



TELEKOM MALAYSIA BERHAD

Life Made EasierTM

dbAccess Malaysia & Singapore Corporate Day

Singapore

1 September 2015

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Country & Industry Overview

About TM

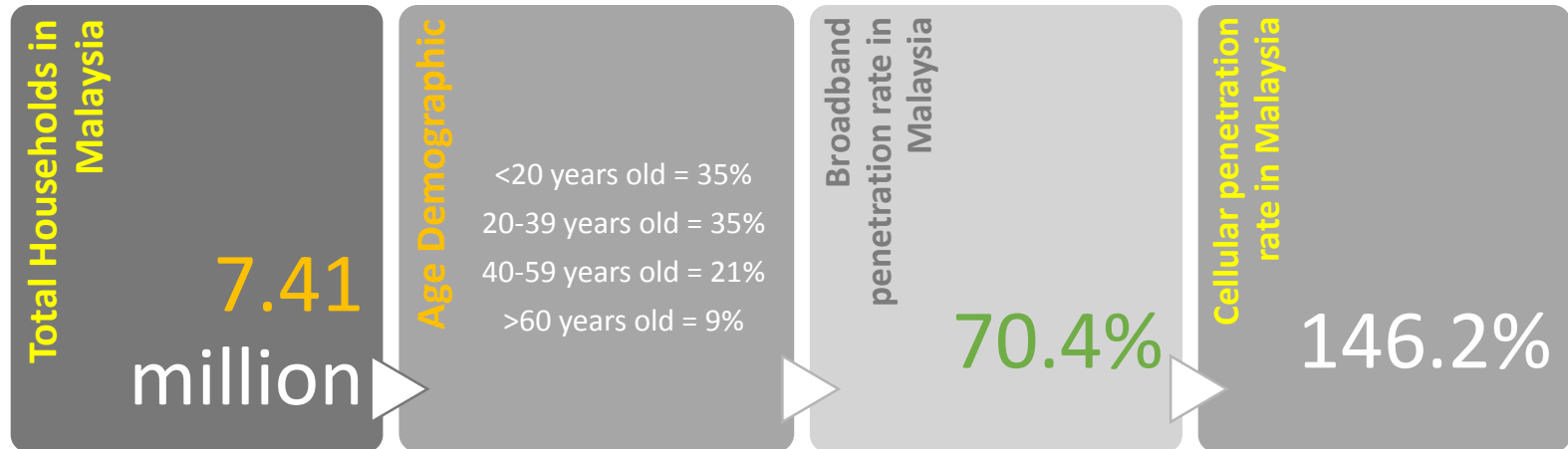
Group Results: 3-Year Performance

High Speed Broadband Update

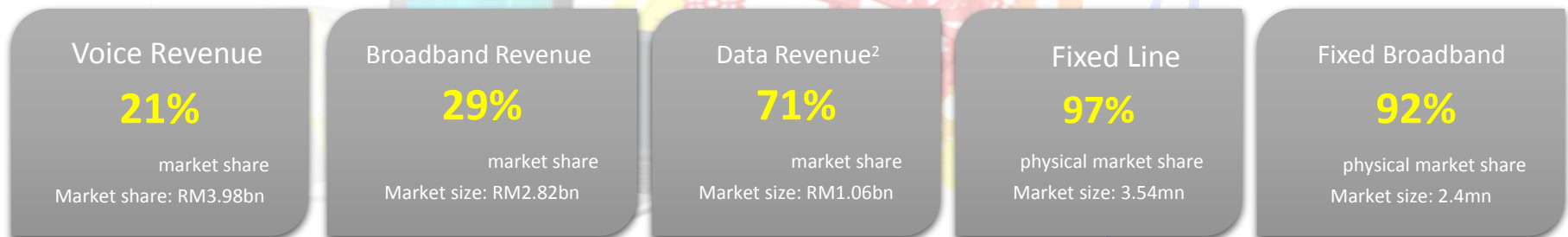
Convergence

2015 Outlook and Business Priorities

Country & Industry Overview as at 1Q2015¹



Market Share as at 1Q2015¹



¹ Official 2Q2015 data unavailable at the time of publication

² Data as at 2H2013

CREDIT RATING

Moody's

• A3

S&P

• A-

RAM

• AAA

TOTAL RETURN TO SHAREHOLDERS

FBMKLCI¹

61.85%

TM¹

369.77%

AXIATA²

36.55%

MAXIS³

90.32%

DIGI¹

239.94%

Source: Bloomberg

¹ For the period 22 April 2008 – 27 August 2015

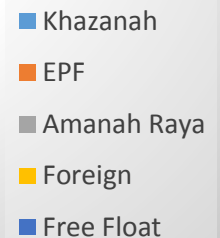
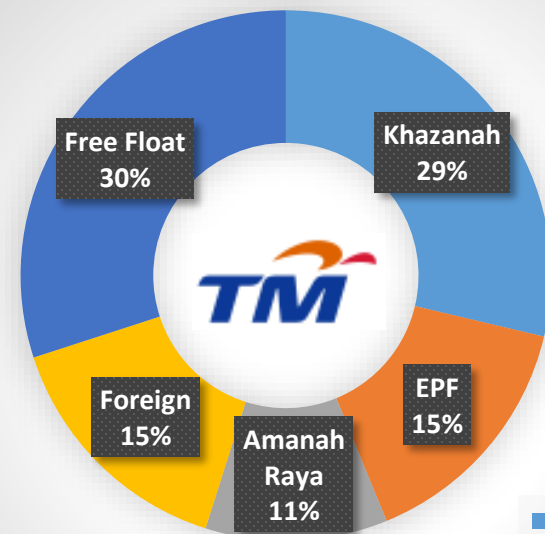
² For the period 25 April 2008 – 27 August 2015

³ For the period 18 November 2009 – 27 August 2015

Capital Structure

- Authorised Capital: RM3,528,003,015.00
- Issued and Paid-up Capital: RM2,603,561,225.30
- Date of Incorporation: 12 October 1984
- Date of Listing: 7 November 1990

TM Shareholders*



* As at 31st July 2015

Note: EPF stands for Employees Provident Fund Board

Source: TM Website (www.tm.com.my)

TM TODAY...



Tower
Leader
comp
assion
TRUS
FACTS
FLEXI
BILITY
STRONG
honour
Pursuing
excellence
DISTI
NGUISHE
Honest
REFINED
COURA
GEOUS

No.1

broadband provider
in Malaysia

2.29
million

broadband
customers

>60%
Market
share

Malaysia's largest
fixed data
provider

>1TB
Global
Capacity

Enhanced global
network with
design capacity of
33TB



More than **1.7** million
ports for high speed
broadband deployment

370%

total shareholder return
since demerger

RM
10.99
billion

total payout to
shareholders
since demerger



>**27,000**
employees



TRI*M score >
global average
for 4th consecutive year

Note: Information as at 27 August 2015.

We offer a full suite of products and services to enable a digital lifestyle



MASS MARKET

MANAGED ACCOUNTS

CONSUMER

SME



unifi
Streamyx 8



SurePay POS™

Shop In A Box™
TM SmartMap™



DATA CENTRES

CLOUD SERVICES



BUSINESS PROCESS OUTSOURCING

IT SERVICES

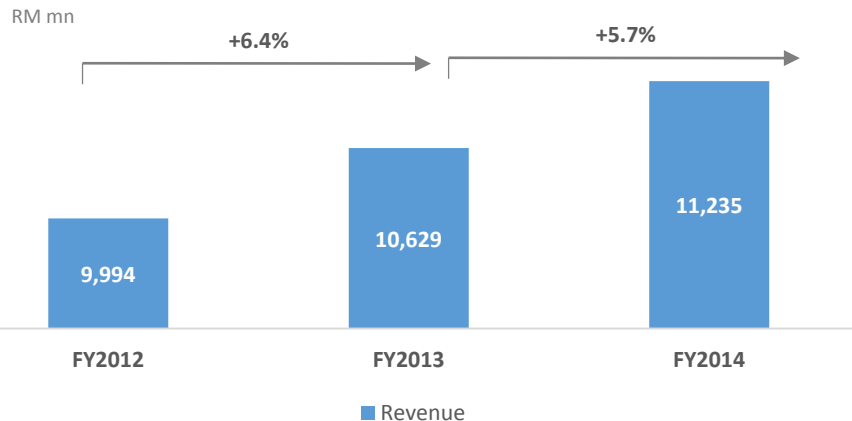
GLOBAL & WHOLESALE



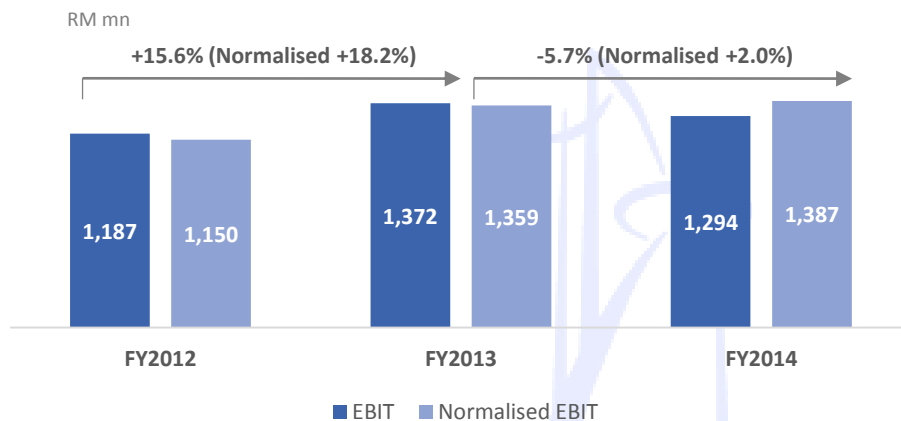
Group Results: 3-Year Performance



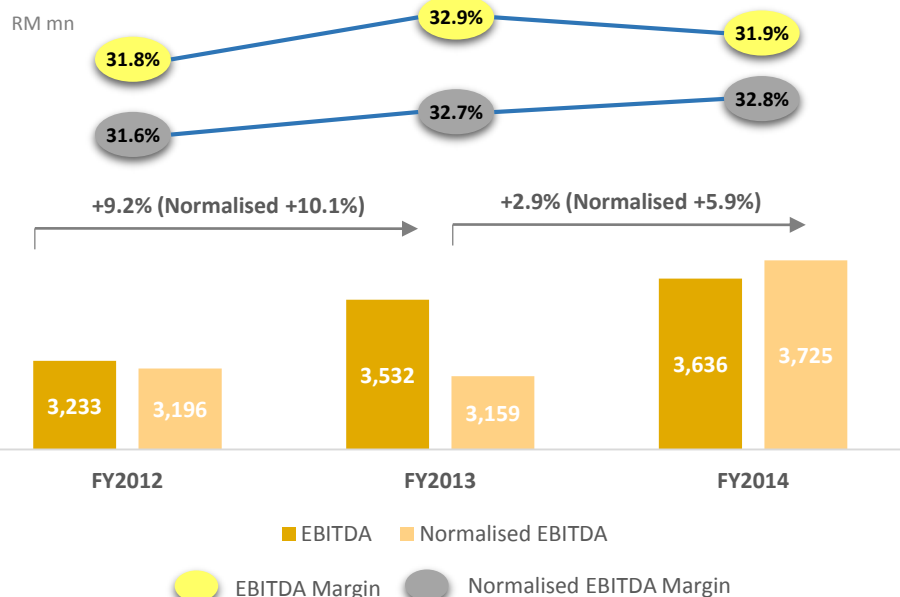
Revenue



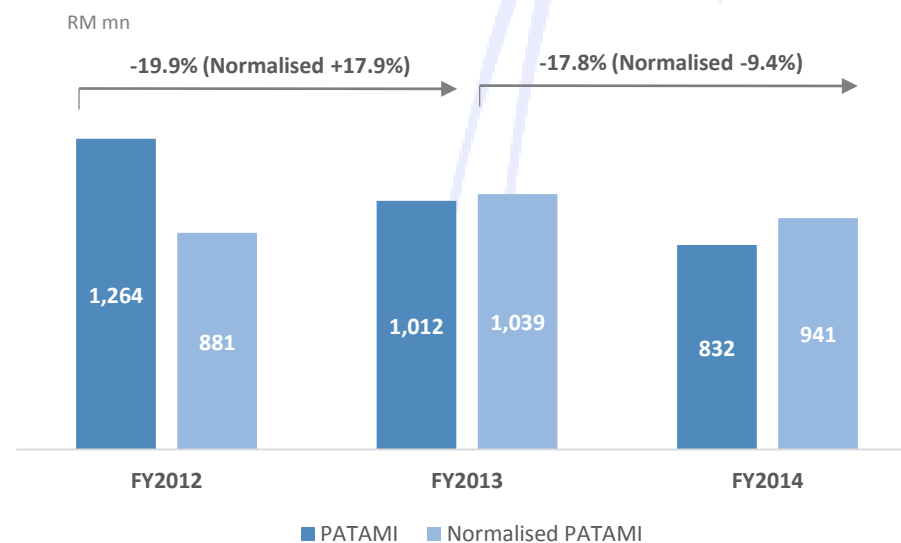
EBIT



EBITDA



PATAMI



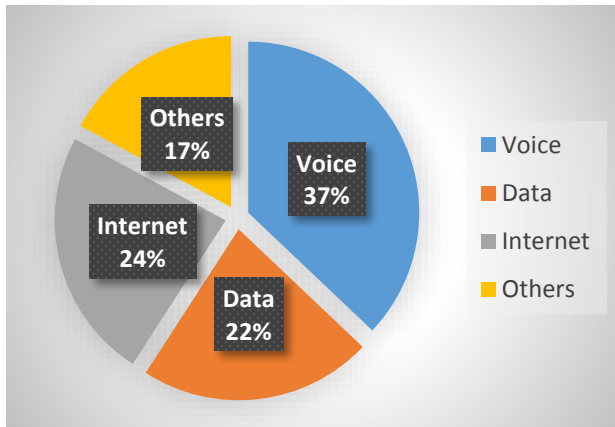
Note: Unless stated otherwise, all figures shall be inclusive of P1

Total Revenue by Product: 3-Year Performance

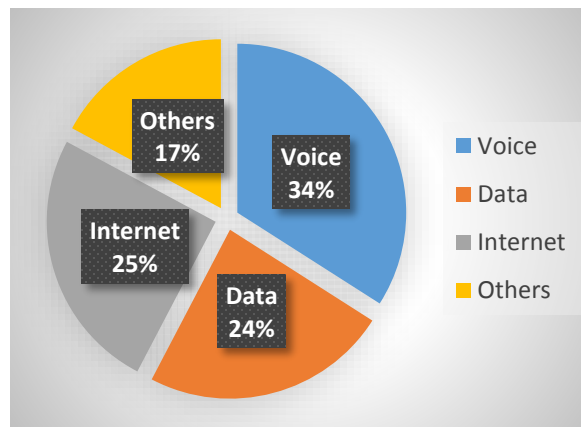


Non-voice Revenue now >69% of Group Revenue

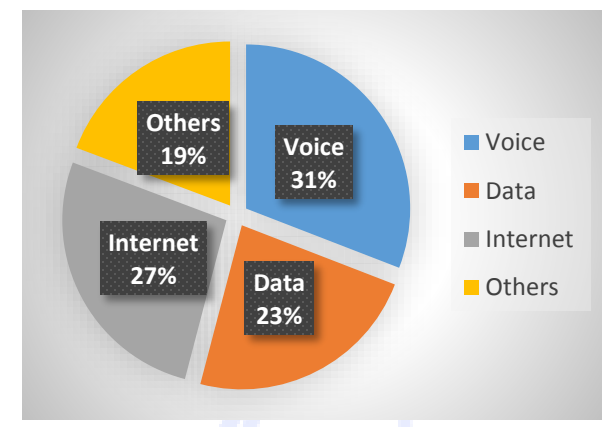
FY2012



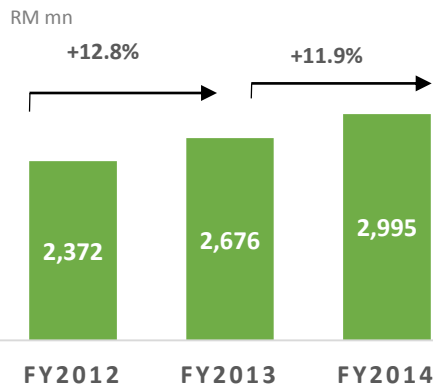
FY2013



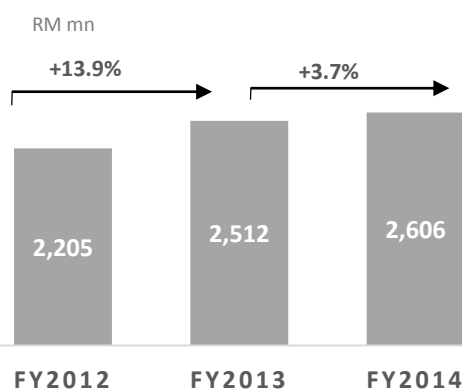
FY2014



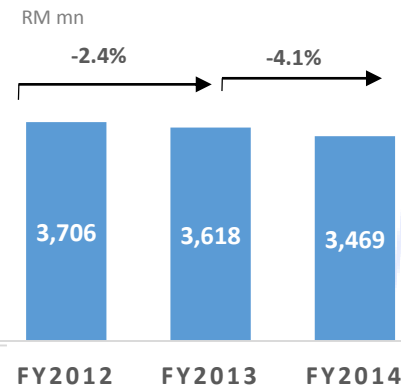
Internet



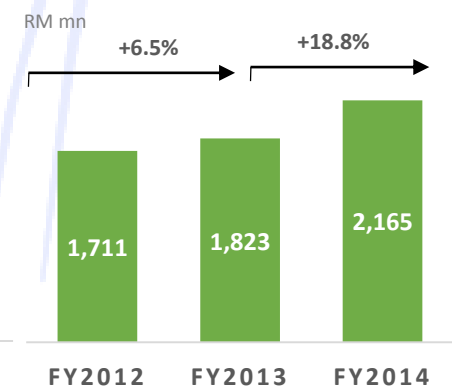
Data



Voice



Others*



*"Others" comprise other telco and non-telco services i.e ICT-BPO, MMU tuition fees, customer projects, Yellow Pages

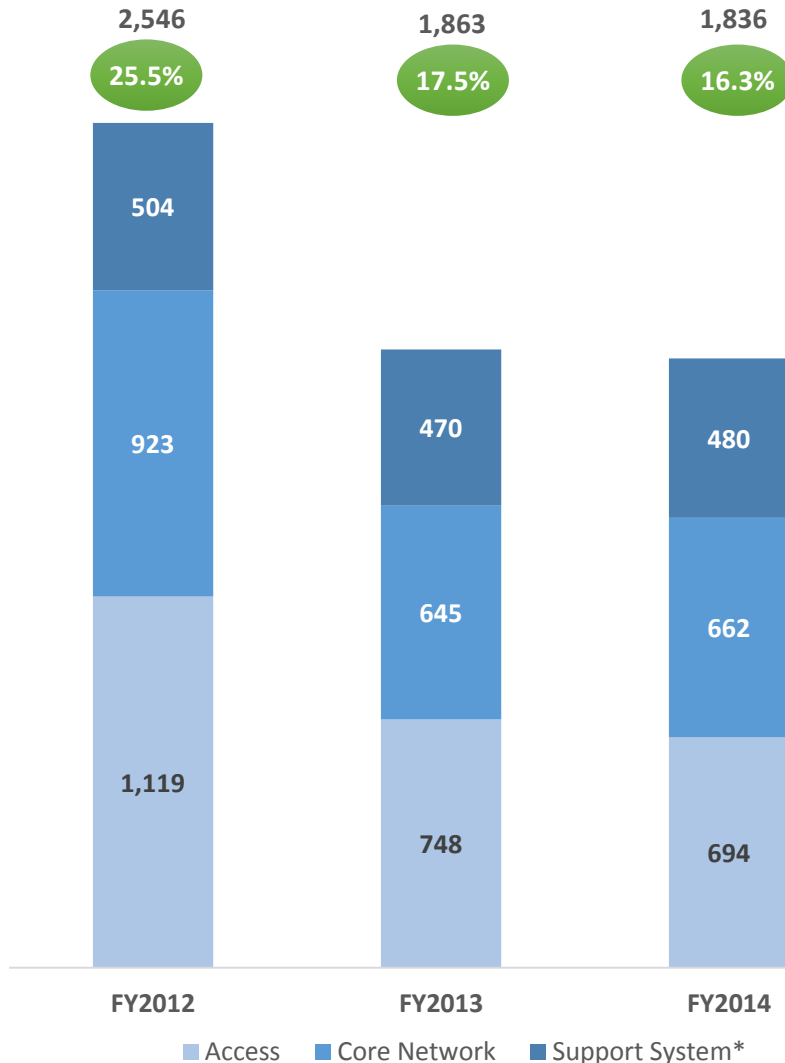
Note: Unless stated otherwise, all figures shall be inclusive of P1

Capex & Opex: 3-Year Performance



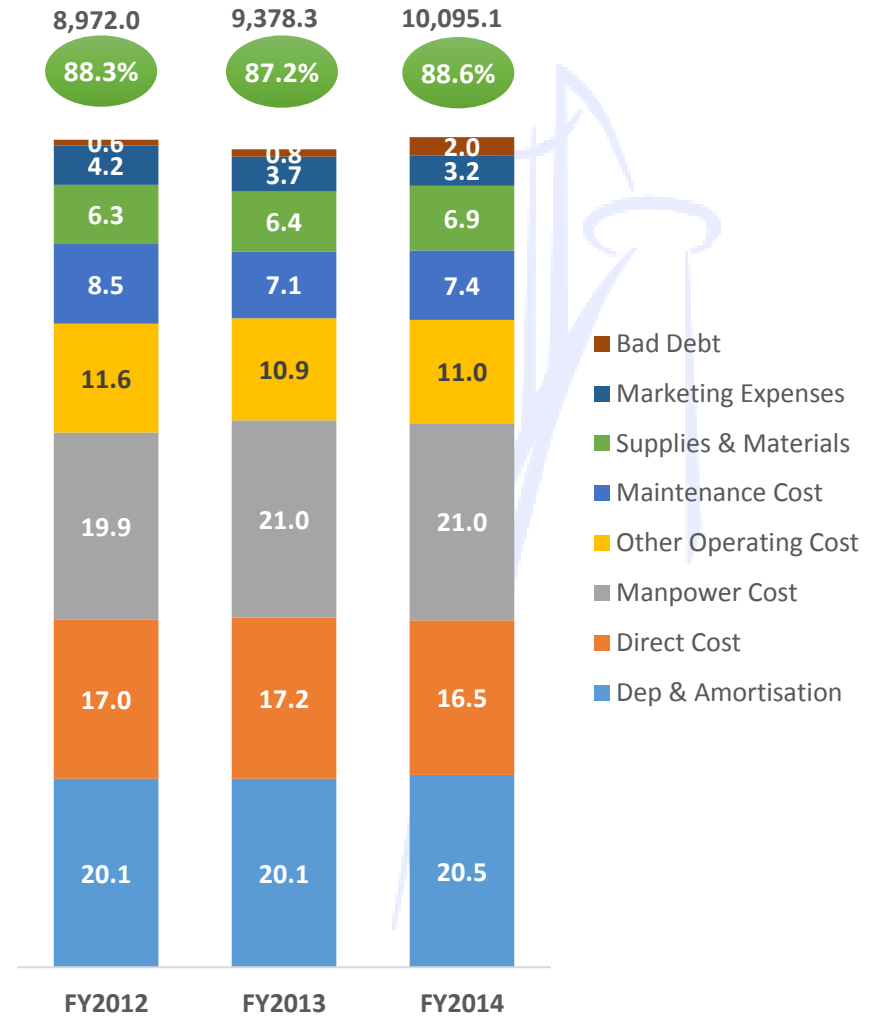
Total Capex

RM mn



Cost % of Revenue¹

RM mn



● Total Cost / Revenue (%)

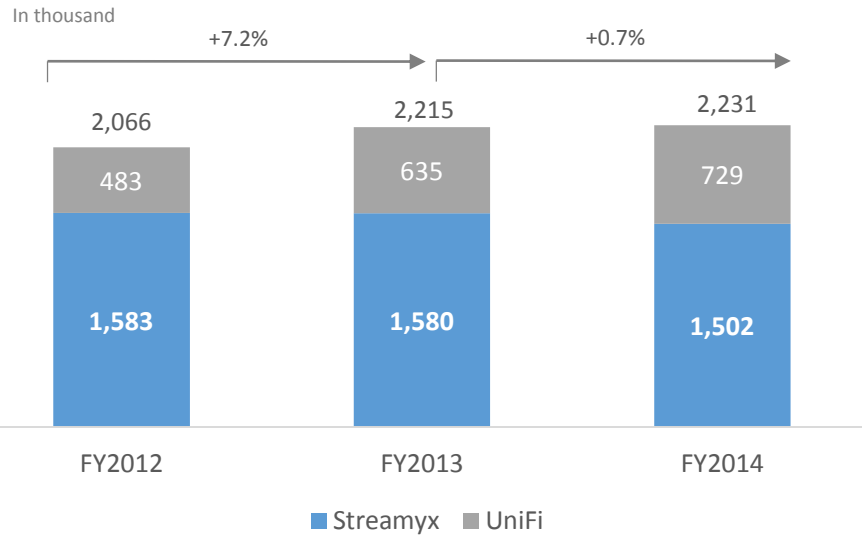
¹ Revenue = Operating Revenue + Other Operating Income

Note: The classification of cost is as per financial reporting

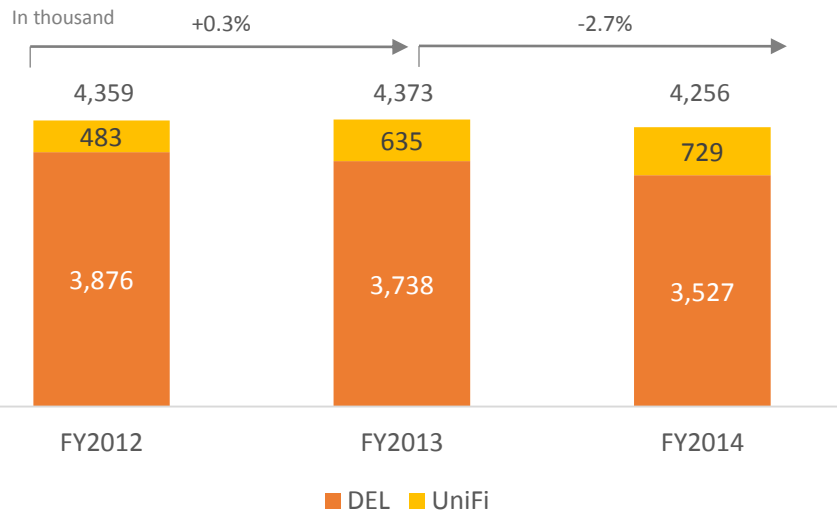
Group Physical Highlights : 3-Year Performance



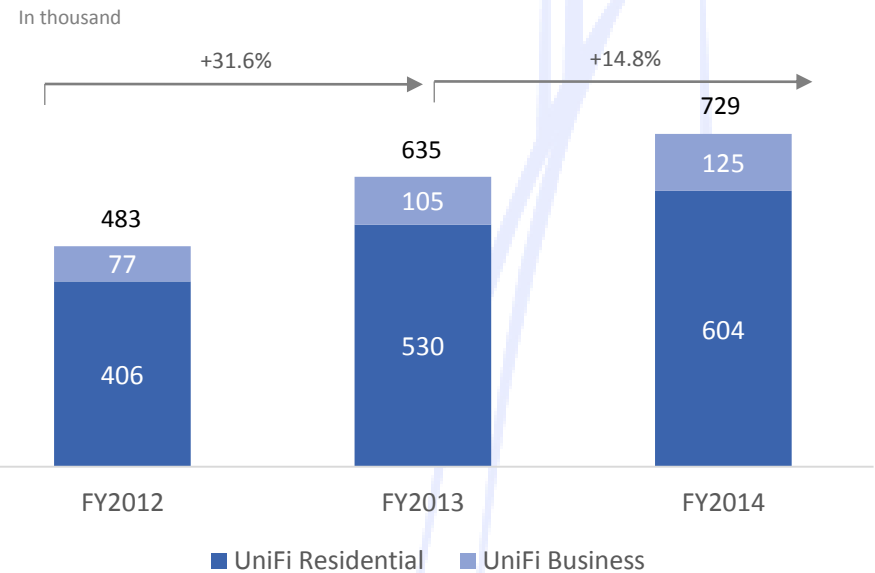
Broadband



DEL



UniFi



- Delivered **1.71mn** ports covering **106** exchanges
- Activated close to **782,000 Unifi customers** or **46%** take-up
- Awarded **HSBB Phase 2 & Sub Urban Broadband (SUBB)** projects
 - **122** IPTV Channels – with new exciting local content
- More choices available, introduced UniFi **30Mbps & 50Mbps**
 - Introduced **two new affordable priced broadband packages**
 - **Streamyx 1Mbps RM38/month & UniFi 10Mbps RM179/month**
- Collaboration between **HyppTV** and **a local mobile operator** for **HyppTV Everywhere**

Customer Behaviour Trends: Access Broadband via Multiple Devices

At home, users need broadband mainly for video streaming, whilst SMEs carry out business functions i.e sending emails and browsing

Devices

TV



tablets /
smartphone

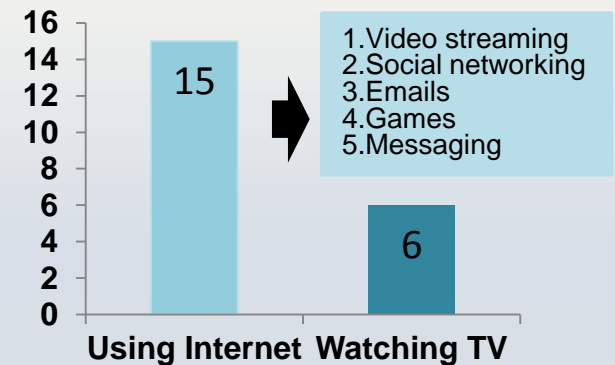


notebook /
desktop

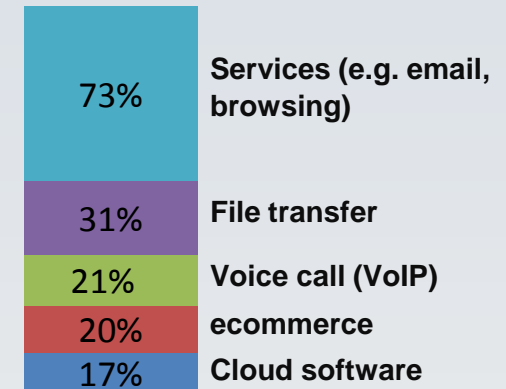


Internet Usage

Total average weekly time spent
with each media (hours)



Reason for using Internet



desktop

tablets /
smartphone



notebook

WELCOME TO THE ERA OF

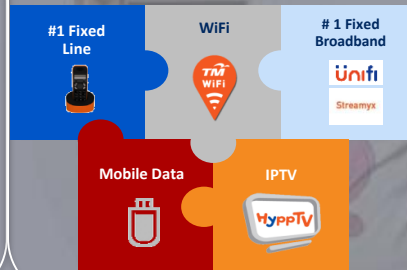
converGence™

Going from “BROADBAND CHAMPION” to “CONVERGENCE CHAMPION” ...

On the
messaging



On the **offerings**



On our
customer service

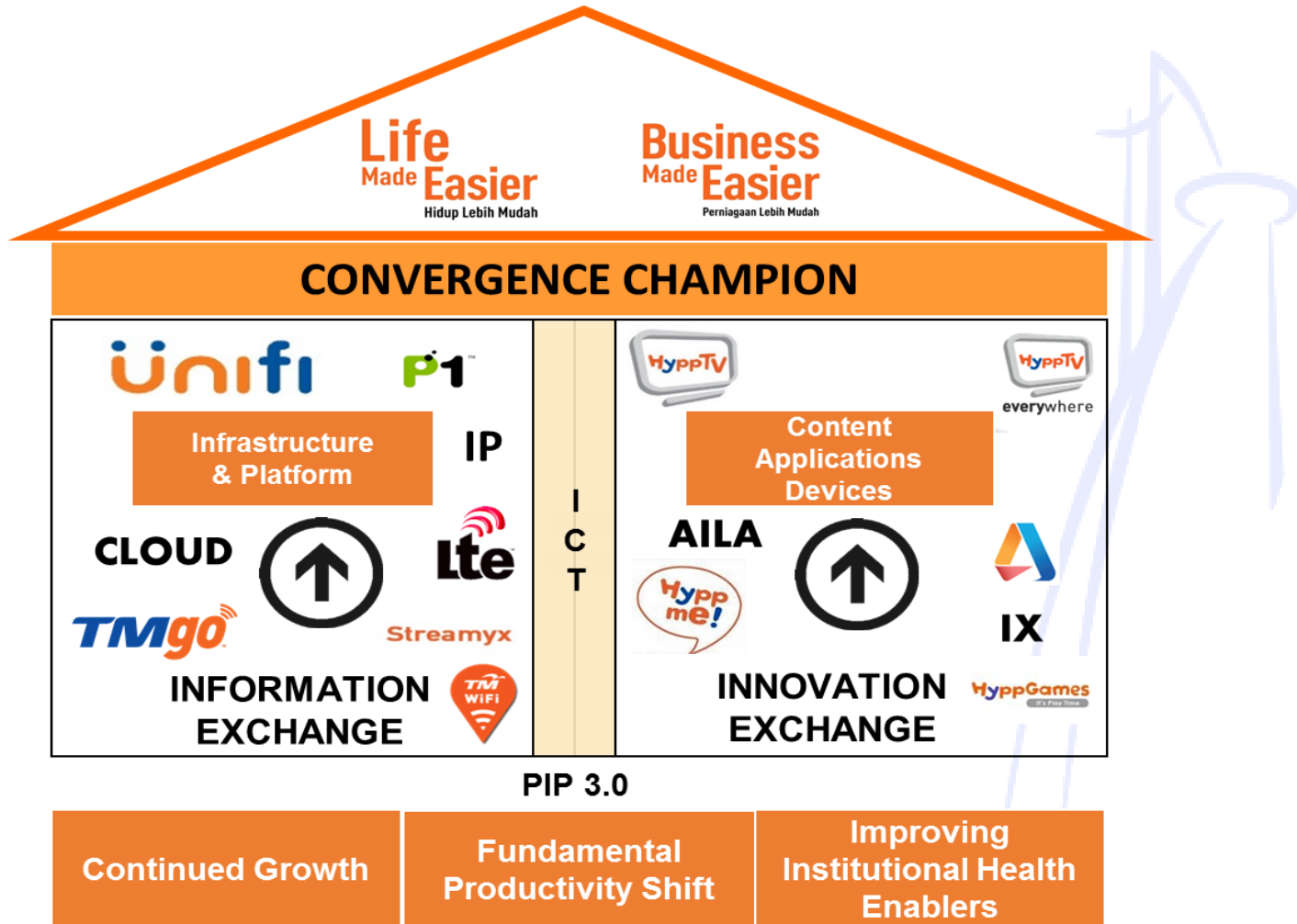


On the **branding**



It's all about **CUSTOMER EXPERIENCE**

CONVERGENCE CHAMPION delivering LIFE and BUSINESS MADE EASIER



- Rollout of HSBB 2, Sub-Urban Broadband
 - Investments for future growth

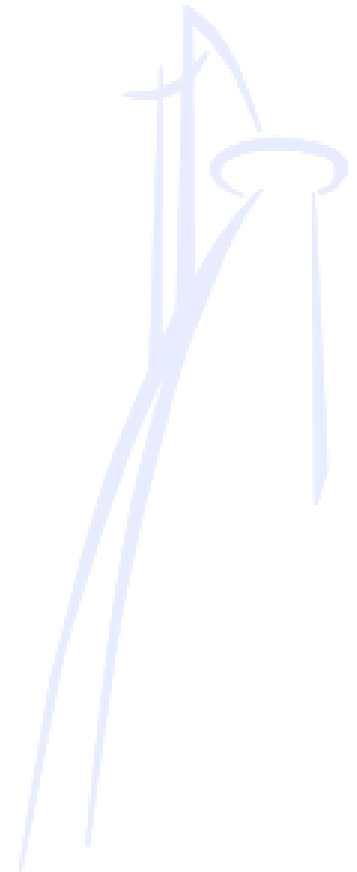


THANK YOU

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Appendix



Headline KPI



	2015	2017
Revenue Growth	4-4.5%	5-5.5%
EBIT Growth	4-4.5 %	5-5.5%
Customer Satisfaction Measure ¹	72	72

***Note: Headline KPI for TM excluding P1, HSBB 2, SUBB & other mega projects**

1 Using TRiM index measuring end to end customer experience at all touch points. TRiM (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."

Telekom Malaysia Berhad ("the Company" or "TM") issues a statement to reiterate its stand on the Company's dividend policy. The Company's dividend policy as announced at the time of the demerger between TM and TM International Berhad (TMI) remains valid. The policy states as follows:

"In determining the dividend payout ratio in respect of any financial year after the Proposed Demerger, our Company intends to adopt a progressive dividend policy which enables us to provide stable and sustainable dividends to our shareholders while maintaining an efficient capital structure and ensuring sufficiency of funding for future growth.

Upon completion of the Proposed Demerger, our Company intends to distribute yearly dividends of RM700 million or up to 90% of our normalised PATAMI, whichever is higher.

Dividends will be paid only if approved by our Board out of funds available for such distribution. The actual amount and timing of dividend payments will depend upon our level of cash and retained earnings, results of operations, business prospects, monetization of non-core assets, projected levels of capital expenditure and other investment plans, current and expected obligations and such other matters as our Board may deem relevant."

This policy remains unchanged for 2009 and beyond. The Company is currently able to meet this dividend policy, because:

- The Company has sufficient consolidated cash and bank balances of RM1.144 billion as at 30 September 2008, and it is confident that TMI is able to meet its obligation due to TM of RM4.025 billion by April 2009.
- In the event of a downturn in performance due to unforeseen circumstances, the Company wishes to state that its recurring cash generation ability is sufficient to meet its current dividend policy.
- TM's retained earnings is also sufficient to support this current dividend policy in the event of unforeseen shortfalls in normalised PATAMI.

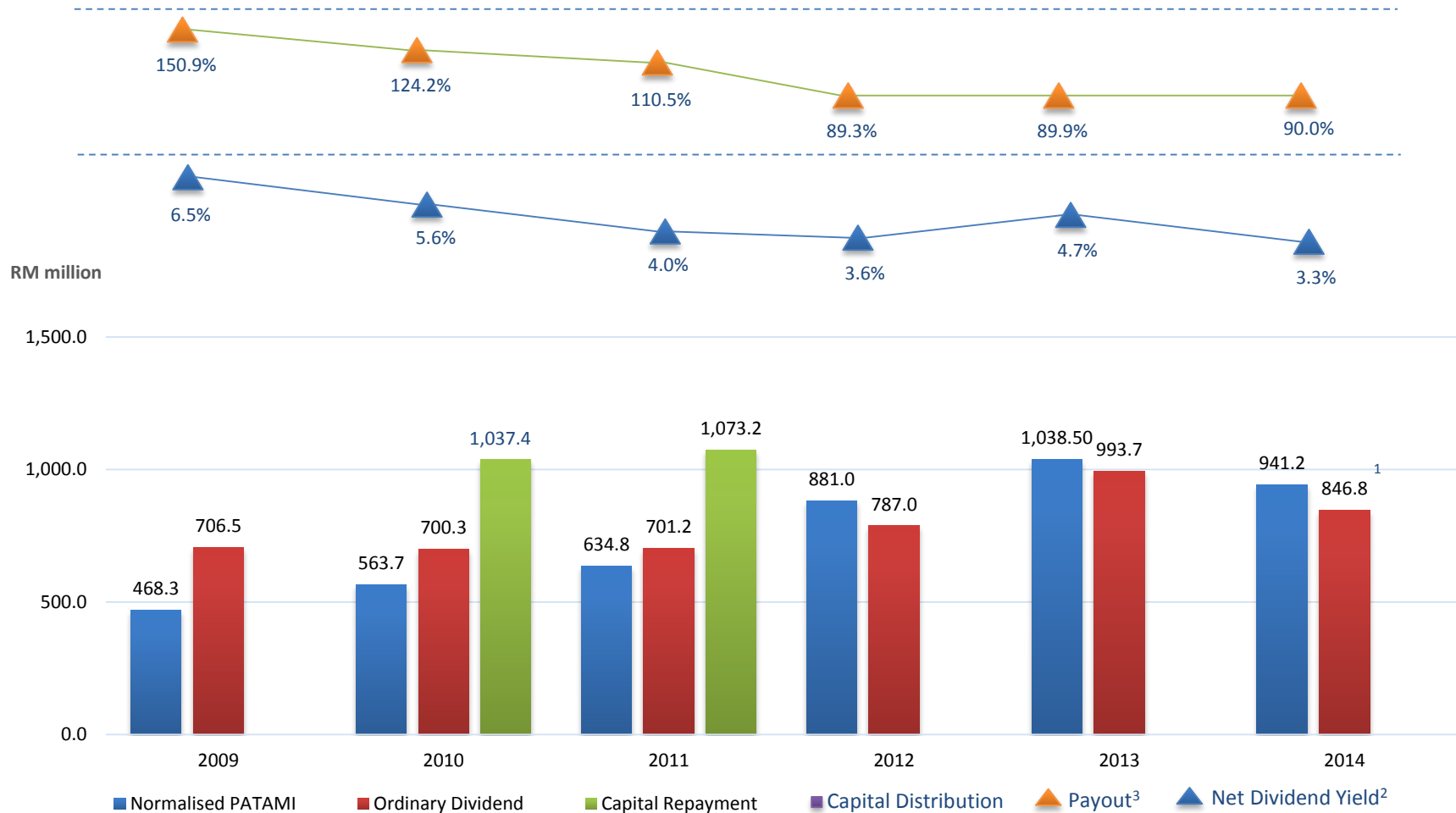
Given the unprecedented volatility in global markets, the Company will continue to examine the likely impact on its business, cashflow generation, capital structure and methods in which excess cash beyond the dividend policy and prudent level of cash required for operations, can be efficiently distributed to our shareholders.

Moving forward, TM is focused on building a strong foundation for its future growth and operational excellence.

Shareholder Return (2009-2014)



Dividend Payout Policy of RM700 mn or up to 90.0% of Normalised PATAMI whichever is higher



¹ 2014 Interim Dividend of 9.5sen & Final Dividend of 13.4sen

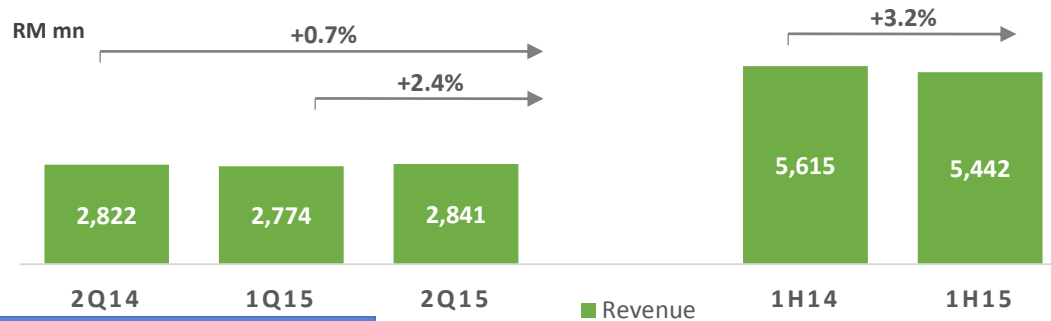
² Net Dividend Yield based on closing price at year end

³ Excludes Capital Distributions/Repayments

Key 1H 2015 Highlights

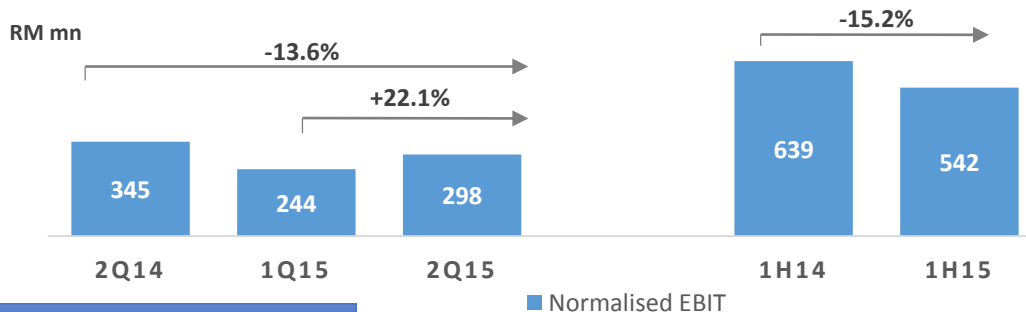


Revenue



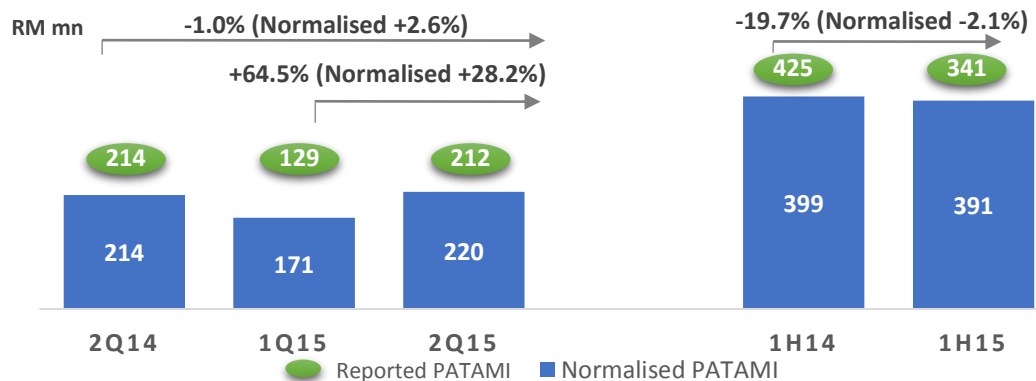
- Revenue grew 2.4% vs 1Q 2015
- Driven by Voice and Others which grew 2.8% and 12.1% respectively.

Normalised EBIT



- Normalised EBIT was higher against 1Q15, in line with higher revenue and better cost management.

PATAMI

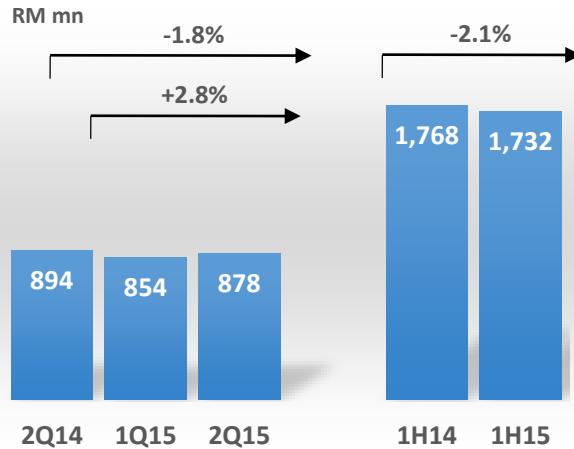


- Normalised PATAMI was higher QoQ by 64.5% to RM212.1mn.

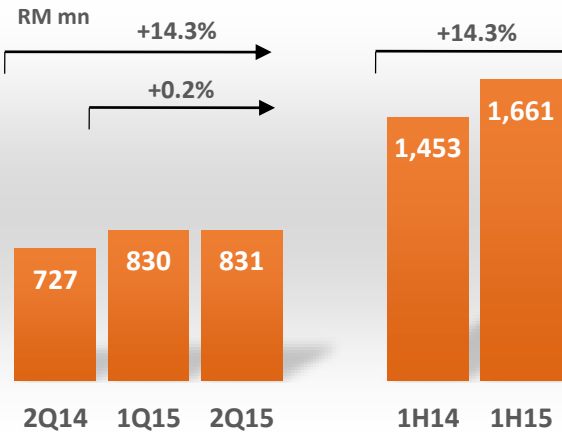
Group Total Revenue by Product



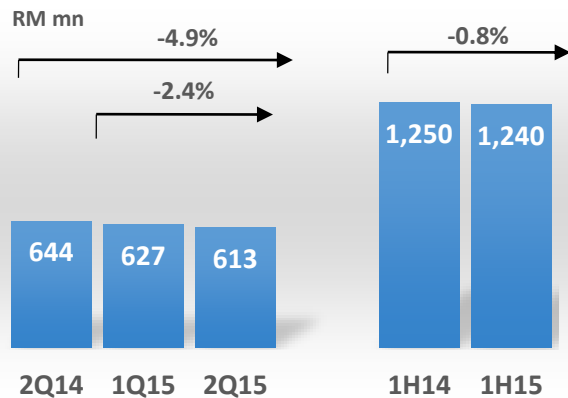
Voice



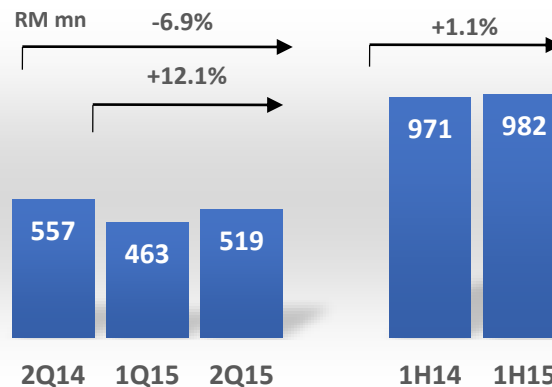
Internet



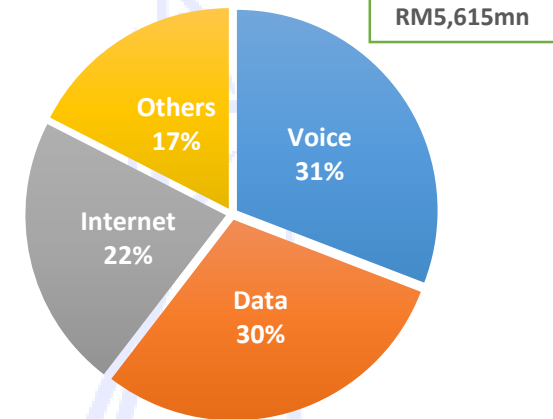
Data



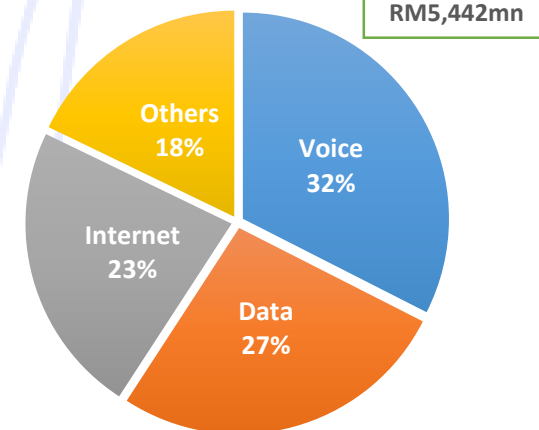
Others*



1H 2015



1H 2014



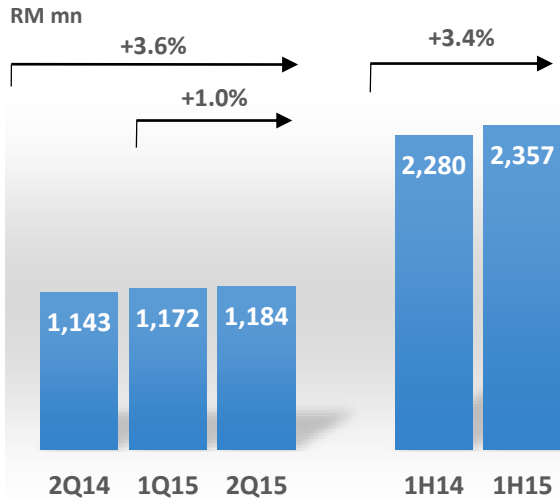
*Others comprise other telco and non-telco services (i.e ICT-BPO, MMU tuition fees, customer projects)

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

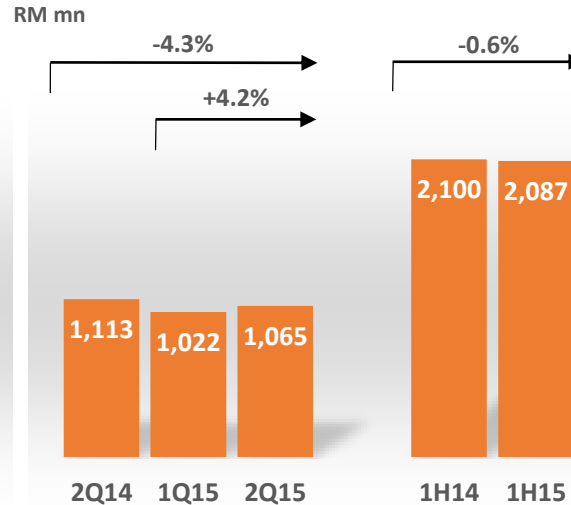
Group Total Revenue by Line of Business



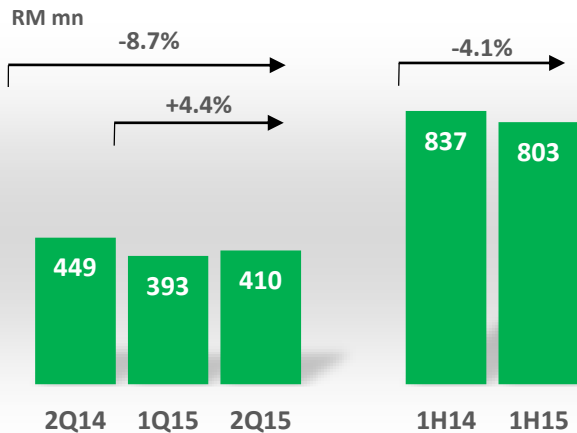
Mass Market



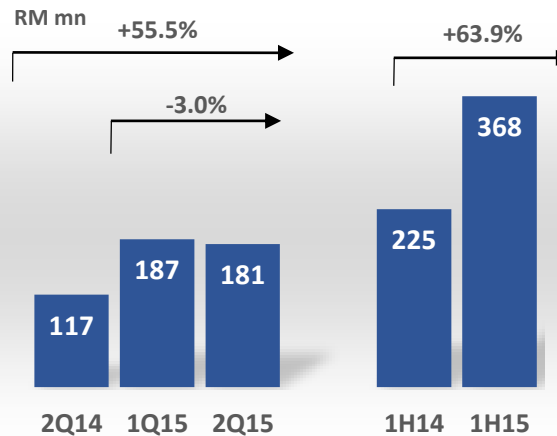
Managed Accounts



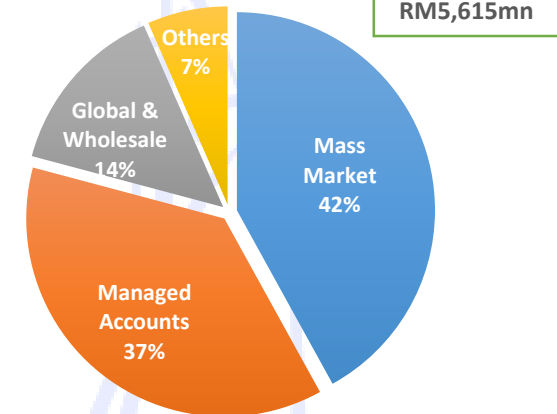
Global & Wholesale



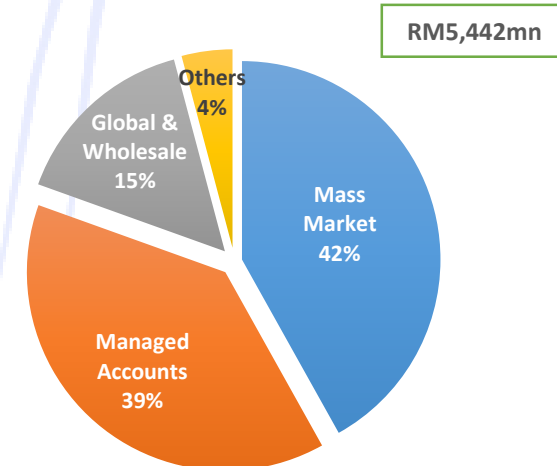
Others*



1H 2015



1H 2014



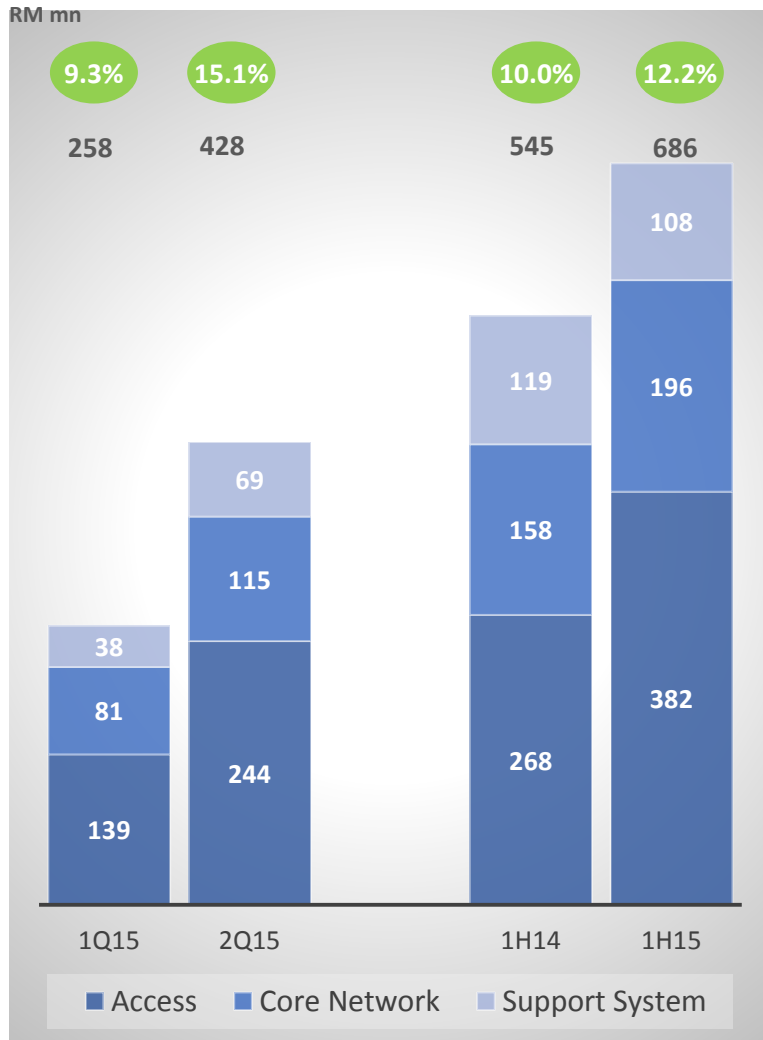
* Others comprise revenue from VADS, Property Development, TM R&D, UTSB, MKL & P1

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

1H 2015 Highlights: CAPEX & OPEX

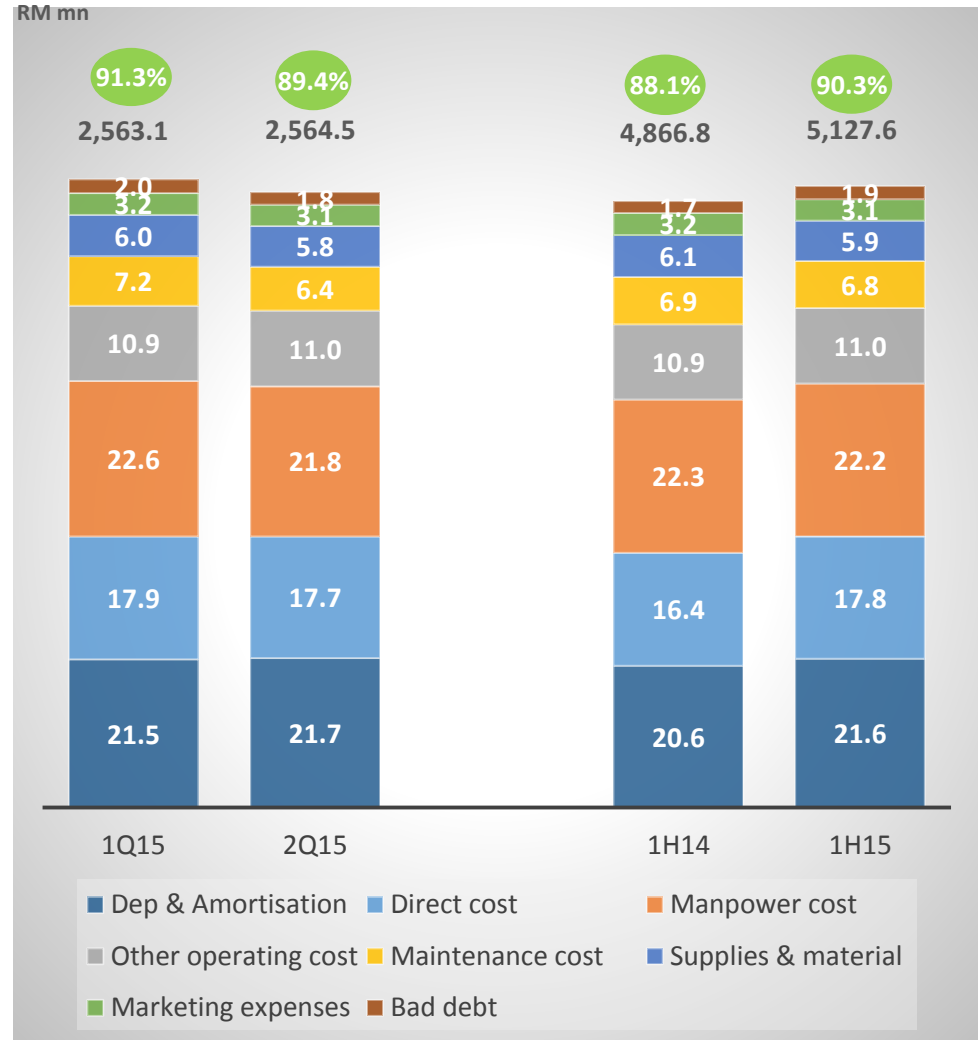


Total Capex



● Capex / Revenue (%)

Total Cost



● Total Cost / Revenue (%)

¹ Revenue = Operating Revenue + Other Operating Income
 Note: The classification of cost is as per financial reporting

Group Balance Sheet

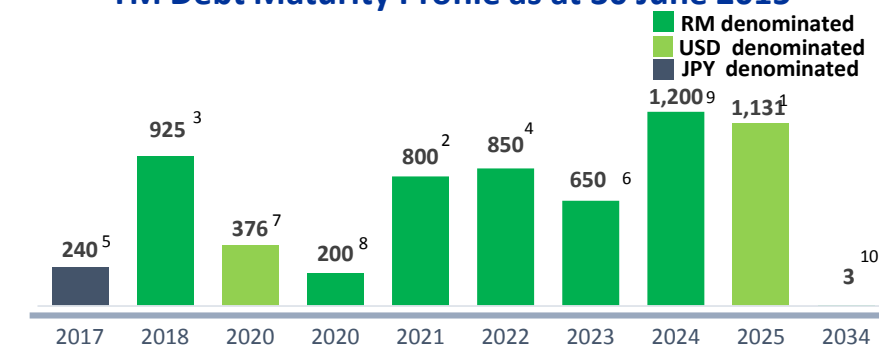


RM Million	As at 30 June 2015	As at 31 Dec 2014
Shareholders' Funds	7,695.5	7,571.1
Non-Controlling Interests	324.2	388.8
Deferred & Long Term Liabilities	10,233.7	9,806.1
<i>Long Term Borrowings</i>	<i>6,644.8</i>	<i>6,251.4</i>
<i>Deferred Tax</i>	<i>1,326.0</i>	<i>1,258.0</i>
<i>Deferred Income</i>	<i>1,839.1</i>	<i>1,823.1</i>
<i>Derivative financial instruments</i>	<i>331.5</i>	<i>337.8</i>
<i>Trade and other payables</i>	<i>92.3</i>	<i>135.8</i>
	18,253.4	17,766.0
Current Assets	6,923.4	6,481.2
<i>Trade Receivables</i>	<i>2,668.9</i>	<i>2,237.2</i>
<i>Other Receivables</i>	<i>659.7</i>	<i>588.1</i>
<i>Cash & Bank Balances</i>	<i>2,858.8</i>	<i>2,985.8</i>
<i>Others</i>	<i>736.0</i>	<i>670.1</i>
Current Liabilities	4,697.1	4,857.2
<i>Trade and Other Payables</i>	<i>3,395.1</i>	<i>3,605.2</i>
<i>Short Term Borrowings</i>	<i>238.6</i>	<i>197.0</i>
<i>Others</i>	<i>1,063.4</i>	<i>1,055.0</i>
Net Current Assets/(Liabilities)	2,226.3	1,624.0
Property Plant & Equipment	14,344.5	14,785.1
Other Non-Current Assets	1,682.6	1,356.9
	18,253.4	17,766.0

Debt Profile



TM Debt Maturity Profile as at 30 June 2015



Note: ¹USD 299.5m; Fx Rate 3.4965, Coupon: 7.875% ²MTN2 Coupon: 4.50%; MTN4&6

Coupon: 4.20% ³TMISIS Coupon: 4.87%

⁴MTN8 Coupon: 4.00%; MTN14 Coupon: 3.95%; MTN006: 4.23%

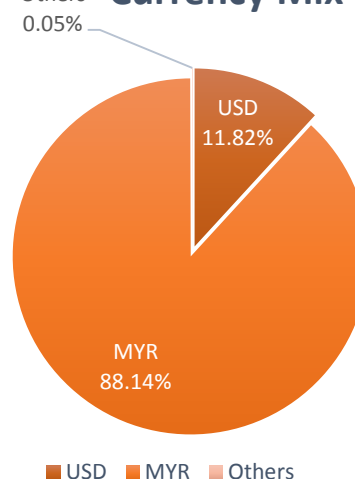
⁵Sakura – JPY Loan: 0.91375% ⁶MTN17 Coupon: 3.95%; MTN18 Coupon: 3.93%

⁷Sakura2 –USD Loan: 3mthL+0.91% ⁸MTN001 Coupon: 4.30%

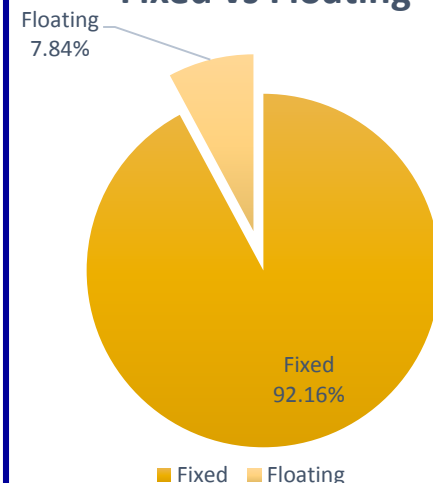
⁹MTN002 Coupon: 4.82%, MTN003 Coupon: 4.738%, MTN004 & 5 Coupon: 4.55%

¹⁰CIDA Loan: 0.00%

Currency Mix



Fixed vs Floating



Key Financial Ratios

	30 Jun 15	31 Dec 14
Return on Invested Capital ¹	5.77%	7.72%
Return on Equity ²	10.24%	12.80%
Return on Assets ¹	4.76%	6.34%
Current Ratio ³	1.47	1.33
WACC	7.41%	7.54%

1 Based on Normalised EBIT

2 Based on Normalised PATAMI

	30 Jun 15	31 Dec 14
Gross Debt to EBITDA*	1.88	1.77
Net Debt/EBITDA	1.05	1.02
Gross Debt/Equity	0.89	0.85
Net Debt/Equity	0.52	0.46
Net Assets/Share (sen)	204.8	203.6

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

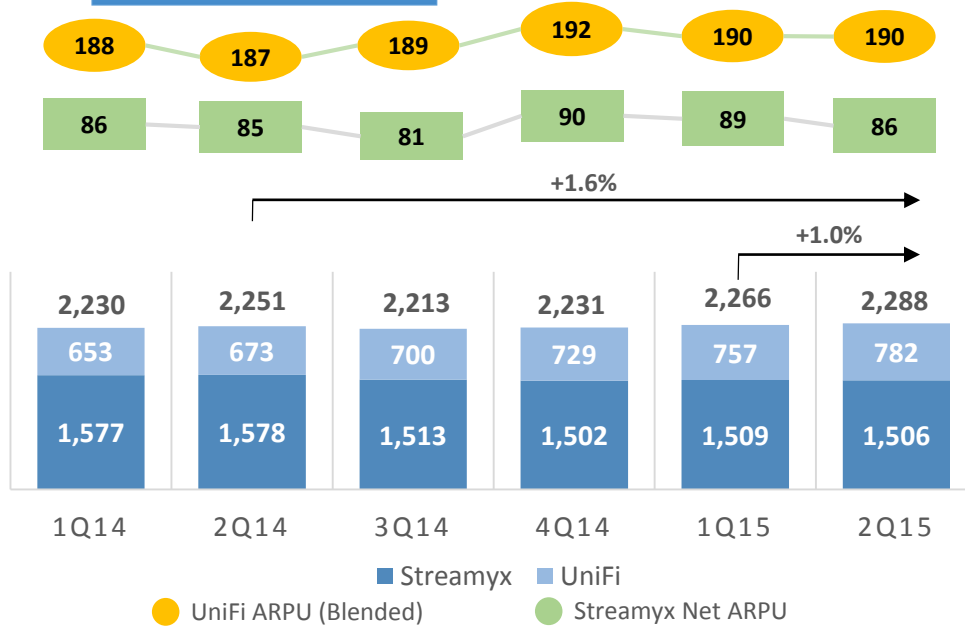
Physical Highlights



Broadband

ARPU (RM)

Customers (In thousand)

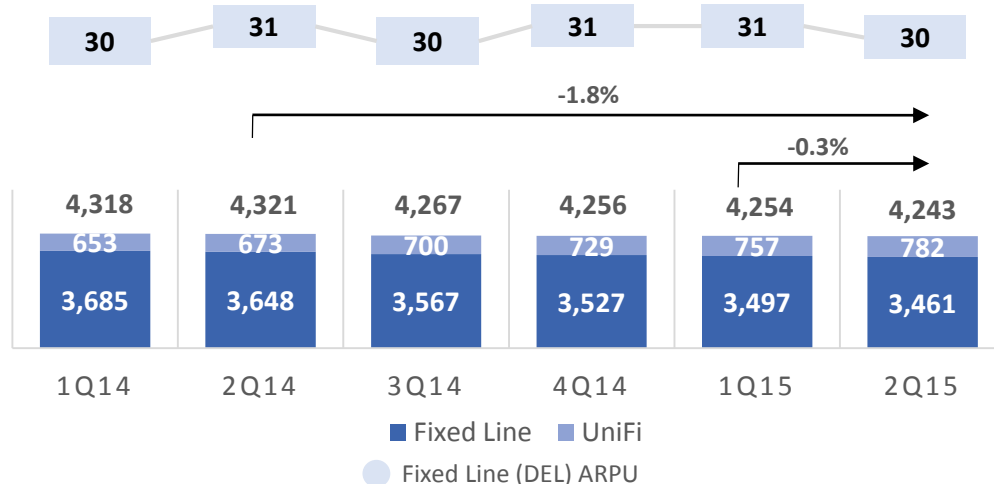


- Customer base higher by 1.6% driven by Unifi
- Unifi grew by 16% vs YTD 2014, at 782,000 customers activated
- Unifi ARPU stable at RM190; Streamyx ARPU at RM86

Fixed Line

ARPU (RM)

Customers (In thousand)



- ARPU stable at RM30

Product Updates



Unifi: we now offer more choices to our customers depending on their needs..

CHOOSE	<div></div> <div>Aneka / Varnam Pack</div>	<div></div> <div>Ruby Pack</div>	<div></div> <div>Jumbo Pack</div>
GET	<div></div> <div>UniFi 30Mbps</div>	<div></div> <div>UniFi 30Mbps</div>	<div></div> <div>UniFi 30Mbps</div>
YOU PAY	RM 199/mth	RM 209/mth	RM 229/mth
YOU'LL ENJOY	<div><div>FREE</div><div><ul style="list-style-type: none">HyppTV Everywhere on 2 devicesInstallation & activationDECT phone</div></div> <div><div>VOICE CALLS</div><div><ul style="list-style-type: none">Fixed to fixed and fixed to mobile at 20sen/min</div></div> <div><ul style="list-style-type: none">TM WiFi IDHyppTV Set-Up Box (STB)Residential Gateway</div>		



AMAZING
ADD-ONS
for
even better
connectivity
and value

Want faster internet speed?

UniFi 50Mbps

- Speed upgrade to 50Mbps

RM50/mth

Want more data on the go?

P1 ToGo® Plan (Postpaid)

- Speed 1Mbps
- Quota 5GB
- FREE Registration & Activation RM150

RM29/mth

Want to talk more?

Voice Pack

- FREE 600 Minutes
- Beyond 600 Minutes
 - FREE TM Fixed to TM Fixed calls nationwide
 - Flat rate from TM Fixed to Mobile is 11sen/min

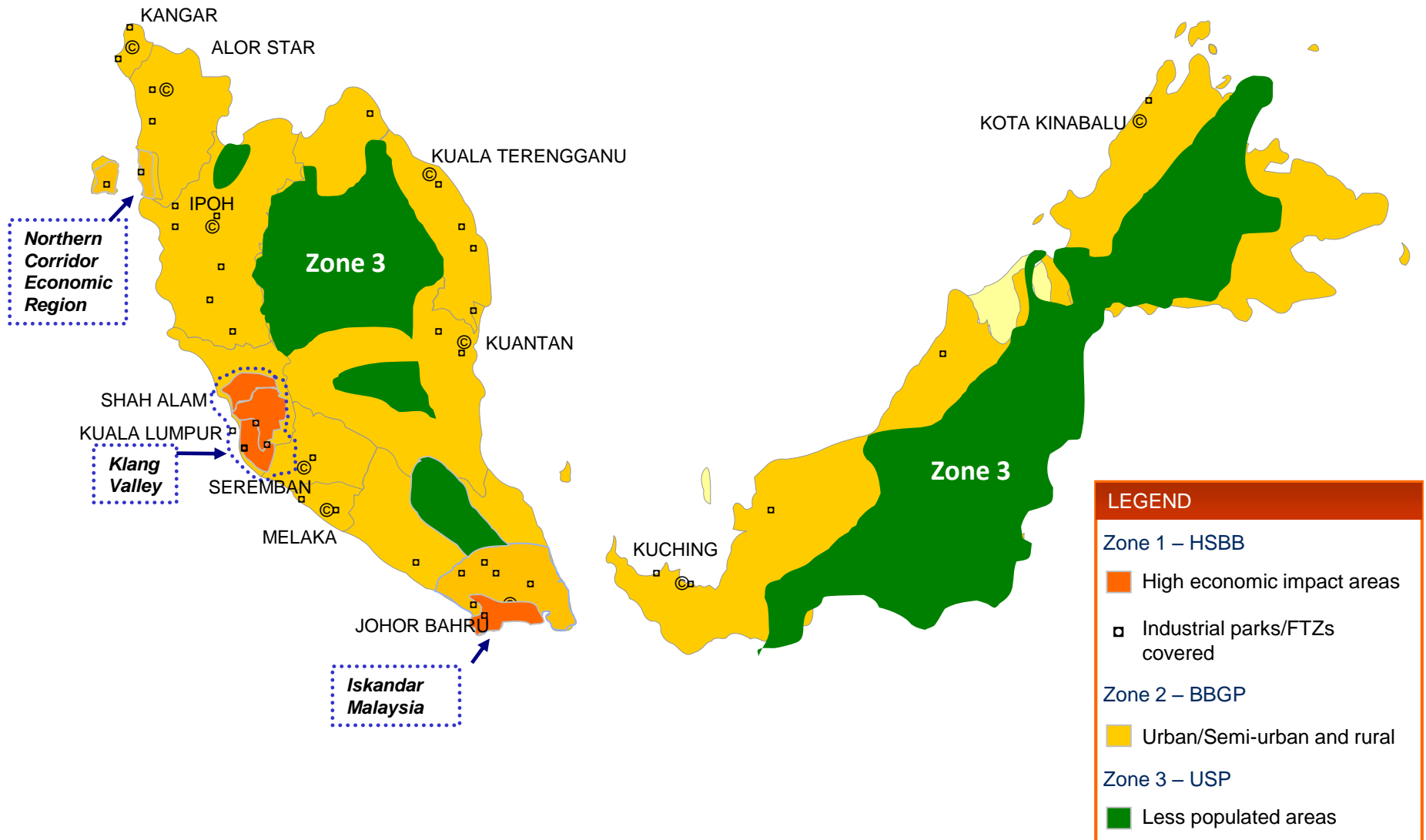
RM20/mth

- All price are exclusive of GST
- Only applicable through selected channels

HSBB deployment areas



106 service areas have been covered under HSBB Phase 1





Any queries please email to :

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