



All Malaysia

MyStar

Classifieds

Jobs

Cars

Property

KUALI

http://kuali.com



Market Watch

Market Intelligence

BizWeek

Maritime

BUSINESS

Go elsewhere

Stock

Search

Saturday May 20, 2006

Competition affecting DiGi profits, says CEO

**KUALA LUMPUR:** DiGi.Com Bhd said network expansion and competition from rivals is eroding its profitability.

“We are seeing pressured margins because of our heavy expansion and competition,” chief executive officer Morten Lundal told reporters yesterday.

The company was spending as much as RM850mil this year to broaden network coverage to 90% from 80%, Lundal said. He also reiterated a forecast that profit after tax this year would rise at least 20%. Net income last year jumped 48%.

Lundal, who ruled out expansion abroad, is spending more to attract customers with new services and improve network coverage after the company in March failed to win a licence to offer high-speed wireless services in Malaysia DiGi’s two larger rivals, Maxis Communications Bhd. and Telekom Malaysia Bhd, have units overseas to offset increased competition at home.

DiGi has had “exceptional growth in the last three quarters, and a slowdown is expected. You can’t grow at that pace forever. And the Malaysian market is pretty saturated with a penetration rate of over 70%, so anybody that can have a handphone has a handphone,” CIMB-Principal Asset Management chief investment officer Raymond Tang said.

Shares in DiGi,  
which is returning



Ads by Goooooogle [Advertise on this s](#)

**Malaysian Home Loan**

Compare rates and choose a home loan with quote from up to 4 banks  
[www.myshareonline.com](http://www.myshareonline.com)

**Malaysia Hotels**

Find cheap Malaysia Hotels Save up to 70% at Yahoo! Travel!  
[travel.yahoo.com](http://travel.yahoo.com)

**Kuala Lumpur Map-MapKing**

Free Trial ! MapKing 25 Asia cities Pocket PC/PC/ Smartphone  
[www.MapKing.com](http://www.MapKing.com)

Most Viewed

- [Tesco to buy RM1b halal products](#)
- [SC chairman on why Iris designated](#)
- [All eyes on rate meeting](#)
- [MAS appoints Richard Ellis](#)



Morten Lundal

RM1 bil to shareholders this year, have gained 38% in 2006. That makes the company the best performer among Malaysia's phone stocks and is attracting investors such as Goldman

- [Quality is priority for SC: Zarinah](#)
- [Vehicle sales down 5.3% in April](#)
- [Stocks extend losses as players remain cautious](#)
- [Lion DRI plant to be Malaysia's biggest](#)
- [Snapshots](#)
- [Family support is important for Zarinah](#)

Sachs Group Inc, which has bought its shares since April. Goldman held 5.2% of DiGi as of May 17, stock exchange data showed.

DiGi, 61%-owned by Norway's state-run phone company, Telenor ASA, reported first-quarter profit tripled to RM184.7mil after it cut costs and signed up more users for its data services. The profit growth is the highest since the third quarter of 2003. Sales rose 38% to RM861.3mil.

DiGi signed up 292,000 subscribers in the quarter ended March 31, raising its user base to 5.1 million – Bloomberg

**DIGI:** [\[Stock Watch\]](#) [\[News\]](#)

[For latest Bursa Malaysia indices, charts and other information click here](#)

Printer Friendly Email This

**More News:**



[FAQ](#) - [Privacy Statement](#) - [Terms of Use](#) - [Write to Us](#) - [Site Map](#)  
- [Advertise with Us](#)

Copyright © 1995-2006 [Star Publications \(Malaysia\) Bhd](#) (Co No 10894-D)

Managed by I.Star.