



PT XL AXIATA TBK. (XL)

1 October 2014



XL Announces the Sale of 3,500 Towers to PT Solusi Tunas Pratama Tbk.

- On 1 October 2014, XL announced that it has signed an Asset Purchase Agreement (“APA”) with PT Solusi Tunas Pratama Tbk. (“STP”), the third largest independent tower company in Indonesia, in connection with the sale of 3,500 telecommunications towers
 - Purchase price amount of IDR 5,600 billion
- Concurrent with the signing of the APA, XL and STP have also entered into a Master Tower Lease Agreement (“MTLA”) whereby XL has agreed to lease back the 3,500 towers for a period of 10 years
- XL has secured preferential lease terms as the anchor tenant
 - IDR10mm flat monthly rental per tower locked in for 10 years
 - No separate O&M component
 - No escalators (including for inflation)
- The sale unlocks the value of a part of XL’s tower portfolio at an attractive valuation, proceeds from which will be used to partially delever
- This is a positive step towards XL’s 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 strategic roadmap towards a stronger future



Optimal Transaction Structure and Consideration

Transaction structure

XL will sell 3,500 towers to STP

- XL has signed an APA with STP
- XL has entered into a 10 year MTLA with STP on preferential anchor tenant terms

Lease fee

- IDR10 million / month per tower
- No separate O&M component
- No inflation escalator
- 100% in IDR

Transaction consideration

XL's 3,500 towers valued at IDR 5,600 billion

- All cash transaction
- Proceeds will be used for debt reduction
- No deferred component

Transaction completion

Conditional agreements executed, transaction completion subject to obtaining:

- Required consents
- Limited CPs
- Expected closing by 31 December 2014



Strategic and Quantifiable Benefits Complemented by a Financially Prudent Transaction

Transaction Rationale

- Strategic benefits**
 - Asset light model
 - Frees up locked in capital
 - Divest non-core assets
 - Cement enhanced partnership with STP
- Economic benefits**
 - Lease rental opex increase mitigated by the following:
 - Preferential tower lease rates unprecedented for a large portfolio of towers
 - No O&M and no escalators
 - Reduction in Interest Costs, Depreciation and Capital Expenditures
- Financially prudent transaction**
 - Improves capital structure
 - Value accretive transaction for XL

Strengthening Operator/TowerCo partnerships



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

Asset light model

- Frees up resources to focus on core business
 - Owning towers is not a core focus area for XL

Non-core asset divestment

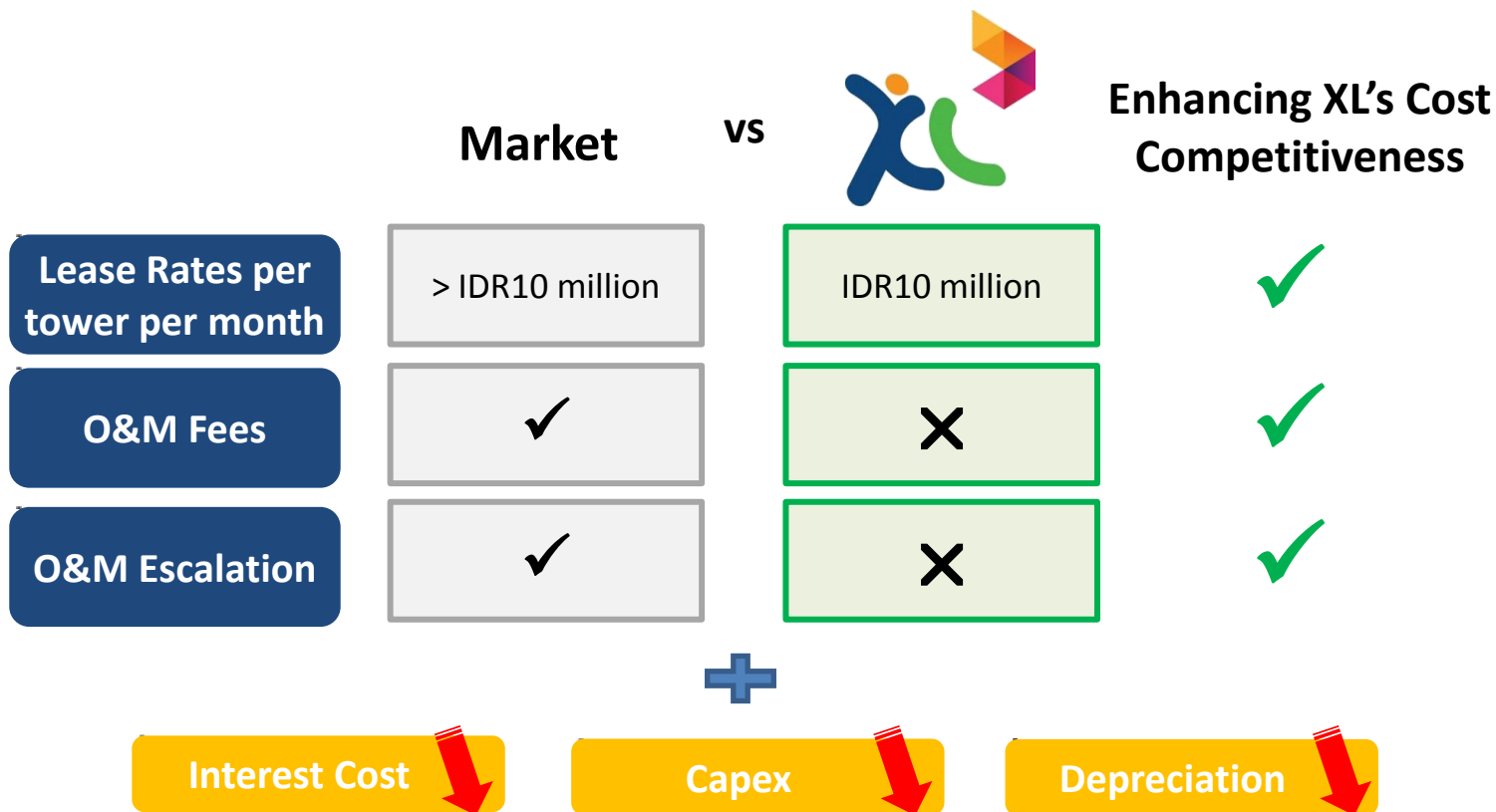
- Selling 3,500 towers (approx. 35% of XL's existing tower assets) monetizes part of XL's non-core assets at an attractive valuation

Cement enhanced Towerco partnership

- XL cements a long term mutually beneficial relationship with STP, a leading independent TowerCo
- XL enhances optionality and relationships across the independent TowerCo universe



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



Preferential anchor tenant lease rates locked in



3 Financially prudent transaction

Reduce XL leverage

- Current leverage (Net Debt/LTM EBITDA): 3.2x⁽¹⁾
- Pro forma leverage post debt reduction: approx. 2.5x⁽²⁾

Value accretive transaction for XL

- Preferential anchor tenant lease rates
- Attractive valuation (approx. 9x EV/EBITDA⁽²⁾) makes the transaction significantly NPV positive for XL

Positive mid – long term earnings impact

- Limited EBITDA impact – approx. 200bps dilution⁽²⁾ in 2015
- Expected to be EPS accretive in the medium term

Dividend policy maintained

- XL dividend policy remains unchanged

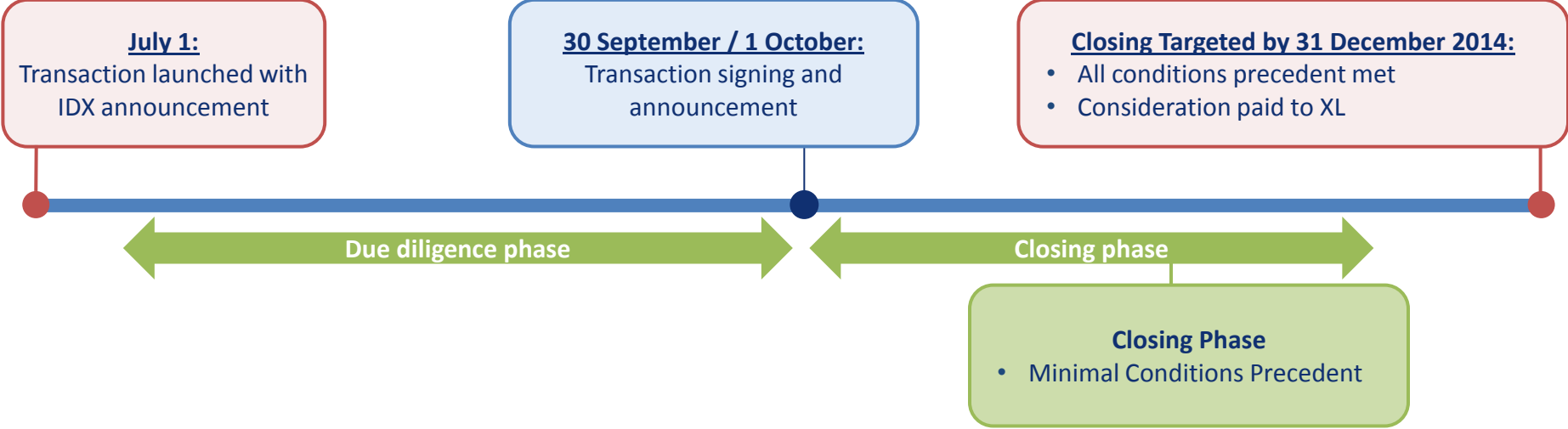
(1) As of 30 June 2014

(2) Based on XL's internal estimates





Transparent Sale Process Executed on a Tight Timeline



Transparent process led by XL Independent Commissioners and BoD



XL is Now Uniquely Positioned for Sustained Industry Leadership

