or her insurance coverage every calendar month depending on his or her airtime usage. For approximately 78% of the subscribers, this has been the first time that they have had access to insurance. As of December 2014, Robi has over 6 million registered subscribers under 'Robi Bima Mobile Insurance. Since 2012, there have been 504 claims under the Insurance coverage against which BDT20.6 million have been settled so far.

In Indonesia, XL has provided medical, holiday and other forms of insurance to its customers. It is an easy to use application where customers are required to use their mobile devices to register for the type of service they require. Benefits are dispensed speedily with the minimum of paperwork. Free life insurance is provided to post-paid customers with the benefit linked to the customer's monthly usage. Registration for all these services is a matter of minutes. 1.5 million customers are currently registered to this insurance service.

In Sri Lanka, Dialog provides accident cover to subscribers for under US10 cents a day. The Accident Cover will provide insurance benefits in the event of death or disability. It is a safety net in times of need and helps the family cover costs that occur if the insured suffers a serious accident or passes away.

SLR24 million
BDT20.6 million
insurance claims paid with minimum delay in Sri Lanka and Bangladesh

More than **6 million**
access social media through feature phones in Bangladesh and Malaysia

More than **2,000**
App developers supported by Dialog Ideamart

Other

Access to Social Media

Research has shown that more than 1.7 billion people accessed social media in 2014. This number correlates closely with the increase in smartphone penetration. In our markets however, the average smartphone penetration is less than 50%. In light of this, Bangladesh and Malaysia launched Circle and Kolony, allowing users to access social media via feature phones.

Access to Social Media in Bangladesh and Malaysia

Robi's Circle, unlike web-centric social networks such as Facebook, was designed to be truly mobile-centric with SMS at its core. This liberates the experience from a web connection and makes it available to anyone with even the most basic mobile phone. By end of 2014, there were 226,189 active subscribers of 'Circle'.

In Malaysia, Celcom supports the largest SMS based social networking platform called 'Kolony'. Celcom's customers can now connect with their peeps or make new ones every day through their mobile phones. This new way of communicating with social networks has enhanced the overall customer experience. More than five million users are currently registered in the Kolony network.

XL – FB

XL Axiata partnered with Facebook and Ericsson (NASDAQ: ERIC) to find a new methodology to measure and improve end-to-end network performance using simulated Facebook application use cases last year. This is part of Internet.org's mission to bring affordable internet access to two-thirds of the world not yet connected. With the methodology set forth in this initiative, a model will be developed to improve network performance.

XL and these global giants work closely to bring the best mobile internet experience for customers in Indonesia.

Xmart Village

In Indonesia the Xmart Village was launched in January 2014. It was initiated in Dusun Ibun, and Garut Regency in partnership with the Bandung Institute of Technology. Xmart Village aims to identify the problems of those living in rural and remote locations and provide innovative solutions for these problems. It starts by identifying the needs and challenges faced by particular communities and then using technology to help respond to these challenges.

A number of innovative solutions have been provided by XL through this platform which includes:

- 'Mobile Advertising' enabling users to get information on recreation through SMS.
- 'Mobile Farmers' which enables users to obtain information on weather in an area through an SMS.
- 'Musikkamu' which enables users to download music.
- 'Mobile Banking' which provides access to financial services through a mobile device.
- AMR which enables subscribers to top up electric power through their mobiles.
- 'Mobile Xurveillance' which helps monitor surrounding areas with a surveillance camera.

Through Xmart Village, XL has empowered 43,000 villages across Indonesia and helped them enjoy the many benefits of a digital lifestyle. Xmart Village seeks to introduce innovative, creative and effective solutions for those in rural and under-served communities.
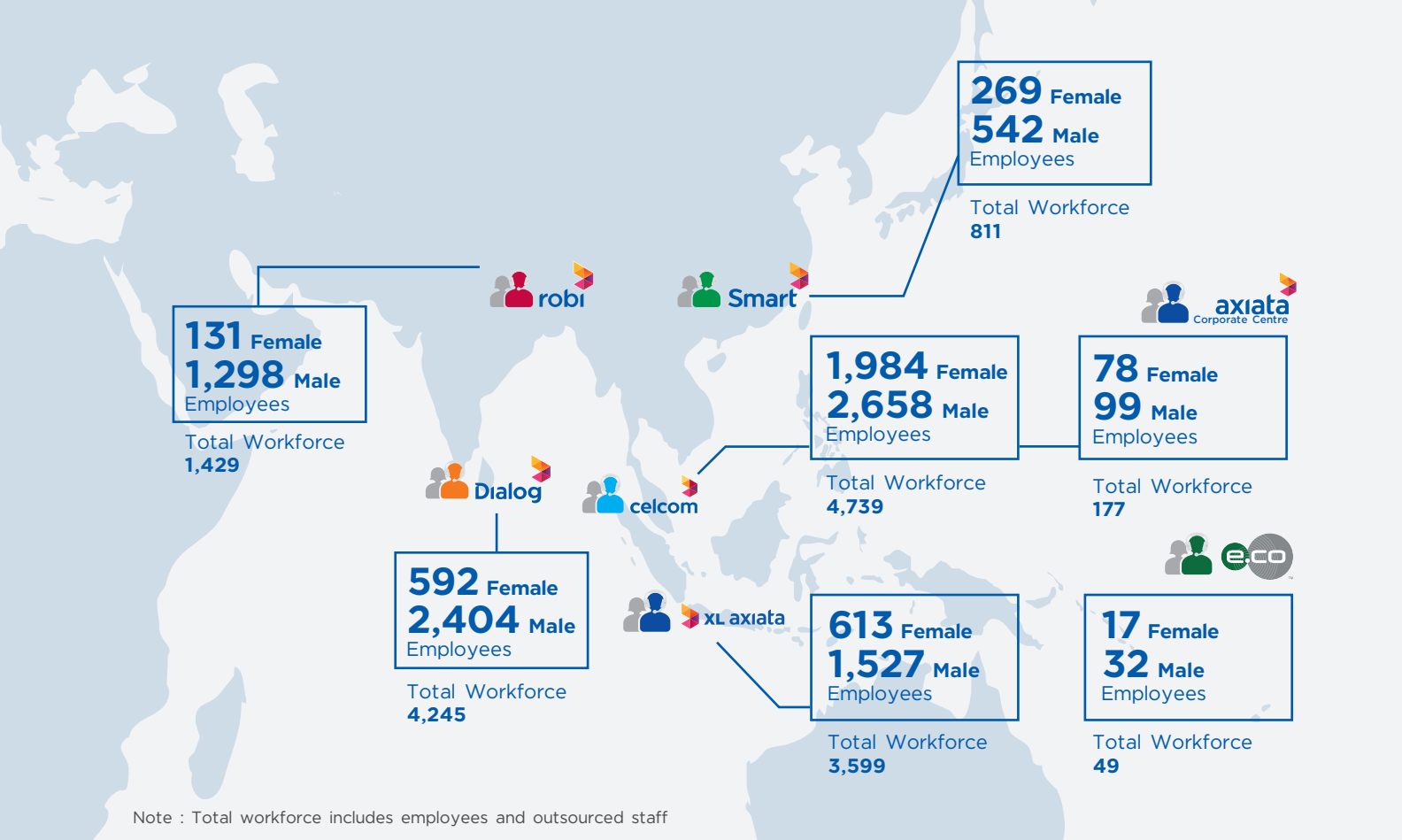
Ideamart

In Sri Lanka Ideamart was developed as a platform by Dialog to help App developers and SME's to use the Dialog network features through API's (Application Programme Interface) and monetise such applications. It enables those with great ideas but little 'know how' to translate those ideas into marketable Apps, by using the functionalities, sample codes and tutorials in the platform. Over the last 2 years, Ideamart has evolved beyond a platform to an ecosystem which comprises developer community, service providers, team, entrepreneurs, venture capitalists and other support services companies.

Currently the Ideamart ecosystem sustains more than 850,000 subscribers, more than 100 entrepreneurs and almost 2,200 active developers which grows at an average 18% monthly. The Developers Ideamart can use Dialog's App store or Allapps.lk to publish their applications. All the applications in Ideamart is monetised and the latest improvement Android In-App SDK will allow developers to create Android Apps and monetise as well. Ideamart was awarded as the Best Technology Enabler at the GSMA Mobile World Congress in 2015.

robi

131 Female
1,298 Male
Employees

Total Workforce
1,429

Smart

269 Female
542 Male
Employees

Total Workforce
811

axiata Corporate Centre

78 Female
99 Male
Employees

Total Workforce
177

Dialog

celcom

1,984 Female
2,658 Male
Employees

Total Workforce
4,739

592 Female
2,404 Male
Employees

Total Workforce
4,245

e.co

XL axiata

613 Female
1,527 Male
Employees

Total Workforce
3,599

17 Female
32 Male
Employees

Total Workforce
49

Note : Total workforce includes employees and outsourced staff

	Employees Joining		Employees Leaving	
	Female	**Male**	**Female**	**Male**
celcom	54%	46%	44%	56%
XL axiata	31%	69%	31%	69%
Dialog	29%	71%	28%	72%
robi	8%	92%	13%	87%
Smart	30%	70%	39%	61%
e.co	29%	71%	20%	80%
axiata Corporate Centre	36%	64%	25%	75%