



FY2004 Results Presentation



Forward looking statements – Important note

This presentation and the following discussion may contain forward looking statements by MobileOne Ltd (“M1”) relating to financial trends for future periods

Some of the statements contained in this presentation or arising from this discussion which are not of historical facts are statements of future expectations with respect to financial conditions, results of operations and businesses, and related plans and objectives. Such forward looking statements are based on M1’s current views and assumptions including, but not limited to, prevailing economic and market conditions and currently available information. These statements involve known and unknown risks and uncertainties that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of M1. In particular, such statements should not be regarded as a forecast or projection of future performance of M1. It should be noted that the actual performance or achievements of M1 may vary significantly from such statements.



FY2004 in perspective

Financial highlights

- Service revenue grew 6% to S\$681m, while operating revenue grew 4% to S\$747m
- EBITDA margin at 43.1% of service revenue
- Net profit after tax increased 9% to S\$155m
- Free cash flow improved 17% to S\$255m

Operating highlights

- Net additions of 94,000 customers
- Monthly churn at 1.6%, down from 1.8% a year ago
- Postpaid ARPU improved
- Continual growth in data revenue and international call services

Dividend & Outlook

- Board recommends a final dividend of 5.8 cents, representing a total 70% in full-year payout ratio
- Low single-digit net profit growth expected for FY2005



Financial performance

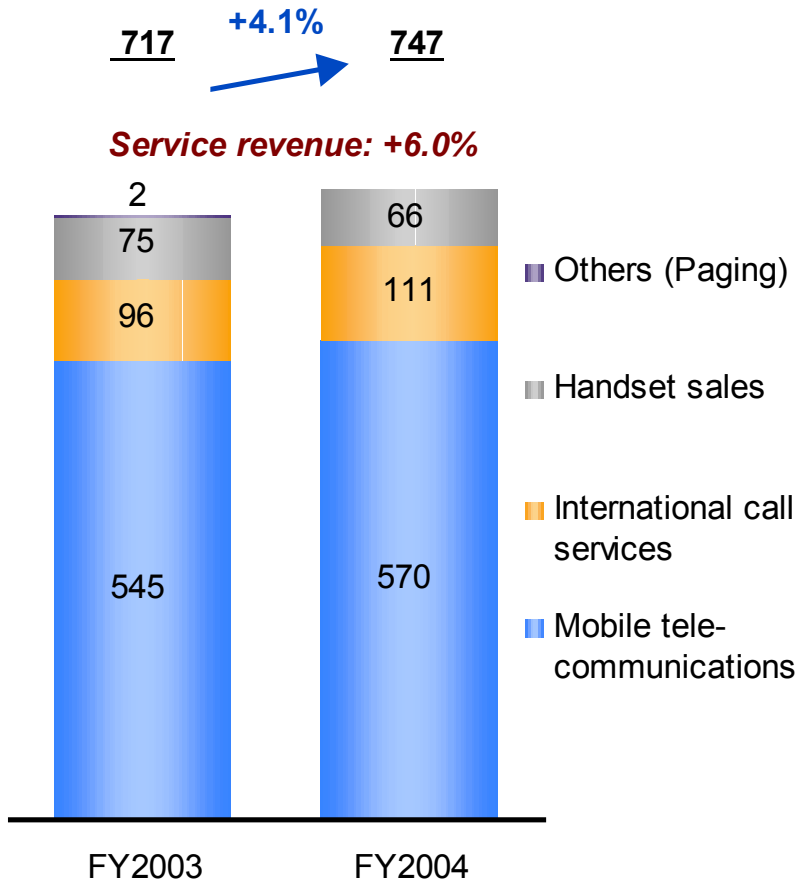
Operating performance

Outlook

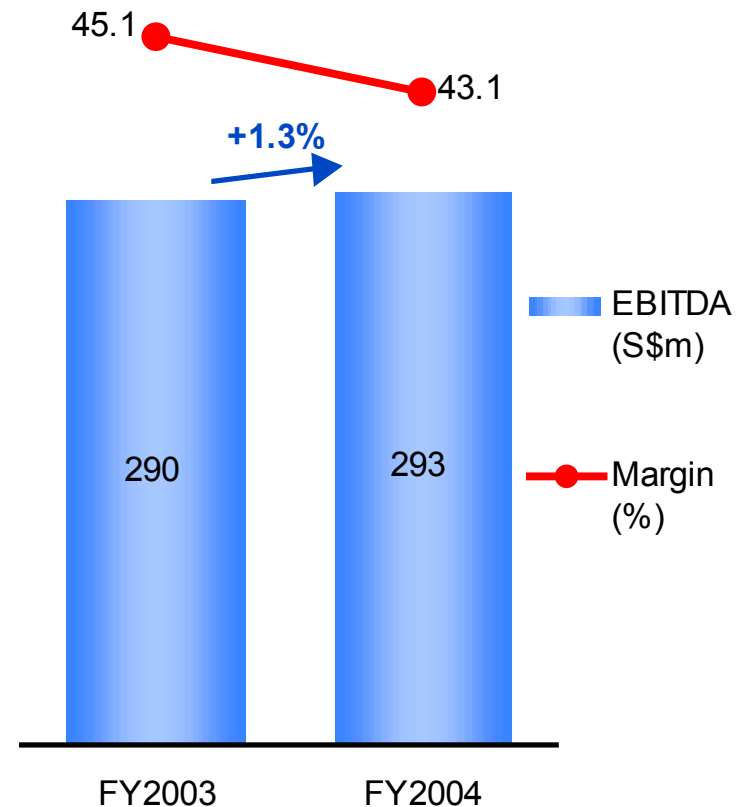


Revenue & margin

Operating revenues breakdown (S\$m)



EBITDA & EBITDA margin on service revenue

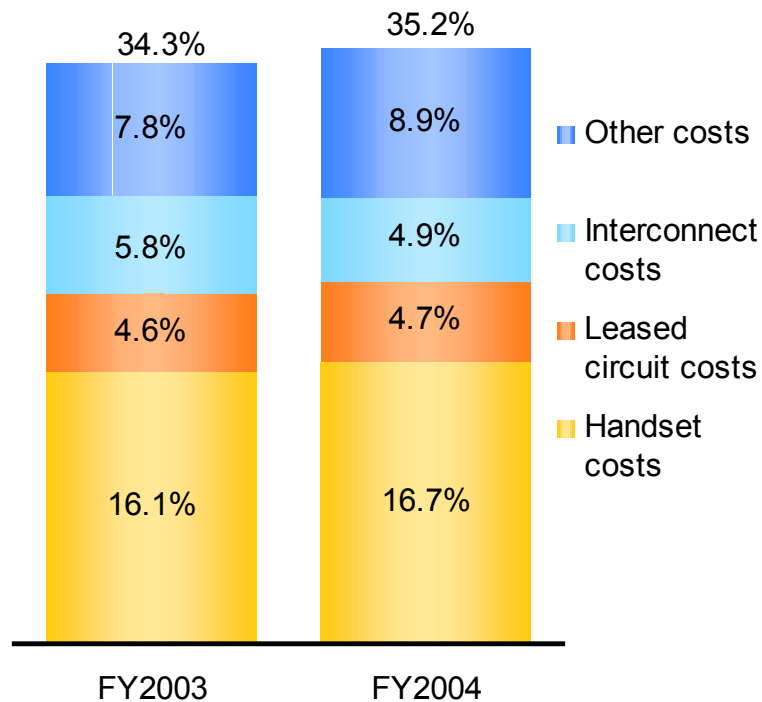




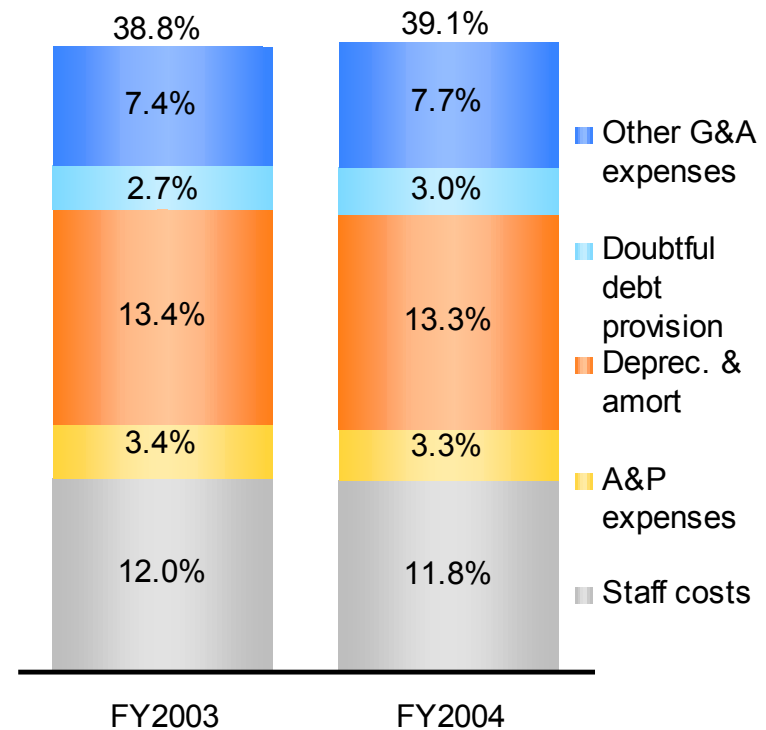
Cost breakdown

- **Total cost-to-revenue ratio for FY2004: 74.3% (+1.1% pt YoY)**

Cost of sales/Operating revenue



Other operating expenses/Operating revenue

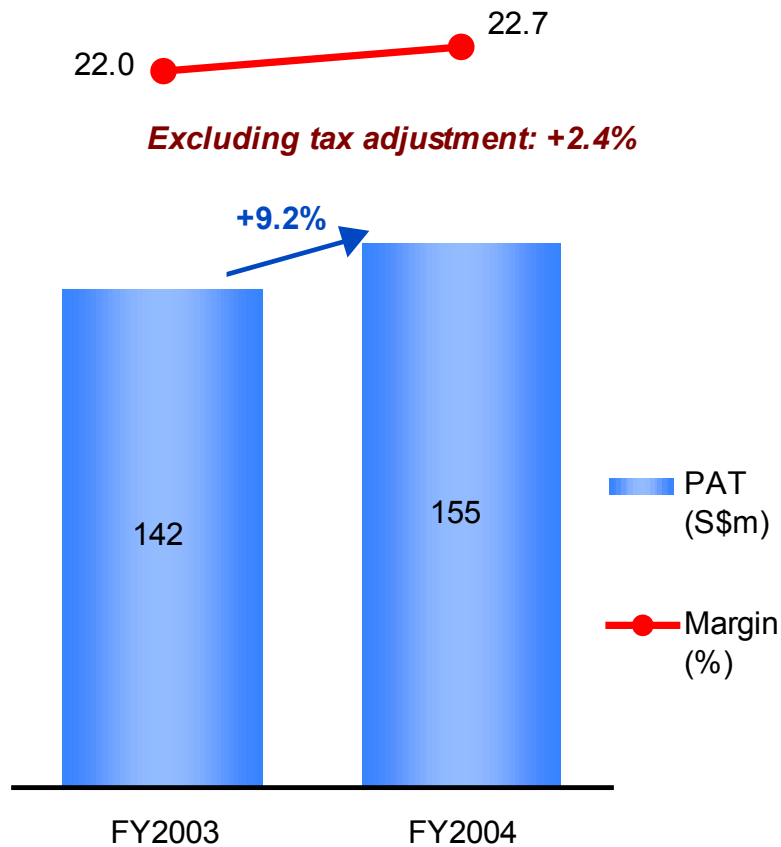


Note: Figures may not add up due to rounding

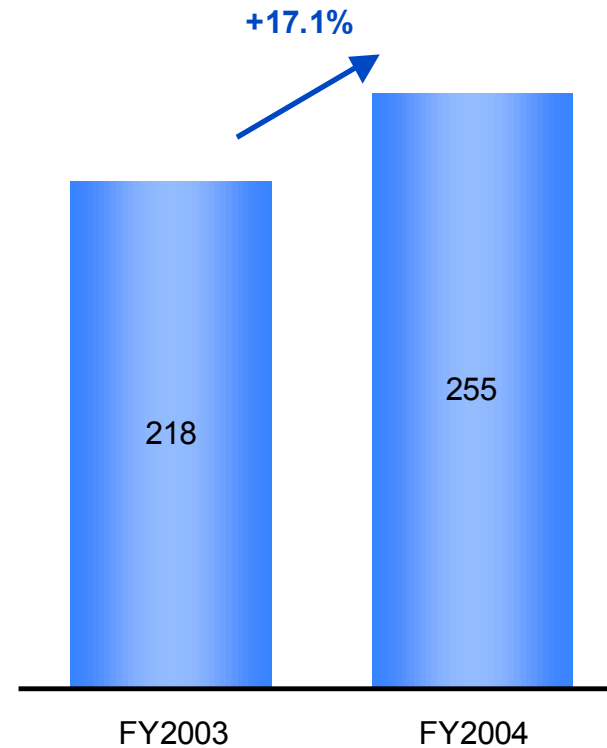


Bottom-line & cash flow

PAT & PAT margin on service revenue



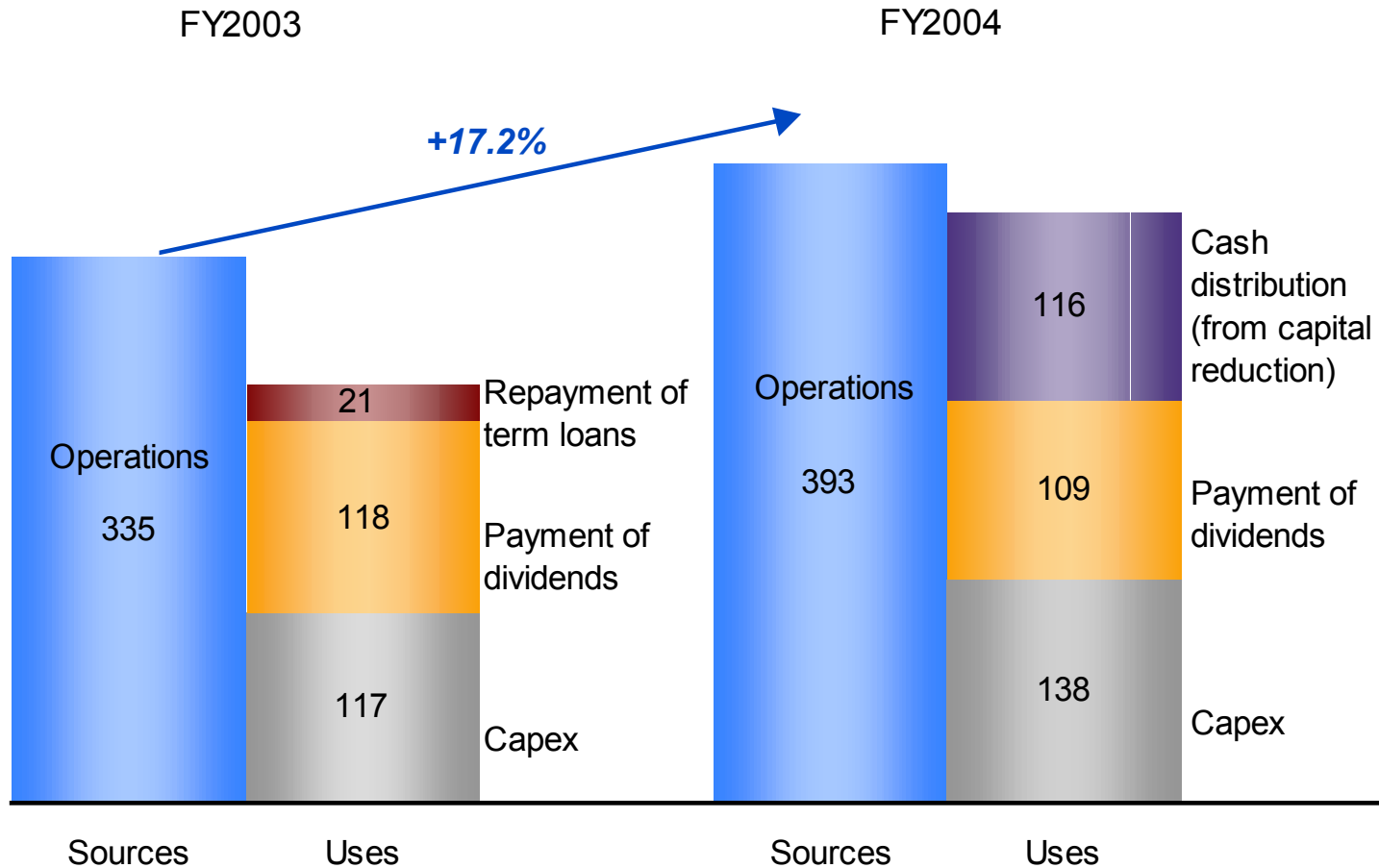
Free cash flow (S\$m)





Cash generated & deployed

Major sources & uses of cash (S\$m)

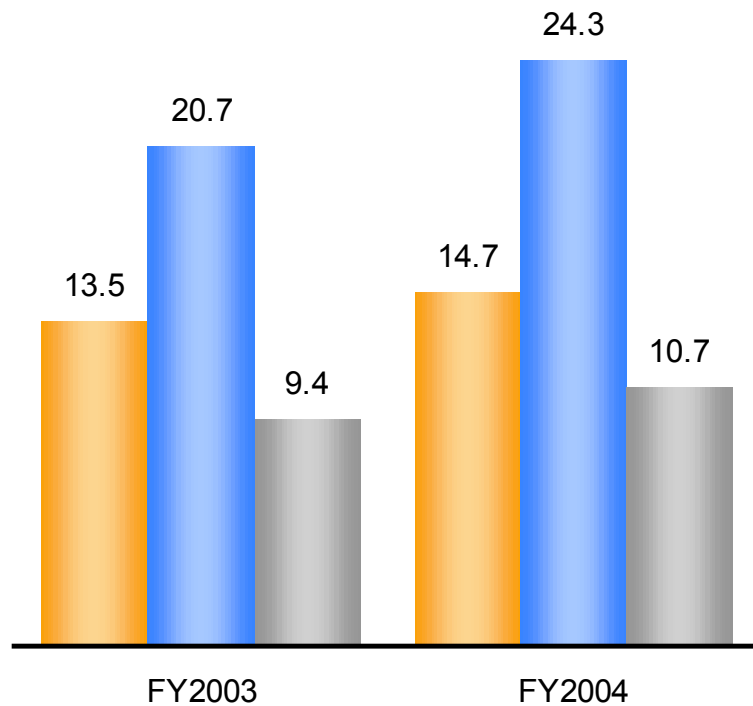




Dividend cover & return ratios

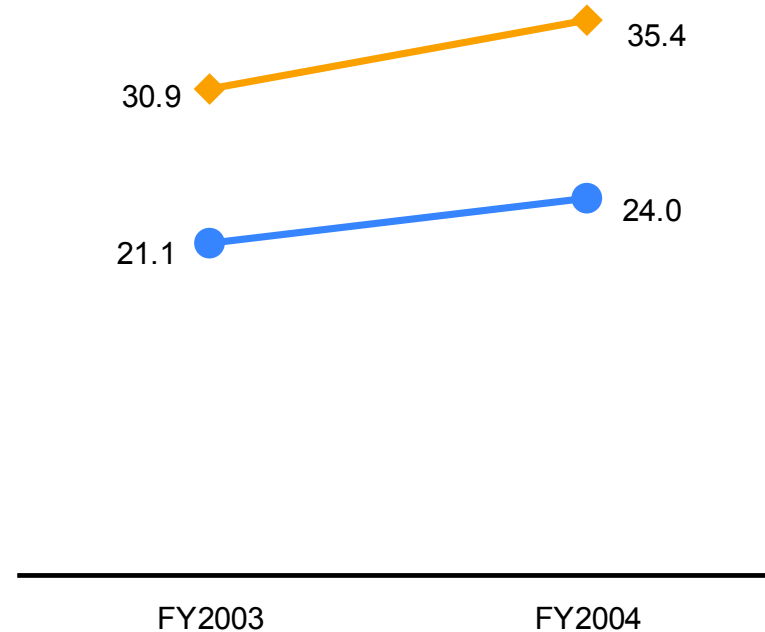
EPS, FCF & Dividend (cents)

- Earnings per share
- Free cashflow per share
- Dividend per share (declared)



ROE & ROCE (%)

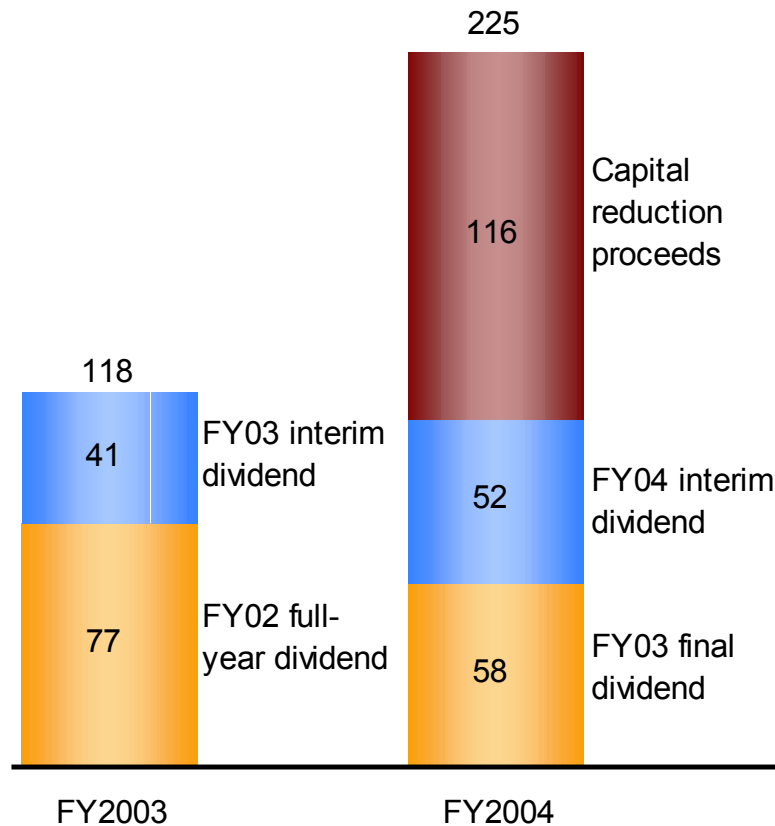
- ◆ ROE
- ROCE



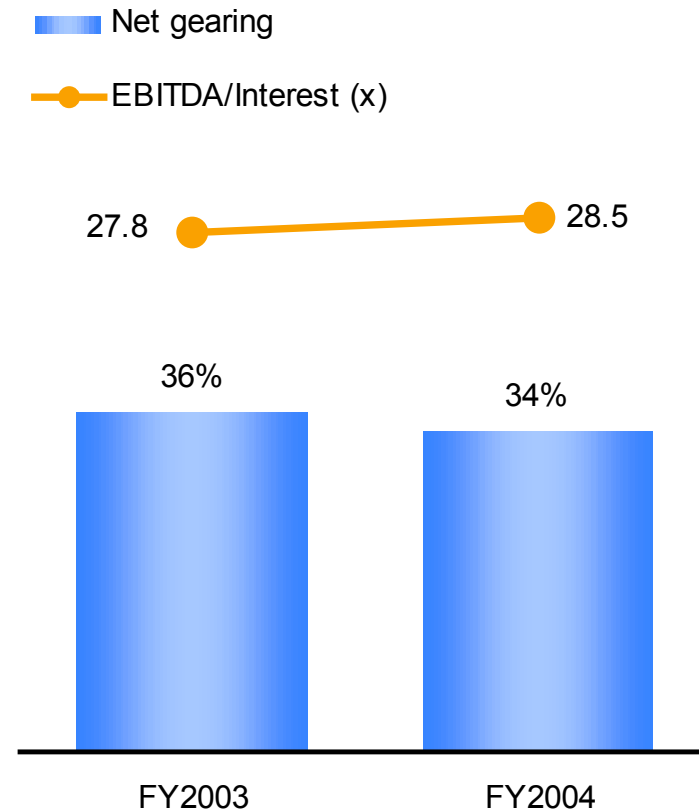


Shareholder distribution & financial flexibility

Cash distributions during the year (S\$m)



Financial flexibility





Financial summary

S\$m	FY2004	FY2003	Change %
Operating revenue	747.1	717.4	4.1%
EBITDA	293.4	289.6	1.3%
PAT	154.6	141.6	9.2%
EPS (cents)	14.7	13.5	8.9%
Capex	137.7	117.4	17.3%
Free cash flow	255.0	217.7	17.1%
EBITDA/Interest (x)	28.5	27.8	n.a.
Net debt	137.4	170.5	-19.4%
Net assets	402.6	470.4	-14.4%
Net debt/equity (x)	0.3	0.4	n.a.



Financial performance

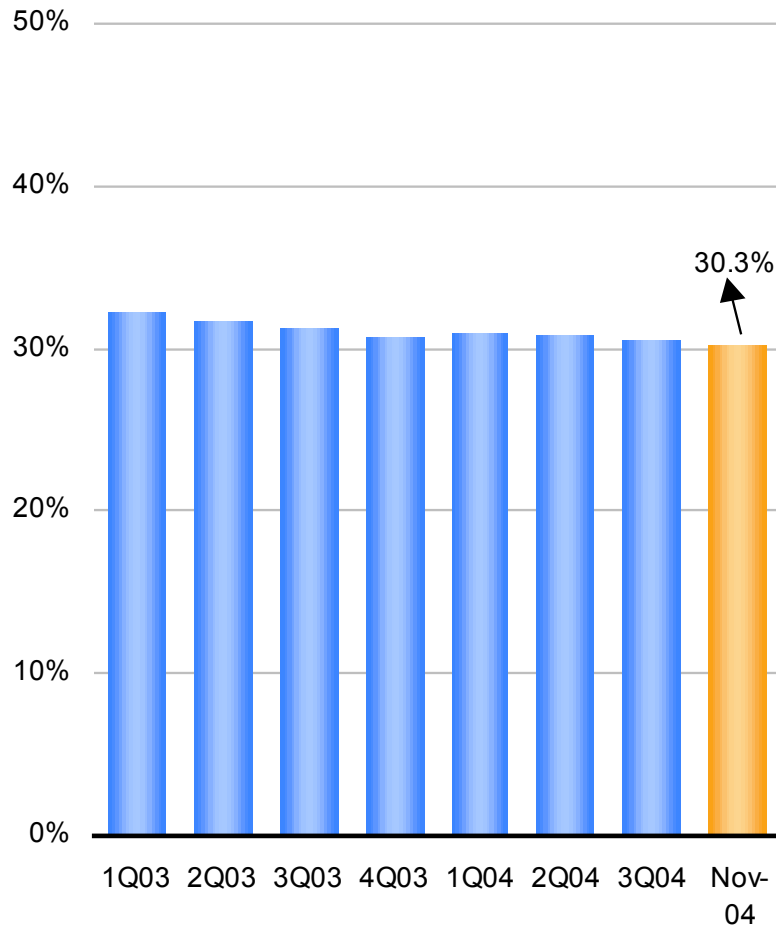
Operating performance

Outlook

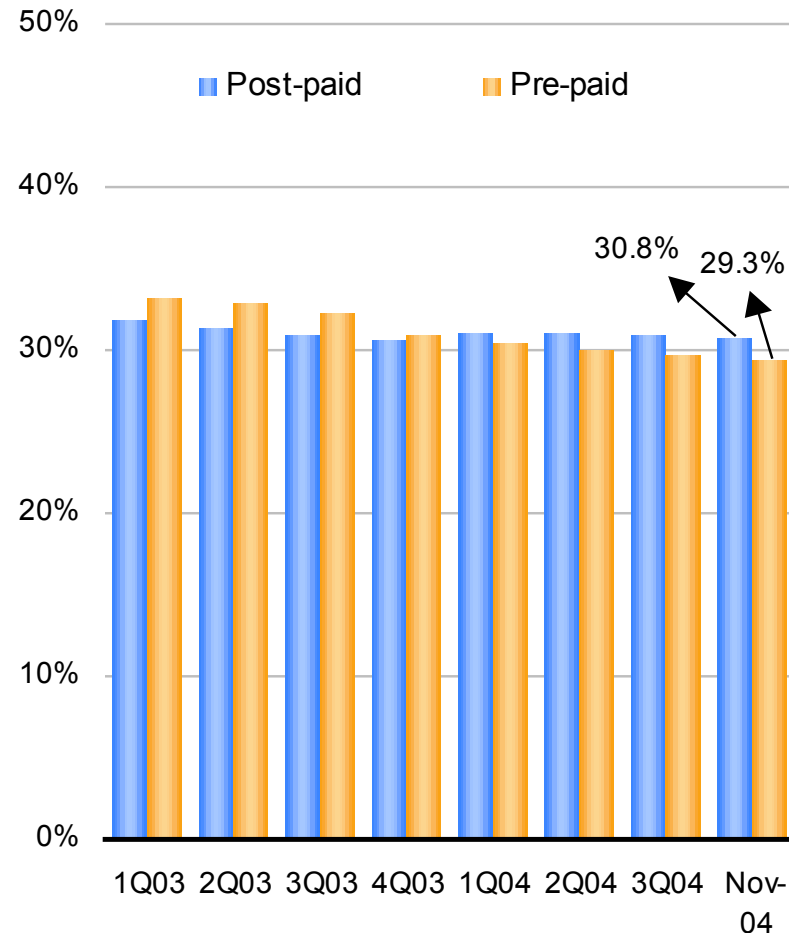


Customer market share

Overall market share



Postpaid & prepaid market share



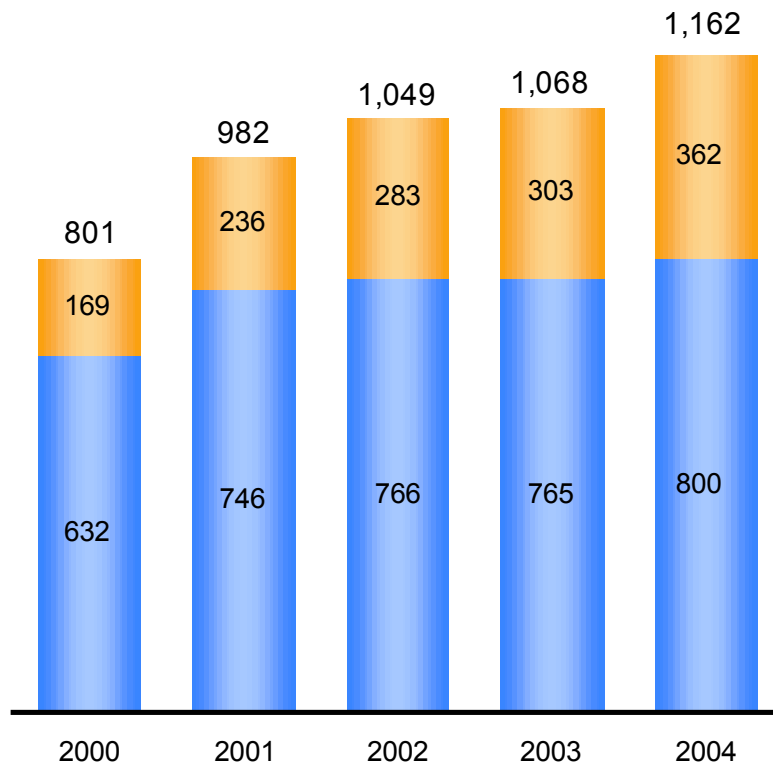


Customer base & revenue mix

Customer base

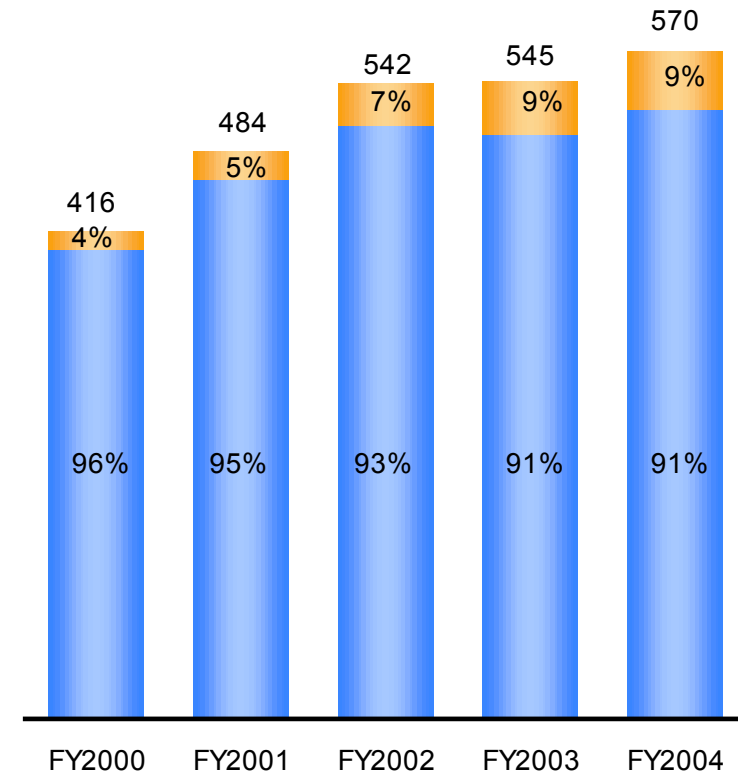
('000)

■ Post-paid ■ Pre-paid



Mobile telecommunications revenue mix (S\$m)

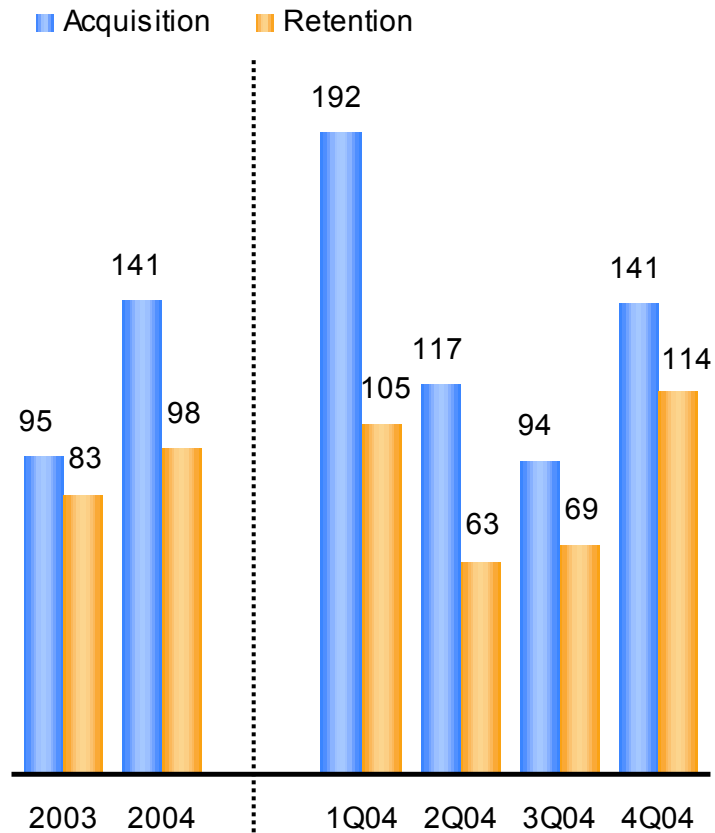
■ Postpaid Revenue ■ Prepaid Revenue





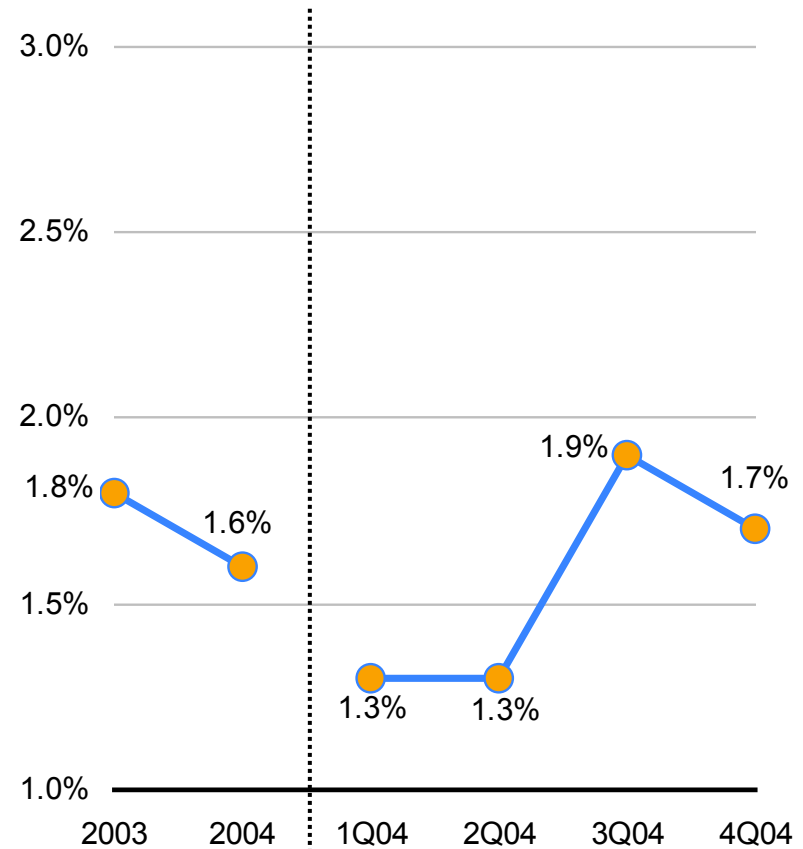
Acquisition, retention costs & churn trend

Average acquisition & retention costs per customer (S\$)



Note: Restated to include handset surcharge

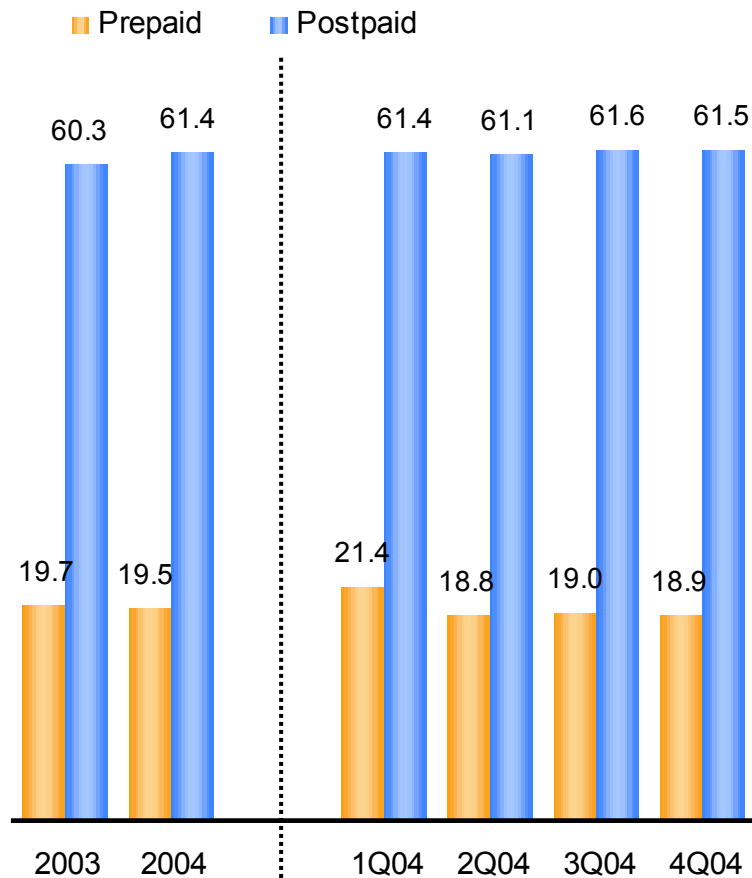
Monthly churn rate



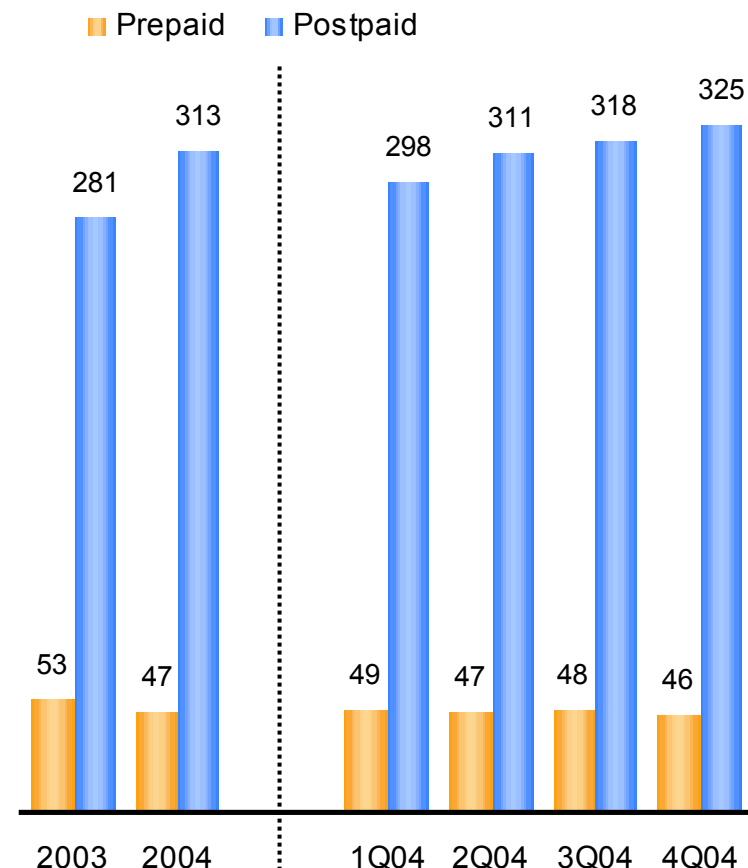


ARPU & MOU trend

Monthly prepaid & postpaid ARPU (S\$)



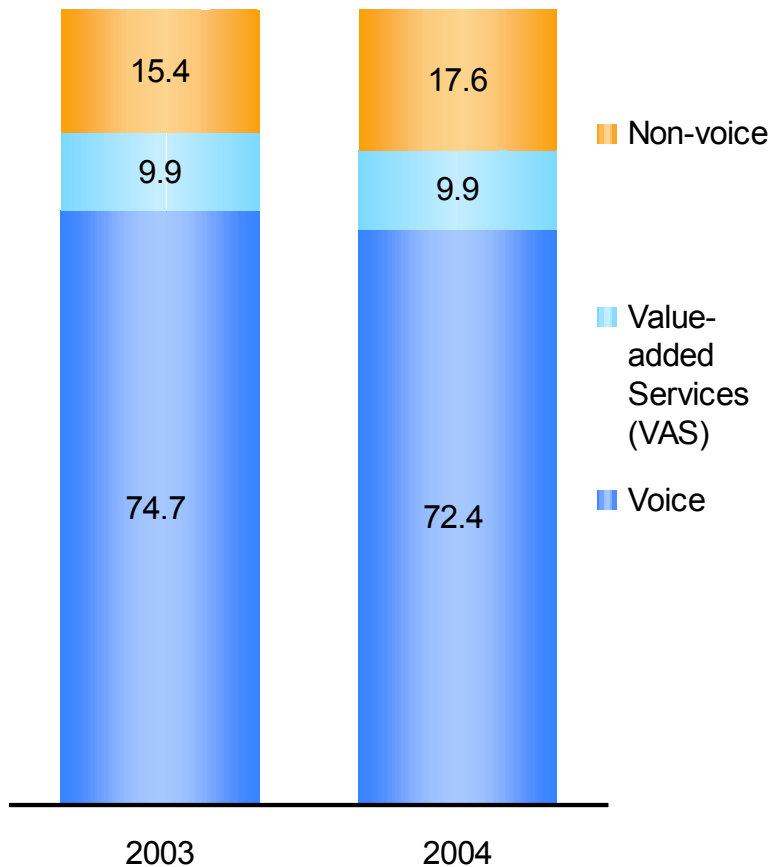
Monthly MOU per sub (mins)



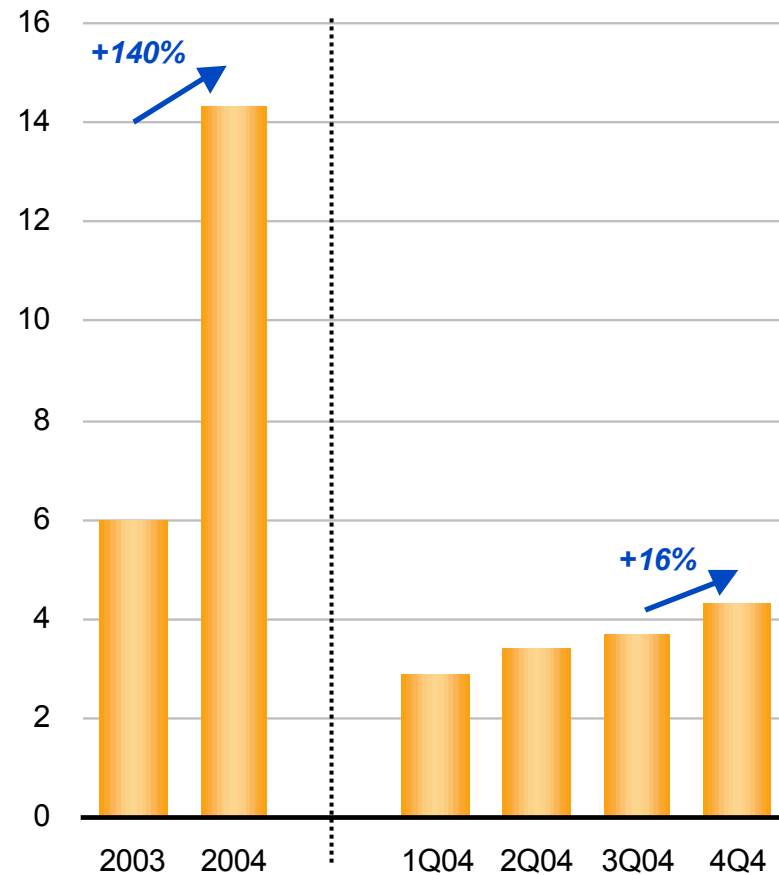


ARPU breakdown & data revenue

Breakdown of blended ARPU (%)



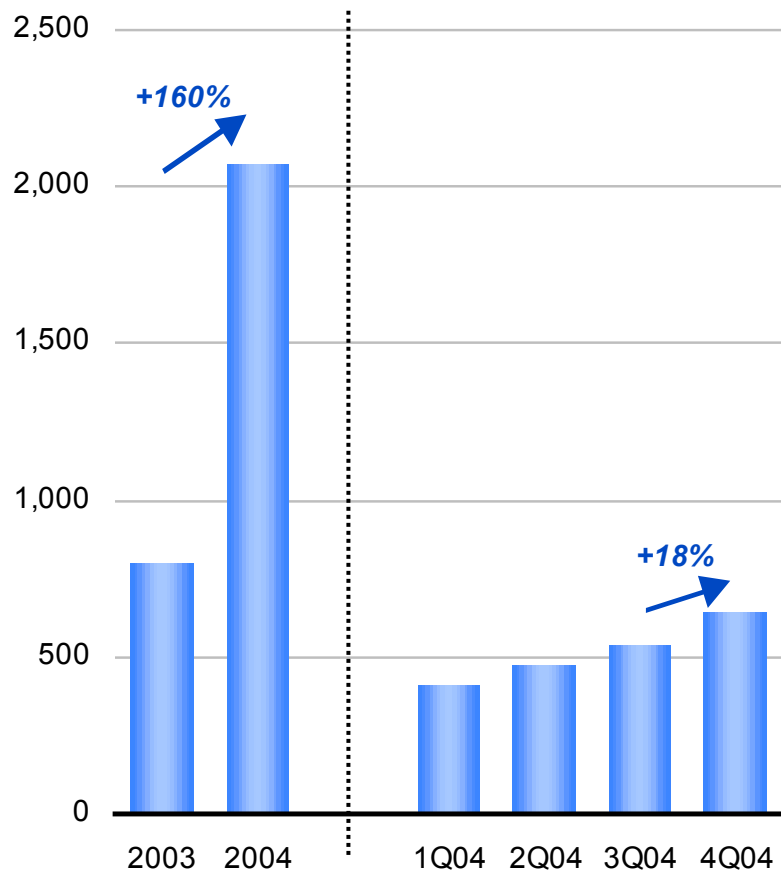
GPRS & MMS revenue (S\$m)
(excluding bundled usage)



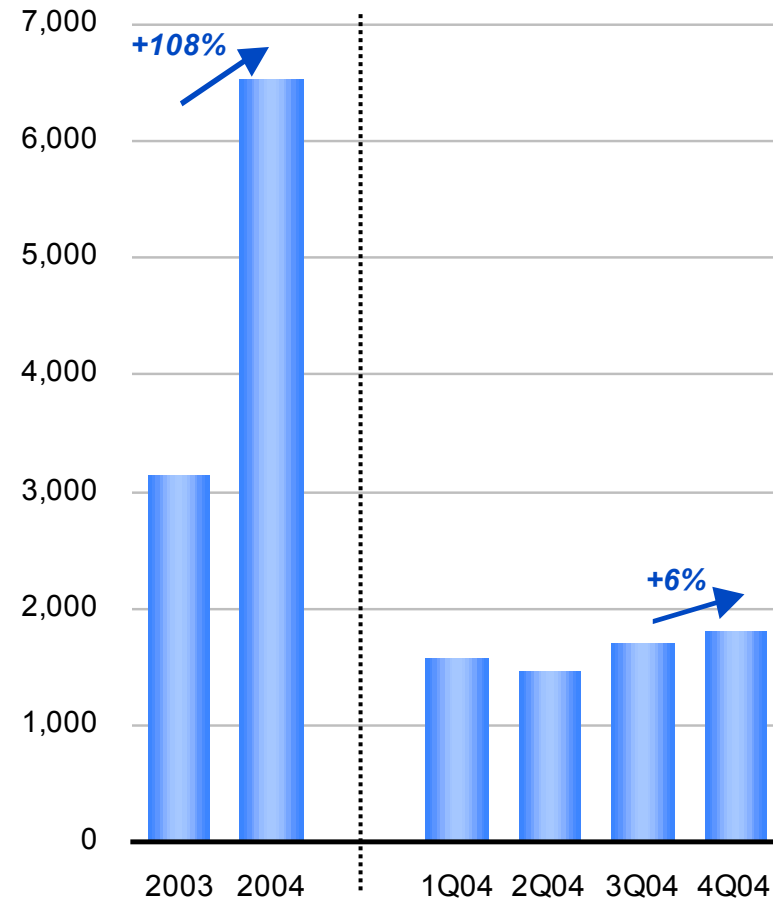


Data usage

GPRS data usage* (Gbytes)



MMS usage ('000 messages sent)



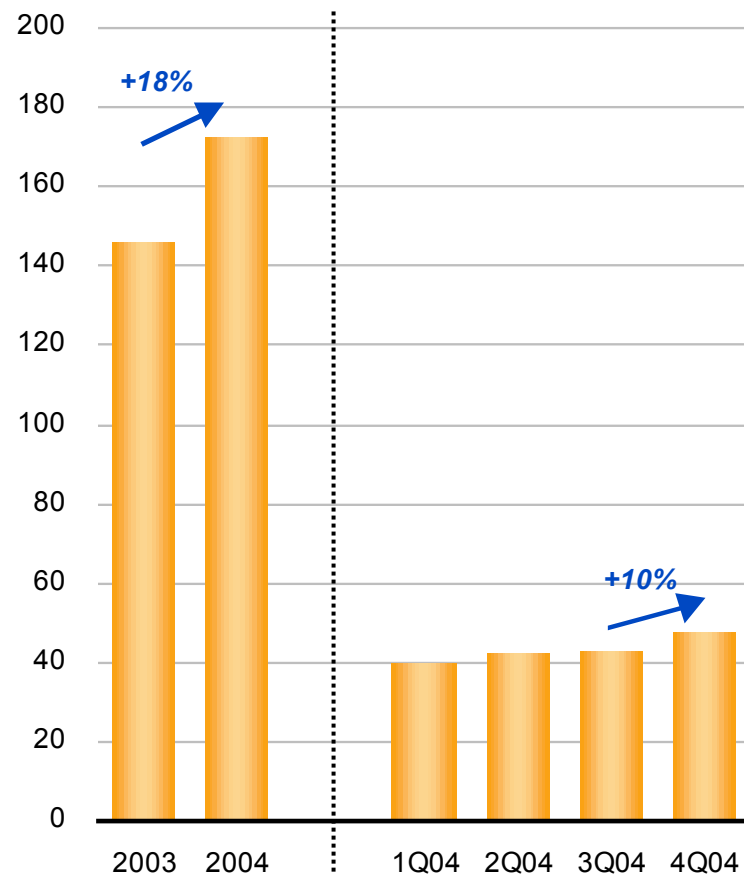
*: Figures exclude MMS traffic



International call services

- For FY2004:-
 - ➔ Revenue for international call services increased 15.8% to S\$111.4m
 - ➔ International retail traffic was up 17.8% to 172 million minutes
- Gross margin remains healthy

M1 international retail minutes (million)





FY2004 Results

Financial performance

Operating performance

Outlook



3G update

- Nation-wide rollout of 3G network met IDA's criteria
- 4Q 2004
 - Commenced 3G data card trial in November
 - Commenced 3G handset trial in December
 - Services include: Streaming of music videos, movie trailers, MP3 music downloads, live news feeds and video calls
- Commercial launch estimated in 2Q05
- Financial impact in FY2005
 - No meaningful revenue
 - Network depreciation and licence amortisation will commence



M1-Vodafone partnership

- Overseas welcome SMS and short code dialling for roamers available since June 2004
- Rolled out GPRS roaming with 26 Vodafone networks to date
- Launched CAMEL prepaid roaming in September 04 and is available in 6 countries as at end-December 04



FY2004: Performance summary

- High-single digit net profit growth
 - ✓ +9.2% YoY to S\$155m
- Free cashflow to remain healthy
 - ✓ +17.1% YoY to S\$255m
- To grow international call services and non-voice services
 - ✓ +15.8% in international call revenue
 - ✓ +140% in GPRS and MMS revenue
- Commitment to shareholder returns
 - ✓ 14.3% annual return in year 2004 from cash distribution alone
(comprising of FY03 final dividend, FY04 interim dividend and cash proceeds from the capital reduction exercise)



Strategy & outlook for FY2005

Operating strategy

- Continual focus on non-voice and international call services
- Leverage on strategic partnerships
- Commercial launch of 3G services

Financial guidance

- Net profit margin under pressure, due to expected increase in depreciation and amortisation costs
- Low single-digit growth for net profit after tax
- Capex spend of S\$150-160m

Commitment to shareholders

- Dividend policy of at least 70% total payout ratio
- Based on projected earnings' growth, absolute total declared dividend per share for FY2005 is expected to be higher than FY2004



Thank you