



31st Annual General Meeting

28th April 2016

Life
Made
Easier™



Responses to Questions from MSWG

Company Updates

Financial Highlights

Latest Developments: Convergence, HSBB2, SUBB, Unifi

TELEKOM MALAYSIA BERHAD

Life Made Easier™



CONVER **G** ENCE

CHAMPION



RESPONSES TO QUESTIONS FROM MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG)



Questions from MSWG: Strategic & Financial Matters

Question 1:

The Group's profit before tax in FY2015 was dragged down by the huge loss incurred by Packet One Networks (M) Sdn. Bhd. ("P1").

What would be the Board's strategies to improve the performance of P1?

Answer :

- **P1 is currently the mobility centre of excellence for the TM Group as we prepare to become the Convergence Champion**
- **The next 2-3 years will be investment years hence a gestation period is expected before these investments become profitable**
- **P1's current focus will be to aggressively roll out its LTE network**
- **Will continue to leverage on the Group's existing assets and capabilities**

Questions from MSWG: Strategic & Financial Matters

Question 2:

- P1 is a late comer into the mobile market that is highly competitive.*
- i. Please explain P1's strategies in penetrating the mobile market.*
 - ii. When would P1 be expected to launch its mobile service?*
 - iii. When would the Board expect P1 to contribute to the earnings of the Group?*

Answer :

- Data consumption continues to rise and is a dominant value proposition driver
- P1's go-to market strategy is 2-pronged, i.e specific consumer targeting with value-for-money mobility services and focusing on expanding network coverage, targeted marketing campaigns and leveraging digital channels
- P1 is currently conducting internal user testing and the mobility service is scheduled to be available to the market by mid-2016
- As a new investment, P1 requires some time to turn profitable. We target to have P1 contribute to our earnings in three to five years, if not earlier

Questions from MSWG: Strategic & Financial Matters

Question 3:

It was reported in the press that on 25 March 2016, a fault had occurred in the Asia Submarine Cable Express (“ASE”) system off Singapore that resulted in the slow internet connection linking United States and North Asia involving TM’s two fiber pairs named Cahaya Malaysia.

- i. What are the risk management policies put in place to minimise such incidence from recurring?*
- ii. What was the cost for the restoration works?*
- iii. How long did it take to restore the connection?*

Answer :

- Cable faults are an inherent risk for operators. This incident was different due to multiple cable fault. It affected users in the region - not just TM
- Restoration and repair works were initiated immediately to minimize impact to our customers
- Due to the diversity of our network, we were able to reroute the traffic and restore service within a reasonable time, with full restoration on 13 April 2016
- Content localization and continued investment in new cable systems as additional risk mitigation
- The total cost: approx. RM 2mn, which is part of our normal maintenance costs

Questions from MSWG: Corporate Governance

**Question
1:**

Please explain why an Alternate Director was appointed as a member of the Board Tender Committee (“BTC”) where the director he represents is not a member of the BTC.

Answer :

- **The Board has discretion to appoint among themselves, including alternate members, as BTC members**
- **There is no restriction in TM’s Memorandum & Articles of Association nor the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**



Company Updates





at the leading edge of telecommunications in Malaysia

**ANALOG
ERA**

DIGITAL TECHNOLOGY

**FULL-IP
TRANSFORMATION**

CONVERGENCE

Unmatched choices for the makers of tomorrow
Introducing the all new UniFi

Get unmatched choices with the new UniFi. Now the whole family can learn, explore, create, and enjoy a better tomorrow. That's what broadband is in the era of Convergence.

#ForTheMakersOfTomorrow™

GET THE ALL NEW UniFi ADVANCE PLAN™

Call 100 Use 100points or TM Authorized Reseller www.tn.com.my/advance @tmconnects

Life Made Easier™ TM

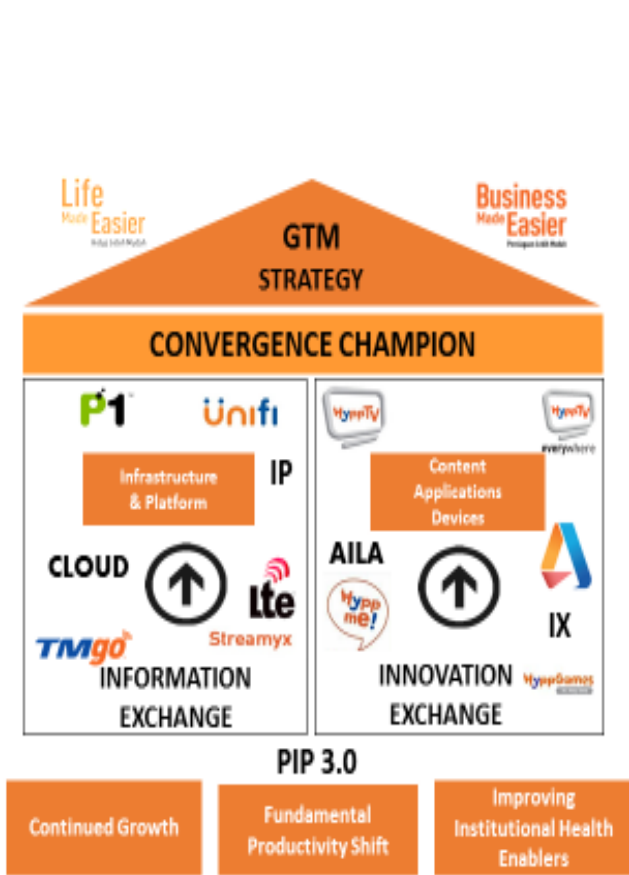


TM TODAY...

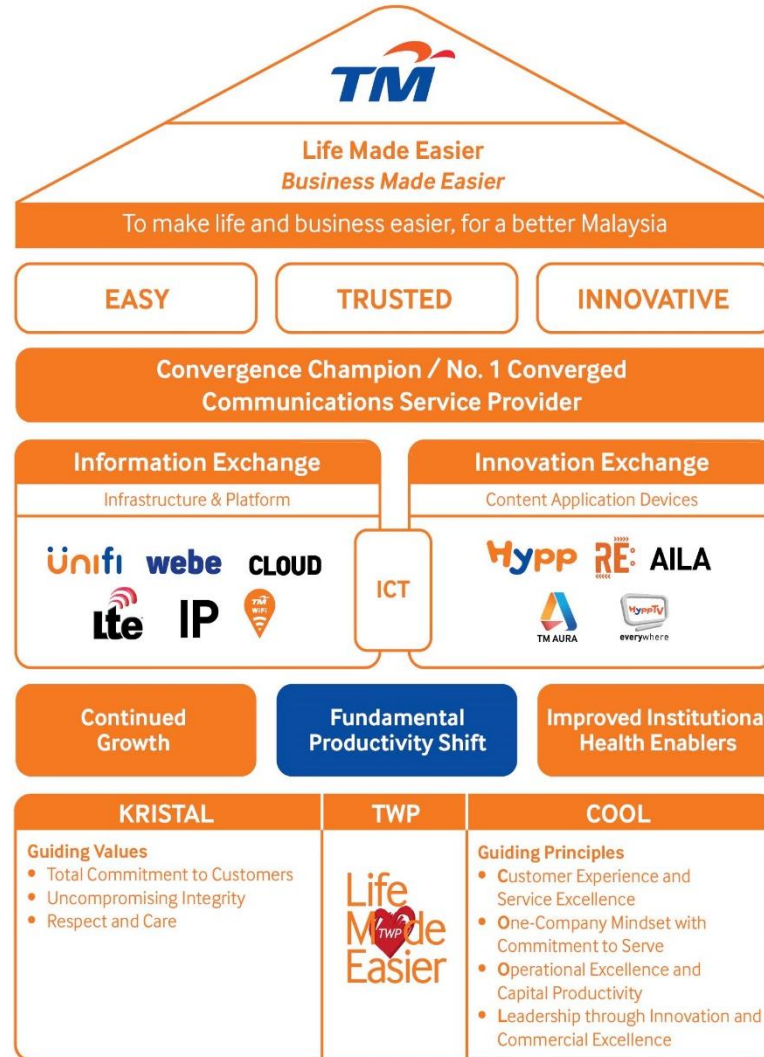
MALAYSIA'S CONVERGENCE CHAMPION

- ▶ **No.1** Broadband provider in Malaysia
 - ▶ **2.34mn** broadband customers
More than **1.89mn** HSBB fiber ports
 - ▶ **RM11.72bn** revenue, with 4.3% growth YoY
RM804.2mn total dividend payout for FY2015
 - ▶ **397.07%** Total Shareholder Return since demerger
 - ▶ **28,008** strong Warga TM
-

Realigning our strategy: A refreshed Vision Statement aligned toward Delivering Convergence and Life/Business Made Easier



2014



2015

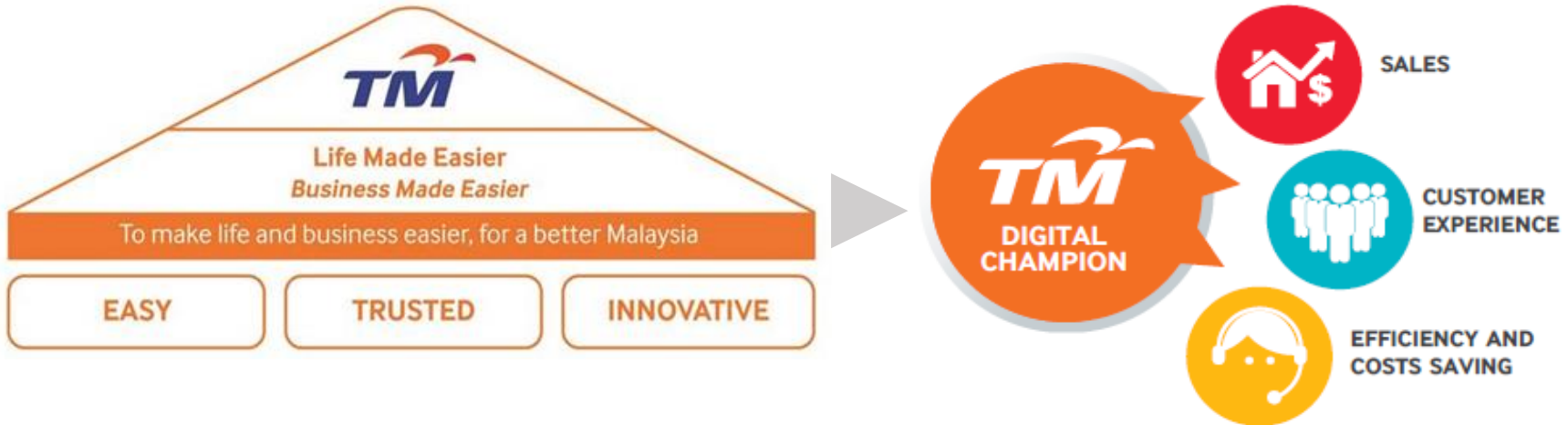
Our Vision

Our Brand Values

Refocused PIP3.0

Our Guiding Values & Principles

Realigning our strategy: Going Digital for Life/Business Made Easier



7 Guiding Principles and 4 Key Programmes to create value through digitalization

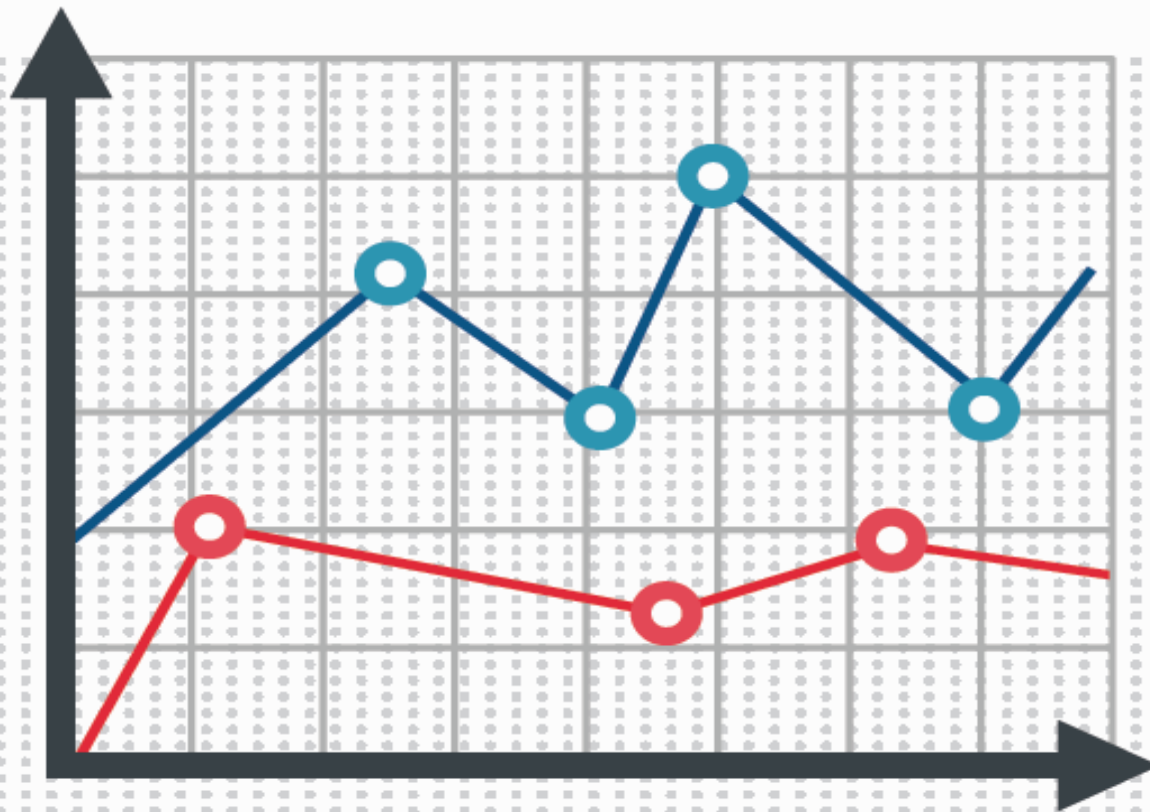
- (i) Customer Experience
- (ii) Process Optimisation
- (iii) Analytics and Omni-Channel
- (iv) New adjacent/digital opportunities

Wave 1: Customer Journey Improvement

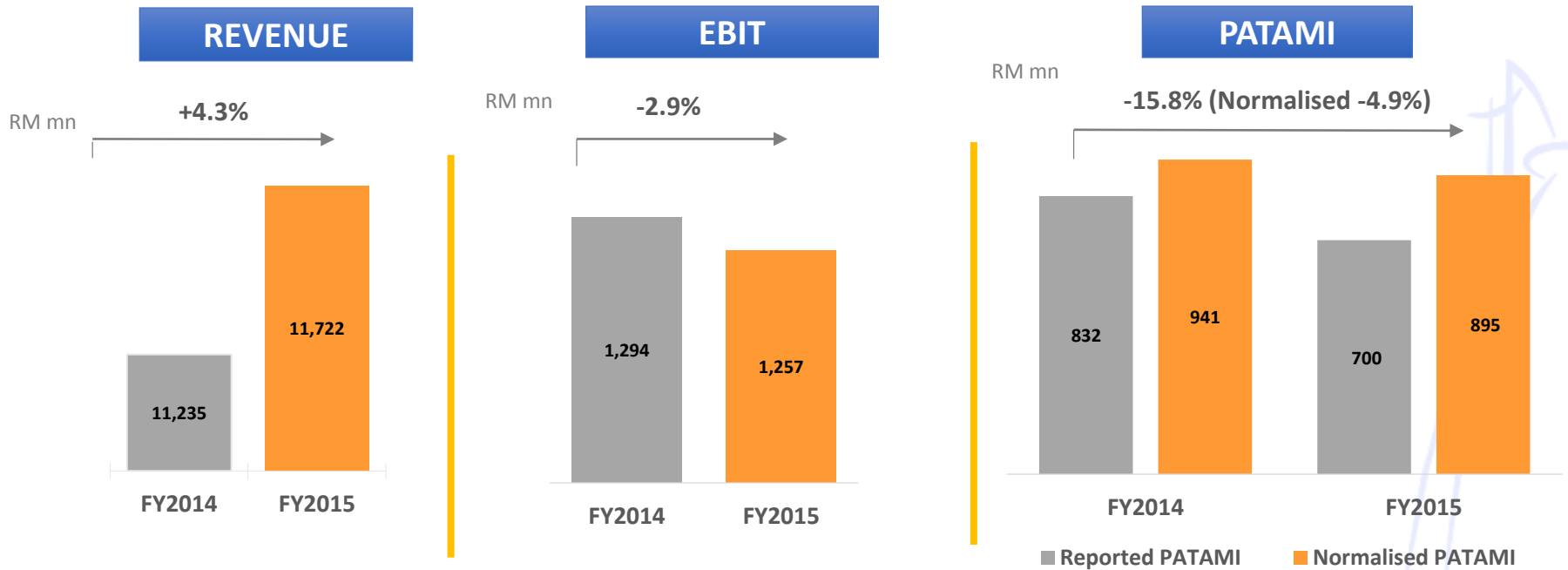




Financial Highlights



Financial Highlights: Continued growth despite challenging circumstances



Maintained Broadband Leadership

- Total Broadband customer base grown to 2.34mn, driven by UniFi
- Positive take-up of upselling activities

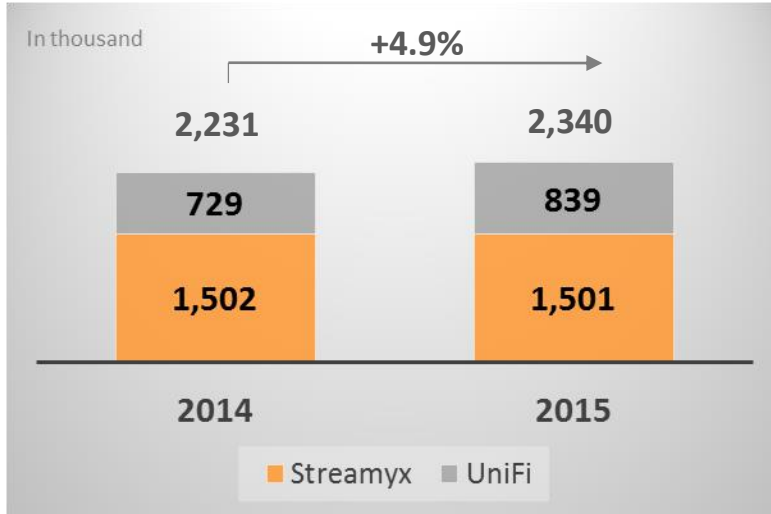
Shareholder Value Creation

- Total dividend payout of 21.4 sen per share or RM804.2mn for FY2015
- Total Shareholder Return of 397.07% since demerger

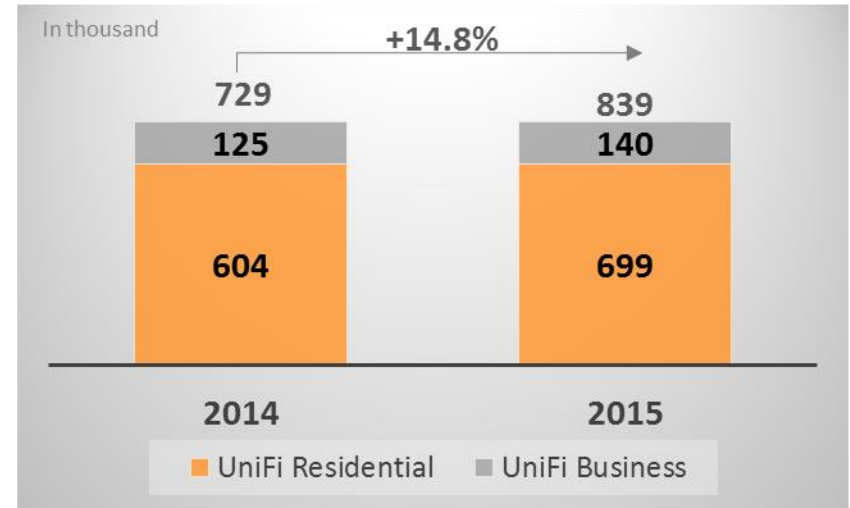
Note: Unless stated otherwise, all figures stated shall be inclusive of P1

Physical Highlights

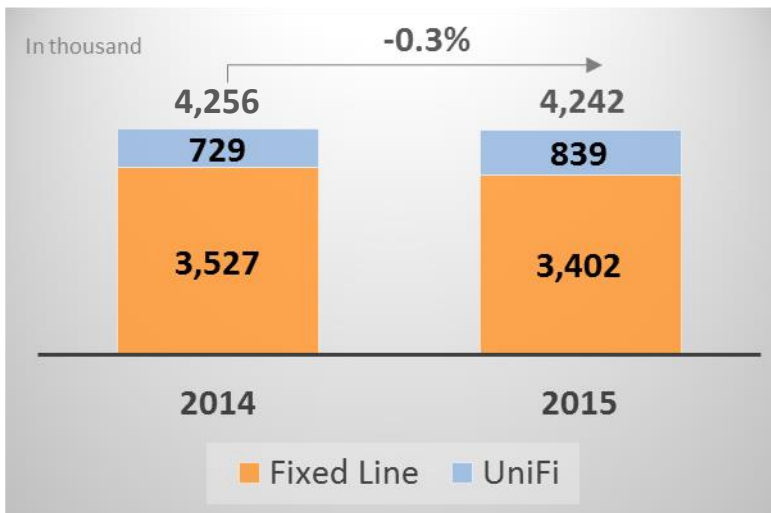
Total Broadband



UniFi



DEL



ARPU

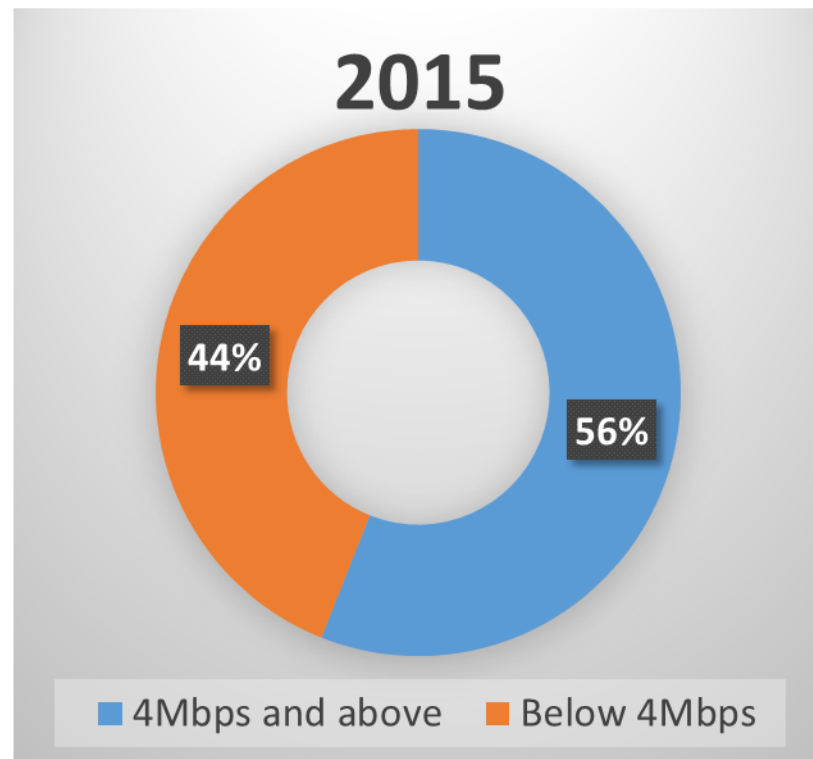
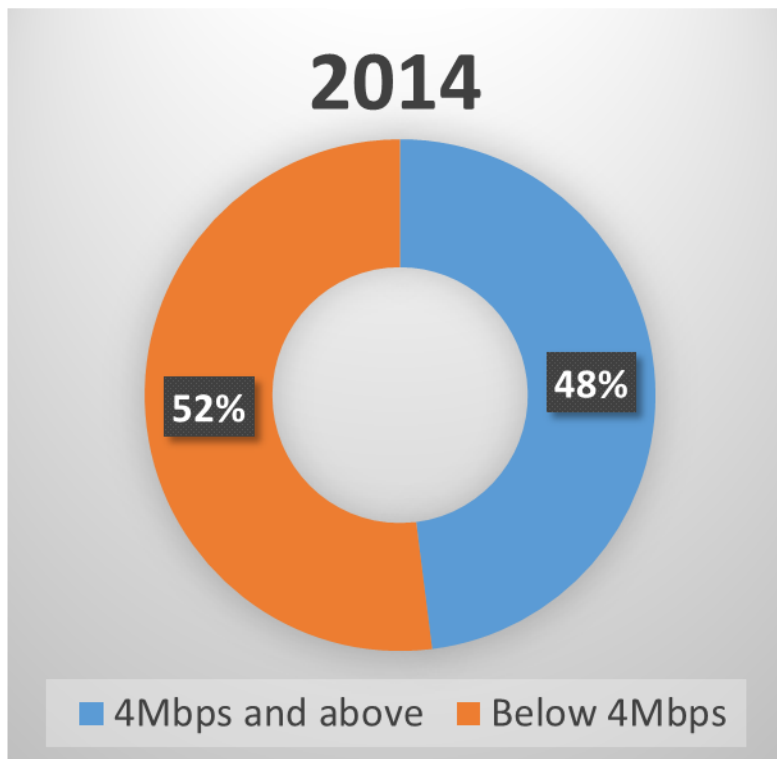
ARPU (RM)	2014	2015
Fixed Line (DEL)*	31	30
Streamyx Broadband**	87	88
UniFi***	189	190

*Call Usage Only

** Streamyx Net ARPU

*** Blended ARPU

Physical Highlights: More of our broadband customers on 4Mbps and above



Streamyx

unifi

#ForTheMakersOfTomorrow™

Recognition as a leading service provider and for Corporate Governance

Frost & Sullivan Malaysia Awards

- TM
 - Telecom Service Provider of the Year
 - Champion for Excellence in Customer Experience for the Telecommunication Industry in Malaysia – Self Service Experience Category
 - Telecommunication Wholesale Service Provider of the Year
 - Data Communications Service Provider of the Year
 - Fixed Broadband Service Provider of the Year
- VADS
 - Data Centre Service Provider of the Year

CMO Asia's World Brand Awards

- Brand Excellence Awards – Telecommunication Service Sector

ASEAN Corporate Governance Awards

- Top 50 Publicly Listed Company from ASEAN
- Top 3 Publicly Listed Company from Malaysia

Anugerah Majikan 1Malaysia 2015

- GLC Category

NACRA Awards 2015

- Overall Excellence Award – Gold
- Trading & Services Sector Award
- Best Design Award – Platinum
- Best CSR Award – Gold

Malaysian-Asean Corporate Governance Transparency Index, Findings and Recognition (The Malaysian Chapter) 2015

- CEO of the Year – Tan Sri Dato' Sri Zamzamzairani Mohd Isa
- Top 10 CG Disclosure Merit Recognition
- Top CG Overall Recognition
- Long-term Value Creation (10 years)
- Exemplary AGM Conduct & Minutes
- Industry Excellence –Telecommunications & Media

11th Asian Academy of Management Int. Conference 2015

- Business Person of the Year – Tan Sri Dato' Sri Zamzamzairani Mohd Isa

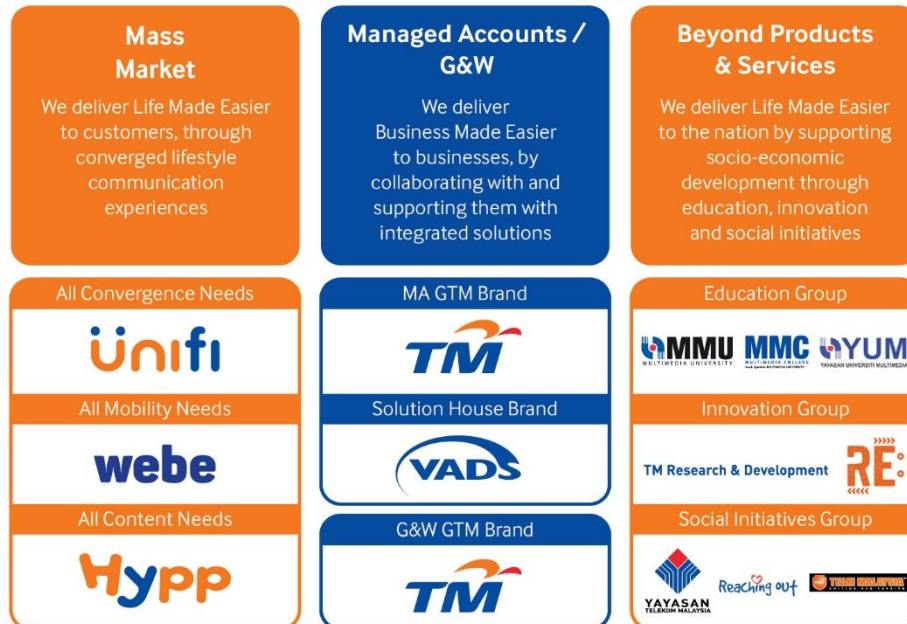
2016 Outlook and Business Priorities

- The Year of Convergence – entry into mobility space
- Aggressive rollout of major projects: HSBB2, SUBB
- Focus on new platforms for growth
- Operationally: focus on innovation, productivity enhancement, digitalization.



Life Made Easier

Vision: To make life and business easier, for a better Malaysia



Headline KPI

	2016	2018
Revenue Growth	3-3.5%	3.5-4%
EBIT Growth	Maintain as per 2015 RM level	3-5%
Customer Satisfaction Measure ¹	72	72

***Note: Headline KPI are for TM Group excluding P1**

1 Using TRI*M index measuring end to end customer experience at all touch points. TRI*M (Measuring, Managing and Monitoring) is a standardized indicator system. It analyzes, measures and portrays stakeholder relationships on the basis of standardized indicators. The TRI*M Index is an indicator of the status quo of a particular relationship. The index is made up of four points of view on the stakeholder relationship, e.g. for customer loyalty: overall rating, recommendation, repeat purchasing of product/services, and a company's competitive advantage. The information is based on surveys/interviews on a sample customer base."

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Business
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Latest Updates



HSBB Phase 2 (HSBB2) and Sub-Urban Broadband (SUBB): Expansion of high speed broadband coverage

PPP Agreement signed on 17th December 2015

HSBB2

- Target: 390,000 ports by end-2017
- >140,000 ports delivered to date

SUBB

- Target: 420,000 ports by end-2019
- >130,000 ports delivered to date

Refreshed UniFi Packages with unmatched value

UniFi ADVANCE PLAN™

30
Mbps

RM199 /month

- Speed: 30 Mbps
- Quota: unlimited
- 24 months contract

UniFi ADVANCE PLAN™

50
Mbps

RM229 /month

- Speed: 50 Mbps
- Quota: unlimited
- 24 months contract

UniFi PRO PLAN™

NEW **100**
Mbps

RM299* /month

- Speed: 100 Mbps
- Quota: unlimited
- 24 months contract

FREE



Voice Plan

Free 600 Minutes Voice Calls



HyppTV

Everywhere on 2 devices



Installation & Activation



500MB/day for TM WiFi



Cordless Phone



HyppTV Set-Top-Box (STB)



Wireless Modem

COMPLIMENTARY



12 months access



3 months access

ADD-ONS

- Security & Surveillances
- Home Gadget Protection
- Voice IDD
- Parental Control

• All price are exclusive of GST
 • Only applicable through selected channels
 • *Limited time offer

P1 : on track toward Convergence aspiration, now known as webe™, as community-driven brand

webe™

start here. go anywhere.



#webeawesome

- TM Group's mobility arm and centre of excellence for mobility
- Brand launched on 13th April 2016
- Completion of several milestones:
 - Network Core
 - International Roaming
 - Domestic Roaming
 - IT systems
- User testing underway
- On track for commercial launch mid-2016



THANK YOU

Investor Relations
Level 11 (South Wing), Menara TM
Jalan Pantai Baharu
50672 Kuala Lumpur
Malaysia
Tel: (603) 2240 4848/ 7366 / 7388
investor@tm.com.my