



PT XL Axiata Tbk. Corporate Presentation

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



Indonesia is a promising market driven by an emerging middle class

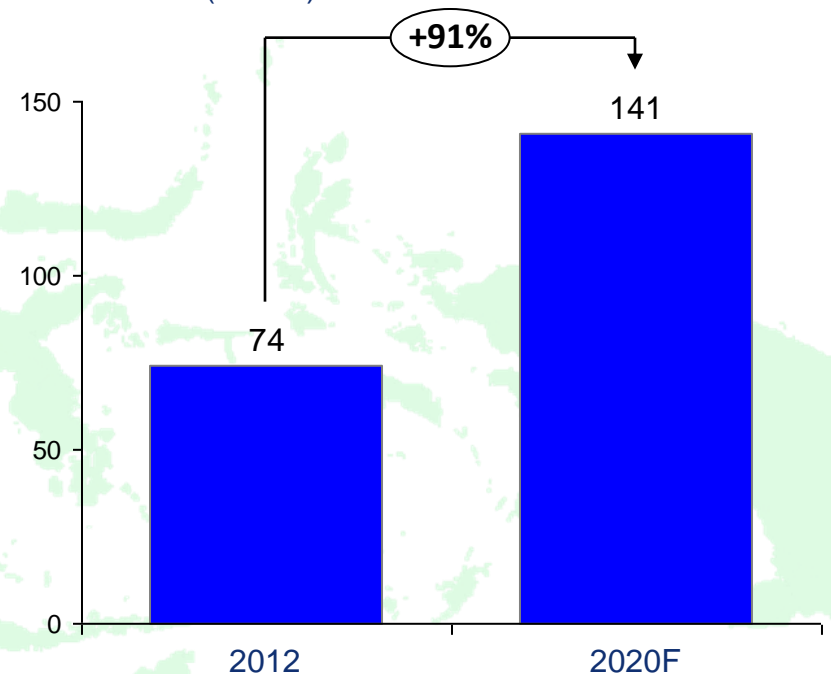
Indonesia is supported by strong macro-economic factors...

...driving increased spend from an emerging middle class of ~140 Mn by 2020



- ✓ Population of ~240 Mn
- ✓ Biggest economy in SEA (GDP of US\$ 1 Tn by 2014)¹
- ✓ Conducive business climate with decreasing protectionism and increasing availability of skilled workers
- ✓ Stable political environment with repeated smooth elections

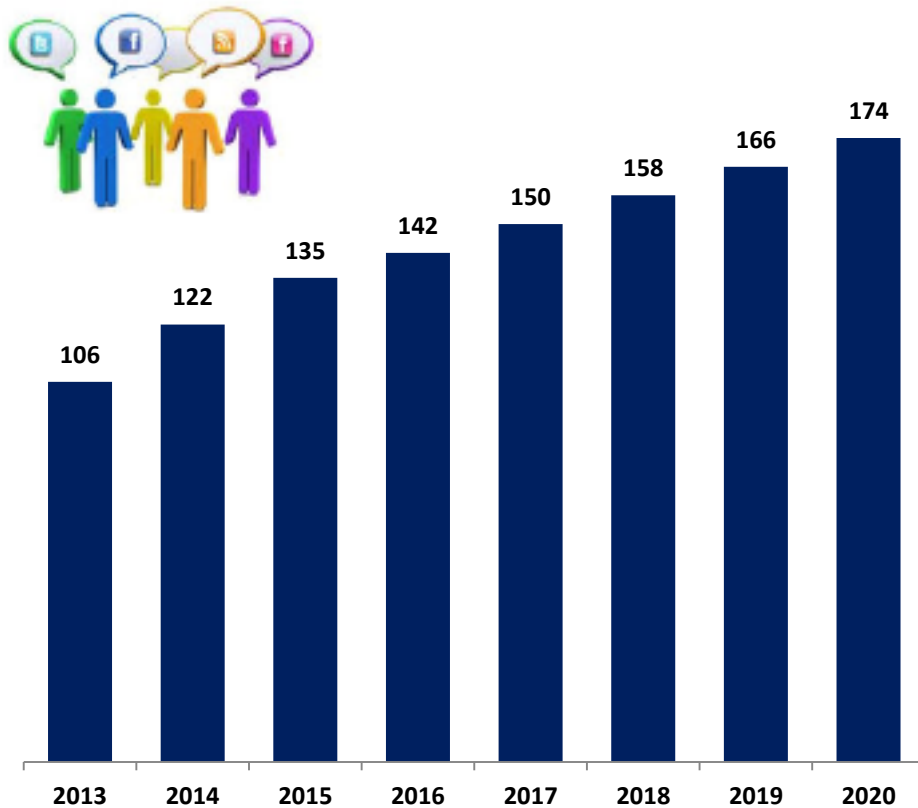
Number of middle class (million)





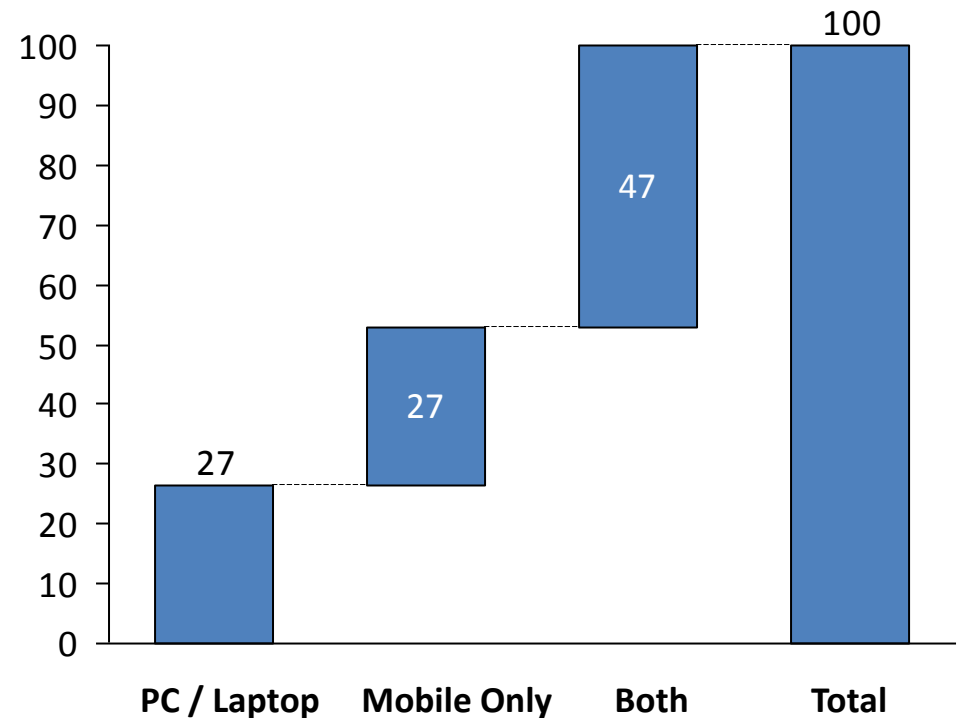
High demand in internet provides opportunity for data penetration

Outlook of Indonesia internet users... (in million)¹



...with mobile devices as one of the most used devices for internet access²

% of internet users



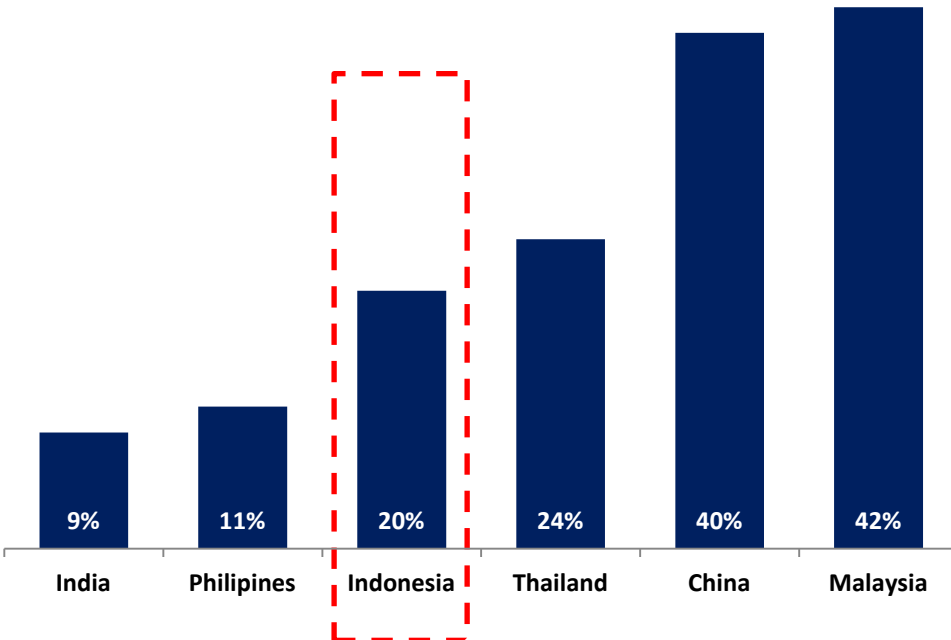
¹) Boston Consulting Group.

²) Source: BCG global consumer sentiment survey 2012; BCG Indonesian consumer survey 2012



Potential smartphone growth to accommodate digital application trend

Estimated smartphone penetration compared with region¹



Digital application has been notably recognized in Indonesia market²



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

1) Goldman Sachs; Asia Pacific: Telecom Services, March 2014

2) The Jakartapost.com, prnewswire.co.uk, techinasia.com



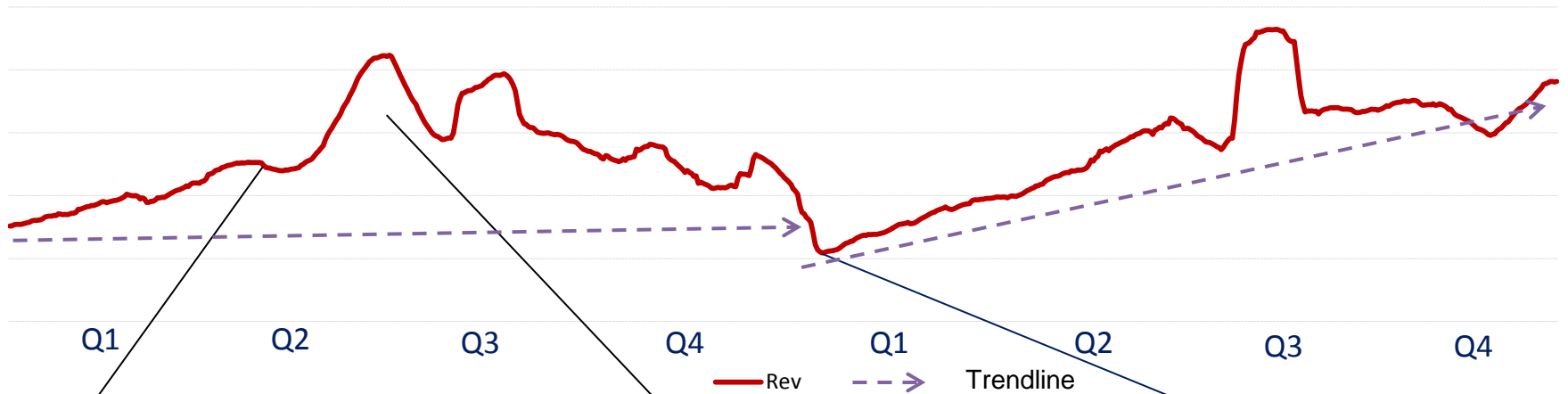
XL performance 2013: Managed to recover momentum from a weakened market positioning in 2012

2012

2013

Lower XL performance in Q4'12 due to competition

Revenue trajectory has been restored



- XL's 2012 strategy aimed to **shape up the market** to a healthier industry by price optimization from Q1 until early Q3
- Competitors **did not follow XL initiatives**, they become **aggressive** instead

- **New regulation on SMS interconnection** effective in June
- Competitors continued to be **aggressive** in the market, especially smaller player

Developed and launched **new products** to reclaim affordability perception

Regain XL positioning as affordable brand as a result of product launching

Regain traction in subscribers as brand perception is improving

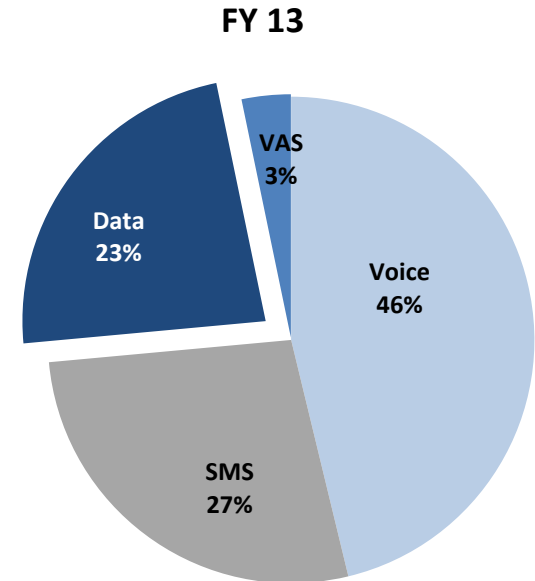
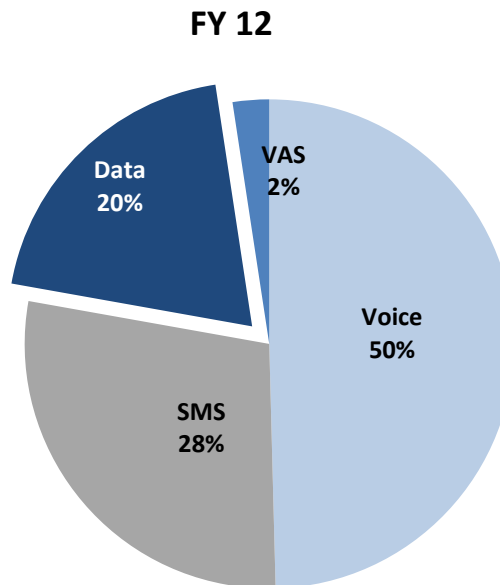
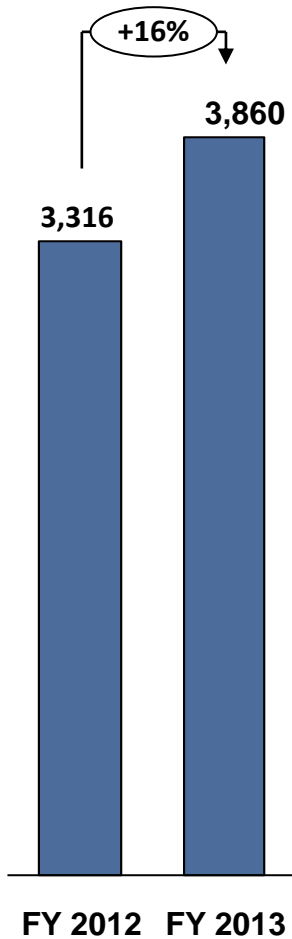
Revenue momentum has been restored

Solid YoY growth in Data is inline with strategy

Strong growth in Data revenue...

...contributes to higher revenue proportion

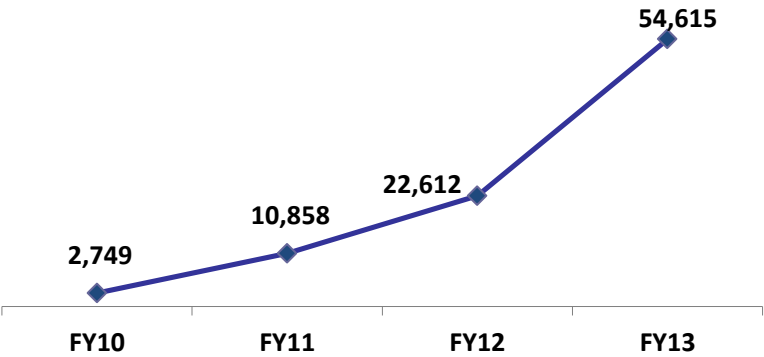
Data revenue (IDR Billion)





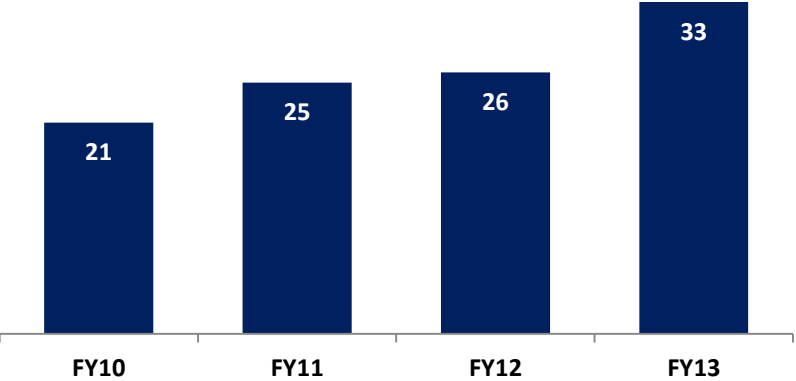
Continuous positive momentum in Data adoption over the years

Data Traffic (TB)



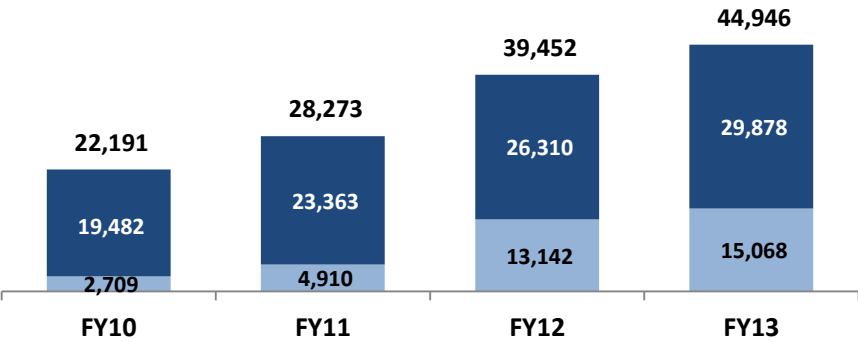
Data traffic increased 142% YoY as a result of strong data adoptions from data users.

Subscribers (million)



XL's data subscribers has reached 33 million, more than half of total subscribers.

Infrastructure



Infrastructure expansion remains a key strategy to ensure quality in data services.

Source: Company data

3G Nodes B 2G BTS



Enhancing End to End Infrastructure

Access

- Strongly positioned as one of the leaders in data with 15,068 Nodes B
- Providing superior and reliable experience in data

Backhaul

- All RNC on fiber
- 100% of Node B is full IP and/or fiberized
- IP capacity upgradable to ~155 Mbps

Core

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

Backbone

- Nationwide backbone network linking all regions in Indonesia
- More than 29,000 km of Fiber Optic Transmission

Modernization

- Has been completed across Indonesia with 2G and 3G BTS upgrade
- Aim to improve better network speed, capacity and energy efficiency

Build business to support development of community's life style through Digital Services



Provides various contents & Applications, ease all activities

Content & Application

M2M

Integrated solutions for the better life

Money transactions through cellphone

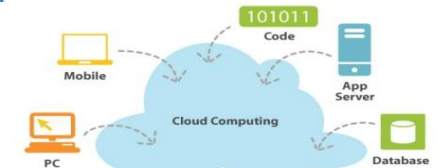


Mobile Advertisement

Deliver commercial mobile advertising campaign

Cloud Computation

Supporting corporate & personal



XL has established and expanded major ecosystems in Digital Services to capture future opportunities



- The **1st in the world** for **telco collaboration** on mobile advertising industry
- The **1st national LBA** launched **Profiling** through analytics



- Launched **e-money interoperability** (P2P) on 15th May 2013
- **Mobile Payment Adoption** with Bali **Blue Bird** Group in Q4 2013
- XL Tunai already accommodated payment for **12 utilities** billers and **41 online** merchant with **# of transaction** increased by **270%**



- **JV with SK Planet** on 16th May 2013.
- Launch **seller zone** in Q4 2013



- The **fastest** operator to **recover** after “**Black October**” incident
- The **biggest social media** community in Indonesia
- The **1st operator** in S.E. Asia to offer **Mobile Content** in 8300+ Modern Channels



- Grew M2M Business in 2013 with **2X revenue**, **2X corporate customers**, **4X M2M connections** and **4X Footprint** compared to end of 2012.
- The **1st operator** in Indonesia launched **eM2M, (M2M Platform)** and acknowledged by media as the most active & innovative operator in M2M industry in the country



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





Recent development & 2014 guidance

- As part of acquisition funding execution, XL and AXIATA have entered into a loan agreement for the USD 500 million with 2.41% interest with three years term.
- XL signed the acquisition of AXIS for US\$ 865 million on 19th March 2014. The signing marks the conclusion of the acquisition process between XL and STC, allowing XL to become the majority shareholder in AXIS

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



Thank You