



PT EXCELCOMINDO PRATAMA, TBK. (XL) Q1 2007

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FINANCIAL MEASURES

Income Statement

Income Statement (In Rp Billion)	Q1 06	Q1 07	Growth
GSM:			
Postpaid	120	189	58%
Prepaid	799	1,096	37%
Interconnection & Inroaming	231	247	7%
Other GSM (Starter Pack, VoIP, etc.)	90	128	43%
Total GSM	1,240	1,661	34%
Non GSM	47	102	117%
Total Gross Revenue	1,287	1,763	37%
Less: Discount	(81)	(115)	43%
Less: COGS (Interconnection, BHP, USO, SP & Voucher)	(236)	(274)	16%
Net Revenue	971	1,373	41%
Labor Cost (Permanent & Temporary)	96	110	15%
Marketing & Selling expenses	101	160	58%
Infrastructure Expenses	130	260	101%
Support & Overhead Expenses	72	83	15%
Total OPEX	399	614	54%
EBITDA	572	759	33%
EBITDA Margin	44%	43%	
Depreciation & Amortization	338	411	22%
EBIT	234	348	49%
Other Income/(Expense)			
Interest expense	(103)	(107)	4%
Interest income	21	7	-65%
Forex gain	356	3	-99%
Others	(7)	(12)	80%
Total Other Income/(Expense)	267	(108)	-140%
Profit Before Tax	501	240	-52%
Income tax expense	(147)	(64)	-56%
Profit After Tax	355	176	-50%

For Q1 2007, PT Excelcomindo Pratama Tbk ("XL") announced gross revenue of Rp. 1,763 billion, representing a 37% increase YoY from Rp. 1,287 billion in Q1 2006. Q1 2007 net revenue was Rp. 1,373 billion, 41% higher YoY than Q1 2006 of Rp. 971 billion. The revenue increase YoY resulted from the 85% increase in MoU, which was driven by the 23% increase in number of subscriber to 10.1 million at the end of Q1 2007 from 8.2 million at the end of Q1 2006.

Total opex in Q1 2007 was Rp 614 billion, which represented 54% increase YoY from Rp 399 billion in Q1 2006. The increase in YoY opex was mainly due to the followings:

- **Infrastructure Expenses** increase by 101% due to higher frequency fee and utilities mainly due to 61% YoY growth in number of BTS.
- **Marketing & Selling Expenses** increase by 58% due to higher A&P activities and sales commissions.

As a result, EBITDA grew by 33% YoY.



Other expense was Rp 108 billion in Q1 2007 compared to Other Income of Rp. 267 billion in Q1 2006. This was mainly due to lower forex gain in Q1 2007. Net profit in Q1 2007 was Rp. 176 billion compared to a net profit of Rp. 355 billion in Q1 2006.

Balance Sheet

Balance Sheet (In Rp Billion)	Q1 06	Q1 07	Growth
Current Assets			
Cash and cash equivalents	1,356	243	-82%
Trade and other receivables - net	153	214	40%
Prepayments	395	480	22%
Others	24	114	384%
Total Current Assets	1,928	1,052	-45%
Non-Current Assets	9,083	12,404	37%
Total Assets	11,010	13,456	22%
Current Liabilities			
Trade and other payables	1,338	1,804	35%
Taxes payable	32	37	13%
Deferred revenue	68	148	116%
Total current liabilities	1,439	1,989	38%
Non-Current Liabilities			
Trade payables	48	692	N/A
Deferred tax liabilities	145	411	183%
Long term loan	-	456	N/A
Long term bonds	5,362	5,409	1%
Provision for employee benefits	32	42	32%
Total Non-Current Liabilities	5,587	7,010	25%
Total Liabilities	7,027	8,999	28%
Equity			
Share capital & capital surplus	3,401	3,401	0%
Retained earnings	583	1,056	81%
Total Equity	3,984	4,457	12%
Total Liabilities and Equity	11,010	13,456	22%

XL's total assets increased 22% to Rp 13,456 billion. Total liabilities increased 28% to Rp 8,999 billion. Total equity increased 12% to Rp 4,457 billion.

- **Q1 2007 current assets** was Rp. 1,052 billion, a decrease of 45% from Q1 2006 of Rp. 1,928 billion mainly due to lower cash balance due to higher capex spent.
- **Non-current assets** was Rp. 12,404 billion, an increase of 37% from Q1 2006 of Rp. 9,083 billion mainly due to significant YoY growth in number of BTS.
- **Current liabilities** was Rp. 1,989 billion, 38% higher than Q1 2006 of Rp 1,439 billion mainly due to increase in trade payables.
- **Non-current liabilities** was Rp. 7,010 billion, 25% increase from Q1 2006 of Rp. 5,587 billion due to higher trade payables, long term loan and deferred tax liabilities.
- **Equity** was Rp. 4,457 billion, 12% higher than Q1 2006 of Rp. 3,984 billion due to increase in retained earnings.



Cash Flow

Cash Flow (In Rp Billion)	Q1 06	Q1 07	Growth
Net cash flow provided from operating activities	313	583	86%
Net cash flow used in investing activities	(1,313)	(1,172)	-11%
Free cash flow	(1,000)	(589)	-41%
Net cash flow provided from financing activities	1,576	245	-84%
Net increase/(decrease) in cash and cash equivalents	576	(344)	-160%
Cash and cash equivalents at the beginning of the year	880	587	-33%
Effect of exchange rate changes on cash and cash equivalents	(101)	(0)	-100%
Cash and cash equivalents at the end of the period	1,356	243	-82%

- **Net cash flow from operating activities** was Rp. 583 billion, higher than Q1 2006 of Rp. 313 billion due to increase in receipts from customers and other operators.
- **Net cash flow from investing activities** was Rp. 1,172 billion, lower than Q1 2006 of Rp. 1,313 billion due to lower additional other assets despite of higher capex spending in Q1 2007.
- **Net cash flow from financing activities** was Rp. 245 billion, lower than Q1 2006 of 1,576 billion mainly due to lower external financing obtained in Q1 2007.

Description of Debts

In Jan 07, XL signed USD 50 million loan facility from Standard Chartered Bank and USD 50 million loan facility from Bank Mizuho Indonesia. By the end of March 07, the facility from Bank Mizuho was fully drawn.

Debts (In Rp Billion)	Q1 06	Q1 07	Growth
Banks	-	456	N/A
Bonds	5,362	5,409	1%
USD Bond 1	3,140	3,168	1%
USD Bond 2	2,222	2,241	1%
Total debts	5,362	5,865	9%

As of 31 March 2007 outstanding debts of Rp 5,865 billion consist of:

- USD 350 million bond due in January 2009 with coupon rate of 8%
- USD 250 million bond due in January 2013 with coupon rate of 7.125%
- Bank loan of USD 50 million due in January 2010 with interest rate of LIBOR + 0.95%.

In April 2007, XL issued a Rp 1,500 billion bond with a coupon of 10.35% which was listed on 27 April 2007.

XL latest credit ratings issued are as follow:

	Foreign Currency	Local Currency	Outlook
Moody's	Ba3	-	Positive
Standard & Poor's	BB-	-	Stable
Fitch Ratings	-	AA(idn)	Stable
Pefindo	-	idAA-	Stable

XL has entered into several foreign currency contracts for a total notional amount of USD 225 million to hedge the exposure from the USD borrowings (35% of the total foreign exchange denominated debt).

In Q1 2007, our Debt/EBITDA ratio stood at 2.1x (covenant of 4.5x) and our EBITDA/Interest Expense ratio was 7.1x.



OPERATING MEASURES

Operating Key Performance Indicator	Q1 06	Q1 07	Growth
Total Outgoing Minutes of Usage (billion minutes)	0.5	0.9	85%
Total Outgoing SMS (billion SMS)	1.6	2.6	63%
Total # subscriber (000)	8,221	10,100	23%
Prepaid	7,973	9,653	21%
Postpaid	248	447	80%
ARPU blended (Rp 000)	40	42	5%
Prepaid	36	38	6%
Postpaid	191	153	-20%
Total BTS	4,886	7,871	61%
Number of Employee	1,956	2,090	7%
Capitalized capex (in Rp Billion)	1,012	1,234	22%

Subscribers and MOU

Total MoU in Q1 2007 was 0.9 billion and increased by 85% from Q1 2006 of 0.5 billion. The increase in MoU was mainly driven by increase in subscribers' usage. The subscriber base increased to 10.1 million as at the end of Q1 2007 from 8.2 million at the end of Q1 2006 and 9.5 million at the end of Q4 2006. The number of our prepaid subscribers was 9.7 million in Q1 2007, representing a 21% increase from 8.0 million in Q1 2006 and a 6% increase from 9.1 million in Q4 2006. Our Q1 2007 postpaid subscriber base was 447 thousand, representing a 80% increase from 248 thousand in Q1 2006 and a 16% increase from 387 thousand in Q4 2006. The increase in the number of subscribers was contributed by continuously improved coverage, quality and brand awareness as well as the promotion of various new products and benefits during Q1 2007.

Usage

Q1 2007 prepaid, postpaid and blended ARPUs were Rp. 38,000, Rp. 153,000 and Rp. 42,000 respectively. Prepaid and blended ARPUs are higher than Q1 2006 figures of Rp. 36,000 and Rp. 40,000 while postpaid ARPU is lower than Q1 2006 figure of Rp. 191,000. Q1 2007 blended O/G MoU per subscriber was 29 minutes, increased by 38% from Q1 2006 of 21 minutes. Q1 2007 blended SMS per subscriber was 85 SMS, increased by 23% from Q1 2006 of 69 SMS.

Investment



We continued to invest in our network development. In Q1 2007, we capitalized capex of Rp. 1,234 billion compared to Q1 2006 capex of Rp. 1,012 billion and Q4 2006 capex of Rp 1,181 billion. As at Q1 2007, our number of BTS including 3G Node B increased by 61% YoY to 7,871 from 4,886 BTS as at Q1 2006 or 8% increase QoQ from 7,260 at the end of 2006.

Sales and Distribution



In Q1 2007, XL has changed its distribution channel structure by having direct and indirect retail outlets. As of the end of Q1 2007, there were 167 XL Centers and more than 300k direct and indirect retail outlets.



Products & Services



During Q1 2007, XL offered various programs. On 10 February 2007, XL launched Tarif Percakapan per Detik (per second tariff) for Bebas subscribers. Under the program, XL charges Rp 25/second for all outgoing call to all operators, across Indonesia and 35 countries, and 24 hours a day. The program is valid until 30 June 2007.

Promotions IL Divo Quiz



XL participated as one of the co-sponsor for IL Divo Life in Concert 2007. There were several programs offered in line with the sponsorship, such as: SMS Quiz (prizes are free tickets, home theatre, and Ipod) and on the spot promo during the concert for existing XL prepaid subscribers who purchase reload voucher of Rp 400,000 and for new subscribers who just apply Xplor on the D day and purchase **bebas** voucher of Rp 300,000 will get free MP3 player.

Kejutan 28



XL again launched “Kejutan 28” (Surprise 28) stimulation program for period 17 March – 17 May 2007 for **bebas** and **jempol** subscribers. Subscribers will get credit bonus of Rp 10,000 after 4 times reload of any voucher denomination. Each reload will get 1 point for eligibility in a lucky draw to win one of 28 Nokia handphones per day.

Bonus pulsa and SMS

XL launched promo of Progressive Bonus Plan, by giving credit bonus ranging from Rp 20,000 – Rp 50,000 to **bebas**, **jempol** and **jimat** subscribers who achieve targeted higher than normal usage during the promo period. The promo was valid until 24 March 2007.

XL also launched promo of SMS Bonus, by giving free SMS bonus ranging from 150 – 400 sms to **jempol** and **jimat** subscribers who achieve targeted usage during the promo period. The promo is valid until 26 Apr 2007.

IMPORTANT EVENTS

Public expose – Obligasi Excelcom II Tahun 2007



To support 2007 capital expenditure plan, XL issued IDR 1.5 trillion bond with 5 years tenor, i.e. Obligasi Excelcom II Tahun 2007. On 14 March 07, XL conducted the public expose for the bond. The bonds were rated AA(idn) with stable outlook by Fitch Ratings and AA- with stable outlook by Pefindo. The bond has coupon rate of 10.35% and listed on Surabaya Stock Exchange.

Corporate Social Responsibility

XL Care Adam Air

On 2 January 2007, XL provided free telecommunication service using XL Centre Mobile in Andi Makassau – Pare Pare, South Sulawesi, in the event of Adam airplane crash. This facility was used by volunteers, SAR members, media, and families of the victims. Pare-Pare’s XL Center also provided free internet access for media and journalist to send their news.





- **XL Care Peduli Banjir**



In early February 2007, several areas in Jakarta were flooded. Together with Indo Pos, XL built 52 aid camps, providing foods, medicines, and public kitchen. XL together with Mapala UI also distributed aids and helped evacuating its employees and other citizens.

- **Children of Tomorrow**



Children of Tomorrow is XL's program which try to introduce computer and internet to children who have no access to education. This program was started in January 2007 by donation of computers to two shelters home of DILTS Foundation and to Yayasan Fajar Islam. Together with AIESEC Local Committee Universitas Indonesia, XL Care provides computer and basic internet lesson.

- **TUG – Gempa Solok Padang & Garuda Jogja**



In the event of earthquake in Solok, Padang, XL Care provided free telephone for the victims. XL also helped distributing aid using XL Center Mobile from Pekanbaru to the location.

In the event of Garuda Indonesia airplane crash in Adi Sucipto Airport, Yogyakarta, XL Care provided TUG (*Telepon Umum Gratis-free telephone*) in Yogyakarta and in Garuda Emergency Center in Bandara Soekarno Hatta.

2007 GUIDANCE

- Revenue will grow by least 30%.
- EBITDA margin will be comparable or slightly higher than 2006.
- Blended ARPU will likely be around 2006 levels.
- Capex plan is USD 700 million to add more than 3,000 BTS.

ABOUT XL



XL is one of the main cellular providers in Indonesia and majority owned by Telekom Malaysia Berhad through Indocel Holding Sdn Bhd (59.6%) and Khazanah Nasional Berhad (16.8%). XL is the only cellular company in Indonesia which owns an extensive fiber optic backbone network, mainly on Java island and under development in Sumatra island (completion stage). Started commercial operation in October 1996, XL's business consists of Consumer Solutions as triple band (900/1800/1900) cellular network provider through jempol, jimat and *bebas* prepaid and Xplor postpaid cards with addition of 3G services for jempol, *bebas* and Xplor and Business Solutions as corporate service provider based on leased line and IP (Internet Protocol).

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