TIME Q1 2016: HIGHLIGHTS

• Launched Malaysia’s **fastest** and **most competitively priced** fibre home broadband service at speeds of up to 500Mbps on 23 March 2016.

• Q1 2016 recorded the **highest sales orders** in the past 4 quarters.

• Increased footprint in **Vietnam** via **increased stake** in CMC Telecommunication Infrastructure Corporation (“CMC Telecom”) of **45.03%** as at 31 March 2016.
CHART OF THE QUARTER

Revenue (RM'million)

- **YoY = +2%**
- **QoQ = +1%**
- **RR* = +22%**
- **RR* = +10%**

Q1-15 | Q2-15 | Q3-15 | Q4-15 | Q1-16
---|---|---|---|---
171.7 | 163.8 | 173.4 | 173.5 | 175.2
31.7 | 11.0 | 12.6 | 17.2 | 4.0
140.0 | 152.8 | 160.8 | 156.3 | 171.2

- Continued to improve and grow stable **recurring revenues**.

- **Recurring revenues** (excluding one-off revenues) from data, data centre, voice and other businesses **+10% QoQ** and **+22% YoY**

*Note RR*: Recurring revenues
QUARTER ON QUARTER ("QoQ") ANALYSIS

<table>
<thead>
<tr>
<th>RM'mil</th>
<th>Actual Q4-15</th>
<th>Actual Q1-16</th>
<th>QoQ Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>173.5</td>
<td>175.2</td>
<td>+1%</td>
</tr>
<tr>
<td>PROFIT BEFORE TAXATION (PBT)</td>
<td>36.6</td>
<td>39.3</td>
<td>+7%</td>
</tr>
</tbody>
</table>

Adjustments:

<table>
<thead>
<tr>
<th>Item</th>
<th>Q4-15</th>
<th>Q1-16</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend income</td>
<td>(3.5)</td>
<td>(3.4)</td>
<td></td>
</tr>
<tr>
<td>PPE written off</td>
<td>4.4</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Reversal of impairment - construction dep.</td>
<td>(1.5)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Forex (Gain)/Loss</td>
<td>(3.6)</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(4.2)</td>
<td>4.7</td>
<td></td>
</tr>
</tbody>
</table>

ADJUSTED PBT | 32.4 | 44.0 | +36%

- **Recurring revenues** (excluding one-off revenues) from data, data centre, voice and other businesses increased RM14.9m or 10% QoQ.

- **One-off revenues** from global bandwidth sales and non-recurring contracts amounted to **RM4.0m** in Q1 2016 compared to **RM17.2m** in Q4 2015.

- Impacted by **net forex loss** of **RM8.1m** as a result of a stronger Ringgit against the USD in Q1 2016.

- **Adjusted PBT** recorded strong growth of 36% attributed to higher sales revenue, reduced overall operating costs and lower depreciation charges compared to Q4 2015.

Note RR*: Recurring revenues
**YEAR ON YEAR ("YoY") ANALYSIS**

- **Revenue** increased by **2%** as compared to Q1 2015.

- Higher **one-off revenues** from global bandwidth sales and non-recurring contracts accounted for **RM31.7m** of total data revenue in Q1 2015 (Q1 2016: **RM4.0m**). Excluding these, **recurring revenues** would have shown a growth of **22%**.

- Recorded a **net forex loss** of **RM8.1m** in Q1 2016 compared to a **net forex gain** of **RM9.0m** in Q1 2015.

- **Adjusted PBT** recorded growth of **14%** YoY mainly attributed by improved cost efficiencies and lower depreciation.

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**Revenue:**

- **Q1-15:** RM171.7m
- **Q1-16:** RM175.2m

**Profit Before Taxation (PBT):**

- **Q1-15:** RM57.5m
- **Q1-16:** RM39.3m

**Adjustments:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Q1-15</th>
<th>Q1-16</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend income</td>
<td>(9.9)</td>
<td>(3.4)</td>
<td></td>
</tr>
<tr>
<td>PPE written off</td>
<td>0.1</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Forex (Gain)/Loss</td>
<td>(9.0)</td>
<td>8.1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(18.8)</td>
<td>4.7</td>
<td></td>
</tr>
</tbody>
</table>

**Adjusted PBT:**

- **Q1-15:** RM38.7m
- **Q1-16:** RM44.0m

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*Note RR*: Recurring revenues
**ASEAN UPDATE:**

**Note:** Investment in Campana Group Pte Ltd ("Campana") recorded a loss after tax of RM2.9m in Q1 2016. The entire investment in Campana was disposed on 29 April 2016 for USD999,750.

### Direct TIME interest

<table>
<thead>
<tr>
<th></th>
<th>RM 'million</th>
<th>Q1-16</th>
<th>Q1-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td>41.7</td>
<td>3.9</td>
</tr>
<tr>
<td>E/(L)BITDA</td>
<td></td>
<td>9.7</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Profit/(Loss) After Tax</td>
<td></td>
<td>3.4</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Share of Profit/(Loss) on Investment of Associates</td>
<td>1.3</td>
<td>(0.7)</td>
<td></td>
</tr>
</tbody>
</table>

**Direct TIME interest**

45.03%  

**KIRZ**

49.00%
# PERFORMANCE: Q1, 2016

<table>
<thead>
<tr>
<th>RM ‘million</th>
<th>Q1, 2016</th>
<th>Q1, 2015</th>
<th>Y-o-Y</th>
<th>Q4, 2015</th>
<th>Q-o-Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>175.2</td>
<td>171.7</td>
<td>+ 2%</td>
<td>173.5</td>
<td>+ 1%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>57.5</td>
<td>69.5</td>
<td>- 17%</td>
<td>56.6</td>
<td>+ 2%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>65.6</td>
<td>60.6</td>
<td>+ 8%</td>
<td>56.0</td>
<td>+ 17%</td>
</tr>
<tr>
<td>PBT</td>
<td>39.3</td>
<td>57.5</td>
<td>- 32%</td>
<td>36.6</td>
<td>+ 7%</td>
</tr>
<tr>
<td><strong>Adjusted PBT</strong></td>
<td>44.0</td>
<td>38.7</td>
<td>+ 14%</td>
<td>32.4</td>
<td>+ 36%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1, 2015</th>
<th>Y-o-Y</th>
<th>Q4, 2015</th>
<th>Q-o-Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Margin</td>
<td>33%</td>
<td>- 7 pps</td>
<td>33%</td>
<td>+ 0 pps</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin</strong></td>
<td>37%</td>
<td>+ 2 pps</td>
<td>32%</td>
<td>+ 5 pps</td>
</tr>
<tr>
<td>PBT Margin</td>
<td>22%</td>
<td>- 12 pps</td>
<td>21%</td>
<td>+ 1 pps</td>
</tr>
<tr>
<td><strong>Adjusted PBT Margin</strong></td>
<td>25%</td>
<td>+ 2 pps</td>
<td>19%</td>
<td>+ 6 pps</td>
</tr>
<tr>
<td>EPS (Sen)</td>
<td>6.53</td>
<td>- 3.33 sen</td>
<td>6.22</td>
<td>+ 0.31 sen</td>
</tr>
<tr>
<td><strong>Adjusted EPS (Sen)</strong></td>
<td>7.35</td>
<td>+ 0.77 sen</td>
<td>5.49</td>
<td>+ 1.86 sen</td>
</tr>
</tbody>
</table>

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**Note 1:** Adjusted PBT and Adjusted EPS excludes dividend income, forex, one off adjustments and realisation of fair value gain on AFS reserve.
REVENUE GROWTH: BY PRODUCTS

**Data**
- Q1-15: 104.1 (Recurring: 135.7, Non-recurring: 31.7)
- Q2-15: 112.9 (Recurring: 123.9, Non-recurring: 11.0)
- Q3-15: 118.9 (Recurring: 131.5, Non-recurring: 12.6)
- Q4-15: 115.9 (Recurring: 133.2, Non-recurring: 17.3)
- Q1-16: 127.5 (Recurring: 131.5, Non-recurring: 4.0)

**Voice**
- Q1-15: 17.6 (Recurring: RR* +22%, Non-recurring: RR* +10%)
- Q2-15: 19.5
- Q3-15: 20.1
- Q4-15: 19.3
- Q1-16: 20.2

**Data Centre**
- Q1-15: 17.5 (Recurring: RR* +22%, Non-recurring: RR* +10%)
- Q2-15: 18.8
- Q3-15: 20.5
- Q4-15: 19.8
- Q1-16: 22.3

Note: Numbers are in RM million
Legend:  ■ Recurring  ■ Non-recurring

*RR*: Recurring revenues
YoY: Year on Year
QoQ: Quarter on Quarter
REVENUE GROWTH: BY SEGMENTS

**Wholesale**
- YoY: -17%
- QoQ: -3%
- RR* +18%
- RR* +17%

**Enterprise**
- YoY: +23%
- QoQ: +4%

**Retail**
- YoY: +41%
- QoQ: +8%

*Note: Numbers are in RM million
Legend: Dark shade = Recurring | Light shade = Non-recurring
RR*: Recurring revenues*
The decrease in overall adjusted cost (excluding forex losses) in Q1 2016 helped to improve overall operating profit margins during the period.

Improved Cost-to-Revenue % was driven by cost efficiencies and lower depreciation charges on the back of improved revenues during the quarter.
### Q1 2016 CAPITAL EXPENDITURE

- **Expenditure incurred on telco assets** was mainly to extend network coverage (domestic and international) as well as to upgrade existing network infrastructure.

- **91% of total Q1 2016 capital expenditure** was spent on telco assets.

- **RM89.0m** was spent on submarine cable systems (i.e. APG, AAE-1, FASTER and SKR1M) in Q1 2016.

- **Non-telco CAPEX in Q1 2015** comprised mainly of land purchase in Cyberjaya for approximately RM15.5m.

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**Note:** Numbers are in RM million.
MOVING FORWARD

ASEAN
Continue to explore and tap expansion opportunities within ASEAN

VIETNAM
Increased additional stake in CMC Telecom to 45.27% for VND2.83 billion on 13 April 2016

SUBMARINE CABLES
APG and FASTER cable systems are expected to become operational in second half of 2016.

MALAYSIA
Continue extending our domestic reach to new territories and improving our presence in the retail segment.

DiGi.COM
Disposed remaining stake in DiGi.Com Berhad for cash consideration of RM307.2m resulting in a fair value gain from AFS reserve to P&L of RM157.4m in Q2 2016.

CAMPANA
Disposed entire equity stake in Campana Group Pte Ltd for USD999,750 resulting in a gain on disposal of approximately RM2.6m in Q2 2016.
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Should you have any queries, please contact:

investor.relations@time.com.my

TIME dotCom Berhad
No.14, Jalan Majistret U1/26, Hicom Glenmarie Industrial Park,
40150 Shah Alam, Selangor, MALAYSIA
Tel: +603-5032 6000 I Fax: +603-5032 6100 I www.time.com.my