MEDIA RELEASE
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Celcom and XL drive TMI's solid revenue growth; Group PAT largely affected by currency volatility in 4Q 2008 and higher interest charges

- **Strong operational performance with double digit revenue growth for both Celcom and XL, at 10% and 45% respectively**
- **Total mobile subscribers grew 124% to 89 million**
- **Capital Structure finalised to deleverage balance sheet**

YEAR TO DATE RESULTS

TM International Berhad (TMI) today announced its audited results for the full year ending 31 December 2008. The Group reported revenue of RM11.3 billion, up 14% year-on-year (YoY) due to continued momentum at Celcom (Malaysia) Bhd (Celcom) and strong yearly performance at PT Excelcomindo Pratama Tbk. (XL). Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) also increased by 5% in the same period to RM4.4 billion.

The weakening currencies, particularly against RM and USD, affected contributions from regional operating companies which did have a material effect on the Group. Adjusted PATAMI was RM1.1 billion down 27% excluding extraordinary one off gains and forex losses. Actual PATAMI (Profit after Taxation and Minority Interests) was RM498.0 million down 72% YoY, largely due to forex losses and higher interest charges.

Significant Items Affecting PATAMI were:

ITEMS	FY 2008
Interest on Amount Owing to TM	RM168 million
Spice one-off and Interest on Idea Acquisition	RM187 million
Forex Loss	RM285 million
Total	RM 640 million

Strong Operational Growth by Celcom

Celcom continued its stellar performance, delivering its best quarterly performance of the year, despite intensifying competition, weakened macro-economic conditions and uncertainties of MNP. Recording an unprecedented 11th consecutive quarter of growth, Celcom saw solid revenue of RM5.6 billion, a rise of 10% YoY and 4% QoQ.

Concerted efforts and focus on segmented marketing yielded encouraging results. Total subscribers grew to 8.8 million with 483 thousand postpaid net additions driven by new acquisition drive. Similarly, the prepaid segment saw net additions rising to 1.1 million on the back of successful segment based marketing campaigns.

Mobile Broadband saw continued success with a striking 27% growth QoQ in customers, marking the highest for the year. Celcom will continue to focus on this segment to capitalise on the growth opportunity due to low broadband penetration in Malaysia, currently less then 20% per household.

Contributing 56% to Group EBITDA, margins improved from 44.6% to 45.2% amidst cost escalations in the last two quarters. Network cost saving initiatives and growth in revenue drove margins improvement. PATAMI in 2008 was RM1.3 billion a rise of 23% YoY. As a key contributor to the Group in terms of EBITDA and cash, there will be continued focus on fundamentals and operational efficiencies at Celcom whilst preserving the growth momentum.

Continued challenges amidst Volatile Economic Climate in Group's Emerging Markets' Operations

XL closed the year with a solid performance overall, with a revenue growth of 45% and EBITDA of 46%.

Revenue growth was mainly due to increase of total outgoing minutes which rose by 705%. Total subscribers increased by 68% YoY to 26 million which resulted in above industry performance and much improved revenue shares. EBITDA for the year increased by 46% YoY to IDR 5,132 billion. Despite the success in XL's minute factory, EBITDA margins remained stable at 42% due to strong focus on cost controls.

However, there was a slowdown in revenue growth in 4Q due to intensifying competition and partially due to a weakening economy. This slowdown will continue to be a cause of concern going into 1Q 2009.

Dialog Group (Dialog), continued its leadership in the mobile industry, despite aggressive competition, with a 29% increase in subscribers to 5.5 million.

Dialog recorded revenue of Rs. 36.2 billion for the year, a growth of 6%, YoY, due to an increase in mobile and fixed line subscribers as well as pay TV. Revenue slowed down in the 4Q due to successive reductions in consumer tariff and weakened consumer spending due to a weakened economy.

However, operating costs, which includes expansion costs related to the company's network infrastructure and energy costs, grew by 40% YoY resulting in EBITDA falling 44%.

In Bangladesh, Aktel's turnaround plan has yielded positive results this quarter with an encouraging revenue increase of 15% to BDT3.9 billion QoQ due to aggressive marketing activities carried out in 4Q. Due to higher usage over festivals and the general elections, TMIB saw the highest monthly revenue in December 08 and the highest quarterly revenue. EBITDA improved by 11% in the quarter due to continued cost optimisation and marketing strategies.

TMI Chairman, Tan Sri Dato' Azman Hj. Mokhtar said," Notwithstanding challenges arising from the global financial crisis the Group has delivered strong revenue growth for the year. As for most regional companies, 2008 results have been impacted by forex movements. Solid operational performance remains a source of strength for the Group and the pro-active operational and financial steps taken by management will go a long way in strengthening its competitive position moving forward".

TOWARDS AN OPTIMAL CAPITAL STRUCTURE

In order to reduce its overall debt levels and achieve an optimal capital structure, TMI will be embarking on a renounceable rights issue to raise gross proceeds of approximately RM 5.25 billion. TMI's largest shareholder, Khazanah Nasional Berhad which has a 44.5% equity interest, is fully supportive of the Proposed Rights Issue, and has agreed to undertake to subscribe its full entitlement in the rights and additional amounts, subject to regulatory and shareholder approvals. Khazanah and identified underwriters will fully underwrite the Offering subject to the necessary agreements to ensure that the entire offering will be fully underwritten and successfully completed.

"A rights issue was decided upon as we felt it was inclusive in nature and allows all our shareholders to take part. The Offering, is a pro-active and prudent step from management, allaying investor concerns on lingering balance sheet questions," concluded Dato' Sri Jamaludin Ibrahim.

BUILDING FOUNDATIONS TO UNLOCK VALUE

Since the de-merger the Group has been in a period of consolidation looking to enhance foundations for sustainable long term growth, putting in place best practices and strong governance of a multi-national company (MNC). TMI has to date, strengthened the TMI Board and OpCo Boards. The TMI top management team is now complete with a combination of top local and international talents. The Group is pressing ahead with identifying and implementing key processes from marketing and branding to network, customer service and procurement. The new TMI engagement mode with all the OpCos has been developed, communicated and is now being implemented.

Focused initiatives have already seen significant results such as technology initiatives in power savings, network optimisation and strategy support. Better leveraging of economies of scale has translated into savings of more than RM130 million from procurement. TMI has also leveraged from the 'best practices' of OpCos such as Dialog's SAP to Celcom which has seen a saving of RM10 million.

The Group has also identified and implemented marketing initiatives leveraging off its extensive network across the region. This includes the recently launched Daily Unlimited Data Roaming, the first ever for Malaysian consumers, across 6 TMI Opcos. In this instance, the Group has translated the operational savings achieved through cross-border synergies around the region into value-add for consumers, offering the most competitive rates in the region.

Moving forward, TMI management remains focused on its long term goal of transforming the Group from a holding company to a true multinational organisation, with world-class processes and people.

"We had three good quarters of revenue and profit growth but 4Q proved challenging. Celcom had an all round strong performance, consistently delivering revenue and profit growth every quarter. XL performed well on an annual basis but was impacted in the 4Q. Moving forward our main concern will be currency fluctuations and the possibility of weakening economies affecting the industry across our operations. With this in mind we are pro-actively strengthening operations and performance across our OpCos, embarking on several significant cost initiatives. These factors together with the finalisation of the capital structure puts TMI on a strong footing to achieve its long term strategic objective" concluded Dato' Sri Jamaludin Ibrahim.

About TMI

TMI is one of the largest Asian telecommunication companies, focused in high growth low penetration emerging markets. TMI has a controlling interest in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. India and Indonesia are some of the fastest growing markets in the world. In addition, the Malaysian grown holding company has assets in telecommunication operations in Thailand, Pakistan and Iran.

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, 'Idea' and 'Spice' in India, 'M1' in Singapore and 'MTCE' in Iran (Esfahan).

As of December 2008, the Group, including its subsidiaries and associates, has close to 90 million mobile subscribers in Asia. The Group provides employment to over 25,000 people across Asia. TMI's vision is to be a regional champion by 2015, in terms of market capitalization, revenue and profits, with world class talent and processes.

Upon its de-merger from TM in April 2008, TMI became an independent entity and simultaneously listed on the Malaysian stock exchange. TMI is among the largest public-listed companies in Malaysia. Similarly, all of its listed subsidiaries are amongst the largest in their respective countries.

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