1Q 2007 RESULTS

7 May 2007

Performance Overview

Financial Highlights

- Group revenue 1Q 2007 grew 10.4% Y o Y to RM4.2 billion
- EBITDA improved 5.2% from RM1.9 billion to RM2.0 billion
- EBITDA margin of 48.7% and Return on Equity for 1Q 2007 of 11.8% (annualised)
- PATAMI increased to RM596 million as compared to RM546 million in 1Q 2006

Operating Highlights

- Regional mobile customers base grew by 35.9% Y o Y to 30.3 million from 22.3 million
- Broadband net adds remained strong with a growth of 70% Y o Y to 952k customers in 1Q 2007
- Fixed line customers maintained at 4.4 million

Developments

- Introduced “Let’s Talk” Package, a bundled fixed services package with the convenience of one call package that gives you more talktime plus Broadband
- Capital management initiatives in progress which include recent disposal of non–core assets of RM70 million

Agenda

- Group Performance
- Celcom Update
- International Operations
- Outlook

Group Financial Highlights

(In RM million, except ratios and customer numbers)

	1Q07	4Q06	Q on Q	1Q06	Y on Y
Revenue	4,181	4,408	-5.1%	3,788	+10.4%
EBITDA	2,038	2,048	-0.5%	1,938	+5.2%
EBITDA Margin	48.7%	46.5%	+2.2pp	51.2%	-2.5pp
PBT	847	912	-7.1%	842	+0.6%
PATAMI	596	632	-5.9%	546	+9.0%
Mobile Customers	30.3 mil	28.5 mil	+6.3%	22.3 mil.	+35.9%
Fixed^ Customers	4.4 mil.	4.4 mil.	-	4.4 mil.	-
Broadband Customers	952k	864k	+10.2%	560k	+70.0%

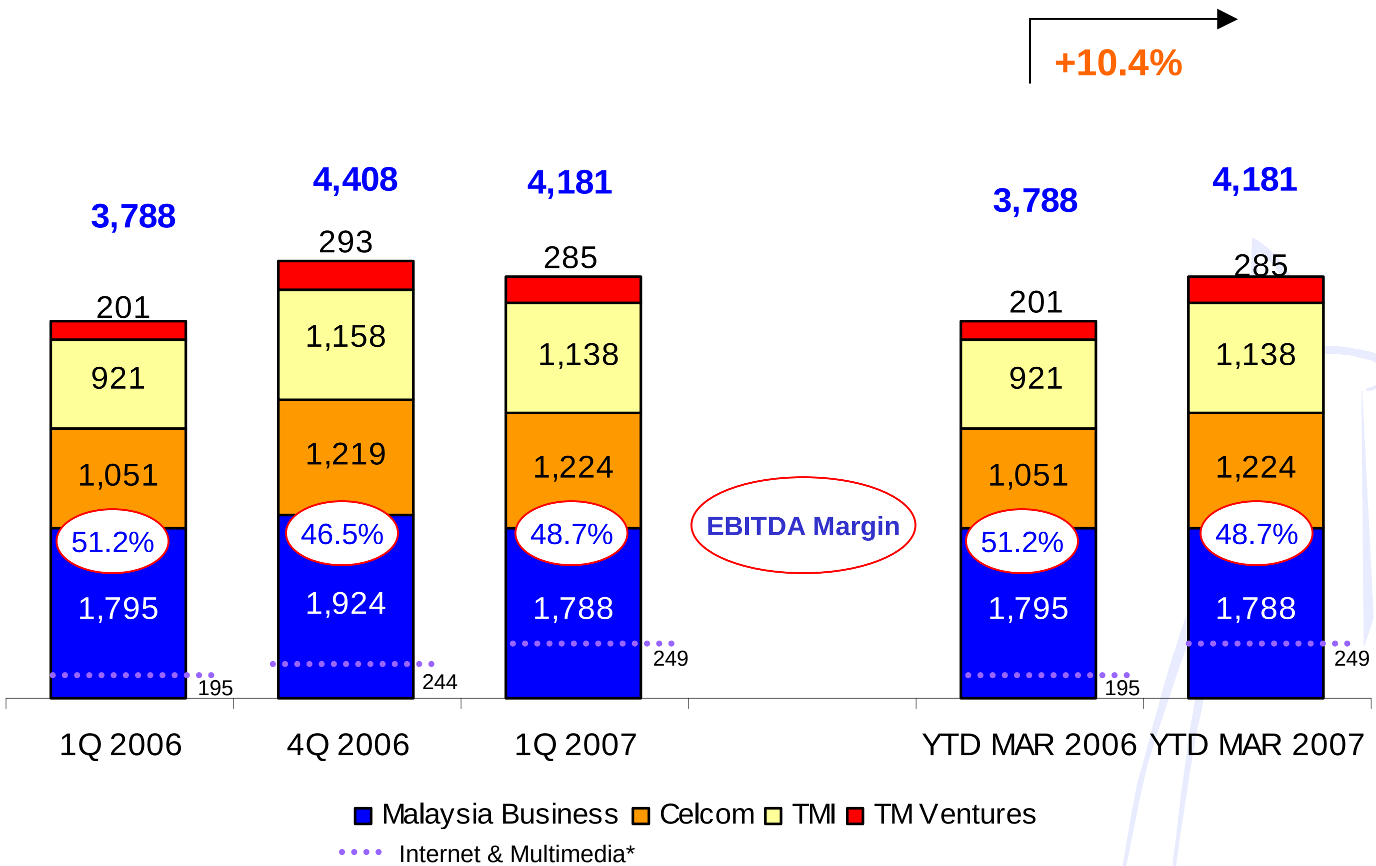
^ Business & Residential

Note:

Gross Forex gain RM89m (1Q07), RM 220m (4Q06) and RM240m (1Q06)

Revenue Composition

- Annual revenue growth of 10.4% driven by mobile operations
- Mobile revenue (53.3%) continues to exceed fixed line revenue.
- Lower revenue from overseas operations due to competition and stronger Ringgit Malaysia against the respective local currencies



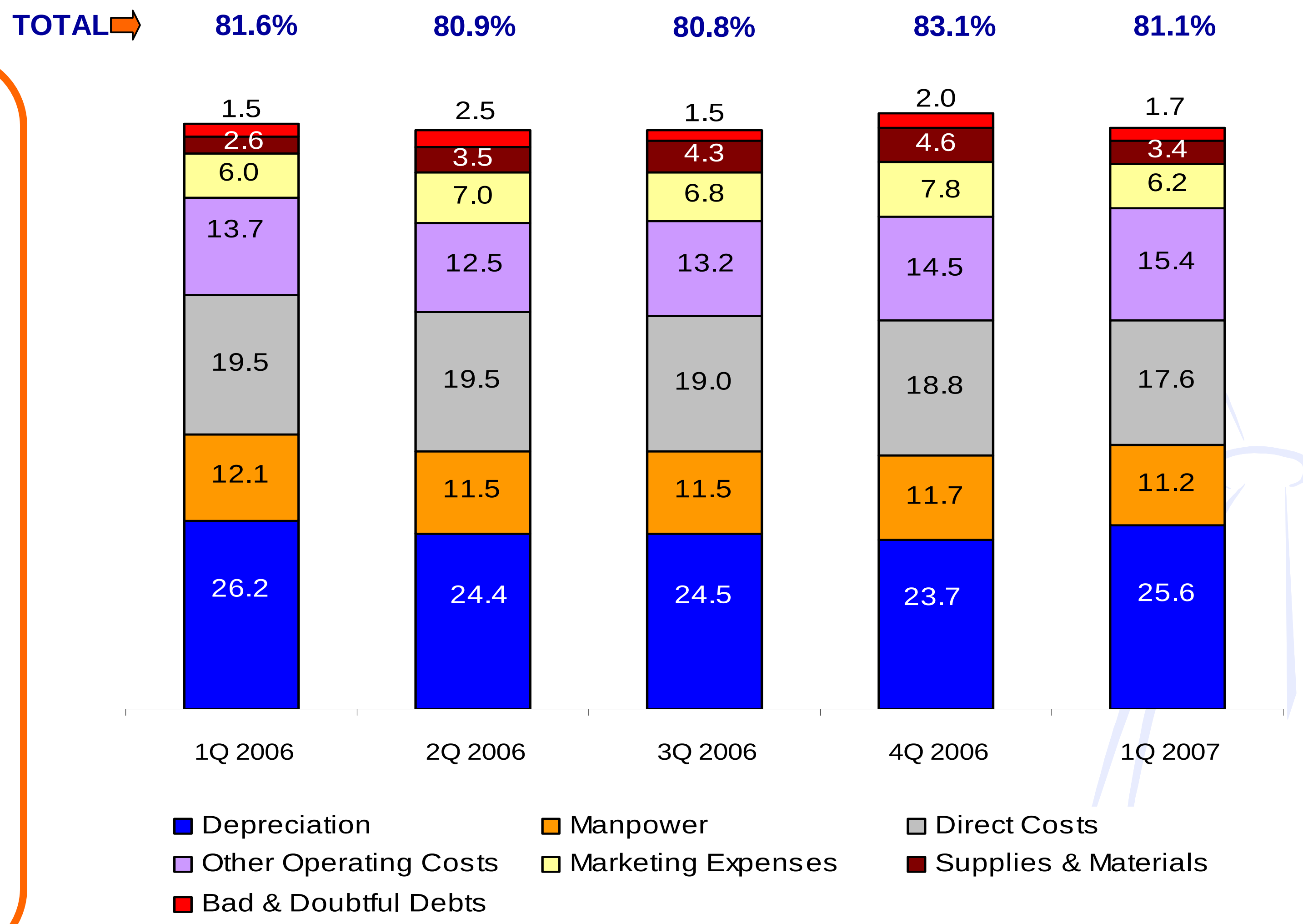
** Indicates Internet & Multimedia portion of Malaysia Business*

Total Revenue is after inter-co elimination

Revenue of segments is before inter-co elimination

Costs as a % of Revenue

- Lower Direct Costs due to reversal of international outpayment of RM45.0 m in 1Q 2007.
- Lower Manpower as 4Q included VSS of RM26.2 m.
- Lower Supplies & Materials due to lower equipment parts (RM24.4m)



Group Balance Sheet

RM Million	As at 31 Mar 2007	As at 31 Dec 2006
Shareholders' Funds	20,606.7	19,911.1
Minority Interests	846.3	836.5
Deferred & Long Term Liabilities	12,708.0	12,609.3
Long Term Borrowings	*10,397.3*	*10,282.8*
	34,161.0	33,356.9
Current Assets	9,324.7	8,661.4
Cash & Bank Balances	*5,146.2*	*4,680.4*
Current Liabilities	8,098.4	8,486.6
Short Term Borrowings	*1,564.9*	*1,803.1*
Net Current Assets	1,226.3	174.8
Intangible Assets	7,043.6	7,059.1
Property Plant & Equipment	23,442.6	24,026.5
Other Non-current Assets	2,448.5	2,096.5
	34,161.0	33,356.9

- Capital Management exercise included disposal of non–core land and buildings.
- Proceed from disposal of Wisma TM amounted RM70 million.
- 2006 proceeds from sale of non-core assets amounted to RM43 million.

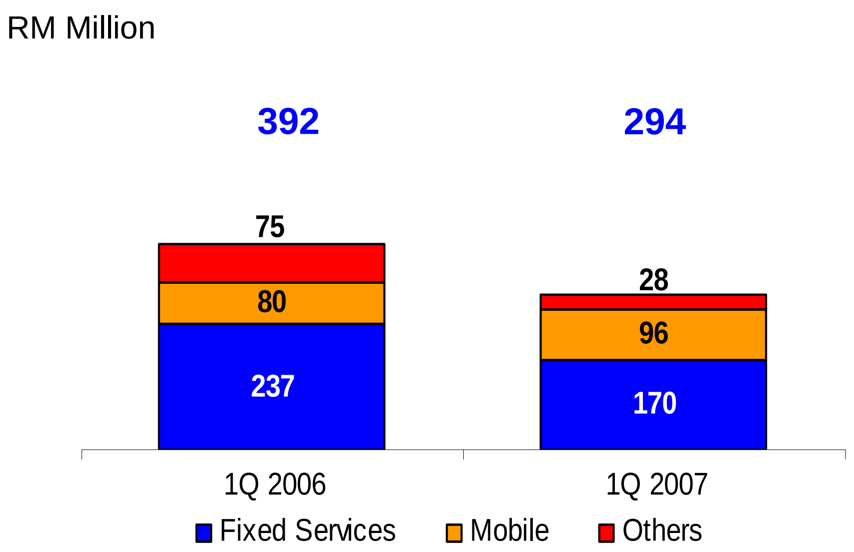
	31 Mar 07	31 Dec 06		31 Mar 07	31 Dec 06
✓ Return on Capital Employed ^	12.7%	11.7%	Debt to EBITDA^	1.48	1.61
✓ Return on Equity ^	11.8%	10.6%	Net Debt/ Equity	0.33	0.37
✓ Return on Assets ^	9.2%	8.5%	Net Assets/Share (sen)	603	586
Current Ratio	1.15	1.02	✓ EPS (sen) ^	64.0	61.0

✓ Improvement in Profitability Ratios and EPS

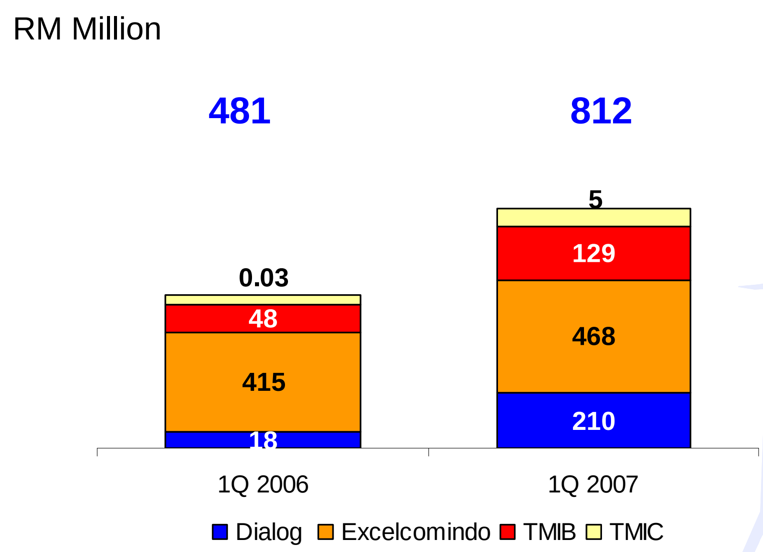
^ *Annualised for 2007*

Group Capital Expenditure

Domestic



International

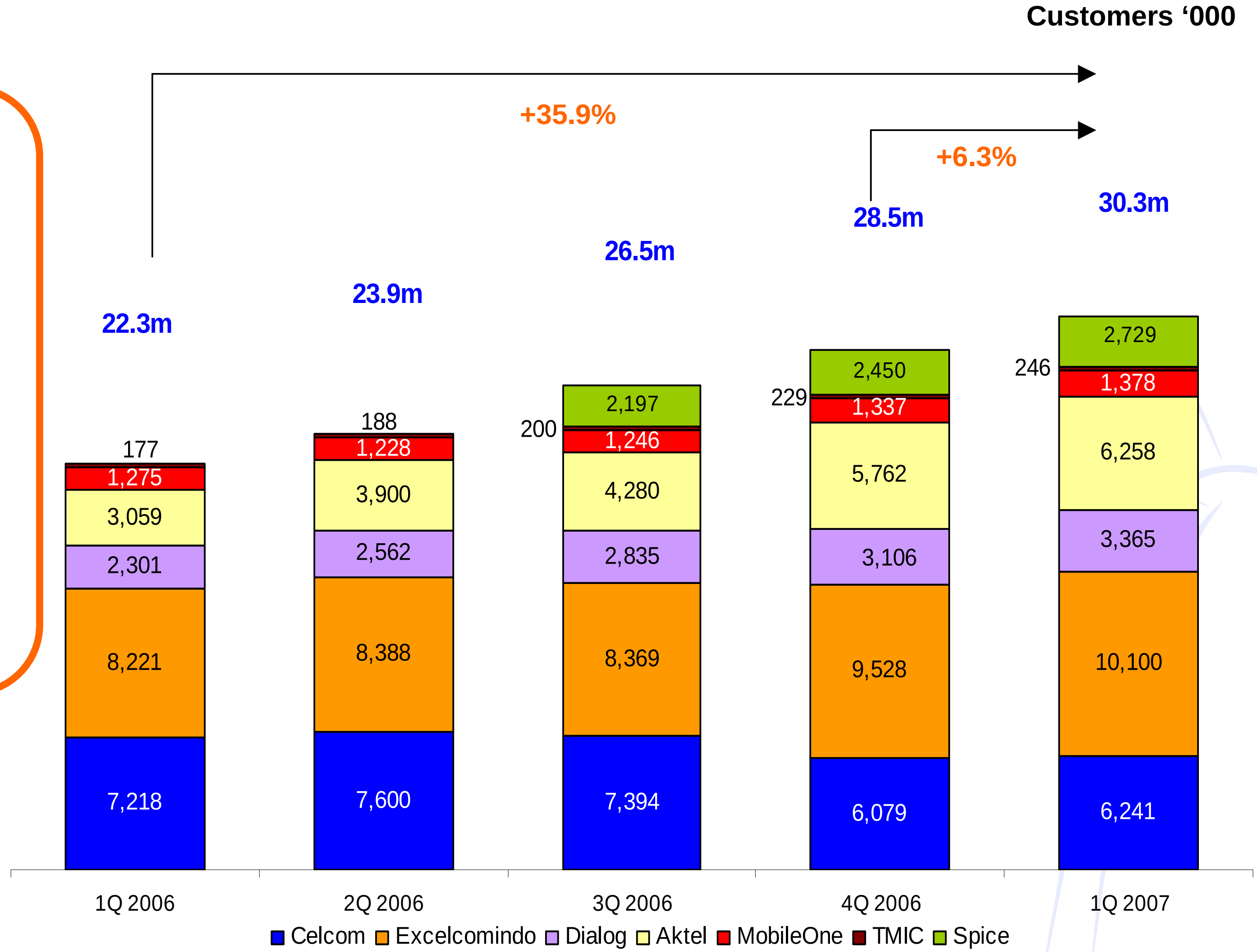


- Domestic capex mainly on Broadband and Cellular

- Expansion of capital expenditure in 1Q 2007 was driven by extensive subscriber acquisition plan together with improvement and upgrading of network quality.

Regional Customer Base - Mobile

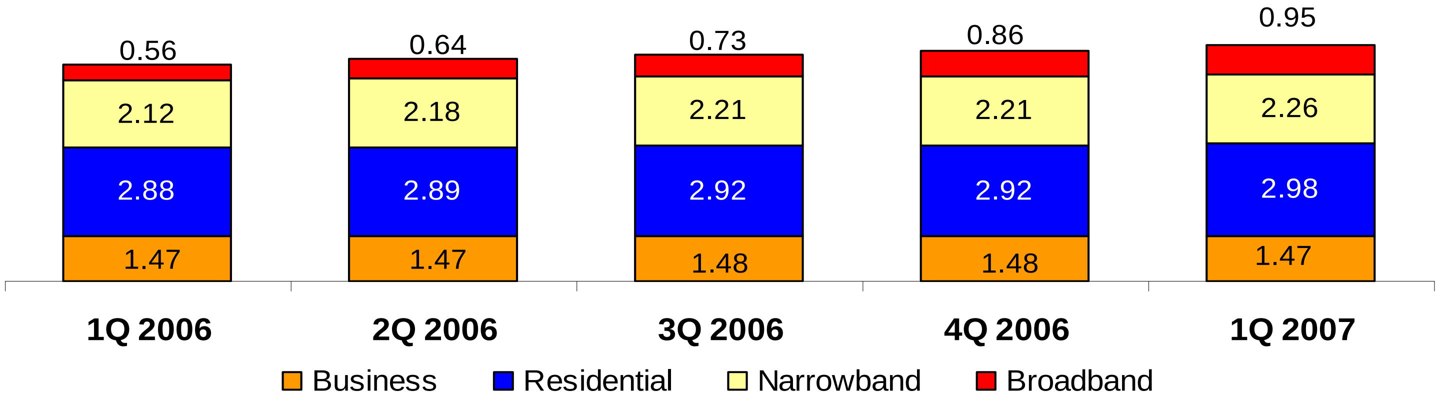
- Strong Y o Y growth of regional mobile customers of 35.9% to 30.3 million



Customer Base - Fixed & Internet Services

Million

Bundled Fixed Line Package



Latest Broadband Promotion

ARPU (RM)	1Q 2006	4Q 2006	1Q 2007
Business*	124	122	117
Residential*	38	37	35
Internet Dial-up	7	7	5
Internet Broadband	98	94	93

** Call usage only*

VOIP Prepaid Calling Card

Agenda

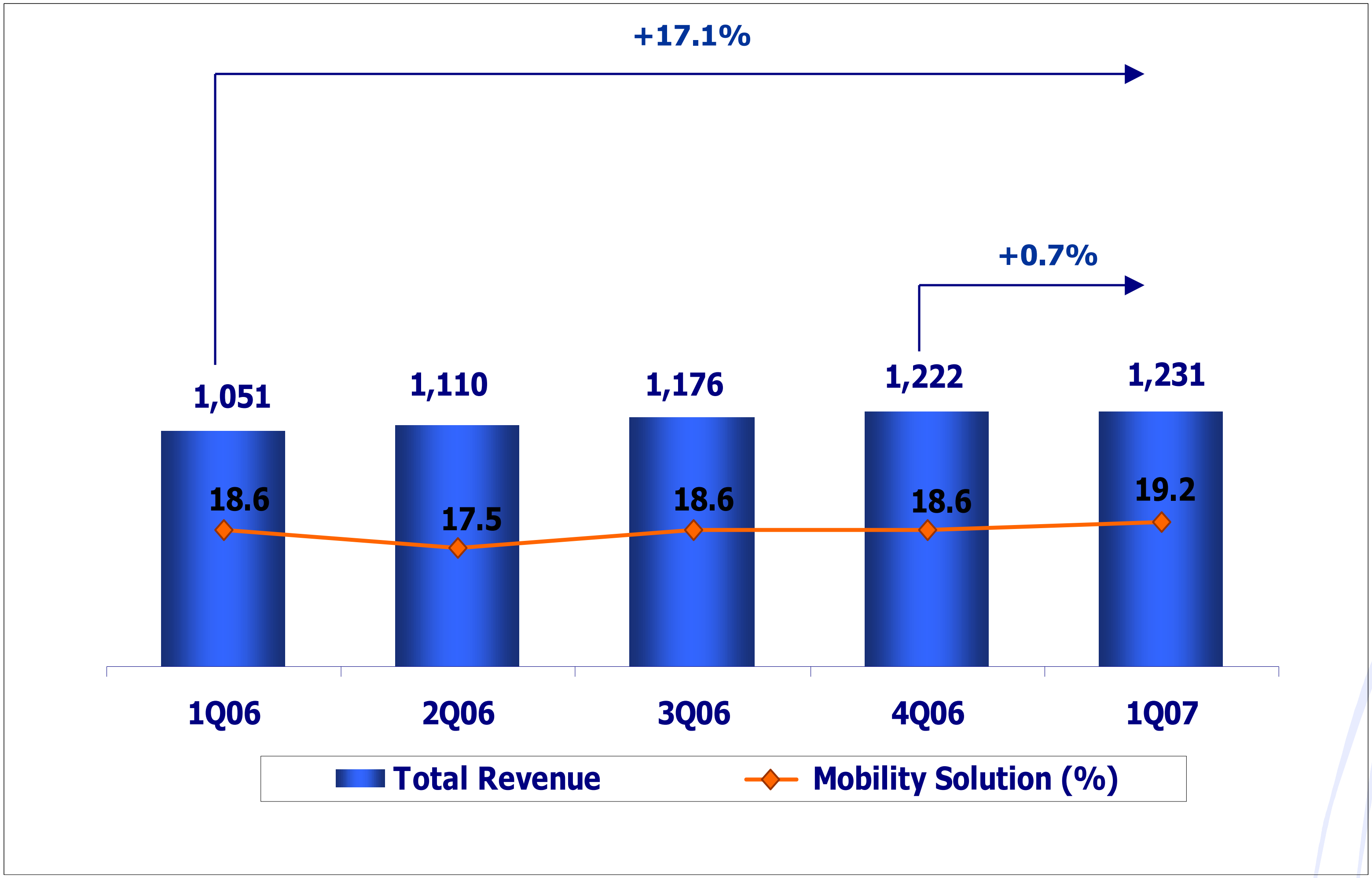
- Group Performance
- **Celcom Update**
- International Operations
- Outlook

Celcom Key Highlights

celcom
It's in your hands

- **Revenue continue to rise, albeit at a marginal rate**
  - Q-o-Q revenue improved by 1%
- **Steady improvement in earnings and margins**
  - Q-o-Q EBITDA and PATAMI rose by 4% and 10% respectively
  - Q-o-Q EBITDA and PATAMI margin improved another 1.6% and 1.5% respectively
- **Strong growth in ARPU**
  - Prepaid ARPU grew by 18% to RM53
  - Postpaid ARPU grew by 4% to RM113
- **Customer net add of 162k**
- **Balance sheet remained healthy**

Marginal increase in revenue due to seasonality

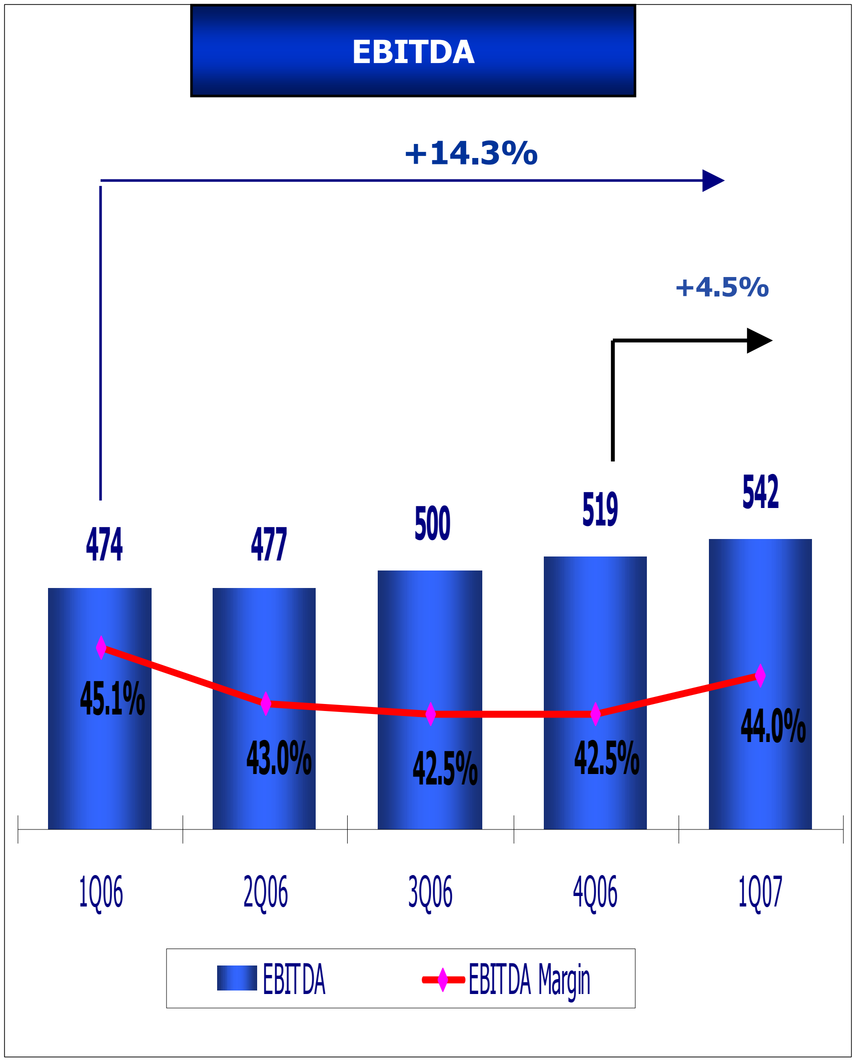


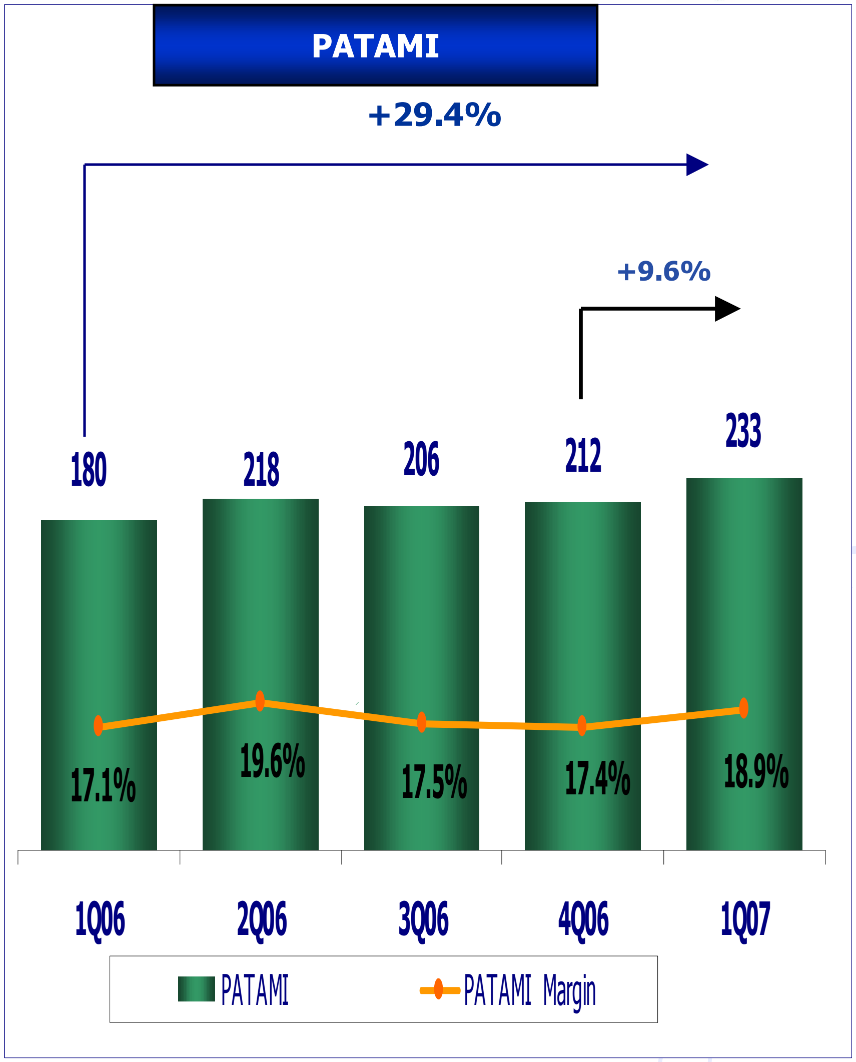
- Mobility Solution continue to grow

All numbers in RM millions, except ratio data

Steady improvement in earnings and margins

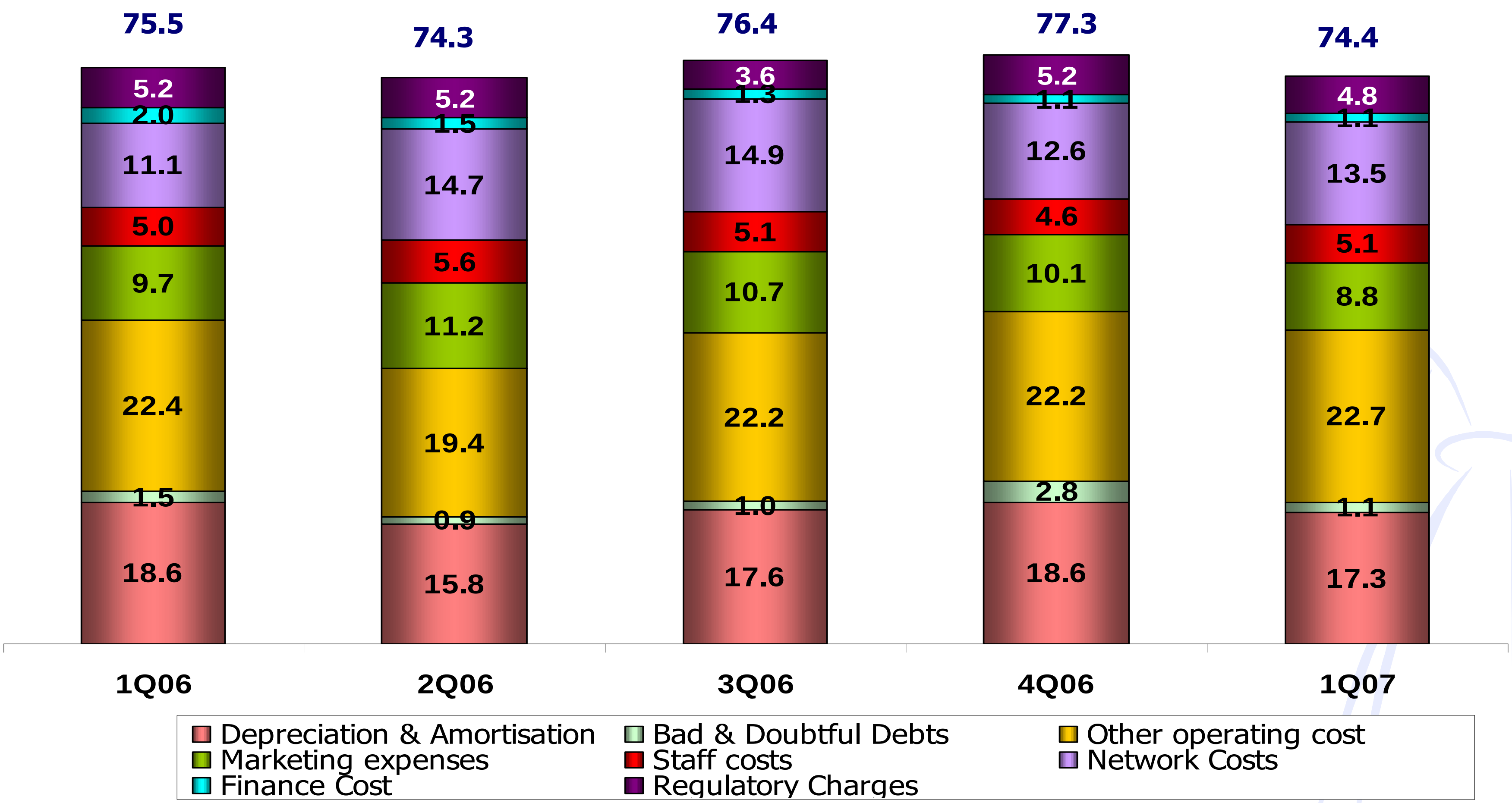
celcom
It's in your hands





- Growth continues for both EBITDA and PATAMI
- Driven by lower costs

Operating cost as a % of Revenue



- Lower marketing expenses due to aggressive marketing activities in 4th Quarter 2006
- Lower bad debt provision as aggressive activity on debt collection being carried out
- Higher network costs due to reversal of unutilized provision in 4th Quarter 2006

Key Balance Sheet items and ratios

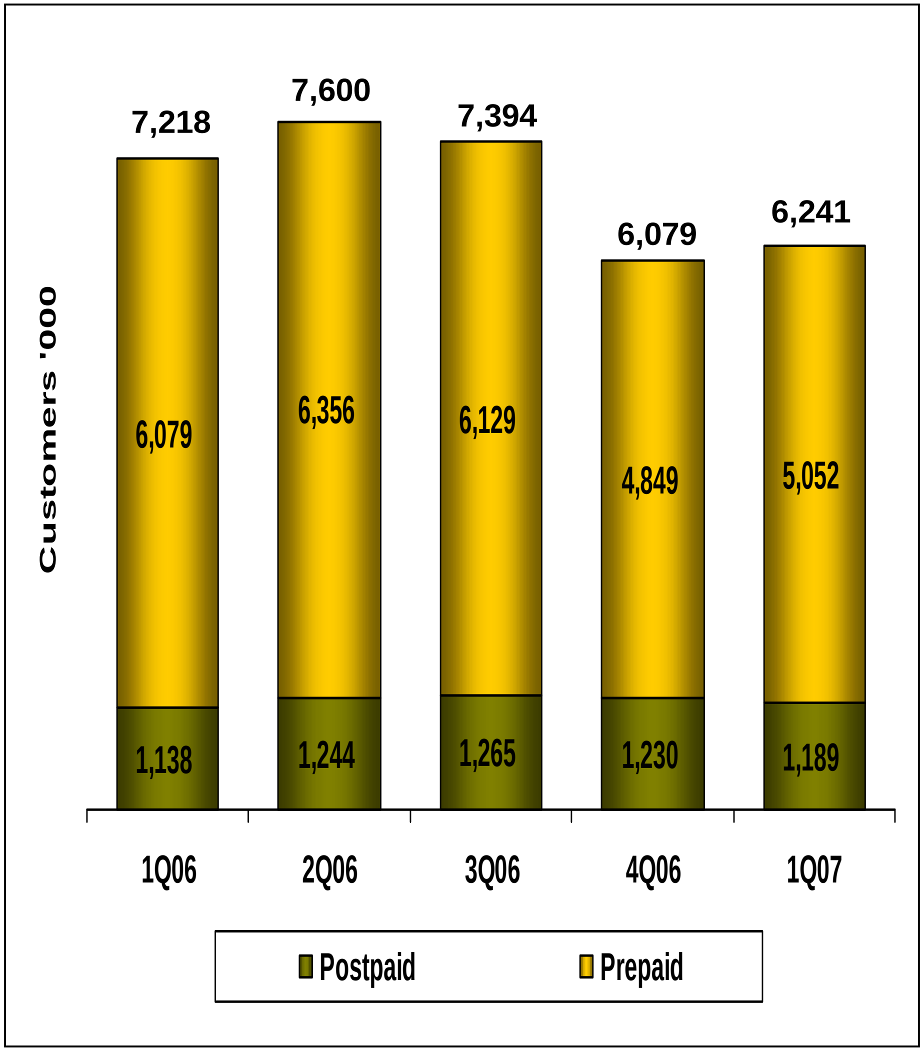
	31/3/2007	31/12/2006	% change
Borrowings	693.7	746.5	-7.1%
Shareholder's Funds	2,810.0	2, 577.3	9.0%
Cash & Cash Equivalent	1,475.3	1,201.1	22.8%
Gearing – Gross	24.7%	29.0%	
Gearing – Net	-27.8%	-17.7%	
Current Ratio	0. 77	0. 63	
NTA per Share (sen)	152.2	108.8	
Return on Equity*	26.5%	31.7%	
Return on Capital Employed*	40.2%	38.8%	
EPS (sen)*	52.6	36.1	

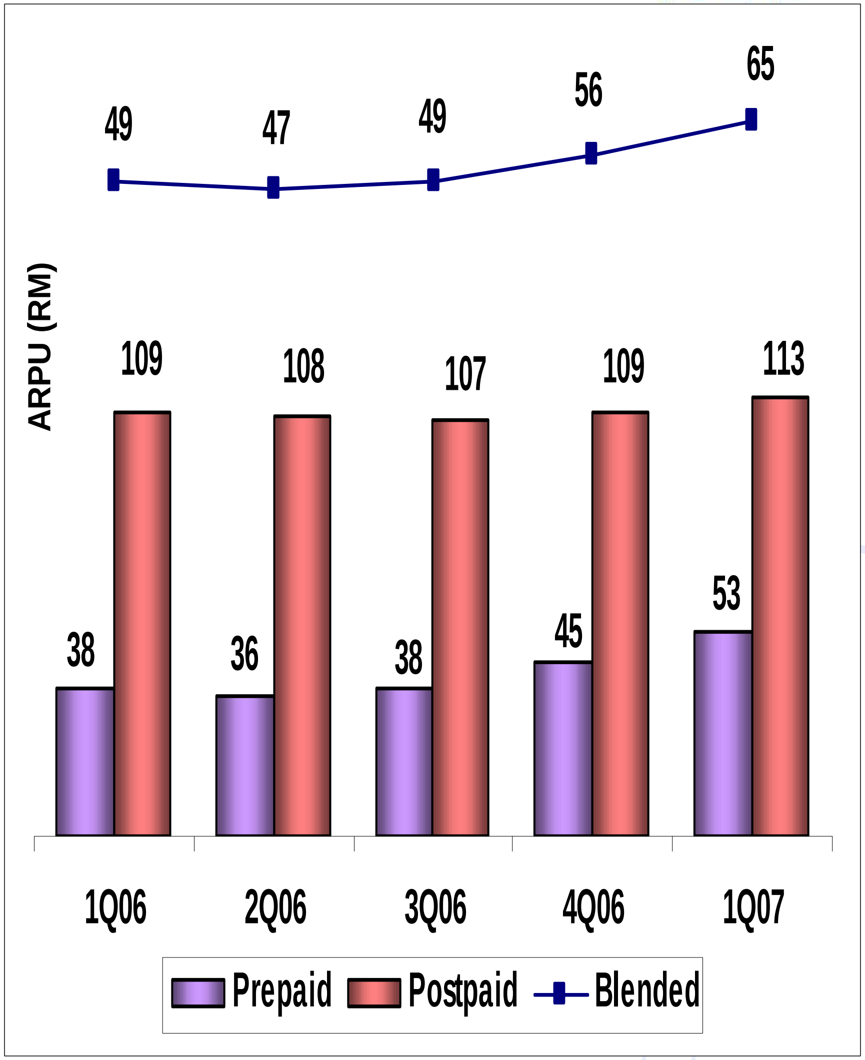
- Cash reserves continue to rise
- KPIs improved further

** Annualized*

All numbers in RM millions, except ratio data

Customer and ARPU





- Customer net add of 162k
- Vast improvement in ARPU for both segments

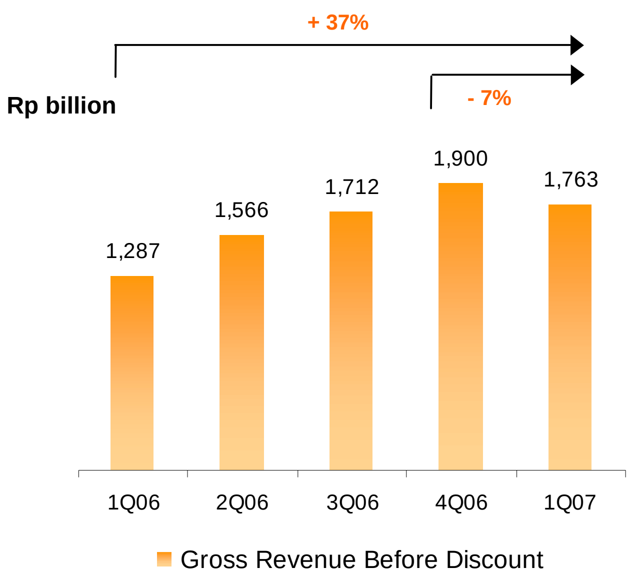
Agenda

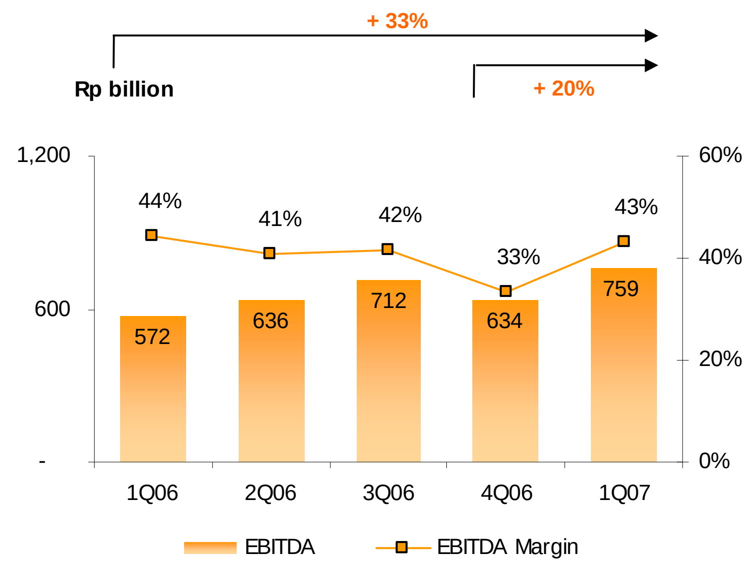
- Group Performance
- Celcom Update
- **International Operations**
- Outlook

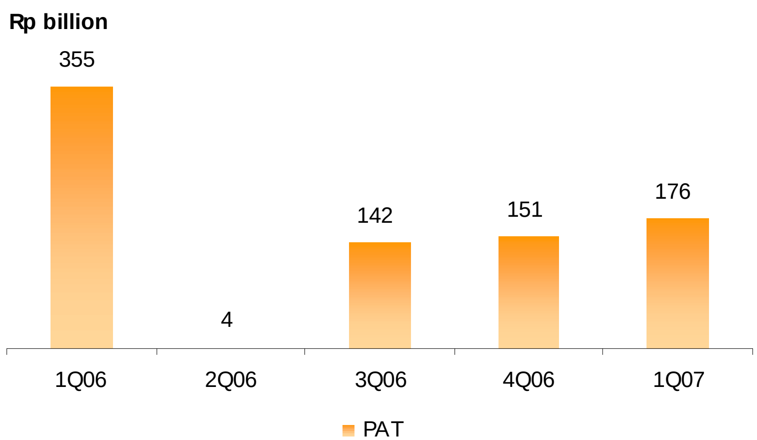
XL - Financial Highlights

IDR1000 : RM0.38

A TM Company





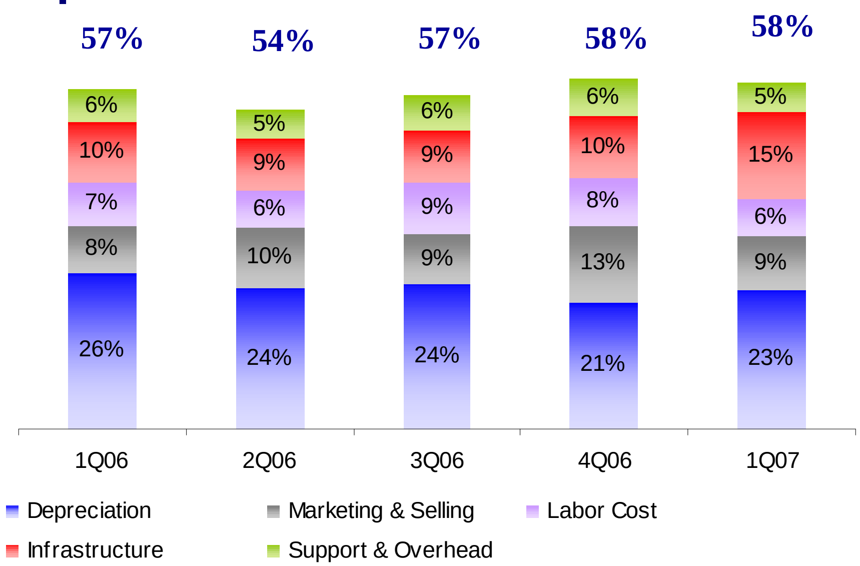


- **Revenue increased 37% Y o Y resulting from a higher customer base in 1Q 2007.**
- **Q o Q revenue declined due to lower ARPU and MoU despite increase in customers.**
- **EBITDA increased 33% Y o Y in line with increase in revenue. EBITDA Q o Q increased by 20% primarily due to lower marketing and selling expenses.**
- **1Q 2006 PAT included unrealised forex gain of IDR 356 million. Normalised PAT for 1Q 2007 was IDR 173 billion compared to a loss of IDR 1 billion in 1Q 2006.**

XL - Financial Highlights

A TM Company

Opex as % of Gross Revenue



- **1Q 2007 Infrastructure expense was higher than 4Q 2006 due to higher frequency fee.**
- **1Q 2007 Support & overhead was lower than 4Q 2006 due to lower electricity and fuel expenses.**
- **1Q 2007 Selling expenses was lower than 4Q 2006 due to lower A&P expenses.**

Balance Sheet

(in Rp billion)

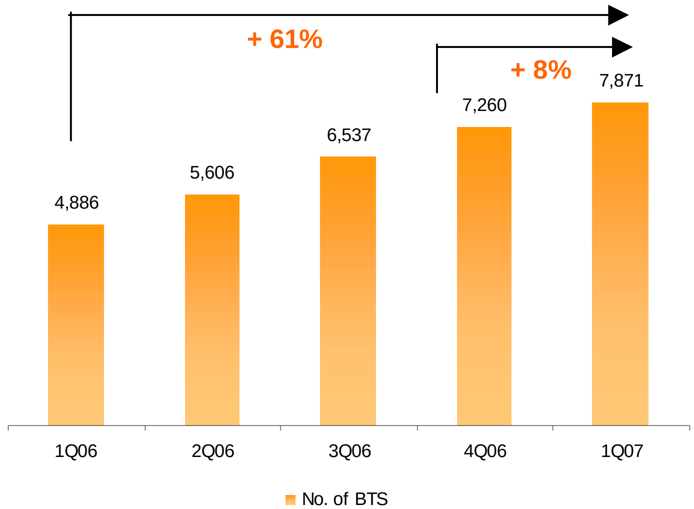
	As at 31-Mar-07	As at 31 Dec 06
Shareholders' Funds	4,457	4,281
Deferred & long Term Liabilities	7,010	6,013
- Long Term Borrowings	*5,865*	*5,345*
	11,467	10,294
Fixed Assets	11,290	10,462
Other Assets	1,114	991
Current Assets	1,052	1,183
- Cash & Bank Balances	*243*	*587*
Current Liabilities	1,989	2,342
	11,467	10,294

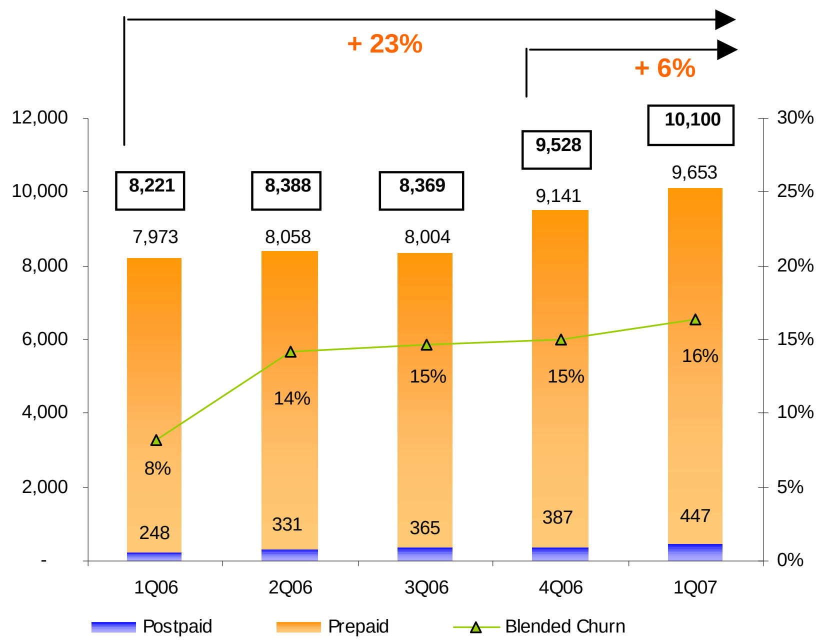
XL's Debt to EBITDA as at 31 Mar 2007 and 31 Dec 2006 stood at 2.1x.

XL - Operational Highlights

IDR1000 : RM0.38

- Subscribers increased by 23% Y o Y and 6% Q o Q to 10.1 million. High churn rate occurred in 4Q 2006 and Q1 2007 for both prepaid and postpaid subscribers.
- Network expansion resulted in increase of no. of BTS to 7,871 at the end of 1Q 2007 including 1,020 3G Node B.
- Decrease in ARPU was in line with the industry ARPU trends.

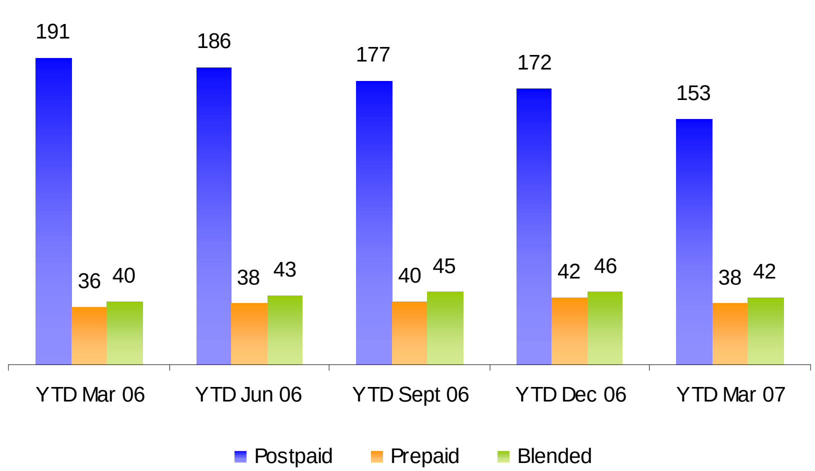




Churn (%)

Prepaid	8%	15%	15%	15%	17%
Postpaid	1%	2%	4%	5%	4%

ARPU (Rupiah '000)



Recent Key Initiatives & Developments

A TM Company

New products & offerings in 1Q 2007:

- **Tarif Percakapan per Detik** special for bebas prepaid subscribers which offers Rp. 25/seconds for all outgoing calls to all domestic operators and 35 countries, applicable for 24 hours a day.
- **Kejutan 28 (Surprise 28)** for bebas and jempol subscribers which offers credit bonus Rp 10,000 after 4 times reload of any denomination.
- **Tariff XL 3G** was announced in Feb 07. The video call tariff scheme for 3G is similar with voice call tariff.

Regulatory Update

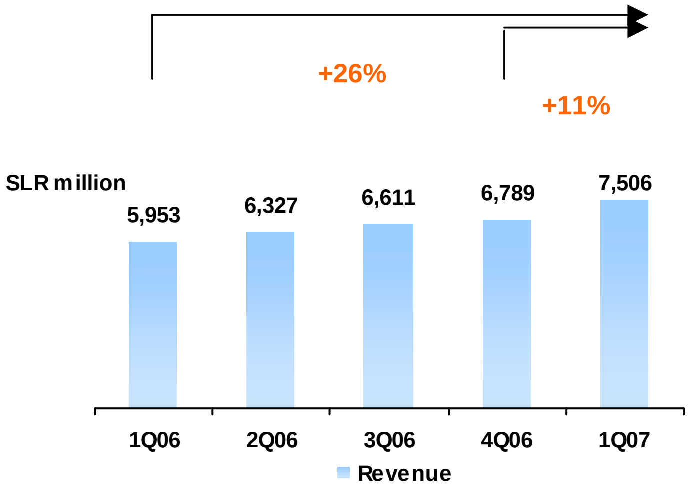
- The **new interconnection regulations** (**cost based** vs revenue share) has been implemented since 1 January 2007.
- Government plans to start the **tender for USO** project in 2007.
- The Government plans to regulate **minimum floor price for voice service**. The Government has issued the Minister Decree (KM No. 12/02/2006), but has not issued the detailed operational regulation. In the past, the Government regulated the maximum price for prepaid tariff.
- The Government has issued the Ministerial Decree that regulates **maximum retail tariff for leased lines**. The Decree is expected to be effective in 2H 2007.
- Industry is waiting for the Government action to issue a **new IDD license** this year and BWA license in the near future.

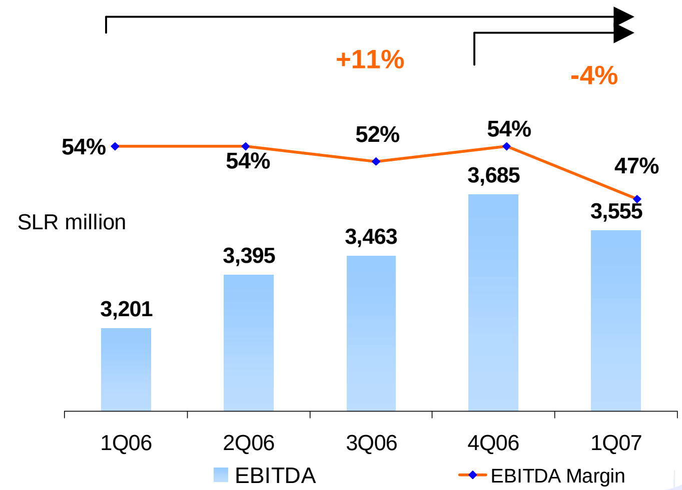
Company's key developments & initiatives, strategic direction, recent key initiatives in 1Q 2007:

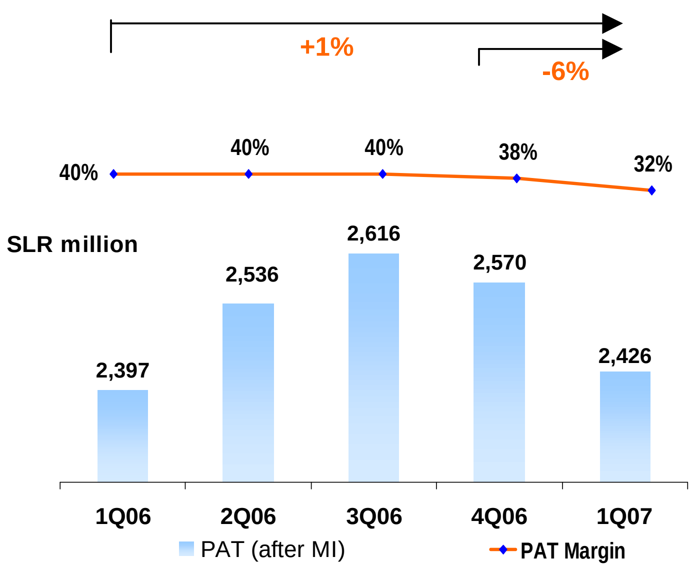
- **Improve market competitiveness**, by launching Tarif Percakapan per Detik, Kejutan 28 (Surprise 28), Bonus Pulsa and SMS Pulsa.
- **Increase image and brand awareness in the market,** by continuing the campaign with "XL Life Unlimited" theme
- **Change distribution channel structure.** In 1Q 2007 XL has changed the distribution channel strategy by having 3 platinum national distributor, 82 platinum regional distributor, 911 XL Kita Gold and 167 XL Center. As of 31 March 2007, our channel has expanded to more than 300 thousand retail outlets.
- **Increased number of BTS (including 3G equipments)**. In 1Q 2007 XL has 7,871 BTS or increased by 8% compared to 4Q 2006 of 7,260 BTS

Dialog - Financial Highlights

SLR100 : RM3.182





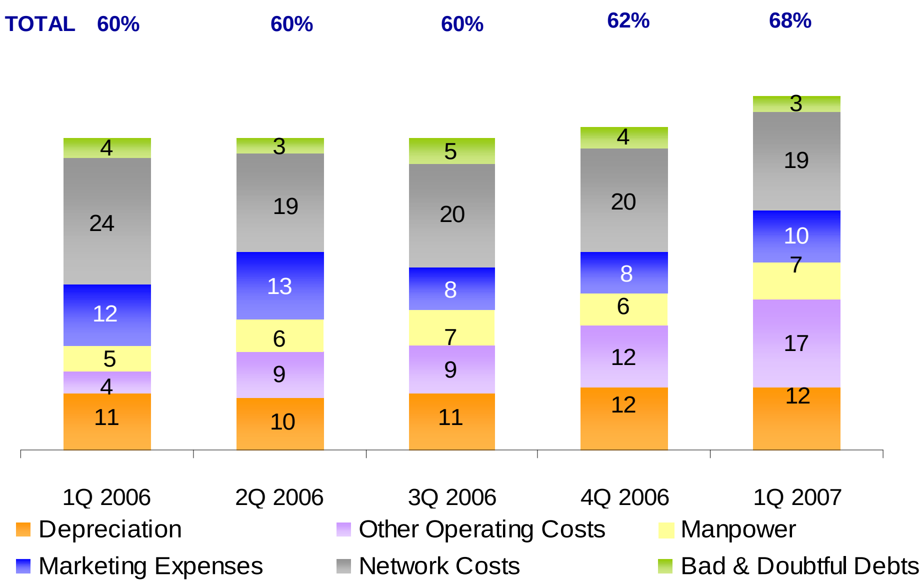


- **Dialog 1Q 2007 performance was partially affected by intermittent disruptions of North and East operations. The group revenue however increased by 26% (YoY) and 11% (QoQ).**
- **Subscriber base increased to 3.4 million from 2.3 million in 1Q 2006 and 3.1 million in 4Q 2006.**
- **Group PAT and EBITDA were lower due to high start up costs of the Media operations. It is expected to be profitable by end 2007.**

Dialog - Financial Highlights

SLR100 : RM3.217

Group Costs as % of Revenue



- **Bad debts below 4Q 2006 level owing to effective credit initiatives deployed.**
- **1Q 2007 marketing expenditure was higher compared to 4Q 2006 to sustain / grow market leadership position.**

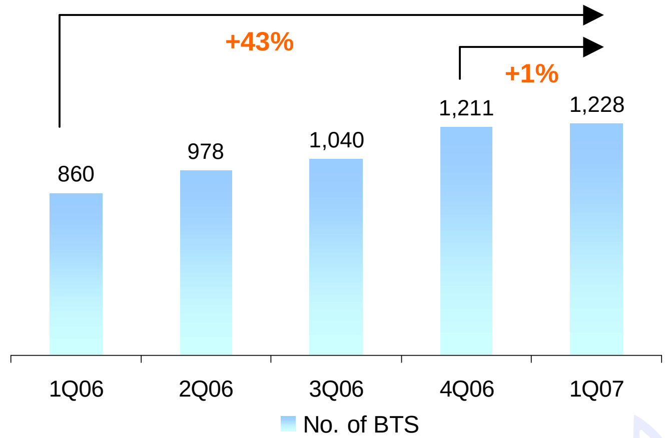
Balance Sheet-Group

	As at 31 Mar 07	As at 31 Dec 06
	Rs Mn	Rs Mn
Shareholders' Funds	27,456	24,983
Deferred & Long Term Liabilities	287	152
- Long Term Borrowings	8,699	8,145
	36,442	33,280
Fixed Assets	35,527	30,032
Intangible Assets	3,667	3,603
Investment in subsidiary	-	-
Current Assets	7,851	7,490
- Cash & Bank Balances	1,983	2,301
Current Liabilities	(11,456)	(8,930)
- Short Term Borrowings	(1,130)	(1,216)
	36,442	33,280

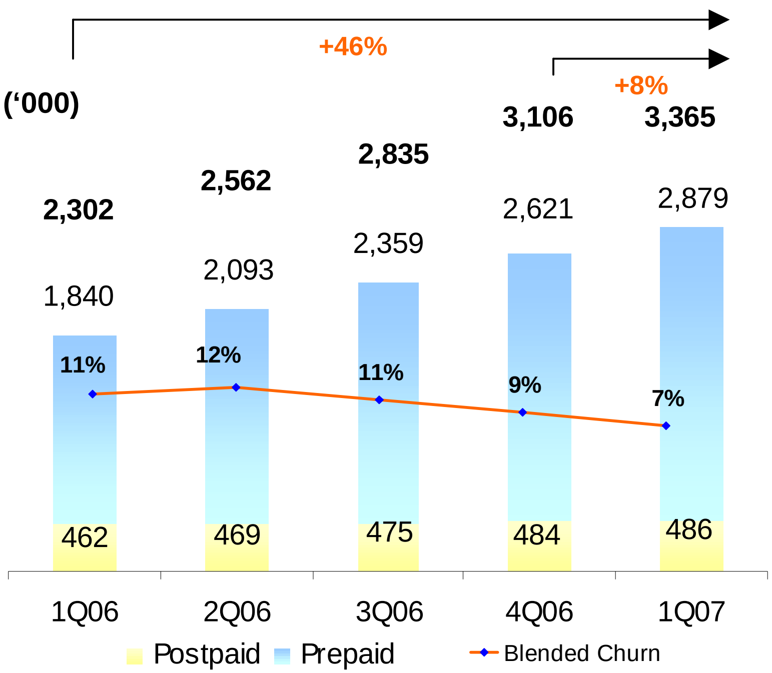
Dialog - Operational Highlights

SLR100 : RM3.182

- **Market leadership with sustained growth in subscribers (46% growth Y o Y).**
- **Prepaid/postpaid mix: 86:14.**
- **Coverage and Quality of Service Improvements.**
- **Increase in postpaid ARPU contributed mainly by increase in SMS revenue in January 2007 following the new year.**
- **Improvement in churn from 9% in 4Q 2006 to 7% in 1Q 2007.**

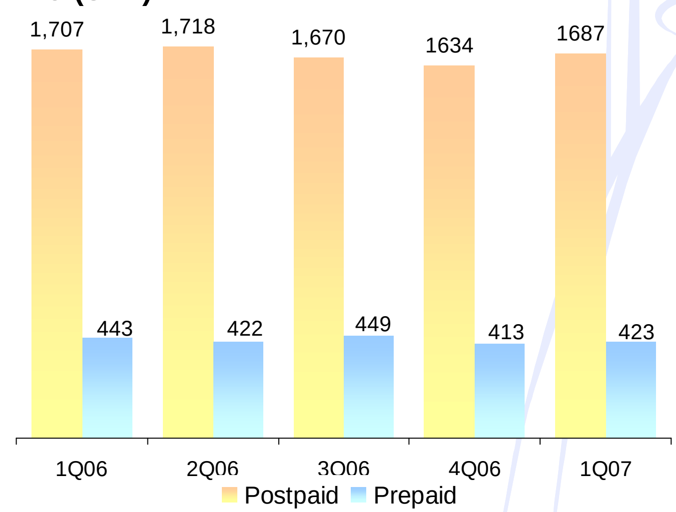


Customers ('000)



Churn (%)					
Prepaid	1.83	0.15	0.14	0.21	0.23
Postpaid	9.61	10.35	9.54	10.73	10.19

ARPU (SLR)



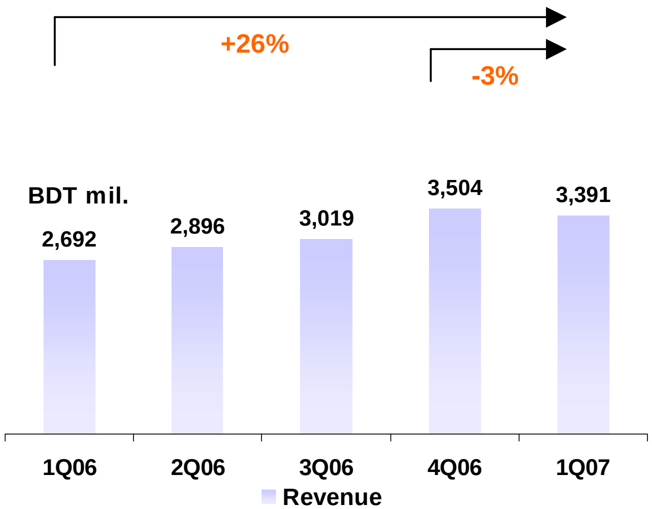
Recent Key Initiatives & Developments

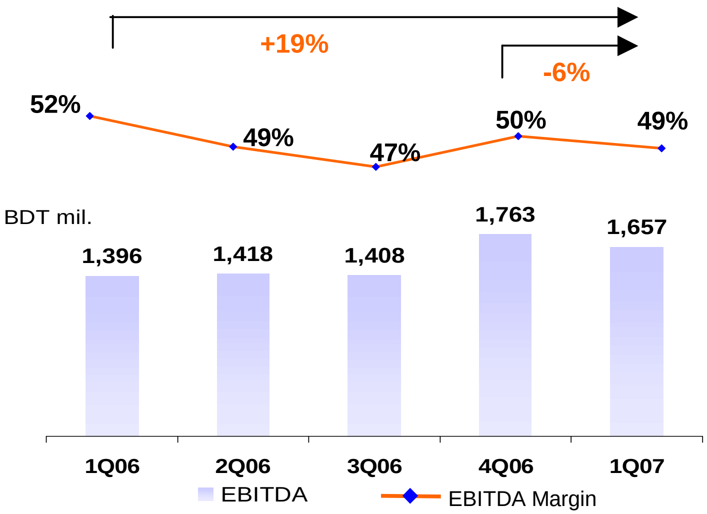
A TM Company Dialog TELEKOM

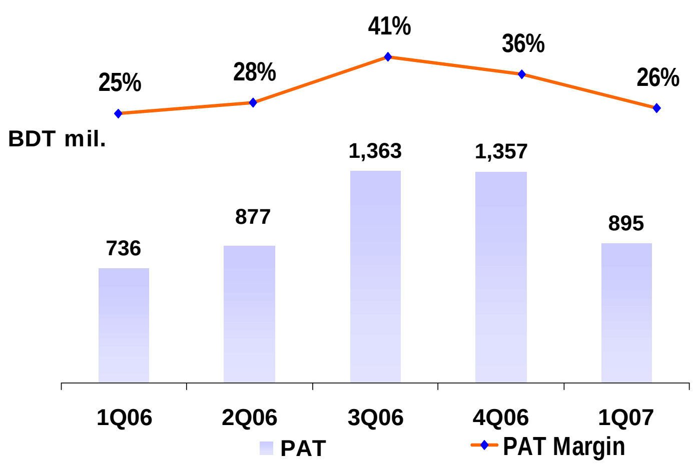
- Appointment of Ms. Anoja Obeyesekere, GM of Legal, Regulatory Affairs, Administration and International Business / Company Secretary of Dialog, to the Chair of the GSM Association's Asia Pacific Interest Group (GSMAP).
- Special Promotion during the Sinhala/Tamil New Year -Buy one, get one DTv connection free.
- The 35th franchise outlet commenced operations.
- Special web promotion during ICC world Cup.
- Local language browser on mobile phones.
- GPRS partners in 100 countries.
- CNN on mobile phone.
- Dialog Phone Assurance - the handset insurance cover, was extended to the entire customer base through partnership with six leading insurance companies in Sri Lanka.

TMIB - Financial Highlights

BDT100 : RM5.023





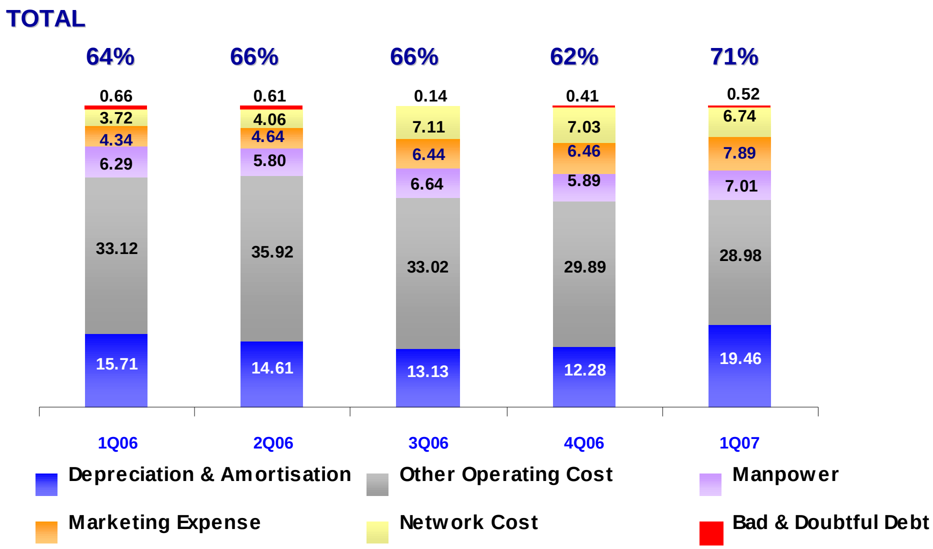


- **YoY revenue increased by 26%. However QoQ fell by 3% due to lower retail tariff and revision of interconnect charges.**
- **Subscriber base increased to 6.3 million from 3.1 million in Q1 2006 and 5.8 million in Q4 2006.**
- **EBITDA marginally lower due to increase in marketing costs to penetrate new coverage areas.**
- **Lower QoQ PAT was attributed to the increase in the depreciation, amortisation and higher tax expenses.**

TMIB - Financial Highlights

BDT100 : RM5.023

Costs as % of Revenue



- Higher cost % to Revenue due to increase in depreciation and amortization and higher OPEX from marketing costs.

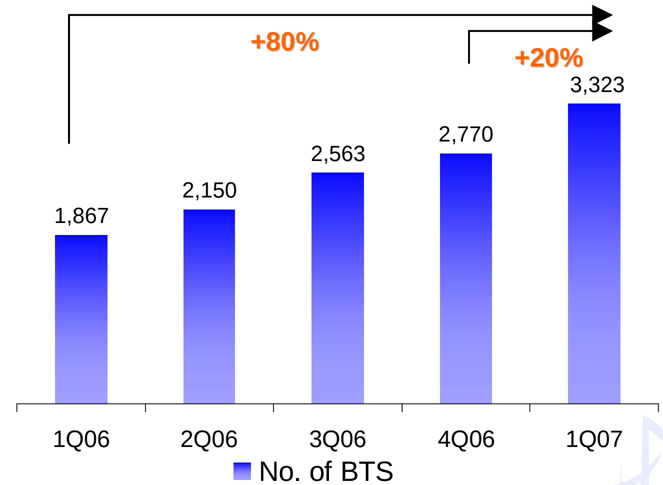
Balance Sheet

	As at 31 Mar 07	As at 31 Dec 06
	BDT mil	BDT mil
Shareholders' Funds	13,560	12,665
Deferred & Long Term Liabilities	12,569	14,784
- Long Term Borrowings	12,554	11,434
	26,129	27,449
Fixed Assets	33,004	31,453
Current Assets	3,160	3,691
- Cash & Bank Balances	612	1,609
Current Liabilities	10,035	7,695
- Short Term Borrowings	2,242	2,619
	26,129	27,449

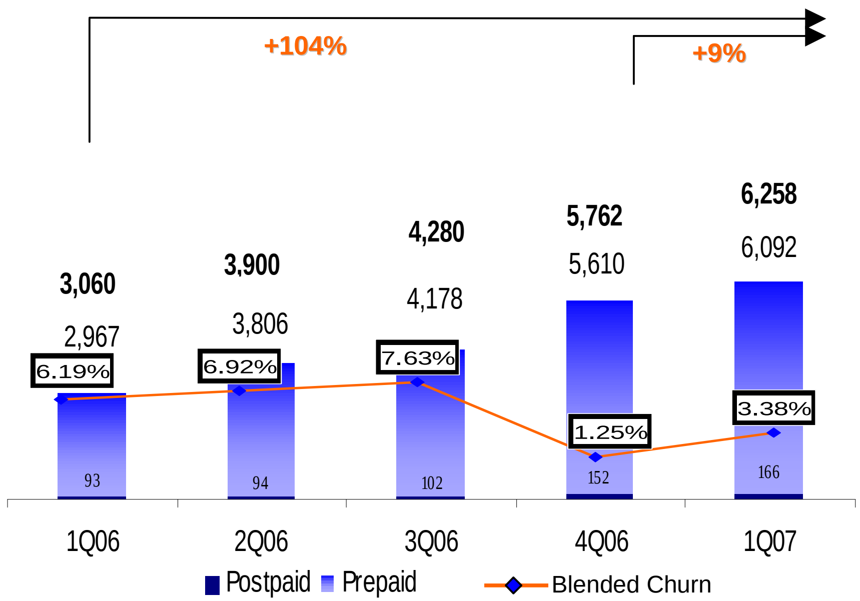
TMIB - Operational Highlights

BDT100 : RM5.023

- **Commitment to improve capacity & coverage,**
- **To effectively manage churn,**
- **ARPU decline due to stiffer competition in the industry,**
- **Challenges faced include uncertain policy and regulatory decisions due to change in leadership.**



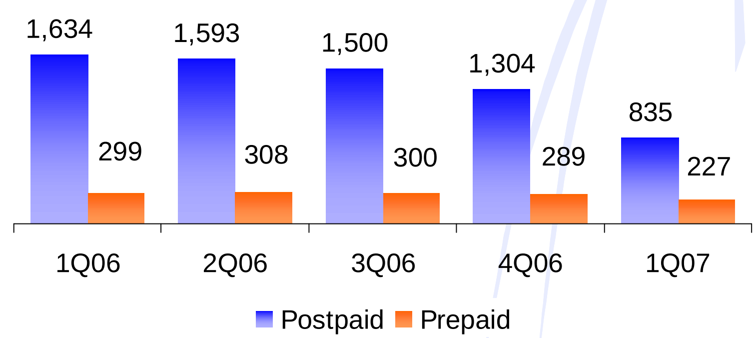
Customers ('000)



Churn (%)

Prepaid	6.16	6.96	7.69	1.05	3.19
Postpaid	6.90	5.82	5.76	6.52	8.15

ARPU (BDT)



Recent Key Initiatives & Developments

A TM Company

- **AKTEL PHURTI & POWER re-launch :**
  - **Market's lowest on-net rate throughout the day**
  - **3 FnF facility with 1 other operator FnF**
  - **FREE BTTB incoming calls for 1st 5 mins**

PHURTI

  - **Free after 1st 2 min for on-net calls during off-peak hours**
  - **Reduced tariff for calls to other operator numbers**
  - **10 sec pulse from the 2nd min**
  - **Double validity in all top-ups**

POWER

- **AKTEL Joy spreads love to all:**

Valentines's Day promotion offering 5 min FREE after first 5 min for all calls to their Joy partner and FnF numbers throughout the day.

- **AKTEL Postpaid revised tariff: Significant revisions to Signature and Signature Joy, with cheaper tariff structure and more attractive offerings.**

- **AKTEL Café8000 :AKTEL launched first ever Voice Portal – "AKTEL Café 8000" for all AKTEL customers from February 9, 2007. Services offered include: News, Information, Entertainment, Religion, International Roaming etc.**

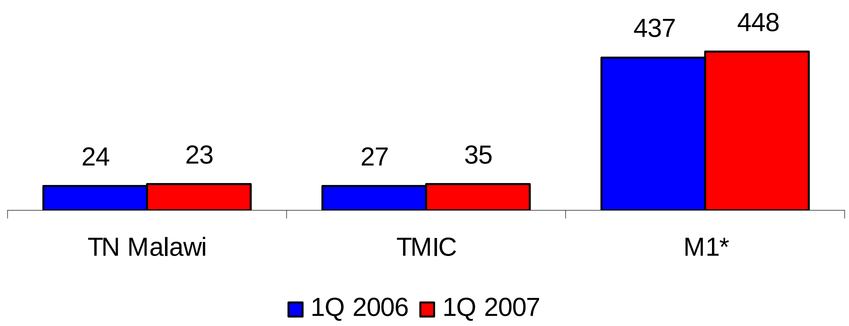
- **EVENT SPONSORSHIPS:**

Aktel sponsored "Basis (Bangladesh Association of Software & Information Services) Softexpo 2007" from 28th March to 1st April, 2007.

Other International Operations

Operating Revenue

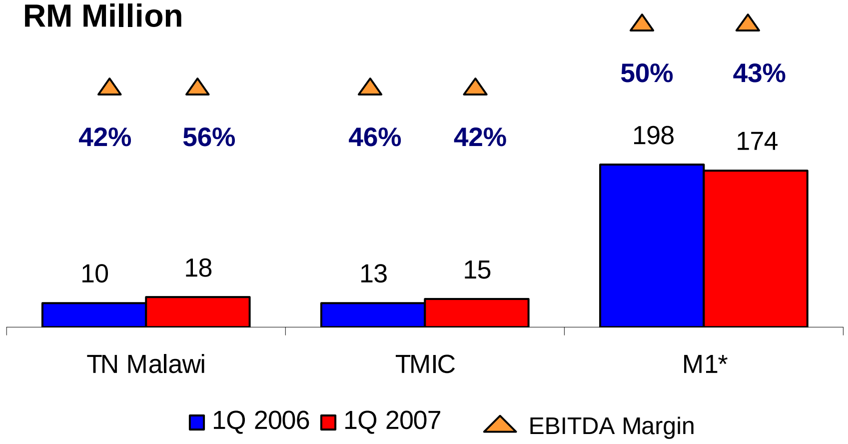
RM Million



* Comparative figures have been re-stated

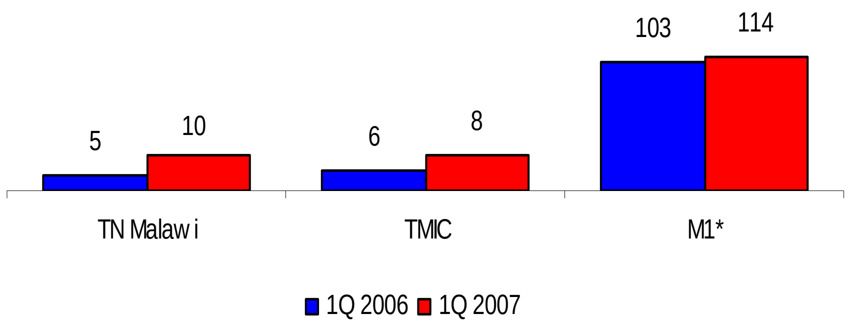
EBITDA

RM Million



PAT

RM Million



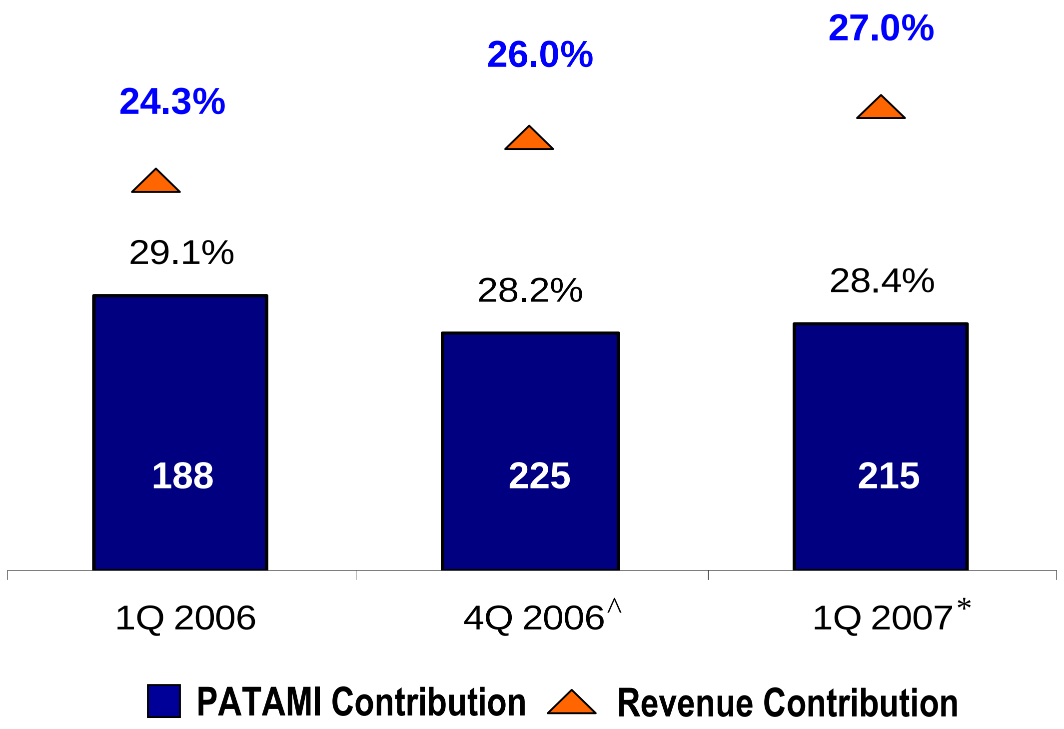
- **Stable performance from other international operations**

Note : - Samart to announce 1Q 2007 results in mid-May
- Spice results pending completion of IPO

Contribution from International Operations

- **Contribution by international operations to Group's Revenue and PATAMI**

In RM million :



^ Contribution of TMI's PATAMI in 4Q 2006 is lower than 3Q 2006 due to share of losses at Spice and drop in TMIB's PAT arising from higher deferred tax adjustment

** Contribution of TMI's PATAMI in Q1'07 is low due to impact of strengthening of RM vs. IDR which affected the translation of the revenue of XL and also adjustment for understatement of depreciation expenses in TMIB*

Agenda

Group Performance

Celcom Update

International Operations

Outlook

Outlook

Domestic

- Continued focus on broadband improving coverage and quality of service for both fixed and wireless offerings
- Expanding the broadband offering of higher bandwidth
- Stimulate utilisation of fixed line through bundled packages and improve position in enterprise market with managed data networking services
- Expand TM's global network facilities in building future prospects from global services
- Focus in improving revenue share of the mobile market leveraging on Celcom's strong network coverage and quality while continuously offering advance innovative mobile data solutions

International

- Further expansion of network coverage in key markets of Indonesia & Bangladesh and consolidating competitive advantage in Sri Lanka
- Focus on harnessing synergies within the TM Group of companies
- Increased ownership in XL and issuance of rights issue in Dialog

Opening Up Possibilities