



# DiGi.Com Berhad Q2-2004

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# quarter 2 2004 performance highlights

Solid performance and earnings growth in increasingly competitive environment.

Strengthened brand positioning by taking lead in launching new services.

The first operator in Malaysia to launch EDGE services in May 2004 which enables deployment of high speed mobile data.

Aggressively promoting non-voice usage (SMS) and mobile data services as the growth driver.

Strong cash flows contributing to further reduction in net debt.

Expanding market share from rapid growth in customer base.

# impressive 1<sup>st</sup> half 2004 financial results

Customer growth of 33% to 2.59 million.

Revenue growth of 32% to RM1.05 billion.

1<sup>st</sup> half 2004 EBITDA grew 45% to RM461.6 million (44% EBITDA margin).

Capex decreased slightly by 1% to RM146.1 million.

Net profit grew 164% to RM139.7 million.

1<sup>st</sup> half 2004 EPS grew to 18.6 sen, 164% increase.

## strong quarter 2

Customer growth of 33% to 2.59 million.

Revenue growth of 34% to RM533.4 million.

EBITDA growth of 47% to RM227.3 million (43% EBITDA margin).

Net profit of RM66.3 million, 188% growth from last year.

EPS of 8.8 sen for Q2 2004 higher than 3.1 sen of last year

# robust quarter on quarter

Customer growth of 7% to 2.59 million.

Revenue growth of 3% to RM533.4 million.

EBITDA reduced by 3% to RM227.3 million (43% EBITDA margin) due to expected higher costs.

Net profit of RM66.3 million, 10% reduction from previous quarter.

EPS of 8.8 sen for Q2 2004 lower than 9.8 sen of previous quarter

compared to previous year 1<sup>st</sup> half

<i>RM million</i>	<b>1<sup>st</sup> Half 2004</b>	1 <sup>st</sup> Half 2003	Growth %
Revenue	<b>1,050.5</b>	793.0	32%
EBITDA	<b>461.6</b>	319.0	45%
EBITDA %	<b>44%</b>	40%	4%
EBIT	<b>230.8</b>	109.8	110%
Profit before Tax	<b>198.4</b>	77.1	157%
Profit after Tax	<b>139.7</b>	53.0	164%
EPS ( <i>sen</i> )	<b>18.6</b>	7.1	164%

## Q2 2004 compared to Q2 2003

<i>RM million</i>	<b>Q2 2004</b>	Q2 2003	Growth %
Revenue	<b>533.4</b>	398.5	34%
EBITDA	<b>227.3</b>	154.6	47%
EBITDA %	<b>43%</b>	39%	4%
EBIT	<b>112.2</b>	49.3	128%
Profit before Tax	<b>95.0</b>	33.5	183%
Profit after Tax	<b>66.3</b>	23.0	188%
EPS ( <i>sen</i> )	<b>8.8</b>	3.1	188%

## Q2 2004 compared to Q1 2004

<i>RM million</i>	<b>Q2 2004</b>	Q1 2004	Growth %
Revenue	<b>533.4</b>	517.1	3%
EBITDA	<b>227.3</b>	234.3	-3%
EBITDA %	<b>43%</b>	45%	-3%
EBIT	<b>112.2</b>	118.7	-5%
Profit before Tax	<b>95.0</b>	103.4	-8%
Profit after Tax	<b>66.3</b>	73.3	-10%
EPS ( <i>sen</i> )	<b>8.8</b>	9.8	-10%



# operating expenses ("opex") as % of total revenue

<i>Opex</i>	<b>Q2 2004</b>	Q2 2003	<b>1<sup>st</sup> Half 2004</b>	1 <sup>st</sup> Half 2003
Cost of Materials & Traffic Charges	<b>21.8 %</b>	26.6 %	<b>21.8 %</b>	26.4 %
Sales & Marketing Costs	<b>14.5 %</b>	13.3 %	<b>13.7 %</b>	12.2 %
Staff Costs	<b>5.0 %</b>	5.8 %	<b>5.0 %</b>	5.7%
Operations & Maintenance Costs	<b>6.8 %</b>	7.6 %	<b>6.7 %</b>	7.7 %
Other Opex	<b>9.3 %</b>	7.9 %	<b>8.9 %</b>	7.8 %
Total Opex	<b>57.4 %</b>	61.2 %	<b>56.1 %</b>	59.8 %
<i>EBITDA margin</i>	<b>42.6%</b>	38.8 %	<b>43.9 %</b>	40.2 %

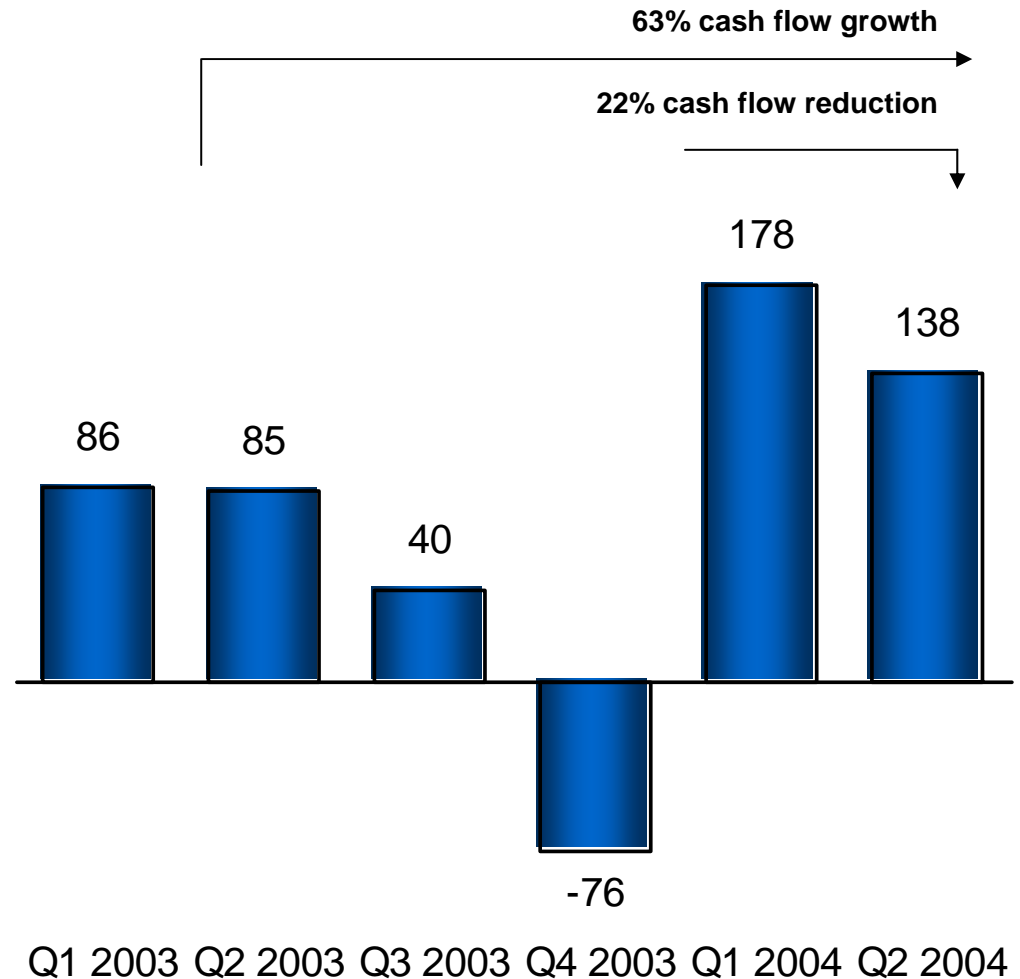
# operating expenses ("opex") as % of total revenue

<i>Opex</i>	<b>Q2 2004</b>	Q1 2004	Change
Cost of Materials & Traffic Charges	<b>21.8 %</b>	21.9 %	0.1 %
Sales & Marketing Costs	<b>14.5 %</b>	13.0 %	(1.5 %)
Staff Costs	<b>5.0 %</b>	5.0 %	0.0 %
Operations & Maintenance Costs	<b>6.8 %</b>	6.5 %	(0.3 %)
Other Opex	<b>9.3 %</b>	8.3 %	(1.0%)
Total Opex	<b>57.4 %</b>	54.7 %	(2.7 %)
<i>EBITDA margin</i>	<b>42.6%</b>	45.3%	(2.7 %)

# healthy cash flow development

## operating cash flow\*

Q2 2004 operating cash flow remain positive, lowering debt and improving net debt/equity to 20%.

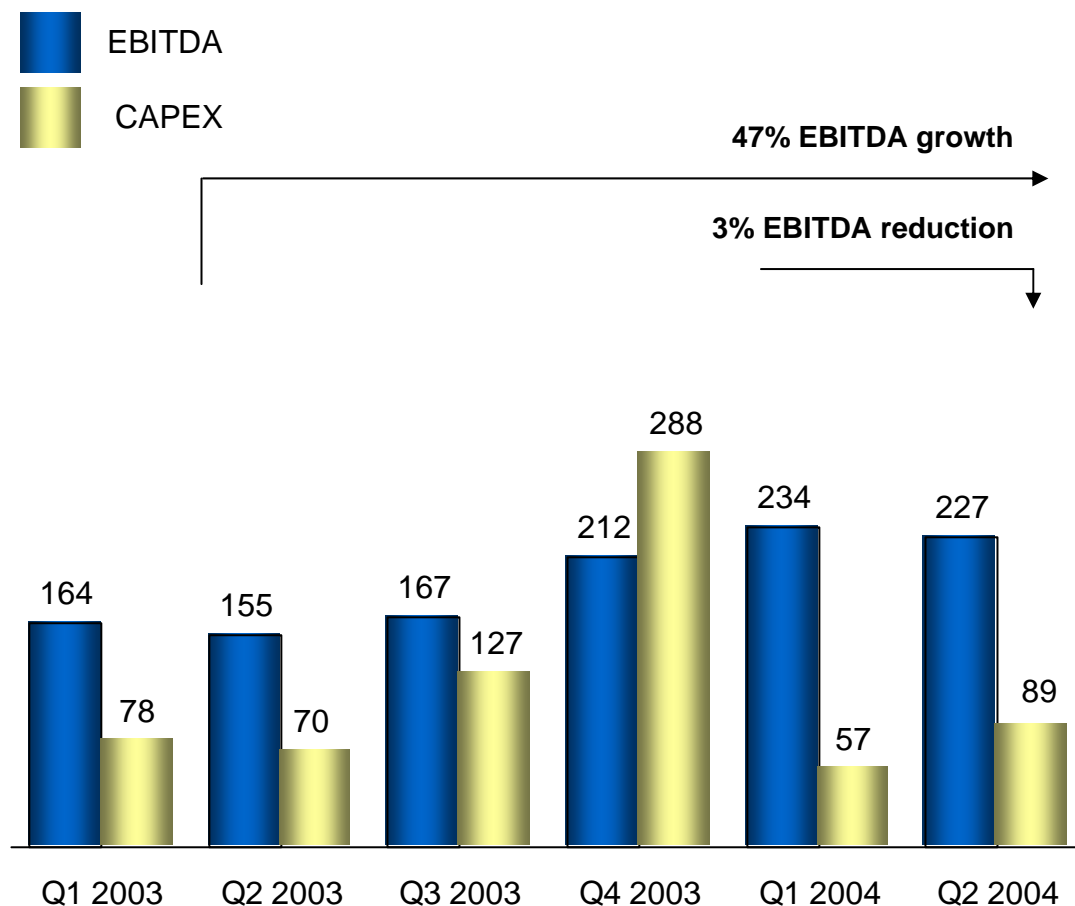


\* Operating Cash Flow = EBITDA - CAPEX

# EBITDA declined marginally from previous quarter

EBITDA dropped 3% to RM227 mil from Q1 2004 of RM234 mil mainly due to higher sales and marketing costs and operation and maintenance costs.

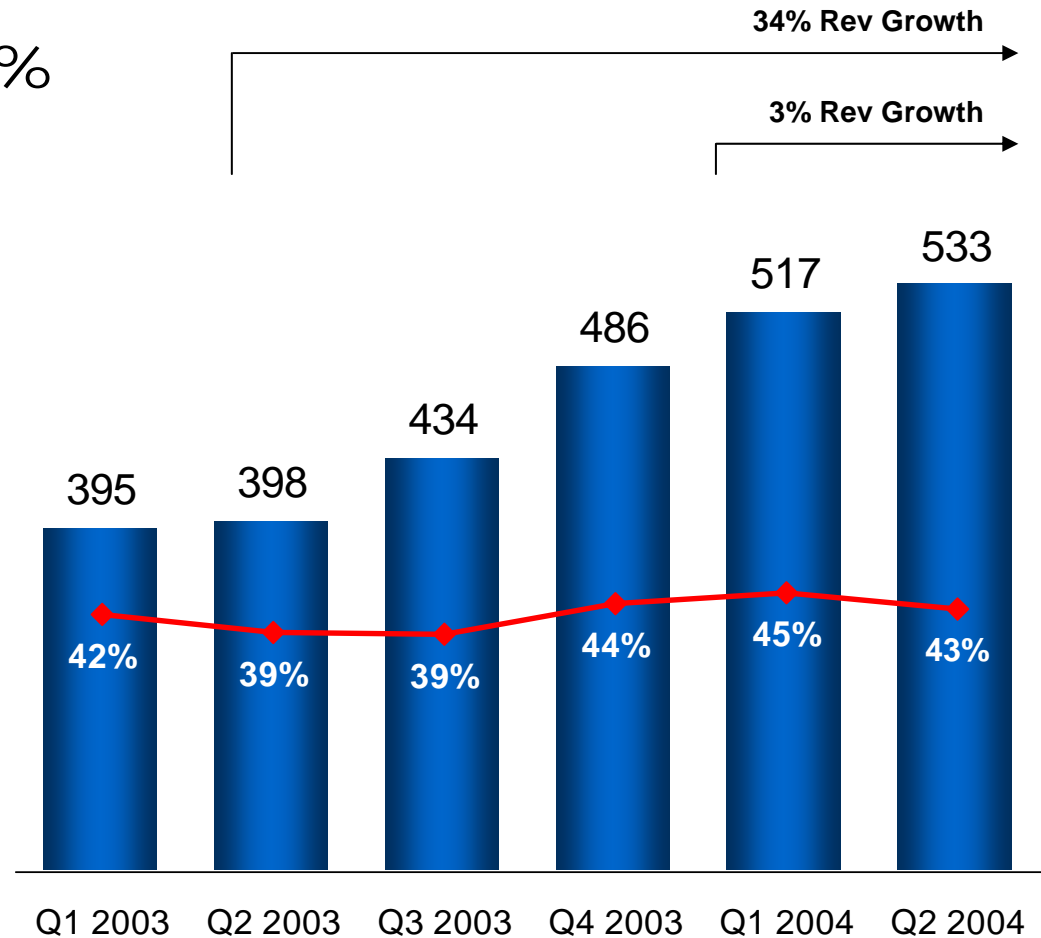
CAPEX spending of RM89 mil was 58% higher than previous quarter as a result of accelerated roll out.



# continuing momentum in revenue growth

## revenues / EBITDA %

Q2 2004 revenue grew by 3% to RM533 mil from RM517 mil while EBITDA margin softened slightly to 43%.

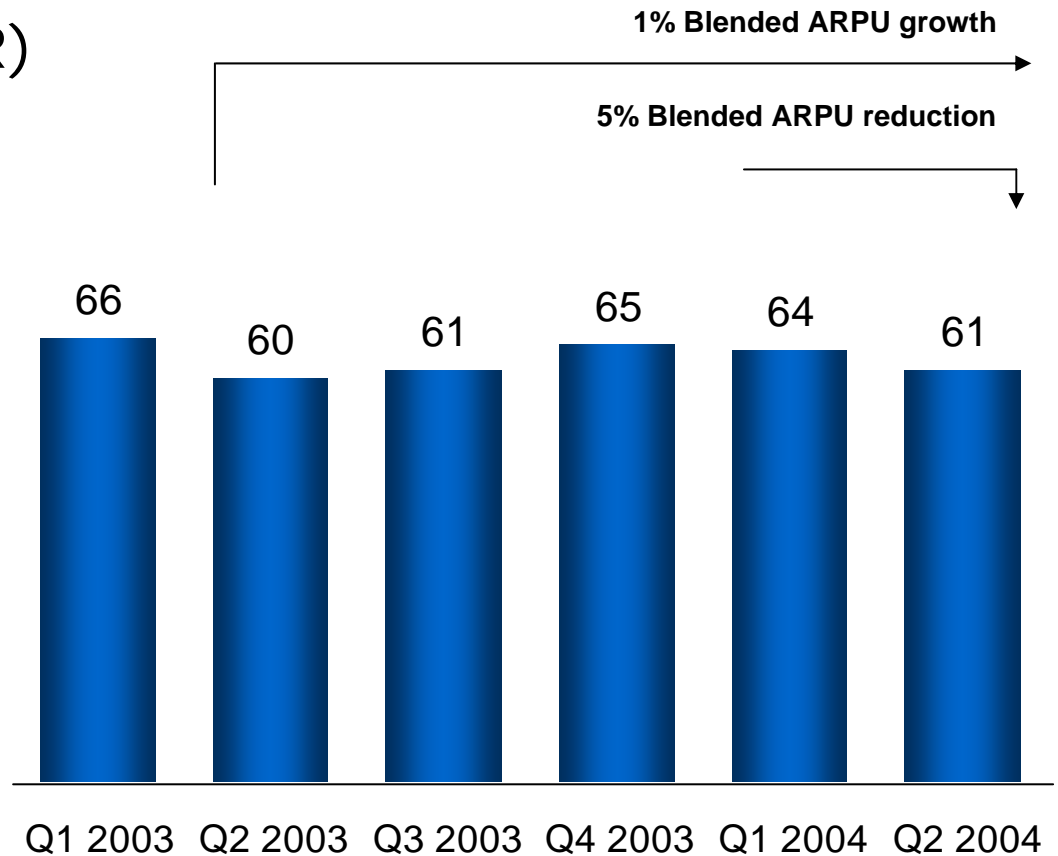


# ARPU declined marginally

## blended ARPU (MYR)

Q2 ARPU stood at RM61, down 5% from previous quarter (Q1) which was higher due to festivities and robust economic activities.

About 14% of mobile revenue contributed by mobile data.

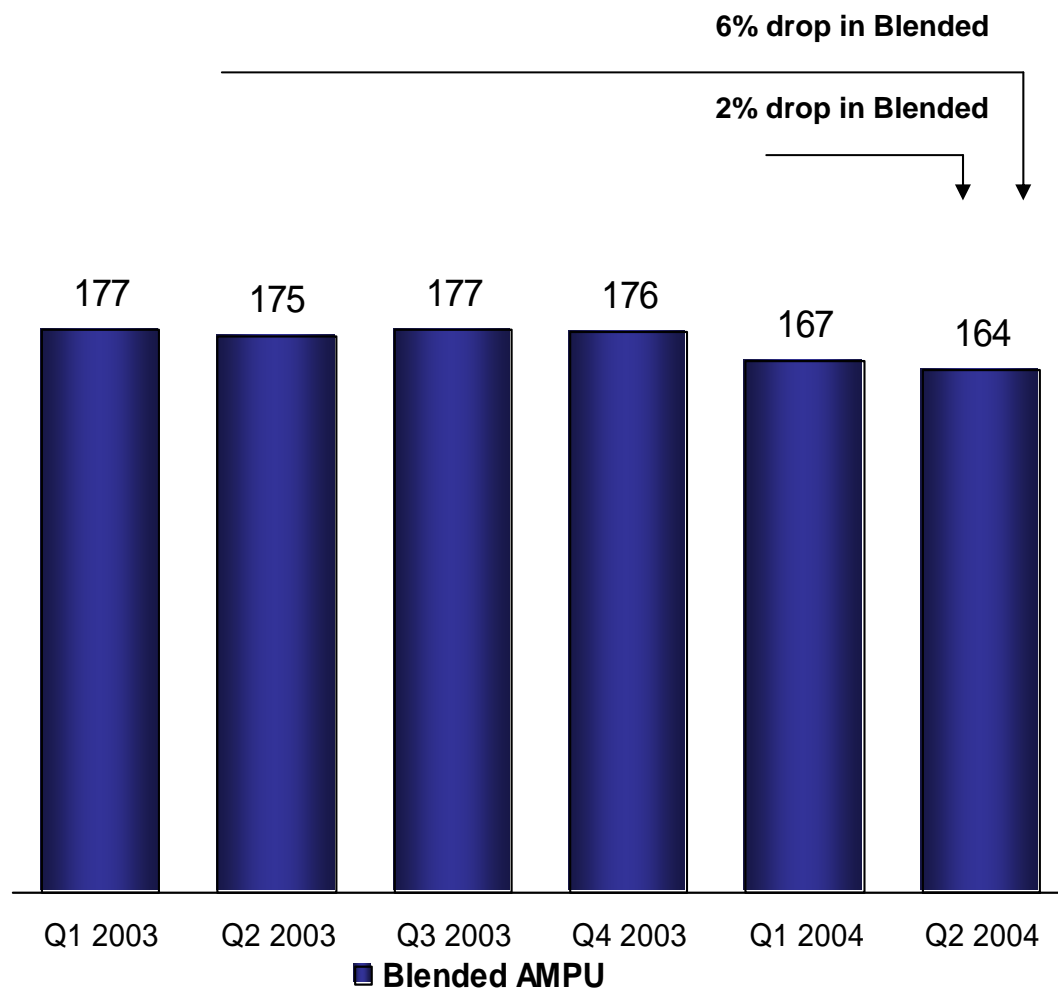


# blended AMPU dropped by 2%

## blended AMPU (minutes)

Compared to previous quarter, AMPU easing slightly to 164 minutes.

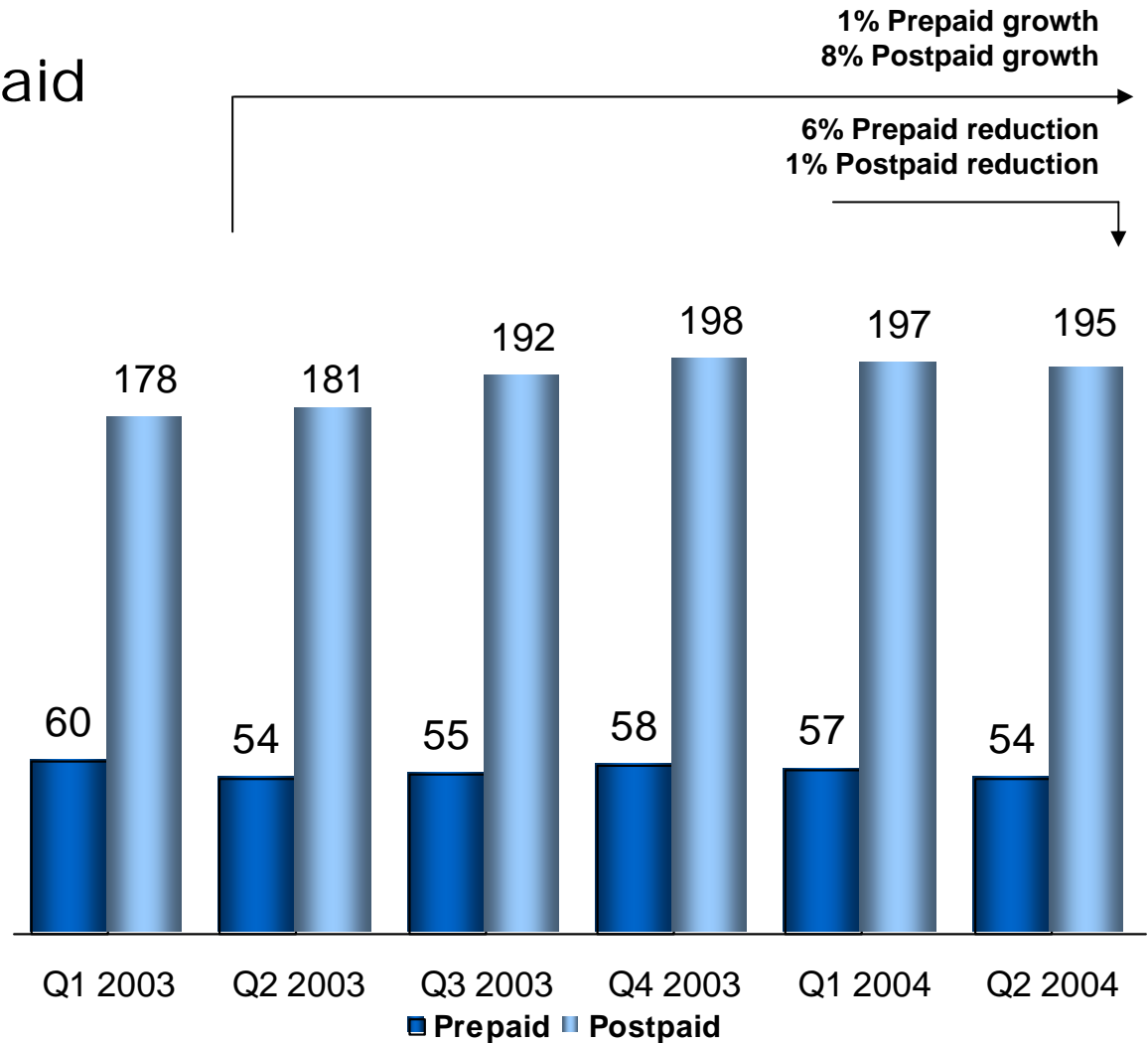
Compared to previous year quarter, AMPU fell by 6%. Q2 2003 AMPU higher contributed by higher free airtime.



# postpaid and prepaid ARPU remained healthy

## prepaid & postpaid ARPU (RM)

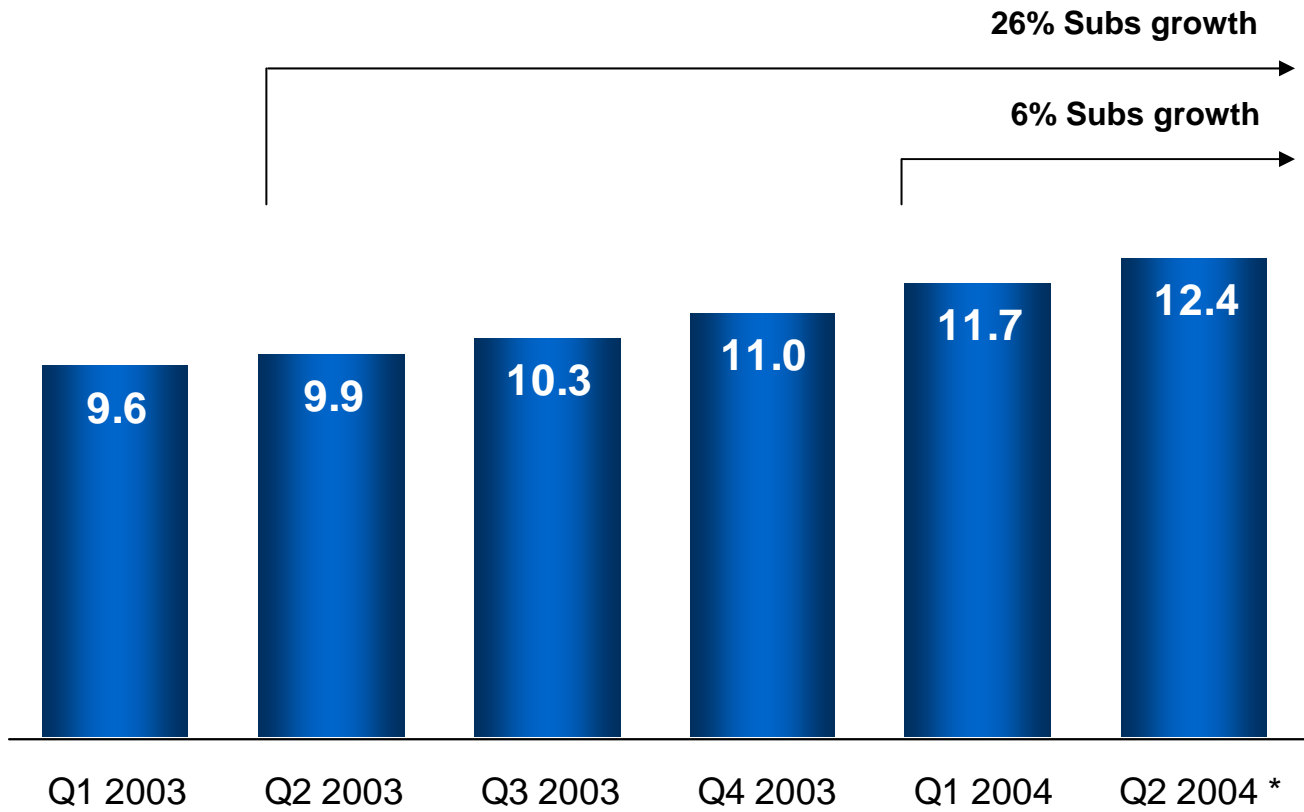
Postpaid ARPU remained high while Prepaid fell by 6% from previous quarter but same as Q2 2003





# Q2 market growth approximately 700 thousand customers

customer development (in million)



\* DiGi's projection

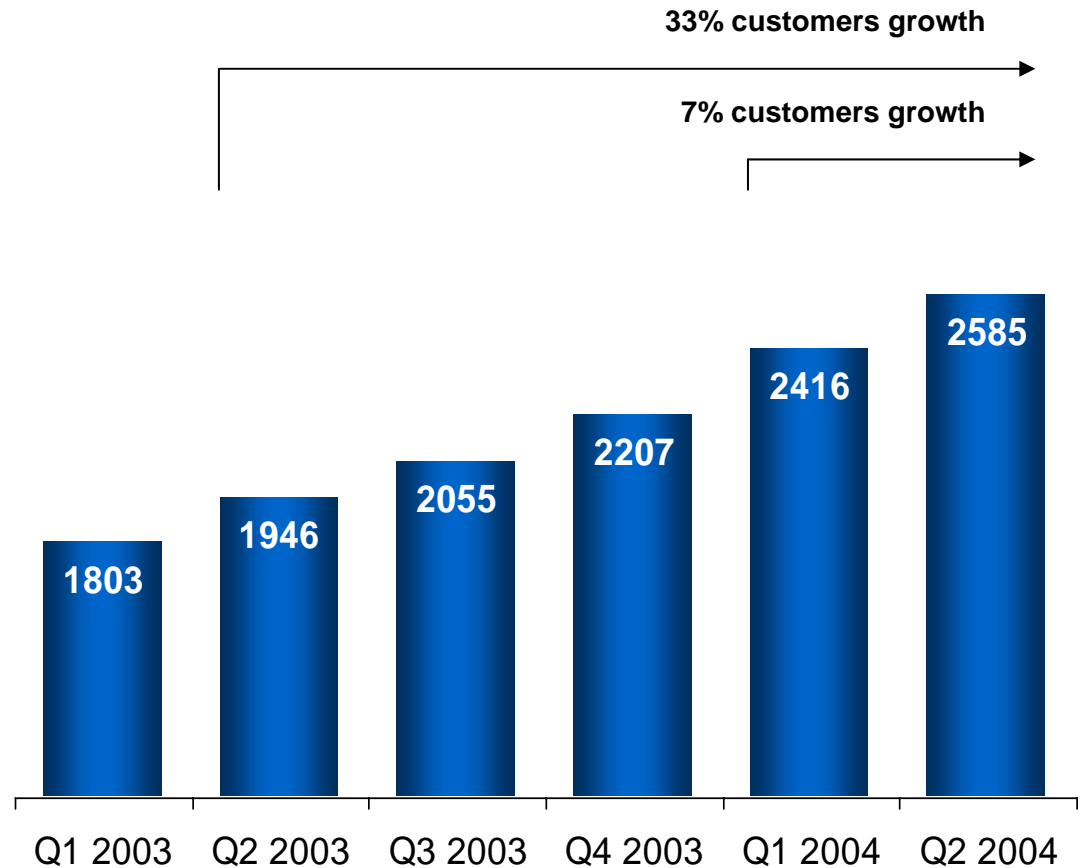
# DiGi showing good growth in Q2 2004

## customers ('000)

DiGi customers growth of 7% in Q2 2004 surpassing the market growth estimate of 6%.

DiGi market share improved to 20.7% by end Q2 2004.

Q2 2004 recorded net addition of 169K.



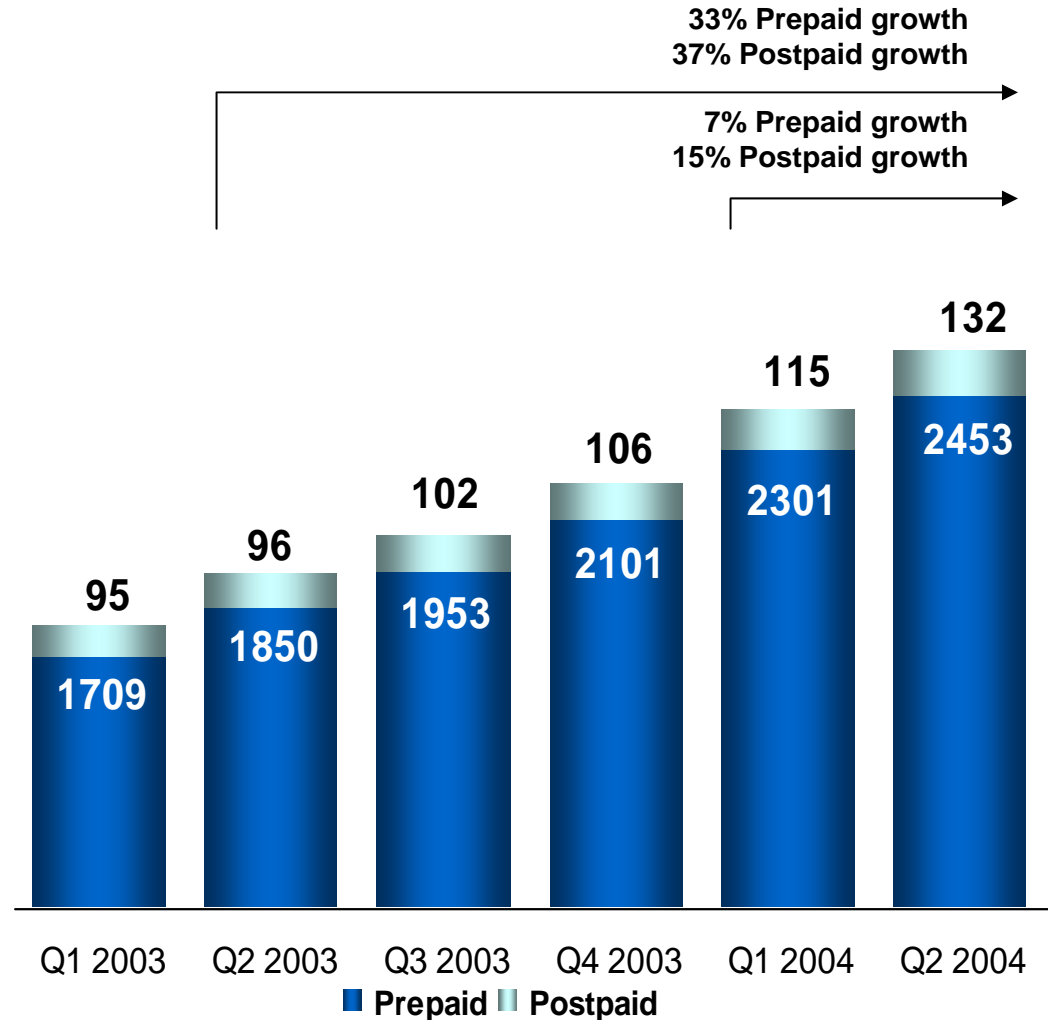
# DiGi customer breakdown by prepaid and postpaid

customers ('000)

Prepaid increased by 33% to 2.45 mil customers compared to previous year quarter.

Postpaid also show growth of 37% compared to previous year quarter.

Net addition for prepaid and postpaid are 152K and 17K respectively.



# outlook remains positive

Strong earnings aided by steady revenues growth propelling DiGi to stronger financial position to meet challenges ahead.

Continue to focus on effective investment spending including pursuing re-allocation of the GSM900 spectrum, infrastructure sharing and domestic roaming for wider national coverage. Nevertheless, will continue high investments to improve coverage.

Data trends set for continued growth facilitated by improved user experience via EDGE technology, increased usage awareness and take up rate.

Maintain position for product innovativeness while still enhancing the brand value. To concentrate on the core principle of “simplicity and service quality”.

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thank you