

NOT FOR DISTRIBUTION IN THE UNITED STATES OR INDONESIA

**AXIATA GROUP BERHAD (FORMERLY KNOWN AS TM INTERNATIONAL BERHAD)
("AXIATA")**

**PROPOSED OFFERING BY AXIATA, THE SOLE ULTIMATE SHAREHOLDER OF INDOCEL
HOLDING SDN BHD ("INDOCEL"), OF PART OF INDOCEL'S EQUITY INTEREST IN PT XL
AXIATA TBK ("XL") ("PROPOSED OFFERING")**

(For the purpose of this announcement, selected Indonesia Rupiah ("IDR") amounts have been translated to RM, based on the exchange rate of IDR100:RM0.0362, representing the middle rate as at 5.00 p.m., 10 March 2010 as published by Bank Negara Malaysia)

1. INTRODUCTION

On behalf of the Board of Directors of Axiata ("**Board**"), we are pleased to announce that Axiata, the sole ultimate shareholder of Indocel, proposes to undertake an offering of up to 20.0% of the issued and paid-up share capital of XL to eligible institutional/sophisticated investors via a bookbuilding exercise.

As at 28 February 2010, Indocel holds directly 7,358,709,290 ordinary shares of IDR100 each in XL ("**XL Shares**"), representing 86.5% of the issued and paid-up share capital of XL. Upon completion of the Proposed Offering, XL will remain as a subsidiary of the Axiata group of companies ("**Axiata Group**").

2. DETAILS OF THE PROPOSED OFFERING

- 2.1 The Proposed Offering involves an international private placement by Axiata Group of up to 1,701,600,000 XL Shares ("**Offer Shares**"), representing 20.0% of the issued and paid-up share capital of XL, to eligible institutional/sophisticated investors via a bookbuilding exercise, to be satisfied entirely through cash.
- 2.2 The final number of Offer Shares will be determined and announced after the completion of the bookbuilding exercise.
- 2.3 The selling price for the Offer Shares ("**Offer Price**") will also be determined and announced after the completion of the bookbuilding exercise, after taking into consideration, amongst others, investors' interest during the bookbuilding process and the then prevailing market conditions.
- 2.4 The total proceeds to be raised under the Proposed Offering cannot be determined at this juncture as it will depend on the final number of Offer Shares and the Offer Price.

Axiata is currently evaluating various options with respect to the use of the proceeds to be raised from the Proposed Offering (after deducting expenses relating to the Proposed Offering) in areas related to the Axiata Group's businesses and for general corporate purposes.

- 2.5 No liabilities are expected to be assumed by the prospective investors.
- 2.6 Barring any unforeseen circumstances, Axiata expects to complete the Proposed Offering by April 2010.

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3. DATES AND COST OF INVESTMENT

Indocel's dates of investment in XL Shares are as follows:

Date of investment/disposal	No. of XL Shares acquired / (disposed)
11 January 2005	1,308,037,500 ^{*1}
15 June 2005	237,825,000 ^{*1}
29 September 2005	226,638,000
13 October 2005 – 19 October 2005	(1,700,000)
20 October 2005	56,625,000
27 October 2005	2,208,377,500
12 June 2006	195,605,400
7 February 2006 – 2 March 2006	(410,000)
1 May 2006 – 9 May 2006	(221,500)
22 November 2006 – 22 December 2006	(2,875,500)
4 June 2007	523,532,100
12 December 2007 – 13 December 2007	(2,050,000)
28 April 2008	1,191,553,500
3 December 2009	1,188,187,400
11 December 2009	229,584,890
Total	7,358,709,290

Note:

^{*1} Retrospectively adjusted for XL's share split effected on 19 July 2005, whereby the par value of XL's ordinary shares were sub-divided from IDR250,000 to IDR100.

Indocel's total cost of investment for the above 7,358,709,290 XL Shares held is approximately RM5,905 million. Accordingly, Indocel's cost of investment in respect of the entire 1,701,600,000 Offer Shares is approximately RM1,365 million.

4. INFORMATION ON XL

XL was established pursuant to Deed No. 55, dated 6 October 1989, as amended by Deed No. 79, dated 17 January 1991 and commenced business on 8 October 1996. XL was previously established under the name PT Grahame Metropolitan Lestari and has its legal domicile in Jakarta, Indonesia. XL changed its name to PT Excelcomindo Pratama in 1995 and became a public company and listed its shares in Indonesia Stock Exchange (formerly known as Jakarta Stock Exchange) ("IDX") in 2005. In 2009, XL changed its name again to its present name.

XL's business principally consists of providing cellular voice, SMS services and other value added services and data services in Indonesia under its XL brand across its GSM 900 and 1800 (2G/2.5G) and W-CDMA 2100 (3G) cellular telecommunications network. In addition, XL also generates gross revenue from other telecommunications services including leasing space on its telecommunication towers to other telecommunications operators, as well as leased line, internet and voice over internet protocol services.

XL's audited consolidated net assets and profit after taxation for the financial year ended 31 December 2009 were IDR8,803 billion and IDR1,710 billion respectively.

5. RATIONALE FOR THE PROPOSED OFFERING

As at 28 February 2010, only 0.2% of XL's total issued and paid-up share capital is owned by public shareholders (i.e. shareholders holding less than 5% of the issued and paid-up share capital of XL), which has resulted in low trading volumes and liquidity of XL Shares on the IDX.

Further, the IDX has, on several occasions including via its letter dated 18 January 2010, requested for XL to increase its free float. Accordingly, a key objective of the Proposed Offering is to be responsive to regulatory requests to increase the public shareholding spread of XL Shares and simultaneously to improve the trading volume and liquidity of XL Shares. This allows the XL Shares to be traded closer to its fundamental value, which may have been hampered in the past due to insufficient liquidity.

Other than the above, the Proposed Offering will also allow the Axiata Group to raise funds, which may be used in the manner described in Section 2.4 above.

6. EFFECTS OF THE PROPOSED OFFERING

6.1 Share capital and substantial shareholders' shareholdings

The Proposed Offering will not have any effect on Axiata's issued and paid-up share capital or the substantial shareholders' shareholdings in Axiata as the Proposed Offering does not involve Axiata shares.

6.2 Earnings per share ("EPS")

The effects of the Proposed Offering (with respect to gain/loss on disposal) on Axiata's consolidated EPS for the financial year ending 31 December 2010 would be dependent on various factors, including the final number of Offer Shares to be disposed, the final Offer Price, the carrying value of XL in Axiata's consolidated accounts as at the completion date of the Proposed Offering as well as the then prevailing foreign exchange rates.

In addition, upon completion of the Proposed Offering, the Axiata Group's effective shareholding in XL would decrease. Accordingly, the future contribution by XL to Axiata's consolidated profit after taxation and minority interest and EPS would decrease proportionately.

6.3 Net assets ("NA") per share and gearing

Similar to the effects on earnings, the effects of the Proposed Offering on Axiata's consolidated NA per share and gearing cannot be determined at this juncture as the details of the Proposed Offering have not been finalised.

Further, use of the disposal proceeds by the Axiata Group for the repayment of borrowings, if applicable, would have the effect of reducing Axiata's consolidated gearing in proportion with the amount of borrowings repaid.

Other than the above as well as the gain/loss on disposal arising from the Proposed Offering (including any expenses in relation thereto) as described in Section 6.2 above, the Proposed Offering is not expected to have any material effect on Axiata's consolidated NA per share and gearing.

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7. APPROVALS REQUIRED

The Proposed Offering is not subject to any regulatory approvals and/or shareholders' approval.

8. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of Axiata's major shareholders or Directors or persons connected to them has any interest, direct or indirect, in the Proposed Offering.

9. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Offering, is of the opinion that the Proposed Offering is in the best interest of the Axiata Group.

10. ADVISERS

In relation to the Proposed Offering, Axiata has appointed:

- (i) Goldman Sachs (Singapore) Pte. as Sole Global Coordinator, Joint Bookrunner and Joint Lead Manager;
- (ii) CIMB Investment Bank Berhad as Malaysian Adviser, Joint Bookrunner and Joint Lead Manager; and
- (iii) P.T. Mandiri Sekuritas as Joint Lead Manager.

11. PERCENTAGE RATIOS UNDER THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("LISTING REQUIREMENTS")

Pursuant to paragraph 10.02(g) of the Listing Requirements, the highest percentage ratio applicable to the Proposed Offering is 10.5%.

This announcement is dated 11 March 2010.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. No public offer of securities is to be made by Axiata or XL in the United States.

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FORWARD-LOOKING INFORMATION

Forward-looking statements in this announcement are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market, changes in the business and financial condition of the Axiata and its subsidiaries, and changes in the capital markets in general.