

KPMG's methodologies and computational formula

Direct Value Added contributions were estimated based on operational data provided by Axiata regarding revenues, expenditures, taxes and income.

Total Value Added Contributions were estimated using an economic multiplier. Various studies reports multipliers between 1.1 and 1.85 depending on the source. For this study, we have conservatively adopted a multiplier of 1.5 for all countries except 1.6 for Singapore.

Employment is generated through a number of avenues including:

1. Directly through Axiata and related industries
2. Outsourced support services including customer support and network operations and maintenance.
3. Indirectly through firms that provide services to Axiata's operations. These are estimated by dividing total Valued Added by the value added per worker in the respective country's relevant sector
4. Induced as employees from the above spend their household income thereby generating further rounds of employment. For induced employment we have adopted a multiplier of 1.1 which is at the lower end of values adopted in other studies which range from 1.1 to 1.7.

Capital Investment

1. Total Value Added = Capital Expenditure x Construction Multiplier
2. Total Employment = Total Capital Expenditure Value Added / Value Added per worker in Construction Industry x Induced Employment Multiplier of 1.1

Note: Figures for total value added and total employment in construction data are applicable to each relevant country (Source: relevant Departments of Statistics for each country)

Operational

1. Total Value Added = Direct Value Added + Indirect and Induced Value Added Where:

Direct Value Added = Revenue - Expenditure + Taxes + Levies + Income

Indirect and Induced Value Added = Direct Value Added x Value Added Multiplier

2. Total Employment = Direct Employment + Indirect and Induced Employment Where:

Direct Employment = As per Axiata data

Indirect Employment = Total Value Added / Value Added per worker

Indirect and Induced Employment = Indirect Employment x Induced Employment Multiplier of 1.1

Note: Figures for total value added and total employment in service data are applicable to each relevant country (Source: Relevant Departments of Statistics for each country)

Productivity Analysis

1. Penetration = Number of subscribers / Population
2. Contribution to GDP Growth = Penetration Growth x Growth factor

Note: Growth factor is 1.2% for all countries except 0.6% for Singapore