



2nd QUARTER 2008 RESULTS

Analyst and Investor Briefing

26 August 2008

TMI Group Performance Overview

Malaysia – Celcom

Indonesia – Excelcomindo

Sri Lanka – Dialog

Bangladesh – TMIB

Other Regional Mobile Assets

Moving Forward

Group Performance Highlights for 1H 2008

Financial Highlights

- Revenue increased 21% to RM5.7 billion in 1H 08 compared to 1H 07
- Normalised PATAMI improved 13% to RM813 million in 1H 08 from RM721 million in 1H 07*

Operating Highlights

- Regional mobile subscribers grew 57% Y o Y to 50 million subscribers
- XL's clear & simple "Minute Factory" strategy outperformed the market with increased revenue share and margins
- Celcom maintained momentum with improved margins

Developments

- Expanded presence into the high growth market of India
- Aggressive capex expansion in Indonesia to further capture growth
- Building a strong TMI foundation for improved execution and focus

* - For comparison, 1H 2007 excluded gain on disposal of 3.8% Dialog shares (RM194 mn) and gain on dilution of shares in Spice (RM18 mn) while 1H 08 excluded finance cost (RM44 mn) of loan from TM post demerger

- TMI Group based on proforma results including Celcom

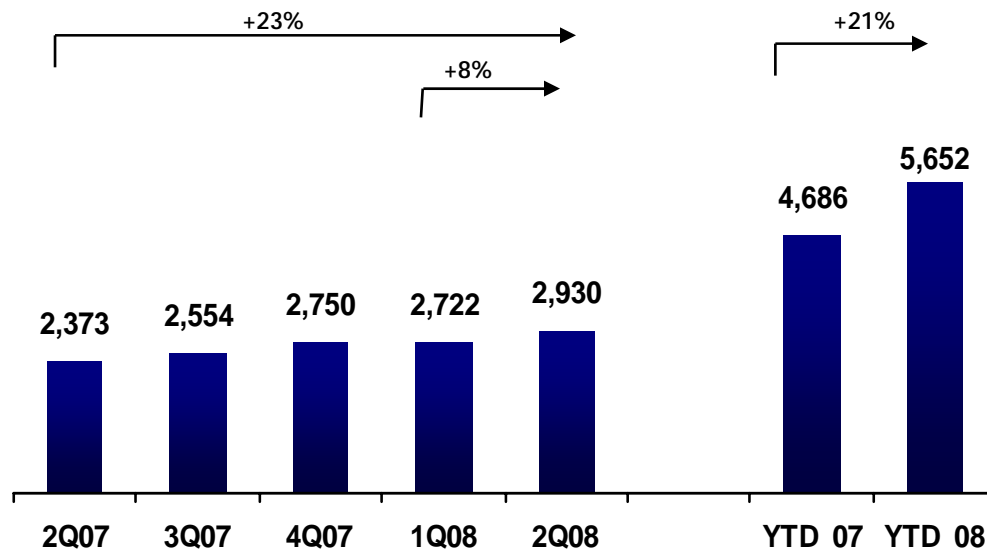
Highlights in Key Markets

KEY MARKETS	INDUSTRY	COMPANY
Malaysia	<ul style="list-style-type: none"> Increased competition in certain segments; new entrant Increasing emphasis for subscriber retention and acquisition in anticipation of MNP 	<ul style="list-style-type: none"> Continued momentum with improved EBITDA margin 9 consecutive qtrs. of positive revenue growth Greater push for mobile broadband and “underperformed” segments
Indonesia	<ul style="list-style-type: none"> Low Price and high MoU market environment. Competitive landscape move from coverage to affordability Potential revision of interconnect scheme 	<ul style="list-style-type: none"> Revenue growth of industry growth with margin improvements of 3%. 2Q 08 results above market average with total outgoing MoU minutes rose more than 10 times YoY, despite Voice Revenue per Minute dropped 86% (2Q 08 vs 2Q 07)
Sri Lanka	<ul style="list-style-type: none"> Increased price pressure from competitors and expected new players by year end Country inflation rate surpassed 28% 	<ul style="list-style-type: none"> Continued growth in mobile subscribers 31% Y o Y and achievement of 100,000+ CDMA and Pay TV subscribers High inflationary environment impacting margins
Bangladesh	<ul style="list-style-type: none"> Intense price competition and high inflation rate. Increasingly stringent regulatory landscape. New business/expansion incl. additional spectrum and 3G licensing 	<ul style="list-style-type: none"> Encouraging results from promotions despite industry issues. Improved visibility and presence in market from increased marketing and promotional activities Strengthened management with New CEO and CCO

Group Financial Performance

Continued top line growth from all key markets

Revenue (RM mn)



- 1H 08 revenue growth of 21% largely from XL, Celcom and Dialog
- Growth was driven by higher subscriber additions and usage

Translation loss (using average exchange rate 2Q 07 and YTD June 07)

2Q 08 – RM 107 mn , 1Q 08 - RM 112 mn, YTD June 08 – RM 238mn

Revenue growth

Q on Q : 7%

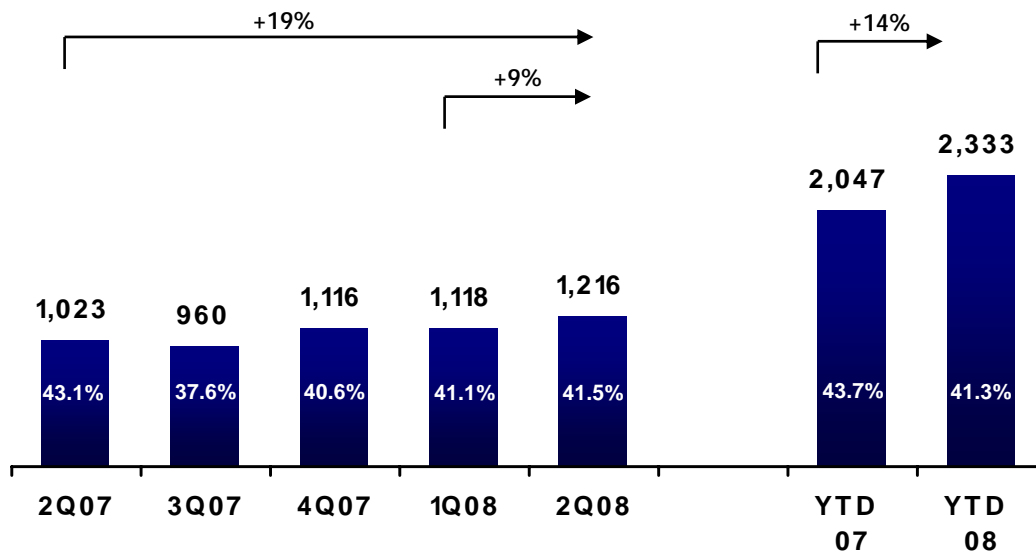
Y on Y : 28%

1H 08 vs 1H 07 : 26%

Group Financial Performance

Growth in EBITDA though margins contracted due to competition and externalities

EBITDA (RM mn) & Margins (%)



- EBITDA increased by 14% with higher revenue contribution from operations.
- Escalation of cost from inflationary and competitive pressure in Sri Lanka and Bangladesh compressed the EBITDA margin for 1H 08

Translation loss (using average exchange rate 2Q 07 and YTD June 07)

2Q 08 – RM 45 mn , 1Q 08 - RM 45 mn, YTD June 08 – RM 97 mn

Revenue growth

Q on Q : 8%

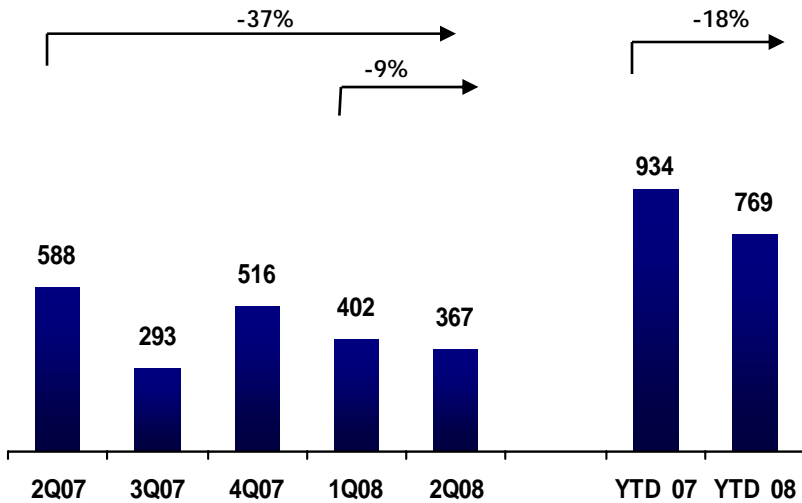
Y on Y : 23%

1H 08 vs 1H 07 : 19%

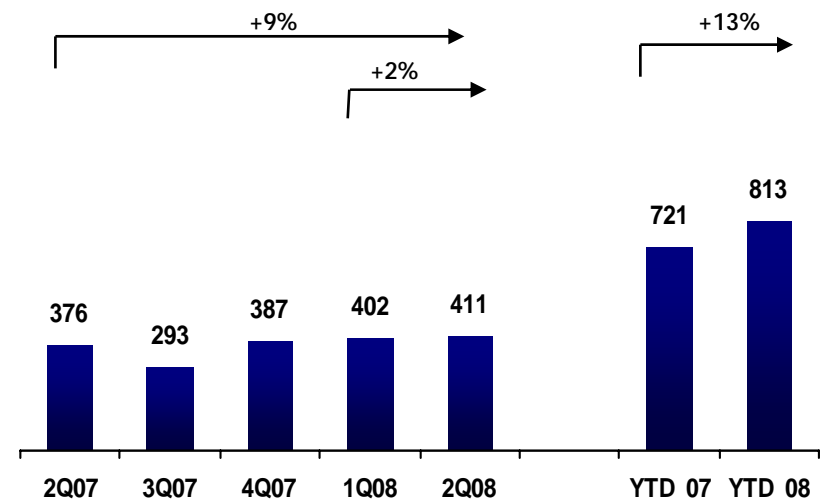
Group Financial Performance

Normalised profits improved as compared to 1H 07

PATAMI (RM mn) - Actual



PATAMI (RM mn) - Normalised



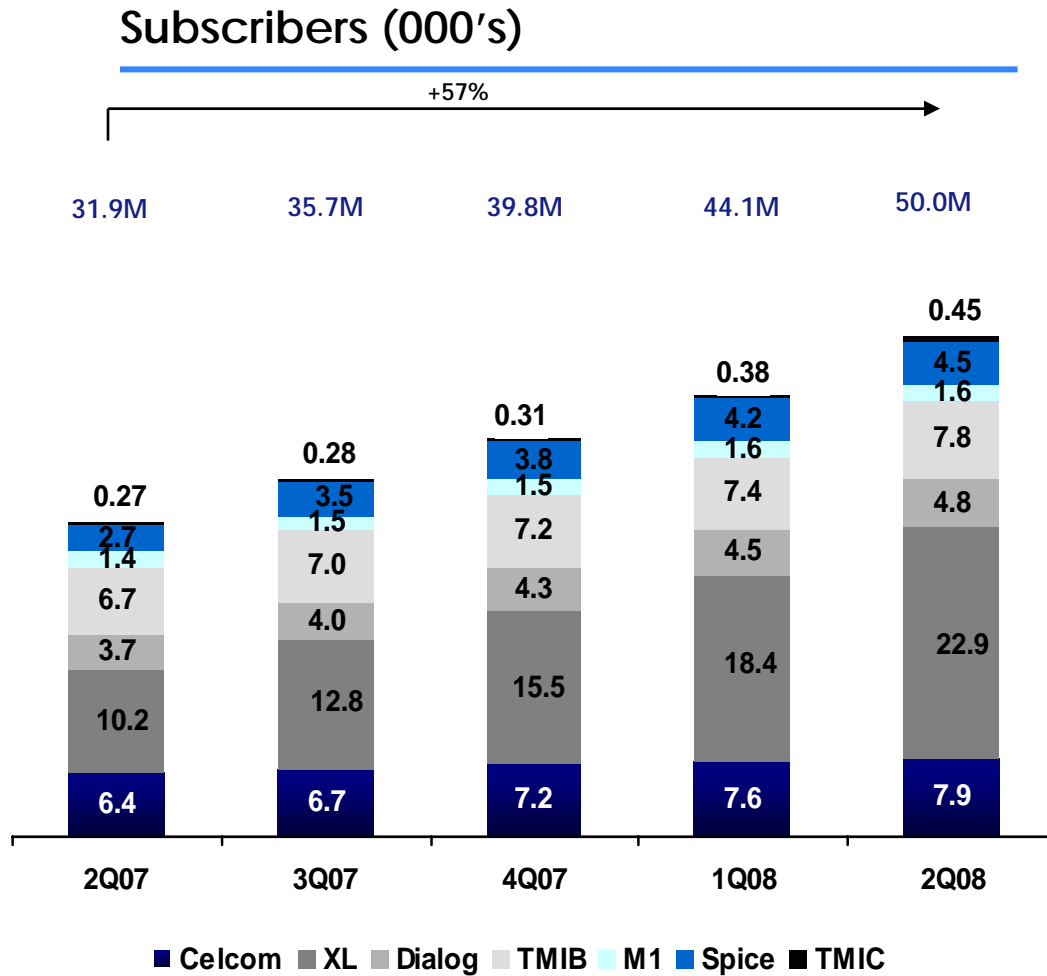
Normalisation (not including forex gain /loss):
 2Q 07 and YTD June 07 – Gain on disposal of 3.82% of Dialog Shares (RM194m) and Gain on dilution of shares in Spice (RM18m)
 4Q 07 – Gain on Sale of Towers in Spice (RM129m)
 2Q 08 and YTD June 2007 – Finance cost of amount owing to TM post demerger for (RM44m)

Translation loss (using average exchange rate 2Q 07 and YTD June 07)
 2Q 08 – RM 3 mn , 1Q 08 - RM 8 mn, YTD June 08 – RM 13 mn
Revenue growth
 Q on Q : 1%
 Y on Y : 10%
 1H 08 vs 1H 07 : 15%

- Higher consolidated finance cost from recognition of impact of TM Loan post demerger and greater interest expense in Bangladesh in 1H 08
- Forex loss of RM 11.5 mn in 2Q 08 and RM1.7 mn in 2Q 07. Forex gain of RM42 mn in 1Q 08
- 1H 08 vs 1H 07 : Forex gain of RM31 mn vs Forex loss of RM3 mn
- On a normalised basis PATAMI improved 13% in 1H 08

Net Subscribers Addition

Regional mobile customers showed strong growth in key markets

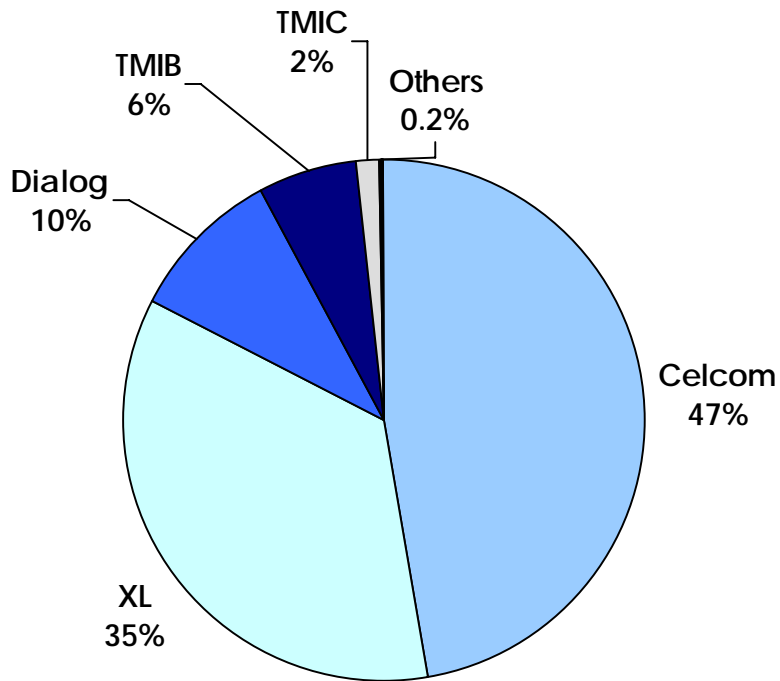


- Regional mobile subscribers continued to register strong growth of 57% Y on Y

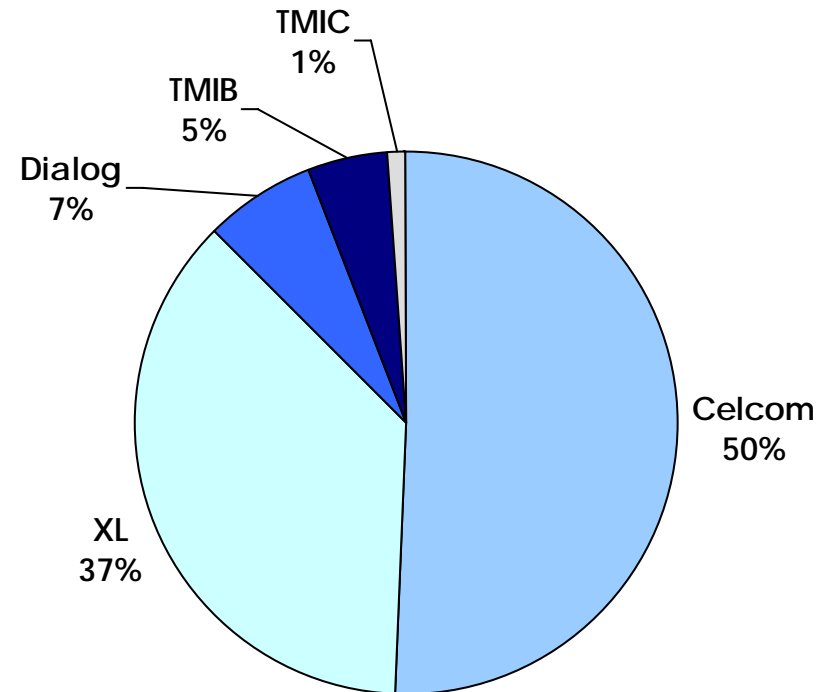
Group Revenue and EBITDA Composition

Celcom, XL contributed to 82% Group's Revenue and 87% Group's EBITDA margin

YTD June 08 Revenue Breakdown (%)



YTD June 08 EBITDA Breakdown (%)



EBITDA exclusive of Others (-ve RM22 million)

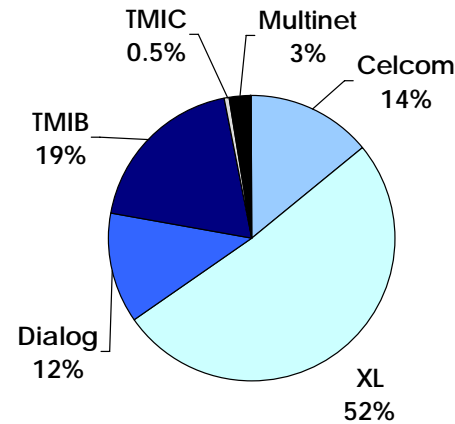
Group Capex and Financial Leverage

Increased Capex from XL to capture market growth

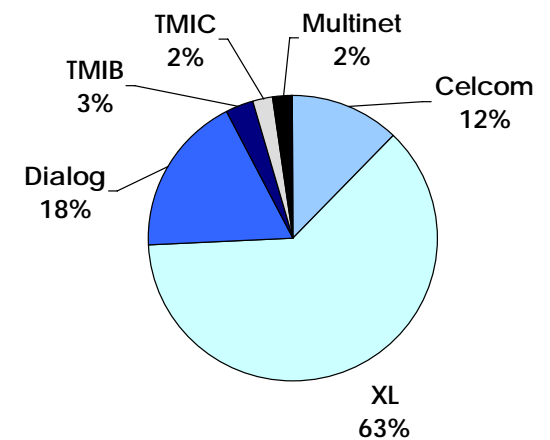
RM' Million	YTD Dec 07	YTD June 08
Cash & Bank	1,928	2,603
Net Debt	7,191	8,923
Net Assets	10,380	12,254
Gross debt / equity (%)	87.9%	94.1%
Gross debt / EBITDA (x)	2.23	2.47 [^]
Net assets per share (sen)	2.90	3.26

Capex	YTD June 07	YTD June 08	YoY
RM'Million	2,141	2,972	39%

YTD June 07 (%)



YTD June 08 (%)



[^] Annualised EBITDA

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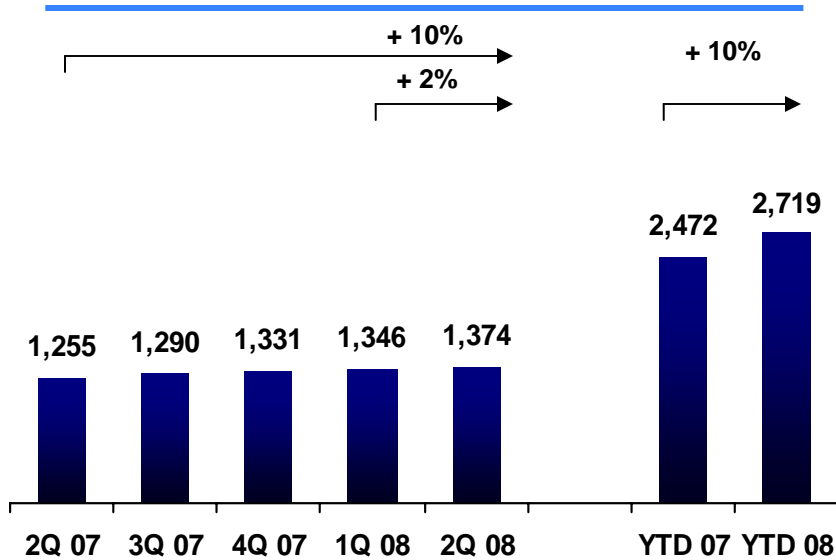
Other Regional mobile assets

Moving Forward

Celcom : Financial Performance

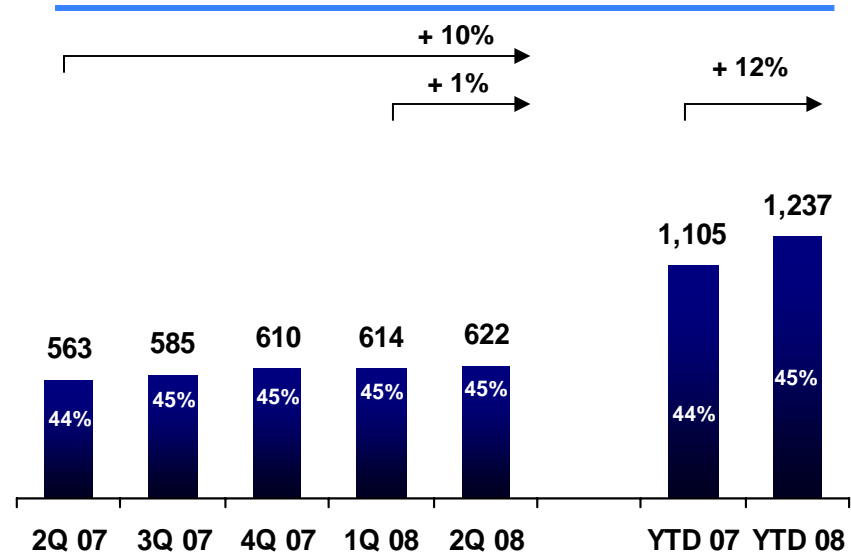
Maintaining growth momentum despite a highly competitive environment

Revenue* (RM mn)

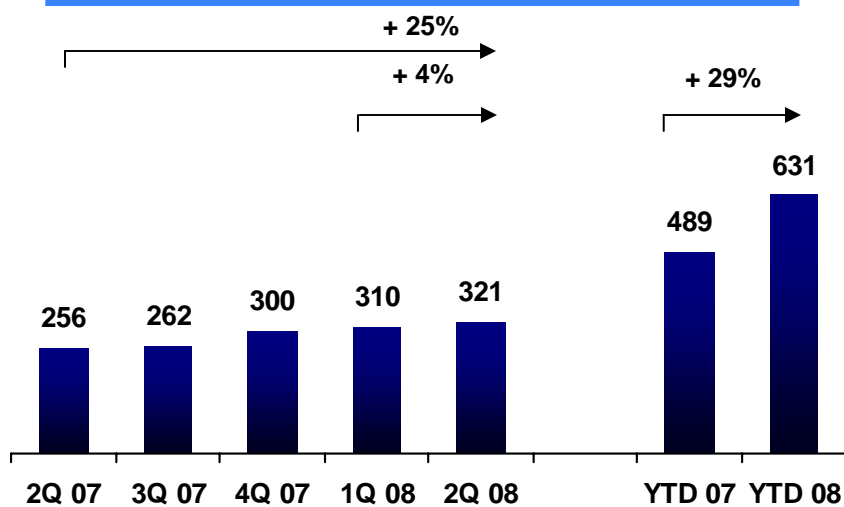


*Fibercomm excluded due to demerger (for comparison purpose)

EBITDA (RM mn) & Margins (%)



PATAMI (RM mn)



Recovery of postpaid has led to continuous revenue growth

Margins sustainable with continuous drive for cost control



Celcom : Financial Performance



Operating Expenses

% of Revenue	2Q 07	1Q 08	2Q 08	YTD June 07	YTD June 08
Direct Expenses	22.0%	21.8%	21.7%	22.4%	21.8%
Sales & Marketing	9.4%	9.9%	10.7%	9.1%	10.3%
Network Costs	13.3%	13.2%	10.7%#	13.4%	11.9%#
Staff Costs	5.6%	5.8%	7.0%*	5.4%	6.4%*
Bad Debts	0.8%	0.6%	0.6%	1.0%	0.6%
Others	4.5%	3.6%	3.9%	4.6%	3.8%
Total Expenses	55.7%	54.9%	54.7%	55.8%	54.8%
EBITDA Margin	44.3%	45.1%	45.3%	44.2%	45.2%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	16.6%	13.8%	14.5%	16.9%	14.1%

Lower network costs due to reversal of provision on site rental after finalisation of rates with TM. Normalised rate is 12.5% for 2Q08 and 12.9% for 1H08

* Staff costs included cumulative ESOS cost (since Jan) which was provided in 2Q. Normalised staff cost is 5.4% for 2Q08 and 5.6% for YTD08

Financial Position (RM mn)

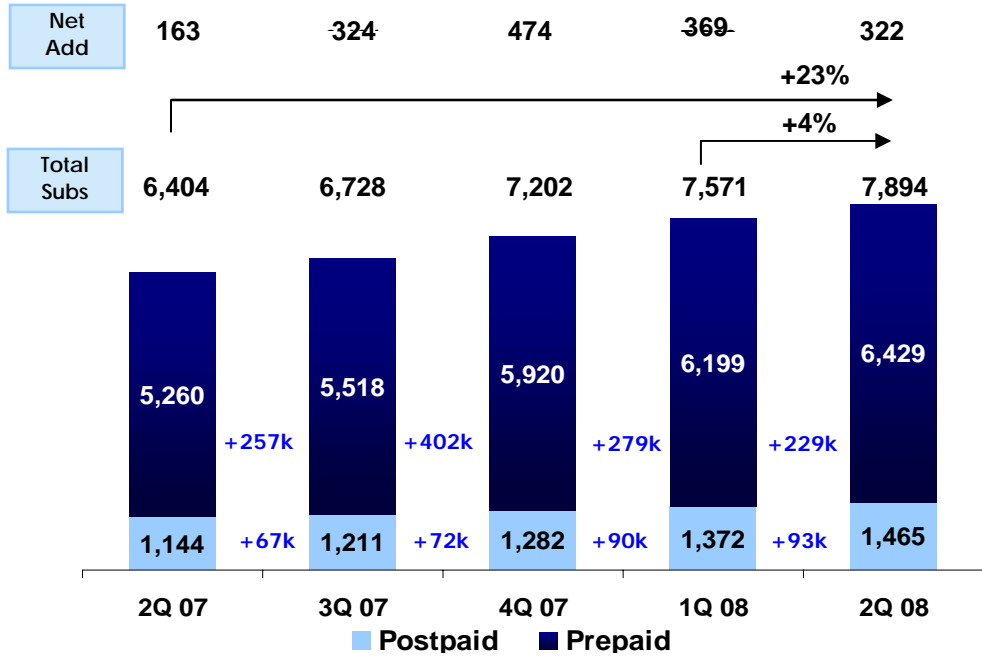
	YTD June 08	YTD June 07	Y on Y
Capex	362.8	303.6	19%
Cash & Cash Equivalents	1,830.8	1,468.7	25%
Net Debt	net cash	1,235.9	48%
Net Assets	3,559.7	3,100.9	15%
Net debt / equity (%)	net cash	net cash	
Net debt / EBITDA*(x)	net cash	net cash	

*Annualised EBITDA

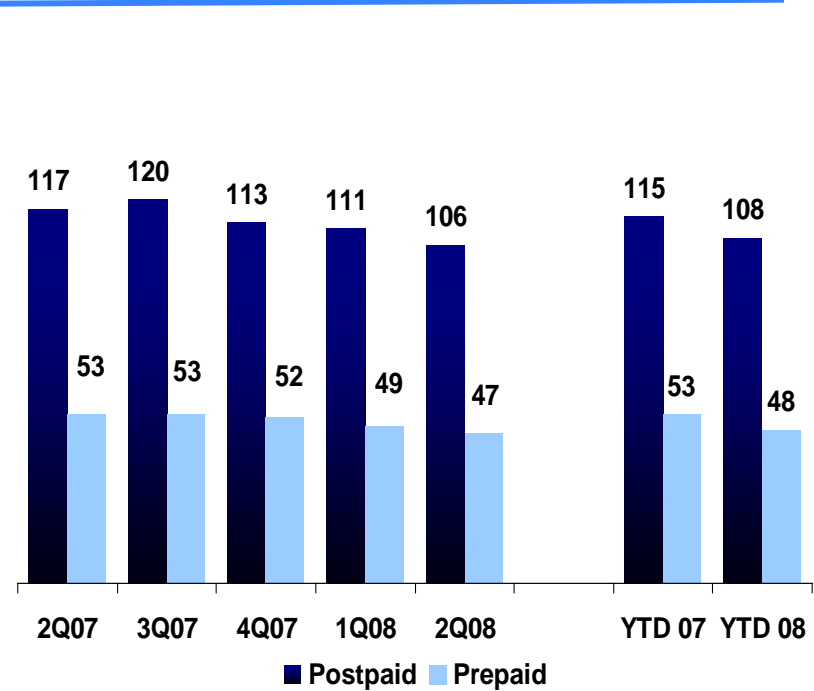


Celcom : Operational Performance

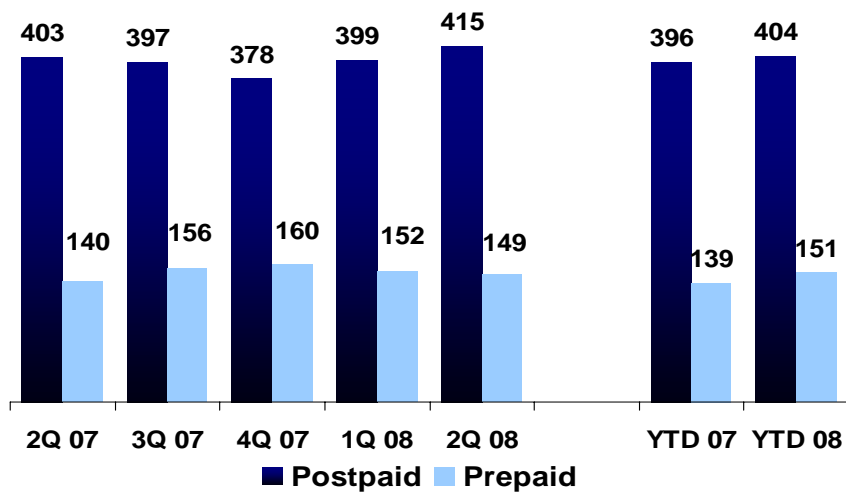
Subscribers(000's)



ARPU(RM)



MOUs (min)



Continuously gaining market share in a competitive market environment

Increasing postpaid usage though lower ARPU from promotional packages. Prepaid segment however remain fairly stable



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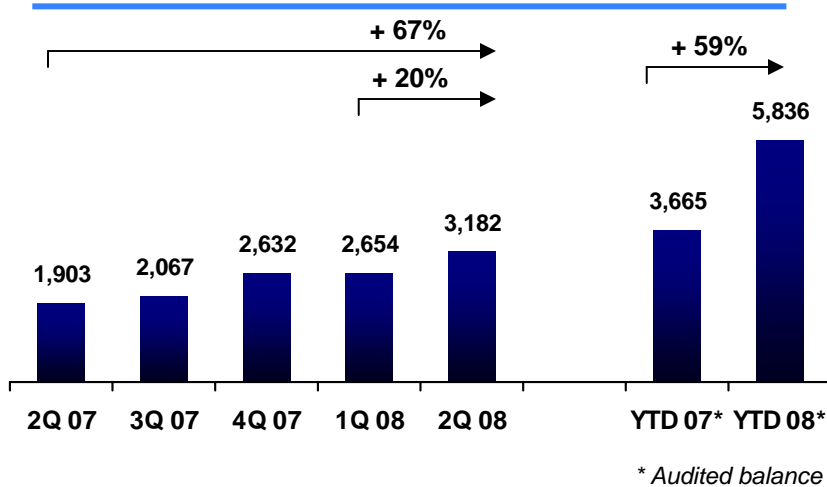
Other Regional mobile assets

Moving Forward

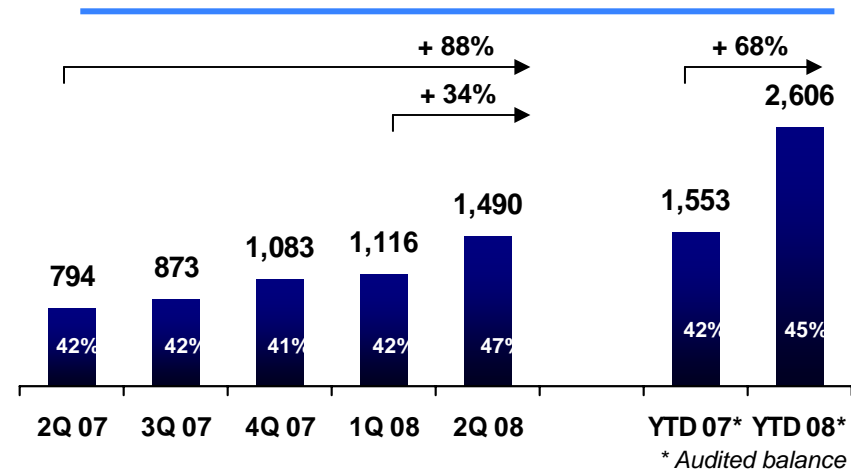
XL : Financial Performance

Outperforming the market with strong growth and improving margins

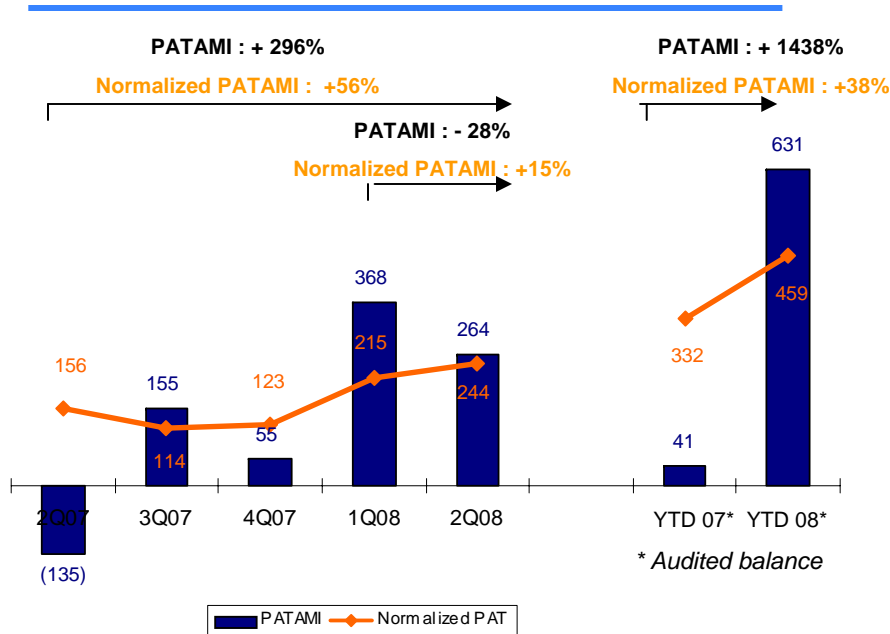
Revenue before disc (IDR bn)



EBITDA (IDR bn) & Margins (%)



PATAMI (IDR bn)



- Revenue YoY increased by 59%, driven by significant increase in total OG MoU of 1,056% and 124% increase in subscriber base to 22.9 mn as of June 2008.
- EBITDA increased by 68% in YTD 08 driven by higher revenue, economic of scale and cost management.
- EBITDA margin increased from 42% in YTD 07 to 45% in YTD 08

- Normalized PAT increased by 38%. Normalized PAT represent PAT after adjustment of unrealized forex after tax and impact from WHT of USD Bond interest after tax for period 2004 - 2006 which was recorded in June 2007



XL : Financial Performance

Operating Expenses

% of Revenue	2Q 07	1Q 08	2Q 08	YTD June 07	YTD June 08
Direct Expenses	14.7%	17.6%	15.8%	14.3%	16.6%
Sales & Marketing	10.5%	11.3%	11.2%	10.0%	11.2%
Network Costs	11.8%	14.2%	13.3%	13.2%	13.7%
Staff Costs	5.2%	5.4%	4.3%	5.3%	4.8%
Bad Debts	0.9%	0.7%	0.5%	0.9%	0.6%
Others	11.6%	1.5%	11.1%	9.3%	6.7%
Total Expenses	54.7%	50.5%	56.3%	53.0%	53.7%
EBITDA Margin	41.7%	42.0%	46.8%	42.4%	44.7%
D & A	21.9%	20.6%	23.7%	22.3%	22.3%

Financial Position (IDR bn)

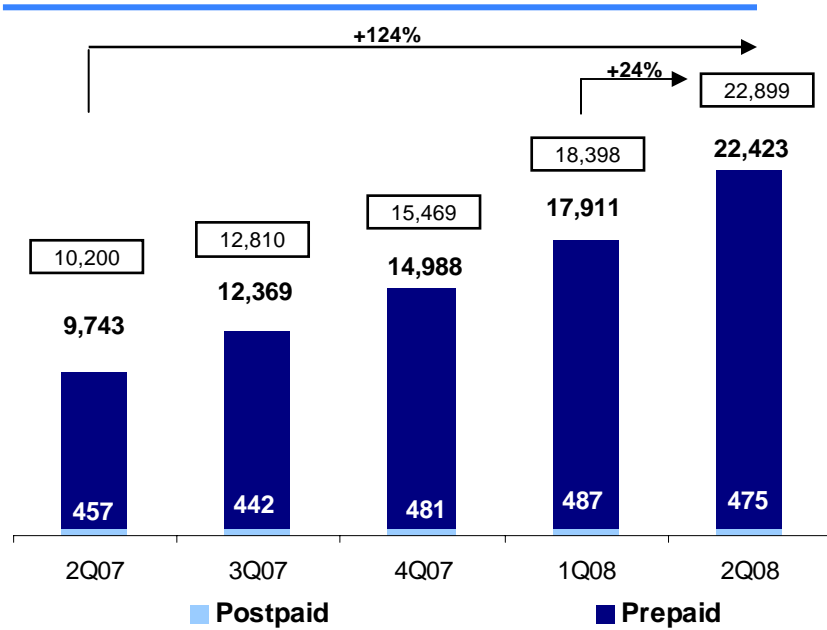
	YTD June 07	YTD June 08	Y on Y
Capex	3,283	5,284	61%
Cash & Cash Equivalents	1,186	382	-68%
Net Debt	6,678	11,718	75%
Net Assets	4,255	4,954	16%
Net debt / equity (%)	156.9	236.5	
Net debt / EBITDA* (x)	2.3	2.6	

*Annualised EBITDA

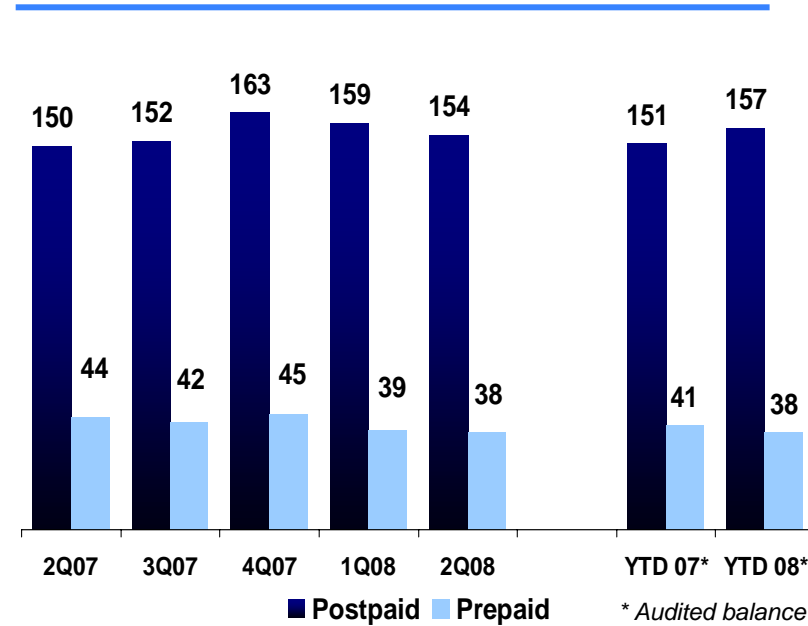


XL: Operational Performance

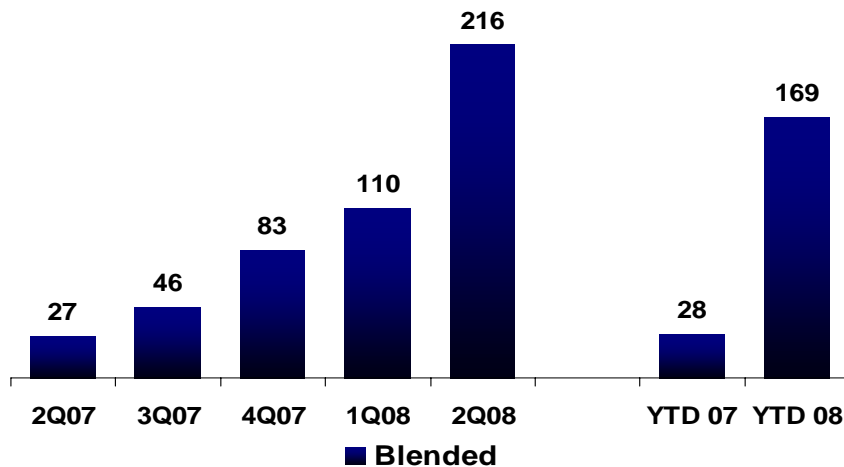
Subscribers(000's)



ARPU(IDR 000s)



OG MoU/subs/month (min)



- 1H08 postpaid, prepaid ARPU were Rp. 38 thousand, Rp. 157 thousand respectively, were comparable to 1Q08 i.e. Rp. 39 thousand, Rp. 159 thousand.
- Significant increase in outgoing MoU/subs/month by 508% and subscribers base by 124% YoY was driven by strategy which offers best value through a combination of comparable quality and affordable pricing.



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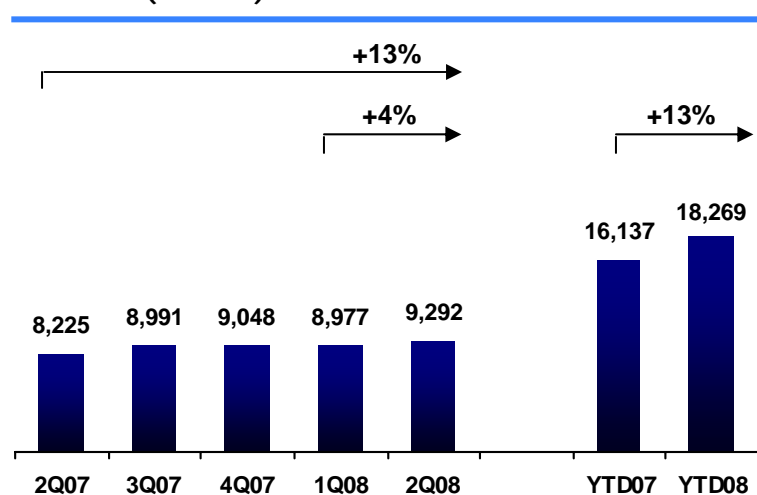
Other Regional mobile assets

Moving Forward

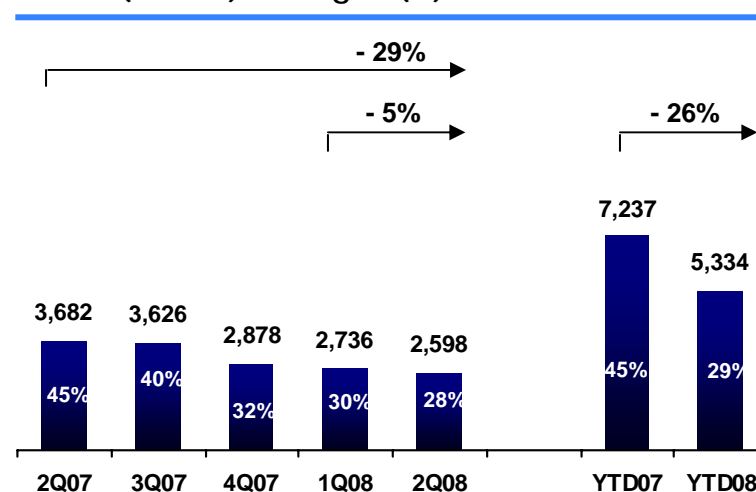
Dialog Group : Financial Performance

Revenue growth affected due to competition and externalities

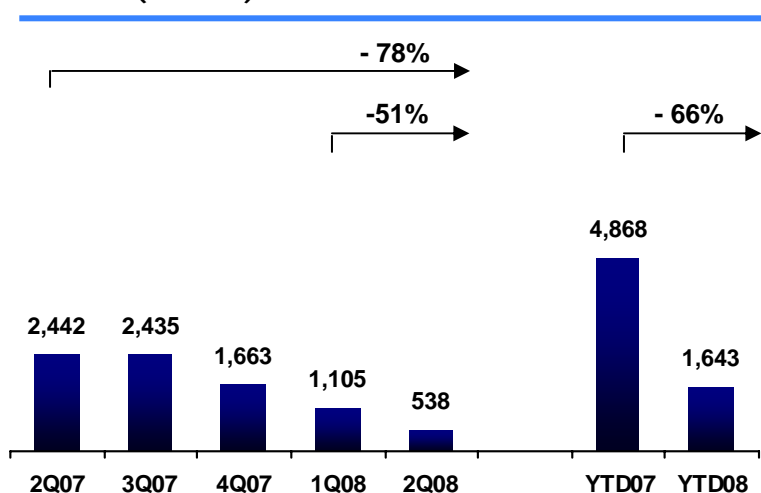
Revenue (SLR mn)



EBITDA (SLR mn) & Margins (%)



PATAMI (SLR mn)



- Revenue increased by 13% compared to 2Q 07 mainly attributable to increased call revenues from the robust growth in mobile subscriber base by 31% in 1H 08 vis a vis 1H 07.
- Revenue growth was mitigated mainly due to tariff reductions and other affordability enhancement strategies adopted by the company during 4Q 07 on the backdrop of suppressed price-usage elasticity levels arising from inflation related pressures on consumer spending power.
- The period under review is characterised by cost expansion driven in the main by general inflation (28%), energy derived costs, and expansion of the company's network infrastructure.

Dialog : Financial Performance

Operating Expenses

% of Revenue	2Q 07	1Q 08	2Q 08	YTD 07	YTD 08
Direct Expenses	6.4%	6.1%	6.6%	6.7%	6.3%
Sales & Marketing	11.4%	17.7%	15.9%	11.9%	16.8%
Network Costs	20.7%	28.5%	29.3%	20.8%	29.2%
Staff Costs	7.8%	10.0%	10.9%	7.7%	10.5%
Bad Debts	3.2%	-1.5%	2.0%	2.8%	0.2%
Others	3.7%	8.2%	6.4%	3.8%	7.1%
Total Expenses	53.2%	68.9%	71.2%	53.7%	70.1%
EBITDA Margin	46.8%	31.1%	28.8%	46.3%	29.9%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	11.9%	16.9%	18.3%	11.6%	17.6%

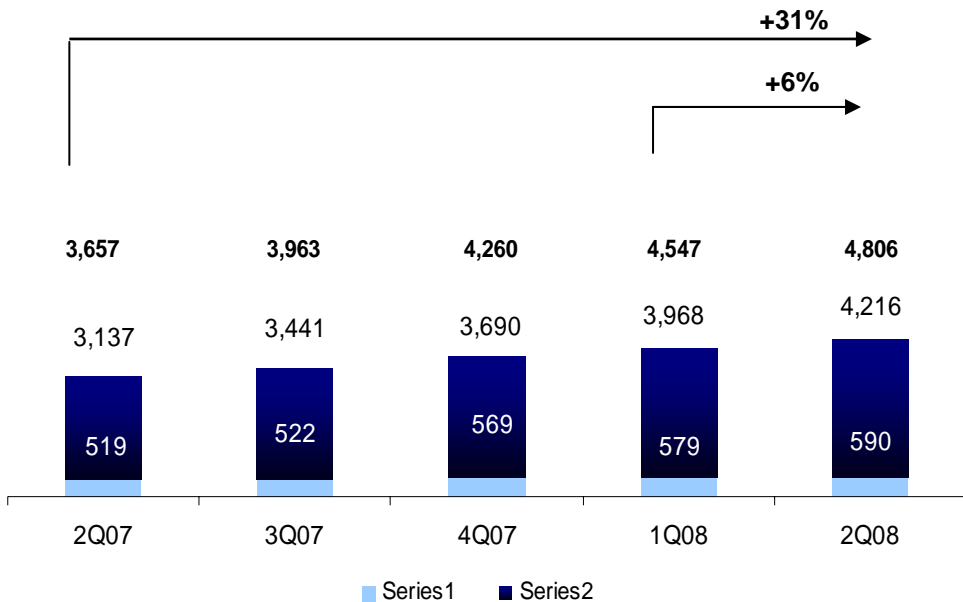
Financial Position (SLR mn)

	YTD June 08	YTD June 07	Y o Y
Capex*	12,233	8,139	50%
Cash & Cash Equivalents	2,807	12,858	
Net Debt	18,844	618	
Net Assets	46,802	41,165	14%
Net debt / equity (%)	40%	2%	
Net debt / EBITDA (x)	1.72	0.04	

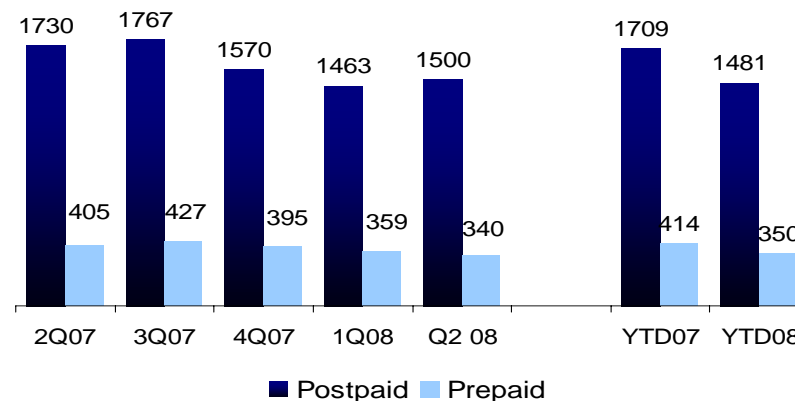
*Capex includes CWIP additions
+ direct additions

Dialog: Operational Performance

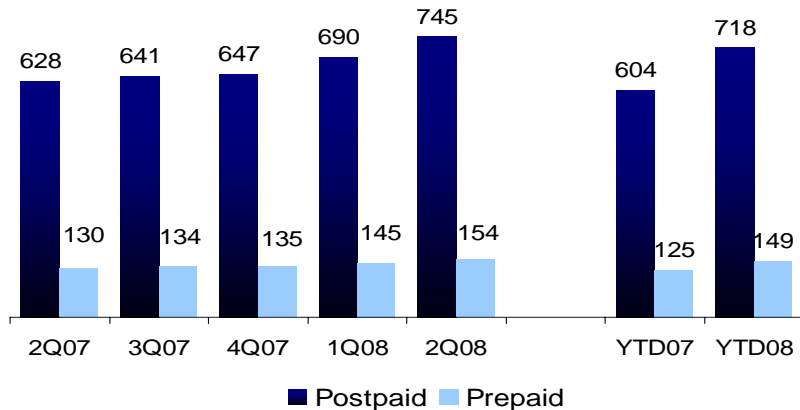
Subscribers(000's)



ARPU(SLR)



MOUs (min)



- Recorded 31% Mobile Subscriber Growth (4.81 Mn. Subscribers)

- Downward revision in tariffs in December 2007. Increase in MOU in response to price change has been inadequate to deliver a recovery of revenue growth resulting in lower ARPUs
- De-escalation of the Minimum Cost of Ownership (MCO) has resulted in higher penetration at the bottom of the pyramid resulting in lower ARPUs.

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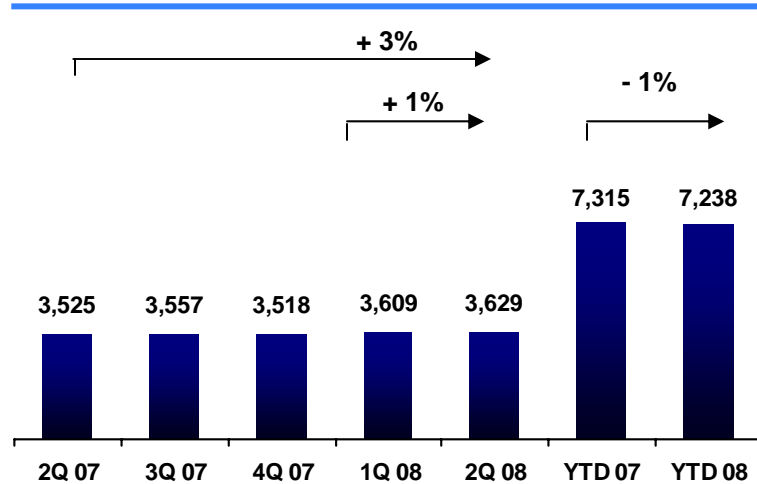
Other Regional mobile assets

Moving Forward

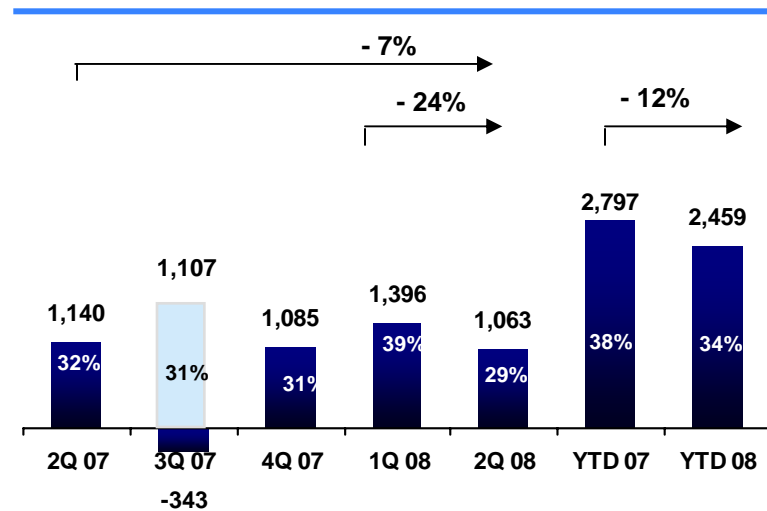
TMIB : Financial Performance

Tough competition and macroeconomic factors

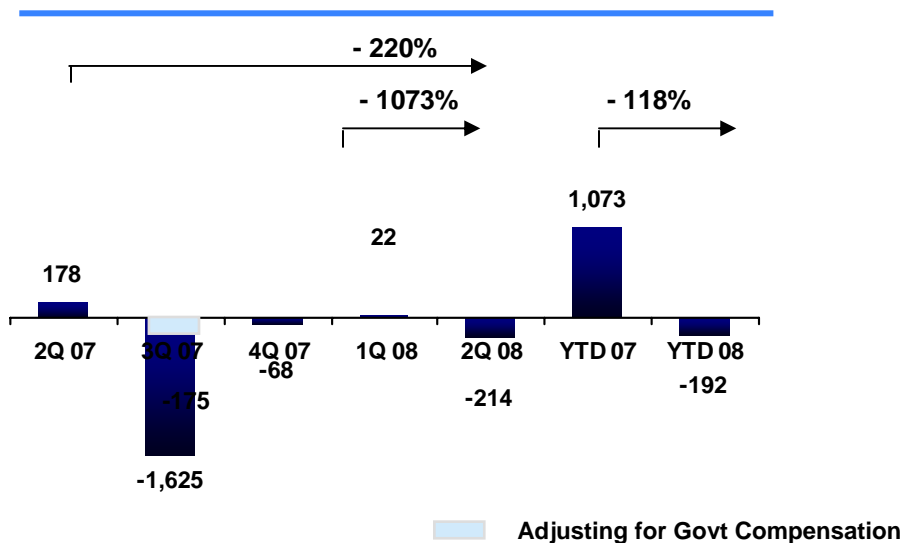
Revenue (BDT mn)



EBITDA (BDT mn) & Margins (%)



PATAMI (BDT mn)



- Revenue adversely affected from 2Q07, due to reduction in tariffs with intense competition
- Higher costs from increased SAC and A&P costs with increased subscriber acquisition. Further impact on cost items from inflationary pressure
- PATAMI is further adversely affected due to high borrowing costs from high interest bearing short term loans

TMIB : Financial Performance



Operating Expenses

% of Revenue	2Q 07	1Q 08	2Q 08	YTD Jun 07	YTD Jun 08
Direct Expenses	40.9%	39.5%	44.7%	36.4%	42.1%
Sales & Marketing	5.5%	2.0%	4.0%	6.3%	3.0%
Network Costs	7.5%	9.1%	10.6%	6.8%	9.9%
Staff Costs	6.4%	6.2%	6.2%	6.3%	6.2%
Bad Debts	0.6%	0.2%	0.1%	0.5%	0.2%
Others	6.8%	4.3%	5.0%	5.4%	4.6%
Total Expenses	67.7%	61.3%	70.7%	61.8%	66.0%
EBITDA Margin	32.3%	38.7%	29.3%	38.2%	34.0%
	100.0%	100.0%	100.0%	100.0%	100.0%
D & A	20.8%	24.4%	25.3%	19.1%	24.9%

Financial Position (BDT mn)

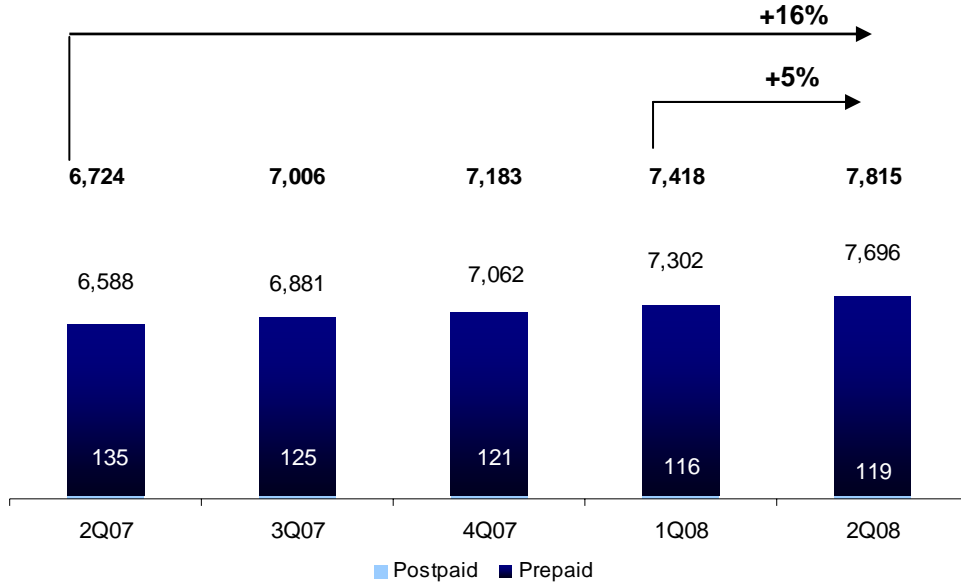
	YTD June 08	YTD June 07	Y on Y
Capex	1,951	4,489	- 43%
Cash & Cash Equivalents	223	67	+ 231%
Net Debt	17,840	16,022	+ 10 %
Net Assets (Equity)	10,268	13,738	- 23 %
Net debt / equity (%)	1.70	1.17	
Net debt / EBITDA* (x)	3.63	2.86	

*Annualised EBITDA

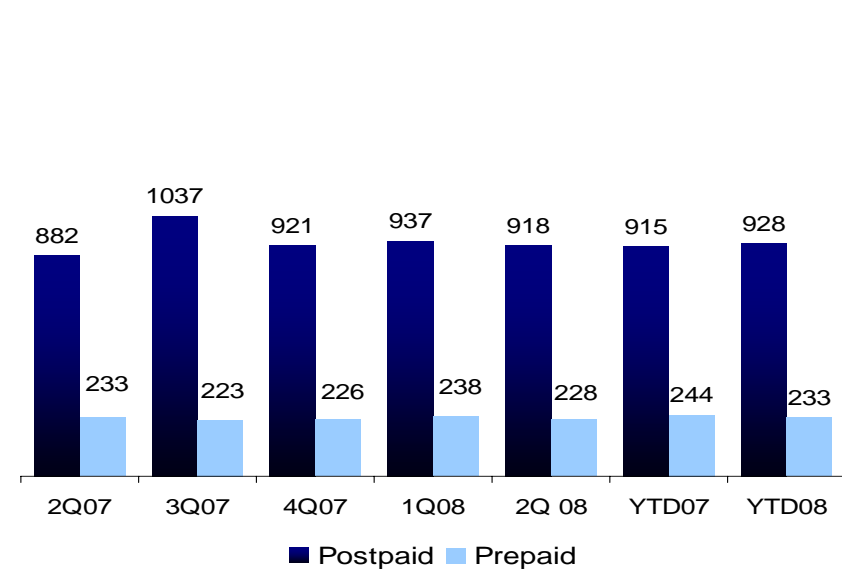


TMIB: Operational Performance

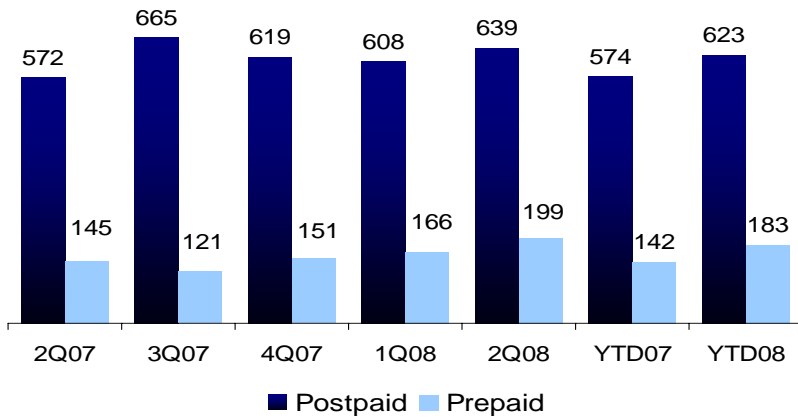
Subscribers(000's)



ARPU(BDT)



MOUs (min)



- Continued subscriber growth amidst competitive environment.
- MoU has increased YoY due to focus on quality subscribers and targeted marketing efforts / promotions

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Moving Forward

Regional Mobile : Performance Highlights



COMPANY	HIGHLIGHTS	PERFORMANCE OVERVIEW		
	Spice to benefit further from pending merger with Idea	Revenue 36%	Subs 42%	EBITDA 21%
	Continued subscriber acquisition drive through increased distribution channels and greater brand awareness. Lower margins from network expansion and immediate expense of new frequency bandwidth charges	Revenue 37%	Subs 70%	EBITDA 28%
	Increased competition with MNP introduced. Next Generation National Broadband Network	Revenue 6%	Subs 14%	EBITDA 43%

*Growth – Year on Year. M1 – based on Service Revenue

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Moving Forward

Moving Forward

Accelerating momentum and execution amidst competition and externalities. Focus on strengthening operations

- Twin engines of growth
 - Unlocking Opcos value and portfolio synergies
 - Selective M & As
- Institution Building through people and process improvements



- Gearing up for MNP implementation with strategic and operational preparations
- Segment focus through improved product, services and reach
- Continued improvements in IT / billing to enhance go to market strategy



- Continue momentum to grow revenue profitably with operational efficiency and capital productivity in order to create value and return
- Leverage value from passive infrastructure while focusing on core operating business



- Revenue mitigation through affordability enhancement strategy and cost management initiatives
- Measured approach in quad-play strategy for diversified revenue streams



- Effective cost management in amidst competitive and external pressures
- Improving distribution channels and brand positioning
- Finalisation of Shareholder Agreement with NTT Docomo

FY 2008 Guidance

Headline KPIs	FY 08	Guidance
Revenue growth	16%	on track
EBITDA Margin (%)	42%	on track
ROE (%)	14%	on track
Capex*	RM4.6 billion	~RM6.5 billion

Headline KPIs not including impact recent India acquisition. Lower guidance on ROE due to expectations of increase in borrowing costs for India acquisition. Revised Capex reflects increased guidance of XL's capex

* Capex is not a Headline KPI

Disclaimer



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