



PT EXCELCOMINDO PRATAMA, TBK. (XL) 1H 2008

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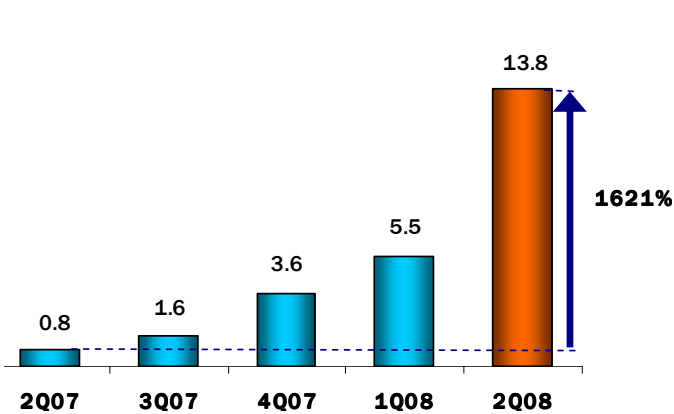
INTRODUCTION

We are pleased to see that execution on our strategy of offering best value through a combination of comparable quality and efficient pricing has continued to deliver results and growth in the second quarter of 2008.

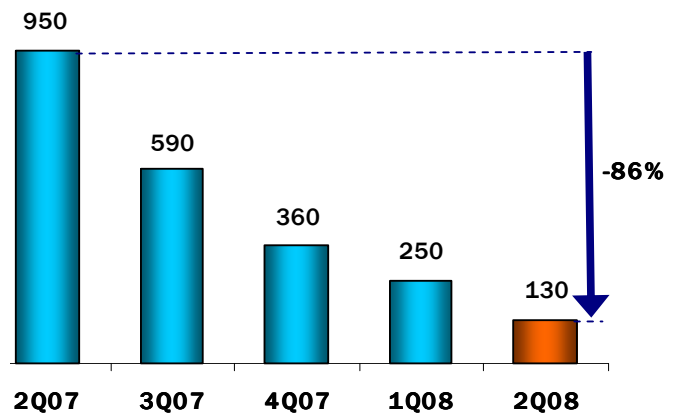
Our top line grew with 20% QoQ and 59% YoY, while EBITDA grew with 33% QoQ and 68% YoY. Total Outgoing minutes of use (minutes or MoU) increased significantly by more than 10 times YoY to 19.3 billion minutes from 1.7 billion minutes.

The following tables show the impact of our affordable pricing strategy which started during 3Q07.

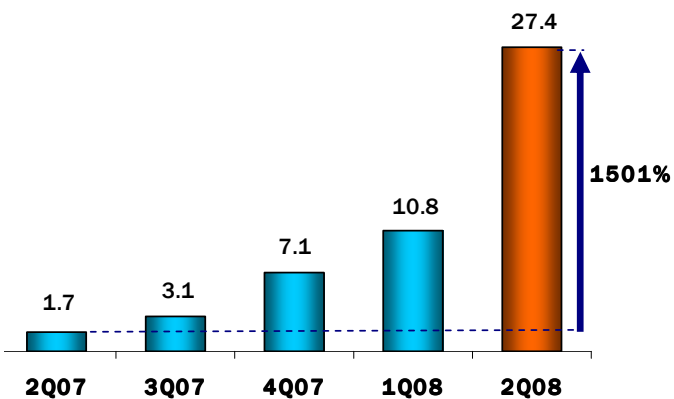
Total OG minutes (in bn minutes)



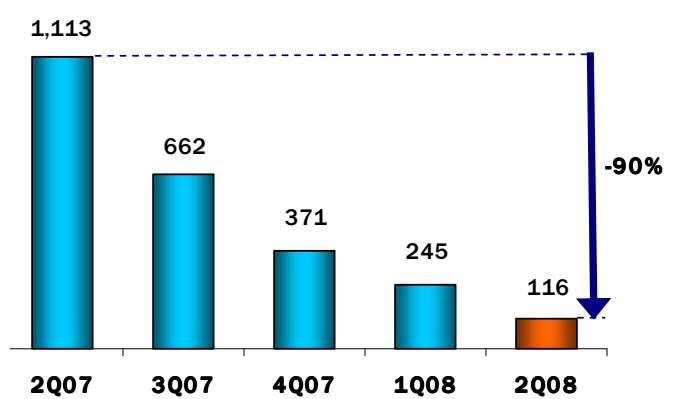
Voice Revenue/OG minutes (in Rp)



Total minutes (in bn minutes)



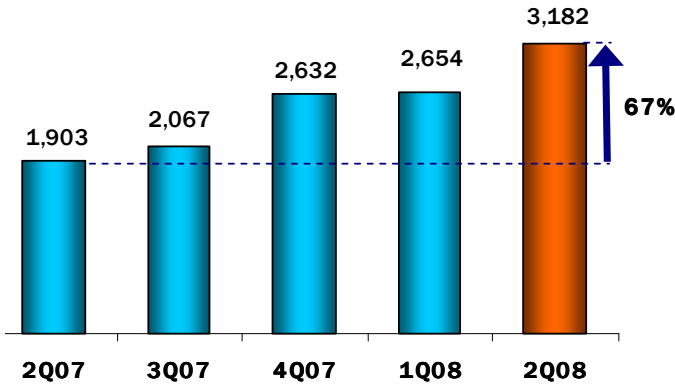
Total Revenue/Total minutes (in Rp)



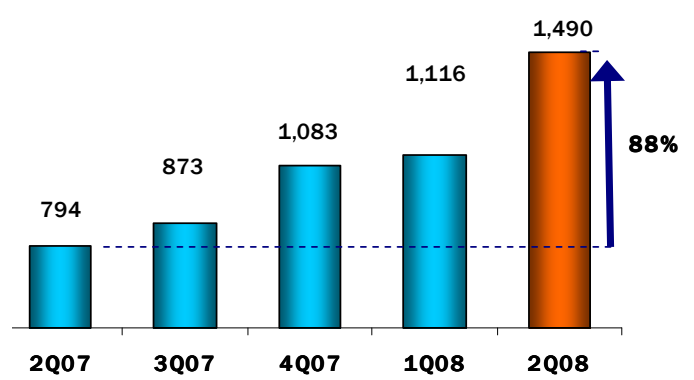


The combination of aggressive growth and focused cost management has enabled us to leverage on better scale and improve operational profitability. We have maintained our strong focus on managing down our cash cost per total minute.

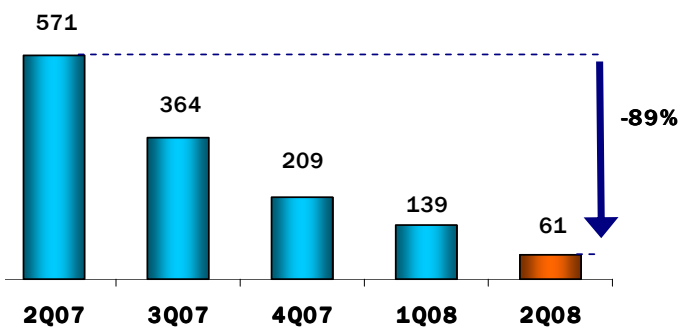
Total Revenue (in bn Rp)



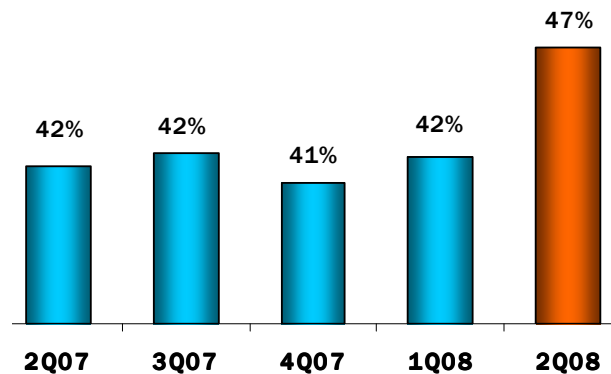
Total EBITDA (in bn Rp)



Cash Cost per Total min (in Rp)



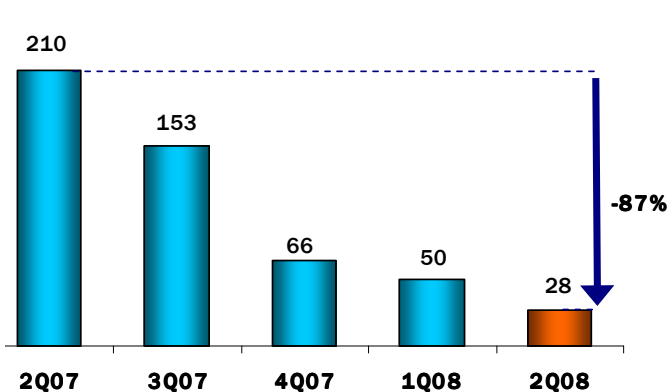
EBITDA Margin (%)



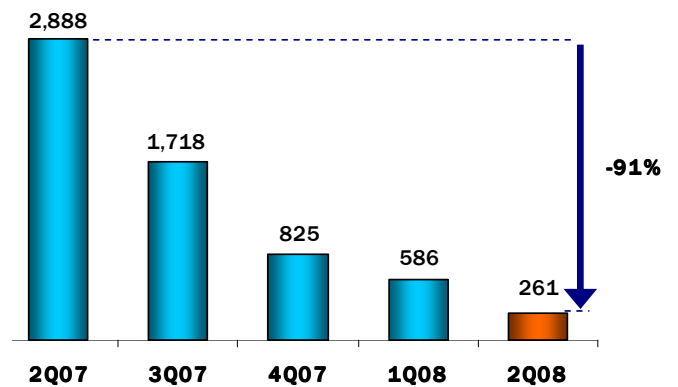
Cash cost per total minutes = Operating expense / (OG + IC Minutes)

Furthermore, by putting our network to use, we have managed to bring our depreciation per total minutes and our gross fixed assets per total annualized minute down considerably

Depreciation per Total Minutes (in Rp)



Gross Fixed Assets per Total Annualized Minutes (in Rp)



Gross Fixed Assets per Total annualized Minutes = Balance of Fixed Assets / (Total quarterly OG + IC minutes X 4)



FINANCIAL MEASURES

Income Statement (Audited)

Income Statement (In Rp Billion)	1H07*	1H08	Growth
Cellular Telecommunication Service:			
Voice	1,569	3,174	102%
Non Voice	1,244	1,554	25%
Total Cellular Telecommunication Service	2,813	4,728	68%
Cellular Interconnection Service	633	726	15%
Other Telecommunication Services:			
Leased lines	188	245	30%
Leased Towers	-	87	N/A
Others	30	50	65%
Total Other Telecommunication Services	219	382	75%
Revenue	3,665	5,836	59%
Less: Discount	(249)	(49)	-80%
Revenue Net of Discount	3,416	5,787	69%
Interconnection and Telecommunication Service Charges	609	1,145	88%
Labor Cost (Permanent & Temporary)	238	327	37%
Marketing Expenses & Sales Commissions	353	641	82%
Network Infrastructure Expenses	484	800	65%
Support & Overhead Expenses	180	267	49%
Total OPEX	1,863	3,181	71%
EBITDA	1,553	2,606	68%
EBITDA Margin	42%	45%	N/A
Depreciation & Amortization	782	1,324	69%
EBIT	771	1,281	66%
Other Income/(Expenses)			
Interest expense	(301)	(431)	43%
Interest income	28	16	-42%
Forex (loss) / gain	(26)	218	-935%
Others	(292)	(145)	-50%
Total Other Expenses	(591)	(343)	-42%
Profit Before Tax	180	939	421%
Income tax expense	(139)	(308)	121%
Profit After Tax	41	631	1438%

Below is the normalized net income:

Normalized Net Income (In Rp Billion)	1H07*	1H08	Growth
Net Income	41	631	1438%
Less unrealized forex loss (gain), net of tax	33	(172)	-624%
Impact from WHT on USD bond interest (net of tax)	258	-	N/A
Normalized Net Income	332	459	38%

* The 1H07 figures was restated based on the FY07 audit.



Cellular telecommunications service. Revenue from our cellular telecommunications service, which is comprised of revenue from voice, non-voice and monthly service charge, increased 68% to Rp. 4,728 billion in the 1H08 from Rp. 2,813 billion in the 1H07, primarily due to an increase in voice revenues.

Cellular Interconnection service. Revenue from our cellular interconnection service, which is comprised of revenue from domestic interconnection, international roaming, SMS interconnection and others, increased 15% to Rp. 726 billion in the 1H08 from Rp. 633 billion in the 1H07, primarily due to an increase in domestic interconnection and international roaming revenue.

Other telecommunications services. Our revenue from other telecommunications services, which is comprised of revenue from leased lines, tower business unit, internet service providers and others increased 75% to Rp. 382 billion in the 1H08 from Rp. 219 billion in the 1H07, primarily due to a new revenue stream from our leasing of tower space and in the number of our corporate leased line subscribers.

Revenue. As a result of the above changes in our cellular revenue and our revenue from other telecommunication services, our revenue increased 59% to Rp. 5,836 billion in the 1H08 from Rp. 3,665 billion in the 1H07.

Discount. Discount, which is comprised of discounts on our cellular revenue and on revenue from other telecommunication services, decreased 80% to Rp. 49 billion in the 1H08 from Rp. 249 billion in the 1H07.

Operating expenses. Our operating expenses (including interconnection and telecommunication service charges; excluding depreciation and amortization expenses) increased 71% to Rp. 3,181 billion in the 1H08 from Rp. 1,863 billion in the 1H07, primarily due to increases in our infrastructure expenses, and marketing expenses.

Interconnection and telecommunication service charges. Interconnection and telecommunication service charges, which are comprised of interconnection charges, other cellular telecommunication charges and other cellular telecommunication service cost, increased 88% to Rp. 1,145 billion in the 1H08 from Rp. 609 billion in the 1H07.

Labor cost. Our labor cost increased 37% to Rp. 327 billion in the 1H08 from Rp. 238 billion in the 1H07, primarily due to an increase in the number of our employees from 2,114 as of 30 June 2007 to 2,140 as of 30 June 2008 and salary adjustments, accrued bonuses and accrued severance payment.

Marketing expenses and sales commissions. Our marketing expenses and sales commissions increased 82% to Rp. 641 billion in the 1H08 from Rp. 353 billion in the 1H07, primarily due to increase in advertising and promotion expenses in connection with our new affordable pricing strategy and in sales commissions for sales of our starter packs and prepaid vouchers.

Network Infrastructure expenses. Our network infrastructure expenses increased 65% to Rp. 800 billion in the 1H08 from Rp. 484 billion in the 1H07, primarily due to increased frequency fees related to the expansion of our network, fees associated with rental of our BTS sites, and an increase in utilities expenses relating to the increased number of our BTS.

Support and overhead expenses. Support and overhead expenses increased 49% to Rp. 267 billion in the 1H08 from Rp. 180 billion in the 1H07, primarily due to increases in professional fees incurred in connection with the implementation of our affordable pricing strategy and in connection with obtaining permits for our new BTS sites.

EBITDA increased by 68% YoY to Rp. 2,606 billion in 1H08 benefiting from higher revenues, economic of scale and cost management. The EBITDA margin increased from 42% in 1H07 to 45% in 1H08.

Depreciation and amortization expenses. Our depreciation and amortization expenses increased 69% to Rp. 1,324 billion in the 1H08 from Rp. 782 billion in the 1H07, primarily due to the acquisition of network and other non-network equipment.

EBIT. As a result of the foregoing, operating income increased 66% to Rp. 1,281 billion in the 1H08 from Rp. 771 billion in the 1H07.

Other Income (expense). Other expense decreased by 42% to Rp. 343 billion in the 1H08 from Rp. 591 billion in the 1H07. The decrease was primarily due to higher expenses in the first six months of 2007 arising from accrued withholding tax and penalties with respect to our 2009 Notes and 2013 Notes and, in the first half of 2008, foreign exchange gains from the strengthening of the Rupiah against the U.S. dollar, partially offset by an increase in interest expenses.



Income tax expense. Income tax expense increased by 121% to Rp. 308 billion in the 1H08 from Rp 139 billion in the 1H07. The increase was primarily due to increase in income before income tax.

Profit After Tax. As the result of the foregoing, net income increased 1,438% to Rp. 631 billion in the 1H08 from Rp. 41 billion in the 1H07.

Balance Sheet (Audited)

Balance Sheet (In Rp Billion)	1H07*	1H08	Growth
Current Assets			
Cash and cash equivalents	1,186	382	-68%
Trade and other receivables - net	268	411	54%
Prepayments	479	763	59%
Derivative receivables	-	63	N/A
Others	106	182	71%
Total Current Assets	2,039	1,802	-12%
Non-Current Assets	14,179	21,231	50%
Total Assets	16,218	23,033	42%
Current Liabilities			
Trade and other payables	2,568	4,065	58%
Taxes payable	247	138	-44%
Deferred revenue	306	749	145%
Short term loan and current maturity of long term loan	-	1,193	N/A
Total current liabilities	3,121	6,144	97%
Non-Current Liabilities			
Trade payables	375	190	-49%
Long term loan	996	8,252	729%
Deferred tax liabilities	485	757	56%
Long term bonds	6,868	2,656	-61%
Derivatives payable	66	4	-94%
Provision for employee benefits	52	76	46%
Total Non-Current Liabilities	8,842	11,935	35%
Total Liabilities	11,963	18,079	51%
Equity			
Share capital & capital surplus	3,401	3,401	0%
Retained earnings	854	1,554	82%
Total Equity	4,255	4,954	16%
Total Liabilities and Equity	16,218	23,033	42%

* The 1H07 figures was restated based on the FY07 audit.

The total assets increased from Rp. 16.2 trillion to Rp. 23 trillion mainly due to strong growth in net fixed assets.

- Compared with the same period last year, current assets declined from Rp. 2.0 trillion to Rp. 1.8 trillion primarily due to decrease in cash and cash equivalents by 68% YoY despite of higher in receivable and prepayments. Net of trade and other receivables increased by 54% YoY mainly due to receivable from rental BTS transaction which started to be booked this year.
- Non current assets increased by 50% YoY to Rp. 21.2 trillion, mainly due to significant increase in net fixed assets, mostly contributed from increase in our BTS by 50% YoY to 13,408 BTS as of 30 June 2008.
- Current liabilities increased by 97% YoY to Rp. 6.1 trillion, due to increase in trade and other payable, obtain new short-term loan with original amount USD 100 million in January 2008 and recording of short term portion of long term debt in 1H08.
- Non current liabilities increased by 35% YoY to Rp. 11.9 trillion, mainly due to additional debt during July 2007 to June 2008 amounting USD 120 million and drawdown existing credit facility amounting Rp. 6.4 trillion, despite of partial tender offer of USD 250 million bond of USD 122.3 million at the end of June 2008 and tax call of USD 350 million bond in Jan 2008.



Capital Expenditure

In Billion of Rupiah and In Million of USD	1H07 IDR	1H08 IDR	Growth
Capitalized capex	3,283	5,284	61%
Paid capex*	3,206	5,025	57%
Commitments entered into for current year**	5,997	8,227	37%

* Paid Capex represent capex that was paid using cash during current period

** The original amount is in USD, converted to IDR using closing rate 30 June 2007 and 2008. Exchange rate Rupiah against USD as of 30 June 2007 and 2008 were Rp 9,054/USD and Rp 9,225/USD, respectively.

Cash Flow (Audited)

Cash Flow (In Rp Billion)	1H07	1H08	Growth
Net cash flow provided from operating activities	1,794	2,886	61%
Net cash flow used in investing activities	(3,402)	(5,123)	51%
Free cash flow	(1,607)	(2,237)	39%
Net cash flow provided from financing activities	2,204	1,817	-18%
Net (decrease)/increase in cash and cash equivalents	597	(421)	-170%
Cash and cash equivalents at the beginning of the year	587	806	37%
Effect of exchange rate changes on cash and cash equivalents	2	(3)	-214%
Cash and cash equivalents at the end of the period	1,186	382	-68%

- Compared with the same period last year, net cash flow generated from operations increased by 61% to Rp. 2.9 trillion mainly due to higher cash received from customer and other operators.
- Net cash flow used in investing activities was Rp. 5.1 trillion or 51% higher compared to the same period last year of Rp. 3.4 trillion due to increase in purchase of fixed assets.
- Net cash flow provided from financing activities decreased by 18% to Rp 1.8 trillion due to partial tender offer of USD 250 million bond of USD 122.3 million and tax call of USD 350 million bond in Jan 2008 despite of proceed from additional short term bank loan during the period.

Description of Debts

The detail of debts as of 30 June 2007 and 2008 are as follows:

Description	Original Amount of Bond / Bank Loan Facility	(In Rp bn)		Balance of Bank Loan Facility as of 30 June 2008 (In Rp bn)	Year of Maturity
		1H07	1H08		
USD Bond 1	USD 350 mn	3,149	-	N/A	The bond was called in Jan 08
USD Bond 2 *)	USD 250 mn	2,226	-	N/A	2013
	USD 127.7 mn	-	1,162	N/A	2013
IDR Bond	IDR 1,500 bn	1,492	1,494	N/A	2012
USD Bank Loan	USD 110 mn	996	-	-	2010
	USD 230 mn	-	2,122	-	2010
	USD 100 mn	-	923	-	2009
IDR Bank Loan	IDR 4,000 bn	-	2,700	1,300	Amortizing every year, final repayment is in 2012
	IDR 3,700 bn	-	3,700	-	2011
TOTAL INTEREST BEARING DEBT		7,864	12,101		

*) outstanding USD 250 million Notes per 30 June 2008 was USD 127.7 million due to partial tender offer amounting USD 122.3 million in June 2008.

As per 30 June 2008, we had hedged 77% of our USD denominated debt.

As at 30 June 2008, our debt/EBITDA ratio stood at 2.7x (covenant 4.5x) and our EBITDA/Interest Expense ratio was 6.0x.



XL latest credit ratings issued are as follows:

	Foreign Currency	Local Currency	Outlook
Moody's	Ba2	-	Stable
Standard & Poor's	BB-	-	Stable
Fitch Ratings	-	AA(idn)	Stable
Pefindo	-	idAA-	Stable

OPERATING MEASURES

Operating Key Performance Indicator	1H07	1H08	Growth
Total O/G Minutes of Usage (billion minutes)	1.7	19.3	1,056%
O/G MOU/subs/month (minutes)	28	169	508%
Total Minutes (billion minutes)	3.6	38.2	970%
Total MOU/subs/month (minutes)	60	335	463%
Total O/G SMS (billion SMS)	5.5	8.9	61%
O/G SMS/subs/month (SMS)	92	78	-15%
Total BTS	8,936	13,408	50%
Number of Employee, (permanent)	2,114	2,140	1%
Efficiency ratio (subs/employee)	4,825	10,700	122%

Other Parameters	1H07	1H08	Growth
Revenue (in Rp billion)			
Postpaid	393	455	16%
Prepaid	2,347	4,265	82%
Total # subscriber (000)	10,200	22,899	124%
Prepaid	9,743	22,423	130%
Postpaid	457	475	4%
ARPU blended (Rp 000)	46	41	-11%
Prepaid	41	38	-7%
Postpaid	151	157	4%

Revenue Postpaid and Prepaid

Postpaid revenue increased by 16% YoY due to an increase in postpaid subscriber base and ARPU at the same level of 4%.

Prepaid revenue grew by 82%, mainly due to increase in total outgoing prepaid minutes and prepaid subscriber by 1244% and 130%, respectively.

MoU and Subscribers

Total Outgoing MoU increased significantly by more than 10 times YoY to 19.3 billion minutes from 1.7 billion minutes as well as outgoing MoU/subs/month, which significantly increased from 28 minutes to 169 minutes, a significant 508% hike from the same period last year.

ARPU

ARPU prepaid, postpaid and blended as of 30 June 2008 were 38 thousand, 157 thousand and 41 thousand, respectively. Blended ARPU decreased by 11% despite of 85% lower RPM YoY. The 1H08 ARPU was comparable to 1Q08 ARPU i.e. Rp. 39 thousand, Rp. 159 thousand and Rp. 42 thousand for prepaid, postpaid and blended, respectively.



RECENT DEVELOPMENTS

▪ Tower Business

a. Growing the Business

During the 1H08, we have started to lease out space on our towers to other operators. Until end of June 2008, gross locations available to lease amounted to between 6,000 to 7,000 towers. From those we had leased space on 2,930 locations to others operators, on which installation of equipment has commenced. The average gross annual yield/tower/tenant is approximately Rp. 170 million. Until 30 June 2008, we have recognized Rp 87 billion in lease revenue.

Statistic

Tower portfolio for lease	app.	7,000	towers
Average third party tenant capacity after tower strengthening	app.	2.3	
Annual yield/tower/tenant	app.	Rp. 170	million

b. Potential monetization

As we consider tower business as non-core business, we intend to sell our tower business and lease back space on the towers from the purchaser as the preferred anchor tenant, thereby enabling us to concentrate on our core business. As to this, we have been running a bidding process over the past few months. The shortlisted bidders are currently conducting due diligence, and have been provided with a management presentation and are expected to submit bids in 3Q08.

Statistic

Current book value	app.	Rp. 2.5	trillion
Addition in fixed asset to complete the tower under construction	app.	Rp. 154	billion
Outstanding rental site prepayment (from 6,514 sites)	app.	Rp. 461	billion
Depreciation expense per year	app.	Rp. 301	billion
Unearned revenue from tower lease	app.	Rp 160	billion

▪ SMS Tariff Cartel

XL together with Telkomsel, Telkom, Bakrie, Mobile-8, and Smart was declared guilty by Business Competition Supervisory Commission of violating Article 5 of the Law No. 5 / 1999 concerning Anti Monopoly Acts i.e. engaging SMS Tariff Fixing for period 2004 until April 2008. Consequently, XL and other the operators are sanctioned to pay fine. The penalty for XL was amounting IDR 25 billion, which has been provided for in 2Q08. Responding to the verdict from the Business Competition Supervisory Commission, XL has used its right to appeal to Higher Court and currently, it is still in process.

▪ Consent Solicitation and Tender Offer

On 30 June 2008, XL and Excelcomindo Finance Company B.V. have announced the result of consent solicitation and partial tender offers (up to USD 150 million) of its USD 250 million 7.125% guaranteed notes due in 2013.

This consent solicitation was launched on 2 June 2008 in relation to the planned sale and transfer of substantially all of the wireless communication towers and certain related assets currently used by XL in the operation of its wireless communication business in Indonesia.

The tender offer was the refinance part of the outstanding bonds through cheaper source of funding.

The results of the consent solicitation and partial tender offer were as follows:

- Total consent received was 91.0% of the Notes
- Bondholders who validly consented on or prior to 13 June 2008 received a consent payment of USD 10 per USD 1,000 principal amount of the Notes.
- Notes in an aggregate principal amount of USD 122.3 million were accepted for payment in the partial tender offer at 101% of the nominal value.
- Following the completion of the tender offer the remaining outstanding notes is USD 127.7 million

All payments i.e. tender amount, tender consideration, its interest and consent payment were paid on 30 June 2008.



2008 GUIDANCE

Based on performance YTD, we now expect to grow our revenues at least with a mid 40's percentage for which we will commit approximately USD 1.25 billion in capex. Margins are expected to be slightly better than 2007.

ABOUT XL



XL is a major cellular provider in Indonesia and majority owned by TM International Bhd through Indocel Holding Sdn Bhd (83.8%), the remaining stakes are held by Emirates Telecommunications Corporation (Etisalat) International Indonesia Ltd., a wholly owned subsidiary of Etisalat (16%), and the public (0.2%).

Date: 28 July 2008