



value beyond price

**PT XL Axiata, Tbk. (XL)
Corporate Presentation**

FY 2010

March 2011

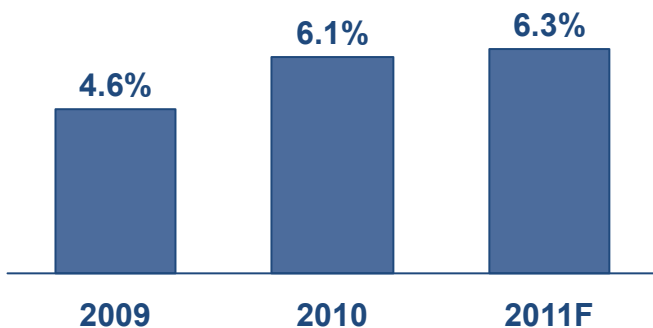
This document contains confidential and proprietary information belonging to PT XL Axiata Tbk., which information may be used only in connection with the business of PT XL Axiata Tbk.



Economic outlook: bright prospect with solid fundamentals

Expanding economy

Indonesia GDP, in %



Expanding middle class population

Proportion of population



Indonesia's upper middle class has grown more than double in the past decade and is growing faster than Philippines, Thailand, and Malaysia
ADB, The Rise of Asia's Middle Class, Feb 2011

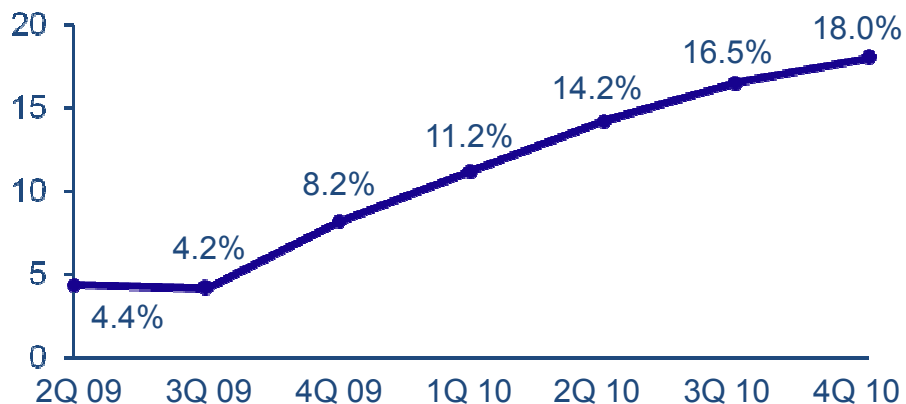
- Growth target of 6.3% in 2011, mainly from private consumption and fixed investment
- Income per-capita hitting \$3,000 in 2010 (13% growth from 2009)
- Central Bank has gradually raised interest rates to curb inflation in 2011
- Healthy banking and corporate sectors with foreign reserves stand at close to \$94.7 billion
- International ratings agencies have indicated Indonesia is close to receiving an investment grade rating – expect more longer-term capital and foreign fund inflows

Source: National Statistic Agency (BPS), OECD economic outlook, World Bank, ADB

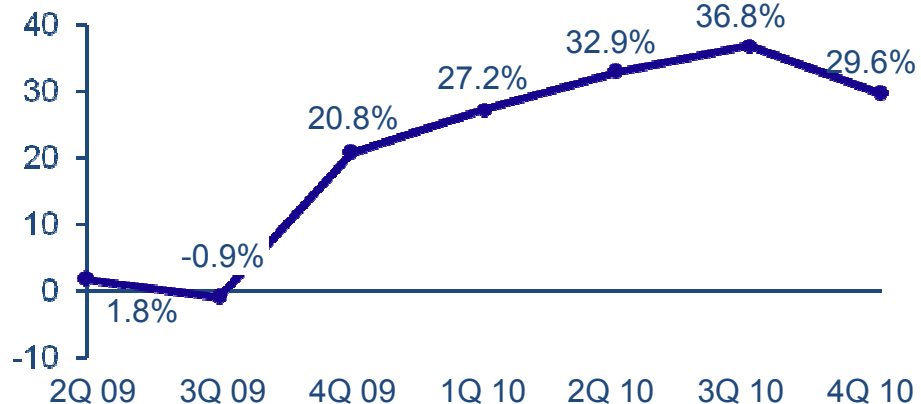


Steady increase in the shareholder values

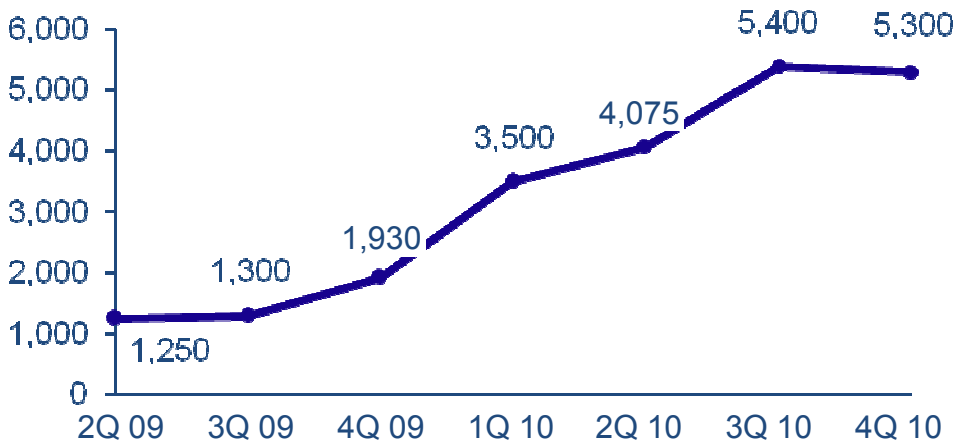
RoIC



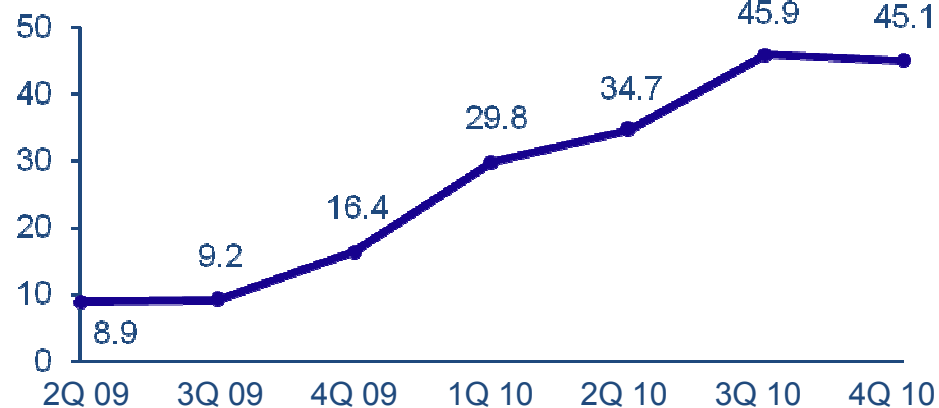
Normalized ROE*



Closing Share Price (Rp)



Market Capitalization (Rp. Tn)



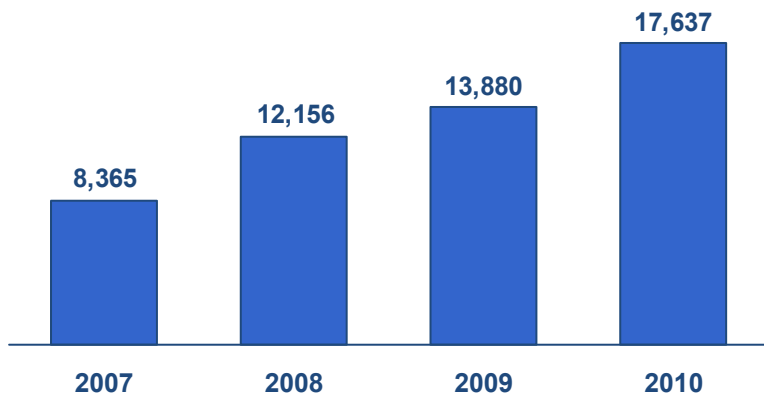
*12-month rolling normalized net income / avg.equity

Source: Company data

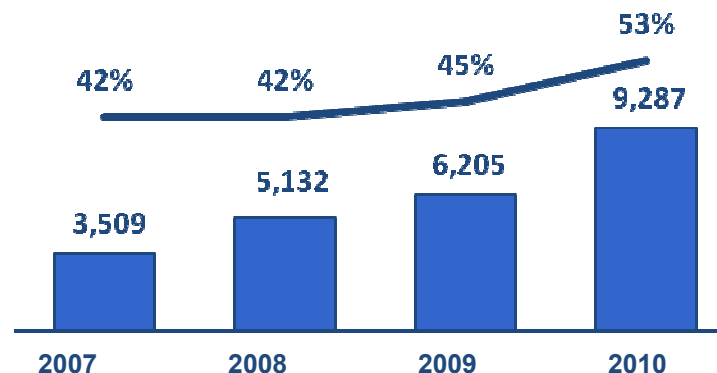


Harvesting the result from various strategic initiatives over last 3 years

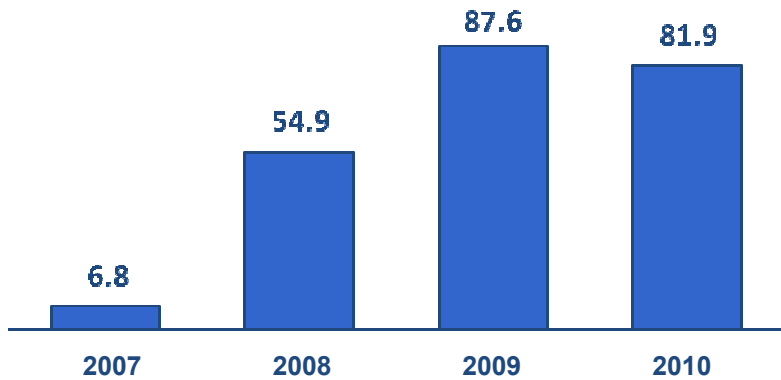
Revenue (in IDR Bn.)



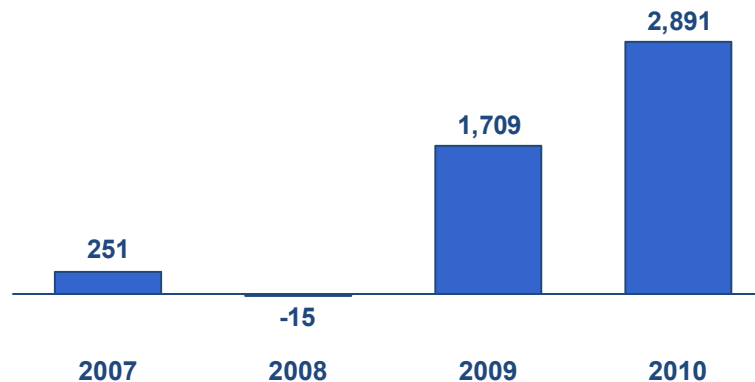
EBITDA (in IDR Bn) & EBITDA margin (%)



Outgoing MoU (in Bn Minutes)



Net Income (IDR Bn)



Source: Company data



A new dividend policy is to be effective in 2011

Dividend policy as established in September 2005

15% to 20 % of normalized net income each year (net income adjusted for unrealized gains and losses and any extraordinary transactions)



New dividend policy, effective 2011

- A minimum payout of 30% of normalized net income of the previous year
- Management target to progressively increase the payout ratio in the future



We are obsessively improving all strategic areas

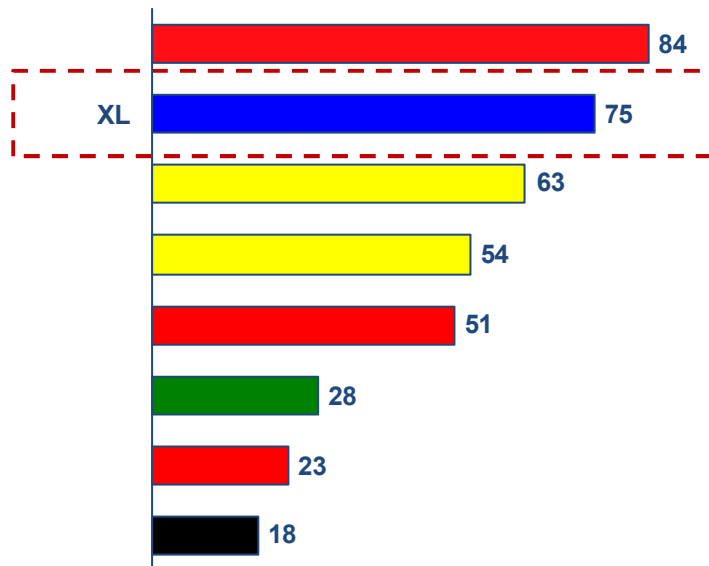
	Initiative	Result to date
Mobile Data Service	Launched Xlgo! – portal for best experience of mobile internet access	85% data and VAS revenue growth in 2010, 13% revenue contribution
LINK	Capacity management tool in operation	<ul style="list-style-type: none">• Optimized investment allocation• Improved RoIC• 40% less CAPEX requests, better scoped and budgeted
Intentional Customer Experience	<ul style="list-style-type: none">• Mindset change and outreach program• Define SLAs, escalation & recovery , lead root-cause analysis & structural solutions	<ul style="list-style-type: none">• Reduced top complaints by 60%• Redesigned 400+ SLA to improve cust. Experience• XL NPS score is the best amongst competitor
Network modernization	<ul style="list-style-type: none">• NW modernization program started in Kalimantan and Sumatra	Enhanced network features to address changing business demand with significantly lower power consumption
Managed service	<ul style="list-style-type: none">• Partnership with Amdocs and SUN for CRM operations, Billing system and infra	TCO and Capex reduction and streamline business focus and operation
Power management	Negotiation with electricity company to provide power to hard-to-reach areas	Significantly lower network maintenance cost



Continuously strengthen and develop trust to XL Brand in customers mind

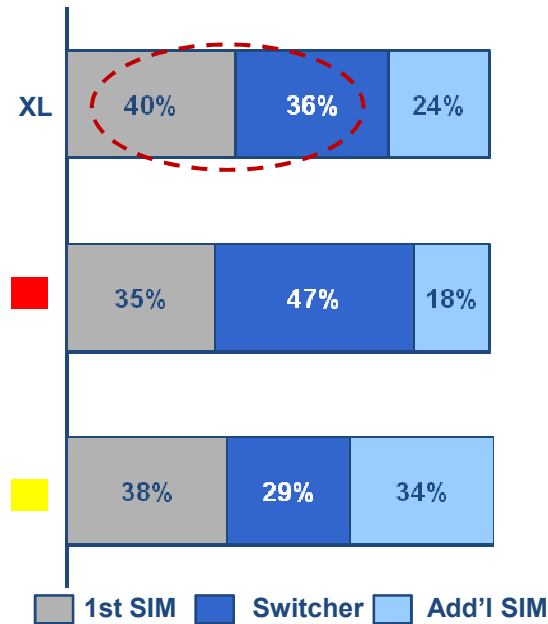
XL brand amongst the highest spontaneous awareness

Spontaneous awareness, Dec 2010



XL strongest in 1st SIM chosen by new users

Market proportion of SIM usage,
Base : SIM with Longevity ≤ 12 mo's



And leading in 3 of 6 key imagery statements

- Excitement
- Creative
- Affordable

XL as
1st brand

- Fun
- Simple
- Dependable

XL as
2nd brand

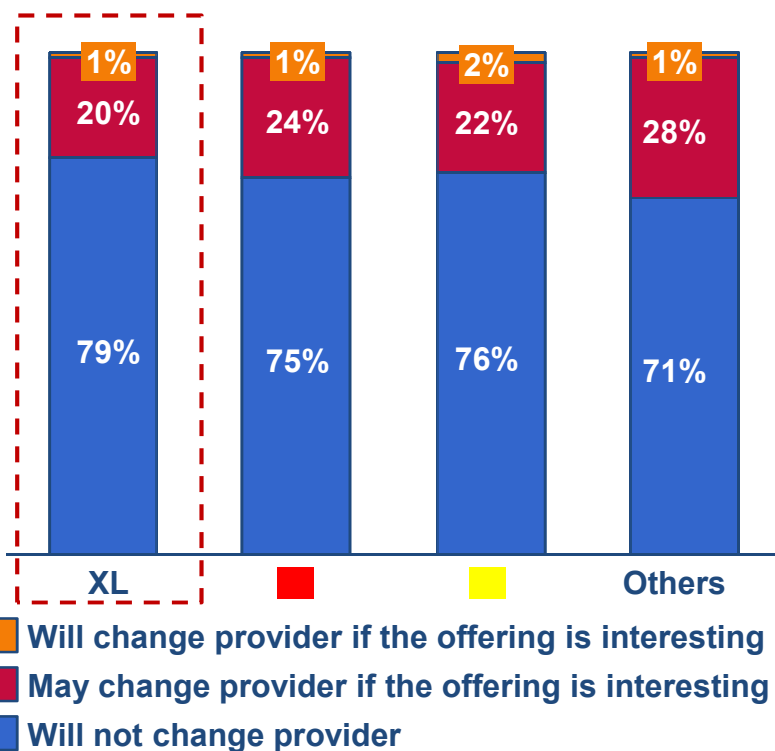
Source: Ipsos ASI, December 2010 brand and advertising tracking report, XL Market Research, NIELSEN Indonesia



XL has better customer loyalty and image on network quality

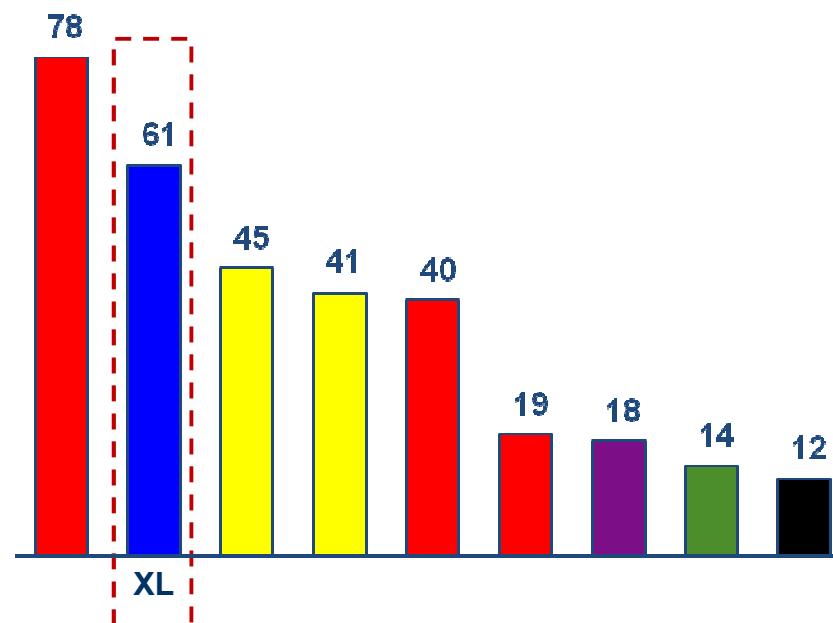
XL has better customer loyalty compared to competitors

Consumers attitude on competitor offer (%)



And better customer perception on network attributes

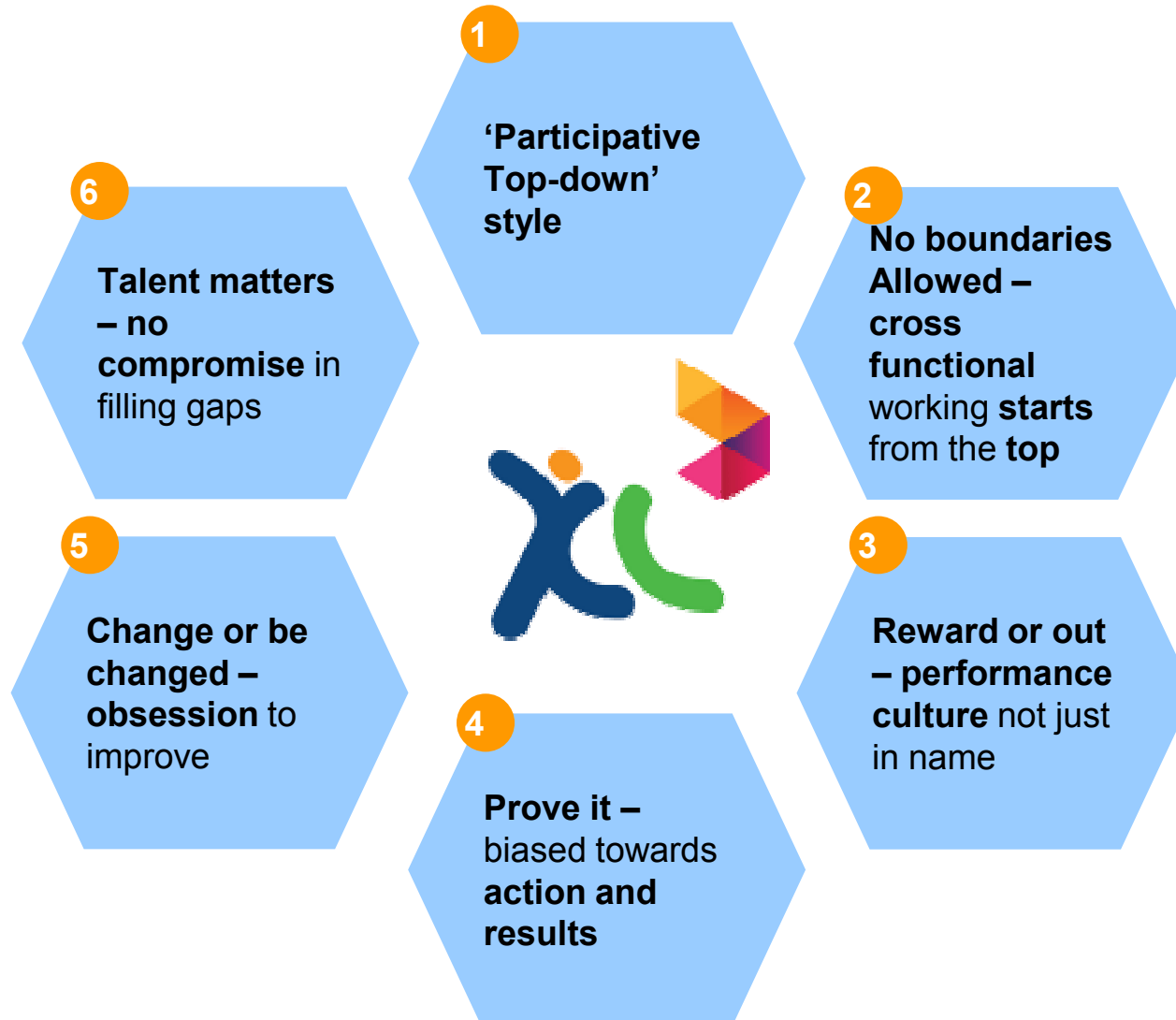
Brand perception "good network quality", Java user



Source: NIELSEN Indonesia



Our DNA: the SIX elements that make the real difference



Management stock ownership plan to be extended

- Up to 2010, the program was given to senior management level only
- The program will be expanded to another 200 employees down to manager level



Regulatory environment continues to be relatively conducive for telecommunication industry

Regulatory update

- Government reallocated our first block of 3G and granted the second block
- 2G frequency fee is changed from capacity-based to bandwidth-based
- Government lowered Interconnection cost by 4%-8%, to become effective in 2011
- Government permitted LTE trial and issued a white paper mentioning change of band plan in 700 MHz for digital dividend which will be available in 2018

Impact to XL

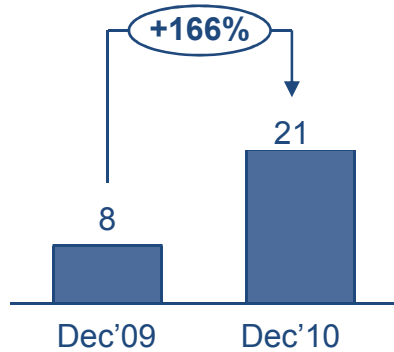
- We have continuous block of 2x10 MHz of 3G frequency with higher capacity
- Reduced risk of dispute and more certainty on frequency cost
- Potential to further reduce Interconnection cost as total costs significantly decreased
- We are able to assess and test LTE, especially from the technology and technical aspects



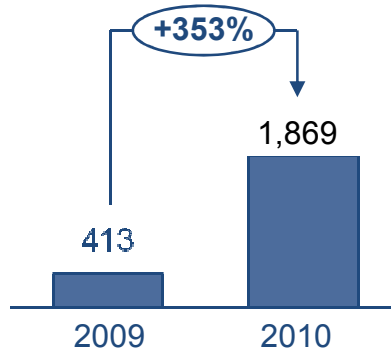
The indicators are showing usage shift from traditional service to Data

Strong growth in Data subscriber and traffic

Subs with GPRS (Mn)

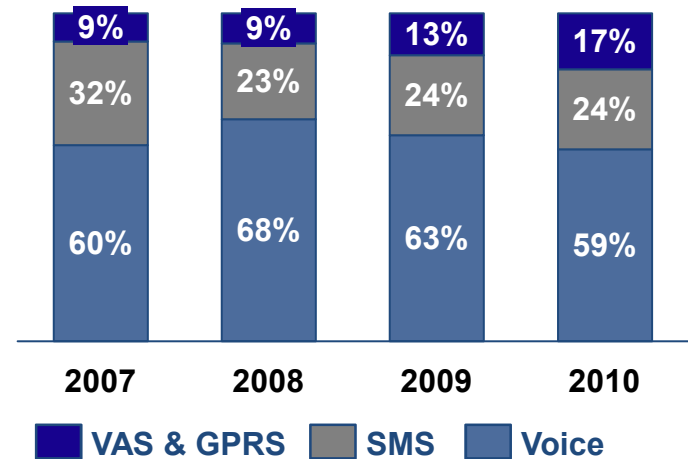


Data traffic excluding Blackberry (TB)



Our usage revenue composition is shifting to Data

Usage revenue composition (%)



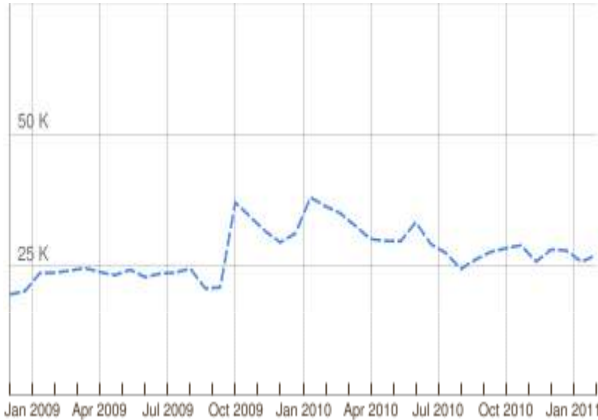
Data will be the next growth driver for XL



Data service will be stimulated by trend in contents and applications

Daily unique visitors steadily increase for video & music streaming sites...

Metacafe Indonesia daily unique visitors



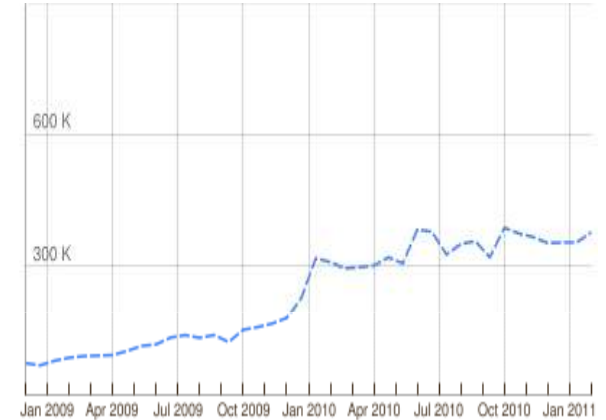
... online games...

Apps.facebook Indonesia daily unique visitors



... and file sharing (P2P) websites

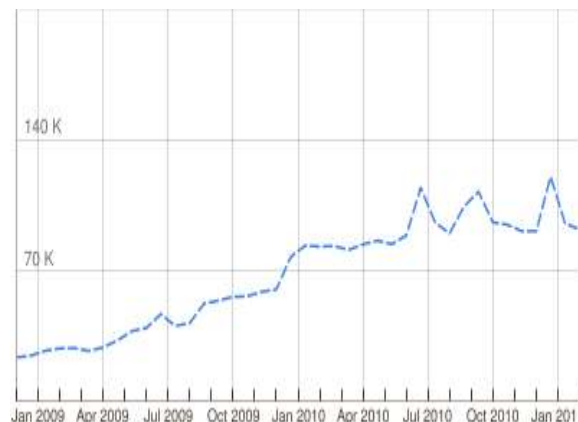
4Shared Indonesia daily unique visitors



GudangLagu Indonesia daily unique visitors



Games.co.id Indonesia daily unique visitors



Mediafire Indonesia daily unique visitors



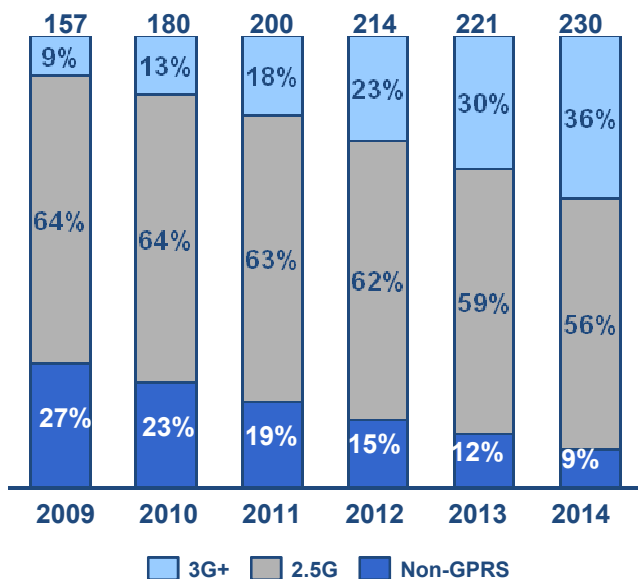
Source: DoubleClick Ad Planner by Google



User-friendly and cheaper smartphone and tablets are expected to further drive the data consumption

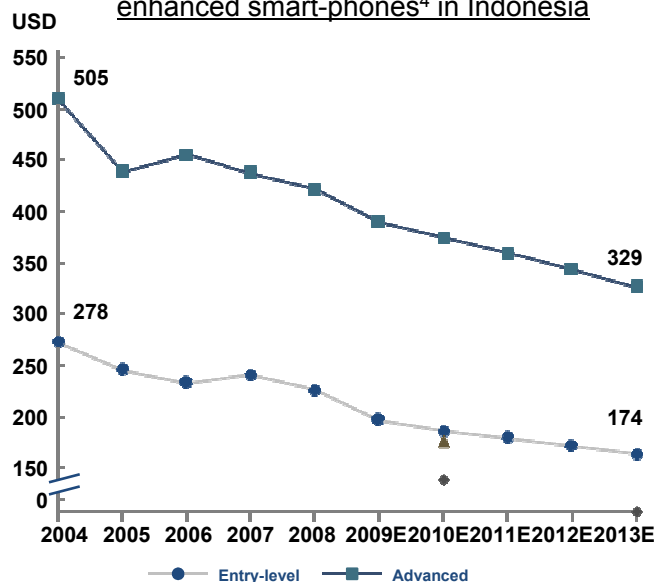
3G handset composition expected to rise...

Composition of handset in Indonesia¹ (Mn)



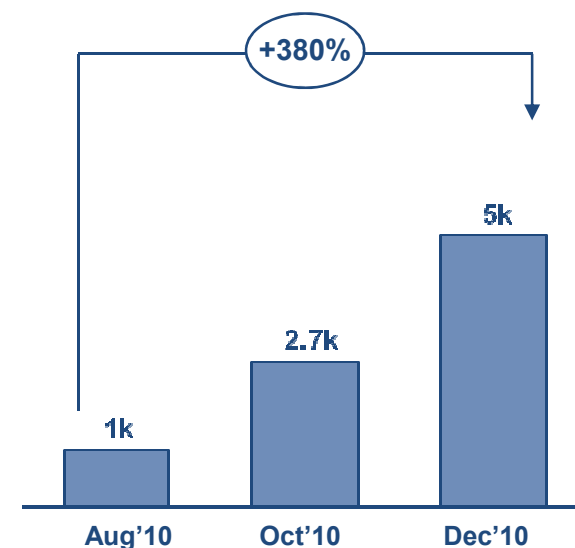
... while smart-phones price expected to decline

Average price² of entry-level³ vs. enhanced smart-phones⁴ in Indonesia



Tablets are growing rapidly

XL subs with iPad 3G



XL is addressing the change in devices trends

Notes:

1. 3G+ includes advanced smart phone and wireless broadband modem, 2.5G includes Blackberry
 2. Wholesale price; 3. Voice communication as main focus, but open operating system (e.g. Nokia N70); 4. Aimed at both voice and data communication (e.g. iPhone, Blackberry, etc)
- Source: BCG analysis, internal data, Gartner Reports



2011 Guidance

Revenue growth

In line with or better than the market

EBITDA Margin

More than 50%

Cash out CAPEX

Approximately IDR 5 Tn, of which about 1/3 for data/3G service, internally funded