

DiGi Announces Satisfactory Revenue Growth in First-Half of Financial Year 2002

Increase in half-year revenue attributed to heightened mobile business performance

Kuala Lumpur, July 25, 2002 - DiGi.Com Berhad's revenue performance for the half year ended 30 June 2002 continued to see satisfactory growth, achieving a higher pre-tax profit of RM101.1 million for the half-year period. This represents an improvement of 12.6% over the RM89.8 million as restated for the preceding year corresponding period ended 31 October 2001 which was mainly contributed by an 8.0% increase in revenue to RM597.4 million, partially offset by higher operating cost and depreciation and amortisation. The half-year revenue increase was primarily attributed to the sustained revenue growth from the Group's mobile business, which has been recording significant subscriber additions.

A deferred tax charge of RM29.0 million for the current half year saw profit after taxation stand 19.7% lower at RM72.1 million from the RM89.8 million as restated for the preceding year corresponding period. Consequently, earnings per share was 9.6 sen as compared with the preceding year corresponding period of 12.0 sen.

For the second quarter ended 30 June 2002, The Group's pre-tax profit was RM50.7 million which is 17.6% higher than the RM43.1 million as restated for the preceding year corresponding quarter ended 31 October 2001. This was mainly attributed to the 10.4% increase in revenue from RM280.4 million to RM309.6 million, partially offset by higher operating cost and depreciation and amortisation. After deducting a deferred tax charge of RM15.0 million for the current quarter, profit after taxation was RM35.7 million, which is 17.2% lower than the preceding year corresponding quarter.

With the change in the financial year end from 30 April to 31 December since the last financial period ended 31 December 2001, the financial statements for the current reporting quarter and year-to-date are from 1 April 2002 to 30 June 2002 and 1 January 2002 to 30 June 2002 respectively. The comparatives used for the preceding year corresponding quarter and year-to-date are from 1 August 2001 to 31 October 2001 and 1 May 2001 to 31 October 2001 respectively.

Commenting on the half -yearly financial performance, DiGi's Chief Operating Officer, Mr Tore Johnsen said, "Clearly, DiGi's continued financial growth has been the direct result of the increased activities within our prepaid business. We have consistently held to our strategy of customising our high value-added offerings to meet the individual lifestyle needs of our increasingly discerning customers. I believe it is this end-user focus that has enabled us to significantly build our market share within a highly competitive market environment."

DiGi's revenue has seen acceptable growth with each successive quarter, and this has been attributed to the sustained favourable market reception to its many innovative and industry-leading products and services, particularly within the prepaid segment where DiGi currently holds 30% of market share. Its latest pioneering initiative, the recently introduced Enhanced DiGi Prepaid Plus Features, has been recording a steady increase in subscriber nett additions. The enhanced features include, for the first time in Malaysia, the availability of Automatic International Roaming for the prepaid segment, in addition to cost-saving daytime rates and a comprehensive loyalty programme for both DiGi's pre- and postpaid customers.

The new enhanced prepaid features, hailed as yet another first-mover initiative from DiGi, has reinforced the service provider's market leadership status within the prepaid segment, as seen in the significant subscriber growth recorded since its launch in early June. In addition, DiGi also made available its General Packet Radio Service (GPRS) on both prepaid and postpaid platforms, making it the first service provider in the Asian region to offer GPRS for the prepaid category.

This and other on-going product and service initiatives reiterate DiGi's commitment to invest strategically in the delivery of a wide range of mobile multimedia products and services to the Malaysian marketplace, in keeping with its recent decision to participate in the 3G arena as a Mobile Virtual Network Operator (MVNO).

Recognising that the rapid growth of mobile subscribers within the country has created a highly competitive environment, DiGi has long adhered to a customer-centric approach to its product and service roll-out, in line with its core philosophy of It's About You. The recent unveiling of its exclusive prepaid loyalty programme, YOUR DiGi, the first of its kind for prepaid users in Malaysia, reflects DiGi's commitment to enrich the lives of its customers through value-added benefits which are relevant and customised to their lifestyle needs.

Commenting further, Mr Johnsen reiterated, "The key to DiGi's continued profitability is really the fact that we understand our market. This keen insight has enabled us to proactively set out to meet and exceed our customers' expectations for convenient and relevant services, which are advanced yet highly-affordable. Our ability to consistently anticipate our customer's changing needs has reinforced our industry record as an innovative service provider, and this has clearly given us a competitive edge."

As the Malaysian economic outlook continues its positive trend, DiGi's proven approach of reaffirming the individuality of its customers through innovative and convenient applications is the critical success factor that will ensure its sustained growth and stability. The Group is well-positioned to realise its full potential through its focus on product and service innovation, in tandem with its on-going efforts to enhance network quality and coverage expansion.

About DiGi

DiGi, with its core philosophy of It's About You, is a telco that listens to its customers and tailors its services to suit their lifestyles - services that are meaningful and relevant, enhancing the way they live, work and play. DiGi is the first telco to launch the prepaid concept for mobile services in Malaysia and till today, DiGi Prepaid Plus remains the market leader. DiGi is also the first telco in Malaysia to launch a cost-saving postpaid mobile service to suit the different usage and lifestyle patterns of the customers of today in line with full deregulation.

With its focus on providing customer-delight, DiGi offers the most comprehensive and innovative range of products and services to take its customers beyond mere satisfaction. This is reflected in its many industry-leading offerings, all of which are delivered with an exceptional standard of service that best exemplifies DiGi's professionalism and commitment.