

Leverage on IR/PR during M&A exercises

By Danny Choong
18 November 2009

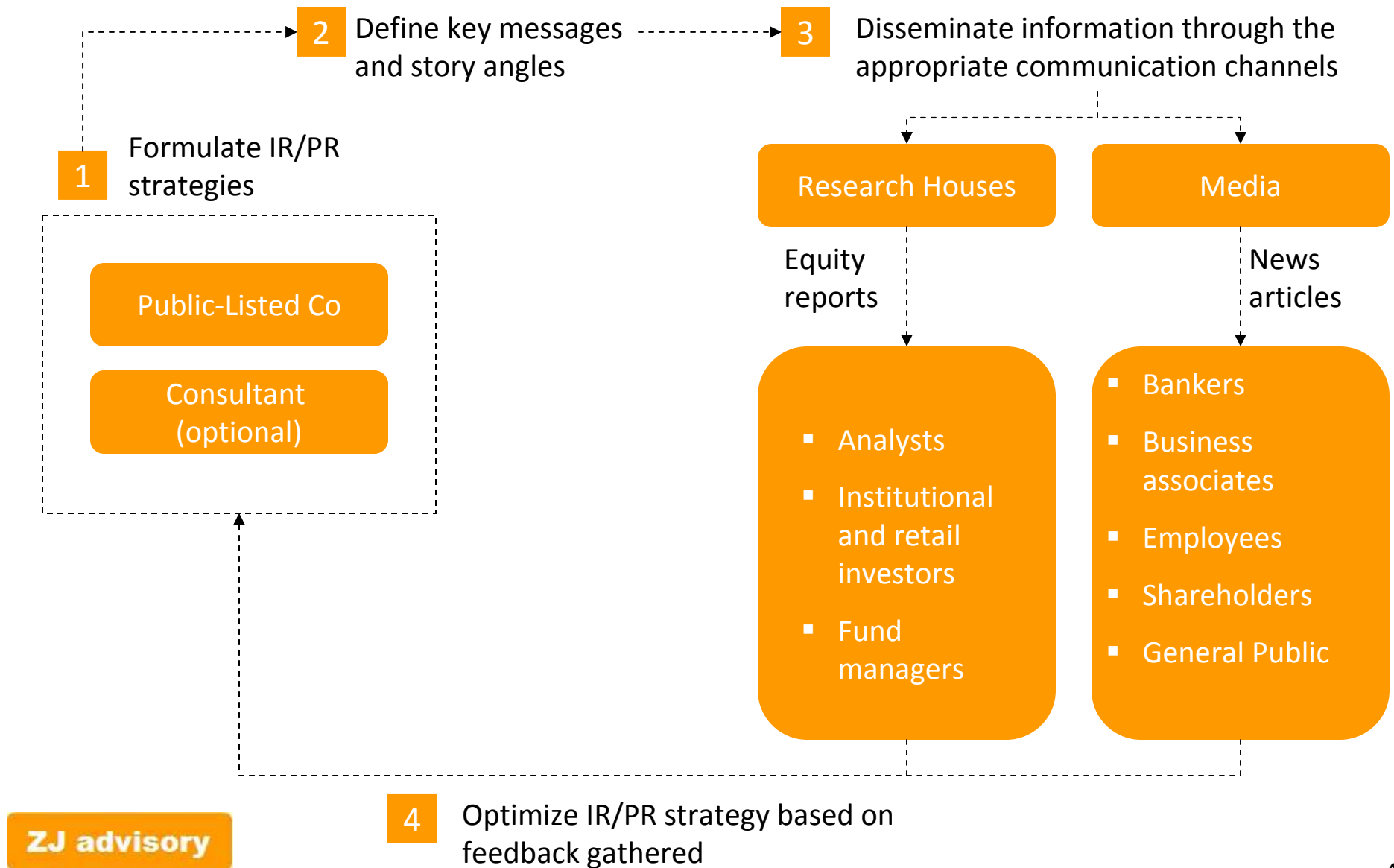
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1) About IR/PR

Overview of IR/PR framework



Why & When is IR/PR used?

WHY

- Public Relations
 - Credibility
 - Cost Effectiveness
 - Exposure
 - Flexibility
- Investor Relations
 - Increase corporate awareness
 - Build credible corporate reputation
 - Fair value discovery

WHEN

- New listing
 - Initial Public Offering (IPO)
- Raise funds
 - Private Placements
 - Rights Issue
 - Bond issuance
- Corporate deals
 - Joint Venture
 - Reverse takeover
 - Privatization
 - M&A

Target audience

Investors



- Bankers
- Rating agencies
- Analysts
- Fund Managers
- Retail Investors
- Shareholders

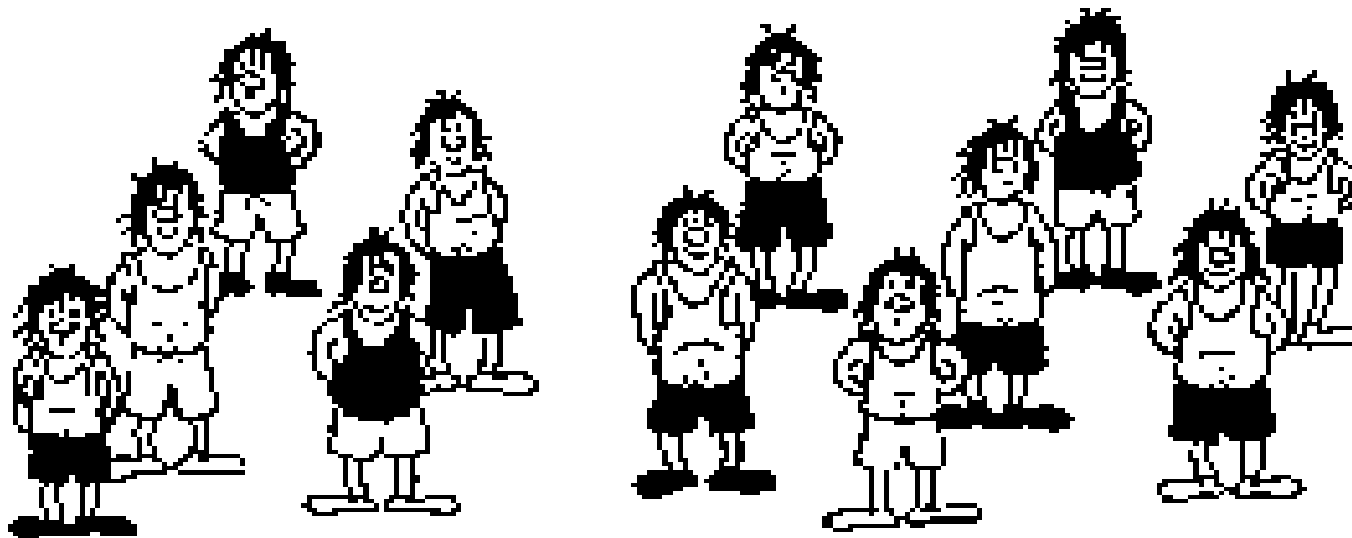
Public



- Media
 - Employees
 - General Public
 - Industry Associations
 - Business Associates
-

2) Reasons for M&A

Creating value – getting 13 from 12



Sun Tzu Art of War (Chapter 5) Excerpt

- The musical notes are only five in number, but their combination gives rise to numerous melodies that one cannot hear them all
- The primary colours are only five in number, but their combinations are so infinite that one cannot visualise them all
- The flavours are one five in number, but their blends are so various that one cannot taste them all
- In battle, there are only the normal and extraordinary forces, but their combinations are limitless; none can comprehend them all

孙子兵法 势篇第五

战势不过奇正，奇正之变，不可胜穷也。
味不过五，五味之变，不可胜尝也。
色不过五，五色之变，不可胜观也。
声不过五，五声之变，不可胜听也。

SYNERGY

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Reasons for M&A

- For growth
- To acquire skilled personnel
- Forming cartels
- Technology transfer
- Market positioning
- Market penetration
- Advancing on competitors

3) The M&A process

Setting the right expectation

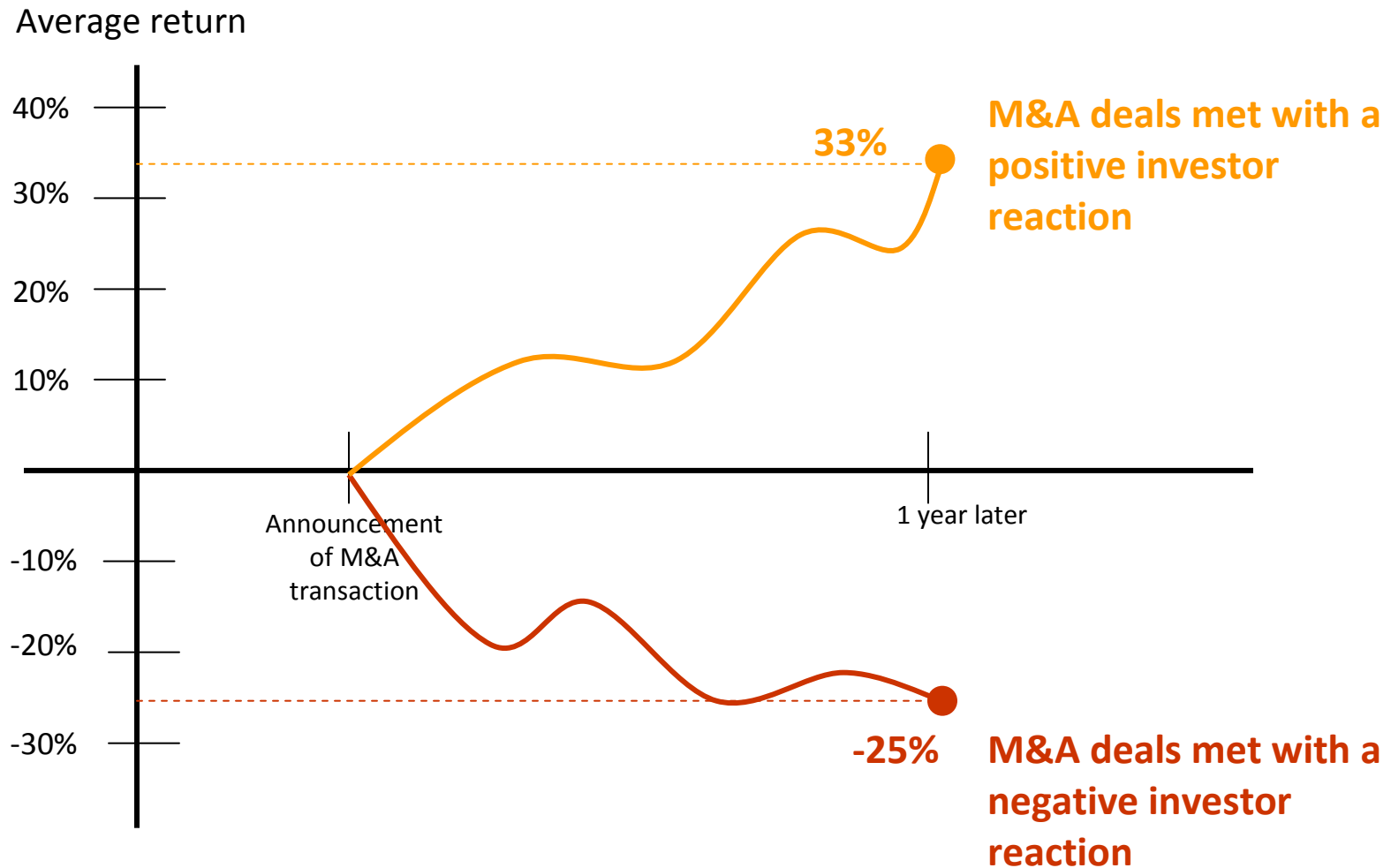
A comprehensive communications program ensures *credibility* and *success* of M&A transactions



Overview of the M&A process

	PRE	EXECUTION	POST
What will happen?	<ul style="list-style-type: none"> Signing of MOU 	<ul style="list-style-type: none"> Signing of Sale and Purchase Agreement 	<ul style="list-style-type: none"> Completion of Acquisition Fulfillment of Conditions Precedent Approvals Received
Who to tell?	<ul style="list-style-type: none"> M&A Committee comprising of Legal, Public Relations and Investor Relations Personnel (acquirer, acquiree and external consultants) 	<ul style="list-style-type: none"> Everyone 	<ul style="list-style-type: none"> Everyone
What to tell?	<ul style="list-style-type: none"> Intentions to acquire Estimated size of target 	<p>Refer to LR Appendix 10A for contents of announcement</p>	
What not to tell?	<ul style="list-style-type: none"> Name of target Details of structure 		
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Important to obtain POSITIVE investor perception

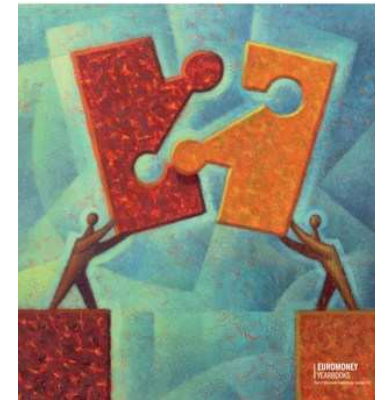


Source : Boston Consulting Group
(based on a survey of 302 large M&A transactions)

Focus of the transaction and key takeaways



Growth prospects



Synergy potential

+



Management's capability



Technology transfer

What do your target audience want to know? (5W + 2H)

- **Why?** → Why are we acquiring?
- **What?** → What benefits expected after M&A?
- **When?** → When will the deal be completed?
- **Where?** → Where are the plant locations?
- **Which?** → Which businesses will be absorbed?
- **How?** → How will the deal be funded?
- **How much?** → How much are we paying to acquire?

Stage 1 : Pre



- Period between MOU date → Signing of documents
- Dealing with confidential information (LR 9.06)
 - Limit number of people with access to material info
 - Ensure security of all confidential documents
 - If any news leak or rumours occur, make announcement **immediately** to Bursa

Stage 1 : Pre



- Preparation of documents
 - Prepare execution timetable
 - Decide if an announcement is required - Calculate percentage ratios of transaction (LR 10.05 – 10.07)
 - Draft announcement (LR Appendix 10A)
 - Draft circular to shareholders, if required (LR Appendix 10B)
 - Prepare FAQ on transaction – distribute to company spokesperson
 - Prepare press release and presentation materials on M&A exercise

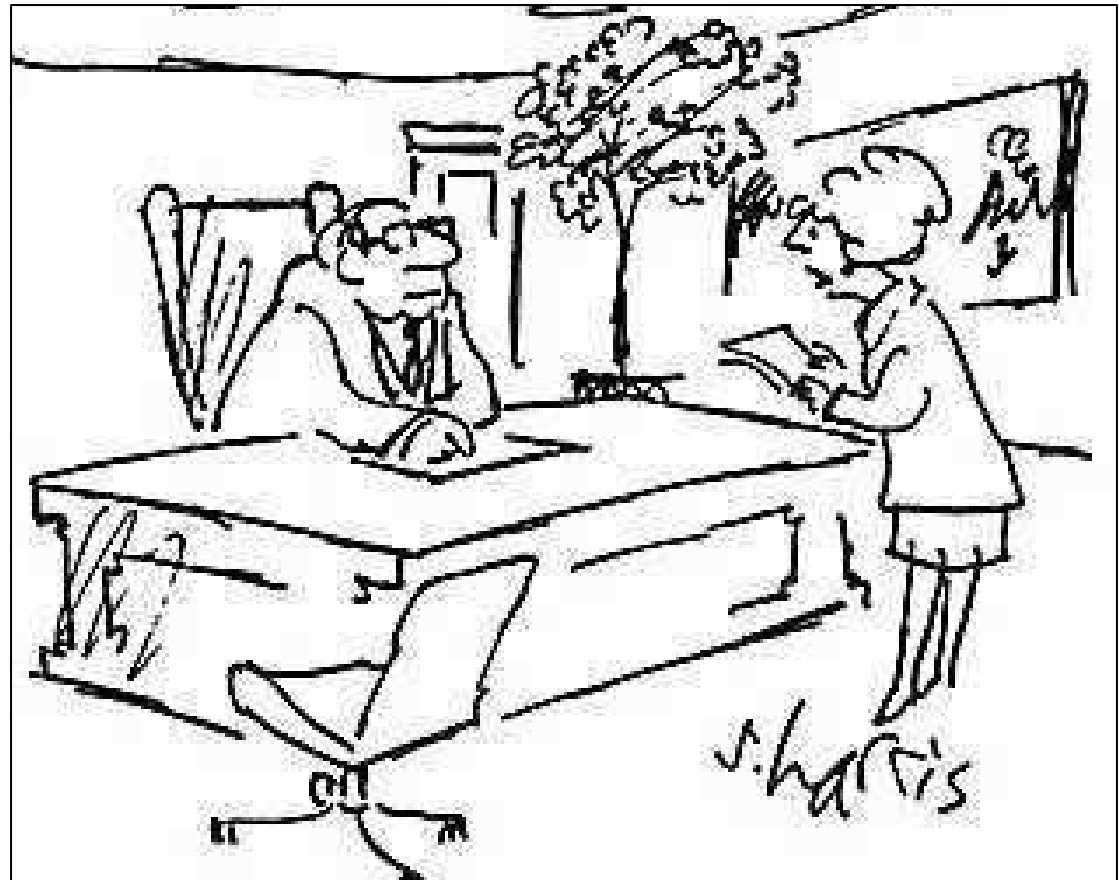
- Articulate communications strategy
 - Identify and analyze target audience
 - Identify key messages



Dealing with rumours

PRE

- When clarifying a rumour, if discussions are on-going, do not DENY the transaction
- Instead, mention that discussions are on-going and that any future developments will be announced accordingly



“This morning a rumour that we would buy the Arpex Corp. drove our stock up \$3. Around noon a rumour that Arpex would buy us drove it up another \$3. And in the afternoon a rumour that we have nothing to do with Arpex drove it up \$3 more.”

Stage 2 : Execution



- Follow Bursa guidelines when making announcement (LR 9.08)
 - Announcement after market closes (after 5pm)
 - If announcement is made during trading hours, Bursa may impose a trading halt or suspension
 - Announcement to media on an embargoed basis is not allowed
- After announcing to Bursa, send out press release to newspapers and newswires



Bloomberg



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Stage 2 : Execution



- Meet with target audience
 - Organize media briefing
 - Organize analyst briefing (Best practice : Upload presentation and materials online to limit selective disclosure)
 - Don't limit communication to selected parties only
- Try to get positive statements from third parties such as industry analysts, industry associations and media



Assign a company spokesperson to engage in regular dialogues with target audiences

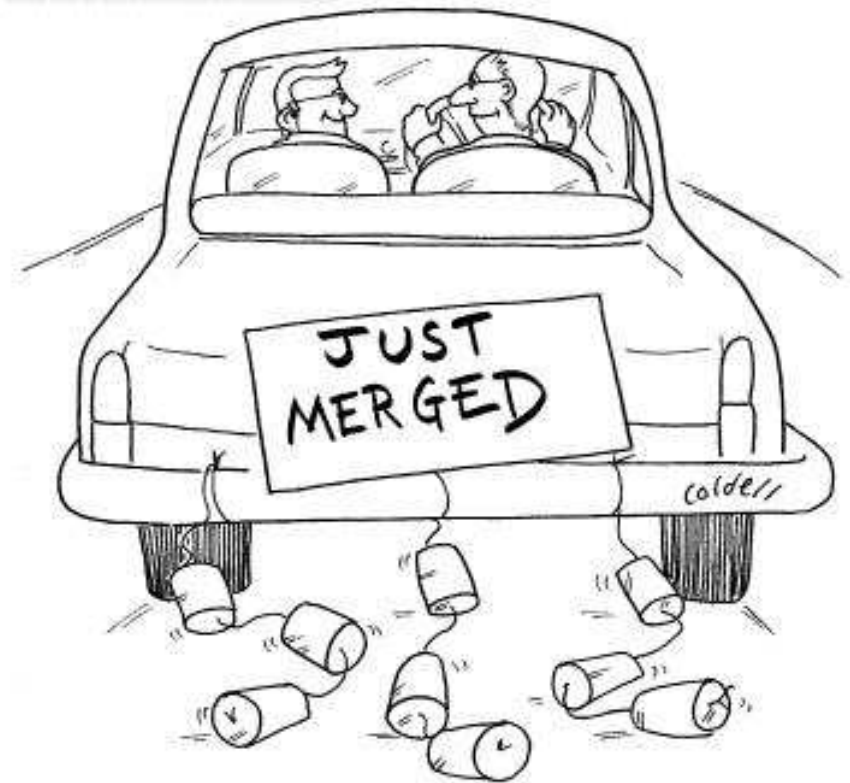
Ideal candidate :

- Chief Executive Officer
- Investor Relations Officer

Stage 3 : Post



- Gather feedback on M&A exercise from news articles and analyst reports
- Update on developments relating to transaction such as
 - Status of completion
 - Approvals received
- Keep target audience updated on status of integration between acquirer and acquiree relating to
 - Staff
 - Technology
 - Products



Announcing bad news

POST

- Address the “What-ifs”:-
 - What if deals fail to close – is aborted by either party?
 - What if you are unable to raise the funding?
 - What if you do not get the necessary approvals?
 - What if you face some regulatory obstacles?
 - What if post M&A, the desired results were not met?



“The acquisition fell through.
The only thing I acquired was an ulcer.”

Other Considerations

➤ VALUATION

- What valuation method is used?
 - P/Book Value, PER, EV/EBITDA (Enterprise Value/Earnings before interest, tax, depreciation and amortization), Discounted Cash Flow
- Why is this method used?
- Is the valuation fair? - Compare with other M&A transactions of the same industry

➤ TRANSACTION STRUCTURE

- How much debt is being absorbed?
- How much additional borrowings to fund the transaction?
- Post M&A, how much will gearing increase to?

➤ TIMING

- Why are we pursuing the M&A now?

Overview of IRPR activities during M&A process



TEASE

- One-on-one media interviews
 - Indicate company is on an acquisition trial
 - Reasons to diversify or expand because of attractive industry

ANNOUNCE

- Media coverage hype
 - Press conference
 - One-on-one media interview
- Analyst briefing
- Fund-manager meeting

UPDATE

- Press releases on developments of M&A relating to:-
 - Status of completion
 - Status of integration
 - Approvals sought / received
 - Developments in country of operation
 - Political / environmental issues

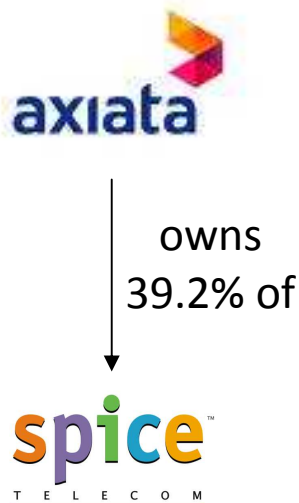
4) Case study

Overview of transaction

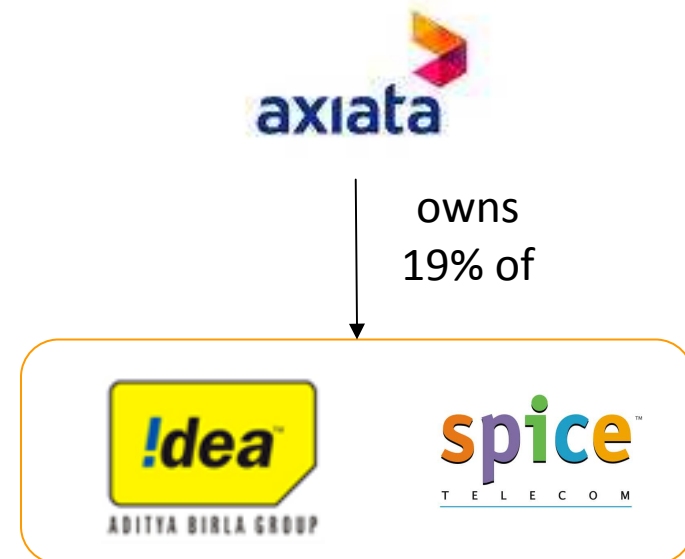


- Spice and Idea were going to merge, resulting in an “enlarged Idea”, making it the 5th largest mobile player in India with 47 million customers in 18 service centres
- Axiata to purchase 15% equity stake in Idea for a cash consideration of RM 5.5 billion. Post merger, Axiata’s shareholding will be 19% of “enlarged Idea”

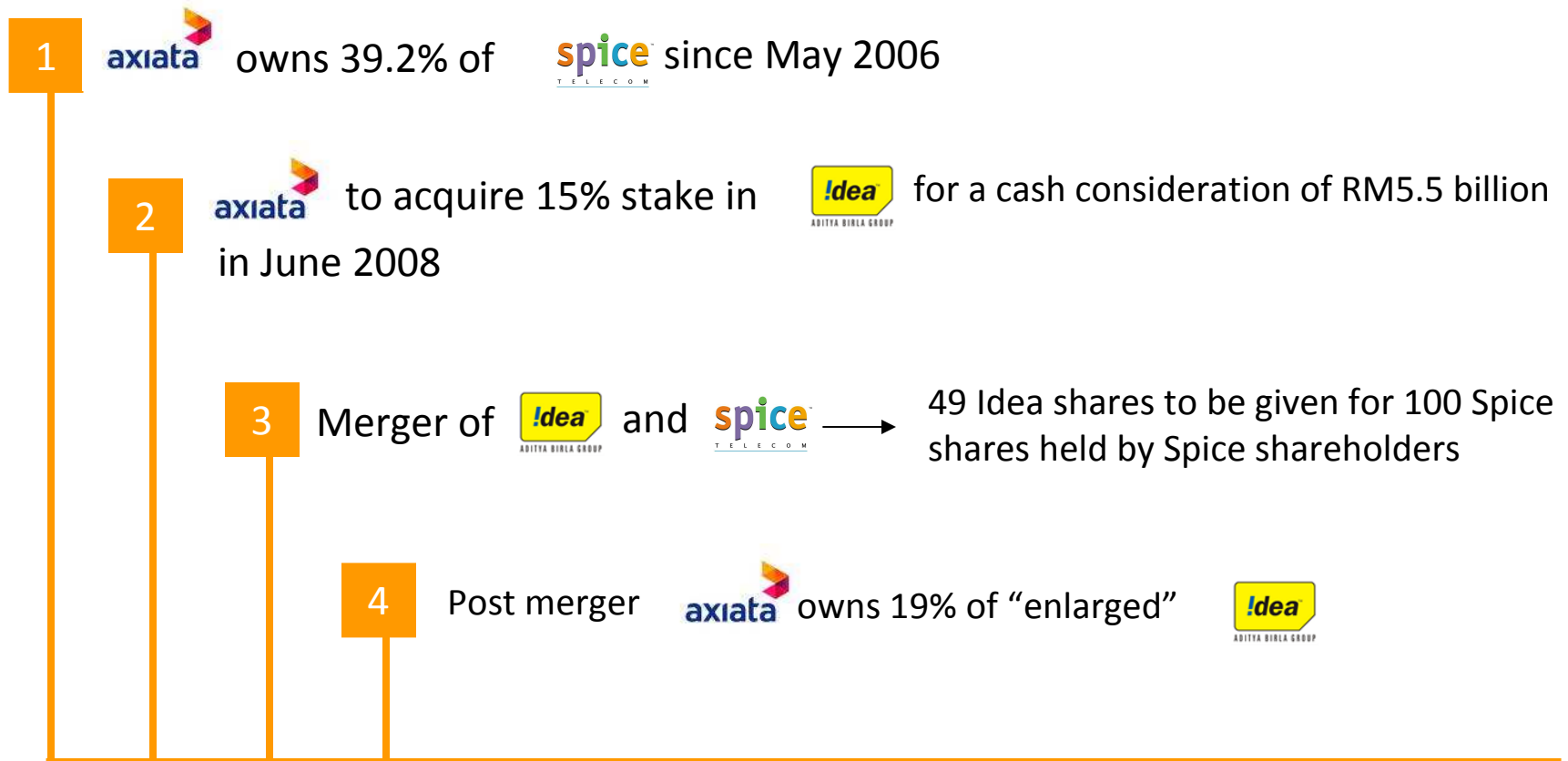
BEFORE



AFTER



Chronology of events



Description of Axiata

GRAB		Equity		DES	
At 11:45		Vol 815,900	Op 3.11 K	Hi 3.11 K	Lo 3.09 K
		ValTrd 2532842			
DESCRIPTION			Page 1/10		
AXIATA MK		AXIATA GROUP BERHAD		Telecommunication Equip	
				98) Generate Report	
<p>Axiata Group Berhad is a telecommunication company. The Company's main activities is the establishment, maintenance, and provision of telecommunications and related services.</p>					
STOCK DATA		MYR	DIVIDENDS		None
1)GPO	Price	3.10	5)DVD Indicated Gross Yld		
	52Wk High	9/23/2009	3.27	Dividend Growth	
	52Wk Low	3/17/2009	1.451	Ex-Date	Type
	YTD change		.635		Grs Amt
	YTD % Change		25.76%	4/ 8/09	Rights
	Trade Lot		100		5 per 4
2)FA	Shares Out 11/ 2/2009	8445.155M	EARNINGS		MYR
	Market Cap	MYR 26179.98M	0)ERN	Ann Date	11/25/09 (C)
	Float	2509.84M		Trailing 12mo	EPS
3)TRA	1 Yr Total Return	12.12%	7)EE	Est EPS	12/2009
				P/E	161.98
				LT Growth	7.13
4)OMON	No Options Available			Est P/E	18.56
				Est PEG	2.60
COMPANY SPUN-OFF FROM TELEKOM MALAYSIA BHD { NXTW CACX 31244680 SEED }.					
<small>Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P. H186-435-0 16-Nov-09 11:46:25</small>					

Axiata current share prices as at 13 Nov 09



Axiata Share Prices and Volumes from April 08 to Nov 09



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Parties of transaction



- Holding company with strategic telecommunications operations and investments in 10 countries and over 90 million subscribers



- 6th largest mobile telecommunication company in India
- 24 million subscribers representing a 9.4% market share in India



- 8th largest mobile telecommunication company in India
- 4.2 million subscribers representing a 1.6% market share in India
- Existing operations in 2 circles only (Punjab and Karnataka)

Transaction Rationale



<p>Why? (Reason)</p>	<ul style="list-style-type: none"> ➤ <u>India – huge growth potential</u> ▪ Mobile penetration in India is one of the lowest in the region (20-30%) ▪ Future growth is expected to be strong with approx. 200-300 million net additional subscribers over the next 3 years
<p>What? (Benefits)</p>	<ul style="list-style-type: none"> ▪ Earnings accretive in the first full year of operations ▪ Yield approx. 15-20% of consolidated profits in 2012 ▪ Project IRR of mid-high teens in a 5-year time horizon
<p>When? (Timeline)</p>	<ul style="list-style-type: none"> ➤ <u>Why is NOW the best time</u> ▪ By 2012, penetration would reach the 50-60% level, beyond 2012, growth is expected to slow down ➤ <u>Expected to be completed by 3Q2009</u>
<p>Where? (Location)</p>	<ul style="list-style-type: none"> ▪ Idea has licenses for all remaining circles and national rollout is in the pipeline ▪ “Enlarged Idea” would have presence in 13 circles covering 70% of population

Transaction Rationale (cont'd)



<p>Which? (Businesses)</p>	<ul style="list-style-type: none"> ▪ India's wireless telecommunication market
<p>How? (Structure, Funding)</p>	<ul style="list-style-type: none"> ▪ Axiata to subscribe to 15% of Idea Cellular for RM5.5 billion ▪ Idea will purchase 40.8% stake in Spice for RM2.1 billion ▪ TMI, Idea and Birla will make an MGO for the remaining Spice shares ▪ Spice will be merged into Idea via a share swap, Spice shareholders will receive 49 Idea shares for every 100 Spice shares ▪ Consequently, TMI which owns 39.2% of Spice, will increase its stake in Idea to 19% ▪ TMI has a further call option for Birla's Spice shares obtained via the MGO, increase stake in Idea to 20% ▪ Funding via bridging loan
<p>How much?</p>	<ul style="list-style-type: none"> ▪ Total cash consideration of INR73.0 billion (RM5.5 billion) or INR 157.0 (RM11.91) per Idea share

Clarification to a Bursa query (before official announcement)

ARTICLE ENTITLED “TM INTERNATIONAL SETS SIGHTS ON REGIONAL GROWTH”

We refer to the Bursa Malaysia Securities Berhad’s letter dated 12 June 2008 in relation to the above article which appeared in the New Straits Times, Biz News on Thursday, 12 June 2008, with particular reference to the following:

(i) “TMI is not a seller of Spice to a third party, but we are open to industry consolidation...”

(ii) “...TMI may merge its Indian mobile assets with that country’s sixth largest mobile player, Idea Cellular Ltd, via a preference share deal...”

(iii) “...TMI will own not more than 15 percent of Idea...”

With respect to item (i) above, we wish to confirm that the statement is true as TMI has no intention to exit from India and has been open to consolidation.

In light of the above and with respect to items (ii) and (iii) above, **we wish to clarify that TMI has had discussions with various parties on opportunities to increase our participation in the Indian mobile telecommunications industry either through organic rollout/infrastructure sharing or through inorganic means. However, no firm decisions have been made with respect to such expansion.**

In the event of any conclusive and final decisions being made by TMI, we will release the relevant announcement to Bursa Malaysia Securities Berhad.

Reports upon official announcement

3 POSITIVES

- Bloomberg (TA Asset Management Bhd)
- AmResearch
- ECM Libra

2 NEGATIVES

- Bloomberg (Credit Suisse Group)
- Kenanga




Positive reports (1) (upon official announcement)

- **25 June 2008, Bloomberg – Idea offers to Buy Control of Spice for \$757 million**

“By taking over Spice they enhance their position and secondly, they become a dominant player” in India, said Choo Swee Kee, who counts TM International shares among the \$202 million he manages at TA Asset Management Bhd. in Kuala Lumpur.

“For TM International, to hold a smaller stake in a bigger ocean is better than to hold a larger stake in a pond.”

Positive reports (2) (upon official announcement)



AmResearch
Company Report

Izz Al-Din Maslan
izzmaslan@ambg.com.my
603 2036 2304

TELECOMMUNICATIONS

TM INTERNATIONAL

(TI MK, TMIT.KL) 26 June 2008

Spice+Idea; Expanding the India presence

HOLD
RM7.00
Target Price: RM7.90

Rationale for report : Company Update

YE to Dec	Pro-Forma FY07	FY08F	FY09F	FY10F
FD EPS (sen)	37.0	44.9	51.4	56.2
PE (x)	19	16	14	13

Source: AmResearch

- Pursuant to the acquisition of B K Modi's 40.8% stake in Spice Communications ("Spice") by Idea Cellular ("Idea"), TM International ("TMI") announced that they are buying 15% (464.7m shares) of the enlarged Idea at Rs157/share (RM12/share), translating to total investment of RM5.5bn. Post the proposed merger, TMI will hold 19% (on fully diluted basis) of the enlarged entity. Note that TMI's holdings of 39.2% in Spice would be diluted to about 4% of the enlarged entity post the proposed merger.
- Idea, the fifth largest mobile operator in India, has agreed to pay some Rs77/share (RM5.90/share) for Modi's stake, valuing Spice at RM4.1bn (vs our valuation of RM3.1bn). This is also higher by nearly 3x compared to TMI's cost of about RM2/share when they bought the 49% stake in Spice in June 2006. Idea and TMI will carry out a Mandatory General Offer ("MGO") at Rs77/share for the remaining 20% (138m shares) of Spice held by public and financial institutions. Subsequently, Spice will be merged into Idea based on a share swap ratio of 0.49 (100 Spice shares for 49 Idea shares). The entire exercise is expected to be completed by early 2009.
- At Rs157/share, Idea is valued at FY09F PE of 33x (based on street estimates), a premium of 20-30% to peer average of 23-26x. Assuming TMI finances the acquisition entirely by debt, its FY08F net gearing will increase to 1.2x from 0.8x. We believe this is manageable given its steady EBITDA (at holding level) of RM2.4bn p.a for FY08F-09F and rising FCF/share from -23 sen in FY07 to 12 sen in FY09F.
- Even though the premium appears to be steep, we are positive with the proposed exercise over the long-term as it will pave the way for TMI to expand its presence in

- **26 June 2008, AmResearch** - Even though the premium appears to be steep, we are positive with the proposed exercise over the long-term as it will **pave the way for TMI to expand its presence in the lucrative Indian mobile market.**

Positive reports (3) (upon official announcement)

ecmlibra INVESTMENT RESEARCH


26 June 2008

TM International **BUY**
(RM7.00 T1MK) Target Price: RM9.10

Spice and Idea Cellular to merge TELCO

- Idea to buyout the Modis' stake in Spice for RM2.07bn**
Idea is set to buyout the Modis' 40.8% stake (281,489,350 shares) at an acquisition price of Rs77.30 per Spice share, thus valuing the Modis' stake at Rs21.7bn (RM1.66bn). In addition, Idea has to pay Rs5.44bn (RM413.4m) to the Modis' as non-compete fee. In total, Idea will be forking out Rs27.2bn (RM2.07bn or Rs96.63 per Spice share) for buying out the Modis' stake.
- Additional 20% stake to cost Idea another RM810.63m**
Idea will be making an Open Offer for an additional 20% stake at Rs77.30 per Spice share for shares currently held by the public and financial institutions. Assuming the offer is successful, Idea will then hold 60.8% in Spice while 39.2% will be held by TMI. The additional 20% stake will cost Idea a further Rs10.67bn (RM810.63m).
- Merger via share swap**
The Boards of Idea and Spice have approved the merger of Spice into Idea via a share swap arrangement. The swap ratio has been determined at 49 shares of Idea for every 100 shares of Spice. Upon merger, TMI's stake will be diluted to 4.5% in the merged entity.
- TMI to be offered 464.73m shares in Idea**
TMI has been offered 464.73m shares in Idea at Rs156.96 (premium of 54% over Idea's current share price) which would represent 14.99% of the merged entity's share base. Assuming TMI takes up the offer, its equity stake in the merged entity would rise to approximately 19.5%. The cost to TMI for subscribing the offer would amount to Rs72.94bn (RM5.54bn) which would be initially funded by a bridging loan that would carry an interest of about 6%. However, the actual method of financing the transaction has yet to be determined, but would most likely be a mix of debt and issuance of new TMI shares.
- Spice-Idea potentially worth RM0.62 per TMI share**
Idea is expected to achieve net profits of Rs13.55bn (RM1.03bn) for FYE 31 March 2009. Based on TMI's stake of 19% assuming TMI takes up Idea's offer, TMI will be able to equity account Rs2.57bn (RM195.6m) in earnings. Ascribing a PE multiple of 13x (19% discount to Bombay's market PE multiple) to Idea's earnings contribution to each TMI share of 5 sen will translate to a fair value of RM0.62 per TMI share for the merged entity (Spice is still loss making). We assume that TMI will part finance the acquisition in Idea with issuance of new TMI shares, which would expand TMI's share base to 4.129m.

Share Price Chart



Price Performance

Price (RM)	7.00
52-week Range (RM)	6.70 - 8.20
Avg Daily Volume ('000)	6,008
Absolute (%)	-4.8
Relative (%)	0.3

Key Data

Market Cap (RM m)	26,273.8
Issued Shares (m)	3,753.4
Convertible (m)	-
Warrant (m)	-

Major Shareholders

Khazanah	44.5
EPF	11.1
ASB	7.9

Balance Sheet Highlights (RM m)
(@ 31.03.2008 (performance indicator's annualised))

Net Assets	12,093
Net Debt	8,407
Net Assets / Share (sen)	3.21

26 June 2008, ECM Libra

On the surface, TMI appears to be paying too much for the 15% stake in idea to boost its overall holdings in the merged entity to 19% due to the hefty premium for new Idea shares... **The Indian market appears too attractive to exit given the high growth potential**, and time will tell if the hefty premium paid for Idea shares will be justified.



Negative News reports (1) (upon official announcement)


- **Bloomberg, 26 June 2008 – TM Shares drop on concern it's overpaying for Idea**

TM International Berhad, Malaysia's second biggest mobile-phone carrier, had its second biggest fall in Kuala Lumpur trading on **concern the company is paying too much** for a minority stake in India's Idea Cellular Ltd.

TM, which resumed trading after being suspended for half a day yesterday for the announcement, **tumbled 4.3%** to close at RM6.70 on Malaysia's stock exchange, **the second biggest decline since it began trading** on April 28. It lost 4.6% on April 29.

Credit Suisse Group today **cut its 12-month share price estimate** for TM by 6.4% to RM8.13, saying in a report the company "significantly" overpaid for Idea.

Negative News reports (2) (upon official announcement)



KENANGA RESEARCH

Company Update

26 June 2008

HOLD
RM7.00
Target Price: RM7.35

Stock data

Market cap (RMm): 26,279.8
 Issued shares (M): 3,753.4
 52-week range: RM6.70-RM8.20
 3-month avg daily volume: 6,008,450 shrs

Bloomberg code: T1 MK
 Sariah: Yes
 Since listing price chg: -7.3%
 YTD KLCI chg: -16.3%
 Est. fee float: 36.48%

Major shareholders:
 Khazanah Nasional: 44.51%
 BPF: 11.13%
 ASB: 7.89%


Consensus

FYE 31 Dec	2008E	2009E
Net profit (RMm):	1,582.2	1,922.6
EPS (sen):	43.9	51.2

Forecast revision

FYE 31 Dec	2008E	2009E
Prev. net profit (RMm):	1,586.7	1,895.1
Revision (%)	-	-
Net profit (RMm):	1,586.7	1,895.1

Share price chart



The Research Team
 Tel: 603-2713 2292
 research@kenanga.com.my

TM International
Expensive

- TMI's announced that its 39.20% owned Indian unit – Spice will be merging with the 6th largest operator in India – Idea Cellular to further their ambition in becoming a fighting force in the world's fastest growing market.
- Three step process.** After subscribing for a 14.99% stake in Idea for cash of RM6.538billion, MGO and reversal of Spice into the newly merged Idea/Spice entity, TMI will then end up with an effective stake of 19%.
- Outlay of USD1.820m being USD1.641m for the new Idea shares and USD179m original cost of TMI's investment in Spice implies an EV of USD10,293m for the newly merged entity or 12.5x 2009 EV/EBITDA. Compare that with Bharti's 10.7x, the valuation for the new Idea is at a 18% premium which we believe is rich. The use of historical accounting costing of USD179m for TMI's 39.2% stake in the original Spice is contentious given that the basis for valuing Spice for the above deal is some 88% higher based on Idea's Rs77.30 offer to Modi – the 40.8% original shareholder of Spice. Using that as a benchmark, the EV/EBITDA is actually 13.2x or 23% higher than Bharti's.
- Further cash injection of USD1,060m into the new entity to further rollout in the new circles. This is another sore point for a lot of investors given the fact that Idea's backer – billionaire Kumar Mangalam Birla controls a sprawling entity with interest ranging from garment to cement with market capitalization in excess of USD30billion.
- Gearing to balloon to 1.5x post merger. This is inclusive of the RM4billion inter-co loan due to Telekom Malaysia (TM) by April 2009. While the current undertaking will be financed via a bridging loan, ultimately, a cash call will be most likely to be needed should TMI furthers its ambition in other emerging countries including Vietnam. During the teleconference, management did hint that possible strategic investors could be roped in at the TMI level to alleviate the current high gearing but timing and choice will be critical.
- Earnings to be equity accounted with TMI getting 1 out of the 10 board seats. Whether the board representation is sufficient to wield much influence remain a question mark.
- Rude awakening. While the need for a Pan-Indian presence is well-known, the cost of getting one is likely to leave a bitter after taste for most investors. This is the risk when one invests in TMI given that all oilco assets can never come cheap with major markets fast inching towards saturation. Investors will have to take clear cognizance of this reality.
- Short-term pain from the merger. While growth prospect is exciting, so is the risk given the high valuation that for the recent deals transacted. Based on the mood during the teleconference last evening, consensus is one of negative given the premium and the supposedly lost management control. Immediate share price weakness in the short-term cannot be discounted.
- While concurring with the consensus that the deal is rich and TMI share price could languish in the near term, the longer term picture could however be different given

- Kenanga Research, 26 June 2008 – Expensive**
Short-term pain from the merger. While growth prospect is exciting, **so is the risk given the high valuation for the recent deals transacted.** Based on the mood during the teleconference last evening, consensus is one of negative given the premium and the supposedly lost management control. Immediate share price weakness in the short-term cannot be discounted. While concurring with the consensus that the deal is rich and TMI share price could languish in the near term, the longer term picture could however be different given the strong latent potential that the Indian market offers.



Follow-up remarks by TM International

- **Star, 27 June 2008 – Analysts : Price for TMI’s Idea buy on high side**
 - TMI officials defended the deal saying “it was a window of opportunity that should not be missed”.
 - “We may be paying a premium now so that we would be in the best situation to compete with bigger players in the fast growing Indian market.”
 - Even without the deal, TMI would have to spend US1.5 billion to roll out services in India. The new transaction, he added, would place TMI on a better footing with its Indian investment.
 - From being an investor in the eighth player with 1.6% market share in India, this new transaction will see TMI being elevated to the fifth largest player that has access to 700 million population and an 11% market share.



Update on country of operations

✘ **The Star, 8 October 2009 - India's new mobile billing plan may have negative impact on Axiata**

India's anticipated move to implement per-second billing instead of the current per minute basis for mobile phone charges is expected to have "some negative impact" on Axiata Group Bhd's future earnings.

✓ **Business Times, 14 October 2009 – Axiata sees long-term gain from India price war**

Axiata Group Bhd said a price war and the potential introduction of per second billing in India will hurt earnings initially but it will be beneficial in the long run."

"In the medium term, it could be good, because it will force a shakeout of the industry faster than otherwise. Now, it will be tougher for newcomers, and it will really be the survival of the fittest," said Axiata president and chief executive officer Datuk Seri Jamaludin Ibrahim on the sidelines of the Frost & Sullivan Growth, Innovation and Leadership Congress 2009 in Kuala Lumpur yesterday.

About ZJ Advisory

- Mergers & Acquisitions
- Corp. Restructuring
- Management Buy-Out
- Privatisation & spin offs
- Strategic advisory

- Fund raising (debt + equity)
- Listing exercise
- Derivative + structured products
- Capital restructurings



- Deal flow
- Origination & structuring
- Direct investments
- Nurturing/Value add
- Network development

- Corporate road map
- Strategy
- Increase awareness
- Methodical dissemination of information

- Development of active investment & financial strategies
- Valuation
- Performance monitoring

ZJ advisory

Thank You



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