



PT XL Axiata Tbk ("XL")

29 March 2016

XL Announces the Sale of 2,500 Towers to Protelindo

- On 29 March 2016, XL announced that it had signed an Asset Purchase Agreement (“APA”) with PT Profesional Telekomunikasi Indonesia (Protelindo), a leading Indonesian tower operator, in connection with the sale of 2,500 telecommunications towers
 - Purchase price amount of IDR3,568 billion
- Concurrent with the signing of the APA, XL and Protelindo have also entered into a Master Tower Lease Agreement (“MTLA”) whereby XL has agreed to lease back the 2,432⁽¹⁾ towers for a period of 10 years with an option to renew
- XL has secured competitive lease terms as the anchor tenant
 - IDR10 million lease / month per tower, of which IDR2 million escalated at the lower of official Indonesia inflation or 7.0% p.a.
- The sale further unlocks value from XL’s tower portfolio at an attractive valuation, proceeds from which will be used to reduce debt
- This transaction reinforces XL’s focus on an asset light strategy and will allow the company to free up additional resources to focus on its core business

XL continues to execute on its Transformation Agenda towards a stronger future

1. XL does not have tenancies on the remaining 68 towers and therefore was not required to enter into a leaseback agreement for those towers

Optimal transaction structure and consideration

Transaction structure	<p>XL will sell 2,500 towers to Protelindo</p> <ul style="list-style-type: none">▪ XL has signed an APA with Protelindo▪ XL has entered into a 10 year MTLA with Protelindo on competitive anchor tenant terms for 2,432 towers⁽¹⁾
Lease fee	<ul style="list-style-type: none">▪ IDR10 million lease / month per tower, of which IDR2 million escalated at the lower of official Indonesia inflation or 7.0% p.a.▪ 100% in IDR
Transaction consideration	<p>XL's 2,500 towers valued at IDR3,568 billion</p> <ul style="list-style-type: none">▪ Upfront cash proceeds to XL▪ Proceeds will be used for debt reduction▪ No deferred component
Transaction completion	<p>Conditional agreements executed, transaction completion subject to obtaining:</p> <ul style="list-style-type: none">▪ Limited CPs▪ Expected closing by 30 June 2016

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Strategic and Quantifiable Benefits Complemented by a Financially Prudent Transaction

Transaction rationale

1

Strategic benefits

- Asset light model
- Divest non-core assets
- Optimise balance sheet

2

Economic benefits

- Lease rental opex increase mitigated by the following:
 - Competitive tower lease rates for a large portfolio of towers
 - Reduction in Interest Costs, Depreciation and Capital Expenditure

3

Financially prudent transaction

- Improves capital structure by deleveraging
- Value accretive transaction for XL

Reiterates XL's disciplined approach to strategic transactions

1 Transaction will Benefit XL's Core Business on Multiple Fronts



Strategic benefits

Asset light model

- Owning towers is not a core focus area for XL
- Focus on network quality and coverage and service differentiation

Non-core asset divestment

- Selling 2,500 towers (approx. 39% of XL's existing tower assets) monetises part of XL's non-core assets at an attractive valuation

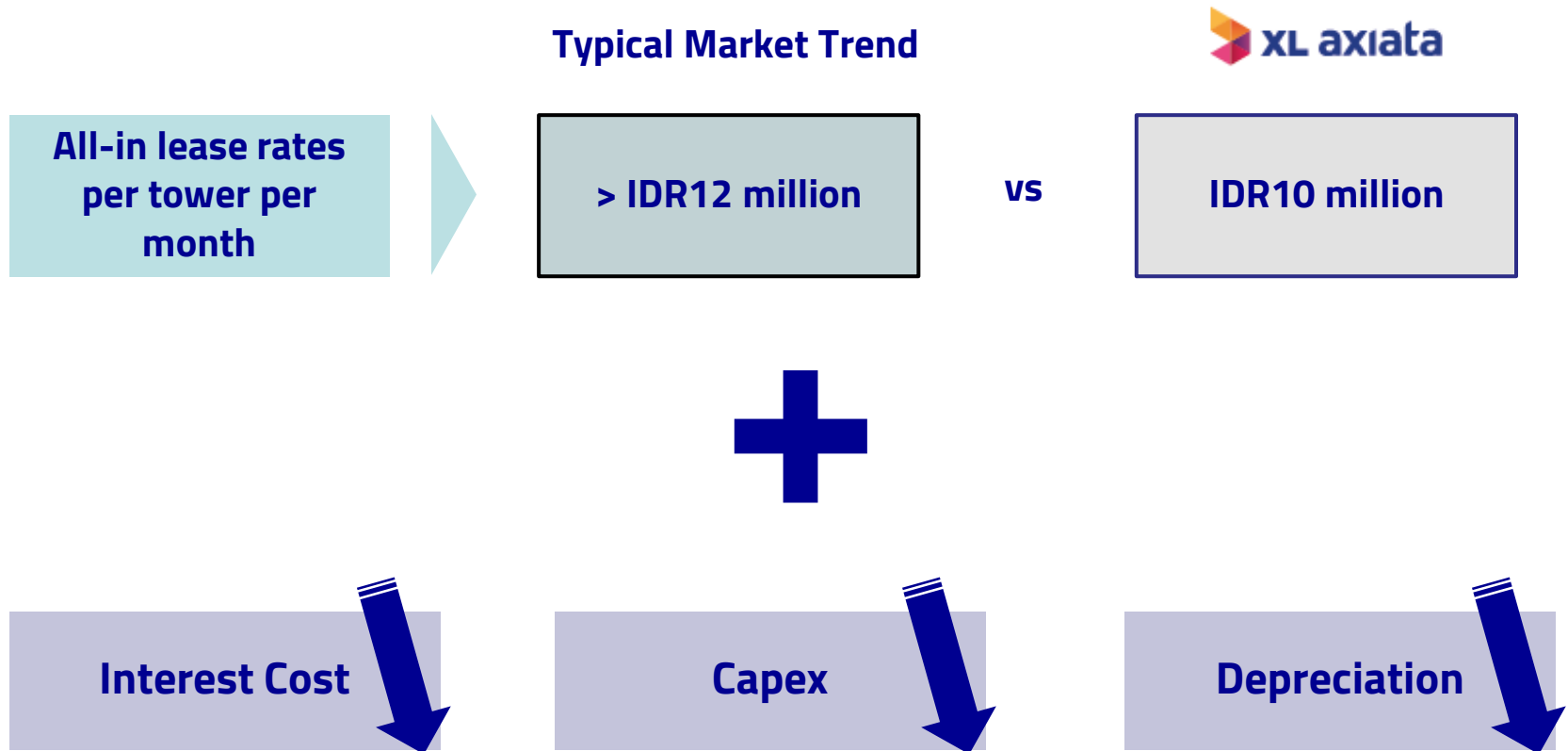
Optimise balance sheet

- Frees up capital
 - Reduces leverage
 - Further investment in the core network

2 Tower Sale at Competitive Terms will Further Enhance XL's Cost Competitiveness



Economic benefits



Competitive anchor tenant lease rates locked in

3 Financially Prudent Transaction



Financially prudent transaction

Reduce XL leverage

- Current leverage (Net Debt/LTM EBITDA): 2.8x¹
- Pro forma leverage post debt reduction from sale proceeds: ~2.4x²

Value accretive transaction for XL

- Competitive anchor tenant lease rates
- Attractive valuation (approx. 9.0 EV/EBITDA³) makes the transaction significantly NPV positive for XL

Positive mid – long term earnings impact

- Limited EBITDA margin impact – approx. 130bps dilution² in 2016
- Expected to be EPS accretive in year 1

Dividend policy maintained

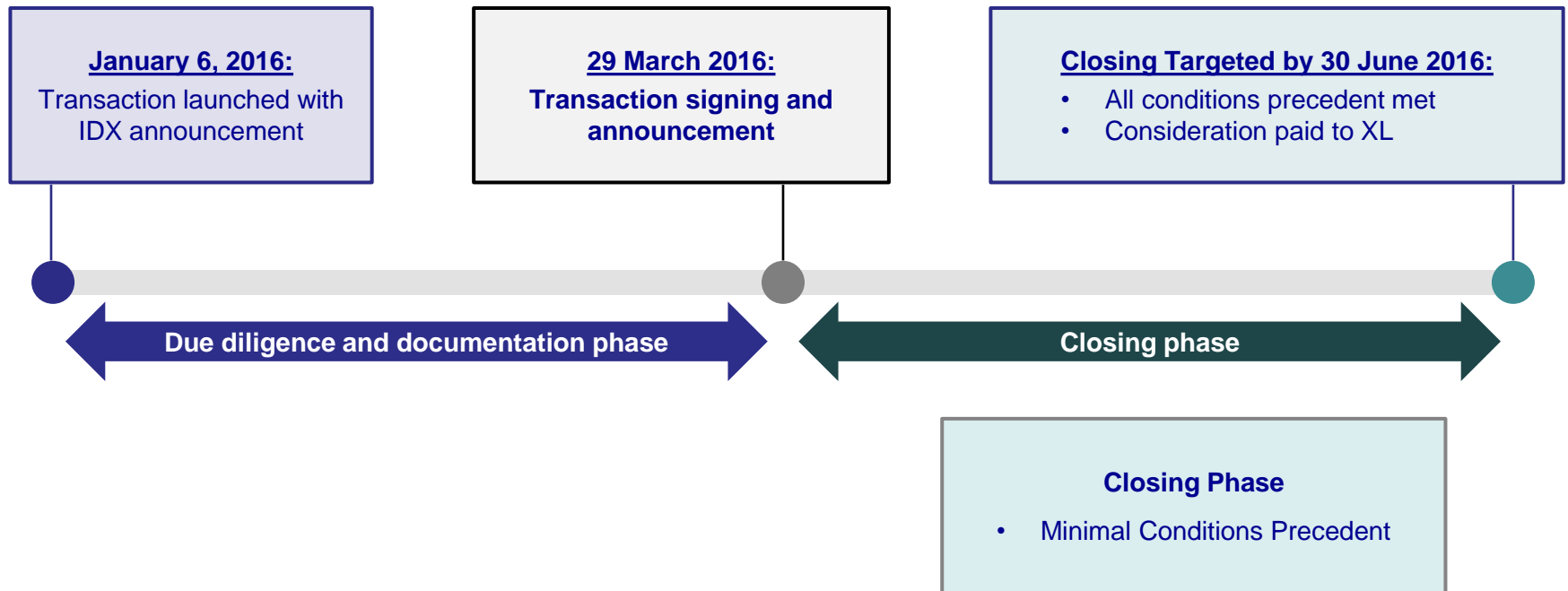
- XL dividend policy remains unchanged

1. As reported at 31 December 2015

2. Based on pro-forma leverage post debt reduction divided by 2015 EBITDA

3. Based on XL's internal estimates

Transparent Sale Process Executed on a Tight Timeline

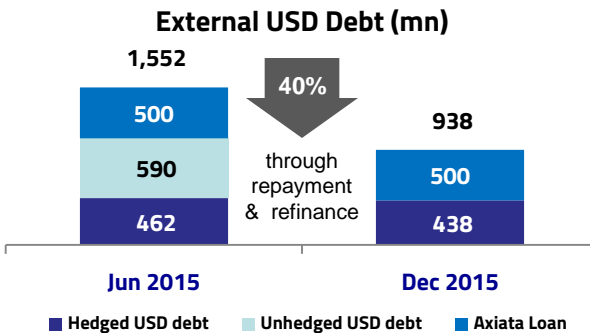


Transparent process led by XL BoD

Our Transformation Agenda Focused Prudent Balance Sheet Management to Strengthen Our Financial Position

Management had outlined a Balance Sheet Management plan to proactively address the forex issues and improve our financial position

1 Early Repayment & Refinance



- ✓ Active hedging policies to minimize exposure to foreign currency
- ✓ All unhedged external USD debt repaid or refinanced to IDR by end December
- ✓ All USD debt hedged to maturity post repayment of shareholder loan from proposed rights issuance

2 Asset monetisation



- ✓ **Sale and leaseback of 2,500 telecommunications towers to Protelindo for IDR3.6 trillion of cash proceeds**
- ✓ Monetisation of assets to unlock value from non-core assets

3 Rights issue



- ✓ Rights issue to repay US\$500mn Axiata shareholder loan

Thank You