

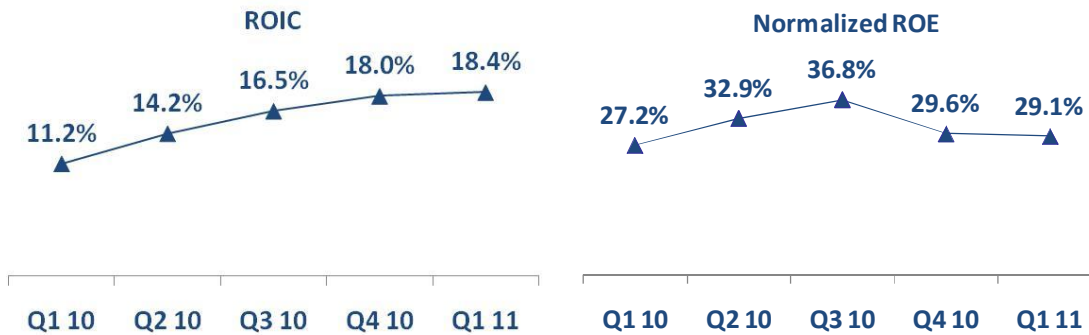


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This document contains certain financial information and results of operations, and may also contain certain projections, plans, strategies and objectives of XL, that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements are subject to risks and uncertainties that may cause actual events and XL's future results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by XL, or indicated by any such forward looking statements, will be achieved.

OVERVIEW

XL's revenue increased by 9% YoY, and EBITDA increased by 10% YoY with EBITDA margin stable at 52%, while RoIC increased to 18.4%.



XL's performance has been recognized by MarkPlus Insight and The Marketers Magazine by "The Indonesia Brand Champion Award 2011" for the category "Most Popular GSM Operator" and "Most Popular Internet/Data GSM Operator."

Moreover, creative and innovative ways of marketing were applied to create strong appeal to XL's product. In recognition of this, XL was awarded The Marketing Dream Team Champion by SWA Magazine earlier this year. On top of that, Telecom Asia also awarded XL as "The Best Emerging Market Carrier".

As the major growth for voice/SMS services is behind us, and market pricing has become largely comparable, XL sees no benefit in a continued focus on aggressive price initiatives for these services. With MDS services becoming increasingly popular, we expect future topline growth will be mainly driven by these services instead.

Mobile Data Services

- XL introduced an innovative BlackBerry package, XL BlackBerry 3 in 1, which was a bundled package of Full BlackBerry Service with free calls to 3 registered XL numbers and free SMS to all operators for the price of Rp 125k/month. This was the first of such offer in Asia.
- In March, the free BlackBerry roaming offer was extended to additional 2 countries: Macau and Taiwan. In addition, XL's postpaid subscribers can also enjoy the offer in the Philippines. XL currently offers the service in 10 countries.
- In line with XL focus in Mobile Data Service, XL launched micro prepaid SIM card for smartphone and tablets (in addition to the postpaid micro SIM we offered since last year). This was to accommodate the increasing demand of smartphone and tablets prepaid users in Indonesia as well as to further boost data usage by small and mid-screen devices.



- **xlgo!** Wap portal launched in November 2010 that can be accessed through xlgo.co.id has reached 6 million users in 1Q11. XL has added some new features in the portal, such as:
 - **xlgo! Friends:** this enables subscribers to send messages to other XL's subscribers individually or through group chatting
 - **Quiz and Polls:** Interesting and unique questions updated every week
 - **Hot Topics:** Users are allowed to make comments and read other people's comments
- XL also launched "**XL Baca**", a Digital Reading data service that enables subscribers to read magazines, newspapers and books in digital format, which is 40% cheaper compared to the print version. XL has struck partnerships with 6 popular publishers in Indonesia to provide the content for this service. XL Baca is available in a bundling package with Huawei S7, which was launched in Q1 in Indonesia. This is the first of such offer in Indonesia.
- In line with XL's strategy to boost mobile data usage, XL collaborated with handset provider to offer interesting bundling products. For example:
 - Samsung E3210: as the cheapest 3.5G handset of Rp 599K, XL offers bundling package with easy access to **xlgo!** through central navigator, free SMS Facebook, SMS Twitter and XL RBT for a promo period.
 - Nokia C3: purchasers have chance to win interesting gifts, and received discounted price on the unlimited internet data plan with only Rp 50k as well as free SMS Twitter, XL RBT, and XL Music Live for a promo period.
 - Ti Phone T69: Easy access with direct button to **xlgo!**, and subscribers can enjoy free SMS Twitter, Facebook and XL RBT for a promo period.

Voice and SMS Business

To further enhance the usage of voice and SMS, in March 2011, XL introduced Gratis Berjam-jam product, where the subscribers can enjoy free calls and SMS after a certain minimum usage.

Customer Lifecycle Management (CLM)

As part of our strategy to manage churn in 1Q11, we have implemented better loyalty incentives such as more rewards & value as long as the subscriber stays with XL. We have also intensified our churn campaign initiatives via more targeted offers like special package and price plan migration that are most relevant to subscribers behavior profiles, including bonuses upon subscriber's anniversary with XL. These activities have generated better customer stickiness and loyalty. We also continue to enhance our churn and customer analytics to help us understand and serve our customer better.

Network

- XL further enhanced the network quality and capacity through Network Modernization. This will lead to reduction in cost as the new equipment is more environmental friendly, due to lower power consumption, smaller size, and adopting the "Single RAN" concept. In Q1, XL has done network modernization in some parts of Sumatera and will complete the modernization project in Kalimantan by end of April 2011. Furthermore, XL is planning for a partial network modernization for greater Jakarta as well.
- XL has entered into a partnership with Telekom Malaysia Berhad and PT Mora Telematika Indonesia to build and improve submarine fiber optic bandwidth that connects Indonesia and Malaysia, "The Batam Dumai Melaka Cable System (BDM)". This network will connect XL's network with Telekom Malaysia's which is already connected to international internet network to Europe, Japan, USA and some countries in Asia and Africa. The objectives are to increase transmission capacity and to improve the experience on international link connections.



FINANCIAL MEASURES

Income Statement (Audited)

Financial Statement (in Rp. Billion)	1Q10	1Q11	Growth
Voice	2,076	1,945	-6%
SMS	788	973	23%
Data and VAS	502	721	44%
Cellular Interconnection and International Roaming Service	420	419	0%
Others	36	43	19%
Cellular Telecommunication Service	3,822	4,101	7%
Infrastructure Revenue	344	428	25%
Total Revenues	4,166	4,529	9%
Less: Discount	(60)	(47)	-22%
Revenue Net of Discount	4,106	4,483	9%
Interconnection and Telecommunications Service Charges	548	611	12%
Salaries & Employee Benefits (Permanent & Temporary)	203	241	19%
Sales Commission, Advertising & Promotion Expenses	262	222	-15%
Infrastructure Expenses	833	918	10%
Facilities Expenses and Professional Fees	119	128	7%
Total OPEX	1,964	2,120	8%
EBITDA	2,142	2,363	10%
EBITDA Margin	51%	52%	N/A
Depreciation & Amortization	973	1,187	22%
EBIT	1,169	1,176	1%
Other (Expenses) / Income			
Interest expense - net	(211)	(154)	-27%
Forex (loss)/gain - net	(60)	71	N/A
Others	(78)	(56)	-28%
Total Other Expenses	(350)	(139)	-60%
Profit Before Tax	820	1,037	27%
Income Tax Expense	(221)	(281)	27%
Net Income	598	756	26%
Earnings Per Share (full amount)	70	89	26%

Normalized Net Income (In Rp Billion)	1Q10	1Q11	Growth
Net Income	598	756	26%
Unrealized forex gain, net of tax	(21)	(67)	224%
Accelerated depreciation for Sumatera, net of tax	-	37	N/A
Normalized Net Income	578	726	26%
Normalized Earnings Per Share (full amount)	68	85	26%



Operational Results

XL recorded gross revenue of Rp 4.5 trillion, a 9% YoY increase.

- Cellular Telecommunication Service revenues increased by 7% to Rp 4.1 trillion and contributed 91% to total revenue. Voice revenue decreased by 6% to Rp 1.9 trillion as the total outgoing minutes decreased by 18%. SMS revenue increased by 23%, stimulated by SMS promotions. Revenue from Data and Value Added Services grew by 44% and contributed 16% to total revenues. The growth was mainly driven by the increasing popularity of RSS news feed and social networking applications such as Facebook, Twitter, and instant messaging as the data enabled mobile phones have become more affordable.
- Infrastructure revenue comprising of leased lines, leased towers, national roaming, and ISP revenues, grew by 25% to Rp 428 billion, mainly due to an increase in leased towers and national roaming revenues, which contributed 7% to total revenue.

Operating Expenses

Total operating expenses increased by 8% YoY to Rp 2.1 trillion

- Interconnection and Telecommunication Service Charges increased by 12% YoY. This was mainly due to an increase in licensing fee paid out to Research In Motion associated with significant YoY increase of XL BlackBerry subscribers. In addition, there was also increase in cost for SMS as additional VAS programs were launched, and cost for revenue sharing with Motricity for the XLgo! portal which was launched in Nov 2010, in line with XL's intention to grow its data services. These were partially offset by a reduction in interconnection cost as voice usage declined.
- Salaries and Employee Benefits increased by 19% YoY. The increase in salaries and employee benefits was due to the 12% growth in number of employees mainly for MDS business.
- Sales Commission, Advertising and Promotion expenses decreased by 15% YoY. The decrease was mainly from Sales commission which decreased by 30% and advertising and promotion which decreased by 9% driven by strategic marketing activities as well as distribution management
- Infrastructure expenses increased by 10% YoY. Mainly due to 3% higher frequency fees that accounted for 39% of the expense. Furthermore, there was increase in maintenance expense, network utilities and power expense in line with additional number of BTS.
- Facilities Expenses and Professional Fees increased by 7% YoY. The increase in this cost was mainly due to increase in rental expense.



EBITDA

EBITDA increased by 10% YoY to Rp 2.4 trillion. The EBITDA margin in 1Q11 was stable at 52%.

Depreciation and Amortization Expenses

The depreciation and amortization expenses grew by 22% YoY mainly driven by new BTS, and accelerated depreciation of Rp 49 billion due to the network modernization in Sumatera.

Other (Expenses)/Income

Other expenses in 1Q11 decreased by 60% to Rp 139 billion, due to:

- In 1Q10, XL recorded forex loss while in 1Q11, XL experienced forex gain due to “mark-to-market revaluation” of our lower hedging position and reduction in USD debt.
- Lower interest expenses due to debt repayments made since 1Q10.

Net Income

XL recorded Rp 756 billion of net income, an increase of 26% compared to 1Q10.

Balance Sheet (Audited)

Balance Sheet (In Rp Billion)	1Q10	1Q11	Growth
Current Assets			
Cash and cash equivalents	1,383	474	-66%
Others	1,940	2,344	21%
Total Current Assets	3,323	2,818	-15%
Non-Current Assets	25,017	25,104	0%
Total Assets	28,341	27,922	-1%
Current Liabilities			
Current maturity of long term loans	3,082	564	-82%
Others	4,164	4,567	10%
Total current liabilities	7,246	5,130	-29%
Non-Current Liabilities			
Long term loans and bonds	10,024	8,520	-15%
Others	1,669	1,791	7%
Total Non-Current Liabilities	11,693	10,311	-12%
Total Liabilities	18,939	15,441	-18%
Equity			
Share capital & additional paid-in capital	6,186	6,217	0%
Retained earnings	3,215	6,264	95%
Total Equity	9,402	12,481	33%
Total Liabilities and Equity	28,341	27,922	-1%

In 1Q11, total assets was stable at Rp 27.9 trillion, as a result of XL’s continuous prudent capex spending, repayment and prepayment of debt, which improved normalized ROA from 6.8% in 1Q10 to 11.3% in 1Q11.

- Current assets decreased by 15% YoY due to decrease in cash and cash equivalents by 66% because of repayment of loan and no new loan issued in 1Q11.
- Total liabilities decreased by 18% YoY due to prepayment of debts amounting to Rp 900 billion as well as repayment of debts amounting to USD 15.3 million due in 1Q11 using our internal cash flow.



Capital Expenditure

Capital Expenditure (In Rp Billion)	1Q10	1Q11	Growth
Capitalized capex	734	1,302	77%
Paid capex	902	762	-16%
Commitments entered into*	1,221	2,175	78%

* The original amount is in IDR and USD. The USD portion was converted to IDR using closing rate 31 March 2010 and 2011. The exchange rate Rupiah against USD as of 31 March 2010 and 2011 were Rp 9,115/USD and Rp 8,709/USD, respectively.

Cash Flow (Audited)

Cash Flow (In Rp Billion)	1Q10	1Q11	Growth
Net cash flow provided from operating activities	2,077	2,100	1%
Net cash flow used in investing activities	(891)	(793)	-11%
Free cash flow	1,186	1,307	10%
Net cash flow used in financing activities	(538)	(1,197)	123%
Net increase in cash and cash equivalents	649	109	-83%
Cash and cash equivalents at the beginning of the period	748	366	-51%
Effect of exchange rate changes on cash and cash equivalents	(13)	(2)	-86%
Cash and cash equivalents at the end of the period	1,383	474	-66%

- Net Cash Flow from Operating Activities slightly increased by 1% YoY mainly due to increase in cash received from customers' payments and other operators. The increase was partially offset with increase of payment to suppliers, payment for corporate income tax due to increase in taxable income and payment to employees.
- Net Cash Flow Used in Investing Activities decreased by 11% was mainly due to prudent capex strategy.
- XL continued to generate positive Free Cash Flow with the total amount of Rp 1.3 trillion by end of 1Q11, increased by 10% from 1Q10.
- Net Cash Flow Used in Financing Activities was Rp 1.2 trillion due to the combination of no new funding raised in 1Q11 and repayments of long term loans.



Description of Debts

The detail of debts as of 31 March 2010 and 2011 are as follows:

Description	(in original amount)		Year of Maturity
	1Q10	1Q11	
USD Loan (mn)	US\$ 25	US\$ -	Paid
	US\$ 325	US\$ 226	Amortizing semi annually, final repayment is in 2016
	US\$ 350	US\$ 226	
IDR Bank Loan (bn)	Rp 4,750	Rp -	Paid
	Rp 3,200	Rp 2,400	Amortizing annually, final repayment is in 2012
	Rp 500	Rp 500	2012
	Rp -	Rp 1,250	2013
	Rp -	Rp 1,500	Amortizing annually, final repayment is in 2015
IDR Bond (bn)	Rp 1,500	Rp 1,500	2012
	Rp 9,950	Rp 7,150	
Unamortized Loan Issuance Cost (bn)	Rp (36)	Rp (33)	
TOTAL INTEREST BEARING DEBT (in Rp.Bn)*	Rp 13,105	Rp 9,083	

* The USD portion was converted to IDR using closing rate 31 March 2010 and 2011. The exchange rate Rupiah against USD as of 31 March 2010 and 2011 were Rp 9,115/USD and Rp 8,709/USD, respectively.

Gearing Ratios	1Q10	1Q11
Debt/Equity	1.4 x	0.7 x
Net Debt/Equity	1.2 x	0.7 x
Debt/EBITDA	1.8 x	1.0 x
Net Debt/EBITDA	1.6 x	0.9 x

During 1Q11, XL made prepayment of debts amounting Rp 900 billion as well as repayment of debts amounting to USD 15.3 million due in January 2011, using internal cash flow.

As of 31 March 2011, XL had hedged about 77% of USD debt.

XL's latest credit ratings issued are as follows:

	Local Currency	Outlook
Fitch Ratings	AA(idn)	Stable
Pefindo	_{id} AA+	Stable



OPERATING MEASURES

	1Q10	1Q11	Growth
Total O/G Minutes of Usage (billion minutes)	23.3	19.0	-18%
Total Minutes (billion minutes)	46.7	38.1	-18%
Total O/G SMS (billion SMS)	32.2	55.7	73%
Total BTS (2G/3G)	19,904	23,267	17%
Number of Employees (permanent & contract with permanent position)	2,122	2,375	12%
Postpaid subscribers (000)	324	286	-12%
Prepaid sim cards (active and grace / million)	32.2	39.0	21%
Total subscribers base (million)	32.6	39.3	21%
ARPU blended (Rp 000)	35	32	-9%
Postpaid revenue/sub (Rp 000)	179	183	2%
Prepaid revenue/sim card (Rp 000)	33	31	-6%

AGMS and EGMS

XL's AGMS and EGMS were convened on 14 April 2011.

- The AGMS approved the use of Rp 911.5 billion or 30% of 2010 normalized net income equivalent to Rp 107 per share for cash dividend which will be distributed to shareholders by end of May 2011.
- The AGMS also accepted the resignation of YBhg Dato' Yusof Annuar bin Yaacob as the member of Board Commissioner and appointed Dr. Muhammad Chatib Basri as a new member of Board of Commissioner and Ibu Yasmin Stamboel Wirjawan as Independent Commissioner.
- In addition, the EGMS approved XL's plan to issue incentive shares in the framework of Long Term Incentives Program (LTI) 2010-2015 for the maximum of 170,160,000 shares.

GUIDANCE

2011

Revenue growth	In line with or better than the market
EBITDA margin	Above 50%
Cash out capex	Around Rp 5 trillion of which approximately 1/3 for data/3G service

ABOUT XL



XL is a major cellular provider in Indonesia which is 66.6% owned by Axiata Group through Axiata Investments (Indonesia) Sdn Bhd (formerly known as Indocel Holding Sdn Bhd), the remaining stakes are held by Emirates Telecommunications Corporation (Etisalat) International Indonesia Ltd., a wholly owned subsidiary of Etisalat (13.3%), and the public (20.1%).

Date: 29 April 2011