



value *beyond* price

**PT XL Axiata, Tbk. (XL)
Corporate Presentation
1H 10**

July 2010

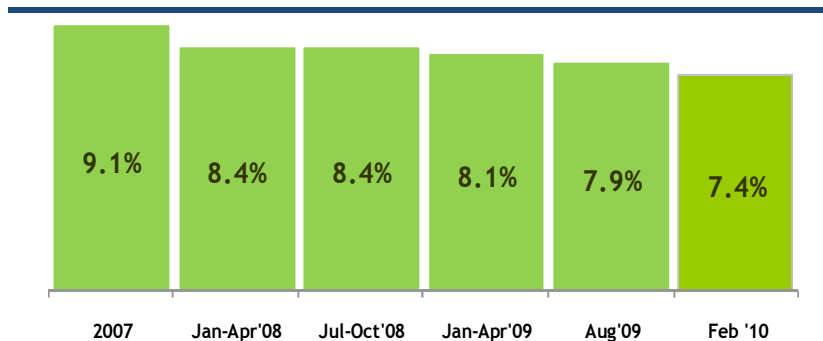


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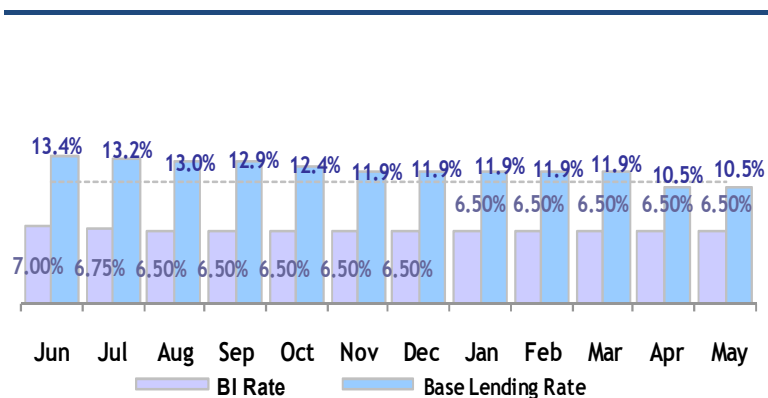
Domestic macroeconomic dashboard

Unemployment Rate (%)



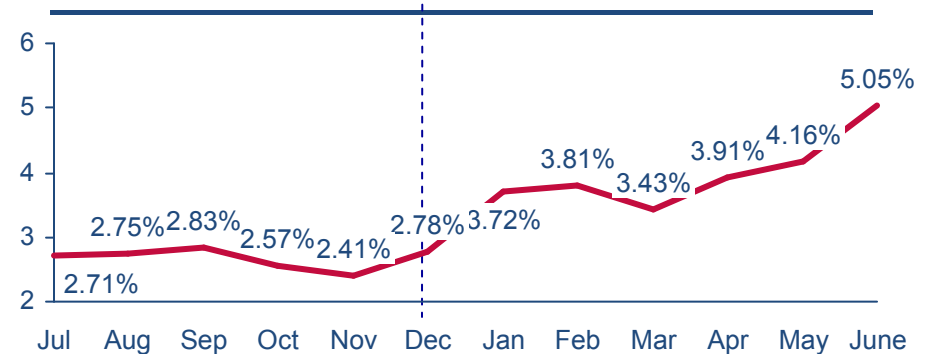
- Unemployment rate per February 2010 of 7.4%¹ or 8.59 million unemployment decrease from August 2009 level of 8.96million
- Decrease in unemployment rate reflected economic recovery

Interest rates (%)



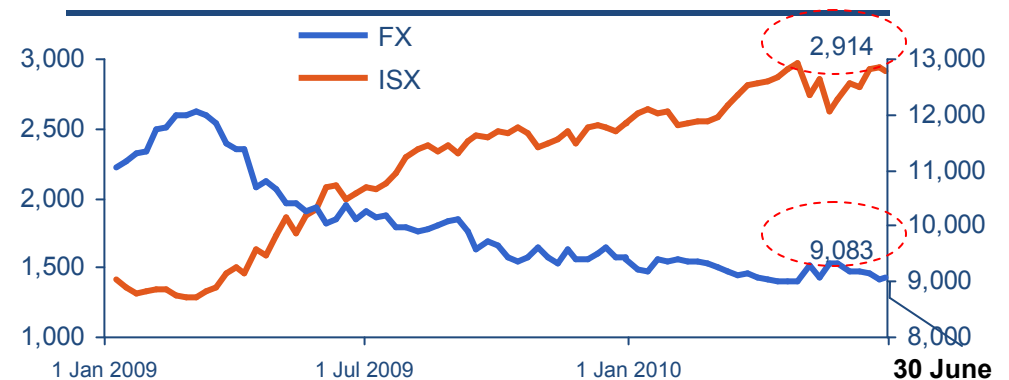
- Major banks started to lower lending rate

Inflation (Y-o-Y, %)



- Inflation driven by price increase of basic commodities
- Year to date June 2010 inflation is 2.42%. Government expects the end of year inflation will still in target range of 4%-6%

ISX and FX Rate



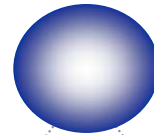
- Volatile ISX due to global and regional un-easiness (slower US recovery, European debt crisis, regional political tensions)
- IDR most recently strengthened as foreign capital returning

1. Latest official figures

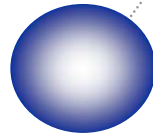


Outlook for Indonesia Telco market externalities

Macro Economy

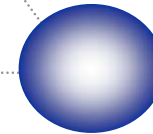


- Higher GDP of 5.0-5.5% expected in 2010 with YoY inflation at 5% \pm 1%
- Global recovery, commodity prices, as well as post-election government policies are key to sustainable growth



Industry/Competition

- Further industry consolidation is expected
 - Potentially creating benignant competition
- Intense but rational competition
- Emergence of Data service Mobile Data Ecosystem



Regulatory

- Potential restructure of interconnection fee
 - Potential decrease in voice interconnection fee
 - Possible introduction of SMS interconnection fee
- Change in Licence Fee Charging method expected
 - From # of Network elements to bandwidth
- XL will obtain second 3G carriers
- More transparent guidance on infrastructure sharing

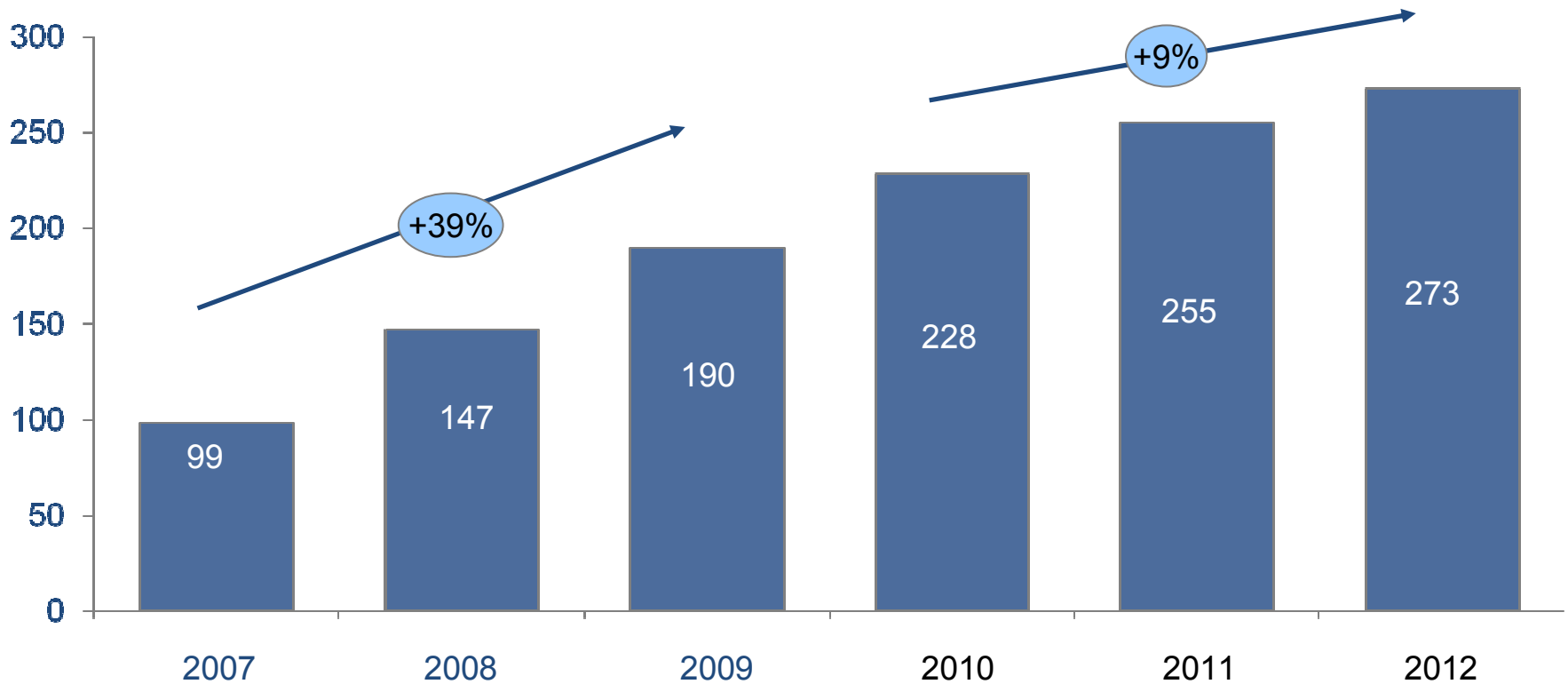
Source: XL, Central Bank



Penetration growth still expected

Potentially ~45Mn net adds in the next two years

Total number of SIMs in the market¹



Market penetration is still moderate for the next few years, industry will see further growth

1. UBS penetration x Population.

Source: Analyst reports



XL's deliberate strategy has produced impressive results

2008: "Minute Factory"

2009: "Drive value"

2010: "Optimize core and lead in new growth space"

The XL Strategy

BUILDING SCALE

- Affordable pricing strategy to drive usage and create addiction
- Invested significantly to expand network coverage and capacity
- Fast and lean organization to reduce cost/MoU

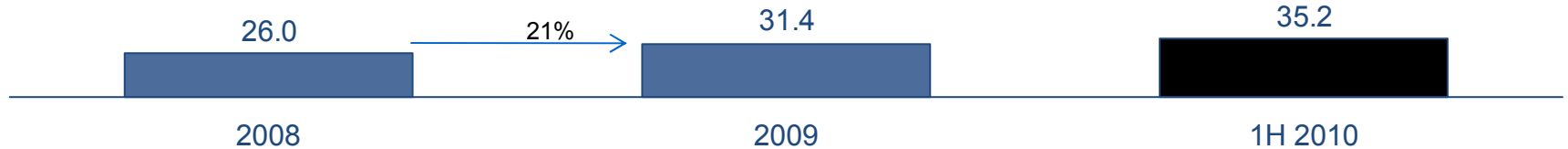
STIMULATING USAGE

- Drive value from subscriber through disciplined, fact-based approach
- Focus on quality subs (SWE)
- Strengthen brand, value beyond price
- Increase productivity

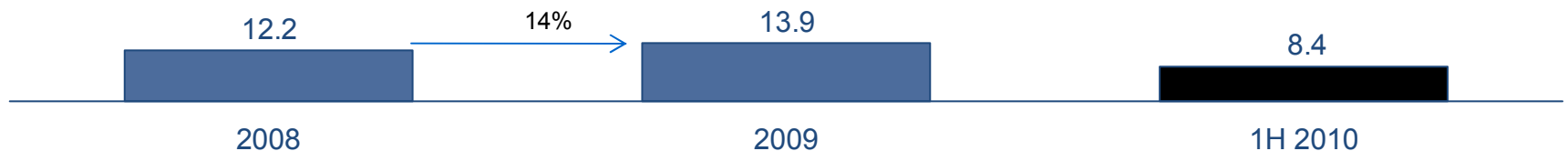
MONETIZING USAGE

- Maximize returns from core business
- Invest and innovate in future growth engines
- Deliver intentional customer experience
- Prudent capital expenditures

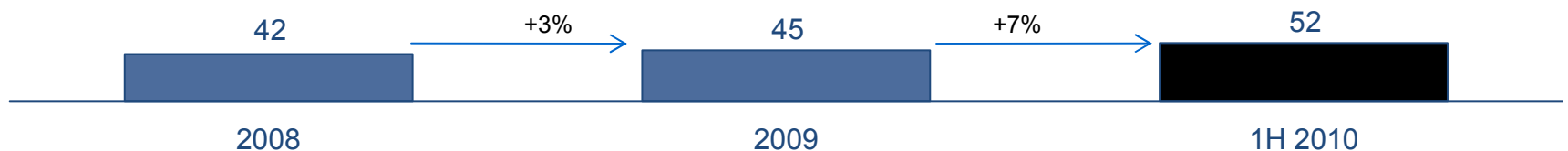
Subscriber (mn)



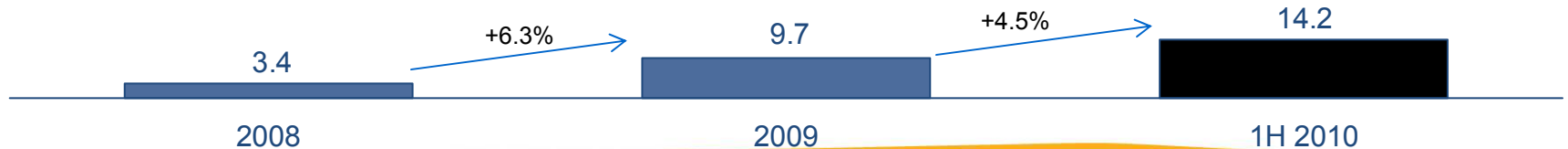
Gross Revenue (IDR Tn)



EBITDA margin (%)



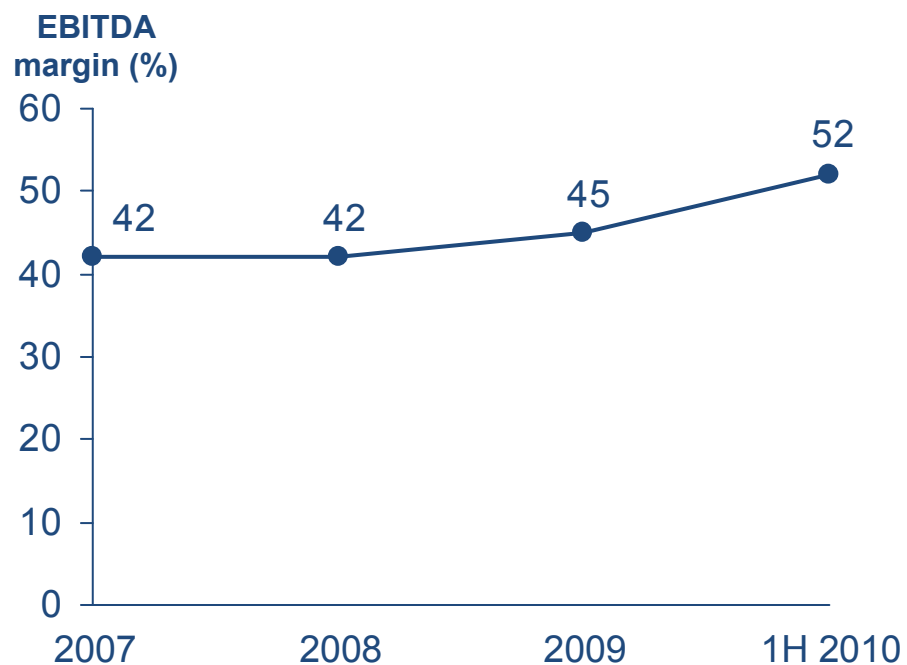
RoIC (%)





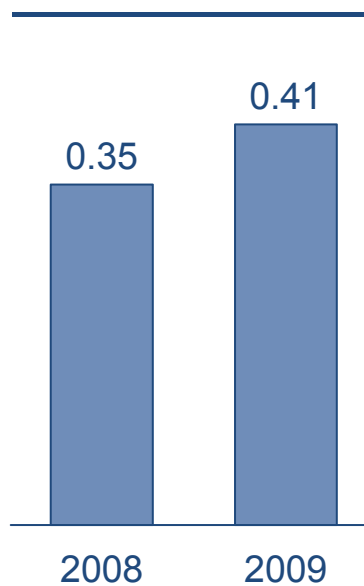
Our cost and CapEx are under control

EBITDA margin improved...

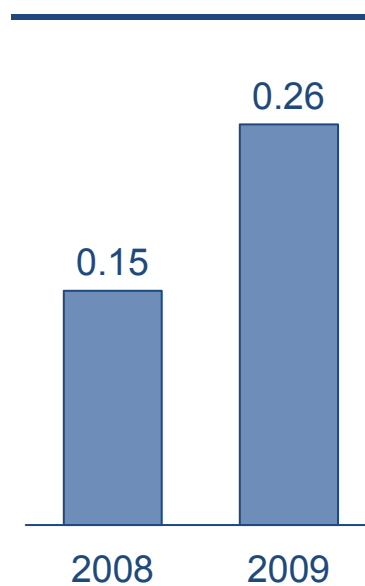


... and CapEx generated higher yield

Incr. Revenues/
Rp CapEx



Incr. EBITDA/
Rp CapEx



Source: Internal analysis

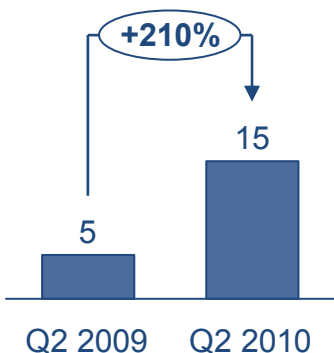


Data is a potential growth driver

Early indicators on usage shift from traditional services to Data

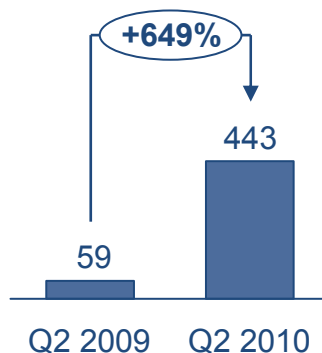
Strong growth in Data subs...

Subs with GPRS (Mn)



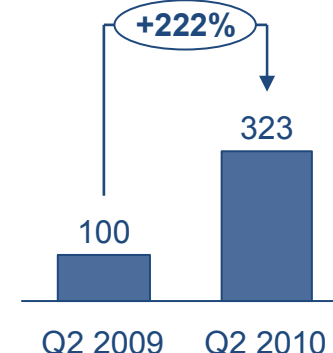
...Usage...

Data traffic excluding Blackberry (TB)



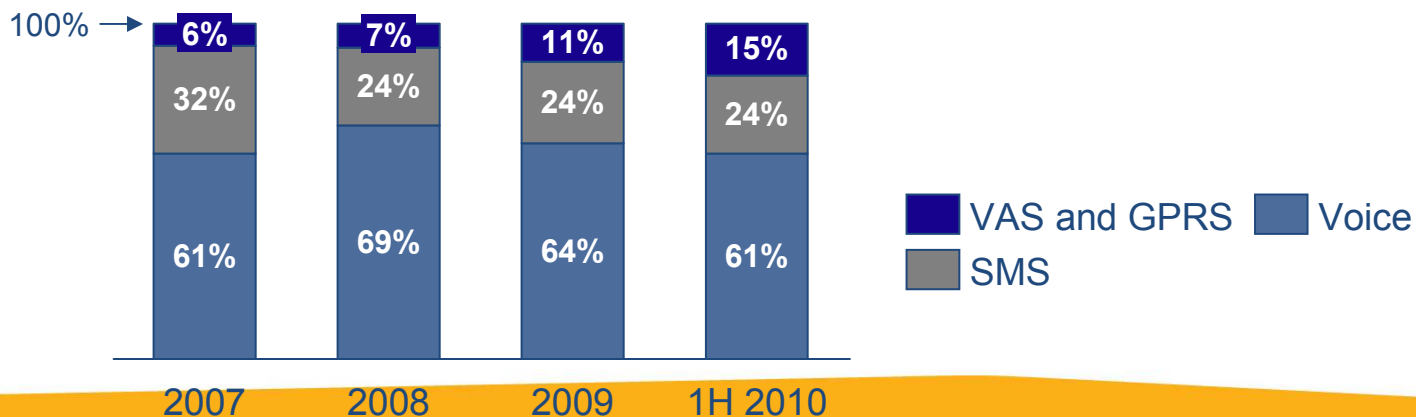
...And Revenues

XL data revenue (IDR Bn)



Shifting revenue proportion

Usage revenue composition (%)



Source: Internal report

an **axiata** company



XL aspires to become leading in mobile data service

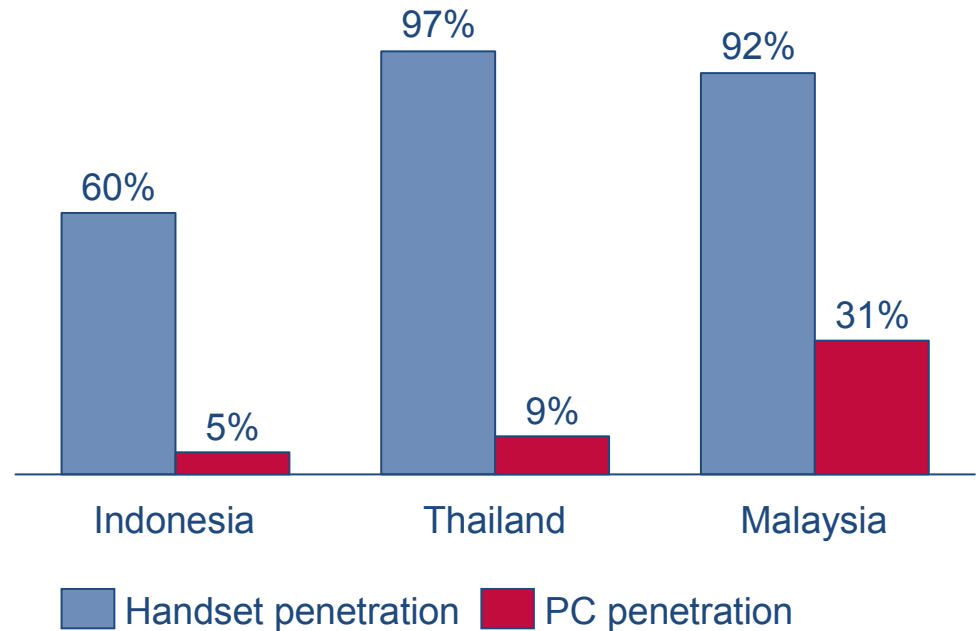
XL Aspirations

To have the best business model that generates values to shareholders (positive ROIC)...

...With the scale that allows us to have sustainable scale advantage over competitors

Indonesia is a handset market

PC vs. Handset penetration (%)



Investment in Data services is to focus on mobile data (handset-based), while maintain selective investment on Broadband

Note: Penetration estimate for 2009

Source: Euromonitor, GSMA Asia Pacific Mobile Observatory



Emergence of Data introduces a set of new complexities

Buying process



More complex buying process

Content



Strong end-to-end content management required

Network infrastructure



Complex Data Infrastructure

- Right mix of 2G/3G/ critical

Device



Active role in managing devices is crucial

People



Different skill sets and competencies to manage Mobile Data Ecosystem

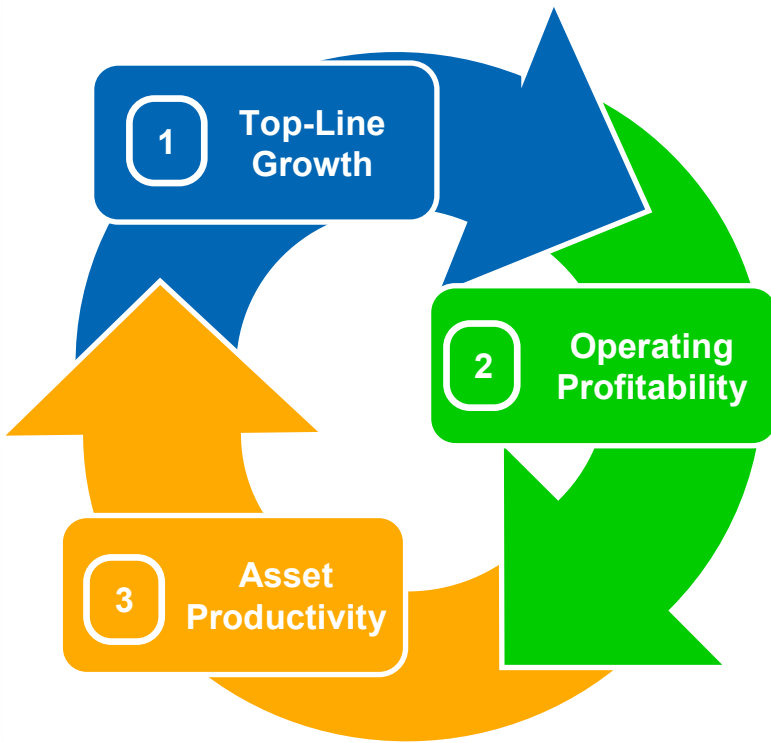


Summary

- **Positive Telco market outlook**
 - **Solid macro-economic growth**
 - **Expected further consolidation in industry**
 - **Positive and more transparent regulatory changes expected**
 - **Intense, yet rational competition**
- **XL is continuing on its next stage of Strategy**
 - **Focus on delivering returns from Core business**
 - **Cost and CapEx in control**
 - **XL aspires to lead in Data service (as potential growth driver) as usage shift towards Data service**



Balanced growth and strong balance sheet



	<u>1H10 vs. 1H09</u>
Revenue	35%
EBITDA	73%
EBIT	231%
PAT	87%
Total Assets	-6%

	<u>1H09</u>	<u>1H10</u>
RoIC	4.4%	14.2%
Normalized ROA	0.3%	8.8%
Normalized ROE	1.8%	32.9%
Net Debt/Equity	3.5 x	1.0 x
Net Debt/EBITDA	3.5 x	1.3 x



XL's 2010 revised guidance

	<u>2010 Old Guidance</u>	<u>2010 Revised Guidance</u>
Revenue growth	At least higher teens	Expected more than 20%
EBITDA Margin	At least higher 40's	Around 50%
Cash out CAPEX	Approximately IDR 4.5-5 Tn, of which about 25% for data service, internally funded	Approximately IDR 4.5-5 Tn, of which about 25 - 30% for data service, internally funded