

DiGi's nine months' net profit increases 10.5% to RM86.2 million



Click [here](#) to view related presentation.

Significant revenue growth spurred on by expanding mobile segment

Kuala Lumpur, October 29, 2003 - DiGi.Com Berhad ("DiGi") recorded a higher pre-tax profit of RM120.1 million for the nine months ended 30 September 2003, representing an improvement of 7.6% over the RM111.6 million recorded in the corresponding period last year.

Consequently, the Group registered a net profit of RM86.2 million, which is 10.5% higher than the RM78.0 million recorded in the previous corresponding period, while earnings per share was 11.5 sen as compared with 10.4 sen previously. These significant improvements were achieved despite the higher depreciation and amortisation expense of RM317.7 million for the current nine months, an increase of RM146.5 million as compared with the RM171.2 million charged out in the same period last year.

The improved performance, partially offset by higher operating costs and depreciation and amortisation, was mainly attributed to the 33% increase in revenue to RM1,227.2 million from RM919.8 million previously recorded. The higher revenue growth, largely contributed by the Group's mobile segment, was spurred onwards by the 41% growth from a year ago in its mobile customer base which hit 2.06 million at end-September. DiGi's strong customer appeal reflects the growing public recognition of its innovative mobile communications offerings, which include its increasingly popular mobile data services.

Commenting on the Group's performance, DiGi's Chief Operating Officer, Mr Tore Johnsen said, "Our strong operational performance is reflected in the positive operating cash flow of RM211 million for the first nine months of this year, which has been sustained since the beginning of this year. This was achieved despite the intensifying competition in the mobile communications market, especially in the prepaid segment."

"We are equally satisfied with our consistent earnings before interest, tax, depreciation and amortisation ("EBITDA") achievement, which has increased 49% to RM486.4 million from RM326.8 million recorded in the previous corresponding period. In fact, we are pleased to note that our EBITDA margins have improved to 40% from 36% recorded previously," he added.

The Group's pre-tax profit for the 3rd quarter ended 30 September 2003 surged 308.2% to RM43.0 million, largely attributed to the 35% growth in revenue to RM434.2 million as compared with the previous corresponding quarter, while EBITDA margins improved to 39% from 34%. Accordingly, the Group's net profit for the 3rd quarter of this year jumped to RM33.2 million as compared with RM5.9 million recorded last year.

The quarter under review has witnessed numerous brand-enhancing activities that underscore a customer-oriented focus, which have successfully translated into increased net customer additions of 5.6% (Q303 vs Q203). Among the value-added benefits targeted for its prepaid audience and launched in the review quarter was DiGi's Friends and Family feature, which offers a discounted rate of 40 sen per minute to any six frequently-called DiGi numbers nationwide, all day long. As one of the lowest call charges per minute offered in the country, this value-for-money package has not only attracted new prepaid customers, but also answered the needs of existing DiGi prepaid customers.

This, in addition to offering the lowest SMS rate at 15 sen per message to any mobile phone in

Malaysia or overseas, has seen a tremendous boost of 16.8% (Q303 vs Q203) in DiGi's mobile data traffic, which has contributed directly to the Group's enhanced third quarter revenue.

Further in keeping with its industry reputation for pioneering and delivering innovative, practical and value-for-money mobile communications products to satisfy the needs of both prepaid and postpaid users, DiGi launched its Mobile Multimedia Messaging (MMS) service in late August to offer its mobile customers a next-generation messaging experience. Coupled with the most recent launch of its intelligent Beyond prepaid service with its unique automatic adjusting rates feature, what is clear is that DiGi is uncompromising in its investment to meet market demand for convenience, ease of use and affordability, immaterial of the chosen platform, prepaid or postpaid.

"Clearly, our fundamental focus on delivering a consistent and satisfying customer experience is reaping rewards in terms of a growing public recognition of our reputation as a service provider that offers innovative, practical and convenient applications with a high-quality network experience," commented Mr Johnsen.

"Our underlying growth has been satisfactory given the increased competition in the market, and balanced with conservative investments, we are confident that we can leverage on our enhanced network quality and delivery of value-added mobile communications offerings to continue to see an upside in our projections for the remaining quarter of the financial year," he said.

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 Mobile One brand name delivers high quality voice as well as value-added mobile content and data services to both individual and corporate customers.