

DiGi wraps up 2003 with record revenue achievement

Net profit surges 41% as DiGi sustains profitable market position through expanding customer base

Kuala Lumpur, February 12, 2004 - DiGi.Com Berhad's ("DiGi") net profit surged 41% to RM142.2 million for the financial year ended 31 December 2003 when compared with the previous year. In tandem, revenue rose 33% to a record RM1.71 billion, earnings per share improved to 19.0 sen from the previous year's 13.4 sen.

This record revenue was largely contributed by the Group's mobile segment, bolstered by the 37% growth in its mobile customer base from a year ago, which stands at 2.21 million as of end December 2003, as well as increasing revenue derived from its mobile data usage (13% of the mobile revenue).

Commenting on the Group's performance, DiGi's Chief Executive Officer, Mr Tore Johnsen said, "The impressive growth reflects consumers' ever-increasing demand for DiGi's quality mobile products and services. Our success has been largely due to the excellent market response to our new products and services in 2003, recognized as being innovative yet simple and attractive. In fact, DiGi ranked among the top companies in Malaysia for its innovativeness in responding to customers' needs in the Far Eastern Economic Review's annual company survey, the Review 200: Asia's Leading Companies."

"Customers are also attracted by the significant improvements in our network quality and expanded coverage. Cost-efficient investment spending over the past two years has substantially improved our competitive edge and boosted growth in our customer numbers and usage", added Mr. Johnsen.

The higher revenue drove the increase in the earnings before interest, tax, depreciation and amortisation ("EBITDA") to RM698.9 million from RM485.5 million recorded in the previous year, with EBITDA margins improving to 41% from 38% previously.

The results for financial year 2003 were enhanced by the excellent performance for the fourth quarter ended 31 December 2003. Net profit for the quarter under review surged 145% to RM56.1 million, when compared with a year earlier. Earnings per share rose to 7.5 sen from 3.0 sen. The notable results for the fourth quarter were also reflected by the 32% growth in revenue to RM486.3 million, while EBITDA margins improved to 44%. The improved performance was largely attributed to the 37% growth in the Group's mobile customer base from a year ago.

In the fourth quarter of 2003, DiGi continued to offer exciting, new products that set industry benchmarks in terms of creativity and innovation. Complementing its strong focus on reliable customer service of impeccable quality, DiGi followed through on its innovativeness with the introduction of Horizon Postpaid in November last year. Dubbed as the only straightforward and simple postpaid plan that offers a dynamic tariff plan utilizing the automatic adjusting rates feature, horizon postpaid successfully contributed towards DiGi's total net mobile customer additions. To increase the usage of SMS, DiGi successfully implemented several SMS promotions and value added services, resulting in a mobile data revenue increase of 41.5% in the fourth quarter of 2003 in comparison to the corresponding quarter of the previous year. DiGi's Mobile Multimedia Messaging service (MMS) has also received very good response from both prepaid and postpaid customers, since time of launch.

In addition, DiGi has also strived to provide its customers with value added benefits and rewards and one fine example of this was DiGi's unique "Thank-you giveaway" promotion launched in December 2003. The overwhelming response from the eligible customers participating in this promotion has directly impacted the Group's fourth quarter revenue.

"We delivered results beyond market expectations amidst a consolidated industry, for the full year as well as the fourth quarter. We strongly believe that we are in a competitive position to capitalise on the improving economy and future growth of the industry. Given this year's sustained performance, we expect to benefit in the coming year through our cost-efficient investment programme for the improvement of service quality and coverage expansion. Our focus on customer service and a consistent strategy will be the real drivers for our business going forward," he concluded.

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.