PT EXCELCOMINDO PRATAMA, TBK. (XL)
Q1 2008

Disclaimer

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INTRODUCTION

For Q1 2008, our revenue net of discounts grew by 59% YoY and slightly increased QoQ to Rp. 2,623 bn. The growth was driven by significant increases in OG MoU/subs to a level of 110 min, representing YoY growth of 284% and QoQ growth of 32%, and subscriber growth of 82% YoY, which boosted our total OG MoU to 5.5 bn min, an increase of 533% YoY and 53% QoQ. These attainments show that our series of key strategies, which have been implemented since last year, are working well.

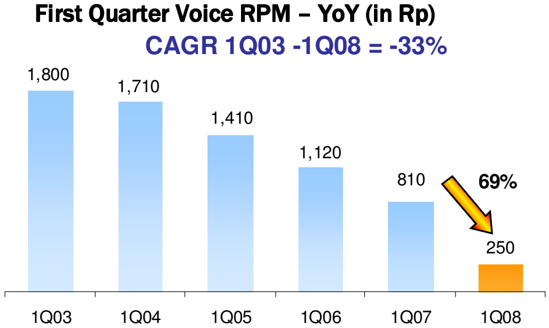
We have continued to enhance the pricing evolution strategy that we started in early 2007 by evolving our voice tariff in 2 stages during this quarter. First, we reduced our on-net and off-net voice rate to Rp. 0.1 per second after certain duration in January 2008. Second, to maximize our revenue growth, we subsequently launched a new voice tariff mechanism of charging one voice rate per call for on-net regardless of the duration, which is as low as Rp. 300 in Sumatera, Sulawesi and Eastern Indonesia, and Rp. 600 in Java, including greater Jakarta, and in Kalimantan in March 2008.

We made an improvement in our distribution channel management by organizing our distributors into "clusters", in order to better manage the productivity of our distributors and to maintain our product pricing and product availability in the market. In order to keep effective channels and dismiss non-active channels, we are more actively monitoring our dealers' performance.

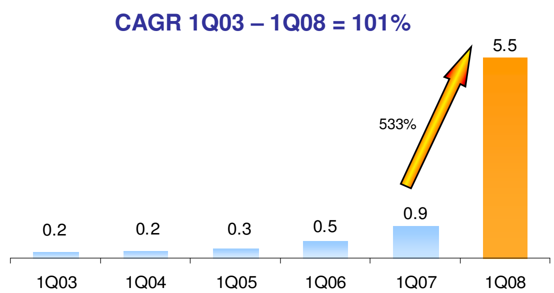
Since our network coverage program is largely complete with 90% population coverage, and coverage is, in our opinion, no longer a competitive differentiator, our current focus is on network capacity in order to support incremental MoU. During Q1 2008, we set up 1,133 BTS for additional capacity, which brought our total BTS to 12,290 on air.

As the result of our aggressive pricing strategy, we further reduced our average Q1 2008 voice revenue per minute (chargeable OG minutes) to Rp. 250 or USD 0.03 (using closing rate March 2008 of Rp. 9,217/USD).

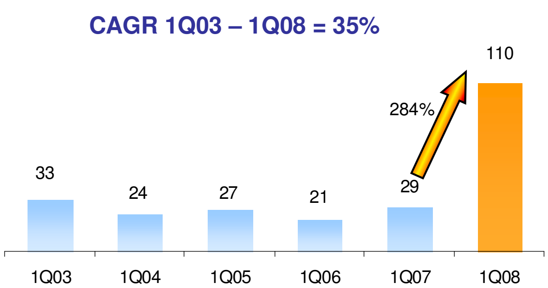
First Quarter Voice RPM – YoY (in Rp)



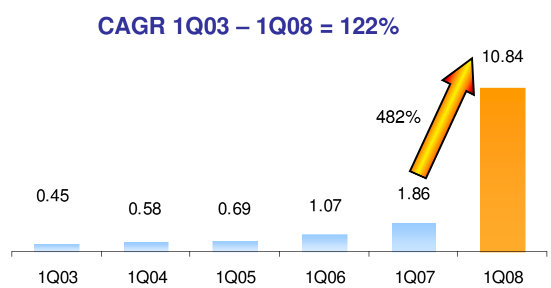
First Quarter Total OG Minutes – YoY (in bn minutes)



First Quarter OG MoU/Subs/Month – YoY (in minutes)



First Quarter Total Minutes (O/G + I/C) - YoY (in bn minutes)



FINANCIAL MEASURES

Income Statement

Income Statement (In Rp Billion)	1Q07	1Q08	Growth
GSM:			
Postpaid	189	233	23%
Prepaid	1,096	1,874	71%
Interconnection & Inroaming	247	308	25%
Other GSM (VoIP, Starter Pack, etc.)	128	70	-45%
Total GSM	1,661	2,486	50%
Non GSM	102	169	65%
Revenue	**1,763**	**2,654**	**51%**
Less: Discount	(115)	(32)	-73%
Revenue Net of Discount	**1,647**	**2,623**	**59%**
Interconnection and Telecommunication Service Charges	274	554	102%
Labor Cost (Permanent & Temporary)	110	164	49%
Marketing Expenses & Sales Commission	160	292	82%
Network Infrastructure Expenses	260	376	45%
Support & Overhead Expenses	83	120	45%
Total OPEX	**888**	**1,507**	**70%**
EBITDA	**759**	**1,116**	**47%**
EBITDA Margin	***43%***	***42%***	***N/A***
Depreciation & Amortization	411	558	36%
EBIT	**348**	**558**	**60%**
Other Income/(Expenses)			
Interest expense	(107)	(204)	91%
Interest income	7	8	7%
Forex gain	3	209	5934%
Others	(12)	(29)	143%
Total Other Income/(Expenses)	**(108)**	**(17)**	**-84%**
Profit Before Tax	**240**	**541**	**126%**
Income tax expense	(64)	(174)	171%
Profit After Tax	**176**	**368**	**109%**

Below is the normalized net income:

Normalized Net Income (In Rp Billion)	1Q07	1Q08	Growth
Net Income	**176**	**368**	**109%**
Less unrealized forex (gain), net of tax	**(0.2)**	**(152)**	**77568%**
Normalized Net Income	**176**	**215**	**23%**

Gross Revenue

For Q1 2008, we recorded gross revenue of Rp. 2.7 trillion, representing a 51% increase YoY from Rp. 1.8 trillion in Q1 2007. This significant growth was mainly attributable to our prepaid product, which contributed 71% of our gross revenue.

Gross postpaid revenue increased by 23% YoY due to an increase in our subscriber base of 9% and a slight increase in ARPU.

Gross prepaid revenue YoY increased by 71% to Rp. 1.9 trillion, due to a significant increase in OG minutes/subs and subscriber base.

Gross interconnection and inroaming revenue increased by 25% YoY to Rp. 308 billion. The increase resulted from a 23% increase in interconnection revenue and a 32% increase in inroamers revenue. The inroamers revenue contributed 18% to our interconnection and inroaming revenue.

Gross other GSM revenue decreased by 45% YoY to Rp. 70 billion mainly due to a revision in our method for starter pack revenue. In Q1 2007, we recorded the amount received from sale of starter packs as revenue and discount as well. However, in Q1 2008 balance revenue starter pack reflected net sales amount with its discount. Had we applied the same treatment in recording starter pack revenue for Q1 2007, the gross other GSM revenue would have increased by 20% YoY. Our gross other GSM revenue was mainly derived from VoIP revenue.

Gross non-GSM revenue increased by 65% to Rp. 169 billion, due to increases in number of customers from our leased line, internet service provider and MPLS businesses. Furthermore, the increase was also due to revenue from tower leases that started to be recorded in 2008.

Non voice/data revenue increased by 31% to Rp 0.7 trillion. The non voice/data revenue contributed 31% and 27% to Q1 2007 and Q1 2008 total gross revenue, respectively. Around 76% of our Q1 2008 non voice/data revenue was derived from SMS.

Discounts

Discounts decreased by 73% to Rp. 32 billion, which was due to our decision to reduce use of discount schemes and provide direct reduction in tariff, which we believe is more effective. Furthermore, the change in presentation of starter pack revenue since Q2 2007 also contributed to the decline of our discount balance.

Operating Expenses

Operating expenses increased by 70% YoY to Rp. 1.5 trillion mainly due to increases in interconnection and telecommunication service charges and marketing expenses & sales commission.

- Interconnection and telecommunication service charges consists of interconnection costs, VAS costs, BHP fee, USO fee, starter pack, voucher costs, and Non GSM costs. For Q1 2008, the figure increased by 102% to Rp 554 billion. This significant increase was mainly due to higher voice usage interconnection costs. Total Off-net outgoing minutes were increased by 104% YoY.
- Labor cost rose by 49% YoY to Rp. 164 billion due to pro rated accrual for performance bonuses in 2008. Adopting a lean operating model, we are aiming for zero headcount growth in 2008.
- Marketing expenses and sales commission rose by 82% YoY to Rp. 292 billion which was mainly due to aggressive marketing campaigns and higher sales commissions.
- Network Infrastructure expenses increased by 45% YoY to Rp. 376 billion. It was attributable to the increase in BTS numbers by 56% YoY, resulting in higher rental sites expenses, BTS utilities expenses, and higher frequency fee. The frequency fee contributed to almost half of infrastructure expenses.
- Support and overhead expenses rose by 45% YoY to Rp. 120 billion, which was due to increases in professional fees and leasehold improvement expenses.

For Q1 2008, we recorded EBITDA of Rp. 1.1 trillion, representing a 47% increase YoY from Rp. 759 billion in Q1 2007. As the result of our strong focus on cost control, productivity and efficiency, we maintained our EBITDA Margin at the same level as FY 2007 of about 42%.

Depreciation and amortization expenses increased by 36% YoY to Rp. 558 billion, due to the 56% increase in numbers of BTS or additional 4,419 BTS YoY to 12,290 BTS.

Other expenses decreased by 84% YoY from Rp. 108 billion to Rp. 17 billion due to:

- Higher forex gain in Q1 2008 from Rp. 3 billion in Q1 2007 to Rp. 209 bn in Q1 2008. Closing rate Rupiah/USD as of 31 March 2008 and 31 March 2007 were Rp. 9,217/USD and Rp. 9,118/USD, respectively, whereas closing rate Rupiah/USD at the end of December 2007 and 2006 were Rp. 9,419/USD and Rp. 9,020/USD, respectively; and
- Higher interest expense from IDR bond issuance in April 2007 and increase in interest bearing debts by 83% from Rp. 5.9 trillion in Q1 2007 to Rp. 10.7 trillion in Q1 2008.

Balance Sheet

Balance Sheet (In Rp Billion)	1Q07	1Q08	Growth
Current Assets			
Cash and cash equivalents	243	610	151%
Trade and other receivables - net	214	435	103%
Prepayments	480	728	52%
Others	80	95	17%
Total Current Assets	**1,019**	**1,868**	**83%**
Non-Current Assets	**12,439**	**18,772**	**51%**
Total Assets	**13,458**	**20,641**	**53%**
Current Liabilities			
Trade and other payables	1,804	3,425	90%
Taxes payable	37	61	67%
Deferred revenue	148	580	291%
Short term loan	-	1,922	N/A
Current maturity of long term loan	-	400	N/A
Total current liabilities	**1,989**	**6,387**	**221%**
Non-Current Liabilities			
Trade payables	692	215	-69%
Deferred tax liabilities	411	724	76%
Long term loan	456	4,620	913%
Long term bonds	5,409	3,766	-30%
Derivatives payable	2	24	1349%
Provision for employee benefits	42	72	73%
Total Non-Current Liabilities	**7,012**	**9,421**	**34%**
Total Liabilities	**9,001**	**15,808**	**76%**
Equity			
Share capital & capital surplus	3,401	3,401	0%
Retained earnings	1,056	1,432	36%
Total Equity	**4,457**	**4,832**	**8%**
Total Liabilities and Equity	**13,458**	**20,641**	**53%**

Total assets increased by 53% to Rp. 20.6 trillion, total liabilities increased by 76% to Rp. 15.8 trillion while total equity slightly increased by 8% to Rp. 4.8 trillion as a result of our investment and business activities.

- 83% increase in current assets was mainly due to higher cash and cash equivalent and trade and other receivables. Trade and other receivables increased by 103% to Rp. 435 billion due to new receivables from tower lease business starting to be recorded in 2008.
- Non current assets increased by 51% YoY to Rp. 18.8 trillion, mainly due to significant increases in net fixed assets as a result of the growth in network development.
- Current liabilities increased by 221% YoY to Rp. 6.4 trillion, due to bank loans of USD 100 million and Rp. 1.4 trillion and a 85% YoY increase in additional number of BTS. We deployed 611 BTS during Q1 2007 and 1,133 BTS during Q1 2008.
- 34% increase in non-current liabilities was due to the IDR Bond issuance of Rp 1.5 trillion in April 2007 and the increase in bank loans balance from USD 50 million as of 31 March 2007 to USD 230 million and Rp. 2.5 trillion as of 31 March 2008, despite lower USD bonds of USD 350 million.

Cash Flow

Cash Flow (In Rp Billion)	1Q07	1Q08	Growth
Net cash flow provided from operating activities	583	805	38%
Net cash flow used in investing activities	(1,172)	(1,827)	56%
Free cash flow	**(589)**	**(1,021)**	**73%**
Net cash flow provided from financing activities	245	828	237%
Net (decrease)/increase in cash and cash equivalents	**(344)**	**(193)**	**-44%**
Cash and cash equivalents at the beginning of the year	587	806	37%
Effect of exchange rate changes on cash and cash equivalents	(0.3)	(2)	690%
Cash and cash equivalents at the end of the period	**243**	**610**	**151%**

- **Net cash flow from operating activities was Rp. 805 billion, 38% higher than Q1 2007 of Rp. 583 billion due to higher cash received from customers and other operators.**
- **Net cash flow used in investing activities was Rp. 1.8 trillion, higher than Q1 2007 of Rp. 1.2 trillion due to increase in fixed assets, attributable to the increase of Q1 additional BTS of 85% from additional 611 BTS in Q1 2007 to additional 1,133 BTS in Q1 2008. The purchase of fixed assets accounted for 98% of net cash flow used in investing activities.**
- **Net cash flow from financing activities was Rp. 828 billion, higher than Q1 2007 of Rp. 245 billion due to obtaining new bank loans of USD 100 million and Rp. 3.5 trillion during Q1 2008 despite repayment of the USD 350 million bond at par in January 2008.**

Description of Debts

The detail of debts as of 31 March 2007 and 2008 are as follows:

Description	Original Amount of Bond / Bank Loan Facility			(In Rp bn)		Balance of Bank Loan Facility as of 31 March 2008 (In Rp bn)	Year of Maturity
				1Q07	1Q08		
USD Bond 1 (classified as short term in 2007)	USD	350	mn	3,168	-	N/A	The bond was called in Jan 08
USD Bond 2	USD	250	mn	2,241	2,272	N/A	2013
IDR Bond	IDR	1,500	bn	-	1,494	N/A	2012
USD Bank Loan	USD	50	mn	456	461	-	2010
	USD	180	mn	-	1,659	-	2010
	USD	100	mn	-	922	-	2009
IDR Bank Loan	IDR	4,000	bn	-	1,000	3,000	Amortizing every year, final repayment is in 2012
	IDR	2,700	bn	-	1,900	800	2011
	IDR	1,000	bn	-	1,000	-	2008
TOTAL INTEREST BEARING DEBTS				**5,865**	**10,707**		

In April 2008, we signed an additional bank loan facility agreement amounting to Rp. 1 trillion.

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

XL has entered into several foreign currency contracts for a total notional amount of USD 352.5 million to hedge the exposure from USD borrowings (61% of total foreign exchange denominated debt).

As at 31 March 2008, our debt /EBITDA ratio stood at 2.8x (covenant 4.5x) and our EBITDA/Interest Expense ratio was 5.5x.

OPERATING MEASURES

Operating Key Performance Indicator	1Q07	1Q08	Growth
Total O/G Minutes of Usage (billion minutes)	0.9	5.5	533%
O/G MOU/subs/month (minutes)	29	110	284%
Total O/G SMS (billion SMS)	2.5	4.5	80%
O/G SMS/subs/month (SMS)	82	90	9%
Total BTS	7,871	12,290	56%
Number of Employee, (permanent)	2,070	2,138	3%

Other Parameters	1Q07	1Q08	Growth
Total # subscriber (000)	10,100	18,398	82%
Prepaid	9,653	17,911	86%
Postpaid	447	487	9%
ARPU blended (Rp 000)	42	42	0%
Prepaid	38	39	3%
Postpaid	153	159	4%

MoU and Subscribers

Total Outgoing MoU in Q1 2008 was 5.5 billion, an increase of 533% from 0.9 billion in Q1 2007. This significant increase was driven by increases in subscribers' usage and number of subscribers. Q1 2008 blended O/G MoU per subscriber was 110 minutes, increased by 284% YoY from 29 minutes in Q1 2007 and increased by 32% QoQ from 83 minutes in Q4 2007. The subscriber base increased by 82% YoY to 18.4 million from 10.1 million. The increase in MoU and number of subscribers was driven by our new pricing strategy and continuously improved capacity, quality and strong equity brand awareness.

ARPU

Q1 2008 prepaid, postpaid and blended ARPU were Rp. 39 thousand, 159 thousand and 42 thousand respectively, which is comparable to Q1 2007.

RECENT DEVELOPMENTS

- **Update on infrastructure initiatives**

  We have established a separate business unit to enter into tower sharing arrangements with other operators. Following the signing of MoU's with 4 operators, we have signed a Master Tower Lease Agreement with Hutchison. By the end of March 2008, our towers ready for installation and leased to our customers were 1,344 towers.

- **Annual General Meeting of Shareholders (AGMS)**

  XL held its annual general meeting of shareholders on 4 April 2008. Agenda approved during the AGMS were:

  1. Approved the Company's financial statements for the year ended 31 December 2007.
  2. Approved the allocation of net profit for 2007, as follows:
     - Cash dividend totaling of Rp. 142 billion or Rp 20/share. The dividend will be distributed on 16 May 2008.
     - General Reserve amounting Rp. Rp 0.1 billion or 0.04% of total net income.
     - Retained Earnings amounting Rp 108. 9 billion for business growth.
  3. Appointed the member firm of PricewaterhouseCoopers International in Indonesia as our Independent Public Accountant to Audit the Company's Financial Statements for the year ended 31 December 2008.
  4. Accepted the resignation of the following members of BOC and BOD, as follows:
     - Gen (Purn) Wismoyo Arimunandar, from his office as Independent Commissioner
     - Mr. Peter J. Chambers, from his office as Commissioner
     - Mr. Md. Nasir Ahmad, from his office as Director

     Appointed the following new Commissioners:

     - Mr. Ahmad Abdulkarim Mohd Julfar, as Commissioner
     - Mr. Peter J. Chambers, as Independent Commissioner

Based on the conclusion of AGMS, the composition of BOC and BOD are as follows:

Board of Commissioner	
President Commissioner	YBhg Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
Commissioner	YB Datuk Nur Jazlan bin Tan Sri Mohamed
Commissioner	Rosli bin Man
Commissioner	YBhg Datuk Bazlan bin Osman
Commissioner	YBhg Dato' Yusof Annuar bin Yaacob
Commissioner	Ahmad Abdulkarim Mohd Julfar
Commissioner	Abdul Farid bin Alias
Commissioner Independent	Tjahjono Soerjodibroto
Commissioner Independent	YBhg Dato' Mohamad Norza bin Haji Zakaria
Commissioner Independent	Peter J. Chambers

Board of Directors	
President Director	Hasnul Suhaimi
Director	Joris de Fretes
Director	Willem Lucas Timmermans
Director	P. Nicanor V. Santiago III
Director	Joy Wahjudi
Director	Dian Siswarini

5. Granted the rights and authorization to the nominating and remuneration of the Company to determine the remuneration, bonus and other compensation and benefit payable to the Company's BOD and BOC, for the financial year ended 31 December 2008.

- **Demerger of TM Group**
  On 28 April 2008, TM's Board has announced that the process of the TM Group demerger and the acquisition by Indocel Holding Sdn Bhd of Khazanah Nasional Berhad's entire shareholding in XL has been completed on 25 April 2008. Following thereto, Indocel Holding Sdn Bhd's shareholding in XL has become 83.8%.

2008 GUIDANCE

- Revenue is expected to grow in the range of 30–35%.
- We currently anticipate no significant change in EBITDA margin.
- Capex plan (new commitments) is up to USD 1 billion.

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: 30 April 2008