



# **PT XL Axiata Tbk. Corporate Presentation**

**Investor Relations  
PT XL Axiata Tbk.  
June 2014**



# Indonesia is a promising market with potential growth in customer spending

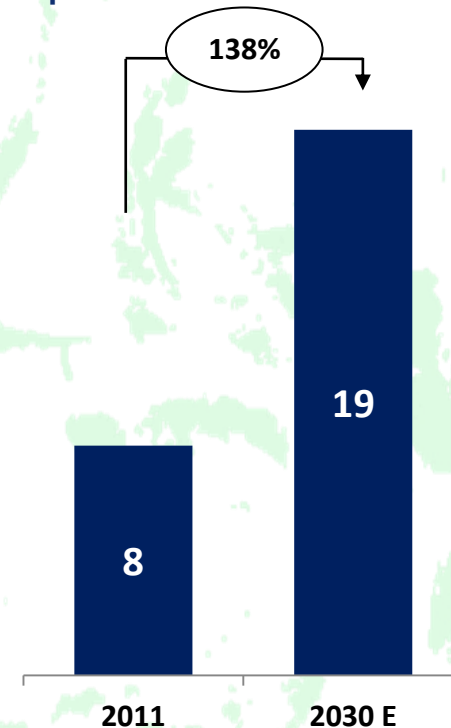
Indonesia is supported by strong macro-economic factors<sup>1</sup>

...driving potential growth of consumer's spending power by 2030<sup>2</sup>



- ✓ Population of ~240 Mn
- ✓ 7<sup>th</sup> largest economy in the world in 2030
- ✓ Conducive business climate with decreasing protectionism and increasing availability of skilled workers
- ✓ Stable political environment with repeated smooth elections

Annual consumer spend  
\$ billion, 2010 price

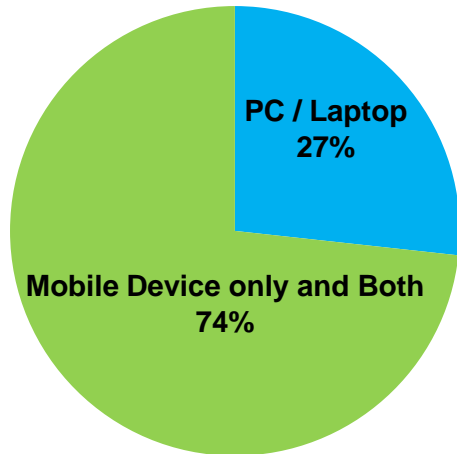


1) EIU; IBGE; INEGI; BCG China population & income forecast database 2010; The Great India Middle Class – NCAER(2004); BCG analysis; McKinsey Report  
2) McKinsey Global Institute; The archipelago economy: Unleashing Indonesia's potential; September 2012

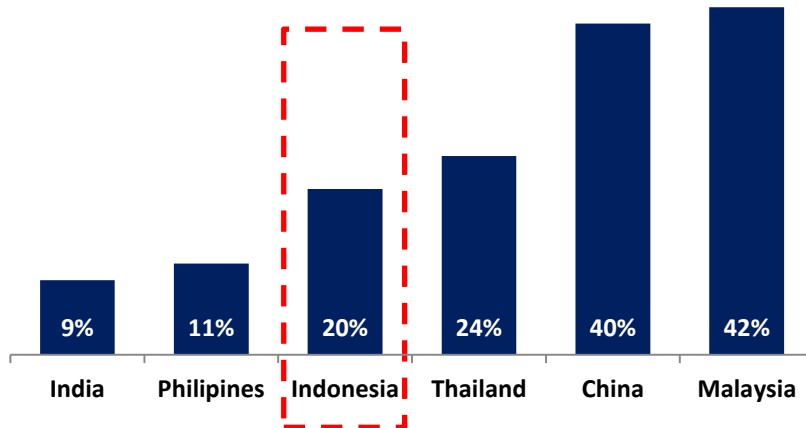


# Potential Device growth to accommodate digital application trend

Mobile devices as one of the most used devices for internet access<sup>1</sup>



Estimated smartphone penetration compared with region<sup>2</sup>



Digital application has been notably recognized in Indonesia market<sup>3</sup>



Number 4 most visited sites in Indonesia



Indonesia ranks no 2 in countries with most active VOIP users



Indonesia is among the top 5 countries with the fastest whatsapp users growth



South Korean chat apps, Kakao talk has reached 120,000 daily downloads in Indonesia

<sup>1</sup>) BCG global consumer sentiment survey 2012; BCG Indonesian consumer survey 2012

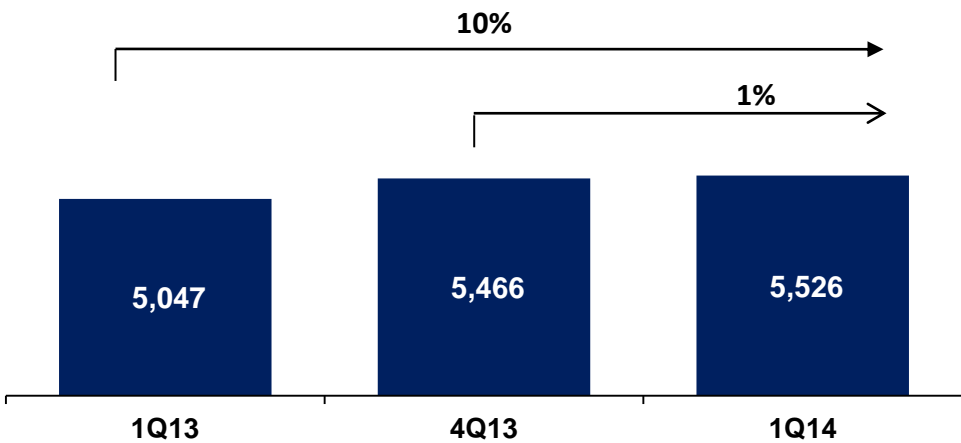
<sup>2</sup>) Goldman Sachs; Asia Pacific: Telecom Services, March 2014

<sup>3</sup>) The Jakartapost.com, pnewswire.co.uk, techinasia.com

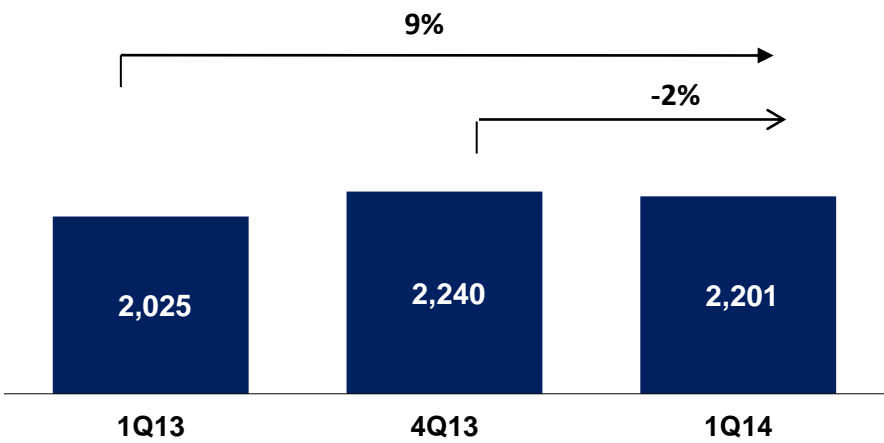


# Highlight of XL performance in 1Q 14

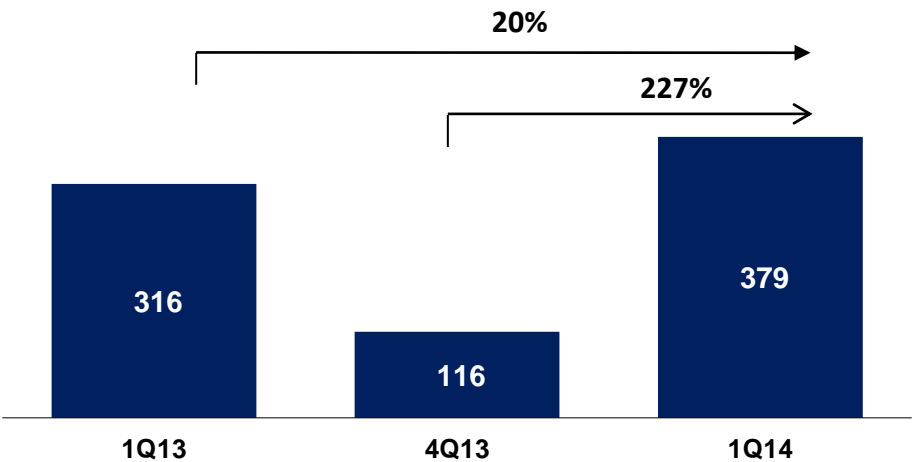
Revenue (Rp bn)



EBITDA (IDR bn)



PAT (IDR bn)












- Strong revenue growth of 10% YoY, driven by Data service.
- EBITDA increased 9% to Rp2.2 trillion as a result of XL's strong positive momentum.
- Profit more than double QoQ and increased 20% YoY.

The consolidation of Axis financials was effective 19<sup>th</sup> March 2014 with 12 days impact in the first quarter.



# Outperform the industry with strong performance driven by Data

Revenue		 TELKOMSEL	
QoQ	 1%	 - 5%	 - 5%
YoY	 10%	 10%	 - 2%

## Strong start for the year

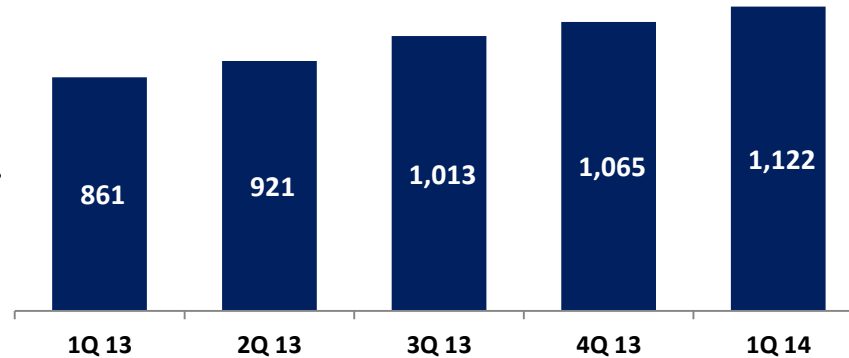
- ✓ XL delivered strong performance outperforming the market with 1% growth QoQ.
- ✓ The best first quarter growth compared to the past three years.





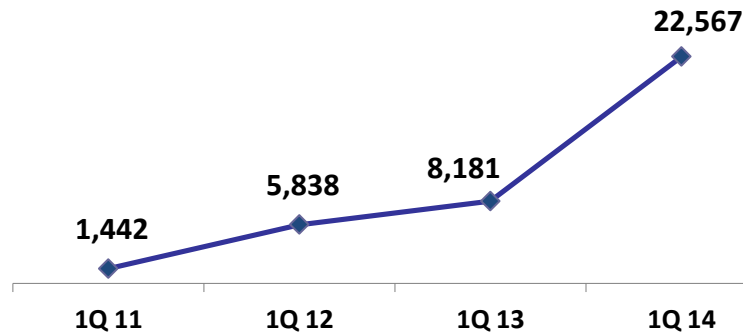
## Strong growth in Data revenue, in line with increased Data adoptions

**Data Revenue  
(Rp billion)**



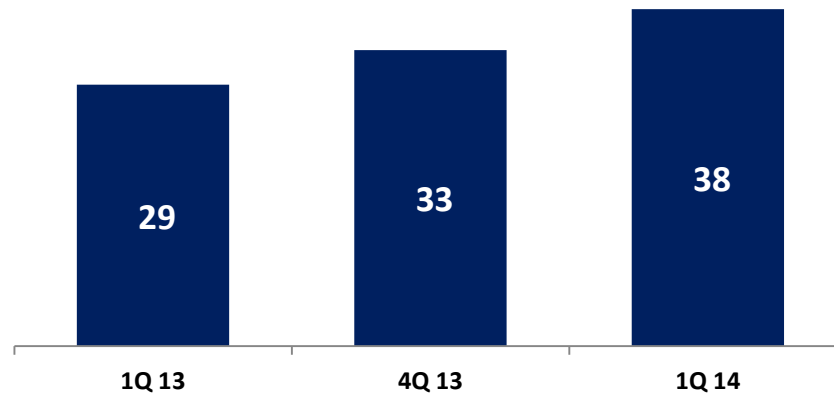
Double digit Data revenue growth of 30% YoY and 5% QoQ.

**Data Traffic  
(TB)**



Data adoption remains strong as traffic increased 176% YoY.

**Subscribers  
(million)**



XL's Data subscribers grew 14% QoQ and 29% YoY into 37.5 million.

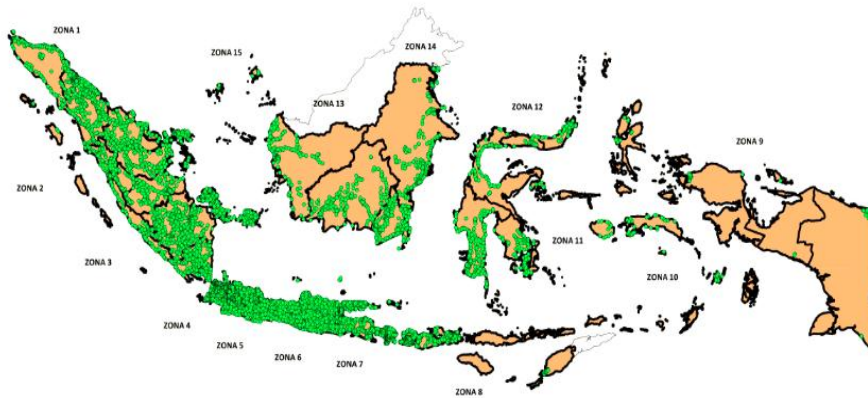




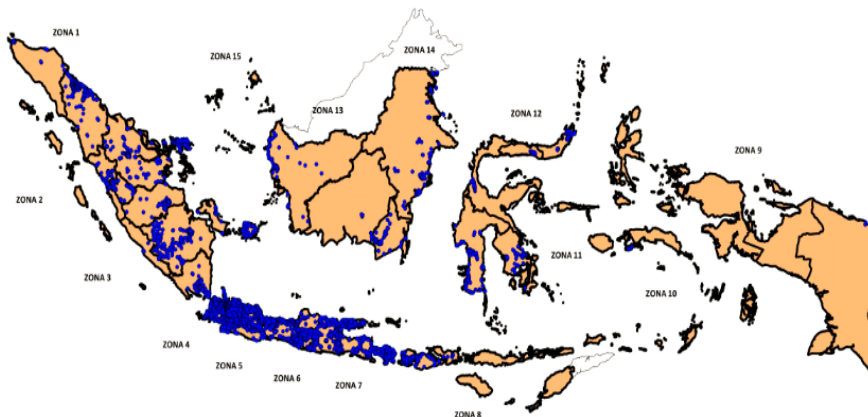
# Infrastructure optimization for best customer experience

## High quality of network across region

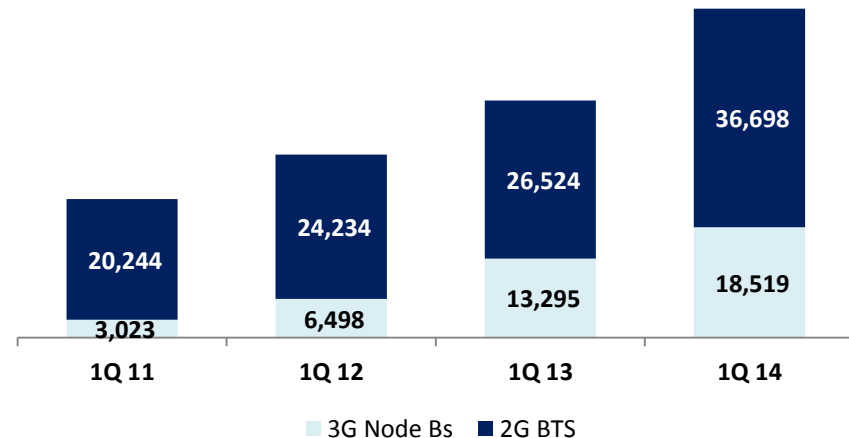
*XL 2G network infrastructure in Indonesia*



*XL 3G network infrastructure in Indonesia*



- Vast network with **45,600 BTS\*** as of 1Q 14, increased **14%** from previous year.
- Wider coverage; **> 90%** for 2G and **> 40%** for 3G.
- **Network transformation** by upgrading and modernizing its network for better **network speed, capacity** and **energy efficiency**.
- **LTE trial** exhibited to show XL's commitment towards providing superior data experience to customers.



\* The number consists of XL BTS only due to pending completion of Axis' network integration

# Build and expand ecosystem through Digital Services to capture opportunity



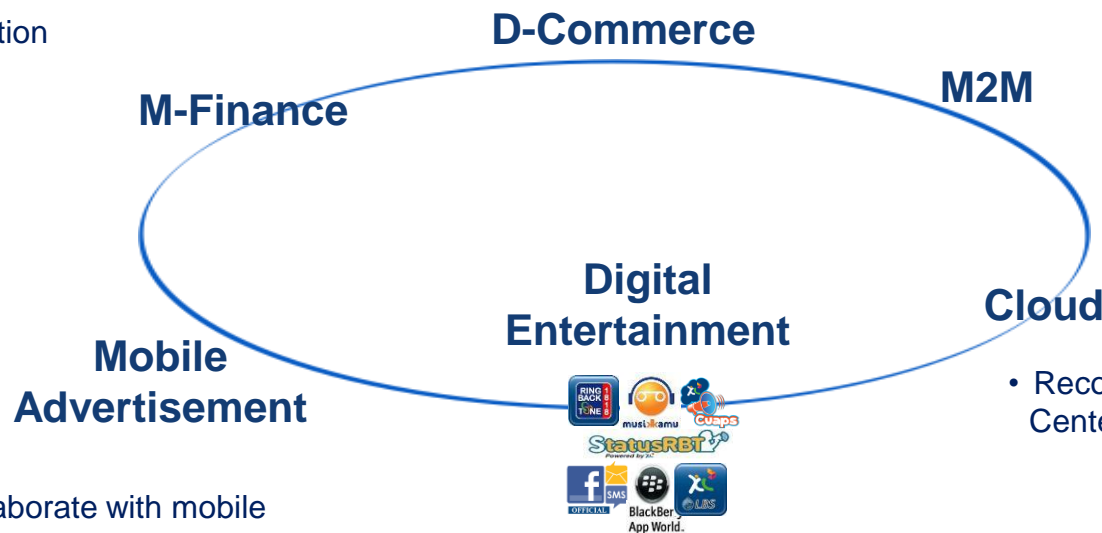
- XL Tunai has accommodated payment for 12 utilities billers and 41 online merchant.
- Number of XL Tunai transaction increased by 270%.



- Officially launched on March 2014.
- Promising start-up line with more than 600K products and 7K sellers.
- Currently have 3 off-line seller zone.



- Strong growth with 2x revenue, 2x corporate customers, 4x M2M connections and 4x footprint.
- First operator in Indonesia to launch eM2M (M2M platform).
- Most active and innovative M2M operator in Indonesia.



- Recognized as Top 3 Cloud and Data Center services provider in Indonesia.



- First telco operator who collaborate with mobile advertising industry.
- Reach > 45 million users.

- The biggest social media community in Indonesia.
- First operator In South East Asia to offer Mobile Content in more than 8,300 Modern Channels.



# XL and AXIS have officially become ONE family



**Integration plan well on track towards completion by the end of 2014.**

## Key focus area

**Billing & service migration**

**Traffic migration**

**Network migration**

**Channel integration**

## Key development

- HR integration completed.
- Over 50% of AXIS subs migrated to XL.
- Traffic migration completed in over 40% of AXIS footprint.
- Channel integration completed, extending AXIS's distribution, network by more than 3 times.

- The completion of acquisition transaction on 19 March 2014, and closing merger on 8 April 2014.
- Operating expenses at Axis has been reduced by about 40% through cost reduction via streamlining and leveraging on XL's cost structure.





# Recent development & 2014 guidance

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Shareholders have approved the proposed dividend payout of 30% of 2013 normalized profit during the AGMS 2014 that was held on 22 April 2014.

	Consolidated Guidance
Revenue growth	Low teens
EBITDA margin	Mid 30's
Cash out CAPEX	Around 7 trillion



**Thank You**