

TM GROUP SETS NEW PACE TO ACCELERATE EXECUTION AMIDST CHALLENGING ENVIRONMENT

Key Highlights of 1H 2017:

- **TM Group Accelerating Convergence and Empowering Digitisation via aggressive execution approach**
 - **Malaysia's Convergence Champion:**
 - **UniFi crossed 1 millionth customer mark**
 - **Mobile recorded 5.6% penetration of TM Households**
 - **LTE coverage >80% in major cities; 2.7mn high speed broadband ports**
- **Performance to-date:**
 - **Group Revenue grew 0.7% YTD to RM5.94 billion**
 - **Group Reported Earnings Before Interest and Tax (EBIT) flat at RM560.9 million YTD**
 - **Group Reported Profit After Tax and Non-controlling Interest (PATAMI) was RM440.9 million YTD**
 - **Declares interim dividend of 9.4 sen per share or approximately RM353.2 million**

Telekom Malaysia Berhad Group of Companies (TM) is setting a new pace to accelerate the execution of its business plans via its “Perfexe 10” approach to accelerate convergence and empower digitisation.

Dato' Sri Mohammed Shazalli Ramly, Group Chief Executive Officer, TM unveiled the Group's new execution approach when speaking at the media briefing to announce the Group's 1H 2017 financial results. “We are accelerating our execution to expedite our strategic goals of Deliver Convergence and Go Digital via our new approach, “Perfexe 10”. We will simplify and focus our go-to-market overall. We are focused on empowering digitisation in our daily operations to optimise processes and productivity. We are expediting our fiber rollout and expanding our reach with our ongoing investments, for example to high-rise buildings; and made some key execution leadership appointments to facilitate this, amongst others. In addition, we are working towards liberating our WiFi Access Points and continue to strengthen our mobility presence with our continued expansion of LTE. On the business front, we are consolidating our Managed Accounts organisation into “TM One”, the only trusted partner and enabler for enterprises and the public sector to fully realise their digital opportunities.

Internally, we intend to improve manpower productivity by exploring workforce segmentation and rewiring how we deliver customer experience. Over and above that, we are also continuously improving ways of working in TM by inculcating creativity and innovation towards smarter cost management. We are still in our phase of investing for the future, and we believe that this new execution approach will expedite the realisation of the returns.”

TM Group today announced its financial results for the first half of the year ended 30 June 2017. The Group posted a revenue of RM5.94 billion year-to-date (YTD), a 0.7% increase from RM5.90 billion in the corresponding period last year; on the back of higher Internet and ICT revenue contribution.

Group Reported Earnings Before Interest and Tax (EBIT) for 1H 2017 was RM560.9 million YTD as compared to RM561.0 million in 1H 2016. Stripping off some non-operational items, in particular unrealised foreign exchange loss on international trade settlement, the normalised EBIT grew by 7.2% to RM616.4 million.

Group Reported Profit After Tax and Non-controlling Interest (PATAMI) was at RM440.9 million, whilst Group Normalised PATAMI was higher by 18.2% YTD at RM437.8 million, after setting aside non-operational items such as unrealised forex impact on borrowings and international trade settlements.

“This is a challenging period for the industry where we see flattish growth trends and cost headwinds. Our Internet revenue, has seen commendable growth at 8.5% YTD.”

The Group continues to expand its broadband footprint nationwide. To date, TM has over 2.7 million high speed broadband ports nationwide and its LTE coverage has expanded with coverage now at more than 80% in major cities.

“TM currently has 2.36 million broadband customers and today, 88% of our UniFi customers are on packages with speeds of 10Mbps and above, compared to only 68% last year. Our mobility service, webe continued to have encouraging traction at 5.6% of TM’s household penetration as at 1H 2017,” he added.

Also present at the press conference were Datuk Bazlan Osman, Executive Director / Deputy Group Chief Executive Officer and Nor Fadhilah Mohd Ali, Group Chief Financial Officer, TM.

The total capital expenditure (CAPEX) for 1H 2017 amounted to RM899.0 million or 15.1% of revenue, as the Group progress with its investments in HSBB, SUBB and mobility.

As a show of commitment to its shareholders, TM is declaring an interim dividend of 9.4 sen per share or approximately RM353.2 million.

“Meanwhile, in celebrating NegaraKu and with the spirit of TM Team Malaysia, we are proud to be the trusted partner of 29th Kuala Lumpur SEA Games 2017 and 9th ASEAN Para Games 2017 (KL2017) to bring the Games with comprehensive coverage to Malaysians anytime and anywhere. Our aim is to bring Malaysians together under one flag by galvanising their support for our national athletes as they compete for sporting glory on our home ground. As Malaysia’s Convergence Champion, we provide multiple platforms for everyone to engage with, follow and share all the exciting moments of KL2017,” Dato’ Sri Shazalli concluded.

#End#

About TM

Telekom Malaysia Berhad (TM), Malaysia’s Convergence Champion and No. 1 Converged Communications Services Provider offers a comprehensive suite of communication services and solutions in fixed (telephony and broadband), mobility, content, WiFi and smart services. As a market leader, TM is driven by stakeholder value creation in a highly competitive environment. The Group places emphasis on delivering an enhanced customer experience via continuous customer service quality improvements and innovations, whilst focusing on increased operational efficiency and productivity.

Leveraging on our extensive global connectivity, network infrastructure and collective expertise, TM is well positioned to propel Malaysia as a regional Internet hub and digital gateway for South-East Asia.

As a multiple award winning model corporate citizen committed to good governance and transparency, TM continues its pledge to ensure the integrity of our processes, people and reputation as well as the sustainability of our operations. Our Corporate Responsibility (CR) ethos reinforces responsible behavior in the four main domains of the marketplace, workplace, the community and the environment. With a focus on ICT, the Group further promotes 3 major platforms i.e. education, community/nation-building and environment, through our Reaching Out programmes.

TM will continue to leverage on the strategic investments made earlier in webe and TM Business Solutions to realise its Convergence and “Go Digital” aspirations as its moves beyond connectivity services into new value added digital services. The Company is embarking on a holistic approach covering customer experience, process optimisation and new business opportunities. This entails building a digitally aware and smarter workforce that acts as a catalyst to the digital transformation of TM, thus powering Malaysia’s digital economy.

TM looks forward to serving customers with relevant convergence propositions via the 5 pillars of Smarter Living, Smarter Businesses, Smarter Cities, Smarter Communities and a Smarter Nation - delivering a seamless digital experience and integrated business solutions to cater to individual lifestyle and business communication needs - towards making “Life and Business Easier for a Better Malaysia”.

For further information on TM, visit www.tm.com.my.

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