

XL RECORDED A 15% GROWTH IN H1 2005 REVENUE

Based on its audited H1 2005 financial statements, PT Excelcomindo Pratama ("XL") reported a gross revenue of Rp. 1.7 trillion in H1 2005. This represents a 15% increase over the same period last year of Rp. 1.5 trillion. The increase is supported by subscriber growth of 23% from 3.5 million as of the end of H1 2004 to 4.3 million as of the end of H1 2005.

Operating income decreased by 19% from Rp. 393.2 billion in H1 2004 to Rp. 319.2 billion in H1 2005, due to the increase in operating expenses. Operating expenses for the same period increased by 26% from Rp. 861 billion to Rp. 1.1 trillion. Most of the increase was in depreciation and selling expenses.

XL recorded a higher interest expense in H1 2005 due to higher debt levels and interest rates after the issuance of the IDR 1.25 trillion bonds (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. The weakening of Rupiah against US Dollar from Rp. 9,415/ US\$ as at end of H1 2004 to Rp. 9,713/ US\$ as at end of H1 2005 has resulted in forex losses of Rp. 168.9 billion. Most of the forex losses were unrealized losses from USD 350 million Notes that do not impact cash flows. As a result, XL experienced a net loss of Rp. 52.8 billion in H1 2005 compared to a net loss of Rp. 94.1 billion in H1 2004.

As of 30 June 2005 XL had an outstanding debt of Rp 1.25 trillion IDR Bonds due in October 2008 and USD 350 million Notes due in January 2009. As of 30 June 2005 cash balance amounted to Rp. 196.7 billion compared to the same period last year figure of Rp. 991.4 billion. Total Net Debt as at 30 June 2005 stood at Rp. 4.4 trillion.

XL's capex spent in H1 2005 was Rp. 1.1 trillion compared to Rp. 788.3 billion in H1 2004. Base stations in service increased from 1,852 units as at end of H1 2004 to 2,977 as at end of H1 2005, representing an increase of 61%.

Telekom Malaysia Acquisition

In June 2005, Telekom Malaysia Berhad, through Indocel Holding Sdn Bhd, which is 100% owned by TM International (L) Limited, increased its share ownership in XL from 23.1% to 27.3%.

About XL

XL is the largest privately owned cellular provider in Indonesia. Established in November 1995 and started commercial operation in October 1996, XL business consists of Consumer Solutions as dual band cellular network provider through **jempol** and **bebas** prepaid and **Xplor** postpaid cards and Business Solutions as corporate service provider based on leased line and IP (Internet Protocol). XL's vision is to become the leading telecommunications provider in Indonesia.

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