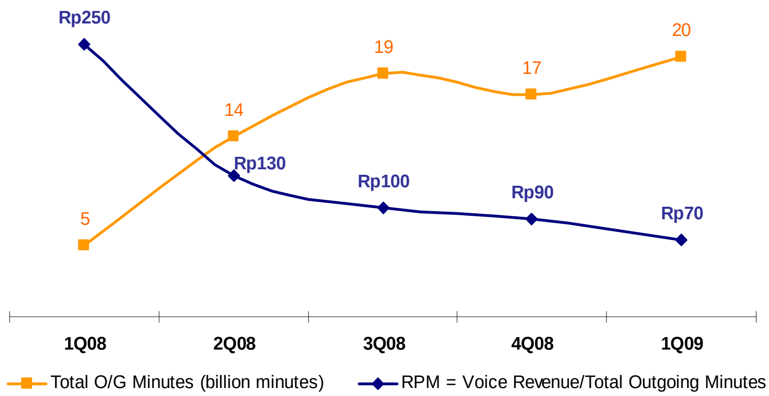
INTRODUCTION

During the first quarter of 2009 we have seen business momentum improving as compared to the later part of last year. For the first quarter of 2009 we reported revenues of Rp 2.9 trillion (10%YoY increase) and EBITDA of Rp 1.1 trillion with EBITDA margin of 38%, a weakening of 5% compared to 1Q08, mainly due to the shift from 100% self build of new sites to partial lease, hence lease expenses were not incurred to the same extent previously.

Revenues and traffic

After 2 years of running the minute factory strategy to stimulate traffic, we are pleased to see that total outgoing traffic has continued to grow (263% YoY) while at the same time effective voice revenue per outgoing minute is bottoming out.



Going forward we believe that while subscribers have become used to enjoying high call volumes at affordable price, competition will move beyond pricing only. We therefore will focus on delivering a more complete customer experience. Beyond 'Simplicity and Affordability' we will re-energize our brand with 'Fun and Excitement'. Furthermore, after working on coverage in 2006/07 and capacity in 2008, we intend to improve the quality experience further in 2009.

Quality

One of the areas we use to improving the perception on service quality and customer experience is wireless broadband internet. In March 2009, we launched a new internet-retail product for our subscribers who reside in greater Jakarta with 3G and HSDPA coverage. Our broadband strategy is designed to deliver quality services with a proper speed experience. In order to ensure ongoing quality delivery, we manage sales in line with capacity expansion. We have this product positioned as a quality product, rather than a bulk sales product, to further strengthen the quality perception of the entire XL brand.

Distribution and subscriber base quality

We have started taking initiatives on improving the quality of the subscriber base. In the current market with SIM over supply, multiple SIMs and calling card behavior, we believe it is time to move away from the current practice of SIM oversupply. We focus on growing the revenue generating subscribers (RGB) rather than total subscribers, which consists of active and grace subscribers, who in some cases do not generate revenues.

We address this objective from the distribution angle by improving visibility and control of our starter packs in our distribution network, and reducing and optimizing SIM supply to the market, as well as through CLM (Customer Lifecycle Management). Furthermore, we also continue improving the quality of our subscriber acquisition and retention by continuously enhancing the attractiveness of our plans and services.

As a consequence, our Q1 total number of reported subscribers has come down slightly as compared to Q4, from 26 million in 4Q08 to 24.9 million in 1Q09. However, the underlying prepaid revenue generating subscriber base has improved 2% QoQ, from 20.9 million subscribers in 4Q08 to 21.3 million subscribers in 1Q09. We expect this trend to continue in the next few quarters. The benefits of this initiative will be a measurable reduction in the cost of goods sold by taking out the redundant oversupply of SIM's that in many cases immediately translated into useless calling cards, a significant reduction in churn rate and an improvement in longevity, all of which lead to an improvement in prepaid revenue/SIM card.

Network and capacity

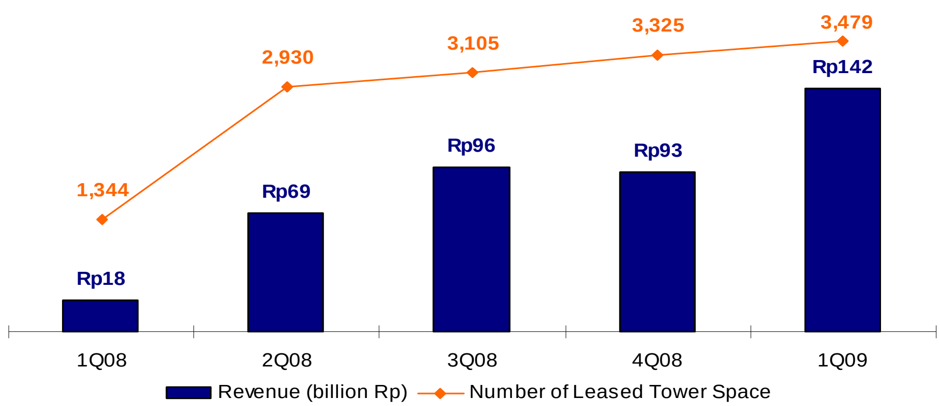
We currently cover 90% of the population after having completed our major coverage expansion programs in 2006 and 2007. In 2008 our main focus has been on capacity expansion required to accommodate our Minutes Factory strategy. Effectively we had more than tripled the Erlang capacity of our network in 2008. These coverage and capacity initiatives leave us with a high capacity network that is currently on average still moderately utilized, leaving flexibility for further growth.

Our main focus for 2009 is therefore no longer on major coverage and capacity expansion programs, but on specific targeted expansion. To a large extent we will be able to add capacity where needed on existing sites by increasing the existing network configurations on those sites.

As a consequence, capex spending for 2009 will be lower than 2008; approximately USD 300 million for the new commitments. Combined with about USD 350 million for completing projects initiated in 2008 this will result in a cash out of USD 600 – 650 million. We anticipate that capex spending in the following years can remain relatively moderate.

Tower business

Our tower business unit did well with 159% increase in terms of leased sites from 1,344 space in 1Q08 to 3,479 in 1Q09 while our tower leasing revenue increased by 682% from Rp 18 billion in 1Q08 to Rp 142 billion in 1Q09. As a result, this revenue stream contributed 5% to our total revenue by end of Q1 2009. We have signed the fifth master tower lease agreement in February 2009. There are no recent developments with regards to a possible sale of the portfolio.



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Funding

In March 2009, we signed the second tranche of our credit agreement with Swedish Export Credit Agency (EKN) amounting to USD 214 million for the procurement of Ericsson equipment from Sweden and Indonesia, of which USD 124 million was drawn down at the end of the month. The facility was arranged by ABN AMRO Bank N.V. (subsidiary undertaking of the Royal Bank of Scotland Group plc / RBS) and Standard Chartered Bank. The tenure of this loan is 7 years with semi-annual installment.

FINANCIAL MEASURES

Income Statement (Audited)

Income Statement (In Rp Billion)	1Q08*	1Q09	Growth
Cellular Telecommunication Service:			
Voice	1,388	1,503	8%
Non Voice	723	781	8%
Total Cellular Telecommunication Service	**2,111**	**2,284**	**8%**
Cellular Interconnection and International Roaming Service	**375**	**373**	**-1%**
Other Telecommunication Services:			
Leased lines	128	107	-17%
Leased Towers	18	142	682%
Others	23	21	-9%
Total Other Telecommunication Services	**169**	**269**	**59%**
Revenue	**2,654**	**2,926**	**10%**
Less: Discount	(32)	(24)	-25%
Revenue Net of Discount	**2,623**	**2,902**	**11%**
COGS and Interconnection Charges	554	498	-10%
Labor Cost (Permanent & Temporary)	164	178	9%
Sales Commissions & Marketing Expenses	292	231	-21%
Network Infrastructure Expenses	319	632	98%
Rental Site and Tower	42	108	157%
Support & Overhead Expenses	118	141	20%
Total OPEX	**1,489**	**1,789**	**20%**
EBITDA	**1,134**	**1,113**	**-2%**
EBITDA Margin	***43%***	***38%***	***N/A***
Depreciation & Amortization	637	888	39%
EBIT	**496**	**225**	**-55%**
Other (Expenses) / Income			
Interest expense	(204)	(383)	88%
Interest income	8	17	117%
Forex gain / (loss)	209	(643)	N/A
Gain on lease transaction	-	333	N/A
Others	(43)	47	N/A
Total Other Expenses	**(31)**	**(630)**	**1949%**
Profit / (Loss) Before Tax	**466**	**(405)**	**N/A**
Income Tax (Expense) / Benefit	(146)	99	N/A
Profit / (Loss) After Tax	**320**	**(306)**	**N/A**

* The 1Q08 figures were restated based on the March 2009 audit

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Below is the normalized net income/(loss):

Normalized Net Income (In Rp Billion)	1Q08*	1Q09	Growth
Net Income / (Loss)	320	(306)	N/A
Less: unrealized forex (gain) / loss, net of tax	(152)	320	N/A
Normalized Net Income	**168**	**14**	**-91%**

* The 1Q08 figures were restated based on the March 2009 audit

Revenue

Our revenue increased 10% to Rp 2.9 trillion by end of March 2009 mainly due to the 8% increase in our cellular telecommunication service revenue, which made up 78% of our total revenue. The revenue from tower lease contributed 5% of the total revenue.

Cellular Telecommunication Service

Cellular telecommunication service revenue, which comprises voice and non-voice revenue, increased 8% to Rp 2,284 billion in the first quarter of 2009 from Rp 2,111 billion in 1Q08. This was mainly driven by the 263% increase in our total outgoing minutes despite the decrease in our RPM (Voice Revenue per Outgoing Minute). On top of that, our non-voice revenue also grew 8% to Rp 781 billion contributing 27% of our total revenue.

Cellular Interconnection and International Roaming Service

Revenue from our cellular interconnection and international roaming service, which consists of revenue from domestic interconnection, international roaming, SMS interconnection and others, stabilized with a slight decrease of 1% to Rp 373 billion from Rp 375 billion. The decline in this revenue stream resulted from the interconnection tariff reduction, applied in April 2008, which has not been reflected in 1Q08 figures.

Other Telecommunication Services

Other telecommunication services revenue comprising of the income from leased lines, tower business unit, internet service providers and others increased 59% to Rp 269 billion mainly due to the 682% increase in our tower lease revenue that contributed 53% of our other telecommunication services revenue. This increase was associated with 159% increase in leased sites, from a total of 1,344 sites in Q1 2008 to 3,479 sites in Q1 2009.

Discount

Discount comprises of sales discount for handsets, starter pack, data card, VoIP and the sales discounts on our postpaid and prepaid subscribers usage. The total amount of discounts decreased 25% to Rp 24 billion in 1Q09 from Rp 32 billion in 1Q08 mostly because of the accumulated in-roamers sales discount for Feb 2007 – Jan 2008 period that was incurred in Mar 2008.

Operating Expenses

Our operating expenses increased 20% to Rp 1,789 billion in 1Q09 mainly due to 98% increase in network expenses which were spent on higher frequency fee, network utilities, repair and maintenance, as well as rental sites and towers despite the 10% lower COGS and interconnection charges and the decrease in sales commissions and marketing expenses. These network infrastructure expenses, rental sites and towers expenses accounted for 41% of our operating expenses.

COGS and Interconnection Charges

COGS and interconnection charges comprise of interconnection charges, other cellular telecommunication charges and other telecommunication service cost. The total amount of these charges decreased 10% attributable to the new interconnection tariff that has been applied since April 2008 and which was not reflected in our 1Q08 figure.

Labor Cost

Labor cost rose 9% to Rp 178 billion compared to Rp 164 billion in 1Q08. This increase was a result of the annual salary adjustment that we did despite the slight decline in our total number of employees from 2,138 employees in 1Q08 to 2,044 employees in 1Q09.

Sales Commissions and Marketing Expenses

The sales commissions and marketing expenses decreased 21% to Rp 231 billion due to 30% lower advertising and promotion (A&P) expenditure and 13% reduction in our sales commissions. Our A&P expenses decreased because of our ability to utilize the same communication media more efficiently. The 13% reduction in our sales commissions resulted from our commission scheme transformation, applying the commission rate progressively on our product sales, in comparison with the fixed rate that we used prior to June 2008.

Network Infrastructure Expenses

Our network infrastructure expenses, comprised mainly of frequency fee (41% of total network infrastructure expenses), utilities fees, repair and maintenance, and operating rental leased network facilities. In 1Q09 our network infrastructure expenses increased 98% to Rp 632 billion from Rp 319 billion in the 1Q08 associated with the 40% increase in the number of BTS.

Rental Site and Tower

Rental site and tower expense is primarily comprised of rental expenses for BTS sites leased from third parties. This expense increased 157% from Rp 42 billion in 1Q08 to Rp 108 billion in 1Q09, mainly because we moved partially away from close to 100% self-build to a mix of self build and lease. This resulted in 452% increase in the number of leased towers from 275 towers in Q1 2008 to 1,519 towers in Q1 2009.

Support and Overhead Expenses

Support and overhead expenses grew 20% to Rp 141 billion from Rp 118 billion in 1Q08 due to our recently opened office in Bangka-Belitung (Sumatra) in February 2009, a new network building in Bandung in December 2008 as well as higher professional fees.

EBITDA

Our EBITDA slightly decreased by 2% to Rp 1,113 billion from Rp 1,134 billion in 1Q08, while EBITDA margin was at 38%.

Depreciation and Amortization Expenses

Depreciation and amortization expenses increased 39% from Rp 637 billion in 1Q08 to Rp 888 billion in 1Q09 associated with 40% higher number of BTS.

Other Income (Expense)

Total other expense rose from Rp 31 billion in Q1 2008 to Rp 630 billion in Q1 2009 because of the following:

- In 1Q08 we recorded forex gain of Rp 209 billion while in 1Q09 we experienced forex loss of Rp 643 billion. The closing rate of Rupiah/USD as of 31 March 2008 and 31 December 2007 were Rp 9,217/USD and Rp 9,419, respectively whereas the closing rate of Rupiah/USD as of 31 March 2009 and 31 December 2008 were Rp 11,575/USD and Rp 10,950, respectively.
- Higher interest expense incurred from our 86% increase in interest bearing debt, from Rp 10,707 billion in 1Q08 to Rp 19,924 billion in 1Q09.
- Gain on a lease transaction of our core network that commenced in 2009 amounting to Rp 333 billion.
- Other income resulting from “marked to market revaluation” of our hedging position that was closed early in January 2009, which generated Rp 80 billion gain. This hedging income was partially offset by debt issuance costs amounting to Rp 21 billion.

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Profit/(Loss) After Tax

In 1Q09 we recorded a net loss of Rp 306 billion and a normalized net income of Rp 14 billion.

Balance Sheet

Balance Sheet (In Rp Billion)	1Q08*	1Q09	Growth
Current Assets			
Cash and cash equivalents	610	592	-3%
Trade and other receivables - net	435	433	0%
Prepayments	743	1,491	101%
Others	162	307	90%
Total Current Assets	**1,950**	**2,824**	45%
Non-Current Assets	**18,828**	**26,388**	40%
Total Assets	**20,779**	**29,212**	**41%**
Current Liabilities			
Trade payables and others	3,683	3,310	-10%
Deferred revenue	580	959	65%
Short term loan and current maturity of long term loan	2,322	1,529	-34%
Current maturity of long term bond	-		
Total current liabilities	**6,584**	**5,798**	**-12%**
Non-Current Liabilities			
Trade payables	232	413	78%
Long term loan	4,620	15,434	234%
Deferred tax liabilities	696	455	-35%
Long term bonds	3,766	2,960	-21%
Others	96	149	55%
Total Non-Current Liabilities	**9,410**	**19,411**	**106%**
Total Liabilities	**15,994**	**25,210**	**58%**
Equity			
Share capital & capital surplus	3,401	3,401	0%
Retained earnings	1,384	601	-57%
Total Equity	**4,785**	**4,002**	**-16%**
Total Liabilities and Equity	**20,779**	**29,212**	**41%**

* The 1Q08 figures were restated based on the March 2009 audit

Total assets increased by 41% from Rp 20,779 billion to Rp 29,212 billion in 1Q09.

- Current assets position rose 45% from Rp 1,950 billion to Rp 2,824 billion in 1Q09, mainly due to higher cash prepayments that increased 101% from Rp 743 billion to Rp 1,491 billion.
- Non-current assets increased 40% from Rp 18,828 billion to Rp 26,388 billion as of 1Q09, mainly as a result of increases in net fixed assets due to 4,942 BTS (2G/3G) deployed between 1Q08 and 1Q09.
- Current liabilities decreased 12% from Rp 6,584 billion to Rp 5,798 billion in 1Q09, mainly because of lower short-term loan and current maturity of long-term loans. The repayments of our short-term loan and current maturity of long-term loans during Jan–Mar 2009 consist of USD 50 million short-term loan due in July 2009 that has been paid early in March 2009 and USD 15 million EKN loan installment payment in January 2009.
- Non-current liabilities increased 106% YoY from Rp 9,410 billion to Rp 19,411 billion in 1Q09, mostly because of 234% higher long-term loan in 1Q09 in spite of lower long-term bonds that was resulted from USD 122.3 million partial tender offer of USD 250 million bonds due 2013 in June 2008.

Capital Expenditure

Capital Expenditure (In Rp Billion)	1Q08*	1Q09	Growth
Capitalized capex	2,280	1,767	-22%
Paid capex	1,782	2,173	22%
Commitments entered into**	3,218	912	-72%

* The 1Q08 figures were restated based on the March 2009 audit
** The original amount is in IDR and USD. The USD portion was converted to IDR using closing rate 31 Mar 2008 and 2009. The exchange rate Rupiah against USD as of 31 Mar 2008 and 2009 were Rp 9,217/USD and Rp 11,575/USD, respectively.

Cash Flow

Cash Flow (In Rp Billion)	1Q08*	1Q09	Growth
Net cash flow provided from operating activities	779	1,297	67%
Net cash flow used in investing activities	(1,800)	(2,215)	23%
Free cash flow	**(1,021)**	**(918)**	**18%**
Net cash flow provided from financing activities	828	341	-59%
Net increase in cash and cash equivalents	**(193)**	**(577)**	**18%**
Cash and cash equivalents at the beginning of the period	806	1,170	45%
Effect of exchange rate changes on cash and cash equivalents	(2)	(1)	-34%
Cash and cash equivalents at the end of the period	**610**	**592**	**18%**

* The 1Q08 figures were restated based on the March 2009 audit

- Net cash flow provided from operating activities increased 67% from Rp 779 billion to Rp 1,297 billion in 1Q09. The increase mainly due to the increase in cash receipts from our operating revenue which was partially offset by the increase in payments for suppliers and operating expenses.
- Net cash flow used in investing activities increased 23% from Rp 1,800 billion to Rp 2,215 billion in 1Q09, predominantly due to payment of fixed assets acquisition in conjunction with our growing number of BTS that rose 40%.
- Net cash flow generated from financing activities decreased 59% mainly due to the repayments of our short-term and long-term bank loans together with their interest payments despite the proceeds from the additional long-term loan that we received in Jan 2009 from EKN amounting to USD 124 million.

Description of Debts

The detail of debts as of 31 March 2008 and 2009 are as follows:

Description	Original Amount of Bond / Bank Loan			(In Rp bn)		Year of Maturity
				1Q08	1Q09	
USD Bond	USD	250.0	mn	2,272	-	2013
	USD	127.7*	mn	-	1,465	2013
IDR Bond	IDR	1,500	bn	1,494	1,495	2012
USD Bank Loan	USD	280	mn	2,120	3,240	2010
	USD	100	mn	922	-	2009
	USD	190	mn	-	2,176	2011
	USD	338**	mn		3,701	Amortizing semi annually, final repayment is in 2015
IDR Bank Loan	IDR	4,000	bn	1,000	3,600	Amortizing every year, final repayment is in 2012
	IDR	4,000	bn	1,900	3,997	2011
	IDR	250	bn	-	249	2010
	IDR	1,000	bn	1,000	-	2008
TOTAL INTEREST BEARING DEBT				**10,707**	**19,924**	

* US$3.6 million principal amount of the 7.125% guaranteed notes due in 2013 has been acquired and cancelled
The aggregate principal amount of Notes outstanding is approximately US$124 million
** The available bank loan facility that has not been drawn down as of 31 March 2009 is USD 91 million

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In April 2009, we acquired and delivered for cancellation USD 3.6 million principal amount of the 7.125% guaranteed notes due in 2013 issued by Excelcomindo Finance Company B.V, leaving the aggregate principal amount of the notes at approximately USD 124 million.

As of 31 March 2009, we had hedged about 25% of our USD debt as currently hedging cost is still not commercially viable. Our debt/EBITDA ratio stood at 3.8 and our EBITDA/Interest Expense ratio was 4.1.

XL latest credit ratings issued are as follows:

	Foreign Currency	Local Currency	Outlook
Moody's	Ba2	-	Negative
Standard & Poor's	BB-	-	Negative
Fitch Ratings	-	AA-(idn)	Stable
Pefindo		idA+	Stable

OPERATING MEASURES

Operating Key Performance Indicator	1Q08	1Q09	Growth
Total O/G Minutes of Usage (billion minutes)	5.5	19.9	263%
Total Minutes (billion minutes)	10.8	39.9	268%
Total O/G SMS (billion SMS)	4.5	9.6	114%
Total BTS (2G/3G)	12,290	17,232	40%
Total Minutes/BTS (million minutes)	0.9	2.3	162%
Number of Employees (permanent)	2,138	2,044	-4%

Other Parameters	1Q08	1Q09	Growth
Postpaid subsribers (000)	487	392	-20%
Prepaid RGB* (million)	15.9	21.3	34%
Prepaid sim cards (active and grace in million)	17.9	24.5	37%

* Revenue Generating Base – the number of unique subscribers during a month creating one or more revenue generating events

MoU

Total outgoing MoU in Q1 2009 was 19.9 billion, an increase of 263% from 5.5 billion in 1Q08. The outgoing MoU/subs/month rose 137% from 110 minutes in Q1 2008 to 260 minutes in Q1 2009, while the total MoU/subs/month grew 140% from 217 minutes to 520 minutes in the first quarter of 2009.

RGB

Starting this quarter, we introduced a new subscriber indicator, i.e. Prepaid Revenue Generating Base (Prepaid RGB). Prepaid RGB is the number of unique subscribers with one or more generating events during the month. This KPI is a better indicator than total subs which includes active and grace subscribers.

RECENT DEVELOPMENTS

Other Events

During 1Q09, XL was recognized by both national and international organizations through the following awards:

- **Telecom Asia Award 2009 – The Best Mobile Carrier and The Best Emerging Market Carrier**
  We were recognized for our business execution that successfully translated the affordable and simple strategy into profitable business results.

- **Best Ranked Companies 2009 - Top 5 Financial Disclosure Companies in Asia Pacific**
  We were recognized for our credible and quality financial reporting that assisted investors and potential investors in their decision making process.

- **Indonesia Golden Ring Award 2009 – The Best Operator, The Best Operator for Prepaid Product, and The Best Customer Service**
  In the Best Operator category, we were recognized as the operator with the best performance.
  In the Best Operator for Prepaid Product category, we were recognized for our service quality and product offering to the market while the Best Customer Service award recognized our call success rate, product knowledge, and recommended solutions.

- **Trade Finance Annual Awards and GTR Deal of the Year – Deal of the Year 2008**
  We received the award due to successful reopening of the EKN backed telecom financing market in Indonesia. The transaction was one of the largest ECA telecom financings in Indonesia to date. It was successfully closed in 3 months from the date the mandate was awarded and was executed in a timely manner in spite of worsening market conditions.

Annual General Meeting of Shareholders
We held AGMS on 19 March 2009 with the following agenda:

1. Approved the Company's financial statement for the year ended 31 December 2008.
2. Approved for not distributing dividend for financial year ended 31 December 2008 as stated in the Company's policy that the Company will not distribute dividend if the Company recorded a net loss.
3. Appointed a 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 2009.
4. Accepted the resignation of Abdul Farid bin Alias as a BOC member.
   Based on the conclusion of AGMS, the composition of the BOC is as follows:

   Board of Commissioner

President Commissioner	YBhg Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
Commissioner	YBhg Dato' Sri Jamaludin bin Ibrahim
Commissioner	YBhg Dato' Yusof Annuar bin Yaacob
Commissioner	Ahmad Abdulkarim Mohd Julfar
Commissioner	Gita Wirjawan
Commissioner Independent	Dr. Ir. Giri Suseno Hadihardjono
Commissioner Independent	Peter J. Chambers
Commissioner Independent	Elisa Lumbantoruan

5. Accepted the resignation of Abdul Farid bin Alias and appointed YBhg Dato' Sri Jamaludin bin Ibrahim as a member of the Nomination and Remuneration Committee. Based on the conclusion of AGMS, the composition of the Nomination and Remuneration Committee Member is as follows:

   YBhg Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
   YBhg Dato' Sri Jamaludin Ibrahim
   YBhg Dato' Yusof Annuar bin Yaacob
   Peter J. Chambers
   Ahmad Abdulkarim Mohd Julfar
   President Director

6. Granted the rights and authorization to the nominating and remuneration of the Company to determine the remuneration, bonus and other compensation and benefits payable to the Company's BOD and BOC for the financial year ended 31 December 2009.

Updates on Indonesian Telecommunication Regulation

- Government has decided not to review the interconnection rates this year.
- Government issued the Joint Ministerial Decree on Tower Regulation which will allow XL to continue to build, own and operate its own tower based on sharing usage.

Guidance

Considering the macro economy that has not completely stabilized yet, we remain hesitant to provide specific guidance for 2009. We do however expect that industry revenue will continue to grow at a reasonable rate while we expect to grow at a slightly higher rate.

In 2009, since major coverage and capacity developments have been completed, our new capex commitments will be lower than last year with new capex about USD 300 million and the cash-out for capex about USD 600 – 650 million.

ABOUT XL

XL is a major cellular provider in Indonesia which is majority owned by Axiata Group Berhad (formerly known as TM International Berhad) 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: 12 May 2009