



PT EXCELCOMINDO PRATAMA, TBK. (XL) 9M 2008

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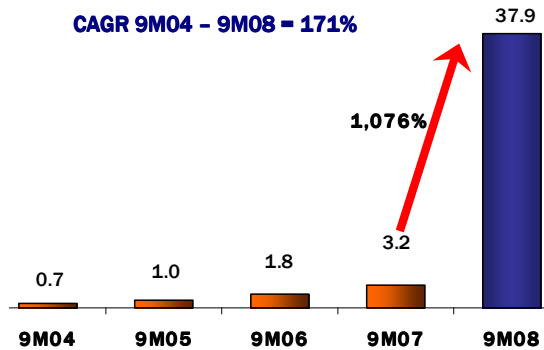
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INTRODUCTION

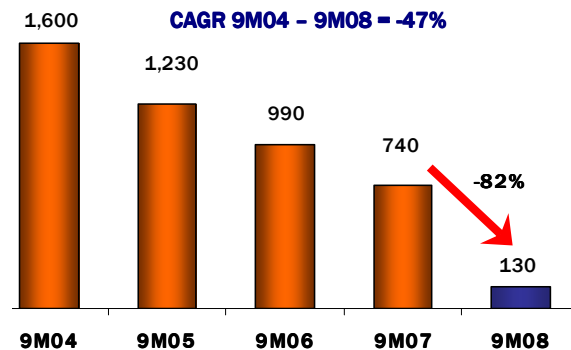
We are pleased to announce our 3rd quarter audited results.

Our revenue increased by 60% YoY in the 9M08 compared to the 9M07, mainly due to a 1,076% YoY increase in our total OG minutes. Our EBITDA grew by 70% with our EBITDA margin increasing to 45% of gross revenue.

Total OG minutes (in bn minutes)



Voice Revenue/OG minutes (in Rp)



As of 9M08, we had 15,111 BTS, an increase of 5,164 BTS (52%) over the last 12 months, allowing us to provide network coverage over 90% of the population.

In addition, we improved our network efficiency to 5.0 million in 9M08 from 0.7 million in 9M07, an increase of 642%.

With the benefit of our upgraded billing system, we developed various new promotional tariff programs designed to maximize our revenues and optimize our network capacity utilization.

In August 2008, we offered the option of choice between tariff schemes to our subscribers. The first was our then existing **"Nelpon sampal puas or call until you're done"**. The second was our **"Nelpon semaumu or call as many as you want"** in which customers can make as many on-net calls as they want for a daily accumulated usage charge of Rp. 1,000. The third was our **"SMS semaumu or SMS as many as you want"**, was targeted for customers who prefer sending SMS rather than making call and for which we applied an SMS tariff of as low as Rp. 9/SMS. Customers can easily shift from one option to another through SMS registration.

We temporarily modified our promotional tariff schemes in Sept 2008 in order to maximize revenues during "Idul Fitri or Greater Eid" which were then reversed in Oct 2008.



FINANCIAL MEASURES

Income Statement (Audited)

Income Statement (In Rp Billion)	9M07*	9M08	Growth
Cellular Telecommunication Service:			
Voice	2,513	5,015	100%
Non Voice	1,873	2,406	28%
Total Cellular Telecommunication Service	4,386	7,421	69%
Cellular Interconnection and International Roaming Service	1,003	1,134	13%
Other Telecommunication Services:			
Leased lines	295	367	25%
Leased Towers	-	183	N/A
Others	48	73	50%
Total Other Telecommunication Services	344	623	81%
Revenue	5,733	9,178	60%
Less: Discount	(307)	(73)	-76%
Revenue Net of Discount	5,426	9,105	68%
Interconnection and Telecommunication Service Charges	1,019	1,762	73%
Labor Cost (Permanent & Temporary)	363	542	49%
Sales Commissions & Marketing Expenses	576	1,022	78%
Network Infrastructure Expenses	670	1,093	63%
Rental Site and Tower	82	183	124%
Support & Overhead Expenses	294	392	33%
Total OPEX	3,003	4,994	66%
EBITDA	2,423	4,110	70%
EBITDA Margin	42%	45%	N/A
Depreciation & Amortization	1,240	2,059	66%
EBIT	1,183	2,051	73%
Other Income/(Expenses)			
Interest expense	(495)	(722)	46%
Interest income	42	20	-52%
Forex (loss) / gain	18	152	732%
Others	(323)	(319)	-1%
Total Other Expenses	(758)	(869)	15%
Profit Before Tax	424	1,182	179%
Income tax expense ¹⁾	(216)	(291)	35%
Profit After Tax	208	891	328%

* The 9M07 results were restated based on the Sept 2008 audit

¹⁾ The Indonesian government issued a new income tax regulation in Sept 2008, which will decrease corporate income tax gradually from the current marginal tax rate of 30% to a fixed rate of 28% in 2009 and 25% in 2010 and onwards. Although the regulation will only be implemented starting from 1 January 2009, we recognized the impact on our deferred tax assets and liabilities in our 9M08 financial statements.

Below is the normalized net income:

Normalized Net Income (In Rp Billion)	9M07*	9M08	Growth
Net Income	208	891	328%
Less unrealized forex loss (gain), net of tax	(6)	(138)	2390%
Impact from WHT on USD bond interest (net of tax)	258	-	N/A
Normalized Net Income	461	754	64%

* The 9M07 results were restated based on the Sept 2008 audit



Revenue

Our gross revenue increased 60% to Rp. 9,178 billion in the 9M08 from Rp. 5,733 billion in the 9M07, mainly due to an increase in cellular telecommunication service. In the 9M08, cellular telecommunication service contributed 81% of our gross revenue.

Cellular telecommunications service

Revenue from our cellular telecommunications service, which is comprised of revenue from voice, non-voice and monthly service charge, increased 69% to Rp. 7,421 billion in the 9M08 from Rp. 4,386 billion in the the 9M07, mainly due to a 100% increase in voice revenues arising from a 1,076% increase in total OG minutes and a 96% increase in total subscribers.

Cellular interconnection and international roaming service

Revenue from our cellular interconnection and international roaming service, which is comprised of revenue from domestic interconnection, international roaming, SMS interconnection and others, increased 13% to Rp. 1,134 billion in the 9M08 from Rp. 1,003 billion in the 9M07, mainly due to an increase in domestic interconnection revenue. Domestic interconnection revenue accounted for 69% of revenue from our cellular interconnection and international roaming service in the 9M08.

Other telecommunications services

Revenue from other telecommunications services is comprised of revenue from leased lines, tower business unit, internet service providers and others. Other telecommunication services increased by 81% to Rp. 623 billion in the 9M08 from Rp. 344 billion in the 9M07, mainly due to a new revenue stream from leasing out tower space to other operators, as well as an increase in the number of our corporate leased line subscribers.

Discount

Discount is comprised of discounts on our cellular revenue and on revenue from other telecommunication services. Discount decreased 76% to Rp. 73 billion in the 9M08 from Rp. 307 billion in the 9M07, mainly due to our strategy to reduce our use of discount schemes and instead provide direct tariff reductions to our subscribers.

Operating expenses

Our operating expenses increased 66% to Rp. 4,994 billion in the 9M08 from Rp. 3,003 billion in the 9M07, due to increases in our interconnection and telecommunication service charges, infrastructure expenses, sales commissions and marketing expenses associated with the 96% increase in our total subscribers.

Interconnection and telecommunication service charges

Interconnection and telecommunication service charges, which are comprised of interconnection charges, other cellular telecommunication charges and other telecommunication service cost, increased 73% to Rp. 1,762 billion in the 9M08 from Rp. 1,019 billion in the 9M07, mainly due to the 1,076% increase in total OG minutes and the 96% increase in total subscribers.

Labor cost

Our labor cost increased 49% to Rp. 542 billion in the 9M08 from Rp. 363 billion in the 9M07, mainly due to annual salary adjustments, proportionally accrued bonuses in 2008 and accrued severance payment for contact center and towers business unit employees.

Sales commissions and marketing expenses

Our sales commissions and marketing expenses increased 78% to Rp. 1,022 billion in the 9M08 from Rp. 576 billion in the 9M07, mainly due to increase in sales commissions due to increase in starter packs and prepaid vouchers' sales associated with the 96% increase in total subscribers and increase in advertising and promotion expenses as a result of an aggressive marketing campaign.



Network Infrastructure expenses

Our network infrastructure expenses is comprised mainly of frequency fee (40% of total network infrastructure expense), as well as operating rental network expense, repair and maintenance expense and utilities fees. In the 9M08, network infrastructure expenses increased 63% to Rp. 1,093 billion from Rp. 670 billion in the 9M07, mainly due to an increase in frequency fees related to the expansion of our network, an increase in rental fees paid for leased network facilities and increase in utilities fees associated with the 52% increase in number of BTS.

Rental Site and Tower

In 2008, we have started to make use of “built to suit” arrangements for our BTS as we intend to move gradually away from self-build. Rental site and tower expense is principally comprised of rental expenses for BTS sites (including tower space) leased from third parties. Tower rental expenses increased 124% to Rp. 183 billion in the 9M08 from Rp. 82 billion in the 9M07, mainly due to an increase in leased BTS sites comprising part of the 5,164 BTS YoY added to increase our network capacity and coverage and amending lease agreements for our BTS sites in 2008.

Support and overhead expenses

Support and overhead expenses increased 33% to Rp. 392 billion in the 9M08 from Rp. 294 billion in the 9M07, mainly due to increases in professional fees.

EBITDA

EBITDA increased 70% YoY to Rp. 4,110 billion in the 9M08 from Rp. 2,423 billion in the 9M07. Our EBITDA growth was as a result of increase in revenues and improved cost management. The EBITDA margin improved to 45% in the 9M08 from 42% in the 9M07.

Depreciation and amortization expenses

Our depreciation and amortization expenses increased 66% to Rp. 2,059 billion in the 9M08 from Rp. 1,240 billion in the 9M07, mainly due to the acquisition of network and other non-network equipment.

Other Income (expense)

Other expense increased 15% to Rp. 869 billion in the 9M08 from Rp. 758 billion in the 9M07, mainly due to the following:

- Higher interest expenses due to a 64% increase in interest bearing debt from Rp. 8,659 billion as of 9M07 to Rp. 14,163 billion as of 9M08.
- Higher foreign exchange gains from the strengthening of the Rupiah against the U.S. dollar. The closing rate Rupiah/USD rate as of 30 Sept 2008 and 30 Sept 2007 were Rp. 9,378/USD and Rp. 9,137/USD, respectively, whereas the closing rate Rupiah/USD as of 31 Dec 2007 and 31 Dec 2006 were Rp. 9,419/USD and Rp. 9,020/USD, respectively.
- Other expenses decreased to Rp. 319 billion in the 9M08 from Rp. 323 billion in the 9M07. In 9M08 these other expenses were comprised of:
 - a) A recorded Rp. 13.2 billion for entire remaining issuance cost and bond discount on our USD 350 million principal amount bonds which were fully redeemed at 100% principal amount in Jan 2008
 - b) A premium paid on the partial tender offer of USD 122.3 million on our USD 250 million 7.125% bonds due in 2013 (the “2013 Bonds”) redeemed at 101% of the principal amount in Jun 2008 in the amount of USD 1.2 million
 - c) A 1% consent solicitation fee paid to consenting holders of the 2013 Bonds in Jun 2008 for amendments and waivers related to the proposed sale of our tower business in the amount of USD 2.3 million
 - d) A recorded provision for a penalty levied in Jun 2008 in the amount of Rp. 25 billion for engaging in SMS tariff fixing.
 - e) A recorded accrual for tax and penalty amounting to Rp. 110.1 billion for VAT on bonus reload transactions in 2006 and 2007 based on a tax audit assessment issued in Sept 2008



Profit After Tax.

Net income grew 328% to Rp. 891 billion in the 9M08 from Rp. 208 billion in the 9M07, while normalized net income increased 64% to Rp. 754 billion in the 9M08 from Rp. 461 billion in the 9M07.

Normalized net income is calculated by adjusting net income for unrealized forex loss/(gain) and impact from WHT on interest paid or payable on USD bonds starting from the initial provision of the interest up to Sept 2007.

Balance Sheet (Audited)

Balance Sheet (In Rp Billion)	9M07*	9M08	Growth
Current Assets			
Cash and cash equivalents	611	338	-45%
Trade and other receivables - net	301	382	27%
Prepayments	514	834	62%
Others	87	249	185%
Total Current Assets	1,514	1,803	19%
Non-Current Assets	15,540	23,785	53%
Total Assets	17,054	25,588	50%
Current Liabilities			
Trade and other payables	2,495	4,265	71%
Taxes payable	53	102	93%
Deferred revenue	365	837	129%
Short term loan and current maturity of long term loan	3,181	869	-73%
Total current liabilities	6,094	6,073	0%
Non-Current Liabilities			
Trade payables	429	222	-48%
Long term loan	1,736	10,617	512%
Deferred tax liabilities	563	697	24%
Long term bonds	3,742	2,677	-28%
Others	68	88	29%
Total Non-Current Liabilities	6,537	14,301	119%
Total Liabilities	12,631	20,374	61%
Equity			
Share capital & capital surplus	3,401	3,401	0%
Retained earnings	1,022	1,813	77%
Total Equity	4,422	5,214	18%
Total Liabilities and Equity	17,054	25,588	50%

* The 9M07 results were restated based on the Sept 2008 audit

Total assets increased by 50% to Rp. 25,588 billion as of 9M08 from Rp. 17,054 billion as of 9M07, mainly due to higher investment activities.

- Current assets increased 19% YoY to Rp. 1,803 billion as of 9M08 from Rp. 1,514 billion as of 9M07, mainly due to higher prepayments and others. Others increased by 185% YoY mainly due to higher inventory handset and recording of the current portion of derivative receivable in 9M08.
- Non current assets increased 53% YoY to Rp. 23,785 billion as of 9M08, mainly as a result of increases in net fixed assets mainly due to an increase in number of BTS by 52% YoY from 9,947 BTS in 9M07 to 15,111 BTS in 9M08.
- Current liabilities were Rp. 6,073 billion as of 9M08, as compared to Rp. 6,094 as of 9M07, mainly due to decrease in short term loan and current maturity of long term loan despite increase in trade and other payables. The decrease in short term loan and current maturity of long term loan associated with the tax redemption of our entire USD 350 million bonds in Jan 2008 despite obtaining new short-term loans in 2008 with a principal amount USD 50 million due in January 2009.



- Non current liabilities increased by 119% YoY to Rp. 14,301 billion as of 9M08, mainly due to an increase in debt in the 9M08 in the amounts of USD 65 million and Rp. 7.85 trillion, despite the USD 122.3 million partial tender offer for our 2013 Bonds in Jun 2008.

Capital Expenditure

In Billion of Rupiah and In Million of USD	9M07*	9M08	Growth
	IDR	IDR	
Capitalized capex	5,093	8,677	70%
Paid capex	4,619	8,009	73%
Commitments entered into for current year **	6,008	9,224	54%

* The 9M07 results were restated based on the Sept 2008 audit

** The original amount is in IDR and USD. The USD portion was converted to IDR using closing rate 30 Sept 2007 and 2008. Exchange rate Rupiah against USD as of 30 Sept 2007 and 2008 were Rp 9,137/USD and Rp 9,378/USD, respectively.

Cash Flow (Audited)

Cash Flow (In Rp Billion)	9M07*	9M08	Growth
Net cash flow provided from operating activities	2,160	4,013	86%
Net cash flow used in investing activities	(4,810)	(7,992)	66%
Free cash flow	(2,649)	(3,979)	50%
Net cash flow provided from financing activities	2,675	3,507	31%
Net (decrease)/increase in cash and cash equivalents	26	(473)	N/A
Cash and cash equivalents at the beginning of the year	587	806	37%
Effect of exchange rate changes on cash and cash equivalents	(2)	5	N/A
Cash and cash equivalents at the end of the period	611	338	-45%

* The 9M07 results were restated based on the Sept 2008 audit

- Net cash flow generated from operations in the 9M08 increased 86% to Rp. 4.0 trillion from Rp. 2.2 trillion in the 9M07 mainly due to higher cash received from our subscribers and other operators.
- Net cash flow used in investing activities increased 66% to Rp. 8.0 trillion in the 9M08 from Rp. 4.8 trillion in the 9M07 mainly due to increased fixed asset purchases in connection with the 52% increase in our number of BTS.
- Net cash flow provided from financing activities increased by 31% to Rp. 3.5 trillion in the 9M08 from Rp 2.7 trillion in the 9M07 due to cash proceeds from additional bank loans, despite the USD 122.3 million partial tender offer of USD 250 million principal amount bonds and the tax redemption of our entire USD 350 million principal amount bonds in January 2008. During the 9M08, cash proceeds from drawdown from existing and new bank loan facilities were Rp 8.85 trillion and USD 115 million while repayment of short term bank loans were Rp. 1.0 trillion.

Description of Debts

The detail of debts as of 30 Sept 2007 and 2008 are as follows:

Description	Original Amount of Bond / Bank Loan Facility	(In Rp bn)		Balance of Bank Loan Facility as of 30 September 2008	Year of Maturity
		9M07	9M08		
USD Bond 1	USD 350 mn	3,181	-	N/A	The bond was called in Jan 08
USD Bond 2*	USD 250 mn	2,249	-	N/A	2013
	USD 127.7 mn	-	1,183	N/A	2013
IDR Bond	IDR 1,500 bn	1,493	1,494	N/A	2012
USD Bank Loan	USD 190 mn	1,736	-	-	2010
	USD 50 mn	-	469	-	2011
	USD 280 mn	-	2,298	USD 35 mn	2010
	USD 50 mn	-	469	-	2009 **
IDR Bank Loan	IDR 4,000 bn	-	4,000	-	Amortizing every year, final repayment is in 2012
	IDR 4,000 bn	-	4,000	-	2011
	IDR 250 bn	-	250	-	2010
TOTAL INTEREST BEARING DEBT		8,659	14,163		

* Outstanding Bond USD 250 million per 30 Sept 2008 was USD 127.7 million due to partial tender offer amounting to USD 122.3 million in June 2008.

** In process to be rolled over



On 6 Nov 2008, we signed a 3 Year Syndicated Term Loan Facility agreement amounting to USD 140 million with four mandated lead arrangers: DBS Bank Ltd, Economic Development Canada, the Bank of Tokyo-Mitsubishi UJF, and Chinatrust Commercial Bank, Ltd. We intend to use the proceeds from this facility to finance our capital expenditures, working capital requirements and general corporate purposes.

We have also appointed Standard Chartered Bank and ABN AMRO Bank N.V. to arrange a USD 400 million EKN Buyer Credit Facility for the procurement of Ericsson equipment from Sweden. The Swedish Export Credit Agency (EKN) has given it's "in principle approval" for the transaction.

As of 30 September 2008, we had hedged 75% of our USD debt under the prevailing policy of hedging at least 50% of our USD liabilities.

As of 30 September 2008, our debt/EBITDA ratio stood at 2.7x (covenant 4.5x) and our EBITDA/Interest Expense ratio was 5.7x.

XL latest credit ratings issued are as follows:

	Foreign Currency	Local Currency	Outlook
Moody's	Ba2	-	Stable
Standard & Poor's	BB-	-	Stable
Fitch Ratings	-	AA(idn)	Stable
Pefindo	-	idAA-	Stable

OPERATING MEASURES

Operating Key Performance Indicator	9M07	9M08	Growth
Total O/G Minutes of Usage (billion minutes)	3.2	37.9	1,076%
O/G MOU/subs/month (minutes)	34	204	492%
Total Minutes (billion minutes)	6.7	75.4	1,027%
Total MOU/subs/month (minutes)	71	406	468%
Total O/G SMS (billion SMS)	8.8	12.7	45%
O/G SMS/subs/month (SMS)	94	69	-27%
Total BTS	9,947	15,111	52%
Total Subs/BTS	1,288	1,660	29%
Total Minutes/BTS (million minutes)	0.7	5.0	642%
Number of Employee, (permanent)	2,126	2,153	1%
Efficiency ratio (subs/employee)	6,026	11,652	93%

Other Parameters	9M07	9M08	Growth
Revenue (in Rp billion)			
Postpaid	598	654	9%
Prepaid	3,713	6,736	81%
Total # subscriber (000)	12,810	25,087	96%
Prepaid	12,369	24,622	99%
Postpaid	442	465	5%
ARPU blended (Rp 000)	46	40	-13%
Prepaid	41	37	-10%
Postpaid	152	152	0%



Revenue Postpaid and Prepaid

In the 9M08, our prepaid revenue increased by 81% on a 1229% YoY increase in total outgoing prepaid minutes and a 99% YoY increase in prepaid subscribers. In the same period, postpaid revenue increased by 9% YoY on a 5% increase in postpaid subscribers.

MoU and Subscribers

Total Outgoing MoU increased more than 10 times YoY to 37.9 billion minutes in the 9M08 from 3.2 billion minutes in the 9M07, mainly due to both increased subscribers' usage and increased number of subscribers. In the 9M08 outgoing MoU/subs/month increased by nearly 5 times YoY to 204 minutes from 34 minutes in the 9M07, and total subscribers increased 96% YoY to 25.1 million in 9M08 from 12.8 million in 9M07. These significant increases in MoU and total subscribers were driven by the continuing implementation of our promotional tariff strategy, improved network capacity, comparable network quality and strong brand awareness.

ARPU

ARPU prepaid, postpaid and blended as of 9M08 were 37 thousand, 152 thousand and 40 thousand, respectively. Blended ARPU and prepaid ARPU decreased by 13% and 10%, respectively, and RPM decreased 82% YoY, while total subscribers increased by 96% YoY. Postpaid ARPU as of 9M08 remained unchanged from the 9M07 figure.

RECENT DEVELOPMENTS

▪ **Billing System Upgrade**

In 3Q08, we completed our billing system upgrade from AMDOCS version 4.0 to AMDOCS version 7.0. Our upgraded billing system has doubled our subscriber capacity, improved reload capacity by 2 – 3 times. Our upgraded billing system also enables us to provide real time balance information to our subscribers, more efficiently upload new promotional tariff schemes and better develop new VAS programs for our subscribers.

▪ **Tower Business**

a. Growing the Business

We have leased out space on our BTS towers to other operators since the beginning of this year, with total available leasing locations of about 7,000 towers. By 9M08, we had reserved space on 3,105 locations, on which installation of equipment has commenced and recorded Rp 183 billion YTD in tower leasing revenues.

b. Update on sale of tower

We are currently in the process of evaluating bidders' final submissions for the sale and leaseback of our towers. Our evaluation is taking into account the current global financial conditions and its impact on the bidders' ability to finance and complete the contemplated transaction.

▪ **Contact Management**

In order to focus on our core business, we have signed an agreement with a call center company to outsource our contact management services. We will transfer approximately 400 employees (permanent and temporary) to the call center company together with related hardware and software. The commercial arrangement is based on a specific set of KPI's and revenues earned.



OTHER EVENTS

During 2008, we were recognized for the following awards:

- **Indonesia Golden Ring Award 2008** – The Best Operator, The Best Operator for Prepaid Product and The Best Customer Service.
- **Indonesia Cellular Awards (ICA) 2008** – The Best CSR Award, The Best Marketing and Promotion Award, The Best Customer Growth Award, The Best VAS Award, and The Best Operator GSM Award.
- **Indonesia MAKE (Most Admire Knowledge Enterprise) Winner 2008**
- **Indonesia Best Brand Award**
- **Marketing Award 2008** – Best Innovation in Marketing and Best Campaign
- **2008 Frost and Sullivan Indonesia Telecoms Award** – Mobile Service Provider of the Year, Market Challenger of the Year

2008 GUIDANCE

We maintain our 2008 guidance for revenue to grow at least with a mid 40's percentage for which we expect to spend approximately USD 1.25 billion in capex. Margins are expected equal or better than 2007.

For 2009, we will not provide any specific guidance at this point in time due to the current unpredictable market situation.

ABOUT XL



XL is a major cellular provider in Indonesia and majority owned by TM International Bhd through Indocel Holding Sdn Bhd (83.8%), the remaining stakes are held by Emirates Telecommunications Corporation (Etisalat) International Indonesia Ltd., a wholly owned subsidiary of Etisalat (16%), and the public (0.2%).

Date: 7 November 2008