

DiGi reports 32.5% revenue growth in first half of financial year 2004

Mobile segment continues to drive notable customer base growth for second quarter

Kuala Lumpur, July 22 2004 - DiGi.Com Berhad ("DiGi") today announced higher revenue of RM1.05 billion for the first half year ended 30 June 2004, an impressive growth of 32.5% as compared with the previous corresponding period. The Group recorded a higher pre-tax profit of RM198.4 million for the first half year of this year which was up 157.3% from the RM77.1 million recorded in the corresponding period last year.

The better operational performance this half year was also evident in the 44.7% increase to RM461.6 million in earnings before interest, tax, depreciation and amortisation ("EBITDA"), with EBITDA margins improving to 43.9% from the 40.2% previously recorded. The higher revenue growth was strongly driven by DiGi's steadily expanding mobile customer base to 2.59 million, achieving approximately 17% growth for the first half of 2004 and 33% growth from a year ago.

At the same time, the Group's net profit after taxation of RM139.7 million for the first half of the year was up RM86.7 million or 163.8% higher than the RM53.0 million recorded in the previous corresponding period while earnings per share improved to 18.6 sen.

For the second quarter ended 30 Jun 2004, revenue grew by 33.9% to RM533.4 million as compared with the previous corresponding quarter, while EBITDA margins improved to 42.6% from 38.8% previously. The Group's profit after taxation for the quarter under review of RM66.3 million was 187.8% higher than the RM23.0 million reported for the same quarter last year.

According to DiGi's Chief Executive Officer, Mr. Tore Johnsen, the strong performance in the quarter under review was also mainly contributed by the overall growth in DiGi's mobile and international segments.

"Our customer-centric focus in catering to market demands for high quality products and services has resulted in consistent revenue and customer growth. In keeping with this, for the quarter under review, DiGi introduced Malaysia's first high speed mobile network in the Klang Valley, offering Enhanced Data Rates for GSM Evolution (EDGE) enabled 3G products and services, allowing customers to enjoy advanced mobile communications' technology," said Mr. Johnsen.

The Group continued its trend of achieving excellent results for its mobile data segment, registering a healthy 35% growth for the first half of this year as compared to the corresponding period of the previous year. For the quarter under review, mobile data revenue accounted for 14% of its total mobile revenue.

"The encouraging take-up rate of our mobile data services for the second quarter 2004 was very much in pace with our enhanced network quality, capacity and coverage expansion programme. The Group aggressively continued its network quality upgrade and expansion, including coverage extension to key market areas, urban and rural centers," commented Mr. Johnsen.

DiGi expects the prospect for the rest of the year to remain positive as it continues its winning formula by focusing on delivering simple, attractive, easy to use and high quality products and services. The Group is aligning its ongoing cost efficient investment programme to continue

delivering superior service quality and reliable network experience for its valued customers. In this, the company will also vigorously expand its EDGE coverage nationwide, further making available more fun, innovative and practical EDGE-enabled 3G products and service.

About DiGi

DiGi is a leading mobile communications company providing a comprehensive range of affordable, convenient and easy to use wireless services to simplify and enrich the lives of its customers. We create value for our customers by selecting the most appropriate cutting edge technology so that they benefit from products and services that give them choice, convenience and control.

We have an established presence as a leader in voice and data prepaid services with a number of firsts that have set industry benchmarks for creativity and innovation. These services are offered under the Beyond Prepaid brand name. Our postpaid service under the Horizon Postpaid and Discover Business Solutions brand names deliver high quality voice as well as value-added mobile content and data services to both individual and corporate customers.