

XL RECORDED A 12% GROWTH IN Q1 2005 REVENUE

Based on its unaudited Q1 2005 financial accounts, PT Excelcomindo Pratama ("XL") reported a gross revenue of Rp. 844.3 billion in Q1 2005. This represents a 12% increase over the same period last year of Rp. 754.5 billion. Although the subscriber base remained 3.3 million as of the end of Q1 2005, the increase in gross revenue is mostly supported by the increase in gross revenue from GSM telecommunication service.

Operating income decreased by 13% from Rp. 198.7 billion in Q1 2004 to Rp. 173.5 billion in Q1 2005, due to the increase in operating expenses. Operating expenses for the same period increased by 19% from Rp. 1.6 trillion to Rp. 1.9 trillion. Most of the increase was in depreciation expenses and selling expenses.

XL recorded a higher interest expense in Q1 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. 8,587/ US\$ as at end of Q1 2004 to Rp. 9,480/ US\$ as at end of Q1 2005 has resulted in forex losses of Rp. 74.8 billion, most of which were unrealized losses from USD 350 million Notes, not impacting cash flows. As a result, XL experienced a net loss of Rp. 4.3 billion in Q1 2005 versus a net income of Rp. 46.9 billion in Q1 2004.

As of 31 March 2005 XL had an outstanding debt of Rp 1.25 billion IDR Bonds due in October 2008 and USD 350 million Notes due in January 2009. As of 31 March 2005 cash balance amounted to Rp. 341.1 billion compared to the same period last year figure of Rp. 988.6 billion. Total Net Debt as at 31 March 2005 stood at Rp. 4.2 trillion.

XL's capex spent in Q1 2005 was Rp. 361 billion compared to Rp. 240.7 billion in Q1 2004. Base stations in service increased from 1,633 units as at end of Q1 2004 to 2,499 as at end of Q1 2005, representing an increase of 53%.

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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