

excelcom's Revenue & Operating Income Surge in Q1 2004

Jakarta, 4 May 2004 - In its unaudited Q1 2004 operating results submitted to Bursa Efek Surabaya (BES) last week, PT Excelcomindo Pratama ("**excelcom**") reported a gross revenue of Rp 754 billion for Q1 2004. This represents a 35% increase over the same period last year of Rp 559 billion. The increase is contributed by subscriber growth from 1.87 million as of Q1 2003 to 3.25 million as of Q1 2004. The Company added approx. 300,000 subscribers in Q1 2004.

Operating income increased by 104% to Rp 199 billion in Q1 2004 from Rp 97 billion in Q1 2003. Operating expenses for the same period increase by a modest 16% from Rp 378 billion to Rp 440 billion. Most of the increase was in general and administration expenses.

excelcom reported higher interest expense in Q1 2004 compared to Q1 2003 due to higher debt levels and interest rates after the issuance of the IDR 1.25 trillion and USD 350 million Reg S / 144a Notes. These were issued mainly to refinance the company's foreign syndicated secured debt and to support business growth. **excelcom**'s net income declined slightly to Rp 43 billion in Q1 2004 from Rp 52 billion in Q1 2003. "We recorded a forex loss of Rp 33 billion for Q1 2004 versus forex gain of Rp 14 billion in Q1 2003. Most of these were unrealized forex gains / losses not impacting cash flows" said Navin Sonthalia, Director of Finance.

As of 31 March 2004 **excelcom** had outstanding debt of an IDR Bond of Rp 1,250 billion due in October 2008 and USD 350 million Notes due in January 2009. **excelcom** had a cash balance of Rp 989 billion as of 31 March 2004.

excelcom's capex spend in Q1 2004 was Rp 452 billion compared to Rp 246 billion in Q1 2003. Base stations in service have increased from 1,033 units in Q1 2003 to 1,633 in Q1 2004. "We expect to have more than 2,500 base stations in service by the end of 2004 to further boost our network coverage and quality. We plan to spend more than USD 200 million in capex in 2004 with our strong operating cash flows and cash balance" said Gerald F. Rossi, President Director.



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