XL'S OPERATING INCOME
SURGES IN FIRST HALF 2004

Based on its unaudited first half 2004 financial reports, PT Excelcomindo Pratama ("XL") reported a gross revenue of Rp. 1.49 trillion. This represents a 26% increase over the same period last year of Rp. 1.19 trillion. Subscriber base stood at 3.5 million as of H1 2004.

Operating income increased by 96% from Rp. 200 billion in H1 2003 to Rp. 392 billion in H1 2004. Operating expenses for the same period slightly increased by 7% from Rp. 803 billion to Rp. 862 billion. Most of the increase was in selling expenses.

XL experienced a net loss of Rp. 85 billion in H1 2004 versus a net income of Rp. 274 billion in H1 2003. The loss was mainly due to forex losses of Rp. 311 billion due to weakness in forex with Rupiah depreciating from Rp. 8,465/ US$ in end-2003 to Rp. 9,415/ US$ in end-June 2004. Most of the forex losses were unrealized losses due to USD 350 million Notes, not impacting cash flows. Also, interest expense was higher due to higher debt levels and interest rates after the issuance of the IDR 1.25 trillion (repayment due in October 2008) and USD 350 million Reg S / 144a Notes (repayment due in January 2009), issued mainly to refinance the company's foreign syndicated secured debt and to support business growth.

As of 30 June 2004 XL had outstanding debt of Rp 1.25 billion IDR Bonds due in October 2008 and USD 350 million Notes due in January 2009. The H1 2004 cash balance amounted to Rp. 991 billion compared to H1 2003 figure of only Rp. 41 billion. Total Net Debt as at 30 June 2004 stood at Rp. 3.54 trillion.

XL's s capex spent for H1 2004 was Rp. 852 billion compared to Rp. 516 billion in H1 2003. Base stations in service increased from 1,184 units in H1 2003 to 1,852 in H1 2004, representing an increase of 56%. With the strong operating cash flows and a very healthy cash balance, by the end of 2004, XL plans to spend approx. US$ 200 million in capex and to have approx. 2,500 base stations in service to further boost its network coverage and quality.