



NEWS RELEASE

Kuala Lumpur

30 August 2016

**TM RECORDS HEALTHY 1H 2016 PERFORMANCE –
GROUP REVENUE UP 5.1% YoY TO RM5.9 BILLION;
REPORTED PROFIT BEFORE TAX YoY HIGHER BY 37.6% TO RM589.1 MILLION;
REPORTED NET PROFIT INCREASED 35.5% YoY TO RM461.9 MILLION**

Key Highlights of 1H2016:

- **Group Operating Revenue increased 5.1% YoY to RM5.9 billion**
- **Group Reported Operating Profit (Earnings Before Interest and Tax – EBIT) up 2.2% YoY to RM561.0 million**
- **Group Reported Profit Before Tax (PBT) YoY grew 37.6% to RM589.1 million**
- **Group Reported Profit After Tax and Non-Controlling Interest (PATAMI) increased 35.5% YoY to RM461.9 million**
- **Maintains leadership position in broadband; evolving to become Malaysia’s Convergence Champion**
 - **Overall Broadband customer base grew 3.4% YoY to 2.37 million, driven by UniFi**
 - **UniFi take up remained strong with over 900,000 customers as at 30 June 2016**
- **Continues delivering on dividend commitment; declared a single-tier interim dividend of 9.3 sen per share or approximately RM349.5 million**

Telekom Malaysia Berhad (TM) today announced its financial results for the first half of the year ended 30 June 2016. The Group posted a revenue growth of 5.1% to RM5.9 billion from RM5.6 billion in the corresponding period last year. The growth was mainly driven by higher revenue contribution from Internet, data, other telecommunication and non-telecommunication related services.

Group Reported Operating Profit (EBIT) was higher by 2.2% at RM561.0 million against 1H2015 due to higher revenue partly offset by higher depreciation and asset write off. Stripping off some non-operational items, in particular foreign exchange loss on international trade settlement, Group Normalised EBIT was at RM575.0 million, which was 4.4% higher.

Group Reported PBT for 1H2016 was 37.6% higher at RM589.1 million against RM428.2 million in 1H2015 due to the higher EBIT and net foreign exchange gain on borrowings.

Group Reported PATAMI surged 35.5% to RM461.9 million as compared to RM341.0 million recorded last year, whilst Group Normalised PATAMI stood at RM370.5 million.

The total capital expenditure (capex) for 1H2016 was RM938.5 million or 15.9% of revenue. Of the total spent, 45% is for Access, 32% is for core network, and 23% for support systems. TM has earlier announced its capex guidance for the year to be at 25-30% of revenue excluding webe.

TM remains strong in its commitment to shareholders and in line with its dividend policy, the Company is proposing a single-tier interim dividend of 9.3 sen per share or approximately RM349.5 million.

Tan Sri Zamzamzairani Mohd Isa, Group Chief Executive Officer of TM, said, “The first half of 2016 has been encouraging despite an overall challenging environment. We recorded Group Revenue of RM5.9 billion, an increase of 5.1% against the corresponding period last year. We maintained our leadership position in the broadband space with a 3.4% YoY increase in total broadband customer base to 2.37 million customers. UniFi continues to see a healthy growth, with a net addition of about 118,000 customers to over 900,000 customers as at 2Q2016. I’m very happy to note that more than 60% of our broadband customers are now on packages of 4Mbps and above while approximately 68% of our UniFi customers are on packages of 10Mbps and above.”

In April, TM introduced the UniFi PRO Plan for customers who want higher bandwidth, with the service offering 100Mbps alongside other value added offerings. This is following the launch of the UniFi ADVANCE Plan in October last year. With the rollout of High Speed Broadband Project Phase 2 (HSBB2), TM now has 2.08 million ports with a UniFi takeup rate of about 43%.

“On 16 August, we officially launched webe, the Group’s Mobility Centre of Excellence, ushering in a new era of mobility for the TM Group. webe’s launch extends our promise of “Life and Business Made Easier” into the mobile space which perfectly fits into our converged suite of offerings. At the same time, we are taking the opportunity to redefine what mobility means by bringing to life a brand new end-to-end digital experience for our customers – from signing up and purchasing a service plan to SIM card delivery and even 24/7 customer service. webe offers a single simple plan with no contractual commitments, which marks the beginning of true data liberation,” added Tan Sri Zamzamzairani.

Prospects for the Current Financial Year Ending 31 December 2016

The Malaysian Institute of Economic Research (MIER) is maintaining Malaysia’s real GDP growth for 2016 at 4.2%, despite global prospects looking less encouraging, compensated by better domestic demand as a result of an expansionary monetary policy. Growth is expected to be driven largely by private sector expenditures as liquidity condition improves. For 2017, real GDP growth is expected to register growth of between 4.5 - 5.5%. (*Source: MIER Economic Outlook, 26 July 2016*)

TM is staying the course with plans put in place as we continue our journey in 2016, focusing on convergence, going digital, innovation and productivity.

As the nation’s Convergence Champion we brought the Rio 2016 Olympic Games to Malaysians via HyppTV, as the Official IPTV Broadcaster in Malaysia, through eight (8) dedicated Live TV and Interactive channels on HyppSports HD and *HyppTV Everywhere* mobile application, providing a seamless omni-channel and multi-screen experience. The last quarter also saw HyppTV unveiling Salam HD, a newly rebranded channel offering comprehensive Islamic content, four (4) new local drama series and a new Cantonese series. We are pleased that our HyppTV offerings has further encouraged our broadband take-up.

On the global front, TM and Hurricane Electric (HE) signed a strategic partnership agreement in May to accelerate the delivery of high-speed internet broadband services to the emerging markets of Asia. This partnership supports TM's HSBB2 and Sub-Urban Broadband Project (SUBB), as well as webe's broadband initiatives.

In August 2016, VADS Berhad, a subsidiary of the Group, launched the nation's first cloud exchange service, aimed at small and medium-sized enterprises (SMEs). VADS Marketplace is an integrated digital business solution and one-stop centre where customers will be able to acquire cloud solutions from well-known global players as well as local independent software vendors, and it is a strategic driver for TM's journey to "Go Digital".

We remain steadfast in our commitment as Malaysia's Convergence Champion. We will continue to be guided by our "Information and Innovation Exchange" aspirations as we carry on with our transformation journey, in line with our promise of 'Life Made Easier' and 'Business Made Easier' with TM.

#END#

About TM

Telekom Malaysia Berhad (TM), Malaysia's Convergence Champion and No. 1 Converged Communications Services Provider, offers a comprehensive range of communication services and solutions in broadband, data and fixed-line. 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 behaviour 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 looks forward to continue serving customers with its comprehensive suite of offerings, delivering a seamless digital experience and integrated business solutions to meet their lifestyle and business communication needs - towards making "Life and Business Made Easier for a Better Malaysia".

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

Issued by:

Group Brand and Communication
Telekom Malaysia Berhad
Level 8 (South Wing), Menara TM,
Jalan Pantai Baharu
50672 Kuala Lumpur

For inquiries please call:

- | | | |
|---|---|--|
| 1 | Izlyn Ramli
Vice President
Group Brand and Communication, TM | Tel: (03) 2240 2699
HP: (019) 500 0248
Email: izlyn@tm.com.my |
| 2 | Asma Abdul Aziz
Assistant General Manager
Media Management & External Communications
Group Brand and Communication, TM | Tel: (03) 2240 3840
HP: (013) 364 1830
Email: asma_aa@tm.com.my |
| 3 | Saiful Azni Matmor
Manager
Media Management & External Communications
Group Brand and Communication, TM | Tel: (03) 2240 2617
HP: (013) 360 3496
Email: msaiful@tm.com.my |