



NEWS RELEASE

Kuala Lumpur

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TM DELIVERS REVENUE GROWTH OF 5.9% YoY TO RM2.77 BILLION FOR 1Q 2015

Key Highlights of 1Q2015:

- **Group Revenue grew 5.9% YoY to RM2.77 billion**
- **Group Reported Profit Before Tax (PBT) stood at RM172.1 million**
- **Group Normalised Net Profit After Tax and Minority Interest (PATAMI) was RM171.3 million**
- **Strong revenue growth from Internet services at 14.3% YoY to RM830.0 million driven by UniFi growth and HyppTV content**
- **Maintains position as Malaysia's broadband champion; Moving towards Convergence Champion**
 - **Overall Broadband customer base grew 1.6% to 2.27 million, led by UniFi**
 - **UniFi take up remained strong with growth of 15.9% YoY to 757,000 customers**

Telekom Malaysia Berhad (TM) today announced its financial results for the first quarter ended 31 March 2015, where the Group posted a Revenue growth of 5.9% YoY to RM2.77 billion from RM2.62 billion in the corresponding period last year. The growth was mainly driven by higher contribution from Internet and Others services revenue.

Please note that as of Q4 2014, TM has consolidated Packet One Networks (Malaysia) Sdn Bhd (P1) into its accounts and thus YoY comparisons should take this into consideration.

Group Operating Profit (Earnings Before Interest and Tax (EBIT)) for 1Q 2015 was RM243.4 million. Group Normalised EBIT stood at RM244.0 million on the back of higher operating cost.

Group Reported Profit Before Tax (PBT) stood at RM172.1 million, compared to RM279.6 million in the corresponding period last year attributed to lower operating profits.

Reported Group Profit or Profit After Tax And Minority Interest (PATAMI) was RM128.9 million in the current year quarter. Group Normalised PATAMI was lower by 7.6% at RM171.3 million due to higher operating cost and consolidation of P1.

Tan Sri Zamzamzairani Mohd Isa, Group Chief Executive Officer of TM, said, "1Q2015 was a challenging quarter for the industry, including TM. We saw some pressure on our profitability as we faced some cost increases, largely stemming from the diversity in our product mix. We recorded Group Revenue of RM2.77 billion, an increase of 5.9% against the corresponding period last year. This growth was attributed to positive growth in our key products, mainly Internet and Others services. We continue to maintain our position as Malaysia's Broadband Champion. Our total broadband customer base grew to 2.27 million customers and I am pleased to note that 50% of total broadband customers are now on packages above 4Mbps. UniFi continues to see a healthy growth of 15.9%, with close to 757,000 customers activated as at 1Q 2015, representing a takeup rate of approximately 46%."

“In terms of our business priorities, we remain committed to pursuing our transformation journey to become Malaysia’s Convergence Champion and No. 1 Converged Communications Services Provider. We had a positive start to the year with the launch of a number of innovative offerings and several strategic collaborations. We also continue our commitment to support the Government’s move to drive household broadband penetration and further bridging the digital divide,” added Tan Sri Zam.

Prospects for the Current Financial Year Ending 31 December 2015

TM had a promising start to the year as it continued with its “Innovation Exchange” vision by introducing new and innovative offerings in its efforts to deliver an enhanced and integrated digital lifestyle to customers. Earlier in January, TM extended its HyppTV Everywhere app to non-UniFi or Streamyx customers and collaborated with a mobile operator, to offer HyppTV packages to their customers. With these developments, TM expects to attract more viewers amongst the tech-savvy Gen-Y segment, the largest number of consumers of mobile entertainment and content, while at the same time enabling more Malaysians to watch HyppTV anywhere and anytime, true to our promise of ‘Life Made Easier’ with TM.

On the business front, TM inked three (3) agreements with Nusajaya Tech Park Sdn Bhd (NTPSB) towards developing a flagship park in Iskandar Malaysia, Johor. These involve the establishment of a carrier neutral Nusajaya Data Centre (NJDC), the provision of ICT infrastructure and services, and the development of smart services including safety and security services. The establishment of the NJDC and the collaborations on smart services is a step forward in realising the Nusajaya Smart City aspiration.

In line with the Government’s aspiration to drive broadband adoption and further bridging the digital divide, TM recently signed a Memorandum of Collaboration (MoC) with Wilayah Persekutuan Infrastructure Sdn Bhd (WPI) – a Company backed by Ministry of Federal Territories in infrastructure and network planning for Wilayah Persekutuan - to work together towards deploying free and premium WiFi service in Wilayah Persekutuan.

In full support of the Government’s move towards boosting broadband take-up and encouraging customers to upgrade to higher speeds, TM also recently announced the introduction of two (2) new Broadband Packages - the first at RM38 a month for 1Mbps with a data usage of up to 1GB to be made available starting 16 June 2015, and a new UniFi 10Mbps triple play package offering at RM179 a month which will be available from 15 July 2015 onwards.

These recent developments reflect TM’s initiatives towards becoming Malaysia’s Convergence Champion. The Company will continue to be guided by its “Information and Innovation Exchange” aspirations as it continues to focus on its transformation journey.

Bank Negara Malaysia (BNM) is expecting the Malaysian economy to register steady growth of 4.5% - 5.5% in 2015, supported mainly by sustained expansion in domestic demand amid strong domestic fundamentals and a resilient export sector. Domestic demand will continue to anchor growth in 2015, driven by private sector spending. On the international front, despite a sluggish first quarter, world growth is expected to rebound in the second quarter as business sentiments improve, downside risks decrease and the US economy continues on its expansion path. The International Monetary Fund (IMF) maintains its estimate for 2015 world economy growth to be 3.5%. (*Source: Outlook for the Malaysian Economy, BNM Annual Report 2014, 11 March 2015; Malaysian Economic Outlook, MIER, 22 April 2015*).

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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.

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 |