

A cluster of colorful triangles in shades of green, orange, blue, and purple, scattered in the top left corner.

AXIATA JOURNEY

Entering The Next Phase: Building A New Generation “Telco”

23rd Annual General Meeting
Connexion@Nexus, Bangsar South City

20 May 2015

Dato' Sri Jamaludin Ibrahim
Managing Director / President & Group Chief Executive Officer



- ✓ **Our Journey So Far**
- ✓ **2014 and Q1 2015 Performance**
- ✓ **Opportunities and Challenges**
- ✓ **Strategy Moving Forward**
- ✓ **Conclusion & Key Messages**



ADVANCING ASIA

multinet
Pakistan

Idea
India

Dialog
Sri Lanka

Smart
Cambodia

mi
Singapore

robi
Bangladesh

celcom
Malaysia

XL AXIATA
Indonesia

eco
making connectivity

Revenue
RM 18.7 Bil
No 7 on the KLCI

PATAMI
RM 2.3 Bil
No 8 on the KLCI*

Market Cap
RM 60.5 Bil
Top 4 on the KLCI*

Customers
~260 Mil
No 2 Regional Telco*

Employees
25,000

Countries
8



**Our
Journey
So Far**

OUR JOURNEY SO FAR:

Our Transformation Journey Started in 2008 With a Holistic Vision

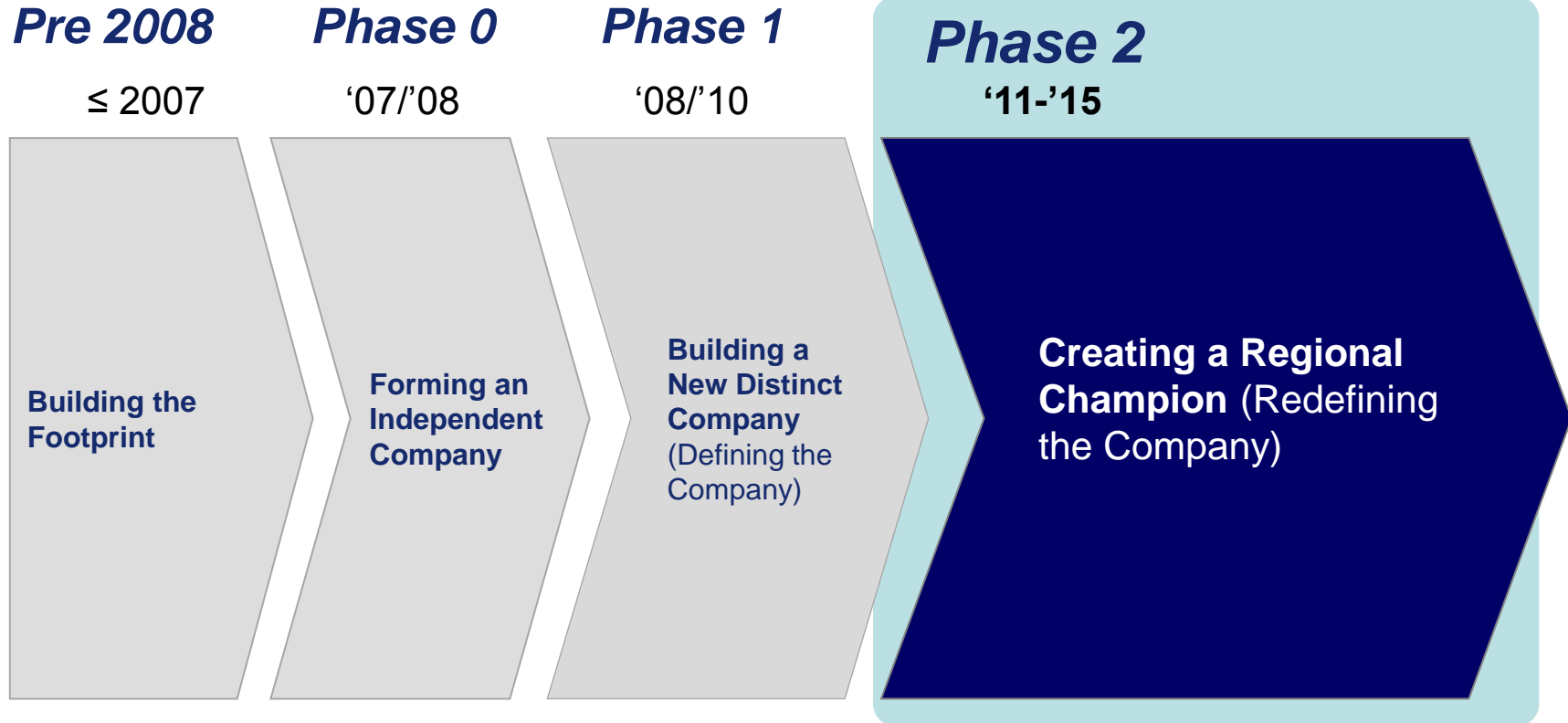


OUR JOURNEY SO FAR:

We Are Nearing the Conclusion of Phase 2 of Our Transformation

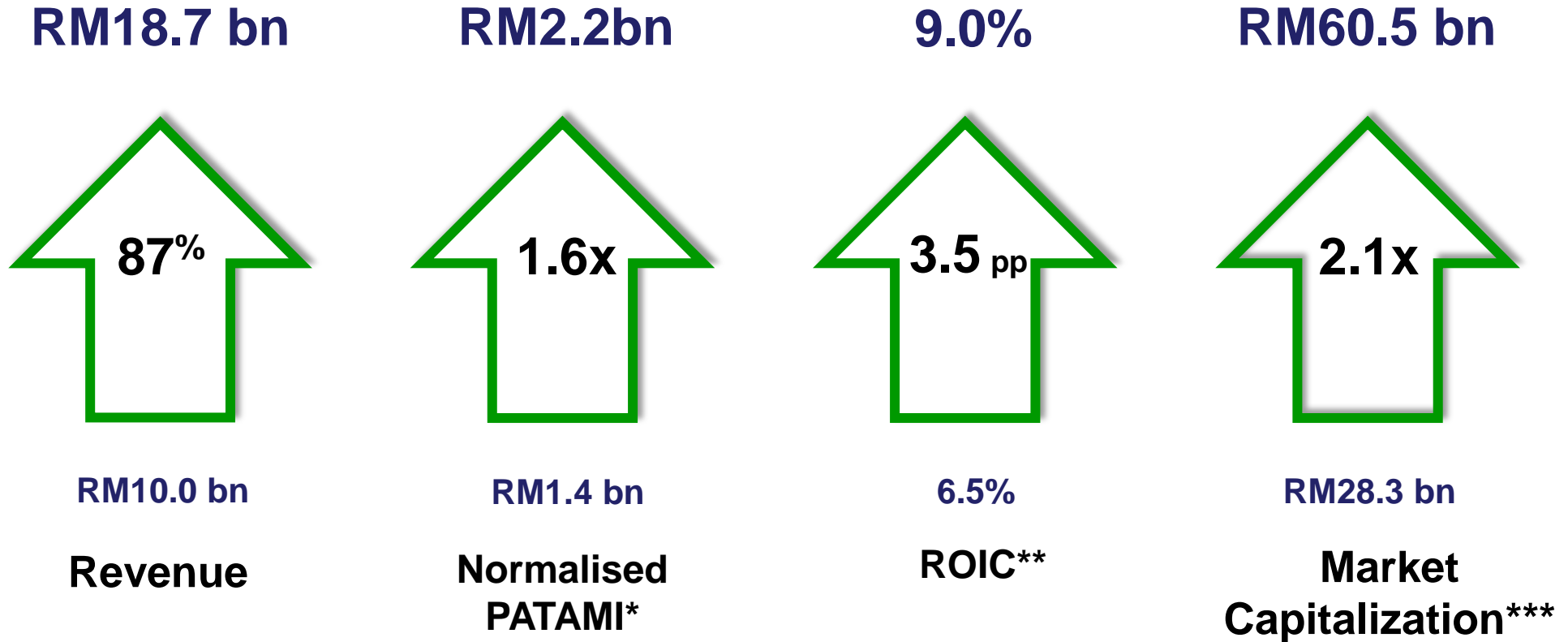


WE ARE HERE!



OUR JOURNEY SO FAR:

From 2007 to 2014, We Achieved Healthy Growth in Revenue, PATAMI, ROIC and Market Cap



Notes

* PATAMI normalised for one-off asset sale gains and forex gains/losses

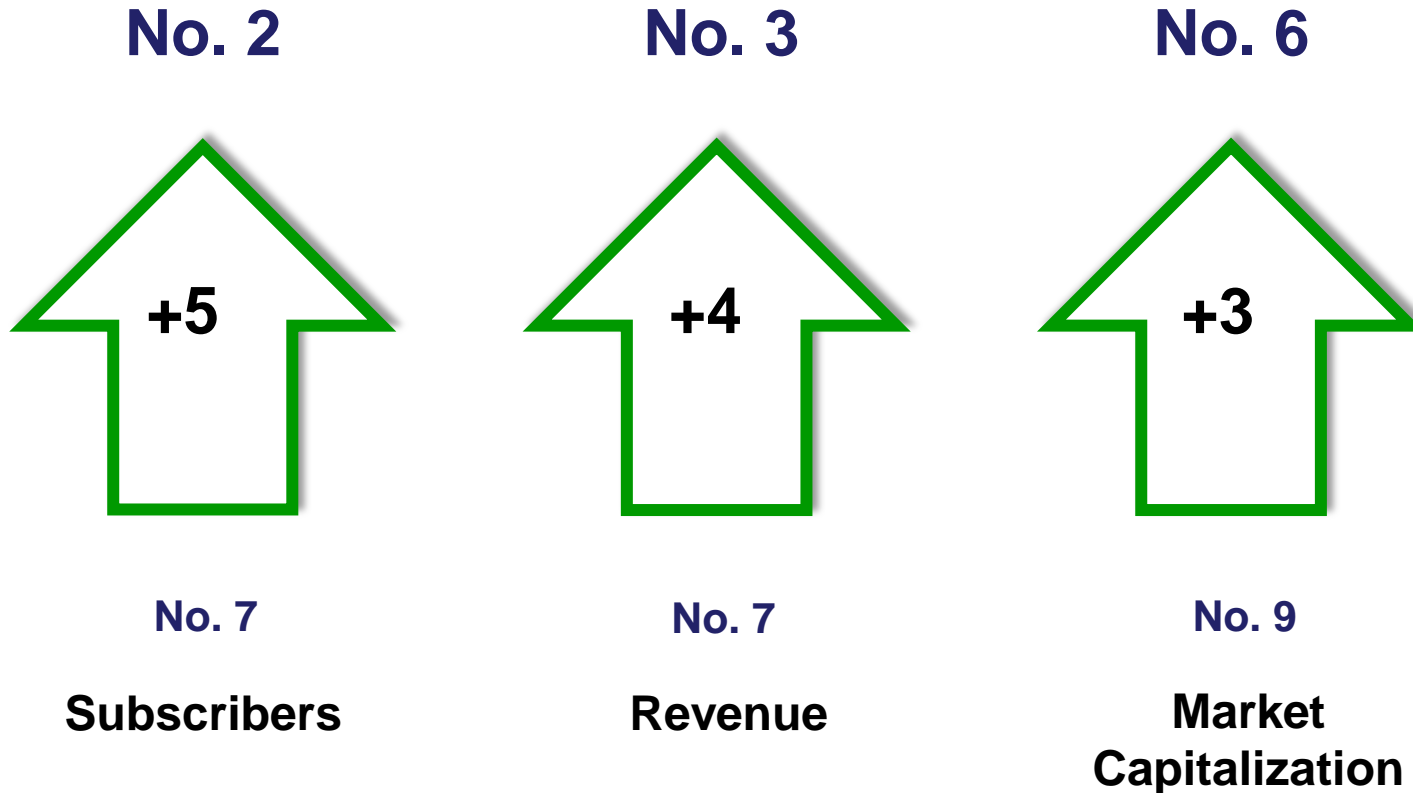
** ROIC is from 2008 to 2014

*** Market Cap as per Bloomberg on 31/12/2014 and compared against IPO



OUR JOURNEY SO FAR:

From 2007 to 2014, We Improved Our Regional Ranking in Subscribers, Revenue and Market Capitalization

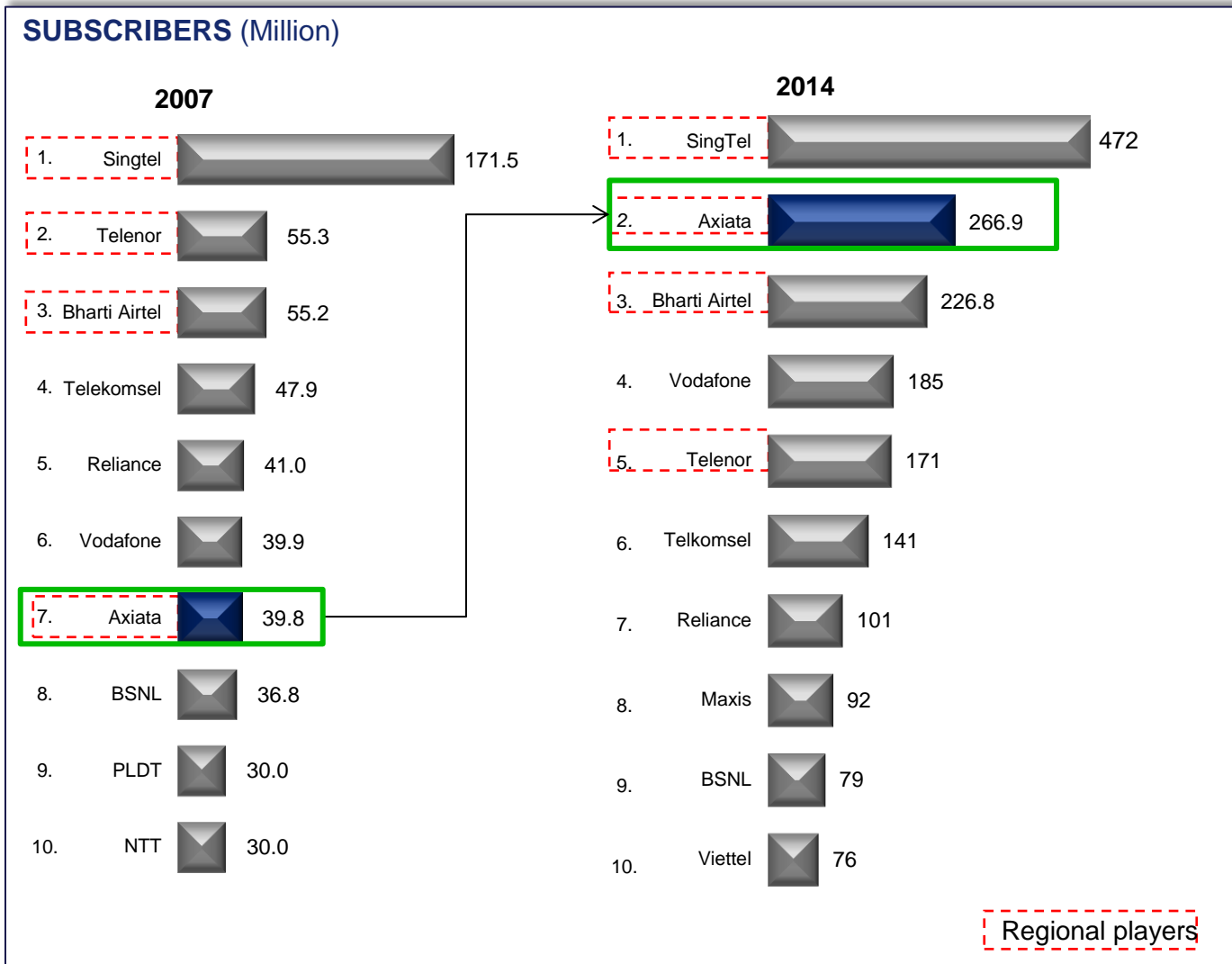


Notes

Excludes operators and groups operating in Asia Pacific without holding entity base in the region of Southern Asia and South-Eastern Asia to reflect similar foot print to Axiata

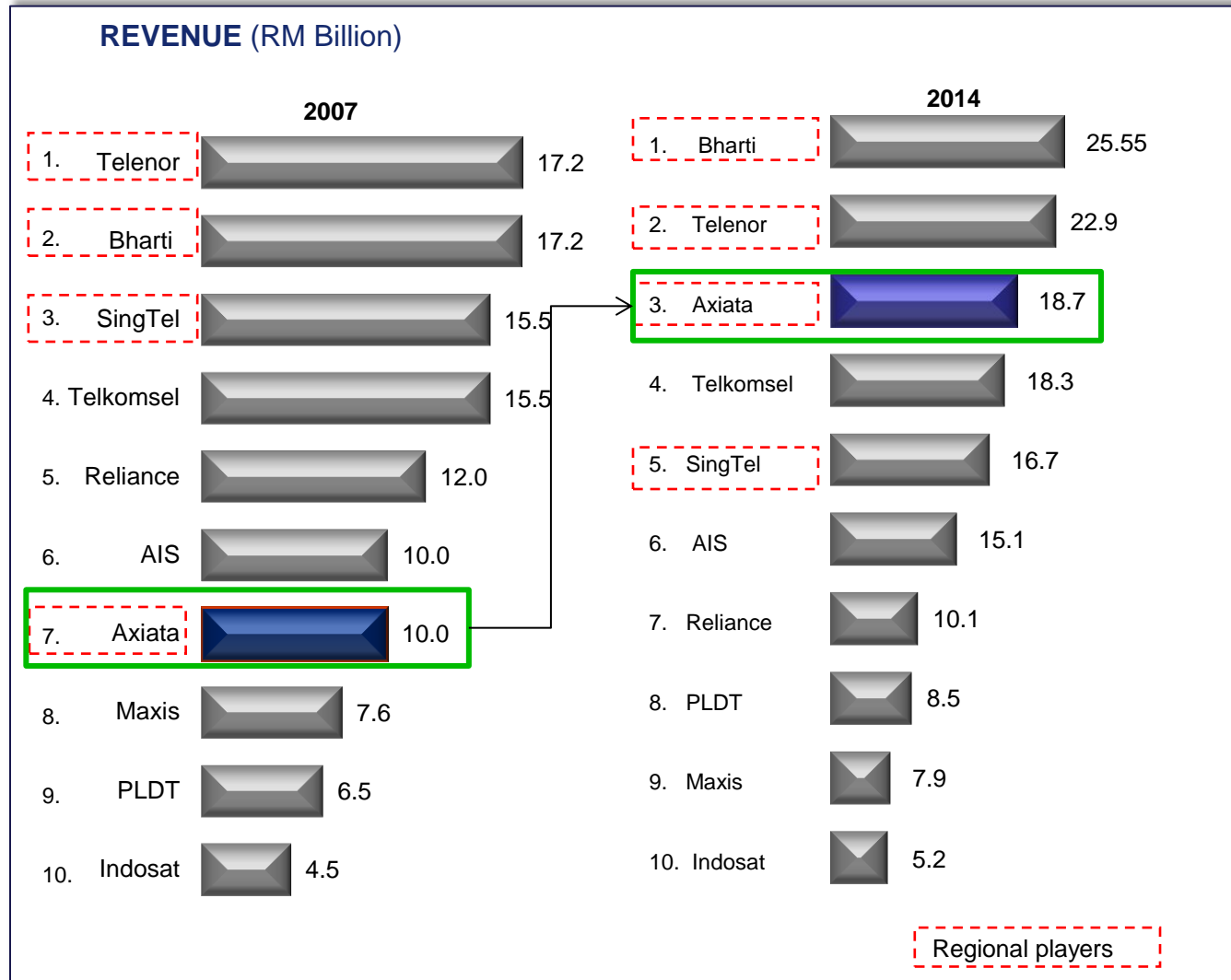
OUR JOURNEY SO FAR:

From 2007 to 2014, Our Subscribers Ranking Position Improved From #7 to #2 (Asean/South Asia)



OUR JOURNEY SO FAR:

From 2007 to 2014, Our Revenue Ranking Position Improved From #7 to #3 (Asean/South Asia)



Note :

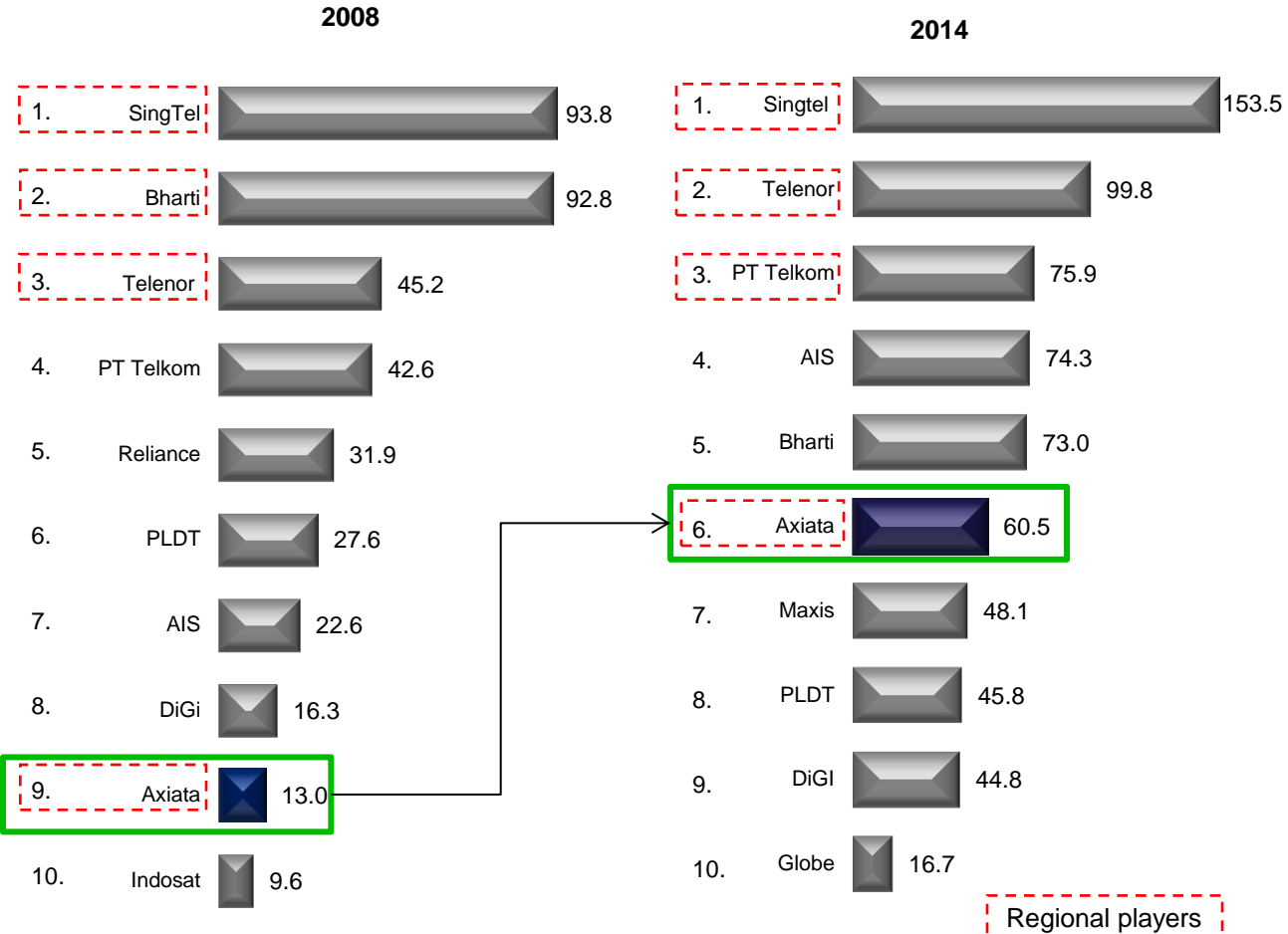
- Regional market is defined as Asean and South Asia
- Revenue represents mobile business (where possible)
- Based on revenue accounting for shareholdings of 50% and above (or with management control) for revenue in Southern Asia and South-Eastern Asia.
- The currency exchange rate recorded was based on the average of the year.
- Mobile only revenues of subsidiaries.
- Revenues for SingTel excludes Australia operations
- Revenues for Bharti excludes its African operations
- Revenue for Telenor includes countries Thailand, Malaysia, Bangladesh, Pakistan and India only
- Excludes operators and groups operating in Asia Pacific without holding entity base in the region of Southern Asia and South-Eastern Asia to reflect similar foot print to Axiata. Revenues from Japan, Korea, Taiwan, China, New Zealand and Australia have been excluded.



OUR JOURNEY SO FAR:

From 2007 to 2014, Our Market Capitalization Ranking Position Improved From #9 to #6 (Asean/South Asia)

MARKET CAPITALIZATION (RM Billion)



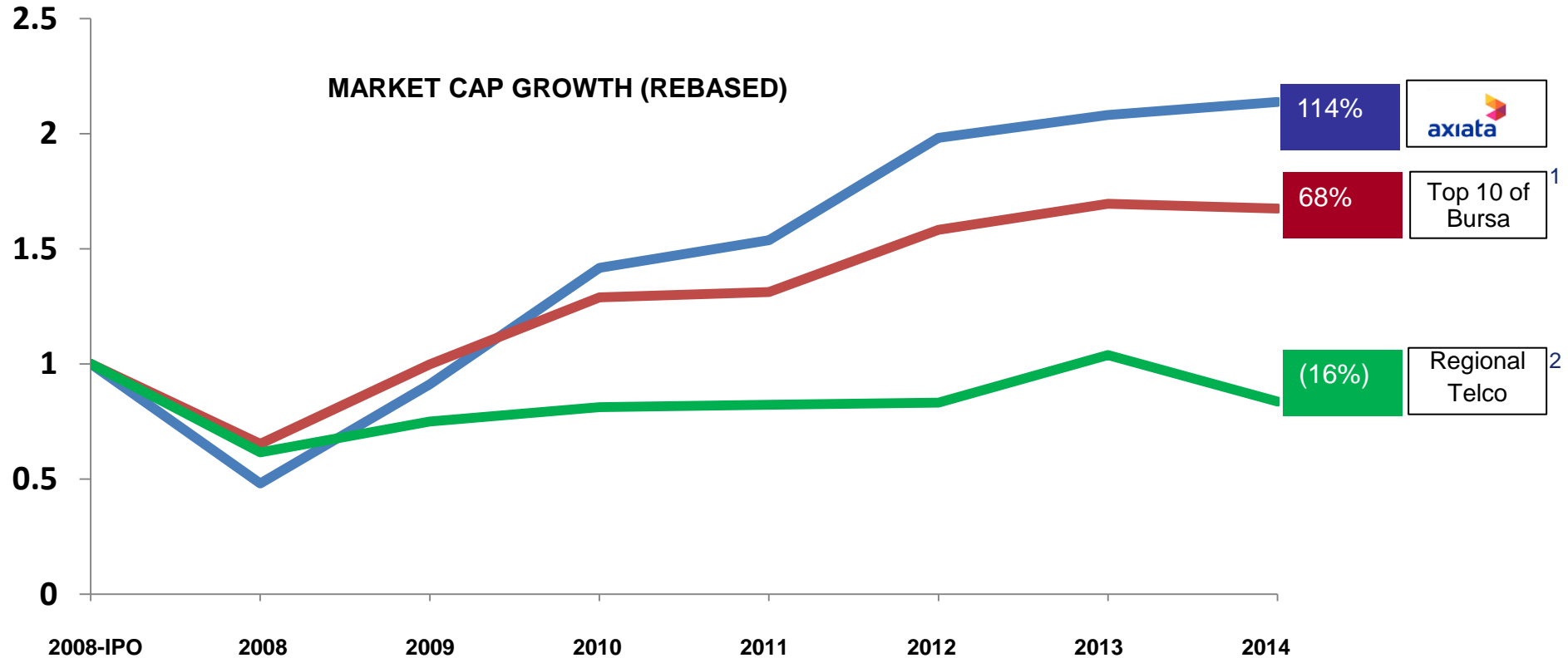
Note : Telenor market capitalisation is for the whole group and includes European operations

- Market capitalisation includes both fixed and mobile operations.
- Telenor Group is included due to substantial holdings in the region.
- Excludes operators and groups operating in Asia Pacific without holding entity base in the region of Southern Asia and South-Eastern Asia to reflect similar foot print to Axiata.



OUR JOURNEY SO FAR:

We Outperformed Regional Peers and Top 10 Bursa Malaysia Companies in Capital Growth...



Note : Regional Telco average growth based on conversion to USD at prevailing rates for the respective years. Axiata and Top 10 Companies on KLCI average growth based on RM. Average is based on the Compounded Annual Growth Rate (CAGR) for the period.

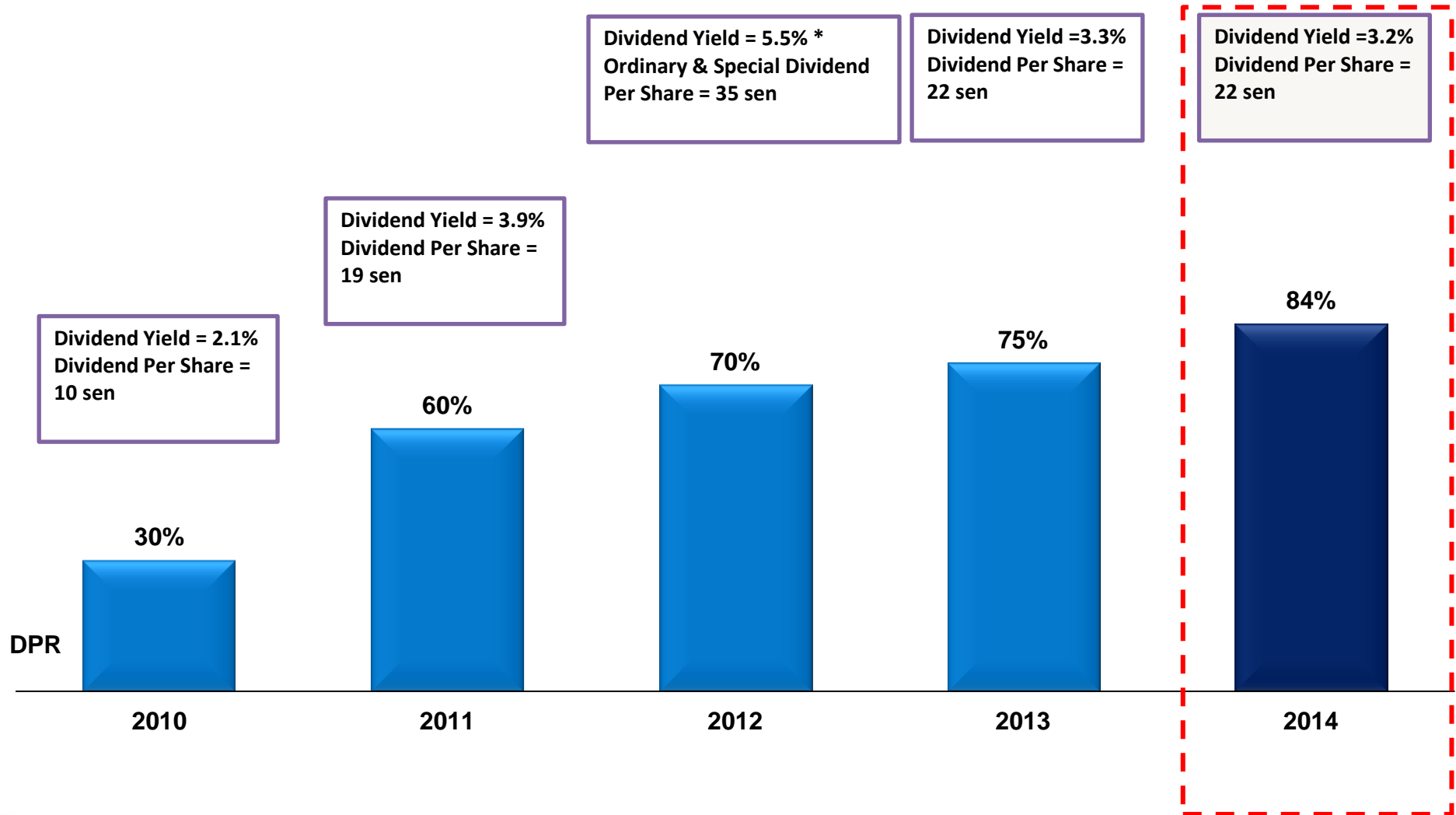
1. Regional Telco's : Based on Vodafone, Singtel, Telenor, Bharti Airtel, AIS, Telkomsel, Axiata, Digi, PLDT and Indosat

2. Bursa Malaysia Top 10 : The list is based on 7 of the top 10 largest market cap companies on the Bursa Malaysia as of 31/12/2014



OUR JOURNEY SO FAR:

... While Delivering Healthy Dividends at the Same Time



* Inclusive of the special dividend paid

OUR JOURNEY SO FAR:

We Have Built a Talent Pipeline, Diverse Leadership Team and Robust Development Programmes



2014

- **148** Top Talent
- **700** Middle level Talent
- **2:1** cover ratio of 73 leadership positions



- **4 CEOs** appointed internally
- **4** went to key positions in other companies
- **44%** of key jobs filled by internal talent
- external : internal hiring shifted from **78:22 to 19:81**



- Leadership is made up of
- **61% Local , 22% footprint, 17% external**



- **RM128m** spent on talent development since 2009

OUR JOURNEY SO FAR:

We Built a Comprehensive Sustainability Programme and Reporting Based on Four Strategic Pillars

Beyond Short Term Profits



Long Term Investment

Services Beyond Commercial Motivation

Digital Inclusion & Digitised Ecosystems

Global Mobile Development

Nurturing People



Nurturing Future Leaders

Culture of Integrity

Inclusivity

Conducive Workplace

Process Excellence



Supply Chain Management

Customer Centricity

Digitising Processes

Strong Governance

Planet and Society



Greener Operations

Disaster Management and Response

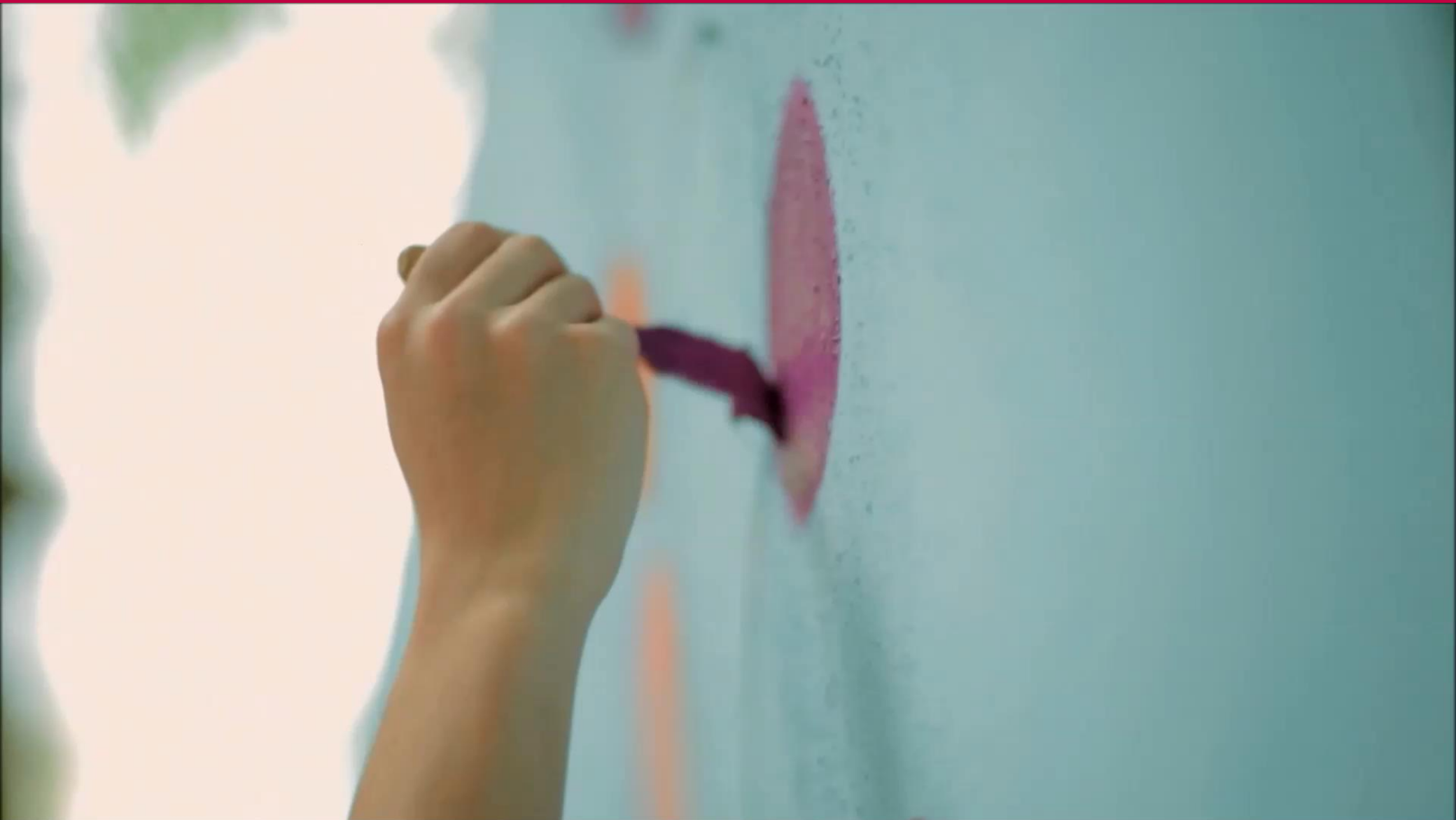
Contribution Towards Society



AYTP

(Axiata Young Talent Program)

Our Signature CSR Programme



OUR JOURNEY SO FAR:

Disaster Management is Now an Important Part of Axiata Sustainability Programme



Total Contribution **RM1.2 million** for flood

Deployed **Portable Mobile Cellular Sites, Generators and Mobile Transmitter** to re-establish connectivity

“Celcom was the Most Resilient Network during the floods”

Minister of Communications and Multimedia, Malaysia



OUR JOURNEY SO FAR:

Axiata Has Been a Long-Term Investor and a Major Economic Contributor in ASEAN and South Asia

Malaysia
Investment (2008-2014):

USD10.1 billion

~126,000 jobs created

~0.9% of GDP

27
Yrs

Indonesia
Investment (2008-2014):

USD9.8 billion

~195,000 jobs created

~0.2% of GDP

11
Yrs



Creating more than

1.3 million

**Job Opportunities
across Asia**

Bangladesh
Investment (2008-2014):

USD3.3 billion

~368,000 jobs created

~0.4% of GDP In 2014

20
Yrs

Sri Lanka
Investment (2008-20014):

USD2.6 billion

~112,000 jobs created

~1.3% of GDP in 2014

No. 1 FDI

19
Yrs

Cambodia
Investment (2008-2014):

USD0.5 billion

~66,000 jobs created

~1.5% of GDP in 2014

Highest Tax-payer

17
Yrs

Note: Investment in the forms of capital expenditures and operating expenditures
Source: KPMG Independent Analysis

OUR JOURNEY SO FAR:

Axiata Group Continued to Receive Recognition as One of The Best Amongst its Peers in ASEAN/South Asia



Frost & Sullivan 2014 Asia Pacific ICT Awards
Best Telecom Group
Six years in a row

2015 GSMA Mobile Congress Chairman's Award
Special Award to CEO

Malaysia-ASEAN Corporate Governance Index 2013 Awards
Top 5 Overall CG Award

Exemplary Environmental, Social and Governance (ESG) Practices
CEO of the Year



Frost & Sullivan Malaysia Excellence Awards
Frost & Sullivan Malaysia Best Customer Experience in Telecommunications

Frost & Sullivan Malaysia Excellence Awards
M2M Service Provider of The Year

5th Asia's Best Employers Awards
Asia's Best Employer in Telecommunications Industry



Frost & Sullivan 2014 Asia Pacific ICT Awards
The Most Innovative Digital Service Provider of the Year

Telecom Asia Awards 2014
Best Emerging Markets Carrier
Telecoms.com Awards 2014
Joint-winner for Urban Improvement



2015 GSMA World Mobile Congress
Best Mobile Money Service
Best Technology Enabler

SLIM-Nielsen People's Telecom Service Provider of the Year
Internet Service Provider of the Year
Frost & Sullivan 2014 Asia Pacific ICT Awards
Emerging Market Telecom Service Provider of the Year



Asia-Pacific Tambuli Awards
Innovative and Integrated Media - Bronze

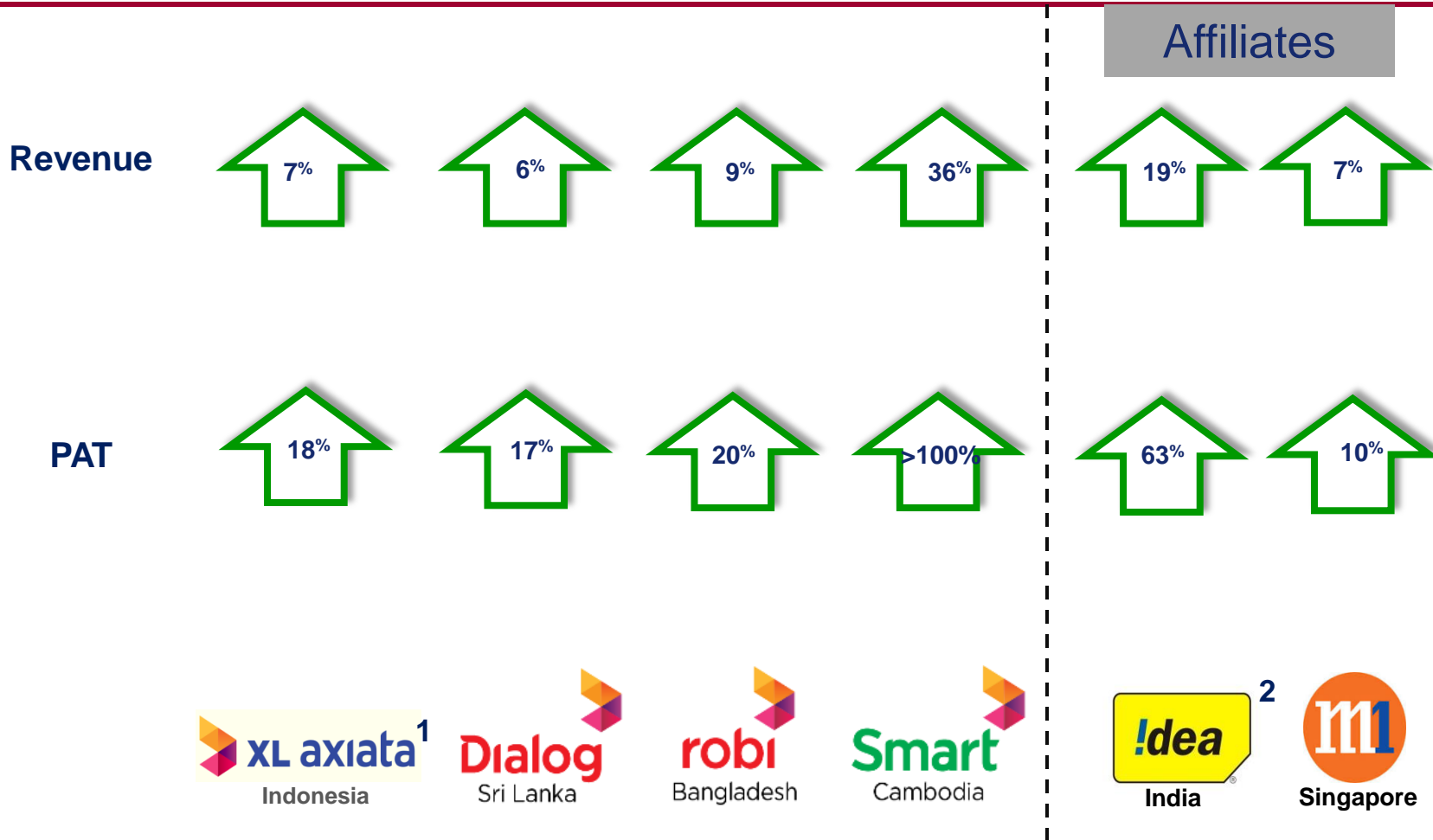
PR Week Asia
Promotional Activity of the Year – Honourable Mention



2014 and Q1 2015 Performance

2014 PERFORMANCE:

Stellar Results From All OpCos...



Note:

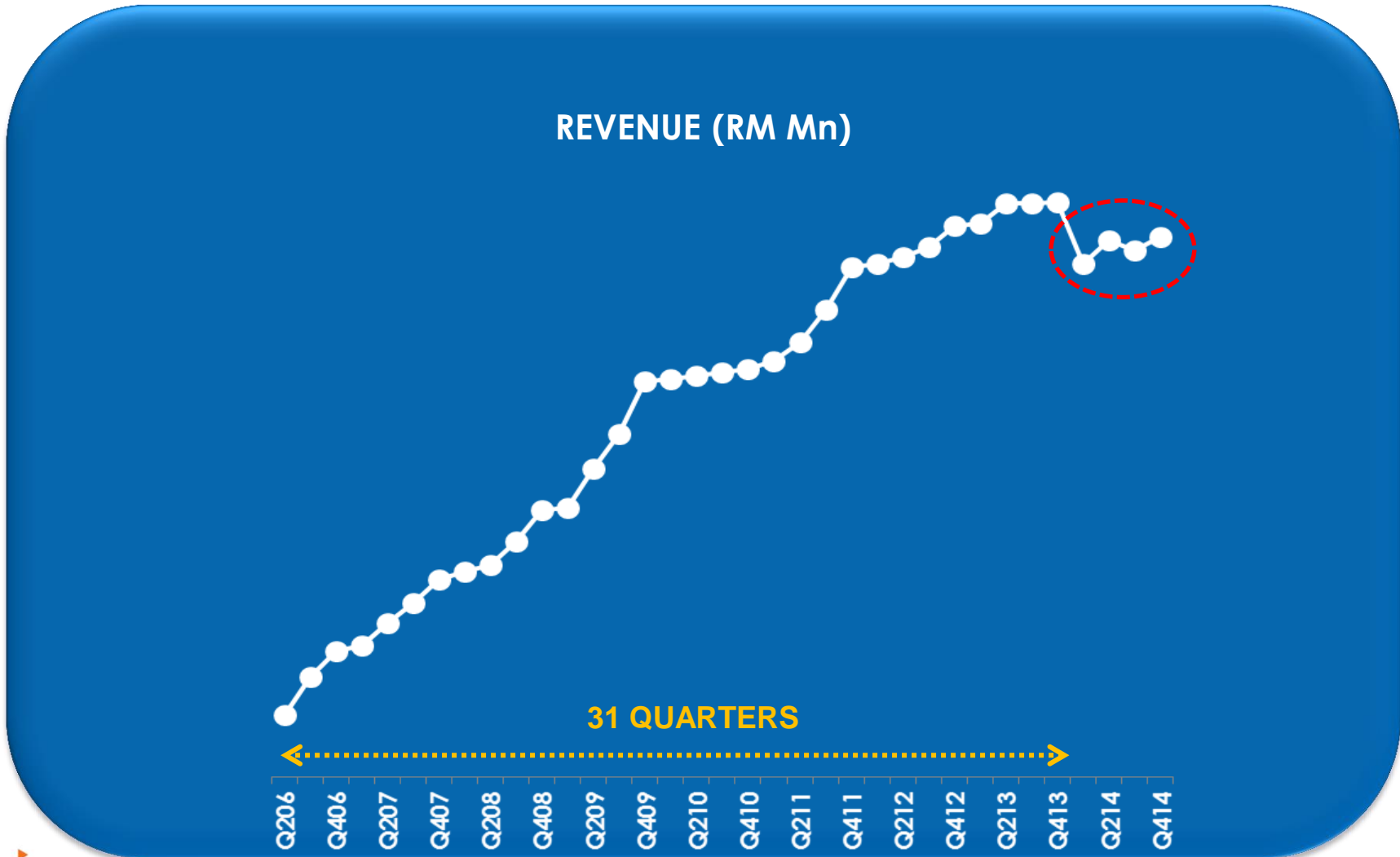
All numbers are based on respective OpCos/Affiliates local currencies

1. XL excludes impact from the gain on tower sale, forex and Axis integration

2. Idea Performance based on 9MFY15 v 9MFY14

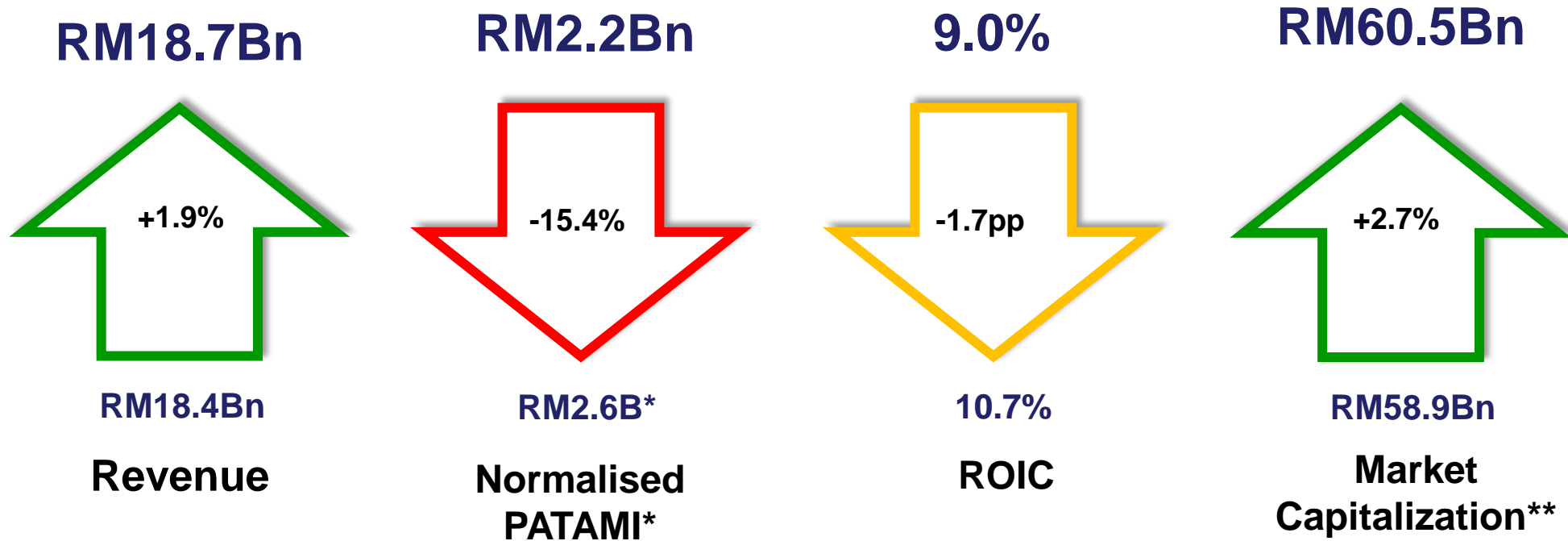
2014 PERFORMANCE:

... However, Celcom Did Not Perform As Well After 31 Consecutive Quarters of Solid Growth



2014 PERFORMANCE:

... Resulting in a Mixed Performance by the Group



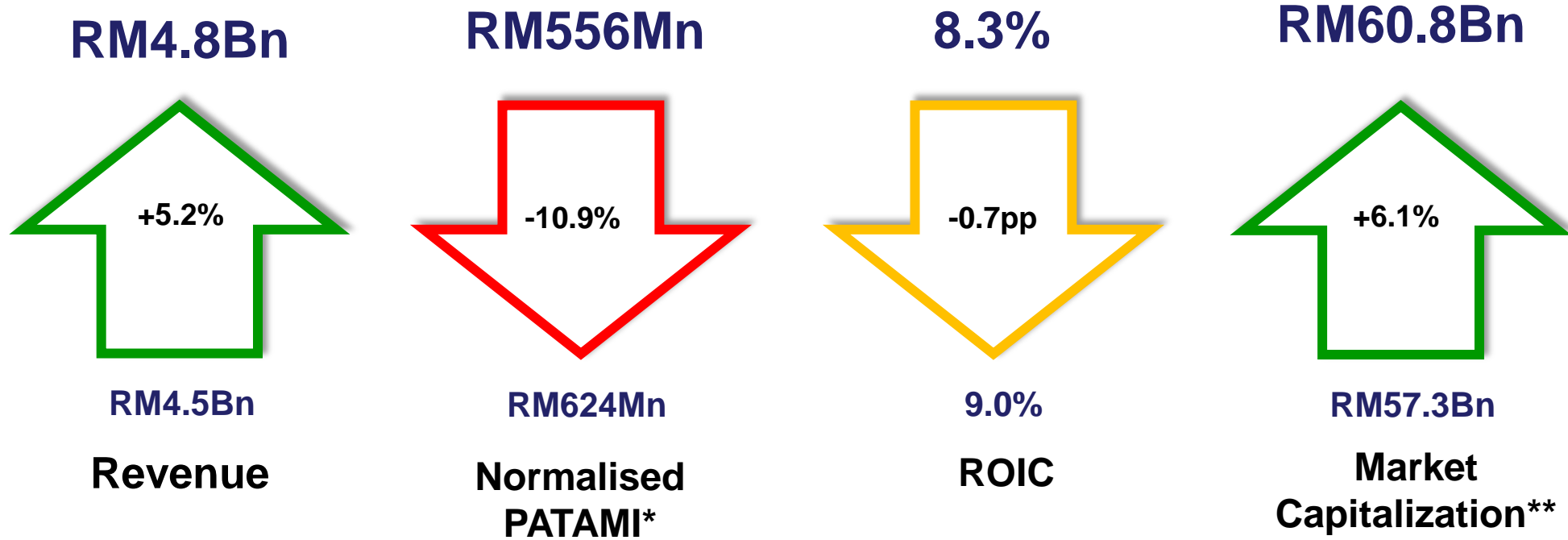
Notes

* Normalised PATAMI excludes forex losses and one-off transaction. From 2014, derivative gains and losses are being normalised. On this basis, 2013 normalised PATAMI is RM2.6bn (reported as RM2.8bn using definition prior to 2014)

** As of 31 December (2014 v 2013)

Q1 2015 PERFORMANCE :

... Continued Challenges



Notes

* Normalised PATAMI excludes forex and one-off transaction

** As of 31 March (2015 v 2014)

2014 PERFORMANCE:

We Are Confident of a Celcom Turnaround Given Our Track Record as a “Turnaround Specialist”

From...

To...



weak **#2** in
in 2006



strong **#2** since 2008



distant **#3** in 2007



#2 by end 2010



loss-making in 2008



healthy profit since 2010



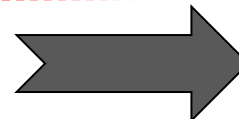
distant **#3** and loss
making in 2007



healthy profit in 2010 and **#2** by 2013



#4* in 2007



#2 in 2013

Note:

All are based on external reports except for Smart that is based on internal estimates

* Axiata's presence in Cambodia via Hello Axiata

2014 PERFORMANCE:

Additionally, Our Strategic Initiatives Are Progressing Well

edotco



16th largest tower company in the world

Digital Services



12.9M customers served in our consumer portfolio

Axiata
Procurement Centre



RM252M savings in 2014

Qorus Alliance



An alliance of 11 leading markets covering more than 400M customers

International
SBU



11th largest in the world carrying 13.5B of international voice minutes



2014 PERFORMANCE:

Our Sustained Performance is Echoed by Most Analysts



“We remain buyers of the stock given (1) stability from Celcom and M1, (2) growth driven by Idea, XL, Robi and Dialog and (3) management focus on creating shareholder value.”

UBS Research (February, 2015)

“We are not overly concerned and remain confident on Axiata’s prospect over the longer term. We opine that both are on the right tracks to regain market share.”

Hong Leong (April, 2015)

“We like Axiata for its exposure to emerging market growth. In Indonesia, we expect strengthening operational momentum at XL, post the Axis integration. In Bangladesh, Robi should continue to benefit from rising mobile penetration and data usage.”

BNP (February, 2015)

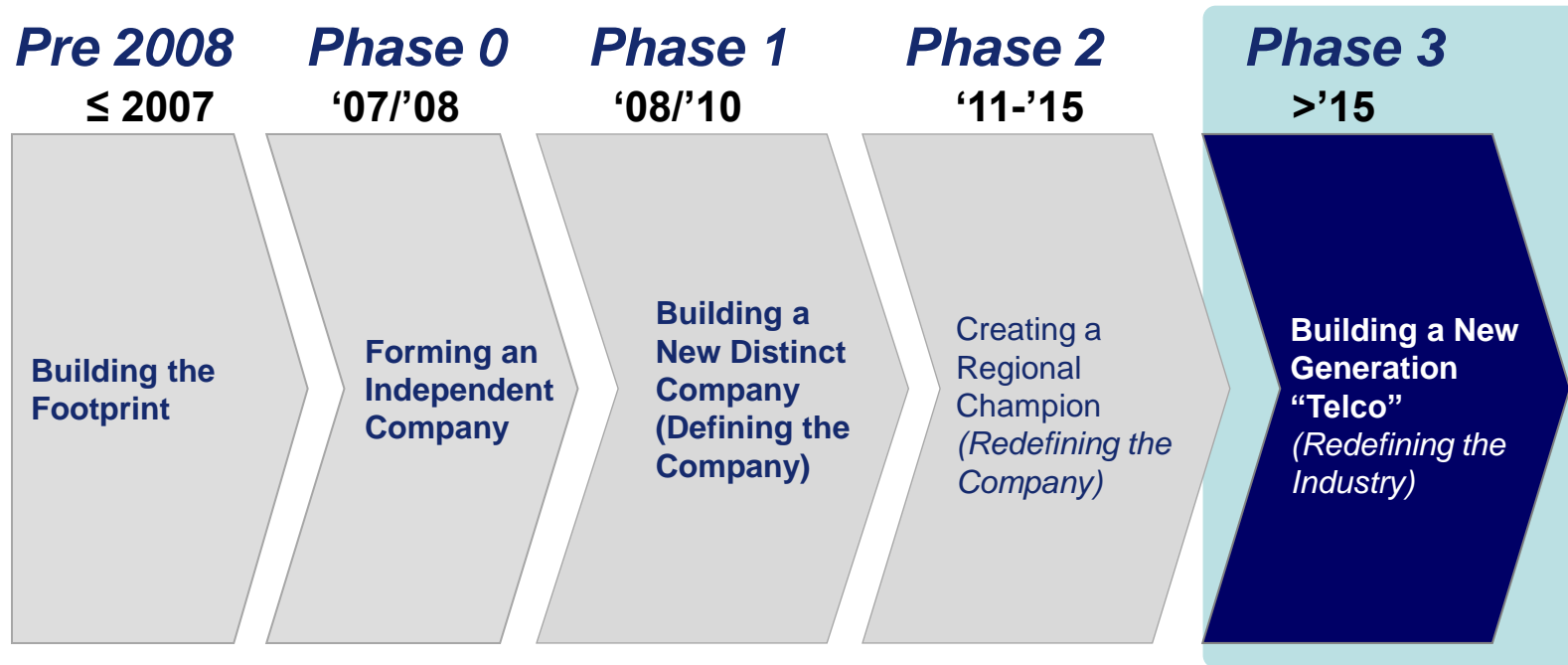




Opportunities & Challenges

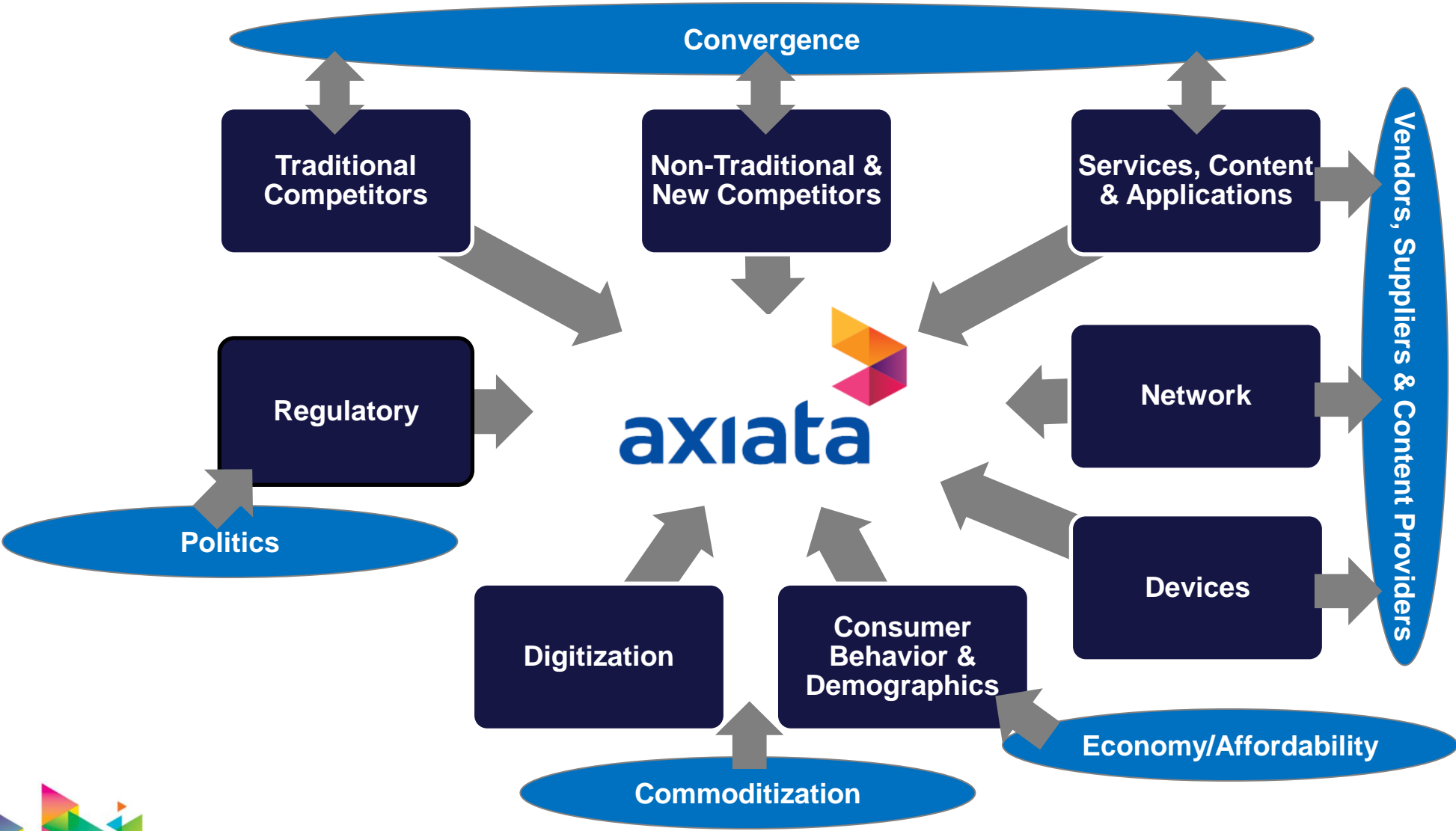
OPPORTUNITIES & CHALLENGES:

We Need to Start Building the Foundation of a New Generation Telco



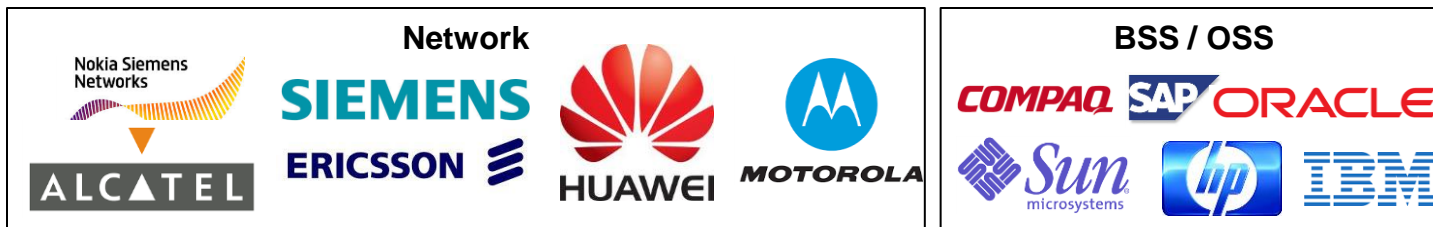
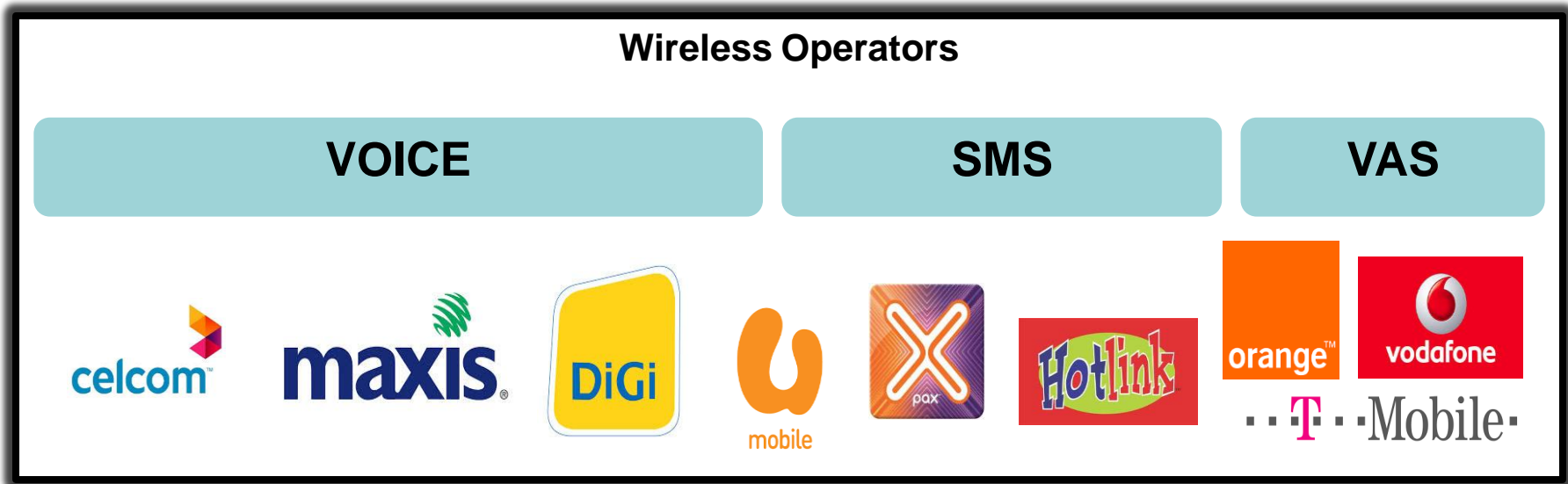
OPPORTUNITIES & CHALLENGES:

We Need to Overcome Long-Term Challenges Coming from all Directions and Seize New Opportunities!



OPPORTUNITIES & CHALLENGES:

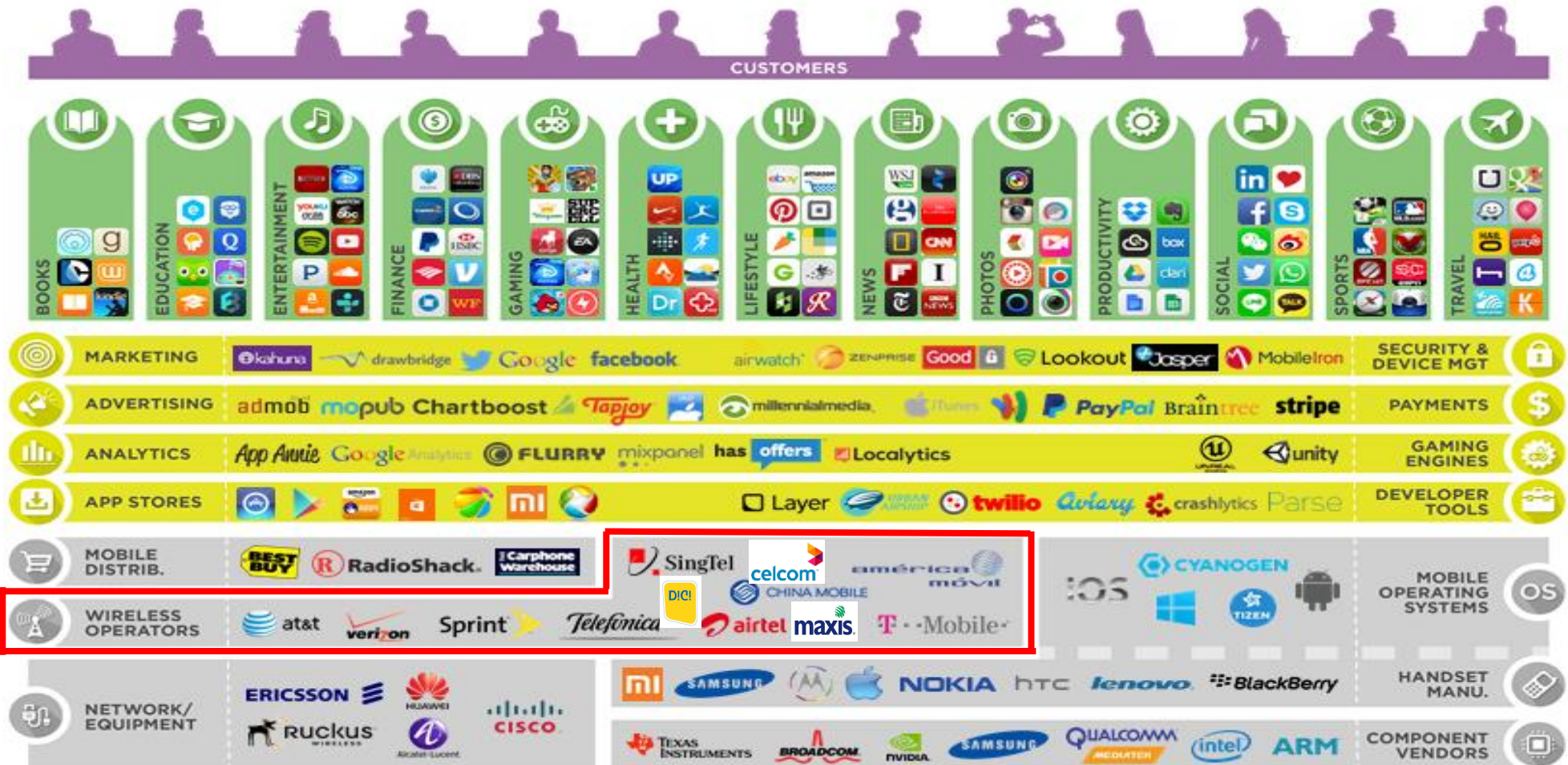
The Old Mobile Ecosystem Evolves Around Wireless Operators...



OPPORTUNITIES & CHALLENGES:

... But Wireless Operators Are No Longer The Biggest Part Of the Expanded Mobile Ecosystem

Mobile Tectonics – mobile is now a VASTLY EXPANDED LANDSCAPE

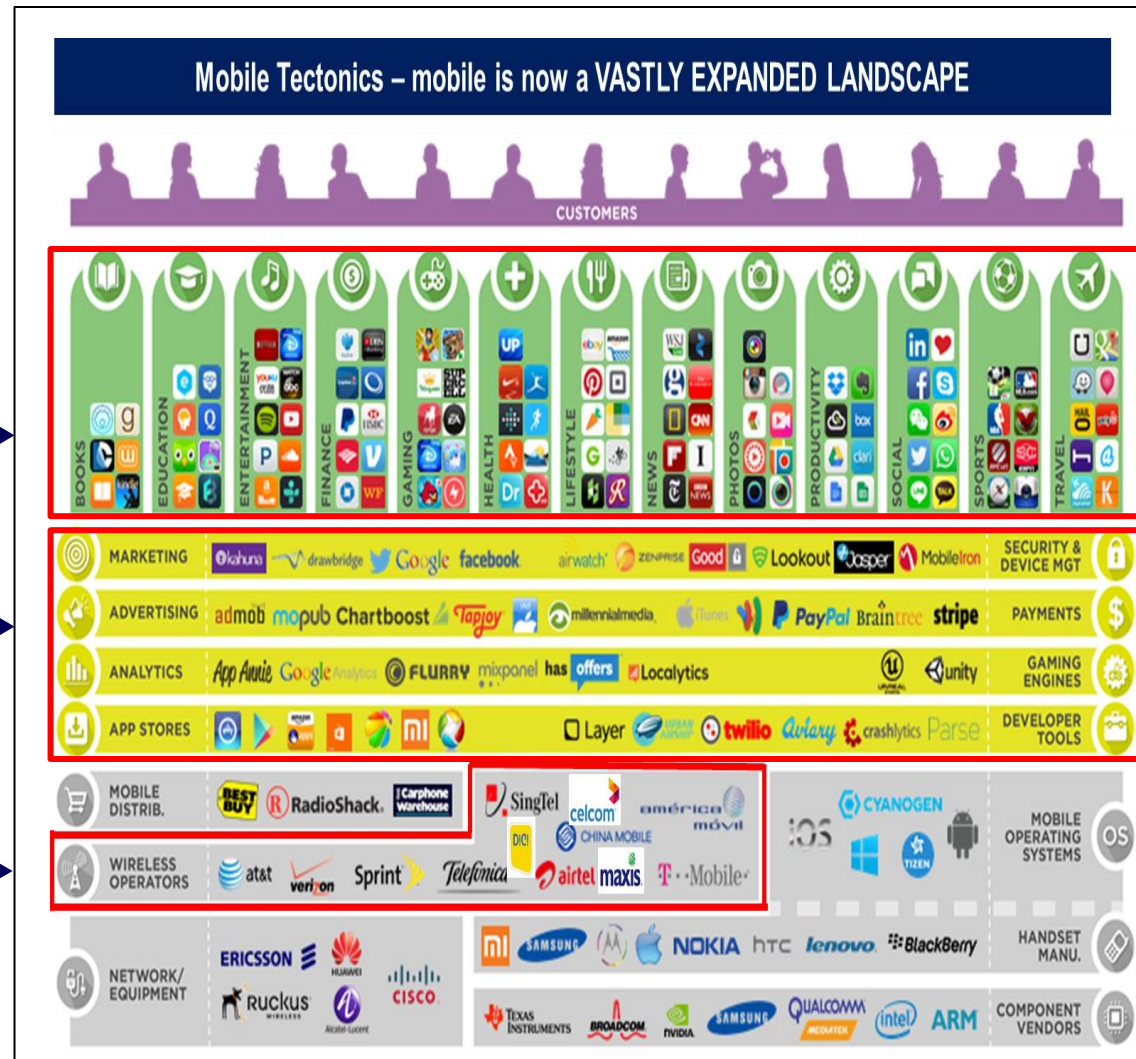
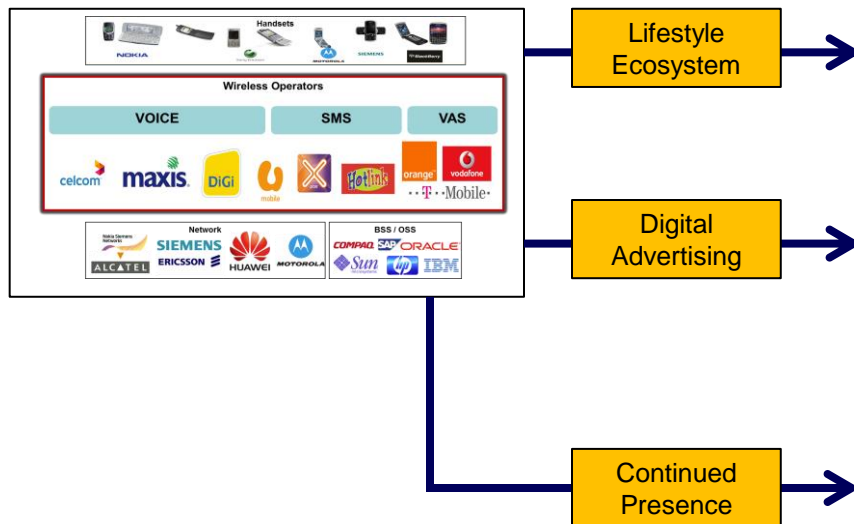


Source: Sequoia Capital

OPPORTUNITIES & CHALLENGES:

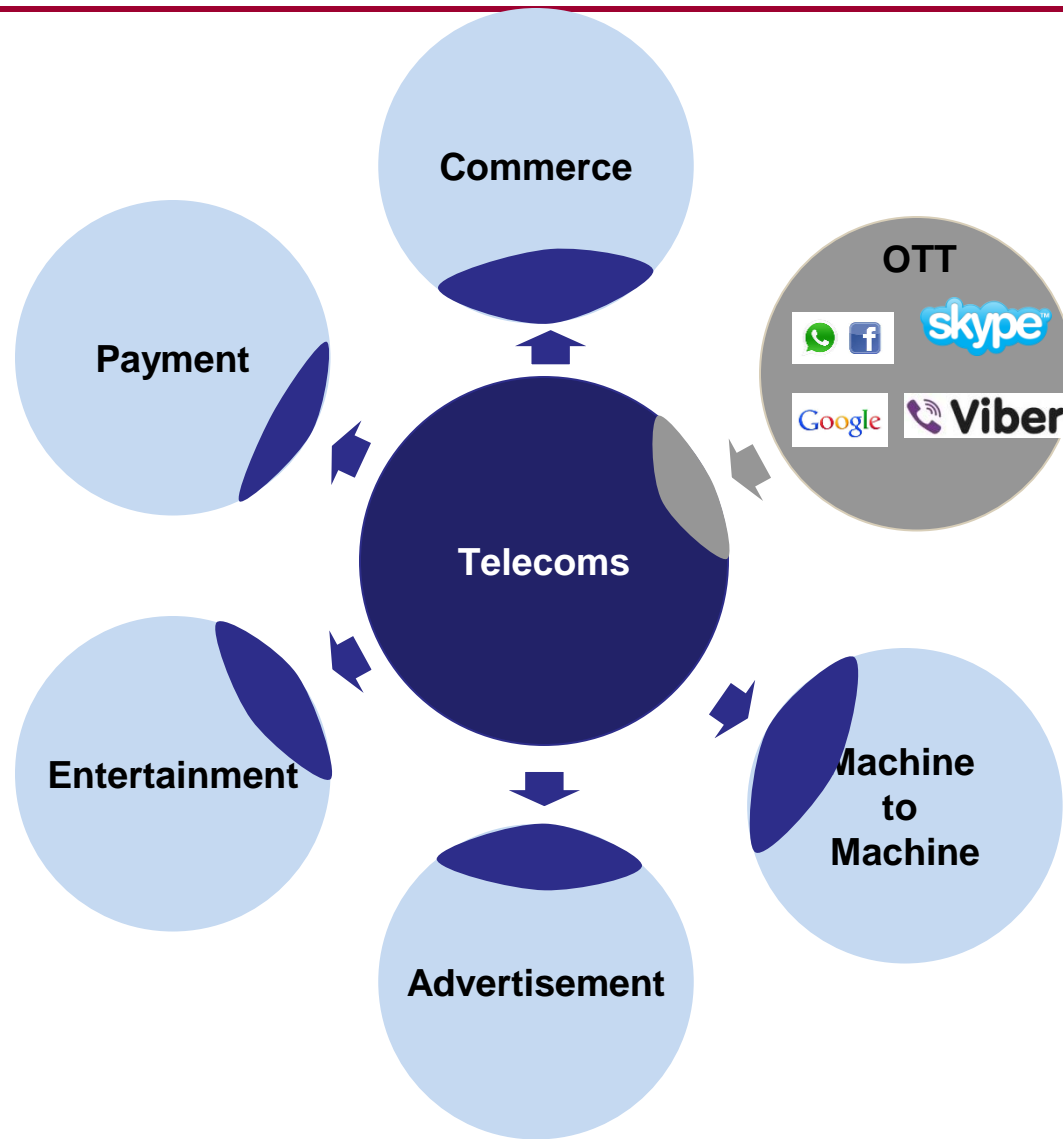
However, New Opportunities Arise as a Bigger Pie is Created

The bigger pie of the industry



OPPORTUNITIES & CHALLENGES:

By Positioning Ourselves as the Digital Enabler of All Ecosystems, Axiata Can Capture Incremental Revenue From Other Ecosystems



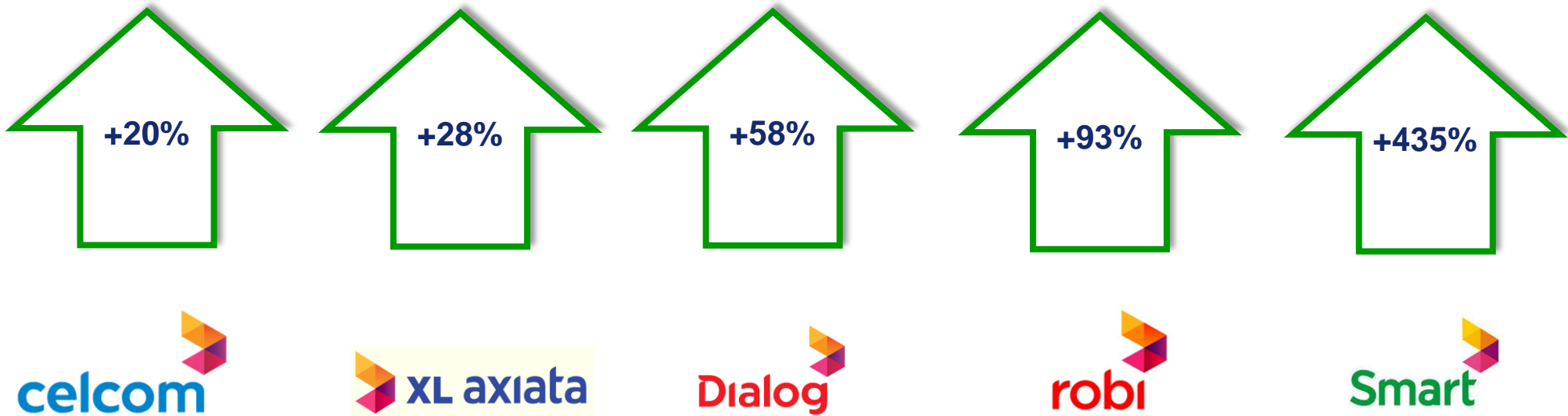
Opportunity to leverage Axiata telco and infrastructure assets to digitize other industries



OPPORTUNITIES & CHALLENGES:

Consumers' Usage Changing From Voice to Data, Our Data Revenue is Surging Exponentially

Data Revenue*



Note
* CAGR for 2012-2014 Revenue

Our Future is Bright!





Everyone is on the phone

EVERYWHERE

ALL THE TIME...





...well, maybe not all the time!



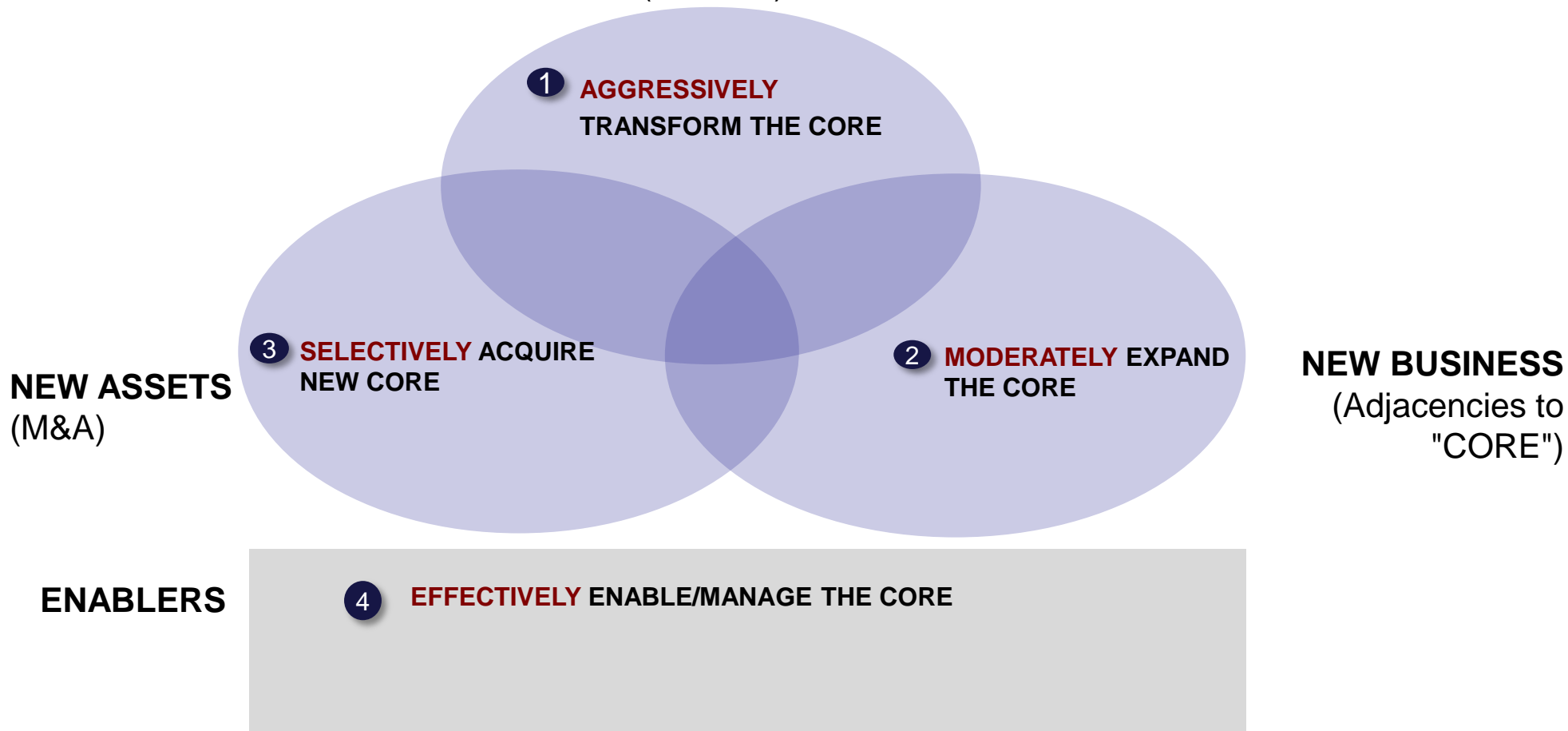


**Strategy
Moving
Forward**

STRATEGY MOVING FORWARD:

We Need to Transform our Mobile Business, Expand Into New Business and Acquire New Ones...

NEW APPROACH ("CORE")



1

**AGGRESIVELY
TRANSFORM THE CORE
especially in Mobile
broadband.**

**We invested RM4.0bn in
2014 and are investing
RM4.8bn in 2015**





2

**MODERATELY EXPAND
THE CORE**

**particularly in
Digital Services**



STRATEGY MOVING FORWARD:

We Have Built a New Portfolio of Brands and Services Under Axiata Digital Services



18 BUs and JVs across 5 verticals and several brands





elevenia.co.id



Conclusion & Key Messages



- **Axiata is already recognized as a “Regional Champion”**
- **Since demerger, the Group has performed extremely well in every market**
- **2014 performance was a mixed year**
- **We are now embarking on Phase 3 of our journey to become a “New Generation Telco”**



THANK YOU

