



PT XL Axiata Tbk. (XL)
Corporate Presentation
FY 2011

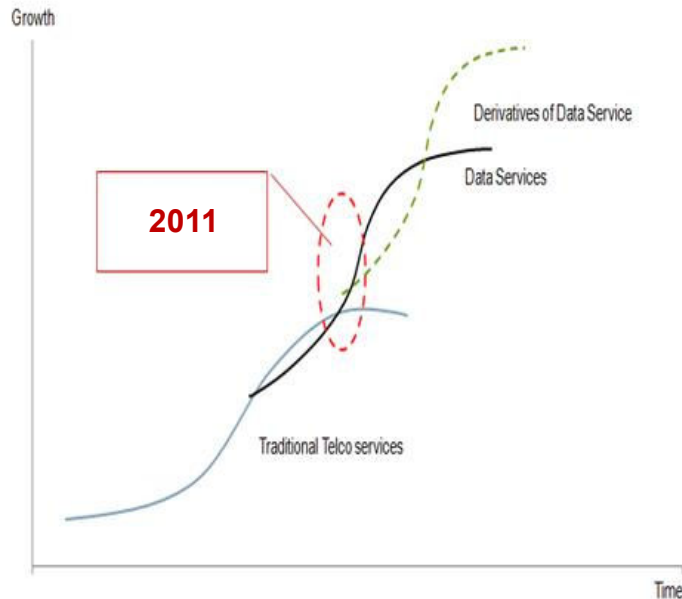


In 2011, XL focused on building the foundation for Data growth

2011 was the beginning of transition to Data

Shift in revenue composition and resources allocation

Wireless industry lifecycle



Shift in revenue composition

- Data revenues contribution becoming more significant (from 17% to 22%)

Investments in 2011 to prepare XL to more aggressively pursue the Data business

- Shift in investment focus from 2G to 3G

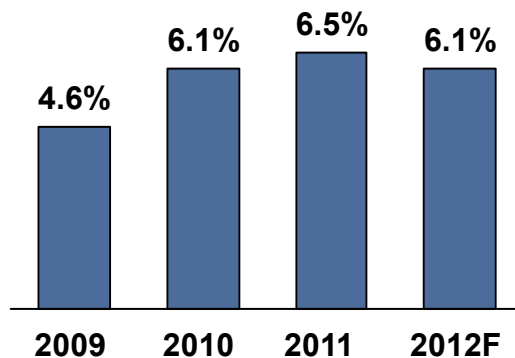
Change in business model to focus on Service



Economic outlook: bright prospect with solid fundamentals

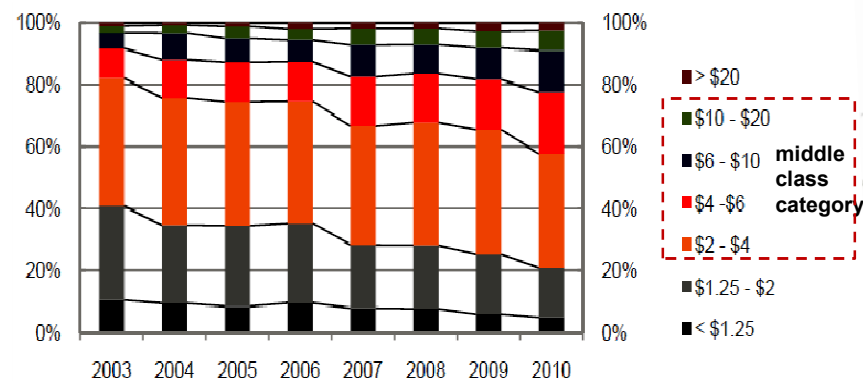
Expanding economy

Indonesia GDP, in %



Middle income class accounts for 3/4 of total expenditures

Daily Dollar per daily capita



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

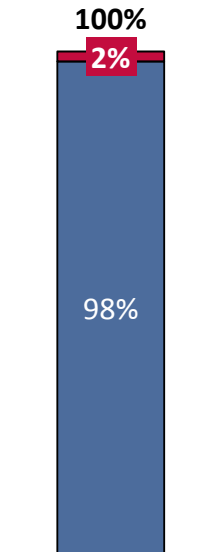
- Growth target of 6.1% in 2012, mainly from private consumption and fixed investment
- The expenditures of the middle class grew from 58.1% in 2003 to 76.7% in 2010 of total expenditure – there are significant differences in the expenditure patterns within the middle class
- Fitch Ratings and Moody's Investors Service have upgraded Indonesia's sovereign rating to an investment grade rating – expecting more longer-term capital and foreign fund inflows



Mobile Internet is dominant in Indonesia

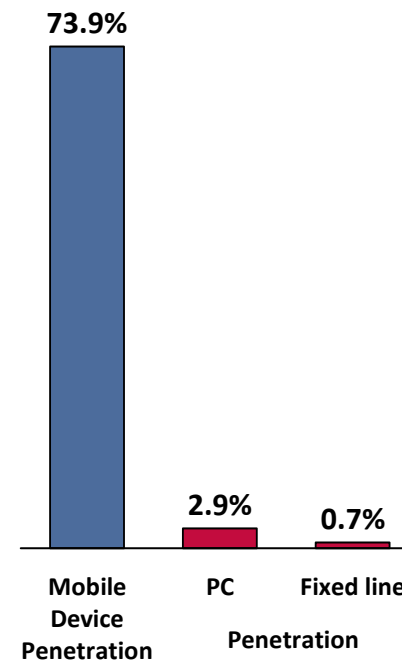
Driven by very limited access to internet: PC and Fix Line penetration very minimum

98% access to internet through Mobile



■ Fixed access
■ Mobile access

Limited fixed line and PC penetration



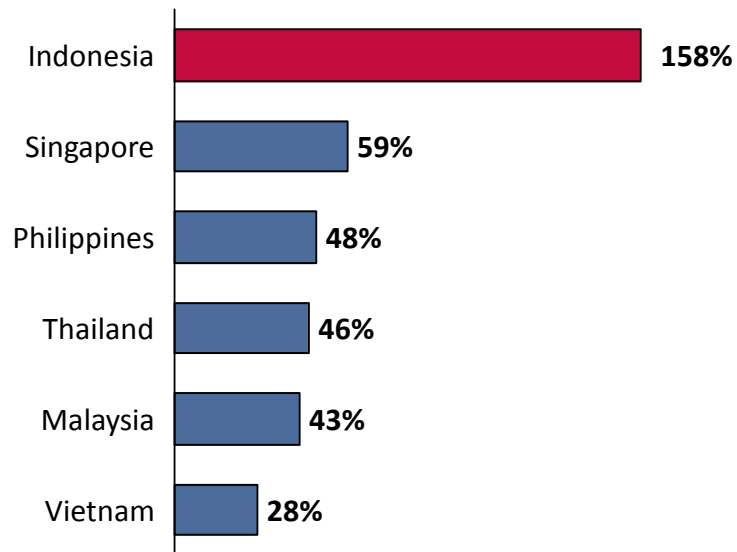
Surging demand for mobile internet presents a huge opportunity for XL



Rising Mobile Internet users and adoption of data enabled handsets

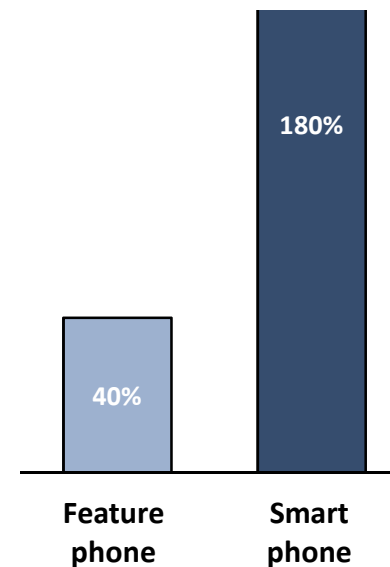
Highest growth in mobile internet users among SEA countries

Mobile internet users growth
March'10 vs. April'11²



Rapid growth in Smartphone sales (Indonesia)

%Growth of device unit sold in Indonesia (Jan – Nov 2011)¹



Source:

1. GFK quarterly presentation
2. TNS Survey 2011 Wholesale price





Video demand will strongly drive Data even further

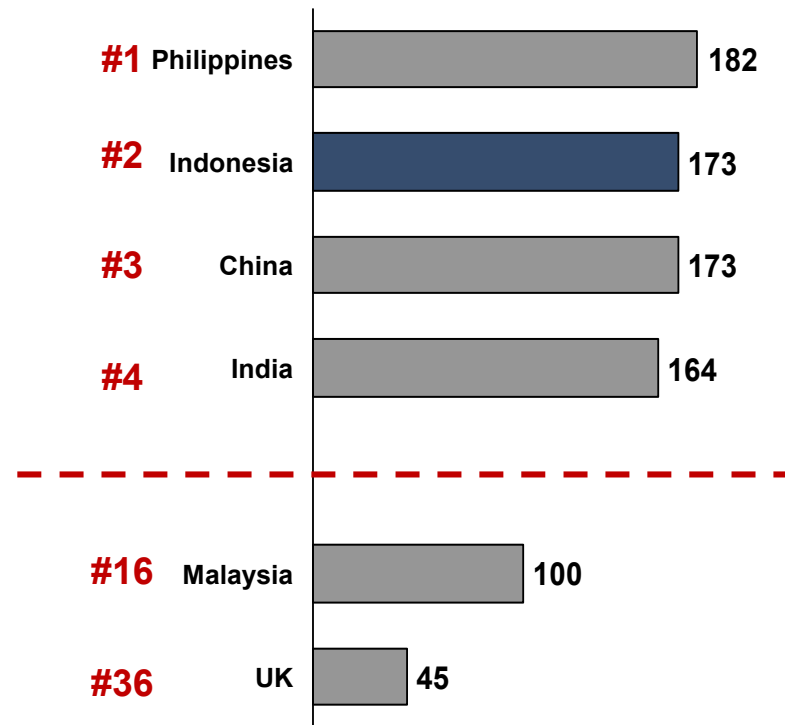
Indonesian love video:
YouTube is #4

Top internet sites in Indonesia¹



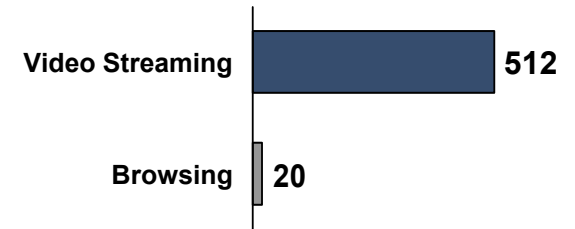
Given the supply Indonesian *mobile* users among the highest likeliness to watch video

Index of online mobile video usage by market²



Bandwidth requirements much higher with Video

Bandwidth requirement (Kbps)³



We need to prepare for even bigger data explosion



Modern devices accelerate data consumption growth

More devices able to access internet and consume more data compared to regular phone

Smartphone



24x
Basic phone's traffic

Portable Gaming Console



60x
Basic phone's traffic

Tablet



122x
Basic phone's traffic

Laptop



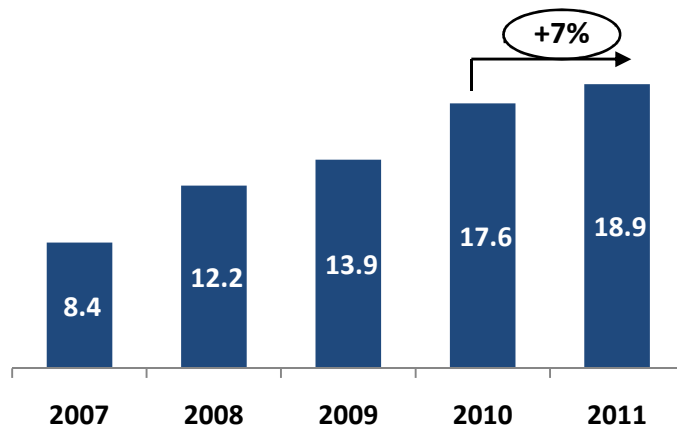
515x
Basic phone's traffic

As devices drives behaviour of consumption of traffic, XL will focus on the small – mid screen devices and not on the big screen devices

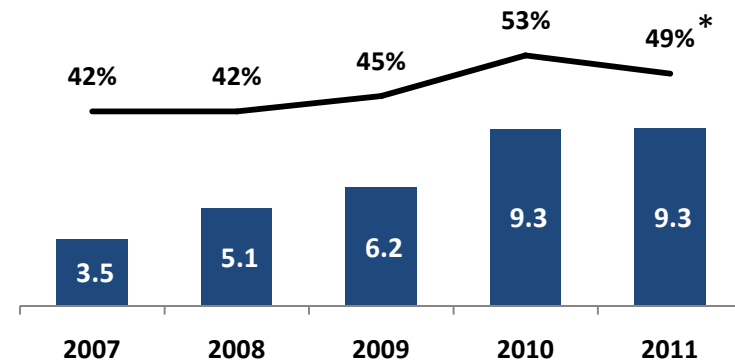


Strong Financial Performance driven by data

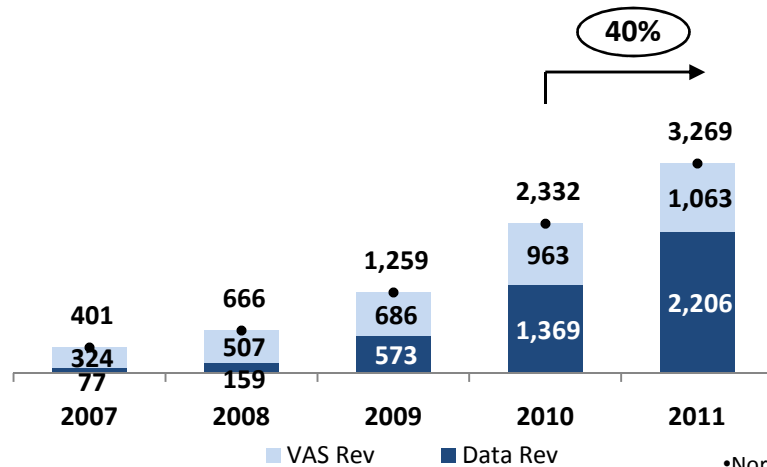
Revenue (in IDR Tn)



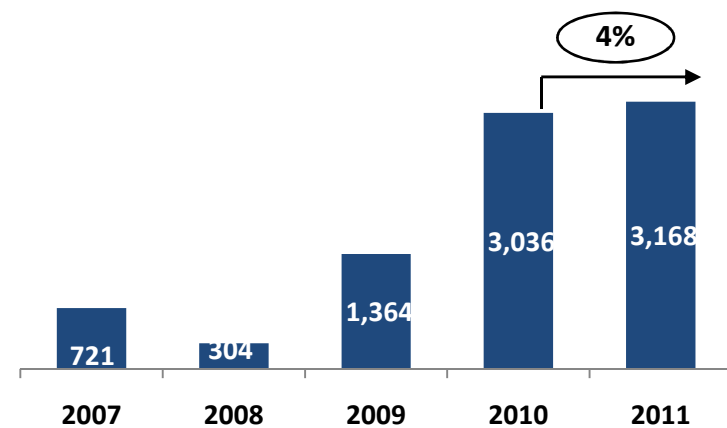
EBITDA (in IDR Tn) & EBITDA margin (%)



Data & Vas Revenue (in IDR Bn)



Net Income (in IDR Bn)^



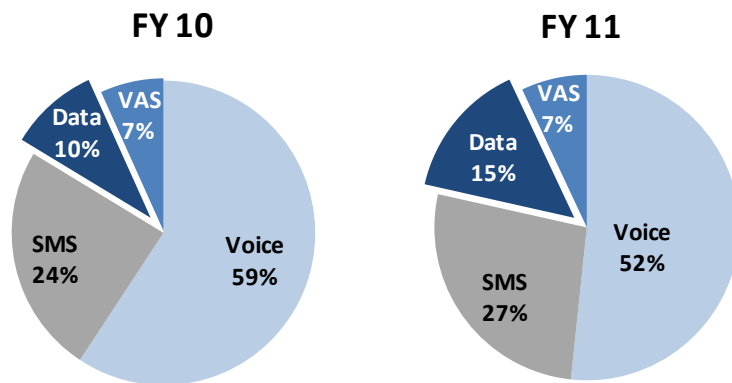
*Normalized EBITDA margin due to provision of severance payment FY11 Rp 269 bn is 51%

^Net income excluding unrealised forex loss/gain, accelerated depreciation and provision for severance payment

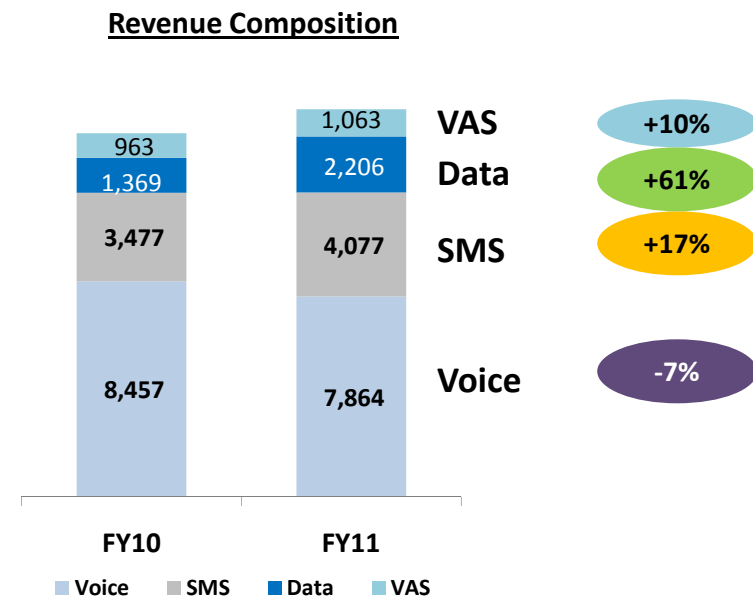


Strong growth in data and growing revenue contribution

... Increasing contribution from Data



... Driven by strong growth in data

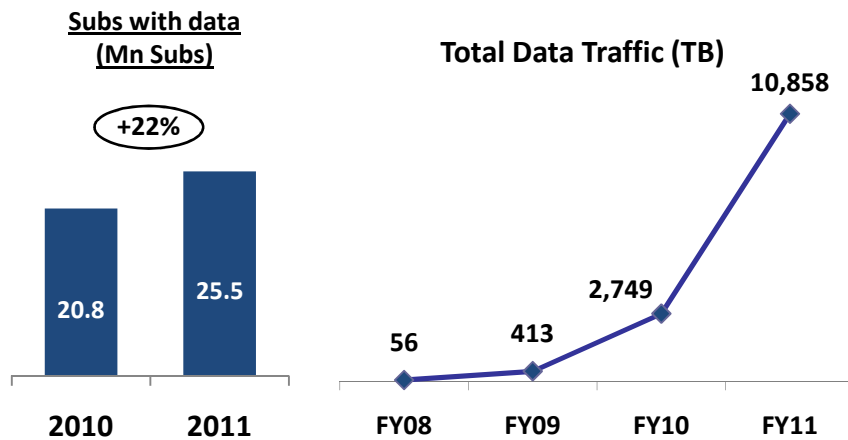


Non-voice revenue contributing close to half of total revenue. Data is the fastest growing segment



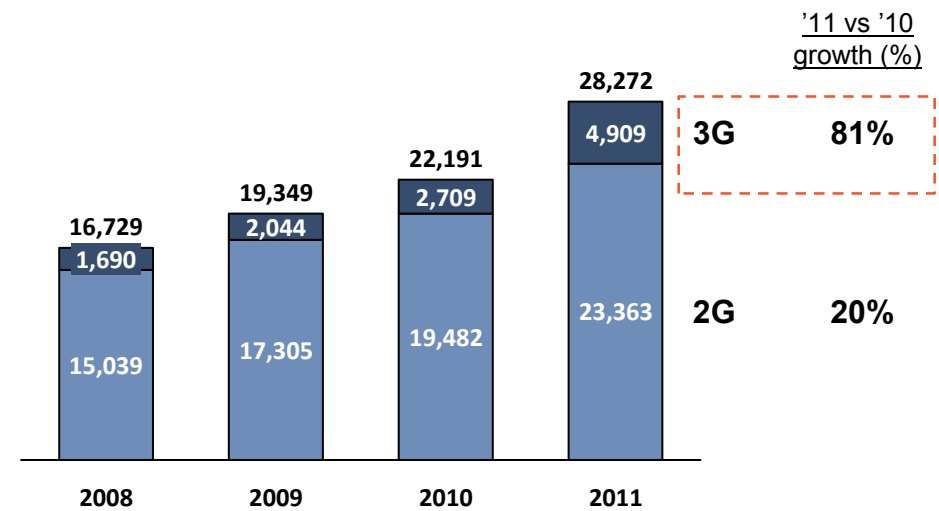
Infrastructure Expansion to support acceleration in data behaviour

... With momentum on Data Adoption



Increased data adoption with more than half of XL's subscribers are data users

... Supported by Focus on Infrastructure



Investing for growth with accelerated 3G rollout



XL aspires to be leading in Data

XL Aspirations

XL aspires to lead in Data Services business...

... By having the best business model that generates values to shareholders (positive ROIC)...

...With the scale that allows us to have sustainable scale advantage over competitors

Implications: Proactive in managing ecosystem and building Data Services capabilities

Manage customer journey from *awareness* to *monetization*

- Proactively stimulating *awareness, adoption, addiction, and monetization* of MDS usage...
- ...By providing conducive **user experience**...
- ...And focus on **Pay Per Use** and eventually tiered or creative pricing to stimulate *adoption*, and eventually *monetization*

Stimulate migration of consumer handsets/devices

- From non-GPRS to GPRS enabled to **3G** and beyond

Select and nurture the right applications/contents

- ...Through partnership with CPs
- Possibly develop a few own strategic applications/contents

Manage traffic consumptions

- Unmanaged ecosystem potentially lead to unprofitable explosive usage; hence, higher CapEx and lower return

Right infrastructure is the key enabler to achieve the ambition



Right Infrastructure is a Key enabler

Backbone

- Nationwide backbone network linking all regions in Indonesia
- More than 17,000 km of Fiber Optic Transmission

Core

- Advanced Core Network with NGN capabilities and LTE ready
- Better capacity & operation management through latest IP Core transmission

Backhaul

- All RNC on fiber
- By mid 2012, 100% of Node B will be full IP and/or fiberized
- IP capacity upgradable to ~155 Mbps

Access

- Deployed more than 2,000 Node Bs in 2011 increasing 3G coverage



Focusing on Data

XL LANGKAH LEBIH MAJU
DENGAN **HOT ROD 3G+**

LEBIH CEPAT
LEBIH JELAS
LEBIH JERNIH

Bayar Sekali Cuma Rp 25rb
Gratis 500MB Internetan sebulan
Kecepatan sampai 3.6 Mbps

- XL Launched a new tagline, XLangkah Lebih Maju as a commitment to customer to provide Fast, Clear and reliable service.
- This is supported by launching Hot Rod 3G+, volume based data package with speed up to 3.6 Mbps in 4 big cities: Jakarta, Surabaya, Medan and Denpasar, building awareness of 3G. We saw:

	4Q 11 vs. 3Q 11	2011 vs. 2010
Data Revenue	18% ↑	61% ↑
Data Subscribers	6% ↑	22% ↑
GPRS Traffic	43% ↑	295% ↑



XL leads in key Data-related attributes such as 3G and easy access

■ Superior performance ■ Similar performance

Functional brand attributes	XL			Operator A			
	Oct	Nov	Dec	Oct	Nov	Dec	
Strong outdoor signal	N.A.	54	60	N.A.	74	69	↓
Supported by reliable 3G network	52	51	60	58	65	56	↓
Data stable and always connected	47	47	52	54	57	57	
Able to access Data quickly	40	45	51	40	45	51	
Easy access to Facebook	N.A.	48	56	N.A.	50	54	
Easy access to Twitter	N.A.	39	52	N.A.	45	51	

Source: Ipsos Market Research, reflects survey results from random sampling in key regions



Mitigating the pressure in Voice through focus on share of wallet

SUPER AMPUH ASLI

Bayar Sekali 24 Jam

- 100 menit Internetan
- 10.000 SMS
- 1.440 menit Nelpon

Cek *123# dan Pilih Paket SUPER AMPUH 24 JAM dan Cek **go.klik**

Spesifikasi dan ketentuan berlaku - www.xl.co.id | Grafik nelpon berlaku ke sesama XL & SMS ke semua operator
Periode 8 Oktober - 31 Desember 2011 | XL Contact Center : 817 atau 021-5793807 - 0817 0817 707 (Berlayar)

- While we see the long term trend of voice to data substitution, we have focused on the customers' share of wallet on voice
- Through 'Super Ampuh' package aiming to focus on customers' share on wallet for Voice, we saw :
- Increase voice revenue **4% QoQ in 4Q 11**
- SMS revenue **8% QoQ in 4Q 11**
- Increase total subscribers by **3 mn** in 4Q'11 bringing total subscribers to **46.4mn**
- Increase in minutes of usage by **51% QoQ in 4Q 11**



Dividend Policy

XL's management will propose to the AGMS a dividend to be paid in 2012 of 35% of 2011 normalized net income.

XL's dividend policy is at least 30% of prior year normalized net income. XL targets to progressively increase the payout ratio in the future



Guidance

2012 Guidance

Revenue growth

In line with or better than the market

EBITDA Margin

Higher 40's

Cash out CAPEX

Between IDR 7-8 Tn, of which around 60% is
for data/3G service



Thank You
Terima Kasih