



PT XL AXIATA TBK. (XL) 1Q12

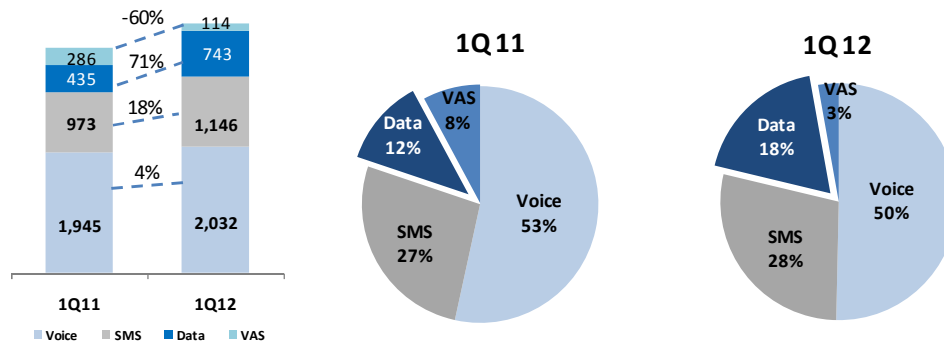
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This document contains certain financial information and results of operations, and may also contain certain projections, plans, strategies and objectives of XL, that are not statements of historical fact which would be treated as forward looking statements 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

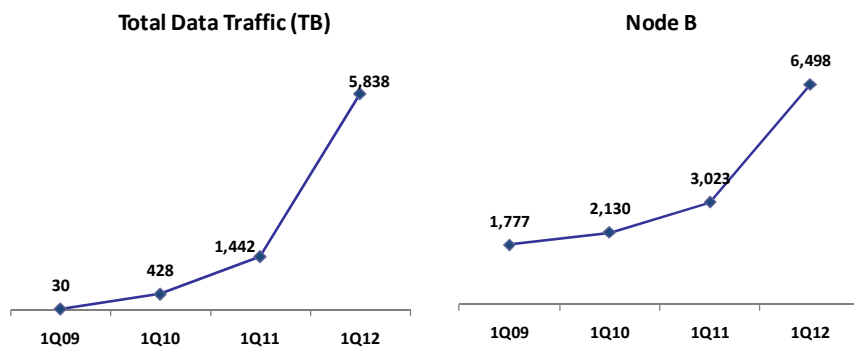
1Q'12 saw XL achieving YoY revenue growth of 9% growth which was supported by continued strong growth in Data services, robust SMS and stable voice revenue. Compared to the corresponding period a year ago, Data grew by 71% followed by SMS at 18% and Voice at 4%. The recovery of VAS revenue remains challenging post the SMS premium regulation introduced in 4Q'11. With growth in Data, non-voice revenue now contributes half of XL's total usage revenue. Investments in infrastructure to support the growth in data, saw continued momentum in expanding better access and experience for data users. EBITDA margin for the quarter stood at 48%.

Usage revenue YoY (Rp Bn)



Data Business

- The strong Data adoption is evident with XL's data users increased YoY by 50% to 27.9 million and now represents 60% of XL's total subscribers.
- The growth in users have led to a 305% growth YoY in total data traffic reaching to 5.7 Petabyte. Data contribution to usage revenue has steadily increased to 18% as compared to 12% a year ago.





- XL has emphasized its preferred approach in charging for data via a **Pay per use** model. This has been further exemplified by eliminating any offers of unlimited data beginning February 2012. Positively this will reduce the number of traffic abusers whilst at the same time allowing XL to further monetise the capacity through new subscribers. XL's data users can monitor their usage easily through UMB (*123#), sending SMS to 868, or through WEB/WAP <http://123.xl.co.id>.
- Expansion of XL's **Hot Rod 3G+** data service which offers superior quality and speed up to 3.6 Mbps has been extended to 4 extra cities and now available in Jakarta, Surabaya, Medan, Denpasar, Bandung, Semarang, Yogyakarta and Palembang.
- Blackberry subscribers saw strong growth of 185% YoY through a variety of BlackBerry service packages and attractive price offered. XL introduced new tariff of Rp90,000/month for BlackBerry full service and has partnered with **M-Saku** and **Visa** to provide a new service and convenience for BlackBerry subscribers to reload their balance using their Visa credit card using the M-Saku application.
- XL launched **XL KL1K** which allows subscribers with just one click, access to various applications of social networking, chatting and social games like Facebook, Yahoo Messenger, Blaast Messenger, mig33, social games Monster Fight, and Twitter. XL KL1K can be accessed through all handsets that support Java and GPRS technology and can be downloaded from <http://xklik.com> free of charge. Tariff GPRS Rp1/KB applied to access the application and subscribers able to update their status once for all social networking account that they have through XL KL1K.
- Collaborating with Blaast, mobile platform provider from Finland, XL launched **XL Blaast**, a new mobile application platform. This application gives basic data enabled phone users a better experience to access applications such as social networking, games, chatting, news, via "cloud" technology.
- Taking Customer service to another level, XL has created a new medium for information service and complain handling through the Social media, in addition to the existing channels. This initiative among others has led to XL being recognized as the number one provider based on customer satisfaction survey done by OPSI in 4Q'11.

Voice and SMS Business

- Voice trends was encouraging with a positive 4% YoY growth through efforts on mitigation of voice substitution. In addition total usage picked up with outgoing voice minutes increased 61% growth YoY.
- Whilst still focusing on customers' share of wallet, XL introduced new plans of **Tariff Super Sampe Puas Seharian** and **Tariff Super Berkali-kali Seharian**.
- SMS remained robust with an 18% YoY growth with a 39% increase in outgoing SMS.

Infrastructure

- In 1Q'12 XL rolled out 2,459 BTS of which 65% are Node Bs. This is in line with our strategy to focus on expanding the data coverage and experience supporting the growth in data. The growth in 3G Node Bs was 115% as compared to a year ago. This brings total number of 2G and 3G BTS to more than 30,000 BTS.
- Completion of Modernization Project on 2G in Padang and on 3G parts of West and North region.
- The collaboration with Telekom Malaysia Berhad and PT Mora Telematika Indonesia in construction of submarine fiber optic connecting Batam-Dumai-Melaka (BDM) is now complete. This 400 km fiber optic will provide greater bandwidth capacity, high quality transmission and better data service for customers.



FINANCIAL MEASURES

Income Statement (Audited)

Financial Statement (in Rp. Billion)	1Q11	1Q12	Growth
Voice	1,945	2,032	4%
SMS	973	1,146	18%
Data and VAS	721	857	19%
Cellular Interconnection and International Roaming Service	419	426	2%
Others	43	55	28%
Cellular Telecommunication Service	4,101	4,515	10%
Infrastructure Revenue	428	436	2%
Gross Revenues	4,529	4,952	9%
Less: Discount	(47)	(59)	27%
Gross Revenue Net of Discount	4,483	4,892	9%
Interconnection and Telecommunications Service Charges	611	566	-7%
Salaries & Employee Benefits (Permanent & Temporary)	241	257	7%
Sales Commission, Advertising & Promotion Expenses	222	290	31%
Infrastructure Expenses	918	1,216	33%
Facilities Expenses and Professional Fees	128	172	35%
Total OPEX	2,120	2,501	18%
EBITDA	2,363	2,391	1%
EBITDA Margin	52%	48%	-4%
Depreciation & Amortization	1,187	1,213	2%
EBIT	1,176	1,178	0%
Other (Expenses) / Income			
Interest expense - net	(154)	(120)	-22%
Forex (loss)/gain - net	71	(104)	N/A
Others	(56)	(36)	-36%
Total Other Expenses	(139)	(260)	87%
Income before income tax	1,037	918	-11%
Income Tax Expense	(281)	(251)	-11%
Net Income	756	667	-12%
Earnings Per Share (full amount)	89	78	-12%

Normalized Net Income (In Rp Billion)	1Q11	1Q12	Growth
Net Income	756	667	-12%
Unrealized forex (gain)/loss	(89)	64	N/A
Accelerated depreciation for Sumatera, Jakarta and Bangka Belitung	49	39	-21%
Tax Impact	10	(26)	N/A
Normalized Net Income	726	744	3%
Normalized Earnings Per Share (full amount)	85	87	2%



Operational Results

XL recorded gross revenue of Rp4,952 billion, a 9% YoY increase.

- Cellular Telecommunication Service revenues increased by 10% to Rp4.5 trillion and contributed 91% to total revenue. Voice revenue increased by 4% to Rp2 trillion as a result of our efforts in mitigating voice substitution through innovative plans. SMS revenue increased by 18%, stimulated by SMS packages which resulted in an increase in number of SMS by 39%. Revenue from Data and Value Added Services grew by 19% and contributed 21% to total usage revenues driven by rising data adoption and improved data access and experience from rollout of 3G infrastructure. Value Added Services remained challenged post the SMS Premium regulation introduced in Q4 2011.
- Infrastructure revenue comprising mainly of leased towers, leased lines and national roaming, grew by 2% to Rp436 billion, mainly due to an increase in leased tower and leased line revenues. Infrastructure revenue contributed 9% to total revenue.

Operating Expenses

Total operating expenses increased by 18% YoY to Rp 2.5 trillion

- Interconnection and Telecommunication Service Charges decreased by 7% YoY. This was mainly due to a decrease in VAS related cost in line with the decline in VAS subscription post the SMS Premium regulation but partially offset by increase in costs to Research In Motion related to the increase in BlackBerry subscribers.
- Salaries and Employee Benefits increased by 7% YoY. The increase in salaries and employee benefits was mainly due to increase in total number of employees compared to a year ago as well as annual salary increment.
- Sales Commission, Advertising and Promotion expenses increased by 31% YoY. The increase was mainly because of higher advertising and promotion driven by more marketing campaigns related to data as well as higher sales commission.
- Infrastructure expenses increased by 33% YoY. This was due to increase in rental sites, towers, leased lines expenses in line with the rollout of BTS and 3G infrastructures to support the growing data business.
- Facilities Expenses and Professional Fees increased by 35% YoY. The increase was mainly due to higher rental and utilities expense for non network related business operation.

EBITDA

EBITDA increased by 1% YoY to Rp2.4 trillion in 1Q12 and EBITDA margin at 48%. Lower margin compared to a year ago was largely due to acceleration in infrastructure rollout related to data.

Depreciation and Amortization Expenses

The depreciation and amortization expenses grew by 2% YoY due to additional site deployment and accelerated depreciation of Rp39 billion due to the network modernization on 2G in Padang and on 3G in West and North region (Sumatera except Aceh, Kalimantan and Sulawesi).



Other (Expenses)/Income

Other expenses in FY11 increased 87% to Rp260 billion, due to:

- XL has unrealized forex loss of Rp64 billion in 1Q12 compared to unrealized forex gain of Rp89 billion in 1Q11.
- XL's realized forex loss increased by Rp22 billion in 1Q12.

Net Income

Normalized Net Income excluding the impact of forex and accelerated depreciation increased by 3% YoY to Rp744 billion. Net income decreased by 12% in 1Q12 compared to 1Q11.

Balance Sheet (Audited)

Balance Sheet (In Rp Billion)	1Q11	1Q12	Growth
Current Assets			
Cash and cash equivalents	474	1,886	298%
Others	2,344	2,797	19%
Total Current Assets	2,818	4,683	66%
Non-Current Assets	25,104	29,136	16%
Total Assets	27,922	33,819	21%
Current Liabilities			
Current maturity of long term loans and bonds	564	3,837	581%
Others	4,567	7,193	58%
Total Current liabilities	5,130	11,031	115%
Non-Current Liabilities			
Long term loans and bonds	8,520	7,622	-11%
Others	1,791	1,898	6%
Total Non-Current Liabilities	10,311	9,520	-8%
Total Liabilities	15,441	20,551	33%
Equity attributable to owners of the parent entity			
Share capital & additional paid-in capital	6,217	6,282	1%
Retained earnings	6,264	6,986	12%
Total Equity	12,481	13,268	6%
Total Liabilities and Equity	27,922	33,819	21%

In 1Q12, total assets increased by 21% to Rp33.8 trillion, as a result of XL's acceleration in rolling out investment to support its data business, increase in cash and cash equivalents as well as prepayment.

- Current assets increased by 66% YoY due to increase in cash from refinancing and receipts from operating activities, as well as advances and prepayment by 37%. This was partially offset by decline in trade receivables by 29%.
- Total liabilities increased by 33% YoY mainly due to increase in trade payable by 68% and increase in borrowings by 26% from Rp9.1 trillion to Rp11.5 trillion as well as dividend payable Rp1,107.4 billion.



Capital Expenditure

Capital Expenditure (In Rp Billion)	1Q11	1Q12	Growth
Capitalized capex	1,302	2,528	94%
Paid capex	762	2,037	167%
Commitments entered into*	2,175	3,078	42%

* The original amount is in IDR and USD. The USD portion was converted to IDR using closing rate 31 March 2011 and 2012. The exchange rate Rupiah against USD as of 31 March 2011 and 2012 were Rp8,709/USD and Rp9,180/USD, respectively.

Cash Flow (Audited)

Cash Flow (In Rp Billion)	1Q11	1Q12	Growth
Net cash flow provided by operating activities	2,100	2,428	16%
Net cash flow used in investing activities	(793)	(2,089)	163%
Free cash flow	1,307	339	-74%
Net cash flow (used in)/provided by financing activities	(1,197)	549	N/A
Net increase in cash and cash equivalents	109	888	711%
Cash and cash equivalents at the beginning of the period	366	998	173%
Effect of exchange rate changes on cash and cash equivalents	(2)	0	N/A
Cash and cash equivalents at the end of the period	474	1,886	298%

- Net cash flow provided by operating activities has increased by 16% to Rp2.4 trillion due to increase in receipt from customers and other operators. The increase was partially offset by increase in payment for suppliers and other expenses.
- Net cash flow used in Investing Activities increased by 163%, mainly due to increase in capital expenditures related to enhancing network coverage to support data business.
- XL continued to generate positive free cash flow with the total amount of Rp339 billion by end of 1Q12.
- Net cash flow from financing activities was at Rp549 billion due to cash proceed from new loan amounted Rp1.1 trillion as well as less repayment of long term loan in 1Q12 compared to the corresponding period a year ago.



Description of Debts

The detail of debts as of 31 March 2011 and 2012 are as follows:

Description	(in original amount)		Year of Maturity
	1Q11	1Q12	
USD Loan (mn)	US\$ 226	US\$ 178	Amortizing semi annually, final repayment is in 2015
	US\$ -	US\$ 132	2013
	US\$ 226	US\$ 309	
IDR Bank Loan (bn)	Rp 2,900	Rp -	Paid
	Rp 1,250	Rp 1,250	2013
	Rp 1,500	Rp 1,800	Amortizing annually, final repayment is in 2015
	Rp -	Rp 3,000	Amortizing annually, final repayment is in 2014
	Rp -	Rp 1,100	Amortizing annually, final repayment is in 2017
IDR Bond (bn)	Rp 1,500	Rp 1,500	2012
	Rp 7,150	Rp 8,650	
Unamortized Loan Issuance Cost (bn)	Rp 33	Rp 30	
TOTAL INTEREST BEARING DEBT (in Rp.Bn)*	Rp 9,083	Rp 11,459	

* The USD portion was converted to IDR using closing rate 31 March 2011 and 2012. The exchange rate Rupiah against USD as of 31 March 2011 and 2012 were Rp8,709/USD and Rp9,180/USD, respectively.

Gearing Ratios	1Q11	1Q12
Debt/Equity	0.7 x	0.9 x
Net Debt/Equity	0.7 x	0.7 x
Debt/EBITDA	1.0 x	1.2 x
Net Debt/EBITDA	0.9 x	1.0 x

During 1Q12, XL made repayment of debts amounting USD44.5 million due in January and February 2012, using internal cash flows.

In 1Q12, XL has signed new IDR loan agreement with BCA in March 2012 and drawdown the facility with the total amount of Rp1.1 trillion.

As of 31 March 2012, XL had hedged about 86% of USD debt.

XL's latest credit ratings issued are as follows:

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



OPERATING MEASURES

	1Q11	1Q12	Growth
Total O/G Minutes of Usage (billion minutes)	19.0	30.6	61%
Total Minutes (billion minutes)	38.1	61.3	61%
Total O/G SMS (billion SMS)	55.7	77.6	39%
Total data traffic (Petabyte)	1.4	5.7	305%
Total BTS	23,267	30,732	32%
2G	20,244	24,234	20%
3G	3,023	6,498	115%
Number of Employees (permanent & contract with permanent position)	2,375	2,458	3%
Postpaid users (000)	286	313	10%
Prepaid sim cards (active and grace / million)	39.0	46.1	18%
Total user base (million)	39.3	46.4	18%
ARPU blended (Rp 000)	32	29	-9%
Postpaid revenue/sub (Rp 000)	183	156	-15%
Prepaid revenue/sim card (Rp 000)	31	29	-6%

RECENT DEVELOPMENT

XL's AGM for shareholders was convened on 29 March 2012 which saw approval of the proposed dividend of Rp1,107.4 billion which amounts to 35% of 2011 normalized net income.

Achievements

- XL was recognized as one of The Best 20 Most Admired Companies in Indonesia by Fortune Indonesia Magazine. The winner was chosen based on survey to 20,000 employers across companies based on company performance, innovation made, company growth, etc.
- XL's Call Center was awarded as Top Performance Call Center for Telecommunication category in Call Center Award 2012 for Service Excellent. The performance was measured based on Access, System and Procedure as well as People.
- XL won Service to Care Award 2012 under cellular provider category. The evaluation was done by MarkPlus Insight through a survey of 1,200 respondents in Jabodetabek based on Service to Care index attribute covering Credibility, Dependability, Courtesy, Comfortability, Connectivity, Caring, and Overall service to care index.

GUIDANCE

2012

Revenue growth

In line or better than market

EBITDA margin

Higher 40's

Cash out capex

Between Rp 7 - 8 trillion and around 60% is for data or 3G network

ABOUT XL

XL is a major cellular provider in Indonesia which is 66.5% owned by Axiata Group through Axiata Investments (Indonesia) 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 including restricted stock (20.2%).

Date: 30 April 2012