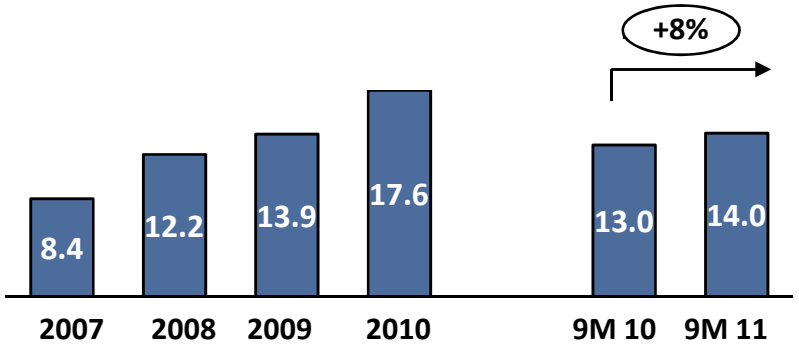
PT XL Axiata Tbk. (XL)
Corporate Presentation
9M 2011

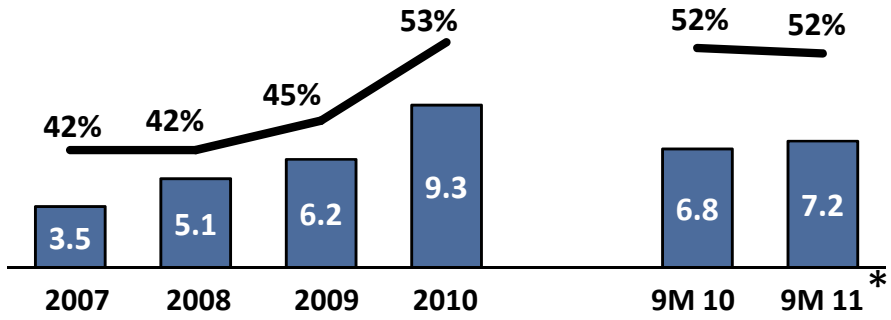
an axiata company

Company Performance

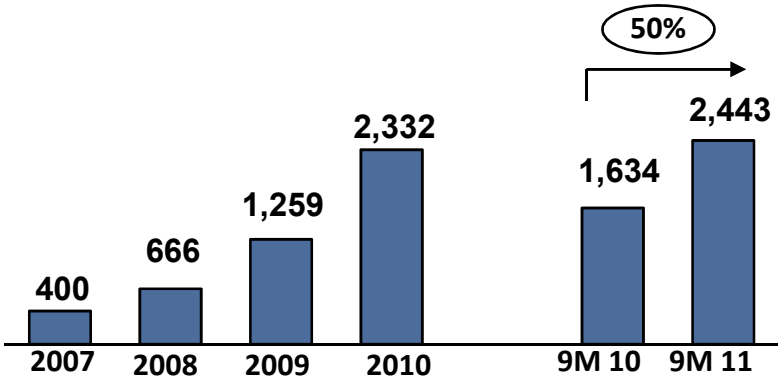
Revenue (in IDR Tn)



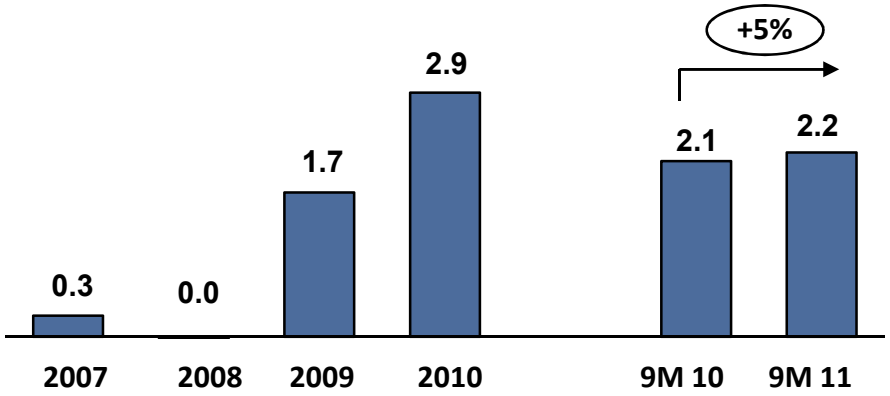
EBITDA (in IDR Tn) & EBITDA margin (%)



Data & Vas Revenue (in IDR Bn)



Net Income (in IDR Tn)



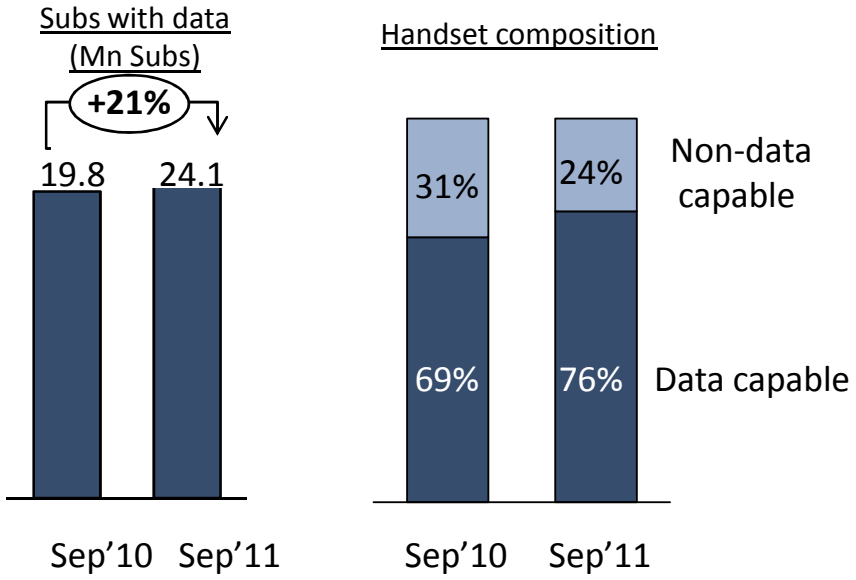
* Normalized EBITDA due to provision of severance payment in Q3'11 Rp 213 bn

Source: Company data

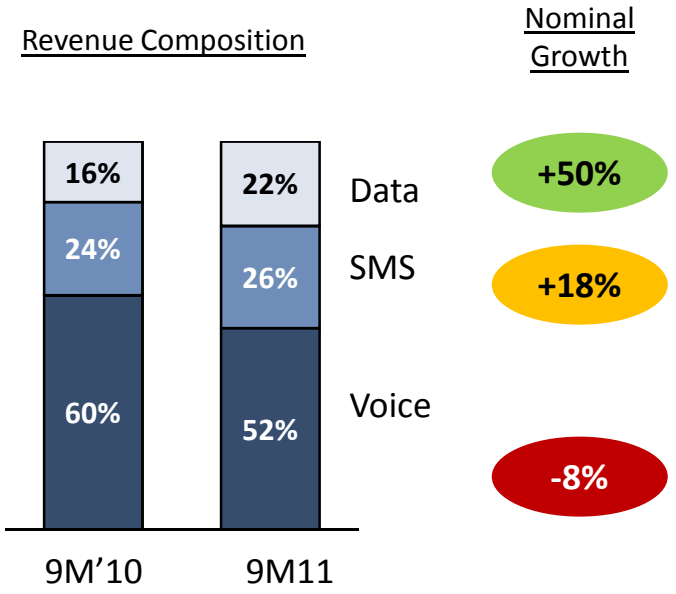
Usage has shifted to Data

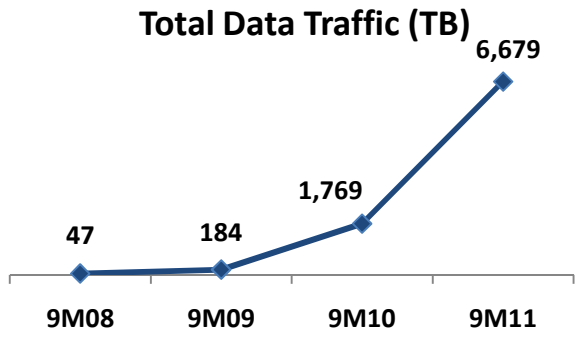
We see acceleration in subscribers behavior

Data adoption has increased rapidly…



... Inline with increased in Data revenue





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Mitigating the pressure in Voice through focus on share of wallet

- While we see the long term trend of voice to data substitution, we have focused on the customers' share of wallet on voice
- Through the recent 'Ampuh' package launched during a period of subscriber acquistion over 'Lebaran' we saw :
- Increase voice revenue **1% QoQ**
- SMS revenue 9% QoQ
- Increase total subscribers by **4.5 mn** in Q3'11 bringing total subscribers to 43.4mn
- Increase in minutes of usage by 16% QoQ

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…
- …With attractive content or service offerings…
- …And tiered and 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

XL is proactively preparing for Data business
Holistic approach to build the ecosystem

Data Ecosystem

Access + **Content** + **Device**

- Expand 3G coverage
  - Installed more than 1200 Node B in the last 12 months
  - Aim to deploy more than 2000 additional Node B by end of 2011
  - Build ahead transmission to anticipate future traffic (including fiberization)
- XL has modernized its 3G network in Greater Jakarta area

- Create a differentiating offers
  - goklik, one stop portal, now has more than 21 mn unique users
- Expand to adjacent business
  - Mobile Advertising
  - Launched mobile payment solution; XL Tunai

- Drive 3G device penetration
  - Aggressive handset bundling. XL is the first operator in Indonesia offering Iphone 4 white
- Stimulate 3G usage
  - Tariff differentiation between using 2G or 3G network

Shifting focus ahead to win in Data market

	2009 - 2010	2011 onward
Network	• Speed and agility in expanding network and IT infrastructure • Capacity rebalancing and usage stimulation	• End-to-end and comprehensive approach in network deployment • Optimized infrastructure to deliver high quality service experience • Lowest cost per capacity
Organization	• Rapidly build the required Data organization • Acquire strategic competencies through external recruitment	• Expand the organization as per business requirements • Develop strategic competencies organically
Market	• Small screen ✓ ✓ • Mid screen ✗ • Large screen ✗	• Small screen ✓ ✓ ✓ • Mid screen ✓ ✓ • Large screen ✓

Success factors in Data

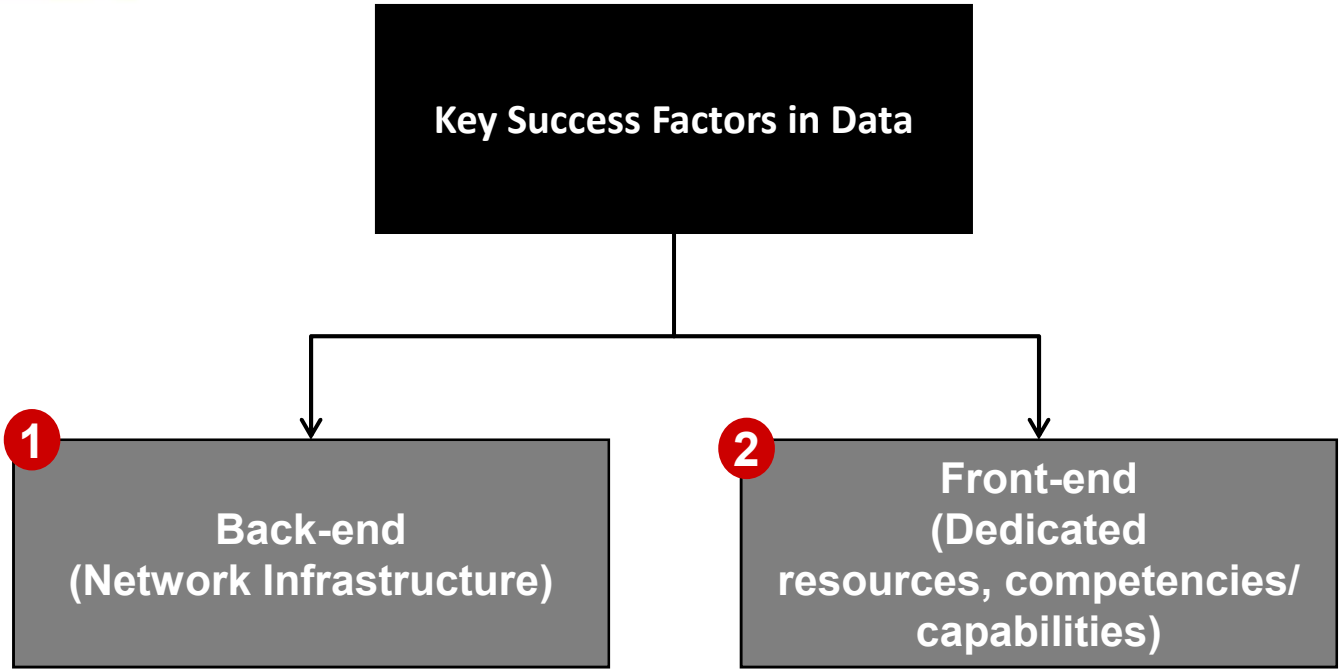
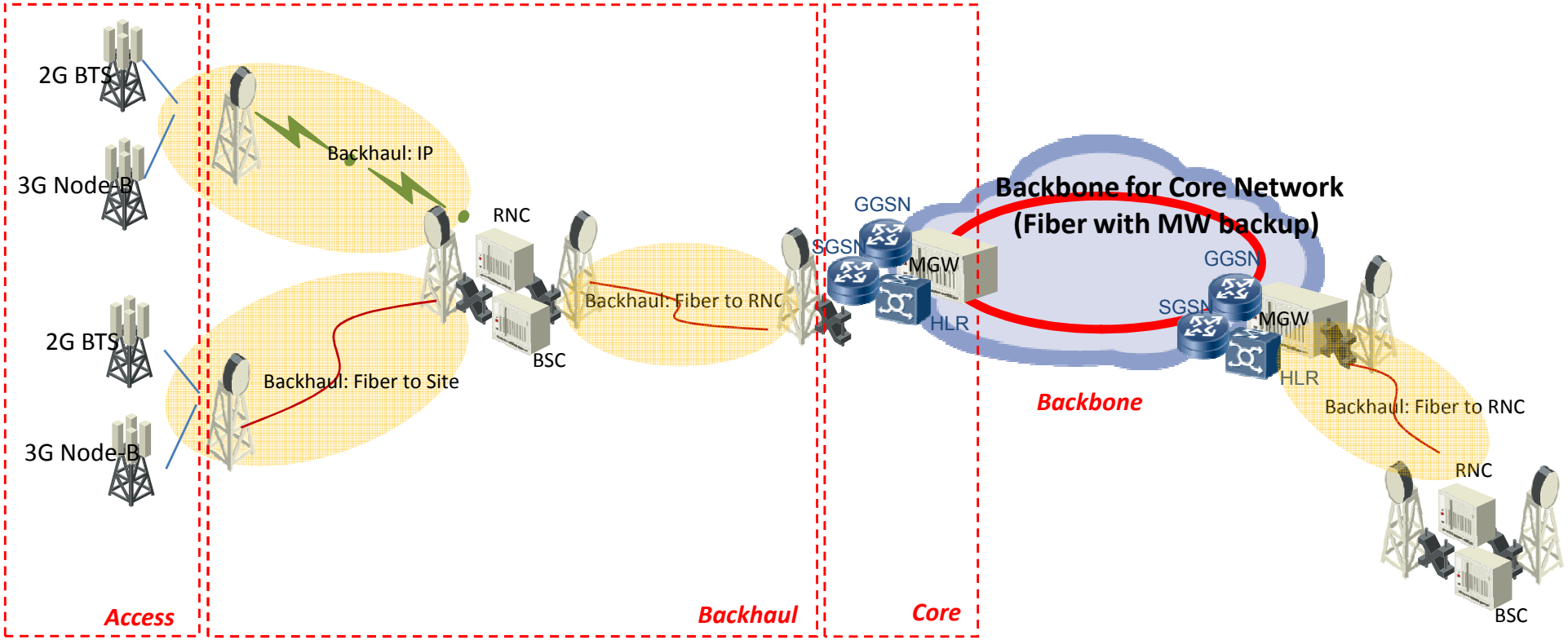
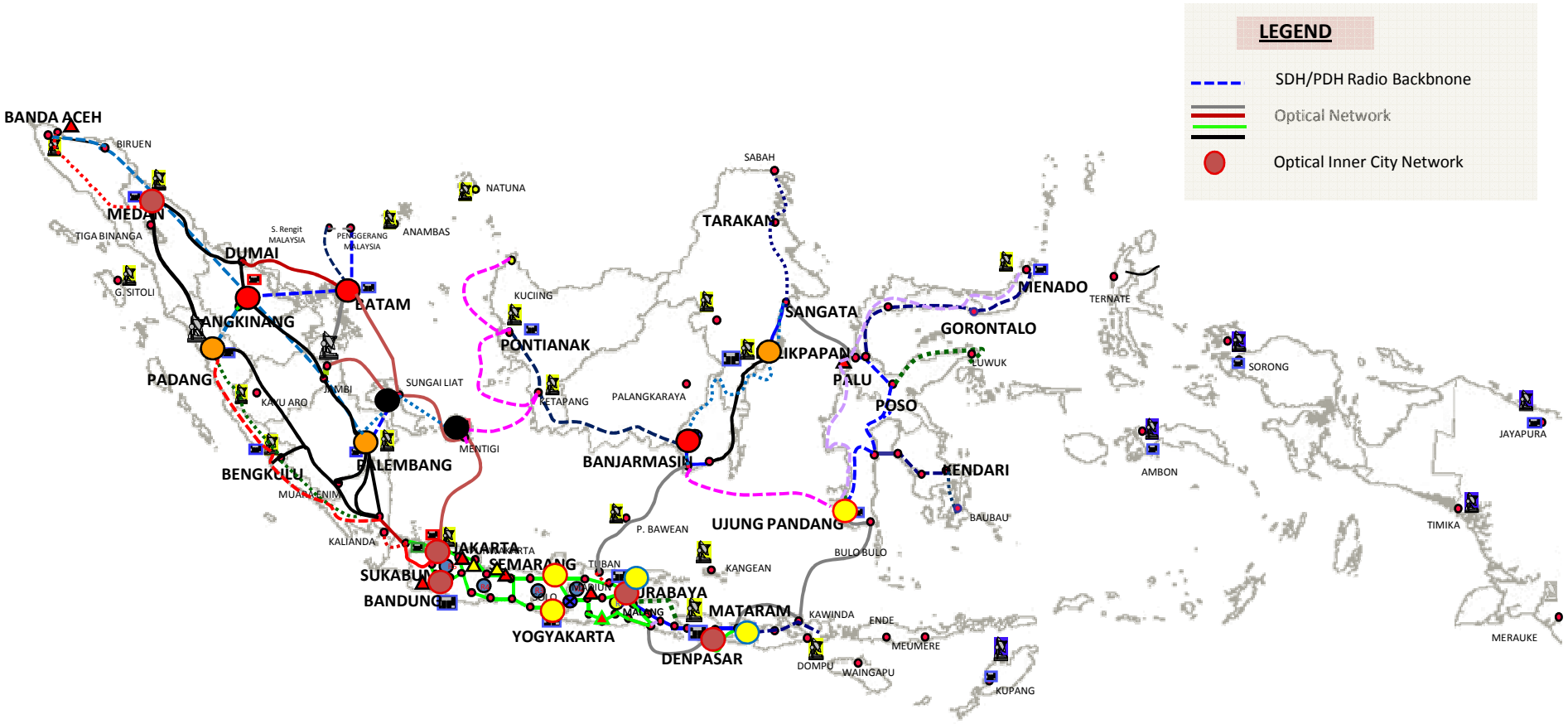


Illustration of Network Topology 1



XL's own nationwide backbone network

1



Source: Data internal

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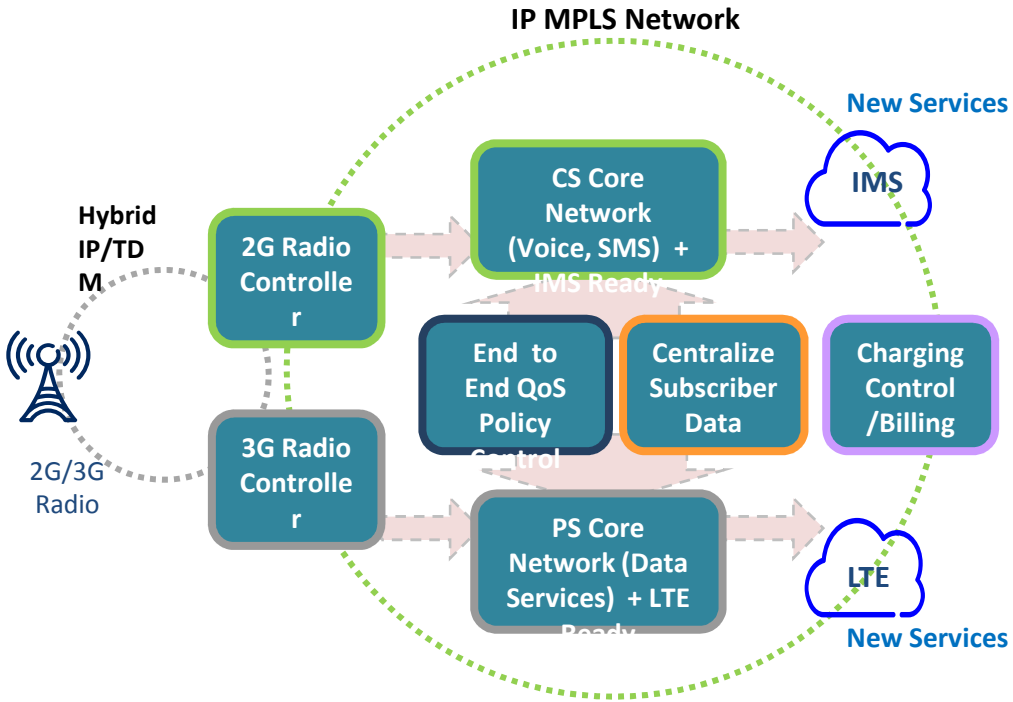
We have the most modern Core Network 1

Advantages



Advanced Core Network with NGN capabilities

- IP-based CS & PS traffic
- End-to-end QoS with Policy Control

Better capacity and operation management

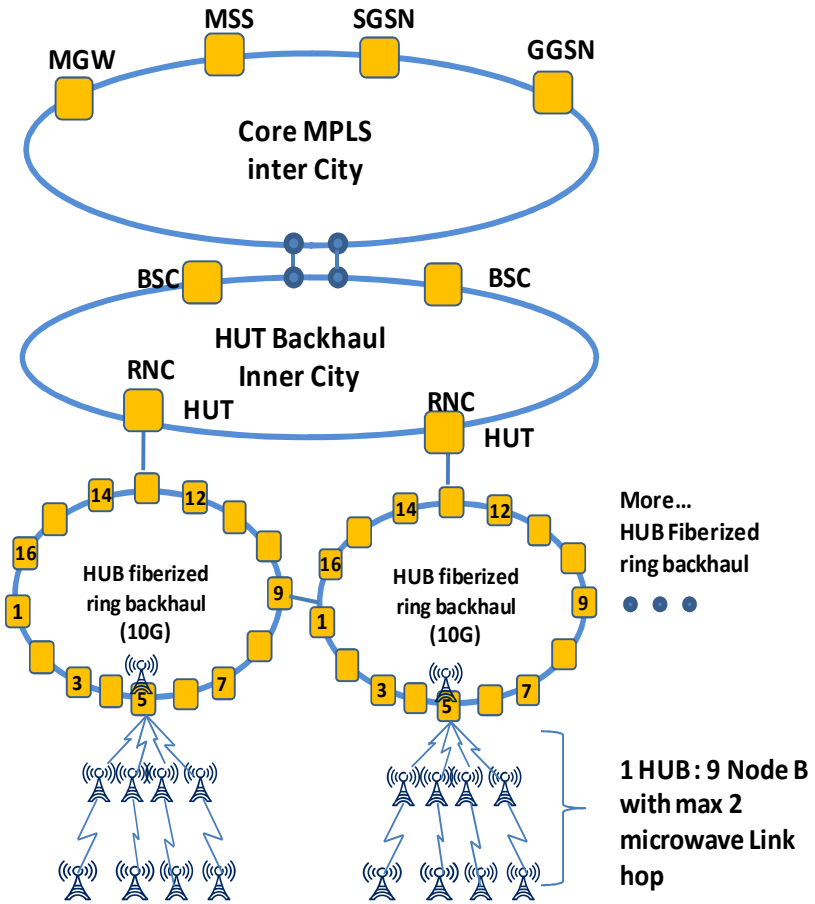
- Ultra high capacity network supported by latest IP Core transmission (MPLS architecture)

Expandable to match future technology requirements

- LTE ready and compatible with other alternative access networks (e.g. WiFi)
- Ready for the introduction of IP Multimedia Subsystem (IMS)

Ultra high capacity backhaul network 1

Deployment of fiber-based backhaul network



Key principles

Push for the most efficient and/or high capacity technology

- All RNC on fiber
- 10 Gbps ring connected each other and parented to inner/outer city HUT backhaul:
  - ✓ Consist of 16 fiberized HUBs to accommodate 9 Node B each
  - ✓ Upgradable to support LTE and/or RAN sharing requirements

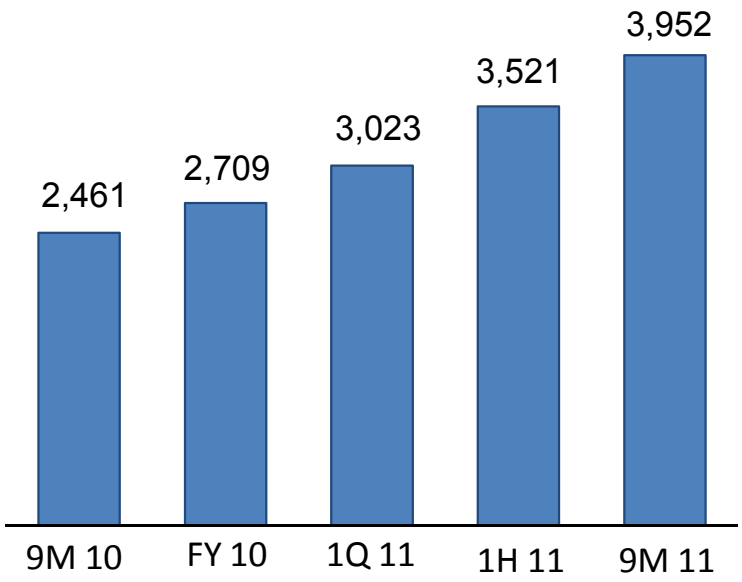
Deployment status

- More than 50% of Node B is IP-connected
- By Q1 2012, 100% of Node B is full IP and/or fiberized
- IP capacity upgradable to ~155 Mbps, current dimensioning ~20 Mbps and utilization <50%

XL is aggressively building 3G Access infrastructure

1

Installed number of Node B



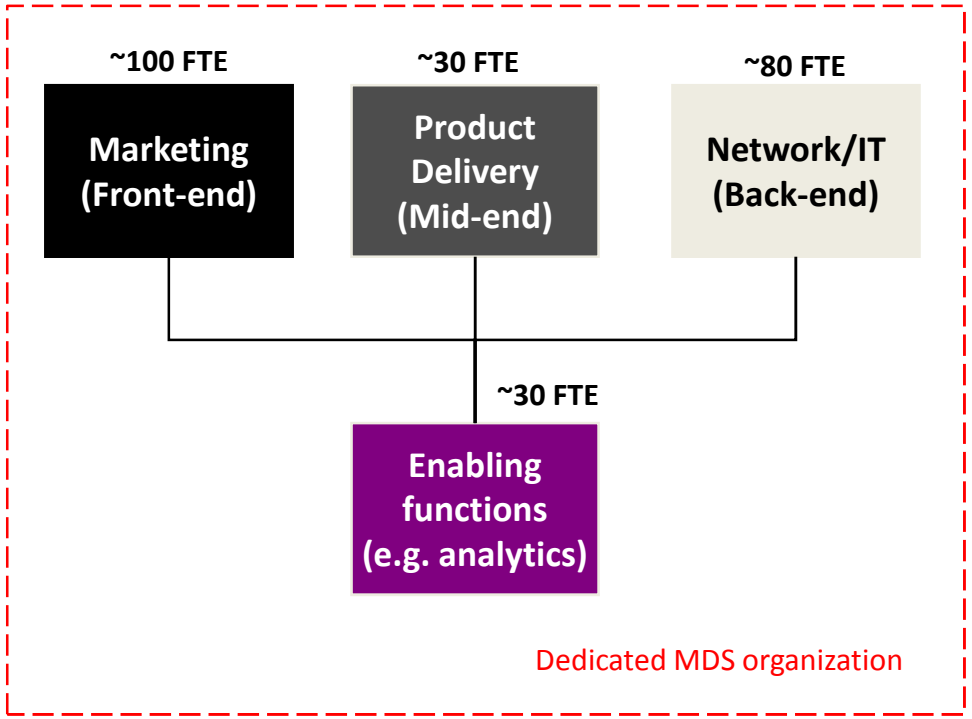
Key principle

- **Use the latest and more network-friendly technology (i.e. 3.5G or higher)**
- **Modernize equipments in Jakarta and other key cities**
- **Deploy more efficient access system (i.e. Single RAN)**
- **Aim for eventual goal of providing superior 3G network coverage nationwide:**
  - ✓ Significantly better experience in certain focus areas
  - ✓ Acceptable quality initially in other areas; will gradually be improved

Source: Company's data

Front-end capabilities established 2

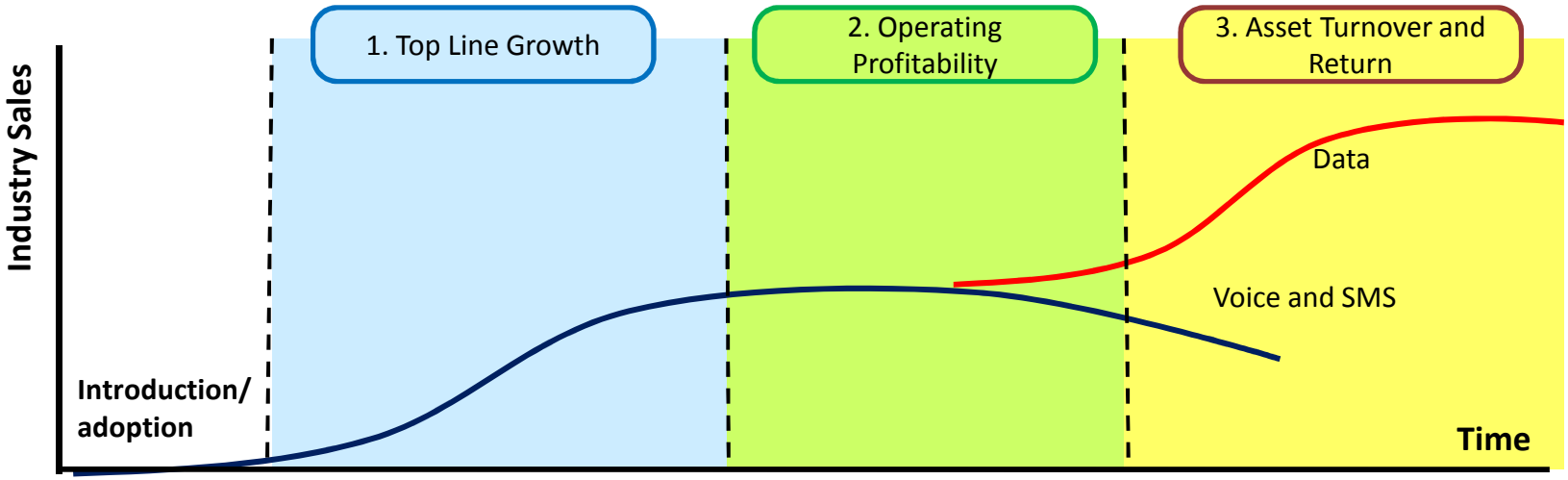
Dedicated ~240 FTE Data organization established



Key initiatives launched

- ~24 mn regular Data users
- Create a differentiating offers
  - Go Klik, one stop portal, now has over 21 mn unique users
- Expand to adjacent business
  - Mobile Advertising
  - Launched mobile payment solution; XL Tunai

Traditional business' lifecycle curve will be repeated again for Data business



Dividend Policy

In 2011 XL has paid dividend amounting to Rp 911.5 Bn or Rp 107 per share which represents 30% of 2010 normalized net income.

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

XL 2011 guidance

	2011 Guidance
Revenue growth	In line with or better than the market
EBITDA Margin	More than 50%
Cash out CAPEX	Approximately IDR 6 Tn, of which more than half for data/3G service, internally funded

Glossary

- Backbone is the largest 'pipe' (cable or channel) of a network that carries traffic from smaller lines. It has heavy traffic at highest possible speed, and connects every main server and/or device on the network

- Backhaul intermediate links between the core, or backbone, of the network and the small sub-networks at the "edge" of the entire hierarchical network.

- Base station controller (BSC), controller of multiple BTS such as resource allocation, handover from one BTS to the other.

- Base Transceiver Station (BTS), electrical equipment for transmitting and receiving radio signals used to communicate with mobile devices using radio waves.

- E1 European digital transmission system, operates at 2 Mbps (32 channels at 64 kbps), equivalent with AT&T Bell T1 (operated at 1.5 Mbps, 24 channels at 64 kbps). E1 and T1 lines may be interconnected for international use.

- Fiber optic cable, a transmission medium constructed from extremely pure and consistent glass through which digital signals are transmitted as pulses of light. Fiber optic cables offer greater transmission capacity and lower signal distortion than traditional copper cables

Glossary

- Gateway GPRS Support Node (GGSN) is one of Core part of the GPRS (data) network that act as a gateway between GPRS wireless data network and other network such as the internet.
- Home Location Register (HLR) is a database from a mobile network in which information from all mobile subscribers is stored. The HLR contains information about the subscribers identity, his telephone number, the associated services and general information about the location of the subscriber.
- Internet Protocol (IP) is a protocol that delivers a package of bits (a packet or datagram) from a source to a destination on a so called packet-switching network such as the Internet.
- Node B, BTS for 3G network
- Radio Network Controllers (RNC), provide similar function with BSC, but RNC is for 3G Network.
- Serving GPRS Support Node (SGSN) is one of Core part of the GPRS network, which responsible for the delivery of data from and to mobile stations. Its task include packet routing and transfer and mobility management. The SGSN is connected to BSC and/or RNC. The SGSN is the service access point to the GPRS network for the mobile user. On the other side the SGSN relays the data between the SGSN and relevant GGSN (and vice versa).