Media Release

Kuala Lumpur, 26th August 2008

TMI Revenue Recorded Growth of 21% to RM5.7 billion in 1H08, with Regional Mobile Customers Surging over 50 Million

- **Normalised PATAMI[1] improved 13% to RM813 million in 1H08**
- **XL outperformed Indonesian mobile industry on all fronts; Celcom entered 9th consecutive quarter of growth**

Quarter Results[2]

TM International Berhad (TMI) today announced a strong RM2.9 billion revenue for second quarter (2Q) 2008, up 23% from the corresponding period last year. Earnings Before Tax, Interest, Depreciation and Amortisation (EBITDA) also increased by 19% in the same period to RM1.2 billion, due to higher revenue contribution from operations especially PT Excelcomindo Pratama Tbk (XL). TMI total mobile customers surged to over 50 million, a significant rise of 57%.

Due to one-off gains from a disposal of Dialog shares (RM194 million) and dilution of shares in Spice (RM18 million) which were included in 2Q07, reported Profit After Tax And Minority Interest (PATAMI) declined to RM367 million. In addition for the first time, 2Q08 recognised a RM44 million interest cost arising from a Telekom Malaysia (TM) loan post the de-merger. On a normalized basis PATAMI improved 9% to RM411 million.

Half-Year Results[2]

For the first half of 2008 (1H08), TMI recorded a revenue of RM5.7 billion an increase of 21%. EBITDA was also up 14% to RM2.3 billion in 1H08. However, reported PATAMI declined 18% to RM769 million. Excluding the gains from the shares disposal and dilution and interest costs as explained above, normalised PATAMI rose 13% to RM813 million.

Regional assets outside of Malaysia contributed 53% to the Group revenue versus 48% last year. This emphasises the growing importance of TMI's regional portfolio with Malaysia as a continuing anchor.

TMI Chairman, Tan Sri Dato' Azman Hj. Mokhtar said "Since the de-merger TMI has been working hard capitalising on its strengths for sustainable long term growth while improving its short-term results. We are pleased to see that concerted focus on operations continue its momentum in the second quarter especially in light of the current period of economic uncertainty."

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[1] For comparison, gain on disposal of 3.8% Dialog shares (RM194 mn) and gain on dilution of shares in Spice (RM18 mn) were removed from 1H07 and finance cost on loan from TM post demerger (RM44mn) was removed from 1H08
[2] See Appendix 1 – Please note all corresponding comparisons to 2Q07, 1H07 and 1Q08 are proforma figures.

Momentum continues in 2Q08 led by XL and Celcom

XL, TMI's Indonesian operations had an exceptional quarter, outperforming the industry with revenue up 67% to IDR 3,182 billion as compared to 2Q07. Similarly EBITDA saw an 88% growth to IDR 1,490 billion in 2Q08.

The impressive growth was attributed to creative pricing and aggressive marketing campaigns which has led to a 124% increase in subscribers over 2Q07 to 22.9 million whilst total outgoing Minutes of Use (MOU) grew more then 10 times. Strong cost management helped to improve EBITDA margins to 46.8% in 2Q08 from 42.0% in 2Q07.

Celcom recorded revenue of RM 1.4 billion, despite a highly competitive environment, representing a growth of 10% in the year since 2Q07, excluding Fibrecomm which was demerged in 2Q08. This is its ninth consecutive quarter of growth. In tandem, the number of subscribers grew by 23% to 7.9 million with annual net additions of 1.5 million, and quarterly net additions of 322,000. EBITDA was up to RM622 million with margins of 45.3% up from 44.3% last year, and PATAMI increased to RM321 million in 2Q08, representing a 25% growth from 2Q07.

Continuous revenue growth was driven by the recovery of its postpaid business and an increased demand for mobile broadband services, which has translated to 110,000 customers to date.

TMI faced continued challenges amidst competition and externalities

Performance was mixed at Dialog, the Group's Sri Lankan operations. Whilst revenue grew 13% to SLR 9.3 billlion in 2Q08 as compared the previous year, EBITDA slipped by 29% to SLR 2.6 billion, on the back of rising inflation and energy-related costs, which impacted the industry as a whole.

Amidst challenging market conditions Dialog still remained the compelling market leader with 53% of the market with mobile net additions up 31% in 2Q08 to 4.8 million subscribers YoY.

In Bangladesh, TMIB also faced similar market conditions with EBITDA margin declining to 29% from 32% in 2Q07 due to inflationary pressures. Moving forward the Group is optimistic that the recent partnership with new shareholder NTT Docomo Inc. will bring about positive change in results.

Remarking on the quarter's results, Dato' Jamaludin Ibrahim, President and Group Chief Executive Officer of TMI said "We are encouraged with our first set of results since the listing. The strong revenue achieved despite these challenges as well as intensifying competition show that we are on the right track. We are seeing improvements in execution across all our subsidiaries, though we have much more to do to optimise opportunities in each country."

Laying the foundations for unlocking value

Growth prospects for the telecommunications industry remain good. However, our developing markets will remain under cost pressures due to rising inflation for the foreseeable future. The Group is now in a period of consolidation looking to enhance foundations for sustainable long term growth. Leveraging on its global strength to increase competitiveness TMI has already seen significant progress with more focus on organic growth through strengthened and broader roles for the corporate centre and re-alignment of board compositions across all subsidiaries. Platforms are also in place towards developing centres of excellence and group initiatives to harness synergies, including the India potential, which we are looking forward to.

"It has been an exciting journey so far, and there is still much work to be done. We believe we have compelling growth drivers, based on our existing positions in countries with expanding economies and low penetration. We are confident that going forward TMI will be able to nurture and unleash the potential of our assets." concluded Dato' Jamaludin Ibrahim.

About TMI

TMI is an emerging leader in Asian telecommunications with significant presence in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia. In addition, the Malaysian grown holding company has strategic mobile and non-mobile telecommunications operations and investments in India, Singapore, Iran, Pakistan and Thailand.

The Group's mobile subsidiaries and associates operate under the brand name 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'AKTEL' in Bangladesh, 'HELLO' in Cambodia, 'Spice' in India, 'M1' in Singapore and 'MTCE' in Iran (Esfahan).

Listed on Bursa Malaysia, TMI is among the top ten biggest public-listed companies in Malaysia by market capitalisation, and the first listed pan-Asian pure cellular service provider in the region.

The Group, including its subsidiaries and associates, has about 50 million mobile subscribers in Asia, putting it among the largest mobile telecommunication providers in the region by turnover. The Group has approximately 13,000 people under employment in ten countries.

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APPENDIX 1: COMPARISON OF QUARTER VS HALF-YEAR RESULTS

RM'Million	2Q07	2Q08	YoY Growth	1H07	1H08	YoY Growth
Revenue	2,373	2,930	23.4%	4,686	5,652	20.6%
Cost (excl dep. & forex gain/loss)	1,350	1,714	26.9%	2,639	3,318	25.7%
EBITDA	1,023	1,216	18.8%	2,047	2,333	14.0%
EBITDA %	43.1%	41.5%		43.7%	41.3%	
PATAMI (actual)	588	367[4]	-37.6%	934	769	-17.7%
PATAMI (normalised)	376[1]	411[2]	9.3%	721[1]	813[2]	12.8%
Subscriber (in million)	31.9	50.0[3]	56.7%	31.9	50.0[3]	56.7%

Notes:

1. *2Q07 and 1H07 excludes gain on disposal of 3.82% Dialog shares (RM194 million) and gain on dilution of shares in Spice (RM18 million).*
2. *2Q08 and 1H08 inclusive of RM30.9 million foreign exchange gain (YTD June'07 : loss of RM2.9 million) predominantly arising from translation of Excelcomindo's US Dollar denominated debt. It also includes XL's consent fees (RM12 million) paid to bondholders, RM5 million accelerated amortisation and discounts from the buyback of bonds, provision of RM9 million payable to KPPU on the SMS price fixing case and TMIC's consulting fees with regards to spectrum issues of RM5 million.*
3. *Subscriber numbers inclusive of other associates and JV companies subscribers. It does not include Idea Cellular subscriber numbers.*
4. *2Q08 Includes finance cost of loan from TM post demerger (RM44mn)*