

## DiGi announces record financial performance for 3rd quarter

- All time high financial results with record pre-tax profit of RM222 million
- All time high net customer additions of 221,000 for the quarter

**Kuala Lumpur, October 26 2004** - DiGi.Com Berhad ("DiGi") today announced its all time high financial performance, for the nine months ending 30 September 2004, with significant improvements in all key financial and operational performance indicators.

"The excellent performance clearly reflect positive market response to DiGi's focus on providing simple, attractive and easy-to-use high quality mobile services with uniquely innovative features that are relevant to our users " CEO Morten Lundal said.

### Nine months ending 30 September 2004

The Group's pre-tax profit rose 160% to RM312 million from RM120 million recorded in the corresponding period last year. This higher pre-tax profit was driven mainly by the 33% increase in revenue from RM1.23 billion to RM1.63 billion this year. The Group attributed this significant growth to robust contributions by its attractive mobile offerings, boosting its customer base from 2.06 million to 2.81 million customers, a 37% increase.

Presenting the financial results for the first time as DiGi's new Chief Executive Officer, Mr. Morten Lundal said, "Despite the intensifying competitive marketplace, I am pleased with DiGi's outstanding performance as reflected by the strong financial and operational efficiencies. The net profit increased by 158% to RM222 million while earnings per share improved to 29.6 sen. The improved operational performance was also reflected by the 46% increase in EBITDA to RM711 million, while EBITDA margin rose by 4 percentage points to 44% from 40% last year.

### 3rd quarter 2004

The Group's third quarter revenue increased by 33% to RM577 million from RM434 million in the same quarter last year. EBITDA margin also showed a marked improvement, rising to 43% from 39% with net profit up 149% to RM83 million from RM33 million previously. Consequently, earnings per share also rose 149% to 11.0 sen from 4.4 sen in the same quarter last year. Prepaid customer base rose by 36% to 2.65 million from 1.95 million a year ago, while postpaid showed a significant growth of 50% to 153,000 from 102,000 in 2003.

Commenting on the Group's performance for the quarter under review, Mr. Lundal said: "Having realized the country's first highspeed mobile network, DiGi has successfully capitalized on the EDGE technology to deliver a slew of new and exciting products and services, such as Mobile TV and M-gaming, as well as competitively priced high speed data packages."

"We also recorded an encouraging take-up for our mobile data services, driving those revenues to 14.5% of mobile revenues this quarter." Mr. Lundal also reinforced DiGi's strategy to leverage on its parent company, Telenor, and its pool of global mobile content and application development initiatives. He added that as a result of higher airtime and SMS usage, postpaid and prepaid average revenue per user ("ARPU") remained healthy with blended ARPU increasing to RM62.

For this quarter under review, DiGi was the first telco in Malaysia to introduce RM10 micro-reload, and also set the attractive price of 3 sen for SMS under its Friends and Family package.

In addition, the company aggressively expanded its network as part of its strategy to reach customers in semi-urban and rural market centers.

Mr. Lundal affirmed that the Group's outlook for the remaining quarter of the year continues to be positive. "We are aiming to grow market share and profitability by delivering the most attractive value proposition to the market place and by ensuring continued cost-effectiveness".

He also said that the Group will exercise sound investment spending in line with the Government's vision and expectation for nationwide coverage by year end 2005, creating a level playing field where differentiation is based on products and services rather than coverage.

### **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.