



**MAXIS BERHAD**  
**1Q 2010 Results Presentation**

31<sup>st</sup> May 2010

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# PERFORMANCE OVERVIEW

# BASIS OF PREPARATION

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To facilitate comparability of the operational performance of the Group between periods, the proforma financial information in this presentation pack has been prepared on the assumption that the business combinations had been effected on 1 January 2009.

# 1Q10 HIGHLIGHTS

## Solid start to the year



**Apple iPhone 3G S**

The full experience everywhere.  
Only with Maxis.

- **12.7m Mobile subscriptions**
- **400k Mobile net adds**
- **49k WBB net adds**
- **1.1% YoY Revenue growth**
- **Mobile non-voice revenue contribution increased to 34.8%**
- **QoQ EBITDA margin improved 0.3% pts to 50.3%**

Maxis gives you the widest 3G coverage available on an iPhone.

# AT A GLANCE 1Q10



|                          | 4Q09   | 1Q10   | Growth QoQ | YTD 09 | YTD 10 | Growth YoY |
|--------------------------|--------|--------|------------|--------|--------|------------|
| Revenue (RM m)           | 2,211  | 2,152  | -2.7%      | 2,128  | 2,152  | +1.1%      |
| EBITDA (RM m)            | 1,106  | 1,082  | -2.1%      | 1,072  | 1,082  | +0.9%      |
| EBITDA margin            | 50.0%  | 50.3%  | +0.3pp     | 50.4%  | 50.3%  | -0.1pp     |
| PAT (RM m)               | 503    | 552    | +9.8%      | 547    | 552    | +0.9%      |
| PAT margin               | 22.7%  | 25.7%  | +2.9pp     | 25.7%  | 25.7%  | -0.1pp     |
| Comparable PAT (RM m)    | 580 *  | 552    | -4.8%      | 547    | 552    | +0.9%      |
| Comparable PAT margin    | 26.2%* | 25.7%  | -0.5pp     | 25.7%  | 25.7%  | 0.0pp      |
| Subscription base ('000) | 12,291 | 12,691 | +3.3%      | 11,266 | 12,691 | +12.7%     |
| Net adds ('000)          | 556    | 400    | -28.0%     | 31     | 400    | +1,174.3%  |

\* Comparable PAT for 4Q 09 excludes IPO related expenses of RM24m and discount for shares issued to IPO retail investors of RM53m



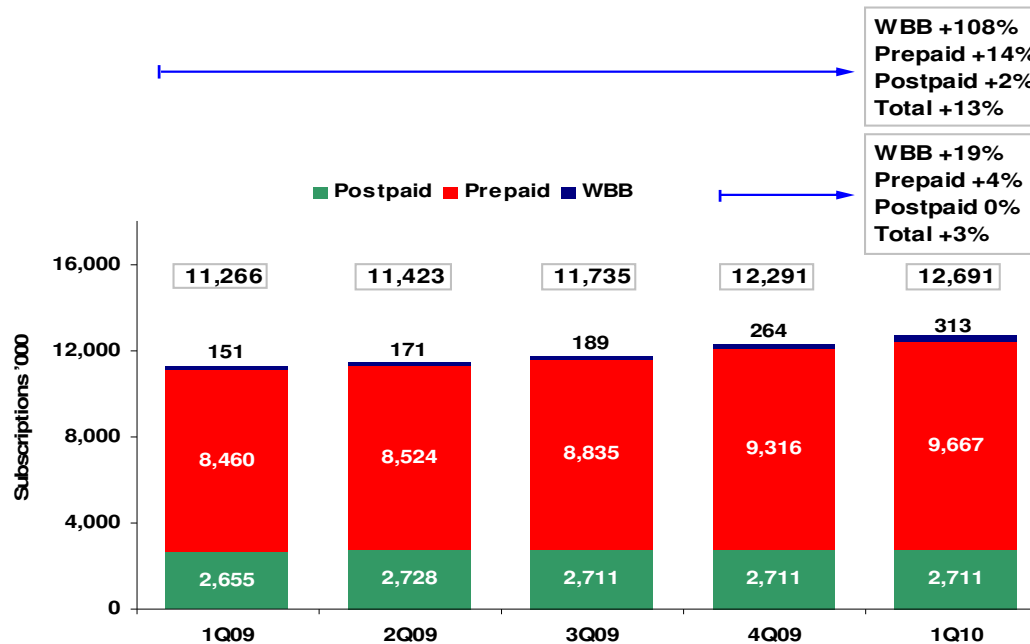
# OPERATIONAL HIGHLIGHTS

# MOBILE SUBSCRIPTIONS

## Healthy growth momentum maintained



### Subscription Breakdown



Note: WBB subscriptions are defined as customers subscribing to postpaid data plans using USB modem

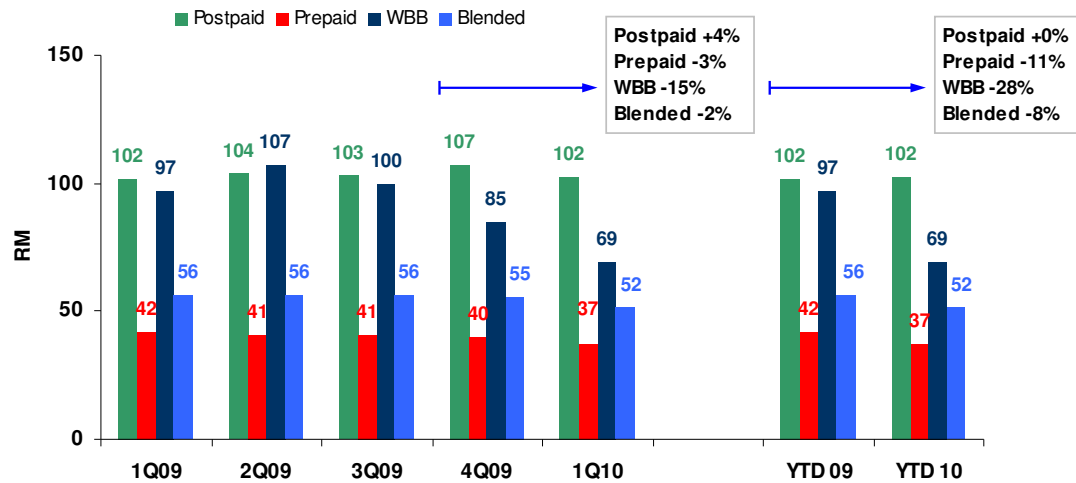
- Healthy net adds of 400k, reflecting continued growth momentum
- Prepaid maintained strong momentum adding 351k driven by robust growth in youth segment
- Broadband added 49k driven by promotional packages
- Postpaid base stable as we continued to focus on quality subscriptions

# ARPU, MOU

## Postpaid ARPU above RM100 for last 5 quarters

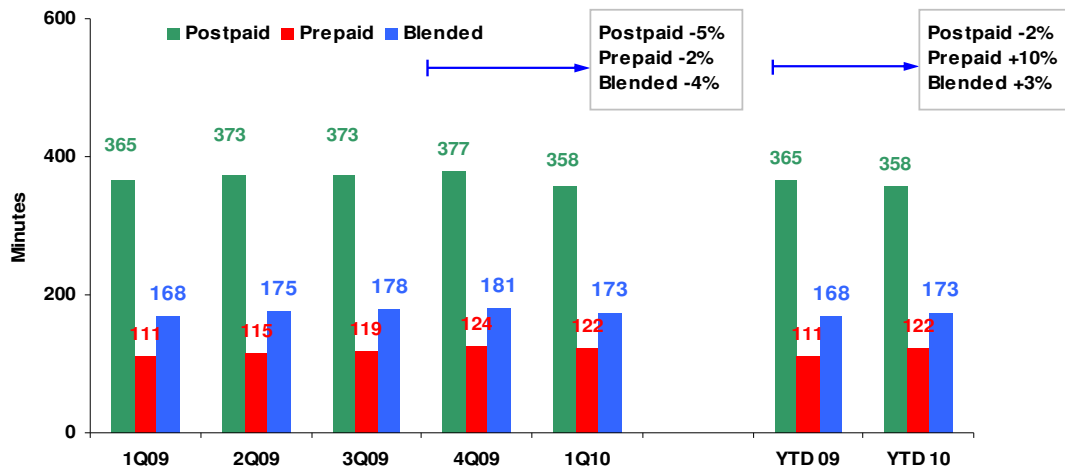


### ARPU



- Consistent postpaid ARPU of above RM100 over last 5 quarters
- Continued acquisition drive in prepaid targeted at the youth segment and under-served areas. Resultant lower prepaid ARPU in the short term.
- Broadband gaining momentum. Over 65% increase in broadband base in the last six months. ARPU affected by promotions to lower entry barriers.

### MOU



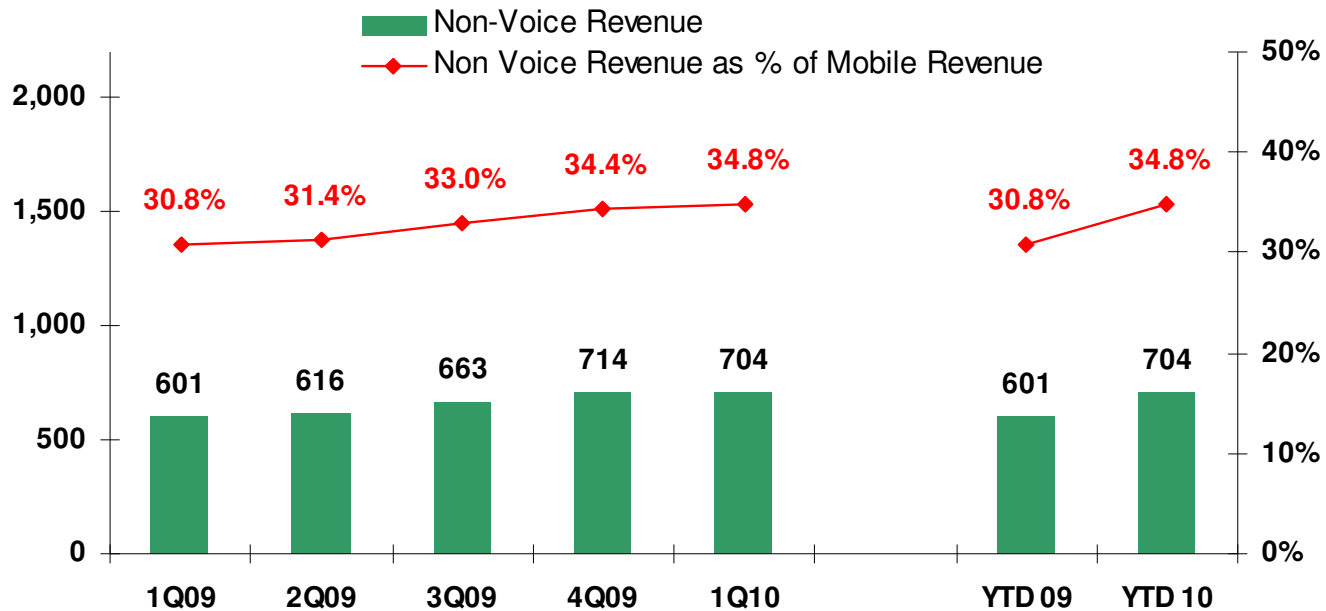
# NON-VOICE REVENUE

Total mobile internet users grew 23% QoQ to 6.4 million



- For 1Q10, the number of mobile internet users grew by 1.2m or 23% QoQ to 6.4m users
- YoY non-voice revenue increased by 17% or RM103m, driven by healthy ADS growth
- Lower QoQ non-voice revenue but ADS continued to grow driven by increased internet browsing

## Non-Voice Revenue



*Non-voice revenue refers to non-voice mobile revenue*



# FINANCIAL HIGHLIGHTS

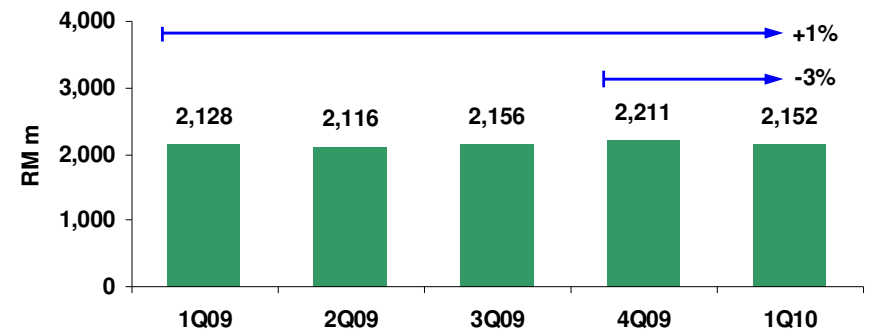
# REVENUE

## YoY growth continued

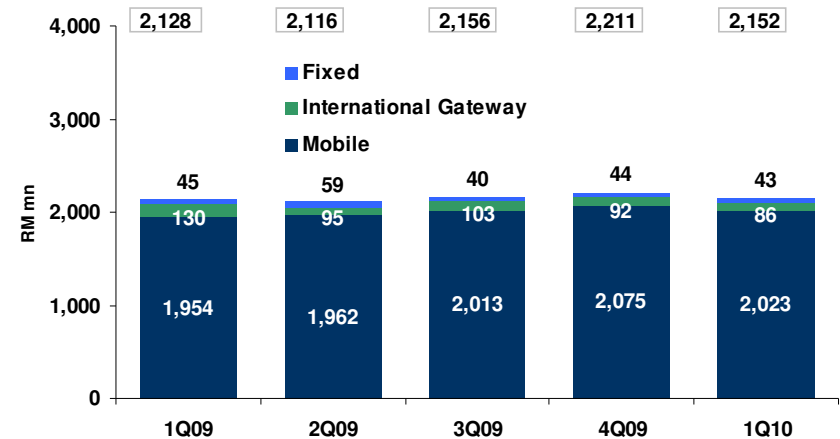


- YoY mobile revenue grew by 3.5% or RM69m on the back of increased subscriptions
- Highest ever first quarter mobile revenue at RM2.02b
- QoQ revenue declined by 2.7% on lower mobile revenue resulting from lower roaming and data usage

Revenue



Revenue Breakdown

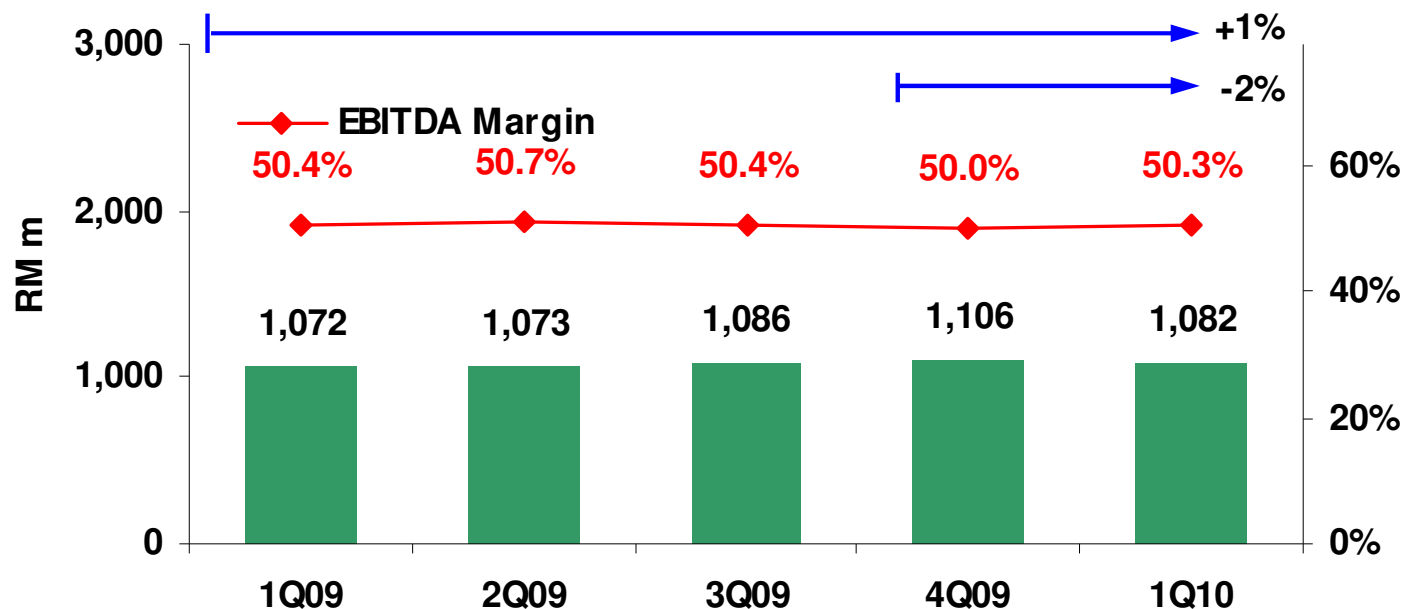


# EBITDA

Continuing strong story! Margin above 50%



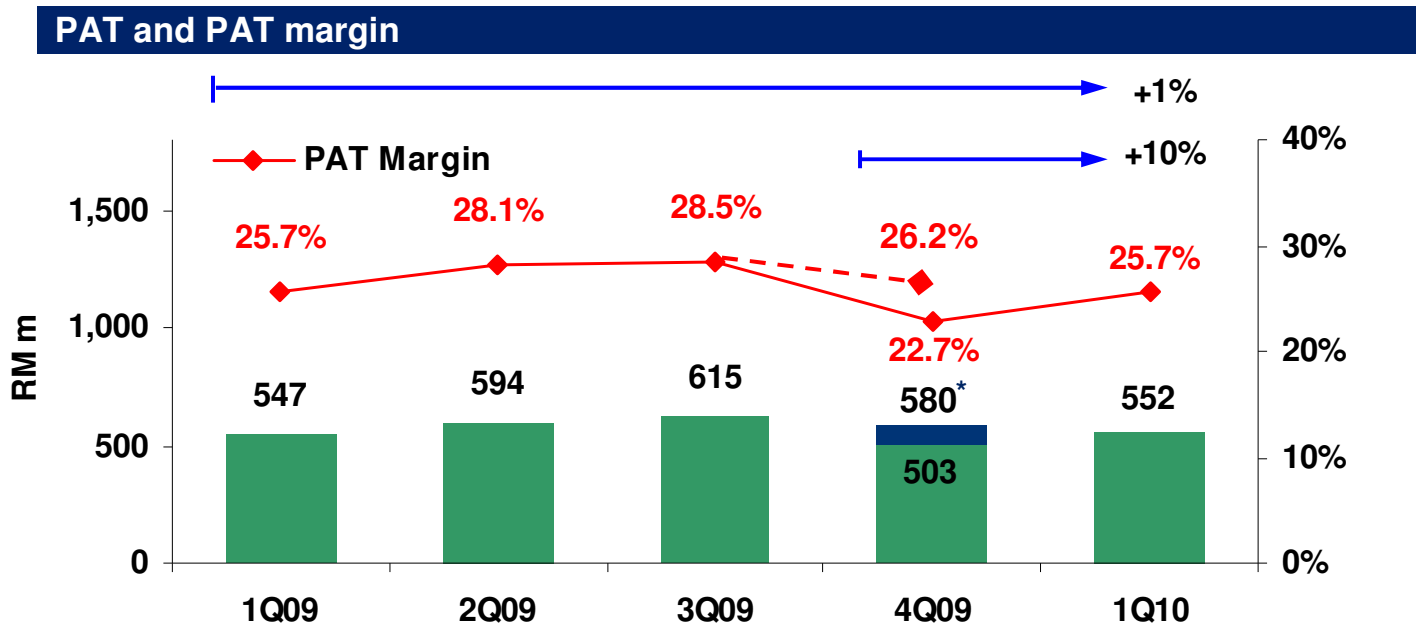
EBITDA and EBITDA margin



- EBITDA margin increased by 0.3% points QoQ
- Absolute EBITDA lower QoQ due to lower revenue, but higher on YoY basis

# PAT

## Healthy margins maintained



\* Comparable PAT for 4Q 09 excludes IPO related expenses of RM24m and discount for shares issued to IPO retail investors of RM53m

- 1Q10 PAT margin remained at a healthy 25.7%
- YoY growth impacted by increase in debt from pre-IPO restructuring

## OPERATING EXPENSE

### Cost structure remained stable



| Operating Expense Breakdown |        |        |        |        |        |
|-----------------------------|--------|--------|--------|--------|--------|
| <i>As a % of revenue</i>    | 1Q09   | 2Q09   | 3Q09   | 4Q09   | 1Q10   |
| <b>Direct Expenses</b>      | 33.1%  | 31.9%  | 32.4%  | 32.6%  | 33.3%  |
| <b>Sales and Marketing</b>  | 4.0%   | 4.1%   | 3.8%   | 4.6%   | 3.9%   |
| <b>Staff-Related Cost</b>   | 4.8%   | 4.7%   | 4.4%   | 4.1%   | 4.6%   |
| <b>Bad Debts</b>            | 1.5%   | 2.1%   | 2.1%   | 1.8%   | 1.4%   |
| <b>G&amp;A and Others</b>   | 6.2%   | 6.5%   | 6.9%   | 6.9%   | 6.6%   |
| <b>Total Expenses</b>       | 49.6%  | 49.3%  | 49.6%  | 50.0%  | 49.7%  |
| <b>EBITDA Margins</b>       | 50.4%  | 50.7%  | 50.4%  | 50.0%  | 50.3%  |
|                             | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

- Cost structure remained stable reflecting strong cost discipline
- Bad debt continued to improve reflecting tighter credit control, better collection and better quality subscriber base
- Lower sales and marketing costs reflect the rigour of cost discipline applied on marketing spend

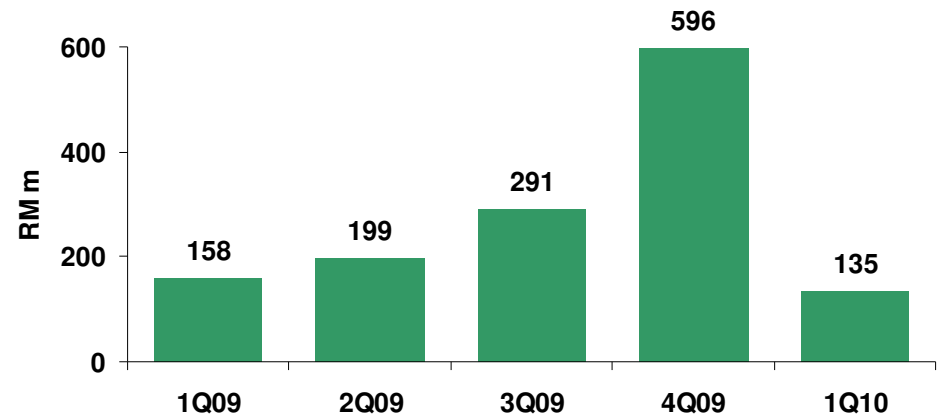
# CAPEX

## Continued network rollout

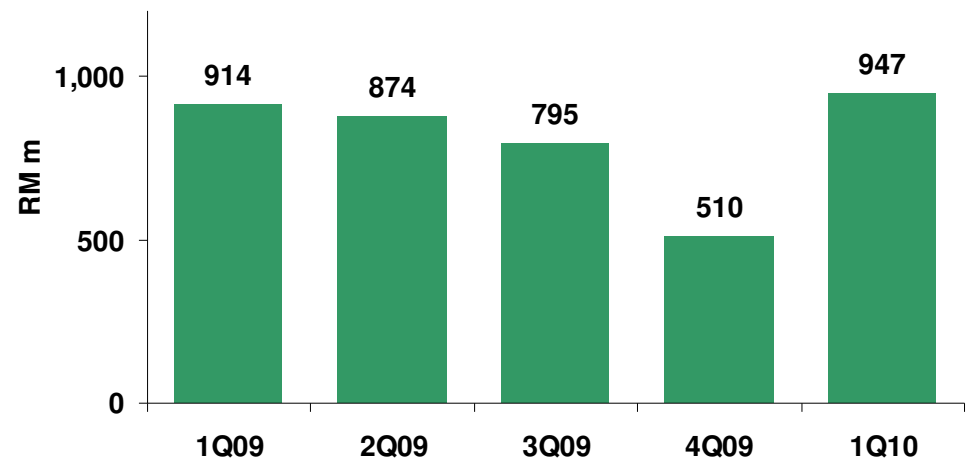


- For 1Q10, we achieved roll-out of:
  - 313 2G sites
  - 197 3G sites
  - 366 HSPA sites
- As at end March 2010, more than 95% of the 3G sites are HSPA-ready
- Catch up expected in 2H10
  - Fiberization ramp-up
  - 3G/WBB sites rollout
  - New coverage areas

Capex



EBITDA less Capex



# CASH FLOW

## Strong operating cash flow maintained



| RM m  | 1Q09 <sup>(1)</sup> | 2Q09 <sup>(1)</sup> | 3Q09 <sup>(1)</sup> | 4Q09 <sup>(2)</sup> | 1Q10 <sup>(2)</sup> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Cash flow from operating activities</b>                  | <b>190</b>          | <b>934</b>          | <b>679</b>          | <b>1,426</b>        | <b>798</b>          |
| - Changes in working capital                                | (748)               | (32)                | (40)                | 459                 | (171)               |
| <b>Cash flow used in investing activities</b>               | <b>(162)</b>        | <b>(234)</b>        | <b>(300)</b>        | <b>379</b>          | <b>(154)</b>        |
| - Purchase of property, plant and equipment                 | (151)               | (202)               | (286)               | (583)               | (134)               |
| <b>Cash flow used in financing activities</b>               | <b>(28)</b>         | <b>(510)</b>        | <b>(1,075)</b>      | <b>(1,799)</b>      | <b>(1,019)</b>      |
| - Dividends paid to shareholders of Maxis Berhad (post IPO) | -                   | -                   | -                   | -                   | (900)               |
| <b>Net change in cash</b>                                   | <b>(1)</b>          | <b>190</b>          | <b>(695)</b>        | <b>6</b>            | <b>(375)</b>        |
| Opening Cash Balance  | 1,692               | 1,691               | 1,881               | 1,186               | 1,192               |
| <b>Closing Cash Balance</b>                                 | <b>1,691</b>        | <b>1,881</b>        | <b>1,186</b>        | <b>1,192</b>        | <b>817</b>          |

(1) Combined basis

(2) Consolidated basis

# DIVIDEND

## Progressive dividend policy and commitment to active capital management



|   | Div/share<br>(in sen)     |
|---|---------------------------|
| Dividends paid to date since Jan 2010<br>(2 x 6 sen)                  | 12                        |
| 1st quarter dividend declared for 2010                                | 8                         |
|   | <hr/> 20                  |
| Dividend to be paid after AGM approval<br>in July 2010                | 3                         |
| Expected dividend for next three quarters<br>(3 x 8 sen)              | 24                        |
|   | <hr/> 47                  |
| Final dividend for 2010 subject to Board<br>and shareholders approval | ??                        |
|   | <hr/> <b>50+</b> (likely) |

# Discussion Points

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- **Integrated telco update and capex guidance**
- **Regulatory**
  - **HSBB**
  - **Interconnect**
  - **Spectrum re-farming**
- **Outlook**

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