



DiGi Today and Tomorrow

Carnegie - DiGi Visit

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DiGi Today and Tomorrow

- The company
- Market overview
- Going forward



- the company



Born and bred in Msia

- Provider of mobile services since 1995
- RM4.36b revenue in 2007
- 26% revenue market share at end 2007
- current market capitalization >RM17b
- ~ 2000 employees
- 49%-owned by Telenor



- market overview

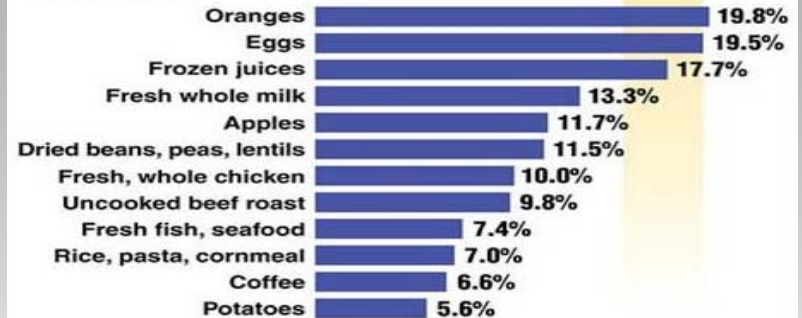


Changing macro environment

- Recent fuel and electricity price hikes
- Rising inflation
- Consumer confidence and spending patterns
- Changing political landscape

Food prices on the rise

Percent change in prices for some common food items, June 2006 to June 2007:



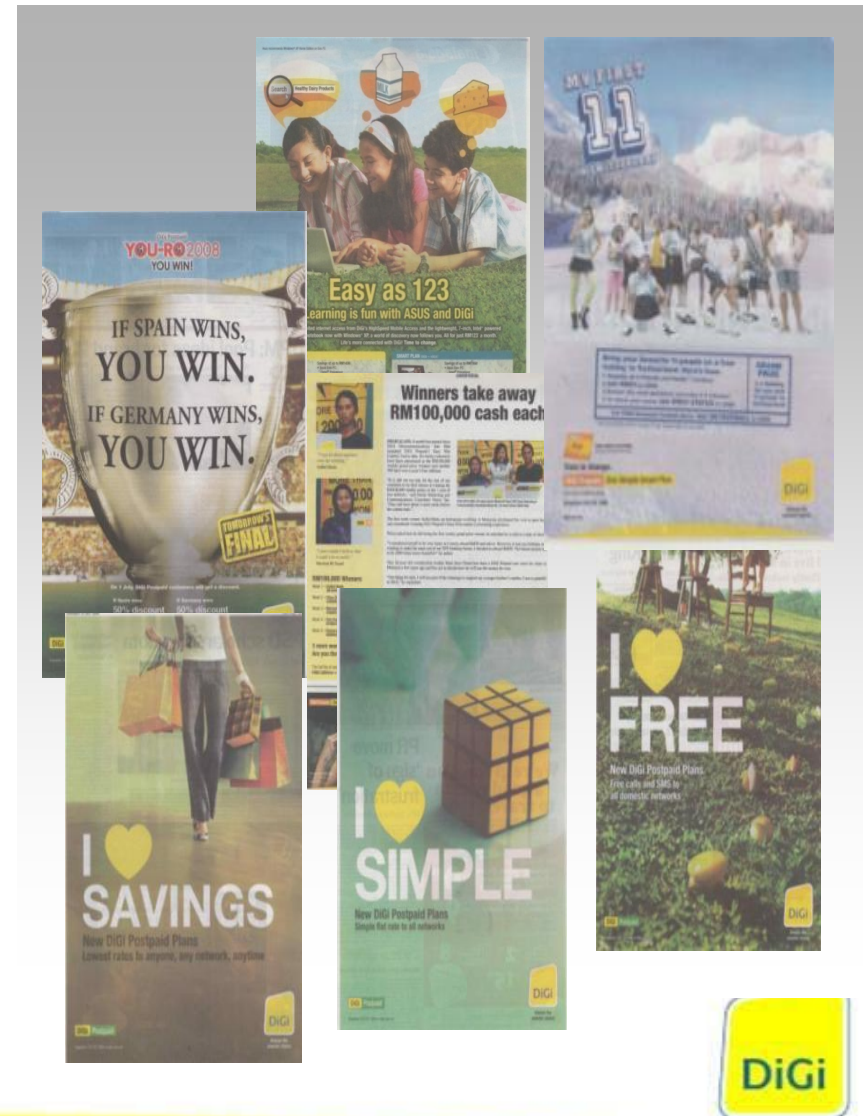
Market overview



- Competitive market, new players entering
- Industry gearing for full MNP next month
- Increased focus on broadband

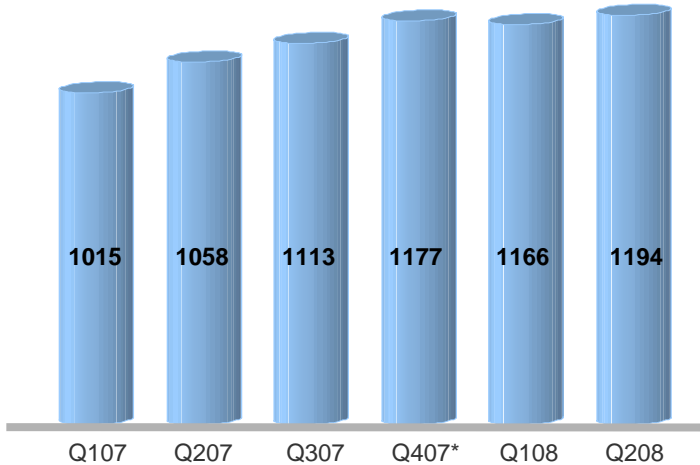
Recent DiGi key market activities

- DiGi postpaid revamped
- Driving value through communities
- Tactical promotions and rewards to drive usage and loyalty



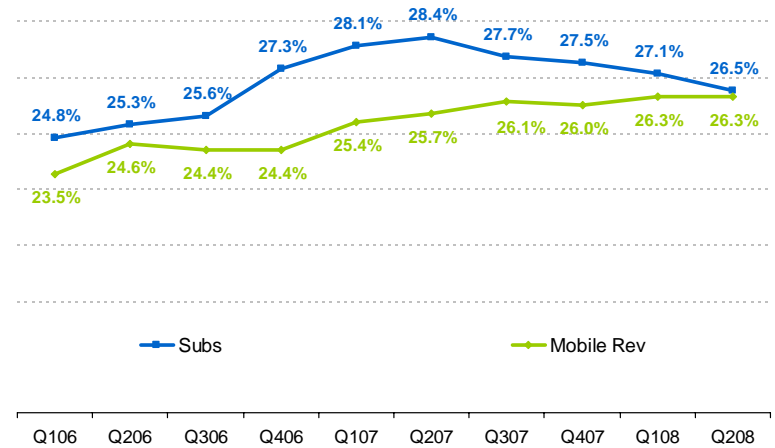
Solid progress

Revenue (RM mil)

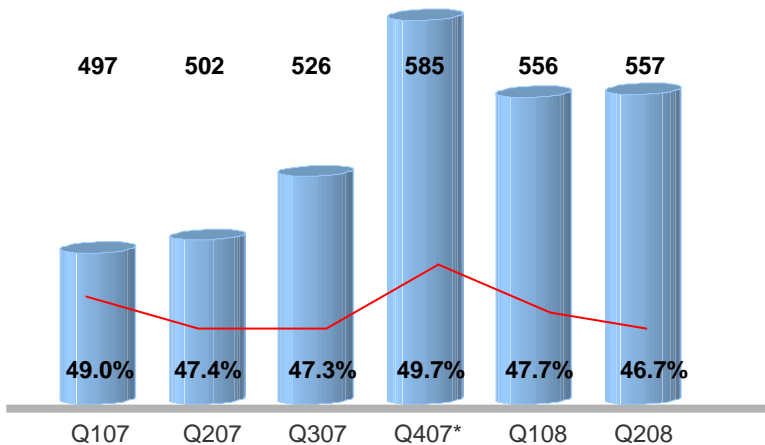


*Q407 normalised revenue RM1,147 mil

Subscriber & Revenue Market Share

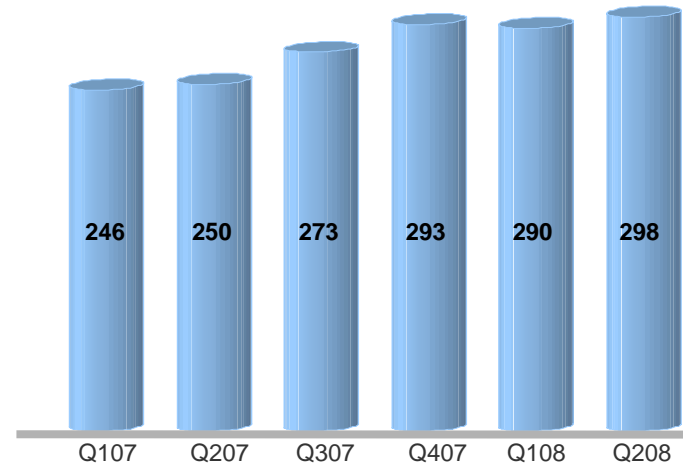


EBITDA and Margin (RM mil)



*Q407 normalised EBITDA RM556 mil, EBITDA margin 48.5%

Profit After Tax (RM mil)



- going forward



DiGi now has 3G license to compete !



- Completed 3G spectrum transfer
- Joint business initiatives
- Some key benefits:
 - *additional spectrum capacity*
 - *increased network & spectrum efficiencies*
 - *positive brand impact & customer retention*
 - *robust long term mobile technology roadmap*



Broadband a national agenda

- 23% penetration at end Q208
- Mixed government & private initiatives so far
- Target 50% household penetration in 2010

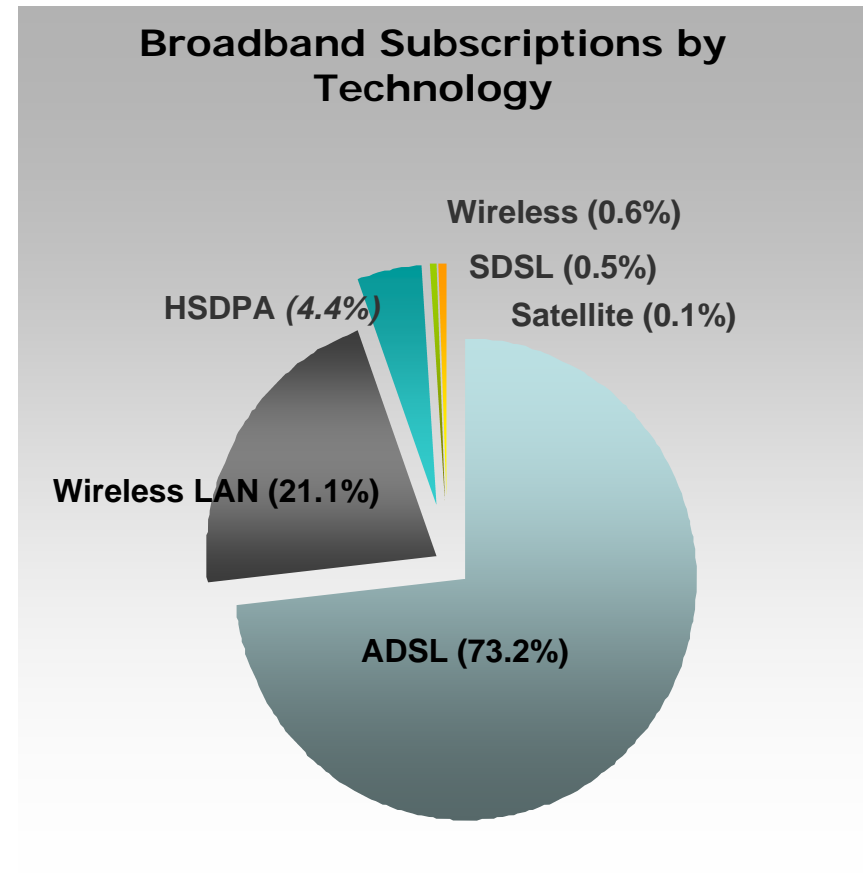
Bilangan langganan jalur lebar mengikut teknologi
Number of broadband subscriptions by technology

Tahun	Suku	TETAP ('000)			TANPA WAYAR ('000)		Hotspot ('000)
		ADSL	SDSL	Satellit	HSDPA	Wireless	
2007	1	784.3	5.2	1.9	11.4	9.0	180.1
	2	859.5	5.5	2.0	13.1	9.3	219.1
	3	932.2	6.1	2.0	26.3	9.2	257.6
	4	1,002.4	6.5	2.0	96.3	8.4	289.3
2008	1	1,070.8	6.8	2.1	140.5	9.1	309.9
	2	1,162.5	7.4	2.1	176.1	10.8	358.8
Year	Quarter	ADSL	SDSL	Satellite	HSDPA	Wireless	Hotspots ('000)
		FIXED ('000)			Wireless ('000)		

Source: MCMC Q208

Broadband currently dominated by DSL

- Existing ADSL services
 - *widely available nationwide*
 - *but take-up impacted by (perceived) poor quality*
- RM11.31bn HSBB/FTTH project in pipeline
 - *led by TM (RM8.91bn)*
 - *partly funded by government (RM2.4bn)*
 - *competitors to have 'Open Access' to 1.3m premises covered*



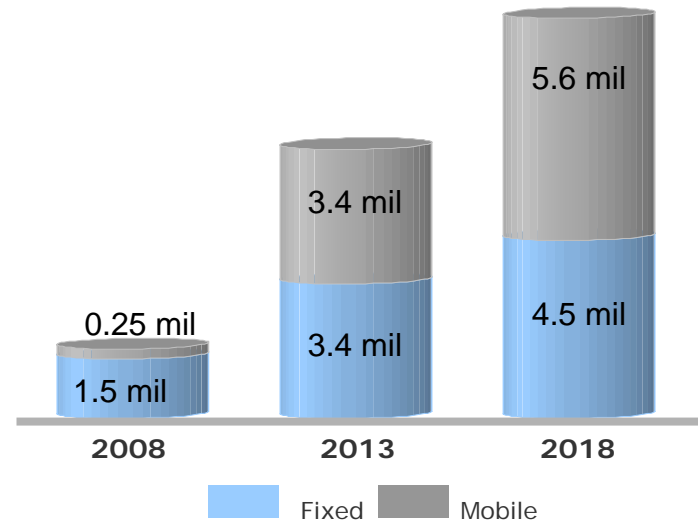
Source: MCMC Q407

Immature broadband market; huge upside

- Wireless broadband momentum picking up
 - *high HSPA market awareness*
 - *WiMAX services available*
 - *some concerns on network quality*

- Excellent growth prospects
 - *consumers now have credible alternatives to ADSL*

Projected Broadband Subscribers in Malaysia



Source: DiGi estimates

**Great opportunity for DiGi to offer HSPA;
building on its 6.6m subscriber**



DiGi's broadband ambition

DiGi's long term ambition is to be one of the top **Broadband Providers** in the Malaysian market and the most **Preferred Mobile Broadband Brand**

A top broadband provider

- Measured in terms of revenue market share
- Market share on total broadband universe, not on specific technology platform e.g. DSL

Most preferred mobile broadband provider

- Measured in terms of brand preference
- Ambition to have the highest brand index



Targeting commercial launch in Q109



Technology

- Trial network launched recently
- Phase 1 rollout awarded to Huawei
- Seamless HSPA/3G/EDGE network



Segments

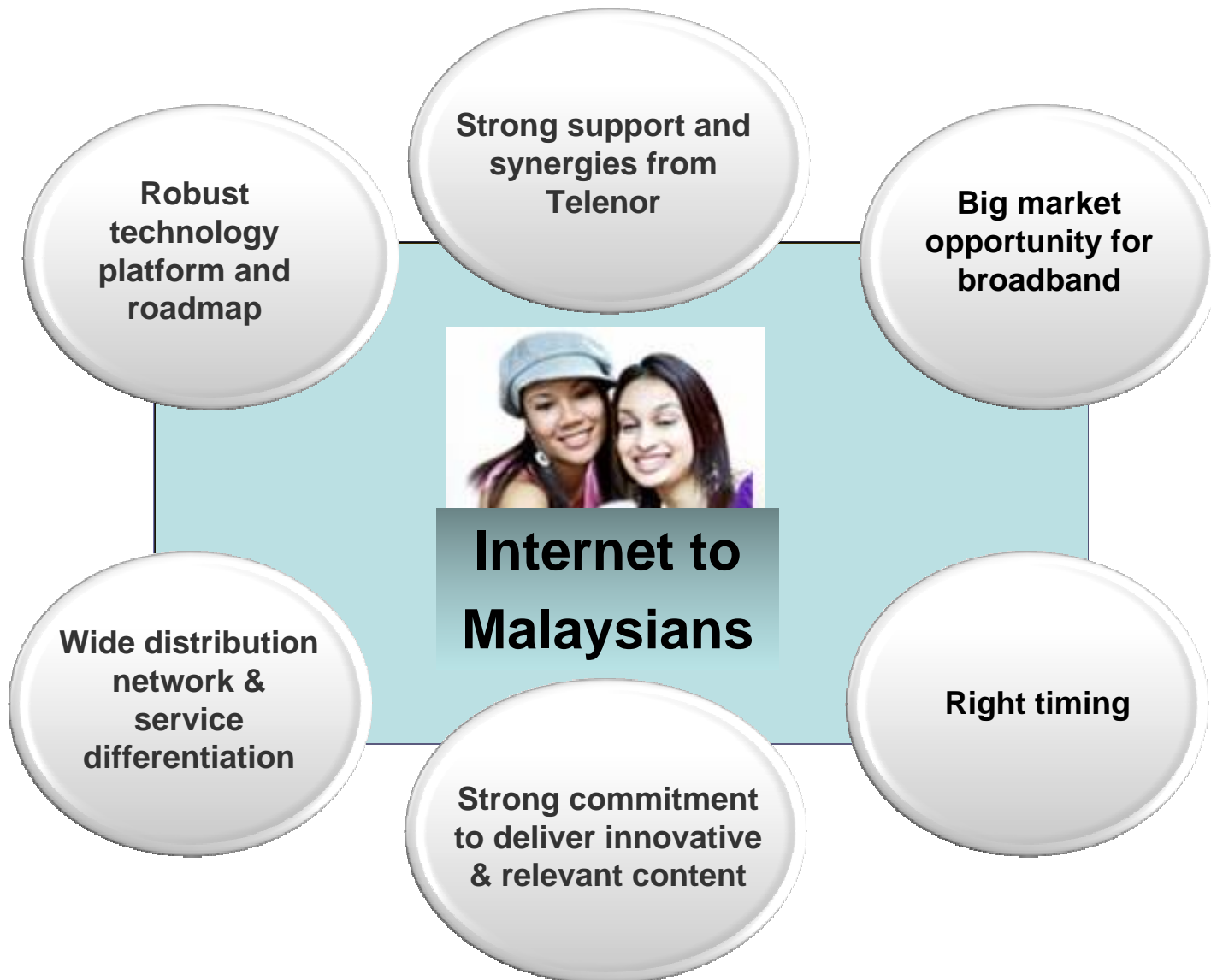
- Youth, young professionals, business
- DiGi's mobile base & EDGE users
- Big screens and small screens



Services

- ISP access with basic & enhanced services
- Strategic partnerships with content & service providers
- Value for money; good quality @ affordable prices

DiGi is well positioned to succeed ...



Appendices



Notable milestones (1/6)

Year	Milestones
May-95	First telco in Malaysia to launch and operate a fully Digital cellular network (<i>then known as Mutiara Telecommunications Sdn Bhd</i>)
Dec-97	First telco to list on The Kuala Lumpur Stock Exchange, under the name of Mutiara Swisscom Bhd
Jan-98	First operator in Malaysia to launch prepaid mobile phone service, DiGi Prepaid PlusTM
Dec-98	Effectuated name change to DiGi Swisscom Bhd
Jan-00	Telenor Asia Pte Ltd acquired 30% stake in DiGi Swisscom Bhd
Apr-00	Effectuated name change to DiGi.Com Bhd
May-00	Launched Mobile Phone Banking Service in Malaysia Partnered MTV Asia, to provide interactive music programs to subscriber



.... notable milestones (2/6)

Year	Milestones
May-01	Reached 1 million mobile subscriber
Sep-01	Telenor raised stake to 61%
Jun-02	First telco in Malaysia to offer Automatic International Roaming and General Packet Radio Services (GPRS)
Sep-03	Launched Beyond PrepaidTM, DiGi's prepaid mobile service with automatic adjusting rates
Oct-03	Reached 2 million mobile subscribers
Apr-04	Launched Online Prepaid Statements
May-04	Launched EDGE, Malaysia's first high-speed data network in Klang Valley
Jul-04	Morten Lundal appointed CEO
Aug-04	Introduced Malaysia's first Mobile TVTM in partnership with ntv7



.... notable milestones (3/6)

Year	Milestones
Oct-04	Reached 3 million subscribers Launched Flexi e-Load TM and Talktime Transfer TM
Nov-04	Appointment of Johan Dannelind as CFO
Jan-05	Launched BubbleTalk TM , Malaysia's first voice SMS service
Mar-05	Launched Postpaid with '0' monthly access fees & Caller Tunes TM
Jun-05	Launched DiGi's 10 th Anniversary promotions and Community Zone TM
Sep-05	Reached 4 million subscribers
Oct-05	DiGi DeepaRaya Festive fiesta and DiGi Prepaid SIM pack @ RM9.90 Announced 75 sen capital repayment and long-term dividend policy
Nov-05	Launched DiGi XMS – picture SMS DiGi Prepaid SIM pack at RM8.80
Dec-05	DiGi Prepaid SIM pack @ RM8.50



.... notable milestones (4/6)

Year	Milestones
Feb-06	Reached 5 million subscribers
Apr-06	Launched Talktime Advance and Talktime Extend and FunVoice – 1 st in Malaysia
May-06	1 st capital repayment cash payout Launched DiGi Postpaid “123” value proposition
Jun-06	DiGi DJTunes and Random CallerTunes launched Moved into new corporate office, D’House
Aug-06	First maiden dividend declared and paid-out
Sept-06	Launched Video Ringtone and DiGi D’Channel mobile TV
Oct-06	Launched “1 Low Flat Rate to anyone on any network, anytime, anywhere” – 1 st in Malaysia 2 nd capital repayment cash payout
Nov-06	Appointment of Stefan Carlsson as CFO Appointment of Johan Dennelind as CMO Launched Postpaid Family Unlimited Plan
Dec-06	Launched award winning “Yellow Fellow Coverage” campaign



.... notable milestones (5/6)

Year	Notable Milestones
Mar-07	Launched “FuYoh” a prepaid plan targeting the youth segment
Apr-07	Launched “DiGiRemit”, Malaysia’s 1 st global mobile remittance service
Jun-07	Reached 6 million subscribers
Jul-07	Launched “1Plan” for postpaid customers
Oct-07	Launched “D’podcast”, a new dimension of on-demand mobile streaming services
Nov-07	Announced special dividend of 73 sen net per share “Mobile Instant Messaging” service was launched jointly with Maxis Entered into an alliance and 3G spectrum transfer with TimedotCom; TimedotCom owns 6.5% stake in DiGi via private placement exercise by Telenor
Dec-07	“Happy”, Malaysia’s 1 st no frills voice and sms mobile service launched
Feb-08	Announced resignation of Morten Lundal as CEO Appointment of Johan Dannelind as CEO wef 1 April 2008
May-08	Completed 3G spectrum transfer and allotment and listing of 27.5 million new DiGi shares issued to TimedotCom TimedotCom owns 10%-stake in DiGi Telenor’s stake reduced to 49%



.... notable milestones (6/6)

Year	Notable Milestones
Jul-08	Revamped Postpaid Plans
Jul-08	Launched “Deep Green” initiative (corporate responsibility)



Useful official statistics

Petunjuk-petunjuk asas Malaysia Malaysia basic indicators

Tahun	Suku	KDNK (RM)				
		Penduduk (juta)	Isirumah ('000)	Harga semasa (bilion)	Harga malar 2000 (bilion)	Indeks Harga Pengguna (IHP)
2007	1	27.04	5,878	144.415	120.060	105.0
	2	27.13	5,898	153.937	123.661	105.1
	3	27.31	5,937	166.306	130.070	105.4
	4	27.45	5,967	176.709	131.162	105.7
2008	1	27.59	5,998	174.636	128.820	107.8
	2	27.70	6,022	109.0
Year	Quarter	Population (millions)	Households ('000)	Current prices (billions)	Constant prices 2000 (billions)	Consumer Price Index (CPI)

GDP (RM)

Punca/Sources: SKMM, JPM, BNM

Telefon Selular di Malaysia Cellular Phones in Malaysia

Tahun	Suku	Pasca bayar ('000)	Pra bayar ('000)	Jumlah langganan ('000)	Kadar Pertumbuhan (%)	Kadar Penembusan (%)
2007	1	3,392	17,427	20,819	7.0	77.0
	2	3,485	17,734	21,219	1.9	78.2
	3	3,689	18,380	22,069	4.0	80.8
	4	3,905	19,442	23,347	5.8	85.1
2008	1	4,137	20,116	24,253	3.9	87.9
	2	4,451	20,635	25,086	3.4	90.6
Year	Quarter	Postpaid ('000)	Prepaid ('000)	Total subscriptions ('000)	Rate of Growth (%)	Penetration Rate (%)

Langganan Internet 'dial-up' Internet dial-up subscriptions

Tahun	Suku	Jumlah Langganan ('000)
2007	1	3,791
	2	3,862
	3	3,910
	4	3,920
2008	1	4,002
	2	3,860
Year	Quarter	Total Subscriptions ('000)



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thank you

